

**CONFIDENTIAL**

**ASSOCIATION  
OF THE OVERSEAS COUNTRIES AND TERRITORIES**

**COMPILATION OF TEXTS**

June 1976 - July 1977

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<sup>(1)</sup> This Agreement was signed in Brussels on 28 March 1977. It is currently undergoing national approval procedures in the Member States.

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<sup>(1)</sup> Only those statements specifically concerning the OCT have been included.

N O T E

It should be noted that the various provisions applicable as regards the association of the OCT have been the following:

- A. Articles 131 to 136 of the Treaty of Rome and the provisions of the Act of Accession relating thereto
- B. - Implementing Convention on the association of the overseas countries and territories with the Community, annexed to the Treaty of Rome (1957)
  - Council Decision on the association of the overseas countries and territories with the Community (25 February 1964) (OJ No 93/64)
  - Council Decision on the association of the overseas countries and territories with the Community (29 September 1970) (OJ No L 282/70)
- C. Between the 1970 Decision and the entry into force of the 1976 Decision:
  - (a) - Council Decision (75/463/EEC) of 22 July 1975 on the extension of certain transitional measures in relations with certain OCT (French and Dutch) (extension of Decision 70/549/EEC) (OJ No L 201/75)
    - Council Decision (75/462/EEC) of 22 July 1975 on maintaining the arrangements provided for in Articles 109(1), 114 and 119(1) of the Act of Accession (United Kingdom OCT) (OJ No L 201/75)
  - (b) - Council Regulation (EEC) No 405/76 of 23 February 1976 extending certain interim provisions concerning trade with the ACP States and the OCT (OJ No L 50/76)

- (c) - Council Regulation (EEC) No 1599/75 of 24 June 1975 on the arrangements applicable to agricultural products and certain goods resulting from the processing of agricultural products originating in the ACP States or in the OCT (OJ No L 166/75)
    - Council Regulation (EEC) No 3329/75 of 18 December 1975 on the arrangements applicable to agricultural products and certain goods resulting from the processing of agricultural products originating in the ACP States or in the OCT (OJ No L 329/75)
  - (d) - Council Regulation (EEC) No 1958/75 of 30 July 1975 extending certain transitional measures for rum, arrack and tafia in relations with certain OCT (OJ No L 201/75)
  - (e) - Council Decision (75/614/EEC) of 25 February 1975 concerning the importation of cane sugar originating in the OCT (OJ No L 268/75)
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    - Decision of the Representatives of the Governments of the Member States of the ECSC (75/371/ECSC), meeting in Council of 24 June 1975, opening tariff preferences for products within the province of that Community originating in the ACP States and in the OCT (OJ No L 166/75)
    - Decision of the Representatives of the Governments of the Member States of the ECSC (76/250/ECSC), meeting within the Council of 23 February 1976, extending Decision 75/371/ECSC opening tariff preferences for products within the province of that Community originating in the ACP States and in the OCT (OJ No L 50/76)
  - (g) Council Decision (76/343/EEC) of 31 March 1976 on the interim measures applicable to the OCT associated with the European Economic Community in matters of establishment, services, payments and capital movements (OJ No L 85/76)
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I - BASIC TEXTS

DECISION OF 29 JUNE 1976 ON THE ASSOCIATION OF THE OVERSEAS COUNTRIES  
AND TERRITORIES WITH THE EUROPEAN ECONOMIC COMMUNITY

[OJ No L 176/76]

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COUNCIL DECISION

of 29 June 1976

on the association of the overseas countries and territories with the European Economic Community

(76/568/EEC)

(OJ No L 176/76)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 136 thereof,

Having regard to the Internal Agreement on the financing and administration of Community aid signed in Brussels on 11 July 1975,

Having regard to the recommendation from the Commission,

Having regard to the opinion of the European Parliament (1),

Whereas the provisions applicable to the association of the overseas countries and territories (hereinafter called 'the countries and territories') with the European Economic Community must be laid down for a further period;

Whereas these provisions form part of the European Economic Community's efforts to establish, in particular by means of the ACP-EEC Convention of Lomé (hereinafter called 'the Convention') signed on 23 February 1975, a new model for relations between developed and developing regions, compatible with the aspirations of the international community towards a more just and more balanced economic order;

Whereas the development needs of the countries and territories and the needs related to the promotion of their industrial development justify the maintenance of the possibility of levying customs duties and imposing quantitative restrictions;

Whereas special provisions in respect of rum, arrack and tafia falling within subheading 22.09 C I of the Common Customs Tariff are laid down in Decision 76/198/EEC (2);

Whereas Article 89 of the Convention provides for the possibility of accession to the Convention by a country or territory referred to in the fourth part of the Treaty which becomes independent; whereas it is therefore necessary to make provision for possible adaptation of this Decision;

Whereas until 25 November 1975 Surinam was part of the Kingdom of the Netherlands; whereas it became independent on that date; whereas it was therefore unable to participate in the Convention; whereas for that reason the arrangements adopted for the associated countries and territories pursuant to the Decision of 1970 were kept in force in respect of Surinam; whereas therefore, in accordance with its wishes, the arrangements applicable to the countries and territories should continue to apply provisionally to Surinam until it is able to accede to the Convention;

Whereas Article 1 of the Internal Financial Agreement provides that where a country or territory which has become independent accedes to the Convention

(1) OJ No C 257, 10. 11. 1975, p. 27.

(2) OJ No L 37, 12. 2. 1976, p. 24.

the financial aid allocated to the countries and territories from European Development Fund resources shall, by decision of the Council, be reduced and the amounts allocated to the ACP States correspondingly increased; whereas it is necessary, both to facilitate future application of this provision, in respect of Surinam in particular, and to ensure that financial aid is distributed as fairly as possible, to lay down the allocation of aid among the countries and territories and the overseas departments for which the French Republic has responsibility, the countries and territories for which the United Kingdom has responsibility, and Surinam and the Netherlands Antilles; whereas extension of the European Agricultural Guidance and Guarantee Fund to the French overseas departments necessitates certain adjustments to the distribution of financial aid among these three sectors;

Whereas provision should be made for financial aid for the least-favoured overseas countries and territories, irrespective of the zones within which they fall; whereas the zone from which the amount necessary for this aid is taken must benefit from corresponding compensation; whereas a decision to this effect was taken by the Council on 29 June 1976 (1),

HAS DECIDED AS FOLLOWS:

#### Article 1

The aim of this Decision is to facilitate the economic and social development and to strengthen the economic structures of the countries and territories listed in Annex I, in particular by developing trade, economic relations and industrial cooperation between the Community and the countries and territories, by helping to safeguard the interests of those among them whose economies depend to a considerable extent on the export of commodities, and by affording financial aid and technical cooperation.

#### TITLE I

#### TRADE COOPERATION

#### Chapter 1

#### Trade arrangements

#### Article 2

1. Subject to paragraph 2, products originating in the countries and territories shall be imported into the Community free of customs duties and charges

having equivalent effect, but the treatment applied to these products may not be more favourable than that applied by the Member States among themselves. For the purposes of the first subparagraph the customs duties and charges having equivalent effect applied pursuant to Articles 32, 36 and 59 of the Act of Accession shall not be taken into account.

2. (a) Products originating in the countries and territories:

- listed in Annex II to the Treaty when they come under a common organization of the market within the meaning of Article 40 of the Treaty, or
- subject, on importation into the Community, to specific rules introduced as a result of the implementation of the common agricultural policy;

shall be imported into the Community notwithstanding the general arrangements applied in respect of third countries, in accordance with the following provisions:

- (i) those products shall be imported free of customs duties for which Community provisions in force at the time of importation do not provide, apart from customs duties, for the application of any other measure relating to their importation;
  - (ii) for products other than those referred to under (i) the Community shall take the necessary measures to ensure, as a general rule, more favourable treatment than the general treatment applicable to the same products originating in third countries to which the most-favoured-nation clause applies.
- (b) These arrangements shall enter into force at the same time as this Decision and shall remain applicable for its duration.

If, however, during the application of this Decision, the Community,

- subjects one or more products to common organization of the market or to specific rules introduced as a result of the implementation of the common agricultural policy, it reserves the right to adapt the import treatment for these products originating in the countries and territories. In such cases, paragraph 2 (a) shall be applicable;
- modifies the common organization of the market in a particular product or the specific rules introduced as a result of the implementation of the common agricultural policy, it reserves the right to

(1) See page 98 of this Official Journal.

modify the arrangements laid down for products originating in the countries and territories. In such cases, the Community shall ensure that products originating in the countries and territories continue to enjoy an advantage comparable to that previously enjoyed in relation to products originating in third countries benefiting from the most-favoured-nation clause.

- (c) If, during the period of application of this Decision, the relevant authorities of the countries and territories consider that the application of such arrangements to agricultural products referred to in subparagraph (a), other than those covered by special rules, is warranted, the Commission shall, where appropriate, submit a proposal to the Council.

#### *Article 3*

1. The Community shall not apply to imports of products originating in the countries and territories any quantitative restrictions or measures having equivalent effect other than those which the Member States apply among themselves.

2. Paragraph 1, however, shall not prejudice the import treatment applied to the products referred to in the first indent of Article 2 (2) (a).

#### *Article 4*

This Decision shall not prejudice the treatment that the Community applies to certain products in implementation of world commodity agreements to which the Community is a signatory.

#### *Article 5*

The relevant authorities of a country or territory may retain or introduce, in respect of imports of products originating in the Community or in other countries or territories, such customs duties or quantitative restrictions as they consider necessary, in view of their development needs.

#### *Article 6*

Articles 3 and 5 shall not preclude prohibitions or restrictions on imports, exports or goods in transit justified on grounds of public morality, public policy or public security; the protection of health and life of humans, animals and plants; the protection of national treasures possessing artistic, historic or archeological value or the protection of industrial and commercial property.

Such prohibitions or restrictions shall not, however, constitute a means of arbitrary discrimination or a disguised restriction on trade.

#### *Article 7*

1. The trade arrangements applied to the Community by the countries and territories shall not give rise to any discrimination between Member States nor be less favourable than the most-favoured-nation treatment.

2. Paragraph 1 shall not preclude a country or territory from granting certain other countries or territories or other developing countries more favourable treatment than that accorded to the Community.

#### *Article 8*

1. France, the Netherlands and the United Kingdom shall communicate to the Commission, within a period of three months following the entry into force of this Decision, the customs tariffs of the countries and territories with which they have special relations.

Any customs duties and charges having equivalent effect which are still applicable to products originating in the Community and in the other countries and territories shall be specified in this communication.

The Member States concerned shall also communicate to the Commission any subsequent modifications of the customs tariffs of the countries and territories as and when they are made.

2. The Commission shall communicate to the Member States the customs tariffs of the countries and territories, and any subsequent amendments thereto, and, where appropriate, shall inform the Council of its observations on them.

3. At the request of a Member State or of the Commission, consultations shall be held within the Council on these tariffs or amendments thereto.

#### *Article 9*

1. France, the Netherlands and the United Kingdom shall communicate to the Commission, within a period of three months following the entry into force of this Decision, the lists of quantitative restrictions and measures having equivalent effect retained by the countries and territories with which they have special relations.

The Member States concerned shall also communicate to the Commission any subsequent modification of such measures.

2. The Commission shall communicate to the Member States the lists referred to in paragraph 1 and any subsequent amendments thereto and where appropriate, shall inform the Council of its observations on them.

3. At the request of a Member State or of the Commission, consultations shall be held within the Council on the quantitative restrictions and measures having equivalent effect applied by the countries and territories.

#### Article 10

1. For the purposes of implementing this Chapter the concept of originating products and the methods of administrative cooperation relating thereto are laid down in Annex II.

2. The Council acting unanimously on a recommendation from the Commission, may adopt any amendment to Annex II.

3. If, for any product, the concept of originating products has not been defined pursuant to one of the above paragraphs, the Community and the relevant authorities of the countries and territories shall continue to apply their own rules.

#### Article 11

1. With regard to commercial policy, France, the Netherlands and the United Kingdom shall, each for its part, inform the Commission of any measures taken regarding trade between the countries and territories and third countries. The Commission shall inform the other Member States thereof.

2. At the request of a Member State or of the Commission, consultations shall be held within the Council if such measures might be prejudicial to the interests of one or more Member States or of the Community.

#### Article 12

1. If, as a result of applying the provisions of this Decision, serious disturbances occur in a sector of the economy of the Community or of one or more of its Member States, or their external financial stability is jeopardized, or if difficulties arise which may result in a deterioration in a sector of the economy of a region of the Community, the Commission may, in accordance with the procedure specified in Annex III, take, or authorize the Member State concerned to take, the necessary safeguard measures.

2. For the purpose of implementing paragraph 1, priority shall be given to such measures as would least disturb the functioning of the association and

the Community. These measures shall not exceed the limits of what is strictly necessary to remedy the difficulties that have arisen.

#### Article 13 (1)

As regards rum, arrack and tafia falling within sub-heading 22.09 C 1 of the Common Customs Tariff the special provisions laid down in Decision 76/198/EEC shall apply.

### Chapter 2

#### Trade promotion

#### Article 14

The Community shall carry out trade promotion activities which shall be aimed at helping the countries and territories to participate under the most favourable conditions in the Community, regional and international markets.

#### Article 15

The trade promotion activities provided for in Article 14 shall include:

- (a) improving the structure and working methods of organizations, departments or firms contributing to the development of the foreign trade of the countries and territories, or setting up such organizations, departments or firms;
- (b) basic or advanced vocational training of staff in foreign trade or trade promotion;
- (c) participation by the countries and territories in fairs, exhibitions, specialized international shows and the organization of trade events;
- (d) improving cooperation between economic operators in the Member States and the countries and territories and establishing links to promote such cooperation;
- (e) carrying out and making use of market research and marketing studies;
- (f) producing and distributing trade information in various forms within the Community and the countries and territories with a view to developing trade.

#### Article 16

Applications for financing of trade promotion activities shall be presented to the Community under the conditions laid down in Title III.

(1) See statements by the Council and the French delegation, p. 160.

*Article 17*

The Community shall participate, under the conditions laid down in Title III and Annex V, in financing trade promotion activities for promoting the development of exports of the countries and territories.

TITLE II

EXPORT EARNINGS FROM COMMODITIES

Chapter 1

Stabilization of export earnings

*Article 18*

With the aim of remedying the harmful effects of the instability of export earnings and of thereby enabling the countries and territories to achieve stability, profitability and sustained growth of their economies, the Community shall implement a system for guaranteeing the stabilization of earnings from exports by the countries and territories to the Community of certain products on which their economies are dependent and which are affected by fluctuations in price and/or quantity.

*Article 19*

1. Export earnings to which the stabilization system applies shall be those accruing from the exportation by the countries and territories to the Community of the products on the following list, drawn up taking account of factors such as employment, deterioration of the terms of trade between the Community and the country or territory concerned, the level of development of the country or territory concerned and the particular difficulties of the countries and territories listed in Article 26:

- (a) Groundnut products:
  - (aa) groundnuts, shelled or not,
  - (ab) groundnut oil,
  - (ac) groundnut oilcake;
- (b) Cocoa products:
  - (ba) cocoa beans,
  - (bb) cocoa paste,
  - (bc) cocoa butter;
- (c) Coffee products:
  - (ca) raw or roasted coffee,
  - (cb) extracts, essences or concentrates of coffee;
- (d) Cotton products:
  - (da) cotton, not carded or combed,
  - (db) cotton linters;
- (e) Coconut products:
  - (ea) coconuts,
  - (eb) copra,
  - (ec) coconut oil,
  - (ed) coconut oilcake;
- (f) Palm, palm nut and kernel products:
  - (fa) palm oil,
  - (fb) palm nut and kernel oil,
  - (fc) palm nut and kernel oilcake,
  - (fd) palm nuts and kernels;
- (g) Raw hides, skins and leather:
  - (ga) raw hides and skins,
  - (gb) bovine cattle leather,
  - (gc) sheep and lamb skin leather,
  - (gd) goat and kid skin leather;
- (h) Wood products:
  - (ha) wood in the rough,
  - (hb) wood roughly squared or half-squared, but not further manufactured,
  - (hc) wood sawn lengthwise, but not further prepared;
- (i) Fresh bananas;
- (k) Tea;
- (l) Raw sisal;
- (m) Iron ore:
  - Iron ores and concentrates and roasted iron pyrites.

The statistics used for implementation of the system shall be those obtained by cross-checking the statistics of the countries and territories and of the Community, account being taken of the fob values.

The system shall be implemented in respect of the products listed above where they are:

- (a) released for home use in the Community, or
- (b) brought under the inward processing arrangements there in order to be processed.

2. The system shall apply to the export earnings of a country or territory from the products listed in paragraph 1 if, during the year preceding the year of application, earnings from the export of the



product or products to all destinations represented at least 7.5% of its total earnings from merchandise exports. For the countries and territories listed in Article 26 the percentage shall be 2.5%.

3. Nonetheless if, not sooner than 12 months following the entry into force of this Decision, one or more products not contained in the list given in paragraph 1, but upon which the economies of one or more countries and territories depend to a considerable extent, are affected by sharp fluctuations, the Council may decide whether the product or products should be included in the list, without prejudice to Article 20 (1).

4. For certain special cases the system shall apply to exports of the products in question irrespective of destination. (1)

#### Article 20

1. For the purposes specified in Article 18 and for the duration of this Decision, the Community shall allocate for the stabilization of the export earnings of the countries and territories a total amount of 20 million units of account to cover all measures taken by it under the said system.

2. This total amount shall be divided into five equal annual instalments. Every year except the last, the Council may authorize, where required, the use in advance of a maximum of 20% of the following year's instalment.

3. Whatever balance remains at the end of each year of the first four years of the application of this Decision shall be carried forward automatically to the following year.

4. On the basis of a report submitted to it by the Commission, the Council may reduce the amount of the transfers to be made under the stabilization system.

5. Before the expiry of this Decision, the Council shall decide on the use to which any balance remaining from the total amount referred to in paragraph 1 is to be put and also on the terms to be laid down for the further use of amounts still to be paid by the countries and territories under Article 23, after the expiry of this Decision.

#### Article 21

1. In order to implement the stabilization system a reference level shall be calculated for each country and territory and for each product.

This reference level shall correspond to the average of export earnings during the four years preceding each year of application.

2. The relevant authority of a country or territory shall be entitled to request a financial transfer if, on the basis of the results of a calendar year, the actual earnings of the country or territory concerned, as defined in Article 19, from exports to the Community of each of the products considered individually are at least 7.5% below the reference level. For the countries or territories listed in Article 26 this percentage shall be 2.5%.

3. The request from the relevant authority of a country or territory shall be addressed to the Commission, which shall examine it in the light of the volume of resources available.

The difference between the reference level and actual earnings shall constitute the basis of the transfer.

4. However, should examination of the total exports of the country or territory show a significant change, consultations shall take place between the Commission and the relevant authority of the country or territory concerned to determine whether such changes are likely to have an effect on the amount of the transfer, and if so to what extent.

5. The Commission shall, in conjunction with the relevant authority of the country or territory concerned, draw up a draft decision to make a transfer.

#### Article 22

The relevant authority of the recipient country or territory shall decide how the resources will be used. It shall inform the Commission annually of the use to which it has put the resources transferred.

#### Article 23

1. The amounts transferred shall not bear interest.

2. The relevant authorities of the countries and territories which have received transfers shall contribute, in the five years following the allocation of each transfer towards the reconstitution of the resources made available for the system by the Community where the Commission finds that the trend of their export earnings will so permit.

3. To this effect, the Commission shall determine, for each country or territory, for each year and for each product, and on the conditions specified in Article 19 (1), whether:

— the unit value of the exports is higher than the reference unit value;

(1) See Council statement, p. 160.

- the quantity actually exported to the Community is at least equal to the reference quantity.

If the two conditions are met at the same time, the relevant authority of the recipient country or territory shall pay back into the system, within the limit of the transfers it has received, an amount equal to the reference quantity multiplied by the difference between the reference unit value and the actual unit value.

4. If, on expiry of the five-year period referred to in paragraph 2, the resources have not been fully reconstituted, the Council, acting unanimously on a proposal from the Commission and taking into consideration in particular the situation of and prospects for the balance of payments, exchange reserves and foreign indebtedness of the countries and territories concerned, may decide that:

- the sums outstanding are to be reconstituted wholly or in part, in one or more instalments, or
- rights to repayment are to be waived.

5. Paragraphs 2, 3 and 4 shall not apply to the following countries and territories: the Comoros, Territory of the Afars and Issas, Wallis and Futuna Islands, French Polynesia, Mayotte, Associated States in the Caribbean (Antigua, Dominica, St Lucia, St Vincent, St Kitts, Nevis and Anguilla), Solomon Islands, Turks and Caicos Islands, St Helena and Dependencies, Seychelles, Tuvalu. (1)(2)

6. Should the economic situation of a country or territory undergo a radical and lasting change which necessitates either the application of special measures or no longer justifies such treatment, the list of countries and territories in paragraph 5 may be amended by a Council Decision.

#### Article 24

For each transfer a "transfer agreement" shall be drawn up and concluded between the Commission and the relevant authority of the country or territory concerned.

#### Article 25

1. In order to ensure that the stabilization system functions efficiently and rapidly, statistical and customs cooperation shall be instituted between the Community and the relevant authorities of the countries and territories. The detailed arrangements for such cooperation shall be established by the Council.

2. The relevant authorities of the countries and territories and the Commission shall adopt any practical measures facilitating the exchange of necessary information and the submission of requests for transfers, for example by producing a form for requesting transfers.

#### Article 26

The least developed or island countries and territories referred to in Article 19 (1) and (2) and Article 21 (2) are as follows: the Netherlands Antilles (Aruba, Bonaire, Curaçao; St Martin, Saba, St Eustatius), Saint Pierre and Miquelon, the Comoros, Territory of the Afars and Issas, New Caledonia and Dependencies, Wallis and Futuna Islands, French Polynesia, Mayotte, Belize, Brunei, Associated States in the Caribbean (Antigua, Dominica, St Lucia, St Vincent, St Kitts, Nevis and Anguilla), Cayman Islands, Falkland Islands and Dependencies, Gilbert Islands, Solomon Islands, Turks and Caicos Islands, British Virgin Islands, Montserrat, Pitcairn, St Helena and Dependencies, Seychelles, British Indian Ocean Territory, Tuvalu, Anglo-French Condominium of the New Hebrides. (1)

### Chapter 2

#### Specific provisions concerning sugar

#### Article 27

1. The Community shall purchase and import, at guaranteed prices, specific quantities of cane sugar, raw or white, which originate in the countries and territories and which the said countries and territories deliver to it.

2. Annex IV determines the conditions of implementation of this Article.

### TITLE III

#### FINANCIAL AND TECHNICAL COOPERATION

#### Article 28

1. The purpose of financial and technical cooperation is to correct the structural imbalances in the various sectors of the economies of the countries and territories. The cooperation shall relate to the execution of projects and programmes which contribute essentially to the economic and social development of the said countries and territories.

(1) See Council Decision (77/155/EEC) of 14 February 1977, p. 92.

(2) See Council Statement, p. 161.

2. Such development shall consist in particular in the greater well-being of the population, improvement of the economic situation of the countries and territories, local authorities and firms, and the introduction of structures and factors whereby such improvement can be continued and extended by their own means.

3. This cooperation shall complement the efforts of the relevant authorities of the countries and territories and shall be adapted to the characteristics of each of the said countries and territories.

#### Article 29

1. The Commission shall submit an annual report to the Council on the management of Community financial and technical aid. This report shall be drawn up in collaboration with the European Investment Bank (hereinafter called the 'Bank') for the parts of the report which concern it. It shall in particular show the position as to the commitment, implementation and utilization of the aid, broken down by type of financing and by recipient country or territory.

2. On the basis of the information submitted by the Commission, the Council shall define the policy and guidelines of financial and technical cooperation and shall formulate resolutions on the measures to be taken by the Community and the countries and territories in order to ensure that the objectives of such cooperation are attained.

#### Article 30 <sup>(1)</sup>(<sup>2</sup>)

For the duration of this Decision, the overall amount of the Community's aid shall be 160 million units of account.

This amount comprises:

1. 150 million units of account from the European Development Fund (hereinafter called the 'Fund'), allocated as follows:

- (a) for the purposes set out in Article 28, 130 million units of account, consisting of:
- 65 million u.a. in the form of grants,
  - 40 million u.a. in the form of special loans,
  - 5 million u.a. in the form of risk capital,
  - 20 million u.a. in the form of a reserve;

(b) 20 million units of account, likewise from the Fund, in the form of transfers to the countries and territories for the stabilization of export earnings.

2. For the purposes set out in Article 28, up to 10 million units of account in the form of loans from the Bank, made from its own resources on the terms and conditions provided for in its Statute, and supplemented, as a general rule, by a 3% interest rate subsidy, under the conditions laid down in Article 4 of Annex V.

The total cost of the interest rate subsidies shall be charged against the amounts of aid provided for in point 1 (a).

3. The amounts provided for in the form of grants, special loans and the reserve shall be allocated in three equal parts among:

- the French overseas territories and departments,
- Surinam and the Netherlands Antilles,
- the United Kingdom overseas countries and territories.

4. (a) Of the portion allocated to the French overseas territories and departments:

- 13 million units of account shall be blocked;
- 7.7 million units of account shall be allocated for the French overseas departments;
- 2 million units of account shall be allocated as financial aid to the least-favoured overseas countries and territories, irrespective of the zones within which they fall.

(b) The sums allocated to the French overseas territories shall amount to 21 million units of account, consisting of:

- 19 million units of account taken from the share allocated to the French overseas territories and departments in accordance with paragraph 3;
- 2 million units of account pursuant to Decision 76/569/EEC.

#### Article 31

1. The method or methods of financing which may be considered for each project or programme shall be selected jointly by the Community and the relevant authority or authorities of the countries and territories with a view to the best possible use being made of the resources available and by reference to the level of development and the economic and financial situation of the country or territory or

<sup>(1)</sup> See Council Decision (77/155/EEC) of 14 February 1977, p. 92.

<sup>(2)</sup> See statement by the Member States and Council Statement of 14.2.1977, p. 161.

countries and territories concerned. Moreover, account shall be taken of the factors which ensure the servicing of repayable aid.

The definitive choice of methods of financing for projects and programmes shall be made only at an appropriate stage in the appraisal of such projects and programmes.

2. Account shall also be taken of the nature of the project or programme, of its prospects of economic and financial profitability and of its economic and social impact.

In particular, productive capital projects in the industrial, tourism and mining sectors shall be given priority financing by means of loans from the Bank and risk capital.

#### Article 32

1. Where appropriate, a number of methods may be combined for financing a project or programme.

2. With the agreement of the relevant authorities of the countries or territories concerned, financial aid from the Community may take the form of co-financing with participation by, in particular, credit and development agencies and institutions, firms, Member States, countries and territories, third countries or international finance organizations.

#### Article 33

1. Grants and special loans may be made available to or through the country or territory concerned.

2. Where these funds are on-lent through the country or territory concerned, the terms and procedure for the on-lending by the intermediate recipient to the final borrower shall be laid down between the Community and the relevant authority of the country or territory concerned in an intermediate financing agreement.

3. Any benefits accruing to the intermediate recipient, either because that recipient receives a grant or a loan for which the interest rate or the repayment period is more favourable than that of the final loan, shall be employed by the intermediate recipient for the purposes and on the terms set out in the intermediate financing agreement.

#### Article 34

1. The financing of projects and programmes comprises the means required for their execution, such as:

- capital projects in the fields of rural development, industrialization, energy, mining, tourism, and economic and social infrastructure;
- schemes to improve the structure of agricultural production;
- technical cooperation schemes, in particular in the fields of training and technological adaptation or innovation;
- industrial information and promotion schemes;
- marketing and sales promotion schemes;
- specific schemes to help small- and medium-sized local firms;
- microprojects for grassroots development, in particular in rural areas.

2. Financial and technical cooperation shall not cover current administrative, maintenance and operating expenses.

3. Financial aid may cover import costs and local expenditure required for the execution of projects and programmes.

#### Article 35 <sup>(1)</sup>

In the implementation of financial and technical cooperation, the Community shall provide assistance for attaining the objectives which the countries and territories set themselves in the context of regional and inter-regional cooperation.

#### Article 36

In the implementation of financial and technical cooperation, special attention shall be paid to the needs of the least developed countries and territories so as to reduce the specific obstacles which impede their development and prevent them from taking full advantage of the opportunities offered by financial and technical cooperation.

#### Article 37

1. The following shall be eligible for financial and technical cooperation:

- (a) the countries and territories;
- (b) the regional or interstate bodies to which the countries and territories belong and which are authorized by the relevant authorities of the said countries and territories.

<sup>(1)</sup> See Council statement, p. 162.

2. Subject to the agreement of the relevant authority of the country or territory or countries or territories concerned, the following shall also be eligible for such cooperation in respect of projects or programmes approved by the latter:

- (a) local authorities and public or semi-public development agencies of the countries and territories, in particular their development banks;
- (b) private bodies working in the countries and territories concerned for the economic and social development of the population of those countries and territories;
- (c) firms carrying out their activities, in accordance with industrial and business management methods, and meeting the criteria laid down in Article 49;
- (d) groups of producers or like bodies in the countries and territories and, where no such groups or bodies exist, the producers themselves;
- (e) for training purposes, scholarship holders and trainees.

#### Article 38

There shall be close cooperation between the Community and the relevant authorities of the countries and territories in implementing aid measures financed by the former.

#### Article 39 <sup>(1)</sup>

1. Community aid, which is complementary to the efforts of the countries and territories, shall be integrated in the economic and social development plans and programmes of the said countries and territories so that projects undertaken with the financial support of the Community dovetail with the objectives and priorities set by those countries and territories.

2. To this end the relevant authorities of the countries and territories shall inform the Commission, as far as possible upon the entry into force of this Decision, of their development plans and programmes and of the schemes for which they intend to request financial assistance.

They shall notify the Commission of any subsequent changes in their development plans and programmes.

#### Article 40

1. Preparation of the projects and programmes shall be the responsibility of the countries and territories

concerned or of other beneficiaries approved by them. The Community may, where the relevant authorities of those countries and territories so request, provide technical assistance for drawing up the dossiers of projects or programmes.

2. For each project or programme in respect of which financing is requested, a dossier shall be submitted to the Community either by the relevant authorities of the country or territory concerned, in agreement with the local authorities or the representatives of the population of that country or territory, or by the firm concerned, with the agreement of those authorities.

However, the Community may, if necessary, prepare technical cooperation projects and programmes for a country or territory. It shall first obtain the agreement of the relevant authorities of the latter on the broad lines of such projects or programmes.

#### Article 41

1. The Community shall appraise the requests for financing which are submitted to it. It shall maintain the necessary contacts with the relevant authorities of the countries and territories. The technical, social, economic, trade, financial, organizational and management aspects of such projects or programmes shall be reviewed systematically.

The country or territory or group of countries and territories concerned shall be notified of the outcome of its requests.

2. The aim of appraisal of the projects and programmes is:

- (a) to ensure that the projects and programmes stem from economic or social development plans or programmes of the countries and territories;
- (b) to assess, as far as possible by means of an economic evaluation, the effectiveness of each project or programme by setting the effects it is expected to produce against the resources to be invested in it. In each project the expected effects shall be the practical expression of a number of specific development objectives of the country or territory or countries or territories concerned.

On this basis, appraisal shall ensure that, as far as possible, the measures selected constitute the most effective and profitable method of attaining

<sup>(1)</sup> See Council statement, p. 162.

these objectives, taking into account the various constraints on each country or territory;

(c) to verify that the conditions guaranteeing the successful conclusion and the viability of the projects or programmes are met, which involves:

- verifying that the projects as conceived are suitable for bringing about the effects sought and that the means to be used are commensurate with the circumstances and resources of the country or territory or region concerned;
- guaranteeing that the staff and means, particularly financial, necessary for operating and maintaining the investments and for covering incidental project costs are actually available. Particular attention shall be paid here to the possibility of the project being managed by local personnel.

#### Article 42

The countries and territories, or the other beneficiaries authorized by them, shall be responsible for the execution of projects financed by the Community.

Accordingly, they shall be responsible for negotiating and concluding works and supply contracts and technical cooperation contracts.

#### Article 43

1. As regards operations financed by the Community, participation in tendering procedures and other procedures for the award of contracts shall be open on equal terms to all natural and legal persons of the Member States and of the countries and territories.

2. Paragraph 1 shall be without prejudice to measures intended to assist construction firms or manufacturing firms of the country or territory concerned, or of another country or territory, to take part in the execution of works contracts or supply contracts.

3. Paragraph 1 does not mean that the funds paid over by the Community must be used exclusively for the purchase of goods or for the remuneration of services in the Member States and in the countries and territories.

Any participation by third countries in contracts financed by the Community must, however, be of an exceptional nature and be authorized case by case by the competent body of the Community, account being taken in particular of a desire to avoid excessive increases in the cost of projects attributable either to the distances involved and transport difficulties or to the delivery dates.

Participation by third countries may also be authorized where the Community participates in the financing of regional cooperation schemes involving third countries and in the joint financing of projects with other providers of funds.

#### Article 44

1. The effects and results of completed projects, and the physical state of the work carried out, shall be evaluated regularly and jointly by the competent departments of the Community and of the countries and territories concerned in order to ensure that the objectives set are attained under the best conditions.

Evaluations may also be made of projects in progress where this is warranted by their nature, importance or difficulty of execution.

2. The competent institutions of the Community and of the countries and territories concerned shall cooperate and, each for their respective parts, take the measures which evaluation shows to be necessary.

#### Article 45

1. The management and maintenance of work carried out within the context of financial and technical cooperation shall be the responsibility of the countries and territories or other beneficiaries.

2. Exceptionally, and by way of derogation from Article 34 (2), in particular under the circumstances specified in Article 8 of Annex V, supplementary aid may be provided temporarily and on a diminishing scale in order to ensure that full use is made of investments which are of special importance for the economic and social development of the country or territory concerned, and the running of which temporarily constitutes a truly excessive burden for the country or territory or other beneficiaries.

*Article 46*

1. The fiscal and customs arrangements applicable in the countries and territories to contracts financed by the Community shall be adopted by a decision of the Council, acting unanimously on a proposal from the Commission.

2. Pending implementation of the decision referred to in paragraph 1, the fiscal and customs arrangements applicable to contracts financed by the Community shall be those arising:

- for the countries and territories having special relations with France and the Netherlands, from the Council Decision of 18 October 1971 amending the Decision of 29 September 1970 on the association of the overseas countries and territories with the European Economic Community;
- for the other countries and territories, from the most favourable treatment they apply in respect of contracts financed by other international organizations.

*Article 47*

This title and Annex V shall apply to the French overseas departments under the conditions laid down in the second indent of Article 30 (4).

TITLE IV

PROVISIONS RELATING TO ESTABLISHMENT,  
SERVICES, PAYMENTS AND CAPITAL  
MOVEMENTS

Chapter 1

Provisions relating to establishment and services

*Article 48*

As regards the arrangements that may be applied in matters of establishment and provision of services, the relevant authorities of the countries and territories shall treat nationals and companies of Member States on a non-discriminatory basis.

However, if, for a given activity, a Member State is unable to provide similar benefits to nationals or companies or firms of the French Republic, the Kingdom of the Netherlands or the United Kingdom of Great Britain and Northern Ireland, established

in a country or territory, or to companies or firms subject to the laws of the country or territory concerned and established therein, the relevant authorities of that country or territory shall not be bound to respect the obligation contained in the first paragraph.

*Article 49*

For the purposes of this Decision 'companies or firms' means companies or firms constituted under civil or commercial law, including cooperative societies and other legal persons governed by public or private law, save for those which are non-profit-making.

For the purposes of the first paragraph of Article 48, 'companies or firms of Member States' means companies or firms formed in accordance with the law of a Member State and whose registered office, central administration or principal place of business is in a Member State; however, a company or firm having only its registered office in a Member State must, in order to set up agencies, branches or subsidiaries therein, be engaged in an activity which has an effective and continuous link with the economy of that Member State.

For the purposes of the second paragraph of Article 48, 'companies or firms of the French Republic, the Kingdom of the Netherlands or the United Kingdom of Great Britain and Northern Ireland, established in a country or territory' means companies or firms formed in accordance with French, Dutch or United Kingdom law, as the case may be, and whose registered office, central administration or principal place of business is in that country or territory; however, a company or firm having only its registered office in a country or territory must, in order to set up agencies, branches or subsidiaries therein, be engaged in an activity which has an effective and continuous link with the economy of that country or territory.

For the purposes of the second paragraph of Article 48, 'companies or firms subject to the laws of the country or territory concerned and established therein' means companies or firms formed under the law of a given country or territory and whose registered office, central administration or principal place of business is in that country or territory; however, a company or firm having only its registered office in that country or territory must, in order to set up agencies, branches or subsidiaries therein, be engaged in an activity which has an effective and continuous link with the economy of that country or territory.

Chapter 2

Current payments and capital movements

Article 50

With regard to capital movements linked with investments and to current payments, the relevant authorities of the countries and territories and the Member States shall refrain from taking action in the field of foreign exchange transactions which would be incompatible with their obligations under this Decision resulting from the provisions relating to trade in goods, to services and establishment.

These obligations shall not however, prevent implementation of the necessary protective measures, in conformity with Article 51, should this be justified by reasons relating to serious economic difficulties or severe balance of payments problems.

Article 51

In respect of foreign exchange transactions linked with investments and current payments, the relevant authorities of the countries and territories on the one hand and the Member States on the other shall avoid, as far as possible, taking discriminatory measures *vis-à-vis* each other or according more favourable treatment to third States, taking full account of the evolving nature of the international monetary system, the existence of specific monetary arrangements and balance of payments problems.

To the extent that such measures or treatment are unavoidable they will be maintained or introduced in accordance with international monetary rules and every effort will be made to minimize any adverse effects on the parties concerned.

This Article shall be without prejudice to Article 52.

Article 52

Throughout the duration of the loans and risk capital operations provided for in Article 30, the relevant authorities of each of the countries and territories shall be required:

- to place at the disposal of the beneficiaries referred to in Article 37 the currency necessary for the payment of interest and commission on and authorization of loans and quasi-capital aid granted for the implementation of aid measures on their territory;

- to make available to the Bank the foreign exchange necessary for the transfer of all sums received by it in local currency which represent the net revenue and proceeds from transactions involving the acquisition by the Community of holdings in the capital of firms.

TITLE V

GENERAL AND FINAL PROVISIONS

Article 53

This Decision shall enter into force at the same time as the ACP-EEC Convention of Lomé.

Article 54

This Decision shall expire on 1 March 1980.

Article 55

1. The countries and territories to which this Decision applies are listed in Annex I.

2. The Council may, acting unanimously on a proposal from the Commission, amend or supplement this Annex.

The arrangements provided for in this Decision may continue to apply provisionally, under conditions laid down by the Council, to countries and territories which become independent.

Article 56

If a country or territory becomes independent, the Council, acting unanimously on a proposal from the Commission, shall decide on any necessary adjustments to this Decision, in particular to the amounts specified in Article 30.

Article 57

Before this Decision expires the Council, acting unanimously, shall define the provisions to be laid down for the application of the principles set out in Articles 131 to 135 of the Treaty.

Article 58

This Decision shall be published in the *Official Journal of the European Communities*.

Done at Luxembourg, 29 June 1976,

For the Council

The President

G. THORN



ANNEX I

List of the countries and territories referred to in Article 1 <sup>(1)</sup>

(This list does not prejudice the status of these countries and territories now or in the future) <sup>(2)</sup>

1. Overseas countries of the Kingdom of the Netherlands:
  - the Netherlands Antilles (Aruba, Bonaire, Curaçao, **St Martin, Saba, St Eustatius**).
2. Overseas territories of the French Republic:
  - Saint Pierre and Miquelon,
  - Mayotte,
  - Territory of the Afars and Issas,
  - New Caledonia and Dependencies,
  - Wallis and Futuna Islands,
  - French Polynesia,
  - French Southern and Antarctic Territories.
3. Overseas countries and territories of the United Kingdom of Great Britain and Northern Ireland:
  - Belize,
  - Brunei,
  - Associated States in the Caribbean (Antigua, **Dominica, St Lucia, St Vincent, St Kitts, Nevis and Anguilla**),
  - Cayman Islands,
  - Falkland Islands and Dependencies,
  - Gilbert Islands,
  - Solomon Islands,
  - Turks and Caicos Islands,
  - British Virgin Islands,
  - Montserrat,
  - Pitcairn,
  - St Helena and Dependencies,
  - Seychelles,
  - British Antarctic Territory,
  - British Indian Ocean Territory,
  - Tuvalu.
4. Anglo-French Condominium of the New Hebrides.
5. Countries provisionally covered by this Decision:
  - The Comoros,
  - Surinam.

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<sup>(1)</sup> See Council Decision (77/155/EEC) of 14 February 1977 (p. 92) amending this list as regards the Comoros, Seychelles and Surinam.

<sup>(2)</sup> See Council statement, p. 162.

ANNEX II

concerning the definition of the concept of 'originating products' and methods of administrative cooperation

TITLE I

Definition of the concept of originating products

Article 1

1. For the purpose of implementing the Decision and without prejudice to paragraphs 3 and 4, the following products shall be considered as:

(a) products originating in the Community:

1. products wholly obtained in the Community,
2. products obtained in the Community, in the manufacture of which products other than those wholly obtained in the Community are used, provided that the said products have undergone sufficient working or processing within the meaning of Article 3;

(b) products originating in the countries and territories:

1. products wholly obtained in one or more countries or territories,
2. products obtained in one or more countries or territories in the manufacture of which products other than those wholly obtained in the countries and territories are used, provided that the said products have undergone sufficient working or processing within the meaning of Article 3.

2. For the purpose of implementing paragraph 1 (b), the countries and territories are considered as being one territory.

3. For the purpose of implementing paragraph 1 (a) (1), products wholly obtained in one or more countries or territories which undergo working or processing in the Community shall be considered as having been wholly obtained in the Community.

For the purpose of implementing paragraph 1 (a) (2), working or processing in one or more countries or territories shall be considered as having been carried out in the Community, where the products thus obtained undergo subsequent working or processing in the Community.

This paragraph shall be applicable on condition that the products in question were transported in accordance with Article 5.

4. For the purpose of implementing paragraph 1 (b) (1), products wholly obtained in the Community or in one or more ACP States, which undergo working or processing in one or more countries or territories, shall be considered as having been wholly obtained in that or those countries or territories.

For the purpose of implementing paragraph 1 (b) (2), working or processing in the Community or in one or more ACP States shall be considered as having been carried out in one or more countries or territories where the products thus obtained undergo subsequent working or processing in that or those countries or territories.

This paragraph shall be applicable on condition that the products in question were transported in accordance with Article 5.

5. For the purpose of implementing the previous paragraphs, and provided that all the conditions laid down in those paragraphs are fulfilled, the products obtained in two or more countries or territories or in the Community shall be considered as products originating in the countries or territory where the last working or processing took place or as products originating in the Community if the last working or processing took place in the Community. For this purpose the working or processing listed in Article 3 (3) (a), (b), (c) and (d) shall not be considered as working or processing, nor shall a combination of such working or of such processing.

6. The products in List C in Annex 4 shall be temporarily excluded from the scope of this Annex.

Article 2

The following shall be considered as wholly obtained either in one or more countries and territories in the Community or in one or more ACP States, within the meaning of Article 1 (1) (a) (1), (b) (1) and (3):

- (a) mineral products extracted from their soil or from their seabed;
- (b) vegetable products harvested therein;
- (c) live animals born and raised therein;
- (d) products from live animals raised therein;

- (e) products obtained by hunting or fishing conducted therein;
- (f) products of sea fishing and other products taken from the sea by their vessels;
- (g) products made aboard their factory ships exclusively from products referred to in subparagraph (f);
- (h) used articles collected there fit only for the recovery of raw materials;
- (i) waste and scrap resulting from manufacturing operations conducted therein;
- (j) goods produced there exclusively from products specified in subparagraphs (a) to (i).

### Article 3

1. For the purpose of implementing Article 1 (1) (a) (2) and (b) (2) the following shall be considered as sufficient working or processing:

- (a) working or processing as a result of which the goods obtained receive a classification under a heading other than that covering each of the products worked or processed, except, however, working or processing specified in List A in Annex 2, where the special provisions of that list apply;
- (b) working or processing specified in List B in Annex 3.

'Sections', 'chapters' and 'headings' shall mean the sections, chapters and headings in the Brussels Nomenclature for the classification of goods in customs tariffs.

2. When, for a given product obtained, a percentage rule limits in List A and in List B the value of the materials and parts which can be used, the total value of these materials and parts, whether or not they have changed heading in the course of the working, processing or assembly within the limits and under the conditions laid down in each of those two lists, may not exceed, in relation to the value of the product obtained, the value corresponding either to the common rate, if the rates are identical in both lists, or to the higher of the two if they are different.

3. For the purpose of implementing Article 3 (1) (a) the following shall always be considered as insufficient working or processing to confer the status of originating products, whether or not there is a change of heading:

- (a) operations to ensure the preservation of merchandise in good condition during transport and storage (ventilation, spreading out, drying, chilling, placing in salt, sulphur dioxide or other aqueous solutions, removal of damaged parts, and like operations);
- (b) simple operations consisting of removal of dust, sifting or screening, sorting, classifying, matching (including the making-up of sets of articles), washing, painting, cutting up;
- (c) (i) changes of packaging and breaking up and assembly of consignments;  
(ii) simple placing in bottles, flasks, bags, cases, boxes, fixing on cards or boards, etc., and all other simple packing operations;
- (d) affixing marks, labels or other like distinguishing signs on products or their packaging;
- (e) simple mixing of products, whether or not of different kinds, where one or more components of the mixtures do not meet the conditions laid down in this Annex to enable them to be considered as originating either in the Community, in the countries and territories or in an ACP State;
- (f) simple assembly of parts of articles to constitute a complete article;
- (g) a combination of two or more operations specified in subparagraphs (a) to (f);
- (h) slaughter of animals.

### Article 4

Where the Lists A and B referred to in Article 3 provide that goods obtained in the Community or in one or more countries or territories shall be considered as originating therein only if the value of the products worked or processed does not exceed a given percentage of the value of the goods obtained, the values to be taken into consideration for such percentage shall be:

- on the one hand, as regards products whose importation can be proved: their customs value at the time of importation;  
as regards products of undetermined origin: the earliest ascertainable price paid for such products in the Community or in one of the countries and territories where manufacture takes place;
- and on the other hand, the ex-works price of the goods obtained, less internal taxes refunded or refundable on exportation.

Article 5

1. For the purpose of implementing Article 1 (1), (3) and (4), originating products whose transport is effected without entering into territory other than that of the countries and territories or ACP States are considered as transported directly from the countries and territories to the Community or to the ACP States or from the Community or from the ACP States to the countries and territories. Originating goods constituting one single consignment may be transported through territory other than that of the Community or the ACP States or the countries and territories, with should the occasion arise, transhipment or temporary warehousing in such territory, provided that the crossing of the latter territory is justified for geographical reasons or the needs of transport and that the products have not entered into commerce or been delivered for home use and have not undergone operations other than unloading, reloading or any operation designed to preserve them in good condition.

Interruptions or changes in the method of transport due to *force majeure* or consequent upon conditions at sea shall not affect the application of the preferential treatment laid down in this Annex, provided that the goods have not, during these interruptions or changes, entered into commerce or been delivered for home use and have not undergone any operations other than those designed to preserve them in good condition.

2. Evidence that the conditions referred to in paragraph 1 have been fulfilled shall be supplied to the responsible customs authorities in the Community by the production of:

(a) a through bill of lading issued in the exporting Member State, country or territory covering the passage through the country of transit;

(b) or a certificate issued by the customs authorities of the country of transit:

- giving an exact description of the goods,
- stating the dates of unloading and reloading of the goods or of their embarkation or disembarkation, identifying the ships used,
- certifying the conditions under which the goods remained in the transit country;

(c) or failing these, any substantiating documents.

TITLE II

Arrangements for administrative cooperation

Article 6

1. Evidence of **originating status**, within the meaning of this Annex, of **products** is given by a movement certificate EUR. 1 of which a specimen is given in Annex 5 to this Annex.

However, the **evidence** of originating status, within the meaning of this Annex, of products which form the subject of **post**' consignments (including parcels), provided that they consist only of originating products and that the value does not exceed 1 000 units of **account per** consignment, is given by a form EUR. 2, of which a specimen is given in Annex 6 to this Annex.

2. Without prejudice to Article 3 (3), where, at the request of the **person** declaring the goods at the customs, a **dismantled or non-assembled** article falling within Chapter 84 or 85 of the Brussels Nomenclature is **imported** by instalments on the conditions laid down by the competent authorities, it shall be considered to be a single article and a movement certificate may be submitted for the whole article upon **importation** of the first instalment.

3. Accessories, **spare parts** and tools dispatched with a piece of **equipment**, machine, apparatus or vehicle which **are part** of the normal equipment and included in the **price** thereof or are not separately invoiced **are regarded** as one with the piece of equipment, **machine**, apparatus or vehicle in question.

Article 7

1. A movement certificate EUR. 1 shall be issued by the customs **authorities** of the exporting Member State or **country or territory** when the goods to which it relates **are exported**. It shall be made available to the **exporter** as soon as actual exportation has been **effected or ensured**.

2. In exceptional **circumstances** a movement certificate EUR. 1 may also be issued after exportation of the goods to which it relates if it was not issued at the time of **exportation** because of errors or involuntary **omissions** or special circumstances. In this case, the certificate shall bear a special reference to the conditions in which it was issued.

3. A movement certificate EUR. 1 shall be issued only on application having been made in writing by the exporter. Such application shall be made on a form, of which a specimen is given in Annex 5 to this Annex, which shall be completed in accordance with this Annex.

4. A movement certificate EUR. 1 may be issued only where it can serve as the documentary evidence required for the purpose of implementing the Decision.

5. Applications for movement certificates EUR. 1 must be preserved for at least three years by the customs authorities of the exporting Member State, country or territory.

#### Article 8

1. The movement certificate EUR. 1 shall be issued by the customs authorities of the exporting Member State, country or territory, if the goods can be considered 'originating products' within the meaning of this Annex.

2. For the purpose of verifying whether the conditions stated in paragraph 1 have been met, the customs authorities shall have the right to call for any documentary evidence or to carry out any check which they consider appropriate.

3. It shall be the responsibility of the customs authorities of the exporting Member State, country or territory to ensure that the forms referred to in Article 9 are duly completed. In particular, they shall check whether the space reserved for the description of the goods has been completed in such a manner as to exclude all possibility of fraudulent additions. To this end, the description of the goods must be indicated without leaving any blank lines. Where the space is not completely filled a horizontal line must be drawn below the last line of the description, the empty space being crossed through.

4. The date of issue of the movement certificate must be indicated in the part of the certificate reserved for the customs authorities.

#### Article 9

Movement certificates EUR. 1 shall be made out on the form of which a specimen is given in Annex 5 to this Annex. This form shall be printed in one or more of the official languages of the Community. Certificates shall be made out in one of these languages and in accordance with the provisions of the domestic law of the exporting Member State, country or territory; if they are handwritten, they shall be completed in ink and in capital letters.

Each certificate shall measure 210 × 297 mm, a tolerance of up to plus 8 mm or minus 5 mm in the length may be allowed. The paper used must be white-sized writing paper not containing mechanical pulp and weighing not less than 25 g/m<sup>2</sup>. It shall have a printed green guilloche pattern background making any falsification by mechanical or chemical means apparent to the eye.

The exporting Member States and the relevant authorities of the exporting countries and territories may reserve the right to print the certificates themselves or may have them printed by approved printers. In the latter case, each certificate must include a reference to such approval. Each certificate must bear the name and address of the printer of a mark by which the printer can be identified. It shall also bear a serial number, either printed or not, by which it can be identified.

#### Article 10

1. Under the responsibility of the exporter, he or his authorized representative shall request the issue of a movement certificate EUR. 1.

2. The exporter or his representative shall submit with his request any appropriate supporting document proving that the goods to be exported are such as to qualify for the issue of a movement certificate EUR. 1.

#### Article 11

1. A movement certificate EUR. 1 must be submitted, within five months of the date of issue by the customs authorities of the exporting Member State, country or territory, to the customs authorities of the importing Member State, country or territory where the goods are entered.

2. When the products enter territories other than those of the Community, the countries and territories, or the ACP States, the time limit laid down in paragraph 1 for the submission of the certificate is extended to 10 months.

#### Article 12

Movement certificates EUR. 1 shall be submitted to customs authorities in the importing Member State, country or territory, in accordance with the procedures laid down by that Member State, country or

territory. The said authorities may require a translation of a certificate. They may also require the import declaration to be accompanied by a statement from the importer to the effect that the goods meet the conditions required for the implementation of the Decision.

#### Article 13

1. A movement certificate EUR. 1 which is submitted to the customs authorities of the importing Member State, country or territory after the final date for presentation specified in Article 11 may be accepted for the purpose of applying preferential treatment, where the failure to submit the certificate by the final date set is due to reasons of *force majeure* or exceptional circumstances.

2. In other cases of belated presentation, the customs authorities of the importing Member State, country or territory may accept the certificates where the goods have been submitted to them before the said final date.

#### Article 14

The discovery of slight discrepancies between the statements made in the movement certificate EUR. 1 and those made in the documents submitted to the customs office for the purpose of carrying out the formalities for importing the goods shall not *ipso facto* render the certificate null and void if it is duly established that the certificate does correspond to the goods submitted.

#### Article 15

Form EUR. 2, a specimen of which is given in Annex 6, shall be completed by the exporter. It shall be made out in one of the official languages of the Community and in accordance with the provisions of the domestic law of the exporting Member State, country or territory. If it is handwritten it must be completed in ink and in capital letters.

Form EUR. 2 shall be composed of two parts, each part being 210 × 148 mm. The paper used shall be white-sized writing paper not containing mechanical pulp and weighing not less than 64 g/m<sup>2</sup>.

The exporting Member States, and the relevant authorities of the exporting countries or territories may reserve the right to print the forms themselves or may have them printed by printers they have approved. In the latter case each form must include

a reference to such approval. In addition, each part must bear the distinctive sign attributed to the approved printer and a serial number, either printed or not, by which it can be identified.

A form EUR. 2 shall be completed for each postal consignment. After completing and signing the two parts of the form, the exporter shall, in the case of consignments by parcel post, attach the two parts to the dispatch note. In the case of consignments by letter post, the exporter shall attach Part 1 firmly to the consignment and insert Part 2 inside it.

These provisions do not exempt exporters from complying with any other formalities required by customs or postal regulations.

#### Article 16

1. Goods sent as small packages to private persons or forming part of travellers' personal luggage shall be admitted as originating products to the benefit of the provisions of this Annex without requiring the production of a movement certificate EUR. 1 or the completion of a form EUR. 2, provided that such goods are not imported by way of trade and have been declared as meeting the conditions required for the application of these provisions, and where there is no doubt as to the veracity of such declaration.

2. Importations which are occasional and consist solely of goods for the personal use of the recipients or travellers or their families shall not be considered as importations by way of trade if it is evident from the nature and quantity of the goods that no commercial purpose is in view. Furthermore, the total value of these goods must not exceed 60 units of account in the case of small packages or 200 units of account in the case of the contents of travellers' personal luggage.

#### Article 17

1. Goods sent from a Member State or from a country or territory for exhibition in a country other than a Member State, a country or territory or an ACP State and sold after the exhibition for importation into the Community or into a different country or territory shall benefit on importation from the provisions of this Annex on condition that the goods meet the requirements of this Annex entitling them to be recognized as originating in a

country or territory and provided that it is shown to the satisfaction of the customs authorities that:

- (a) an exporter has consigned these goods from the Community or from a country or territory to the country in which the exhibition is held and has exhibited them there;
- (b) the goods have been sold or otherwise disposed of by that exporter to someone in the Community or in a country or territory;
- (c) the goods have been consigned during the exhibition or immediately thereafter to the Community in the state in which they were sent for exhibition;
- (d) the goods have not, since they were consigned for exhibition, been used for any purpose other than demonstration at the exhibition.

2. A movement certificate EUR. 1 must be produced to the customs authorities in the normal manner. The name and address of the exhibition must be indicated thereon. Where necessary, additional documentary evidence of the nature of the goods and the conditions under which they have been exhibited may be required.

3. Paragraph 1 shall apply to any trade, industrial, agricultural or crafts exhibition, fair or similar public show or display which is not organized for private purposes in shops or business premises with a view to the sale of foreign goods, and during which the goods remain under customs control.

#### Article 18

1. When a certificate is issued within the meaning of Article 7 (2) of this Annex after the goods to which it relates have actually been exported, the exporter must in the application referred to in Article 7 (3) of this Annex:

- indicate the place and date of exportation of the goods to which the certificate relates;
- certify that no movement certificate EUR. 1 was issued at the time of exportation of the goods in question, and state the reasons.

2. The customs authorities may issue a movement certificate EUR. 1 retrospectively only after verifying that the information supplied in the exporter's application agrees with that in the corresponding file.

Certificates issued retrospectively must be endorsed with one of the following phrases: 'NACHTRÄGLICH AUSGESTELLT', 'DELIVRE A POSTERIORI', 'RILASCIATO A POSTERIORI', 'AFGEGEVEN A POSTERIORI', 'ISSUED RETROSPECTIVELY', 'UDSTEDT EFTERFØLGENDE'.

#### Article 19

In the event of the theft, loss or destruction of a movement certificate EUR. 1, the exporter may apply to the customs authorities which issued it for a duplicate made out on the basis of the export documents in their possession. The duplicate issued in this way must be endorsed with one of the following words: 'DUPLIKAT', 'DUPLICATA', 'DUPLICATO', 'DUPLICAAT', 'DUPLICATE'.

#### Article 20

1. When paragraphs 2, 3 and 4 of Article 1 are applied, for the issue of a movement certificate EUR. 1, the competent customs office in the Member State, country or territory requested to issue the certificate for products in the manufacture of which products coming from other Member States, other countries or territories or ACP States are used, shall take into consideration the declaration, of which a specimen is given in Annex 7, given by the exporter in the State, country or territory from which these products came, either on the commercial invoice applicable to these products, or on a supporting document to that invoice.

2. The submission of the information certificate, issued under the conditions set out in Article 21 and of which a specimen is given in Annex 8, may however be requested of the exporter by the customs office concerned, either for checking the authenticity and accuracy of information given on the declaration provided for in paragraph 1, or for obtaining additional information.

#### Article 21

The information certificate concerning the products taken into use shall be issued at the request of the exporter of these products, either in the circumstances envisaged in Article 20 (2), or at the initiative of this exporter, by the competent customs office in the State, country or territory from which these goods were exported. It shall be made out in duplicate. One copy shall be given to the exporter who has requested it, who shall send it either to the exporter of the final products or to the customs office where

the issue of the movement certificate EUR. 1 for these products has been requested. The second copy shall be preserved by the office which has issued it for at least three years.

#### Article 22

Member States and the relevant authorities of the countries and territories shall take all necessary steps to ensure that goods traded under cover of a movement certificate EUR. 1, and which in the course of transport use a free zone situated in their territory, are not replaced by other goods and that they do not undergo handling other than normal operations designed to prevent their deterioration.

#### Article 23

In order to ensure the proper application of this Title, the Member States and the relevant authorities of the countries and territories shall assist each other, through their respective customs administrations, in checking the authenticity of movement certificates EUR. 1 and the accuracy of the information concerning the actual origin of the products concerned and the declarations by exporters on forms EUR. 2 and the authenticity and accuracy of the information certificates envisaged in Article 20.

#### Article 24

Penalties shall be imposed on any person who, in order to enable goods to be accepted as eligible for preferential treatment, draws up, or causes to be drawn up, either a document which contains incorrect particulars for the purpose of obtaining a movement certificate EUR. 1 or a form EUR. 2 containing incorrect particulars.

#### Article 25

1. A *posteriori* verification of movement certificates EUR. 1 and of forms EUR. 2 shall be carried out at random or whenever the customs authorities of the importing Member State, country or territory have reasonable doubt as to the authenticity of the document or the accuracy of the information regarding the true origin of the goods in question.

2. For the purpose of implementing paragraph 1, the customs authorities of the importing Member State, country or territory shall return the movement certificate EUR. 1 or Part 2 of form EUR. 2, or a photocopy thereof, to the customs authorities of the exporting Member State, country or territory, giving,

where appropriate, the reasons of form or substance for an inquiry. The invoice, if it has been submitted, or a copy thereof shall be attached to Part 2 of form EUR. 2 and the customs authorities shall forward any information that has been obtained suggesting that the particulars given on the said certificate or the said form are inaccurate.

If the customs authorities of the importing Member State, country or territory decide to suspend execution of the Decision while awaiting the results of the verification they shall offer to release the goods to the importer subject to any precautionary measures judged necessary.

3. The customs authorities of the importing Member State, country or territory shall be informed of the results of the *a posteriori* verification within three months. These results must be such as to make it possible to determine whether the disputed movement certificate EUR. 1 or form EUR. 2 applies to the goods actually exported, and whether these goods can, in fact, qualify for the application of the preferential arrangements.

When such disputes cannot be settled between the customs authorities of the importing Member State, country or territory and those of the exporting Member State, country or territory, or when they raise a question as to the interpretation of this Annex, they shall be submitted to the Committee on Origin set up under Council Regulation (EEC) No 802/68 of 27 June 1968 on the common definition of the concept of the origin of goods<sup>(1)</sup>.

In all cases the settlement of disputes between the importer and the customs authorities of the importing Member State, country or territory shall be under the legislation of the said State.

#### Article 26

The subsequent verification of the information certificate referred to in Article 20 shall be carried out in the circumstances envisaged in Article 25 following a similar procedure to that envisaged in that Article.

#### Article 27<sup>(2)</sup>

The Council shall, if necessary, examine the application of the provisions of this Annex and their economic effects, with a view to making any necessary changes to these provisions, notably at the

(1) OJ No L 148, 28. 6. 1968, p. 1.

(2) See Council statement, pp. 162 - 163.



request of the relevant authorities of the countries and territories when the development of existing industries or the creation of new industries necessitates derogations from this Annex.

*Article 28*

Until 1 July 1977, Article 1 (3) and (4) shall not be applicable in respect of products obtained in one or more countries or territories from:

- products of one or more Member States of the Community as originally constituted, exported to one or more new Member States or to one or more countries or territories referred to in Article 24 of the Act of Accession, or
- products of one or more new Member States, exported to one or more Member States of the Community as originally constituted, or to one or more countries or territories referred to in Council Decision 71/231/EEC of 7 June 1971 on

the definition of the concept of 'originating products' and on methods of administrative co-operation for the application of the Decision of 29 September 1970 on the association of the overseas countries and territories with the European Economic Community <sup>(1)</sup>,

where the products referred to in the two above indents have been the subject only of working or processing within the meaning of Article 3 (3).

*Article 29*

Movement certificates EUR. 1 and forms EUR. 2 printed in the Member States before the date of the entry into force of the Decision, which indicate the exporting country, group of countries or territory in boxes 4 and 7 respectively, may continue to be used until stocks are exhausted, under the conditions laid down by this Annex.

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<sup>(1)</sup> OJ No L 141, 27. 6. 1971, p. 47.

*Annex 1 to Annex II*

**EXPLANATORY NOTES**

**Note 1 — Articles 1 and 2**

The terms 'Member States', 'countries and territories' and 'ACP States' shall also cover their territorial waters.

Vessels operating on the high seas, including factory ships, on which the fish caught is worked or processed shall be considered as part of the territory of the Member State, country or territory or ACP State to which they belong, provided that they satisfy the conditions set out in explanatory note 6.

**Note 2 — Article 1 (1) (b), (3) and (4)**

In order to determine whether goods originate in the Community, countries and territories or in one or more of the ACP States, it shall not be necessary to establish whether the power and fuel, plant and equipment, and machines and tools used to obtain such goods originate in third countries or not.

**Note 3 — Article 1**

Where a percentage rule is applied in determining originating status of a product obtained in a Member State or a country or territory the value added by the working or processing referred to in Article 1 shall correspond to the ex-works price of the product obtained less the customs value of third products imported into the Community or the countries and territories.

**Note 4 — Article 3 (1) and (2) and Article 4**

The percentage rule constitutes, where the product obtained appears in List A, a criterion additional to that of change of heading for any non-originating product used.

**Note 5 — Article 1**

Packing shall be considered as forming a whole with the goods contained therein. This provision, however, shall not apply to packing which is not of the normal type for the article packed and which has intrinsic utilization value and is of a durable nature, apart from its function as packing.

**Note 6**

The term 'their vessels' shall apply only to vessels:

- which are registered or recorded in a Member State, a country or territory or an ACP State;
- which sail under the flag of a Member State, a country or territory or an ACP State;
- which are owned to an extent at least 50% by nationals of Member States, countries and territories or ACP States, or by a company with its head office in a Member State, country and territory or ACP State, of which the manager or managers, chairman of the board of directors or of the supervisory board, and the majority of the members of such boards, are nationals of Member States, countries and territories or ACP States and of which, addition in the case of partnerships or limited companies, at least half the capital belongs to Member States, countries and territories or ACP States or to public bodies or nationals of Member States, countries and territories or ACP States;
- of which at least 50% of the crew, captain and officers included, are nationals of Member States, countries and territories or ACP States.

**Note 7 -- Article 4**

'Ex-works price' shall mean the price paid to the manufacturer in whose undertaking the last working or processing is carried out, provided the price includes the value of all the products used in manufacture.

'Customs value' shall be understood as meaning the customs value laid down in the Convention concerning the valuation of goods for customs purposes signed in Brussels on 15 December 1950.

**Note 8 -- Article 23**

The authorities consulted shall furnish any information concerning the conditions under which the product has been made, indicating especially the conditions in which the rules of origin have been respected in the various Member States, countries and territories or ACP States concerned.

**Note 9 -- Article 1 (4)**

Within the meaning of Annex II 'ACP States' shall mean the countries referred to as ACP States in the ACP-FEC Convention of Lomé.

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Annex 2 to Annex II

LIST A.

List of working or processing operations which result in a change of tariff heading without conferring the status of 'originating products' on the products undergoing such operations, or conferring this status only subject to certain conditions

Products obtained		Working or processing that does not confer the status of originating products	Working or processing that confers the status of originating products when the following conditions are met
CCT heading No	Description		
02.06	Meat and edible meat offals (except poultry liver), salted, in brine, dried or smoked	Salting, placing in brine, drying or smoking of meat and edible meat offals of heading Nos 02.01 and 02.04	
03.02	Fish, dried, salted or in brine, smoked fish, whether or not cooked before or during the smoking process	Drying, salting, placing in brine; smoking of fish, whether cooked or not	
04.02	Milk and cream, preserved, concentrated or sweetened	Preserving, concentrating, or adding sugar to milk or cream of heading No 04.01	
04.03	Butter	Manufacture from milk or cream	
04.04	Cheese and curd	Manufacture from products of heading Nos 04.01, 04.02 and 04.03	
07.02	Vegetables (whether or not cooked), preserved by freezing	Freezing of vegetables	
07.03	Vegetables, provisionally preserved in brine, in sulphur water or in other preservative solutions, but not specially prepared for immediate consumption	Placing in brine or in other solutions of vegetables of heading No 07.01	
07.04	Dried, dehydrated or evaporated vegetables, whole, cut, sliced, broken or in powder, but not further prepared	Drying, dehydration, evaporation cutting, grinding, powdering of vegetables of heading Nos 07.01 to 07.03	
08.10	Fruit (whether or not cooked), preserved by freezing, not containing added sugar	Freezing of fruit	
08.11	Fruit provisionally preserved (for example, by sulphur dioxide gas, in brine, in sulphur water or in other preservative solutions), but unsuitable in that state for immediate consumption	Placing in brine or in other solutions of fruit of heading Nos 08.01 to 08.09	

Products obtained		Working or processing that does not confer the status of originating products	Working or processing that confers the status of originating products when the following conditions are met
CCT heading No	Description		
08.12	Fruit, dried, other than that falling within heading No 08.01, 08.02, 08.03, 08.04 or 08.05	Drying of fruit	
11.01	Cereal flours	Manufacture from cereals	
11.02	Cereal groats and cereal meal; other worked cereal grains (for example, rolled, flaked, polished, pearled or kibbled, but not further prepared), except husked, glazed, polished or broken rice; germ of cereals, whole, rolled, flaked or ground	Manufacture from cereals	
11.03	Flours of the leguminous vegetables falling within heading No 07.05	Manufacture from dried leguminous vegetables	
11.04	Flours of the fruits falling within any heading in Chapter 8	Manufacture from fruits of Chapter 8	
11.05	Flour, meal and flakes of potato	Manufacture from potatoes	
11.06	Flour and meal of sago and of manioc, arrowroot, salep and other roots and tubers falling within heading No 07.06	Manufacture from products of heading No 07.06	
11.07	Malt, roasted or not	Manufacture from cereals	
11.08	Starches; inulin	Manufacture from cereals of Chapter 10, or from potatoes or other products of Chapter 7	
11.09	Wheat gluten, whether or not dried	Manufacture from wheat or wheat flours	
15.01	Lard, other pig fat and poultry fat, rendered or solvent-extracted	Manufacture from products of heading No 02.05	
15.02	Fats of bovine cattle, sheep or goats, unrendered; rendered or solvent-extracted fats (including 'premier jus') obtained from those unrendered fats	Manufacture from products of heading Nos 02.01 and 02.06	
15.04	Fats and oils, of fish and marine mammals, whether or not refined	Manufacture from fish or marine mammals caught by fishing vessels of third countries	
15.06	Other animal oils and fats (including neat's-foot oil and fats from bones or waste)	Manufacture from products of Chapter 2	

Products obtained		Working or processing that does not confer the status of originating products	Working or processing that confers the status of originating products when the following conditions are met
CCT heading No	Description		
ex 15.07	Fixed vegetable oils, fluid or solid, crude, refined or purified, but not including Chinawood oil, myrtlewax, Japan wax or oil of tung nuts, oleococca seeds or oiticia seeds; also not including oils of a kind used in machinery or mechanical appliances or for industrial purposes other than the manufacture of edible products	Manufacture from products of Chapters 7 and 12	
16.01	Sausages and the like, of meat, meat offal or animal blood	Manufacture from products of Chapter 2	
16.02	Other prepared or preserved meat or meat offal	Manufacture from products of Chapter 2	
16.04	Prepared or preserved fish, including caviar and caviar substitutes	Manufacture from products of Chapter 3	
16.05	Crustaceans and molluscs, prepared or preserved	Manufacture from products of Chapter 3	
17.02	Other sugars; sugar syrups; artificial honey (whether or not mixed with natural honey); caramel	Manufacture from any product	
17.04	Sugar confectionery, not containing cocoa	Manufacture from other products of Chapter 17 the value of which exceeds 30% of the value of the finished product	
17.05	Flavoured or coloured sugars, syrups and molasses, but not including fruit juices containing added sugar in any proportion	Manufacture from other products of Chapter 17 the value of which exceeds 30% of the value of the finished product	
18.06	Chocolate and other food preparations containing cocoa	Manufacture from products of Chapter 17 the value of which exceeds 30% of the value of the finished product	
19.01	Malt extract	Manufacture from products of heading No 11.07	
19.02	Preparations of flour, meal, starch or malt extract, of a kind used as infant food or for dietetic or culinary purposes, containing less than 50% by weight of cocoa	Manufacture from cereals and derivatives thereof, meat and milk, or in which the value of products of Chapter 17 used exceeds 30% of the value of the finished product	
19.03	Macaroni, spaghetti and similar products		Manufacture from durum wheat

Products obtained		Working or processing that does not confer the status of originating products	Working or processing that confers the status of originating products when the following conditions are met
CCT heading No	Description		
19.04	Tapioca and sago; tapioca and sago substitutes from potato or other starches	Manufacture from potato starch	
19.05	Prepared foods obtained by the swelling or roasting of cereals or cereal products (puffed rice, cornflakes and similar products)	Manufacture from any product other than of Chapter 17 <sup>(1)</sup> or in which the value of the products of Chapter 17 used exceeds 30% of the value of the finished product	
19.06	Communion wafers, empty cachets of a kind suitable for pharmaceutical use, sealing wafers, rice paper, and similar products	Manufacture from products of Chapter 11	
19.07	Bread, ships' biscuits and other ordinary bakers' wares, not containing added sugar, honey, eggs, fats, cheese or fruit	Manufacture from products of Chapter 11	
19.08	Pastry, biscuits, cakes and other fine bakers' wares, whether or not containing cocoa in any proportion	Manufacture from products of Chapter 11	
20.01	Vegetables and fruit prepared or preserved by vinegar or acetic acid, with or without sugar, whether or not containing salt, spices or mustard	Preserving vegetables, fresh or frozen or preserved temporarily or preserved in vinegar	
20.02	Vegetables prepared or preserved otherwise than by vinegar or acetic acid	Preserving vegetables fresh or frozen	
20.03	Fruit preserved by freezing, containing added sugar	Manufacture from products of Chapter 17 of which the value exceeds 30% of the value of the finished product	
20.04	Fruits, fruit-peel and parts of plants, preserved by sugar (drained, glacé or crystallized)	Manufacture from products of Chapter 17 of which the value exceeds 30% of the value of the finished product	
ex 20.05	Jams, fruit jellies, marmalades, fruit purées and fruit pastes, being cooked preparations, containing added sugar	Manufacture from products of Chapter 17 of which the value exceeds 30% of the value of the finished product	
20.06	Fruit otherwise prepared or preserved whether or not containing added sugar or spirit:		

<sup>(1)</sup> This rule does not apply where the use of maize of the 'zea indurata' type or 'durum wheat', is concerned

Products obtained		Working or processing that does not confer the status of originating products	Working or processing that confers the status of originating products when the following conditions are met:
CCT heading No	Description		
20.06 (cont'd)	A. Nuts		Manufacture, without added sugar or spirit, in which the value of the constituent 'originating products' of heading Nos 08.01, 08.05 and 12.01, represents at least 60% of the value of the manufactured product
	B. Other fruits	Manufactured from products of Chapter 17 of which the value exceeds 30% of the value of the finished product	
ex 20.07	Fruit juices (including grape must), whether or not containing added sugar, but unfermented and not containing spirit	Manufacture from products of Chapter 17 of which the value exceeds 30% of the value of the finished product	
ex 21.01	Roasted chicory and extracts thereof	Manufacture from chicory roots, fresh or dried	
21.05	Soups and broths in liquid, solid or powder forms; homogenized food preparations	Manufacture from products of heading No 20.02	
22.02	Lemonade, flavoured spa waters and flavoured aerated waters, and other non-alcoholic beverages, not including fruit and vegetable juices falling within heading No 20.07	Manufacture from fruit juices <sup>(1)</sup> or in which the value of products of Chapter 17 used exceeds 30% of the value of the finished product	
22.06	Vermouths, and other wines of fresh grapes flavoured with aromatic extracts	Manufacture from products of heading No 08.04, 20.07, 22.04 or 22.05	
22.08	Ethyl alcohol or neutral spirits, undenatured, of a strength of 80° or higher; denatured spirits (including ethyl alcohol and neutral spirits) of any strength	Manufacture from products of heading No 08.04, 20.07, 22.04 or 22.05	
22.09	Spirits (other than those of heading No 22.08); liqueurs and other spirituous beverages; compound alcoholic preparations (known as 'concentrated extracts') for the manufacture of beverages	Manufacture from products of heading No 08.04, 20.07, 22.04 or 22.05	
22.10	Vinegar and substitutes for vinegar	Manufacture from products of heading No 08.04, 20.07, 22.04 or 22.05	

<sup>(1)</sup> This rule does not apply where fruit juices of pineapple, lime and grapefruit are concerned.



Products obtained		Working or processing that does not confer the status of originating products	Working or processing that confers the status of originating products when the following conditions are met
CCT heading No	Description		
ex 23.03	Residues from the manufacture of maize starch (excluding concentrated steeping liquours), of a protein content, calculated on the dry product, exceeding 40% by weight	Manufacture from maize or maize flour	
23.04	Oil cake and other residues (except dregs) resulting from the extraction of vegetable oils	Manufacture from various products	
23.07	Sweetened forage; other preparations of a kind used in animal feeding	Manufacture from cereals and derived products, meat, milk, sugar and molasses	
ex 24.02	Cigarettes, cigars, smoking tobacco		Manufacture from products of heading No 24.01 of which at least 70% by quantity are 'originating products'
ex 28.38	Aluminium sulphate		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product
30.03	Medicaments (including veterinary medicaments)		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product
31.05	Other fertilizers; goods of the present Chapter in tablets, lozenges and similar prepared forms or in packings of a gross weight not exceeding 10 kg		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product
32.06	Colour lakes	Manufacture from materials of heading No 32.04 or 32.05 (*)	
32.07	Other colouring matter; inorganic products of a kind used as luminophores	Mixing of oxides or salts of Chapter 28 with extenders such as barium sulphate, chalk barium carbonate and satin white (*)	
33.05	Aqueous distillates and aqueous solutions of essential oils, including such products suitable for medicinal uses	Manufacture from products of heading No 33.01 (*)	
35.05	Dextrins and dextrin glues; soluble or roasted starches; starch glues		Manufacture from maize or potatoes

(\*) These provisions do not apply where the products are obtained from products which have acquired the status of originating products in accordance with the conditions laid down in List B.

Products obtained		Working or processing that does not confer the status of originating products	Working or processing that confers the status of originating products when the following conditions are met
CC1 heading No	Description		
37.01	Photographic plates and film in the flat, sensitized, unexposed, of any material other than paper, paperboard or cloth	Manufacture from products of heading No 37.02 (*)	
37.02	Film in rolls, sensitized, unexposed, perforated or not	Manufacture from products of heading No 37.01 (*)	
37.04	Sensitized plates and film, exposed but not developed, negative or positive	Manufacture from products of heading No 37.01 or 37.02 (*)	
38.11	Disinfectants, insecticides, fungicides, weed-killers, anti-sprouting products, rat poisons and similar products, put up in forms or packings for sale by retail or as preparations or as articles (for example, sulphur-treated bands, wicks and candles, fly-papers)		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product
38.12	Prepared glazings, prepared dressings and prepared mordants, of a kind used in the textile, paper, leather or like industries		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product
38.13	Pickling preparations for metal surfaces; fluxes and other auxiliary preparations for soldering, brazing or welding; soldering, brazing or welding powders and pastes consisting of metal and other materials; preparations of a kind used as cores or coatings for welding rods and electrodes		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product
ex 38.14	Anti-knock preparations, oxidation inhibitors, gum inhibitors, viscosity improvers, anti-corrosive preparations and similar prepared additives for mineral oils, excluding prepared additives for lubricants		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product
38.15	Prepared rubber accelerators		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product

(\*) These provisions do not apply where the products are obtained from products which have acquired the status of originating products in accordance with the conditions laid down in List B.

Products obtained		Working or processing that does not confer the status of originating products	Working or processing that confers the status of originating products when the following conditions are met
CCT heading No	Description		
38.17	Preparations and charges for fire-extinguishers; charged fire-extinguishing grenades		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product
38.18	Composite solvents and thinners for varnishes and similar products		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product
ex 38.19	<p>Chemical products and preparations of the chemical or allied industries (including those consisting of mixtures of natural products), not elsewhere specified or included; residual products of the chemical or allied industries, not elsewhere specified or included, excluding:</p> <ul style="list-style-type: none"> <li>— Fusel oil and Dippel's oil;</li> <li>— Naphthenic acids and their non-water-soluble salts, esters of naphthenic acids;</li> <li>— Sulphonaphthenic acids and their non-water-soluble salts; esters of sulphonaphthenic acids;</li> <li>— Petroleum sulphonates, excluding petroleum sulphonates of alkali metals, of ammonium or of ethanolamines, thiophenated sulphonic acids of oils obtained from bituminous minerals, and their salts;</li> <li>— Mixed alkylbenzenes and mixed alkyl-naphthalenes;</li> <li>— Ion exchangers;</li> <li>— Catalysts;</li> <li>— Getters for vacuum tubes;</li> <li>— Refractory cements or mortars and similar preparations;</li> <li>— Alkaline iron oxide for the purification of gas;</li> <li>— Carbon (excluding that in artificial graphite of heading No 38.01) of metallo-graphite or other compounds, in the form of small plates, bars or other semi-manufactures</li> </ul>		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product

Products obtained		Working or processing that does not confer the status of originating products	Working or processing that confers the status of originating products when the following conditions are met
CCT heading No	Description		
ex 39.02	Polymerization products		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product
39.07	Articles of materials of the kinds described in heading Nos 39.01 to 39.06		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product
40.05	Plates, sheets and strip, of unvulcanized natural or synthetic rubber, other than smoked sheets and crepe sheets of heading No 40.01 or 40.02; granules of unvulcanized natural or synthetic rubber compounded ready for vulcanization; unvulcanized natural or synthetic rubber, compounded before or after coagulation either with carbon black (with or without the addition of mineral oil) or with silica (with or without the addition of mineral oil), in any form, of a kind known as masterbatch		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product
41.03	Patent leather and imitation patent leather; metallized leather		Varnishing or metallizing of leather of heading Nos 41.02 to 41.07 (other than skin leather of crossed Indian sheep and of Indian goat or kid, not further prepared than vegetable tanned, or if otherwise prepared obviously unsuitable for immediate use in the manufacture of leather articles) in which the value of the skin leather used does not exceed 50% of the value of the finished product
43.03	Articles of furskin	Making up from furskin in plates, crosses and similar forms (heading No ex 43.02) (*)	
44.21	Complete wooden packing cases, boxes, crates, drums and similar packings		Manufacture from boards not cut to size
45.03	Articles of natural cork		Manufacture from products of heading No 45.01

(\*) These provisions do not apply where the products are obtained from products which have acquired the status of originating products in accordance with the conditions laid down in List A.

Products obtained		Working or processing that does not confer the status of originating products	Working or processing that confers the status of originating products when the following conditions are met
CCT heading No	Description		
48.06	Paper and paperboard, ruled, lined or squared, but not otherwise printed, in rolls or sheets		Manufacture from paper pulp
48.14	Writing blocks, envelopes, letter cards, plain postcards, correspondence cards, boxes, pouches, wallers and writing compendiums, of paper or paperboard, containing only an assortment of paper stationery		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product
48.15	Other paper and paperboard, cut to size or shape		Manufacture from paper pulp
48.16	Boxes, bags and other packing containers, of paper or paperboard		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product
49.09	Picture postcards, Christmas and other picture greeting cards, printed by any process, with or without trimmings	Manufacture from products of heading No 49.11	
49.10	Calendars of any kind, of paper or paperboard, including calendar blocks	Manufacture from products of heading No 49.11	
50.04 <sup>(1)</sup>	Silk yarn, other than yarn of noil or other waste silk, not put up for retail sale		Manufacture from products other than those of heading No 50.04
50.05 <sup>(1)</sup>	Yarn spun from silk waste other than noil, not put up for retail sale		Manufacture from products of heading No 50.03
50.06 <sup>(1)</sup>	Yarn spun from noil silk, not put up for retail sale		Manufacture from products of heading No 50.03
50.07 <sup>(1)</sup>	Silk yarn and yarn spun from noil or other waste silk, put up for retail sale		Manufacture from products of heading Nos 50.01 to 50.03
ex 50.08 <sup>(1)</sup>	Imitation catgut of silk		Manufacture from products of heading No 50.01 or from products of heading No 50.03 neither carded nor combed

<sup>(1)</sup> For yarn composed of two or more textile materials, the conditions shown in this list must also be met in respect of each of the headings under which yarns of the other textile materials of which the mixed yarn is composed would be classified. This rule, however, does not apply to any one or more mixed textile materials whose weight does not exceed 10% of the total weight of textile materials incorporated.

Products obtained		Working or processing that does not confer the status of originating products	Working or processing that confers the status of originating products when the following conditions are met
CCT heading No	Description		
50.09 <sup>(1)</sup>	Woven fabrics of silk or of waste silk other than noil		Manufacture from products of heading No 50.02 or 50.03
50.10 <sup>(1)</sup>	Woven fabrics of noil silk		Manufacture from products of heading No 50.02 or 50.03
51.01 <sup>(2)</sup>	Yarn of man-made fibres (continuous), not put up for retail sale		Manufacture from chemical products or textile pulp
51.02 <sup>(2)</sup>	Monofil, strip (artificial straw and the like) and imitation catgut, of man-made fibre materials		Manufacture from chemical products or textile pulp
51.03 <sup>(2)</sup>	Yarn of man-made fibres (continuous), put up for retail sale		Manufacture from chemical products or textile pulp
51.04 <sup>(1)</sup>	Woven fabrics of man-made fibres (continuous), including woven fabrics of monofil or strip of heading No 51.01 or 51.02		Manufacture from chemical products or textile pulp
52.01 <sup>(2)</sup>	Metallized yarn, being textile yarn spun with metal or covered with metal by any process		Manufacture from chemical products, from textile pulp or from natural textile fibres, discontinuous man-made fibres or their waste, neither carded nor combed
52.02 <sup>(1)</sup>	Woven fabrics of metal thread or of metallized yarn, of a kind used in articles of apparel, as furnishing fabrics or the like		Manufacture from chemical products, from textile pulp or from natural textile fibres, discontinuous man-made fibres or their waste
53.06 <sup>(2)</sup>	Yarn of carded sheep's or lambs' wool (woollen yarn), not put up for retail sale		Manufacture from products of heading No 53.01 or 53.03
53.07 <sup>(2)</sup>	Yarn of combed sheep's or lambs' wool (worsted yarn), not put up for retail sale		Manufacture from products of heading No 53.01 or 53.03

<sup>(1)</sup> For fabrics composed of two or more textile materials, the conditions shown in this list must also be met in respect of each of the headings under which fabric of the other textile materials of which the mixed fabric is composed would be classified. This rule, however, does not apply to any one or more mixed textile materials whose weight does not exceed 10% of the total weight of textile materials incorporated. This percentage shall be increased:

(i) to 20% where the material in question is yarn made of polyurethane segmented with flexible segments of polyether, whether or not gimped, falling within heading Nos ex 51.01 and ex 58.07;

(ii) to 30% where the material in question is yarn of a width not exceeding 5 mm formed of a core consisting either of a thin strip of aluminium or of a film of artificial plastic material whether or not covered with aluminium powder, this core having been inserted and glued by means of a transparent or coloured glue between two films of artificial plastic material.

<sup>(2)</sup> For yarn composed of two or more textile materials, the conditions shown in this list must also be met in respect of each of the headings under which yarn of the other textile materials of which the mixed yarn is composed would be classified. This rule, however, does not apply to any one or more mixed textile materials whose weight does not exceed 10% of the total weight of textile materials incorporated.

Products obtained		Working or processing that does not confer the status of originating products	Working or processing that confers the status of originating products when the following conditions are met:
CCT heading No	Description		
53.08 <sup>(1)</sup>	Yarn of fine animal hair (carded or combed), not put up for retail sale		Manufacture from raw fine animal hair of heading No 53.02
53.09 <sup>(1)</sup>	Yarn of horsehair or of other coarse animal hair, not put up for retail sale		Manufacture from raw coarse animal hair of heading No 53.02 or from raw horsehair of heading No 05.03
53.10 <sup>(1)</sup>	Yarn of sheep's or lambs' wool, of horsehair or of other animal hair (fine or coarse), put up for retail sale		Manufacture from materials of heading Nos 05.03 and 53.01 to 53.04
53.11 <sup>(2)</sup>	Woven fabrics of sheep's or lambs' wool or of fine animal hair		Manufacture from materials of heading Nos 53.01 to 53.05
53.12 <sup>(2)</sup>	Woven fabrics of coarse animal hair other than horsehair		Manufacture from products of heading Nos 53.02 to 53.05
53.13 <sup>(2)</sup>	Woven fabrics of horsehair		Manufacture from horsehair of heading No 05.03
54.03 <sup>(1)</sup>	Flax or ramie yarn, not put up for retail sale		Manufacture either from products of heading No 54.01 neither carded nor combed or from products of heading No 54.02
54.04 <sup>(1)</sup>	Flax or ramie yarn, put up for retail sale		Manufacture from materials of heading No 54.01 or 54.02
54.05 <sup>(2)</sup>	Woven fabrics of flax or of ramie		Manufacture from materials of heading No 54.01 or 54.02
55.05 <sup>(1)</sup>	Cotton yarn, not put up for retail sale		Manufacture from materials of heading No 55.01 or 55.03
55.06 <sup>(1)</sup>	Cotton yarn, put up for retail sale		Manufacture from materials of heading No 55.01 or 55.03
55.07 <sup>(2)</sup>	Cotton gauze		Manufacture from materials of heading No 55.01, 55.03 or 55.04
55.08 <sup>(2)</sup>	Terry towelling and similar terry fabrics, of cotton		Manufacture from materials of heading No 55.01, 55.03 or 55.04
55.09 <sup>(2)</sup>	Other woven fabrics of cotton		Manufacture from materials of heading No 55.01, 55.03 or 55.04

<sup>(1)</sup> For yarn composed of two or more textile materials, the conditions shown in this list must also be met in respect of each of the headings under which yarns of the other textile materials of which the mixed yarn is composed would be classified. This rule, however, does not apply to any one or more mixed textile materials whose weight does not exceed 10% of the total weight of textile materials incorporated.

<sup>(2)</sup> For fabrics composed of two or more textile materials, the conditions shown in this list must also be met in respect of each of the headings under which fabric of the other textile materials of which the mixed fabric is composed would be classified. This rule, however, does not apply to any one or more mixed textile materials whose weight does not exceed 10% of the total weight of textile materials incorporated. This percentage shall be increased:

(i) to 20% where the material in question is yarn made of polyurethane segmented with flexible segments of polyether, whether or not gimped, falling within headings Nos ex 51.01 and ex 58.07;

(ii) to 30% where the material in question is yarn of a width not exceeding 5 mm formed of a core consisting either of a thin strip of aluminium or of a film of artificial plastic material whether or not covered with aluminium powder, this core having been inserted and glued by means of a transparent or coloured glue between two films of artificial plastic material.

Products obtained		Working or processing that does not confer the status of originating products	Working or processing that confers the status of originating products when the following conditions are met:
CCT heading No	Description		
56.01	Man-made fibres (discontinuous), not carded, combed or otherwise prepared for spinning		Manufacture from chemical products or textile pulp
56.02	Continuous filament tow for the manufacture of man-made fibres (discontinuous)		Manufacture from chemical products or textile pulp
56.03	Waste (including yarn waste and pulled or garnetted rags) of man-made fibres (continuous or discontinuous), not carded, combed or otherwise prepared for spinning		Manufacture from chemical products or textile pulp
56.04	Man-made fibres (discontinuous or waste), carded, combed or otherwise prepared for spinning		Manufacture from chemical products or textile pulp
56.05 <sup>(1)</sup>	Yarn of man-made fibres (discontinuous or waste), not put up for retail sale		Manufacture from chemical products or textile pulp
56.06 <sup>(1)</sup>	Yarn of man-made fibres (discontinuous or waste), put up for retail sale		Manufacture from chemical products or textile pulp
56.07 <sup>(2)</sup>	Woven fabrics of man-made fibres (discontinuous or waste)		Manufacture from products of heading Nos 56.01 to 56.03
57.05 <sup>(1)</sup>	Yarn of true hemp		Manufacture from raw true hemp
57.06 <sup>(1)</sup>	Yarn of jute or of other textile bast fibres of heading No 57.03		Manufacture from raw jute, jute tow or from other raw textile bast fibres of heading No 57.03
57.07 <sup>(1)</sup>	Yarn of other vegetable textile fibres		Manufacture from raw vegetable textile fibres of heading Nos 57.02 to 57.04

<sup>(1)</sup> For yarn composed of two or more textile materials, the conditions shown in this list must also be met in respect of each of the headings under which yarns of the other textile materials of which the mixed yarn is composed would be classified. This rule, however, does not apply to any one or more mixed textile materials whose weight does not exceed 10% of the total weight of textile materials incorporated.

<sup>(2)</sup> For fabrics composed of two or more textile materials, the conditions shown in this list must also be met in respect of each of the headings under which fabric of the other textile materials of which the mixed fabric is composed would be classified. This rule, however, does not apply to any one or more mixed textile materials whose weight does not exceed 10% of the total weight of textile materials incorporated. This percentage shall be increased:

(i) to 20% where the material in question is yarn made of polyurethane segmented with flexible segments of polyether, whether or not gimped, falling within headings Nos ex 51.01 and ex 58.07;

(ii) to 30% where the material in question is yarn of a width not exceeding 5 mm formed of a core consisting either of a thin strip of aluminium or of a film of artificial plastic material whether or not covered with aluminium powder, this core having been inserted and glued by means of a transparent or coloured glue between two films of artificial plastic material.



Products obtained		Working or processing that does not confer the status of <del>originating products</del>	Working or processing that confer the status of originating products when the following conditions are met
CCT heading No	Description		
57.08	Paper yarn		Manufacture from products of Chapter 47, from chemical products, textile pulp or from natural textile fibres discontinuous man-made fibres or their waste, neither carded nor combed
57.09 <sup>(1)</sup>	Woven fabrics of true hemp		Manufacture from products of heading No 57.01
57.10 <sup>(1)</sup>	Woven fabrics of jute or of other textile bast fabrics of heading No 57.03		Manufacture from raw jute, jute tow or from other raw textile bast fibres of heading No 57.03
57.11 <sup>(1)</sup>	Woven fabrics of other vegetable textile fibres		Manufacture from materials of heading No 57.02 or 57.04 or from coir yarn of heading No 57.07
57.12	Woven fabrics of paper yarn		Manufacture from paper, from chemical products, textile pulp or from natural textile fibres, discontinuous man-made fibres or their waste
58.01 <sup>(2)</sup>	Carpets, carpeting and rugs, knotted (made up or not)		Manufacture from materials of heading Nos 50.01 to 50.03, 51.01, 53.01 to 53.05, 54.01, 55.01 to 55.04, 56.01 to 56.03 or 57.01 to 57.04
58.02 <sup>(2)</sup>	Other carpets, carpeting, rugs, mats and matting, and 'Kelem', 'Schumacks' and 'Karamanie' rugs and the like (made up or not)		Manufacture from materials of heading Nos 50.01 to 50.03, 51.01, 53.01 to 53.05, 54.01, 55.01 to 55.04, 56.01 to 56.03, 57.01 to 57.04 or from coir yarn of heading No 57.07
58.04 <sup>(2)</sup>	Woven pile fabrics and chenille fabrics (other than terry towelling or similar terry fabrics of cotton of heading No 55.08 and fabrics of heading No 58.05)		Manufacture from materials of heading Nos 50.01 to 50.03, 53.01 to 53.05, 54.01, 55.01 to 55.04, 56.01 to 56.03, 57.01 to 57.04 or from chemical products or textile pulp

<sup>(1)</sup> For fabrics composed of two or more textile materials, the conditions shown in this list must also be met in respect of each of the headings under which fabric of the other textile materials of which the mixed fabric is composed would be classified. This rule, however, does not apply to any one or more mixed textile materials whose weight does not exceed 10% of the total weight of textile materials incorporated. This percentage shall be increased:

(i) to 20% where the material in question is yarn made of polyurethane segmented with flexible segments of polyester, whether or not gimped, falling within heading Nos ex 51.01 and ex 58.07;

(ii) to 30% where the material in question is yarn of a width not exceeding 5 mm formed of a core consisting either of a thin strip of aluminium or of a film of artificial plastic material whether or not covered with aluminium powder, this core having been inserted and glued by means of a transparent or coloured glue between two films of artificial plastic material.

<sup>(2)</sup> For products composed of two or more textile materials, the conditions shown in this list must also be met in respect of each of the headings under which products of the other textile materials of which the mixed product is composed would be classified. This rule, however, does not apply to any one or more mixed textile materials whose weight does not exceed 10% of the total weight of textile materials incorporated. This percentage shall be increased:

(i) to 20% where the product in question is yarn made of polyurethane segmented with flexible segments of polyester, whether or not gimped, falling within heading Nos ex 51.01 and ex 58.07;

(ii) to 30% where the product in question is yarn of a width not exceeding 5 mm formed of a core consisting either of a thin strip of aluminium or of a film of artificial plastic material whether or not covered with aluminium powder, this core having been inserted and glued by means of a transparent or coloured glue between two films of artificial plastic material.

Products obtained		Working or processing that does not confer the status of originating products	Working or processing that confers the status of originating products when the following conditions are met
CCT heading No	Description		
58.05 <sup>(1)</sup>	Narrow woven fabrics, and narrow fabrics (bolduc) consisting of warp without weft assembled by means of an adhesive, other than goods falling within heading No 58.06		Manufacture from materials of heading Nos 50.01 to 50.03, 53.01 to 53.05, 54.01, 55.01 to 55.04, 56.01 to 56.03 or 57.01 to 57.04 or from chemical products or textile pulp
58.06 <sup>(1)</sup>	Woven labels, badges and the like, not embroidered, in the piece, in strips or cut to shape or size		Manufacture from materials of heading Nos 50.01 to 50.03, 53.01 to 53.05, 54.01, 55.01 to 55.04, 56.01 to 56.03 or from chemical products or textile pulp
58.07 <sup>(1)</sup>	Chenille yarn (including flock chenille yarn), gimped yarn (other than metallized yarn of heading No 52.01 and gimped horsehair yarn); braids and ornamental trimmings in the piece; tassels, pompons and the like		Manufacture from materials of heading Nos 50.01 to 50.03, 53.01 to 53.05, 54.01, 55.01 to 55.04, 56.01 to 56.03 or from chemical products or textile pulp
58.08 <sup>(1)</sup>	Tulle and other net fabrics (but not including woven, knitted or crocheted fabrics), plain		Manufacture from materials of heading Nos 50.01 to 50.03, 53.01 to 53.05, 54.01, 55.01 to 55.04, 56.01 to 56.03 or from chemical products or textile pulp
58.09 <sup>(1)</sup>	Tulle and other net fabrics (but not including woven, knitted or crocheted fabrics), figured; hand or mechanically made lace, in the piece, in strips or in motifs		Manufacture from materials of heading Nos 50.01 to 50.03, 53.01 to 53.05, 54.01, 55.01 to 55.04, 56.01 to 56.03 or from chemical products or textile pulp
58.10	Embroidery, in the piece, in strips or in motifs		Manufacture in which the value of the product used does not exceed 50% of the value of finished product
59.01 <sup>(1)</sup>	Wadding and articles of wadding; textile flock and dust and mill neps		Manufacture either from natural fibres or from chemical products or textile pulp
59.02 <sup>(1)</sup>	Felt and articles of felt, whether or not impregnated		Manufacture either from natural fibres or from chemical products or textile pulp

<sup>(1)</sup> For products composed of two or more textile materials, the conditions shown in this list must also be met in respect of each of the headings under which products of the other textile materials of which the mixed product is composed would be classified. This rule, however, does not apply to any one or more mixed textile materials whose weight does not exceed 10% of the total weight of textile materials incorporated. This percentage shall be increased:

- (i) to 20% where the product in question is yarn made of polyurethane segmented with flexible segments of polyether, whether or not gimped, falling within heading Nos ex 51.01 and ex 52.07;
- (ii) to 30% where the product in question is yarn of a width not exceeding 5 mm formed of a core consisting either of a thin strip of aluminium or of a film of artificial plastic material whether or not covered with aluminium powder, this core having been inserted and glued by means of a transparent or coloured glue between two films of artificial plastic material.

Products obtained		Working or processing that does not confer the status of originating products	Working or processing that confers the status of originating products when the following conditions are met
CCT heading No	Description		
ex 59.02 <sup>(1)</sup>	Needled felt, whether or not impregnated or coated		Manufacture from fibre or continuous polypropylene filament of which the denomination of the filaments is less than 8 denier and of which the value does not exceed 40% of the value of the finished product
59.03 <sup>(1)</sup>	Bonded fibre fabrics, similar bonded yarn fabrics, and articles of such fabrics, whether or not impregnated or coated		Manufacture either from natural fibres or from chemical products or textile pulp
59.04 <sup>(1)</sup>	Twine, cordage, ropes and cables, plaited or not		Manufacture either from natural fibres or from chemical products or textile pulp or from coir yarn of heading No 57.07
59.05 <sup>(1)</sup>	Nets and netting made of twine, cordage or rope, and made up fishing nets of yarn, twine, cordage or rope		Manufacture either from natural fibres or from chemical products or textile pulp or from coir yarn of heading No 57.07
59.06 <sup>(1)</sup>	Other articles made from yarn, twine, cordage, rope or cables, other than textile fabrics and articles made from such fabrics		Manufacture either from natural fibres or from chemical products or textile pulp or from coir yarn of heading No 57.07
59.07	Textile fabrics coated with gum or amylaceous substances of a kind used for the outer covers of books and the like; tracing cloth; prepared painting canvas; buckram and similar fabrics for hat foundations and similar uses		Manufacture from yarn
59.08	Textile fabrics impregnated, coated, covered or laminated with preparations of cellulose derivatives or of other artificial plastic materials		Manufacture from yarn
59.09	Textile fabrics coated or impregnated with oil or preparations with a basis of drying oil		Manufacture from yarn
59.10 <sup>(1)</sup>	Linoleum and materials prepared on a textile base in a similar manner to linoleum, whether or not cut to shape or of a kind used as floor coverings; floor coverings consisting of a coating applied on a textile base, cut to shape or not		Manufacture either from yarn or from textile fibres

<sup>(1)</sup> For products composed of two or more textile materials, the conditions shown in this list must also be met in respect of each of the headings under which products of the other textile materials of which the mixed product is composed would be classified. This rule, however, does not apply to any one or more mixed textile materials whose weight does not exceed 10% of the total weight of textile materials incorporated. This percentage shall be increased: (i) to 20% where the product in question is yarn made of polyurethane segmented with flexible segments of polyether, whether or not gimped, falling within heading No ex 51.01 and ex 58.07; (ii) to 30% where the product in question is yarn of a width not exceeding 5 mm formed of a core consisting either of a thin strip of aluminium or of a film of artificial plastic material whether or not covered with aluminium powder, this core having been inserted and glued by means of a transparent or coloured glue between two films of artificial plastic material.

Products obtained		Working or processing that does not confer the status of originating products	Working or processing that confers the status of originating products when the following conditions are met
CCT heading No	Description		
59.11	Rubberized textile fabrics, other than rubberized knitted or crocheted goods		<b>Manufacture from yarn</b>
59.12	Textile fabrics otherwise impregnated or coated; painted canvas being theatrical scenery, studio backcloths or the like		<b>Manufacture from yarn</b>
59.13 <sup>(1)</sup>	Elastic fabrics and trimmings (other than knitted or crocheted goods) consisting of textile materials combined with rubber threads		<b>Manufacture from single yarn</b>
59.15 <sup>(1)</sup>	Textile hosepiping and similar tubing, with or without lining, armour or accessories of other materials		<b>Manufacture from materials of heading Nos 50.01 to 50.03, 53.01 to 53.05, 54.01, 55.01 to 55.04, 56.01 to 56.03 or 57.01 to 57.04 or from chemical products or textile pulp</b>
59.16 <sup>(1)</sup>	Transmission, conveyor or elevator belts or belting, of textile material, whether or not strengthened with metal or other material		<b>Manufacture from materials of heading Nos 50.01 to 50.03, 53.01 to 53.05, 54.01, 55.01 to 55.04, 56.01 to 56.03 or 57.01 to 57.04 or from chemical products or textile pulp</b>
59.17 <sup>(1)</sup>	Textile fabrics and textile articles, of a kind commonly used in machinery or plant		<b>Manufacture from materials of heading Nos 50.01 to 50.03, 53.01 to 53.05, 54.01, 55.01 to 55.04, 56.01 to 56.03 or 57.01 to 57.04 or from chemical products or textile pulp</b>
ex Chapter 60 <sup>(2)</sup>	Knitted and crocheted goods, excluding knitted or crocheted goods obtained by sewing or by the assembly of pieces of knitted or crocheted goods (cut or obtained directly to shape)		<b>Manufacture from natural fibres, carded or combed, from materials of heading Nos 56.01 to 56.03, from chemical products or textile pulp</b>
ex 60.02	Gloves, mittens and mitts, knitted or crocheted, not elastic or rubberized, obtained by sewing or by the assembly of pieces of knitted or crocheted goods (cut or obtained directly to shape)		<b>Manufacture from yarn<sup>(3)</sup></b>

<sup>(1)</sup> For products composed of two or more textile materials, the conditions shown in this list must also be met in respect of each of the headings under which products of the other textile materials of which the mixed product is composed would be classified. This rule, however, does not apply to any one or more mixed textile materials whose weight does not exceed 10% of the total weight of textile materials incorporated. This percentage shall be increased:

- (a) to 20% where the product in question is yarn made of polyurethane segmented with flexible segments of polyester, whether or not gimped, falling within heading Nos ex 51.01 and ex 53.07;
- (b) to 30% where the product in question is yarn of a width not exceeding 5 mm formed of a core consisting either of a thin strip of aluminium or of a film of artificial plastic material whether or not covered with aluminium powder, this core having been inserted and glued by means of a transparent or coloured glue between two films of artificial plastic material.

<sup>(2)</sup> Trimmings and accessories used (excluding linings and interlining) which change tariff heading do not remove the originating status of the product obtained if their weight does not exceed 10% of the total weight of all the textile materials incorporated.

Products obtained		Working or processing that does not confer the status of originating products	Working or processing that confers the status of originating products when the following conditions are met
CCT heading No	Description		
ex 60.03	Stockings, under stockings, socks, anklesocks, sockettes and the like, knitted or crocheted, not elastic or rubberized, obtained by sewing or by the assembly of pieces of knitted or crocheted goods (cut or obtained directly to shape)		Manufacture from yarn (*)
ex 60.04	Under garments, knitted or crocheted, not elastic or rubberized, obtained by sewing or by the assembly of pieces of knitted or crocheted goods (cut or obtained directly to shape)		Manufacture from yarn (*)
ex 60.05	Outer garments and other articles, knitted or crocheted, not elastic or rubberized, obtained by sewing or by the assembly of pieces of knitted or crocheted goods (cut or obtained directly to shape)		Manufacture from yarn (*)
ex 60.06	Other articles, knitted or crocheted, elastic or rubberized (including elastic knee-caps and elastic stockings), obtained by sewing or by the assembly of pieces of knitted or crocheted goods (cut or obtained directly to shape)		Manufacture from yarn (*)
61.01	Men's and boys' outer garments		Manufacture from yarn (*) (*)
ex 61.01	Fire resistant equipment of cloth covered by foil of aluminized polyester		Manufacture from uncoated cloth of which the value does not exceed 40% of the value of the finished product (*) (*)
ex 61.02	Women's, girls' and infants' outer garments, not embroidered		Manufacture from yarn (*) (*)
ex 61.02	Fire resistant equipment of cloth covered by foil of aluminized polyester		Manufacture from uncoated cloth of which the value does not exceed 40% of the value of the finished product (*) (*)
ex 61.02	Women's, girls' and infants' outer garments, embroidered		*Manufacture from fabrics, not embroidered, the value of which does not exceed 40% of the value of the finished product (*)

(\*) Trimmings and accessories used (excluding linings and interlining) which change tariff heading do not remove the originating status of the product obtained if their weight does not exceed 10% of the total weight of all the textile materials incorporated.

(\*\*) These provisions do not apply where the products are obtained from printed fabric in accordance with the conditions shown in List B.

Products obtained		Working or processing that does not confer the status of originating products	Working or processing that confers the status of originating products when the following conditions are met
CCT heading No	Description		
61.03	Men's and boys' under garments, including collars, shirt fronts and cuffs		Manufacture from yarn <sup>(1)</sup> <sup>(2)</sup>
61.04	Women's, girls' and infants' under garments		Manufacture from yarn <sup>(1)</sup> <sup>(2)</sup>
ex 61.05	Handkerchiefs, not embroidered		Manufacture from unbleached single yarn <sup>(1)</sup> <sup>(2)</sup> <sup>(3)</sup>
ex 61.05	Handkerchiefs, embroidered		Manufacture from fabrics, not embroidered, the value of which does not exceed 40% of the value of the finished product <sup>(1)</sup>
ex 61.06	Shawls, scarves, mufflers, mantillas, veils and the like, not embroidered		Manufacture from unbleached single yarn of natural textile fibres or discontinuous man-made fibres or their waste, or from chemical products or textile pulp <sup>(1)</sup> <sup>(2)</sup>
ex 61.06	Shawls, scarves, mufflers, mantillas, veils and the like, embroidered		Manufacture from fabrics, not embroidered, the value of which does not exceed 40% of the value of the finished product <sup>(1)</sup>
61.07	Ties, bow ties and cravats		Manufacture from yarn <sup>(1)</sup> <sup>(2)</sup>
ex 61.08	Collars, tuckers, fallals, bodice-fronts, jabots, cuffs, flounces, yokes and similar accessories and trimmings for women's and girls' garments, not embroidered		Manufacture from yarn <sup>(1)</sup> <sup>(2)</sup>
ex 61.08	Collars, tuckers, fallals, bodice-fronts, jabots, cuffs, flounces, yokes and similar accessories and trimmings for women's and girls' garments, embroidered		Manufacture from fabrics, not embroidered, the value of which does not exceed 40% of the value of the finished product <sup>(1)</sup>
61.09	Corsets, corset-belts, suspender-belts, brassières, braces, suspenders, garters and the like (including such articles of knitted or crocheted fabric), whether or not elastic		Manufacture from yarn <sup>(1)</sup> <sup>(2)</sup>
61.10	Gloves, mittens, mitts, stockings, socks and sockettes, not being knitted or crocheted goods		Manufacture from yarn <sup>(1)</sup> <sup>(2)</sup>

<sup>(1)</sup> Trimmings and accessories used (excluding linings and interlining) which change tariff heading do not remove the originating status of the product obtained if their weight does not exceed 10% of the total weight of all the textile materials incorporated.

<sup>(2)</sup> These provisions do not apply where the products are obtained from printed fabric in accordance with the conditions shown in List B.

<sup>(3)</sup> For products obtained from two or more textile materials, this rule does not apply to one or more of the mixed textile materials if its or their weight does not exceed 10% of the total weight of all the textile materials incorporated.

Products obtained		Working or processing that does not confer the status of originating products	Working or processing that confers the status of originating products when the following conditions are met
CCF heading No	Description		
ex 61.10	Fire resistant equipment of cloth covered by foil of aluminized polyester		Manufacture from uncoated cloth of which the value does not exceed 40% of the value of the finished product (*) (*)
61.11	Made up accessories for articles of apparel (for example, dress shields, shoulder and other pads, belts, muffs, sleeve protectors, pockets)		Manufacture from yarn (*) (*)
62.01	Travelling rugs and blankets		Manufacture from unbleached yarn of Chapters 50 to 56 (*) (*)
ex 62.02	Bed linen, table linen, toilet linen and kitchen linen; curtains and other furnishing articles; not embroidered		Manufacture from unbleached single yarn (*) (*)
ex 62.02	Bed linen, table linen, toilet linen and kitchen linen; curtains and other furnishing articles; embroidered		Manufacture from fabrics, not embroidered, the value of which does not exceed 40% of the value of the finished product
62.03	Sacks and bags, of a kind used for the packing of goods		Manufacture from chemical products, textile pulp or from natural textile fibres, discontinuous man-made fibres or their waste (*) (*)
62.04	Tarpaulins, sails, awnings, sun-blinds, tents and camping goods		Manufacture from single unbleached yarn (*) (*)
62.05	Other made up textile articles (including dress patterns)		Manufacture in which the value of the products used does not exceed 40% of the value of the finished product
64.01	Footwear with outer soles and uppers of rubber or artificial plastic material	Manufacture from assemblies of uppers affixed to inner soles or to other sole components, but without outer soles, of any material except metal	

(\*) Trimmings and accessories used (excluding linings and interlining) which change tariff heading do not remove the originating status of the product obtained if their weight does not exceed 10% of the total weight of all the textile materials incorporated.

(\*) These provisions do not apply where the products are obtained from printed fabric in accordance with the conditions shown in List B.

(\*) For products obtained from two or more textile materials, this rule does not apply to one or more of the mixed textile materials if its or their weight does not exceed 10% of the total weight of all the textile materials incorporated.

Products obtained		Working or processing that does not confer the status of originating products	Working or processing that confers the status of originating products when the following conditions are met
CCT heading No	Description		
64.02	Footwear with outer soles of leather or composition leather; footwear (other than footwear falling within heading No 64.01) with outer soles of rubber or artificial plastic material	Manufacture from assemblies of uppers affixed to inner soles or to other sole components, but without outer soles, of any material except metal	
64.03	Footwear with outer soles of wood or cork	Manufacture from assemblies of uppers affixed to inner soles or to other sole components, but without outer soles, of any material except metal	
64.04	Footwear with outer soles of other materials	Manufacture from assemblies of uppers affixed to inner soles or to other sole components, but without outer soles, of any material except metal	
65.03	Felt hats and other felt headgear, being headgear made from the felt hoods and plateaux falling within heading No 65.01, whether or not lined or trimmed		Manufacture from textile fibres
65.05	Hats and other headgear (including hair nets), knitted or crocheted, or made up from lace, felt or other textile fabric in the piece (but not from strips), whether or not lined or trimmed		Manufacture either from yarn or from textile fibres
66.01	Umbrellas and sunshades (including walking-stick umbrellas, umbrella tents, and garden and similar umbrellas)		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product
ex 70.07	Cast, rolled, drawn or blown glass (including flashed or wired glass) cut to shape other than rectangular shape, or bent or otherwise worked (for example, edge worked or engraved) whether or not surface ground or polished; multiple-walled insulating glass	Manufacture from drawn, cast or rolled glass of heading Nos 70.04 to 70.06	



Products obtained		Working or processing that does not confer the status of originating products	Working or processing that confers the status of originating products when the following conditions are met
CCT heading No	Description		
70.08	Safety glass consisting of toughened or laminated glass, shaped or not	Manufacture from drawn, cast or rolled glass of heading Nos 70.04 to 70.06	
70.09	Glass mirrors (including rear-view mirrors), unframed, framed or backed	Manufacture from drawn, cast or rolled glass of heading Nos 70.04 to 70.06	
71.15	Articles consisting of, or incorporating, pearls, precious or semi-precious stones (natural, synthetic or reconstructed)		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product (*)
73.07	Blooms, billets, slabs and sheet bars (including tinplate bars) of iron or steel; pieces roughly shaped by forging, of iron or steel	Manufacture from products of heading No 73.06	
73.08	Iron or steel coils re-rolling	Manufacture from products of heading No 73.07	
73.09	Universal plates of iron or steel	Manufacture from products of heading No 73.07 or 73.08	
73.10	Bars and rods (including wire rod), of iron or steel, hot-rolled, forged, extruded, cold-formed or cold-finished (including precision-made); hollow mining drill steel	Manufacture from products of heading No 73.07	
73.11	Angles, shapes and sections, of iron or steel, hot-rolled, forged, extruded, cold-formed or cold-finished; sheet piling of iron or steel, whether or not drilled, punched or made from assembled elements	Manufacture from products of heading Nos 73.07 to 73.10, 73.12 or 73.13	
73.12	Hoop and strip, of iron or steel, hot-rolled or cold-rolled	Manufacture from products of heading Nos 73.07 to 73.09 or 73.13	
73.13	Sheets and plates, of iron or steel, hot-rolled or cold-rolled	Manufacture from products of heading Nos 73.07 to 73.09	
73.14	Iron or steel wire, whether or not coated, but not insulated	Manufacture from products of heading No 73.10	

(\*) These provisions do not apply where the products are obtained from products which have acquired the status of originating products in accordance with the conditions laid down in List B.

Products obtained		Working or processing that does not confer the status of originating products	Working or processing that confers the status of originating products when the following conditions are met
CCT heading No	Description		
73.16	Railway and tramway track construction material of iron or steel, the following: rails, check-rails, switch blades, crossings (or frogs), crossing pieces, point rods, rack rails, sleepers, fish-plates, chairs, chair wedges, sole plates (base plates), rail clips, bed-plates, ties and other material specialized for joining or fixing rails		Manufacture from products of heading No 73.06
73.18	Tubes and pipes and blanks thereof, of iron (other than of cast iron) or steel, excluding high-pressure hydro-electric conduits		Manufacture from products of heading Nos 73.06 and 73.07 or heading No 73.15 in the forms specified in heading Nos 73.06 and 73.07
74.03	Wrought bars, rods, angles, shapes and sections, of copper; copper wire		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product (*)
74.04	Wrought plates, sheets and strip, of copper		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product (*)
74.05	Copper foil (whether or not embossed, cut to shape, perforated, coated, printed, or backed with paper or other reinforcing material), of a thickness (excluding any backing) not exceeding 0.15 mm		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product (*)
74.06	Copper powder and flakes		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product (*)
74.07	Tubes and pipes and blanks thereof, of copper; hollow bars of copper		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product (*)
74.08	Tube and pipe fittings (for example, joints, elbows, sockets and flanges), of copper		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product (*)

(\*) These provisions do not apply where the products are obtained from products which have acquired the status of originating products in accordance with the conditions laid down in List B.

Products obtained		Working or processing that does not confer the status of originating products	Working or processing that confers the status of originating products when the following conditions are met
CCT heading No	Description		
74.09	Reservoirs, tanks, vats and similar containers, for any material (other than compressed or liquified gas), of copper, of a capacity exceeding 300 litres, whether or not lined or heat-insulated, but not fitted with mechanical or thermal equipment		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product (!)
74.10	Stranded wire, cables, cordage, ropes, plaited bands and the like, of copper wire, but excluding insulated electric wires and cables		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product (!)
74.11	Gauze, cloth, grill, netting, fencing, reinforcing fabric and similar materials (including endless bands), of copper wire		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product (!)
74.12	Expanded metal, of copper		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product (!)
74.13	Chain and parts thereof, of copper		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product (!)
74.14	Nails, tacks, staples, hook-nails, spiked cramps, studs, spikes and drawing pins, of copper, or of iron or steel with heads of copper		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product (!)
74.15	Bolts and nuts (including bolt ends and screw studs), whether or not threaded or tapped, and screws (including screw hooks and screw rings), of copper; rivets, cotters, cotter-pins, washers and spring washers, of copper		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product (!)
74.16	Springs, of copper		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product (!)
74.17	Cooking and heating apparatus of a kind used for domestic purposes, not electrically operated, and parts thereof, of copper		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product (!)

(!) These provisions do not apply where the products are obtained from products which have acquired the status of originating products in accordance with the conditions laid down in List B.

Products obtained		Working or processing that does not confer the status of originating products	Working or processing that confers the status of originating products when the following conditions are met
CCT heading No	Description		
74.18	Other articles of a kind commonly used for domestic purposes, sanitary ware for indoor use, and parts of such articles and ware, of copper		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product (*)
74.19	Other articles of copper		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product (*)
75.02	Wrought bars, rods, angles, shapes and sections, of nickel; nickel wire		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product (*)
75.03	Wrought plates, sheets and strip, of nickel; nickel foil; nickel powders and flakes		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product (*)
75.04	Tubes and pipes and blanks therefor, of nickel; hollow bars, and tube and pipe fittings (for example, joints, elbows, sockets and flanges), of nickel		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product (*)
75.05	Electro-plating anodes, of nickel, wrought or unwrought, including those produced by electrolysis		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product (*)
75.06	Other articles of nickel		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product (*)
76.02	Wrought bars, rods, angles, shapes and sections, of aluminium; aluminium wire		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product
76.03	Wrought plates, sheets and strip, of aluminium		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product
76.04	Aluminium foil (whether or not embossed, cut to shape, perforated, coated, printed, or backed with paper or other reinforcing material), of a thickness (excluding any backing) not exceeding 0.20 mm		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product

(\*) These provisions do not apply where the products are obtained from products which have acquired the status of originating products in accordance with the conditions laid down in List B.

Products obtained		Working or processing that does not confer the status of originating product	Working or processing that confers the status of originating products when the following conditions are met
CCT heading No	Description		
76.05	Aluminium powders and flakes		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product
76.06	Tubes and pipes and blanks thereof, of aluminium; hollow bars of aluminium		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product
76.07	Tube and pipe fittings (for example, joints, elbows, sockets and flanges), of aluminium		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product
76.08	Structures, complete or incomplete, whether or not assembled, and parts of structures (for example, hangars and other buildings, bridges and bridge-sections, towers, lattice masts, roofs, roofing frameworks, door and window frames, balustrades, pillars and columns), of aluminium; plates, rods, angles, shapes, sections, tubes and the like, prepared for use in structures, of aluminium		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product
76.09	Reservoirs, tanks, vats and similar containers, for any material (other than compressed or liquified gas), of aluminium, of a capacity exceeding 300 litres, whether or not lined or heat insulated, but not fitted with mechanical or thermal equipment		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product
76.10	Casks, drums, cans, boxes and similar containers (including rigid and collapsible tubular containers), of aluminium, of a description commonly used for the conveyance or packing of goods		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product
76.11	Containers of aluminium for compressed or liquified gas		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product
76.12	Stranded wire, cables, cordage, ropes, plaited bands and the like, of aluminium wire, but excluding insulated electric wires and cables		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product
76.13	Gauze, cloth, grill, netting, reinforcing fabric and similar materials, of aluminium wire		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product

Products obtained		Working or processing that does not confer the status of originating products	Working or processing that confers the status of originating products when the following conditions are met
CCT heading No	Description		
76.14	Expanded metal, of aluminium		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product
76.15	Articles of a kind commonly used for domestic purposes, sanitary ware for indoor use, and parts of such articles and ware, of aluminium		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product
76.16	Other articles of aluminium		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product
77.02	Wrought bars, rods, angles, shapes and sections, of magnesium; magnesium wire; wrought plates, sheets and strip, of magnesium; magnesium foil; raspings and shavings of uniform size, powders and flakes, of magnesium; tubes and pipes and blanks thereof, of magnesium; hollow bars of magnesium		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product
7.03	Other articles of magnesium		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product
78.02	Wrought bars, rods, angles, shapes and sections, of lead; lead wire		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product (*)
78.03	Wrought plates, sheets and strip, of lead		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product (*)
78.04	Lead foil (whether or not embossed, cut to shape, perforated, coated, printed, or backed with paper or other reinforcing material), of a weight (excluding any backing) not exceeding 1.7 kg/m <sup>2</sup> ; lead powders and flakes		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product (*)
78.05	Tubes and pipes and blanks thereof, of lead; hollow bars and tube and pipe fittings (for example, joints, elbows, sockets, flanges and S-bends)		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product (*)

(\*) These provisions do not apply where the products are obtained from products which have acquired the status of originating products in accordance with the conditions laid down in List B.

Products obtained		Working or processing that does not confer the status of originating products	Working or processing that confers the status of originating products when the following conditions are met
CCT heading No	Description		
78.06	Other articles of lead		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product (*)
79.02	Wrought bars, rods, angles, shapes and sections, of zinc; zinc wire		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product
79.03	Wrought plates, sheets and strip, of zinc; zinc foil; zinc powders and flakes		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product
79.04	Tubes and pipes and blanks thereof, of zinc; hollow bars, and tube and pipe fittings (for example, joints, elbows, sockets and flanges), of zinc		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product
79.05	Gutters, roof capping, skylight frames, and other fabricated building components, of zinc		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product
79.06	Other articles of zinc		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product
80.02	Wrought bars, rods, angles, shapes and sections, of tin; tin wire		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product
80.03	Wrought plates, sheets and strip, of tin		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product
80.04	Tin foil (whether or not embossed, cut to shape, perforated, coated, printed, or backed with paper or other reinforcing material), of a weight (excluding any backing) not exceeding 1 kg/m <sup>2</sup> ; tin powders and flakes		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product

(\*) These provisions do not apply where the products are obtained from products which have acquired the status of originating products in accordance with the conditions laid down in List B.

Products obtained		Working or processing that does not confer the status of originating products	Working or processing that confers the status of originating products when the following conditions are met
CCT heading No	Description		
80.05	Tubes and pipes and blanks thereof, of tin; hollow bars, and tube and pipe fittings (for example, joints, elbows, sockets and flanges), of tin		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product
82.05	Interchangeable tools for hand tools, for machine tools or for power-operated hand tools (for example, for pressing, stamping, drilling, tapping, threading, boring, broaching, milling, cutting, turning, dressing, morticing or screwdriving), including dies for wire drawing, extrusion dies for metal, and rock drilling bits		Working, processing or assembly in which the value of the materials and parts used does not exceed 40% of the value of the finished product (*)
82.06	Knives and cutting blades, for machines or for mechanical appliances		Working, processing or assembly in which the value of the materials and parts used does not exceed 40% of the value of the finished product (*)
ex Chapter 84	Boilers, machinery and mechanical appliances and parts thereof, excluding refrigerators and refrigerating equipment (electrical and other) (No 84.15) and sewing machines, including furniture specially designed for sewing machines (ex No 84.41)		Working, processing or assembly in which the value of the materials and parts used does not exceed 40% of the value of the finished product
84.15	Refrigerators and refrigerating equipment (electrical and other)		Working, processing or assembly in which the value of the non-originating materials and parts used does not exceed 40% of the value of the finished product, and provided that at least 50% in value of the materials and parts (*) used are originating products

(\*) These provisions do not apply where the products are obtained from products which have acquired the status of originating products in accordance with the conditions laid down in List B.

(†) In determining the value of products, materials and parts, the following must be taken into account:

- (a) in respect of originating products, materials and parts, the first verifiable price paid, in case of sale, for the said products on the territory of the country where working, processing or assembly is carried out;
- (b) in respect of products, materials and parts other than those referred to under (a), the provisions of Article 4 of Annex II determining:
  - (i) the value of imported products,
  - (ii) the value of products of undetermined origin.



Products obtained		Working or processing that does not confer the status of originating products	Working or processing that confers the status of originating products when the following conditions are met
CCT heading No	Description		
ex 84.41	Sewing machines, including furniture for sewing machines		<p>Working, processing or assembly in which the value of the non-originating materials and parts used does not exceed 40% of the value of the finished product, and provided that:</p> <p>(a) at least 50% in value of the materials and parts<sup>(1)</sup> used for the assembly of the head (motor excluded) are originating products, and</p> <p>(b) the thread tension, crochet and zigzag mechanisms are originating products</p>
ex Chapter 85	Electrical machinery and equipment; parts thereof; excluding products of heading No 85.14 or 85.15		<p>Working, processing or assembly in which the value of the non-originating material and parts used does not exceed 40% of the value of the finished product</p>
85.14	Microphones and stands therefor; loudspeakers; audio-frequency electric amplifiers		<p>Working, processing or assembly in which the value of the non-originating materials and parts used does not exceed 40% of the value of the finished product, and provided that:</p> <p>(a) at least 50% in value of the materials and parts<sup>(1)</sup> used are originating products, and</p> <p>(b) the value of the non-originating transistors used does not exceed 3% of the value of the finished product<sup>(2)</sup></p>

<sup>(1)</sup> In determining the value of products, materials and parts, the following must be taken into account:

(a) in respect of originating products, materials and parts, the first verifiable price paid, in case of sale, for the said products on the territory of the country where working, processing or assembly is carried out;

(b) in respect of products, materials and parts, other than those referred to under (a), the provisions of Article 4 of Annex II determining:

(i) the value of imported products,

(ii) the value of products of undetermined origin.

<sup>(2)</sup> This percentage is not cumulative with the 40%.

Products obtained		Working or processing that does not confer the status of originating products	Working or processing that confers the status of originating products when the following conditions are met
CCT heading No	Description		
85.15	Radiotelegraphic and radiotelephonic transmission and reception apparatus; radio-broadcasting and television transmission and reception apparatus (including receivers incorporating sound recorders or reproducers) and television cameras; radio navigational aid apparatus, radar apparatus and radio remote control apparatus		Working, processing or assembly in which the value of the non-originating materials and parts used does not exceed 40% of the value of the finished product, and provided that:  (a) at least 50% in value of the materials and parts (1) used are originating products, and  (b) the value of the non-originating transistors used does not exceed 3% of the value of the finished product (2)
Chapter 86	Railway and tramway locomotives, rolling-stock and parts thereof; railway and tramway track fixtures and fittings; traffic signalling equipment of all kinds (not electrically powered)		Working, processing or assembly in which the value of the materials and parts used does not exceed 40% of the value of the finished product
ex Chapter 87	Vehicles, other than railway or tramway rolling-stock, and parts thereof, excluding products of heading No 87.09		Working, processing or assembly in which the value of the materials and parts used does not exceed 40% of the value of the finished product
87.09	Motor-cycles, autcycles and cycles fitted with an auxiliary motor, with or without side-cars; side-cars of all kinds		Working, processing or assembly in which the value of the non-originating materials and parts used does not exceed 40% of the value of the finished product, and provided that at least 50% in value of the materials and parts (1) used are originating products
ex Chapter 90	Optical, photographic cinematographic, measuring, checking, precision, medical and surgical instruments and apparatus and parts thereof, excluding products of heading No 90.05, 90.07, 90.08, 90.12 or 90.26		Working, processing or assembly in which the value of the materials and parts used does not exceed 40% of the value of the finished product

(1) In determining the value of products, materials and parts, the following must be taken into account:

(a) in respect of originating products, materials and parts, the first verifiable price paid, in case of sale, for the said products on the territory of the country where working, processing or assembly is carried out;

(b) in respect of products, materials and parts, other than those referred to under (a), the provisions of Article 4 of Annex II determining:

(i) the value of imported products,

(ii) the value of products of undetermined origin.

(2) This percentage is not cumulative with the 40%.

Products obtained		Working or processing that does not confer the status of originating products	Working or processing that confers the status of originating products when the following conditions are met
CCT heading No	Description		
90.05	Refracting telescopes (monocular and binocular), prismatic or not		Working, processing or assembly in which the value of the non-originating materials and parts used does not exceed 40% of the value of the finished product, and provided that at least 50% in value of the materials and parts <sup>(1)</sup> used are originating products
90.07	Photographic cameras; photographic flashlight apparatus		Working, processing or assembly in which the value of the non-originating materials and parts used does not exceed 40% of the value of the finished product, and provided that at least 50% in value of the materials and parts <sup>(1)</sup> used are originating products
90.08	Cinematographic cameras projectors, sound recorders and sound reproducers; any combination of these articles		Working, processing or assembly in which the value of the non-originating materials and parts used does not exceed 40% of the value of the finished product, and provided that at least 50% in value of the materials and parts <sup>(1)</sup> used are originating products
90.12	Compound optical microscopes, whether or not provided with means for photographing or projecting the image		Working, processing or assembly in which the value of the non-originating materials and parts used does not exceed 40% of the value of the finished product, and provided that at least 50% in value of the materials and parts <sup>(1)</sup> used are originating products
90.26	Gas, liquid and electricity supply or production meters; calibrating meters therefor		Working, processing or assembly in which the value of the non-originating materials and parts used does not exceed 40% of the value of the finished product, and provided that at least 50% in value of the materials and parts <sup>(1)</sup> used are originating products

<sup>(1)</sup> In determining the value of products, materials and parts, the following must be taken into account:

- (a) in respect of originating products, materials and parts, the first verifiable price paid, in case of sale, for the said products on the territory of the country where working, processing or assembly is carried out;
- (b) in respect of products, materials and parts, other than those referred to under (a), the provisions of Article 4 of Annex II determining:
  - (i) the value of imported products,
  - (ii) the value of products of undetermined origin.

Products obtained		Working or processing that does not confer the status of originating products	Working or processing that confers the status of originating products when the following conditions are met
CCT heading No	Description		
ex Chapter 91	Clocks and watches and parts thereof, excluding products of heading No 91.04 or 91.08		Working, processing or assembly in which the value of the materials and parts used does not exceed 40% of the value of the finished product
91.04	Other clocks		Working, processing or assembly in which the value of the non-originating materials and parts used does not exceed 40% of the value of the finished product, and provided that at least 50% in value of the materials and parts (*) used are originating products
91.08	Clock movements, assembled		Working, processing or assembly in which the value of the non-originating materials and parts used does not exceed 40% of the value of the finished product, and provided that at least 50% in value of the materials and parts (*) used are originating products
ex Chapter 92	Musical instruments; sound recorders and reproducers; television image and sound recorders and reproducers, magnetic; parts and accessories of such articles; excluding products of heading No 92.11		Working, processing or assembly in which the value of the non-originating materials and parts used does not exceed 40% of the value of the finished product
92.11	Gramophones, dictating machines and other sound recorders and reproducers, including record players and tape decks, with or without sound-heads; television image and sound recorders and reproducers, magnetic		Working, processing or assembly in which the value of the non-originating materials and parts used does not exceed 40% of the value of the finished product, and provided that:  (a) at least 50% in value of the materials and parts (*) used are originating products, and  (b) the value of the non-originating transistors used does not exceed 3% of the value of the finished product (*)

(\*) In determining the value of products, materials and parts, the following must be taken into account:

- (a) in respect of originating products, materials and parts, the first verifiable price paid, in case of sale, for the said products on the territory of the country where working, processing or assembly is carried out;
- (b) in respect of products, materials and parts, other than those referred to under (a), the provisions of Article 4 of Annex II determining:
  - (i) the value of imported products,
  - (ii) the value of products of undetermined origin.

(\*) This percentage is not cumulative with the 40%.

Products obtained		Working or processing that does not confer the status of originating products	Working or processing that confers the status of originating products when the following conditions are met
CCF heading No	Description		
Chapter 93	Arms and ammunition; parts thereof		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product
96.02	Other brooms and brushes (including brushes of a kind used as parts of machines); paint rollers; squeegees (other than roller squeegees) and mops		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product
97.03	Other toys; working models of a kind used for recreational purposes		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product
98.01	Buttons and button moulds, studs, cuff-links, and press-fasteners, including snap fasteners and press-studs; blanks and parts of such articles		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product
98.08	Typewriter and similar ribbons, whether or not on spools; ink-pads, with or without boxes		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product

Annex 3 to Annex II

LIST B

List of working or processing operations which do not result in a change of tariff heading, but which do confer the status of 'originating products' on the products undergoing such operations

Finished products		Working or processing that confers the status of originating products
CCT heading No	Description	
		Incorporation of non-originating materials and parts in boilers, machinery, mechanical appliances, etc., of Chapters 84 to 92 in boilers and radiators of heading No 73.37 and in the products contained in heading Nos 97.07 and 98.03 does not make such products lose their status of originating products, provided that the value of these products does not exceed 5% of the value of the finished product
13.02	Shellac, seed lac, stick lac and other lacs; natural gums, resins, gum-resins and balsams	Working, processing or assembly in which the value of the non-originating materials and parts used does not exceed 50% of the value of the finished product
ex 15.10	Fatty alcohols	Manufacture from fatty acids
ex 21.03	Prepared mustard	Manufacture from mustard flour
ex 22.09	Whisky of an alcoholic strength of less than 50°	Manufacture from alcohol deriving exclusively from the distillation of cereals and in which the value of the non-originating constituent products does not exceed 15% of the value of the manufactured product
ex 25.09	Earth colours, calcined or powdered	Crushing and calcination or powdering of earth colours
ex 25.15	Marble squared by sawing, of a thickness not exceeding 25 cm	Sawing into slabs or sections, polishing, grinding and cleaning of marble, including marble not further worked than roughly split, roughly squared or squared by sawing, of a thickness exceeding 25 cm
ex 25.16	Granite, porphyry, basalt, sandstone and other monumental and building stone, squared by sawing, of a thickness not exceeding 25 cm	Sawing of granite, porphyry, basalt, sandstone and other building stone, including such stone not further worked than roughly split, roughly squared or squared by sawing, of a thickness exceeding 25 cm
ex 25.18	Calcined dolomite; agglomerated dolomite (including tarred dolomite)	Calcination of unworked dolomite
ex Chapters 28 to 37	Products of the chemical and allied industries excluding calcined, crushed and powdered natural aluminium calcium phosphates, treated thermally (ex 31.03) and essential oils other than of citrus fruit, terpenes (ex 33.01)	Working or processing in which the value of the non-originating products used does not exceed 20% of the value of the finished product

Finished products		Working or processing that confers the status of originating products
CCT heading No	Description	
ex 31.03	Calcined, crushed and powdered natural aluminium calcium phosphates, treated thermally	<b>Crushing</b> and powdering of calcined natural aluminium calcium phosphates, treated thermally
ex 33.01	Essential oils, other than of citrus fruit, terpenesless	<b>Deterpenation</b> of essential oils other than of citrus fruit
ex Chapter 38	Miscellaneous chemical products, other than refined tall oil (ex 38.05) and sulphate turpentine refined (ex 38.07)	<b>Working</b> or processing in which the value of the non-originating materials used does not exceed 20% of the value of the finished product
ex 38.05	Refined tall oil	<b>Refining</b> of crude tall oil
ex 38.07	Sulphate turpentine, purified	<b>Purification</b> consisting of the distillation or refining of raw sulphate turpentine
ex Chapter 39	Artificial plastic materials, cellulose ethers and esters, artificial resins and articles made of these materials, excepting films of ionomers (ex 39.02)	<b>Working</b> or processing in which the value of the non-originating materials used does not exceed 20% of the value of the finished product
ex 39.02	Ionomer film	<b>Manufacture</b> from a thermoplastic partial salt which is a copolymer of ethylene and metacrylic acid partly neutralized with metal ions, mainly zinc and sodium
ex 40.01	Slabs of crepe rubber for soles	<b>Lamination</b> of crepe sheets of natural rubber
ex 40.07	Rubber thread and cord, textile-covered	<b>Manufacture</b> from rubber thread or cord
ex 41.01	Sheep and lambskins without the wool	<b>Removing</b> wool from sheep and lambskins in the wool
ex 41.02	Retanned bovine cattle leather (including buffalo leather) and equine leather, except leather of heading Nos 41.06 to 41.08	<b>Retanning</b> of bovine cattle leather (including buffalo leather) and equine leather, not further prepared than tanned
ex 41.03	Retanned sheep and lambskin leather, except leather of heading Nos 41.06 to 41.08	<b>Retanning</b> of sheep and lambskin leather, not further prepared than tanned
ex 41.04	Retanned goat and kidskin leather, except leather of heading Nos 41.06 to 41.08	<b>Retanning</b> of goat and kidskin leather, not further prepared than tanned
ex 41.05	Other kinds of retanned leather, except leather of heading Nos 41.06 to 41.08	<b>Retanning</b> of other kinds of leather, not further prepared than tanned
ex 43.02	Assembled furskins	<b>Bleaching, dyeing, dressing, cutting and assembling</b> of tanned or dressed furskins
ex 50.03	Silk waste carded or combed	<b>Carding</b> or combing waste silk

Finished products		Working or processing that confers the status of originating products
CCT heading No	Description	
<p>ex 50.09 ex 50.10 ex 51.04 ex 53.11 ex 53.12 ex 53.13 ex 54.05 ex 55.07 ex 55.08 ex 55.09 ex 56.07</p>	Printed fabrics	Printing accompanied by finishing operations (bleaching, dressing, drying, steaming, burling, mending, impregnating, sanforizing, mercerizing) of fabrics the value of which does not exceed 47.5% of the value of the finished product
ex 59.14	Incandescent gas mantles	Manufacture from tubular gas mantle fabric
ex 68.03	Articles of slate, including articles of agglomerated slate	Manufacture of articles of slate
ex 68.13	Articles of asbestos; articles of mixtures with a basis of asbestos or of mixtures with a basis of asbestos and magnesium carbonate	Manufacture of articles of asbestos or of mixtures with a basis of asbestos, or of mixtures with a basis of asbestos and magnesium carbonate
ex 68.15	Articles of mica, including bonded mica splittings on a support of paper or fabric	Manufacture of articles of mica
ex 70.10	Cut-glass bottles	Cutting of bottles the value of which does not exceed 50% of the value of the finished product
70.13	Glassware (other than articles falling in heading No 70.19) of a kind commonly used for table, kitchen, toilet or office purposes, for indoor decoration, or similar uses	Cutting of glassware the value of which does not exceed 50% of the value of the finished product or decoration, with the exception of silk-screen printing, carried out entirely by hand, of hand-blown glassware the value of which does not exceed 50% of the value of the finished product
ex 70.20	Articles made from glass fibre	Manufacture from unworked glass fibre
ex 71.02	Precious and semi-precious stones, cut or otherwise worked, but not mounted, set or strung (except ungraded stones temporarily strung for convenience of transport)	Manufacture from unworked precious and semi-precious stones
ex 71.03	Synthetic or reconstructed precious or semi-precious stones, cut or otherwise worked, but not mounted, set or strung (except ungraded stones temporarily strung for convenience of transport)	Manufacture from unworked synthetic or reconstructed precious or semi-precious stones
ex 71.05	Silver and silver alloys, including silver gilt and platinum-plated silver, semi-manufactured	Rolling, drawing, beating or grinding of unwrought silver and silver alloys
ex 71.05	Silver, including silver gilt and platinum-plated silver, unwrought	Alloying or electrolytic separation of unwrought silver and silver alloys



Finished products		Working or processing that confers the status of originating products
CCT heading No	Description	
ex 71.06	Rolled silver, semi-manufactured	Rolling, drawing, beating or grinding of unwrought rolled silver
ex 71.07	Gold, including platinum-plated gold, semi-manufactured	Rolling, drawing, beating or grinding of unwrought gold, including platinum-plated gold
ex 71.07	Gold, including platinum-plated gold, unwrought	Alloying or electrolytic separation of unwrought gold or gold alloys
ex 71.08	Rolled gold on base metal or silver, semi-manufactured	Rolling, drawing, beating or grinding of unwrought rolled gold on base metal or silver
ex 71.09	Platinum and other metals of the platinum group, semi-manufactured	Rolling, drawing, beating or grinding of unwrought platinum or other metals of the platinum group
ex 71.09	Platinum and other metals of the platinum group, unwrought	Alloying or electrolytic separation of unwrought platinum or other metals of the platinum group
ex 71.10	Rolled platinum or other platinum group metals, on base metal or precious metal, semi-manufactured	Rolling, drawing, beating or grinding of unwrought rolled platinum or other unwrought platinum group metals or precious metal
ex 73.15	Alloy steel and high carbon steel: — in the forms mentioned in heading Nos 73.11 to 73.13 — in the forms mentioned in heading No 73.14	Manufacture from products in the forms mentioned in heading No 73.06 Manufacture from products in the forms mentioned in heading Nos 73.06 or 73.07
ex 74.01	Unrefined copper (blister copper and other)	Smelting of copper matte
ex 74.01	Refined copper	Fire-refining or electrolytic refining of unrefined copper (blister copper and other), copper waste or scrap
ex 74.01	Copper alloy	Fusion and thermal treatment of refined copper, copper waste or scrap
ex 75.01	Unwrought nickel (including electro-plating anodes of heading No 75.05)	Refining by electrolysis, by fusion or chemically, of nickel mattes, nickel speiss and other intermediate products of nickel metallurgy
ex 75.01	Unwrought nickel (except nickel alloys)	Refining of waste by electrolysis, by melting or by chemical means of waste and scrap

Finished products		Working or processing that confers the status of originating products
CCT heading No	Description	
ex 76.01	Unwrought aluminium	Manufacture by thermal or electrolytic treatment of unalloyed aluminium, waste and scrap
ex 77.04	Beryllium wrought	Rolling, drawing or grinding of unwrought beryllium the value of which does not exceed 50% of the value of the finished product
ex 78.01	Refined lead	Manufacture by thermal refining from bullion lead
ex 81.01	Tungsten, wrought	Manufacture from unwrought tungsten the value of which does not exceed 50% of the value of the finished product
ex 81.02	Molybdenum, wrought	Manufacture from unwrought molybdenum the value of which does not exceed 50% of the value of the finished product
ex 81.03	Tantalum, wrought	Manufacture from unwrought tantalum the value of which does not exceed 50% of the value of the finished product
ex 81.04	Other base metals, wrought	Manufacture from other base metals, unwrought the value of which does not exceed 50% of the value of the finished product
ex 83.06	Indoor ornaments made from base metals other than statuettes	Working or processing in which the value of the non-originating materials used does not exceed 30% of the value of the finished product
84.06	Internal combustion piston engines	Working, processing or assembly in which the value of the materials and parts used does not exceed 40% of the value of the finished product
ex 84.08	Engines and motors, excluding reaction engines and gas turbines	Working, processing or assembly in which the value of the non-originating materials and parts used does not exceed 40% of the value of the finished product, and provided that at least 50% in value of the materials and parts (*) used are originating products
84.16	Calendering and similar rolling machines (other than metal-working and metal-rolling machines and glass working machines) and cylinders thereof	Working, processing or assembly in which the value of the non-originating materials and parts used does not exceed 25% of the value of the finished product

(\*) In determining the value of products, materials and parts, the following must be taken into account:

- (a) in respect of originating products, materials and parts, the first verifiable price paid, or the price which would be paid in case of sale, for the said products on the territory of the country where working, processing or assembly is carried out;
- (b) in respect of other products, materials and parts, the provisions of Article 4 of Annex II determining:
  - (i) the value of imported products,
  - (ii) the value of products of undetermined origin.

Finished products		Working or processing that confers the status of originating products
CCT heading No	Description	
ex 84.17	Machinery, plant and similar laboratory equipment, whether or not electrically heated, for the treatment of materials by a process involving a change of temperature, for wood, paper pulp, paper and paperboard manufacturing industries	<b>Working</b> , processing or assembly in which the <b>value</b> of the non-originating materials and parts used does not exceed 25% of the value of the <b>finished product</b>
84.31	Machinery for making or finishing cellulosic pulp, paper or paperboard	<b>Working</b> , processing or assembly in which the <b>value</b> of the non-originating materials and parts used does not exceed 25% of the value of the <b>finished product</b>
84.33	Paper or paperboard cutting machines of all kinds; other machinery for making up paper pulp, paper or paperboard	<b>Working</b> , processing or assembly in which the <b>value</b> of the non-originating materials and parts used does not exceed 25% of the value of the <b>finished product</b>
ex 84.41	Sewing machines, including furniture specially designed for sewing machines	<b>Working</b> , processing or assembly in which the <b>value</b> of the non-originating materials and parts used does not exceed 40% of the value of the <b>finished product</b> , and provided that:  <b>(a)</b> at least 50% of the materials and parts <sup>(1)</sup> used for assembly of the head (motor excluded) are originating products, and  <b>(b)</b> the thread tension, crochet and zigzag mechanisms are originating products
85.14	Microphones and stands therefor; loudspeakers; audiofrequency electric amplifiers	<b>Working</b> , processing or assembly in which the <b>value</b> of the non-originating materials and parts used does not exceed 40% of the value of the <b>finished product</b> and provided that at least 50% of the materials and parts used are originating products <sup>(2)</sup>
85.15	Radiotelegraphic and radiotelephonic transmission and reception apparatus; radio, broadcasting and television transmission and reception apparatus (including receivers incorporating sound recorders or reproducers) and television cameras; radio navigational aid apparatus, radar apparatus and radio remote control apparatus	<b>Working</b> , processing or assembly in which the <b>value</b> of the non-originating materials and parts used does not exceed 40% of the value of the <b>finished product</b> and provided that at least 50% of the materials and parts used are originating products <sup>(2)</sup>
87.06	Parts and accessories of the motor vehicles of heading Nos 87.01 to 87.03	<b>Working</b> , processing or assembly in which the <b>value</b> of the materials and parts used does not exceed 15% of the value of the <b>finished product</b>

<sup>(1)</sup> In determining the value of products, materials and parts, the following must be taken into account:

<sup>(a)</sup> in respect of originating products, materials and parts, the first verifiable price paid, in case of sale, for the said products in the territory of the country where working, processing or assembly is carried out;

<sup>(b)</sup> in respect of products, materials and parts, other than those referred to under <sup>(a)</sup>, the provisions of Article 4 of Annex II determining:

<sup>(i)</sup> the value of imported products,  
<sup>(ii)</sup> the value of products of undetermined origin.

<sup>(2)</sup> The application of this rule must not have the effect of allowing the exceeding of the percentage of 3 % for the originating transistors laid down in List A for the same tariff heading.

Finished products		Working or processing that affects the status of originating products
CCT heading No	Description	
ex 94.01	Chairs and other seats (other than those falling within heading No 94.02) whether or not convertible into beds, made of base metals	Working, processing or assembly in which unstuffed cotton cloth is used of a weight of 300 g/m <sup>2</sup> or less in the form ready to use, of which the value does not exceed 25% of the value of the finished product (*)
ex 94.03	Other furniture of base metal	Working, processing or assembly in which unstuffed cotton cloth is used of a weight of 300 g/m <sup>2</sup> or less in the form ready to use of which the value does not exceed 25% of the value of the finished product (*)
ex 95.01	Articles of tortoise-shell	Manufacture from worked tortoise-shell
ex 95.02	Articles of mother of pearl	Manufacture from worked mother of pearl
ex 95.03	Articles of ivory	Manufacture from worked ivory
ex 95.04	Articles of bone (excluding whalebone)	Manufacture from worked bone (excluding whalebone)
ex 95.05	Articles of horn, coral (natural or agglomerated) or of other animal carving material	Manufacture from worked horn, coral (natural or agglomerated) or other animal carving material
ex 95.06	Articles of vegetable carving material (for example, corozo)	Manufacture from worked vegetable carving material (for example, corozo)
ex 95.07	Articles of jet (and mineral substitutes for jet), amber, meerschaum, agglomerated amber and agglomerated meerschaum	Manufacture from worked jet (and mineral substitutes for jet), amber, meerschaum, agglomerated amber and agglomerated meerschaum
ex 98.11	Smoking pipes, pipe bowls, of wood, root or other materials	Manufacture from roughly shaped blocks

(\*) This rule does not apply when the general rule of change of tariff heading is applied to the other non-originating parts which are part of the composition of the final product.

Annex 4 to Annex II

LIST C

List of products excluded from the scope of Annex II

CCT heading No	Description
ex 27.07	Assimilated aromatic oils as defined in Note 2 to Chapter 27, of which more than 65% by volume distils at a temperature of up to 250° C (including mixtures of petroleum spirit and benzole), for use as power or heating fuels
27.09 to 27.16	Mineral oils and products of their distillation; bituminous substances; mineral waxes
ex 29.01	Hydrocarbons: — acyclic — cyclanes and cyclenes, excluding azulenes — benzene, toluene, xylenes for use as power or heating fuels.
ex 34.03	Lubricating preparations containing petroleum oils or oils obtained from bituminous minerals, but not including preparations containing 70 % or more by weight of petroleum oils or of oils obtained from bituminous minerals
ex 34.04	Waxes with a basis of paraffin, of petroleum waxes, of waxes obtained from bituminous minerals, of slack wax or of scale wax
ex 38.14	Prepared additives for lubricants

MOVEMENT CERTIFICATE

1. Exporter (Name, full address, country)	<b>EUR. 1</b> No <b>A 000.000</b>	
	See notes overleaf before completing this form	
3. Consignee (Name, full address, country) (Optional)	2. Certificate used in preferential trade between  and  (insert appropriate countries, groups of countries or territories)	
	4. Country, group of countries or territory in which the products are considered as originating (1)	5. Country, group of countries or territory of destination
6. Transport details (Optional)	7. Remarks	
8. Item number; marks and numbers; Number and kind of packages (2); Description of goods	9. Gross weight (kg) or other measure (litres, m <sup>3</sup> , etc.)	10. Invoices (Optional)
<b>11. CUSTOMS ENDORSEMENT</b> Declaration certified Export document (3) Form _____ No _____ Customs office _____ Issuing country or territory _____ _____ Date _____ _____ (Signature)		<b>12. DECLARATION BY THE EXPORTER</b> I, the undersigned, declare that the goods described above meet the conditions required for the issue of this certificate.  _____ (Place and date)  _____ (Signature)

(1) Complete only in cases of exporting country not being identical to the country where the products are originating. In the contrary case, this box has to be struck through.

(2) If goods are not packed, indicate number of articles or state 'in bulk' as appropriate.

(3) Complete only where the regulations of the exporting country or territory require.

Stamp

<p>13. REQUEST FOR VERIFICATION, to</p>	<p>14. RESULT OF VERIFICATION,</p>
<p>Verification of the authenticity and accuracy of this certificate is requested.</p>	<p>Verification carried out shows that this certificate <sup>(1)</sup></p> <p><input type="checkbox"/> was issued by the customs office indicated and that the information contained therein is accurate.</p> <p><input type="checkbox"/> does not meet the requirements as to authenticity and accuracy (see remarks appended).</p>
<p>(Place and date)</p>	<p>(Place and date)</p>
<p>Stamp</p>	<p>Stamp</p>
<p>(Signature)</p>	<p>(Signature)</p>
<p><sup>(1)</sup> Insert X in the appropriate box.</p>	

NOTES

1. Certificates must not contain erasures or words written over one another. Any alterations must be made by deleting the incorrect particulars and adding any necessary corrections. Any such alteration must be initialled by the person who completed the certificate and endorsed by the customs authorities of the issuing country or territory.
2. No spaces must be left between the items entered on the certificate and each item must be preceded by an item number. A horizontal line must be drawn immediately below the last item. Any unused space must be struck through in such a manner as to make any later additions impossible.
3. Goods must be described in accordance with commercial practice and with sufficient detail to enable them to be identified.

APPLICATION FOR A MOVEMENT CERTIFICATE

1. Exporter (Name, full address, country)	<b>EUR. 1</b> No <b>A</b> 000.000		
	See notes overleaf before completing this form		
3. Consignee (Name, full address, country) (Optional)	2. Application for a certificate to be used in preferential trade between		
	and		
	(insert appropriate countries, groups of countries or territories)		
	4. Country, group of countries or territory in which the products are considered as originating (*)	5. Country, group of countries or territory of destination	
6. Transport details (Optional)	7. Remarks		
8. Item number; marks and numbers; Number and kind of packages (?); Description of goods	9. Gross weight (kg) or other measure (litres, m <sup>3</sup> , etc.)	10. Invoices (Optional)	

(\*) Complete only in cases of exporting country not being identical to the country where the products are originating. In the contrary case, this box has to be struck through.

(\*) If goods are not packed, indicate number of articles or state 'in bulk' as appropriate.



DECLARATION BY THE EXPORTER

I, the undersigned, exporter of the goods described overleaf,

DECLARE that the goods meet the conditions required for the issue of the attached certificate;

SPECIFY as follows the circumstances which have enabled these goods to meet the above conditions:

.....  
.....  
.....

SUBMIT the following supporting documents (1):

.....  
.....  
.....

UNDERTAKE to submit, at the request of the appropriate authorities, any supporting evidence which these authorities may require for the purpose of issuing the attached certificate, and undertake, if required, to agree to any inspection of my accounts and to any check on the processes of manufacture of the above goods, carried out by the said authorities;

REQUEST the issue of the attached certificate for these goods.

.....  
(Place and date)

.....  
(Signature)

(1) For example: import documents, movement certificates, invoices, manufacturer's declarations, etc., referring to the products used in manufacture or to the goods re-exported in the same state.

(\*) Verification of the form is made on a sampling basis or whenever the customs authorities of the importing country have reasonable doubt as to the true origin of the goods in question or of constituents thereof.

The customs authorities of the importing country must send the copy to the authorities of the exporting country responsible for verification, specifying the reasons of substance been possible to obtain and which suggests that the particulars given in the form are inaccurate.

If the customs authorities of the importing country decide to suspend the provisions of the Agreement while awaiting the results of the verification, they shall offer to release the goods to the importer subject to such safeguards as may be considered necessary.

<p align="center">RESULT OF VERIFICATION</p> <p>Verification carried out by the undersigned customs officer shows that:</p> <p><input type="checkbox"/> the statements and particulars given in this form are accurate (1);</p> <p><input type="checkbox"/> this form does not meet the requirements as to authenticity and accuracy (see remarks appended (2))</p> <p>_____ (Place and date of signature)</p> <p>_____ (Signature of customs officer)</p> <p align="center">(*) Place an X where applicable</p> <div style="border: 1px dashed black; width: 100px; height: 50px; margin: 0 auto; text-align: center; line-height: 50px;">Official stamp</div>	<p align="center">REQUEST FOR VERIFICATION</p> <p>The undersigned customs officer requests that the declaration by the exporter on the front of this form be verified (1)</p> <p>_____ (Place and date of signature)</p> <p>_____ (Signature of customs officer)</p> <div style="border: 1px dashed black; width: 100px; height: 50px; margin: 0 auto; text-align: center; line-height: 50px;">Official stamp</div>
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**FORM EUR. 2** No A 000.000

(Part 1)

<p><b>1</b> Name and address of exporter</p>   <p><b>3</b> Name and address of consignee</p>   <p><b>5</b> Remarks (2)</p>  <p><b>10</b> Description of goods</p>   	<p><b>2</b> Declaration by the exporter</p> <p>I, the undersigned, exporter of the goods described below and contained in this postal consignment,</p> <p>— DECLARE that the goods are situated in _____ (exporting country) under the conditions necessary for completion of this form in accordance with the provisions governing trade between _____ (3); and that the goods have the status of originating products within the meaning of the said provisions;</p> <p>— UNDERTAKE to submit to the appropriate authorities any supporting evidence which these authorities may require and to agree to any inspection by them of my accounts and any check by them on the processes of manufacture of the goods described below.</p> <p><b>4</b> Place and date</p> <p><b>6</b> Signature of exporter</p>  <table style="width:100%; border-collapse: collapse;"> <tr> <td style="width:50%; border-bottom: 1px solid black; padding: 5px;"><b>7</b> Country, group of countries or territory in which the products are considered as originating (4)</td> <td style="width:50%; border-bottom: 1px solid black; padding: 5px;"><b>8</b> Country of destination</td> </tr> <tr> <td style="border-bottom: 1px solid black; padding: 5px;"></td> <td style="border-bottom: 1px solid black; padding: 5px;"><b>9</b> Gross weight</td> </tr> </table> <p><b>11</b> Authorities in the exporting country responsible for verification of the declaration by the exporter</p>  	<b>7</b> Country, group of countries or territory in which the products are considered as originating (4)	<b>8</b> Country of destination		<b>9</b> Gross weight
<b>7</b> Country, group of countries or territory in which the products are considered as originating (4)	<b>8</b> Country of destination				
	<b>9</b> Gross weight				

(1) (2) (3) (See footnotes on back of part 1).

Before completing this form read carefully the instructions on the back of Part 1.

Before completing this form read carefully the instructions on the back of Part 1.

<p>1 Name and address of exporter</p>	
<p>2 Declaration by the exporter</p> <p>I, the undersigned, exporter of the goods described below and contained in this postal consignment,</p> <p>— DECLARE that the goods are situated in _____ (exporting country) under the conditions necessary for completion of this form in accordance with the provisions governing trade between _____ (1) and that the goods have the status of originating products within the meaning of the said provisions.</p> <p>— UNDERTAKE to submit to the appropriate authorities any supporting evidence which these authorities may require and to agree to any inspection by them of my accounts and any check by them on the processes or manufacture of the goods described below.</p>	<p>3 Name and address of consignee</p>
<p>4 Place and date</p>	<p>5 Remarks (2)</p>
<p>6 Signature of exporter</p>	<p>7 Country, group of countries or territory in which the products are considered as originating (3)</p>
<p>8 Country of destination</p>	<p>9 Gross weight</p>
<p>10 Description of goods</p>	<p>11 Authorities in the exporting country responsible for verification of the declaration by the exporter</p>

**FORM EUR.2** No A 000.000

(Part 2)

**Footnotes for both forms**

- (1) Indicate the Contracting Parties to the transaction in respect of which the form has been completed.
- (2) Refer to any verification already carried out by the appropriate authorities.
- (3) Complete only in cases of exporting country not being identical to the country where the products are originating. In the contrary case, this box has to be struck through.

**Instructions for the completion of form EUR.2**

- 1. A form EUR.2 may be made out only for goods which in the exporting country meet the conditions specified by the provisions governing the trade referred to in space 2.  
Those provisions must be studied carefully before the form is completed.
- 2. The exporter must give the reference 'EUR.2' followed by the serial number of the form either on green label C 1 or on customs declaration C 2/CP 3.
- 3. After completing and signing the two parts of the form, the exporter must:
  - in the case of a consignment by parcel post, attach the two parts to the dispatch note,
  - in the case of a consignment by letter post, attach Part 1 firmly to the consignment and insert Part 2 inside it.

*Annex 7 to Annex II*

**SPECIMEN OF DECLARATION**

I, the undersigned, declare that the goods listed on this invoice were obtained in .....

and (as appropriate):

(a) (\*) satisfy the rules on the definition of the concept of 'wholly produced products'

or

(b) (\*) were produced from the following products:

Description	Country of origin	Value (*)
.....	.....	.....
.....	.....	.....
.....	.....	.....
.....	.....	.....

and have undergone the following processes:

..... (indicate processings)

in

.....

.....  
(Place and date)



.....  
(Signature)

.....  
(\*) To be completed as necessary.

EUROPEAN COMMUNITIES

1. Supplier (*)	<p><b>INFORMATION CERTIFICATE</b> to facilitate the issue of a <b>MOVEMENT CERTIFICATE</b> for preferential trade between the</p> <div style="border: 1px solid black; padding: 5px; text-align: center; margin: 10px auto; width: 80%;"> <p><b>EUROPEAN ECONOMIC COMMUNITY</b> and the <b>COUNTRIES AND TERRITORIES</b></p> </div>		
2. Consignee (*)	4. State, country or territory in which the working or processing has been carried out		
3. Processor (*)			
6. Customs office of importation (*)	5. For official use		
7. Import document (*) Form ..... No ..... Series ..... Date <input style="width: 20px;" type="text"/> <input style="width: 20px;" type="text"/> <input style="width: 20px;" type="text"/>			
<b>GOODS SENT TO THE STATE, COUNTRY OR TERRITORY OF DESTINATION</b>			
8. Marks, numbers, quantity and kind of package	9. Tariff heading number and description of goods	10. Quantity (*)	
		11. Value (*)	
<b>IMPORTED GOODS USED</b>			
12. Tariff heading number and description	13. Country of origin	14. Quantity (*)	15. Value (*) (*)
16. Nature of the working or processing carried out			
17. Remarks			
<p><b>18. CUSTOMS ENDORSEMENT</b></p> <p>Declaration certified Document .....</p> <p>Form ..... No .....</p> <p>Customs office .....</p> <p>Date <input style="width: 20px;" type="text"/> <input style="width: 20px;" type="text"/> <input style="width: 20px;" type="text"/></p> <div style="border: 1px solid black; width: 80px; height: 40px; margin: 10px auto; text-align: center; font-size: 8px;">                 Official stamp             </div> <p>..... (Signature)</p>		<p><b>19. DECLARATION BY THE SUPPLIER</b></p> <p>I, the undersigned, declare that the information on this certificate is accurate</p> <p>..... <input style="width: 20px;" type="text"/> <input style="width: 20px;" type="text"/> <input style="width: 20px;" type="text"/></p> <p style="text-align: center;">(Place) (date)</p> <p>..... (Signature)</p>	

(\*) (\*) (\*) (\*) (\*) See footnotes on verso.

REQUEST FOR VERIFICATION	RESULT OF VERIFICATION
The undersigned customs official requests verification of the authenticity and accuracy of this information certificate	Verification carried out by the undersigned customs official shows that this information certificate:
	(a) was issued by the customs office indicated and that the information contained therein is accurate (*) (b) does not meet the requirements as to authenticity and accuracy (see notes appended) (*)
..... (Place and date)	..... (Place and date)
	
..... (Official's signature)	..... (Official's signature)
	(*) Delete where not applicable.

CROSS REFERENCES

- (1) Name of individual or business and full address.
- (2) Optional information.
- (3) Kg, hl, m<sup>3</sup> or other measure.
- (4) Packaging shall be considered as forming a whole with the goods contained therein. However, this provision shall not apply to packaging which is not of the normal type for the article packed, and which has a lasting utility value of its own, apart from its function as packaging.
- (5) The value must be indicated in accordance with the provisions on rules of origin.

\_\_\_\_\_

ANNEX III

on the application of Article 12

*Article 1*

1. At the request of a Member State or on its own initiative the Commission may decide to apply to products originating in the countries and territories the safeguard measures which the Community may take pursuant to Article 12 of the Decision in particular a temporary, total or partial suspension of the tariff and other measures provided for by the Decision for the benefit of the countries and territories.

If the Commission receives a request from a Member State, it shall take a decision thereon within three working days following receipt of the request.

Member States shall be notified of the safeguard measures which shall apply immediately.

2. Any Member State may refer the measures taken by the Commission to the Council within 10 working days following the date of notification of such a measure. The Council shall meet without delay. Acting by a qualified majority, it may amend or rescind the measure in question.

*Article 2*

1. Without prejudice to the application of Article 1, the Commission may, in order to enable a Member State to face up to the disturbances or difficulties referred to in Article 12 of the Decision, authorize that Member State to take safeguard measures.

If the Commission has received a request from the Member State concerned, it shall take a decision thereon within three working days following receipt of the request.

The Commission's decision shall be notified to all Member States.

2. Any Member State may refer the Commission's decision to the Council within 10 working days of notification of that decision. The Council shall meet without delay. Acting by a qualified majority, it may

amend or annul the decision taken by the Commission.

*Article 3*

1. Without prejudice to the application of Article 2, the Member State or States concerned may, in an emergency, introduce safeguard measures. They shall notify the other Member States and the Commission of such measures forthwith.

Using an emergency procedure, the Commission shall within five working days of the notification referred to in the first subparagraph, decide whether the measures are to be retained, amended or abolished.

The Commission's decision shall be notified to all Member States. It shall be immediately enforceable.

2. Any Member State may refer the Commission's decision to the Council within 10 working days of notification of that decision. The Council shall meet without delay. Acting by a qualified majority, it may amend or annul the decision taken by the Commission.

If the matter is referred to the Council by the Member State which has taken the safeguard measures, the Commission's decision shall be suspended. The suspension shall cease to apply 30 days after the matter has been referred to the Council if the latter has not by then amended or annulled the Commission's decision.

3. For the purposes of applying this Article, priority must be given to such measures as will least disturb the functioning of the common market.

*Article 4* <sup>(1)</sup>

This Annex shall not preclude application of the Regulations establishing a common organization of agricultural markets or of Community or national administrative provisions resulting therefrom, or of the specific Regulations adopted pursuant to Article 235 of the Treaty for processed agricultural products. It shall be implemented as a complement to these instruments.

<sup>(1)</sup> See Council statement, p. 163.

ANNEX IV

on imports of cane sugar originating in the countries and territories

Article 1

1. The Community shall purchase and import, at guaranteed prices, specific quantities of cane sugar, raw or white, which originate in the countries and territories and which the said countries and territories deliver to it.

2. The implementation of this Annex shall be carried out within the framework of the management of the common organization of the market in sugar. The safeguard clause in Article 12 of the Decision shall not apply.

Article 2

The quantities of cane sugar referred to in Article 1, expressed in metric tons of white sugar, hereinafter referred to as 'specified quantities', for delivery in each 12-month period referred to in Article 3, will be as follows:

Belize	39 400,
St Kitts, Nevis and Anguilla	14 800, <sup>(1)</sup>
Surinam	4 000. <sup>(1)</sup>

Article 3

In each 12-month period from 1 July to 30 June inclusive, hereinafter referred to as the 'delivery period', the sugar-exporting countries and territories shall deliver the quantities referred to in Article 2, subject always to any adjustments resulting from the application of Article 6.

Article 4

1. White or raw cane sugar shall be marketed on the Community market at prices freely negotiated between buyers and sellers.

2. The Community will not intervene if and when a Member State allows selling prices within its borders to exceed the Community's threshold price.

3. The Community shall purchase, at the guaranteed price, quantities of white or raw sugar, within the specified quantities which cannot be marketed in the

Community at a price equivalent to or in excess of the guaranteed price.

4. The guaranteed price, expressed in units of account, shall refer to unpacked sugar, cif European ports of the Community. It shall be fixed annually in respect of standard quality sugar as defined by Community rules, within the price range obtaining in the Community, taking into account all relevant economic factors, at the latest by 1 May immediately preceding the delivery period to which it will apply.

Article 5

Purchase at the guaranteed price, referred to in Article 4 (3), shall be assured through the medium of the intervention agencies or other agents appointed by the Community.

Article 6 <sup>(2)</sup>

1. If, during any delivery period, a sugar-exporting country or territory fails to deliver its specified quantity in full for reasons of *force majeure* the Commission shall, at the request of the Member State with which the country or territory in question has special relations, allow the necessary additional period for delivery.

2. If the relevant authority of a sugar-exporting country or territory informs the Commission during the course of a delivery period that it will be unable to deliver its specified quantity in full and that it does not wish to take advantage of the additional period referred to in paragraph 1, the shortfall will be reallocated by the Commission for delivery during the delivery period in question.

3. If, during any delivery period, a sugar-exporting country or territory fails to deliver its specified quantity in full for reasons other than *force majeure*, that quantity shall be reduced in respect of each subsequent delivery period by the shortfall.

4. It may be decided by the Commission that in respect of subsequent delivery period, the shortfall shall be reallocated among the other countries and territories which are referred to in Article 2.

<sup>(1)</sup> See Council Decision (77/155/EEC) of 14 February 1977, p. 92.

<sup>(2)</sup> See Council statement, p. 163.



*Annex to Annex IV* <sup>(1)</sup>

For the period up to 30 June 1976 and in respect of the quantities specified in Article 2 of Annex IV, the guaranteed prices referred to in Article 4 (4) of this Annex shall be as follows:

- (a) for raw sugar, 25.53 units of account per 100 kg;
- (b) for white sugar, 31.72 units of account per 100 kg.

The prices shall refer to sugar of standard quality as defined in Community rules, unpacked, cif European ports of the Community.

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<sup>(1)</sup> See Council statement, p. 163.

ANNEX V

on the application of financial and technical cooperation

Article 1

In the context of the objectives laid down in Article 28 of the Decision, it is agreed that the projects and programmes must help ensure all or part of the following effects:

- growth of the national income of each country or territory;
- improvement of the standard of living and the socio-cultural levels of populations and of the most underprivileged in particular;
- the establishment of more balanced economic relations between the countries and territories and other countries, their greater participation in world trade in general, including, in particular, trade in manufactured products;
- improvement and control of the conditions of development, in particular physical factors and technical know-how;
- diversification and integration of the structure of the economy, on both a sectoral and a geographical basis;
- regional cooperation between the countries and territories and, where appropriate, between the countries and territories and other developing countries.

CHAPTER 1

Financing procedures

Article 2 <sup>(1)</sup>

Special loans shall serve to finance all or part of projects or programmes of general interest to the economic and social development of the country or territory or countries or territories in which they are to be undertaken.

As a general rule, these loans shall be made for a duration of 40 years, with a grace period of 10 years. They shall bear interest at the rate of 1% per year.

Article 3 <sup>(2)</sup>

1. In order to assist the execution of industrial, mining and tourism projects of general interest to the

economy of the country or territory or countries or territories concerned, the Community may grant assistance in the form of risk capital in order to step up the own resources, or resources assimilated thereto, of the firms of those countries or territories, where appropriate by the acquisition of holdings in the authorized capital of those firms and, more generally, by means of quasi-capital aid.

2. Holdings acquired by the Community in the capital of firms or institutions for financing the development of the countries or territories shall be in the nature of temporary minority holdings. Such operations may be undertaken jointly with a loan from the Bank or with another form of risk capital assistance. As soon as appropriate they shall be transferred, preferably to natural or legal persons of the countries or territories.

3. Quasi-capital assistance may take the form of:

- subordinated loans, which shall be redeemed and in respect of which interest, if any, shall be paid only after the other bank claims have been settled on market terms;
- conditional loans, which shall be serviced and in respect of which redemption shall be due only after fulfilment of conditions laid down when the loan is made by particular reference to the conditions in which the project is being set up. These conditions shall indicate that the project has overcome the particular risks to which it was exposed and has achieved a certain level of profitability.

The terms of such aid shall be determined on a case-by-case basis by reference to the characteristics of the projects financed; the interest rate may not be greater than that of subsidized loans from the Bank.

4. Quasi-capital assistance shall as a general rule be accorded to industrial, mining and tourism firms and to development financing institutions where the

<sup>(1)</sup> See Council statement and Commission statement, p. 164.

<sup>(2)</sup> See Council statement, p. 164.

characteristics of their activities and management so permit. It may also be accorded to the countries or territories in order to enable them to acquire a holding in the capital of industrial, mining and tourism firms where such an operation comes under the financing of new productive investments and is supplemented by another financial intervention by the Community.

5. When the Decision expires the credits provided for in the third indent of point (1) (a) of Article 30 (2) of the Decision in the form of risk capital which have not been committed shall be added to those provided for in the second indent of that point in the form of special loans.

#### Article 4

1. Scrutiny by the Bank of the eligibility of projects, and the according of loans from its own resources, shall be effected in accordance with the rules, conditions and procedures provided for in the Bank's Statute, consideration being given to the economic and financial situation of the country or territory or countries or territories concerned and to the factors which guarantee the servicing of repayable aid.

2. The duration of loans made by the Bank from its own resources shall be governed by terms stipulated on the basis of the economic and financial characteristics of the project; this period may not exceed 25 years.

3. The rate of interest shall be the rate charged by the Bank at the time of the signature of each loan contract. This rate shall generally be reduced by 3% by means of an interest rate subsidy. The interest rate subsidy shall, however, be automatically adjusted so that the interest rate actually borne by the borrower will be neither less than 5% nor more than 8%. The interest rate subsidy shall not be applied where the loans are intended for investments in the oil sector or in the mining sector, or where they are situated in countries or territories or concern sectors which will be determined by the Council.

4. The aggregate amount of interest rate subsidies, calculated in terms of its value at the time of the signature of the loan contract at a rate and according to rules to be laid down by agreement between the Commission and the Bank, shall be charged against the amount of grant aid specified in point 1 of Article 30 (2) of the Decision and shall be paid directly to the Bank.

## CHAPTER 2

### Technical cooperation

#### Article 5

1. The technical cooperation referred to in Article 34 of the Decision may be either linked with investments or of a general nature.
2. Technical cooperation linked with investments comprises:
  - (a) planning and special and regional development studies;
  - (b) technical, economic and commercial studies, and research and surveys required to prepare projects;
  - (c) aid in the preparation of dossiers;
  - (d) aid in the execution and supervision of work;
  - (e) temporary aid for the establishment, launching and operation of a specific investment or of installations, including where necessary the training of personnel for the operation and maintenance of the investment or installations;
  - (f) meeting the cost of technicians temporarily and providing goods necessary to the proper execution of an investment project.
3. General technical cooperation comprises:
  - (a) the grant of scholarships for studies, training courses and postal tuition to provide, preferably in the countries and territories, for the vocational training and further training of the natural persons thereof;
  - (b) the organization of specific training programmes in the countries and territories, in particular for the staff of public services and institutions of the countries and territories or of undertakings therein;
  - (c) at the request of the relevant authorities of the countries and territories, the provision of experts, advisers, technicians and instructors of the Member States or of the countries and territories for specific missions and for limited periods;
  - (d) the supply of instructional, experimental and demonstration equipment;
  - (e) the organization of short training courses for natural persons of the countries and territories and further training courses for civil servants of those countries and territories;

- (f) sectoral studies;
- (g) studies of the prospects and opportunities for economic development and diversification in the countries and territories, and of problems of interest to groups of countries and territories or to the countries and territories as a whole;
- (h) general information and documentation to promote the economic and social development of the countries and territories, the development of trade between the Community and those countries and territories, and the achievement of the aims of financial and technical cooperation.

### CHAPTER 3

#### Regional cooperation

##### Article 6

Within the meaning of the Decision, regional cooperation shall apply to relations either between countries or territories or between one or more countries or territories on the one hand and one or more neighbouring developing third countries on the other. Interregional cooperation shall apply to relations between one or more countries or territories and a regional organization.

##### Article 7 <sup>(1)</sup>

A country or territory or group of countries or territories participating with neighbouring developing countries in a regional project may request the Community to finance that part of the project for which it is responsible.

### CHAPTER 4

#### Special measures in favour of the least developed countries and territories

##### Article 8

Community aid accorded to the least developed countries or territories shall be combined with particularly favourable terms of financing, having regard to the economic situation specific to each of them.

Generally, such financing shall be in the form of grants and, in appropriate cases, in the form of special loans or risk capital. However, loans from the Bank's own resources may be accorded in the

countries or territories concerned, having regard to the criteria defined in Article 31 of the Decision.

##### Article 9

1. At the request of the relevant authorities of the least developed countries or territories, the Community shall give special attention to the application of the following aid measures:

- (a) technical assistance necessary for identifying, preparing and carrying out their projects;
- (b) training schemes for management and other staff required for the economic development services and technical departments of those countries or territories. Such training must be closely linked to the practical objectives set by the country or territory concerned and carried out, as far as possible, in that country or territory.

2. The following special aid measures may also be applied to those countries or territories:

- (a) support for research aimed at finding solutions to some of their specific economic and social development problems;
- (b) support for the development of small and medium-sized firms and for carrying out small rural development schemes.

3. By way of derogation from Article 34 (2) of the Decision and on the basis of an examination of the needs and means of each of the countries or territories concerned, the Community may finance, temporarily and on a diminishing scale, the running costs of or major repairs to investments previously financed by the Community which are of special importance to the economic and social development of the country or territory concerned. This aid shall be accorded only where such expenditure on running costs or major repairs proves too great for the country or territory or other beneficiaries.

### CHAPTER 5

#### Specific measures in favour of small- and medium-sized local firms

##### Article 10

1. Within the limits of the resources provided for in Article 30 of the Decision, the Community shall

<sup>(1)</sup> See Council statement, p. 165.

finance projects in favour of small- and medium-sized firms, cooperatives or local authorities in the countries and territories and shall generally do so through public or semi-public financial bodies specialized in development, such as local or regional development banks approved by the Community and the relevant authority of the country or territory or countries or territories concerned.

2. To this end, the relevant authority of the country or territory or countries or territories shall provide the Community with:

- information on the capacity of the financing body, on the trend of and prospects for its activities in the field in question, and on the guarantees it can offer;
- a programme for the promotion of small firms, indicating in particular the scope and nature of the projects, financing requirements, the existence of possible promoters and, where appropriate, the technical assistance the latter are to be provided with for the preparation and management of their projects.

3. When the Community has approved the programme, it shall open for the approved financial body a line of credit financed by a suitable form of aid.

The line of credit shall be for a maximum amount of two million units of account, which may be used during a limited period of not more than three years. It may be renewed at the end of that period.

4. The terms governing the grant of such aid shall in each case be the subject of an agreement between the Community and the financing body. The outline rules for the implementation of the aid shall be stipulated therein, in particular as regards:

- the scale of the operations, which may not exceed an amount in the order of 200 000 units of account per project;
- the sectors eligible for aid;
- the criteria which must be met by the potential aid recipients;
- the criteria and methods of project appraisal;
- the financial terms of final loans.

5. The projects shall be appraised by the financing body. This body shall decide, on its own financial responsibility, on final loans to be accorded on terms

established by reference to those obtaining for this type of operation in the country or territory in question.

6. The financing body shall finance its loans by mobilizing the line of credit to the extent required. At this stage the Community shall verify that the loans fall within the agreement referred to in paragraph 4.

The financing terms accorded by the Community to the financing body shall take into consideration the latter's need to cover its administrative costs, exchange and financial risks and the cost of technical assistance given to the firms or other final borrowers.

7. The financing body shall be responsible, whatever the circumstances, for repayment to the Community of that part of the line of credit actually mobilized.

It shall provide the Community annually with a report on the implementation and financing of the approved programme.

## CHAPTER 6

### Microprojects

#### Article 11

In order to respond concretely to the needs of local communities with regard to development, the Fund may participate in the financing of microprojects.

#### Article 12

1. In order to be eligible for Community financing, microprojects must:

- meet a real, priority need at local level;
- ensure the active participation of local communities.

The Fund's contribution to each microproject may not exceed 75 000 units of account.

2. Microprojects shall normally be carried out in rural areas. However, the Community may also assist in the financing of microprojects in urban areas. These projects shall include dams, wells and water supply systems, silos and warehouses for storing

provisions and crops, rural service tracks and bridges, animal vaccination pens and corridors, primary schools, dispensaries, maternity homes, social assistance centres, market buildings and facilities to encourage commercial and industrial activity, and other projects which meet the criteria referred to in paragraph 1.

#### Article 13

Each project for which Community assistance is requested must stem from an initiative taken by the local community which will benefit therefrom.

The financing of microprojects shall in principle have a tripartite structure and shall stem from:

- the recipient local community, in the form of a contribution in money or in kind adapted to its capacity to contribute;
- the country or territory, in the form of a financial contribution or a contribution of public works services;
- the Fund.

For each project, the local community shall undertake to play its part in maintaining and running the project, in conjunction with the local authorities as appropriate.

#### Article 14

1. The relevant authority of the country or territory concerned shall prepare and submit to the Commission an annual programme setting forth the broad outlines of the projects planned.

After examination by the Commission's departments, these programmes shall be submitted to the relevant bodies of the Community for financing decisions.

2. Within the framework of the annual programmes thus drawn up, the financing decisions relating to each microproject shall be taken by the relevant authority of the country or territory concerned, with the agreement of the Commission which shall be deemed to be given within one month of notification of such decision, except in special cases.

### CHAPTER 7 <sup>(1)</sup>

#### Competition and terms of preference for local firms

#### Article 15

1. The Commission and the relevant authorities of the countries or territories shall take the necessary

implementing measures to ensure equality of conditions for participation in tendering procedures and other procedures for the award of contracts financed by the Fund's resources managed by the Commission.

2. To this end, without prejudice to Article 17, care shall be taken in particular to:

- (a) ensure advance publication in reasonable time of invitations to tender in the *Official Journal of the European Communities* and the official journals of the countries and territories;
- (b) eliminate any discriminatory practice or technical specification liable to stand in the way of participation on equal terms by all natural or legal persons of the Member States and of the countries and territories;
- (c) encourage in so far as possible, especially where major works or those of a particular technical nature are to be undertaken, cooperation between the firms of the Member States and of the countries and territories, for example by means of preselection and the creation of groups.

#### Article 16

Where the urgency of the situation is recognized or where the nature, minor importance or particular characteristics of certain works or supplies so warrant, the relevant authorities of the countries and territories may, in agreement with the Commission, exceptionally authorize:

- the award of contracts after restricted invitations to tender;
- the conclusion of contracts by direct agreement;
- the performance of contracts through public works departments.

Furthermore, for schemes costing under two million units of account, recourse to public works departments may be authorized where the recipient country or territory has substantial available equipment and qualified staff resources available in its local departments.

#### Article 17

To promote participation by local firms in the performance of contracts financed by the Community from the Fund's resources managed by the Commission:

<sup>(1)</sup> See Commission statement, p. 166.

- (a) an accelerated procedure for issuing invitations to tender involving shorter time limits for the submission of tenders shall be used where the works in question, because of their scale, are mainly of interest to firms of the countries and territories.

This accelerated procedure shall be applied to invitations to tender whose value is estimated at less than two million units of account.

It may be used only for works contracts and shall involve, for the submission of tenders, time limits fixed in accordance with the rules in force in the country or territory concerned.

The use of an accelerated procedure for invitations to tender whose value is less than two million units of account shall not exclude the possibility of the Commission's proposing an international invitation to tender to the authorities of the country or territory for agreement where the works in question, because of their specialized nature, might be of interest to international competition;

- (b) for the execution of works whose value is less than two million units of account a 10% preference shall be taken into account in favour of firms of the countries and territories where tenders of equivalent economic and technical quality are compared.

This preference shall be confined to local firms of the countries and territories within the meaning of the laws in force in those countries and territories provided that their residence for tax purposes and main business are established in a country or territory and that a significant share of the capital and management staff is supplied by one or more countries or territories; <sup>(1)</sup>

- (c) for the delivery of supplies a 15% preference shall be taken into account in favour of manufacturing firms of the countries and territories where tenders of equivalent technical and economic quality are compared.

This preference shall be confined to local firms of the countries and territories which provide a sufficient margin of value added. <sup>(1)</sup>

#### Article 18

The Commission and the relevant authorities of the countries and territories shall ensure that Articles 15, 16 and 17 are observed for each operation and that

the tender selected is economically the most advantageous, taking into account in particular the qualifications of and the guarantees offered by the tenderers, the nature and conditions of execution of the works or supplies, and the price, utilization costs and technical value of those works or supplies. Where two tenders are acknowledged to be equivalent on the basis of the criteria stated above, preference shall be given to the one which permits the greatest possible utilization of the physical and human resources of the countries and territories.

The Commission and the relevant authorities of the countries and territories shall ensure that all the selection criteria are specified in the invitation to tender dossier.

The result of invitations to tender shall be published at the earliest possible date in the *Official Journal of the European Communities*.

#### Article 19

1. The general provisions and conditions applicable to the placing and performance of public works contracts financed by the Fund shall be the subject of common rules adopted unanimously by the Council, acting on a proposal from the Commission.

2. Until the decision provided for in paragraph 1 is implemented, the placing and performance of public works contracts financed by the Fund shall be governed:

- as regards the other countries and territories, by relations with France and the Netherlands, by the Council Decision of 24 July 1973 amending the Decision of 29 September 1970 on the association of the overseas countries and territories, with the European Economic Community;
- as regards the other countries and territories, by the laws in force in those countries and territories or their established practices for international contracts.

#### Article 20

1. Any dispute arising between the authorities of the country or territory concerned and the contractor or supplier in the course of execution of a contract financed by the Fund shall be settled by arbitration in accordance with rules of procedure adopted by decision of the Council acting unanimously on a proposal from the Commission.

<sup>(1)</sup> See Council statements, p. 165.

2. As a transitional measure and pending implementation of the decision referred to in paragraph 1, any disputes will be definitively settled in accordance with the rules of conciliation and arbitration of the International Chamber of Commerce.

## CHAPTER 8

### Drawing up, negotiation and conclusion of technical cooperation contracts

#### Article 21

Technical cooperation contracts shall be arranged by mutual agreement. Certain contracts may be awarded following competitive tendering, notably for important, complicated and technically difficult studies where technical, economic or financial reasons justify recourse to this procedure.

#### Article 22 <sup>(1)</sup>

1. For each operation of technical cooperation which will involve a mutual agreement procedure, the Commission shall compile a list of selected candidates from Member States and/or the countries and territories, selected according to criteria guaranteeing their qualifications, experience and independence and taking into account their availability for the proposed undertaking.

The relevant authority of the country or territory concerned shall choose freely the listed candidate it wishes to deal with.

2. When competitive tendering is resorted to, the list of selected candidates shall be drawn up in close collaboration between the Commission and the relevant authority of the country or territory concerned on the basis of the criteria set out in paragraph 1. The contract shall be awarded to the listed candidate that submits the tender judged by the Commission and that authority to be economically the most advantageous.

3. The firms of the countries and territories which may be taken into consideration for technical cooperation actions shall be selected by mutual agreement between the Commission and the relevant authority of the country or territory or countries or territories concerned.

#### Article 23 <sup>(2)</sup>

In the context of the common rules provided for in Article 19 and the general conditions of payment

<sup>(1)</sup> See Council statement, p. 165.

<sup>(2)</sup> See Council statement, p. 166.

established by agreement between the Commission and the relevant authorities of the countries and territories, the technical cooperation contracts shall be prepared, negotiated and concluded by the relevant authorities of the countries and territories, in participation and agreement with the Delegate referred to in Article 28.

#### Article 24

The Commission shall, as far as possible, encourage cooperation between consultants and experts of Member States and the countries and territories, temporary partnerships, sub-contracting and the use of local experts in the teams belonging to consultants from Member States.

#### Article 25

When a country or territory has, within its administrative and technical staff, local personnel making up a substantial part of the work-force necessary for the execution by the public works department of a technical cooperation project the Community could, in exceptional cases, contribute to the costs of the public works department by providing certain apparatus that it lacks, or supply the required additional staff in the form of experts of a Member State or of another country or territory.

The participation of the Community could only cover costs incurred by supplementary measures strictly confined to the project in question and would exclude all current operational expenditure.

## CHAPTER 9

### Executive agents

#### Article 26

1. The Commission shall appoint the chief authorizing officer of the Fund, who shall ensure that financing decisions are carried out.

He shall take any adaptation measures and commitment decisions which prove necessary to ensure the proper execution of approved projects or programmes in the best economic and technical conditions.

2. Without prejudice to Article 27, the chief authorizing officer shall manage the funds, and shall accordingly commit, clear and authorize expenditure



and keep the accounts of commitments and authorizations.

3. The chief authorizing officer shall ensure equality of conditions for participation in invitations to tender, that there is no discrimination and that the tender selected is economically the most advantageous.

#### Article 27

1. The relevant authorities of each country or territory shall appoint a territorial authorizing officer to represent them in all operations relating to projects financed from the Fund's resources.

2. In addition to his responsibilities in connection with the preparation, submission and appraisal of projects, the territorial authorizing officer shall, in close cooperation with the delegate, issue invitations to tender, receive tenders, preside over the examination of tenders, establish the results of the invitations to tender, sign contracts and riders thereto and estimates and notify the Commission thereof. He shall submit the invitation to tender dossier to the Commission for agreement before issuing invitations to tender.

3. He shall transmit to the chief authorizing officer for agreement the outcome of the examination of the tenders and a proposal for placing the contract.

4. As regards works contracts subject to accelerated procedure, the decisions taken by the territorial authorizing office in implementation of paragraphs 2 and 3 shall be deemed to be approved by the Commission within a period of one month of notification thereof.

5. The territorial authorizing officer shall clear and authorize expenditure within the limits of the funds delegated to him. He shall remain financially liable until the Commission clears the operations for the execution of which he is responsible.

6. During the execution of projects and subject to his informing the delegate as soon as possible, the territorial authorizing officer shall also decide on:

(a) technical adjustments and alterations on matters of detail, so long as they respect the general framework of the project and contract, do not

affect the technical solutions adopted and remain within the limit of the provision for minor adjustments;

- (b) minor alterations to estimates during execution;
- (c) transfers from item to item within estimates;
- (d) changes of site for multiple-unit projects where justified on technical or economic grounds;
- (e) application or remission of penalties for delay;
- (f) acts discharging guarantors;
- (g) purchase of goods, irrespective of their origin, on the local market;
- (h) use of construction equipment and machinery not originating in the Member States or in the countries and territories provided there is no production of comparable goods in the Member States or in the countries and territories;
- (i) sub-contracting;
- (j) final acceptances; however, the delegate must be present at provisional acceptances and endorse the corresponding minutes and, where appropriate, he must be present at final acceptances, in particular where the extent of the reservations recorded at the provisional acceptance necessitates major additional work.

#### Article 28

1. For the purposes of applying the Decision and for the purposes of the Fund's resources which the Commission manages, the Commission shall be represented by delegates in the countries or territories.

2. Provided that an express request is made by the relevant authority of a country or territory to that effect, the delegate shall give technical assistance in preparing and appraising projects financed from the Fund's resources. To this end, he may participate in preparing dossiers for submission, in negotiating, with external technical assistance, contracts for studies, for the services of experts and for works supervision, in seeking ways to simplify project appraisal, procedures, and in preparing general specifications and invitation to tender dossiers.

3. The delegate shall, on a regular basis, and in certain cases acting on special instructions from the Commission, inform the authorities to which he is attached of Community activities which may directly concern cooperation between the Community and the countries and territories.

4. The delegate shall collaborate with the local authorities in examining completed projects regularly. Reports on the outcome of the examination shall be drawn up by him and communicated to the relevant authority of the country or territory concerned.

5. Every six months the delegate shall assess the Fund's operations in the country or territory in which he represents the Commission. Reports drawn up in this connection shall be communicated by the Commission to the relevant authority of the country or territory concerned.

6. The delegate shall make sure, on behalf of the Commission, that the projects and programmes financed from the Fund's resources are executed properly from the financial and technical angles.

#### *Article 29*

1. Services provided in connection with projects financed by the Fund with grant aid shall be paid for on instructions from the Commission by drawing on the Fund's accounts.

2. For this purpose, accounts shall be opened on behalf of the Commission with a financial institution, which shall exercise the functions of paying agent.

3. Within the limits of the funds available, the paying agent shall make the disbursements authorized after verifying that the supporting documents provided are substantively accurate and in order, and that the discharge is valid.

#### CHAPTER 10

#### Other provisions

#### *Article 30*

1. Excess expenditure incurred during the execution of a project financed from the Fund's resources managed by the Commission shall be borne by the country or territory or countries or territories concerned, subject to the following provisions.

2. As soon as it appears likely that a project will involve excess expenditure, the territorial authorizing officer shall so inform the Commission through the delegate and shall make known to it the measures he intends to take in order to cover such excess expenditure, involving either a reduction in the scale of the project or a call on local resources.

3. If it appears impossible to reduce the scale of the project or to cover the excess expenditure by drawing on local resources, the Community body responsible for taking the financing decisions may, as an exceptional measure, take a decision to commit additional funds and finance the relevant expenditure either by savings made on other projects or by implementing supplementary measures worked out jointly by the Commission and the relevant authority of the country or territory or countries or territories concerned.

4. Without prejudice to the arrangements provided for in paragraphs 2 and 3, the territorial authorizing officer shall decide, in concert with the chief authorizing officer, to earmark unexpended balances resulting from savings shown when the accounts of projects are closed for covering excess expenditure on another project, provided that such excess expenditure is not greater than a fixed ceiling of 15% of the total appropriation for the project in question.

#### *Article 31*

Financing and administrative expenses arising out of the administration of the Fund and the costs of supervising projects and programmes shall be covered by the Fund.

ANNEX VI

relating to Article 2

The duties which may be temporarily retained under Article 38 of the Act of Accession shall remain generally applicable and Article 2 (1) of the Decision may not constitute an exception thereto.

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ANNEX VII

relating to Article 3

Article 3 (1) of the Decision shall be without prejudice to the special system applicable to imports of motor vehicles and the motor vehicle assembly industry in Ireland which are the subject of Protocol 7 to the Act of Accession.

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ANNEX VIII

**Declaration by the Government of the Kingdom of the Netherlands**

The Government of the Kingdom of the Netherlands draws attention to the constitutional structure of the Kingdom resulting from the Statute of 29 December 1954, and in particular to the autonomy of the non-European parts of the Kingdom so far as concerns certain provisions of the Decision and the fact that the Decision was, in consequence, adopted in cooperation with the Government of the Netherlands Antilles pursuant to the constitutional procedures in force in the Kingdom.

It declares that, for that reason and without prejudice to the rights and obligations devolving upon it under the Treaty and under the Decision, the Government of the Netherlands Antilles will fulfil the obligations arising out of the Decision.

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ANNEX IX <sup>(1)</sup>

**on exports of bananas by the countries and territories**

As regards its exports of bananas to the Community, no country or territory shall be placed, as regards access to the markets and market advantages, in a less favourable situation than in the past or at present; the countries and territories may also benefit from the efforts made by the Community in the context of the ACP-EEC Convention of Lomé in order to enable them to increase their banana exports to their traditional Community markets.

Comparable endeavours will also be undertaken to enable the countries and territories to gain a foothold in new Community markets and to expand their banana exports to those markets.

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<sup>(1)</sup> See Council statement, p. 167.

## COUNCIL

### COUNCIL DECISION

of 14 February 1977

adjusting Decision 76/568/EEC on the association of the overseas countries and territories with the European Economic Community

(77/155/EEC)  
(OJ No L 46/77)

THE COUNCIL OF THE EUROPEAN  
COMMUNITIES,

HAS DECIDED AS FOLLOWS:

#### *Article 1*

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Decision 76/568/EEC of 29 June 1976 on the association of the overseas countries and territories with the European Economic Community<sup>(1)</sup>, and in particular Article 56 thereof,

Having regard to the proposal from the Commission,

Whereas Decision 76/568/EEC provides that adjustments must be made to it where an overseas country or territory which has become independent accedes to the ACP-EEC Convention of Lomé<sup>(2)</sup>, hereinafter called the 'Convention';

Whereas the Republic of Surinam, the Republic of the Seychelles and the Comoro State, which are listed in Annex I to Decision 76/568/EEC, having become independent, requested to accede to the Convention; whereas the ACP-EEC Council of Ministers approved these requests at its first meeting; whereas these States deposited their instruments of ratification with the General Secretariat of the Council and thus acceded to the Convention on 16 July, 27 August and 13 September 1976 respectively;

Whereas the various lists contained in Decision 76/568/EEC and the amounts stated in Article 30 thereof should therefore be adjusted,

1. The following shall be deleted in Article 23 (5) and Article 26<sup>(3)</sup> of Decision 76/568/EEC:

- 'the Comoros', and
- 'Seychelles'.

2. The following shall be deleted in Annex I to Decision 76/568/EEC:

- 'the Comoros',
- 'Seychelles', and
- 'Surinam'.

3. The following shall be deleted in Article 2 of Annex IV to Decision 76/568/EEC: 'Surinam : 4 000'.

#### *Article 2*

The text of Article 30 of Decision 76/568/EEC is replaced by the following text:

'Article 30'<sup>(4)</sup>

The following provisions shall apply with effect from 16 July 1976:

1. The aggregate amount of the Community's aid shall be reduced to 128.40 million European units of account.

<sup>(1)</sup> OJ No L 176, 1. 7. 1976, p. 8.

<sup>(2)</sup> OJ No L 25, 30. 1. 1976, p. 1.

<sup>(3)</sup> See Council statement, p. 168.

<sup>(4)</sup> See Council statement, p. 169.

2. This amount comprises :

(a) 118.40 million European units of account from the European Development Fund (1975), hereinafter called the 'Fund', allocated as follows :

(i) for the purposes set out in Article 28, 98.40 million European units of account, consisting of :

- 45 million European units of account in the form of grants,
- 34.40 million European units of account in the form of special loans,
- 4 million European units of account in the form of risk capital,
- 1.5 million European units of account in the form of a reserve ;

(ii) 20 million European units of account, likewise from the Fund, in the form of transfers to the countries and territories for the stabilization of export earnings.

(b) For the purposes set out in Article 28, up to 10 million European units of account in the form of loans from the Bank, made from its own resources on the terms and conditions provided for in its statute and supplemented, as a general rule, by a 3 % interest rate subsidy, under the conditions laid down in Article 4 of Annex V.

The total cost of the interest rate subsidies shall be charged against the amounts of aid provided for in point 2 (a) (i).

3. Following the accession of the Republic of Surinam, the Republic of the Seychelles and the Comoro State to the Convention, the amounts provided for in the form of grants, special loans, and a reserve, initially allocated in three equal parts among the French overseas territories and departments and the Netherlands and United Kingdom overseas countries and territories, shall be reduced in accordance with Decision 77/155/EEC.<sup>(1)</sup>

4. (a) Of the portion allocated to the French overseas territories and departments :

— 13 million European units of account shall remain blocked until the entry into force of the Agreement amending the Internal Agreement on the financing and administration of aid signed on 11 July 1975 ; <sup>(2)</sup>

— 7.70 million European units of account shall be allocated to the French overseas departments ;

— 1.50 million European units of account shall remain allocated as financial aid to the least-favoured overseas countries and territories, irrespective of the zones within which they fall. <sup>(3)</sup>

(b) The sums allocated to the French overseas territories shall amount to 14.50 million European units of account, consisting of :

— 12.50 million European units of account taken from the share allocated to the French overseas territories and departments ;

— 2 million European units of account pursuant to Decision 76/569/EEC.<sup>1</sup>

*Article 3*

This Decision shall enter into force on 16 July 1976.

However, Article 1 shall take effect in respect of each of the States which have become independent only on the date of its accession to the Convention.

*Article 4*

This Decision shall be published in the *Official Journal of the European Communities*.

Done at Brussels, 14 February 1977.

*For the Council*

*The President*

J. SILKIN

<sup>(1)</sup> See Council statement, p. 168.

<sup>(2)</sup> See Council statement, p. 169.

<sup>(3)</sup> See Council statement, p. 169.

DECISION

OF THE REPRESENTATIVES OF THE GOVERNMENTS OF THE MEMBER STATES OF THE EUROPEAN COAL AND STEEL COMMUNITY, MEETING WITHIN THE COUNCIL

of 20 January 1976

on the opening of tariff preferences for products within the province of that Community originating in the overseas countries and territories associated with the Community

(76/570/ECSC)

(OJ No L 176/76)

THE REPRESENTATIVES OF THE GOVERNMENTS OF THE MEMBER STATES OF THE EUROPEAN COAL AND STEEL COMMUNITY, MEETING WITHIN THE COUNCIL,

Whereas the Member States have concluded among themselves the Treaty establishing the European Coal and Steel Community;

Whereas Title I of Council Decision 76/568/EEC of 29 June 1976 on the association of the overseas countries and territories with the European Economic Community <sup>(1)</sup>, does not apply to products within the province of the European Coal and Steel Community;

Whereas, however, trade in such products between the Member States and the countries and territories should be maintained and intensified;

In agreement with the Commission,

HAVE DECIDED AS FOLLOWS:

*Article 1*

The duties applicable in the Community to imports of products within the province of the European Coal and Steel Community originating in the countries and territories listed in Annex I to Decision 76/568/EEC, the charges having an effect equivalent to such duties and the collection of such duties and charges shall be suspended; however, the treatment applied to these products shall not be more favourable than that applied by the Member States among themselves.

For the purposes of the first paragraph, no account shall be taken of residual customs duties and charges having equivalent effect resulting from the application of Articles 32, 36 and 59 of the Act of Accession.

*Article 2*

The products referred to above originating in the Member States shall be admitted for import into the countries and territories on conditions similar to those laid down in Chapter 1 of Title I of Decision 76/568/EEC.

*Article 3*

Consultations shall take place between the Member States concerned in all cases where, in the opinion of one of them, the implementation of the above provisions calls for such consultations.

*Article 4*

The provisions laying down the rules of origin for the application of Decision 76/568/EEC shall also apply to this Decision.

*Article 5*

The Member States shall decide by mutual agreement on any safeguard measures suggested by one or more Member States or the Commission.

*Article 6*

This Decision shall apply until 1 March 1980.

<sup>(1)</sup> See page 4.

*Article 7*

Member States shall take all the necessary measures to implement this Decision.

time as the Council Decision on the association of the overseas countries and territories to the European Economic Community.

It shall enter into force at the same time as the Decision referred to in the first paragraph.

*Article 8*

This Decision shall be published in the *Official Journal of the European Communities* at the same

Done at Brussels, 20 January 1976.

*The President*  
G. THORN

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INTERNAL AGREEMENT

on the financing and administration of Community aid

(76/165/EEC)

(OJ No L 25/76)

THE REPRESENTATIVES OF THE GOVERNMENTS  
OF THE MEMBER STATES, MEETING WITHIN  
THE COUNCIL,

Having regard to the Treaty establishing the  
European Economic Community (hereinafter called  
the "Treaty"),

Whereas the ACP-EEC Convention of Lomé (hereinafter  
called the "Convention") set the aggregate  
amount of Community aid to the ACP States at  
3 390 million units of account;

Whereas the representatives of the Governments  
of the Member States, meeting within the Council,  
agreed on 16 January 1975 to set at 150 million  
units of account the amount of aid to be borne  
by the European Development Fund for the benefit  
of the overseas countries and territories having  
special relations with France, the Netherlands  
and the United Kingdom (hereinafter called  
"countries and territories") and the French  
overseas departments; whereas, provision is  
also made for loans to the amount of 10 million  
units of account granted by the European  
Investment Bank (hereinafter called the "Bank")  
from its own resources in the countries and  
territories and in the French overseas  
departments;

Whereas in a Decision of 24 April 1975 <sup>(1)</sup>,  
the Council actually defined the unit of  
account applicable under the Convention;

Whereas, in order to implement the Convention  
and the Decision concerning the countries and  
territories (hereinafter called the "Decision"),  
a fourth European Development Fund should be  
established and a procedure should be laid  
down for the provision of funds and for  
contributions from Member States to these funds;

Whereas the rules for the management of  
financial co-operation should be determined,  
the procedure for programming, examining and  
approving aid should be decided and the  
detailed rules for supervising the use of the  
aid should be defined;

Whereas a Committee of Representatives of the  
Governments of the Member States should be set  
up under the auspices of the Commission and a  
similar committee should be set up under the  
auspices of the Bank;

Whereas the work done by the Commission and  
the Bank to apply the Convention and the  
corresponding provisions of the Decision should  
be harmonized; whereas it is therefore desirable  
that, as far as possible, the composition of  
the Committees set up under the auspices of the  
Commission and of the Bank should be identical;

Whereas the Council adopted on 16 July 1974 a  
Resolution on the harmonization and co-ordination  
of Member States' co-operation policies;

After consulting the Commission of the European  
Communities,

HAVE AGREED AS FOLLOWS:

CHAPTER I

Article 1 <sup>(2)</sup>

1. The Member States hereby set up a  
European Development Fund (1975) (hereinafter  
called the "Fund").
2. The Fund shall consist of 3 150 million  
units of account to be financed by the Member  
States as follows:

Belgium	196.875 million units of account
Denmark	75.600 million units of account
Germany	817.425 million units of account
France	817.425 million units of account
Ireland	18.900 million units of account
Italy	378.000 million units of account
Luxembourg	6.300 million units of account
Netherlands	250.425 million units of account
United Kingdom	589.050 million units of account

<sup>(1)</sup> OJ No L 104, 24.4.1975, p. 35

<sup>(2)</sup> See statement by the Permanent Representatives Committee, p. 159.



3. The amount stated in paragraph 2 shall be allocated as follows:
- (a) 3 000 million units of account for the ACP States, comprising:
    - 2 100 million units of account in the form of grants
    - 430 million units of account in the form of special loans
    - 95 million units of account in the form of risk capital
    - 375 million units of account in the form of transfers pursuant to Title II of the Convention;
  - (b) 130 million units of account for the countries and territories and the French overseas departments, comprising: <sup>(1)</sup>
    - 65 million units of account in the form of grants
    - 40 million units of account in the form of special loans
    - 5 million units of account in the form of risk capital
    - 20 million units of account as a reserve; <sup>(1)</sup>
  - (c) 20 million units of account in the form of transfers for the countries and territories, pursuant to those provisions of the Decision which concern the system for stabilizing export earnings.

4. Where a country or territory which has become independent accedes to the Convention, the amounts indicated in paragraph 3(b) above shall be reduced and those indicated in paragraph 3(a) above correspondingly increased by a decision taken by the Council acting unanimously on a proposal from the Commission.
5. In this case, the country concerned will continue to be eligible for the funds provided for in paragraph 3(c), subject to the management rules laid down in Title II of the Convention.

#### Article 2

To the amount laid down in Article 1(2) shall be added up to 400 million units of account in the form of loans granted by the Bank from its own resources under the conditions laid down by it in accordance with its statute.

These loans shall be allocated as follows:

- (a) up to the amount of 390 million units of account, for financing operations to be carried out in the ACP States;

- (b) up to the amount of 10 million units of account, for financing operations to be carried out in the countries and territories and the French overseas departments.

#### Article 3

The unit of account used for applying this Agreement shall be that defined in the Council Decision of 21 April 1975 on the definition and conversion of the European unit of account used for expressing the amounts of aid mentioned in Article 42 of the ACP-EEC Convention of Lomé.

#### Article 4

During the first two years of application of the Convention, an amount of up to 40 million units of account may be committed in the form of risk capital.

The Commission and the Bank shall submit a joint report to the Council on the experience of the first two years. In the light of this report, the Council may review the amount made available to the Bank, within the limit of the ceiling of 100 million units of account laid down in Article 1(3)(a) and (b), and any sums made available shall be added to the funds earmarked for special loans.

#### Article 5

An amount of up to 100 million units of account shall be set aside from the grant aid specified in Article 1(3)(a) and (b) for financing the interest rate subsidies referred to in Article 5 of Protocol No 2 to the Convention and in the corresponding provisions of the Decision. Any part of this amount not committed by the end of the period during which loans are granted by the Bank shall become available as grant aid again.

The Council may decide, on a proposal from the Commission drawn up in agreement with the Bank, to raise this ceiling.

#### Article 6

With the exception of loans granted by the Bank from its own resources, all financial operations undertaken for the benefit of the ACP States, the countries and territories and the French overseas departments shall be carried out in accordance with the conditions laid down in this Agreement and shall be charged to the Fund.

<sup>(1)</sup>. See Council statement, p. 158.

#### Article 7

1. Within one month of the entry into force of the Convention, and subsequently before 1 September each year, the Commission shall draw up estimates of the commitments to be entered into during the budget year, taking into account the Bank's forecasts in respect of the operations which it manages, and shall communicate these estimates to the Council.

2. In the same manner, the Commission shall establish and communicate to the Council the total amount of the payments to be made in the budget year in question. On the basis of this amount and taking into account cash requirements, including those arising from expenditure incurred in implementing the system referred to in Title II of the Convention and in the corresponding provisions of the Decision, the Commission shall draw up a schedule of calls for contributions determining the dates on which payment is due; the detailed rules for payment of such contributions by the Member States shall be determined by the Financial Regulation referred to in Article 30. This schedule shall be submitted by the Commission to the Council, which shall decide thereon by the qualified majority laid down in Article 18(4).

If the contributions are insufficient to meet the actual requirements of the Fund in the budget year in question, the Commission shall submit proposals for supplementary payments to the Council which shall decide thereon as soon as possible by the qualified majority laid down in Article 18(4).

3. Until used by the Commission for financing projects, programmes or transfers adopted under the conditions laid down in Articles 11 to 21 and 26 to 30, the funds obtained from the calls for contributions referred to in paragraph 2 shall remain deposited in special accounts opened by each Member State with its Treasury or with such bodies as it may designate, in accordance with the detailed rules laid down by the Financial Regulation referred to in Article 30.

4. From the date on which payment is due and throughout the period of their deposit in the special accounts referred to in paragraph 3, the funds shall retain the value in units of account corresponding to the exchange rate applying in relation to the unit of account on the date when payment fell due. The arrangements for implementing this paragraph will be defined in the Financial Regulation referred to in Article 30.

#### Article 8

1. Any remaining balance of the Fund shall be used up in accordance with the same rules as those laid down in the Convention, the Decision and this Agreement,

2. Upon expiry of this Agreement, Member States shall still be obliged to pay, as provided in Article 7, that portion of their contributions not yet called for.

#### Article 9

1. The Member States undertake to act as guarantor for the Bank, waiving any right to object and in proportion to their contributions to its capital, in respect of all financial commitments arising for its borrowers out of the loan contracts concluded by the Bank in respect of its own resources in implementation of the Convention and the Decision.

2. This guarantee shall cover all risks and shall be restricted to 30% of the total amount of the credits opened by the Bank under the loan contracts.

3. The undertakings arising from paragraphs 1 and 2 shall be the subject of contracts of guarantee between each Member State and the Bank.

4. Should the Community conclude new agreements providing for financing operations by the Bank from its own resources for countries outside the Community, this Article could, under conditions agreed with the Bank, be supplemented in such a way as to make the Member States' guarantee apply globally, according to the percentage set out in paragraph 2, to the loans thus granted to the countries in question. <sup>(1)</sup>

#### Article 10

1. Payments made to the Bank in respect of special loans granted to the ACP States, the countries and territories and the French overseas departments since 1 June 1964, as well as the proceeds and income from risk capital operations undertaken since 1 February 1971 for the benefit of those States, countries, territories and departments, shall be credited to the Member States in proportion to their contributions to the Fund from which the sums are derived, unless the Council decides unanimously on a proposal from the Commission, to place them in reserve or allocate them to other operations.

Any commission due to the Bank for managing the loans and operations referred to in the first subparagraph shall be deducted in advance from these sums.

2. The amount of the grants from the Fund, as fixed in Article 1(3)(a), shall be supplemented by any other revenue accruing to the Fund.

<sup>(1)</sup> See Council statement, p. 158.

Article 32 (1)

1. The remaining balance of the Development Fund for the overseas countries and territories established by the implementing Convention annexed to the Treaty shall continue to be administered as provided in that Implementing Convention and in accordance with the rules and regulations in force on 31 December 1962.

The remaining balance of the Fund set up by the Internal Agreement on the financing and administration of Community aid signed at Yaoundé on 20 July 1963 shall continue to be administered as provided in that Internal Agreement and in accordance with the rules and regulations in force on 31 May 1969.

The remaining balance of the Fund set up by the Internal Agreement on the financing and administration of Community aid signed at Yaoundé on 29 July 1969 shall continue to be administered as provided in that Internal Agreement and in accordance with the rules and regulations in force on 31 January 1975.

2. In the event of the successful completion of projects financed from the Funds referred to in paragraph 1 being jeopardized by a lack of resources due to the remaining balance having been used up, proposals for additional financing may be submitted by the Commission under the conditions laid down in Article 16.

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(1) See Council statement, p. 159.

AGREEMENT  
AMENDING THE INTERNAL AGREEMENT  
ON THE FINANCING AND ADMINISTRATION  
OF COMMUNITY AID  
SIGNED ON 11 JULY 1975  
(ACP-CEE/98/77)

THE REPRESENTATIVES OF THE GOVERNMENTS OF THE MEMBER STATES,  
MEETING WITHIN THE COUNCIL,

Having regard to the Treaty establishing the European Economic  
Community,

Whereas the ACP-EEC Convention of Lomé, hereinafter called the  
"Convention", laid down in its Article 42 the aggregate amount  
of Community aid to the original ACP States signatory thereto;  
whereas pursuant to Articles 89 and 90 of that Convention the  
accession of a State shall not adversely affect the advantages  
accruing to the ACP States signatory to the said Convention  
under the provisions on financial and technical cooperation and  
the stabilization of export earnings;

Whereas, with a view to the Decision which the Council was to adopt on 29 June 1976 on the association of the Overseas Countries and Territories with the European Economic Community, the Internal Agreement on the financing and administration of Community aid, signed on 11 July 1975, hereinafter called the "Internal Agreement", laid down the aggregate amount of Community aid to the Overseas Countries and Territories and to the French Overseas Departments; whereas the same Agreement empowered the Council to adjust the amounts laid down therein for the ACP States and for the OCT and FOD if an Overseas Country or Territory which became independent acceded to the Convention;

Whereas, following the accession of the Republic of Surinam, the Republic of Seychelles and the Comoro State to the Convention on 16 July, 27 August and 13 September 1976 respectively, the Council made an adjustment to the amounts made available to the European Development Fund (1975) for the ACP States on the one hand and the Countries and Territories and the French Overseas Departments on the other by its Decision of 14 February 1977 ;

Whereas the Agreements between the European Economic Community and the Democratic Republic of Sao Tomé and Principe, the Republic of Cape Verde and Papua New Guinea respectively, hereinafter called "Accession Agreements", provided for the accession of those three States to the Convention;

Whereas the amount of aid for the ACP States should therefore be increased; whereas to that end the total amount for the ACP States should be increased by the amount of 13 million European Units of Account provided for in the Council Decision on the association of the Overseas Countries and Territories and which has to date remained frozen; whereas this amount should be supplemented by a contribution from the Member States broken down in accordance with the scale laid down in the Internal Agreement;

Whereas pursuant to Article 10(1) of the Internal Agreement and in order to facilitate the fulfilment of the obligations thus assumed by the Member States, the Council assigned to the European Investment Bank, hereinafter called the "Bank", the task of transferring to the European Development Fund, hereinafter called the "Fund", payments made to the Bank in respect of the operations referred to in that Article, up to the amount of the contributions which Belgium, Germany, France, Italy, Luxembourg and the Netherlands are called upon to make available to the Fund as from the date of entry into force of the three accession Agreements; whereas Denmark, Ireland and the United Kingdom, which did not participate in the financing of the previous Development Funds, are to pay their contributions directly to the Fund;

Whereas the Internal Agreement should accordingly be amended;

Whereas this Agreement should apply as soon as the ratification and notification procedures of any one of the three Accession Agreements have been completed; whereas, however, in the event of one or more acceding States not completing the ratification procedures of the Accession Agreement it has signed within a reasonable period, the Council should be empowered to carry out the appropriate adjustment of the amount of aid for the ACP States;

Having consulted the Commission of the European Communities,

HAVE AGREED AS FOLLOWS:

ARTICLE 1

The following paragraph is inserted after Article 1(2) of the Internal Agreement:

"2a From the entry into force of the new Agreement the Fund shall consist of 3,159.50 million European units of account. In addition to the 3,150 million European units of account provided for in paragraph 2 this amount shall include 9.50 million European units of account composed of additional contributions from the Member States as follows:

Belgium	593,750	European units of account
Denmark	228,000	European units of account
Germany	2,465,250	European units of account
France	2,465,250	European units of account
Ireland	57,000	European units of account
Italy	1,140,000	European units of account
Luxembourg	19,000	European units of account
Netherlands	755,250	European units of account
United Kingdom	1,776,500	European units of account."

ARTICLE 2

The following paragraphs are inserted after Article 1(3) of the Internal Agreement:

"3a From the entry into force of the new Agreement the amount of 3,159.50 million European units of account referred to in paragraph 2a shall be allocated as follows:

(a) 3,054.10 million European units of account for the ACP States, consisting of:

- 3,000 million European units of account from the amount initially provided for in paragraph 3(a) for the original ACP States,
- 9.50 million European units of account from the amount provided for in paragraph 2a,
- 13 million European units of account from the amount stated in Article 30(4)(a), first indent, as introduced by the Council Decision of 14.2.77 adjusting Decision 76/568/EEC on the association of the Overseas Countries and Territories with the European Economic Community,



- 31.60 million European units of account from the amount transferred from the appropriation for the OCT to that for the ACP under the Council Decision of 14.2.77 adjusting the amounts made available to the European Development Fund (1975) for the ACP States on the one hand and for the Overseas Countries and Territories and the French Overseas Departments on the other, following the accession of the Republic of Surinam, the Republic of Seychelles and the Comoro State to the Convention;

(b) 105.40 million European units of account for the Overseas Countries and Territories and the French Overseas Departments from the amounts originally laid down in paragraphs 3(b) and (c), taking into account the reduction made under the Decision referred to in the fourth indent of subparagraph (a).

3b (a) The amount stated in paragraph 3a(a) for the ACP States shall be allocated as follows:

2,137.00	million European units of account in the form of grants
440.10	million European units of account in the form of special loans
97.00	million European units of account in the form of risk capital
380.00	million European units of account in the form of transfers pursuant to Title II of the Convention.

(b) The amount stated in paragraph 3a(b) for the Overseas Countries, Territories and Departments shall be allocated as follows:

37.00	million European units of account in the form of grants
29.40	million European units of account in the form of special loans
4.00	million European units of account in the form of risk capital
15.00	million European units of account in the form of a reserve
20.00	million European units of account in the form of transfers for the Countries and Territories, pursuant to those provisions of the Decision which concern the system for stabilizing export earnings."

### ARTICLE 3

This Agreement amending the Internal Agreement shall be approved by each Member State in accordance with its own constitutional requirements. The Government of each Member State shall notify the General Secretariat of the Council of the European Communities when the procedures required for its entry into force have been completed.

Provided that the provisions of the preceding paragraph have been satisfied, this Agreement shall enter into force on the date on which the Community deposits with the Secretariat of the ACP States the first of the three acts of notification of the conclusion of one of the Agreements on accession to the Convention.

In the event of one or more States which have signed accession Agreements with the Community not having deposited its instrument of ratification within the time-limit provided for in the Community declaration annexed to the Final Act of each Accession Agreement the Council, acting unanimously, will carry out the appropriate adjustment to the amount of the aid for the ACP States.

ARTICLE 4

This Agreement, drawn up in a single original in the Danish, Dutch, English, French, German and Italian languages, all six texts being equally authentic, shall be deposited in the archives of the General Secretariat of the Council of the European Communities, which shall transmit a certified copy to the Government of each of the Signatory States.

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**II - IMPLEMENTING ACTS**

COUNCIL REGULATION (EEC) No 706/76

of 30 March 1976

on the arrangements applicable to agricultural products and certain goods resulting from the processing of agricultural products originating in the African, Caribbean and Pacific States or in the overseas countries and territories

(OJ No L 85/76)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Articles 43 and 113 thereof,

Having regard to Council Regulation (EEC) No 1059/69 of 28 May 1969 laying down the trade arrangements applicable to certain goods resulting from the processing of agricultural products<sup>(1)</sup>, as last amended by Regulation (EEC) No 3058/75<sup>(2)</sup>, and in particular Article 12 thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament<sup>(3)</sup>,

Whereas the ACP-EEC Convention of Lomé hereinafter called 'the Convention', between the African, Caribbean and Pacific States, hereinafter called 'the ACP States,' and the European Economic Community was signed on 28 February 1975;

Whereas Article 2 (2) (a) of that Convention lays down that: 'Products originating in the ACP States:

- listed in Annex II to the Treaty when they come under a common organization of the market within the meaning of Article 40 of the Treaty, or
- subject, on importation into the Community, to specific rules introduced as a result of the implementation of the common agricultural policy,

shall be imported into the Community notwithstanding the general arrangements applied in respect of third countries, in accordance with the following provisions:

- (i) those products shall be imported free of customs duties for which Community provisions in force at the time of importation do not provide, apart from customs duties, for the application of any other measure relating to their importation;
- (ii) for products other than those referred to under (i), the Community shall take the necessary measures to ensure, as a general rule, more favourable treatment than the general treatment applicable to the same products originating in third countries to which the most-favoured-nation clause applies;

Whereas:

- Council Regulation (EEC) No 805/68 of 27 June 1968 on the common organization of the market in beef and veal<sup>(4)</sup>, as last amended by Regulation (EEC) No 568/76<sup>(5)</sup>,
- Council Regulation (EEC) No 100/76 of 19 January 1976 on the common organization of the market in fishery products<sup>(6)</sup>,
- Council Regulation No 136/66/EEC of 22 September 1966 on the establishment of a common organization of the market in oils and fats<sup>(7)</sup>, as last amended by Regulation (EEC) No 1707/73<sup>(8)</sup>,
- Council Regulation (EEC) No 2727/75 of 29 October 1975 on the common organization of the market in cereals<sup>(9)</sup>, as last amended by Regulation (EEC) No 3058/75<sup>(10)</sup>,

<sup>(1)</sup> OJ No L 141, 12. 6. 1969, p. 1.

<sup>(2)</sup> OJ No L 306, 26. 11. 1975, p. 3.

<sup>(3)</sup> Opinion delivered on 12 March 1976 (not yet published in the Official Journal).

<sup>(4)</sup> OJ No L 148, 28. 6. 1968, p. 24.

<sup>(5)</sup> OJ No L 67, 15. 3. 1976, p. 28.

<sup>(6)</sup> OJ No L 20, 28. 1. 1976, p. 1.

<sup>(7)</sup> OJ No 172, 30. 9. 1966, p. 3025/66.

<sup>(8)</sup> OJ No L 175, 29. 6. 1973, p. 5.

<sup>(9)</sup> OJ No L 281, 1. 11. 1975, p. 1.

<sup>(10)</sup> OJ No L 306, 26. 11. 1975, p. 3.

- Council Regulation No 359/67/EEC of 25 July 1967 on the common organization of the market in rice <sup>(1)</sup>, as last amended by Regulation (EEC) No 668/75 <sup>(2)</sup>,
- Council Regulation (EEC) No 1035/72 of 18 May 1972 on the common organization of the market in fruit and vegetables <sup>(3)</sup>, as last amended by Regulation (EEC) No 2482/75 <sup>(4)</sup>,
- Council Regulation (EEC) No 865/68 of 28 June 1968 on the common organization of the market in products processed from fruit and vegetables <sup>(5)</sup>, as last amended by Regulation (EEC) No 1420/75 <sup>(6)</sup>,
- Regulation (EEC) No 1059/69,
- Council Regulation (EEC) No 727/70 of 21 April 1970 on the common organization of the market in raw tobacco <sup>(7)</sup>, as last amended by the Act of Accession <sup>(8)</sup>,
- Council Regulation (EEC) No 1308/70 of 29 June 1970 on the common organization of the market in flax and hemp <sup>(9)</sup>, as last amended by the Act of Accession,
- Council Regulation (EEC) No 1696/71 of 26 July 1971 on the common organization of the market in hops <sup>(10)</sup>, as last amended by the Act of Accession,
- Council Regulation (EEC) No 234/68 of 27 February 1968 on the establishment of a common organization of the market in live trees and other plants, bulbs, roots and the like, cut flowers and ornamental foliage <sup>(11)</sup>, as last amended by the Act of Accession,
- Council Regulation (EEC) No 2358/71 of 26 October 1971 on the common organization of the market in seeds <sup>(12)</sup>, as last amended by Regulation (EEC) No 671/75 <sup>(13)</sup>,
- Council Regulation (EEC) No 827/68 of 28 June 1968 on the common organization of the market in certain products listed in Annex II to the Treaty <sup>(14)</sup>, as last amended by Regulation (EEC) No 1067/74 <sup>(15)</sup>, and
- Council Regulation (EEC) No 1067/74 of 30 April 1974 on the common organization of the market in dehydrated fodder, as last amended by Regulation (EEC) No 1420.75 <sup>(16)</sup>,

establish trade arrangements with third countries;

Whereas, on the one hand, these arrangements provide only for the application of customs duties on the importation of a number of products; whereas, on the other hand, these trade arrangements involve the application of customs duties and import levies on beef and veal and on products processed from fruit and vegetables, the charging of levies in respect of cereals, rice and products processed from cereals and rice, the charging of an *ad valorem* duty and a variable component on certain goods resulting from the processing of agricultural products, the application of customs duties and other measures in respect of imports of fishery products, certain fruit and vegetables, and oils and fats; whereas the obligations of the Community towards the ACP States arising from Article 2 (2) (a) of the Convention may be fulfilled by granting total or partial exemption from import charges for the products in question where they originate in the ACP States;

Whereas it should be specified that the advantages resulting from Article 2 (2) (a) of the Convention are accorded only to originating products within the meaning of Protocol 1 concerning the definition of the concept of originating products and methods of administrative cooperation, annexed to the Convention;

Whereas, furthermore, these advantages should, according to each case, be combined with certain conditions and limited to certain annual and multi-annual quantities;

Whereas it should be stipulated that the safeguard clauses provided for in the Regulations on the common organization of the agricultural markets and in the specific rules introduced as a result of the implementation of the common agricultural policy are applicable; whereas Council Regulation (EEC)

(1) OJ No 174, 31. 7. 1967, p. 1.

(2) OJ No L 72, 20. 3. 1975, p. 18.

(3) OJ No L 118, 20. 5. 1972, p. 1.

(4) OJ No L 254, 21. 10. 1975, p. 3.

(5) OJ No L 153, 1. 7. 1968, p. 8.

(6) OJ No L 111, 3. 6. 1975, p. 1.

(7) OJ No L 94, 28. 4. 1970, p. 1.

(8) OJ No L 73, 27. 3. 1972, p. 14.

(9) OJ No L 146, 4. 7. 1970, p. 1.

(10) OJ No L 175, 4. 8. 1971, p. 1.

(11) OJ No L 55, 2. 3. 1968, p. 1.

(12) OJ No L 246, 5. 11. 1971, p. 1.

(13) OJ No L 72, 20. 3. 1975, p. 21.

(14) OJ No L 151, 30. 6. 1968, p. 16.

(15) OJ No L 120, 1. 5. 1974, p. 2.

(16) OJ No L 141, 3. 6. 1975, p. 1.

No 157/76 of 20 January 1976 on the safeguard measures provided for in the ACP-EEC Convention of Lomé<sup>(1)</sup> applies as a complementary measure;

Whereas a Council Decision on the association of the overseas countries and territories listed in Annex I (hereinafter called 'the countries and territories') with the European Economic Community is envisaged; whereas it will include special rules concerning safeguard measures; whereas pending the entry into force of that Decision it is necessary to lay down such rules for the purposes of applying this Regulation; whereas from the entry into force of the Decision to be taken the safeguard clauses which it contains will apply as complementary measures;

Whereas there have traditionally been trade flows from the ACP States towards the French overseas departments; whereas provision should therefore be made for measures favouring imports of certain products originating in the ACP States into these French overseas departments to meet their supply requirements;

Whereas for agricultural products and certain goods resulting from the processing of agricultural products originating in the countries and territories, the rules of origin laid down in Council Regulation (EEC) No 1957/75 of 30 July 1975 on the interim trade arrangements with the overseas countries and territories associated with the European Economic Community<sup>(2)</sup>, and in particular in Annex II thereof, will remain applicable until the entry into force of the Decision to be taken on the association of the countries and territories, which will lay down provisions on origin similar to those for products originating in the ACP States,

HAS ADOPTED THIS REGULATION:

#### *Article 1*

1. This Regulation shall apply to products originating in the ACP States or in the countries and territories listed in Annex I.
2. The rules of origin applicable to such of these products as are imported from the ACP States or the countries and territories shall be respectively those set out in Protocol 1 concerning the definition of the concept of originating products and methods of administrative cooperation, annexed to the

(1) OJ No L 18, 27. 1. 1976, p. 1.

(2) OJ No L 201, 31. 7. 1975, p. 5.

Convention, and those of Annex II to Regulation (EEC) No 1957/75. The latter rules shall cease to apply as from the entry into force of the similar rules contained in the Decision to be taken on the association of the countries and territories.

### TITLE I

#### Beef and veal

##### *Article 2*

The beef and veal products referred to in Article 1 of Regulation (EEC) No 805/68 shall be imported free of customs duties.

##### *Article 3*

Where, in the course of a year, imports into the Community of beef and veal falling within subheading 02.01 A II a) of the Common Customs Tariff and originating in an ACP State or country or territory exceed a quantity equivalent to that of imports into the Community during the year between 1969 and 1974 inclusive, in which the greatest quantity of Community imports of the origin in question was recorded, plus an annual growth rate of 7%, exemption from customs duties on the products of that origin shall be partially or totally suspended in accordance with the procedure laid down in Article 27 of Regulation (EEC) No 805/68.

In such a case, the Commission shall report to the Council, which, acting by a qualified majority on a proposal from the Commission, shall decide on the treatment to be applied to the imports concerned.

### TITLE II

#### Fishery products

##### *Article 4*

The fishery products referred to in Article 1 of Regulation (EEC) No 100/76 shall be imported free of customs duties.

### TITLE III

#### Oils and fats

##### *Article 5*

The oil and fat products referred to in Article 1 (2) (a) and (b) of Regulation No 136/65/EEC shall be imported free of customs duties.

##### *Article 6*

Should the volume of imports of any of the oil seeds falling within subheading ex 12.01 B of the Common

Customs Tariff, referred to in Article 1 (2) (a) of Regulation No 136/66/EEC, undergo appreciable changes in relation to the present situation, the Council, acting by a qualified majority on a proposal from the Commission, shall adopt special measures.

#### TITLE IV

##### Cereals

###### Article 7

1. The levy applicable to imports of maize falling within subheading 10.05 B of the Common Customs Tariff shall be that fixed in accordance with Article 13 of Regulation (EEC) No 2727/75, reduced by 1.50 units of account per metric ton.

2. The levy applicable to imports of millet falling within subheading 10.07 B of the Common Customs Tariff and of grain sorghum falling within subheading 10.07 C of the Common Customs Tariff shall be that fixed in accordance with Article 13 of Regulation (EEC) No 2727/75, reduced by 50 %.

#### TITLE V

##### Rice

###### Article 8

The levy applicable to imports of rice falling within heading No 10.06 of the Common Customs Tariff shall be equal, per 100 kg of product, to the levy applicable to imports of rice from third countries, reduced as follows;

(a) for paddy rice falling within subheading 10.06 A I of the Common Customs Tariff:

- by 50%, and
- by 0.30 unit of account;

(b) for husked rice falling within subheading 10.06 A II of the Common Customs Tariff:

- by 50%, and
- by 0.30 unit of account;

(c) for semi-milled rice falling within subheading 10.06 B I of the Common Customs Tariff:

- by the amount for the protection of the industry referred to in Article 14 (3) of Regulation No 359/67/EEC, converted by reference to the conversion rate between

milled rice and semi milled rice referred to in the third indent of Article 19 (a) of that Regulation,

- by 50% of the levy thus reduced, and
- by 0.45 unit of account;

(d) for milled rice falling within subheading 10.06 B II of the Common Customs Tariff:

- by the amount for the protection of the industry referred to in Article 14 (3) of Regulation No 359/67/EEC,
- by 50% of the levy thus reduced, and
- by 0.45 unit of account;

(e) for broken rice falling within subheading 10.06 C of the Common Customs Tariff:

- by 50%, and
- by 0.25 unit of account.

###### Article 9

1. The provisions of Article 8 shall apply only if the **cif** export price of a given quantity, increased by the levy applicable to imports of rice originating in the ACP States or in the countries and territories is, at the time of exportation, for that quantity, equal to or more than:

- for husked rice, milled rice and broken rice, the threshold price of each of these products, reduced by amounts of 0.30, 0.45 and 0.25 unit of account respectively;
- for paddy rice, the threshold price of husked rice adjusted by reference to the conversion rate, processing costs and the value of the by-products to be taken for conversion from the husked state to the paddy state, reduced by an amount of 0.30 unit of account;
- for semi-milled rice, the threshold price of milled rice adjusted by reference to the conversion rate, processing costs and the value of the by-products to be taken for conversion from the round grain milled state to the round grain semi-milled state, reduced by an amount of 0.45 unit of account.

2. In order to permit the necessary checks, the documents accompanying the goods must show the **cif** price at which the product is sold and the date of exportation, together with all details regarding quality enabling the product to be defined. These documents must be stamped by the competent authorities of the exporting ACP States, countries or territories.



Article 10

1. Article 13 (2) of Regulation No 359/67/EEC shall not apply to the levies to be charged on imports of rice originating in the ACP States or in the countries and territories.

2. As regards such imports, however, the levy applicable on the day of exportation shall be applied, if the applicant so requests when applying for the licence referred to in Article 10 (1) of Regulation No 359/67/EEC, to an importation to be effected during the period of validity of the licence.

Article 11

Where, in the course of a year, imports into the Community of rice originating in an ACP State or in a country or territory exceed a quantity equivalent to the average quantity of annual imports into the Community of the origin in question over the last three years for which statistics are available, plus 5%, the provisions of Article 8 shall be totally or partially suspended in respect of the products of the origin in question in accordance with the procedure laid down in Article 26 of Regulation No 359/67/EEC.

In such a case, the Commission shall report to the Council which, acting by a qualified majority on a proposal from the Commission, shall decide on the treatment to be applied to the imports concerned.

TITLE VI

Products processed from cereals and rice

Article 12

1. The levy applicable to imports of the products listed in Annex A to Regulation (EEC) No 2727/75 and of the products listed in Article 1 (1) (c) of Regulation No 359/67/EEC shall be equal to the levy applicable to imports of those products from third countries reduced by the fixed component specified for each of the products in question.

2. The variable component of the levy shall be reduced:

- by 0.15 unit of account per 100 kg for the products falling within subheading 07.06 A of the Common Customs Tariff;
- 0.30 unit of account per 100 kg for the products falling within heading No 11.06 of the Common Customs Tariff;
- by 50% for the products falling within subheading 11.08 A V of the Common Customs Tariff.

3. The variable component of the levy shall not be charged in respect of the following products originating in the countries and territories:

GCT heading No	Description of goods
07.06	Manioc, arrowroot, salep, Jerusalem artichokes, sweet potatoes and other similar roots and tubers with high starch or inulin content, fresh or dried, whole or sliced; sago pith:  ex A. Manioc, arrowroot, salep and other similar roots and tubers with high starch content, excluding sweet potatoes: — Arrowroot
11.06	Flours and meal of sago and of manioc, arrowroot, salep and other roots and tubers falling within heading No 07.06:  ex A. Denatured: — Flours and meal of arrowroot  B. Other: ex I. For the manufacture of starches: — Flours and meal of arrowroot  ex II. Other: Flours and meal of arrowroot
11.08	Starches; inulin:  A. Starches: ex V. Other: — Arrowroot starch

TITLE VII

Fruit and vegetables

Article 13

1. The products listed below shall be imported **free of customs duties**:

CCT heading No	Description of goods
07.01	Vegetables, fresh or chilled: F. Leguminous vegetables, shelled or unshelled G. Carrots, turnips, salad beetroot, salsify, celeriac, radishes and similar edible roots: ex IV. Other: — Radishes ( <i>Raphanus sativus</i> ), known as 'Mooli' S. Sweet peppers T. Other
08.02	Citrus fruit, fresh or dried: D. Grapefruit E. Other
08.08	Berries, fresh: E. Papaws ex F. Other: — Passion fruit
08.09	Other fruit, fresh

2. The products listed below shall be imported **subject to customs duties equal to 20 % of the Common Customs Tariff duties**:

CCT heading No	Description of goods
08.02	Citrus fruit, fresh or dried: A. Oranges B. Mandarins including tangerines and satsumas; clementines, wilkings and other similar citrus hybrids

TITLE VIII

Products processed from fruit and vegetables

Article 14

1. The products listed in Article 1 of Regulation (EEC) No 865/68 shall be imported free of customs duties.

2. Levies shall not be charged on imports of the products listed below:

CCT heading No	Description of goods
20.06	<p>Fruit otherwise prepared or preserved, whether or not containing added sugar or spirit:</p> <p>B. Other:</p> <p>I. Containing added spirit:</p> <p>b) Pineapples, in immediate packings of a net capacity:</p> <p>1. Of more than 1 kg:</p> <p>aa) With a sugar content exceeding 17% by weight</p> <p>2. Of 1 kg or less:</p> <p>aa) With a sugar content exceeding 19% by weight</p> <p>e) Other fruits:</p> <p>ex 1. With a sugar content exceeding 9% by weight:</p> <p>— Grapefruit segments</p> <p>II. Not containing added spirit:</p> <p>a) Containing added sugar, in immediate packings of a net capacity of more than 1 kg:</p> <p>2. Grapefruit segments</p> <p>5. Pineapples:</p> <p>aa) With a sugar content exceeding 17% by weight</p> <p>9. Mixtures of fruit:</p> <p>ex aa) Mixtures in which no single fruit exceeds 50% of the total weight of the fruits:</p> <p>— Mixtures of pineapples, papaws and pomegranate</p> <p>ex bb) Other:</p> <p>— Mixtures of pineapples, papaws and pomegranate</p> <p>b) Containing added sugar, in immediate packings of a net capacity of 1 kg or less:</p> <p>2. Grapefruit segments</p> <p>5. Pineapples:</p> <p>aa) With a sugar content exceeding 19% by weight</p> <p>9. Mixtures of fruit:</p> <p>ex aa) Mixtures in which no single fruit exceeds 50% of the total weight of the fruits:</p> <p>— Mixtures of pineapples, papaws and pomegranate</p> <p>ex bb) Other:</p> <p>— Mixtures of pineapples, papaws and pomegranate</p>

CCT heading No	Description of goods
20.07	Fruit juices (including grape must) and vegetable juices, whether or not containing added sugar, but unfermented and not containing spirit: B. Of a specific gravity of 1.33 or less at 15 °C: II. Other: b) Of a value of 30 u.a. or less per 100 kg net weight: 5. Pineapple juice: aa) With an added sugar content exceeding 30% by weight 8. Mixtures: bb) Other: ex 11. With an added sugar content exceeding 30% by weight: — Pineapple, papaw and pomegranate juice

TITLE IX

Unmanufactured tobacco

*Article 15*

The tobacco products listed in Article 1 of Regulation (EEC) No 727/70 shall be imported free of customs duties.

*Article 16*

If serious disruptions occur as a result of a large increase in duty-free imports of the products falling within heading No 24.01 of the Common Customs Tariff, originating in the ACP States or in the countries or territories, or if these imports create difficulties which bring about a deterioration in the economic situation of a region of the Community, the Community may, without prejudice to Article 24, take measures intended to offset any deflection of trade.

TITLE X

Goods to which Regulation (EEC) No 1059/69 applies

*Article 17*

1. No fixed component shall be charged on imports of goods to which Regulation (EEC) No 1059/69 applies.

2. The variable component shall not be charged on imports of the goods listed below:

CCT heading No	Description of goods
17.04	<p>Sugar confectionery, not containing cocoa:</p> <p>C. White chocolate</p>
18.06	<p>Chocolate and other food preparations containing cocoa:</p> <p>C. Chocolate and chocolate goods, whether or not filled; sugar confectionery and substitutes therefor made from sugar substitution products, containing cocoa</p>
19.02	<p>Preparations of flour, meal, starch or malt extract, of a kind used as infant food or for dietetic or culinary purposes, containing less than 50 % by weight of cocoa:</p> <p>B. Other:</p> <p>I. Containing no milk fats or containing less than 1.5 % by weight of such fats:</p> <p>d) Containing 45 % or more but less than 65 % by weight of starch</p>
19.04	<p>Tapioca and sago; tapioca and sago substitutes obtained from potato or other starches</p>
19.07	<p>Bread, ships' biscuits and other ordinary bakers' wares, not containing added sugar, honey, eggs, fats, cheese or fruit:</p> <p>D. Other, containing by weight of starch:</p> <p>ex II. 50 % or more, excluding ships' biscuits</p>
19.08	<p>Pastry, biscuits, cakes and other fine bakers' wares, whether or not containing cocoa in any proportion:</p> <p>B. Other:</p> <p>IV. Containing 50 % or more but less than 65 % by weight of starch:</p> <p>a) Containing no sucrose or containing less than 5 % by weight of sucrose (including invert sugar expressed as sucrose):</p> <p>ex 1. Containing no milk fats or containing less than 1.5 % by weight of such fats:</p> <p>— Biscuits</p> <p>V. Containing 65 % or more by weight of starch:</p> <p>ex a) Containing no sucrose or containing less than 5 % by weight of sucrose (including invert sugar expressed as sucrose):</p> <p>— Biscuits</p> <p>ex b) Other:</p> <p>— Biscuits</p>

TITLE XI

Other markets subject to common organization

Article 18

The products referred to in Regulations (EEC) No 234/68, (EEC) No 827/68, (EEC) No 1308/70, (EEC) No 1696/71, (EEC) No 2358/71 and (EEC) No 1067/74 shall be imported free of customs duties.

TITLE XII

Provisions relating to the French overseas departments

Article 19

The levies shall not be applied to imports into the French overseas departments of the products listed below originating in the ACP States or in the countries and territories:

CCT heading No	Description of goods
01.02	Live animals of the bovine species: A. Domestic species: II. Other
02.01	Meat and edible offals of the animals falling within heading No 01.01, 01.02, 01.03 or 01.04, fresh, chilled or frozen: A. Meat: II. Of bovine animals: a) Of domestic bovine animals
10.06	Rice

Article 20

1. The levy applicable to imports into the French overseas departments of maize falling within subheading 10.05 B of the Common Customs Tariff originating in the ACP States or in the countries and territories shall be that fixed in accordance with Article 13 of Regulation (EEC) No 2727/75 reduced by six units of account per metric ton.

2. If imports into the French overseas departments of maize originating in the ACP States or in the countries and territories have exceeded 4 500 metric tons in a year, and if such imports are causing or are likely to cause serious disturbances in the market, the Commission shall take the necessary measures, at the request of a Member State or on its own initiative.

3. Any Member State may, within three working days of notification of the measure taken by the Commission, refer that measure to the Council. The Council shall meet forthwith. It may amend or declare void the measure in question, acting by a qualified majority.

TITLE XIII

General and final provisions

Article 21

The reductions provided for by this Regulation shall be calculated by reference to:

- the variable components of levies where the levies contain such components,
- in other cases, the levies,

applicable to imports from third countries into the Community as originally constituted.

However, during the period of application of accession compensatory amounts in trade between the Community as originally constituted and the new Member States, measures to prevent deflections of trade shall be taken in accordance with the procedure laid down in Article 22, if this proves necessary.

#### *Article 22*

If necessary, detailed rules for the application of this Regulation shall be adopted in accordance with the procedure laid down in Article 26 of Regulation (EEC) No 2727/75 or, as the case may be, in the corresponding Articles of the other Regulations on the common organization of the agricultural markets.

#### *Article 23*

This Regulation shall not prejudice the application of Article 38 of the Act of Accession.

#### *Article 24*

1. The safeguard clauses provided for in the Regulations on the common organization of the agricultural markets and in the specific rules introduced as a result of the implementation of the common agricultural policy shall be applicable to the products covered by this Regulation.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 30 March 1976.

2. As regards relations with the ACP States, Regulation (EEC) No 157/76 shall apply as a complementary measure.

3. As regards the countries and territories, the provisions of paragraph 4 and of Annex II and the similar provisions which replace them in the Decision to be taken on the association of the countries and territories shall also apply as complementary measures.

4. If, as a result of applying the provisions of this Regulation to originating products imported from the countries and territories, serious disturbances occur in a sector of the economy of the Community or of one or more of its Member States, or their external financial stability is jeopardized, or if difficulties arise which may result in a deterioration in a sector of the economy of a region of the Community, the Commission may, in accordance with the procedure specified in Annex II, take, or authorize the Member States concerned to take, the necessary safeguard measures.

For the purpose of implementing the first subparagraph, priority shall be given to such measures as would least disturb the functioning of the association and the Community. These measures shall not exceed the limits of what is strictly necessary to remedy the difficulties that have arisen.

This paragraph and Annex II shall cease to apply as from the entry into force of the Decision to be taken on the association of the countries and territories.

#### *Article 25*

This Regulation shall enter into force on 1 April 1976.

It shall apply until 29 February 1980.

*For the Council*

*The President*

G. THORN

ANNEX I.

List of the countries and territories referred to in Article 1 <sup>(1)</sup>

(This list does not prejudice the status of these countries and territories now or in the future.)

1. Overseas countries of the Kingdom of the Netherlands:
  - the Netherlands Antilles (Aruba, Bonaire, Curaçao; St Martin, Saba, St Eustatius).
  
2. Overseas territories of the French Republic:
  - Saint Pierre and Miquelon,
  - Mayotte,
  - Territory of the Afars and Issas,
  - New Caledonia and Dependencies,
  - Wallis and Futuna Islands,
  - French Polynesia,
  - French Southern and Antarctic Territories.
  
3. Overseas countries and territories of the United Kingdom of Great Britain and Northern Ireland:
  - Belize,
  - Brunei,
  - Associated States in the Caribbean (Antigua, Dominica, St Lucia, St Vincent, St Kitts, Nevis and Anguilla),
  - Cayman Islands,
  - Falkland Islands and Dependencies,
  - Gilbert Islands,
  - Solomon Islands,
  - Turks and Caicos Islands,
  - British Virgin Islands,
  - Montserrat,
  - Pitcairn,
  - St Helena and Dependencies,
  - Seychelles,
  - British Antarctic Territory,
  - British Indian Ocean Territory,
  - Tuvalu.
  
4. Anglo-French Condominium of the New Hebrides.
  
5. Countries provisionally covered by this Regulation:
  - The Comoros,
  - Surinam.

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<sup>(1)</sup> See Council Regulation (EEC) No 328/77 of 14 February 1977 amending this list as regards the Comoros, Seychelles and Surinam, p. 122.



ANNEX II

on the application of Article 24 (3) and (4)

*Article 1*

1. At the request of a Member State or on its own initiative the Commission may decide to apply to products originating in the countries and territories the safeguard measures which the Community may take pursuant to Article 24 (3) and (4) of the Regulation, in particular a temporary, total or partial suspension of the tariff and other measures provided for by the Decision for the benefit of the countries and territories.

If the Commission receives a request from a Member State, it shall take a decision thereon within three working days following receipt of the request.

Member States shall be notified of the safeguard measures which shall apply immediately.

2. Any Member State may refer the measures taken by the Commission to the Council within 10 working days following the date of notification of such a measure. The Council shall meet without delay. Acting by a qualified majority, it may amend or rescind the measure in question.

*Article 2*

1. Without prejudice to the application of Article 1, the Commission may, in order to enable a Member State to face up to the disturbances or difficulties referred to in Article 24 (3) and (4) of the Regulation, authorize that Member State to take safeguard measures.

If the Commission has received a request from the Member State concerned, it shall take a decision thereon within three working days following receipt of the request.

The Commission's decision shall be notified to all Member States.

2. Any Member State may refer the Commission's decision to the Council within 10 working days of notification of that decision. The Council shall meet without delay. Acting by a qualified majority, it may amend or annul the decision taken by the Commission.

*Article 3*

1. Without prejudice to the application of Article 2, the Member State or States concerned may, in an emergency, introduce safeguard measures. They shall notify the other Member States and the Commission of such measures forthwith.

Using an emergency procedure, the Commission shall, within five working days of the notification referred to in the first subparagraph, decide whether the measures are to be retained, amended or abolished.

The Commission's decision shall be notified to all Member States. It shall be immediately enforceable.

2. Any Member State may refer the Commission's decision to the Council within 10 working days of notification of that decision. The Council shall meet without delay. Acting by a qualified majority, it may amend or annul the decision taken by the Commission.

If the matter is referred to the Council by the Member State which has taken safeguard measures, the Commission's decision shall be suspended. The suspension shall cease to apply 30 days after the matter has been referred to the Council if the latter has not by then amended or annulled the Commission's decision.

3. For the purposes of applying this Article, priority must be given to such measures as will least disturb the functioning of the common market.

*Article 4*

This Annex shall not preclude application of the Regulations establishing a common organization of agricultural markets or of Community or national administrative provisions resulting therefrom, or of the specific Regulations adopted pursuant to Article 235 of the Treaty for processed agricultural products. It shall be implemented as a complement to these instruments.

**COUNCIL REGULATION (EEC) No 328/77**  
of 14 February 1977

**amending the list of the countries and territories in Regulation (EEC) No 706/76 on the arrangements applicable to agricultural products and certain goods resulting from the processing of agricultural products originating in the African, Caribbean and Pacific States or in the overseas countries and territories**  
(OJ No L 46/77)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Articles 43 and 113 thereof,

Having regard to Council Regulation (EEC) No 1039/69 of 28 May 1969 laying down trade arrangements applicable to certain goods resulting from the processing of agricultural products<sup>(1)</sup>, as last amended by Regulation (EEC) No 3058/75<sup>(2)</sup>, and in particular Article 12 thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament<sup>(3)</sup>,

Whereas Council Regulation (EEC) No 706/76 of 30 March 1976<sup>(4)</sup> laid down the arrangements applicable to agricultural products and certain goods resulting from the processing of agricultural products originating in the African, Caribbean and Pacific States or in the overseas countries and territories;

Whereas the Comoros, Seychelles and Surinam, which appear on the list of the countries and territories

contained in Annex I to that Regulation, have become independent;

Whereas the said States acceded to the ACP-EEC Convention of Lomé<sup>(5)</sup> on 16 July, 27 August and 13 September 1976 respectively and should, consequently, be counted among the ACP States referred to in Article 1 of Regulation (EEC) No 706/76; whereas the list in Annex I should, therefore, be adjusted,

HAS ADOPTED THIS REGULATION:

*Article 1*

The following shall be deleted in the Annex to Regulation No 706/76: 'The Comoros', 'Seychelles' and 'Surinam'.

*Article 2*

This Regulation shall enter into force on the third day following its publication in the *Official Journal of the European Communities*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 14 February 1977.

*For the Council*  
*The President*  
J. SILKIN

<sup>(1)</sup> OJ No L 141, 12. 6. 1969, p. 1.

<sup>(2)</sup> OJ No L 306, 26. 11. 1975, p. 3.

<sup>(3)</sup> OJ No C 6, 10. 1. 1977, p. 164.

<sup>(4)</sup> OJ No L 85, 31. 3. 1976, p. 2.

<sup>(5)</sup> OJ No L 25, 30. 1. 1976, p. 2.

## COUNCIL DECISION

of 9 February 1976

on import arrangements for rum, arrack and tafia falling within subheading 22.09 C I of the Common Customs Tariff and originating in the overseas countries and territories associated with the European Economic Community

(76/198/EEC)  
(OJ No L 37/76)

THE COUNCIL OF THE EUROPEAN  
COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 136 thereof,

Having regard to the recommendation from the Commission,

Having regard to the opinion of the European Parliament<sup>(1)</sup>,

Whereas the Council has autonomously implemented Article 2 (1) and Protocol No 7 on rum of the ACP-EEC Convention of Lomé; whereas by Regulation (EEC) No 1600/75<sup>(2)</sup> the Council opened a tariff quota free of customs duties for products falling within subheading 22.09 C I of the Common Customs Tariff originating in the ACP States; whereas by Regulation (EEC) No 1957/75<sup>(3)</sup> the Council laid down interim arrangements for trade with the overseas countries and territories associated with the European Economic Community, hereinafter called 'countries and territories'; whereas that Regulation provides for the adoption of special rules for the abovementioned products originating in these countries and territories;

Whereas under Regulation (EEC) No 1958/75<sup>(4)</sup> the Council agreed to adopt the measures laying down these import arrangements; whereas it has since approved the principles which should govern these

arrangements; whereas the import arrangements for the abovementioned products originating in the countries and territories should accordingly be adopted for the period from 1 March 1976 to 1 March 1980, without awaiting the entry into force of the Decision on the association of the countries and territories,

HAS DECIDED AS FOLLOWS:

### Article 1

1. Pending entry into force of a common organization of the markets in spirits, and at all events no later than 1 March 1980, rum, arrack and tafia falling within subheading 22.09 C I of the Common Customs Tariff and originating in the countries and territories listed in the Annex to this Decision and, as from the entry into force of the Council Decision on the association of the overseas countries and territories, originating in the countries and territories mentioned in the corresponding Annex of that Decision, shall be imported into the Community free of customs duties within the limits of a Community tariff quota fixed in accordance with the following provisions.

2. The grant of exemption from customs duties in the new Member States shall not, however, affect the application of Article 38 of the Act of Accession.

### Article 2

1. The tariff quota provided for in Article 1 shall be fixed each year for a period running from 1 July to 30 June.

<sup>(1)</sup> OJ No C 257, 10. 11. 1975, p. 27.

<sup>(2)</sup> OJ No L 166, 28. 6. 1975, p. 81.

<sup>(3)</sup> OJ No L 201, 31. 7. 1975, p. 5.

<sup>(4)</sup> OJ No L 201, 31. 7. 1975, p. 73.

2. However, a quota shall be fixed for March, April, May and June of 1976 which shall be equal to one-third of the annual quota.

*Article 3*

1. The annual tariff quota shall be fixed on the basis of a basic annual quantity, calculated in hectolitres of pure alcohol, equal to the amount of imports during the best of the last three years for which statistics are available. For the purposes of calculating the quota for 1 March to 30 June 1976 the volume of imports in 1975 shall be taken as an agreed figure as being 80 000 hectolitres of pure alcohol.

2. The annual tariff quota shall be equal to the basic annual quantity determined pursuant to paragraph 1 plus a growth rate of 13 %. The quota shall be fixed on that basis.

3. However, the Council, acting unanimously on a proposal from the Commission, may each year increase or reduce the rate laid down in paragraph 2 in the light of Community consumption and production and developments of the trade flow within the Community and between the Community, the countries and territories and the ACP States.

*Article 4*

When laying down the annual import quota, the Council, acting by a qualified majority on a proposal from the Commission, shall determine the allocation of the quota amongst the Member States, taking into account actual trends on the markets in question, the needs of the Member States and economic prospects for the period under consideration.

*Article 5*

For the purposes of implementing this Decision the concept of 'originating products' and the methods of

administrative cooperation relating thereto shall be those defined in Annex II to Regulation (EEC) No 1957/75 and, as from the entry into force of the Council Decision on the association of the countries and territories, those defined in the corresponding Annex to the said Decision.

*Article 6*

The products referred to in Article 1 shall be placed under Community surveillance according to detailed arrangements to be laid down by the Council when it adopts the measures provided for in Article 3.

*Article 7*

Article 7 and Annex III of Regulation (EEC) No 1957/75 and, as from the entry into force of the Council Decision on the association of the countries and territories, the corresponding provisions of the said Decision, shall be applicable to the products referred to in Article 1.

*Article 8*

This Decision shall enter into force on 1 March 1976. It shall apply until 29 February 1980.

*Article 9*

This Decision shall be published in the *Official Journal of the European Communities*.

Done at Brussels, 9 February 1976.

*For the Council*

*The President*

G. THORN

ANNEX

List of the countries and territories referred to in Article 1 <sup>(1)</sup>

(This list does not prejudice the status of these countries and territories now or in the future)

1. Overseas countries of the Kingdom of the Netherlands :
  - the Netherlands Antilles (Aruba, Bonaire, Curaçao ; St Martin, Saba, St Eustatius).
2. Overseas territories of the French Republic :
  - Saint Pierre and Miquelon,
  - Mayotte,
  - Territory of the Afars and Issas,
  - New Caledonia and Dependencies,
  - Wallis and Futuna Islands,
  - French Polynesia,
  - French Southern and Antarctic Territories.
3. Overseas countries and territories of the United Kingdom of Great Britain and Northern Ireland :
  - Belize,
  - Brunei,
  - Associated States in the Caribbean (Antigua, Dominica, St Lucia, St Vincent, St Kitts, Nevis and Anguilla),
  - Cayman Islands,
  - Falkland Islands and Dependencies,
  - Gilbert Islands,
  - Solomon Islands,
  - Turks and Caicos Islands,
  - British Virgin Islands,
  - Montserrat,
  - Pitcairn,
  - St Helena and Dependencies,
  - Seychelles,
  - British Antarctic Territory,
  - British Indian Ocean Territory,
  - Tuvalu.
4. Anglo-French Condominium of the New Hebrides.
5. Countries provisionally covered by this Decision :
  - The Comoros,
  - Surinam.

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<sup>(1)</sup> See Council Decision (77/157/EEC) of 14 February 1977 amending this list as regards the Comoros, Seychelles and Surinam, p. 92.

COUNCIL REGULATION (EEC) No 1465/76  
of 21 June 1976 (\*)

on the opening, allocation and administration of a Community tariff quota for rum, arrack and tafia falling within subheading 22.09 C I of the Common Customs Tariff and originating in the overseas countries and territories associated with the European Economic Community (1976/77)

(OJ No L 165/76)

THE COUNCIL OF THE EUROPEAN  
COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 136 thereof,

Having regard to Council Decision 76/198/EEC of 9 February 1976 on import arrangements for rum, arrack and tafia falling within subheading 22.09 C I of the Common Customs Tariff and originating in the overseas countries and territories associated with the European Economic Community (1),

Having regard to the proposal from the Commission,

Whereas Decision 76/198/EEC stipulates that rum, arrack and tafia shall be imported into the Community free of customs duties within the limits of a Community tariff quota; whereas the annual size of the quota for the period 1 July to 30 June is to be fixed on the basis of a basic annual quantity, calculated in hectolitres of pure alcohol, to which a rate of growth of 13 % is to be applied, equal to the amount of imports during the best of the last three years for which statistics are available; whereas this rate may be modified in the light of certain criteria;

Whereas Community statistics for the years 1973 to 1975 show that the highest volume of imports into the Community of the products in question originating in the said countries and territories occurred in 1975, namely 71 437 hectolitres of pure alcohol; whereas in the light of consumption and production within the Community and of the development of trade both within the Community and between the Community, the said countries and territories and the ACP States, the rate of growth for the quota period in question should be 13 %;

Whereas the size of the quota for the period 1 July 1976 to 30 June 1977 should therefore be fixed at 80 724 hectolitres of pure alcohol;

Whereas, owing to the special character of the products in question and their sensitivity on Commu-

nity markets, exceptional provision should be made for a method of use based on a single division among Member States;

Whereas, taking into account actual trends on the markets for the products in question, the needs of the Member States and the economic prospects for the period under consideration, the initial percentage shares in the quota volume could be as follows:

Benelux	5-30,
Denmark	0-20,
Germany	94-36,
France	0-01,
Ireland	0-01,
Italy	0-01,
United Kingdom	0-11;

Whereas the development of imports into the Community of these products should be recorded and imports should accordingly be monitored;

Whereas, since the Kingdom of Belgium, the Kingdom of the Netherlands and the Grand Duchy of Luxembourg are jointly represented by the Benelux Economic Union, any measure concerning the administration of the share allocated to that economic union may be carried out by any one of its members,

HAS ADOPTED THIS REGULATION:

*Article 1*

1. From 1 July 1976 until 30 June 1977 rum, arrack and tafia falling within subheading 22.09 C I of the Common Customs Tariff and originating in the countries and territories referred to in Article 1 of Decision 76/198/EEC shall be imported free of customs duty into the Community within the limits of a Community tariff quota of 80 724 hectolitres of pure alcohol. (4)

2. The rules of origin applicable to the products referred to in paragraph 1 shall be those mentioned in Article 5 of Decision 76/198/EEC.

(1) OJ No L 37, 12. 2. 1976, p. 24.

(2) See Regulation (EEC) No 329/77 of 14 February 1977, p. 130.

(\*) This Regulation became null and void on 30 June 1977 and was replaced by Regulation No 1378/77 of 21 June 1977, p. 131.

*Article 2* <sup>(1)</sup>

The Community tariff quota referred to in Article 1 shall be allocated amongst the Member States as follows :

	<i>(hectolitres of pure alcohol)</i>
Benelux	4 270,
Denmark	160,
Germany	76 170,
France	8,
Ireland	8,
Italy	8,
United Kingdom	100.

*Article 3*

1. Member States shall manage the shares allocated to them in accordance with their own arrangements.
2. The extent to which the Member States have used up their shares shall be determined on the basis of the imports of the products in question, originating in the said countries and territories, declared at customs for clearance for home use.

*Article 4*

1. In accordance with Article 6 of Decision 76/198/EEC, the Community shall monitor imports

of the products in question originating in the said countries and territories.

2. Member States shall forward to the Commission not later than the 15th day of each month statements of imports of the products in question effected during the preceding month ; only products submitted to the customs authorities under cover of a declaration that they are to be made available for home use and accompanied by a movement certificate conforming to the rules referred to in Article 1 (2) shall be taken into consideration for this purpose.

3. The Commission shall regularly inform the Member States of the extent to which the tariff quota has been used up.

4. Where necessary, consultations may be held at the request of a Member State or on the initiative of the Commission.

*Article 5*

The Commission shall take all necessary measures, in close cooperation with the Member States, to ensure the implementation of this Regulation.

*Article 6*

This Regulation shall enter into force on 1 July 1976.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Luxembourg, 21 June 1976.

*For the Council*

*The President*

J. HAMILIUS

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<sup>(1)</sup> See Council Regulation (EEC) No 329/77 of 14 February 1977, p. 130.

## COUNCIL DECISION

of 14 February 1977

amending the list of the countries and territories referred to in Decision 76/198/EEC on import arrangements for rum, arrack and tafia falling within subheading 22.09 C I of the Common Customs Tariff and originating in the overseas countries and territories associated with the European Economic Community

(77/157/EEC)

(OJ No L 46/77)

THE COUNCIL OF THE EUROPEAN  
COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 136 thereof,

Having regard to the recommendation from the Commission,

Whereas Decision 76/198/EEC<sup>(1)</sup> laid down import arrangements for rum, arrack and tafia falling within subheading 22.09 C I of the Common Customs Tariff and originating in the overseas countries and territories associated with the European Economic Community;

Whereas the Comores, Seychelles and Surinam, which appear in the list of the countries and territories contained in the Annex to the said Decision, have become independent;

Whereas these States acceded to the ACP-EEC Convention of Lomé<sup>(2)</sup> on 16 July, 27 August and 13 September 1976 respectively and should consequently be counted among the ACP States to which Protocol

7 on rum annexed to the Convention is applicable; whereas the list in the Annex to Decision 76/198/EEC should, therefore, be adjusted,

HAS DECIDED AS FOLLOWS:

### *Article 1*

The following shall be deleted in the Annex to Decision 76/198/EEC: 'The Comores', 'Seychelles' and 'Surinam'.

### *Article 2*

This Decision shall be published in the *Official Journal of the European Communities*.

Done at Brussels, 14 February 1977.

*For the Council*

*The President*

J. SILKIN

<sup>(1)</sup> OJ No L 37, 12. 2. 1976, p. 24.

<sup>(2)</sup> OJ No L 25, 30. 1. 1976, p. 22.



COUNCIL REGULATION (EEC) No 329/77

of 14 February 1977

amending Regulations (EEC) No 1464/76 and (EEC) No 1465/76 on the opening, allocation and administration of Community tariff quotas for rum, arrack and tafia falling within subheading 22.09 C I of the Common Customs Tariff and originating in the ACP States and the overseas countries and territories associated with the European Economic Community

(OJ No L 46/77)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Articles 113 and 136 thereof,

Having regard to Council Decision 76/198/EEC on import arrangements for rum, arrack and tafia falling within subheading 22.09 C I of the Common Customs Tariff and originating in the overseas countries and territories associated with the European Economic Community<sup>(1)</sup>, and in particular Article 3 thereof,

Having regard to the proposal from the Commission,

Whereas, pursuant to Decision 76/198/EEC, the Council, by Regulation (EEC) No 1465/76<sup>(2)</sup>, opened a Community tariff quota for rum, arrack and tafia falling within subheading 22.09 C I of the Common Customs Tariff and originating in the overseas countries and territories associated with the European Economic Community; whereas Surinam belonged to this group of countries; whereas, when the volume of the tariff quota was fixed, Community imports of the said products originating in Surinam were taken into account;

Whereas, on 16 July 1976, Surinam acceded to the ACP-EEC Convention of Lomé<sup>(3)</sup>; whereas the reference to Surinam was accordingly deleted by Decision 77/155/EEC<sup>(4)</sup> from the list in Annex I to Decision 76/568/EEC<sup>(5)</sup>; whereas, therefore, Surinam no longer benefits under the tariff quota; whereas, however, Surinam is now covered by Protocol 7 to the Convention of Lomé, pursuant to which Regulation (EEC) No 1464/76<sup>(6)</sup> opened a Community tariff quota for the same products originating in the ACP States;

(1) OJ No L 37, 12. 1. 1976, p. 24.

(2) OJ No L 165, 25. 6. 1976, p. 7.

(3) OJ No L 25, 30. 1. 1976, p. 1.

(4) See page 92.

(5) OJ No L 176, 1. 7. 1976, p. 8.

(6) OJ No L 165, 25. 6. 1976, p. 5.

Whereas the abovementioned Decision 76/198/EEC and Protocol 7 lay down strict rules for the fixing of the annual quota volumes for the products in question; whereas, therefore, the volumes of the tariff quotas opened by Regulations (EEC) No 1464/76 and (EEC) No 1465/76 should be adjusted; whereas, during the reference year used for the fixing of the volume of the tariff quota for the overseas countries and territories, only the Benelux countries and the Federal Republic of Germany imported quantities of the products in question originating in the said overseas countries and territories; whereas, therefore, the shares allocated to those Member States within the two tariff quotas in question should also be adjusted;

Whereas these measures do not disturb the equilibrium of the markets for the products in question and do not harm interests within the Community,

HAS ADOPTED THIS REGULATION:

*Article 1*

1. In Article 1 of Regulation (EEC) No 1464/76, the volume of the Community tariff quota shall be increased from 162 013 hectolitres to 171 166 hectolitres of pure alcohol.
2. The text of Article 2 of Regulation (EEC) No 1464/76 shall be replaced by the following:

*Article 2*

1. The tariff quota referred to in Article 1 shall be divided into two parts. The first part (125 395 hectolitres of pure alcohol) shall be for United Kingdom consumption. The second part (45 771 hectolitres of pure alcohol) shall be allocated among the other Member States.

2. The shares of each of the Member States to which the second part is allocated pursuant to paragraph 1 shall consist of the following quantities :

	<i>(hectolitres of pure alcohol)</i>
Benelux	4 827
Denmark	2 700
Germany	24 643
France	12 051
Ireland	1 000
Italy	550'

*Article 2*

1. In Article 1 of Regulation (EEC) No 1465/76, the volume of the Community tariff shall be fixed at 71 571 hectolitres of pure alcohol.

2. The text of Article 2 of Regulation (EEC) No 1465/76 shall be replaced by the following :

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 14 February 1977.

*Article 2*

The Community tariff quota referred to in Article 1 shall be allocated among the Member States as follows :

	<i>(hectolitres of pure alcohol)</i>
Benelux	3 140
Denmark	160
Germany	68 147
France	8
Ireland	8
Italy	8
United Kingdom	100'

*Article 3*

This Regulation shall enter into force on the third day following its publication in the *Official Journal of the European Communities*.

*For the Council*

*The President*

J. SILKIN

COUNCIL REGULATION (EEC) No 1378/77

of 21 June 1977

on the opening, allocation and administration of a Community tariff quota for rum, arrack and tafia falling within subheading 22.09 CI of the Common Customs Tariff and originating in the overseas countries and territories associated with the European Economic Community (1977/78)

(OJ No L 157/77)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

for a method of use based on a single division among Member States;

Having regard to the Treaty establishing the European Economic Community, and in particular Article 136 thereof,

Whereas, taking into account actual trends on the markets for the products in question, the needs of the Member States and the economic prospects for the period under consideration, the initial percentage shares in the quota volume could be as follows:

Having regard to Council Decision 76/198/EEC of 9 February 1976 on import arrangements for rum, arrack and tafia falling within subheading 22.09 CI of the Common Customs Tariff and originating in the overseas countries and territories associated with the European Economic Community (1),

Benelux :	5-80,
Denmark :	0-23,
Germany :	93-80,
France :	0-01,
Ireland :	0-01,
Italy :	0-01,
United Kingdom :	0-14;

Having regard to the proposal from the Commission,

Whereas the development of imports into the Community of these products should be recorded and imports should accordingly be monitored;

Whereas Decision 76/198/EEC stipulates that rum, arrack and tafia shall be imported into the Community free of customs duties within the limits of a Community tariff quota; whereas the annual size of the quota for the period 1 July to 30 June is to be fixed on the basis of a basic annual quantity, calculated in hectolitres of pure alcohol, to which a rate of growth of 13 % is to be applied, equal to the amount of imports during the best of the last three years for which statistics are available; whereas this rate may be modified in the light of certain criteria;

Whereas, since the Kingdom of Belgium, the Kingdom of the Netherlands and the Grand Duchy of Luxembourg are united in and jointly represented by the Benelux Economic Union, any measure concerning the administration of the shares allocated to that economic union may be carried out by any one of its members,

Whereas Community statistics for the years 1974 to 1976 show that the highest volume of imports into the Community of the products in question originating in the said countries and territories occurred in 1975, namely 63 337 hectolitres of pure alcohol; whereas in the light of consumption and production within the Community and of the development of trade both within the Community and between the Community, the said countries and territories and the ACP States, the rate of growth for the quota period in question should be 13 %;

HAS ADOPTED THIS REGULATION:

Article 1

Whereas the size of the quota for the period 1 July 1977 to 30 June 1978 should therefore be fixed at 71 571 hectolitres of pure alcohol;

1. From 1 July 1977 until 30 June 1978 rum, arrack and tafia falling within subheading 22.09 CI of the Common Customs Tariff and originating in the countries and territories referred to in Article 1 of Decision 76/198/EEC shall be imported free of customs duty into the Community within the limits of a Community tariff quota of 71 571 hectolitres of pure alcohol.

Whereas, owing to the special character of the products in question and their sensitivity on Community markets, exceptional provision should be made

2. The rules of origin applicable to the products referred to in paragraph 1 shall be those mentioned in Article 5 of Decision 76/198/EEC.

(1) OJ No L 37, 12. 2. 1976, p. 24.

*Article 2*

The Community tariff quota referred to in Article 1 shall be allocated amongst the Member States as follows :

	<i>(hectolitres of pure alcohol)</i>
Benelux :	4 151,
Denmark :	164,
Germany :	67 132,
France :	8,
Ireland :	8,
Italy :	8,
United Kingdom :	100.

*Article 3*

1. Member States shall manage the shares allocated to them in accordance with their own arrangements.
2. The extent to which the Member States have used up their shares shall be determined on the basis of the imports of the products in question, originating in the said countries and territories, declared at customs for clearance for home use.

*Article 4*

1. In accordance with Article 6 of Decision 76/198/EEC, the Community shall monitor imports

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Luxembourg, 21 June 1977.

of the products in question originating in the said countries and territories.

2. Member States shall forward to the Commission not later than the 15th day of each month statements of imports of the products in question effected during the preceding month ; only products submitted to the customs authorities under cover of a declaration that they are to be made available for home use and accompanied by a movement certificate conforming to the rules referred to in Article 1 (2) shall be taken into consideration for this purpose.
3. The Commission shall regularly inform the Member States of the extent to which the tariff quota has been used up.
4. Where necessary, consultations may be held at the request of a Member State or on the initiative of the Commission.

*Article 5*

The Commission shall take all necessary measures, in close cooperation with the Member States, to ensure the implementation of this Regulation.

*Article 6*

This Regulation shall enter into force on 1 July 1977.

*For the Council*  
*The President*  
D. OWEN

**COUNCIL REGULATION (EEC) No 158/76**

of 20 January 1976

on the system for guaranteeing the stabilization of earnings from certain commodities exported by the ACP States and the overseas countries and territories associated with the Community  
(OJ No L 18/76)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 213 thereof,

Having regard to the proposal from the Commission,

Whereas the ACP-EEC Convention of Lomé was signed on 28 February 1975;

Whereas Article 17 of the Convention establishes the list of commodities covered by the system for stabilizing export earnings of the ACP States;

Whereas it is proposed to extend this system to the overseas countries and territories associated with the Community, hereinafter called the 'countries and territories';

Whereas it is necessary to institute a system of cross-checking of statistics between the Community and the ACP States and between the Community and the countries and territories in order to implement the system for stabilizing export earnings,

HAS ADOPTED THIS REGULATION:

*Article 1.*

Before the end of each month, the Member States shall forward to the Commission a statement of imports during the previous month of the products listed in the Annex to this Regulation:

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 20 January 1976.

- from the ACP States listed in Annex I to Regulation (EEC) No 1598/75<sup>(1)</sup> until the Convention enters into force and thereafter from the ACP States to which the Convention applies;
- from the countries and territories listed in Annex I to Regulation (EEC) No 1957/75<sup>(2)</sup> and subsequently from those covered by the Decision to be adopted by the Council on the association of the countries and territories.

*Article 2*

The statement referred to in Article 1 shall give details of all products:

- which are released for home use in the Member State concerned,
- which are brought under the inward processing arrangements there in order to be processed.

*Article 3*

The statement referred to in Article 1 shall show the country of origin of the products, according to the common geographical code in force, the quantities imported and the cif values of these imports.

*Article 4*

This Regulation shall enter into force on the day of its publication in the *Official Journal of the European Communities*.

It shall apply from 1 January 1976.

*For the Council*

*The President*

G. THORN

<sup>(1)</sup> OJ No L 166, 28. 6. 1975, p. 1.

<sup>(2)</sup> OJ No L 201, 31. 7. 1975, p. 5.

ANNEX

List of products which are the subject of this Regulation

Nimex code	Tariff description
<p>(a) <i>Ground-nut products</i> 12.01.31 to 12.01.35  15.07.74 and 15.07.87    23.04.10</p>	<p>Oil seeds and <b>oleaginous fruit, whole or broken</b> :     Ground-nuts, <b>in shell or shelled</b>  Ground-nut oil for the <b>manufacture of foodstuffs for human consumption, crude</b>  Ground-nut oil for the <b>manufacture of foodstuffs for human consumption, other</b>  Oil-cake and <b>other residues (except dregs)</b> resulting from the extraction of <b>vegetable oils</b> :     Other :     Of ground-nuts</p>
<p>(b) <i>Cocoa products</i> 18.01.00 18.03.10 to 18.03.30   18.04.00</p>	<p>Cocoa beans, <b>whole or broken, raw or roasted</b> Cocoa paste (<b>in bulk or in block</b>), whether or not defatted :     Not defatted     Wholly or partly <b>defatted</b> Cocoa butter (<b>fat or oil</b>)</p>
<p>(c) <i>Coffee products</i> 09.01.11 to 09.01.17      21.02.10</p>	<p>Coffee, whether or <b>not roasted</b> or freed of caffeine ; coffee husks and <b>skins</b> ; containing coffee in any proportion Coffee, unroasted :     Not freed of <b>caffeine</b> ; freed of caffeine Coffee, roasted :     Not freed of <b>caffeine</b> ; freed of caffeine Extracts, essences or <b>concentrates</b> of coffee ; preparations with a basis of <b>coffee extracts, essences or concentrates</b></p>
<p>(d) <i>Cotton products</i> 55.01.10 to 55.01.90 55.02.10 to 55.02.90</p>	<p>Cotton, <b>not carded or combed</b> Cotton linters, <b>raw and other</b> Coconuts :</p>
<p>(e) <i>Coconut products</i> 08.01.71 to 08.01.75   12.01.42  15.07.77 and 15.07.92</p>	<p>Desiccated coconut :     Other Oil-seeds and <b>oleaginous fruit, whole or broken</b> :     Copra Coconut or <b>copra oil for the manufacture of foodstuffs for human consumption, crude</b> Coconut or <b>copra oil for the manufacture of foodstuffs for human consumption, other</b></p>

Nimexe code	Tariff description
23.04.20	Oil-cake and other residues (except dregs) resulting from the extraction of vegetable oils :
(f) <i>Palm, palm nut and kernel products</i> 15.07.19 and 15.07.61 and 15.07.63	Other Of copra (= of coconut)
15.07.31 and 15.07.78 and 15.07.93	Palm oil, for technical or industrial uses, crude Palm oil, for the manufacture of foodstuffs for human consumption, crude Palm oil, for the manufacture of foodstuffs for human consumption, other Palm kernel oil, for technical or industrial uses, crude
23.04.30	Palm kernel oil, for the manufacture of foodstuffs for human consumption, solid or fluid, other than in packings of 1 kg or less, crude Palm kernel oil, for the manufacture of foodstuffs for human consumption, solid or fluid, other than in packings of 1 kg or less, other
12.01.44	Oil-cake and other residues (except dregs) resulting from the extraction of vegetable oils : Other : Of palm nuts or kernels
(g) <i>Raw hides, skins and leather</i> 41.01.11 to 41.01.95	Oil seeds and oleaginous fruit, whole or broken : Palm nuts and kernels
41.02.05 to 41.02.50	Raw hides and skins (fresh, salted, dried, pickled or limed), whether or not split, including sheepskins in the wool
41.03.10 to 41.03.99	Bovine cattle leather (including buffalo leather) and equine leather, except leather falling within heading No 41.06, 41.07 or 41.08
41.04.10 to 41.04.99	Sheep and lamb skin leather, except leather falling within heading No 41.06, 41.07 or 41.08
41.04.10 to 41.04.99	Goat and kid skin leather, except leather falling within heading No 41.06, 41.07 or 41.08
(h) <i>Wood products</i> 44.03.20 to 44.03.99	Wood in the rough, whether or not stripped of its bark or merely roughed down
44.04.20 to 44.04.98	Wood, roughly squared or half-squared, but not further manufactured
44.05.10 to 44.05.79	Wood sawn lengthwise, sliced or peeled, but not further prepared, of a thickness exceeding 5 mm
(i) <i>Fresh bananas</i> 08.01.31	Bananas : Fresh

Nimex code	Tariff description
(j) <i>Tea</i> 09.02.10 to 09.02.90	Tea in immediate packings of a net capacity not exceeding 3 kg : Other
(k) <i>Raw sisal</i> 57.04.10	Sisal fibres and other fibres of the Agave family, including waste of such fibres and pulled or garnetted rags or ropes
(l) <i>Iron ore</i> 26.01.12 to 26.01.18	Metallic ores and concentrates and roasted iron pyrites : Iron ores and concentrates and roasted iron pyrites



COUNCIL REGULATION (EEC) No 1653/76

of 29 June 1976

fixing the guaranteed prices applicable for cane sugar originating in the overseas countries and territories (OCT) for 1976/77

(OJ No L 176/76)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

HAS ADOPTED THIS REGULATION:

Having regard to the Treaty establishing the European Economic Community, and in particular Article 136 thereof,

Having regard to the recommendation from the Commission,

Whereas, in accordance with the terms of Annex XXI to the Final Act of the ACP-EEC Convention of Lomé of 28 February 1975<sup>(1)</sup>, the Community guarantees, for cane sugar originating in the overseas countries and territories mentioned in the said Annex, an identical treatment to that provided for in Protocol 3 on ACP sugar annexed to the said Convention;

Whereas Council Decision 76/568/EEC of 29 June 1976 on the association of the overseas countries and territories within the European Economic Community<sup>(2)</sup>, involves the application of this principle; whereas in accordance with Article 4 (4) of Annex IV to that Decision the guaranteed prices are laid down each year;

Whereas the guaranteed prices valid for 1976/77 for cane sugar originating in the ACP States have been agreed by exchanges of letters with the relevant ACP States; whereas it is now necessary for the Council to lay down the same guaranteed prices for sugar originating in the overseas countries and territories concerned,

*Article 1*

For the period 1 April 1976 to 30 June 1977 the guaranteed prices referred to in Article 4 (4) of Annex IV to Decision 76/568/EEC shall be as follows:

- (a) for raw sugar, 26.70 units of account per 100 kilogrammes;
- (b) for white sugar, 34.14 units of account per 100 kilogrammes.

These prices shall refer to sugar of standard quality as defined in Community rules, unpacked and cif European ports of the Community.

The guaranteed price for raw sugar for 1976/77 includes a premium of 0.48 unit of account per 100 kilogrammes of white sugar which will be recoverable from the competent authorities of the exporting countries and territories concerned to the extent that the price realized on sale from intervention is less than the guaranteed price for raw sugar.

*Article 2*

This Regulation shall enter into force on the third day following its publication in the *Official Journal of the European Communities*.

It shall be applicable from 1 April 1976.

<sup>(1)</sup> OJ No L 25, 30. 1. 1976, p. 1.

<sup>(2)</sup> See page 40.

This Regulation is binding in its entirety and directly applicable in all Member States.

Done at Luxembourg, 29 June 1976

*For the Council*

*The President*

G. THORN

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COUNCIL REGULATION (EEC) No 1509/77

of 5 July 1977

fixing the guaranteed prices applicable for cane sugar originating in the overseas countries and territories (OCT) for 1977/1978  
(OJ No L 168/77)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 136 thereof,

Having regard to the recommendation from the Commission,

Whereas, in accordance with the terms of Annex XXI to the Final Act of the ACP-EEC Convention of Lomé <sup>(1)</sup>, the Community guarantees, for cane sugar originating in the overseas countries and territories mentioned in the said Annex, the same treatment as provided for in Protocol 3 on ACP sugar annexed to the said Convention;

Whereas Council Decision 76/568/EEC of 29 June 1976 on the association of the overseas countries and territories with the European Economic Community <sup>(2)</sup> embodies the application of this principle; whereas in accordance with Article 4(4) of Annex IV to that Decision the guaranteed prices are fixed annually;

Whereas the guaranteed prices valid for 1977/1978 for cane sugar originating in the ACP States have been fixed by Agreements in the form of exchanges of letters with the relevant ACP States;

whereas it is now necessary for the Council to fix the same guaranteed prices for cane sugar originating in the overseas countries and territories concerned,

HAS ADOPTED THIS REGULATION:

Article 1

For the period 1 May 1977 to 30 June 1978 the guaranteed prices referred to in Article 4(4) of Annex IV to Decision 76/568/EEC shall be as follows:

- (a) for raw sugar, 27.25 units of account per 100 kilograms;
- (b) for white sugar, 33.83 units of account per 100 kilograms.

These prices shall refer to sugar of standard quality as defined in Community rules, unpacked, and cif European ports of the Community.

Article 2

This Regulation shall enter into force on the day following its publication in the Official Journal of the European Communities.

It shall apply with effect from 1 May 1977

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 5 July 1977.

For the Council  
The President  
H. SIMONET

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<sup>(1)</sup> OJ No L 25, 30.1.1976, p. 1.  
<sup>(2)</sup> OJ No I 176, 1.7.1976, p. 8.

COUNCIL DECISION

of 29 June 1976

on the allocation of two million units of account to the French overseas territories pursuant to Article 10 of the Internal Agreement on the Financing and Administration of Community Aid of 11 July 1975 <sup>(1)</sup>

(76/569/EEC)

(OJ No L 176/76)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

HAS DECIDED AS FOLLOWS:

Having regard to the Treaty establishing the European Economic Community,

*Article 1*

Having regard to the ACP-EEC Convention of Lomé, signed on 28 February 1975 <sup>(2)</sup>,

The sum of two million units of account shall be allocated to financial aid for the French overseas territories from the net available funds as shown in the accounts opened in the books of the Bank in accordance with Article 49 (6) of the EDF Financial Regulation of 1 June 1964 and Article 63 of the EDF Financial Regulation of 26 January 1971.

Having regard to Council Decision 76/568/EEC of 29 June 1976 on the association of the overseas countries and territories with the European Economic Community <sup>(3)</sup>,

*Article 2*

Having regard to the Internal Agreement on the Financing and Administration of Community Aid, signed in Brussels on 11 July 1975, and in particular Article 10 (1) thereof,

The funds referred to in Article 1 shall be paid by the Bank to the Commission, at its request, within the limits of the amounts actually available.

Having regard to the proposal from the Commission,

Done at Luxembourg, 29 June 1976.

Whereas the Council may decide unanimously to allocate to other operations, on the one hand, payments made to the European Investment Bank in respect of special loans granted to the ACP States, the countries and territories and the French overseas departments since 1 June 1964 and, on the other, the proceeds and income from risk capital operations undertaken since 1 February 1971 for the benefit of those States, countries, territories and departments,

*For the Council*

*The President*

G. THORN

<sup>(1)</sup> See Council statement, p. 141.

<sup>(2)</sup> OJ No L 25, 30.1.1976, p. 1

<sup>(3)</sup> See page 8 of this Official Journal.

EXTRACTS FROM  
THE COUNCIL STATEMENT

of 29 June 1976  
on the use to be made of the financial aid  
allocated to the FOT and FOD  
(S/1106/76 - Annex I)

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1. Adjustment of the amount of the aid for the FOT and FOD

Of the share originally allocated to the FOT and FOD (41.7 MUA) under the 1975 International Financial Agreement, 13 MUA will remain frozen and no decision on its allocation will be taken for the time being.

2. Distribution of aid among the FOT and FOD

The total amount of 28.7 MUA thus allocated to the FOT and FOD will be distributed as follows: 7.7 MUA for the FOD and 21 MUA for the FOT.

3. Additional aid to the least favoured overseas countries and territories

An additional amount of 2 MUA will be allocated as financial aid to the least favoured overseas countries and territories, irrespective of the Member State which holds responsibility for them (1).

4. Reply to Papua New Guinea

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(1) This aid will be financed from the amount of aid (28.7 MUA) earmarked for the FOD and FOT, which will receive 2 MUA compensation to be levied from the repayments of special loans.

**COUNCIL DECISION**

of 21 April 1975

**on the definition and conversion of the European unit of account used for expressing the amounts of aid mentioned in Article 42 of the ACP-EEC convention of Lomé**

(75/250/EEC)

(OJ No L 104/75)

THE COUNCIL OF THE EUROPEAN  
COMMUNITIES,

Having regard to the recommendation of the Commission;

Having regard to the report of the Monetary Committee;

Whereas at the signing of the ACP-EEC convention of Lomé on 28 February 1975, the Community declared that the Council would have to define the European unit of account to be used for expressing the amounts of aid mentioned in Article 42 of the said convention;

Whereas the unit of account has been established on the basis of an initial value equivalent to the value fixed by the International Monetary Fund on 28 June 1974 for the special drawing right;

Whereas the unit of account should represent the average of any changes in the value of the currencies of the Member States of the Community,

HEREBY DECIDES:

*Article 1*

The amounts of aid mentioned in Article 42 of the ACP-EEC convention of Lomé shall be expressed in a unit of account, defined as the sum of the following amounts in the currencies of the Member States of the Community:

German mark	0.828
Pound sterling	0.0885
French franc	1.15
Italian lira	109
Dutch guilder	0.286
Belgian franc	3.66
Luxembourg franc	0.14
Danish krone	0.217
Irish pound	0.00759

*Article 2*

The value of the unit of account in any given currency shall be equal to the sum of the equivalent in that currency of the amounts of currency referred to in Article 1. It shall be calculated by the Commission using daily market exchange rates.

The daily values of the unit of account in the various national currencies shall be made available every day and shall be published periodically in the *Official Journal of the European Communities*.

Done at Luxembourg, 21 April 1975.

*For the Council*

*The President*

R. RYAN

FINANCIAL REGULATION

of 27 July 1976

applicable to the fourth European Development Fund

(76/647/EEC)

(OJ No L 229/76)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to the ACP-EEC Convention of Lomé<sup>(1)</sup>, signed on 28 February 1975, hereinafter referred to as 'the Convention',

Having regard to Council Decision 76/568/EEC of 29 June 1976 on the association of the overseas countries and territories with the European Economic Community<sup>(2)</sup>,

Having regard to Council Decision 75/250/EEC of 21 April 1975 on the definition and conversion of the European unit of account used for expressing the amounts of aid mentioned in Article 42 of the ACP-EEC Convention of Lomé<sup>(3)</sup>,

Having regard to the Internal Agreement on the financing and administration of Community aid<sup>(4)</sup> signed on 11 July 1975, hereinafter referred to as

'the Internal Agreement', and in particular Article 30 thereof,

Having regard to the draft Financial Regulation presented by the Commission,

Having regard to the opinion of the European Investment Bank, hereinafter referred to as 'the Bank',

Whereas pursuant to Article 1 (1) of the Internal Agreement the Member States have set up a fourth European Development Fund, hereinafter referred to as 'the EDF';

Whereas according to Article 30 of the Internal Agreement the provisions for implementing that Agreement shall be the subject of a Financial Regulation adopted, upon the entry into force of the Convention, by the Council acting by the qualified majority laid down in Article 18 (4) of the said Agreement,

HAS ADOPTED THIS FINANCIAL REGULATION:

TITLE I

FINANCIAL ARRANGEMENTS

*Article 1*

1. The financial contributions of the Member States shall be expressed in the European unit of account, hereinafter referred to as 'EUA', referred to in Article 3 of the Internal Agreement and defined by Decision 75/250/EEC. Each Member State shall pay the amount of its contribution in its national currency on the basis of the conversion rate calculated by the Commission pursuant to Article 2 of the said Decision.

2. The financial contributions shall be credited by each Member State to a special account entitled 'Commission of the European Communities — European Development Fund' opened with the Treasury of that Member State or the body designated by it.

3. Upon expiry of the Convention and Decision 76/568/EEC, that part of the contributions which the

Member States remain obliged to make shall be called up by the Commission, as required, on the conditions laid down in this Financial Regulation.

*Article 2*

1. The Council Decision provided for in the first subparagraph of Article 7 (2) of the Internal Agreement and which relates to the schedule of calls for contributions, shall be notified to the Commission by 31 October each year.

2. The annual contributions shall normally be payable:

(a) before 20 January for the requirements of the EDF as forecast for the first seven months of the year in question;

(b) on 1 July for the balance of the annual contribution.

3. Each Member State shall make the payments referred to in paragraph 2 in proportion to its contributions as fixed in Article 1 (2) of the Internal Agreement.

<sup>(1)</sup> OJ No L 25, 30. 1. 1976, p. 1.

<sup>(2)</sup> OJ No L 176, 1. 7. 1976, p. 8.

<sup>(3)</sup> OJ No L 104, 24. 4. 1975, p. 35.

<sup>(4)</sup> OJ No L 25, 30. 1. 1976, p. 168.

4. Supplementary payments decided upon pursuant to the second subparagraph of Article 7 (2) of the Internal Agreement shall, unless otherwise decided by the Council, be due and be made within as brief a period as possible, which may not in any case be more than three months.

#### Article 3

1. In each Member State the Commission shall hold, with the bank of issue or the financial institution designated by that Member State, accounts under the same name as that opened pursuant to Article 1 (2).

2. For operations which are not currently undertaken by banks of issue or by post office giro centres, or in order to facilitate the payments which it has to make, the Commission shall open accounts at one or more banks.

3. The signatures of the Commission officials empowered to carry out operations on the EDF's accounts shall be lodged when the accounts are opened or, in the case of officials who are authorized subsequently, when they are designated.

#### Article 4

1. The Commission shall use the funds credited to the accounts referred to in Article 3 to make the necessary payments and transfers.

2. The Commission shall, as far as possible, make any withdrawals from the special accounts referred

to in Article 1 (2) in such a way as to maintain a distribution of its assets amongst the various currencies corresponding to the proportion in which the currencies of the Member States enter into the composition of the EUA.

#### Article 5

By reference to the cash requirements for executing projects and programmes, the authorizing officer shall make the transfers needed to replenish the accounts opened on behalf of the Commission in accordance with Article 32 of Protocol 2 annexed to the Convention, hereinafter referred to as 'Protocol 2', and with Article 3 of this Financial Regulation.

#### Article 6

1. Any transfers of assets from the currency of one Member State into that of another Member State which have been requested by the Commission for the management of the EDF shall be made at the current rate of exchange by the banks of issue or the financial institutions approved by the Member States.

2. Any exchange differences and costs shall be charged against EDF resources.

#### Article 7

The Commission shall communicate to the Council each year a statement of contribution payments and a progress report on EDF operations.

## TITLE II

### MANAGEMENT OF THE EDF

#### SECTION I

#### GENERAL PROVISIONS

#### Article 8

1. The EDF shall be administered financially in accordance with the principle that the authorizing officers and accounting officers are separate individuals. The appropriations shall be administered by the authorizing officers, who alone shall have the power to enter into commitments regarding expenditure, establish sums due to be collected and issue proof of revenue and payments.

2. Collection and payment operations shall be carried out by the accounting officers.

3. An authorizing officer may not exercise the functions of financial controller or accounting officer.

#### Article 9

Within the limit of the appropriations provided for in Article 1 of the Internal Agreement the Commission shall, without prejudice to Article 11 (2) thereof, manage the EDF on its own responsibility under the conditions laid down in the Convention, in Decision 76/568/EEC, in the Internal Agreement and in this Financial Regulation. In accordance with Article 29 (1) of Protocol 2 the Commission shall appoint the chief authorizing officer of the EDF. The latter may have recourse to deputy authorizing



officers, whom he shall appoint subject to approval by the Commission. Each decision to delegate powers shall state the duration and extent of the mandate.

Those to whom powers are delegated may act only within the limits of the powers expressly conferred upon them.

*Article 10*

1. The Commission shall appoint the financial controller, who shall be responsible for monitoring the commitment, for authorizing expenditure and for monitoring revenue.
2. The special rules applicable to the financial controller shall be formulated in such a way as to ensure his independence in carrying out his duties. Measures taken in respect of his appointment and promotion, disciplinary action or transfers, and the various methods of interruption or termination of his appointment shall be the subject of reasoned decisions which shall be forwarded to the Council for information.
3. The person concerned or the Commission may institute proceedings before the Court of Justice.

*Article 11*

The collection of revenue and the payment of expenditure shall be carried out by an accounting officer appointed by the Commission. Subject to Article 33 (2) this accounting officer alone shall be empowered to manage funds and assets. He shall be responsible for their care.

*Article 12*

The Commission may delegate part of the duties of the accounting officer and part of the responsibility for monitoring to authorized agents appointed by it. The rules governing responsibilities adopted under this Title shall apply to such authorized agents within the limits of the powers delegated to them.

The principles of the provisions of this Financial Regulation relating to the monitoring and payment of expenditure shall be applicable to expenditure effected by delegation. Such expenditure may not be finally entered into the EDF accounts until the Commission has verified that the expenditure has been correctly cleared and that the authorization and payment are in order, in accordance with the requirements of this Regulation.

SECTION II

REVENUE

*Article 13*

1. The recovery of any sum due to the EDF shall give rise to the issue, by the authorizing officer, of a revenue order.
2. Revenue orders shall be transmitted by the authorizing officer to the financial controller and shall be subject to the latter's approval. The purpose of approval by the financial controller shall be to establish that:
  - (a) the revenue is correctly credited;
  - (b) the revenue order is in order and in conformity with the provisions applicable to the management of the EDF, with all acts taken in implementation of those provisions;
  - (c) the principles of sound financial management have been affected.

3. The financial controller may refuse his approval. The authorizing officer may, by means of a decision stating the full reasons therefor and on his sole responsibility, disregard this. The decision of the authorizing officer shall be implemented; it shall be communicated to the financial controller for information. The Commission shall inform the Audit Board provided for in Article 206 of the Treaty of each of these decisions.

4. When the authorizing officer waives the right to draw up a document establishing a debt or to recover sums due, he must inform the financial controller and the Audit Board.

When the financial controller finds that a document establishing a debt has not been drawn up or that a sum due has not been recovered, he shall inform the Commission thereof.

*Article 14*

1. The accounting officer shall assume responsibility for revenue orders forwarded to him by the authorizing officer.
2. The accounting officer shall do all in his power to ensure that EDF resources are recovered at the due dates and to ensure that the Community's rights are safeguarded.

3. The accounting officer shall inform the authorizing officer and the financial controller of any revenue not recovered within the time limits laid down.

*Article 15*

A receipt shall be issued in respect of all cash payments made to the accounting officer.

SECTION III

COMMITMENT, CLEARANCE, AUTHORIZATION  
AND PAYMENT OF EXPENDITURE

1. Commitment of expenditure

*Article 16*

1. All measures which may give rise to expenditure payable by the EDF must be preceded by a proposal for commitment of expenditure from the authorizing officer.

2. A provisional commitment may be entered into in respect of current expenditure.

3. An account shall be kept of commitments and authorizations.

*Article 17*

Proposals for commitments shall be referred to the financial controller. They shall in particular show the purpose of the expenditure, the estimated amount involved, the item to which it is to be charged and the name and description of the creditor. They shall be registered after approval by the financial controller.

*Article 18*

1. The purpose of approval by the financial controller shall be to establish that:

- (a) the expenditure has been charged to the correct item;
- (b) appropriations are available;
- (c) the expenditure is in order and in conformity with the provisions applicable to the management of the EDF and with all acts taken in implementation of those provisions, in particular the general and special clauses of the financing agreement relating to the operation;
- (d) the principles of sound financial management have been applied.

2. The financial controller shall take into account any observations made in the discharge decisions.

*Article 19*

1. Where the financial controller withholds his approval he shall furnish a written statement of his reasons therefor. The authorizing officer shall be notified accordingly.

Where approval is withheld and the authorizing officer maintains his proposal, the refusal shall be referred for a decision to the Commission.

2. Except where the availability of appropriations is in doubt, the Commission may, by means of a decision stating the full reasons therefor and on its sole responsibility, overrule such a refusal. This decision shall be implemented; it shall be communicated for information to the financial controller. The Commission shall inform the Audit Board of each of these decisions.

2. Clearance of expenditure

*Article 20*

The purpose of clearance of expenditure by the authorizing officer shall be:

- (a) to verify the existence of the rights of the creditor;
- (b) to determine or verify the existence and the amount of the debt; and
- (c) to verify the conditions under which payment falls due.

*Article 21*

1. Clearance of any expenditure shall be subject to the submission of supporting documents showing the creditor's claim and, where appropriate, the service rendered.

2. However, for certain categories of expenditure, advances may be granted under the conditions laid down by the Commission.

3. The Commission shall lay down the nature and contents of the supporting documents to be enclosed with the payment orders.

4. The authorizing officer empowered to clear expenditure shall personally check the supporting documents or shall, on his own responsibility, ascertain that this has been done.

### 3. Authorization of expenditure

#### Article 22

Authorization shall be the act whereby the authorizing officer, by the issue of a payment order, authorizes the accounting officer to pay an item of expenditure which he has cleared.

#### Article 23

The payment order shall state:

- (a) the item against which payment shall be charged;
- (b) the amount to be paid;
- (c) the name and address of the payee;
- (d) the method of payment;
- (e) the purpose of the expenditure.

The payment order shall be dated and signed by the authorizing officer.

#### Article 24

1. The payment order shall be accompanied by the original supporting documents, which shall bear or be accompanied by the approval of the authorizing officer confirming that the amounts to be paid are correct, the receipt of the supplies or the performance of the service. The payment order shall show the numbers and dates of the relevant approvals of commitment.

2. Copies of the supporting documents, certified as true copies by the authorizing officer, may, in some cases, be accepted in place of the originals.

#### Article 25

1. For payments by instalment, the first payment order shall be accompanied by documents establishing the creditor's right to payment of the instalment in question.

2. Subsequent payment orders shall refer to the supporting documents already furnished and repeat the reference number of the first payment order.

#### Article 26

Payment orders shall be sent to the financial controller for prior approval. This prior approval shall confirm that:

- (a) the payment order was properly issued;

(b) the payment order agrees with the commitment of expenditure and that the amount thereof is correct;

(c) the expenditure is charged to the correct item;

(d) the appropriations are available;

(e) the supporting documents are in order;

(f) the payee is correctly described.

#### Article 27

Should approval be withheld, Article 19 shall apply.

#### Article 28

After approval, the original of the payment order, together with all supporting documents, shall be forwarded to the accounting officer.

### 4. Payment of expenditure

#### Article 29

1. Payment shall be the final act whereby the EDF is discharged of its obligations resulting from carrying out the operations financed.

2. Payment shall be made by the accounting officer within the limits of the funds available.

#### Article 30

In the event of a substantive error or of the validity of the discharge being contested or of failure to observe the formalities prescribed by this Financial Regulation, the accounting officer shall suspend payment.

#### Article 31

1. If payment is suspended, the accounting officer shall give the reasons therefor in a written statement which he shall send forthwith to the authorizing officer and, for information, to the financial controller.

2. Except where the validity of the discharge is contested the authorizing officer may, where payment is suspended, refer the matter to the Commission. The latter may require, in writing and on its own responsibility, that the withholding of payment be disregarded.

*Article 32*

1. Payments shall, as a general rule, be effected through a bank account or a post office giro account. The procedure for opening, administering and using such accounts shall be determined by the Commission.

2. The procedures referred to in paragraph 1 shall in particular require two signatures on cheques and on post office or bank transfer orders, one signature necessarily being that of the accounting officer or of a duly authorized administrator of advance funds; they shall, moreover, determine the expenditure whose payment must necessarily be effected either by cheque or by post office or bank transfer.

*Article 33*

1. For the payment of certain categories of expenditure funds for advances may be set up under the conditions laid down by the Commission.

2. The rules governing the management of the advance funds offices shall in particular concern:

- (a) the appointment of administrators of advance funds;
- (b) the nature and maximum amount of each expenditure to be incurred;
- (c) the maximum amount of the funds which may be advanced;
- (d) the procedures for the production of supporting documents and the time within which they must be produced;
- (e) the responsibility of the administrator of advance funds.

*Article 34*

The conversion rates to be used for the calculation in EUA of payments to be made for the purpose of the projects or programmes referred to in Title IV of the Convention and in the corresponding provisions of Decision 76/560/EEC shall be those in force on the effective date of such payments. This date shall correspond to that in which the Commission accounts referred to in Article 32 of Protocol 2 and in Article 3 were debited.

SECTION IV

RESPONSIBILITIES OF AUTHORIZING OFFICERS,  
FINANCIAL CONTROLLERS,  
ACCOUNTING OFFICERS AND  
ADMINISTRATORS OF ADVANCE FUNDS

*Article 35*

Without prejudice to Article 30 (5) of Protocol 2, authorizing officers who, when establishing entitlements to be recovered, when issuing collection

orders, entering into commitments of expenditure or signing payment orders, do so without complying with this Financial Regulation, shall be liable to disciplinary action and, where appropriate, to pay compensation. The same shall apply if they omit to draw up a document establishing a claim or if they neglect to issue revenue orders or are, without justification, late in issuing them.

*Article 36*

Financial controllers render themselves liable to disciplinary action and, where appropriate, to payment of compensation if they allow appropriations to be exceeded or are guilty of serious negligence in carrying out their duties.

*Article 37*

1. Accounting officers shall be liable to disciplinary action and, where appropriate, to payment of compensation as regards payments they make in disregard of Article 31.

They shall render themselves liable to disciplinary action and to payment of compensation as regards any loss or deterioration of the monies, assets and documents in their charge where such loss or deterioration results from an intentional mistake or serious negligence on their part.

Under the same conditions, they shall be responsible for the correct execution of orders received by them in respect of the use and administration of bank and post office giro accounts, and in particular:

- (a) if the payments or recoveries made by them do not agree with the amounts on the payment orders or collection orders;
- (b) if they effect payment to a party other than the entitled payee.

2. Administrators of advance funds shall be liable to disciplinary action and, where appropriate, to payment of compensation:

- (a) if they cannot show due warrant with proper documents for payments made by them;
- (b) if they effect payments to a party other than the entitled payee.

They shall be liable to disciplinary action and to payment of compensation in respect of any loss or deterioration of the monies, assets and documents in their charge as a result of an intentional mistake or serious negligence on their part.

3. Accounting officers and administrators of advance funds shall insure themselves against any financial risks they may incur *vis-à-vis* the Commission under this Article.

The Commission shall cover the relevant insurance costs. It shall specify the categories of officials

qualifying as accounting officers or administrators of advance funds and the terms on which it shall cover the insurance costs borne by the accounting officers or administrators of advance funds in order to protect themselves against the risks involved in their duties.

4. A special indemnity shall be granted to accounting officers and administrators of advance funds.

The sums corresponding to this indemnity shall be credited each month to an account opened by the Commission on behalf of each of these officials in order to establish a guarantee fund to cover any cash or bank shortage for which the person concerned might render himself liable, in so far as such a shortage has not been covered by refunds from insurance companies.

The credit balance in these guarantee accounts shall be paid over to the persons concerned after they terminate their appointment as accounting officer or administrator of advance funds and after they have been given final discharge for their financial administration.

*Article 38*

The liability of authorizing officers, financial controllers, accounting officers and administrators of advance funds to payment of compensation and disciplinary action may be determined in accordance with Articles 22 and 86 to 89 of the Staff Regulations of officials of the European Communities.

*Article 39*

The Commission shall be allowed a period of two years from the date on which the account for revenue and expenditure is submitted to take a decision on the final discharge to be given to accounting officers for the transactions relating thereto.

TITLE III

IMPLEMENTING MEASURES

SECTION I

EXECUTION OF EDF OPERATIONS

*Article 43*

The Commission shall, in respect of those resources of the EDF which it administers, inform the Council

SECTION V

ACCOUNTS

*Article 40*

1. The accounts shall be kept, expressed in EUA, by the double entry method and on the basis of the calendar year. They shall show all revenue and expenditure between 1 January and 31 December of each year and shall include the supporting documents.

2. The revenue and expenditure account and the balance sheet shall be drawn up in EUA.

*Article 41*

1. Entries shall be made on the basis of an accounting system comprising a nomenclature of budgetary items which makes a clear distinction between the accounts which permit the balance sheet to be drawn up and those which permit the revenue and expenditure account to be drawn up. These entries shall be recorded in books or on cards, which must make it possible to draw up a general monthly balance.

2. The accounting system shall be set out in a Commission Decision.

SECTION VI

GENERAL PROVISIONS

*Article 42*

The Audit Board shall be notified of the appointment of the authorizing officer, the financial controller, the accounting officer and of the administrator of advance funds, of any delegation of powers pursuant to Articles 9 and 12 and of the accounting system referred to in Article 41.

each year of the results of invitations to tender for the preceding year. Where appropriate it shall notify the Council of any measures it has taken or proposes to take to improve the terms of competition for participation in invitations to tender issued by the EDF.

In its report, the Commission shall provide the Council with information enabling it to assess

whether the measures taken by the Commission have actually afforded all firms of the various Member States, of the ACP States and of the associated countries and territories equal opportunity of access to works and supply contracts financed by the EDF.

#### Article 44

Under Article 19 of Protocol 2 and the corresponding provisions of Decision 76/568/EEC, a favourable opinion from the EDF Committee shall be required for the award of contracts by direct agreement or after restricted invitations to tender and for the performance thereof through public works departments.

However, where they are justified by urgency and by unforeseen circumstances, the above exceptions to the rules governing competition may be authorized by the Commission without a prior opinion from the EDF Committee. In that event, the Commission shall immediately inform the EDF Committee thereof.

#### Article 45

1. Tenders for supply contracts financed by the EDF shall be drawn up and payments made, at the option of the tenderer, in EUA, in the currency of the recipient State, country or territory, in the currency of the country of his registered place of business or in that of the country producing the supplies.

2. Tenders for works contracts and for technical assistance contracts and contracts for the supervision of works financed by the EDF shall be drawn up and payments made in the currency of the recipient State, country or territory. However, the tenderer may request in his tender that a justified part of the nominal amount of his tender be paid in the currency of the country of his registered place of business on the basis of the conversion rate in force on the first day of the month preceding the month in which the date set for the opening of tenders falls. He may also draw up that part in EUA on the basis of the conversion rate stipulated above.

3. Tenders for study contracts financed by the EDF shall be drawn up and payments made at the option of the contractor either in EUA or in the currency of the country in which the contractor has his registered place of business.

However, that part of the services provided which corresponds to expenditure in the currency of the recipient State, country or territory shall be paid in that currency. Where the sums to be paid in the

various currencies are defined by reference to another currency the conversion shall be effected on the basis of the rate specified in the contract.

4. Where tenders are drawn up in EUA, payments connected with the debt shall, as appropriate, be made in the currency of a Member State or in the currency of a recipient State, country or territory specified in the contract on the basis of the equivalent value of the EUA on the day preceding payment.

5. Where payment is made in a currency other than the currency of the recipient State, country or territory or other than the currency of the country where the contractor has his registered place of business, it must be through the intermediary of an approved bank or agency, established in the country where the contractor has his registered place of business.

## SECTION II

### FINANCIAL COMMITMENTS

#### Article 46

Where the EDF's resources managed by the Commission are involved a financing agreement shall be drawn up and concluded in EUA between the Commission, acting for the Community, and the Government of the recipient State or the competent authority of the recipient country or territory for any project or programme on which a financing decision is taken.

The financing agreement shall specify the details of the EDF's financial commitment, the arrangements for and terms of the financing, and the persons or institutions responsible for supervision, payments and recoveries.

#### Article 47

No expenditure in excess of the amount laid down in the financing agreement may be charged to the EDF unless a decision has been taken to commit additional funds thereto under the conditions laid down in Articles 16 to 19 and in Article 56.

The request for the commitment of additional funds shall be addressed to the Commission and examined under the conditions laid down in Article 33 of Protocol 2.

*Article 48*

The transfer agreement referred to in Article 22 of the Convention and in the corresponding provisions of Decision 76/568/EEC shall state the data on which calculation of the annual transfer in EUA is based, the currencies in which the transfer of this amount is to be made and, where appropriate, the conditions for the reconstitution of the resources made available to the stabilization system referred to in Title II of the Convention.

SECTION III

SPECIAL LOANS

*Article 49*

1. A decision to grant special loans shall set the limit to the Community's commitment. Contracts relating to such loans, drawn up jointly with the Bank for the parts which concern the latter, shall be concluded by the Commission on behalf of the Community.

2. The amounts of the appropriations corresponding to each loan granted shall be expressed in EUA. If an appropriation is cancelled before all or part of the payments relating thereto have been made the unpaid part shall be regarded as not having been granted.

3. Loans shall be paid in the currency or currencies of the Member States as fixed by the Commission after consultation with the borrower. By way of derogation from Article 34, the sums paid shall be charged against the appropriations on the basis of the conversion rates in force, on the day preceding that of payment, between the EUA and the currency or currencies used for the payment.

4. Reimbursements and interest payments shall be credited to the Community's account with the Bank. The Bank shall recover such reimbursements and interest payments by virtue of special terms of reference conferred upon by the Commission, acting for the Community, after consulting the EDF Committee.

5. The amounts to be reimbursed and interest due in respect of special loans shall be expressed in EUA.

Reimbursements and interest payments shall be made in one or more of the currencies of the Member States, chosen by the borrower.

6. The rates for converting EUA into the currencies of the Member States for the purpose of paying sums due in the form of reimbursements, interest payments and any commission due shall be those in force on the 10th day preceding payment.

SECTION IV

RISK CAPITAL

*Article 50*

1. Any decision to grant risk capital shall set a limit in EUA to the Community's commitment and financial responsibilities and to the extent of the rights in the company attaching to such operations.

The instruments giving effect to risk capital operations shall be concluded by the Bank acting as the Community's authorized agent.

2. The Bank, acting for and on behalf of the Community, shall manage the operations referred to in paragraph 1 which have been the subject of a financing decision by the Board of Directors of the Bank.

3. Following the signing of each contract, the Bank shall communicate to the Commission the estimated dates and amounts of the calls for funds. Whenever called upon by the Bank to do so, the Commission shall pay to it the amount it needs for carrying out risk capital operations in the currency or currencies fixed by the Bank.

4. Payments relating to receipts, income and repayments in respect of risk capital operations shall be made to the Bank for the Community.

*Article 51*

The quasi-capital aid referred to in Article 4 of Protocol 2 and in the corresponding provisions of Decision 76/568/EEC shall serve to finance:

- primarily, fixed investments in public, private or semi-public firms,
- secondarily, specific studies for the preparation of projects and assistance for firms during the starting-up period.

Where such aid is granted to a consultancy firm it shall normally, on execution of the project, be incorporated in the capital or quasi-capital assistance to which the promoting firm may also be entitled for the execution of the project.

## SECTION V

### SUBSIDIZED LOANS FROM THE BANK

#### Article 52

1. Pursuant to Article 5 of Protocol 2 and the corresponding provisions of Decision 76/568/EEC, the aggregate amount of interest rate subsidies on loans from the Bank shall be calculated in EUA in terms of its current value on the effective date of signing of the loan contract, on the basis of a compound interest rate fixed by the Council and the Bank in agreement with the Commission.

For periods of less than one month the calculation shall be made on the basis of simple interest. <sup>(1)</sup>

2. The Bank shall make the calculation of current value referred to in paragraph 1 by reference to the following two schedules:

- (a) an estimated schedule for paying out and repaying the loan;
- (b) an estimated schedule for the amounts required to cover the interest rate subsidies when they fall due.

The Bank shall communicate to the Commission as soon as possible the schedules and the total amount of the interest rate subsidies at their current value on the date fixed for the signing of the loan contract.

Where the actual schedule for paying out the loan proves to differ appreciably from the estimated schedule, the amount of the subsidy on the interest paid to the Bank shall be recalculated.

Should the date fixed for the signing be changed the Bank shall revise the calculation of the current value and shall forthwith communicate to the Commission the total amount of the interest rate subsidies at their current value on the new date fixed for the signing together with the appropriate grounds therefor.

3. The up-dated total amount of the interest rate subsidy shall be paid to the Bank by the Commission on the date on which the loan contract is signed.

4. If all or part of an appropriation which has been opened is cancelled or all or part of a loan which has been made is repaid in advance the Bank shall pay back into the special account opened with the Bank in the name of the Community under Article 68 an amount corresponding to that part of the appropriation which has been cancelled or that part of the loan which has been repaid, plus the compound interest, up-dated at the same rate as that stipulated in paragraph 1, for the period between the date of payment of the up-dated total amount of the interest rate subsidies and the date of repayment. The latter date may not be more than 30 days after the complete or partial cancellation or advance repayment of the subsidized loan.

5. All payments provided for in this Article shall be expressed in EUA and movements of funds relating thereto shall be made in the currencies of the Member States on the basis of the composition of the EUA.

## SECTION VI

### MANAGEMENT OF THE EXPORT EARNINGS STABILIZATION SYSTEM

#### Article 53

1. For the calculation in EUA of the reference level and of the actual earnings referred to in Article 19 (1) and (2) respectively of the Convention and in the corresponding provisions of Decision 76/568/EEC, the exchange rates applicable shall be the average rates in force in the periods to which the amounts concerned refer.

2. For the purposes of payments relating to the transfers referred to in Article 19 (3) and (6) of the Convention and in the corresponding provisions of Decision 76/568/EEC, the conversion rates to be used between the EUA and the currency or currencies used for payment shall be those in force on the day preceding payment.

3. For the purposes of payments relating to the contributions towards the reconstitution of resources referred to in Article 21 (2) of the Convention and in the corresponding provisions of Decision 76/568/EEC, the conversion rates to be used between the EUA and the currency or currencies used for payment shall be those in force on the 10th day preceding payment.

<sup>(1)</sup> See Council statement, p. 170.



Article 54

In the event of advance use of the following year's instalment, the advances referred to in Article 19 (6) of the Convention and in the corresponding provisions of Decision 76/568/EEC shall be reduced proportionately.

SECTION VII

EXECUTIVE AGENTS

Chapter I

The chief authorizing officer

Article 55

1. The chief authorizing officer of the EDF, referred to in Article 29 of Protocol 2, shall take all measures necessary for the implementation of the provisions of Chapter 8 of Protocol 2 and of the corresponding provisions of Decision 76/568/EEC.

2. The chief authorizing officer shall ensure, before the publication of an invitation to tender, that the documents relating to tenders do not contain any direct or indirect discriminatory provisions. He shall ensure that tenders are compared under equal conditions and in particular that the import duties or taxation of the recipient State, country or territory do not constitute an obstacle to participation in invitations to tender.

3. The chief authorizing officer may suspend the publication of a notice of invitation to tender where it is found that corrections must be made to the specifications or other replacement documents. To this end, he shall inform the relevant authorities of the recipient State, country or territory of his observations.

4. The chief authorizing officer shall ensure that when a contractor is designated and a contract is awarded Articles 18 and 20 of Protocol 2 are respected.

Where he deems it appropriate, the chief authorizing officer shall consult experts chosen for their technical competence and their independence *vis-à-vis* the firms concerned by the award of the contract.

Article 56 <sup>(1)</sup>

Under Article 33(3) of Protocol 2 and the corresponding provisions of Decision 76/568/EEC decisions to commit the additional funds required to cover any excess expenditure incurred under a project shall be taken:

- in accordance with the procedures laid down in Articles 19 and 20 of the Internal Agreement where the excess expenditure is higher than a ceiling of 15% of the original commitment set out in the financing decision,
- by the chief authorizing officer of the EDF where the excess expenditure is equal to or lower than the 15% ceiling.

Chapter II

The national authorizing officer

Article 57

In the performance of his duties, the national authorizing officer shall comply with the provisions of this Financial Regulation regarding commitment, clearance and authorization of expenditure.

Article 58

Where the chief authorizing officer of the EDF is aware of delays in the procedures relating to projects financed by the EDF he shall, in conjunction with the national authorizing officer, make all contacts necessary to remedy the situation.

If, for any reason whatsoever, services have been rendered but further delay in the clearance, authorization or payment entails difficulties likely to call into question the full performance of the contract, the chief authorizing officer may take all appropriate measures to resolve these difficulties, to remedy, where necessary, the financial consequences of the resultant situation and, more generally, to enable the project or projects to be completed under the best economic conditions. He shall inform the national authorizing officer of such measures as soon as possible. If payments are thus made directly by the Commission to the beneficiary of the contract the Community shall automatically acquire that beneficiary's rights as creditor *vis-à-vis* the national authorities.

<sup>(1)</sup> See Council statement, p. 171.

Chapter III

The Commission delegate

Article 59

During the performance of operations, the delegate shall verify on the spot and on the basis of records, that work carried out or services rendered tally with their descriptions as given in the financing agreements, contracts or estimates.

Article 60

The delegate shall comply with this Financial Regulation in the performance of his duties.

Article 61

In the event of failure to comply with this Financial Regulation, of misconduct or gross negligence in the performance of his duties, the delegate shall be answerable to the Commission.

Chapter IV

The paying agent

Article 62

In the performance of his duties, the paying agent referred to in Article 32 of Protocol 2 shall comply with this Financial Regulation.

Article 63

In the event of failure to observe the provisions in force of misconduct or of gross negligence which entail financial loss for the Community, the paying agent shall be held financially responsible under the conditions and in accordance with the terms laid down in the contract binding him to the Commission.

SECTION VIII

PRESENTING AND AUDITING ACCOUNTS

Article 64 <sup>(1)</sup>

1. The balance sheet and revenue and expenditure account, expressed in EUA, shall be adopted by the

Commission at the close of each financial year. Without prejudice to Article 31 (4) of the Internal Agreement, they shall be submitted no later than 31 March of the following financial year together with documentary evidence, for examination by the Audit Board.

2. The powers conferred upon the Audit Board shall be exercised by its members, who shall take collective action and assume collective responsibility.

The Audit Board may instruct one or more of its members to carry out certain tasks or certain audits. Any member or members so instructed may on his or their initiative seek assistance from officers of the board.

The tasks delegated to such officers must be specifically laid down and limited to the time necessary for their completion. The board itself or one of its members shall notify these tasks to the authorities with whom the relevant officers are to carry out their work.

Article 65 <sup>(2)</sup>

1. The audit carried out by the Audit Board shall be based on records and, if necessary, performed on the spot. It shall be concerned with operations and projects financed from EDF resources managed by the Commission and its purpose shall be to establish that all revenue has been received and all expenditure incurred in a lawful and regular manner with regard to the provisions applicable, and that the financial management has been sound.

2. In the performance of its task the Audit Board may, under the conditions laid down in paragraph 4, consult all documents and information relating to the financial management of the departments subject to its inspection; it has the power to hear any official responsible for revenue and expenditure operations and to use any of the auditing procedures appropriate to those departments.

3. The Audit Board shall ensure that all securities and cash on deposit or in hand are checked against vouchers signed by the depositaries or against official memoranda of cash and securities held. The board may itself carry out such checks.

4. The Commission shall provide the Audit Board with all the facilities and information which the latter deems necessary for the performance of its task.

<sup>(1)</sup> See Council statement, p. 171.

<sup>(2)</sup> See Council statement, pp. 171 and 172.

In particular, it shall place at the disposal of the Audit Board all documents concerning the conclusion of contracts and all accounts in cash or materials, all accounting records or supporting documents and the administrative documents pertaining thereto, as well as all documents relating to revenue and expenditure.

To this end, officials subject to audit by the Audit Board shall in particular:

- (a) make available for inspection their cash in hand, any other cash, securities and all types of assets, the supporting documents in respect of their management of the funds of which they are the depositaries and any books, registers and other documents relating thereto;
- (b) present the correspondence or any other document required for the full implementation of the audits.

The information referred to under (b) may be requested only by the Audit Board or by one of its members, and such request shall be in writing.

The Audit Board shall be empowered to audit the documents in respect of EDF revenue and expenditure which are held by the Commission's departments and, in particular, by the department responsible for decisions on such revenue and expenditure.

#### Article 66

1. Any comments which the Audit Board considers should appear in the annual report provided for in Article 206 of the Treaty shall be communicated to the Commission.

The Commission shall forward its replies to the Audit Board. The Audit Board shall attach to its report an assessment of the soundness of the financial management.

2. The Audit Board shall conclude its report on the accounts for the preceding financial year not later than 15 July.

The revenue and expenditure account, the balance sheet and the report of the Audit Board, together with the replies to the comments, shall be submitted by the Commission to the European Parliament and the Council not later than 31 October.

3. The European Parliament and the Council may request the Audit Board to forward, in addition to the annual report, reports or analyses in respect of specific problems relating to operations which have been closed.

The Audit Board may, on its own initiative, place similar reports or analyses before the European Parliament or the Council. (1)

#### Article 67

1. Before 30 April of the following year the Commission shall be given a discharge in respect of the financial management of the EDF for the past year, in accordance with Article 31 (3) of the Internal Agreement.

2. The Commission shall take all appropriate steps to act on the comments appearing in the decision giving discharge. At the request of the European Parliament or the Council it shall report on the measures taken in the light of these comments and in particular on the instructions given to those of its departments which are responsible for the management of the EDF. This report shall also be forwarded to the Audit Board.

Subject to the second sentence of the preceding paragraph the Commission must, in an Annex to the revenue and expenditure account for the next financial year, give an account of the measures taken further to the comments appearing in the decision giving discharge.

3. The revenue and expenditure account and balance sheet for each financial year and the decision giving the discharge shall be published in the *Official Journal of the European Communities*.

#### SECTION IX

#### GENERAL AND FINAL PROVISIONS

#### Article 68

The sums collected by the Bank either in the form of repayments, interest or charges in respect of special loans or in the form of products, revenue or repayments from risk capital operations shall be centralized in a special account opened with the Bank on behalf of the Community.

Repayments in respect of interest rate subsidies received shall also be centralized in this account.

#### Article 69

This Regulation shall be applicable for the same period as the Internal Agreement.

Done at Brussels, 27 July 1976.

*For the Council*

*The President*

M. van der STOEL

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(1) See Council statement, p. 172.

## COUNCIL DECISION

of 14 February 1977

adjusting the amounts made available to the European Development Fund (1975) for the ACP States on the one hand, and for the overseas countries and territories and the French overseas departments on the other

(77/156/EEC)  
(OJ No L 46/77)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to the Internal Agreement on the financing and administration of Community aid<sup>(1)</sup> signed on 11 July 1975, hereinafter called the 'Internal Agreement', and in particular Article 1 (4) thereof,

Having regard to the proposal from the Commission,

Whereas the Republic of Surinam, the Republic of the Seychelles and the Comoro State, which are former overseas countries and territories associated with the Community by virtue of Decision 76/568/EEC<sup>(2)</sup>, having become independent, requested to accede to the Convention of Lomé pursuant to Article 89 thereof; whereas the ACP-EEC Council of Ministers approved these requests at its first meeting; whereas these States deposited their instruments of accession with the General Secretariat of the Council and thus acceded to the ACP-EEC Convention of Lomé on 16 July, 27 August and 13 September 1976 respectively;

Whereas, therefore, in accordance with Article 1 (4) of the Internal Agreement, the amounts provided for the overseas countries and territories in Article 1 (3) (b) of the said Internal Agreement should be reduced and those provided for the ACP States in subparagraph (a) of that paragraph correspondingly increased,

HAS DECIDED AS FOLLOWS:

### Article 1

The text of Article 1 (3) (a) and (b) of the Internal Agreement shall be replaced by the following text:

- (a) 3 031.60 million European units of account for the ACP States, comprising:
  - 2 124 million European units of account in the form of grants,
  - 436.60 million European units of account in the form of special loans,
  - 96 million European units of account in the form of risk capital,
  - 375 million European units of account in the form of transfers pursuant to Title II of the Convention;
- (b) 98.40 million European units of account for the countries and territories and the French overseas departments, comprising:
  - 45 million European units of account in the form of grants,
  - 34.40 million European units of account in the form of special loans,
  - 4 million European units of account in the form of risk capital,
  - 15 million European units of account in the form of a reserve.

### Article 2

This Decision shall enter into force on 16 July 1976.

### Article 3

This Decision shall be published in the *Official Journal of the European Communities*.

Done at Brussels, 14 February 1977.

*For the Council*

*The President*

J. SILKIN

<sup>(1)</sup> OJ No L 25, 30. 1. 1976, p. 168.

<sup>(2)</sup> OJ No L 176, 1. 7. 1976, p. 8.

III. - STATEMENTS RELATING TO TEXTS  
CONCERNING THE OCT

1. STATEMENTS RELATING TO THE INTERNAL AGREEMENT ON THE FINANCING AND ADMINISTRATION OF COMMUNITY AID

(S/976/1/75)

COUNCIL STATEMENTS

(1) Statements by the Representatives of the Governments of the Member States meeting within the Council

- re Article 1(3)(b)

It is agreed that within the amounts of the resources allocated to each of three OCT groups, the poorest OCT will be given priority as regards the use of grants. (1)

- re Article 1(3)(b), last line

When the amount fixed either for grants or for special loans for a given geographical area has been used up, the amount provided for as a reserve will be used to finance operations by means either of grants or of special loans, whichever is appropriate. Decisions in this connection will be taken according to the procedure laid down in Articles 18 and 20 of the Internal Agreement on the financing and administration of Community aid.

- re Article 9(4)

- (a) It is understood that the situation referred to in Article 9(4) of the Internal Agreement on the financing and administration of Community aid and the reference to an overall surety of the Member States concern the content of the exchange of letters which took place on 16 October and 10 December 1974 between the President of the Council of the Communities and the President of the EIB. It was stated in this exchange of letters, in accordance with the decision of the Board of Governors, that the Member States' surety would be provided in the framework of an overall guarantee covering loans granted in the group of countries consisting of the following associated States, countries and territories: ACP, OCT, Algeria, Morocco, Tunisia, Malta, and that it would cover, from the very first loan, all risks arising within the limit of an amount equivalent to 30% of the total credits opened by the Bank in the aforementioned States, countries and territories.

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(1) This statement was adopted by the Council at its meeting on 24 June 1975 (T/453/75).

- (b) It is likewise understood that, within the framework of the statement to be found in Annex XX to the Final Act of the Lomé Convention and of the corresponding provisions of the Decision, the Bank may throughout the duration of the Lomé Convention, consider additional loans from its own resources only if appropriate measures have been taken by the Member States for underwriting loans thus granted by the Bank.

(2) Statement by the German delegation

- re Article 32

The German delegation assumes that, pursuant to a gentleman's agreement, the unit of account as defined in the Council Decision of 21 April 1975 will be applied to salaries and payments under the three EDFs.

(3) Statement by the Permanent Representatives Committee <sup>(1)</sup>

- re Article 1

The Permanent Representatives Committee agrees not to incorporate in the Internal Financing Agreement a provision covering cases where an overseas country or territory becomes independent but does not accede to the Convention of Lomé, with the result that its share would have to be repaid to the Member States.

The Committee considers that the Council will have to decide case by case on the measures to be taken should such instances arise.

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<sup>(1)</sup> See summary record of the Permanent Representatives Committee meeting on 5 and 6 June 1975, 732/75 (RP/CRS 20).

2. STATEMENTS RELATING TO THE DECISION ON THE ASSOCIATION OF THE OCT  
(R/760/1/76)

(1) Re Article 13 (rum)

Council statement

"The Council agrees that, if an overseas country or territory achieves a significant rum production capacity, the Community will re-examine the amount fixed with a view to a possible adjustment of the tariff quota applicable to the OCT."

Statement by the French delegation

"The French delegation reiterates its position on the definition of rum: "product obtained at the place of production of the raw material and containing a minimum of non-alcoholic elements characteristic of the product"."

(2) Re Article 19(4) (special cases, STABEX)

Council statement

- "1. For the present, the special cases referred to are the Solomon Islands, Seychelles and Tuvalu.
2. It may be decided to amend the above list of countries."

.../...



(3) Re Article 23 (5) (obligation to repay)

Council statement

"Exceptionally, French Polynesia is not required to contribute to the reconstitution of the resources of the fund for the stabilization of export earnings, since the per capita GNP of that territory is the result of a special and temporary situation and does not reflect its true level of development, which is in fact comparable to that of the other OCT exempt from the obligation to contribute to the reconstitution of resources."

(4) Re Article 30:

- Statement by the Member States

"As regards the amounts provided for in the form of EIB loans (10 MUA) and risk capital (5 MUA), the Member States agree that these amounts should not be distributed automatically among the three groups of OCT for which France, the Netherlands and the United Kingdom respectively hold responsibility.

They accept, in agreement with the OCT local authorities, that such aid would be given solely on the basis of the optimum utilization of these types of aid and that the Bank may discount all forms of distribution among the various groups of OCT."

- Council statement

"Should an overseas country or territory which has become independent accede to the Lomé Convention, the aid for which this country or territory was eligible under the amounts provided for as grants, special loans and the reserve will be transferred, in accordance with Article 1 (4) of the Internal Financial Agreement, to the amounts mentioned in paragraph 3 (a) of that Article for the ACP States. However, this transfer will not affect such sums as the country or territory in question might receive as risk capital on a proposal from the Bank. Likewise it would in no way reduce the opportunities for the country or territory concerned to receive loans from the EIB, subject to a decision of the Board of Governors of the Bank, taking into account the provisions of Article 4 of Annex V to this Decision."

(5) Re Article 35:

- Council statement

"For the purpose of attaining the objectives set out in Article 35, the Community will base itself on Article 47 (1) of the Lomé Convention."

(6) Re Article 39:

- Council statement

"For the purpose of implementing Article 39 the Community will take into account Article 17 of the Internal Financial Agreement, in a simplified and less cumbersome form, adapted to the constitutional structures appropriate to each group of countries or territories."

(7) Re Annex I (list of OCT referred to in Article 1)

- Council statement

"The list of OCT given in Annex I to the Decision shall not prejudice the status of those countries and territories."

(8) Re Annex II (concerning the definition of the concept of "originating products" and methods of administrative co-operation), Article 27 (changes to the rules of origin)

- Council statement

"For the application of Article 27 of Annex II to the Decision, the Community declares its willingness to begin examining requests from Member States to provide for exemptions from this Annex for the benefit of industries established in a country or territory."

Case by case consideration will be given to the possibility of granting the status of originating products to those products whose composition includes products originating in neighbouring developing countries with which one or more countries and territories have special relations, provided that satisfactory administrative co-operation can be established."

- (9) Re Annex III (on the application of Article 12 - safeguard measures), Article 4.

- Council statement

"Any application of Article 4 of Annex III will be in accordance with Article 12 (2) of the Decision."

- (10) Re Annex IV (on imports of cane sugar originating in the countries and territories), Article 6 (reallocation of the shortfall).

- Council statement

"The Council agrees that if difficulties should arise owing to the limitation of the reallocation of the shortfall the matter would be re-examined in order to find an appropriate solution."

- (11) Re Annex IV (on imports of cane sugar originating in the countries and territories), Annex (fixing of the guaranteed prices for sugar)

- Council statement

"The guaranteed price decided annually by the Council shall be the same as that guaranteed each year to the ACP States covered by Protocol No 3 on ACP sugar, in accordance with the commitment given by the Community in Annex XXI to the Final Act of the Lomé Convention."

(12) Re Annex V, Article 2

- Council statement

"The financial terms specified in this Article are the most favourable on which special loans may be granted. They shall be of general application to the least developed countries and territories. In other countries the terms for the loans will be determined on a case-by-case basis, taking into account the criteria set out in Article 3 of the Decision."

- Unilateral statement by the Commission

"The Commission will propose that the most favourable terms in Article 2 of Annex V to the Decision be applied at least to the countries listed in Article 26 of Title II of the Decision."

(13) Re Annex V, Article 3

- Council statement

"1. Industrial projects also cover projects for the processing of agricultural products and forestry projects of an industrial nature, excluding planting and re-forestation.

2. Quasi-capital assistance may be accorded either in addition to a loan from the Bank or by itself where, in accordance with the criteria specified in Article 31 of Title III of the Decision, such a loan cannot be considered."

(14) Re Annex V, Article 7

- Council statement

"The expression "neighbouring developing countries" does not necessarily mean countries having a common border."

(15) Re Annex V, Article 17

- Council statement

"1. on subparagraph (b):

The significant share of capital and management staff will be determined in each case by the Commission and the country or territory or countries and territories concerned.

2. on subparagraph (c):

In order to assess the sufficient margin of value added to the products, the authorities responsible for deciding on invitations to tender will refer to the rules in this Decision concerning the origin of the products."

(16) Re Annex V, Article 22

- Council statement

"It is understood that in exceptional cases, and by agreement with the Commission, consultants or experts from third countries may be called upon for assistance."

(17) Re Annex V, Article 23

- Council statement

- "1. Until the implementation of the decision provided for in Article 19 of Annex V, the execution of technical and financial co-operation contracts financed by the Fund shall be covered:
  - for the countries and territories with special relations with France and the Netherlands, by the general clauses currently used in the contracts financed by the EDF,
  - for the other countries and territories unless they apply temporarily the general provisions at present used in the contracts financed by the EDF, by the laws in force in the countries and territories or their established practices for international contracts.
2. The Commission will, as soon as possible after the entry into force of the Decision, establish and submit for the agreement of the relevant authorities of the countries and territories the general conditions of payment applicable to the contracts."

(18) Re Annex V, Chapter 7

- Unilateral statement by the Commission

"On the occasion of the Council's approval of the Decision on the association of the OCT, the Commission states that, as in the case of operations financed in the ACP States, it will make every effort to ensure that the allocation of contracts among firms, industries and consultancy bureaux in the Member States, the ACP States and the OCT is as well balanced as possible."

.../...

(19) Re Annex IX (Bananas)

- Council statement

"Every step will be taken to ensure that the measures provided for on bananas do not harm exports of bananas from the French overseas departments, and that they too benefit from them."

(20) Statements on fishing activities

- Council statement

"Bilateral agreements may be negotiated between any Member State and the competent authorities of the OCT in order to guarantee satisfactory conditions in sea fishing activities. In the conclusion of such agreements there shall be no discrimination between or against Member States of the Community."

- Statement by the United Kingdom delegation

"With the adoption of the foregoing statement, the United Kingdom delegation considers that it becomes even more in the interest of all Member States to oppose, at the United Nations Conference on the Law of the Sea, the unsatisfactory features of Article 136 of the Single Negotiating Text and to ensure that the dependent territories enjoy full rights over their marine resources."

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3. STATEMENTS ON THE COUNCIL DECISION OF 14 FEBRUARY 1977 ADJUSTING THE DECISION OF 29 JUNE 1976 ON THE ASSOCIATION OF THE OCT WITH THE COMMUNITY <sup>(1)</sup>

(S/207/77)

I. STATEMENT ON ARTICLE 1 OF THE COUNCIL DECISION OF 14 FEBRUARY 1977 REFERRING TO ARTICLE 26 OF DECISION 76/568/EEC AS AMENDED BY THE PRESENT DECISION

The Community will propose that the Republic of Seychelles and the Comoro State be added to the list given in Article 48 (2) of the Lomé Convention.

II. STATEMENT ON ARTICLE 2 OF THE COUNCIL DECISION OF 14 FEBRUARY 1977 REFERRING TO PARAGRAPH 3 OF THE NEW ARTICLE 30

As a result of the reduction in the overall OCT/FOD allocation effected at the time of the accession to the Lomé Convention of the Republic of Surinam, the Republic of Seychelles and the Comoro State, the amounts which remain available in the form of grants, special loans and the reserve are as follows:

- 34.70 million European units of account for the French overseas territories and departments;
- 20.30 million European units of account for the Netherlands overseas territories;
- 38.90 million European units of account for the United Kingdom overseas countries and territories.

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<sup>(1)</sup> This Decision (77/155/EEC) is set out on pp. 92 and 93 of this compilation.

.../...



III. STATEMENT ON ARTICLE 2 OF THE COUNCIL DECISION OF  
14 FEBRUARY 1977 REFERRING TO THE FIRST INDENT OF PARAGRAPH 4(a)  
OF THE NEW ARTICLE 30

The 13 million European units of account in the first indent of paragraph 4(a) of the new Article 30 will be unfrozen on the date of entry into force of the Agreement (1977) amending the Internal Agreement on the financing and administration of aid (1975) signed by the Member States on the occasion of the signing of the Agreements on the accession to the Lomé Convention of the Democratic Republic of Sao Tomé and Príncipe, the Republic of Cape Verde and Papua New Guinea.

IV. STATEMENT ON ARTICLE 2 OF THE COUNCIL DECISION OF  
14 FEBRUARY 1977 REFERRING TO THE THIRD INDENT OF PARAGRAPH 4(a)  
OF THE NEW ARTICLE 30

The amount of financial aid to the Comoro State includes 0.50 million European units of account taken from the 2 million European units of account initially allocated for financial aid to the least-favoured overseas countries and territories irrespective of the zone within which they fall. This allocation does not prejudice the use to which the remaining 1.50 million European units of account will be put.

V. STATEMENT ON ARTICLE 2 OF THE COUNCIL DECISION OF  
14 FEBRUARY 1977 REFERRING TO THE NEW ARTICLE 30

The adoption of the new Article 30 and the new distribution among the different forms of aid neither modify nor annul the statements on the former Article 30 as set out on page 2 of the Annex to R/760/1/76 (PTOM 35) (FIN 163 rev. 1) which were written into the Council minutes when Decision 76/568/EEC was adopted.

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5. STATEMENTS RELATING TO THE FINANCIAL REGULATION  
APPLICABLE TO THE 4th EUROPEAN DEVELOPMENT FUND  
(R/1847/76)

Re Article 44

"Should the EDF Committee contest the decisions taken by the Commission to authorize a derogation under the second paragraph of Article 44, the Commission will not authorize similar derogations in future."

Re Article 45(2)

1. "The justification required under Article 45(2) will be appraised in the light of such facts as may be recorded with regard to the actual origin of the services to be provided and the expenditure which they entail."
2. "Where the application of price review procedures results in an increase in the nominal amount of the contract owing to the action of parameters outside the country in which the contract is being executed, the Commission may, on the basis of grounds given by the tenderer, authorize an increase in the part of the amount of the contract paid in the currency of the country in which the tenderer has his registered place of business."

Re Article 52(1)

"In agreement with the Commission representative, the compound interest rate referred to in Article 52(1) to be applied to the aggregate amount of interest rate subsidies will be fixed for each individual loan at 3/4 of the European Investment Bank interest rate in force on the date of signing of the loan."

.../...

Re Article 56

"The Commission will at regular intervals communicate to the EDF Committee any additional commitment decisions taken by the chief authorizing officer pursuant to the second indent of Article 56."

Re Article 64

1. "If, following the entry into force of the "Treaty amending certain budgetary provisions of the Treaties establishing the European Community and of the Treaty establishing a single Council and a single Commission of the European Communities", amendments are made to those provisions of the Financial Regulation applicable to the general budget of the European Communities which relate to the presenting and auditing of accounts, Section IX of the Financial Regulation applicable to the 4th European Development Fund will be adjusted accordingly."
2. "In order to facilitate the audits carried out by the Audit Board in respect of the operations in each financial year, the Commission will regularly forward to it, during the financial year, the minutes of EDF Committee meetings, the financing decisions taken by the Commission or the Council, the financing and transfer agreements and all periodic progress reports relating to the financial execution of current operations."

Re Article 65

1. "The exercise of the powers conferred on the Community auditing body under Section IX may not under any circumstances affect the sovereign power of the recipient States, countries or territories.

Should the said auditing body wish to carry out audits on the territory of such States, countries or territories, the prior approval of the national authorities would have to be sought.

Such audits would be confined to the inspection arrangements implemented under the provisions governing EDF intervention rather than the implementing arrangements falling within the power of the national authorizing officer." <sup>(1)</sup>

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<sup>(1)</sup> The ACP States have been apprised of this statement.

2. "The Audit Board may, at its request, carry out the audit at the close of each contract or estimate making up the operation or project."

Re Article 66(3)

"For the purpose of drawing up any reports or analyses pursuant to Article 66(3) the Audit Board shall have at its disposal the information and facilities covered by Article 65 and the relevant statement thereon."

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GENERAL SECRETARIAT  
OF THE COUNCIL OF THE EUROPEAN COMMUNITIES