

**SPECIAL PROVISIONS ON ADMINISTRATIVE CO-OPERATION**

1. The Parties agree that administrative co-operation is essential for the implementation and the control of the preferential treatment granted under Chapter 1 of Title II (Trade in Goods) of Part IV of this Agreement and underline their commitment to combat breaches of customs legislation.
2. Where a Party has made a finding, on the basis of objective information, of a failure of the other Party to provide administrative co-operation with respect to the preferences granted under Chapter 1 of Title II (Trade in Goods) of Part IV of this Agreement, the Party concerned may temporarily suspend the relevant preferential treatment of the product(s) concerned in accordance with this Annex.
3. For the purpose of this Annex, a failure by a Party to provide administrative co-operation shall mean:
  - (a) a repeated failure to respect the obligations to verify the originating status of the product(s) concerned at the request of the other Party;

- (b) a repeated refusal to carry out or undue delay in communicating the results of subsequent verification of the proof of origin at the request of the other Party;
- (c) a repeated refusal or undue delay in obtaining authorisation to conduct administrative co-operation missions to verify the authenticity of documents or accuracy of information relevant to the granting of the preferential treatment in question. The request for authorisation in order to carry out administrative co-operation missions shall be established through the competent public authorities of each Party.

4. The application of a temporary suspension shall be subject to the following conditions:

- (a) the Party which has made a finding, on the basis of objective information, of a failure to provide administrative co-operation shall, before applying any temporary suspension, notify the Association Committee without undue delay of its finding together with the objective information and enter into consultations within the Association Committee, on the basis of all relevant information and objective findings, with a view to reaching a solution acceptable to both Parties to avoid the application of a temporary suspension;

- (b) where the Parties have entered into consultations within the Association Committee as stated above and have failed to agree on an acceptable solution within three months following the notification, to avoid the application of a temporary suspension, the Party concerned may temporarily suspend the relevant preferential treatment of the product(s) concerned. A temporary suspension shall be notified to the Association Committee without undue delay;
  - (c) temporary suspensions under this Annex shall be limited to that necessary to protect the financial interests of the Party concerned. They shall not exceed a period of six months unless at that time there is no change in the circumstances that led to the temporary suspension. Temporary suspensions shall be notified immediately after their adoption to the Association Committee. They shall be subject to periodic consultations within the Association Committee in particular with a view to their termination as soon as the conditions for their application no longer apply.
5. The Parties shall inform importers of the findings leading to consultation of the Association Committee and/or of the adoption of a temporary suspension under this Annex in accordance with the internal procedures of the Parties.
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