

# **ANNEX I**

REFERRED TO IN ARTICLE 1.2

**RULES OF ORIGIN AND MUTUAL ADMINISTRATIVE  
COOPERATION IN CUSTOMS MATTERS**



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**SECTION I**  
**GENERAL PROVISIONS**

Article 1

***Definitions***

For the purposes of this Annex:

- (a) “competent authority” means the authority that, according to the domestic laws and regulations of a Party, is responsible for the issuance of movement certificates EUR.1, authorised exporters, origin verifications and other origin issues;
- (b) “customs authority” means the authority that according to the domestic laws and regulations of a Party is responsible for the administration of its customs legislation;
- (c) “Party” means Ecuador, Iceland, Norway or the customs territory of Switzerland. Pursuant to the Customs Treaty of 1923 between Switzerland and Liechtenstein, a product originating in Liechtenstein shall be considered as originating in Switzerland;
- (d) “manufacture” means any kind of working or processing, including assembling or specific operations;
- (e) “material” means any ingredient, raw material, component or part used in the manufacture of a product;
- (f) “customs value” means the calculated value determined in accordance with the Agreement on implementation of Article VII of the GATT 1994 (WTO Agreement on Customs Valuation);
- (g) “value of materials” means the customs value at the time of importation of the non-originating materials used, or, if this value is unknown and cannot be ascertained, the first ascertainable price paid for the materials in the importing Party;
- (h) “ex-works price” means the price paid for a product to the manufacturer in the Party where the last working or processing was carried out, in accordance with the international commercial terms “incoterms”, excluding internal taxes which may be reimbursed when a product is exported;
- (i) “Harmonized System”, respectively its abbreviation “HS”, means the Harmonized Commodity Description and Coding System, including its general rules and legal notes;

- (j) “chapter”, “heading” and “subheading” means a chapter (two-digit code), heading (four-digit code) or subheading (six-digit code) of the Harmonized System;
- (k) “classified” means the classification of a product or material under a particular chapter, heading, or subheading of the Harmonized System;
- (l) “consignment” means products which are either sent simultaneously from one exporter to one consignee or covered by a single transport document covering their shipment from the exporter to the consignee or, in the absence of such a document, by a single invoice;
- (m) “production” means growing, raising, mining, extracting, harvesting, fishing, aquaculture, trapping, hunting, or manufacturing of a product;
- (n) “material” means any ingredient, raw material, component or part used in the manufacture of a product;
- (o) “product” means the result of production and includes any material used in the production of another product;
- (p) “originating product” or “originating material” means a material or product that qualifies as originating under this Annex;
- (q) “non-originating product” or “non-originating material” means a material or product which does not qualify as originating under this Annex.



## SECTION II

### CONCEPT OF “ORIGINATING PRODUCTS”

#### Article 2

##### *Origin Criteria*

For the purposes of this Annex, a product shall be considered as originating in a Party if:

- (a) it has been wholly obtained in a Party, according to Article 3 (Wholly Obtained Products);
- (b) it has been obtained in a Party incorporating materials which have not been wholly obtained there, provided that such materials have undergone sufficient working or processing in the Party concerned according to Article 4 (Sufficiently Worked or Processed Products);
- (c) it has been produced in a Party exclusively from materials originating in one or more Parties; or
- (d) it has been produced in a Party exclusively from materials as specified in subparagraphs (a) to (c).

#### Article 3

##### *Wholly Obtained Products*

For the purposes of subparagraph (a) of Article 2 (Origin Criteria), the following products shall be considered as wholly obtained in the territory of a Party:

- (a) mineral products and other non-living natural resources extracted or taken from its soil, subsoil, territorial or internal waters, seabed or beneath the seabed;
- (b) vegetable products grown, and collected or harvested there;
- (c) live animals born and raised there;
- (d) products obtained from live animals, raised there;
- (e) products from slaughtered animals born and raised there;
- (f) products obtained by hunting, trapping, fishing or aquaculture conducted there;

- (g) products obtained there by using cell cultures;<sup>1</sup>
- (h) products falling within Chapters 29 to 39 obtained there by fermentation;<sup>2</sup>
- (i) products of sea-fishing and other products taken from the sea outside the territory of a Party by vessels registered or recorded with a Party and flying its flag;
- (j) products manufactured on board a factory ship flying the flag of a Party, exclusively from products referred to in subparagraph (f);
- (k) products extracted by a Party from the seabed or beneath the seabed outside that Party, provided that they have the exclusive rights to exploit such seabed;
- (l) waste and scrap resulting from consumption or manufacturing operations conducted there, fit only for recovery of raw materials and not fit for their original purpose;
- (m) products manufactured there exclusively from products mentioned in subparagraphs (a) to (l).

#### Article 4

##### ***Sufficiently Worked or Processed Products***

1. For the purposes of subparagraph 1 (b) of Article 2, products obtained in a Party incorporating materials which have not been wholly obtained in that Party are considered to be sufficiently worked or processed when the conditions set out in Appendix 1 (Product-Specific Rules) are fulfilled.

2. The conditions set out in Appendix 1 (Product-Specific Rules) indicate the working or processing which shall be carried out on non-originating materials used in manufacturing and apply only in relation to such materials. Accordingly, if a product which has acquired originating status, regardless of whether this product has been manufactured in the same factory or in another factory in a Party, by fulfilling the conditions set out in Appendix 1 (Product-Specific Rules), is used as material in the manufacture of another product, the conditions applicable to that product shall not apply to the product that is used as material, and therefore no account shall be taken of non-originating materials incorporated into such a product used as a material in the manufacture of another product.

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<sup>1</sup> For the purposes of this Annex, “cell culture” means the cultivation of human, animal or plant cells under controlled conditions (such as defined temperatures, growth medium, gas mixture, pH) outside a living organism.

<sup>2</sup> For the purposes of this Annex, “fermentation” means a biotechnological process in which human, animal or plant cells, bacteria, yeasts, fungi or enzymes are used in the production process.

3. Notwithstanding paragraph 1 non-originating materials which, according to the conditions set out in Appendix 1 (Product-Specific Rules) should not be used in the manufacture of a product may nevertheless be used, provided that:

- (a) in the case of products except for those classified under chapters 50 to 63, their total value does not exceed 10% of the ex-works price of the product;
- (b) in the case of products classified under chapters 50 to 63, their total weight of fibres or yarns used does not exceed 10% of the total weight of the product;
- (c) any of the percentages given in Appendix 1 (Product-Specific Rules) to this Annex for the maximum value of non-originating materials are not exceeded through the application of this paragraph.

4. Paragraph 3 shall not apply to originating products, which are wholly obtained in a Party in accordance with Article 3 (Wholly Obtained Products). However, if the relevant product-specific rule of Appendix 1 (Product-Specific Rules) foresees a rule where certain materials must be wholly obtained, the tolerance of paragraph 3 may be applied.

5. Where a rule set out in Appendix 1 (Product-Specific Rules) is based on compliance with a sufficient processing threshold or a maximum content of non-originating materials, the value of non-originating materials may be calculated on an average basis over a period of one year in order to take into account the fluctuations in costs or currency rates, subject to the domestic laws and regulations of the exporting Party.

6. For the purpose of fulfilling the conditions set out in Appendix 1 (Product-Specific Rules), the processes may be carried out by one or more producers within one Party.

7. This Article shall be without prejudice to Article 5 (Minimal Operations).

## Article 5

### *Minimal Operations*

1. This Article applies to products produced from non-originating materials.

2. Notwithstanding Article 4 (Sufficient Working or Processing Products), a product shall not be considered as originating, if it has only undergone one or more of the following operations or processes:

- (a) preserving operations to ensure that a product retains its condition during transport and storage;
- (b) freezing or thawing;
- (c) packaging and re-packaging;

- (d) washing, cleaning, removal of dust, oxide, oil, paint or other coverings;
- (e) ironing or pressing of textiles or textile products;
- (f) simple painting and polishing;
- (g) husking, partial or total bleaching, polishing, and glazing of cereals and rice;
- (h) colouring of sugar or forming sugar lumps;
- (i) peeling and removal of stones, cores, pips and shells from fruits, nuts and vegetables;
- (j) sharpening, simple grinding or simple cutting;
- (k) sifting, screening, sorting, classifying, grading, matching;
- (l) simple placing in bottles, cans, flasks, bags, cases, boxes, fixing on cards or boards and all other simple packaging operations;
- (m) affixing or printing marks, labels, logos and other like distinguishing signs on products or their packaging;
- (n) simple mixing of products, whether or not of different kinds, including dilution in water or in any other aqueous substance that does not materially alter the characteristics of the products;
- (o) simple assembly of parts of articles to constitute a complete article or disassembly of products into parts; or
- (p) slaughter of animals.

3. For the purposes of paragraph 2:

- (a) “simple” describes operations, processes or activities which need neither special skills nor machines, apparatus or equipment especially produced or installed to carry out the operation, process activity; and
- (b) “simple mixing” describes operations, processes or activities which need neither special skills nor machines, apparatus or equipment especially produced or installed for carrying out the operation, process or activity. However, simple mixing does not include chemical reaction. Chemical reaction means a process (including a biochemical process) which results in a molecule with a new structure by breaking intramolecular bonds and by forming new intramolecular bonds, or by altering the spatial arrangement of atoms in a molecule.

4. All operations, processes or activities carried out in a Party on a given product shall be taken into account when determining whether the operations, processes or

activities which that product has undergone are considered as insufficient in accordance with paragraph 2.

## Article 6

### *Accumulation of Origin*

1. Originating products referred to in Article 2 (Origin Criteria) shall be considered as originating in the Party where operations beyond those referred to in Article 5 (Minimal Operations) have been carried out. It shall not be necessary for such originating products to undergo sufficient working or processing in accordance with Article 4 (Sufficiently Worked or Processed Products).
2. Products originating in a Party, which are exported from one Party to another and do not undergo working or processing beyond that referred to in paragraph 2 of Article 5 (Minimal Operations), shall retain their origin.
3. For the purposes of paragraph 2, where materials originating in two or more of the Parties are used and those materials have undergone working or processing in the exporting Party not going beyond the operations or processes referred to in Article 5 (Minimal Operations), the origin shall be determined by the material with the highest customs value or, if this is unknown and cannot be ascertained, with the first highest ascertainable price paid for that material in that Party.
4. Notwithstanding paragraphs 1 to 3, originating materials from Colombia and Peru shall be considered as originating materials of a Party if they are processed or subsequently incorporated into a product obtained in that Party.
5. The Parties shall, no later than four years from the entry into force of the Agreement, review this Article, in particular taking into account new concepts, such as cross-accumulation or accumulation under trade agreements signed by the Parties with common counterparts.

## Article 7

### *Unit of Qualification*

1. For the purposes of this Annex, the unit of qualification shall be the particular product, which is considered as the basic unit when determining classification using the nomenclature of the Harmonized System.
2. Pursuant to paragraph 1:
  - (a) when a product composed of a group or assembly of articles is classified under a single heading, the whole group or assembly of articles constitutes the unit of qualification; or

- (b) when a consignment consists of a number of identical products<sup>3</sup> classified under the same heading, each product shall be taken into account individually.

#### Article 8

##### ***Packaging Materials and Containers***

1. Where, under General Interpretative Rule 5 of the Harmonized System, packaging is included with the products for classification purposes, it shall be included for the purposes of determining origin, except for products that qualify as wholly obtained.
2. Packing materials and containers for shipment shall be disregarded in determining whether products are originating.

#### Article 9

##### ***Accessories, Spare Parts and Tools***

Accessories, spare parts, tools and instruction and information material dispatched with a piece of equipment, machine, apparatus or vehicle, which are part of the normal equipment and included in its ex-works price or which are not separately invoiced, shall be considered as one with the piece of equipment, machine, apparatus or vehicle in question.

#### Article 10

##### ***Sets***

Sets, referred to in General Interpretative Rule 3 of the Harmonized System, shall be considered as originating when all component products are originating. However, when a set is composed of originating and non-originating products, the set as a whole group or assembly of articles shall be considered as originating, provided that the value of the non-originating products does not exceed 15% of the ex-works price of the set.

#### Article 11

##### ***Neutral Elements***

Neutral elements, which have not entered into the final composition of the product, such as energy and fuel, plant and equipment, or machines and tools, shall not be taken into account when the origin of that product is determined.

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<sup>3</sup> It is understood that “identical products” shall be determined in accordance with the WTO Agreement on Customs Valuation.

Article 12

*Accounting Segregation of Fungible Materials*

1. For the purposes of this Article, “fungible materials” mean materials that are interchangeable for commercial purposes and whose properties are essentially identical.
2. For the purposes of determining whether a product originates, where originating and non-originating fungible materials are used in production, the determination of whether the materials used are originating need not be made through physical separation and identification of any specific fungible material, but may be determined on the basis of an inventory management system.
3. The accounting method shall be recorded, applied and maintained in accordance with generally accepted accounting principles applicable in the Party where the product is manufactured. The method chosen shall:
  - (a) permit a clear distinction to be made between originating and non-originating materials acquired or kept in stock; and
  - (b) guarantee that no more products receive originating status than would be the case if the materials had been physically segregated.
4. A producer using an inventory management system pursuant to this Article shall comply with the provisions of the system used and keep records of the operation of the system that are necessary for the customs authority of the Parties to verify such compliance.
5. A Party may require that the application of an inventory management system as provided for in this Article be subject to prior authorisation. The authorisation may be withdrawn by the customs authority at any time if the producer makes improper use of the inventory management system.

### SECTION III

#### TERRITORIAL REQUIREMENTS

##### Article 13

##### *Principle of Territoriality*

1. Except as provided for in Article 3 (Wholly Obtained Products), the conditions for acquiring originating status set out in Section II (Concept of “Originating Products”) must be fulfilled without interruption in one of the Parties.
2. Except as provided for in Article 3 (Wholly Obtained Products), where originating products exported from one of the Parties to a non-party return, they must be considered as non-originating, unless it can be demonstrated to the satisfaction of the competent authorities that:
  - (a) the returning products are the same as those exported; and
  - (b) they have not undergone any operation beyond that necessary to preserve them in good condition while in that non-party or while being exported.

##### Article 14

##### *Non-Alteration of Products During Transport*

1. Originating products, for which preferential tariff treatment is requested in a Party, shall be the same products as sent from the exporting Party. They must not be altered or transformed in any way nor undergo operations other than those to preserve their condition, adding or affixing marks, labels, seals or any documentation to ensure compliance with domestic requirements of the importing Party, prior to being declared for preferential tariff treatment.
2. Transit, storage and splitting of consignments may take place in a non-party, provided they remain under customs supervision in that non-party.
3. Paragraphs 1 and 2 shall be considered fulfilled, unless the customs authority of the importing Party has reason to believe the contrary. In such case, the customs authority of the importing Party may request the importer or his or her representative to provide appropriate evidence of compliance, which may be given by any means, including contractual transport documents such as bills of lading or factual or concrete evidence based on marking or numbering of packages or any other evidence.



## SECTION IV

### PROOF OF ORIGIN

#### Article 15

##### ***General Requirements***

1. Products originating in a Party shall, on importation into another Party, benefit from the preferential treatment under the Agreement upon submission of one of the following proofs of origin:

- (a) a movement certificate EUR.1, specimens of which appear in Appendix 2 (Specimens of Movement Certificate EUR.1 and Application for a Movement Certificate EUR.1); or
- (b) in the cases specified in paragraph 1 of Article 19 (Conditions for Completing an Origin Declaration), a declaration, subsequently referred to as the “origin declaration”, according to Appendix 3 (Origin Declaration), completed by the exporter on an invoice, a delivery note or any other commercial document which describes the products concerned in sufficient detail to enable them to be identified.

2. Notwithstanding paragraph 1, originating products within the meaning of this Annex shall, in the cases specified in Article 23 (Exemptions from Proofs of Origin), on importation benefit from the preferential treatment under the Agreement without it being necessary to submit any of the documents according to paragraph 1.

#### Article 16

##### ***Procedure for the Issuance of Movement Certificates EUR.1***

1. A movement certificate EUR.1 shall be issued by the competent authority of the exporting Party upon written application by the exporter or, under the exporter’s responsibility, by his or her authorised representative.

2. To this end, the exporter or his or her authorised representative shall complete both the movement certificate EUR.1 and the application form, specimens of which appear in Appendix 2 (Specimens of Movement Certificate EUR.1 and Application for a Movement Certificate EUR.1). The movement certificate EUR.1 shall be completed in English or Spanish.

3. The exporter applying for the issuance of a movement certificate EUR.1 must be prepared to submit at any time, upon request of the competent authority of the exporting Party, all appropriate documents proving the originating status of the products concerned as well as the fulfilment of the other requirements of this Annex.

4. A movement certificate EUR.1 shall be issued by the competent authority of the exporting Party if the products concerned can be considered as products originating in a Party and fulfil the other requirements of this Annex.
5. The competent authority issuing the movement certificate EUR.1 shall take any steps necessary to verify the originating status of the products and the fulfilment of the other requirements of this Annex. To this end, it shall have the right to call for any evidence and to carry out any inspection of the exporter's accounts or any other check considered appropriate. The competent authority shall also ensure that the forms referred to in paragraph 2 are duly completed. In particular, it shall check whether the space reserved for the description of the products has been completed in such a manner as to exclude any possibility of fraudulent additions. The marks and numbers, and the number and the kind of packages shall be indicated in Box 8 of the movement certificate EUR.1.
6. The date of issuance of the movement certificate EUR.1 shall be indicated in Box 11 of the certificate.
7. A movement certificate EUR.1 shall be issued by the competent authority of the exporting Party and made available to the exporter as soon as actual exportation has been effected or ensured.

#### Article 17

##### ***Movement Certificates EUR.1 Issued Retrospectively***

1. Notwithstanding paragraph 7 of Article 16 (Procedure for the Issuance of Movement Certificates EUR.1), a movement certificate EUR.1 may exceptionally be issued after exportation of the products to which it relates if:
  - (a) it was not issued at the time of exportation because of errors, involuntary omissions or special circumstances; or
  - (b) it is demonstrated to the satisfaction of the competent authority that a movement certificate EUR.1 was issued but was not accepted upon importation for technical reasons.
2. The exporter shall indicate in the application the place and date of exportation of the products to which the movement certificate EUR.1 relates, and state the reasons for the request.
3. The competent authority may issue a movement certificate EUR.1 retrospectively only after verifying that the information supplied in the exporter's application corresponds to that in the corresponding file.
4. Movement certificates EUR.1 issued retrospectively must be endorsed with the phrase "ISSUED RETROSPECTIVELY" or "EXPEDIDO A POSTERIORI".
5. The endorsement referred to in paragraph 4 shall be inserted in Box 7 of the movement certificate EUR.1.

Article 18

***Issuance of Duplicate Movement Certificates EUR.1***

1. In the event of theft, loss or destruction of a movement certificate EUR.1, the exporter by stating the reason for his request may apply to the competent authority which issued it for a duplicate completed on the basis of the export documents in their possession.
2. Such a duplicate shall be endorsed with the term “DUPLICATE” or “DUPLICADO”.
3. The endorsement referred to in paragraph 2 shall be inserted in Box 7 of the duplicate movement certificate EUR.1.
4. The duplicate, which shall bear the date of issuance of the original movement certificate EUR.1, shall take effect as from that date.

Article 19

***Conditions for Completing an Origin Declaration***

1. An origin declaration according to subparagraph 1(b) of Article 15 (General Requirements) may be made out:
  - (a) by an approved exporter according to Article 20 (Approved Exporter);
  - (b) by an exporter in Ecuador for consignments consisting of one or more packages containing originating products whose total value does not exceed 6 000 Euro; or
  - (c) by an exporter in an EFTA State for consignments consisting of one or more packages containing originating products without a value limit.
2. If products are invoiced in a currency other than Euro, the amount mentioned in subparagraph 1(b) expressed in the national currency of the importing Party shall be applied in accordance with the domestic laws and regulations of that Party.
3. An origin declaration may be completed if the products concerned can be considered as products originating in a Party and fulfil the other requirements of this Annex.
4. An exporter completing an origin declaration must be prepared to submit at any time, upon request of the competent authority of the exporting Party, all appropriate documents proving the originating status of the products concerned as well as the fulfilment of the other requirements of this Annex.
5. An origin declaration shall be completed by the exporter by typing, stamping or printing on the invoice, the delivery note or another commercial document, the

declaration according to Appendix 3 (Origin Declaration), in English or Spanish. If the declaration is handwritten, it shall be written in ink in printed characters.

6. Origin declarations shall bear the original signature of the exporter in manuscript. However, an approved exporter according to Article 20 (Approved Exporter) shall not be required to sign such declarations, provided that the exporter provides the competent authority of the exporting Party with a written undertaking accepting full responsibility for any origin declaration which identifies the exporter as if it had been signed in manuscript by the same exporter.

7. An origin declaration may be completed by the exporter when the products to which it relates are exported, or after exportation.

8. An exporter that has completed an origin declaration and becomes aware that the origin declaration contains incorrect information shall immediately notify the importer and the competent authority of the exporting Party in writing of any change affecting the originating status of each product to which the origin declaration is applicable.

#### Article 20

##### *Approved Exporter*

1. The competent authority of the exporting Party may, subject to its domestic laws and regulations, authorise an exporter of that Party to complete origin declarations without signature.

2. An exporter who requests such authorisation must offer to the satisfaction of the competent authorities of the exporting Party all guarantees necessary to verify the originating status of the products as well as the fulfilment of any other requirement under this Annex.

3. The competent authority of the exporting Party shall provide, to the approved exporter, an authorisation number to be included in the origin declaration instead of the signature.

4. The competent authority of the exporting Party may verify the proper use of an authorisation and revoke it, if the exporter no longer meets the conditions or otherwise makes improper use of it.

## SECTION V

### PREFERENTIAL TREATMENT

#### Article 21

##### *Importation Requirements*

1. Each Party shall grant preferential tariff treatment in accordance with the Agreement to originating products imported from another Party, on the basis of a proof of origin according to Article 15 (General Requirements).
2. In order to obtain preferential tariff treatment, the importer shall, in accordance with the procedures applicable in the importing Party, request preferential tariff treatment at the time of importation of an originating product.
3. In the case that the importer, at the time of importation, does not have in his possession a proof of origin, the importer of the product may, in accordance with the domestic laws and regulations of the importing Party, present the original proof of origin and if required other documentation relating to the importation of the product, at a later stage.
4. A proof of origin shall be valid for 12 months from the date of issuance of a certificate of origin or completion of an origin declaration in the exporting Party, and shall be submitted within this period to the customs authority of the importing Party. The expiration of this period shall be suspended as long as the products remain under customs control in the importing Party.
5. A proof of origin which is submitted to the customs authority of the importing Party after the final date for presentation specified in paragraph 4 may be accepted for the purpose of applying for preferential tariff treatment where the failure to submit such a document by the final date set is due to exceptional circumstances. In other cases of belated presentation, the customs authority of the importing Party may accept a proof of origin where the products have been submitted before such final date.
6. A proof of origin shall be submitted to the customs authority of the importing Party in accordance with the procedures applicable in that Party.

#### Article 22

##### *Importation by Instalments*

Where, at the request of the importer and under the conditions laid down by the customs authority of the importing Party, dismantled or non-assembled products within the meaning of General Interpretative Rule 2(a) of the Harmonized System falling within Sections XVI and XVII or headings 73.08 and 94.06 of the Harmonized System are imported by instalments, a single proof of origin for such products has to be submitted to the customs authorities upon importation of the first instalment.

Article 23

***Exemptions from Proofs of Origin***

A Party may, in accordance with its domestic laws and regulations, grant preferential tariff treatment to low value shipments of originating products from another Party between natural persons and to originating products forming part of the personal luggage of a traveller coming from another Party by waiving the requirements to present a proof of origin.

Article 24

***Supporting Documents***

The documents according to paragraph 3 of Article 16 (Procedure for the Issuance of Movement Certificates EUR.1) and paragraph 4 of Article 19 (Conditions for Completing an Origin Declaration) used for the purpose of proving that products covered by a proof of origin can be considered as products originating in a Party and fulfil the other requirements of this Annex may consist of *inter alia*:

- (a) direct evidence of the processes carried out by the exporter or supplier to obtain the products concerned, contained for example in his accounts or internal bookkeeping;
- (b) documents proving the originating status of materials used, issued or made out in a Party where these documents are used, as provided for in their domestic laws and regulations;
- (c) documents proving the working or processing of materials in a Party, issued or made out in a Party where these documents are used, as provided for in their domestic laws and regulations; or
- (d) movement certificates EUR.1 or origin declarations proving the originating status of materials used, completed in a Party.

Article 25

***Preservation of Proofs of Origin and Supporting Documents***

1. An exporter applying for the issuance of a movement certificate EUR.1 has to keep the documents referred to in paragraph 3 of Article 16 (Procedure for the Issuance of Movement Certificates EUR.1) for at least three years from the date of issuance of the certificate of origin.

2. The competent authority of the exporting Party issuing a movement certificate EUR.1 shall keep the application form referred to in paragraph 2 of Article 16 (Procedure for the Issuance of Movement Certificates EUR.1) for at least three years from the date of issuance of the certificate of origin.

3. The competent authority of the importing Party shall ensure that the proofs of origin on the basis of which the preferential tariff treatment was claimed are kept and remain available to it for at least three years from the date of importation.
4. The exporter completing an origin declaration has to keep a copy of the origin declaration in question as well as the documents referred to in paragraph 3 of Article 19 (Conditions for Completing an Origin Declaration) for at least three years from the date of completion of the origin declaration.
5. The records to be kept in accordance with paragraph 4 shall include electronic records.

#### Article 26

##### *Discrepancies and Formal Errors*

1. The discovery of slight discrepancies between the statements made in the proof of origin and those made in the documents submitted to the customs authority for the purpose of carrying out the formalities for the importation of products, shall not *ipso facto* render the proof of origin null and void if it is duly established that the proof of origin corresponds to the products submitted.
2. Obvious formal errors such as typing errors in a proof of origin should not result in a rejection of this document if these errors do not create doubts concerning the correctness of the statements made in this document.

### SECTION VI

#### ARRANGEMENTS FOR ADMINISTRATIVE COOPERATION

#### Article 27

##### *Cooperation between Competent Authorities*

1. The competent authorities of the Parties shall exchange, through the EFTA Secretariat, specimen impressions of stamps used for the issuance of movement certificates EUR.1, information on the composition of the authorisation number for approved exporters, a specimen of an original movement certificate EUR.1 and the addresses of the competent authorities of the Parties for verifying movement certificates EUR.1 and origin declarations. Any future changes shall be notified by the Parties promptly, indicating the date when these changes will come into effect.
2. The Parties shall, on a monthly basis, make available to each other an updated list of authorised exporters either on the internet or via email.

3. The Parties shall endeavour to resolve technical matters related to the implementation or application of this Annex, to the extent possible, through consultations between their customs authorities in the Sub-Committee on Trade in Goods. Disputes that cannot be settled through such consultations shall be submitted to the Joint Committee.

4. Disputes between an importer and the competent authority or customs authority of the importing Party shall be settled under the domestic laws and regulations of the importing Party.

## Article 28

### ***Obligations of Exporters and Importers***

1. An exporter who has completed a proof of origin shall:
  - (a) upon request of the competent authority of the exporting Party, submit the documents regarding the fulfilment of the requirements of this Annex to that authority. The competent authority of the exporting Party may, at any time, carry out inspections and verify the exporters or the producer's accounting records and take other appropriate measures; and
  - (b) when becoming aware of or having reason to believe that a proof of origin contains incorrect information, immediately notify the importer and the competent authority of the exporting Party of any change affecting the originating status of each product covered by this proof of origin. Consequently, the competent authority of the exporting Party shall inform the customs authority of the importing Party.
  
2. An importer who has requested or has been granted preferential tariff treatment shall:
  - (a) upon request of the customs authority of the importing Party, submit all documents related to the importation that are available or might be obtained; and
  - (b) when becoming aware of or having reason to believe that the proof of origin contains incorrect information, immediately notify the customs authorities of the importing Party of any change affecting the originating status of each product covered by a proof of origin.

## Article 29

### ***Denial of Preferential Treatment***

An importing Party may deny preferential tariff treatment or recover unpaid customs duties in accordance with its domestic laws and regulations where a product does not meet the requirements of this Annex or where the importer or exporter fails to demonstrate compliance with the relevant requirements.



Article 30

*Verification of Proofs of Origin*

1. In order to ensure the proper application of this Annex, the Parties shall assist each other, through their competent authorities, to verify the authenticity of the proofs of origin and the correctness of the information given in these documents.
2. Subsequent verifications of proofs of origin shall be carried out whenever the competent authority of the importing Party wants to verify the authenticity of such documents, the originating status of the products concerned or the fulfilment of the other requirements of this Annex.
3. The competent authority of the importing Party shall return the proof of origin, or a copy of this document, to the competent authority of the exporting Party, as the case may be, giving the reasons for the inquiry. Any documents and information obtained suggesting that the information given on the proof of origin is incorrect shall be forwarded in support of the request for verification.
4. The verification shall be carried out by the competent authority of the exporting Party. For this purpose, they shall have the right to request any evidence and to carry out any inspection of the exporter's accounts or any other control considered appropriate.
5. The competent authority of the importing Party may decide to suspend the granting of preferential tariff treatment to the products covered by the proof of origin concerned while awaiting the results of the verification. The release of the products shall be offered to the importer subject to any precautionary measures judged necessary.
6. The competent authority requesting the verification shall be informed of the results of this verification as soon as possible. These results shall indicate clearly whether the documents are authentic and whether the products concerned can be considered as products originating in a Party and fulfil the other requirements of this Annex.
7. If there is no reply within 12 months from the date of the verification request or if the reply does not contain sufficient information to enable the determination of the authenticity of the document in question or the origin of the products concerned, the requesting competent authority shall be entitled, except in exceptional circumstances, to refuse preferential tariff treatment.
8. Where the requested Party is unable to meet the deadline referred to in paragraph 7 it shall, upon justified request within that deadline, be granted a 3 month extension of the deadline or the actual time needed in situations beyond the control of the competent authority of the requested Party.

Article 31

***Confidentiality***

Any information provided pursuant to this Annex shall be treated as confidential by the Parties in accordance with the domestic laws and regulations of the requested Party. Such information shall not be disclosed by the authorities of a Party without the express permission of the person or authority providing it.

**SECTION VII**

**FINAL PROVISIONS**

Article 32

***Penalties***

Each Party shall provide for the imposition of criminal, civil or administrative penalties for violations of its domestic laws and regulations related to this Annex.

Article 33

***Products in Transit or Storage***

The Agreement may be applied to products which, on the date of entry into force of the Agreement, are either in transit or in temporary storage in a customs warehouse or free zone under customs control. For such products, a proof of origin may be completed retrospectively up to twelve months after the entry into force of the Agreement, provided that the provisions of this Annex and in particular Article 14 (Non-Alteration of products During Transport) have been fulfilled.

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