

**JOINT DECLARATION I****concerning full cumulation pursuant to Article 2 of Annex III**

1. The Parties recognise the important role of cumulation of origin in encouraging the smooth development towards the establishment of a free trade area between the Community and Mexico.
2. For that purpose, the Parties will examine the parameters to be considered in evaluating the economic conditions needed to eventually implement full cumulation. This process will begin no later than three years after entry into force of this Decision.
3. Following a positive assessment pursuant to paragraph 2, the Parties shall take the necessary steps to implement full cumulation.
4. Full cumulation allows to take into account all stages of processing or transformation of a product within the free trade area without the materials used being necessarily originating in one of the partner countries.

**JOINT DECLARATION II****relating to Article 2 of Annex III**

Products manufactured exclusively from materials which comply with the provisions set out in Articles 4 or 5 of Annex III, shall also be considered as originating in Mexico or the Community.

**JOINT DECLARATION III****relating to Article 6 of Annex III**

1. The Special Committee on Customs Cooperation and Rules of Origin, established in accordance with Article 17 shall discuss and agree on a definition for simple mixing of products and simple assembly of parts to constitute a complete product. These definitions shall enter into force no later than 1 January 2003.
2. Prior to that date, the Parties agree that for the chemical sector simple mixing of products does not include chemical reaction.
3. For other sectors, simple assembly of parts to constitute a complete product, includes screwdriver operations.
4. For the chemical sector '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.

**JOINT DECLARATION IV****regarding Appendix I to Annex III**

When the ex-works price is not known or is uncertain, the producer or an exporter of goods may use the cost of manufacturing of the product.