

**ANNEX I**

REFERRED TO IN ARTICLE 8

CONCERNING THE DEFINITION OF THE CONCEPT OF  
"ORIGINATING PRODUCTS" AND ARRANGEMENTS FOR  
ADMINISTRATIVE CO-OPERATION

ANNEX I  
CONCERNING THE DEFINITION OF THE CONCEPT OF  
"ORIGINATING PRODUCTS" AND ARRANGEMENTS  
FOR ADMINISTRATIVE CO-OPERATION

**TABLE OF CONTENTS:**

**TITLE I      GENERAL PROVISIONS**

- Article 1      Definitions

**TITLE II      DEFINITION OF THE CONCEPT OF "ORIGINATING PRODUCTS"**

- Article 2      Origin criteria
- Article 3      Cumulation of origin
- Article 4      Wholly obtained products
- Article 5      Sufficiently worked or processed products
- Article 6      Insufficient working or processing operations
- Article 7      Unit of qualification
- Article 8      Accessories, spare parts and tools
- Article 9      Sets
- Article 10      Neutral elements

**TITLE III     TERRITORIAL REQUIREMENTS**

- Article 11      Principle of territoriality
- Article 12      Direct transport
- Article 13      Exhibitions

**TITLE IV     DRAWBACK OR EXEMPTION**

- Article 14      Prohibition of drawback of, or exemption from, customs duties on imports

**TITLE V PROOF OF ORIGIN**

- Article 15 General requirements
- Article 16 Procedure for the issue of a movement certificate EUR.1
- Article 17 Movement certificates EUR.1 issued retrospectively
- Article 18 Issue of a duplicate movement certificate EUR.1
- Article 19 Issue of movement certificates EUR.1 on the basis of a proof of origin issued or made out previously
- Article 20 Conditions for making out an invoice declaration
- Article 21 Approved exporter
- Article 22 Validity of proof of origin
- Article 23 Submission of proof of origin
- Article 24 Importation by instalments
- Article 25 Exemptions from proof of origin
- Article 26 Supporting documents
- Article 27 Preservation of proof of origin and supporting documents
- Article 28 Discrepancies and formal errors

**TITLE VI ARRANGEMENTS FOR ADMINISTRATIVE CO-OPERATION**

- Article 29 Notifications
- Article 30 Mutual assistance
- Article 31 Verification of proofs of origin
- Article 32 Resolution of disputes
- Article 33 Confidentiality
- Article 34 Penalties
- Article 35 Free zones

**TITLE VII FINAL PROVISIONS**

- Article 36 Sub-Committee on customs and origin matters
- Article 37 Explanatory Notes
- Article 38 Transitional provision for products in transit or storage

**LIST OF APPENDICES**

- Appendix 1    Introductory notes to the list in Appendix 2
- Appendix 2    List of working or processing required to be carried out on non-  
originating materials in order that the product manufactured can obtain  
originating status
- Appendix 3    Specimen of movement certificate EUR.1 and application for a  
movement certificate EUR.1
- Appendix 4    Text of the invoice declaration
-

**TITLE I**  
**GENERAL PROVISIONS**

ARTICLE 1

***Definitions***

For the purpose of this Annex:

- (a) “*chapters*” and “*headings*” mean the chapters (two-digit codes) and the headings (four-digit codes) used in the nomenclature of the Harmonized System;
- (b) “*classified*” refers to the classification of a product or material under a particular heading;
- (c) “*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;
- (d) “*customs value*” means the calculated value determined in accordance with the Agreement on implementation of Article VII of the General Agreement on Tariffs and Trade 1994 (hereinafter referred to as “the WTO Agreement on Customs Valuation”);
- (e) “*ex-works price*” means the price paid for the product ex-works to the manufacturer in an EFTA State or in Chile in whose undertaking the last working or processing is carried out. The price paid shall *inter alia* include the value of all materials used, labour costs and profit as well other costs according to the WTO Agreement on Customs Valuation, minus any internal taxes returned or repaid when the product obtained is exported;
- (f) “*goods*” means both materials and products;
- (g) “*Harmonized System*” means the Harmonized Commodity Description and Coding System in force, including its general rules and legal notes;
- (h) “*manufacture*” means any kind of working or processing, including assembly or specific operations;
- (i) “*material*” means any ingredient, raw material, component or part, etc., used in the manufacture of the product;
- (j) “*non-originating materials*” means materials which do not qualify as originating under this Annex;

- (k) “*Party*” means Iceland, Norway, Switzerland and Chile. Due to the customs union between Switzerland and Liechtenstein, products originating in Liechtenstein are considered as originating in Switzerland;
- (l) “*product*” means the product being manufactured, even if it is intended for later use in another manufacturing operation;
- (m) “*value of materials*” means the customs value at the time of importation of the non-originating materials used, or, if this is not known and cannot be ascertained, the first ascertainable price paid for the materials in an EFTA State or in Chile;
- (n) “*value of originating materials*” means the value of originating materials in accordance with the definition of sub-paragraph (m) applied *mutatis mutandis*;
- (o) “*competent governmental authorities*” mean the customs authorities of the respective EFTA State and the “Dirección General de Relaciones Económicas Internacionales” (DIRECON) of the Ministry of Foreign Affairs of Chile, or its successor in the functions referred to in this Annex.

## TITLE II

### DEFINITION OF THE CONCEPT “ORIGINATING PRODUCTS”

#### Article 2

##### *Origin criteria*

1. For the purpose of this Agreement, the following products shall be considered as originating in an EFTA State:
  - (a) products wholly obtained in an EFTA State within the meaning of Article 4;
  - (b) products obtained in an EFTA State incorporating materials which have not been wholly obtained there, provided that such materials have undergone sufficient working or processing in the EFTA State concerned within the meaning of Article 5; or
  - (c) products obtained in an EFTA State exclusively from materials that qualify as originating pursuant to this Annex.
2. For the purpose of this Agreement, the following products shall be considered as originating in Chile:

- (a) products wholly obtained in Chile within the meaning of Article 4;
- (b) products obtained in Chile incorporating materials which have not been wholly obtained there, provided that such materials have undergone sufficient working or processing in Chile within the meaning of Article 5; or
- (c) products obtained in Chile exclusively from materials that qualify as originating pursuant to this Annex.

### Article 3

#### ***Cumulation of origin***

1. Notwithstanding Article 2, materials originating in another Party within the meaning of this Annex shall be considered as materials originating in the Party concerned, provided that they have undergone working or processing going beyond that referred to in Article 6.
2. Products originating in another Party within the meaning of this Annex, which are exported from one Party to another, shall retain their origin when exported in the same state or without having undergone in the exporting Party working or processing going beyond that referred to in Article 6.
3. For the purpose 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 that referred to in Article 6, the origin is determined by the material with the highest customs value or, if this is not known and cannot be ascertained, with the highest first ascertainable price paid for that material in that Party.

### Article 4

#### ***Wholly obtained products***

For the purpose of Articles 2(1)(a) and 2(2)(a), the following shall be considered as wholly obtained in an EFTA State or in Chile:

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

- (e) products obtained by hunting, trapping or fishing in inland waters conducted there;
- (f) products of sea fishing and other products taken from the territorial sea or the exclusive economic zone of an EFTA state or of Chile <sup>1</sup>;
- (g) products of sea fishing and other products taken from the sea outside the exclusive economic zone by a vessel flying the flag of an EFTA state or of Chile;
- (h) products manufactured on board a factory ship flying the flag of an EFTA State or of Chile, exclusively from products referred to in sub-paragraphs (f) and (g);
- (i) used articles collected there fit only for the recovery of raw materials or for use as waste;
- (j) waste and scrap resulting from manufacturing operations conducted there;
- (k) products extracted from the seabed or beneath the seabed outside their territorial sea, provided that they have sole rights to exploit such seabed; and
- (l) products manufactured there exclusively from products specified in sub-paragraphs (a) to (k).

#### Article 5

##### ***Sufficiently worked or processed products***

1. For the purpose of Articles 2(1)(b) and 2(2)(b), products which are not wholly obtained are considered to be sufficiently worked or processed when the conditions set out in Appendix 2 are fulfilled.

The conditions referred to above indicate, for all products covered by this Agreement, 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, it follows that 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 an EFTA State or in Chile, by fulfilling the conditions set out in Appendix 2 is used as material in the manufacture of another product, the conditions applicable to such other product do not apply to a product that is used as material, and therefore no account shall be taken of

---

<sup>1</sup>

Products of sea fishing and other products taken from the sea within the exclusive economic zone of a Party shall be considered as wholly obtained in that Party if exclusively taken by a vessel registered or recorded within that Party and flying its flag.

any non-originating materials incorporated into such a product used as a material in the manufacture of another product.

2. Notwithstanding paragraph 1, non-originating materials which, according to the conditions set out in Appendix 2, should not be used in the manufacture of a product may nevertheless be used, provided that:

- (a) their total value does not exceed 10 per cent of the ex-works price of the product;
- (b) any of the percentages given in Appendix 2 for the maximum value of non-originating materials are not exceeded through the application of this paragraph.

Without prejudice to Notes 5 and 6 of Appendix 1, this paragraph shall not apply to products falling within chapters 50 to 63 of the Harmonized System.

3. Paragraphs 1 and 2 shall apply except as provided for in Article 6.

## Article 6

### *Insufficient working or processing operations*

1. Without prejudice to paragraph 2, the following operations shall be considered as insufficient working or processing to confer the status of originating products, whether or not the requirements of Article 5 are satisfied:

- (a) preserving operations to ensure that the products remain in good condition during transport and storage;
- (b) breaking-up and assembly of packages;
- (c) washing, cleaning; removal of dust, oxide, oil, paint or other coverings;
- (d) ironing or pressing of textiles;
- (e) simple<sup>1</sup> painting and polishing operations;
- (f) husking, partial or total bleaching, polishing, and glazing of cereals and rice;
- (g) operations to colour sugar or form sugar lumps;
- (h) peeling, stoning and shelling, of fruits, nuts and vegetables;

---

<sup>1</sup> “simple”, generally describes activities which need neither special skills nor machines, apparatus or equipment especially produced or installed for carrying out the activity.

- (i) sharpening, simple<sup>1</sup> grinding or simple<sup>1</sup> cutting;
- (j) sifting, screening, sorting, classifying, grading, matching (including the making-up of sets of articles);
- (k) simple<sup>1</sup> placing in bottles, cans, flasks, bags, cases, boxes, fixing on cards or boards and all other simple<sup>1</sup> packaging operations;
- (l) affixing or printing marks, labels, logos and other like distinguishing signs on products or their packaging;
- (m) simple mixing<sup>2</sup> of products, whether or not of different kinds;
- (n) simple<sup>1</sup> assembly of parts of articles to constitute a complete article or disassembly of products into parts;
- (o) operations whose sole purpose is to ease loading;
- (p) slaughter of animals;
- (q) a combination of two or more operations specified in sub-paragraphs (a) to (p).

2. All operations carried out either in an EFTA State or in Chile on a given product shall be considered together when determining whether the working or processing undergone by that product is to be regarded as insufficient within the meaning of paragraph 1.

## Article 7

### *Unit of qualification*

1. The unit of qualification for the application of the provisions of this Annex shall be the particular product which is considered as the basic unit when determining classification using the nomenclature of the Harmonized System.

---

<sup>1</sup> “simple”, generally describes activities which need neither special skills nor machines, apparatus or equipment especially produced or installed for carrying out the activity.

<sup>2</sup> “simple mixing”, generally describes activities which need neither special skills nor machines, apparatus or equipment especially produced or installed for carrying out the 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.

Accordingly, it follows that:

- (a) when a product composed of a group or assembly of articles is classified under a single heading, the whole constitutes the unit of qualification; or
- (b) when a consignment consists of a number of identical products classified under the same heading, each product shall be taken individually into account when applying the provisions of this Annex.

2. Where, under General Rule 5 of the Harmonized System, packaging is included with a product for classification purposes, it shall also be included for the purposes of determining origin of that product. Packing materials and containers in which a product is packed for shipment shall be disregarded in determining the origin of that product.

#### Article 8

##### *Accessories, spare parts and tools*

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 which are not separately invoiced, shall be regarded as one with the piece of equipment, machine, apparatus or vehicle in question.

#### Article 9

##### *Sets*

Sets, as defined in General Rule 3 of the Harmonized System, shall be regarded 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 shall be regarded as originating, provided that the value of the non-originating products does not exceed 15 per cent of the ex-works price of the set.

#### Article 10

##### *Neutral elements*

In order to determine whether a product originates, it shall not be necessary to determine the origin of the following which might be used in its manufacture:

- (a) energy and fuel;
- (b) plant and equipment, including goods to be used for their maintenance;
- (c) machines, tools, dies and moulds; and

- (d) any other goods which do not enter into and which are not intended to enter into the final composition of the product.

### TITLE III

#### TERRITORIAL REQUIREMENTS

##### Article 11

###### *Principle of territoriality*

1. Except as provided for in Article 3, the conditions for acquiring originating status set out in Title II must be fulfilled without interruption in an EFTA State or in Chile.
2. Except as provided for in Article 3, an originating product exported from an EFTA State or Chile to a non-Party shall where returned be considered as non-originating unless it can be demonstrated to the satisfaction of the customs authorities of the importing Party concerned that:
  - (a) the returning product is the same as that exported; and
  - (b) the returning product has not undergone any operation beyond that necessary to preserve it in good condition while being exported.

##### Article 12

###### *Direct transport*

1. The preferential treatment provided for under this Agreement applies only to products satisfying the requirements of this Annex which are transported directly between an EFTA State and Chile. However, products constituting one single consignment may be transported through other countries with, should the occasion arise, trans-shipment or temporary warehousing in such countries, provided that they remain under the surveillance of the customs authorities in the country of transit or warehousing and do not undergo operations other than unloading, reloading or any operation designed to preserve them in good condition.
2. Evidence that the conditions set out in paragraph 1 have been fulfilled shall be supplied to the customs authorities of the importing Party by the production of:
  - (a) a single transport document covering the passage from the exporting Party through the country of transit; or
  - (b) a certificate issued by the customs authorities of the country of transit:
    - (i) giving an exact description of the products;

- (ii) stating the dates of unloading and reloading of the products and, where applicable, the names of the ships, or the other means of transport used; and
  - (iii) certifying the conditions under which the products remained in the transit country; or
- (c) failing these, any other substantiating documents.

### Article 13

#### ***Exhibitions***

1. Originating products sent for exhibition outside the territories of the Parties and sold after the exhibition for importation into an EFTA State or into Chile shall, on importation benefit from the preferential treatment under this Agreement provided it is demonstrated to the satisfaction of the customs authorities that:

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

2. Paragraph 1 shall apply to any trade, industrial, agricultural or crafts exhibition, fair or similar public show or display which is not organised for private purposes in shops or business premises with a view to the sale of foreign products, and during which the products remain under customs control. The customs authorities of the importing Party may require evidence that the products have remained under customs control in the country of exhibition, as well as additional documentary evidence of the conditions under which they have been exhibited.

3. A proof of origin shall be issued or made out in accordance with the provisions of Title V and submitted to the customs authorities of the importing Party in the normal manner. The name and address of the exhibition must be indicated thereon. In the case of a movement certificate EUR.1, this indication should be inserted in the "Remarks" box.

## **TITLE IV**

## **DRAWBACK OR EXEMPTION**

### Article 14

#### ***Prohibition of drawback of, or exemption from, customs duties on imports***

1. Non-originating materials, used in the manufacture of products originating in an EFTA State or in Chile within the meaning of this Annex for which a proof of origin is issued or made out in accordance with the provisions of Title V shall not be subject in an EFTA State or in Chile to drawback of, or exemption from, customs duties of whatever kind.
2. The prohibition in paragraph 1 shall apply to any arrangement for refund, remission or non-payment, partial or complete, of customs duties or charges having an equivalent effect applicable in an EFTA State or Chile to materials used in the manufacture, where such refund, remission or non-payment applies, expressly or in effect, when products obtained from such materials are exported and not when they are retained for home use there<sup>1</sup>.
3. The exporter of products covered by a proof of origin shall be prepared to submit at any time, upon request from the customs authorities, all appropriate documents proving that no drawback has been obtained in respect of the non-originating materials used in the manufacture of the products concerned and that all customs duties or charges having an equivalent effect applicable to such materials have actually been paid.
4. The provisions of paragraphs 1 to 3 shall also apply in respect of packaging within the meaning of Article 7(2), accessories, spare parts and tools within the meaning of Article 8 and products in a set within the meaning of Article 9, when such items are non-originating.
5. The provisions of paragraphs 1 to 4 shall apply only in respect of materials which are of the kind to which the Agreement applies. Furthermore, they shall not preclude the application of an export refund system for agricultural products, applicable upon export in accordance with the provisions of this Agreement.
6. The provisions of this Article shall only apply five years after the entry into force of the Agreement.

## **TITLE V**

### **PROOF OF ORIGIN**

---

<sup>1</sup> The Parties agree that payment of import duties can be deferred until after the final product is exported so that the final destination of the product can be known by authorities.

## Article 15

### ***General requirements***

1. Products originating in an EFTA State or in Chile shall, on importation into another Party benefit from the preferential treatment under this Agreement upon submission of one of the following proofs of origin:
  - (a) a movement certificate EUR.1, a specimen of which appears in Appendix 3; or
  - (b) in the cases specified in Article 20(1), a declaration, subsequently referred to as the "invoice declaration", given 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. The text of the invoice declaration appears in Appendix 4.
2. Notwithstanding paragraph 1, originating products within the meaning of this Annex shall, in the cases specified in Article 25, on importation benefit from the preferential treatment under this Agreement without it being necessary to submit any of the documents referred in paragraph 1.

## Article 16

### ***Procedure for the issue of a movement certificate EUR.1***

1. A movement certificate EUR.1 shall be issued by the competent governmental authorities of the exporting Party on application having been made in writing by the exporter or, under the exporter's responsibility, by his authorised representative.
2. For this purpose, the exporter or his authorised representative shall fill out both the movement certificate EUR.1 and the application form, a specimen of which appear in Appendix 3.
3. The exporter applying for the issue of a movement certificate EUR.1 shall be prepared to submit at any time, at the request of the competent governmental authorities of the exporting Party issuing the movement certificate EUR.1, all appropriate documents proving the originating status of the products concerned as well as the fulfillment of the other requirements of this Annex.
4. A movement certificate EUR.1 shall be issued by the competent governmental authorities of the exporting Party if the products concerned can be considered as products originating in an EFTA State or in Chile and fulfil the other requirements of this Annex.

5. The issuing competent governmental authorities shall take any steps necessary to verify the originating status of the products and the fulfilment of the other requirements of this Annex. For this purpose, they 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 issuing competent governmental authorities shall also ensure that the forms referred to in paragraph 2 are duly completed. In particular, they shall check whether the space reserved for the description of the products has been completed in such a manner as to exclude all possibility of fraudulent additions.

6. The date of issue 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 governmental authorities 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 Article 16(7), 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 or involuntary omissions or special circumstances; or
- (b) it is demonstrated to the satisfaction of the competent governmental authorities that a movement certificate EUR.1 was issued but was not accepted at importation for technical reasons.

2. For the implementation of paragraph 1, 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 his request.

3. The competent governmental 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.

4. Movement certificates EUR.1 issued retrospectively must be endorsed with one of the following phrases:

"ÚTGEFIÐ EFTIR Á", "NACHTRÄGLICH AUSGESTELLT", "DÉLIVRÉ Á POSTERIORI", "RILASCIATO A POSTERIORI", "ISSUED RETROSPECTIVELY", "UTSTEDT SENERE", "EXPEDIDO A POSTERIORI".

5. The endorsement referred to in paragraph 4 shall be inserted in the "Remarks" box of the movement certificate EUR.1.

Article 18

***Issue of a duplicate movement certificate 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 governmental authorities which issued it for a duplicate made out on the basis of the export documents in their possession.
2. The duplicate issued in this way shall be endorsed with one of the following words:  
  
"EFTIRRIT", "DUPLIKAT", "DUPLICATA", "DUPLICATO", "DUPLICATE", "DUPLICADO".
3. The endorsement referred to in paragraph 2 shall be inserted in the "Remarks" box of the duplicate movement certificate EUR.1.
4. The duplicate, which shall bear the date of issue of the original movement certificate EUR.1, shall take effect as from that date.

Article 19

***Issue of movement certificates EUR.1 on the basis of a proof of origin issued or made out previously***

When originating products are placed under the control of a customs office in an EFTA State or in Chile, it shall be possible to replace the original proof of origin by one or more movement certificates EUR.1 for the purpose of sending all or some of these products to another Party or elsewhere within the importing Party concerned. The replacement movement certificate(s) EUR.1 shall be issued, in accordance with the law of the importing Party, by the customs office under whose control the products are placed.

Article 20

*Conditions for making out an invoice declaration*

1. An invoice declaration referred to in Article 15(1)(b) may be made out:
  - (a) by an approved exporter within the meaning of Article 21; or
  - (b) by any exporter for any consignment consisting of one or more packages containing originating products the total value of which does not exceed any of the following amounts:
    - (i) 6000 euro
    - (ii) 6300 US dollar (USD)
    - (iii) 4700000 Chilean pesos (CLP)
    - (iv) 50000 Norwegian kroner (NOK)
    - (v) 510000 Icelandic kroner (ISK)
    - (vi) 10300 Swiss francs (CHF)

Where the goods are invoiced in a currency other than those mentioned in this subparagraph, the amount equivalent to the amount expressed in the national currency of the importing Party shall be applied in accordance with the domestic legislation of that Party.

2. An invoice declaration may be made out if the products concerned can be considered as products originating in an EFTA State or in Chile and fulfil the other requirements of this Annex.
3. An exporter making out an invoice declaration shall be prepared to submit at any time, at the request of the competent governmental authorities 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. An invoice declaration shall be made out by the exporter by typing, stamping or printing on the invoice, the delivery note or another commercial document, the declaration, the text of which appears in Appendix 4, using one of the linguistic versions set out in that Appendix and in accordance with the provisions of the law of the exporting Party. If the declaration is handwritten, it shall be written in ink in printed characters.
5. Invoice declarations shall bear the original signature of the exporter in manuscript. However, an approved exporter within the meaning of Article 21 shall not be required to sign such declarations, provided that he gives the competent governmental authorities of the exporting Party a written undertaking that he accepts full responsibility for any invoice declaration which identifies him as if it had been signed in manuscript by him.

6. An invoice declaration may be made out by the exporter when the products to which it relates are exported, or after exportation.

#### Article 21

##### *Approved exporter*

1. The competent governmental authorities of the exporting Party may authorise any exporter, hereafter referred to as “approved exporter”, who makes frequent shipments of originating products under this Agreement to make out invoice declarations irrespective of the value of the products concerned. An exporter seeking such authorisation shall offer to the satisfaction of the competent governmental authorities all guarantees necessary to verify the originating status of the products as well as the fulfilment of the other requirements of this Annex.

2. The competent governmental authorities may grant the status of approved exporter subject to any conditions which they consider appropriate.

3. The competent governmental authorities shall grant to the approved exporter a customs authorisation number which shall appear on the invoice declaration.

4. The competent governmental authorities shall monitor the use of the authorisation by the approved exporter.

5. The competent governmental authorities may withdraw the authorisation at any time. They shall do so where the approved exporter no longer offers the guarantees referred to in paragraph 1, no longer fulfil the conditions referred to in paragraph 2 or otherwise makes an incorrect use of the authorisation.

#### Article 22

##### *Validity of proof of origin*

1. A proof of origin shall be valid for ten months from the date of issue in the exporting Party, and shall be submitted within the said period to the customs authorities of the importing Party.

2. Proofs of origin which are submitted to the customs authorities of the importing Party after the final date for presentation specified in paragraph 1 may be accepted for the purpose of applying for preferential treatment where the failure to submit these documents by the final date set is due to exceptional circumstances.

3. In other cases of belated presentation, the customs authorities of the importing Party may accept the proofs of origin where the products have been submitted to them before the said final date.

Article 23

***Submission of proof of origin***

1. Proofs of origin shall be submitted to the customs authorities of the importing Party in accordance with the procedures applicable in that Party. The said authorities may require a translation of a proof of origin, which can be drawn up by the importer. They may also require the import declaration to be accompanied by a statement from the importer to the effect that the products meet the conditions of this Annex.

2. Preferential treatment may also be granted, where applicable, by repayment of duties, as provided for in the domestic legislation of the EFTA State concerned and as for Chile within a period of two years from the date of acceptance of the import declaration, where a proof of origin is produced indicating that the imported goods were at that date eligible for preferential tariff treatment.

Article 24

***Importation by instalments***

Where, at the request of the importer and on the conditions laid down by the customs authorities of the importing Party, dismantled or non-assembled products within the meaning of General Rule 2 (a) of the Harmonized System falling within Sections XVI and XVII or headings 7308 and 9406 of the Harmonized System are imported by instalments, a single proof of origin for such products shall be submitted to the customs authorities upon importation of the first instalment.

Article 25

***Exemptions from proof of origin***

1. Products sent from private persons to private persons or products forming part of travellers' personal luggage shall be admitted as originating products without requiring the submission of a proof of origin, provided that such products are not imported by way of trade and have been declared as meeting the requirements of this Annex and where there is no doubt as to the veracity of such a declaration. In the case of products sent by post, this declaration can be made on customs declaration CN22/CN23 or other certificates established by the Universal Postal Union, or on a sheet of paper annexed to that document.

2. Imports which are occasional and consist solely of products for the personal use of the recipients or travellers or their families shall not be considered as imports by way of trade if it is evident from the nature and quantity of the products that no commercial purpose is in view.

3. In case of products sent from private persons to private persons the total value of these products shall not exceed any of the following amounts:

- (i) 500 euro
- (ii) 530 US dollar (USD)
- (iii) 400000 Chilean pesos (CLP)
- (iv) 4100 Norwegian kroner (NOK)
- (v) 43000 Icelandic kroner (ISK)
- (vi) 900 Swiss francs (CHF)

4. In case of products forming part of travellers' personal luggage the total value of these products shall not exceed any of the following amounts:

- (i) 1200 euro
- (ii) 1250 US dollar (USD)
- (iii) 940000 Chilean pesos (CLP)
- (iv) 10000 Norwegian kroner (NOK)
- (v) 100000 Icelandic kroner (ISK)
- (vi) 2100 Swiss francs (CHF)

5. Where the value of the goods is invoiced or declared in a currency other than those mentioned in paragraphs 3 and 4 the amount equivalent to the amount expressed in the national currency of the importing Party shall be applied.

#### Article 26

##### ***Supporting documents***

The documents referred to in Articles 16(3) and 20(3) used for the purpose of proving that products covered by a movement certificate EUR.1 or an invoice declaration can be considered as products originating in an EFTA State or in Chile and fulfil the other requirements of this Annex may consist of *inter alia* the following:

- (a) direct evidence of the processes carried out by the exporter or supplier to obtain the goods concerned, contained for example in his accounts or internal bookkeeping;
- (b) documents proving the originating status of materials used, issued or made out in an EFTA State or in Chile where these documents are used, as provided for in their internal legislation;

- (c) documents proving the working or processing of materials in an EFTA State or in Chile, issued or made out in an EFTA State or in Chile where these documents are used, as provided for in their internal legislation;
- (d) movement certificates EUR.1 or invoice declarations proving the originating status of materials used, issued or made out in an EFTA State or in Chile.

#### Article 27

##### ***Preservation of proof of origin and supporting documents***

1. The exporter applying for the issue of a movement certificate EUR.1 shall keep for at least three years the documents referred to in Article 16(3).
2. The exporter making out an invoice declaration shall keep for at least three years a copy of the invoice declaration in question as well as the documents referred to in Article 20(3).
3. The competent governmental authorities of the exporting Party issuing a movement certificate EUR.1 shall keep for at least three years the application form referred to in Article 16(2).
4. The customs authorities of the importing EFTA State concerned shall keep for at least three years the movement certificates EUR.1 and the invoice declarations submitted to them. The customs authorities of Chile must have at their disposal for five years the movement certificates EUR.1 and the invoice declarations submitted to them on importation.

#### Article 28

##### ***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 office for the purpose of carrying out the formalities for importing the products shall not *ipso facto* render the proof of origin null and void if it is duly established that such document does correspond to the products submitted.
2. Obvious formal errors such as typing errors on a proof of origin should not cause this document to be rejected if these errors are not such as to create doubts concerning the correctness of the statements made in this document.

## TITLE VI

### ARRANGEMENTS FOR ADMINISTRATIVE CO-OPERATION

#### Article 29

##### *Notifications*

The competent governmental authorities of the Parties shall provide each other, through the EFTA Secretariat, with specimen impressions of stamps used for the issue of movement certificates EUR.1, with information on the composition of the authorisation number for approved exporters, with a specimen of an original movement certificate EUR.1 and with the addresses of the competent governmental authorities responsible for verifying movement certificates EUR.1 and invoice declarations. Any changes shall be notified by the Parties well in advance.

#### Article 30

##### *Mutual assistance*

In order to ensure the proper application of this Annex, the EFTA States and Chile shall assist each other, through the customs authorities of the importing country and the competent governmental authorities of the exporting country in checking the originating status of the products, authenticity of the movement certificate EUR.1 or the invoice declarations and the correctness of the information given in these documents or the fulfilment of the other requirements of this Annex.

#### Article 31

##### *Verification of proofs of origin*

1. Subsequent verifications of proofs of origin shall be carried out whenever the customs authorities of the importing Party want to verify the authenticity of such documents, the originating status of the products concerned or the fulfilment of the other requirements of this Annex.

2. For the purpose of implementing the provisions of paragraph 1, the customs authorities of the importing Party shall return the movement certificate EUR.1 and the invoice, if it has been submitted, the invoice declaration, or a copy of these documents, to the competent governmental authorities of the exporting Party giving, where appropriate, 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.

3. The verification shall be carried out by the competent governmental authorities of the exporting Party. For this purpose, they shall have the right to call for any evidence and to carry out any check of the exporter's accounts or any other control considered appropriate.

4. If the customs authorities of the importing Party decide to suspend the granting of preferential treatment to the products concerned while awaiting the results of the verification, release of the products shall be offered to the importer subject to any precautionary measures judged necessary.

5. The customs authorities 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 an EFTA State or in Chile and fulfil the other requirements of this Annex.

6. If there is no reply within ten months of the date of the verification request or if the reply does not contain sufficient information to determine the authenticity of the document in question or the real origin of the products, the requesting customs authorities shall, except in exceptional circumstances, refuse entitlement to the preferences.

### Article 32

#### ***Resolution of disputes***

1. Where disputes arise in relation to the verification procedures of Article 31, which cannot be settled between the customs authorities requesting a verification and the competent governmental authorities responsible for carrying out this verification, or where they raise a question as to the interpretation of this Annex, they shall be submitted to the Sub-Committee on Customs and Origin Matters.

2. In all cases the settlement of disputes between the importer and the customs authorities of the importing country shall be under the legislation of the said country.

### Article 33

#### ***Confidentiality***

All information which is by nature confidential or which is provided on a confidential basis shall be protected, in accordance with the respective laws of each Party. It shall not be disclosed by the Parties' authorities without the express permission of the person or authority providing it. The communication of information shall be permitted where the customs authorities or the competent governmental authorities may be obliged or authorised to do so pursuant to the applicable legal provisions, including data protection and in connection with legal proceedings.

Article 34

***Penalties***

Penalties may be imposed in accordance with internal legislation for infringement to provisions of this Annex. In particular, penalties shall be imposed on any person who draws up, or causes to be drawn up, a document which contains incorrect information for the purpose of obtaining a preferential treatment for products.

Article 35

***Free zones***

1. The EFTA States and Chile shall take all necessary steps to ensure that products traded under cover of a proof of origin which in the course of transport use a free zone situated in their territory, are not substituted by other goods and do not undergo handling other than normal operations designed to prevent their deterioration.

2. By means of an exemption to paragraph 1, when products originating in an EFTA State or in Chile are entered into a free zone of the exporting country under cover of a proof of origin and undergo treatment or processing, the authorities concerned shall issue a new movement certificate EUR.1 at the exporter's request, if the treatment or processing undergone is in conformity with the provisions of this Annex.

**TITLE VII**

**FINAL PROVISIONS**

Article 36

***Sub-Committee on Customs and Origin Matters***

1. A Sub-Committee on Customs and Origin Matters is hereby established.

2. The functions of the Sub-Committee shall be to exchange information, review developments, prepare and co-ordinate positions, prepare technical amendments to the rules of origin and assist the Joint Committee regarding:

- (a) rules of origin and administrative co-operation as set out in this Annex;
- (b) providing a forum to consult and discuss customs matters, including customs procedures, customs valuation, tariff regimes, customs nomenclature, customs co-operation and mutual administrative assistance in customs matters;

- (c) other matters that are referred to the Sub-Committee by the Joint Committee.
3. The Sub-Committee shall endeavour to resolve as soon as possible any dispute arising in relation to the verification procedures, as referred to in Article 32(1) of this Annex.
  4. The Sub-Committee shall report to the Joint Committee. The Sub-Committee may make recommendations to the Joint Committee on matters related to its functions.
  5. The Sub-Committee shall act by consensus. The Sub-Committee shall be chaired alternatively by a representative of an EFTA State or Chile for an agreed period of time. The chairperson shall be elected at the first meeting of the Sub-Committee.
  6. The Sub-Committee shall meet as often as required. It may be convened by the Joint Committee, by the chairperson of the Sub-Committee on his/her own initiative or upon request of any Party. The venue shall alternate between Chile and an EFTA State.
  7. A provisional agenda for each meeting shall be prepared by the chairperson in consultation with all Parties, and forwarded to the Parties, as a general rule, not later than two weeks before the meeting.

#### Article 37

##### *Explanatory Notes*

1. The Parties shall within the Sub-Committee on Customs and Origin Matters elaborate and agree on “Explanatory Notes” regarding the interpretation, application and administration of this Annex.
2. The Parties shall implement simultaneously the agreed Explanatory Notes, in accordance with their respective internal procedures.

#### Article 38

##### *Transitional provision for products in transit or storage*

The provisions of this Agreement may be applied to products which comply with the provisions of this Annex and which on the date of entry into force of this Agreement are either in transit or are in an EFTA State or in Chile or, in temporary storage in customs warehouses or in free zones under customs control or in free zones, subject to the submission to the customs authorities of the importing Party, within four months of the said date, of a movement certificate EUR.1 issued retrospectively by the

competent governmental authorities of the exporting Party together with the documents showing that the products have been transported directly.

---