

PROTOCOL B

REFERRED TO IN ARTICLE 3(1)

CONCERNING THE DEFINITION OF THE CONCEPT
OF “ORIGINATING PRODUCTS” AND
METHODS OF ADMINISTRATIVE CO-OPERATION

PROTOCOL B

concerning the definition of the concept of "originating products" and methods of 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 Bilateral cumulation of origin
- Article 4 (This Protocol does not contain an Article 4)
- Article 5 Wholly obtained products
- Article 6 Sufficiently worked or processed products
- Article 7 Insufficient working or processing operations
- Article 8 Unit of qualification
- Article 9 Accessories, spare parts and tools
- Article 10 Sets
- Article 11 Neutral elements

TITLE III TERRITORIAL REQUIREMENTS

- Article 12 Principle of territoriality
- Article 13 Direct transport
- Article 14 Exhibitions

TITLE IV DRAWBACK OR EXEMPTION

- Article 15 Prohibition of drawback of, or exemption from, customs duties

TITLE V PROOF OF ORIGIN

- Article 16 General requirements
- Article 17 Procedure for the issue of a movement certificate EUR.1
- Article 18 Movement certificates EUR.1 issued retrospectively
- Article 19 Issue of a duplicate movement certificate EUR.1
- Article 20 Issue of movement certificates EUR.1 on the basis of a proof of origin issued or made out previously
- Article 21 Conditions for making out an invoice declaration
- Article 22 Approved exporter
- Article 23 Validity of proof of origin
- Article 24 Submission of proof of origin
- Article 25 Importation by instalments
- Article 26 Exemptions from proof of origin
- Article 27 Supporting documents
- Article 28 Preservation of proof of origin and supporting documents
- Article 29 Discrepancies and formal errors
- Article 30 Amounts expressed in Units of Account

TITLE VI ARRANGEMENTS FOR ADMINISTRATIVE CO-OPERATION

- Article 31 Mutual assistance
- Article 32 Verification of proofs of origin
- Article 33 Dispute settlement
- Article 34 Penalties
- Article 35 Free zones

TITLE VII FINAL PROVISIONS

- Article 36 Annexes
 - Article 37 Goods in transit and storage
 - Article 38 Sub-Committee on customs and origin matters
 - Article 39 Non-preferential treatment
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TITLE I
GENERAL PROVISIONS

Article 1

Definitions

For the purposes of this Protocol:

- (a) "manufacture" means any kind of working or processing including assembly or specific operations;
- (b) "material" means any ingredient, raw material, component or part, etc., used in the manufacture of the product;
- (c) "product" means the product being manufactured, even if it is intended for later use in another manufacturing operation;
- (d) "goods" means both materials and products;
- (e) "customs value" means the value as determined in accordance with the 1994 Agreement on implementation of Article VII of the General Agreement on Tariffs and Trade (WTO Agreement on customs valuation);
- (f) "ex-works price" means the price paid for the product ex works to the manufacturer in an EFTA State or in the West Bank and Gaza Strip in whose undertaking the last working or processing is carried out, provided the price includes the value of all the materials used, minus any internal taxes which are, or may be, repaid when the product obtained is exported;
- (g) "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 the West Bank and Gaza Strip;
- (h) "value of originating materials" means the value of such materials as defined in sub-paragraph (g) applied mutatis mutandis;
- (i) "added value" shall be taken to be the ex works price minus the customs value of each of the materials incorporated which originated in another Contracting Party as referred to in Article 3 or, where the customs value is not known or cannot be ascertained, the first price verifiably paid for such materials in the EFTA State concerned or in the West Bank and Gaza Strip;
- (j) "chapters" and "headings" mean the chapters and the headings (four-digit codes) used in the nomenclature which makes up the Harmonized Commodity Description and Coding System, referred to in this Protocol as "the Harmonized System" or "HS";

- (k) "classified" refers to the classification of a product or material under a particular heading;
- (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) "territories" includes territorial waters;
- (n) "units of account" shall be the equivalent to the European Currency Units (ECU) or to the EURO as from the date on which the latter replaces the ECU on a one-to-one basis.

TITLE II

DEFINITION OF THE CONCEPT OF "ORIGINATING PRODUCTS"

Article 2

Origin criteria

For the purpose of implementing this Agreement and without prejudice to the provisions of Article 3 of this Protocol, the following products shall be considered as:

1. products originating in an EFTA State:
 - (a) products wholly obtained in an EFTA State, within the meaning of Article 5 of this Protocol;
 - (b) products obtained in an EFTA State which contain materials not wholly obtained there, provided that the said materials have undergone sufficient working or processing in this EFTA State within the meaning of Article 6 of this Protocol;
2. products originating in the West Bank and Gaza Strip:
 - (a) products wholly obtained in the West Bank and Gaza Strip within the meaning of Article 5 of this Protocol;
 - (b) products obtained in the West Bank and Gaza Strip which contain materials not wholly obtained there, provided that the said materials have undergone sufficient working or processing in the West Bank and Gaza Strip within the meaning of Article 6 of this Protocol.

Article 3

Bilateral cumulation of origin

1. Without prejudice to Article 2 (1) (b), materials originating in the West Bank and Gaza Strip within the meaning of this Protocol shall be considered as products originating in an EFTA State when incorporated into a product obtained there, provided these materials have undergone working or processing in this EFTA State going beyond that referred to in Article 7 of this Protocol. The materials need not to have undergone sufficient working or processing.
2. Without prejudice to Article 2 (2) (b), materials originating in an EFTA State within the meaning of this Protocol shall be considered as products originating in the West Bank and Gaza Strip when incorporated into a product obtained there, provided these materials have undergone working or processing there going beyond that referred to in Article 7 of this Protocol. The materials need not to have undergone sufficient working or processing.
3. For the purpose of paragraphs 1 and 2, where the working or processing carried out in an EFTA State or in the West Bank and Gaza Strip is not going beyond that referred to in Article 7, the product obtained there shall be considered as originating in the Contracting Party concerned only if the value added there exceeds that of any incorporated materials originating in another Contracting Party. If this is not so, the product obtained shall be considered as originating in the Contracting Party which accounts for the highest value of originating materials used in the manufacture in the Contracting Party concerned.
4. Products originating in another Contracting Party within the meaning of this Protocol, not having undergone any working or processing in the Contracting Party concerned, retain their origin when exported to another Contracting Party.

Article 4

[This Protocol does not contain an Article 4]

Article 5

Wholly obtained products

1. The following shall be considered as wholly obtained in an EFTA State or the West Bank and Gaza Strip:
 - (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 or fishing conducted there;
 - (f) products of sea fishing and other products taken from the sea outside the territorial waters of the respective Contracting Party by their vessels;
 - (g) products made aboard their factory ships exclusively from products referred to in sub-paragraph (f);
 - (h) used articles collected there fit only for the recovery of raw materials, including used tyres fit only for retreading or for use as waste;
 - (i) waste and scrap resulting from manufacturing operations conducted there;
 - (j) products extracted from marine soil or subsoil outside their territorial waters provided that they have sole rights to work that soil or subsoil;
 - (k) goods produced there exclusively from the products specified in sub-paragraphs (a) to (j).
2. The terms "their vessels" and "their factory ships" in sub-paragraphs 1(f) and (g) shall apply only to vessels and factory ships:
- (a) which are registered or recorded in an EFTA State or in the West Bank and Gaza Strip;
 - (b) which sail under the flag of an EFTA State or of the West Bank and Gaza Strip;
 - (c) which are owned to an extent of at least 50 per cent by either nationals of EFTA States or Palestinian people of the West Bank and Gaza Strip, or by a company with its head office in one of the Contracting Parties, of which the manager or managers, Chairman of the Board of Directors or the Supervisory Board, and the majority of the members of such boards are either nationals of EFTA States or Palestinian people of the West Bank and Gaza Strip and of which, in addition, in the case of partnerships or limited companies, at least half the capital belongs to those Contracting Parties or to public bodies or either nationals of the EFTA States or Palestinian people of the West Bank and Gaza Strip;
 - (d) of which the master and officers are either nationals of EFTA States or Palestinian people of the West Bank and Gaza Strip; and
 - (e) of which at least 75 per cent of the crew are either nationals of EFTA States or Palestinian people of the West Bank and Gaza Strip.

Article 6

Sufficiently worked or processed products

1. For the purposes of Article 2, products which are not wholly obtained are considered to be sufficiently worked or processed when the conditions set out in the list in Annex II are fulfilled.

The conditions referred to above indicate, for all products covered by this Agreement, the working or processing which must 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 by fulfilling the conditions set out in the list is used in the manufacture of another product, the conditions applicable to the product in which it is incorporated do not apply to it, and no account shall be taken of the non-originating materials which may have been used in its manufacture.

2. Notwithstanding paragraph 1, non-originating materials which, according to the conditions set out in the list, 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 the list for the maximum value of non-originating materials are not exceeded through the application of this paragraph.

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 in Article 7.

Article 7

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 6 are satisfied:
 - (a) operations to ensure the preservation of products in good condition during transport and storage (ventilation, spreading out, drying, chilling, placing in salt, sulphur dioxide or other aqueous solutions, removal of damaged parts, and like operations);
 - (b) simple operations consisting of removal of dust, sifting or screening, sorting, classifying, matching (including the making-up of sets of articles), washing, painting, cutting up;

- (c) (i) changes of packaging and breaking up and assembly of packages;
 - (c) (ii) simple placing in bottles, flasks, bags, cases, boxes, fixing on cards or boards etc., and all other simple packaging operations;
 - (d) affixing marks, labels and other like distinguishing signs on products or their packaging;
 - (e) simple mixing of products, whether or not of different kinds, where one or more components of the mixtures do not meet the conditions laid down in this Protocol to enable them to be considered as originating in an EFTA State or the West Bank and Gaza Strip;
 - (f) simple assembly of parts to constitute a complete product;
 - (g) a combination of two or more operations specified in sub-paragraphs (a) to (f);
 - (h) slaughter of animals.
2. All the operations carried out in either an EFTA State or the West Bank and Gaza Strip 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 8

Unit of qualification

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

Accordingly, it follows that:

- (a) when a product composed of a group or assembly of articles is classified under the terms of the Harmonized System in a single heading, the whole constitutes the unit of qualification;
 - (b) when a consignment consists of a number of identical products classified under the same heading of the Harmonized System, each product must be taken individually when applying the provisions of this Protocol.
2. Where, under general rule 5 of the Harmonized System, packaging is included with the product for classification purposes, it shall be included for the purposes of determining origin.

Article 9

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 10

Sets

Sets, as defined in general rule 3 of the Harmonized System, shall be regarded as originating when all component products are originating. Nevertheless, 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 11

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;
- (c) machines and tools;
- (d) goods which do not enter and which are not intended to enter into the final composition of the product.

TITLE III

TERRITORIAL REQUIREMENTS

Article 12

Principle of territoriality

1. Except as provided for in Article 3 and paragraph 3 of this Article, the conditions for acquiring originating status set out in Title II must be fulfilled without interruption in an EFTA State or the West Bank and Gaza Strip.

2. Except as provided for in Article 3, where originating goods exported from an EFTA State or the West Bank and Gaza Strip to another country return, they must be considered as non-originating, unless it can be demonstrated to the satisfaction of the customs authorities that:
 - (a) the returning goods are the same as those that were exported; and
 - (b) they have not undergone any operation beyond that necessary to preserve them in good condition while in that country or while being exported.
3. The acquisition of originating status in accordance with the conditions set out in Title II shall not be affected by working or processing done outside a Contracting Party on materials exported from an EFTA State or the West Bank and Gaza Strip and subsequently reimported there, provided:
 - (a) the said materials are wholly obtained in an EFTA State or the West Bank and Gaza Strip or have undergone working or processing beyond the insufficient operations listed in Article 7 prior to being exported; and
 - (b) it can be demonstrated to the satisfaction of the customs authorities that:
 - (i) the reimported goods have been obtained by working or processing the exported materials; and
 - (ii) the total added value acquired outside the EFTA State concerned or the West Bank and Gaza Strip by applying the provisions of this Article does not exceed 10 per cent of the ex-works price of the final product for which originating status is claimed.
4. For the purposes of paragraph 3, the conditions for acquiring originating status set out in Title II shall not apply to working or processing done outside an EFTA State or the West Bank and Gaza Strip. However, where, in the list in Annex II, a rule setting a maximum value for all the non-originating materials incorporated is applied in determining the originating status of the final product, the total value of the non-originating materials incorporated in the territory of the Contracting Party concerned, taken together with the total added value acquired outside the EFTA State concerned or the West Bank and Gaza Strip by applying the provisions of this Article, shall not exceed the stated percentage.
5. For the purposes of applying the provisions of paragraphs 3 and 4, “total added value” shall be taken to mean all costs arising outside the EFTA State concerned or the West Bank and Gaza Strip, including the value of the materials incorporated there.
6. The provisions of paragraphs 3 and 4 shall not apply to products which do not fulfil the conditions set out in the list in Annex II and which can be considered sufficiently worked or processed only if the general tolerance in Article 6 (2) is applied.

7. The provisions of paragraphs 3 and 4 shall not apply to products falling within Chapters 50 to 63 of the Harmonized System.
8. Any working or processing of the kind covered by the provisions of this Article carried out outside an EFTA State or the West Bank and Gaza Strip shall be effected by means of an outward processing arrangement, or a similar arrangement.

Article 13

Direct transport

1. The preferential treatment provided for under this Agreement applies only to products, satisfying the requirements of this Protocol, which are transported directly between the Contracting Parties. However, products constituting one single consignment may be transported through other territories with, should the occasion arise, trans-shipment or temporary warehousing in such territories, 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.

Originating products may be transported by pipeline across territory other than that of the Contracting Parties.

2. Evidence that the conditions set out in paragraph 1 have been fulfilled shall be supplied to the customs authorities of the importing Contracting Party by the production of:
 - (a) a single transport document covering the passage from the exporting Contracting 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 substantiating documents.

Article 14

Exhibitions

1. Originating products, sent for exhibition outside the Contracting Parties and sold after the exhibition for importation into an EFTA State or the West Bank and Gaza Strip shall benefit on importation from the provisions of this Agreement provided it is shown to the satisfaction of the customs authorities that:
 - (a) an exporter has consigned these products from an EFTA State or the West Bank and Gaza Strip 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 the West Bank and Gaza Strip;
 - (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. A proof of origin must be issued or made out in accordance with the provisions of Title V and submitted to the customs authorities of the importing Contracting Party in the normal manner. The name and address of the exhibition must be indicated thereon. Where necessary, additional documentary evidence of the conditions under which they have been exhibited may be required.
3. Paragraph 1 shall apply to any trade, industrial, agricultural or crafts exhibition, fair or similar public show or display which is not 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.

TITLE IV

DRAWBACK OR EXEMPTION

Article 15

Prohibition of drawback of, or exemption from, customs duties

1. Non-originating materials used in the manufacture of products originating in an EFTA State or in the West Bank and Gaza Strip 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 the West Bank and Gaza Strip 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 the West Bank and Gaza Strip, to materials used in the manufacture, where such refund, remission or non-payment applies, expressly or in effect, when products obtained from the said materials are exported and not when they are retained for home use there.
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 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 8 (2), accessories, spare parts and tools within the meaning of Article 9 and products in a set within the meaning of Article 10 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 apply as from 1 January 2002 and may be reviewed by common accord.

TITLE V

PROOF OF ORIGIN

Article 16

General requirements

1. Products originating in an EFTA State or the West Bank and Gaza Strip shall, on importation into an EFTA State or the West Bank and Gaza Strip, benefit from this Agreement upon submission of either :
 - (a) a movement certificate EUR.1, a specimen of which appears in Annex III; or
 - (b) in the cases specified in Article 21 (1), a declaration, the text of which appears in Annex IV, 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 (hereinafter referred to as the "invoice declaration").

2. Notwithstanding paragraph 1, originating products within the meaning of this Protocol shall, in the cases specified in Article 26, benefit from this Agreement without it being necessary to submit any of the documents referred to above.

Article 17

Procedure for the issue of a movement certificate EUR.1

1. A movement certificate EUR.1 shall be issued by the customs authorities of the exporting Contracting Party on application having been made in writing by the exporter or, under the exporter's responsibility, by his authorized representative.
2. For this purpose, the exporter or his authorized representative shall fill out both the movement certificate EUR.1 and the application form, specimens of which appear in Annex III. These forms shall be completed in one of the official languages of a Contracting Party, or in English, in accordance with the provisions of the domestic law of the exporting Contracting Party. If they are handwritten, they shall be completed in ink in printed characters. The description of the products must be given in the box reserved for this purpose without leaving any blank lines. Where the box is not completely filled, a horizontal line must be drawn below the last line of the description, the empty space being crossed through.
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 customs authorities of the exporting Contracting Party where the movement certificate EUR.1 is issued, all appropriate documents proving the originating status of the products concerned as well as the fulfilment of the other requirements of this Protocol.
4. A movement certificate EUR.1 shall be issued by the customs authorities of an EFTA State or the West Bank and Gaza Strip if the products concerned can be considered as products originating in an EFTA State or the West Bank and Gaza Strip, and fulfil the other requirements of this Protocol.
5. The issuing customs authorities shall take any steps necessary to verify the originating status of the products and the fulfilment of the other requirements of this Protocol. 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 customs 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 customs authorities and made available to the exporter as soon as actual exportation has been effected or ensured.

Article 18

Movement certificates EUR.1 issued retrospectively

1. Notwithstanding Article 17 (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 customs 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 must indicate in his 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 customs authorities may issue a movement certificate EUR.1 retrospectively only after verifying that the information supplied in the exporter's application agrees with that in the corresponding file.
4. Movement certificates EUR.1 issued retrospectively must be endorsed with one of the following phrases:

"NACHTRÄGLICH AUSGESTELLT", "DÉLIVRÉ Á POSTERIORI",
"RILASCIATO A POSTERIORI", "ISSUED RETROSPECTIVELY",
"ÚTGEFIÐ EFTIR Á", "UTSTEDT SENERE", [*Arab version*]
5. The endorsement referred to in paragraph 4 shall be inserted in the "Remarks" box of the movement certificate EUR.1.

Article 19

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 may apply to the customs 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 must be endorsed with one of the following words:

"DUPLIKAT", "DUPLICATA", "DUPLICATO", "DUPLICATE",
"EFTIRRIT", [*Arab version*]

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 must bear the date of issue of the original movement certificate EUR.1, shall take effect as from that date.

Article 20

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 the West Bank and Gaza Strip, 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 elsewhere within an EFTA State or the West Bank and Gaza Strip. The replacement movement certificate(s) EUR.1 shall be issued by the customs office under whose control the products are placed.

Article 21

Conditions for making out an invoice declaration

1. An invoice declaration as referred to in Article 16 (1) (b) may be made out:
 - (a) by an approved exporter within the meaning of Article 22, or
 - (b) by any exporter for any consignment consisting of one or more packages containing originating products whose total value does not exceed 6 000 units of account.
2. An invoice declaration may be made out if the products concerned can be considered as products originating in an EFTA State or in the West Bank and Gaza Strip and fulfil the other requirements of this Protocol.
3. The exporter making out an invoice declaration shall be prepared to submit at any time, at the request of the customs authorities of the exporting Contracting Party, all appropriate documents proving the originating status of the products concerned as well as the fulfilment of the other requirements of this Protocol.
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 Annex IV, using one of the linguistic versions set out in that Annex and in accordance with the provisions of the domestic law of the exporting Contracting 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 22 shall not be required to sign such declarations provided that he gives the customs authorities of the exporting Contracting 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 on condition that it is presented in the importing Contracting Party no longer than two years after the importation of the products to which it relates.

Article 22

Approved exporter

1. The customs authorities of the exporting Contracting Party may authorize any exporter who makes frequent shipments of products under this Agreement to make out invoice declarations irrespective of the value of the products concerned. An exporter seeking such authorisation must offer to the satisfaction of the customs authorities all guarantees necessary to verify the originating status of the products as well as the fulfilment of the other requirements of this Protocol.
2. The customs authorities may grant the status of approved exporter subject to any conditions which they consider appropriate.
3. The customs authorities shall grant to the approved exporter a customs authorization number which shall appear on the invoice declaration.
4. The customs authorities shall monitor the use of the authorization by the approved exporter.
5. The customs authorities may withdraw the authorization at any time. They shall do so where the approved exporter no longer offers the guarantees referred to in paragraph 1, does not fulfil the conditions referred to in paragraph 2 or otherwise makes an incorrect use of the authorization.

Article 23

Validity of proof of origin

1. A proof of origin shall be valid for four months from the date of issue in the exporting Contracting Party, and must be submitted within the said period to the customs authorities of the importing Contracting Party.
2. Proofs of origin which are submitted to the customs authorities of the importing Contracting Party after the final date for presentation specified in paragraph 1

may be accepted for the purpose of applying 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 Contracting Party may accept the proofs of origin where the products have been submitted before the said final date.

Article 24

Submission of proof of origin

Proofs of origin shall be submitted to the customs authorities of the importing Contracting Party in accordance with the procedures applicable in that Contracting Party. The said authorities may require a translation of a proof of origin and may also require the import declaration to be accompanied by a statement from the importer to the effect that the products meet the conditions required for the implementation of this Agreement.

Article 25

Importation by instalments

Where, at the request of the importer and on the conditions laid down by the customs authorities of the importing Contracting 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 heading Nos. 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 26

Exemptions from proof of origin

1. Products sent as small packages from private persons to private persons or 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 Protocol 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 the customs declaration CN 22/CN 23 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. Furthermore, the total value of these products shall not exceed 500 units of account in the case of small packages or 1 200 units of account in the case of products forming part of travellers' personal luggage.

Article 27

Supporting documents

The documents referred to in Articles 17 (3) and 21 (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 the West Bank and Gaza Strip and fulfil the other requirements of this Protocol may consist inter alia of 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 the West Bank and Gaza Strip where these documents are used in accordance with domestic law;
- (c) documents proving the working or processing of materials in an EFTA State or the West Bank and Gaza Strip, issued or made out in an EFTA State or the West Bank and Gaza Strip where these documents are used in accordance with domestic law;
- (d) movement certificates EUR.1 or invoice declarations proving the originating status of materials used, issued or made out in an EFTA State or the West Bank and Gaza Strip, in accordance with this Protocol.

Article 28

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 17 (3).
2. The exporter making out an invoice declaration shall keep for at least three years a copy of this invoice declaration as well as the documents referred to in Article 21 (3).
3. The customs authorities of the exporting Contracting Party issuing a movement certificate EUR.1 shall keep for at least three years the application form referred to in Article 17 (2).

4. The customs authorities of the importing Contracting Party shall keep for at least three years the movement certificates EUR.1 and the invoice declarations submitted to them.

Article 29

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 this 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.

Article 30

Amounts expressed in Units of Account

1. Amounts in the national currency of the exporting Contracting Party equivalent to the amounts expressed in units of account shall be fixed by the exporting Contracting Party and communicated to the other Contracting Parties.
2. When the amounts exceed the corresponding amounts fixed by the importing Contracting Party, the latter shall accept them if the products are invoiced in the currency of the exporting Contracting Party. When the products are invoiced in the currency of another Contracting Party, the importing Contracting Party shall recognise the amount notified by the Contracting Party concerned.
3. The amounts to be used in any given national currency shall be the equivalent in that national currency of the amounts expressed in units of account as at the first working day in October 1998.
4. The amounts expressed in units of account and their equivalents in the national currencies of the EFTA States and the West Bank and Gaza Strip shall be reviewed by the Joint Committee at the request of any of the Contracting Parties. When carrying out this review, the Joint Committee shall ensure that there will be no decrease in the amounts to be used in any national currency and shall furthermore consider the desirability of preserving the effects of the limits concerned in real terms. For this purpose, it may decide to modify the amounts expressed in units of account.

TITLE VI

ARRANGEMENTS FOR ADMINISTRATIVE CO-OPERATION

Article 31

Mutual assistance

1. The customs authorities of the EFTA States and of the West Bank and Gaza Strip shall provide each other, through the EFTA Secretariat, with specimen impressions of stamps used in their customs offices for the issue of movement certificates EUR.1 and with the addresses of the customs authorities responsible for verifying those certificates and invoice declarations.
2. In order to ensure the proper application of this Protocol, the EFTA States and the Palestinian Authority shall assist each other, through the competent customs administrations, in checking the authenticity of the movement certificates EUR.1 or the invoice declarations and the correctness of the information given in these documents.

Article 32

Verification of proofs of origin

1. Subsequent verifications of proofs of origin shall be carried out at random or whenever the customs authorities of the importing Contracting Party have reasonable doubts as to the authenticity of such documents, the originating status of the products concerned or the fulfilment of the other requirements of this Protocol.
2. For the purposes of implementing the provisions of paragraph 1, the customs authorities of the importing Contracting 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 customs authorities of the exporting Contracting Party giving, where appropriate, the reasons for the enquiry. 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 customs authorities of the exporting Contracting Party. 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.
4. If the customs authorities of the importing Contracting 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 must indicate clearly whether the documents are authentic and whether the products concerned can be considered as products originating in an EFTA State or the West Bank and Gaza Strip and fulfil the other requirements of this Protocol.
6. If in cases of reasonable doubt 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 33

Dispute settlement

Where disputes arise in relation to the verification procedures of Article 32 which cannot be settled between the customs authorities requesting a verification and the customs authorities responsible for carrying out this verification or where they raise a question as to the interpretation of this Protocol, they shall be submitted to the Joint Committee.

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

Article 34

Penalties

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 preferential treatment for products.

Article 35

Free zones

1. The EFTA States and the West Bank and Gaza Strip 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 the provisions contained in paragraph 1, when products originating in an EFTA State or the West Bank and Gaza Strip are imported into a free zone under cover of a proof of origin and undergo treatment or processing, the authorities concerned shall issue a new EUR.1 certificate at the exporter's request, if the treatment or processing undergone is in conformity with the provisions of this Protocol.

TITLE VII

FINAL PROVISIONS

Article 36

Annexes

The Annexes to this Protocol shall form an integral part thereof.

Article 37

Goods in transit and storage

Goods which conform to the provisions of Title II and which on the date of entry into force of this Agreement are either being transported or are being held in an EFTA State or in the West Bank and Gaza Strip in temporary storage, in bonded warehouses or in free zones, may be accepted as originating products subject to the submission, within four months from that date, to the customs authorities of the importing Contracting Party of a proof of origin, drawn up retrospectively, and of any documents that provide supporting evidence of the conditions of transport.

Article 38

Sub-Committee on customs and origin matters

A Sub-Committee on customs and origin matters shall be set up under the Joint Committee in accordance with Article 28 (5) of this Agreement to assist it in carrying out its duties and to ensure a continuous information and consultation process between experts.

It shall be composed of experts from the EFTA States and the West Bank and Gaza Strip responsible for questions related to customs and origin matters.

Article 39

Non-preferential treatment

For the purpose of implementing Article 3 of this Protocol, any product originating in an EFTA State or the West Bank and Gaza Strip shall, on exportation to another Contracting Party, be treated as a non-originating product during the period or periods in which the last-mentioned Contracting Party applies the rate of duty applicable to third countries or any corresponding safeguard measure to such products in accordance with this Agreement.
