

**RECORD OF UNDERSTANDINGS  
RELATING TO THE AGREEMENT  
BETWEEN THE EFTA STATES  
AND ROMANIA**

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1. The EFTA States and Romania recognize that there is a certain parallelism between the levels of concessions regarding tariffs, quantitative restrictions, charges and measures having equivalent effect at the entry into force of the Free Trade Agreement EFTA States-Romania and the Europe Agreement EC-Romania. The EFTA States and Romania further recognize that this parallelism should basically be maintained during the whole transitional period. The possibility of applying such parallelism to concessions exchanged under special conditions will be considered in the Joint Committee.
2. If the rates of basic duties resulting from Article 5, paragraph 1, are different than those resulting from Article 8, paragraph 3, of the Europe Agreement EC-Romania, Romania shall apply the latter rates under the EFTA-Romania Agreement.
3. If, during a period equal to the derogation for subsidies under paragraph 3 of Article 19 and given the particular sensitivities of the steel market, imports of specific steel products originating in one State Party to this Agreement cause or threaten to cause serious injury to domestic producers of like products or serious disturbance to the steel market of another State Party, both States Parties shall immediately enter into consultations to find an appropriate solution. Pending such a solution and notwithstanding other provisions of the Agreement and in particular Articles 21 and 25, when exceptional circumstances require immediate action, the importing State Party may adopt forthwith quantitative or other solutions strictly necessary to deal with the situation, in accordance with its international and multilateral obligations.
4. The total and partial suspensions of customs duties established on a temporary basis by Romanian Government Decision No 812/1991 are valid only until 31 December 1992.
5. The expression "rate of duty applied" means the duty stipulated in the customs tariff (autonomous, conventional, as well as suspended duty and any "permanent" tariff quota stipulated therein). This expression does not cover temporary suspensions and temporary tariff quotas.
6. With reference to paragraph 3 of Article 22, if there is a disagreement with regard to the actual value of imports of industrial products, international trade statistics such as those of ECE, GATT and OECD will serve as a basis.
7. According to Article 3 of Protocol A, Romania may introduce a system of price compensation measures. The EFTA States agree to provide technical assistance in the elaboration and implementation of such a system.

8. The EFTA States and Romania agree to closely co-ordinate their efforts in training those concerned with the use of the simplified procedure laid down in Protocol B with regard to the issue, control and verification of evidence of origin in order to enable them to be authorized to use this procedure. The simplified procedure shall be used in a restricted way and its implementation be subject to deliberations in the Sub-Committee on origin and customs matters.

9. (a) The EFTA States and Romania agree that the provisions of Article 23 of Protocol B shall not apply until 1 January 1994. This derogation may be prolonged by the Joint Committee taking into account the practice applied between Romania and the European Communities.

(b) If it is established that, because of the effect of the derogation from Article 23, a product is imported into the territory of a State Party to this Agreement in such increased quantities or under conditions which cause, or threaten to cause, serious injury to producers of similar or directly competitive goods in the State Party concerned, the provisions of Article 23 will be reintroduced in respect of such a product.

(c) As to the procedure for the application of the safeguard measures, the provisions of Article 25 of the Agreement shall apply *mutatis mutandis*, in particular paragraphs 3(b) and 6 of that Article.

10. In order not to hamper the introduction of efficient ADP systems in customs administrations, the EFTA States and Romania agree on the following interpretation of the word "submission" in Articles 8 and 12 of Protocol B to the Agreement: In cases where import declarations are transmitted electronically to the customs authorities of the importing State, it rests with these authorities to decide, within the framework and according to the provisions of the customs legislation applicable in the importing State, when and to what extent the documents constituting evidence of originating status shall actually be submitted.

11. A company from the EFTA States and a company from Romania respectively shall, for the purpose of the Agreement, mean a company or a firm set up in accordance with the laws of a Member State of the European Free Trade Association or of Romania respectively.

12. For the purpose of this Agreement, a national means, in the case of Romania, a natural person who is a citizen of Romania.

13. For the purpose of interpreting Article 19, paragraph 3, the States Parties to this Agreement agree that the term "higher intensity" refers to the level of aid granted by way of measures contained in Annex XII, paragraph (c), and that the application of normally inconsistent measures under paragraph (d) could be temporarily justified by the restructuring of Romania's economy, provided that these practices are compatible with the rules on state aid in the Agreement establishing an Association between Romania and the European Community, as implemented by the Parties to that Agreement.

14. The EFTA States and Romania agree to hold consultations in the Joint Committee with a view to consider the possibilities of complementing the criteria set out in Annexes XII and XIII to Article 19 by the criteria arising from the Agreement between the EFTA States and the European Economic Community on the establishment of a European Economic Area, after that Agreement will have entered into force.

15. The EFTA States and Romania consider that an arbitration procedure could be envisaged for disputes which cannot be settled through consultations between the States Parties concerned or in the Joint Committee. Such a possibility, for instance regarding Article 18, will be further examined in the Joint Committee.

16. The States Parties to this Agreement shall make the necessary efforts to complete the ratification process of this Agreement, if possible, within one year.

DONE at Geneva, this 10th day of December 1992, in a single authentic copy in the English language which shall be deposited with the Government of Sweden. The Depositary shall transmit certified copies to all Signatories.