

PROTOCOL B

REFERRED TO IN ARTICLE 7

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

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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 Albania or an EFTA State in whose undertaking the last working or processing is carried out, provided that 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 Albania or an EFTA State;
- (h) “value of originating materials” means the value of such materials as defined in (g) applied *mutatis mutandis*;
- (i) “value added” shall be taken to be the ex-works price minus the customs value of each of the materials incorporated which originate in the other countries referred to in Articles 3 and 4 with which cumulation is applicable or, where the customs value is not known or cannot be ascertained, the first ascertainable price paid for the materials in Albania or the EFTA State concerned;

- (j) “chapters” and “headings” means the chapters and the headings (four-digit codes) used in the nomenclature of 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) “EUR” means “euro”, the single currency of the European Monetary Union;
- (o) “an EFTA State” means any of the following States: Iceland, Norway or Switzerland (including Liechtenstein)¹, as the case may be;
- (p) “Party”, within the meaning of this Protocol, means Albania, Iceland, Norway, Switzerland or Liechtenstein.

TITLE II

DEFINITION OF THE CONCEPT OF “ORIGINATING PRODUCTS”

Article 2

General Requirements

1. For the purposes 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 5;
 - (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 an EFTA State within the meaning of Article 6;

¹ Due to the customs union between Switzerland and Liechtenstein, products originating in Liechtenstein are considered as originating in Switzerland.

- (c) goods originating in the European Economic Area (EEA), within the meaning of Protocol 4 to the Agreement on the European Economic Area.
2. For the purposes of this Agreement, the following products shall be considered as originating in Albania:
- (a) products wholly obtained in Albania within the meaning of Article 5;
 - (b) products obtained in Albania incorporating materials which have not been wholly obtained there, provided that such materials have undergone sufficient working or processing in Albania within the meaning of Article 6.
3. The provisions of subparagraph 1 (c) shall only apply provided a free trade agreement is applicable between, on the one hand, Albania and, on the other hand, the European Community.

Article 3

Cumulation in an EFTA State

1. Without prejudice to the provisions of paragraph 1 of Article 2, products shall be considered as originating in an EFTA State if such products are obtained there, incorporating materials originating in Iceland, Norway, Switzerland (including Liechtenstein)², Turkey or the European Community, provided that the working or processing carried out in the EFTA State concerned goes beyond the operations referred to in Article 7. It shall not be necessary that such materials have undergone sufficient working or processing.
2. Without prejudice to the provisions of paragraph 1 of Article 2, products shall be considered as originating in an EFTA State if such products are obtained there, incorporating materials originating in Albania or any other country participating in the European Union's Stabilisation and Association Process³, provided that the working or processing carried out in an EFTA State goes beyond the operations referred to in Article 7. It shall not be necessary that such materials have undergone sufficient working or processing.
3. Without prejudice to the provisions of paragraph 1 of Article 2, products shall be considered as originating in an EFTA State if such products are obtained there, incorporating materials originating in the Faroe Islands or in any country which is a participant in the Euro-Mediterranean partnership, based on the Barcelona Declaration

² The Principality of Liechtenstein forms, pursuant to the Treaty of 29 March 1923, a customs union with Switzerland and is a Contracting Party to the Agreement of 2 May 1992 on the European Economic Area.

³ As defined in the conclusions of the General Affairs Council in April 1997 and the Commission of 19 May 1999 on the establishment of the Stabilisation and Association Process with Western Balkan countries (Albania, Bosnia and Herzegovina, Croatia, Macedonia, Montenegro, Serbia and United Nations Interim Mission in Kosovo).

adopted at the Euro-Mediterranean Conference held on 27 and 28 November 1995⁴, other than Turkey, provided that the working or processing carried out in an EFTA State goes beyond the operations referred to in Article 7. It shall not be necessary that such materials have undergone sufficient working or processing.

4. Where the working or processing carried out in an EFTA State does not go beyond the operations referred to in Article 7, the product obtained shall be considered as originating in the EFTA State concerned only where the value added there is greater than the value of the materials used that are originating in any of the other countries referred to in paragraphs 1 to 3. If this is not the case, the product obtained shall be considered as originating in the country which accounts for the highest value of originating materials used in the manufacture in the EFTA State concerned.

5. Products originating in one of the countries referred to in paragraphs 1 to 3, which do not undergo any working or processing in the EFTA State concerned, retain their origin if exported into one of these countries.

6. The cumulation provided for in this Article may only be applied provided that:

- (a) a preferential trade agreement in accordance with Article XXIV of the GATT 1994 is applicable between the countries involved in the acquisition of the originating status and the country of destination;
- (b) materials and products have acquired originating status by application of rules of origin identical to those set out in this Protocol; and
- (c) notices indicating the fulfilment of the necessary requirements to apply cumulation have been published in Albania and in the EFTA States.

7. The cumulation provided for in this Article shall apply from the date agreed by the Parties concerned and indicated in the notice published in the respective official gazettes.

8. The EFTA States shall provide Albania, through the EFTA Secretariat, with details of the agreements, including their dates of entry into force and the rules of origin they provide for, which apply in their relation with the other countries referred to in paragraphs 1 to 3.

Article 4

Cumulation in Albania

1. Without prejudice to the provisions of paragraph 2 of Article 2, products shall be considered as originating in Albania if such products are obtained there, incorporating

⁴ A list of the countries participating in the Euro-Mediterranean partnership can be found at Appendix 5.

materials originating in Iceland, Norway, Switzerland (including Liechtenstein)⁵, Turkey or the European Community, provided that the working or processing carried out in Albania goes beyond the operations referred to in Article 7. It shall not be necessary that such materials have undergone sufficient working or processing.

2. Without prejudice to the provisions of paragraph 2 of Article 2, products shall be considered as originating in Albania if such products are obtained there, incorporating materials originating in Albania or any other country participating in the European Union's Stabilisation and Association Process⁶, provided that the working or processing carried out in Albania goes beyond the operations referred to in Article 7. It shall not be necessary that such materials have undergone sufficient working or processing.

3. Without prejudice to the provisions of paragraph 2 of Article 2, products shall be considered as originating in Albania if such products are obtained there, incorporating materials originating in the Faroe Islands or in any country which is a participant in the Euro-Mediterranean partnership, based on the Barcelona Declaration adopted at the Euro-Mediterranean Conference held on 27 and 28 November 1995⁷, other than Turkey, provided that the working or processing carried out in Albania goes beyond the operations referred to in Article 7. It shall not be necessary that such materials have undergone sufficient working or processing.

4. Where the working or processing carried out in Albania does not go beyond the operations referred to in Article 7, the product obtained shall be considered as originating in Albania only where the value added in Albania is greater than the value of the materials used originating in one of the other countries referred to in paragraphs 1 to 3. If this is not the case, the product obtained shall be considered as originating in the country which accounts for the highest value of originating materials used in the manufacture in Albania.

5. Products, originating in one of the countries referred to in paragraphs 1 to 3, which do not undergo any working or processing in Albania, retain their origin if exported into one of these countries.

6. The cumulation provided for in this Article may only be applied provided that:

- (a) a preferential trade agreement in accordance with Article XXIV of the GATT 1994 is applicable between the countries involved in the acquisition of the originating status and the country of destination;
- (b) materials and products have acquired originating status by application of rules of origin identical to those set out in this Protocol; and

⁵ The Principality of Liechtenstein forms, pursuant to the Treaty of 29 March 1923, a customs union with Switzerland and is a Contracting Party to the Agreement of 2 May 1992 on the European Economic Area.

⁶ As defined in the conclusions of the General Affairs Council in April 1997 and the Commission of 19 May 1999 on the establishment of the Stabilisation and Association Process with Western Balkan countries (Albania, Bosnia and Herzegovina, Croatia, Macedonia, Montenegro, Serbia and United Nations Interim Mission in Kosovo).

⁷ A list of the countries participating in the Euro-Mediterranean partnership can be found at Annex 5.

- (c) notices indicating the fulfilment of the necessary requirements to apply cumulation have been published in Albania and in the EFTA States.

7. The cumulation provided for in this Article shall apply from the date agreed by the Parties concerned and indicated in the notice published in the respective official gazettes.

8. Albania shall provide the EFTA States, through the EFTA Secretariat, with details of the Agreements, including their dates of entry into force and the rules of origin they provide for, which apply in relation with the other countries referred to in paragraphs 1 to 3.

Article 5

Wholly Obtained Products

1. The following shall be considered as wholly obtained in Albania or in an EFTA State:

- (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 Parties by their vessels;
- (g) products made aboard their factory ships exclusively from products referred to in subparagraph (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 subparagraph (a) to (j).

2. The terms “their vessels” and “their factory ships” in subparagraphs 1(f) and 1 (g) shall apply only to vessels and factory ships:

- (a) which are registered or recorded in Albania or in an EFTA State;
- (b) which sail under the flag of Albania or of an EFTA State;
- (c) which are owned to an extent of at least 50 per cent by nationals of Albania or of EFTA States, or by a company with its head office in one of these States, 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 nationals of Albania or of EFTA States and of which, in addition, in the case of partnerships or limited companies, at least half the capital belongs to those States or to public bodies or nationals of the those States;
- (d) of which the master and officers are nationals of Albania or of EFTA States; and
- (e) of which at least 75 per cent of the crew are nationals of Albania or of EFTA States.

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 Appendix 2 are fulfilled.

The conditions set out in Appendix 2 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. 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 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 ten per cent of the ex-works price of the product; and
- (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.

This paragraph shall not apply to products falling within Chapters 50 to 63 of the Harmonized System.

3. Paragraphs 1 and 2 shall apply subject to the provisions of Article 7.

Article 7

Insufficient Working or Processing

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) 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 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;
- (i) sharpening, simple grinding or simple cutting;
- (j) sifting, screening, sorting, classifying, grading, matching (including the making-up of sets of articles);
- (k) simple placing in bottles, cans, flasks, bags, cases, boxes, fixing on cards or boards and all other simple packaging operations;
- (l) affixing or printing marks, labels, logos and other like distinguishing signs on products or their packaging;
- (m) simple mixing of products, whether or not of different kinds;
- (n) simple assembly of parts of articles to constitute a complete article or disassembly of products into parts;
- (o) a combination of two or more operations specified in subparagraphs (a) to (n); or

(p) slaughter of animals.

2. All operations carried out either in Albania or in an EFTA State 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.

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 is an originating product, 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; or
- (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 subparagraph 1 (c) of Article 2, Articles 3 and 4 and paragraph 3 of this Article, the conditions for acquiring originating status set out in Title II must be fulfilled without interruption in Albania or in an EFTA State.

2. Except as provided for in Articles 3 and 4, where originating goods exported from Albania or from an EFTA State 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 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 Albania or an EFTA State on materials exported from Albania or an EFTA State and subsequently re-imported there, provided:

- (a) the said materials are wholly obtained in Albania or in an EFTA State or have undergone working or processing beyond the operations referred to in Article 7 prior to being exported; and
- (b) it can be demonstrated to the satisfaction of the customs authorities that:
 - (i) the re-imported goods have been obtained by working or processing the exported materials; and
 - (ii) the total added value acquired outside Albania or the EFTA State concerned by application of the provisions of this Article does not exceed ten per cent of the ex-works price of the end 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 Albania or an EFTA State. But where, Appendix 2, a rule setting a maximum value for all the non-originating materials incorporated is applied in determining the originating status of the end product, the total value of the non-originating materials incorporated in the territory of the Party concerned, taken together with the total added value acquired outside Albania or the EFTA State concerned by application of the provisions of this Article, shall not exceed the stated percentage.

5. For the purposes of paragraphs 3 and 4, “total added value” means all costs arising outside Albania or the EFTA State concerned, including the value of the materials incorporated there.

6. Paragraphs 3 and 4 shall not apply to products which do not fulfil the conditions set out in Appendix 2 or which can be considered sufficiently worked or processed only if the general tolerance fixed in paragraph 2 of Article 6 is applied.

7. The provisions of paragraphs 3 and 4 shall not apply to products of Chapters 50 to 63 of the Harmonized System.

8. Any working or processing of the kind covered by the provisions of this Article and done outside Albania or an EFTA State shall be done under the outward processing arrangements, or similar arrangements.

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 Parties or through the territories of the other countries referred to in Articles 3 and 4 with which cumulation is applicable. 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 a territory other than that of the Parties.

2. Evidence that the conditions set out in paragraph 1 have been fulfilled shall be supplied to the customs authorities of the importing country 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 country of transit; or
- (c) failing these, any substantiating documents.

Article 14

Exhibitions

1. Originating products sent for exhibition in a country other than those referred to in Articles 3 and 4 with which cumulation is applicable, and sold after the exhibition for importation into Albania or an EFTA State, shall benefit on importation from the provisions of this Agreement, provided that it is shown to the satisfaction of the customs authorities that:

- (a) an exporter has consigned these products from Albania or an EFTA State 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 Albania or an EFTA State;
- (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 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 the products 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 selling 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 Albania, in an EFTA State or in the other countries referred to in Articles 3 and 4 for which a proof of origin is issued or completed in accordance with the provisions of Title V shall not be subject in Albania or in an EFTA State to drawback of, or exemption from, customs duties of whatever kind.

2. 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 Albania or in an EFTA State 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.

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 paragraph 2 of Article 8, 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 this 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.

TITLE V

PROOF OF ORIGIN

Article 16

General Requirements

1. Products originating in Albania shall, on importation into an EFTA State and products originating in an EFTA State shall, on importation into Albania, benefit from 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 3a;
- (b) a movement certificate EUR-MED, a specimen of which appears in Appendix 3b; or
- (c) in the cases specified in paragraph 1 of Article 22, a declaration, subsequently referred to as the “invoice declaration” or the “invoice declaration EUR-MED”, 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 texts of the invoice declarations appear in Appendices 4a and 4b.

As long as this Protocol is applied only on a bilateral basis between Albania and the EFTA States, the EUR.1 and invoice declaration shall serve as the only proofs of origin.

2. Notwithstanding paragraph 1, originating products within the meaning of this Protocol shall, in the cases specified in Article 27, benefit from this Agreement without it being necessary to submit any of the documents referred to in paragraph 1.

Article 17

Procedure for the Issuance of a Movement Certificate EUR.1 or EUR-MED

1. A movement certificate EUR.1 or EUR-MED shall be issued by the customs authorities of the exporting Party following application in writing by the exporter or, under the exporter's responsibility, by his authorised representative.
2. For the purposes of paragraph 1, the exporter or his authorised representative shall fill out both the movement certificate EUR.1 or EUR-MED and the application form, specimens of which appear in Appendices 3a and 3b. These forms shall be completed in one of the official languages of a Party, or in English, in accordance with the provisions of the domestic law of the exporting Party. If the forms are completed in handwriting, 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 issuance of a movement certificate EUR.1 or EUR-MED shall be prepared to submit at any time, at the request of the customs authorities of the exporting Party where the movement certificate EUR.1 or EUR-MED is issued, all appropriate documents proving the originating status of the products concerned as well as the fulfilment of the other requirements set out in this Protocol.
4. Without prejudice to paragraph 5, a movement certificate EUR.1 shall be issued by the customs authorities of Albania or of an EFTA State in the following cases:
 - (a) if the products concerned can be considered as products originating in Albania, in an EFTA State or in one of the other countries referred to in paragraph 1 of Article 3 and paragraph 1 of Article 4 with which cumulation is applicable, without application of cumulation with materials originating in one of the countries referred to in paragraphs 2 and 3 of Article 3 and paragraphs 2 and 3 of Article 4, and fulfil the other requirements of this Protocol; or
 - (b) if the products concerned can be considered as products originating in one of the countries referred to in paragraphs 2 and 3 of Article 3 and paragraphs 2 and 3 of Article 4 with which cumulation is applicable, without application of cumulation with materials originating in one of the countries referred to in Articles 3 and 4 and fulfil the other requirements set out in this Protocol, provided that a certificate EUR-MED or an invoice declaration EUR-MED has been issued in the country of origin.
5. A movement certificate EUR-MED shall be issued by the customs authorities of Albania or of an EFTA State, if the products concerned can be considered as products originating in Albania, in an EFTA State or in one of the other countries referred to in Articles 3 and 4 with which cumulation is applicable, fulfil the requirements set out in this Protocol and:

- (a) cumulation was applied with materials originating in one of the countries referred to in paragraphs 2 and 3 of Article 3 and paragraphs 2 and 3 of Article 4;
- (b) the products may be used as materials in the context of cumulation for the manufacture of products for export to one of the countries referred to in paragraphs 2 and 3 of Article 3 and paragraphs 2 and 3 of Article 4; or
- (c) the products may be re-exported from the country of destination to one of the countries referred to in paragraphs 2 and 3 of Article 3 and paragraphs 2 and 3 of Article 4.

6. A movement certificate EUR-MED shall contain one of the following statements in English in Box 7:

- (a) if origin has been obtained by application of cumulation with one or more of the countries referred to in Articles 3 and 4:

“CUMULATION APPLIED WITH ...”(name of the country/countries)

- (b) if origin has been obtained without the application of cumulation with one or more of the countries referred to in Articles 3 and 4:

“NO CUMULATION APPLIED”

7. The customs authorities issuing movement certificates EUR.1 or EUR-MED shall take any steps necessary to verify the originating status of the products and the fulfilment of the other requirements set out in 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. They 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.

8. The date of issue of the movement certificate EUR.1 or EUR-MED shall be indicated in Box 11 of the certificate.

9. A movement certificate EUR.1 or EUR-MED 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 or EUR-MED Issued Retrospectively

1. Notwithstanding paragraph 9 of Article 17, a movement certificate EUR.1 or EUR-MED may exceptionally be issued after exportation of the products to which it relates if:

- (a) it was not issued at the time of exportation because of errors, involuntary omissions or special circumstances; or
- (b) it is demonstrated to the satisfaction of the customs authorities that a movement certificate EUR.1 or EUR-MED was issued but was not accepted at importation for technical reasons.

2. Notwithstanding paragraph 9 of Article 17, a movement certificate EUR-MED may be issued after exportation of the products to which it relates and for which a movement certificate EUR.1 was issued at the time of exportation, provided that it is demonstrated to the satisfaction of the customs authorities that the conditions referred to in paragraph 5 of Article 17 are satisfied.

3. For the implementation of paragraph 1 and 2, the exporter must indicate in the application the place and date of exportation of the products to which the movement certificate EUR.1 or EUR-MED relates, and state the reasons for the request.

4. The customs authorities may issue a movement certificate EUR.1 or EUR-MED retrospectively only after verifying that the information supplied in the exporter's application agrees with that in the corresponding file.

5. Movement certificates EUR.1 or EUR-MED issued retrospectively by application of paragraph 1 must be endorsed with the following phrase in English:

“ISSUED RETROSPECTIVELY”

Movement certificates EUR-MED issued retrospectively by application of paragraph 2 must be endorsed with the following phrase in English:

“ISSUED RETROSPECTIVELY (Original EUR.1 no....*[date and place of issue]*)”

6. The endorsement referred to in paragraph 5 shall be inserted in Box 7 of the movement certificate EUR.1 or EUR-MED.

Article 19

Issuance of a Duplicate Movement Certificate EUR.1 or EUR-MED

1. In the event of theft, loss or destruction of a movement certificate EUR.1 or EUR-MED, the exporter may apply to the customs authorities which issued it for a duplicate to be completed on the basis of the export documents in their possession.
2. The duplicate issued in accordance with paragraph 1 must be endorsed with the following word in English:

“DUPLICATE”

3. The endorsement referred to in paragraph 2 shall be inserted in Box 7 of the duplicate movement certificate EUR.1 or EUR-MED.
4. The duplicate, which must bear the date of issue of the original movement certificate EUR.1 or EUR-MED, shall take effect as from that date.

Article 20

Issuance of Movement Certificates EUR.1 or EUR-MED on the Basis of a Proof of Origin Previously Issued or Completed

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

Article 21

Accounting Segregation

1. Where considerable cost or material difficulties arise in keeping separate stocks of originating and non-originating materials which are identical and interchangeable, the customs authorities, at the written request of those concerned, may authorise the so-called “accounting segregation” method to be used for managing such stocks.
2. The accounting segregation method must be able to ensure that, for a specific reference-period, the number of products obtained which could be considered as originating is the same as that which would have been obtained if there had been physical segregation of the stocks.
3. The customs authorities may grant the authorisation referred to in paragraph 1, subject to any conditions deemed appropriate.

4. The accounting segregation method is recorded and applied on the basis of the general accounting principles applicable in the Party where the product was manufactured.

5. The beneficiary of the authorisation referred to in paragraph 1 may issue or apply for proofs of origin, as the case may be, for the quantity of products which may be considered as originating. At the request of the customs authorities, the beneficiary shall provide a statement of how the quantities have been managed.

6. The customs authorities shall monitor the use made of the authorisation and may withdraw it at any time whenever the beneficiary makes improper use of the authorisation in any manner whatsoever or fails to fulfil any other condition laid down in this Protocol.

Article 22

Conditions for Completing an Invoice Declaration or an Invoice Declaration EUR-MED

1. An invoice declaration or an invoice declaration EUR-MED referred to in subparagraph 1 (c) Article 16 may be completed:

- (a) by an approved exporter within the meaning of Article 23; or
- (b) by any exporter for any consignment consisting of one or more packages containing originating products whose total value does not exceed EUR 6,000.

2. Without prejudice to paragraph 3, an invoice declaration may be completed in the following cases:

- (a) if the products concerned can be considered as products originating in Albania or in an EFTA State or in one of the other countries referred to in paragraph 1 of Article 3 and paragraph 1 of Article 4 with which cumulation is applicable, without application of cumulation with materials originating in one of the countries referred to in paragraphs 2 and 3 of Article 3 and paragraphs 2 and 3 of Article 4, and fulfil the other requirements set out in this Protocol; or
- (b) if the products concerned can be considered as products originating in one of the countries referred to in paragraphs 2 and 3 of Article 3 and paragraphs 2 and 3 of Article 4 with which cumulation is applicable, without application of cumulation with materials originating in one of the countries referred to in Articles 3 and 4 and fulfil the other requirements set out in this Protocol, provided that a certificate EUR-MED or an invoice declaration EUR-MED has been issued in the country of origin.

3. An invoice declaration EUR-MED shall be completed if the products concerned can be considered as products originating in Albania or in an EFTA State or in one of the other countries referred to in Articles 3 and 4 with which cumulation is applicable, fulfil the requirements set out in this Protocol and:

- (a) cumulation was applied with materials originating in one of the countries referred to in paragraphs 2 and 3 of Article 3 and paragraphs 2 and 3 of Article 4; or
- (b) the products may be used as materials in the context of cumulation for the manufacture of products for export to one of the countries referred to in paragraphs 2 and 3 of Article 3 and paragraphs 2 and 3 of Article 4; or
- (c) the products may be re-exported from the country of destination to one of the countries referred to in paragraphs 2 and 3 of Article 3 and paragraphs 2 and 3 of Article 4.

4. An invoice declaration EUR-MED shall contain one of the following statements in English:

- (a) if origin has been obtained by application of cumulation with one or more of the countries referred to in Articles 3 and 4:

“CUMULATION APPLIED WITH” (*name of the country/countries*)

- (b) if origin has been obtained without the application of cumulation with one or more of the countries referred to in Articles 3 and 4:

“NO CUMULATION APPLIED”

5. The exporter completing an invoice declaration or an invoice declaration EUR-MED shall be prepared to submit at any time, at the request of the customs 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 set out in this Protocol.

6. An invoice declaration or an invoice declaration EUR-MED shall be completed 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 Appendices 4a and 4b, using one of the linguistic versions set out in these Appendices and in accordance with the provisions of the domestic law of the exporting Party. If the declaration is handwritten, it shall be written in ink in printed characters.

7. Invoice declarations and invoice declarations EUR-MED shall bear the original signature of the exporter in manuscript. However, an approved exporter within the meaning of Article 23 shall not be required to sign such declarations provided that he gives the customs 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.

8. An invoice declaration or an invoice declaration EUR-MED may be completed by the exporter when the products to which it relates are exported, or after exportation on condition that it is presented in the importing Party no longer than two years after the importation of the products to which it relates.

Article 23

Approved Exporter

1. The customs authorities of the exporting Party may authorise any exporter (hereinafter referred to as “approved exporter”) who makes frequent shipments of products under this Agreement to complete invoice declarations or invoice declarations EUR-MED 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 set out in 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 authorisation number which shall appear on the invoice declaration or the invoice declaration EUR-MED.

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

5. The customs 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 fulfils the conditions referred to in paragraph 2 or otherwise makes an incorrect use of the authorisation.

Article 24

Validity of Proof of Origin

1. A proof of origin shall be valid for four months from the date of issue in the exporting Party, and must 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 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 before the said final date.

Article 25

Submission of Proofs of Origin

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 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 set out in this Agreement.

Article 26

Importation by Instalments

Where, at the request of the importer and under 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 27

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 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 set out in this Protocol, and provided that 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 CN22 / CN23 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 EUR 500 in the case of small packages or EUR 1,200 in the case of products forming part of travellers' personal luggage.

Article 28

Supporting Documents

The documents referred to in paragraph 3 of Article 17 and paragraph 5 of Article 22 used for the purpose of proving that products covered by a movement certificate EUR.1, a movement certificate EUR-MED, an invoice declaration or an invoice declaration EUR-MED can be considered as products originating in Albania, in an EFTA State or in one of the other countries referred to in Articles 3 and 4 and fulfil the other requirements set out in 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 book-keeping;
- (b) documents proving the originating status of materials used, issued or completed in Albania or in an EFTA State where these documents are used in accordance with domestic law;
- (c) documents proving the working or processing of materials in Albania or in an EFTA State, issued or completed in Albania or in an EFTA State, where these documents are used in accordance with domestic law;
- (d) movement certificates EUR.1, movement certificates EUR-MED, invoice declarations or invoice declarations EUR-MED proving the originating status of materials used, issued or completed in Albania or in an EFTA State in accordance with this Protocol, or in one of the other countries referred to in Articles 3 and 4, in accordance with rules of origin which are identical to the rules in this Protocol; or
- (e) appropriate evidence concerning working and processing undergone outside Albania, an EFTA State or the other countries referred to in Articles 3 and 4 by application of Article 12, proving that the requirements set out in that Article have been satisfied.

Article 29

Preservation of Proof of Origin and Supporting Documents

1. The exporter applying for the issuance of a movement certificate EUR.1 or EUR-MED shall keep for at least three years the documents referred to in paragraph 3 of Article 17.
2. The exporter completing an invoice declaration or an invoice declaration EUR-MED shall keep for at least three years a copy of this invoice declaration as well as the documents referred to in paragraph 5 of Article 22.

3. The customs authorities of the exporting Party issuing a movement certificate EUR.1 or EUR-MED shall keep for at least three years the application form referred to in paragraph 2 of Article 17.

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

Article 30

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 its rejection if these errors are not such as to create doubts concerning the correctness of the statements made in the proof of origin.

Article 31

Amounts Expressed in Euro

1. For the purposes of subparagraph 1 (b) of Article 22 and paragraph 3 of Article 27 in cases where products are invoiced in a currency other than euro, amounts in the national currencies of the countries referred to in Articles 3 and 4 equivalent to the amounts expressed in euro shall be fixed annually by each of the countries concerned.

2. A consignment shall benefit from the provisions of subparagraph 1 (b) of Article 22 or paragraph 3 of Article 27 by reference to the currency in which the invoice is completed, according to the amount fixed by the Party concerned.

3. The amounts expressed in any given national currency shall be equivalent to the amounts expressed in euro as on the first working day of October and shall apply from 1 January the following year. The Parties shall be notified of the relevant amounts.

4. A Party may round up or down the amount resulting from the conversion into its national currency of an amount expressed in euro. The rounded-off amount may not differ from the amount resulting from the conversion by more than five per cent.

A Party may retain unchanged its national currency equivalent of an amount expressed in euro if, at the time of the annual adjustment provided for in paragraph 3, the conversion of that amount, prior to any rounding-off, results in an increase of less than 15 per cent in the national currency equivalent. The national currency equivalent

may be retained unchanged if the conversion would result in a decrease in that equivalent value.

5. The amounts expressed in euro shall be reviewed by the Joint Committee at the request of any Party. When carrying out this review, the Joint Committee shall 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 euro.

TITLE VI

ARRANGEMENTS FOR ADMINISTRATIVE CO-OPERATION

Article 32

Mutual Assistance

1. The customs authorities of Albania and the EFTA States shall provide each other, through the EFTA Secretariat, with specimen impressions of stamps used in their customs offices for the issuance of movement certificates EUR.1 and EUR-MED and with the addresses of the customs authorities responsible for verifying those certificates, invoice declarations and invoice declarations EUR-MED.

2. In order to ensure the proper application of this Protocol, Albania and the EFTA States shall assist each other, through the competent customs administrations, in checking the authenticity of movement certificates EUR.1, movement certificates EUR-MED, invoice declarations and invoice declarations EUR-MED, and the correctness of the information given in these documents.

Article 33

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 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 set out in this Protocol.

2. For the purposes of of paragraph 1, the customs authorities of the importing Party shall return the movement certificate EUR.1 or EUR-MED and the invoice, if it has been submitted, the invoice declaration or the invoice declaration EUR-MED, or a copy of these documents, to the customs authorities of the exporting 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 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 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 considered necessary.

5. The customs authorities requesting the verification shall be informed of the results of this verification as soon as possible. The results shall indicate clearly whether the documents are authentic and whether the products concerned can be considered as products originating in Albania, in an EFTA State or in one of the other countries referred to in Articles 3 and 4 and fulfil the other requirements set out in 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 preferential tariff treatment.

Article 34

Dispute Settlement

1. Disputes arising in relation to the verification procedures pursuant to Article 33, which cannot be settled between the customs authorities requesting a verification and the customs authorities responsible for carrying out this verification, or which raise a question as to the interpretation of this Protocol, shall be referred to the Albania-EFTA Joint Committee.

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

Article 35

Penalties

Penalties shall be imposed on any person who completes, or causes to be completed, a document which contains incorrect information for the purpose of obtaining a preferential tariff treatment.

Article 36

Free Zones

1. Albania and the EFTA States 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. Notwithstanding paragraph 1, when products originating in Albania or in an EFTA State 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 movement certificate EUR.1 or EUR-MED 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 37

Transitional Provision for Goods in Transit or Storage

The provisions of this Agreement may be applied to goods which comply with the provisions of this Protocol and which, on the date of entry into force of this Agreement, are either in transit or are in temporary storage in customs warehouses or in free zones in Albania or in an EFTA State, subject to the submission to the customs authorities of the importing country, within four months of the said date, of a movement certificate EUR.1 or EUR-MED issued retrospectively by the customs authorities of the exporting country together with the documents showing that the goods have been transported directly in accordance with the provisions of Article 13.

Article 38

Appendices

The Appendices to this Protocol form an integral part thereof.
