

PROTOCOL B CONCERNING THE DEFINITION OF THE CONCEPT OF “ORIGINATING PRODUCTS” AND METHODS OF ADMINISTRATIVE COOPERATION¹

Article 1

Applicable Rules of Origin

1. For the purpose of implementing the Agreement, Appendix I and the relevant provisions of Appendix II to the Regional Convention on pan-Euro-Mediterranean preferential rules of origin (“hereinafter referred to as the Convention”), as it may be subsequently amended, shall apply and are hereby incorporated into and made part of the Agreement, *mutatis mutandis*.
2. All references to the “relevant agreement” in Appendix I and in the relevant provisions of Appendix II to the Convention shall be construed so as to mean the Agreement.

Article 2

Alternative Applicable Rules of Origin

1. Notwithstanding Article 1, for the purpose of implementing the Agreement, products which acquire preferential origin in accordance with the provisions set out in Appendix A to this Protocol shall also be considered as originating in an EFTA State or in Albania.
2. The alternative rules shall apply until the amendment of the Convention enters into force.

Article 3

Full Cumulation

1. Working or processing carried out in a Party to the Central European Free Trade Agreement (hereinafter referred to as the “CEFTA Party/Parties”) shall be considered as having been carried out in an EFTA State when the products obtained undergo subsequent working or processing in an EFTA State. Where pursuant to this provision the originating products are obtained in two or more of the Parties concerned, they shall be considered as originating in an EFTA State only if the working or processing goes beyond the provisions in the Convention, or in the alternative rules concerning insufficient working or processing.
2. Working or processing carried out in an EFTA State shall be considered as having been carried out in a CEFTA Party when the products obtained undergo subsequent working or processing in a CEFTA Party. Where pursuant to this provision the originating products are obtained in two or more of the Parties concerned, they shall be considered as originating in a

¹ Protocol B as amended by Joint Committee Decision No. 1 of 2021 (24 June 2021); entry into force on 1 January 2022

CEFTA Party only if the working or processing goes beyond the provisions in the Convention or in the alternative rules concerning insufficient working or processing.

3. The cumulation provided for in this Article may only be applied provided that a preferential trade agreement in accordance with Article XXIV of the General Agreement on Tariffs and Trade (GATT) is applicable between the countries and territories involved in the acquisition of the originating status and the country or territory of destination.

Article 4

Prohibition of drawback of, or of exemption from, customs duties

The prohibition in Appendix I to the Convention and in the alternative rules of drawback of, or exemption from, customs duties shall not apply in bilateral trade between the Parties to the Agreement.

Article 5

Dispute Settlement

1. Chapter 8 of the Agreement shall apply with respect to the settlement of any disputes concerning the interpretation or application of Appendix I and the relevant provisions of Appendix II to the Convention, including their Annexes and of the alternative rules.

2. In all cases the settlement of disputes between the importer and the customs authorities of the importing country shall take place under the legislation of that country.

Article 6

Withdrawal from the Convention

1. Should one of the Parties give notice in writing to the depositary of the Convention of their intention to withdraw from the Convention according to Article 9 thereof, the Parties shall immediately enter into negotiations on rules of origin for the purpose of implementing the Agreement.

2. Until the entry into force of such newly negotiated rules of origin, the rules of origin contained in Appendix I and, where appropriate, the relevant provisions of Appendix II to the Convention, applicable at the moment of withdrawal, shall continue to apply and the alternative rules may continue to apply to the Agreement. However, as of the moment of withdrawal, the rules of origin contained in Appendix I and, where appropriate, the relevant provisions of Appendix II to the Convention and in the alternative rules shall be construed so as to allow bilateral cumulation only between the withdrawing Party and each of the other Parties.

Article 7

Electronically issued movement certificates EUR.1

1 As an alternative to the provisions regarding the issuance of movement certificates, the Parties shall accept electronically issued movement certificates EUR.1. Considering the digitalised system to issue movement certificates EUR.1, the formal requirements of electronically issued movement certificates EUR.1 are stated in Paragraph 3. The customs authorities of the exporting and the importing Party may agree on other formal requirements of electronically issued movement certificates EUR.1.

2. Each exporting Party shall inform the EFTA Secretariat about the readiness of the issuance of electronic movement certificates EUR.1 and all technical issues related to such implementation (issuance, submission and verification of an electronic certificate).

3. If agreed by the customs authorities of the exporting and importing Parties, paragraphs 1 and 2 of Annex IIIa to the Convention shall not apply if the movement certificate is issued and validated electronically, and the following applies:

- (a) ink stamps used by the customs or competent governmental authorities for the validation of the movement certificate EUR.1 (Box 11) may be replaced with an image or electronic stamps;
- (b) Boxes 11 and 12 may contain facsimile or electronic signatures instead of original signatures;
- (c) the information in Box 11 concerning the form and number of the export document shall be indicated only where requested by the regulations of the exporting Party;
- (d) it shall bear a serial number or a code by which it can be identified; and
- (e) it may be issued in any of the official languages of the Parties or in English.

Article 8

Transitional provisions - cumulation

Until the application of the revised rules of the Convention and notwithstanding paragraph 5 of Article 16 and paragraph 3 of Article 21 of Appendix I to the Convention, where cumulation involves only EFTA States, the Faroe Islands, the European Union, Turkey, the participants in the Stabilisation and Association Process, Moldova, Georgia and Ukraine the proof of origin may be a movement certificate EUR.1 or an origin declaration.
