

EUROPEAN FREE TRADE ASSOCIATION

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DECISION OF THE JOINT EFTA-MEXICO COMMITTEE
No. 2 of 2002

(Adopted at the first meeting on 22 October 2002)

Attached you will find Decision of the Joint EFTA-Mexico Committee No. 2 of 2002 introducing technical adaptations to Annex I to the Free Trade Agreement between the EFTA States and the United Mexican States.

DECISION OF EFTA-MEXICO JOINT COMMITTEE

No. 2 of 2002

(Adopted on 22 October 2002)

Introducing technical adaptations to Annex I to the Free Trade Agreement between the EFTA States and the United Mexican States, concerning the definition of the concept of originating products and methods of administrative co-operation

THE JOINT COMMITTEE,

Having regard to the Free Trade Agreement between the EFTA States and the United Mexican States, signed in Mexico City on 27 November 2000 (hereinafter "the Agreement") and in particular to Article 70 thereof;

Whereas:

Annex I of the Agreement concerning the definition of the concept of originating products and methods of administrative co-operation sets out the rules of origin for the products originating in the territory of the Parties to the Agreement.

To ensure the correct and harmonious operation of these rules it is necessary to adapt Annex I in order to include the amendments to the Harmonized Commodity Description and Coding System ("Harmonized System") which took effect on 1 January 2002.

The adaptation contained in this Decision has the sole purpose of establishing consistency between the Appendices and Joint Declaration I, on the one hand, and the Parties' tariff laws and regulations on the other, and cannot therefore be considered to constitute a substantial change to the Agreement.

To ensure a smooth transition between the existing rules and the new rules as defined by this decision, it appears desirable to set up a mechanism that, upon request of one of the Parties, would enable the Joint Committee under certain conditions to restore, where appropriate, the previously applicable rules.

HAS DECIDED AS FOLLOWS:

Article 1

1. Note 7.4 to Appendix 1, Appendix 2 and Note 1 to Appendix 2(a) of Annex I to the Agreement, shall be replaced by the text contained in the Annex to the present Decision. The reference in Joint Declaration I to "HS heading No 4104", both in the title and in the first indent shall be read as "HS headings 4104 and 4107".
2. In accordance with the new editorial standard of the Harmonized System, the expression "heading No" or "heading Nos" shall read "heading" or "headings" respectively in the English version of Annex I of the Agreement.

3. Where, following the amendments made to the Harmonized System, the changes to the rules of origin as introduced by this Decision alter the substance of any rule existing previously, and it appears that such alteration results in a situation prejudicial to the interest of the sectors concerned, then, if one of the Parties so requests in the period up to three years after the date on which the Decision enter into force, an examination shall be made as a matter of urgency by the Joint Committee, of the need to restore the substance of the rule concerned as it was before this Decision. In any case the Joint Committee shall decide to restore, or not to restore, the substance of the rule concerned within a period of six months of the request being made to it by any of the Parties to the Agreement.

Article 2

This Decision shall enter into force on 1 January 2003.

Signed in Mexico City on 22 October 2002 in two originals, in the English and Spanish languages, both texts being equally authentic.

For the United Mexican States

For the Republic of Iceland

For the Principality of Liechtenstein

For the Kingdom of Norway

For the Swiss Confederation

ANNEX

1. Appendix 1.

The text for Note 7.4 to Appendix 1 shall be amended as follows:

7.4 Redistillation by a very thorough fractionation process means distillation (other than topping) by a continuous or batch process employed in industrial installations using distillates of subheadings 2710 11 to 2710 99, 2711 11, 2711 12 to 2711 19, 2711 21 and 2711 29 (other than propane of a purity of 99 per cent or more) to obtain:

1. Isolated high-purity hydrocarbons (90 per cent or more in the case of olefins and 95 per cent or more in the case of other hydrocarbons), mixtures of isomers having the same organic composition being regarded as isolated hydrocarbons.

Only those process by means of which at least three different products are obtained are admissible, but this restriction does not apply in any instance where the process consists in the separation of isomers. In so far this concerns xylenes, ethylbenzene is included with xylene isomers;

2. Products of subheadings 2707 10 to 2707 30, 2707 50 and 2710 11 to 2710 99:
 - (a) with no overlapping of the final boiling point of one fraction and the initial boiling point of the succeeding fraction and a difference of not more than 60° C between the temperatures at which 5 and 90 per cent by the volume (including losses) distil by the ASTM D 86-67 method (re-approved 1972);
 - (b) with an overlapping of the final boiling point of one fraction and the initial boiling point of the succeeding fraction and a difference of not more than 30° C between the temperatures at which 5 and 90 per cent by volume (including losses) distil by the ASTM D 86-67 method (re-approved 1972).

2. Appendix 2.

- a) The descriptions (column 2) for headings 2710, 2934, 3822, 3824, 4012, 4810, 5802 to 5804 and 8456 to 8465 in Appendix 2 to Annex I shall be amended as follows:

HS Heading	Description of product
(1)	(2)
2710	Petroleum oils and oils obtained from bituminous minerals, other than crude; preparations not elsewhere specified or included, containing by weight 70 % or more of petroleum oils or of oils obtained from bituminous minerals, these oils being the basic constituents of the preparations; waste oils

HS Heading	Description of product
(1)	(2)
2934	Nucleic acids and their salts, whether or not chemically defined, other heterocyclic compounds
3822	Diagnostic or laboratory reagents on a backing and prepared diagnostic or laboratory reagents, whether or not on a backing, other than those of heading 3002 or 3006; certified reference materials
3824	Prepared binders for foundry moulds or cores; chemical products and preparations of the chemical or allied industries (including those consisting of mixtures of natural products), not elsewhere specified or included:
4012	Retreaded or used pneumatic tyres of rubber; solid or cushion tyres, tyre treads and tyre flaps, of rubber:
4810	Paper and paperboard, coated on one or both sides with kaolin (China clay) or other inorganic substances, with or without a binder, and with no other coating, whether or not surface-coloured, surface-decorated or printed, in rolls or rectangular (including square) sheets, of any size
5802 to 5804	Terry towelling and similar woven terry fabrics, other than narrow fabrics of heading 5806; tufted textile fabrics, other than products of heading 5703; gauze, other than narrow fabrics of heading 5806; tulles and other net fabrics, not including woven, knitted or crocheted fabrics; lace in the piece, in strips or in motifs, other than fabrics of headings 6002 to 6006:
8456 to 8465	Machine-tools and machines.

b) The headings 2842, ex 3401, ex 8414, ex 8419, ex 8422, ex 8424 and ex 8467 shall be added in the list rules of Appendix 2 to Annex I as follows:

HS Heading	Description of product	Working or processing carried out on non-originating materials that confers originating status	
(1)	(2)	(3)	or (4)
2842	Other salts of inorganic acids or peroxyacids (including aluminosilicates whether or not chemically defined), other than azides:		

HS Heading	Description of product	Working or processing carried out on non-originating materials that confers originating status	
(1)	(2)	(3)	or (4)
	<ul style="list-style-type: none"> - Aluminosilicates not chemically defined - Other 	<p>Manufacture in which the value of all the materials used does not exceed 50 % of the ex-works price of the product</p> <p>Manufacture in which all materials used are classified within a heading other than that of the product. However materials classified within the same heading may be used provided their value does not exceed 20 % of the ex-works price of the product</p> <p>or</p> <p>Manufacture from alumino- silicates not chemically defined</p>	<p>Manufacture in which the value of all the materials used does not exceed 50 % of the ex-works price of the product</p>
ex 3401	Organic surface – active products and preparations for washing the skin, in the form of liquid or cream and put up for retail sale, whether or not containing soap	Manufacture from materials of any heading, except those of heading 3402. However, materials of heading 3402 may be used provided their value does not exceed 20% of the ex-works price of the product	Manufacture in which the value of all the materials used does not exceed 50 % of the ex-works price of the product

HS Heading	Description of product	Working or processing carried out on non-originating materials that confers originating status	
(1)	(2)	(3) or (4)	
ex 8414	Tools for working in the hand, with self-contained electric motor and parts thereof	Manufacture in which all the materials used are classified within a heading other than that of the product, except for materials of headings 6804, 8202, 8207, 8208, 8466, 8467, 8501 and 8548	Manufacture in which the value of all the materials used does not exceed 50% of the ex-works price of the product
ex 8419 ex 8422 ex 8424	Tools for working in the hand, with self-contained electric motor and parts thereof	Manufacture in which all the materials used are classified within a heading other than that of the product, except for materials of headings 6804, 8202, 8207, 8208, 8466, 8467, 8501 and 8548	Manufacture in which the value of all the materials used does not exceed 50% of the ex-works price of the product
ex 8467	Tools for working in the hand, with self-contained electric motor and parts thereof	Manufacture in which all the materials used are classified within a heading other than that of the product, except for materials of headings 6804, 8202, 8207, 8208, 8466, 8501 and 8548	Manufacture in which the value of all the materials used does not exceed 50% of the ex-works price of the product

c) The list rules for Chapters 30 and 41 and headings ex 4407, ex 4408, ex 4409, ex 9401 and ex 9403 in Appendix 2 to Annex I shall be amended as follows:

HS Heading	Description of product	Working or processing carried out on non-originating materials that confers originating status	
(1)	(2)	(3)	or (4)
	<ul style="list-style-type: none"> - Products consisting of two or more constituents which have been mixed together for therapeutic or prophylactic uses or unmixed products for these uses, put up in measured doses or in forms or packings for retail sale - Other: -- Human blood 	<p>Manufacture from materials of any heading, including other materials of heading 3002, except for waste pharmaceuticals of heading 3006. The materials of this description or waste pharmaceuticals of heading 3006 may also be used, provided their value, taken together, does not exceed 20% of the ex-works price of the product</p>	

HS Heading	Description of product	Working or processing carried out on non-originating materials that confers originating status	
(1)	(2)	(3)	or (4)
	<p>-- Animal blood prepared for therapeutic or prophylactic uses</p> <p>-- Blood fractions other than antisera, haemoglobin, blood globulins and serum globulins</p>	<p>Manufacture from materials of any heading, including other materials of heading 3002, except for waste pharmaceuticals of heading 3006. The materials of this description or waste pharmaceuticals of heading 3006 may also be used, provided their value, taken together, does not exceed 20% of the ex-works price of the product</p> <p>Manufacture from materials of any heading, including other materials of heading 3002, except for waste pharmaceuticals of heading 3006. The materials of this description or waste pharmaceuticals of heading 3006 may also be used, provided their value, taken together, does not exceed 20% of the ex-works price of the product</p>	

HS Heading	Description of product	Working or processing carried out on non-originating materials that confers originating status	
(1)	(2)	(3)	or (4)
3003 and 3004	-- Haemoglobin, blood globulins and serum globulins	<p>Manufacture from materials of any heading, including other materials of heading 3002, except for waste pharmaceuticals of heading 3006. The materials of this description or waste pharmaceuticals of heading 3006 may also be used, provided their value, taken together, does not exceed 20% of the ex-works price of the product</p>	
	-- Other	<p>Manufacture from materials of any heading, including other materials of heading 3002, except for waste pharmaceuticals of heading 3006. The materials of this description or waste pharmaceuticals of heading 3006 may also be used, provided their value, taken together, does not exceed 20% of the ex-works price of the product</p>	
Medicaments (excluding goods of headings 3002, 3005 or 3006):			

HS Heading	Description of product	Working or processing carried out on non-originating materials that confers originating status	
(1)	(2)	(3)	or (4)
	<ul style="list-style-type: none"> - Obtained from amikacin of heading 2941 - Other 	<p>Manufacture in which all the materials used are classified within a heading other than that of the product, except for waste pharmaceuticals of heading 3006. However, materials of headings 3003, 3004 or waste pharmaceuticals of heading 3006 may be used provided their value, taken together, does not exceed 20% of the ex works price of the product</p>	<p>Manufacture in which:</p> <ul style="list-style-type: none"> - all the materials used are classified within a heading other than that of the product, except for waste pharmaceuticals of heading 3006. However, materials of headings 3003, 3004 or waste pharmaceuticals of heading 3006 may be used provided their value, taken together, does not exceed 20% of the ex-works price of the product; - the value of all the materials used does not exceed 50% of the ex-works price of the product

HS Heading	Description of product	Working or processing carried out on non-originating materials that confers originating status	
(1)	(2)	(3)	or (4)
ex 3006	<ul style="list-style-type: none"> - Gel preparations designed to be used in human or veterinary medicine as a lubricant for parts of the body for surgical operations or physical examinations or as a coupling agent between the body and medical instruments - Waste pharmaceuticals 	<p>Manufacture in which the value of all the materials used does not exceed 50% of the ex-works price of the product</p> <p>The origin of the pharmaceutical product in its original classification before it became waste shall be retained</p>	
ex Chapter 41	Raw hides and skins (other than furskins) and leather; except for	Manufacture in which all the materials used are classified within a heading other than that of the product	
ex 4102	Raw skins of sheep or lambs, without wool on	Removal of wool from sheep or lamb skins, with wool on	
4104 ⁶	Tanned or crust hides and skins of bovine (including buffalo) or equine animals, without hair on, whether or not split, but not further prepared	Manufacture in which all the materials used are classified within a heading other than that of the product, except for hides and skins of heading 4101 which have undergone a reversible tanning process (including pretanning)	

⁶ See Joint Declaration I regarding Appendix 2 to Annex I.

HS Heading	Description of product	Working or processing carried out on non-originating materials that confers originating status	
(1)	(2)	(3) or (4)	
4105 and 4106	Tanned or crust hides and skins, without hair or wool on, whether or not split, but not further prepared, except those of heading 4104	Retanning of tanned leather or Manufacture in which all the materials used are classified within a heading other than that of the product, except for hides and skins of headings 4102 or 4103 which have undergone a reversible tanning process (including pretanning)	
4107	Leather further prepared after tanning or crusting, including parchment-dressed leather, of bovine (including buffalo) or equine animals, without hair on, whether or not split, other than leather of heading 4114	Manufacture in which all the materials used are classified within a heading other than that of the product, except for hides and skins of heading 4101 which have undergone a reversible tanning process (including pretanning) or hides and skins from heading 4104	

HS Heading	Description of product	Working or processing carried out on non-originating materials that confers originating status	
(1)	(2)	(3) or (4)	
ex 4408	Sheets for veneering (including those obtained by slicing laminated wood), for plywood or sheets for other similar laminated wood, of a thickness not exceeding 6 mm, spliced, and other wood sawn lengthwise, sliced or peeled of a thickness not exceeding 6 mm, planed, sanded or end-jointed	Splicing, planing, sanding or end-jointing	
ex 4409	Wood continuously shaped along any of its edges, ends or faces, whether or not planed, sanded or end-jointed: - Sanding or end-jointed - Beadings and mouldings	Sanding or end-jointing Beading or moulding	
ex 9401 and ex 9403	Base metal furniture, incorporating unstuffed cotton cloth of a weight of 300 g/m ² or less	Manufacture in which all the materials used are classified in a heading other than that of the product or Manufacture from cotton cloth already made up in a form ready for use with materials of heading 9401 or 9403, provided: - the value of the cloth does not exceed 25% of the ex-works price of the product, and	Manufacture in which the value of all the materials used does not exceed 40% of the ex-works price of the product

HS Heading	Description of product	Working or processing carried out on non-originating materials that confers originating status	
(1)	(2)	(3)	or (4)
		- all the other materials used are already originating and are classified in a heading other than heading 9401 or 9403	

d) The list rule of heading 85.08 in Appendix 2 to Annex I shall be deleted.

3. Appendix 2(a)

The “HS Heading” (column 1) of heading 6002 in Note 1 of Appendix 2(a) shall be amended to read as follows:

HS Heading
(1)
6002 to 6006

4. Appendix I

In the title of Appendix I of the English language version the word “Appendixes” shall be corrected to read “Appendices”.