

RECORD OF UNDERSTANDING RELATING TO  
THE AGREEMENT BETWEEN THE EFTA STATES AND THE  
KINGDOM OF MOROCCO

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Protocol B

1. The States Parties agree that the provisions of Article 1 (e) of Protocol B shall not prejudice the right of Morocco to benefit from special and different treatment and other derogations accorded to developing countries by the Agreement on Implementation of Article VII of GATT 1994.
2. Appendix II to Protocol B is based on the HS version of 1992. It will be adjusted to the second revision of the HS (HS version 1996) by the entry into force of the Agreement by a Joint Committee decision.
3. The EFTA States and Morocco declare their readiness to include Tunisia in a diagonal cumulation system on condition that trade between the EFTA States and Tunisia and between Morocco and Tunisia is governed by rules of origin identical to those contained in the Agreement and the administrative co-operation shall be ascertained.
4. In a situation where a free trade agreement is established between the EFTA States and Algeria, the States Parties declare their readiness to explore the possibilities of the inclusion of Algeria into the provisions of the Agreement governing cumulation of origin.
5. The EFTA States and Morocco agree to explore the possibilities on a reciprocal basis between all three parties to include the European Communities into the provisions of the Agreement governing cumulation of origin.
6. Furthermore, the EFTA States and Morocco agree to explore the possibilities to further extend and improve the rules of origin including cumulation and no-drawback or exoneration in order to expand and promote production and trade between European countries and countries in the Mediterranean Region.
7. In any case a discussion between Morocco and the EFTA States shall be initiated at the latest two years after entry into force of the Agreement aiming at adapting Protocol B taking into account progress made with regard to the rules of origin both with the European Communities and the WTO.

## General exceptions

8. The EFTA-Morocco Agreement shall not preclude prohibitions or restrictions of imports or goods in transit on grounds of the protection of the environment, imposed under the provisions of Article 9 (General exceptions), provided that such prohibitions or restrictions are made effective in conjunction with equivalent measures imposed domestically or undertaken in pursuance of obligations under an intergovernmental agreement on the environment. Any difficulty in interpreting the notion "protection of the environment" in the context of Article 9 shall be examined by the Joint Committee.

## Payments and transfers

9. The provisions of paragraph 3 of Article 14 apply provided investments are made in foreign currency.

10. Switzerland and Morocco confirm that paragraph 3 of Article 14 and paragraph 9 of this Record of Understanding is of no prejudice to their bilateral agreement on the Promotion and Reciprocal Protection of Investments of 3 April 1991.

## Public procurement

11. The States Parties shall actively promote the work in the field of government procurement to be conducted under the auspices of the WTO as laid down in the Singapore Ministerial Declaration.

## Protection of intellectual property

12. Under the EEA Agreement the EFTA States shall comply in their legislation with the substantive provisions of the European Patent Convention of 5 October 1973. It is the understanding of Iceland and Norway that the obligations under Article 16 (Protection of intellectual property) do not differ in substance from the obligations under the EEA.

## Structural adjustment

13. It is understood that the level of any duty applied under Article 21 (Structural adjustment) must not be higher than 25 per cent.

14. With reference to paragraph 3 of Article 21 (Structural adjustment), if there is a disagreement with regard to the actual value of imports of industrial products, international trade statistics such as those of UN/ECE, WTO and OECD will be used.

## Economic co-operation between the EFTA States and Morocco

15. The EFTA States declare their willingness to support the efforts of Morocco in consideration of its long-lasting social and economic development and to promote co-operation on the basis of the Zermatt Declaration.

16. Co-operation will be established in areas related to the process of liberalization of the Moroccan economy and particularly the liberalization of trade between Morocco and the EFTA States, and concentrate on activities and fields where the EFTA States have special expertise.

DONE at Geneva, this 19th day of June 1997, in single original in the English and French languages, both texts being equally authentic, which shall be deposited with the Government of Norway. The Depositary shall transmit certified copies to all Signatory States, and States acceding to this Agreement.

For the Republic of Iceland

For the Kingdom of Morocco

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For the Principality of Liechtenstein

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For the Kingdom of Norway

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For the Swiss Confederation

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