EUROPEAN FREE TRADE ASSOCIATION

TR-D 1/2000
29 November 2000
Distribution List B (TR)

DECISION OF THE JOINT EFTA-TURKEY COMMITTEE
No. 1 of 2000

(Adopted at the fifth meeting on 16 November 2000)

AMENDMENTS TO PROTOCOL B

THE JOINT COMMITTEE,

Having regard to Protocol B to the Free Trade Agreement between the EFTA States and Turkey signed on 10 December 1991, hereafter referred to as “this Agreement”, concerning the definition of the concept of “originating products” and methods of administrative co-operation, amended by Decisions No. 6 of 1998 and No. 1 of 1999 of the Joint EFTA-Turkey Committee,

Noting that certain provisions applied within the European cumulation system need to be amended in order to be in line with legal developments and to take account of the shortage within these free trade zones of certain materials,

Noting that the following amendments are based on an agreement in the “30 countries’ meeting” held in the context of the pan-European cumulation system,

Having regard to Article 29 of the Agreement, empowering the Joint Committee to amend Protocol B to this Agreement,

DECIDES:

1. The expression “units of account” in the Table of Contents (Article 30), in Article 21 (1) (b) and 26 (3) shall be replaced by “euro”.
Article 1 (i) shall be replaced by:

“(i) “added value” 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 or, where the customs value is not known or cannot be ascertained, the first verifiable price paid for the materials in the EFTA State concerned or in Turkey;”

Article 1 (n) shall be replaced by:

“(n) “euro” means the single currency of the European Monetary Union.”

Article 7 shall be replaced by:

“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);

(p) slaughter of animals.

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

5. The following article shall be inserted after Article 20 and a reference to this article shall be added in the Table of Contents:

“Article 20 a

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 may, at the written request of those concerned, authorise the so-called “accounting segregation” method to be used for managing such stocks.

2. This 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 such authorisation, subject to any conditions deemed appropriate.

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

5. The beneficiary of this facilitation 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 of the other conditions laid down in this Protocol.”

6. In Article 22, paragraph 1, first sentence, the following shall be inserted after “exporter”:

| “, hereafter referred to as “approved exporter”,” |

7. Article 30 shall be replaced by:

“Article 30

Amounts expressed in euro

1. For the application of the provisions of Article 21 (1)(b) and Article 26 (3) 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 Article 21 (1)(b) or Article 26 (3) by reference to the currency in which the invoice is drawn up, according to the amount fixed by the country concerned.

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

4. A country 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 5 per cent.

A country 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 amount expressed in euro shall be reviewed by the Joint Committee at the request of any of the State Parties. 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.”

8. In Annex II to Protocol B, the entries for HS headings 53.09 to 53.11, HS heading 56.02 and Chapter 57 shall be replaced by the following:

<table>
<thead>
<tr>
<th>HS heading No</th>
<th>Description of product</th>
<th>Working or processing carried out on non-originating materials that confers originating status</th>
<th>(3) or (4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>5309 to 5311</td>
<td>Woven fabrics of other vegetable textile fibres; woven fabrics of paper yarn:</td>
<td>Manufacture from single yarn ¹</td>
<td></td>
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<td></td>
<td>– Incorporating rubber thread</td>
<td>or</td>
<td></td>
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<tr>
<td></td>
<td>– Other</td>
<td>or</td>
<td></td>
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<tr>
<td></td>
<td>Printing accompanied by at least two preparatory or finishing operations (such as scouring, bleaching, mercerizing, heat setting, raising, calendering, shrink resistance processing, permanent finishing, decatizing, impregnating, mending and burling) where the value of the unprinted fabric used does not exceed 47.5% of the ex-works price of the product</td>
<td></td>
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</tbody>
</table>

¹ For special conditions relating to products made of a mixture of textile materials, see Introductory Note 5.
<table>
<thead>
<tr>
<th>HS heading No (1)</th>
<th>Description of product (2)</th>
<th>Working or processing carried out on non-originating materials that confers originating status (3) or (4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>5602</td>
<td>Felt, whether or not impregnated, coated, covered or laminated:</td>
<td></td>
</tr>
</tbody>
</table>
|                  | – Needleloom felt | Manufacture from 1:
|                  |                 | – natural fibres,
|                  |                 | – chemical materials or textile pulp
|                  |                 | However:
|                  |                 | – polypropylene filament of heading No 5402,
|                  |                 | – polypropylene fibres of heading Nos 5503 or 5506 or
|                  |                 | – polypropylene filament tow of heading No 5501,
|                  |                 | of which the denomination in all cases of a single filament or fibre
|                  |                 | is less than 9 decitex may be used
|                  |                 | provided their value does not exceed 40% of the ex-works price of the product
|                  | – Other | Manufacture from 1:
|                  |                 | – natural fibres,
|                  |                 | – man-made staple fibres made from casein, or
|                  |                 | – chemical materials or textile pulp

1 For special conditions relating to products made of a mixture of textile materials, see Introductory Note 5.
<table>
<thead>
<tr>
<th>HS heading No</th>
<th>Description of product</th>
<th>Working or processing carried out on non-originating materials that confers originating status</th>
<th>or</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1)</td>
<td>(2)</td>
<td>(3)</td>
<td>(4)</td>
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<tr>
<td>Chapter 57</td>
<td>Carpets and other textile floor coverings:</td>
<td></td>
<td></td>
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<td></td>
<td>– Of needleloom felt</td>
<td>Manufacture from 1:</td>
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<tr>
<td></td>
<td></td>
<td>– natural fibres, or</td>
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<td></td>
<td></td>
<td>– chemical materials or textile pulp</td>
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<td>However:</td>
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<td>– polypropylene filament of heading No 5402,</td>
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<td></td>
<td></td>
<td>– polypropylene fibres of heading Nos 5503 or 5506 or</td>
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<td></td>
<td></td>
<td>– polypropylene filament tow of heading No 5501,</td>
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<td></td>
<td></td>
<td>of which the denomination in all cases of a single filament or fibre is less than 9 decitex may be used provided their value does not exceed 40% of the ex-works price of the product</td>
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<td></td>
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<td>Jute fabric may be used as backing</td>
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<td></td>
<td>– Of other felt</td>
<td>Manufacture from 1:</td>
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<td></td>
<td></td>
<td>– natural fibres not carded or combed or otherwise processed for spinning, or</td>
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<td></td>
<td></td>
<td>– chemical materials or textile pulp</td>
<td></td>
</tr>
<tr>
<td></td>
<td>– Of other textile materials</td>
<td>Manufacture from 1:</td>
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<td></td>
<td></td>
<td>– coir yarn or jute yarn,</td>
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<td></td>
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<td>– synthetic or artificial filament yarn,</td>
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<td></td>
<td></td>
<td>– natural fibres, or</td>
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<td></td>
<td></td>
<td>– man-made staple fibres not carded or combed or otherwise processed for spinning</td>
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</tbody>
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1 For special conditions relating to products made of a mixture of textile materials, see Introductory Note 5.
9. This Decision shall enter into force on 1 January 2001.

10. The Secretary-General of the European Free Trade Association shall deposit the text of this Decision with the Depositary.