

**DECISION OF THE JOINT EFTA-TURKEY COMMITTEE
ESTABLISHED BY THE FREE TRADE AGREEMENT BETWEEN THE EFTA
STATES AND THE REPUBLIC OF TURKEY**

No. 1/2017

**Amending Protocol B to the Free Trade Agreement between the EFTA States and
the Republic of Turkey, concerning the definition of the concept of “originating
products” and methods of administrative cooperation**

The Joint Committee,

Having regard to the Free Trade Agreement between the EFTA States and the Republic of Turkey, (hereinafter referred to as the “Agreement”) signed on 10 December 1991, in particular its Article 3;

Having regard to Protocol B to the Agreement, concerning the definition of the concept of “originating products” and methods of administrative cooperation;

Recalling that the Pan-Euro-Mediterranean system of cumulation of origin established by the European Union, the EFTA States, the Republic of Turkey, the People's Democratic Republic of Algeria, the Arab Republic of Egypt, the State of Israel, the Hashemite Kingdom of Jordan, the Republic of Lebanon, the Kingdom of Morocco, the Syrian Arab Republic, the Republic of Tunisia, the PLO for the benefit of the Palestinian Authority of the West Bank and the Gaza Strip, the Faroe Islands, consists of a network of Free Trade Agreements that set out identical rules of origin allowing for diagonal cumulation of origin among the member countries of the system;

Considering that the Republic of Albania, Bosnia and Herzegovina, the Former Yugoslav Republic of Macedonia, Montenegro, the Republic of Serbia, Kosovo (under Resolution 1244(1999) of the United Nations Security Council), as well as the Republic of Moldova are Contracting Parties of the Convention and that the Pan-Euro-Mediterranean system is thus extended to these countries;

Whereas:

- (1) Protocol B was last amended by Decision No 2/2009 of the EFTA-Turkey Joint Committee of 9 December 2009 amending Protocol B to the Agreement between the EFTA States and the Republic of Turkey concerning the definition of the concept of originating products and methods of administrative cooperation;
- (2) The Regional Convention on Pan-Euro-Mediterranean Preferential Rules of Origin¹ (“the Convention”) aims at replacing the protocols on rules of origin currently in force among the countries of the Pan-Euro-Mediterranean area with a single legal act;

² The European Union Official Journal L 54, 26.2.2013, p. 4.

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- (3) The Convention entered into force in relation to Liechtenstein, Norway and Switzerland on 1 January 2012, to Iceland on 1 May 2012, and to the Republic of Turkey on 1 February 2014;
- (4) Protocol B to the Agreement therefore should be amended so as to make reference to the Convention;
- (5) The Convention shall not lead to any less favourable situation than previously under the Agreement;
- (6) Article 29 of the Agreement, empowering the Joint Committee to amend the Annexes and Protocols to the Agreement;

HAS DECIDED AS FOLLOWS:

Article 1

Rules of origin

The text of Protocol B to the Agreement, concerning the definition of the concept of “originating products” and methods of administrative cooperation shall be replaced by the text in the Annex to this Decision.

Article 2

Entry into force

1. This Decision shall enter into force on the first day of the second month after the last Party has notified the Depository of the completion of its internal requirements.
2. The Secretary-General of the European Free Trade Association shall deposit the text of this Decision with the Depository.

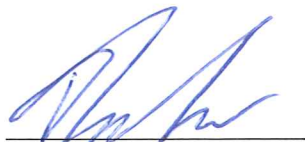
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A. & B. de K.

IN WITNESS THEREOF the undersigned, being duly authorized thereto, have signed this Decision.

Done at Ankara on 6th of April 2017 in two original copies.

For Iceland



Thordur SIGTRYGGSSON
Chief Negotiator

For the Republic of Turkey



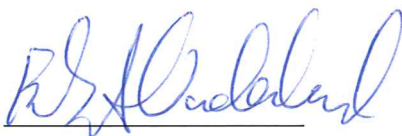
Murat YAPICI
DG for the EU Affairs

For the Principality of Liechtenstein



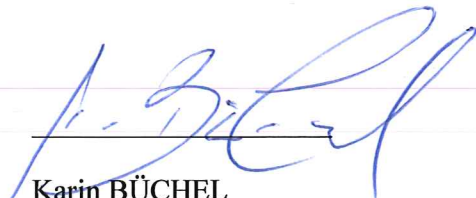
Pascal SCHAFFHAUSER
Minister Counsellor

For the Kingdom of Norway



Erik Andreas UNDERLAND
Specialist Director

For the Swiss Confederation



Karin BÜCHEL
Minister

ANNEX TO DECISION 1/2017
OF THE JOINT EFTA-TURKEY COMMITTEE

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

Article 1

Regional Convention on Pan-Euro-Mediterranean Preferential Rules of Origin

1. For the purpose of implementing this Agreement with regard to the rules of origin and with respect to the rights and obligations of the Parties concerning rules of origin and administrative cooperation between the customs authorities of the Parties, Appendix I and, where appropriate, the relevant provisions of Appendix II to the Regional Convention on Pan-Euro-Mediterranean Preferential Rules of Origin (hereinafter referred to as the “Convention”) with all future amendments shall apply and are hereby incorporated into and made part of this Agreement.
2. All references to the “relevant agreement” in Appendix I and, where appropriate, the relevant provisions of Appendix II to the Convention shall be construed so as to mean “this Agreement”.

Article 2

Consultations and Dispute Settlement

1. Where disputes arise in relation to the verification procedures of Article 32 of Appendix I to the Convention which cannot be settled between the customs authorities requesting the verification and the customs authorities responsible for carrying out this verification, they shall be submitted first to the Sub-Committee on Customs and Origin Matters and then to the Joint Committee, as provided for in Article 25 of this Agreement.
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 3

Amendments to the Protocol

The Joint Committee, as provided for in Article 29 of this Agreement, may decide to amend the provisions of the present Protocol.



Article 4

Withdrawal from the Convention

1. Should either the EFTA States or Turkey give notice in writing to the depositary of the Convention of their intention to withdraw from the Convention according to its Article 9, the EFTA States and Turkey 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 to this 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 shall be construed so as to allow bilateral cumulation between the EFTA States and Turkey only.

Article 5

Transitional Provisions – Cumulation

1. Notwithstanding Article 3 of Appendix 1 to the Convention, the rules on cumulation provided for in Articles 3 and 4 of Protocol B Concerning the Definition of the Concept of “Originating Products” and methods of administrative cooperation as last amended by Decision No 2/2009 shall continue to apply between the EFTA States and Turkey until the Convention has entered into application with relation to all Contracting Parties listed in Articles 3 and 4 of the said Protocol.
2. Notwithstanding paragraph 5 of Article 16 and paragraph 3 of Article 21 of Appendix I to the Convention, where cumulation involves only EFTA States, Turkey, the Faroe Islands, the EU, the participants in the Stabilisation and Association Process and the Republic of Moldova, the proof of origin may be a movement certificate EUR.1 or an origin declaration.

Article 6

Mandate of the Sub-Committee on Customs and Origin Matters

1. The Parties shall maintain the Sub-Committee on Customs and Origin Matters (hereinafter referred to as the “Sub-Committee”), established by Joint Committee Decision 2/1992.
2. The functions of the Sub-Committee shall be to exchange information, review developments, prepare and co-ordinate positions, prepare technical amendments to the rules of origin and assist the Joint Committee regarding:
 - (a) rules of origin and administrative co-operation as set out in this Protocol;

(b) other matters that are referred to the Sub-Committee by the Joint Committee.

3. The Sub-Committee shall be chaired alternatively by a representative of an EFTA State or Turkey for an agreed period of time. The chairperson shall be determined by the Party in which the meeting of the Sub-Committee shall be held. The Sub-Committee shall act by consensus.

4. The Sub-Committee shall report to the Joint Committee. The Sub-Committee may make recommendations to the Joint Committee on matters related to its functions.

5. The Sub-Committee shall meet as often as required. It may be convened by the Joint Committee or upon request of any Party. The venue shall alternate between an EFTA State and Turkey.

6. A provisional agenda for each meeting shall be prepared by the chairperson in consultation with the Parties, and forwarded to the Parties, as a general rule, not later than two weeks before the meeting.

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