

ANNEX I

**REFERRED TO IN PARAGRAPH 1 OF ARTICLE 2.20 (ANNEXES)
OF SECTION 2.1 (GENERAL PROVISIONS ON TRADE IN
GOODS) OF CHAPTER 2 (TRADE IN GOODS)**

- APPENDIX 1: REVISED PEM LIST RULES 1 OF 2**
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ANNEX I

ON RULES OF ORIGIN

REFERRED TO IN PARARGAPH 1 OF ARTICLE 2.20 (ANNEXES) OF
SECTION 2.1 (GENERAL PROVISIONS ON TRADE IN GOODS) OF
CHAPTER 2 (TRADE IN GOODS)

TITLE I

GENERAL PROVISIONS

ARTICLE 1

Definitions

For the purposes of this Annex:

- (a) ‘chapters’, ‘headings’ and ‘subheadings’ mean the chapters, the headings and the subheadings (two-, four- or six-digit codes) used in the Harmonized System;
- (b) ‘classified’ means the classification of a good under a particular heading or subheading of the Harmonized System;
- (c) ‘consignment’ means products which are either:
 - (i) sent simultaneously from one exporter to one consignee; or
 - (ii) covered by a single transport document covering their shipment from the exporter to the consignee or, in the absence of such a document, by a single invoice;
- (d) ‘customs value’ means the value as determined in accordance with the Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade 1994 (WTO Agreement on Customs Valuation);
- (e) ‘ex-works price’ means the price paid for the product ex works to the manufacturer in the Party in whose undertaking the last working or processing is carried out, provided that the price includes the value of all the materials used and all other costs related to its production, minus any internal taxes which are, or may be, repaid when the product obtained is exported. Where the last working or processing has been subcontracted, the term ‘manufacturer’ refers to the enterprise that has employed the subcontractor. Where the actual price paid does not

reflect all costs related to the manufacturing of the product which are actually incurred in the Party, the ex-works price means the sum of all those costs, minus any internal taxes which are, or may be, repaid when the product obtained is exported;

- (f) 'fungible material' or 'fungible product' means material or product that is of the same kind and commercial quality, with the same technical and physical characteristics, and which cannot be distinguished from one another;
- (g) 'good' means both material and product;
- (h) 'manufacture' means any kind of working or processing, including assembly;
- (i) 'material' means any ingredient, raw material, component or part, etc., used in the manufacture of the product;
- (j) 'maximum content of non-originating materials' means the maximum content of non-originating materials which is permitted in order to consider a manufacture to be working or processing sufficient to confer originating status on the product. It may be expressed as a percentage of the ex-works price of the product or as a percentage of the net weight of the materials used falling under a specified group of chapters, chapter, heading or subheading;
- (k) 'product' means the product being manufactured, even if it is intended for later use in another manufacturing operation;
- (l) 'value added' shall be taken to be the ex-works price of the product minus the customs value of each of the materials incorporated which originate in the other Parties with which cumulation is applicable or, where the customs value is not known or cannot be ascertained, the first ascertainable price paid for the materials in the exporting Party; and
- (m) 'value of non-originating materials' means the customs value at the time of importation of the non-originating materials used, or, if this is not known and cannot be ascertained, the first ascertainable price paid for the non-originating materials in the exporting Party. Where the value of the originating materials used needs to be established, this point shall be applied *mutatis mutandis*.

TITLE II

DEFINITION OF THE CONCEPT OF 'ORIGINATING PRODUCTS'

ARTICLE 2

General Requirements

For the purpose of implementing this Agreement, the following products shall be considered as originating in a Party:

- (a) products wholly obtained in that Party, within the meaning of Article 3 (Wholly Obtained Products);
- (b) products obtained in that Party incorporating non-originating materials, provided that such materials have undergone sufficient working or processing in that Party within the meaning of Article 5 (Sufficient Working or Processing); and
- (c) products produced exclusively from originating materials.

ARTICLE 3

Wholly Obtained Products

1. The following shall be considered as wholly obtained in a Party:
 - (a) mineral products and natural water extracted from its soil or from its seabed;
 - (b) plants, including aquatic plants, and vegetable products grown or harvested there;
 - (c) live animals born and raised there;
 - (d) products from live animals raised there;
 - (e) products from slaughtered animals born and raised there;
 - (f) products obtained by hunting or fishing conducted there;
 - (g) products obtained from aquaculture there¹;

¹ Point (g) applies if aquatic organisms, including fish, molluscs, crustaceans, other aquatic invertebrates and aquatic plants, are born or raised from seed stock such as eggs, roes, fry, fingerlings, larvae, parr, or smolts by intervention in the rearing or growth processes to enhance production such as regular stocking, feeding or protection from predators.

- (h) products of sea fishing and other products taken from the sea outside any territorial sea by its vessels;
 - (i) products made on board its factory ships exclusively from products referred to in point (h);
 - (j) waste and scrap resulting from manufacturing operations conducted there;
 - (k) used products collected there, fit only for the recovery of raw materials;
 - (l) products extracted from the seabed or below the seabed which is situated outside its territorial sea but where it has exclusive exploitation rights; and
 - (m) goods produced there exclusively from the products specified in points (a) to (l).
2. The terms ‘its vessels’ and ‘its factory ships’ in sub-paragraphs (h) and (i) of paragraph 1 respectively shall apply only to vessels and factory ships which meet each of the following requirements:
- (a) they are registered in the exporting or the importing Party; and
 - (b) they sail under the flag of the exporting or the importing Party;

ARTICLE 4

Recovered Materials and Remanufactured Goods

1. A recovered material is defined as a material recovered in one or more Parties from used goods provided such goods are fit only for such recovery.
2. Each Party shall provide that:
- (a) a recovered material is treated as originating when it is used in the production of, and incorporated into, a remanufactured good;
 - (b) a remanufactured good is only treated as originating if it meets the relevant rule of origin for an equivalent good when new; and
 - (c) a recovered material not incorporated into a remanufactured good in one of the Parties is originating only if it meets the relevant rule of origin for an equivalent good when new.

ARTICLE 5

Sufficient Working or Processing

1. Without prejudice to paragraph 3 and to Article 7 (Insufficient Working or Processing), products which are not wholly obtained in a Party shall be considered to be sufficiently worked or processed when the conditions laid down in the list in Appendix 2 to this Annex for the goods concerned are fulfilled.
2. If a product which has obtained originating status in a Party in accordance with paragraph 1 is used as a material in the manufacture of another product, no account shall be taken of the non-originating materials which may have been used in its manufacture.
3. The determination of whether the requirements of paragraph 1 are met shall be carried out for each product.
4. However, where the relevant rule is based on compliance with a maximum content of non-originating materials, the customs authorities of the Parties may authorise exporters to calculate the ex-works price of the products and the value of the non-originating materials on an average basis as set out in paragraph 4, in order to take into account the fluctuations in costs and currency rates.
5. Where the second sentence of paragraph 3 applies, an average ex-works price of the product and average value of non-originating materials used shall be calculated respectively on the basis of the sum of the ex-works prices charged for all sales of the products carried out during the preceding fiscal year and the sum of the value of all the non-originating materials used in the manufacture of the products over the preceding fiscal year as defined in the exporting Party, or, where figures for a complete fiscal year are not available, a shorter period which should not be less than three months.
6. Exporters having opted for calculation on an average basis shall consistently apply such a method during the year following the fiscal year of reference, or, where appropriate, during the year following the shorter period used as a reference. They may cease to apply such a method where during a given fiscal year, or a shorter representative period of no less than three months, they record that the fluctuations in costs or currency rates which justified the use of such a method have ceased.
7. The averages referred to in paragraph 4 shall be used as the ex-works price and the value of non-originating materials, respectively, for the purpose of establishing compliance with the maximum content of non-originating materials.

ARTICLE 6

Tolerance Rule

1. By way of derogation from Article 5 and subject to paragraphs 2 and 3 of this Article, non-originating materials which, according to the conditions set out in the list in Appendix 2 to this Annex, are not to be used in the manufacture of a given product may nevertheless be used, provided that their total net weight or value assessed for the product does not exceed:
 - (a) 15% of the net weight of the product falling within Chapters 2 and 4 to 24, other than processed fishery products in Chapter 16;
 - (b) 15% of the ex-works price of the product for products other than those covered by point (a).
2. Paragraph 1 shall not apply to products falling within Chapters 50 to 63, for which the tolerances mentioned in Notes 6 and 7 of Appendix 1 to this Annex shall apply.
3. Paragraphs 1 and 2 shall not allow any of the percentages for the maximum content of non-originating materials, as specified in the rules laid down in the list in Appendix 2 to this Annex, to be exceeded.
4. Paragraphs 1 and 2 shall not apply to products wholly obtained in a Party within the meaning of Article 3 (Wholly Obtained Products). However, without prejudice to Article 7 (Insufficient Working and Processing) and Article 9 (Unit of Qualification), the tolerance provided for in those provisions shall nevertheless apply to products for which the rule laid down in the list in Appendix 2 to this Annex requires that the materials which are used in the manufacture of that product are wholly obtained.

ARTICLE 7

Insufficient Working or Processing

1. Without prejudice to paragraph 2, the following operations shall be considered to be insufficient working or processing to confer the status of an originating product, whether or not the requirements of Article 5 (Sufficient Working or Processing) 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 and partial or total milling of rice; polishing, and glazing of cereals and rice;
 - (g) operations to colour or flavour sugar or form sugar lumps; partial or total milling of crystal sugar;
 - (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) mixing of sugar with any material;
 - (o) for Chapters 27 to 40 of the Harmonized System, simple addition of water or dilution with water or another substance that does not materially alter the characteristics of the good;
 - (p) simple assembly of parts of articles to constitute a complete article or disassembly of products into parts;
 - (q) slaughter of animals; and
 - (r) a combination of two or more operations specified in sub-paragraphs (a) to (q).
2. All the operations carried out in the exporting Party on a given product shall be taken into account when determining whether the working or processing undergone by that product is to be regarded as insufficient within the meaning of paragraph 1.
 3. For the purposes of paragraph 1, operations shall be considered simple if neither special skills nor machines, apparatus or equipment especially produced or installed are needed for carrying out those operations.

ARTICLE 8

Cumulation

1. Without prejudice to the provisions of Article 2 (General Requirements), products shall be considered as originating in the exporting Party when exported to another Party if they are obtained in the exporting Party incorporating materials originating in any Party or in any of the countries listed in Appendix 3 to this Annex provided that the conditions set out in paragraph 6 below are met. It shall not be necessary for such materials to have undergone sufficient working or processing.
2. Without prejudice to the provisions of Article 2 (General Requirements), working or processing carried out in the United Kingdom, Iceland, Norway or the European Union, shall be considered as having been carried out in the exporting Party, subject to the conditions set out in subparagraphs 6(a) and 6(c).
3. For cumulation provided for in paragraph 1, where the working or processing carried out in the exporting Party does not go beyond the operations referred to in Article 7 (Insufficient Working or Processing), the product obtained shall be considered as originating in a Party only where the value added there is greater than the value of the materials used originating in each one of the countries referred to in paragraph 1. If this is not so, the product obtained shall be considered as originating in the country which accounts for the highest value of originating materials used in the manufacture in a Party.
4. For cumulation provided for in paragraph 2, when the working or processing carried out in the exporting Party does not go beyond the operations referred to in Article 7 (Insufficient Working or Processing), the product obtained shall be considered as originating in the exporting Party only when the value added there is greater than the value added in each one of the other countries listed in paragraph 2.
5. Products originating in one of the other countries referred to in paragraphs 1 and 2 which do not undergo any working or processing in the exporting Party shall retain their origin if exported into one of these countries.
6. The conditions set out in this paragraph are:
 - (a) preferential trade agreements in accordance with Article XXIV of GATT 1994 are in effect between the exporting Party and the non-Party in question and between the importing Party and that non-Party, which foresee procedures for proving origin and administrative cooperation procedures, including procedures for verification of originating status;
 - (b) for cumulation of materials, these materials meet the relevant rules under this Agreement (*mutatis mutandis*) in order to qualify as originating in the non-Party in question; and

- (c) the working or processing carried out in the exporting Party goes beyond those referred to in paragraph 1 of Article 7 (Insufficient Working or Processing), without prejudice to paragraphs 3 and 4 of this Article. Such materials do not have to undergo sufficient working or processing.
7. Where preferential trade agreements are in effect between the exporting Party and a non-Party not listed in Appendix 3 to this Annex and between the importing Party and the same non-Party, the following shall apply:
- (a) Products imported from that non-Party which are used as materials in the manufacture of a product in a Party, which product is subsequently exported to the other Party, shall be considered as originating in the Party where the last operation has been carried out once a decision to that effect has been adopted by the Joint Committee, and subject to the terms of that decision;
 - (b) Except to the extent that that decision may provide to the contrary, the terms of that decision, once it is adopted, shall be deemed to include the conditions set out in paragraph 6;
 - (c) The Joint Committee shall take into account the special position of materials classified within Chapters 1 to 24 and Chapters 35 and 38 of the Harmonized System, insofar as sensitive sectors may be affected; and
 - (d) The Parties shall use their best endeavours to ensure that the Joint Committee shall reach an appropriate decision promptly on the request of any Party and, if that decision lays down further conditions, that such conditions shall be the least trade-restrictive conditions reasonable in the circumstances.

ARTICLE 9

Unit of Qualification

1. The unit of qualification for the application of this Agreement shall be the particular product which is considered to be the basic unit when determining classification using the nomenclature of the Harmonized System.
2. It follows that:
 - (a) when a product composed of a group or assembly of articles is classified under the terms of the Harmonized System in a single heading, the whole constitutes the unit of qualification; and
 - (b) when a consignment consists of a number of identical products classified under the same heading, each individual item shall be taken into account when applying this Annex.

ARTICLE 10

Packing Materials and Containers for Shipment

Packing materials and containers for shipment that are used to protect a product during transportation shall be disregarded in determining whether a product is originating.

ARTICLE 11

Packaging Materials and Containers for Retail Sale

Packaging materials and containers in which the product is packaged for retail sale, if classified with the product, shall be disregarded in determining the origin of the product, except for the purposes of calculating the maximum value of non-originating materials if a product is subject to a maximum value of non-originating materials in accordance with Appendix 2 to this Annex.

ARTICLE 12

Accessories, Spare Parts and Tools

1. Accessories, spare parts, tools and instructional or other information materials shall be regarded as one product with the piece of equipment, machine, apparatus or vehicle in question if they:
 - (a) are classified and delivered with, but not invoiced separately from, the product; and
 - (b) are of the types, quantities and value customary for that product.
2. Accessories, spare parts, tools and instructional or other information materials referred to paragraph 1 shall be disregarded in determining the origin of the product except for the purposes of calculating the maximum value of non-originating materials if a product is subject to a maximum value of non-originating materials set out in Appendix 2 to this Annex.

ARTICLE 13

Sets

1. Sets, as defined in General Rule 3 of the Harmonized System, shall be regarded as originating when all the component products are originating.
2. When a set is composed of originating and non-originating products, the set as a whole shall however be regarded as originating, provided that the value

of the non-originating products does not exceed 15% of the ex-works price of the set.

ARTICLE 14

Neutral Elements

In order to determine whether a product is an originating product, no account shall be taken of the origin of the following which might be used in its manufacture:

- (a) energy and fuel;
- (b) plant and equipment;
- (c) machines and tools; and
- (d) any other goods which do not enter, and which are not intended to enter, into the final composition of the product.

ARTICLE 15

Accounting Segregation

1. If originating and non-originating fungible materials are used in the working or processing of a product, economic operators may ensure the management of materials using the accounting segregation method, without keeping the materials on separate stocks.
2. If originating and non-originating fungible products of heading 17.01, Chapters 27, 28, 29, and headings 32.01-32.07 and 39.01-39.14 of the Harmonized System are exported from one Party to another, economic operators may ensure the management of these products using the accounting segregation method, without keeping the products on separate stocks.
3. A Party may require that the application of accounting segregation is subject to prior authorisation by its customs authority. The customs authority may grant the authorisation subject to any conditions they deem appropriate and shall monitor the use made of the authorisation. The customs authority may withdraw the authorisation 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 Annex.
4. Through the use of accounting segregation it must be ensured that, at any time, no more products can be considered as 'originating in the exporting Party' than would have been the case if a method of physical segregation of the stocks had been used.

5. The method shall be applied, and its application shall be recorded, on the basis of the general accounting principles applicable in the exporting Party.
6. The beneficiary of the method referred to in paragraphs 1 and 2 shall make out or apply for proofs of origin for the quantity of products which may be considered as originating in the exporting Party. At the request of the customs authority of the importing Party, the beneficiary shall provide a statement of how the quantities have been managed.

TITLE III
TERRITORIAL REQUIREMENTS

ARTICLE 16

Principle of Territoriality

1. Except as provided for in Article 8 (Cumulation) and in paragraph 3 of this Article, the conditions set out in Title II shall be fulfilled without any interruption in the Party concerned.
2. If originating products exported from a Party to another country are returned, they shall be considered to be non-originating, unless it can be demonstrated to the satisfaction of the customs authorities that:
 - (a) the products returned are the same as those which were exported; and
 - (b) they have not undergone any operations beyond that necessary to preserve them in good condition while in that country or while being exported.
3. The obtention of originating status in accordance with the conditions set out in Title II shall not be affected by working or processing done outside the exporting Party on materials exported from that Party and subsequently re-imported there, provided:
 - (a) those materials are wholly obtained in the exporting Party or have undergone working or processing beyond the operations referred to in Article 7 (Insufficient Working or Processing) prior to being exported; and
 - (b) it can be demonstrated to the satisfaction of the customs authorities that:
 - (i) the re-imported products have been obtained by working or processing the exported materials; and
 - (ii) the total added value acquired outside the exporting Party by applying this Article does not exceed 10% of the ex-works price of the end product for which originating status is claimed.
4. For the purposes of paragraph 3, the conditions for obtaining originating status set out in Title II shall not apply to working or processing done outside the exporting Party. However, where, in the list in Appendix 2 to this Annex, a rule setting a maximum value for all the non-originating materials incorporated is applied in determining the originating status of the end

product, the total value of the non-originating materials incorporated in the exporting Party, taken together with the total added value acquired outside that Party by applying this Article, shall not exceed the stated percentage.

5. For the purposes of applying paragraphs 3 and 4, 'total added value' shall be taken to mean all costs arising outside the exporting Party, including the value of the materials incorporated there.
6. Paragraphs 3 and 4 shall not apply to products which do not fulfil the conditions set out in the list in Appendix 2 to this Annex or which can be considered sufficiently worked or processed only if the general tolerance fixed in Article 6 (Tolerance Rule) is applied.
7. Any working or processing of the kind covered by this Article and done outside the exporting Party shall be done under the outward processing arrangements, or similar arrangements.

ARTICLE 17

Non-Alteration

1. The preferential treatment provided for under this Agreement shall apply only to products satisfying the requirements of this Agreement and declared for importation in a Party provided that those products are the same as those exported from the exporting Party. They shall not have been altered, transformed in any way or subjected to operations other than to preserve them in good condition or than adding or affixing marks, labels, seals or any documentation to ensure compliance with specific domestic requirements of the importing Party carried out under customs supervision in the country(ies) of transit or splitting, as permitted by paragraphs 2 and 3, prior to being declared for home use.
2. Storage of products or consignments may take place provided they remain under customs supervision in the third country(ies) of transit.
3. Without prejudice to Title V of this Annex, the splitting of consignments may take place, provided they remain under customs supervision in the third country(ies) of splitting.
4. In the case of doubt, the importing Party may request the importer or its representative to submit at any time all appropriate documents to provide evidence of compliance with this Article, which may be given by any documentary evidence, and notably by:
 - (a) contractual transport documents such as bills of lading;
 - (b) factual or concrete evidence based on marking or numbering of packages;

- (c) a certificate of non-manipulation provided by the customs authorities of the country(ies) of transit or splitting or any other documents demonstrating that the goods remained under customs supervision in the country(ies) of transit or splitting; or
- (d) any evidence related to the goods themselves.

ARTICLE 18

Exhibitions

1. Originating products, sent for exhibition in a country other than one with which cumulation is applicable in accordance with Article 8 and sold after the exhibition for importation in a Party, shall benefit on importation from this Agreement provided it is shown to the satisfaction of the customs authorities that:
 - (a) an exporter has consigned these products from a Party to the country in which the exhibition is held and has exhibited them there;
 - (b) the products have been sold or otherwise disposed of by that exporter to a person in another Party;
 - (c) the products have been consigned during the exhibition or immediately thereafter in the state in which they were sent for exhibition; and
 - (d) the products have not, since they were consigned for exhibition, been used for any purpose other than demonstration at the exhibition.
2. A proof of origin shall be issued or made out in accordance with Title IV of this Annex and submitted to the customs authorities of the importing Party in the normal manner. The name and address of the exhibition shall be indicated thereon. Where necessary, additional documentary evidence of the conditions under which the goods have been exhibited may be required.
3. Paragraph 1 shall apply to any trade, industrial, agricultural or crafts exhibition, fair or similar public show or display which is not organised for private purposes in shops or business premises with a view to the sale of foreign products, and during which the products remain under customs control.

TITLE IV
PROOF OF ORIGIN

ARTICLE 19

Origin Declaration

1. For the purpose of obtaining preferential tariff treatment in the importing Party, a proof of origin in the form of an origin declaration in accordance with Appendix 4 to this Annex must be completed by an exporter in a Party for products originating in any Party and otherwise fulfilling the requirements of this Annex.
2. The origin declaration must be made out using one of the linguistic versions of the text set out in Appendix 4 to this Annex on an invoice or on any other commercial document that describes the originating product in sufficient detail to enable its identification. The importing Party shall not require the importer to submit a translation of the origin declaration.
3. The origin declaration shall bear the original signature of the exporter or the authorised representative under the exporter's responsibility.
4. Notwithstanding paragraph 3, the Parties shall allow:
 - (a) the use of electronic signatures or identification codes pursuant to paragraph 5 for exporters in the United Kingdom; and
 - (b) authorization numbers pursuant to Article 20 (Approved Exporter) for exporters in Iceland or Norway.
5. Each Party shall permit an origin declaration to be sent electronically and directly from the exporter in one Party to an importer in the other Party. Such an approach will allow the use of electronic signatures or identification codes.
6. The origin declaration may be completed when the products to which it relates are exported, or after exportation. An origin declaration shall be valid one year from the date of completion, or for such longer period as may be provided by the importing Party.
7. An origin declaration may apply to multiple shipments of identical products imported into a Party within the period specified in the origin declaration, which shall not exceed 12 months.
8. Notwithstanding paragraph 1, the Parties may allow forwarding agents, customs brokers and other persons to complete an origin declaration. In such cases, such persons must be empowered in writing by the exporter of the

product to complete origin declarations. They must submit the said authorisation to the competent authorities, at their request.

9. An exporter who has completed an origin declaration must keep a copy of the origin declaration and all documents supporting the originating status of the product, in paper or electronic form, for at least three years from the date of completion.
10. If an exporter has completed an origin declaration for a product referred to in paragraph 2 of Article 8 (Cumulation), the exporter must possess a completed and signed supplier's declaration in accordance with Appendix 5 to this Annex or Appendix 6 to this Annex from the supplier of the non-originating materials used in the production of the product. The customs authority of the exporting Party may, subject to its domestic requirements, allow the supplier's declaration to be completed without signature.

ARTICLE 20

Approved Exporter

1. The customs authorities of Iceland or Norway may, subject to domestic requirements, authorise an exporter of that Party (hereinafter referred to as "approved exporter") to complete origin declarations without signature.
2. An exporter who requests such authorisation must offer to the satisfaction of the customs authorities of Iceland or Norway all guarantees necessary to verify the originating status of the products as well as the fulfilment of any other requirement under this Annex.
3. The customs authorities of Iceland or Norway shall provide, to the approved exporter, an authorisation number to be included in the origin declaration instead of the signature.
4. The customs authorities of Iceland or Norway shall monitor the proper use of an authorisation and may withdraw it if the exporter no longer meets the conditions or otherwise makes improper use of it.

TITLE V

PREFERENTIAL TREATMENT

ARTICLE 21

Importation Requirements

1. Each Party shall grant preferential tariff treatment in accordance with this Agreement to originating products of a Party imported from a Party, on the basis of a claim for preferential tariff treatment made by the importer based on an origin declaration referred to in Article 19 (Origin Declaration).
2. An origin declaration must be submitted to the customs authority of the importing Party within one year from its completion or within the validity period provided by the importing Party if longer. The expiration of this period may be suspended as long as the products covered by that origin declaration remain under the customs control of the importing Party. After this period, an origin declaration may be accepted only in exceptional circumstances.
3. Notwithstanding paragraph 1, a Party may, in accordance with its domestic law, waive the requirements to present an origin declaration.
4. An importer who has been granted preferential tariff treatment must keep the origin declaration and other relevant documents for three years after the date on which preferential tariff treatment was granted, or longer if required by the law of the importing Party.

ARTICLE 22

Delayed Claims for Preferential Treatment

If a product would have qualified for preferential treatment when it was imported into a Party but the importer did not have an origin declaration at the time of importation, the importer of the product having a valid origin declaration may, within a period of time of no less than 2 years after the date of importation, apply in accordance with domestic law for a refund of duties paid as a result of the good not having been accorded preferential tariff treatment.

ARTICLE 23

Importation by Instalments

Where, at the request of an importer and in accordance with domestic laws, regulations, or published requirements of the importing Party, a dismantled or non-assembled product within the meaning of General Rule 2(a) for the interpretation of the Harmonized System is imported by instalments, a single origin declaration may be submitted to the customs authority upon importation of the first instalment. Alternatively, an origin declaration may be submitted for each imported instalment.

ARTICLE 24

Exemptions from Origin Declaration Requirements

1. Each Party may, in conformity with its law, waive the requirement to present an origin declaration for low value importations of originating goods from the other Party.
2. Each Party may exclude any importation from the provisions made under paragraph 1 when the importation is part of a series of importations that may reasonably be considered to have been undertaken or arranged for the purpose of avoiding the requirements of this Annex related to origin declarations.
3. Each Party may set value limits for products referred to in paragraph 1 and shall exchange information with the other Parties regarding those limits.

ARTICLE 25

Record Keeping Requirements

1. The exporting Party shall require an exporter that has completed an origin declaration to keep, and to provide on request:
 - (a) a copy of the origin declaration and all supporting documents; and
 - (b) written statements from producers or suppliers which evidence the origin declaration's claim that the good is originating,
2. for three years after the completion of the origin declaration, or for such longer period of time as the exporting Party may specify.
3. Each Party shall provide that, if an exporter has based an origin declaration on a written statement from a producer or supplier, that producer or supplier shall be required to maintain records in accordance with paragraph 1.
4. The importing Party may require that an importer that has been granted preferential treatment shall keep documentation relating to the importation of

the good, including a copy of the origin declaration, for three years after the date of import, or for such longer period of time as that Party may specify.

5. Each Party shall permit, in accordance with that Party's law, importers, exporters, producers and suppliers in that Party to maintain documentation or records in any medium, provided that the documentation or records can be retrieved and printed.
6. A Party may deny preferential treatment to a good that is the subject of a verification of origin when the importer, exporter, producer or supplier of the good that is required to maintain records or documentation under this Article:
 - (a) fails to maintain records or documentation in accordance with this Annex; or
 - (b) denies access to those records or documentation.

ARTICLE 26

Cooperation of Exporters and Importers with the Customs Authority

1. Each Party shall ensure that exporters and importers benefitting from the Agreement must, within the framework of this Agreement and subject to the law of that Party, cooperate with the customs authority of that Party and submit, upon their request, supporting documents regarding the fulfilment of the requirements of this Annex.
2. The exporting Party shall ensure that an exporter who has completed an origin declaration must:
 - (a) upon request of the customs authority of that Party, submit the documents referred to in paragraph 9 of Article 19 (Origin Declaration) to that authority, which may carry out inspections and verify the exporters' or the producer's accounts and take other appropriate measures; and
 - (b) when becoming aware of or having reason to believe that an origin declaration contains incorrect information, immediately notify the importer and the customs authority of the exporting Party of any change affecting the originating status of each product covered by that origin declaration.
3. The importing Party shall ensure that an importer who has requested or has been granted preferential tariff treatment must:
 - (a) upon request of the customs authority of that Party, submit the documents referred to in paragraph 4 of Article 17 (Non-alteration) to that authority; and

- (b) when becoming aware of or having reason to believe that the origin declaration contains incorrect information, immediately notify the customs authority of that Party of any change affecting the originating status of each product covered by an origin declaration.

ARTICLE 27

Discrepancies

The customs authority of the importing Party shall not reject a claim for preferential tariff treatment due to minor errors or discrepancies in the origin declaration, or for the sole reason that an invoice was issued in a third country.

TITLE VI

ADMINISTRATIVE COOPERATION

ARTICLE 28

Verification of Origin

1. The customs authority of the exporting Party shall carry out verifications of origin declarations on request of the importing Party.
2. The verification request may question the authenticity of origin declarations, the originating status of the product concerned or the fulfilment of other requirements of this Annex. It shall identify the reasons for the inquiry and include a copy of the origin declaration and, if appropriate, any other document or information giving reason to believe that the origin declaration could be invalid.
3. The importing Party shall submit the verification request to the exporting Party within 34 months from the completion of the origin declaration. The exporting Party is not obliged to conduct verifications based on verification requests received after that deadline.
4. The customs authority of the importing Party may, subject to its domestic law, suspend preferential tariff treatment of a product covered by an origin declaration until the verification procedure has been finalised.
5. The customs authority of the exporting Party may request evidence, carry out inspections at the exporter's or producer's premises, check the exporter's and the producer's accounts and take other appropriate measures to verify compliance with this Annex.
6. The requesting Party shall be informed of the results and findings of the verification within 10 months from the date of the verification request. If the requesting Party receives no reply within that time limit, or if the reply does not clearly state whether a product is originating or whether the origin declaration is valid, the requesting Party may deny preferential tariff treatment to the consignment covered by the origin declaration in question.
7. Where the requested Party is unable to meet the deadline referred to in paragraph 6, it shall, upon request within that deadline, be granted an extension of the deadline.
8. Each Party shall provide that, if there are differences in relation to the verification procedures of this Article or in the interpretation of the rules of origin in determining whether a good qualifies as originating, and these differences cannot be resolved through consultations between the customs

authority requesting the verification and the customs authority responsible for performing the verification, and if the customs authority of the importing Party intends to make a determination of origin that is inconsistent with the results and findings of the verification provided by the customs authority of the exporting Party, the customs authority of the importing Party shall notify the customs authority of the exporting Party within 60 days of receiving those results and findings of the verification.

9. At the request of either Party, the Parties shall hold and conclude consultations within 90 days from the date of the notification referred to in paragraph 8 to resolve those differences. The period for concluding consultations may be extended on a case-by-case basis by mutual written consent between the Parties. If the differences cannot be settled by consultation between the Parties, each Party may seek to resolve these differences within the Joint Committee.

ARTICLE 29

Denial of Preferential Tariff Treatment

1. An importing Party may deny preferential tariff treatment or recover unpaid customs duties in accordance with its domestic law where a product does not meet the requirements of this Annex or where the importer or exporter fails to demonstrate compliance with the relevant requirements.
2. Slight discrepancies between the statements made in the origin declaration and those made in other documents submitted to the customs authority for customs clearance or obvious formal errors, such as typing errors in an origin declaration, shall not as such render the origin declaration invalid.
3. In all cases, the settlement of differences between the importer and the customs authority of the importing Party shall be under the law of the importing Party.

ARTICLE 30

Notifications and Cooperation

1. The Parties shall provide each other with:
 - (a) the addresses of their customs authorities responsible for verifications referred to in Article 28 (Verification of Origin) and other issues related to the implementation or application of this Annex;
 - (b) information on the use of electronic signatures and identification codes referred to in Article 19 (Origin Declaration), and authorisation numbers referred to in Article 20 (Approved Exporter); and

- (c) information on the interpretation, application and administration of this Annex.
2. The Parties shall endeavour to resolve technical matters related to the implementation or application of this Annex, to the extent possible, through direct consultations between the customs authorities referred to in subparagraph (1)(a) or in the Sub-Committee on Trade in Goods. Disputes that cannot be settled through such consultations shall be submitted to the Joint Committee.
3. The Parties shall provide each other with details of the arrangements or agreements, including their dates of entry into effect, and their corresponding rules of origin, which are applied with the other countries referred to in paragraphs 1, 2 and 7 of Article 8 (Cumulation).

ARTICLE 31

Confidentiality

1. This Annex does not require a Party to furnish or allow access to information, the disclosure of which would impede law enforcement or would be contrary to that Party's law protecting business information.
2. Each Party shall maintain, in conformity with its law, the confidentiality of the information collected pursuant to this Annex and shall protect that information from disclosure that could prejudice the competitive position of the person providing the information. If the Party receiving or obtaining the information is required by its law to disclose the information, that Party shall notify the person or Party who provided that information.
3. Each Party shall ensure that the confidential information collected pursuant to this Annex shall not be used for purposes other than the administration and enforcement of determinations of origin and of customs matters, except with the permission of the person or Party who provided the confidential information.
4. Where personal data is transferred pursuant to this Annex, such transfer shall take place in accordance with the transferring Party's rules on international transfers of personal data. Where needed, each Party shall make best efforts, while respecting its rules on international transfers of personal data, to establish safeguards necessary for the transfer of personal data.
5. Notwithstanding paragraph 3, a Party may allow information collected pursuant to this Annex to be used in any administrative, judicial, or quasi-judicial proceedings instituted for failure to comply with customs-related law implementing this Annex. A Party shall notify the person or Party who provided the information in advance of such use.

6. The Parties shall exchange information on their respective laws for the purpose of facilitating the operation and application of paragraph 2.

TITLE VII
FINAL PROVISIONS

ARTICLE 32

Penalties

Each Party shall provide for the imposition of criminal, civil or administrative penalties for violations of its domestic law related to this Annex.

ARTICLE 33

Products in Transit or Storage

The provisions of this Annex may be applied to products which, on the date of entry into force of this Agreement, are either in transit or in temporary storage in a customs warehouse or free zone under customs control. For such products, an origin declaration may be completed retrospectively up to six months after the entry into force of this Agreement, provided that the provisions of this Annex and in particular Article 17 (Non-Alteration) have been fulfilled.

TITLE VIII

APPLICATION OF THE ANNEX

ARTICLE 34

Liechtenstein

Without prejudice to Article 2 (General Requirements), a product originating in Liechtenstein shall, due to the Customs Treaty between Liechtenstein and Switzerland, be considered as originating in Switzerland.

ARTICLE 35

Free Zones

1. Each Party shall take all necessary steps to ensure that products traded under cover of a proof of origin which in the course of transport use a free zone situated in that Party are not substituted by other goods and do not undergo handling other than normal operations designed to prevent their deterioration.
2. By way of derogation from paragraph 1, when products originating in a Party are imported into a free zone under cover of a proof of origin and undergo treatment or processing, a new proof of origin may be issued or made out, if the treatment or processing undergone complies with this Annex.

ARTICLE 36

Republic of San Marino

Without prejudice to Article 2 (General Requirements), a product originating in the Republic of San Marino shall, due to the customs union between the European Union and the Republic of San Marino, be considered as originating in the European Union.

ARTICLE 37

Principality of Andorra

Without prejudice to Article 2 (General Requirements), a product originating in the Principality of Andorra classified under Chapters 25 to 97 shall, due to the customs union between the European Union and the Principality of Andorra, be considered as originating in the European Union.

ARTICLE 38

Ceuta and Melilla

The term “European Union” used in this Annex does not cover Ceuta and Melilla. Products originating in Ceuta and Melilla shall not be considered as originating in the European Union.
