

**DECISION OF THE JOINT COMMITTEE OF THE CENTRAL EUROPEAN
FREE TRADE AGREEMENT**

No. 3 /2015

**Amending Decision of the Joint Committee of the Central European
Free Trade Agreement 3/2013 regarding Annex 4 of the Central
European Free Trade Agreement (CEFTA 2006), Protocol Concerning
the Definition of the Concept of "Originating Products" and Methods of
Administrative Cooperation referred to in Article 14, paragraph 1 and 3
Adopted on 20 November 2013**

The Joint Committee,

Having regard to the Agreement on Amendment of and Accession to the Central European Free Trade Agreement, (CEFTA 2006), (hereinafter referred to as the "Agreement") done in Bucharest on 19 December 2006, in particular Article 14 of CEFTA 2006 on Rules of Origin and Cooperation in Customs Administration,

Having regard to Annex 4 to CEFTA 2006, the Protocol Concerning the Definition of the Concept of "Originating Products" and Methods of Administrative Cooperation (hereinafter referred to as the Protocol),

Whereas:

(1) Article 14 of CEFTA 2006 refers to its Annex 4 which lays down the rules of origin and provides for CEFTA cumulation of origin, and cumulation of origin in the context of the Stabilization and Association Process,

(2) The Protocol was last amended by Decision No 3/2013 of the Joint Committee of 20 November 2013 to amend Annex 4 to CEFTA 2006 concerning the definition of the concept of originating products and methods of administrative cooperation so as to make reference to the regional Convention on pan-Euro-Mediterranean preferential rules of origin¹ (hereinafter referred to as "the Convention"),

(3) All the participants in the Stabilization and Association Process have been included in the pan-Euro-Mediterranean zone of cumulation of origin through the Convention,

(4) The Contracting Parties of the Convention are not constrained by the Convention to enter into bilateral derogation agreements. Those special provisions on derogations are laid down in the Annexes to the Appendix II of the Convention. Attention will need to be given to the need for transparency

¹The European Union Official Journal L 54, 26.2.2013, p. 4.

including the appropriateness of modifying the procedure for amending or supplementing Appendix II of the Convention,

(5) Where the transition towards the Convention is not simultaneous for all Contracting Parties within the cumulation area, it should not lead to any less favourable situation than previously under the Protocol.

HAS DECIDED AS FOLLOWS:

Article 1 **Rules of origin**

The Annex of the Decision 3/2013 is replaced with the Annex of this decision which contains Protocol A and Protocol B with its subsequent Appendix 1 and Appendix 2.

Article 2 **Entry into force**

(1) This Decision shall enter into force on the day of its adoption.

(2) The dates of application of this decision will not be earlier than 26 November 2016 and will be notified to Chair of Subcommittee on customs and rules of origin by each CEFTA Party in written.

Adopted in Chisinau on 26 November 2015, in the presence of representatives of all CEFTA Parties.

ANNEX

Protocol A concerning the definition of the concept of 'originating products' and methods of administrative cooperation

Article 1 *Applicable rules of origin*

(1) For the purpose of implementing Article 14 of Annex 1 (CEFTA 2006) to the Agreement on Amendment of and Accession to the Central European Free Trade Agreement, done in Bucharest on 19 December 2006 (the Agreement),

Appendix I and the relevant provisions of Appendix II to the Regional Convention on pan-Euro-Mediterranean preferential rules of origin², hereafter the Convention, shall apply.

All references to the 'relevant agreement' in Appendix I and in the relevant provisions of Appendix II to the Regional Convention on pan-Euro-Mediterranean preferential rules of origin shall be construed so as to mean the Agreement.

Article 2 *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 to the Joint Committee provided for in Article 42 and 43 of CEFTA 2006.

(2) In all cases the settlement of disputes between the importer and the customs authorities of the importing CEFTA Party shall take place under the legislation of that CEFTA Party.

Article 3 *Amendments to the Protocol*

The Joint Committee provided for in Article 14 paragraph 1 of CEFTA 2006 may decide to amend the provisions of the present Protocol.

Article 4 *Withdrawal from the Convention*

(1) Should either one of the CEFTA Parties give notice in writing to the depositary of the Convention of their intention to withdraw from the Convention according to its Article 9, other CEFTA Parties 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

²OJ L 54, 26.2.2013, p. 4

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 Party withdrawn and other CEFTA Parties only.

Article 5

Transitional provisions – cumulation

(1) Notwithstanding Article 3 of Appendix I to the Convention, the rules on cumulation provided for in the Articles 3 and 4 of Annex 4, the Protocol Concerning the Definition of the Concept of “Originating Products” and Methods of Administrative Cooperation, as last amended by Decision No 3/2013 shall continue to apply between the CEFTA Party in which the Convention has not yet become applicable and other CEFTA Parties until the Convention has become applicable with relation to the respective CEFTA Party.

(2) Notwithstanding Articles 16(5) and 21(3) of Appendix I of the Convention, where cumulation involves only EFTA States, the Faroe Islands, the EU, Turkey and CEFTA Parties, the proof of origin may be a movement certificate EUR.1 or an origin declaration.

(3) The specimen movement certificate EUR.1 or an origin declaration prescribed by Annex 4 of CEFTA Agreement shall not be used after 1 June 2016.

Protocol B concerning application of full cumulation and duty drawback in CEFTA and methods of administrative cooperation

Article 1

Exclusions from cumulation of origin

Products having acquired their origin by application of the provisions foreseen in this Protocol shall be excluded from cumulation as referred to in Article 3 of Appendix I to the Convention.

Article 2

Cumulation of origin

(1) For the purpose of implementing Article 2 (1)(b) of Appendix I to the Convention, working and processing carried out in one of the CEFTA Parties shall be considered as having been carried out in any other CEFTA Party when

the products obtained undergo subsequent working or processing in the Party concerned. Where, pursuant to this provision, the originating products obtained in two or more of the Parties concerned, they shall be considered as originating in CEFTA only if the working and processing goes beyond the operations referred to in Article 6 of Appendix I to the Convention.

(2) For the purpose of implementing Article 2 (1)(b) of Appendix I to the Convention, working and processing carried out in the European Union, the Faroe Islands, Iceland, Norway, Switzerland (including Liechtenstein), and Turkey shall be considered as having been carried out in the CEFTA Parties, when the products obtained undergo subsequent working or processing in one of the CEFTA Parties concerned. Where, pursuant to this provision, the originating products obtained in two or more Parties concerned shall be considered as originating in CEFTA only if the working or processing goes beyond the operations referred to in Article 6 of Appendix 1 to the Convention.

(3) For the purpose of implementing Article 2(1)(b) of Appendix I to the Convention, working and processing carried out in the CEFTA Parties shall be considered as having been carried out in the European Union, the Faroe Islands, Iceland, Norway, Switzerland (including Liechtenstein), and Turkey, when the products obtained undergo subsequent working or processing in the European Union, the Faroe Islands, Iceland, Norway, Switzerland (including Liechtenstein), and Turkey. Where, pursuant to this provision, the originating products obtained in two or more Parties concerned shall be considered as originating in the European Union, the Faroe Islands, Iceland, Norway, Switzerland (including Liechtenstein), and Turkey only if the working or processing goes beyond the operations referred to in Article 6 of Appendix 1 to the Convention.

(4) The cumulation provided for in Article 2(2) and 2 (3) may be applied only provided that:

- a) a preferential trade agreement in accordance with Article XXIV of the General Agreement on Tariffs and Trade (GATT) is applicable between the EU, the Faroe Islands, Iceland, Norway, Switzerland (including Liechtenstein) or Turkey, and a CEFTA Party involved in the acquisition of the originating status and the CEFTA Party of destination;
- b) materials and products have acquired originating status by the application of rules of origin identical to those given in this Protocol;
and
- c) notification indicating the derogation from the Convention is made to the Joint Committee of the Convention in accordance to Appendix II to the Convention.

Article 3

Proofs of Origin

(1) Without prejudice to Article 16(4) and (5) of Appendix I to the Convention, a movement certificate EUR.1 shall be issued by customs authorities of a CEFTA Party, the EU, the Faroe Islands, Iceland, Norway, Switzerland (including Liechtenstein) or Turkey if the products concerned can be considered as products originating in CEFTA Parties, the EU, the Faroe Islands, Iceland, Norway, Switzerland (including Liechtenstein) or Turkey with application of the cumulation referred to in Article 2 of this Protocol, and fulfil the other requirements of Appendix I to the Convention.

(2) Without prejudice to Article 21 (2) and (3) of Appendix I to the Convention, an origin declaration may be made out if the products concerned can be considered as products originating in the CEFTA Party, the EU, the Faroe Islands, Iceland, Norway, Switzerland (including Liechtenstein) or Turkey, with application of the cumulation referred to in Article 2 of this Annex, and fulfil the other requirements of Appendix I to the Convention.

Article 4

Supplier's declarations

(1) When a movement certificate EUR.1 is issued or an origin declaration is made out in a CEFTA Party, the EU, the Faroe Islands, Iceland, Norway, Switzerland (including Liechtenstein) or Turkey for originating products, in the manufacture of which goods coming from other CEFTA Parties, the EU, the Faroe Islands, Iceland, Norway, Switzerland (including Liechtenstein) or Turkey which have undergone working or processing in these Parties, and the countries concerned without having obtained preferential originating status, have been used, account shall be taken of the supplier's declaration given for those goods in accordance with this Article.

(2) The supplier's declaration referred to in paragraph (1) of this Article shall serve as evidence of the working or processing undergone in the CEFTA Parties, the EU, the Faroe Islands, Iceland, Norway, Switzerland (including Liechtenstein) or Turkey by the goods concerned for the purpose of determining whether the products in the manufacture of which those goods are used, may be considered as products originating in the CEFTA Parties, the EU, the Faroe Islands, Iceland, Norway, Switzerland (including Liechtenstein) or Turkey or fulfill the other requirements of Appendix I to the Convention.

(3) A separate supplier's declaration shall, except in the cases provided in paragraph (4) of this Article, be made out by the supplier for each consignment of goods in the form prescribed in Annex 1 to this Protocol on a sheet of paper annexed to the invoice, the delivery note or any other commercial document describing the goods concerned in sufficient detail to enable them to be identified.

(4) Where a supplier regularly supplies a particular customer with goods for which the working or processing undergone in the CEFTA Parties, the EU, the Faroe Islands, Iceland, Norway, Switzerland (including Liechtenstein) or Turkey is expected to remain constant for considerable period of time, he may provide a single supplier's declaration to cover subsequent consignments of those goods (hereinafter referred to as a "long-term supplier's declaration").

A long-term supplier's declaration may normally be valid for a period of up to one year from the date of making out of the declaration. The customs authority of a CEFTA Party where the declaration is made out lay down the conditions under which longer periods may be used.

The long-term supplier's declaration shall be made out by the supplier in the form prescribed in Annex 2 of this Protocol and shall describe the goods concerned in sufficient detail to enable them to be identified. It shall be provided to the customs concerned before he is supplied with the first consignment of goods covered by that declaration or together with his first consignment.

The supplier shall inform his customs immediately if the long-term supplier's declaration is no longer applicable to the goods supplied.

(5) The supplier's declarations referred to in paragraphs (3) and (4) of this Article shall be typed or printed in English, in accordance with the provisions of the national law of the Party concerned where the declaration is made out, and shall bear the original signature of the supplier in manuscript. The declaration may also be handwritten; in such a case, it shall be written in ink in printed characters.

(6) The supplier making out a declaration shall be prepared to submit at any time, at the request of the customs authority of the Party, where the declaration is made out, all appropriate documents proving that the information is given on that declaration is correct.

Article 5

Supporting documents

Supplier's declarations proving the working or processing undergone in the CEFTA Parties, the EU, the Faroe Islands, Iceland, Norway, Switzerland (including Liechtenstein) or Turkey by materials used, made out in one of these countries shall be treated as a document referred to in Articles 16(3) and 21(5) of Appendix I to the Convention and Article 4 of this Protocol used for the purpose of proving that products covered by a movement certificate EUR.1 or an origin declaration may be considered as products originating in the CEFTA

Parties, the EU, the Faroe Islands, Iceland, Norway, Switzerland (including Liechtenstein) or Turkey, and fulfill the other requirements of Appendix I to the Convention.

Article 6

Preservation of supplier's declarations

(1) The supplier making out a supplier's declaration shall keep for at least three years copies of the declaration and of all the invoices, delivery notes of other commercial documents to which that declaration is annexed as well as the documents referred to in Article 5 of this Protocol.

(2) The supplier making out of a long-term supplier's declaration shall keep for at least three years copies of the declaration and of all the invoices, delivery notes or other commercial documents concerning goods covered by that declaration sent to the customer concerned, as well as the documents referred to in Article 5 of this Protocol. This period shall begin from the date of expiry of validity of the long term supplier's declaration.

Article 7

Administrative cooperation

Without prejudice to Articles 31 and 32 of the Appendix I to the Convention, in order to ensure the proper application of this Annex, the CEFTA Parties, the EU, the Faroe Islands, Iceland, Norway, Switzerland (including Liechtenstein) or Turkey shall assist each other, through the competent customs authorities, in checking the authenticity of the movement certificates EUR.1, the origin declarations or the supplier's declarations and the correctness of the information given in these documents.

Article 8

Verification of supplier's declarations

(1) Subsequent verifications of supplier's declarations or long-term supplier's declarations may be carried out at random or whenever the customs authority of the Party where such declarations have been taken into account to use a movement certificate EUR.1 or to make out an origin declaration have reasonable doubts as to the authenticity of the document or the correctness of the information given in this document.

(2) For the purposes of implementing the provisions of paragraph (1) of this Article, the customs authority of the Party referred to paragraph (1) of this Article shall return the supplier's declaration or the long-term supplier's

declaration and invoices, delivery notes or other commercial documents concerning goods covered by such declaration, to the customs authority of the Party where the declaration was made out, giving, where appropriate, the reasons of substance or form of the request for verification.

They shall forward, in support of the request for subsequent verification, any documents and information that have been obtained suggesting that the information given in the supplier's declaration or the long-term supplier's declaration is incorrect.

(3) The verification shall be carried out by the customs authority of the Party where the supplier's declaration or the long-term supplier's declaration was made out. For this purpose, they shall have the right to call for any evidence and carry out any inspection of the supplier's accounts or any other check which they consider appropriate.

(4) The customs authority requesting the verification shall be informed of the results thereof as soon as possible. These results shall indicate clearly whether the information given in the supplier's declaration or the long-term supplier's declaration is correct and make it possible for them to determine whether and to what extent such declaration could be taken into account for issuing a movement certificate EUR.1 or for making out an origin declaration.

Article 9

Penalties

Penalties shall be imposed on any person who draws up, or causes to be drawn up, a document which contains incorrect information for the purpose of obtaining a preferential treatment for products.

Article 10

Prohibition of drawback, or of exemption from, customs duties

(1) The prohibition in paragraph 1 of Article 14 of Appendix I to the Convention shall not apply in bilateral trade between CEFTA Parties, the EU, the Faroe Islands, Iceland, Norway, Switzerland (including Liechtenstein) or Turkey.

(2) CEFTA Parties, the EU, the Faroe Islands, Iceland, Norway, Switzerland (including Liechtenstein) or Turkey may apply arrangements for drawback of, or exemption from, customs duties or charges having an equivalent effect,

applicable to non-originating materials used in the manufacture of originating products, provided that:

- a) a preferential trade agreement in accordance with Article XXIV of the General Agreement on Tariffs and Trade (GATT) is applicable between the EU, the Faroe Islands, Iceland, Norway, Switzerland (including Liechtenstein) or Turkey and a CEFTA Party involved in the acquisition of the originating status and the CEFTA Party of destination;
- b) materials and products have acquired originating status by the application of rules of origin identical to those given in this Protocol;
- c) and
- d) notification indicating the derogation from the Convention is to be made to the Joint Committee of the Convention in accordance to Appendix II to the Convention

APPENDIX 1

Supplier's declaration

The supplier's declaration, the text of which is given below, must be made out in accordance with the footnotes. However, the footnotes do not have to be reproduced.

SUPPLIER'S DECLARATION

for goods which have undergone working or processing in the CEFTA Parties, the EU, the Faroe Islands, Iceland, Norway, Switzerland (including Liechtenstein) or Turkey without having obtained preferential origin status

I, the undersigned, supplier of the goods covered by the annexed document, declare that:

1. The following materials which do not originate in the CEFTA Parties, the EU, the Faroe Islands, Iceland, Norway, Switzerland (including Liechtenstein) or Turkey have been used in the CEFTA Parties to produce these goods:

Description of the goods supplied ⁽¹⁾	Description of non-originating materials used	Heading of non-originating materials used ⁽²⁾	Value of non-originating materials used ⁽²⁾⁽³⁾
Total value			
Total value			

2. All the other materials used in the CEFTA Parties to produce these goods originate in the CEFTA Parties, the EU, the Faroe Islands, Iceland, Norway, Switzerland (including Liechtenstein) or Turkey;

3. The following goods have undergone working or processing outside CEFTA Parties, the EU, the Faroe Islands, Iceland, Norway, Switzerland (including Liechtenstein) or Turkey, in accordance with Article 11 of the Convention have acquired the following total added value there:

Description of the goods supplied	Total added value acquired outside the CEFTA Parties, the EU, the Faroe Islands, Iceland, Norway, Switzerland (including Liechtenstein) or Turkey ⁽⁴⁾
(Place and date)	
(Address and signature of the supplier; in addition the name of the person signing the declaration has to be indicated in clear script)	

⁽¹⁾⁽¹⁾ When the invoice, delivery note or other commercial document to which the declaration is annexed relates to different kinds of goods, or to goods which do not incorporate non-originating materials to the same extent, the supplier must clearly differentiate them.

Example:

The document relates to different models of electric motor of heading 8501 to be used in the manufacture of washing machines of heading 8450. The nature and value of the non-originating materials used in the manufacture of these motors differ from one model to another. The models must therefore be differentiated in the first column and the indications in the other columns must be provided separately for each of the models to make it possible for the manufacturer of washing machines to make a correct assessment of the originating status of his products depending on which model of electrical motor he uses.

(2)

(2) The indications requested in these columns should only be given if they are necessary.

Examples:

The rule for garments of ex Chapter 62 says that non-originating yarn may be used. If a manufacturer of such garments in Serbia uses fabric imported from Macedonia which has been obtained there by weaving non-originating yarn, it is sufficient for the Macedonian supplier to describe in his declaration the non-originating material used as yarn, without it being necessary to indicate the heading and value of such yarn.

A producer of iron of heading 7217 who has produced it from non-originating iron bars should indicate in the second column 'bars of iron'. Where this wire is to be used in the production of a machine, for which the rule contains a limitation for all non-originating materials used to a certain percentage value, it is necessary to indicate in the third column the value of non-originating bars.

(3)(3) 'Value of 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 materials in one of the CEFTA Parties.

The exact value for each non-originating material used must be given per unit of the goods specified in the first column.

(4)(4) 'Total added value' shall mean all costs accumulated outside the CEFTA Parties, the EU, the Faroe Islands, Iceland, Norway, Switzerland (including Liechtenstein) or Turkey, including the value of all materials added there. The exact total added value acquired outside the CEFTA Parties, the EU, the Faroe Islands, Iceland, Norway, Switzerland (including Liechtenstein) or Turkey must be given per unit of the goods specified in the first column.

Long-term supplier's declaration

The long-term supplier's declaration, the text of which is given below, must be made out in accordance with the footnotes. However, the footnotes do not have to be reproduced.

LONG-TERM SUPPLIER'S DECLARATION

for goods which have undergone working or processing in the CEFTA Parties, the EU, the Faroe Islands, Iceland, Norway, Switzerland (including Liechtenstein) or Turkey without having obtained preferential originating status

I, the undersigned, supplier of the goods covered by this document, which are regularly supplied to ⁽¹⁾ declare that:

1. The following materials which do not originate in the CEFTA Parties, the EU, the Faroe Islands, Iceland, Norway, Switzerland (including Liechtenstein) or Turkey have been used in the CEFTA Parties, to produce these goods:

Description of the goods supplied ⁽²⁾	Description of non-originating materials used	Heading of non-originating materials used ⁽³⁾	Value of non-originating materials used ⁽³⁾⁽⁴⁾
			Total value:

2. All the other materials used in the CEFTA Parties to produce these goods originate in the CEFTA Parties, the EU, the Faroe Islands, Iceland, Norway, Switzerland (including Liechtenstein) or Turkey;

3. The following goods have undergone working or processing outside CEFTA Parties, the EU, the Faroe Islands, Iceland, Norway, Switzerland (including Liechtenstein) or Turkey, in accordance with Article 11 of the Convention have acquired the following total added value there:

Description of the goods supplied	Total added value acquired outside the CEFTA Parties [the EU, the Faroe Islands, Iceland, Norway, Switzerland (including Liechtenstein) or Turkey];
	Total value:

(Place and date)

(Address and signature of the supplier; in addition the name of the person signing the declaration has to be indicated in clear script)

This declaration is valid for all subsequent consignments of these goods dispatched from.....

to.....⁽⁶⁾.

I undertake to inform.....⁽¹⁾ immediately if this declaration is no longer valid.

.....
(Place and date)

.....
.....
.....

.....
.....
..... (Address and signature of the supplier; in addition the name of the person signing the declaration has to be indicated in clear script)

⁽¹⁾ Name and address of customer.

⁽²⁾ When the invoice, delivery note or other commercial document to which the declaration is annexed relates to different kinds of goods, or to goods which do not incorporate non-originating materials to the same extent, the supplier must clearly differentiate them.

Example:

The document relates to different models of electric motor of heading 8501 to be used in the manufacture of washing machines of heading 8450. The nature and value of the non-originating materials used in the manufacture of these motors differ from one model to another. The models must therefore be differentiated in the first column and the indications in the other columns must be provided separately for each of the models to make it possible for the manufacturer of washing machines to make a correct assessment of the originating status of his products depending on which model of electrical motor he uses.

⁽³⁾ The indications requested in these columns should only be given if they are necessary.

Examples:

The rule for garments of ex Chapter 62 says that non-originating yarn may be used. If a manufacturer of such garments in Serbia uses fabric imported from Macedonia which has been obtained there by weaving non-originating yarn, it is sufficient for the

Macedonian supplier to describe in his declaration the non-originating material used as yarn, without it being necessary to indicate the heading and value of such yarn.

A producer of iron of heading 7217 who has produced it from non-originating iron bars should indicate in the second column 'bars of iron'. Where this wire is to be used in the production of a machine, for which the rule contains a limitation for all non-originating materials used to a certain percentage value, it is necessary to indicate in the third column the value of non-originating bars.

- (4) 'Value of 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 materials in one of the CEFTA Parties.

The exact value for each non-originating material used must be given per unit of the goods specified in the first column.

- (5) 'Total added value' shall mean all costs accumulated outside the CEFTA Parties, the EU, the Faroe Islands, Iceland, Norway, Switzerland (including Liechtenstein) or Turkey, including the value of all materials added there.

The exact total added value acquired outside the CEFTA Parties, the EU, the Faroe Islands, Iceland, Norway, Switzerland (including Liechtenstein) or Turkey must be given per unit of the goods specified in the first column.

- (6) Insert dates. The period of validity of the long term supplier's declaration should not normally exceed 12 months, subject to the conditions laid down by the customs authorities of the country where the long term supplier's declaration is made out.