

**PROTOCOL 3**  
**On rules of origin**

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## TITLE I

## GENERAL PROVISIONS

## Article 1

## Definitions

For the purposes of this Protocol

- (a) 'manufacture' means any kind of working or processing including assembly or specific operations;
- (b) 'material' means any ingredient, raw material, component or part, etc., used in the manufacture of the product;
- (c) 'product' means the product being manufactured, even if it is intended for later use in another manufacturing operation;
- (d) 'goods' means both materials and products;
- (e) 'customs value' means the value as determined in accordance with the 1994 Agreement on implementation of Article VII of the General Agreement on Tariffs and Trade (WTO Agreement on customs valuation);
- (f) 'ex-works price' means the price paid for the product ex works to the manufacturer in the Community or Turkey in whose undertaking the last working or processing is carried out, provided the price includes the value of all the materials used, minus any internal taxes which are, or may be, repaid when the product obtained is exported;
- (g) '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 the Community or Turkey;
- (h) 'value of originating materials' means the value of such materials as defined in subparagraph (g) applied *mutatis mutandis*;
- (i) 'added value' shall be taken to be the ex works price minus the customs value of each of the products incorporated which did not originate in the country in which those products were obtained;
- (j) 'chapters' and 'headings' mean the chapters and the headings (four-digit codes) used in the nomenclature which make up the harmonised commodity description and coding system, referred to in this Protocol as 'the Harmonised System' or 'HS';
- (k) 'classified' refers to the classification of a product or material under a particular heading;

(l) 'consignment' means products which are either sent simultaneously from one exporter to one consignee or 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;

(m) 'territories' includes territorial waters.

## TITLE II

## DEFINITION OF THE CONCEPT OF 'ORIGINATING PRODUCTS'

## Article 2

## General requirements

1. For the purpose of implementing this Decision, the following products shall be considered as originating in the Community:

- (a) products wholly obtained in the Community within the meaning of Article 4 of this Protocol;
- (b) products obtained in the Community incorporating materials which have not been wholly obtained there, provided that such materials have undergone sufficient working or processing in the Community within the meaning of Article 5 of this Protocol;

2. For the purpose of implementing this Decision, the following products shall be considered as originating in Turkey:

- (a) products wholly obtained in Turkey within the meaning of Article 4 of this Protocol;
- (b) products obtained in Turkey incorporating materials which have not been wholly obtained there, provided that such materials have undergone sufficient working or processing in Turkey within the meaning of Article 5 of this Protocol.

## Article 3

## Bilateral cumulation of origin

1. Materials originating in the Community shall be considered as materials originating in Turkey when incorporated into a product obtained there. It shall not be necessary that such materials have undergone sufficient working or processing, provided they have undergone working or processing going beyond that referred to in Article 6(1) of this Protocol.

2. Materials originating in Turkey shall be considered as materials originating in the Community when incorporated into a product obtained there. It shall not be necessary that such materials have undergone sufficient working or processing, provided they have undergone working or processing going beyond that referred to in Article 6(1) of this Protocol.

*Article 4***Wholly obtained products**

1. The following shall be considered as wholly obtained in the Community or Turkey:
  - (a) mineral products extracted from their soil or from their seabed;
  - (b) vegetable products harvested there;
  - (c) live animals born and raised there;
  - (d) products from live animals raised there;
  - (e) products obtained by hunting or fishing conducted there;
  - (f) products of sea fishing and other products taken from the sea outside the territorial waters of the Community or Turkey by their vessels;
  - (g) products made aboard their factory ships exclusively from products referred to in subparagraph (f);
  - (h) waste and scrap resulting from manufacturing operations conducted there;
  - (i) goods produced there exclusively from the products specified in subparagraphs (a) to (h).
2. The terms 'their vessels' and 'their factory ships' in subparagraphs 1(f) and (g) shall apply only to vessels and factory ships:
  - (a) which are registered or recorded in an EC Member State or in Turkey;
  - (b) which sail under the flag of an EC Member State or of Turkey;
  - (c) which are owned to an extent of at least 50 % by nationals of EC Member States or of Turkey, or by a company with its head office in one of these States, of which the manager or managers, chairman of the board of directors or the supervisory board, and the majority of the members of such boards are nationals of EC Member States or of Turkey and of which, in addition, in the case of partnerships or limited companies, at least half the capital belongs to those States or to public bodies or nationals of the said States;
  - (d) of which the master and officers are nationals of EC Member States or of Turkey; and
  - (e) of which at least 75 % of the crew are nationals of EC Member States or of Turkey.

*Article 5***Sufficiently worked or processed products**

1. For the purposes of Article 2, products which are not wholly obtained are considered to be sufficiently worked or processed when the conditions set out in the list in Annex II are fulfilled.

The conditions referred to above indicate, for all products covered by this Decision, the working or processing which must be carried out on non-originating materials used in manufacturing and apply only in relation to such materials. Accordingly, it follows that if a product, which has acquired originating status by fulfilling the conditions set out in the list is used in the manufacture of another product, the conditions applicable to the product in which it is incorporated do not apply to it, and no account shall be taken of the non-originating materials which may have been used in its manufacture.

2. Notwithstanding paragraph 1, non-originating materials which, according to the conditions set out in the list, should not be used in the manufacture of a product may nevertheless be used, provided that:

- (a) their total value does not exceed 10 % of the ex-works price of the product;
- (b) any of the percentages given in the list for the maximum value of non-originating materials are not exceeded through the application of this paragraph.

3. Paragraphs 1 and 2 shall apply except as provided in Article 6.

*Article 6***Insufficient working or processing operations**

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 5 are satisfied:

- (a) operations to ensure the preservation of products in good condition during transport and storage (ventilation, spreading out, drying, chilling, placing in salt, sulphur dioxide or other aqueous solutions, removal of damaged parts, and like operations);
- (b) simple operations consisting or removal of dust, sifting or screening, sorting, classifying, matching (including the making-up of sets of articles), washing, painting, cutting up;
- (c) (i) changes of packaging and breaking up and assembly of packages;

- (ii) simple placing in bottles, flasks, bags, cases, boxes, fixing on cards or boards etc., and all other simple packaging operations;
- (d) affixing marks, labels and other like distinguishing signs on products or their packaging;
- (e) simple mixing of products, whether or not of different kinds, where one or more components of the mixtures do not meet the conditions laid down in this Protocol to enable them to be considered as originating in the Community or Turkey;
- (f) simple assembly of parts to constitute a complete product;
- (g) a combination of two or more operations specified in subparagraphs (a) to (f);
- (h) slaughter of animals.

2. All the operations carried out in either the Community 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.

#### Article 7

##### Unit of qualification

1. The unit of qualification for the application of the provisions of this Protocol shall be the particular product which is considered as the basic unit when determining classification using the nomenclature of the Harmonised System.

Accordingly, it follows that:

- (a) when a product composed of a group or assembly of Articles is classified under the terms of the Harmonised System in a single heading, the whole constitutes the unit of qualification;
- (b) when a consignment consists of a number of identical products classified under the same heading of the Harmonised System, each product must be taken individually when applying the provisions of this Protocol.

2. Where, under general rule 5 of the Harmonised System, packaging is included with the product for classification purposes, it shall be included for the purposes of determining origin.

#### Article 8

##### Sets

Sets, as defined in general rule 3 of the Harmonised System, shall be regarded as originating when all component products are originating. Nevertheless, when

a set is composed of originating and non-originating products, the set as a whole shall 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 9

##### Neutral elements

In order to determine whether a product originates, it shall not be necessary to determine the origin of the following which might be used in its manufacture:

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

#### TITLE III

##### TERRITORIAL REQUIREMENTS

#### Article 10

##### Principle of territoriality

1. The conditions set out in Title II relative to the acquisition of originating status must be fulfilled without interruption in the Community or Turkey.

2. If originating goods exported from the Community or Turkey to another country are returned they must be considered as non-originating, unless it can be demonstrated to the satisfaction of the customs authorities that:

- (a) the goods returned are the same goods as those exported; and
- (b) they have not undergone any operation beyond that necessary to preserve them in good condition while in that country or while being exported.

#### Article 11

##### Direct transport

1. The preferential treatment provided for under the Decision applies only to products, satisfying the requirements of this Protocol, which are transported directly between the Community and Turkey. However, products constituting one single consignment may be transported through other territories with, should the occasion arise, transshipment or temporary warehousing

in such territories, provided that they remain under the surveillance of the customs authorities in the country of transit or warehousing and do not undergo operations other than unloading, reloading or any operation designed to preserve them in good condition.

2. Evidence that the conditions set out in paragraph 1 have been fulfilled shall be supplied to the customs authorities of the importing country by the production of:

- (a) a single transport document covering the passage from the exporting country through the country of transit; or
- (b) a certificate issued by the customs authorities of the country of transit:
  - (i) giving an exact description of the products;
  - (ii) stating the dates of unloading and reloading of the products and, where applicable, the names of the ships, or the other means of transport used; and
  - (iii) certifying the conditions under which the products remained in the transit country; or
- (c) failing these, any substantiating documents.

#### *Article 12*

##### **Exhibitions**

1. Originating products, sent for exhibition in another country and sold after the exhibition for importation in the Community or Turkey shall benefit on importation from the provisions of the Decision provided it is shown to the satisfaction of the customs authorities that:

- (a) an exporter has consigned these products from the Community or Turkey 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 the Community or Turkey;
- (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 must be issued or made out in accordance with the provisions of Title V and submitted to the customs authorities of the importing country in the normal manner. The name and address of the exhibition

must be indicated thereon. Where necessary, additional documentary evidence of the conditions under which they 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

##### **DRAWBACK OR EXEMPTION**

#### *Article 13*

##### **Prohibition of drawback of, or exemption from, customs duties**

1. Non-originating materials used in the manufacture of products originating in the Community or in Turkey for which a proof of origin is issued or made out in accordance with the provisions of Title V shall not be subject in the Community or Turkey to drawback of, or exemption from, customs duties of whatever kind.

2. The prohibition in paragraph 1 shall apply to any arrangement for refund, remission or non-payment, partial or complete, of customs duties or charges having an equivalent effect, applicable in the Community or Turkey to materials used in the manufacture, where such refund, remission or non-payment applies, expressly or in effect, when products obtained from the said materials are exported and not when they are retained for home use there.

3. The exporter of products covered by a proof of origin shall be prepared to submit at any time, upon request from the customs authorities, all appropriate documents proving that no drawback has been obtained in respect of the non-originating materials used in the manufacture of the products concerned and that all customs duties or charges having equivalent effect applicable to such materials have actually been paid.

4. The provisions of paragraphs 1 to 3 shall also apply in respect of packaging within the meaning of Article 7(2) and products in a set within the meaning of Article 8 when such items are non-originating.

5. The provisions of paragraphs 1 to 4 shall apply only in respect of materials which are of the kind to which the Decisions applies. Furthermore, they shall not preclude the application of an export refund system for agricultural products, applicable upon export in accordance with the provisions of the Decision.

6. Notwithstanding paragraph 1, when Turkey applies a higher rate of customs duty than is in force in the Community, Turkey may apply arrangements for drawback of, or exemption from, customs duties or charges having an equivalent effect, applicable to materials used in the manufacture of originating products, subject to the condition that the rate of customs charge shall not be less than that applicable to the same materials imported into the Community.

#### TITLE V

#### PROOF OF ORIGIN

##### *Article 14*

##### General requirements

1. Products originating in the Community shall, on importation into Turkey and products originating in Turkey shall, on importation into the Community, benefit from the Decision upon submission of either:

- (a) a movement certificate EUR.1, a specimen of which appears in Annex III; or
- (b) in the cases specified in Article 19(1), a declaration, the text of which appears in Annex IV, given by the exporter on an invoice, a delivery note or any other commercial document which describes the products concerned in sufficient detail to enable them to be identified (hereinafter referred to as the 'invoice declaration').

2. Notwithstanding paragraph 1, originating products within the meaning of this Protocol shall, in the cases specified in Article 23, benefit from the Decision without it being necessary to submit any of the documents referred to above.

##### *Article 15*

##### Procedure for the issue of a movement certificate EUR.1

1. A movement certificate EUR.1 shall be issued by the customs authorities of the exporting country on application having been made in writing by the exporter or, under the exporter's responsibility, by his authorised representative.

2. For this purpose, the exporter or his authorised representative shall fill out both the movement certificate EUR.1 and the application form, specimens of which appear in Annex III. These forms shall be completed in one of the languages in which the Decision is drawn up and in accordance with the provisions of the domestic law of the exporting country. If they are handwritten,

they shall be completed in ink in printed characters. The description of the products must be given in the box reserved for this purpose without leaving any blank lines. Where the box is not completely filled, a horizontal line must be drawn below the last line of the description, the empty space being crossed through.

3. The exporter applying for the issue of a movement certificate EUR.1 shall be prepared to submit at any time, at the request of the customs authorities of the exporting country where the movement certificate EUR.1 is issued, all appropriate documents proving the originating status of the products concerned as well as the fulfilment of the other requirements of this Protocol.

4. A movement certificate EUR.1 shall be issued by the customs authorities of an EC Member State or Turkey if the products concerned can be considered as products originating in the Community or Turkey and fulfil the other requirements of this Protocol.

5. The issuing customs authorities shall take any steps necessary to verify the originating status of the products and the fulfilment of the other requirements of this Protocol. For this purpose, they shall have the right to call for any evidence and to carry out any inspection of the exporter's accounts or any other check considered appropriate. The issuing customs authorities shall also ensure that the forms referred to in paragraph 2 are duly completed. In particular, they shall check whether the space reserved for the description of the products has been completed in such a manner as to exclude all possibility of fraudulent additions.

6. The date of issue of the movement certificate EUR.1 shall be indicated in box 11 of the certificate.

7. A movement certificate EUR.1 shall be issued by the customs authorities and made available to the exporter as soon as actual exportation has been effected or ensured.

##### *Article 16*

##### Movement certificates EUR.1 issued retrospectively

1. Notwithstanding Article 15(7), a movement certificate EUR.1 may exceptionally be issued after exportation of the products to which it relates if:

- (a) it was not issued at the time of exportation because of errors or involuntary omissions or special circumstances; or

(b) it is demonstrated to the satisfaction of the customs authorities that a movement certificate EUR.1 was issued but was not accepted at importation for technical reasons.

2. For the implementation of paragraph 1, the exporter must indicate in his application the place and date of exportation of the products to which the movement certificate EUR.1 relates, and state the reasons for his request.

3. The customs authorities may issue a movement certificate EUR.1 retrospectively only after verifying that the information supplied in the exporter's application agrees with that in the corresponding file.

4. Movement certificates EUR.1 issued retrospectively must be endorsed with one of the following phrases:

'NACHTRÄGLICH AUSGESTELLT', 'DÉLIVRÉ À POSTERIORI', 'RILASCIATO A POSTERIORI', 'AFGEGEVEN A POSTERIORI', 'ISSUED RETROSPECTIVELY', 'UDSTEDT EFTERFØLGENDE', 'ΕΚΔΟΘΕΝ ΕΚ ΤΩΝ ΥΣΤΕΡΩΝ', 'EXPEDIDO A POSTERIORI', 'EMITIDO A POSTERIORI', 'ANNETTU JÄLKIKÄTEEN', 'UTFÄRDAT I EFTERHAND', 'SONRADAN VERILMISTIR'.

5. The endorsement referred to in paragraph 4 shall be inserted in the 'Remarks' box of the movement certificate EUR.1.

#### Article 17

##### Issue of a duplicate movement certificate EUR.1

1. In the event of theft, loss or destruction of a movement certificate EUR.1, the exporter may apply to the customs authorities which issued it for a duplicate made out on the basis of the export documents in their possession.

2. The duplicate issued in this way must be endorsed with one of the following words:

'DUPLIKAT', 'DUPLICATA', 'DUPLICATO', 'DUPLICAAT', 'DUPLICATE', 'ΑΝΤΙΓΡΑΦΟ', 'DUPLICADO', 'SEGUNDA VIA', 'KAKSOISKAPPALE', 'İKINCI NUSHADIR'.

3. The endorsement referred to in paragraph 2 shall be inserted in the 'Remarks' box of the duplicate movement certificate EUR.1.

4. The duplicate, which must bear the date of issue of the original movement certificate EUR.1, shall take effect as from that date.

#### Article 18

##### Issue of movement certificates EUR.1 on the basis of a proof of origin issued or made out previously

When originating products are placed under the control of a customs office in the Community or Turkey, it shall be possible to replace the original proof of origin by one or more movement certificates EUR.1 for the purpose of sending all or some of these products elsewhere within the Community or Turkey. The replacement movement certificate(s) EUR.1 shall be issued by the customs office under whose control the products are placed.

#### Article 19

##### Conditions for making out an invoice declaration

1. An invoice declaration as referred to in Article 14(1)(b) may be made out:

- (a) by an approved exporter within the meaning of Article 20; or
- (b) by any exporter for any consignment consisting of one or more packages containing originating products whose total value does not exceed ECU 6 000.

2. An invoice declaration may be made out if the products concerned can be considered as products originating in the Community or Turkey and fulfil the other requirements of this Protocol.

3. The exporter making out an invoice declaration shall be prepared to submit at any time, at the request of the customs authorities of the exporting country, all appropriate documents proving the originating status of the products concerned as well as the fulfilment of the other requirements of this Protocol.

4. An invoice declaration shall be made out by the exporter by typing, stamping or printing on the invoice, the delivery note or another commercial document, the declaration, the text of which appears in Annex IV, using one of the linguistic versions set out in that Annex and in accordance with the provisions of the domestic law of the exporting country. If the declaration is handwritten, it shall be written in ink in printed characters.

5. Invoice declarations shall bear the original signature of the exporter in manuscript. However, an approved exporter within the meaning of Article 20 shall not be required to sign such declarations provided that he gives the customs authorities of the exporting country a written undertaking that he accepts full responsibility for any invoice declaration which identifies him as if it had been signed in manuscript by him.



6. An invoice declaration may be made out by the exporter when the products to which it relates are exported, or after exportation on condition that it is presented in the importing country no longer than two years after the importation of the products to which it relates.

#### Article 20

##### Approved exporter

1. The customs authorities of the exporting country may authorise any exporter who makes frequent shipments of products under this Decision to make out invoice declarations irrespective of the value of the products concerned. An exporter seeking such authorisation must offer to the satisfaction of the customs authorities all guarantees necessary to verify the originating status of the products as well as the fulfilment of the other requirements of this Protocol.
2. The customs authorities may grant the status of approved exporter subject to any conditions which they consider appropriate.
3. The customs authorities shall grant to the approved exporter a customs authorisation number which shall appear on the invoice declaration.
4. The customs authorities shall monitor the use of the authorisation by the approved exporter.
5. The customs authorities may withdraw the authorisation at any time. They shall do so where the approved exporter no longer offers the guarantees referred to in paragraph 1, does not fulfil the conditions referred to in paragraph 2 or otherwise makes an incorrect use of the authorisation.

#### Article 21

##### Validity of proof of origin

1. A proof of origin shall be valid for four months from the date of issue in the exporting country, and must be submitted within the said period to the customs authorities of the importing country.
2. Proofs of origin which are submitted to the customs authorities of the importing country after the final date for presentation specified in paragraph 1 may be accepted for the purpose of applying preferential treatment, where the failure to submit these documents by the final date set is due to exceptional circumstances.
3. In other cases of belated presentation, the customs authorities of the importing country may accept the proofs of origin where the products have been submitted before the said final date.

#### Article 22

##### Submission of proof of origin

Proofs of origin shall be submitted to the customs authorities of the importing country in accordance with the procedures applicable in that country. The said authorities may require a translation of a proof of origin and may also require the import declaration to be accompanied by a statement from the importer to the effect that the products meet the conditions required for the implementation of the Decision.

#### Article 23

##### Exemptions from proof of origin

1. Products sent as small packages from private persons to private persons or forming part of travellers' personal luggage shall be admitted as originating products without requiring the submission of a proof of origin, provided that such products are not imported by way of trade and have been declared as meeting the requirements of this Protocol and where there is no doubt as to the veracity of such a declaration. In the case of products sent by post, this declaration can be made on the customs declaration C2/CP3 or on a sheet of paper annexed to that document.
2. Imports which are occasional and consist solely of products for the personal use of the recipients or travellers or their families shall not be considered as imports by way of trade if it is evident from the nature and quantity of the products that no commercial purpose is in view.
3. Furthermore, the total value of these products shall not exceed ECU 500 in the case of small packages or ECU 1 200 in the case of products from forming part of travellers' personal luggage.

#### Article 24

##### Supporting documents

The document referred to in Articles 15(3) and 19(3) used for the purpose of proving that products covered by a movement certificate EUR.1 or an invoice declaration can be considered as products originating in the Community or Turkey and fulfil the other requirements of this Protocol may consist *inter alia* of the following:

- (a) direct evidence of the processes carried out by the exporter or supplier to obtain the goods concerned, contained for example in his accounts or internal bookkeeping;

- (b) documents proving the originating status of materials used, issued or made out in the Community or Turkey where these documents are used in accordance with domestic law;
- (c) documents proving the working or processing of materials in the Community or Turkey, issued or made out in the Community or Turkey, where these documents are used in accordance with domestic law;
- (d) movement certificates EUR.1 or invoice declarations proving the originating status of materials used, issued or made out in the Community or Turkey in accordance with this Protocol.

#### Article 25

##### Preservation of proof of origin and supporting documents

1. The exporter applying for the issue of a movement certificate EUR.1 shall keep for at least three years the documents referred to in Article 15(3).
2. The exporter making out an invoice declaration shall keep for at least three years a copy of this invoice declaration as well as the documents referred to in Article 19(3).
3. The customs authorities of the exporting country issuing a movement certificate EUR.1 shall keep for at least three years the application form referred to in Article 15(2).
4. The customs authorities of the importing country shall keep for at least three years the movement certificates EUR.1 and the invoice declarations submitted to them.

#### Article 26

##### Discrepancies and formal errors

1. The discovery of slight discrepancies between the statements made in the proof of origin and those made in the documents submitted to the customs office for the purpose of carrying out the formalities for importing the products shall not *ipso facto* render the proof of origin null and void if it is duly established that this document does correspond to the products submitted.
2. Obvious formal errors such as typing errors on a proof of origin should not cause this document to be rejected if these errors are not such as to create doubts concerning the correctness of the statements made in this document.

#### Article 27

##### Amounts expressed in ecus

1. Amounts in the national currency of the exporting country equivalent to the amounts expressed in ecus shall be fixed by the exporting country and communicated to the importing countries through the Commission of the European Communities.
2. When the amounts exceed the corresponding amounts fixed by the importing country, the latter shall accept them if the products are invoiced in the currency of the exporting country. When the products are invoiced in the currency of another EC Member State or Turkey, the importing country shall recognise the amount notified by the country concerned.
3. The amounts to be used in any given national currency shall be the equivalent in that national currency of the amounts expressed in ecus as at the first working day in October 1996.
4. The amounts expressed in ecus and their equivalents in the national currencies of the EC Member States and Turkey shall be reviewed by the Association Committee at the request of the Community or Turkey. When carrying out this review, the Association Committee shall ensure that there will be no decrease in the amounts to be used in any national currency and shall furthermore 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 ecus.

#### TITLE VI

##### ARRANGEMENTS FOR ADMINISTRATIVE COOPERATION

#### Article 28

##### Mutual assistance

1. The customs authorities of the EC Member States and of Turkey shall provide each other, through the Commission of the European Communities, with specimen impressions of stamps used in their customs offices for the issue of movement certificates EUR.1 and with the addresses of the customs authorities responsible for verifying those certificates and invoice declarations.
2. In order to ensure the proper application of this Protocol, the Community and Turkey shall assist each other, through the competent customs administrations, in checking the authenticity of the movement certificates EUR.1 or the invoice declarations and the correctness of the information given in these documents.

#### Article 29

##### Verification of proofs of origin

1. Subsequent verifications of proofs of origin shall be carried out at random or whenever the customs

authorities of the importing country have reasonable doubts as to the authenticity of such documents, the originating status of the products concerned or the fulfilment of the other requirements of this Protocol.

2. For the purposes of implementing the provisions of paragraph 1, the customs authorities of the importing country shall return the movement certificate EUR.1 and the invoice, if it has been submitted, the invoice declaration, or a copy of these documents, to the customs authorities of the exporting country giving, where appropriate, the reasons for the enquiry. Any documents and information obtained suggesting that the information given on the proof of origin is incorrect shall be forwarded in support of the request for verification.

3. The verification shall be carried out by the customs authorities of the exporting country. For this purpose, they shall have the right to call for any evidence and to carry out any inspection of the exporter's accounts or any other check considered appropriate.

4. If the customs authorities of the importing country decide to suspend the granting of preferential treatment to the products concerned while awaiting the results of the verification, release of the products shall be offered to the importer subject to any precautionary measures judged necessary.

5. The customs authorities requesting the verification shall be informed of the results of this verification as soon as possible. These results must indicate clearly whether the documents are authentic and whether the products concerned can be considered as products originating in the Community or Turkey and fulfil the other requirements of this Protocol.

6. If in cases of reasonable doubt there is no reply within 10 months of the date of the verification request or if the reply does not contain sufficient information to determine the authenticity of the document in question or the real origin of the products, the requesting customs authorities shall, except in exceptional circumstances, refuse entitlement to the preferences.

#### Article 30

##### Dispute settlement

Where disputes arise in relation to the verification procedures of Article 29 which cannot be settled between the customs authorities requesting a verification and the customs authorities responsible for carrying out this verification or where they raise a question as to the interpretation of this Protocol, they shall be submitted to the Association Committee.

In all cases the settlement of disputes between the importer and the customs authorities of the importing country shall be under the legislation of the said country.

#### Article 31

##### 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 32

##### Free zones

1. The Community and Turkey 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 their territory, are not substituted by other goods and do not undergo handling other than normal operations designed to prevent their deterioration.

2. By means of an exemption to the provisions contained in paragraph 1, when products originating in the Community or Turkey are imported into a free zone under cover of a proof of origin and undergo treatment or processing, the authorities concerned shall issue a new EUR.1 certificate at the exporter's request, if the treatment or processing undergone is in conformity with the provisions of this Protocol.

#### TITLE VII

##### CEUTA AND MELILLA

#### Article 33

##### Application of the Protocol

1. The term 'Community' used in Article 2 does not cover Ceuta and Melilla.

2. Products originating in Turkey, when imported into Ceuta or Melilla, shall enjoy in all respects the same customs regime as that which is applied to products originating in the customs territory of the Community under Protocol 2 of the Act of Accession of the Kingdom of Spain and the Portuguese Republic of the European Communities. Turkey shall grant to imports of products covered by the Decision and originating in Ceuta and Melilla the same customs regime as that which is granted to products imported from and originating in the Community.

3. For the purpose of the application of paragraph 2 concerning products in Ceuta and Melilla, this Protocol shall apply *mutatis mutandis* subject to the special conditions set out in Article 34.

#### Article 34

##### Special conditions

1. Providing they have been transported directly in accordance with the provisions of Article 11, the following shall be considered as:

(1) products originating in Ceuta and Melilla:

- (a) products wholly obtained in Ceuta and Melilla;
- (b) products obtained in Ceuta and Melilla in the manufacture of which products other than those referred to in (a) are used, provided that:
  - (i) the said products have undergone sufficient working or processing within the meaning of Article 5 of this Protocol; or that
  - (ii) those products are originating in Turkey or the Community within the meaning of this Protocol, provided that they have been submitted to working or processing which goes beyond the insufficient working or processing referred to in Article 6(1).

(2) products originating in Turkey:

- (a) products wholly obtained in Turkey;
- (b) products obtained in Turkey, in the manufacture of which products other than those referred to in (a) are used, provided that:

(i) the said products have undergone sufficient working or processing within the meaning of Article 5 of this Protocol; or that

(ii) those products are originating in Ceuta and Melilla or the Community within the meaning of this Protocol, provided that they have been submitted to working or processing which goes beyond the insufficient working or processing referred to in Article 6(1).

2. Ceuta and Melilla shall be considered as a single territory.

3. The exporter or his authorised representative shall enter 'Turkey' and 'Ceuta and Melilla' in box 2 of movement certificates EUR.1 or on invoice declarations. In addition, in the case of products originating in Ceuta and Melilla, this shall be indicated in box 4 of movement certificates EUR.1 or on invoice declarations.

4. The Spanish customs authorities shall be responsible for the application of this Protocol in Ceuta and Melilla.

#### TITLE VIII

##### FINAL PROVISIONS

#### Article 35

##### Amendments to the Protocol

The Association Council may decide to amend the provisions of this Protocol.