Príloha
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DECISION No 1/1999

of the Joint Commitee of the Free Trade Agreement between the Slovak Republic and the Republic of Latvia on Amendments of the Protocol 3 to the Free Trade Agreement between the Slovak Republic and the Republic of Latvia

Having regard to the Free Trade Agreement between the Slovak Republic, of the one part, and the Republic of Latvia, of the other part, signed in Riga on April 15, 1996 and Protocol 3 to this agreement concerning the definition of the concept of „originating products" and methods of administrative cooperation,

Having in mind provisions of Article 38 of the Free Trade Agreement between the Slovak Republic and the Republic of Latvia,

Whereas within Protocol 3 the definition of the term „originating products" needs to be amended to ensure the proper operation of the extended system of cumulation which permits the use of materials originating in the European Community, Poland, Hungary, the Czech Republic, Slovakia, Bulgaria, Romania, Latvia, Lithuania, Estonia, Slovenia, Iceland, Norway and Switzerland,

Whereas it would seem advisable to maintain in operation by December 31, 2000, the system of flat rate charges provided for in Articles 15 of this Protocol 3 in connection with the prohibition of drawback of, or exemption from, customs duty,

Whereas it would also be appropriate to extend the cumulation system to such products originating in Turkey,

Whereas to facilitate and simplify administrative tasks it would be desirable to amend the wording of Articles 3, 4 and 12 of this Protocol 3,

Whereas taking into account of changes in processing techniques and shortages of certain raw materials some corrections must be made to the list of working and processing requirements which non-originating materials have to fulfil to qualify for originating status,

The Joint Committee consisted of the Representatives of the Parties has decided as follows:

Article 1

Protocol 3 concerning the definition of the concept of „originating products" and related methods of administrative cooperation is hereby amended as follows:

1. Article 1 (i) shall be replaced by:

„(i) „added value" shall be taken to be the ex-works price minus the customs value of each of the materials incorporated which originate in the other countries referred to in Article 4 or, where the customs value is not known or cannot be ascertained, the first price verifiably paid for the products in the Party."

2. Article 3 shall be abolished.

3. Article 4 shall be replaced by:

„Article 4

Cumulation of Origin

1. Without prejudice to the provisions of Article 2, products shall be considered as originating in a Party if such products are obtained there, incorporating materials originating in the European Community, Bulgaria, Poland, Hungary, the Czech Republic, the Slovak Republic, Romania, Lithuania, Latvia, Estonia, Slovenia, Iceland, Norway, Switzerland [including Liechtenstein[1])] or Turkey in accordance with the provisions of the Protocol on rules of origin annexed to the Agreements between this Party and each of these countries, provided that the working or processing carried out in this Party goes beyond that referred to in Article 7 of this Protocol. It shall not be necessary that such materials have undergone sufficient working or processing.

2. Where the working or processing carried out in the Party does not go beyond the operations referred to in Article 7, the product obtained shall be considered as originating in this Party only where the value added there is greater than the value of the materials used originating in any one of the other 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 this Party.

[1]) The Principality of Liechtenstein has a customs union with Switzerland, and is a Contracting Party to the Agreement on the European Economic Area.

3. Products, originating in one of the countries referred to in paragraph 1, which do not undergo any working or processing in the Party, retain their origin if exported into one of these countries.

4. The cumulation provided for in this Article may only be applied to materials and products which have acquired originating status by an application of rules of origin identical to those given in this Protocol."

4. Article 12 shall be replaced by the following:

„Article 12

Principle of territoriality

1. Except as provided for in Article 4 and paragraph 3 of this Article, the conditions for acquiring originating status set out in Title II must continue to be fulfilled at all times in the Parties.

2. Except as provided for in Article 4, where originating goods exported from one of the Parties to another country return, they must be considered as non-originating, unless it can be demonstrated to the satisfaction of the customs authorities that:

(a) the returning goods are the same as those that were 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.

3. The acquisition of originating status in accordance with the conditions set out in Title II shall not be affected by working or processing done outside the Parties on materials exported from one of the Parties and subsequently reimported there, provided:

(a) the said materials are wholly obtained in one of the Parties or have undergone working or processing beyond the insufficient operations listed in Article 7 prior to being exported; and

(b) it can be demonstrated to the satisfaction of the customs authorities that:

i) the reimported goods have been obtained by working or processing the exported materials; and

ii) the total added value acquired outside the Parties by applying the provisions of 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 acquiring originating status set out in Title II shall not apply to working or processing done outside the Parties. But where, in the list in Annex II, 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 territory of the Party concerned, taken together with the total added value acquired outside the Party by applying the provisions of this Article, shall not exceed the stated percentage.

5. For the purposes of applying the provisions of paragraphs 3 and 4, „total added value" shall be taken to mean all costs arising outside the Parties, including the value of the materials incorporated there.

6. The provisions of paragraphs 3 and 4 shall not apply to products which do not fulfil the conditions set out in the list in Annex II or which can be considered sufficiently worked or processed only if the general values fixed in Article 6 (2) are applied.

7. The provisions of paragraphs 3 and 4 shall not apply to products coming under Chapters 50 to 63 of the Harmonised System.

8. Any working or processing of the kind covered by the provisions of this Article and done outside the Parties shall be done under the outward processing arrangements, or similar arrangements."

5. In paragraph 6 of Article 15 the date „31 December 1998" shall be replaced by „31 December 2000".

6. In Article 26 the reference „C2/CP3" shall be replaced by „CN22/CN23".

7. In Annex I, Note 5.2, „current conducting filaments" shall be added between „artificial man-made filaments" and „synthetic man-made staple fibres of polypropylene".

8. In Annex I, Note 5.2 the fifth example („A carpet with tufts ..... are met.") shall be deleted.

9. In Annex II, between the rules for HS heading Nos 2202 and 2208 the following rule shall be inserted:

„HS Heading No (1)	Description of product (2)	Working or processing of non-originating materials that confers originating status (3) or (4)	
2207	Undenatured ethyl alcohol of an alcoholic strength by volume of 80 % vol or higher; ethyl alcohol and other spirits, denatured, of any strength	Manufacture: – using materials not classified in heading Nos 2207 or 2208“	

10. In Annex II, the rule for Chapter 57 shall be replaced by:

„Chapter 57	Carpets and other textile floor coverings:		
	– Of needleloom felt	Manufacture from[1]): – natural fibres or – chemical materials or textile pulp However: – polypropylene filament of heading No 5402, – polypropylene fibres of heading Nos 5503 or 5506, – polypropylene filament tow of heading No 5501, of which the denomination in all cases of a single filament or fibre is less than 9 decitex, may be used provided their value does not exceed 40 % of the ex-works price of the product – Jute fabric may be used as backing	
	– Of other felt	Manufacture from[1]): – natural fibres not carded or combed or otherwise processed for spinning, or – chemical materials or textile pulp	
	– Other	Manufacture from[1]) – coir or jute yarn[a]), – synthetic or artificial filament yarn, – natural fibres, or – man-made staple fibres not carded or combed or otherwise processed for spinning – Jute fabric may be used as backing	

[1]) For special conditions relating to products made of a mixture of textile materials, see introductory Note 5.

[a]) The use of jute yarn is authorised from 1. 7. 2000.“

11. In Annex II, the rule for HS heading No 7006 shall be replaced by:

„7006	Glass of heading Nos 7003, 7004 or 7005, bent, edgeworked, engraved, drilled, enamelled or otherwise worked, but not framed or fitted with other materials:		
	– Glass plate substrate coated with dielectric thin film, semiconductor grade, in accordance with SEMII standards[1]	Manufacture from non-coated glass plate substrate of heading No 7006	
	– Other	Manufacture from materials of heading No 7001	

[1]) SEMII – Semiconductor Equipment and Materials Institute Incorporated."

12. In Annex II, the rule for HS heading No 7601 shall be replaced by:

„7601	Unwrought aluminium	Manufacture in which: – all the materials used are classified within a heading other than that of the product; and – the value of all the materials used does not exceed 50 % of the ex-works price of the product or Manufacture by thermal or electrolytic treatment from unalloyed aluminium or waste and scrap of aluminium"	

Article 2

This Decision shall be approved in accordance with the internal legal requirements of both Parties and it shall enter into force on the date of exchange of diplomatic notes.

In witness whereof the undersigned plenipotentiaries, being duly authorised thereto, have signed this Decision.

Done at Bratislava this 2 day of December 1999 in two authentic copies in the English language.

For the Slovak Republic:

Peter Brňo

For the Republic of Latvia:

Kaspars Gerhards