Príloha
k č. 411/2000 Z. z.

DECISION No 1/1998

of the Joint Committee of the Free Trade Agreement between the Slovak Republic and the Republic of Turkey amending the Protocol 3 concerning the concept of „originating products„ and methods of administrative co-operation

THE JOINT COMMITTEE,

Having in mind provisions of Articles 33, 34 and 36 of the Free Trade Agreement between the Slovak Republic and the Republic of Turkey;

Whereas Article 38 of Protocol 3 to the Agreement provides that the Joint Committee may amend the provisions of the Protocol;

Having regard the statements of the Parties provided for in Joint Declaration on Protocol 3 annexed to the Agreement;

Whereas 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 Turkey, the Slovak Republic, the Czech Republic, the European Community, Poland, Hungary, Bulgaria, Romania, Latvia, Lithuania, Estonia, Slovenia, Iceland, Norway and Switzerland (including Liechtenstein);

Whereas it would seem advisable to maintain in operation until 31 December 2000 the system of flat rate charges provided for in Article 15 of the Protocol 3 in connection with the prohibition of drawback and exemption from customs duty;

Whereas to facilitate trade and simplify administrative tasks it would be desirable to amend the wording of Articles 3, 4, 12 and 15;

Whereas, to take 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,

HAS DECIDED AS FOLLOWS:

Article 1

Protocol concerning the definition of the concept of „originating products" and 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 Articles 3 and 4 or, where the customs value is not known or cannot be ascertained, the first price verifiably paid for the products in a Party."

2. Articles 3 and 4 shall be replaced by the following:

„Article 3

Cumulation in Turkey

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

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

[2] Cumulation as provided for in this Article does not apply to materials originating in the European Community which are mentioned in the list at Annex V to this Protocol.

3. Products, originating in one of the countries referred to in paragraph 1, which do not undergo any working or processing in Turkey, 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.

Article 4

Cumulation in the Slovak Republic

1. Without prejudice to the provisions of Article 2, products shall be considered as originating in the Slovak Republic if such products are obtained there, incorporating materials originating in the Slovak Republic, Turkey, Bulgaria, Poland, Hungary, the Czech Republic, Lithuania, Estonia, Latvia, Romania, Slovenia, Iceland, Norway, Switzerland (including Liechtenstein)[1] or the European Community[2], in accordance with the provisions of the Protocol on rules of origin annexed to the Agreements between the Slovak Republic and each of these countries, provided that the working or processing carried out in the Slovak Republic 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 Slovak Republic does not go beyond the operations referred to in Article 7, the product obtained shall be considered as originating in the Slovak Republic 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 the Slovak Republic.
3. Products, originating in one of the countries referred to in paragraph 1, which do not undergo any working or processing in the Slovak Republic, 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.“

3. Article 12 shall be replaced by the following:

„Principle of territoriality

1. Except as provided for in Articles 3 and 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 Party.
2. Except as provided for in Articles 3 and 4, where originating goods exported from a Party 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 Party 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 Party 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 Party. 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 Party shall be done under the outward processing arrangements, or similar arrangements.“

4. In Articles 13, 14, 15, 17, 21, 27, 30 and 32 the phrase „referred to in Article 4“ shall be replaced by „referred to in Articles 3 and 4“.

5. In the last paragraph of Article 15 (6) the date

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

[2] Cumulation as provided for in this Article does not apply to materials originating in the European Community which are mentioned in the list at Annex V to this Protocol.

„31 December 1998“ shall be replaced by „31 December 2000“.

6. 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“.

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

8. In Annex II, between the rules for HS headings 2202 and 2208 the following rule shall be inserted:

„HS Heading No	**Description of product**	**Working or processing of non-originating materials that confers originating status**	
(1)	**(2)**	**(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 headings 2207 or 2208“	

9. 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 5402, – polypropylene fibres of heading 5503 or 5506, – polypropylene filament tow of heading 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 But 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.“.

10. In Annex II, the rule for HS heading 7006 shall be replaced by:

„7006	Glass of headings 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 materials (substrates) of heading 7006	
	– Other	Manufacture from materials of heading 7001	

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

11. In Annex II, the rule for HS heading 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“	

12. The following is added after Annex IV:

„ANNEX V

List of products originating in the European Community to which the provisions of Articles 3 and 4 do not apply, listed in the order of HS Chapters and Headings

Chapter 1

Chapter 2

Chapter 3
0401 to 0402
ex 0403 - Buttermilk, curdled milk and cream, yoghurt, kephir and other fermented or acidified milk and cream, whether or not concentrated or containing added sugar or other sweetening matter or flavoured or containing added fruit or cocoa
0404 to 0410
0504
0511

Chapter 6
0701 to 0709
ex 0710 – Vegetables (uncooked or cooked by steaming or boiling in water), frozen

ex 0711 –	Vegetables, except sweet corn of heading 0711 90 30, provisionally preserved (for example, by sulphur dioxide gas, in brine, in sulphur water or in other preservative solutions), but unsuitable in that state for immediate consumption
0712 to 0714	
Chapter 8	
ex Chapter 9 –	Coffee, tea, and spices, excluding maté of heading 0903
Chapter 10	
Chapter 11	
Chapter 12	
ex 1302 –	Pectin
1501 to 1514	
ex 1515 –	Other fixed vegetable fats and oils (excluding jojoba oil and its fractions) and their fractions, whether or not refined, but not chemically modified
ex 1516 –	Animal or vegetable fats and oils and their fractions, partly or wholly hydrogenated, inter-esterified, re-esterified or elaidinised whether or not refined, but not further prepared, excluding hydrogenated castor oil known as 'opal-wax'
ex 1517 and	
ex 1518 –	Margarines, imitation lard and other prepared edible fats
ex 1522 –	Residues resulting from the treatment of fatty substances or animal or vegetable waxes, excluding degras
Chapter 16	
1701	
ex 1702 –	Other sugars, including chemically pure lactose, maltose, glucose and fructose, in solid form; sugar syrups not containing added flavouring or colouring matter; artificial honey, whether or not mixed with natural honey; caramel excluding that of headings 1702 11 00, 1702 30 51, 1702 30 59, 1702 50 00 and 1702 90 10
1703	
1801 and 1802	
ex 1902 –	Pasta, stuffed, containing more than 20% by weight of fish, crustaceans, molluses or other aquatic invertebrates, sausages and the like or meat and meat offal of any kind, including fats of all kinds
ex 2001 –	Cucumbers and gherkins, onions, mango chutney, fruit of the genus Capsicum other than sweet peppers or pimentos, mushrooms and olives, prepared or preserved by vinegar or acetic acid
2002 and 2003	
ex 2004 –	Other vegetables prepared or preserved otherwise than by vinegar or acetic acid, frozen, other than products of heading 2006, excluding potatoes in the form of flour or meal and flakes of sweet corn
ex 2005 –	Other vegetables prepared or preserved otherwise than by vinegar or acetic acid, not frozen, other than products of heading 2006, excluding potato and sweet corn products
2006 and 2007	
ex 2008 –	Fruits, nuts and other edible parts of plants, otherwise prepared or preserved, whether or not containing added sugar or other sweetening matter or spirit, not elsewhere specified or included, excluding peanut butter, palm hearts, maize, yams, sweet potatoes and similar edible parts of plants containing 5% or more by weight of starch, vine leaves, hop shoots and other similar edible parts of plants
2009	
ex 2106 –	Flavoured or coloured sugars, syrups and molasses
2204	
2206	
ex 2207 –	Undenatured ethyl alcohol of an alcoholic strength by volume of 80% vol or higher obtained from agricultural produce listed here

ex 2208 – 2209	Undenatured ethyl alcohol of an alcoholic strength by volume of less than 80 % vol obtained from agricultural produce listed here
Chapter 23 2401 4501 5301 and 5302“	

Article 2

This Decision shall enter into force on January 1, 1999 provided that the Parties will notify each other that the internal legal procedure for entry into force of this Decision has been fulfilled. In the absence of such a notification by that date, the Decision shall enter into force on the first day of the following month after such a notification has been submitted.

Done at Ankara in July 3, 2000 in duplicate in the English language.

Representative
of the Slovak Republic:

Peter Brňo

Representative
of the Republic of Turkey:

MŚnir Yetkin