

**Príloha  
k č. 132/2001 Z. z.**

## **DECISION No 1/2000**

### **of the Joint Committee of the Free Trade Agreement between the Slovak Republic and the Republic of Latvia on Amendments to 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 19, 1996 and Protocol 3 to this agreement concerning the definition of the concept of "originating products" and methods of administrative co-operation,

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

Whereas some technical amendments are proposed in order to correct the text,

Whereas the list of insufficient working and processing needs to be amended to ensure the proper interpretation and to take account of the need to include some operations not covered previously by this list,

Whereas the need has arisen to provide for a system of accounting segregation of originating and non-originating materials, subject to authorisation granted by customs authorities,

Whereas the provisions concerning the amounts expressed in Euro need to be revised in order to clarify the procedure and to provide greater stability for the level of the amounts in internal currencies,

Whereas to take account of the lack of production of certain material within Slovakia or Latvia, a correction 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 co-operation 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 verifiable price paid for the materials in the Slovak Republic or Republic of Latvia."

2. Article 7 shall be replaced by:

#### **"Article 7**

##### **Insufficient working or processing**

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 6 are satisfied:

- a) preserving operations to ensure that the products remain in good condition during transport and storage;
- b) breaking-up and assembly of packages;
- c) washing, cleaning; removal of dust, oxide, oil, paint or other coverings;
- d) ironing or pressing of textiles;
- e) simple painting and polishing operations;
- f) husking, partial or total bleaching, polishing, and glazing of cereals and rice;
- g) operations to colour sugar or from sugar lumps;
- h) peeling, stoning and shelling, of fruits, nuts and vegetables;
- i) sharpening, simple grinding or simple cutting;
- j) sifting, screening, sorting, classifying, grading, matching (including the making-up of sets of articles);
- k) simple placing in bottles, cans, flasks, bags, cases, boxes, fixing on cards or boards and all other simple packaging operations;
- l) affixing or printing marks, labels, logos and other like distinguishing signs on products or their packaging;
- m) simple mixing of products, whether or not of different kinds;
- n) simple assembly of parts of articles to constitute a complete article or disassembly of products into parts;
- o) a combination of two or more operations specified in subparagraphs (a) to (n);

p) slaughter of animals.

2. All operations carried out either in Slovakia or Latvia 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."

3. In Article 15, the final sentence in paragraph 6 shall be replaced by: "The provisions of this paragraph shall apply until 31 December 2001."

4. The following article shall be inserted after Article 20:

"Article 20a  
Accounting segregation

1. Where considerable cost or material difficulties arise in keeping separate stocks of originating and non-originating materials which are identical and interchangeable, the customs authorities may, at the written request of those concerned, authorise the so-called "accounting segregation" method to be used for managing such stocks.

2. This method must be able to ensure that, for a specific reference-period, the number of products obtained which could be considered as "originating" is the same as that which would have been obtained if there had been physical segregation of the stocks.

3. The customs authorities may grant such authorisation, subject to any conditions deemed appropriate.

4. This method is recorded and applied on the basis of the general accounting principles applicable in the country where the product was manufactured.

5. The beneficiary of this facilitation may issue or apply for proofs of origin, as the case may be, for the quantity of products which may be considered as originating. At the request of the customs authorities, the beneficiary shall provide a statement of how the quantities have been managed.

6. The customs authorities shall monitor the use made of the authorisation and may withdraw it at any time whenever the beneficiary makes improper use of the authorisation in any manner whatsoever or fails to fulfil any of the other conditions laid down in this Protocol.

5. In Article 22, paragraph 1, first sentence, the following shall be inserted after "exporter": "hereinafter referred to as "approved exporter","

6. Article 30 shall be replaced by:

"Article 30  
Amounts expressed in Euro

1. For the application of the provisions of Article 21(1)(b) and Article 26(3) in cases where products are invoiced in a currency other than Euro, amounts in the national currencies of the countries referred to in Article 4 equivalent to the amounts expressed in Euro shall be fixed annually by each of the countries concerned.

2. A consignment shall benefit from the provisions of Article 21(1)(b) or Article 26(3) by reference to the currency in which the invoice is drawn up, according to the amount fixed by the country concerned.

3. The amounts to be used in any given national currency shall be the equivalent in that currency of the amounts expressed in Euro as at the first working day of October and shall apply from 1 January the following year. The State Parties shall be notified of the relevant amounts.

4. A country may round up or down the amount resulting from the conversion into its national currency of an amount expressed in Euro. The rounded-off amount may not differ from the amount resulting from the conversion by more than 5 per cent. A country may retain unchanged its national currency equivalent of an amount expressed in Euro if, at the time of the annual adjustment provided for in paragraph 3, the conversion of that amount, prior to any rounding-off, results in an increase of less than 15 per cent in the national currency equivalent. The national currency equivalent may be retained unchanged if the conversion would result in a decrease in that equivalent value.

5. The amounts expressed in Euro shall be reviewed by the Joint Committee at the request of the State Parties. When carrying out this review, the Joint Committee shall 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 Euro."

7. Annex II shall be amended as follows:

a) the entry for HS heading 5309 to 5311 shall be replaced by:

|              |  |   |  |
|--------------|--|---|--|
| 5309 to 5311 | <p>Woven fabrics of other vegetable textile fibres;</p> <p>Woven fabrics of paper yarn:</p> <ul style="list-style-type: none"> <li>- Incorporating rubber thread</li> <li>- Other</li> </ul> | <p>Manufacture from single yarn<sup>1)</sup></p> <p>Manufacture from<sup>1)</sup>:</p> <ul style="list-style-type: none"> <li>- coir yarn,</li> <li>- jute yarn,</li> <li>- natural fibres,</li> <li>- man-made staple fibres not carded or combed or otherwise prepared for spinning,</li> <li>- chemical materials or textile pulp, or</li> <li>- paper</li> </ul> <p>or</p> <p>Printing accompanied by at least two preparatory or finishing operations (such as scouring, bleaching, mercerising, heat setting, raising, calendering, shrink resistance processing, permanent finishing, decatizing, impregnating, mending and burling) where the value of the unprinted fabric does not exceed 47,5 % of the ex-works price of the product</p> |  |
|--------------|--|---|--|

<sup>1)</sup> For special conditions relating to products made of a mixture of textile materials, see Introductory Note 5.

b) the entry for HS heading 5602 shall be replaced by:

|      |  |  |  |
|------|--|--|--|
| 5602 | <p>Felt, whether or not impregnated, coated, covered or laminated:</p> <ul style="list-style-type: none"> <li>- Needleloom felt</li> </ul> | <p>Manufacture from<sup>1)</sup>:</p> <ul style="list-style-type: none"> <li>- natural fibres</li> <li>- chemical materials or textile pulp</li> </ul> <p>However:</p> <ul style="list-style-type: none"> <li>- polypropylene filament of heading No 5402,</li> <li>- polypropylene fibres of heading No 5503 or 5506 or</li> <li>- polypropylene filament tow of heading No 5501,</li> </ul> <p>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</p> |  |
|------|--|--|--|

|  |         |  |  |
|--|---------|--|--|
|  | - Other | Manufacture from <sup>1)</sup> :<br>- natural fibres,<br>- man-made staple fibres made from casein, or<br>- chemical materials or textile pulp |  |
|--|---------|--|--|

<sup>1)</sup> For special conditions relating to products made of a mixture of textile materials, see Introductory Note 5.

c) the entry for Chapter 57 shall be replaced by:

|            |  |  |  |
|------------|--|--|--|
| Chapter 57 | <p>Carpets and other textile floor coverings:</p> <p>- Of needleloom felt</p> <p>- Of other felt</p> <p>- Of other textile materials</p> | <p>Manufacture from<sup>1)</sup>:<br/>- natural fibres, or<br/>- chemical materials or textile pulp<br/>However:<br/>- polypropylene filament of heading No 5402,<br/>- polypropylene fibres of heading No 5503 or 5506 or<br/>- polypropylene filament tow of heading No 5501,</p> <p>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</p> <p>Jute fabric may be used as backing</p> <p>Manufacture from<sup>1)</sup>:<br/>- natural fibres not carded or combed or otherwise processed for spinning, or<br/>- chemical materials or textile pulp</p> <p>Manufacture from<sup>1)</sup>:<br/>- coir yarn or jute yarn,<br/>- synthetic or artificial filament yarn,<br/>- natural fibres, or<br/>- man-made staple fibres not carded or combed or otherwise processed for spinning</p> <p>Jute fabric may be used as backing</p> |  |
|------------|--|--|--|

<sup>1)</sup> For special conditions relating to products made of a mixture of textile materials, see Introductory Note 5.

## Article 2

1. This Decision shall enter into force on 1 January 2001 provided that before this date the Parties shall exchange the diplomatic notes confirming its approval in accordance with the internal legal requirements of the respective Party.

2. If this Decision cannot enter into force in accordance with the paragraph 1 of this Article, it shall

enter into force on the first day of the month following a receipt of the latter diplomatic note confirming its approval in accordance with the internal legal requirements of the respective Party.

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

Done at Riga this 18th day of December, 2000 in two authentic copies in the English language.

For the Slovak Republic:

**Peter Brňo**

For the Republic of Latvia:

**Kaspars Gerhards**