



Miscellaneous No. 14 (2019)

# Interim Political, Trade and Partnership Agreement

between the United Kingdom of Great Britain and Northern Ireland, of  
the one part, and the Palestine Liberation Organization (PLO) for the  
benefit of the Palestinian Authority of the West Bank and the Gaza Strip,  
of the other part

Ramallah, 18 February 2019

[The Agreement is not in force]

*Presented to Parliament  
by the Secretary of State for Foreign and Commonwealth Affairs  
by Command of Her Majesty  
February 2019*





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**INTERIM POLITICAL, TRADE AND PARTNERSHIP AGREEMENT  
BETWEEN THE UNITED KINGDOM OF GREAT BRITAIN AND  
NORTHERN IRELAND, OF THE ONE PART, AND THE PALESTINE  
LIBERATION ORGANIZATION (PLO) FOR THE BENEFIT OF THE  
PALESTINIAN AUTHORITY OF THE WEST BANK AND THE GAZA  
STRIP, OF THE OTHER PART**

The United Kingdom of Great Britain and Northern Ireland (“the United Kingdom”) and the Palestine Liberation Organization (PLO) for the benefit of the Palestinian Authority of the West Bank and the Gaza Strip (“the Palestinian Authority”) (hereinafter referred to as “the Parties”),

Recognising that the Euro-Mediterranean Interim Association Agreement on Trade and Cooperation between the European Community, of the one part, and the Palestine Liberation Organization (PLO) for the benefit of the Palestinian Authority of the West Bank and the Gaza Strip, of the other part (“EU–Palestinian Authority Interim Association Agreement”) will cease to apply to the United Kingdom when it ceases to be a Member State of the European Union or at the end of any transitional period or implementation period during which the rights and obligations under the EU–Palestinian Authority Interim Association Agreement continue to apply to the United Kingdom;

Desiring that the rights and obligations between them as provided for by the EU–Palestinian Authority Interim Association Agreement and related Agreements between the European Union and the Palestinian Authority should continue after the United Kingdom leaves the European Union;

Have agreed as follows:

ARTICLE 1

**Objective**

The overriding objective of this Agreement is to preserve the preferential conditions relating to trade and the cooperation and other links between the Parties, all of which result from the EU-Palestinian Authority Interim Association Agreement, and to provide a platform for further trade liberalisation and enhancement of those links and that cooperation between them.

## ARTICLE 2

### **Definitions and Interpretation**

1. Throughout this instrument:

“*mutatis mutandis*” means with the technical changes necessary to apply the amended EU-Palestinian Authority Interim Association Agreement, as defined in Article 3(1), as if it had been concluded between the United Kingdom and the Palestinian Authority, taking into account the object and purpose of this present Agreement; and the “Incorporated Agreement” means the EU-Palestinian Authority Interim Association Agreement as incorporated into and made part of this Agreement (and related expressions are to be read accordingly).

2. Throughout the Incorporated Agreement and this instrument, “this Agreement” means the entire Agreement, including anything incorporated by Article

3. References to financial assistance in the Incorporated Agreement and Joint Declarations cover a range of forms of such assistance and means by which it may be provided, including assistance provided through multilateral and regional organisations.

## ARTICLE 3

### **Incorporation of the Amended EU-Palestinian Authority Interim Association Agreement**

1. The provisions of the EU-Palestinian Authority Interim Association Agreement, as amended by the Agreement in the form of an Exchange of Letters between the European Union, of the one part, and the Palestinian Authority of the West Bank and the Gaza Strip, of the other part, providing further liberalisation of agricultural products, processed agricultural products and fish and fishery products and amending the Euro-Mediterranean Interim Association Agreement on Trade and Cooperation between the European Community, of the one part, and the Palestine Liberation Organization (PLO) for the benefit of the Palestinian Authority of the West Bank and the Gaza Strip, of the other part done at Brussels on 13th April 2011 (hereinafter referred to as the “amended EU–Palestinian Authority Interim Association Agreement”), in effect immediately before it ceases to apply to the United Kingdom are incorporated into and made part of this Agreement, *mutatis mutandis*, subject to the provisions of this instrument, including the Annex.

2. The obligations described in the Joint Declarations made by the Parties to the amended EU–Palestinian Authority Interim Agreement in relation to that Agreement and set out in the Annex to this Agreement shall apply with the same legal effect, *mutatis mutandis*, to the Parties to this Agreement, subject to the provisions of this instrument.

## ARTICLE 4

### **Territorial Application**

For the avoidance of doubt in relation to incorporated Article 73, this Agreement shall apply, to the extent that and under the conditions which the amended EU-Palestinian Authority Interim Association Agreement applied to the United Kingdom and the territories for whose international relations the United Kingdom is responsible immediately before the amended EU-Palestinian Authority Interim Association Agreement ceased to apply to the United Kingdom.

## ARTICLE 5

### **Continuation of Time Periods**

1. Unless this instrument provides otherwise:
  - (a) if a period in the amended EU-Palestinian Authority Interim Association Agreement has not yet ended, the remainder of that period shall be incorporated into this Agreement; and
  - (b) if a period in the amended EU-Palestinian Authority Interim Association Agreement has ended, any ongoing right or obligation in the amended EU-Palestinian Authority Interim Association Agreement shall apply between the Parties and that period shall not be incorporated into this Agreement.
  
2. Notwithstanding paragraph 1, a reference in the Incorporated Agreement to a period relating to a procedure or other administrative matter (such as a review, committee procedure or notification) shall not be affected.

## ARTICLE 6

### **References to Convergence, Harmonisation, Integration or Approximation to European Union Law or Standards**

The Parties recognise that references to the convergence, harmonisation, integration or approximation of Palestinian law or standards to the law or standards of the European Union are not appropriate for application between the Parties and shall, subject to the exceptions and modifications in the Annex, not be incorporated into this Agreement.

## ARTICLE 7

### **Further Provision in Relation to the Joint Committee for United Kingdom– Palestinian Authority Trade and Cooperation**

1. The Joint Committee for United Kingdom–Palestinian Authority Trade and Cooperation which the Parties establish under incorporated Article 63 shall, in particular, ensure that this Agreement operates properly from the time at which the amended EU-Palestinian Authority Interim Association Agreement ceases to apply to the United Kingdom.
2. Unless the Parties agree otherwise, any decisions adopted by the Joint Committee, or any specialised committees established by the Joint Committee under incorporated Article 66 of the amended EU-Palestinian Authority Interim Association Agreement with the power to make decisions, before the amended EU-Palestinian Authority Interim Association Agreement ceased to apply to the United Kingdom shall, to the extent those decisions relate to the Parties to this Agreement, be deemed to have been adopted, *mutatis mutandis* and subject to the provisions of this instrument, by the Joint Committee or the relevant specialised committee established by this Agreement.
3. Nothing in paragraph 2 prevents the Joint Committee or specialised committees established by this Agreement from making decisions, which are different to, revoke or supersede the decisions deemed to have been adopted by them under that paragraph.

## ARTICLE 8

### **Integral Parts of this Agreement**

1. The Annex to this instrument shall form an integral part of this Agreement.
2. Nothing in this Article shall affect Article 71 of the Incorporated Agreement.

## ARTICLE 9

### **Amendments**

1. The Parties may agree, in writing, to amend this Agreement. An amendment shall come into force on the date of receipt of the later of the Parties' written notifications certifying that they have completed their respective legal requirements and procedures, or on such date as the Parties may agree.
2. Notwithstanding paragraph 1, the Joint Committee may decide that the Annexes and Protocols to this Agreement, incorporated or otherwise should be amended. The Parties may adopt the Joint Committee's decision subject to their respective applicable legal requirements and procedures.

## ARTICLE 10

### **Entry into Force and Provisional Application**

1. Articles 75(1) and (2) of the amended EU-Palestinian Authority Interim Association Agreement shall not be incorporated into this Agreement.
2. Each Party shall notify the other Party of the completion of its domestic procedures required for the entry into force of this Agreement.
3. This Agreement shall enter into force on the later of:
  - (a) the date on which the amended EU-Palestinian Authority Interim Association Agreement ceases to apply to the United Kingdom; or
  - (b) the day following the date of receipt of the later of the Parties' notifications that they have completed their internal procedures.
4. Pending entry into force of this Agreement, the Parties may agree to provisionally apply this Agreement, or provisions of it, in accordance with the Parties' internal procedures.
5. Where agreed pursuant to Article 10(4), this Agreement, or provisions of it, shall be applied provisionally between the Parties on the later of:
  - (a) the date on which the amended EU-Palestinian Authority Interim Association Agreement ceases to apply to the United Kingdom; or
  - (b) the day following the later of either the receipt of notification of provisional application from the United Kingdom or of ratification, approval or provisional application from the Palestinian Authority.

- (c) A Party may terminate the provisional application of this Agreement, or provisions of it, by written notification to the other Party. Such termination shall take effect on the first day of the third month following the notification.

6. Where this Agreement is, or certain provisions of this Agreement are, provisionally applied, the term “entry into force of this Agreement” in any provisionally applied provisions shall be deemed to refer to the date that such provisional application takes effect.

7. The United Kingdom shall submit notifications under this Article to the Palestinian Ministry for National Economy or its successor. The Palestinian Authority shall submit notifications under this Article to the United Kingdom’s Department for International Trade or its successor.

In witness whereof the undersigned, duly authorised thereto by their respective Governments, have signed this Agreement.

Done in Duplicate at Ramallah this 18<sup>th</sup> day of February 2019, in the English and Arabic languages, both texts being equally authoritative. In case of divergence in interpretation or any discrepancies, the English text shall prevail.

**For the Government of the United Kingdom of Great Britain and Northern Ireland:**

**LIAM FOX**

**For the Palestine Liberation Organization for the Palestinian Authority of the West Bank and the Gaza Strip:**

**ABEER ODEH**

## **ANNEX**

The incorporation of the amended EU-Palestinian Authority Interim Association Agreement into this Agreement is further modified as follows:

### **Part 1**

#### **MODIFICATIONS TO TITLE I**

##### **FREE MOVEMENT OF GOODS**

In Article 3, the following words in the first sentence shall not be incorporated: “establish progressively ... over a transitional period, not extending beyond 31 December 2001,” and the word “maintain” shall be added after the word “shall” so that the wording is “shall maintain a free trade area”.

#### **MODIFICATIONS TO TITLE II**

##### **PAYMENTS, CAPITAL, COMPETITION, INTELLECTUAL PROPERTY AND PUBLIC PROCUREMENT**

For the avoidance of doubt, Article 30.2 shall not be incorporated.

#### **MODIFICATIONS TO TITLE IV**

##### **COOPERATION ON AUDIOVISUAL AND CULTURAL MATTERS, INFORMATION AND COMMUNICATION**

In Article 58, the words “(MED-CAMPUS, for instance)” shall not be incorporated.

#### **MODIFICATIONS TO PROTOCOL 1**

##### **concerning the provisional arrangements applicable to imports into the European Union of agricultural products, processed agricultural products and fish and fishery products originating in the West Bank and the Gaza Strip**

Point 2 shall be replaced by the following:

“2. The Parties acknowledge that the United Kingdom may introduce and apply an entry price system on or after the date of entry into force of this Agreement in order to replicate, in whole or in part, the entry price system that the European Union applies to certain fruits and vegetables in accordance with Article 181 of Council Regulation (EC) No 1308/2013 (and any successor legislation which is applicable upon the entry into force of this Agreement).

If the United Kingdom applies an entry price system to originating goods of the Palestinian Authority in accordance with the United Kingdom's legislation that is adopted on or after the entry into force of this Agreement to replicate, in whole or in part, the entry price system applied in accordance with Article 181 of Council Regulation (EC) No 1308/2013 (and any successor legislation which is applicable upon the entry into force of this Agreement), then notwithstanding the conditions under point 1 of this Protocol, for the products to which such entry price system applies and for which the United Kingdom's customs tariff provides for the application of ad valorem customs duties and a specific customs duty, the elimination applies only to the ad valorem part of the duty."

### **MODIFICATIONS TO PROTOCOL 3**

#### **concerning the definition of the concept of 'originating products' and methods of administrative cooperation**

Protocol 3 shall be replaced by the text in the Appendix to the Annex.

#### **Part 2**

##### **Joint Declarations**

Joint Declaration on intellectual, industrial and commercial property (Article 33 of the Amended EU- Palestinian Authority Interim Association Agreement)

Joint Declaration on Article 55 of the Amended EU-Palestinian Authority Interim Association Agreement

Joint Declaration on Article 58 of the Amended EU--Palestinian Authority Interim Association Agreement

Joint Declaration on decentralised cooperation

Joint Declaration on Article 67 of the Amended EU-Palestinian Authority Interim Association Agreement

Joint Declaration on Article 70 of the Amended EU-Palestinian Authority Interim Association Agreement

Joint Declaration on data protection

Joint Declaration on a programme of support for Palestinian industry

Common declaration on cooperation on sanitary and phytosanitary or technical barriers to trade issues

### **Part 3**

#### **RECOMMENDATION OF THE EU-PALESTINIAN AUTHORITY JOINT COMMITTEE OF 14 APRIL 2013 ON THE IMPLEMENTATION OF THE EUROPEAN UNION-PALESTINIAN AUTHORITY EUROPEAN NEIGHBOURHOOD POLICY ACTION PLAN**

For the avoidance of doubt, the European Union -Palestinian Authority European Neighbourhood Policy Action Plan, which the EU-Palestinian Authority Joint Committee recommended the European Union and the Palestinian Authority implement in its Recommendation of 14 April 2013, shall not be incorporated. The United Kingdom and the Palestinian Authority shall continue to cooperate bilaterally through other relevant mechanisms, arrangements and institutions.

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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 a product;
- (c) ‘product’ means a 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 Agreement on implementation of Article VII of the General Agreement on Tariffs and Trade 1994;
- (f) ‘ex-works price’ means the price paid for the product ex works to the manufacturer in the United Kingdom or the West Bank and the Gaza Strip 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 United Kingdom or in the West Bank and the Gaza Strip;
- (h) ‘value of originating materials’ means the value of such materials as defined in (g) applied *mutatis mutandis*;
- (i) ‘value added’ means the ex-works price minus the customs value of each of the materials incorporated which originate in the other countries or territories referred to in Articles 3 and 4 with which cumulation is applicable or, where the customs value is not known or cannot be ascertained, the first ascertainable price paid for the materials in the United Kingdom or in the West Bank and the Gaza Strip.

- (j) ‘chapters’ and ‘headings’ mean the chapters and the headings (four-digit codes) used in the nomenclature which makes 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;
- (n) ‘EUR’ means ‘euro’, the single currency of the European Monetary Union.
- (o) ‘Incorporated Annexes I to IV b’ mean Annexes I to IV b of Appendix I to the Regional Convention on pan-Euro-Mediterranean preferential rules of origin, as those Annexes are incorporated by Article 39 of this Protocol.

## **TITLE II**

### **DEFINITION OF THE CONCEPT OF ‘ORIGINATING PRODUCTS’**

#### **ARTICLE 2**

##### **General Requirements**

1. For the purposes of implementing this Agreement, the following products shall be considered as originating in the United Kingdom:
  - (a) products wholly obtained in the United Kingdom within the meaning of Article 5;
  - (b) products obtained in the United Kingdom incorporating materials which have not been wholly obtained there, provided that such materials have undergone sufficient working or processing in the United Kingdom within the meaning of Article 6.
2. For the purposes of implementing this Agreement, the following products shall be considered as originating in the West Bank and the Gaza Strip:

- (a) products wholly obtained in the West Bank and the Gaza Strip within the meaning of Article 5;
- (b) products obtained in the West Bank and the Gaza Strip incorporating materials which have not been wholly obtained there, provided that such materials have undergone sufficient working or processing in the West Bank and the Gaza Strip within the meaning of Article 6.

### ARTICLE 3

#### **Cumulation in the United Kingdom**

1. Without prejudice to the provisions of Article 2(1), products shall be considered as originating in the United Kingdom, if they are obtained there, incorporating materials originating in Switzerland (including Liechtenstein)<sup>1</sup>, Iceland, Norway, Turkey or the European Union, provided that the working or processing carried out in the United Kingdom goes beyond the operations referred to in Article 7. It shall not be necessary for such materials to have undergone sufficient working or processing.

2. Without prejudice to the provisions of Article 2(1), products shall be considered as originating in the United Kingdom if they are obtained there, incorporating materials originating in any country or territory referred to in the Annex, provided that the working or processing carried out in the United Kingdom goes beyond the operations referred to in Article 7. It shall not be necessary for such materials to have undergone sufficient working or processing.

3. Without prejudice to the provisions of Article 2(1), working or processing carried out in Iceland, Norway or the European Union, shall be considered as having been carried out in the United Kingdom when the products obtained undergo subsequent working or processing in the United Kingdom that goes beyond the operations referred to in Article 7.

4. For cumulation provided in paragraphs 1 and 2, where the working or processing carried out in the United Kingdom does not go beyond the operations referred to in Article 7, the product obtained shall be considered as originating in the United Kingdom only where the value added there is greater than the value of the materials used that are originating in any of the other countries or territories. If this is not so, the product obtained shall be considered as originating in the country or territory which accounts for the highest value of originating materials used in the manufacture in the United Kingdom.

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<sup>1</sup> Due to the Customs Treaty between Liechtenstein and Switzerland, products originating in Liechtenstein are considered as originating in Switzerland.

5. For cumulation provided in paragraph 3, where the working or processing carried out in the United Kingdom does not go beyond the operation referred to in Article 7, the product obtained shall be considered as originating in the United Kingdom only where the value added there is greater than the value added in any of the other countries or territories.

6. Products originating in the countries or territories referred to in paragraphs 1 and 2, which do not undergo any working or processing in the United Kingdom retain their origin if exported into one of these countries or territories.

7. (a) The cumulation provided for in this Article in respect of the European Union may be applied provided that:

- i. the United Kingdom, the Palestinian Authority and the European Union have arrangements on administrative cooperation which ensure a correct implementation of this Article;
- ii. materials and products have acquired originating status by the application of rules of origin identical to those in this Protocol; and
- iii. notices indicating the fulfilment of the necessary requirements to apply cumulation have been published by the Parties.

(b) Except as provided for in paragraph 7(a), the cumulation provided for in this Article may be applied provided that:

- i. a preferential trade agreement in accordance with Article XXIV of the General Agreement on Tariffs and Trade 1994 (“GATT 1994”) is applicable between the countries or territories involved in the acquisition of the originating status and the country or territory of destination;
- ii. materials and products have acquired originating status by the application of rules of origin identical to those in this Protocol; and
- iii. notices indicating the fulfilment of the necessary requirements to apply cumulation have been published by the Parties.

8. The United Kingdom shall provide the Palestinian Authority with details of the arrangements including their dates of entry into force, and their corresponding rules of origin, which are applied with the other countries or territories referred to in paragraphs 1 and 2.

## ARTICLE 4

### **Cumulation in the West Bank and the Gaza Strip**

1. Without prejudice to the provisions of Article 2(2), products shall be considered as originating in the West Bank and the Gaza Strip, if they are obtained there, incorporating materials originating in the United Kingdom, Switzerland (including Liechtenstein), Iceland, Norway, Turkey or the European Union, provided that the working or processing carried out in the West Bank and the Gaza Strip goes beyond the operations referred to in Article 7. It shall not be necessary for such materials to have undergone sufficient working or processing.
2. Without prejudice to the provisions of Article 2(2), products shall be considered as originating in the West Bank and the Gaza Strip if they are obtained there, incorporating materials originating in any country or territory referred to in the Annex, provided that the working or processing carried out in the West Bank and the Gaza Strip goes beyond the operations referred to in Article 7. It shall not be necessary for such materials to have undergone sufficient working or processing.
3. Where the working or processing carried out in the West Bank and the Gaza Strip does not go beyond the operations referred to in Article 7, the product obtained shall be considered as originating in the West Bank and the Gaza Strip only where the value added there is greater than the value of the materials used that are originating in any of the other countries or territories referred to in paragraphs 1 and 2. If this is not so, the product obtained shall be considered as originating in the country or territory which accounts for the highest value of originating materials used in the manufacture in the West Bank and the Gaza Strip.
4. Products originating in the countries or territories referred to in paragraphs 1 and 2, which do not undergo any working or processing in the West Bank and the Gaza Strip, retain their origin if exported into one of these countries or territories.
5. (a) The cumulation provided for in this Article in respect of the European Union may be applied provided that:
  - i. the United Kingdom, the Palestinian Authority and the European Union have arrangements on administrative cooperation which ensure a correct implementation of this Article;
  - ii. materials and products have acquired originating status by the application of rules of origin identical to those in this Protocol; and
  - iii. notices indicating the fulfilment of the necessary requirements to apply cumulation have been published by the Parties.

- (b) Except as provided for in paragraph 5(a), the cumulation provided for in this Article may be applied provided that:
- i. a preferential trade agreement in accordance with Article XXIV of the GATT 1994 is applicable between the countries or territories involved in the acquisition of the originating status and the country or territory of destination;
  - ii. materials and products have acquired originating status by the application of rules of origin identical to those in this Protocol; and
  - iii. notices indicating the fulfilment of the necessary requirements to apply cumulation have been published by the Parties.

6. The Palestinian Authority shall provide the United Kingdom with details of the arrangements including their dates of entry into force, and their corresponding rules of origin, which are applied with the other countries or territories referred to in paragraphs 1 and 2.

## ARTICLE 5

### **Wholly Obtained Products**

1. The following shall be considered as wholly obtained in the United Kingdom or the West Bank and the Gaza Strip:
- (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 Parties by their vessels;
  - (g) products made aboard their factory ships exclusively from products referred to in subparagraph (f);

- (h) used articles collected there fit only for the recovery of raw materials, including used tyres fit only for retreading or for use as waste;
- (i) waste and scrap resulting from manufacturing operations conducted there;
- (j) products extracted from marine soil or subsoil outside their territorial waters provided that it has sole rights to work that soil or subsoil;
- (k) goods produced there exclusively from the products specified in (a) to (j).

2. The terms “its vessels” and “its factory ships” in paragraph 1(f) and (g) shall apply only to vessels and factory ships:

- (a) which are registered or recorded in the United Kingdom or the West Bank and the Gaza Strip;
- (b) which sail under the flag of the United Kingdom or under the Palestinian flag;
- (c) which are owned to an extent of at least 50% by nationals of the United Kingdom, nationals of a Member State of the European Union or by nationals of the West Bank and the Gaza Strip, or by a company with its head office in the United Kingdom, in a Member State of the European Union or in the West Bank and the Gaza Strip, 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 the United Kingdom, nationals of a Member State of the European Union or nationals of the West Bank and Gaza Strip and of which, in addition, in the case of partnerships or limited companies, at least half the capital belongs to the United Kingdom, a Member State of the European Union, the Palestinian Authority or to public bodies or nationals of the United Kingdom, public bodies or nationals of a Member State of the European Union or to public bodies or nationals of the West Bank and the Gaza Strip;
- (d) of which the master and officers are nationals of the United Kingdom, nationals of a Member State of the European Union or nationals of the West Bank and the Gaza Strip; and
- (e) of which at least 75% of the crew are nationals of the United Kingdom, nationals of a Member State of the European Union or nationals of the West Bank and the Gaza Strip.

## ARTICLE 6

### **Sufficiently Worked or Processed Products**

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

The conditions referred to above indicate the working or processing which must be carried out on non-originating materials used in manufacturing and apply only in relation to such materials. 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 in Incorporated Annex II, 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 by virtue of this paragraph.

This paragraph shall not apply to products falling within Chapters 50 to 63 of the Harmonised System.

3. Paragraphs 1 and 2 shall apply subject to the provisions of Article 7.

## 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 form 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) mixing of sugar with any material;
- (o) simple assembly of parts of articles to constitute a complete article or disassembly of products into parts;
- (p) a combination of two or more operations specified in (a) to (n);
- (q) slaughter of animals.

2. All operations carried out in the United Kingdom or in the West Bank and the Gaza Strip 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 8

### **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.

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 9

### **Accessories, Spare Parts and Tools**

Accessories, spare parts and tools dispatched with a piece of equipment, machine, apparatus or vehicle, which are part of the normal equipment and included in the price thereof or which are not separately invoiced, shall be regarded as one with the piece of equipment, machine, apparatus or vehicle in question.

## ARTICLE 10

### **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 11

### **Neutral Elements**

In order to determine whether a product is an originating product, 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; or
- (d) goods which neither enter into the final composition of the product nor are intended to do so.

## TITLE III

### **TERRITORIAL REQUIREMENTS**

## ARTICLE 12

### **Principle of Territoriality**

1. Except as provided for in Articles 3, 4 and paragraph 3 of this Article, the conditions for acquiring originating status set out in Title II shall be fulfilled without interruption in the United Kingdom, or in the West Bank and the Gaza Strip.

2. Except as provided for in Articles 3 and 4, where originating goods exported from the United Kingdom or from the West Bank and the Gaza Strip to another country or territory return, they shall 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 exported; and
- (b) they have not undergone any operation beyond that necessary to preserve them in good condition while in that country or territory 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 United Kingdom or the West Bank and the Gaza Strip on materials exported from the United Kingdom or the West Bank and the Gaza Strip and subsequently re-imported there, provided:

- (a) the said materials are wholly obtained in the United Kingdom or the West Bank and the Gaza Strip or have undergone working or processing beyond the operations referred to in Article 7 prior to being exported; and
- (b) it can be demonstrated to the satisfaction of the customs authorities that:
  - (i) the re-imported goods have been obtained by working or processing the exported materials; and
  - (ii) the total added value acquired outside the United Kingdom or the West Bank and the Gaza Strip 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 United Kingdom or the West Bank and the Gaza Strip. However, where, in the list in Incorporated 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 United Kingdom or the West Bank and the Gaza Strip by applying the provisions of this Article, shall not exceed the stated percentage.

5. For the purposes of paragraphs 3 and 4, 'total added value' means all costs arising outside the United Kingdom or the West Bank and the Gaza Strip, 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 Incorporated Annex II or which can be considered sufficiently worked or processed only if the general tolerance fixed in Article 6(2) is applied.

7. The provisions of paragraphs 3 and 4 shall not apply to products of 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 United Kingdom or the West Bank and the Gaza Strip shall be done under the outward processing arrangements, or similar arrangements.

## ARTICLE 13

### **Direct Transport**

1. The preferential treatment provided for under this Agreement shall apply only to products, satisfying the requirements of this Protocol, which are transported directly between the Parties or through the territories of the other countries or territories referred to in Articles 3 and 4 with which cumulation is applicable. However, products constituting one single consignment may be transported through other territories with, should the occasion arise, trans-shipment or temporary warehousing in such territories, provided that they remain under the surveillance of the customs authorities in the country or territory of transit or warehousing and do not undergo operations other than unloading, reloading or any operation designed to preserve them in good condition.

Originating products may be transported by pipeline across a territory other than that of the Parties.

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

- (a) a single transport document covering the passage from the exporting Party through the country or territory of transit; or
- (b) a certificate issued by the customs authorities of the country or territory 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 territory; or
- (c) failing these, any substantiating documents.

## ARTICLE14

### **Exhibitions**

1. Originating products sent for exhibition in a country or territory other than those referred to in Articles 3 and 4 with which cumulation is applicable, and sold after the exhibition for importation into the United Kingdom or the West Bank and the Gaza Strip, shall benefit on importation from the provisions of this Agreement, provided it is shown to the satisfaction of the customs authorities that:

- (a) an exporter has consigned these products from the United Kingdom or the West Bank and the Gaza Strip to the country or territory 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 United Kingdom or the West Bank and the Gaza Strip;
- (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 shall be issued or made out in accordance with the provisions of Title V and submitted to the customs authorities of the importing Party in the normal manner. The name and address of the exhibition shall 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 15

##### **Prohibition of Drawback of, or Exemption from, Customs Duties**

1. Non-originating materials used in the manufacture of products originating in the United Kingdom, in the West Bank and the Gaza Strip or in one of the other countries or territories referred to in Articles 3 and 4 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 United Kingdom or the West Bank and the Gaza Strip 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 United Kingdom or the West Bank and the Gaza Strip 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, 2 and 3 of this Article shall also apply in respect of packaging within the meaning of Article 8(2), accessories, spare parts and tools within the meaning of Article 9 and products in a set within the meaning of Article 10 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 this Agreement applies.
6. The prohibition in paragraph 1 shall not apply if the products are considered as originating in the United Kingdom or the West Bank and the Gaza Strip without application of cumulation with materials originating in Switzerland (including Liechtenstein), Turkey or one of the countries or territories referred to in Articles 3(2) and 4(2).

## **TITLE V**

### **PROOF OF ORIGIN**

#### ARTICLE 16

##### **General Requirements**

1. Products originating in one of the Parties shall, on importation into the other Party, benefit from the provisions of this Agreement upon submission of one of the following proofs of origin:

- (a) a movement certificate EUR.1, a specimen of which appears in Incorporated Annex III a;
- (b) a movement certificate EUR-MED a specimen of which appears in Incorporated Annex III b; or
- (c) in the cases specified in Article 22(1), a declaration, hereinafter referred to as the 'origin declaration' or the 'origin declaration EUR-MED', 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; the texts of the origin declarations appear in Incorporated Annexes IV a and IV b.

2. Notwithstanding paragraph 1, originating products within the meaning of this Protocol shall, in the cases specified in Article 27, benefit from this Agreement without it being necessary to submit any of the proofs of origin referred to in paragraph 1 of this Article.

#### ARTICLE 17

##### **Procedure for the Issue of a Movement Certificate EUR.1 or EUR-MED**

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

2. For this purpose, the exporter or his or her authorised representative shall fill in both the movement certificate EUR.1 or EUR-MED and the application form, specimens of which appear in Incorporated Annexes III a and III b. These forms shall be completed in one of the languages in which this Agreement is drawn up and in accordance with the provisions of the domestic law of the exporting country or territory. If the completion of the forms is done in handwriting, they shall be completed in ink in printed characters. The description of the products shall be given

in the Box reserved for this purpose without leaving any blank lines. Where the Box is not completely filled, a horizontal line shall 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 or EUR-MED shall be prepared to submit at any time, at the request of the customs authorities of the exporting Party where the movement certificate EUR.1 or EUR-MED 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. Without prejudice to paragraph 5, a movement certificate EUR.1 shall be issued by the customs authorities of the United Kingdom or of the Palestinian Authority in the following cases:

- (a) if the products concerned can be considered as products originating in the United Kingdom or in the West Bank and the Gaza Strip without application of cumulation with materials originating in Switzerland (including Liechtenstein), Turkey or one of the countries or territories referred to in Articles 3(2) and 4(2) and fulfil the other requirements of this Protocol; or
- (b) if the products concerned can be considered as products originating in one of the other countries or territories referred to in Articles 3 and 4 with which cumulation is applicable, without application of cumulation with materials originating in one of the countries or territories referred to in Articles 3 and 4, and fulfil the other requirements of this Protocol, provided a certificate EUR-MED or an invoice declaration EUR-MED has been issued in the country or territory of origin.

5. A movement certificate EUR-MED shall be issued by the customs authorities of the United Kingdom or of the Palestinian Authority in the following cases:

- (a) cumulation was applied with materials originating in Switzerland (including Liechtenstein), Turkey or one of the countries or territories referred to in Articles 3(2) and 4(2);
- (b) the products may be used as materials in the context of cumulation for the manufacture of products for export to one of the countries or territories referred to in Articles 3 and 4; or
- (c) the products may be re-exported from the country or territory of destination to one of the countries or territories referred to in Articles 3 and 4.

6. A movement certificate EUR-MED shall contain one of the following statements in English in Box 7:

- (a) if origin has been obtained by application of cumulation with materials originating in one or more of the countries or territories referred to in Articles 3 and 4:

‘CUMULATION APPLIED WITH ... (name of the country/countries)’

- (b) if origin has been obtained without the application of cumulation with materials originating in one or more of the countries or territories referred to in Articles 3 and 4:

‘NO CUMULATION APPLIED’

7. The customs authorities issuing movement certificates EUR.1 or EUR-MED 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. They 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.

8. The date of issue of the movement certificate EUR.1 or EUR-MED shall be indicated in Box 11 of the certificate.

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

## ARTICLE 18

### **Movement Certificates EUR.1 or EUR-MED Issued Retrospectively**

1. Notwithstanding Article 17(9), a movement certificate EUR.1 or EUR-MED 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, involuntary omissions or special circumstances; or
- (b) it is demonstrated to the satisfaction of the customs authorities that a movement certificate EUR.1 or EUR-MED was issued but was not accepted at importation for technical reasons.

2. Notwithstanding Article 17(9), a movement certificate EUR-MED may be issued after exportation of the products to which it relates and for which a movement certificate EUR.1 was issued at the time of exportation, provided that it is demonstrated to the satisfaction of the customs authorities that the conditions referred to in Article 17(5) are satisfied.

3. For the implementation of paragraphs 1 and 2, the exporter shall indicate in the application the place and date of exportation of the products to which the movement certificate EUR.1 or EUR-MED relates and state the reasons for his request.

4. The customs authorities may issue a movement certificate EUR.1 or EUR-MED retrospectively only after verifying that the information supplied in the exporter's application complies with that in the corresponding file.

5. Movement certificates EUR.1 or EUR-MED issued retrospectively by application of paragraph 1 shall be endorsed with the following phrase in English:

‘ISSUED RETROSPECTIVELY’

Movement certificates EUR-MED issued retrospectively by application of paragraph 2 shall be endorsed with the following phrase in English:

‘ISSUED RETROSPECTIVELY (Original EUR.1 No ... [date and place of issue])’

6. The endorsement referred to in paragraph 5 shall be inserted in Box 7 of the movement certificate EUR.1 or EUR-MED.

## ARTICLE 19

### **Issue of a Duplicate Movement Certificate EUR.1 or EUR-MED**

1. In the event of theft, loss or destruction of a movement certificate EUR.1 or EUR-MED, 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 shall be endorsed with the following word in English:

‘DUPLICATE’

3. The endorsement referred to in paragraph 2 shall be inserted in Box 7 of the duplicate movement certificate EUR.1 or EUR-MED.

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

## ARTICLE 20

### **Issue of Movement Certificates EUR.1 or EUR-MED on the Basis of a Proof of Origin Previously Issued or Completed**

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

## ARTICLE 21

### **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 (hereinafter referred to as the 'method') to be used for managing such stocks.
2. The method shall 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 had there been physical segregation of the stocks.
3. The customs authorities may make the grant of authorisation referred to in paragraph 1, subject to any conditions deemed appropriate.
4. The method shall be applied and the application thereof shall be recorded on the basis of the general accounting principles applicable in the country or territory where the product was manufactured.
5. The beneficiary of the method may make out 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 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.

## ARTICLE 22

### **Conditions for Making Out an Origin Declaration or an Origin Declaration EUR-MED**

1. An origin declaration or an origin declaration EUR-MED as referred to in Article 16(1)(c) may be made out:

- (a) by an approved exporter within the meaning of Article 23; or
- (b) by any exporter for any consignment consisting of one or more packages containing originating products the total value of which does not exceed EUR 6000.

2. Without prejudice to paragraph 3, an origin declaration may be made out in the following cases:

- (a) if the products concerned may be considered as products originating in the United Kingdom, in the West Bank and the Gaza Strip without application of cumulation with materials originating in Switzerland (including Liechtenstein), Turkey or one of the other countries or territories referred to in Articles 3(2) and 4(2), and fulfil the other requirements of this Protocol,
- (b) if the products concerned may be considered as products originating in one of the other countries or territories referred to in Articles 3 and 4 with which cumulation is applicable, without application of cumulation with materials originating in one of the countries or territories referred to in Articles 3 and 4, and fulfil the other requirements of this Protocol, provided a certificate EUR-MED or an invoice declaration EUR-MED has been issued in the country or territory of origin.

3. An origin declaration EUR-MED may be made out if the products concerned can be considered as products originating in the United Kingdom, in the West Bank and the Gaza Strip or in one of the other countries or territories referred to in Articles 3 and 4 with which cumulation is applicable, and fulfil the requirements of this Protocol, in the following cases:

- (a) cumulation was applied with materials originating in Switzerland (including Liechtenstein), Turkey or one of the other countries or territories referred to in Articles 3(2) and 4(2), or
- (b) the products may be used as materials in the context of cumulation for the manufacture of products for export to one of the other countries or territories referred to in Articles 3 and 4, or

- (c) the products may be re-exported from the country or territory of destination to one of the other countries or territories referred to in Articles 3 and 4.

4. An origin declaration EUR-MED shall contain one of the following statements in English:

- (a) if origin has been obtained by application of cumulation with materials originating in one or more of the countries or territories referred to in Articles 3 and 4:

‘CUMULATION APPLIED WITH ... (name of the country/countries)’

- (b) if origin has been obtained without the application of cumulation with materials originating in one or more of the countries or territories referred to in Articles 3 and 4:

‘NO CUMULATION APPLIED’

5. The exporter making out an origin declaration or an origin declaration EUR-MED shall be prepared to submit at any time, at the request of the customs authorities of the exporting Party, all appropriate documents proving the originating status of the products concerned as well as the fulfilment of the other requirements of this Protocol.

6. An origin declaration or an origin declaration EUR-MED 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 Incorporated Annexes IV a and IV b, using one of the linguistic versions set out in those Incorporated Annexes and in accordance with the provisions of the domestic law of the exporting country or territory. If the declaration is handwritten, it shall be written in ink in printed characters.

7. Origin declarations and origin declarations EUR-MED shall bear the original signature of the exporter in manuscript. However, an approved exporter within the meaning of Article 23 shall not be required to sign such declarations provided that he or she gives the customs authorities of the exporting Party a written undertaking that he or she accepts full responsibility for any origin declaration which identifies him or her as if it had been signed in manuscript by him or her.

8. An origin declaration or an origin declaration EUR-MED 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 or territory at the latest two years after the importation of the products to which it relates.

## ARTICLE 23

### **Approved Exporter**

1. The customs authorities of the exporting Party may authorise any exporter (hereinafter referred to as ‘approved exporter’) who makes frequent shipments of products in accordance with the provisions of this Agreement to make out origin declarations or origin declarations EUR-MED irrespective of the value of the products concerned. An exporter seeking such authorisation shall 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 origin declaration or the origin declaration EUR-MED.
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, no longer fulfils the conditions referred to in paragraph 2 or otherwise makes an incorrect use of the authorisation.

## ARTICLE 24

### **Validity of Proof of Origin**

1. A proof of origin shall be valid for four months from the date of issue in the exporting Party, and shall be submitted within that period to the customs authorities of the importing Party.
2. Proofs of origin which are submitted to the customs authorities of the importing Party 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 Party may accept the proofs of origin where the products have been submitted before the said final date.

## ARTICLE 25

### **Submission of Proof of Origin**

Proofs of origin shall be submitted to the customs authorities of the importing Party in accordance with the procedures applicable in that country or territory. 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 this Agreement.

## ARTICLE 26

### **Importation by Instalments**

Where, at the request of the importer and subject to the conditions laid down by the customs authorities of the importing Party, dismantled or non-assembled products within the meaning of General Rule 2(a) of the Harmonised System falling within Sections XVI and XVII or headings 7308 and 9406 of the Harmonised System are imported by instalments, a single proof of origin for such products shall be submitted to the customs authorities upon importation of the first instalment.

## ARTICLE 27

### **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, that declaration may be made on the customs declaration CN22 / CN23 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 EUR 500 in the case of small packages or EUR 1200 in the case of products forming part of travellers' personal luggage.

## ARTICLE 28

### **Supporting Documents**

The documents referred to in Articles 17(3) and 22(5) used for the purpose of proving that products covered by a movement certificate EUR.1 or EUR-MED, or an origin declaration or origin declaration EUR-MED may be considered as products originating in the United Kingdom, in the West Bank and the Gaza Strip or in one of the other countries or territories referred to in Articles 3 and 4 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 or her accounts or internal book-keeping;
- (b) documents proving the originating status of materials used, issued or made out in the United Kingdom or in the West Bank and the Gaza Strip where these documents are used in accordance with domestic law;
- (c) documents proving the working or processing of materials in the United Kingdom or in the West Bank and the Gaza Strip, issued or made out in the United Kingdom or in the West Bank and the Gaza Strip, where these documents are used in accordance with domestic law;
- (d) movement certificates EUR.1 or EUR-MED, origin declarations or origin declarations EUR-MED proving the originating status of materials used, issued or made out in the United Kingdom or the West Bank and the Gaza Strip in accordance with this Protocol, or in one of the other countries or territories referred to in Articles 3 and 4, in accordance with rules of origin which are identical to the rules in this Protocol;
- (e) appropriate evidence concerning working or processing undergone outside the United Kingdom, the West Bank and the Gaza Strip or the other countries or territories referred to in Articles 3 and 4 by application of Article 12, proving that the requirements of that Article have been satisfied.

## ARTICLE 29

### **Preservation of Proof of Origin and Supporting Documents**

1. The exporter applying for the issue of a movement certificate EUR.1 or EUR-MED shall keep for at least three years the documents referred to in Article 17(3).
2. The exporter making out an origin declaration or origin declaration EUR-MED shall keep for at least three years a copy of this origin declaration as well as the documents referred to in Article 22(5).

3. The customs authorities of the exporting Party issuing a movement certificate EUR.1 or EUR-MED shall keep for at least three years the application form referred to in Article 17(2).

4. The customs authorities of the importing Party shall keep for at least three years the movement certificates EUR.1 and EUR-MED, the origin declarations and the origin declarations EUR-MED submitted to them.

## ARTICLE 30

### **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 shall 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 31

### **Amounts Expressed in Euro**

1. For the application of the provisions of Articles 22(1)(b) and 27(3), in cases where products are invoiced in a currency other than euro, amounts in the national currencies used in the countries or territories referred to in Articles 3 and 4 equivalent to the amounts expressed in euro shall be fixed annually by each of the countries or territories concerned.

2. A consignment shall benefit from the provisions of Articles 22(1)(b) or 27(3) by reference to the currency in which the invoice is drawn up, according to the amount fixed by the Party 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 Parties shall notify each other of the relevant amounts.

4. A Party may round up or down the amount resulting from the conversion into the relevant 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%. A country or territory may retain unchanged the equivalent in the relevant

national currency 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% in the relevant national currency equivalent. The relevant 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 any of the 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.

## **TITLE VI**

### **ARRANGEMENTS FOR ADMINISTRATIVE COOPERATION**

#### **ARTICLE 32**

##### **Mutual Assistance**

1. The customs authorities of the United Kingdom and the Palestinian Authority shall provide each other with specimen impressions of stamps used in their customs offices for the issue of movement certificates EUR.1 and EUR-MED and with the addresses of the customs authorities responsible for verifying those certificates, origin declarations and origin declarations EUR-MED.

2. In order to ensure the proper application of this Protocol, the United Kingdom and the Palestinian Authority shall assist each other, through the competent customs administrations, in checking the authenticity of the movement certificates EUR.1 and EUR-MED, the origin declarations and the origin declarations EUR-MED, and the correctness of the information given in these documents.

#### **ARTICLE 33**

##### **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 Party 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 Party shall return the movement certificate EUR.1 or EUR-MED and the invoice, if it has been submitted, the origin declaration or the origin declaration EUR-MED, or a copy of these documents, to the customs authorities of the exporting Party giving, where appropriate, the reasons for the

request for verification. 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 Party. 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 Party 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 shall indicate clearly whether the documents are authentic and whether the products concerned may be considered as products originating in the United Kingdom, in the West Bank and the Gaza Strip or in one of the other countries or territories referred to in Articles 3 and 4 and fulfil the other requirements of this Protocol.

6. If, in cases of reasonable doubt, there is no reply within ten 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 34

### **Dispute Settlement**

1. Where disputes arise in relation to the verification procedures of Article 33 which cannot be settled between the customs authorities requesting a verification and the customs authorities responsible for carrying out this verification, they shall be submitted to the Joint Committee.

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

## ARTICLE 35

### **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 36

### **Free Zones**

1. The United Kingdom and the Palestinian Authority 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 way of derogation from paragraph 1, when products originating in the United Kingdom or in the West Bank and the Gaza Strip 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 movement certificate EUR.1 or EUR-MED at the exporter's request, if the treatment or processing undergone complies with this Protocol.

## TITLE VII

### **CEUTA AND MELILLA**

## ARTICLE 37

### **Application of the Protocol**

The term 'European Union' used in this Protocol does not cover Ceuta and Melilla. Products originating in Ceuta and Melilla are not considered to be products originating in the European Union for the purposes of this Protocol.

## TITLE VIII

### FINAL PROVISIONS

#### ARTICLE 38

##### **Transitional Provision for Goods in Transit or Storage**

The provisions of this Agreement may be applied to goods which comply with the provisions of this Protocol and which, on the date of entry into force of this Agreement, are either in transit or are in the United Kingdom or in the West Bank and the Gaza Strip in temporary storage in customs warehouses or in free zones, subject to the submission to the customs authorities of the importing country or territory, within 12 months of the said date of a movement certificate EUR.1 or EUR-MED issued retrospectively by the customs authorities of the exporting country or territory together with the documents showing that the goods have been transported directly in accordance with the provisions of Article 13.

#### ARTICLE 39

##### **Annexes**

1. Annexes I to IV b to Appendix I to the Regional Convention on pan-Euro-Mediterranean preferential rules of origin are incorporated into and made part of this Protocol as Incorporated Annexes I to IV b to this Protocol and shall apply, mutatis mutandis, subject to the following modifications:

- (a) In Annex I:
  - (i) all references to “Article 5 of this Appendix” shall be understood as references to “Article 6 of this Protocol”; and
  - (ii) in paragraph 3.1 of Note 3, “a Contracting Party” shall be replaced by “any of the other countries or territories referred to in Articles 3 and 4 with which cumulation is applicable”.
- (b) In each of Annexes III a and III b, references to “the Contracting Parties” shall be understood as references to “the Parties”.
- (c) In each of Annexes IV a and IV b:
  - (i) only the English and Arabic versions of the origin declaration shall be incorporated; and
  - (ii) the second sentence of footnote 2 shall not be incorporated.

2. The Annex to this Protocol shall form an integral part thereof.

#### ARTICLE 40

#### **Amendments to the Protocol**

The Joint Committee may decide to amend the provisions of this Protocol.

## **Annex**

### **COUNTRIES OR TERRITORIES (REFERRED TO IN ARTICLES 3 AND 4) WITH WHICH CUMULATION IS APPLICABLE**

1. The United Kingdom
2. The European Union
3. The West Bank and the Gaza Strip”

## **JOINT DECLARATIONS ON RULES OF ORIGIN**

**Further to Protocol 3 to the Interim Political, Trade and Partnership Agreement between the United Kingdom of Great Britain and Northern Ireland, of the one part, and the Palestine Liberation Organization (PLO) for the benefit of the Palestinian Authority of the West Bank and the Gaza Strip, of the other part ('Agreement'), signed today, the Palestinian Authority and the United Kingdom have adopted the following declarations:**

### **Joint Declaration on a Trilateral Approach to Rules of Origin**

1. In advance of trade negotiations between the European Union and the United Kingdom, the Parties recognise that a trilateral approach to rules of origin, involving the European Union, is the preferred outcome in trading arrangements between the Parties and the European Union. This approach would replicate coverage of existing trade flows and allow for continued recognition of originating content from either of the Parties and from the European Union in exports to each other, as per the intention of the Euro-Mediterranean Interim Association Agreement on Trade and Cooperation between the European Community, of the one part, and the Palestine Liberation Organization (PLO) for the benefit of the Palestinian Authority of the West Bank and the Gaza Strip, of the other part. In this regard, the United Kingdom and the Palestinian Authority understand that any bilateral arrangement between the Parties represents a first step towards this outcome.

2. In the event of an agreement between the United Kingdom and the European Union, the Parties approve taking the necessary steps, as a matter of urgency, to update Protocol 3 to the Agreement to reflect a trilateral approach to rules of origin involving the European Union. The necessary steps will be taken in accordance with the procedures of the Joint Committee contained in Protocol 3 to the Agreement.

### **Joint Declaration Concerning the Principality of Andorra**

1. Products originating in the Principality of Andorra meeting the conditions of Articles 3(7)(b)(ii) and 4(5)(b)(ii) of Protocol 3 of this Agreement, and falling within Chapters 25 to 97 of the Harmonised System shall be accepted by the Parties as originating in the European Union within the meaning of this Agreement.

2. Protocol 3 shall apply *mutatis mutandis* for the purpose of defining the originating status of the abovementioned products.

3. This Joint Declaration shall be provisionally applied or enter into force when Protocol 3 to the Agreement is provisionally applied or enters into force.

## **Joint Declaration Concerning the Republic of San Marino**

1. Products originating in the Republic of San Marino, meeting the conditions of Articles 3(7)(b)(ii) and 4(5)(b)(ii) of Protocol 3 of this Agreement, shall be accepted by the Parties as originating in the European Union within the meaning of this Agreement.
2. Protocol 3 shall apply *mutatis mutandis* for the purpose of defining the originating status of the abovementioned products.
3. This Joint Declaration shall be provisionally applied or enter into force when Protocol 3 to the Agreement is provisionally applied or enters into force.

Done in duplicate at Ramallah on this 18<sup>th</sup> day of February 2019 in the English and Arabic languages. Both texts being equally authoritative. In case of divergence in interpretation or any discrepancies, the English text shall prevail.

**For the Government of the United Kingdom of Great Britain and Northern Ireland:**

**For the Palestine Liberation Organization for the Palestinian Authority of the West Bank and the Gaza Strip:**

**LIAM FOX**

**ABEER ODEH**





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