Serbia No.1 (2021)

Partnership, Trade and Cooperation Agreement

between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Republic of Serbia

Belgrade, 16 April 2021

[The Agreement is not in force]

Presented to Parliament
by the Secretary of State for Foreign, Commonwealth and Development Affairs
by Command of Her Majesty
May 2021

CP 433

This publication is available at www.gov.uk/official-documents

Any enquiries regarding this publication should be sent to us at Treaty Section, Foreign, Commonwealth and Development Office, King Charles Street, London, SW1A 2AH

ISBN 978-1-5286-2567-8
CCS0521526002 05/21

Printed on paper containing 75% recycled fibre content minimum

Printed in the UK by the APS Group on behalf of the Controller of Her Majesty's Stationery Office

PARTNERSHIP, TRADE AND COOPERATION AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE GOVERNMENT OF THE REPUBLIC OF SERBIA

THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND ("the United Kingdom") and THE GOVERNMENT OF THE REPUBLIC OF SERBIA ("Serbia") (hereinafter referred to as "the Parties"),

RECOGNISING that the Stabilisation and Association Agreement between the European Communities and their Member States, of the one part, and the Republic of Serbia, of the other part, done at Luxembourg on 29 April 2008 ("the EU-Serbia Agreement") has ceased to apply to the United Kingdom;

TAKING ACCOUNT of the principles set out in the preamble to the EU-Serbia Agreement and desiring that the rights and obligations between the Parties as provided for by the EU-Serbia Agreement should continue as modified by this Agreement;

HAVE AGREED AS FOLLOWS:

ARTICLE 1

Objectives

1. The overriding objective of this Agreement is to preserve the links between the Parties established by the EU-Serbia Agreement.

2. In particular, the Parties agree to preserve the preferential conditions relating to trade between the Parties which resulted from the EU-Serbia Agreement and to provide a platform for further trade liberalisation between the Parties.

3. For the avoidance of doubt, it is confirmed that the Parties establish a partnership as well as a free trade area in goods and associated rules in accordance with this Agreement and affirm the objectives in Article 1 of the EU-Serbia Agreement (as modified by this instrument).

ARTICLE 2

Definitions and interpretation

1. Throughout this instrument:

the "Incorporated Agreement" means the provisions of the EU-Serbia Agreement to the extent incorporated into this Agreement (and related expressions are to be read accordingly); and

"*mutatis mutandis*" means with the technical changes necessary to apply the EU-Serbia Agreement as if it had been concluded between the United Kingdom and Serbia, taking into account the object and purpose of this Agreement.

2. Throughout the Incorporated Agreement and this instrument, "this Agreement" means the entire agreement comprising this instrument and the provisions of the EU-Serbia Agreement as incorporated by Article 3.

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

ARTICLE 3

Incorporation of the EU-Serbia Agreement

1. The provisions of the EU-Serbia Agreement in effect immediately before they ceased to apply to the United Kingdom are incorporated into and made part of this Agreement, *mutatis mutandis*, subject to the provisions of this instrument.

2. The obligations in the Joint Declarations made by the parties to the EU-Serbia Agreement in relation to that Agreement and set out in Annex I to this instrument shall apply with the same legal effect, *mutatis mutandis*, to the Parties to this Agreement, subject to the provisions of this instrument.

ARTICLE 4

References to European Union law

1. Except as otherwise provided, references in this Agreement to European Union law are to be read as references to that European Union law in force as incorporated or implemented in United Kingdom law as retained European Union law on the day after the United Kingdom ceased to be bound by the relevant European Union law.

2. In this Article "United Kingdom law" includes the law of the territories for whose international relations the United Kingdom is responsible to whom this Agreement extends, as set out in Article 6.

ARTICLE 5

References to the euro

Notwithstanding Article 3, references to the euro (including "EUR" and "€") in the Incorporated Agreement shall continue to be read as such in this Agreement.

ARTICLE 6

Territorial application

This Agreement shall apply, to the extent that and under the conditions which the EU-Serbia Agreement applied immediately before it ceased to apply to the United Kingdom, to the United Kingdom on the one hand and the following territories for whose international relations it is responsible:

(a) Gibraltar; and

(b) the Channel Islands and the Isle of Man.

and, on the other hand, to the Republic of Serbia.

ARTICLE 7

Continuation of time periods

1. Unless this instrument provides otherwise:

(a) if a time period in the EU-Serbia Agreement has not yet ended, the remainder of that period shall be incorporated into this Agreement; and

(b) if a time period in the EU-Serbia Agreement has ended, any ongoing right or obligation shall apply between the Parties and that period shall not be incorporated into this Agreement.

2. Notwithstanding paragraph 1, a reference to a period in the Incorporated Agreement relating to a procedure or other administrative matter (such as a review, committee procedure or notification) shall not be affected.

ARTICLE 8

Tariff Quotas

1. In Articles 26(3), 26(4), 29(3), 29(4) and 30(3), and Annex IIIe, Annex IV, Annex III to Protocol 1 and Annex I to Protocol 2 of the Incorporated Agreement, a tariff quota or increase thereof shall be:

(a) resized to 13.62% of the corresponding quota volume or quota increase referred to in the EU-Serbia Agreement when it ceased to apply to the

United Kingdom, rounded to the nearest whole number using common arithmetical principles;[1] and

(b) applied by the Parties as from the date of entry into force of this Agreement on an annual basis.

2. Unless otherwise provided in the Incorporated Agreement, the administration period for a tariff quota referred to in paragraph 1 shall be 1 January to 31 December for each year this Agreement is in force. If this Agreement enters into force part-way through an administration period, the volume of each tariff quota shall be re-sized and applied on a pro-rata basis from the date of entry into force of this Agreement to 31 December of the same year.

ARTICLE 9

Further provisions in relation to the Partnership, Trade and Cooperation Council

1. The Council which the Parties establish under incorporated Article 119 shall, in particular, ensure that this Agreement operates properly. For the purposes of this Agreement, this Council shall be referred to as the Partnership, Trade and Cooperation Council and all references to the Stabilisation and Association Council in the Incorporated Agreement shall be understood accordingly.

2. The Stabilisation and Association Committee established by the EU-Serbia Agreement shall not be incorporated into this Agreement. The powers and responsibilities of the Stabilisation and Association Committee under the EU-Serbia Agreement shall become the powers and responsibilities of the Partnership, Trade and Cooperation Council established under incorporated Article 119, and any sub-committees or bodies created by the Stabilisation and Association Committee under the EU-Serbia Agreement shall become special committees or bodies of the Partnership, Trade and Cooperation Council. For the avoidance of doubt, any reference to "the Stabilisation and Association Committee" in the EU-Serbia Agreement shall, to the extent that it is incorporated into this Agreement, be replaced with "the Partnership, Trade and Cooperation Council".

3. Unless the Parties otherwise agree, any decisions adopted by the Stabilisation and Association Council or the Stabilisation and Association Committee established by the EU-Serbia Agreement before it 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,

[1] For the avoidance of doubt, rounding using common arithmetical principles means that all figures which have less than 50 after the decimal point shall be rounded down to the nearest whole number and all figures which have more than 50 (included) after the decimal point shall be rounded up to the nearest whole number.

by the Partnership, Trade and Cooperation Council established under incorporated Article 119.

4. Nothing in paragraph 3 prevents the Partnership, Trade and Cooperation Council established by this Agreement from making decisions which are different to modify, revoke or supersede the decisions deemed to have been adopted by it under that paragraph.

ARTICLE 10

Integral parts of this Agreement

1. The annexes and footnotes to this instrument are integral to this Agreement.

2. Nothing in this Article shall affect Article 132 of the Incorporated Agreement, as amended by this Agreement.

ARTICLE 11

Amendments

1. The Parties may agree, in writing, to amend this Agreement. An amendment shall enter into force on the first day of the first month following the date of the later of the Parties' notifications that they have completed their internal procedures, or on such date as the Parties may agree.

2. Notwithstanding paragraph 1, the Partnership, Trade and Cooperation Council may decide that the Annexes and Protocols to this Agreement should be amended. The Parties shall adopt the Partnership, Trade and Cooperation Council's decision subject to their applicable legal requirements and procedures.

ARTICLE 12

Entry into force and provisional application

1. Articles 138 and 139 of the EU-Serbia Agreement shall not be incorporated into this Agreement.

2. Each of the Parties shall notify the other in writing, through diplomatic channels, of the completion of the procedures required by its law for the entry into force of this Agreement.

3. This Agreement shall enter into force on the date of the later of the Parties' notifications that they have completed their internal procedures.

4. Pending entry into force of this Agreement, the negotiating States may agree to apply this Agreement provisionally. Such provisional application shall take effect on the date of the later of the negotiating States' notifications that they have completed their internal procedures for provisional application.

5. A negotiating State may terminate the provisional application of this Agreement by giving written notice to the other negotiating State. Such termination shall take effect one month following the date of notification.

6. Where this Agreement is provisionally applied, the term 'entry into force of this Agreement' 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 Serbia's Ministry of Foreign Affairs or its successor. Serbia shall submit notifications under this Article to the United Kingdom's Foreign, Commonwealth and Development Office or its successor.

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

Done in duplicate at Belgrade, this sixteenth day of April 2021, in the English and Serbian languages, both texts being equally authoritative.

For the Government of the United Kingdom of Great Britain and Northern Ireland:	**For the Government of the Republic of Serbia:**
SIAN MACLEOD	**TATJANA MATIĆ**

ANNEX I

The incorporation of the provisions of the EU-Serbia Agreement into this Agreement is further modified as follows, and as set out in Annexes II and III of this Agreement:

1. MODIFICATIONS TO ARTICLE 1

(a) In the first paragraph, the words "An Association" shall be replaced by "A partnership".

(b) In the second paragraph, the word "Association" shall be replaced by "partnership".

(c) In Article 1(2)(d), the words "including through the approximation of its legislation to that of the Community" shall not be incorporated into this Agreement.

(d) In Article 1(2)(e), the word "efforts" shall be replaced by "progress".

(e) In Article 1(2)(f), the words "Community and Serbia" shall be replaced by "Parties and in Europe".

2. MODIFICATIONS TO TITLE I
GENERAL PRINCIPLES

(a) In Article 2, the words "International Criminal Tribunal for the former Yugoslavia (ICTY) shall be replaced by "International Residual Mechanism for Criminal Tribunals (IRMCT)".

(b) In Article 3, the final paragraph shall not be incorporated into this Agreement.

(c) In Article 4, "ICTY" shall be replaced by "IRMCT".

(d) In Article 5, the words "The Parties reaffirm the importance of" shall be added to the beginning of the first sentence and the words "are central to the Stabilisation and Association process referred to in the conclusions of the Council of the European Union on 21 June 1999. The conclusion and the implementation of this Agreement come within the framework of the conclusions of the Council of the European Union of 29 April 1997 and are based on the individual merits of Serbia" shall be replaced with ",which are central to this Agreement".

(e) In Article 6, the words "Serbia commits itself" shall be replaced by "The Parties commit themselves".

(f) Article 8 shall be replaced by:

"The Partnership, Trade and Cooperation Council established under Article 119 shall regularly review the implementation of this Agreement. This review shall be carried out in accordance with the general principles of this Agreement.

On the basis of this review and in accordance with Article 121 of this Agreement, the Partnership, Trade and Cooperation Council may issue recommendations and make decisions. Where the review identifies particular difficulties, they may be referred to the mechanisms of dispute settlement established under this Agreement."

3. MODIFICATIONS TO TITLE II
POLITICAL DIALOGUE

(a) In Article 10(1), the words "accompany and consolidate" shall be replaced by "take due account of".

(b) Article 10(2)(a) shall not be incorporated into this Agreement.

(c) In Article 10(2)(b), the words "CFSP issues" shall be replaced by "issues relating to foreign and security policy".

(d) In Article 10(2)(d), the words "including cooperation in areas covered by the CFSP of the European Union" shall not be incorporated into this Agreement.

(e) Article 11(2) shall be replaced by:

"At the request of the Parties, political dialogue may also take place in the form of meetings of senior officials or parliamentary delegations, taking full advantage of all diplomatic channels between the Parties, including appropriate contacts in third countries and within the United Nations, the OSCE, the Council of Europe and other international fora, as well as by any other means which would make a useful contribution to consolidating, developing and stepping up this dialogue."

(f) In Article 12, the word "shall" shall be replaced by "may", and the words "Stabilisation and Association Parliamentary Committee established" shall be replaced with the words "Parliamentary Committee which may be established" shall be inserted.

(g) In Article 13, the words "including in the framework of the EU-Western Balkan forum" shall not be incorporated into this Agreement.

4. MODIFICATIONS TO TITLE III

REGIONAL COOPERATION

(a) In the first paragraph of Article 14, the words "The Community assistance programmes may support projects having a regional or cross-border dimension through its technical assistance programmes" shall be replaced by "The United Kingdom may assist or support such regional cooperation".

(b) The second and third paragraphs of Article 14 shall not be incorporated into this Agreement.

(c) Articles 15 to 17 shall not be incorporated into this Agreement.

5. MODIFICATIONS TO TITLE IV

FREE MOVEMENT OF GOODS

(a) In Article 18(4)(a), the following shall not be incorporated into this Agreement:

i. the words "established pursuant to Council Regulation (EEC) No 2658/87([1])"; and

ii. the footnote, (1).

(b) Article 19(2) shall not be incorporated into this Agreement.

(c) After the second paragraph of Article 26(2), the following paragraph shall be inserted:

"Annex IIA sets out additional concessions in relation to products covered by Chapters 7 and 8 of the Combined Nomenclature and wine products."

(d) In Article 31, the words "no later than three years after the entry into force of this Agreement" shall not be incorporated into this Agreement.

(e) In Article 39(3), the final sentence shall not be incorporated into this Agreement.

(f) In Article 46(2), after "this Title" the words "or under Annex IIA of this Agreement" shall be inserted.

(g) Article 48 shall not be incorporated into this Agreement.

6. MODIFICATIONS TO TITLE V

MOVEMENT OF WORKERS, ESTABLISHMENT, SUPPLY OF SERVICES, MOVEMENT OF CAPITAL

(a) Article 50(1) shall not be incorporated into this Agreement.

(b) In Article 50(2):

i. The words “After three years” shall not be incorporated into this Agreement; and

ii. The words "granting of other improvements”, shall be replaced by the words “granting of improvements for workers”.

(c) In Article 51:

i. in point (a) of paragraph (1), the words “various Member States”, shall be replaced with “United Kingdom and the various Member States of the European Union”; and

ii. point (c) of paragraph (1) shall not be incorporated into this Agreement; and

iii. before paragraph (2), the following shall be inserted as new paragraphs:

“1A. Notwithstanding paragraph 1, point (a) of paragraph 1 shall not apply unless and until the Partnership, Trade and Cooperation Council:

(a) determines that appropriate data sharing arrangements are in place to enable the United Kingdom to implement point (a) of paragraph 1; and

(b) having done so, decides to apply the provision, with or without modifications, or to replace it.

1B. After entry into force of this Agreement, the Partnership, Trade and Cooperation Council shall examine any developments in data sharing arrangements between the United Kingdom and the European Union and consider whether these are appropriate to enable implementation of point (a) of paragraph 1.”

(d) In Article 53 (1)(b), after the words “, whichever is the better” the following shall be inserted: “and in accordance with its domestic laws and regulations”.

(e) In Article 53(4), the words "Four years after the entry into force of this Agreement," shall not be incorporated into this Agreement.

(f) In Article 53(5)(c), the words "Four years after the entry into force of this Agreement," shall not be incorporated into this Agreement.

(g) In Article 55(1):

i. the words "the Multilateral Agreement on the Establishment of a European Common Aviation Area (1) (hereinafter referred to as 'ECAA')" shall be replaced by "any existing or future Agreement between the Parties on air services or aviation"; and

ii. the footnote, (1), shall not be incorporated into this Agreement.

(h) In Article 59(3), the final sentence shall not be incorporated into this Agreement.

(i) In Article 60(1), the words "the day preceding the day of entry into force of this Agreement" shall be replaced by "31 August 2013".

(j) In Article 60(2), the words "the entry into force of this Agreement" and "the date of entry into force of this Agreement" shall be replaced by "1 September 2013".

(k) In Article 61(1):

i. before the words "the effective application", the word "and" shall be inserted; and

ii. the words "and progressive harmonisation of the transport legislation of Serbia with that of the Community" shall not be incorporated into this Agreement,

(l) In Article 61(1), before paragraph (2), the following shall be inserted as new paragraphs:

"1A. Nothing in this Agreement shall affect the rights and obligations under the Agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Republic of Serbia on International Road Transport or any future agreement between the Parties on international road transport (the "International Road Transport Agreements"). The provisions of this Agreement (including Protocol 4) shall be interpreted and applied in a manner consistent with the International Road Transport Agreements. In the event of any inconsistency between this Agreement and the International Road Transport Agreements, the latter shall prevail.

1B. Paragraph 1A shall have effect notwithstanding Article 1(2) of the Agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Republic of Serbia on International Road Transport (referred to in paragraph 1A)."

(m) In Article 61(2), the words "and European" shall not be incorporated into this Agreement.

(n) In Article 61(4), the words "the ECAA" shall be replaced by "an agreement or arrangement governing air services between Serbia and the United Kingdom".

(o) In Article 61(5), the words "the ECAA" shall be replaced by "any agreement or arrangement governing air services between Serbia and the United Kingdom".

(p) Article 61(6) shall not be incorporated into this Agreement.

(q) Article 64 shall not be incorporated into this Agreement.

(r) After Article 68, the following shall be inserted as a new Article:

"Article 68A

1. For the purposes of this Article:

"competent authority" means in the case of the United Kingdom, the Commissioners for Her Majesty's Revenue and Customs or their authorised representative, and, in the case of Serbia, the Ministry of Finance or its authorised representative (and any successor of these authorities as notified in writing, by the State of the successor, to the other State).

"tax convention" means a convention for the avoidance of double taxation, or any other international taxation agreement or arrangement (including, for the avoidance of doubt, such a convention, agreement or arrangement which is made after this Agreement is ratified, or any amendment to such a convention, agreement or arrangement).

2. Nothing in this Agreement affects the rights and obligations, under any tax convention, of the United Kingdom and Serbia. In the event of any inconsistency between this Agreement and any such tax convention, the tax convention prevails to the extent of the inconsistency. If an issue arises as to whether any inconsistency exists, the competent authorities under that tax convention shall determine the existence and extent of any inconsistency."

(s) After Article 71, the following shall be inserted as a new Article:

"*Article 71A*

1. Notwithstanding that this Agreement does not commit Serbia to approximate its legislation to that of the United Kingdom, the Parties recognise that there is an alignment of their legislation as a result of the EU-Serbia Agreement in the relevant sectors. The Parties agree that the operation of the following provisions of this Agreement depends upon the continued alignment of their legislation in the relevant sectors:

Title V (Movement of Workers, Establishment, Supply of Services, Movement of Capital):

- Chapter I, Movement of Workers (Article 49);

- Chapter II, Establishment (Articles 53, 54(1) and 58); and

- Chapter III, Supply of services (Articles 59, 60(1) and 61).

2. If a Party considers that the necessary level of alignment of their legislation is no longer reached, it may request consultations on the matter. Unless the Parties agree otherwise, consultations under this Article shall take place no later than 30 days after the date of delivery of the request for consultations by the other Party ("the consultation request date").

3. If the matter is not resolved within 45 days of the consultation request date, a Party may suspend the operation of the provisions referred to in paragraph 1 after having notified the other Party in accordance with paragraph 4.

4. The suspension in paragraph 3 shall not take place sooner than 90 days after the date of delivery of the notification referred to in that paragraph.

5. In the event of a Party suspending provisions according to paragraph 3:

(a) the United Kingdom shall offer the services and service suppliers of Serbia treatment no less favourable than that accorded to like services and service suppliers of any third country. Preferential treatment granted by the United Kingdom to the services and service suppliers of a third country consistent with GATS shall be excluded from this sub-paragraph.

(b) Serbia shall not introduce discrimination as regards the services and service suppliers of the United Kingdom."

7. MODIFICATIONS TO TITLE VI
APPROXIMATION OF LAWS, LAW ENFORCEMENT AND COMPETITION RULES

(a) Article 72 shall not be incorporated into this Agreement.

(b) In Article 73:

i. Article 73(2) shall not be incorporated into this Agreement;

ii. in Article 73(4), the words "in conformity with paragraph 2" shall not be incorporated into this Agreement;

iii. in Article 73(5), the words "following the methodology and the presentation of the Community survey" shall not be incorporated into this Agreement;

iv. Article 73(6) shall not be incorporated into this Agreement;

v. Article 73(7)(b) shall not be incorporated into this Agreement;

vi. Article 73(8) shall not be incorporated into this Agreement; and

vii. Article 73(9)(b) shall not be incorporated into this Agreement.

(c) Article 74 shall be replaced by:

"With regard to public undertakings and undertakings to which special or exclusive rights have been granted, the Parties shall ensure that there is neither enacted nor maintained any measure distorting trade between the Parties contrary to the Parties' interests. This Article should not obstruct the performance in law or in fact of the particular tasks assigned to those undertakings."

(d) Articles 75(2) and (3) shall not be incorporated into this Agreement.

(e) In Article 76(2), the second paragraph shall be replaced by:

"The United Kingdom shall periodically examine the possibility of applying the above provisions to contracts in the utilities sector."

(f) In Article 76(6) the words "49 to 64" shall be replaced by "49 to 63".

(g) A new Article 76(7) shall be inserted:

"This Chapter does not apply to the procurement of publicly funded clinical healthcare services. Clinical healthcare services include the following services:

1. Human health services (CPC 931);

2. Administrative healthcare services (CPC 91122); and

3. Supply services of nursing personnel and supply services of medical personnel (CPC 87206 and CPC 87209).

'CPC' means the Central Products Classification as set out in the Statistical Office of the United Nations, Statistical Papers, Series M, No 77, CPC prov, 1991."

(h) Article 77(1) shall not be incorporated into this Agreement.

(i) In Article 77(2), the words "To this end" and points (a) and (d) shall not be incorporated into this Agreement.

(j) In Article 78:

i. in the first paragraph, the first sentence shall not be incorporated into this Agreement;

ii. in point (a), the words "in accordance with Community law," shall not be incorporated into this Agreement; and

iii. point (b) shall be replaced by "(b) adequate consumer protection legislation is in place".

(k) Article 79 shall not be incorporated into this Agreement.

8. MODIFICATIONS TO TITLE VII
JUSTICE, FREEDOM AND SECURITY

(a) Article 81 shall be replaced by:

"The Parties shall maintain legislation concerning personal data protection and shall take into account principles and guidelines of relevant international bodies on the protection of personal data. The Parties shall maintain one or more independent supervisory bodies with sufficient financial and human resources in order to efficiently monitor and guarantee the enforcement of national personal data protection legislation."

(b) In Article 82:

i. the word "Visa" shall be deleted from the Article title and the first paragraph of Article 82.

ii. the words "including at a regional level," shall be deleted from the first paragraph of Article 82.

(c) Article 83 shall be replaced by:

"The Parties shall cooperate in order to prevent and control illegal immigration. To this end, the parties shall set out arrangements for readmission, including the readmission of nationals of other countries and stateless persons."

(d) In Article 84(2), the words "the Community and" shall not be incorporated into this Agreement.

(e) In Article 85(2), the words "along the lines of the EU Drug Control Strategy" shall not be incorporated into this Agreement.

9. MODIFICATIONS TO TITLE VIII
COOPERATION POLICIES

(a) In Article 88(3), the words "in line with the European Partnership" shall not be incorporated into this Agreement.

(b) In Article 89, the following words shall not be incorporated into this Agreement:

i. "and to gradually approximate its policies to the stability oriented policies of the European Economic and Monetary Union. At the request of the authorities of Serbia, the Community may provide assistance designed to support the efforts of Serbia in this respect"

ii. the fifth paragraph of Article 89, which begins with "Cooperation in this area…".

(c) In Article 90, the following words shall not be incorporated into this Agreement:

i. "primarily focus on priority areas related to the Community acquis in the field of statistics. It shall notably"; and

ii. "the European Statistical Code of Practice and the stipulations of the European Statistical law and develop towards the Community acquis."; and

iii. ", to progressively increase data collection and transmission to the European Statistical System".

(d) In Article 91, the words "Cooperation between Serbia and the Community shall focus on priority areas related to the Community acquis in the fields of banking, insurance and financial services." and "in Serbia" shall not be incorporated into this Agreement.

(e) In Article 92, the words "related to the Community acquis", and "and EU best practices. Cooperation shall also focus on capacity building of the Supreme Audit Institution in Serbia." and the final sentence shall not be incorporated into this Agreement.

(f) In Article 93, the words "which is essential to economic and industrial revitalization in Serbia." shall not be incorporated into this Agreement.

(g) In Article 93, the final sentence shall not be incorporated into this Agreement.

(h) In Article 94, the final paragraph shall not be incorporated into this Agreement.

(i) In Article 95, the following words shall not be incorporated into this Agreement:

i. "related to the Community acquis"; and

ii. ", as well as the ten guidelines enshrined in the European Charter for Small Enterprises".

(j) In the first paragraph of Article 96, the words "Cooperation shall take due account of Community acquis related to this sector." shall not be incorporated into this Agreement.

(k) In Article 97, the following words shall not be incorporated into this Agreement:

i. "in all priority areas related to the Community acquis"; and

ii. "and at supporting the gradual approximation of Serbian legislation and practices to the Community rules and standards".

(l) In Article 98, the words "related to the Community acquis" shall not be incorporated into this Agreement.

(m) In Article 99, the following words shall not be incorporated into this Agreement:

i. “and to achieve the approximation of the customs systems of Serbia to that of the Community”;

ii. “and for the gradual approximation of the Serbian customs legislation to the acquis”; and

iii. “Cooperation shall take due account of priority areas related to the Community acquis in the field of customs.”.

(n) In the first paragraph of Article 100, the following words shall not be incorporated into this Agreement: “including measures aiming at the further reform of Serbia's fiscal system and the restructuring of tax administration with a view to ensuring effectiveness of tax collection and the fight against fiscal fraud”.

(o) In the second paragraph of Article 100, the following words shall not be incorporated into this Agreement:

i. “related to the Community acquis”; and

ii. “Elimination of harmful tax competition should be carried out on the basis of the principles of the Code of Conduct for business taxation agreed by the Council on 1 December 1997.”

iii. in the third paragraph of Article 100, in first sentence the word “also” shall not be incorporated into this Agreement. The words “with the Member States”, shall be replaced with the words “between the Parties”. The final sentence of this paragraph shall not be incorporated into this Agreement.

(p) In Article 101, the second and third paragraph shall not be incorporated into this Agreement.

(q) In Article 102, in the first and second paragraph the words “in Serbia” shall not be incorporated into this Agreement. The third and fourth paragraphs of Article 102 shall not be incorporated into this Agreement.

(r) In Article 104, the final paragraph shall not be incorporated into this Agreement.

(s) In Article 105, the first paragraph shall not be incorporated into this Agreement.

(t) In Article 106, the following words shall not be incorporated into this Agreement:

i. “Cooperation shall primarily focus on priority areas related to the Community acquis in this field”; and

ii. ", with the ultimate objective of the adoption by Serbia of the Community acquis in the sector three years after the entry into force of this Agreement".

(u) In Article 108:

i. The words "Cooperation between the Parties shall focus on priority areas related to the Community acquis in the field of transport." shall not be incorporated into this Agreement; and

ii. the final sentence shall be replaced by "The objective of the cooperation should include improving protection of the environment in transport".

(v) In Article 109, the words "related to the Community acquis" in the field of energy. and "It shall be based on the Treaty establishing the Energy Community, and" shall not be incorporated into this Agreement.

(w) Article 110's title shall read "Nuclear safety, radiation protection, nuclear security and safeguards".

(x) In Article 110(1) the word "shall" shall be replaced with "may" and the words "radiation protection, nuclear security" shall be inserted after "the field of nuclear safety". The word "field" shall be replaced with "fields". The final sentence shall not be incorporated into this Agreement.

Article 110 (a) (b) (c) shall not be incorporated into this Agreement.

A new paragraph Article 110(2) shall be inserted:

"Cooperation referred to in paragraph (1) shall be undertaken in accordance with the principles and standards of the International Atomic Energy Agency (IAEA) and the relevant international treaties and conventions concluded within the framework of the IAEA and to which both Parties are bound."

(y) In the second paragraph of Article 111, the words "and shall focus on the alignment of Serbia's legislation to the Community acquis." shall not be incorporated into this Agreement."

(z) In Article 112, the final paragraph shall not be incorporated into this Agreement.

(aa) In Article 113, the final paragraph shall not be incorporated into this Agreement.

10. MODIFICATIONS TO TITLE IX
FINANCIAL COOPERATION

(a) In Article 115:

i. the words "and in accordance with Articles 5, 116 and 118" shall not be incorporated into this Agreement.

ii. In Article 115, the words commencing "from the Community in the forms of grants and loans" to the end of that Article shall be replaced by "from the United Kingdom subject to the agreement of both Parties. The United Kingdom may also cooperate with initiatives set out in Articles 115 to118 of the EU-Serbia Agreement, subject to the Agreement of both Parties."

(b) Articles 116 to 118 shall not be incorporated into this Agreement.

11. MODIFICATIONS TO TITLE X
INSTITUTIONAL, GENERAL AND FINAL PROVISIONS

(a) Article 120(1) shall be replaced by: "The Partnership, Trade and Cooperation Council shall consist of representatives of both Parties".

(b) Article 120(4) shall be replaced by: "The Partnership, Trade and Cooperation Council shall be co-chaired by a representative of each of the Parties, in accordance with the provisions to be laid down in its rules of procedure".

(c) Article 120(5) shall not be incorporated into this Agreement.

(d) In Article 121, the words ", which shall take the measures necessary to implement the decisions taken" shall be replaced with "and adopted in accordance with their applicable legal requirements and procedures".

(e) Article 122 shall not be incorporated into this Agreement.

(f) Article 123 shall not be incorporated into this Agreement.

(g) In Article 124, the word "other" shall not be incorporated into this Agreement.

(h) Article 125 shall be replaced with the following:

"Nothing in this Agreement shall restrict cooperation between the Parliament of the United Kingdom and the Parliament of Serbia.

The Parties may establish a Parliamentary Committee to assist Members of each Parties' legislatures to meet and exchange views".

(i) In the chapeau to Article 127, the word “measures” shall be replaced with the words “measures which it considers essential to its own security, including measures:”.

(j) In Article 129(2), the words “and other relevant aspects of the relations between the Parties”, shall not be incorporated into this Agreement.

(k) In Article 129(4) the words “, the Stabilisation and Association Committee" shall not be incorporated into this Agreement. “Articles 123 or 124” shall be replaced with “Article 124”.

(l) In Article 130(3), in the third paragraph, the first sentence shall not be incorporated into this Agreement.

(m) Article 131 shall not be incorporated into this Agreement.

(n) In Article 132, the second paragraph shall not be incorporated into this Agreement.

(o) Article 134 shall not be incorporated into this Agreement.

(p) Article 135 shall not be incorporated into this Agreement.

(q) Article 136 shall not be incorporated into this Agreement.

(r) Article 137 shall not be incorporated into this Agreement.

(s) Article 138 shall not be incorporated into this Agreement.

(t) Article 139 shall not be incorporated into this Agreement.

12. MODIFICATIONS TO ANNEX VII

INTELLECTUAL, INDUSTRIAL AND COMMERCIAL PROPERTY RIGHTS

(a) Paragraph 1, the words “, or which are de facto applied by Member States” shall not be incorporated into this Agreement.

13. MODIFICATIONS TO PROTOCOL 2

RECIPROCAL PREFERENTIAL CONCESSIONS FOR CERTAIN WINES, THE RECIPROCAL RECOGNITION, PROTECTION AND CONTROL OF WINE, SPIRIT DRINKS AND AROMATISED WINE NAMES

(a) At the end of Article 2(a) of Annex II, the following footnote shall be inserted:

"The designations *Irish Whisky, Uisce Beatha Eireannach, Irish Whiskey* and *Irish Cream*, listed in Appendix 1, cover spirit drinks produced in the Republic of Ireland and Northern Ireland."

(b) In Article 10(1) of Annex II, "Article 123" shall be replaced by "Article 124".

(c) Article 11(2) of Annex II shall be replaced by:

"Serbia designates the Ministry of Agriculture, Forestry and Water Management as its representative body. The United Kingdom designates the Department for Environment, Food and Rural Affairs as its representative body. A Party shall notify the other Party if it changes its representative body."

(d) In Annex II, Appendix 1, Part A, Sections (A) and (C), geographical indications relating to parts of the European Union that are not the United Kingdom shall not be incorporated into this Agreement.

(e) In Annex II, Appendix 1, Part A, Section (B) shall be replaced by:

"(b) SPIRIT DRINKS ORIGINATING IN THE UNITED KINGDOM

1. (a) Whisky

Scotch whisky

Irish whisky

(These designations may be supplemented by the terms "malt" or "grain")

(b) Whiskey

Irish whiskey

Uisce Beatha Eireannach/Irish whiskey

(These designations may be supplemented by the terms "pot still")

2. Liqueur

Irish Cream"

(f) In Annex II, Appendix 1, Part B, Section (A):

i. Under table 1 ("Quality wines produced in a specified region") the last two rows and the associated asterisk shall not be incorporated into this Agreement.

ii. Under table 2 (“Table wines with geographical indication”) the last line in both columns and the associated asterisk shall not be incorporated into this Agreement.

(g) In Annex II, Appendix 2, traditional expressions relating to parts of the European Union that are not the United Kingdom shall not be incorporated into this Agreement.

(h) In Annex II, Appendix 3, paragraph (b) shall be replaced by:

“The United Kingdom shall notify Serbia of its contact point upon the entry into force of this Agreement.”

14. MODIFICATIONS TO PROTOCOL 3
DEFINITION OF THE CONCEPT OF ORIGINATING PRODUCTS AND METHODS OF ADMINISTRATIVE COOPERATION

(a) Modifications to Protocol 3 are contained within Annex III to this Agreement.

15. MODIFICATIONS TO PROTOCOL 4
LAND TRANSPORT

(a) Articles 4 to 6 shall not be incorporated into this Agreement.

(b) Articles 8 to 10 shall not be incorporated into this Agreement.

(c) The second paragraph of Article 11(1) shall not be incorporated into this Agreement.

(d) In Article 11(3), the words:

i. “on the axes mentioned in Article 5” shall be replaced by “in Serbia”; and

ii. “and under the same circumstances problems arise on Community territory close to the Serbian borders.” shall not be incorporated into this Agreement.

(e) In the first indent of Article 12:

i. the words “, on the one hand, with the completion of the internal Community Market and the implementation of the common transport policy and, on the other hand, with”, shall be replaced by “with their”; and

ii. at the end of that indent, the words “of Serbia” shall not be incorporated into this Agreement.

(f) Article 13(2) shall not be incorporated into this Agreement.

(g) Article 13(3) shall be replaced by:

"The Parties will seek to eliminate discrimination between hauliers of the United Kingdom and Serbia when levying taxes and charges on the circulation and/or possession of heavy goods vehicles as well as taxes or charges levied on transport operations in the territory of the Parties."

(h) In Article 13(4), the words "Until the conclusion of the Agreement mentioned in paragraph 2 and in Article 12" shall not be incorporated into this Agreement.

(i) In Article 14(1):

i. the words "on the routes covered by Article 5" shall be replaced by "in Serbia and the United Kingdom"; and

ii. the second sentence shall not be incorporated into this Agreement.

(j) Article 14(2) shall not be incorporated into this Agreement.

(k) Article 16(1) shall not be incorporated into this Agreement.

(l) Article 16(4) shall not be incorporated into this Agreement.

(m) In Article 17(1), the words "and endeavour to harmonise their legislation" shall not be incorporated into this Agreement.

(n) Article 17(3) shall not be incorporated into this Agreement.

(o) In Article 17(4), the words "harmonise" shall be replaced by "pool their experience concerning".

(p) Article 18(1) shall not be incorporated into this Agreement.

(q) Article 19 shall not be incorporated into this Agreement.

(r) In Article 21(1), "Article 123" shall be replaced by "Article 124".

(s) Article 21(2)(c) and (d) shall not be incorporated into this Agreement.

16. MODIFICATIONS TO PROTOCOL 5
STATE AID TO THE STEEL INDUSTRY

(a) Protocol 5 shall not be incorporated into this Agreement.

17. MODIFICATIONS TO PROTOCOL 6
MUTUAL ADMINISTRATIVE ASSISTANCE IN CUSTOMS MATTERS

(a) In Article 10(2), the words "including, where appropriate, legal provisions in force in the Member States of the Community" shall not be incorporated into this Agreement.

(b) In Article 13(1), the words "the competent services of the European Commission and" shall not be incorporated into this Agreement.

(c) In Article 14(1), the words "Taking into account the respective competencies of the Community and the Member States" shall not be incorporated into this Agreement.

(d) Article 14(1)(c) shall not be incorporated into this Agreement.

(e) Article 14(2) shall be replaced by:

"Notwithstanding the provisions of paragraph 1, the provisions of this Protocol shall take precedence over the provisions of any bilateral Agreement on mutual assistance which has been concluded between the United Kingdom and Serbia prior to the date this Agreement is signed insofar as the provisions of the latter are incompatible with those of this Protocol."

18. MODIFICATIONS TO PROTOCOL 7
DISPUTE SETTLEMENT

The words "Stabilisation and Association" shall not be incorporated into this Agreement.

(a) In the fourth indent of Article 2(b), after "to 71" the words ", but not, for the avoidance of doubt, Article 71A" shall be inserted.

(b) In Article 2(c):

i. the words "Articles 75, paragraph 2 (intellectual, industrial and commercial property) and" shall be replaced by "Article"; and

ii. the words "3 to 6" shall be replaced by "3 to 7".

(c) In Article 13, the second and third sentences shall not be incorporated into this Agreement.

(d) In Article 15(2), the first sentence shall be replaced by:

"Arbitrators should have specialised knowledge and experience of law, international law and international trade."

19. JOINT DECLARATIONS

The following Joint Declarations, or parts thereof, are those referred to by Article 3(2) of this instrument:

(a) Joint Declaration on Article 75;

(b) Joint Declaration on gaseous emissions from motor vehicles.

(c) Joint Declaration on Article 3, which shall be replaced by:

"**Joint Declaration on Article 3**

The Parties to this Agreement consider that the proliferation of weapons of mass destruction (hereinafter referred to as "WMD") and their means of delivery, both at state and non-state actors level, represents one of the most serious threats to international peace, stability and security as confirmed by United Nations Security Council adopted Resolution 1540(2004). Non-proliferation of WMD is therefore a joint concern for the United Kingdom of Great Britain and Northern Ireland ("the United Kingdom") and the Republic of Serbia.

The United Kingdom and the Republic of Serbia, as responsible members of the international community, reaffirm their full commitment to the principle of non-proliferation of WMD and their means of delivery and to the full implementation of their international obligations arising out of international instruments to which they adhere.

In the spirit of this commitment, the Parties have agreed to include, in incorporated Article 3 of the Agreement, a clause which reaffirms that the fight against the proliferation of WMD and their means of delivery constitutes an essential element of this Agreement."

(d) Joint Declaration on Article 32, which shall be replaced by:

"**Joint Declaration on Article 32**

The purpose of measures defined in incorporated Article 32 of the Agreement is to monitor the trade of products with high content of sugar that could be used for further processing and to prevent the possible distortion in patterns of trade of sugar and products not having characteristics essentially different to the characteristics of sugar.

That Article should be interpreted in such a manner that does not disturb or disturbs to the least possible scale the trade in products intended for final consumption."

ANNEX II

After Annex II of the Incorporated Agreement the following shall be inserted as a new Annex:

ANNEX IIA
Additional Preferential Arrangements for certain agricultural and wine products

This Annex sets out additional preferential arrangements granted on a temporary basis by the United Kingdom to Serbia for certain agricultural and wine products.

Article 1
Preferential Arrangements for Certain Agricultural Products Originating in Serbia

Notwithstanding Article 26(2) of the Incorporated Agreement, for the duration this Annex is in force the products originating in Serbia covered by Chapters 7 and 8 of the Combined Nomenclature shall be admitted for import into the United Kingdom with exemption from specific customs duties and charges having equivalent effect.

Article 2
Preferential Arrangements for Certain Wine Products Originating in Serbia

1. For wine, as listed in the Appendix to this Annex, originating in Serbia, the customs duties applicable to imports into the United Kingdom shall, subject to paragraph 2, be suspended at the levels, within the limit of the United Kingdom's tariff quotas and under the conditions indicated for wine in the Appendix to this Annex.

2. Access for wine originating in Serbia to the tariff quota set out in the Appendix to this Annex is subject to the prior exhaustion of the tariff quotas provided for in Annex I to Protocol 2 (as modified by Article 8 of this instrument).

3. Article 8(2) of this instrument shall apply to this Annex.

Article 3
Duration of Preferential Arrangements

1. The preferential arrangements set out in Article 1 and 2 of this Annex shall expire five years after the date of entry into force of this Agreement.

2. Upon the expiry of this Annex, the preferential arrangements for those products referred to in Articles 1 and 2 shall be as provided for elsewhere in this Agreement.

3. Notwithstanding paragraph 1, the United Kingdom may, with six months prior written notice to Serbia or such other notice period as may be agreed by the Parties, extend the duration of this Annex for such period as it deems appropriate.

Article 4
Relationship with Incorporated Agreement

Article 129(3), 130 and Protocol 7 of the Incorporated Agreement shall not apply to this Annex.

Appendix

Table of Preferential Arrangements for Wine

Order No.	CN Code[2]	Description	Quota Volume per year	Rate of Duty Exemption
09.1534	ex 2204 21 93 ex 2204 21 94 ex 2204 21 95 ex 2204 21 96 ex 2204 21 97 ex 2204 21 98 ex 2204 22 93 ex 2204 22 94 ex 2204 22 95 ex 2204 22 96 ex 2204 22 97 ex 2204 22 98 ex 2204 29 93 ex 2204 29 94 ex 2204 29 95 ex 2204 29 96 ex 2204 29 97 ex 2204 29 98	Wine of fresh grapes, of an actual alcoholic strength by volume not exceeding 15% vol, other than sparkling wine	681 hl	Exemption

[2] Notwithstanding the rules for the interpretation of the Combined Nomenclature, the wording for the description of the products is deemed to be indicative only, and the preferential scheme is determined, within the context of this Annex, by the coverage of the CN codes. Where ex CN codes are indicated, the preferential scheme is to be determined by the combined application of the CN code and the corresponding description.

ANNEX III

(a) Protocol 3 of the EU-Serbia Agreement shall be replaced by:

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 Serbia 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 Serbia;

(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 territory 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 Serbia;

(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) '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 40 of this Protocol.

TITLE II

DEFINITION OF THE CONCEPT OF 'ORIGINATING PRODUCTS'

Article 2

General requirements

1. For the purpose 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 of this Protocol;

(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 of this Protocol.

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

(a) products wholly obtained in Serbia within the meaning of Article 5 of this Protocol;

(b) products obtained in Serbia incorporating materials which have not been wholly obtained there, provided that such materials have undergone sufficient working or processing in Serbia within the meaning of Article 6 of this Protocol.

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)[3], 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 Serbia or any country or territory referred to in Annex A to this Protocol, 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 territory. 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.

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 territory.

[3] Due to the Customs Treaty between Liechtenstein and Switzerland, products originating in Liechtenstein are considered as originating in Switzerland.

6. Products originating in the countries or territory 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 territory.

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

i. the United Kingdom, Serbia 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 territory 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 Serbia with details of the agreements or arrangements including their dates of entry into force, and their corresponding rules of origin, which are applied with the other countries or territory referred to in paragraphs 1 and 2.

Article 4

Cumulation in Serbia

1. Without prejudice to the provisions of Article 2(2), products shall be considered as originating in Serbia, 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 Serbia 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 Serbia if they are obtained there, incorporating materials originating in any country or territory referred to in Annex A to this Protocol, provided that the working or processing carried out in Serbia 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 Serbia does not go beyond the operations referred to in Article 7, the product obtained shall be considered as originating in Serbia 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 territory 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 Serbia.

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

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

i. the United Kingdom, Serbia 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 territory 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. Serbia shall provide the United Kingdom with details of the agreements or arrangements including their dates of entry into force, and their corresponding rules

of origin, which are applied with the other countries or territory 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 Serbia:

(a) mineral products extracted from its soil or from its 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 Party by its vessels;

(g) products made aboard its factory ships exclusively from products referred to in (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 its 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 paragraphs 1(f) and (g) shall apply only to vessels and factory ships:

(a) which are registered or recorded in the United Kingdom or Serbia;

(b) which sail under the flag of the United Kingdom or Serbia;

(c) which are owned to an extent of at least 50% by nationals of the United Kingdom, a Member State of the European Union or Serbia, or by a

company with its head office in one of these States, of which the manager or managers, Chairman of the Board of Directors or the Supervisory Board, and the majority of the members of such boards are nationals of the United Kingdom, a Member State of the European Union or Serbia and of which, in addition, in the case of partnerships or limited companies, at least half the capital belongs to those States or to public bodies or nationals of the said States;

(d) of which the master and officers are nationals of the United Kingdom, a Member State of the European Union or Serbia; and

(e) of which at least 75% of the crew are nationals of the United Kingdom, a Member State of the European Union or Serbia.

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 Serbia 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;

(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 Serbia.

2. Except as provided for in Articles 3 and 4, where originating goods exported from the United Kingdom or from Serbia 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 Serbia on materials exported from the United Kingdom or Serbia and subsequently re-imported there, provided:

(a) the said materials are wholly obtained in the United Kingdom or Serbia 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 Serbia 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 Serbia. 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 Serbia by applying the provisions of this Article, shall not exceed the stated percentage.

5. For the purposes of applying the provisions of paragraphs 3 and 4, 'total added value' means all costs arising outside the United Kingdom or Serbia, 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 Serbia 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 territory 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.

Article 14

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 in the United Kingdom or Serbia, 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 Serbia 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 Serbia;

(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 United Kingdom or Serbia 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 or in Serbia 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 Serbia 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 Serbia 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 of this Article shall apply only in respect of materials which are of the kind to which this Agreement applies.

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 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.

3. Notwithstanding paragraph 5 of Article 17 and paragraph 3 of Article 22 below, where cumulation involves only the United Kingdom, the Republic of Serbia, the European Union, Switzerland (including Liechtenstein), Iceland, Norway, Turkey, or anywhere listed in items 10-15 in Annex A, the proof of origin may be a movement certificate EUR.1 or an origin declaration.

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 authorised representative.

2. For this purpose, the exporter or his authorised representative shall fill in both the movement certificate EUR.1 or EUR-MED and the application form, specimens of which appear in the Incorporated Annexes III a and 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 national 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 United Kingdom or Serbia 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 Serbia in the following cases:

(a) if the products concerned can be considered as products originating in the United Kingdom or in Serbia without application of cumulation with materials originating in Switzerland (including Liechtenstein), Turkey, or one of the countries or territory 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 territory 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 territory referred to in Articles 3 and 4, and fulfil the other requirements of this Protocol, provided a certificate EUR-MED or an origin 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 Serbia if the products concerned can be considered as products originating in the United Kingdom, in Serbia or in one of the countries or

territory referred to in Articles 3 and 4 with which cumulation is applicable, fulfil the requirements of this Protocol and:

(a) cumulation was applied with materials originating in Switzerland (including Liechtenstein), Turkey or one of the countries or territory 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 countries or territory 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 territory 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 territory referred to in Articles 3 and 4:

'CUMULATION APPLIED WITH … *(name of the country/countries/territory)*'

(b) if origin has been obtained without the application of cumulation with materials originating in one or more of the countries or territory 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 his 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 issued or made out previously

When originating products are placed under the control of a customs office in the United Kingdom or Serbia, 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 Serbia. 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 6 000.

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 or in Serbia without application of cumulation with materials originating in Switzerland (including Liechtenstein), Turkey or one of the other countries or territory referred to in Articles 3(2) and 4(2), and fulfil the other requirements of this Protocol; or

— (b) if the products concerned may be considered as products originating in one of the other countries or territory 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 territory referred to in Articles 3 and 4, and fulfil the other requirements of this Protocol, provided a certificate EUR-MED or an origin 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 Serbia or in one of the other countries or territory 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 territory 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 territory 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 territory 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 territory referred to in Articles 3 and 4:

‘CUMULATION APPLIED WITH … *(name of the country/countries/territory)’*

(b) if origin has been obtained without the application of cumulation with materials originating in one or more of the countries or territory 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 texts of which appear in Incorporated Annexes IV a and b, using one of the linguistic versions set out in those Annexes and in accordance with the provisions of the national 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 gives the customs authorities of the exporting Party a written undertaking that he accepts full responsibility for any origin declaration which identifies him as if it had been signed in manuscript by him.

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 to 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 on 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 1 200 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 Serbia or in one of the other countries or territory 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 accounts or internal bookkeeping;

(b) documents proving the originating status of materials used, issued or made out in the United Kingdom or in Serbia where these documents are used in accordance with national law;

(c) documents proving the working or processing of materials in the United Kingdom or in Serbia, issued or made out in the United Kingdom or in Serbia, where these documents are used in accordance with national law;

(d) movement certificates EUR.1 or EUR-MED or origin declarations or origin declarations EUR-MED proving the originating status of materials used, issued or made out in the United Kingdom or Serbia in accordance with this Protocol, or in one of the other countries or territory 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, Serbia or the other countries or territory

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

2. A consignment shall benefit from the provisions of Article 22(1)(b) or Article 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 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%. A country or territory 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% in the national currency equivalent. The national currency equivalent may be retained unchanged if the conversion were to result in a decrease in that equivalent value.

5. The amounts expressed in euro shall be reviewed by the Partnership, Trade and Cooperation Council at the request of either of the Parties. When carrying out this review, the Partnership, Trade and Cooperation Council 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 Serbia 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 Serbia 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 Serbia or in one of the other countries or territory 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

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 Partnership, Trade and Cooperation Council.

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 Serbia 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 Serbia 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.

Article 37

Derogations

The products listed below shall be excluded from cumulation provided for in Articles 3 and 4, save for cumulation with respect to the European Union (provided for in paragraphs 1 and 3 of Article 3) if:

(a) the country of final destination is the United Kingdom, and:

(i) the materials used in the manufacture of these products are originating in the Republic of Serbia or anywhere listed in items 10-14 in Annex A; or

(ii) these products have acquired their origin on the basis of working or processing carried out in anywhere referred to in paragraph (a)(i); or

(b) the country of final destination is Serbia, and:

(i) the materials used in the manufacture of these products are originating in the United Kingdom; or

(ii) these products have acquired their origin on the basis of working or processing carried out in the United Kingdom.

CN-Code	**Description**
1704 90 99	Other sugar confectionery, not containing cocoa
1806 10 30	Chocolate and other food preparations containing cocoa
1806 10 90	– Cocoa powder, containing added sugar or sweetening matter: – – Containing 65 % or more but less than 80 % by weight of sucrose (including invert sugar expressed as sucrose) or isoglucose expressed as sucrose – – Containing 80 % or more by weight of sucrose (including invert sugar expressed as sucrose) or isoglucose expressed as sucrose
1806 20 95	– Other food preparations containing cocoa in block, slabs or bars weighing more than 2 kg or in liquid, paste, powder, granular or other bulk form in containers or immediate packaging of a content exceeding 2 kg – – Other – – – Other
1901 90 99	Malt extract, food preparations of flour, groats, meal, starch or malt extract, not containing cocoa or containing less than 40 % by weight of cocoa calculated on a totally defatted basis, not elsewhere specified or included, food preparations of goods of headings 0401 to 0404, not containing cocoa or containing less than 5% by weight of cocoa calculated on a totally defatted basis, not elsewhere specified or included – Other – – Other (than malt extract) – – – Other
2101 12 98	Other preparations with a basis of coffee
2101 20 98	Other preparations with a basis of tea or mate

2106 90 59	Food preparations not elsewhere specified or included – Other – – Other
2106 90 98	Food preparations not elsewhere specified or included: – Other (than protein concentrates and textured protein substances) – – Other – – – Other
3302 10 29	Mixtures of odoriferous substances and mixtures (including alcoholic solutions) with a basis of one or more of these substances, of a kind used as raw materials in industry; other preparations based on odoriferous substances, of a kind used for the manufacture of beverages: – Of a kind used in the food or drink industries – – Of the type used in the drink industries: – – – Preparations containing all flavouring agents characterizing a beverage: – – – – Of an actual alcoholic strength by volume exceeding 0.5 % – – – – Other: – – – – – Containing no milkfats, sucrose, isoglucose, glucose, or starch or containing, by weight, less than 1.5 % milkfat, 5 % sucrose or isoglucose, 5 % glucose or starch – – – – – Other

TITLE VII

CEUTA AND MELILLA

Article 38

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 39

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 Serbia in temporary storage in customs warehouses or in free zones, subject to the submission to the customs authorities of the importing country, within twelve 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 40

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 territory referred to in Articles 3 and 4 of this Protocol 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 Serbian versions of the origin declaration shall be incorporated into this Protocol; and

(ii) the second sentence of footnote 2 shall not be incorporated.

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

Article 41

Amendments to the Protocol

The Partnership, Trade and Cooperation Council may decide to amend the provisions of this Protocol.

Annex A

List referred to in Articles 3(2) and 4(2) of Protocol 3

1. The People's Democratic Republic of Algeria
2. The Arab Republic of Egypt
3. The State of Israel
4. The Hashemite Kingdom of Jordan
5. The Republic of Lebanon
6. The Kingdom of Morocco
7. The Palestine Liberation Organization for the benefit of the Palestinian Authority of the West Bank and the Gaza Strip
8. The Syrian Arab Republic
9. The Republic of Tunisia
10. The Republic of Albania
11. Bosnia and Herzegovina
12. The Republic of North Macedonia
13. Montenegro
14. Kosovo
15. The Kingdom of Denmark in respect of the Faroe Islands
16. The Republic of Moldova
17. Georgia
18. Ukraine

Annex B

Joint declaration concerning the Principality of Andorra

1. Products originating in the Principality of Andorra meeting the conditions of Articles 3(7)(b)(ii) or 4(5)(b)(ii) of Protocol 3, 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.

Annex C

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) or 4(5)(b)(ii) of Protocol 3, 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.

Joint Declaration concerning a trilateral approach to rules of origin

In relation to Protocol 3 concerning the definition of the concept of originating products and methods of administrative cooperation to the Partnership, Trade and Cooperation Agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Republic of Serbia (the "United Kingdom-Serbia Agreement"), the United Kingdom and Serbia (the "Participants") have adopted the following declaration:

1. The Participants recognise that a trilateral approach to rules of origin, involving the European Union, is the preferred long-term outcome in trading arrangements between the Participants and the European Union. This approach would replicate coverage of recent trade flows and allow for recognition of originating content from either of the Participants and from the European Union in exports to each other, as per the intention of the Stabilisation and Association Agreement between the European Communities and their Member States, of the one part, and the Republic of Serbia, of the other part. In this regard, the Participants understand that any bilateral arrangement between them represents a first step towards seeking this outcome.

2. In the event that the United Kingdom and the European Union make arrangements suitable for a trilateral approach, the Participants approve taking the necessary steps, as a matter of urgency, to update Protocol 3 to the United Kingdom-Serbia 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 Partnership, Trade and Cooperation Council contained in Protocol 3 of the United Kingdom-Serbia Agreement.

3. This Joint Declaration will come into effect on the entry into force of the United Kingdom-Serbia Agreement and will continue in operation until terminated in writing by either of the Participants. Termination will take effect immediately upon the date of such notification.

The foregoing record represents the understandings reached between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Republic of Serbia upon the matters referred to therein.

Signed in duplicate at Belgrade, this sixteenth day of April 2021, in the English and Serbian languages both texts being equally valid.

For the Government of the United Kingdom of Great Britain and Northern Ireland:	**For the Government of the Republic of Serbia:**
SIAN MACLEOD	**TATJANA MATIĆ**

CCS0521526002

978-1-5286-2567-8