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Treaty Series No. 90 (2024)

Agreement

establishing an Association between the United Kingdom of Great Britain and
Northern Ireland and the Republic of Lebanon

London, 19 September 2019

[The Agreement entered into force 31 December 2020]

*Presented to Parliament
by the Secretary of State for Foreign, Commonwealth and Development Affairs
by Command of His Majesty
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**AGREEMENT ESTABLISHING AN ASSOCIATION BETWEEN THE
UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND
AND THE REPUBLIC OF LEBANON**

THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND (“the United Kingdom”) and THE REPUBLIC OF LEBANON (“Lebanon”) (hereinafter referred to as “the Parties”),

RECOGNISING that the Euro-Mediterranean Agreement establishing an Association between the European Community and its Member States, of the one part, and the Republic of Lebanon, of the other part, done at Luxembourg on 17 June 2002¹ (“the EU-Lebanon Association Agreement”) and the agreement in the form of a Protocol between the European Community and the Republic of Lebanon establishing a dispute settlement mechanism applicable to disputes under the trade provisions of the EU-Lebanon Association Agreement, done at Brussels on 11 November 2010² (“the EU-Lebanon Dispute Settlement Mechanism Protocol”) will cease to apply to the United Kingdom when it ceases to be a Member State of the European Union, or at the end of any transitional arrangement during which the rights and obligations under these agreements continue to apply to the United Kingdom;

DESIRING that the rights and obligations between the Parties as provided for by the EU-Lebanon Association Agreement and the EU-Lebanon Dispute Settlement Mechanism Protocol should continue;

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 association created in Article 1 of the EU-Lebanon Association Agreement.
2. In particular, the Parties agree to preserve the preferential conditions relating to trade between the Parties which resulted from the EU-Lebanon Association 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 an association 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-Lebanon Association Agreement and Article 1 of the EU-Lebanon Dispute Settlement Mechanism Protocol.

¹ EC Series No.4 (2003) CM 5812

² Official Journal L328, 14/12/2010, P.21

ARTICLE 2

Definitions and interpretation

1. Throughout this Instrument:
 - (a) “EU-Lebanon Agreements” means the Agreements defined in Article 3(1);
 - (b) “Incorporated Agreements” means the provisions of the EU-Lebanon Agreements as incorporated into this Agreement (and related expressions are to be read accordingly); and
 - (c) “*mutatis mutandis*” means with the technical changes necessary to apply the EU-Lebanon Agreements as if they had been concluded between the United Kingdom and Lebanon, taking into account the object and purpose of this Agreement.
2. Throughout the Incorporated Agreements and this Instrument, “this Agreement” means this Instrument and the Incorporated Agreements.
3. Throughout the Incorporated Agreements references to financial cooperation cover a range of forms of such cooperation and means by which it may occur, including cooperation through multilateral and regional organisations.

ARTICLE 3

Incorporation of the EU-Lebanon Agreements

1. The provisions of the following agreements (together referred to as the “EU-Lebanon Agreements”) in effect immediately before they cease to apply to the United Kingdom are incorporated into this Agreement, *mutatis mutandis*, subject to the provisions of this Instrument:
 - (a) the EU-Lebanon Association Agreement; and
 - (b) the EU-Lebanon Dispute Settlement Mechanism Protocol.
2. The obligations in the Joint Declarations made by the parties to the EU-Lebanon Association Agreement in relation to that Agreement shall apply with the same effect, *mutatis mutandis*, to the Parties to this Agreement, subject to any modifications provided for in Annex I 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 ceases 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(1), references to the euro (including “EUR” and “€”) in the Incorporated Agreements shall continue to be read as such in this Agreement.

ARTICLE 6

Territorial application

1. For the avoidance of doubt in relation to incorporated Article 90, this Agreement shall apply:

- (a) in respect of the United Kingdom, to the extent that and under the conditions which the EU-Lebanon Agreements applied immediately before they ceased to apply to the United Kingdom, to the territory of the United Kingdom and the following territories for whose international relations it is responsible:
 - (i) Gibraltar; and
 - (ii) the Channel Islands and the Isle of Man,

and

- (b) in respect of Lebanon, to the territory of Lebanon, including the land, maritime and airspace under its sovereignty, and the exclusive economic zone and the continental shelf within which it exercises sovereign rights and jurisdiction in accordance with international law and its domestic law.

2. Notwithstanding paragraph 1(a) and Article 11 of this Instrument, this Agreement shall apply to those territories for whose international relations the United Kingdom is responsible listed in paragraph 1(a) from the date of written notification by the United Kingdom to Lebanon of the application of this Agreement to those territories.

ARTICLE 7

Continuation of time periods

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

ARTICLE 8

Further provision in relation to the Association Council and the Association Committee

1. The Association Committee which the Parties establish under incorporated Article 77 shall ensure that this Agreement operates properly.
2. Upon entry into force of this Agreement, any decisions adopted by the Association Council or the Association Committee established by the EU-Lebanon Association Agreement before the EU-Lebanon Agreements ceased to apply to the United Kingdom shall, to the extent those decisions relate to the Parties to this Agreement, be deemed to have been adopted, *mutatis mutandis*, and subject to the provisions of this Instrument, by the Association Council or the Association Committee established under incorporated Articles 74 and 77, respectively.
3. Nothing in paragraph 2 prevents the Association Council or the Association Committee making decisions which modify, are different to, revoke or supersede the decisions deemed to have been adopted by it under that paragraph.

ARTICLE 9

Integral parts of this Agreement

The Annexes to this Instrument are integral to this Agreement.

ARTICLE 10

Amendments

1. Upon the request of either Party, the Parties shall discuss such request and may agree, in writing, to amend this Agreement, having regard to the objectives set out in Article 1 of this Instrument. An amendment shall enter into force on the first day of the second month following the date of receipt 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 Association Council (or the Association Committee insofar as such powers are delegated to it by the Association Council under incorporated Article 77) may decide that the Annexes, Appendices, Protocols, Joint Declarations and Notes to this Agreement, should be amended. The Parties may adopt such a decision of the Association Council or the Association Committee subject to their internal procedures.

ARTICLE 11

Entry into force and provisional application

1. Articles 92 and 93 of the EU-Lebanon Association Agreement and Article 23 of the EU-Lebanon Dispute Settlement Mechanism Protocol shall not be incorporated into this Agreement.

2. Each of the Parties shall notify the other in writing 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 later of:

- (a) the date on which the EU-Lebanon Agreements cease to apply to the United Kingdom; and
- (b) the date of the later of the notifications by which the Parties notify each other that they have completed their respective legal procedures.

4. Pending entry into force of this Agreement, the Parties may agree to provisionally apply this Agreement, or provisions of it, by an exchange of notifications signifying the completion of ratification or such other domestic

procedures as are required for provisional application. Such provisional application shall take effect on the later of:

- (a) the date on which the EU-Lebanon Agreements cease to apply to the United Kingdom; and
- (b) the date of the later of the Parties' notifications.

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

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

7. The United Kingdom shall submit notifications under this Article to the Ministry of Foreign Affairs and Emigrants of Lebanon. Lebanon shall submit notifications under this Article to the United Kingdom's Foreign and Commonwealth Office or its successor.

IN WITNESS WHEREOF the undersigned, duly authorised thereto by their respective Governments, have signed this Agreement.

Done at London on this nineteenth day of September 2019 in duplicate in the English and Arabic languages, both texts being equally authoritative. In the event of any divergence, the English version shall prevail.

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

**For the Government of the Republic
of Lebanon:**

CONOR BURNS

GEBRAN BASSIL

ANNEX I

The incorporation of the provisions of the EU-Lebanon Association Agreement into this Agreement is further modified as follows and as set out in Annex II:

1. MODIFICATIONS TO TITLE I **POLITICAL DIALOGUE**

- (a) In Article 5(2) for the word “shall” substitute “may”.

2. MODIFICATIONS TO TITLE II **FREE MOVEMENT OF GOODS**

- (a) In Article 15(1) for “Five” substitute “Three”.
- (b) In Article 19:
 - (i) in paragraph 1 for the words “the day of conclusion of the negotiations” substitute “10 January 2002”;
 - (ii) in paragraph 3 for the words “the day of conclusion of the negotiations” substitute “10 January 2002”;
 - (iii) in paragraph 4 for the words “of conclusion of the negotiations” substitute “preceding the signature of this Agreement”.
- (c) Article 20 shall not be incorporated into this Agreement.
- (d) In Article 22(2) the final sentence shall not be incorporated into this Agreement.
- (e) Article 24(1) shall not be incorporated into this Agreement.
- (f) In Article 24(2) the words “Until the necessary rules referred to in Article 35(2) are adopted,” shall not be incorporated into this Agreement.

3. MODIFICATIONS TO TITLE III **RIGHT OF ESTABLISHMENT AND SUPPLY OF SERVICES**

- (a) In Article 30(1) for the words “. This provision shall take effect from the date of the final accession of Lebanon to the WTO” substitute “, from the date that the GATS applies to both Parties”.
- (b) In Article 30(5) for the words “Lebanon's accession to the WTO” substitute “the date that the GATS applies to both Parties”.

**4. MODIFICATIONS TO TITLE IV
PAYMENTS, CAPITAL, COMPETITION AD OTHER ECONOMIC
PROVISIONS**

- (a) In Article 35(2) for “five” substitute “two”.

**5. MODIFICATIONS TO TITLE V
ECONOMIC AND SECTOR COOPERATION**

- (a) In Article 44(a) the first and second bullet points shall not be incorporated into this Agreement.
- (b) Article 44(d) shall not be incorporated into this Agreement.
- (c) Article 49 shall not be incorporated into this Agreement.
- (d) In Article 52 the following shall not be incorporated into this Agreement:
 - (i) in paragraph (a) the words “linked to the main trans-European lines of communication”; and
 - (ii) paragraphs (b) and (c).
- (e) Article 53(2)(e) shall not be incorporated into this Agreement.
- (f) In Article 54(d) the words “and the interconnection of such networks with Community networks” shall not be incorporated into this Agreement.

**6. MODIFICATIONS TO TITLE VI
COOPERATION IN SOCIAL AND CULTURAL MATTERS**

- (a) For Article 68(2) substitute:

“In respect of the United Kingdom the obligation in this Article applies only in respect of:

 - (a) British citizens;
 - (b) British subjects with the right of abode in the United Kingdom; and
 - (c) British Overseas Territories citizens who acquire their citizenship from a connection with Gibraltar.”.

- (b) In Article 69(1) the second sentence, which commences “These agreements shall also cover...”, shall not be incorporated into this Agreement.

7. MODIFICATIONS TO TITLE VII

FINANCIAL COOPERATION

- (a) In Article 72 the words “Within the framework of Community instruments intended to buttress structural adjustment programmes in the Mediterranean countries – and” shall not be incorporated into this Agreement.

8. MODIFICATIONS TO TITLE VIII

INSTITUTIONAL, GENERAL AND FINAL PROVISIONS

- (a) In Article 81 the words “, and between the Economic and Social Committee of the Community and its counterpart in Lebanon” shall not be incorporated into this Agreement.
- (b) In Article 82(1) immediately after the words “this Agreement” insert “, taking into account the provisions of Article 2 of the EU-Lebanon Dispute Settlement Mechanism Protocol specified in Article 3 of this Instrument”.
- (c) In the first paragraph of Article 82(4) the final sentence shall not be incorporated into this Agreement.
- (d) Article 88 shall not be incorporated into this Agreement.
- (e) In Article 89(2) after the words “other Party” insert “in writing”.
- (f) Article 91 shall not be incorporated into this Agreement.

9. MODIFICATIONS TO ANNEX 2

INTELLECTUAL, INDUSTRIAL AND COMMERCIAL PROPERTY REFERRED TO IN ARTICLE 38

- (a) In paragraphs 1 and 2, the words “By the end of the fifth year after the entry into force of this Agreement,” and “or which are de facto applied by Member States” shall not be incorporated into this Agreement.

10. MODIFICATIONS TO PROTOCOL 1

CONCERNING ARRANGEMENTS APPLICABLE TO IMPORTS INTO THE COMMUNITY OF AGRICULTURAL PRODUCTS ORIGINATING IN LEBANON REFERRED TO IN ARTICLE 14(1)

- (a) After paragraph 2 insert the following as a new paragraph:

“2 *bis*. Subject to paragraph 3, for import tariff quotas listed in this Protocol that increase over time, the basic volume of each tariff quota during the year this Agreement enters into force shall be:

- (i) should this Agreement enter into force in 2019, the volume specified in Column B (“Tariff quota”); or
 - (ii) should this Agreement enter into force after 2019, the volume specified in Column B (“Tariff quota”) combined with the applicable volume specified in Column E (“Annual increase”) for each administration period after 2019 until and including the year of entry into force.”.
- (b) At the start of paragraph 3 insert “Except where otherwise provided, the administration period for tariff quotas applied under this Protocol shall be 1 January to 31 December for each year this Agreement is in force.”
- (c) For the table of tariff quotas, including the footnotes, substitute:

CN code 2002	Description (1)	A	B	C	D	E	F
		Reduction of the MFN customs duty (2) (%)	Tariff quota (tons net weight)	Reduction of the customs duty in addition to the tariff quota (B) (2) (%)	Reduction of the customs duty in addition to the tariff quota (B) (2) (quantity)	Annual increase (tons net weight)	
0603	Cut flowers and flower buds of a kind suitable for bouquets or for ornamental purposes	0	—	—	—		
0701 90 50	New potatoes, fresh or chilled, from 1 January to 31 May	100	3 541	—		136	
0701 90 50 ex 0701 90 90	New potatoes, fresh or chilled, from 1 June to 31 July	100	7 082	—		272	
ex 0701 90 90	New potatoes, fresh or chilled, from 1 October to 31 December	100	7 082	—		272	
0702 00 00	Tomatoes, fresh or chilled	100	2 860	60	unlimited	136	(2)
0703 20 00	Garlic, fresh or chilled	100	681	60	409	0	(3)
0707 00	Cucumbers or and gherkins, fresh chilled	100	unlimited				(2)
0709 10 00	Globe artichokes, fresh or chilled	100	unlimited				(2)
0709 90 31	Olives, fresh or chilled, for uses other than the production of oil	100	136	—	—	0	(4)
0709 90 70	Courgettes, fresh or chilled	100	unlimited				(2)
0711 20 10	Preserved olives, for uses other than the production of oil	100	136	—	—	0	(4)
0805 10	Oranges, fresh or dried	60	unlimited				(2)
0805 20	Mandarins (including tangerines and satsumas); clementines, wilkings and similar citrus hybrids, fresh or dried	60	unlimited				(2)
0805 50	Lemons and limes, fresh or dried	40	unlimited	—			(2)

ex 0806	Grapes, fresh or dried, other than fresh table grapes from 1 October to 30 April and from 1 June to 11 July and others than table grapes of the variety Emperor (<i>vitis vinifera</i> cv)	100	unlimited				(²)
ex 0806 10 10	Fresh table grapes, from 1 October to 30 April and from 1 June to 11 July, other than table grapes of the variety Emperor (<i>vitis vinifera</i> cv)	100	817	60	545		(²)
0808 10	Apples, fresh	100	1 362	60	unlimited	—	(²)
0808 20	Pears and quinces, fresh	100	unlimited				(²)
0809 10 00	Apricots, fresh	100	681	60	unlimited	—	(²)
0809 20	Cherries, fresh	100	681	60	unlimited	—	(²)
0809 30	Peaches, including nectarines, fresh	100	1 362	—	—	68	(²)
ex 0809 40	Plums and sloes, fresh, from 1 September to 30 April	100	unlimited				(²)
ex 0809 40	Plums and sloes, fresh, from 1 May to 31 August	100	681	—	—	—	(²)
1509 10 1510 00 10	Olive oil	100	136	—	—	—	(⁵)
1701	Cane or beet sugar and chemically pure sucrose, in solid form	0	—	—	—	—	
2002	Tomatoes, prepared or preserved otherwise than by vinegar or acetic acid	100	136	—	—	—	
2009 61 2009 69	Grape juice (including grape must)	100	unlimited				(²)
2204	Wine of fresh grapes, including fortified wines; grape must other than that of heading No 2009	0	—	—	—	—	

- (1) Notwithstanding the rules for the implementation of the Combined Nomenclature, the wording of the description of the products is to be considered as having no more than an indicative value, the preferential scheme being determined, within the context of this Protocol, by the coverage of the CN code. Where ex CN codes are indicated, the preferential scheme is to be determined by application of the CN code and description taken together.
- (2) The reduction only applies to the *ad valorem* part of the duty.
- (3) Entry under this subheading is subject to conditions laid down in the relevant Community provisions (see Articles 1 to 13 of Commission Regulation (EEC) No 1047/2001 (OJ L 145, 31.5.2001, p. 35) and subsequent amendments).
- (4) Entry under this subheading is subject to conditions laid down in the relevant Community provisions (see Articles 291 to 300 of Commission Regulation (EEC) No 2454/93 (OJ L 253, 11.10.1993, p. 71) and subsequent amendments).
- (5) The concession applies to imports of untreated olive oil, wholly obtained in Lebanon and transported direct from Lebanon to the United Kingdom.

**11. MODIFICATIONS TO PROTOCOL 5
ON MUTUAL ASSISTANCE BETWEEN ADMINISTRATIVE
AUTHORITIES IN CUSTOMS MATTERS**

- (a) In Article 10 the following shall not be incorporated into this Agreement:
 - (i) in paragraph 1, the words “and the corresponding provisions applying to the Community authorities”; and
 - (ii) in paragraph 2, the words “, including, where appropriate, legal provisions in force in the Member States of the Community”.
- (b) In Article 13(1) the words “the competent services of the Commission of the European Communities and” and “as appropriate” shall not be incorporated into this Agreement.
- (c) In Article 14(1) the words “Taking into account the respective competencies of the European Community and the Member States,” and the third bullet point shall not be incorporated into this Agreement.
- (d) In Article 14(2) for the words “or may be concluded between individual Member States and Lebanon” substitute “concluded between the United Kingdom and Lebanon prior to the date this Agreement is signed”.

ANNEX II

1. MODIFICATIONS TO PROTOCOL 4 **CONCERNING THE DEFINITION OF THE CONCEPT OF ORIGINATING PRODUCTS AND METHODS OF ADMINISTRATIVE COOPERATION**

(a) Protocol 4 shall be replaced by:

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TITLE I
GENERAL PROVISIONS

ARTICLE 1

Definitions

For the purposes of this Protocol:

- (a) 'manufacture' means any kind of working or processing including assembly or specific operations;
- (b) 'material' means any ingredient, raw material, component or part, etc., used in the manufacture of the product;
- (c) 'product' means the 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 1994 Agreement on implementation of Article VII of the General Agreement on Tariffs and Trade (WTO Agreement on customs valuation);
- (f) 'ex-works price' means the price paid for the product ex-works to the manufacturer in the United Kingdom or Lebanon 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 Lebanon;
- (h) 'value of originating materials' means the value of such materials as defined in subparagraph (g) applied *mutatis mutandis*;
- (i) 'added value' shall be taken to be the ex-works price minus the customs value of each of the products incorporated which did not originate in the country in which those products were obtained;
- (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 V' mean Annexes I to V of Protocol 4 (excepting Annex II(a)) of the EU-Lebanon Association Agreement, 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 Lebanon:

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

ARTICLE 3

Bilateral cumulation of origin

1. Materials originating in the United Kingdom shall be considered as materials originating in Lebanon when incorporated into a product obtained there. It shall not be necessary that such materials have undergone sufficient working or processing, provided they have undergone working or processing going beyond that referred to in Article 7(1) of this Protocol.

2. Materials originating in Lebanon shall be considered as materials originating in the United Kingdom when incorporated into a product obtained there. It shall not be necessary that such materials have undergone sufficient working or processing, provided they have undergone working or processing going beyond that referred to in Article 7(1) of this Protocol.

ARTICLE 4

Diagonal cumulation of origin

1. Subject to the provisions of paragraphs 3, 4 and 5, materials originating in the European Union, or in any of the other countries which adopted the Barcelona Declaration at the Euro-Mediterranean Conference held on 27 and 28 November 1995, within the meaning of the Agreements between the United Kingdom and Lebanon and these countries, shall be considered as originating in the United Kingdom or Lebanon when incorporated into a product obtained there. It shall not be necessary that such materials have undergone sufficient working or processing. This paragraph shall not apply to materials originating in Turkey which are mentioned in the list at Incorporated Annex III to this Protocol.

2. Without prejudice to the provisions of Article 2(1), and subject to the provisions in paragraphs 3 and 4, working or processing carried out in the EU 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.

3. Products which have acquired originating status by virtue of paragraph 1 shall only continue to be considered as products originating in the United Kingdom or Lebanon when the value added there exceeds the value of the materials used originating in any one of the other countries referred to in paragraph 1. If this is not so, the products concerned shall be considered as originating in the country referred to in paragraph 1 which accounts for the highest value of originating materials used. In the allocation of origin, no account shall be taken of materials originating in the other countries referred to in paragraph 1 which have undergone sufficient working or processing in the United Kingdom or Lebanon.

4. For cumulation provided for in paragraph 2, 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.

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

- (i) the United Kingdom, Lebanon 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 General Agreement on Tariffs and Trade 1994 is applicable between the countries involved in the acquisition of the originating status and the country of destination;
- (ii) materials and products have acquired originating status by the application of rules of origin identical to those in this Protocol; and
- (iii) notices indicating the fulfilment of the necessary requirements to apply cumulation have been published by the Parties.

6. The United Kingdom and Lebanon shall provide each other 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 referred to in paragraph 1.

7. Once the requirements laid down in paragraph 5 have been fulfilled, each party shall fulfil its own notification and information obligations.

ARTICLE 5

Wholly obtained products

1. The following shall be considered as wholly obtained in the United Kingdom or Lebanon:

- (a) mineral products extracted from their soil or from their seabed;
- (b) vegetable products harvested there;
- (c) live animals born and raised there;
- (d) products from live animals raised there;
- (e) products obtained by hunting or fishing conducted there;
- (f) products of sea fishing and other products taken from the sea outside the territorial waters of the United Kingdom or Lebanon by their vessels;
- (g) products made aboard their factory ships exclusively from products referred to in subparagraph (f);
- (h) used Articles collected there fit only for the recovery of raw materials, including used tyres fit only for retreading or for use as waste;
- (i) waste and scrap resulting from manufacturing operations conducted there;
- (j) products extracted from marine soil or subsoil outside their territorial waters provided that they have sole rights to work that soil or subsoil;
- (k) goods produced there exclusively from the products specified in subparagraphs (a) to (j).

2. The terms ‘their vessels’ and ‘their 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 in Lebanon;
- (b) which sail under the flag of the United Kingdom or of Lebanon;
- (c) which are owned to an extent of at least 50 per cent by nationals of the United Kingdom, an EU Member State or of Lebanon, 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, an EU Member State or of Lebanon 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, an EU Member State or of Lebanon; and
- (e) of which at least 75 % of the crew are nationals of the United Kingdom, an EU Member State or of Lebanon.

ARTICLE 6

Sufficiently worked or processed products

1. For the purposes of Article 2, products which are not wholly obtained are 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, for all products covered by this Agreement, the working or processing which must be carried out on non-originating materials used in manufacturing and apply only in relation to such materials. Accordingly, 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, 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 through the application 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 except as provided in Article 7.

ARTICLE 7

Insufficient working or processing operations

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) operations to ensure the preservation of products in good condition during transport and storage (ventilation, spreading out, drying, chilling, placing in salt, sulphur dioxide or other aqueous solutions, removal of damaged parts, and like operations);
- (b) simple operations consisting of removal of dust, sifting or screening, sorting, classifying, matching (including the making-up of sets of Articles), washing, painting, cutting up;
- (c) (i) changes of packaging and breaking up and assembly of packages;
(ii) simple placing in bottles, flasks, bags, cases, boxes, fixing on cards or boards, etc., and all other simple packaging operations;
- (d) affixing marks, labels and other like distinguishing signs on products or their packaging;
- (e) simple mixing of products, whether or not of different kinds, where one or more components of the mixtures do not meet the conditions laid down in this Protocol to enable them to be considered as originating in the United Kingdom or Lebanon;
- (f) simple assembly of parts to constitute a complete product;
- (g) a combination of two or more operations specified in subparagraphs (a) to (f);
- (h) slaughter of animals.

2. All the operations carried out in either the United Kingdom or Lebanon 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.

Accordingly, 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 originates, 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 do not enter and which are not intended to enter into the final composition of the product.

TITLE III TERRITORIAL REQUIREMENTS

ARTICLE 12

Principle of territoriality

1. The conditions set out in Title II relative to the acquisition of originating status must be fulfilled without interruption in the United Kingdom or Lebanon, except as provided for in Article 4.

2. If originating goods exported from the United Kingdom or Lebanon to another country are returned, except insofar as provided for in Article 4 they must be considered as non-originating, unless it can be demonstrated to the satisfaction of the customs authorities that:

- (a) the goods returned are the same goods 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 while being exported.

ARTICLE 13

Direct transport

1. The preferential treatment provided for under this Agreement applies only to products, satisfying the requirements of this Protocol, which are transported directly between the United Kingdom and Lebanon or through the territories of the other countries referred to in Article 4. 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 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 territory other than that of the United Kingdom or Lebanon.

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

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

ARTICLE 14

Exhibitions

1. Originating products, sent for exhibition in a country other than those referred to in Article 4 and sold after the exhibition for importation in the United Kingdom or Lebanon 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 Lebanon to the country 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 Lebanon;
- (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 must be issued or made out in accordance with the provisions of Title V and submitted to the customs authorities of the United Kingdom or Lebanon in the normal manner. The name and address of the exhibition must 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 Lebanon 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 Lebanon 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 Lebanon 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 to 3 shall also apply in respect of packaging within the meaning of Article 8(2), accessories, spare parts and tools within the meaning of Article 9 and products in a set within the meaning of Article 10 when such items are non-originating.
5. The provisions of paragraphs 1 to 4 shall apply only in respect of materials which are of the kind to which this Agreement applies. Furthermore, they shall not preclude the application of an export refund system for agricultural products, applicable upon export in accordance with the provisions of this Agreement.
6. Notwithstanding paragraph 1, Lebanon may apply arrangements for drawback of, or exemption from, customs duties or charges having an equivalent effect, applicable to materials used in the manufacture of originating products, subject to the following provisions:

- (a) a 5 % rate of customs charge shall be retained in respect of products falling within Chapters 25 to 49 and 64 to 97 of the Harmonised System, or such lower rate as in force in Lebanon;
- (b) a 10 % rate of customs charge shall be retained in respect of products falling within Chapters 50 to 63 of the Harmonised System, or such lower rate as in force in Lebanon.

TITLE V
PROOF OF ORIGIN

ARTICLE 16

General requirements

1. Products originating in the United Kingdom shall, on importation into Lebanon and products originating in Lebanon shall, on importation into the United Kingdom benefit from this Agreement upon submission of either:

- (a) a movement certificate EUR.1, a specimen of which appears in Incorporated Annex IV; or
- (b) in the cases specified in Article 21(1), a declaration, the text of which appears in Incorporated Annex V, 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 (hereinafter referred to as the 'invoice declaration').

2. Notwithstanding paragraph 1, originating products within the meaning of this Protocol shall, in the cases specified in Article 26, benefit from this Agreement without it being necessary to submit any of the documents referred to above.

ARTICLE 17

Procedure for the issue of a movement certificate EUR.1

1. A movement certificate EUR.1 shall be issued by the customs authorities of the exporting country 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 out both the movement certificate EUR.1 and the application form, specimens of which appear in Incorporated Annex IV. These forms shall be completed in one of the languages in which this Agreement is drawn up and in accordance with the provisions of the domestic law of the exporting country. If they are handwritten, they

shall be completed in ink in printed characters. The description of the products must be given in the box reserved for this purpose without leaving any blank lines. Where the box is not completely filled, a horizontal line must 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 shall be prepared to submit at any time, at the request of the customs authorities of the exporting country where the movement certificate EUR.1 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. A movement certificate EUR.1 shall be issued by the customs authorities of the United Kingdom or Lebanon if the products concerned can be considered as products originating in the United Kingdom, Lebanon or in one of the other countries referred to in Article 4 and fulfil the other requirements of this Protocol.

5. The issuing customs authorities 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. The issuing customs authorities 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.

6. The date of issue of the movement certificate EUR.1 shall be indicated in Box 11 of the certificate.

7. A movement certificate EUR.1 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 issued retrospectively

1. Notwithstanding Article 17(7), a movement certificate EUR.1 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 or involuntary omissions or special circumstances; or
- (b) it is demonstrated to the satisfaction of the customs authorities that a movement certificate EUR.1 was issued but was not accepted at importation for technical reasons.

2. For the implementation of paragraph 1, the exporter must indicate in his application the place and date of exportation of the products to which the movement certificate EUR.1 relates, and state the reasons for his request.

3. The customs authorities may issue a movement certificate EUR.1 retrospectively only after verifying that the information supplied in the exporter's application agrees with that in the corresponding file.

4. Movement certificates EUR.1 issued retrospectively must be endorsed with one of the following phrases:

‘ISSUED RETROSPECTIVELY’,

‘الصادرة بأثر رجعي’

5. The endorsement referred to in paragraph 4 shall be inserted in the ‘Remarks’ box of the movement certificate EUR.1.

ARTICLE 19

Issue of a duplicate movement certificate EUR.1

1. In the event of theft, loss or destruction of a movement certificate EUR.1, 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 must be endorsed with one of the following words:

‘DUPLICATE’

‘تسخة’

3. The endorsement referred to in paragraph 2 shall be inserted in the ‘Remarks’ box of the duplicate movement certificate EUR.1.

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

ARTICLE 20

Issue of movement certificates EUR.1 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 Lebanon, it shall be possible to replace the original proof of origin by one or more movement certificates EUR.1 for the purpose of sending all or some of these products elsewhere within the United Kingdom or Lebanon. The replacement movement certificate(s) EUR.1 shall be issued by the customs office under whose control the products are placed.

ARTICLE 21

Conditions for making out an invoice declaration

1. An invoice declaration as referred to in Article 16(1)(b) may be made out:
 - (a) by an approved exporter within the meaning of Article 22, or
 - (b) by any exporter for any consignment consisting of one or more packages containing originating products whose total value does not exceed EUR 6 000.
2. An invoice declaration may be made out if the products concerned can be considered as products originating in the United Kingdom, Lebanon or in one of the other countries referred to in Article 4 and fulfil the other requirements of this Protocol.
3. The exporter making out an invoice declaration shall be prepared to submit at any time, at the request of the customs authorities of the exporting country, all appropriate documents proving the originating status of the products concerned as well as the fulfilment of the other requirements of this Protocol.
4. An invoice declaration shall be made out by the exporter by typing, stamping or printing on the invoice, the delivery note or another commercial document, the declaration, the text of which appears in Incorporated Annex V, using one of the linguistic versions set out in that Annex and in accordance with the provisions of the domestic law of the exporting country. If the declaration is handwritten, it shall be written in ink in printed characters.
5. Invoice declarations shall bear the original signature of the exporter in manuscript. However, an approved exporter within the meaning of Article 22 shall not be required to sign such declarations provided that he gives the customs authorities of the exporting country a written undertaking that he accepts full responsibility for any invoice declaration which identifies him as if it had been signed in manuscript by him.

6. An invoice declaration 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 no longer than two years after the importation of the products to which it relates.

ARTICLE 22

Approved exporter

1. The customs authorities of the exporting country may authorise any exporter who makes frequent shipments of products under this Agreement to make out invoice declarations irrespective of the value of the products concerned. An exporter seeking such authorisation must 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 invoice declaration.

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, does not fulfil the conditions referred to in paragraph 2 or otherwise makes an incorrect use of the authorisation.

ARTICLE 23

Validity of proof of origin

1. A proof of origin shall be valid for four months from the date of issue in the exporting country, and must be submitted within the said period to the customs authorities of the importing country.

2. Proofs of origin which are submitted to the customs authorities of the importing country 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 country may accept the proofs of origin where the products have been submitted before the said final date.

ARTICLE 24

Submission of proof of origin

Proofs of origin shall be submitted to the customs authorities of the importing country in accordance with the procedures applicable in that country. 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 25

Importation by instalments

Where, at the request of the importer and on the conditions laid down by the customs authorities of the importing country, dismantled or non-assembled products within the meaning of General Rule 2(a) of the Harmonised System falling within Sections XVI and XVII or heading Nos 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 26

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, this declaration can 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 27

Supporting documents

The documents referred to in Articles 17(3) and 21(3) used for the purpose of proving that products covered by a movement certificate EUR.1 or an invoice declaration can be considered as products originating in the United Kingdom, Lebanon or in one of the other countries referred to in Article 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 Lebanon where these documents are used in accordance with domestic law;
- (c) documents proving the working or processing of materials in the United Kingdom or Lebanon, issued or made out in the United Kingdom or Lebanon, where these documents are used in accordance with domestic law;
- (d) movement certificates EUR.1 or invoice declarations proving the originating status of materials used, issued or made out in the United Kingdom or Lebanon in accordance with this Protocol, or in one of the other countries referred to in Article 4, in accordance with rules of origin which are identical to the rules in this Protocol.

ARTICLE 28

Preservation of proof of origin and supporting documents

1. The exporter applying for the issue of a movement certificate EUR.1 shall keep for at least three years the documents referred to in Article 17(3).
2. The exporter making out an invoice declaration shall keep for at least three years a copy of this invoice declaration as well as the documents referred to in Article 21(3).
3. The customs authorities of the exporting country issuing a movement certificate EUR.1 shall keep for at least three years the application form referred to in Article 17(2).
4. The customs authorities of the importing country shall keep for at least three years the movement certificates EUR.1 and the invoice declarations submitted to them.

ARTICLE 29

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 should 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 30

Amounts expressed in euro

1. Amounts in the national currency of the exporting country equivalent to the amounts expressed in euro shall be fixed by the exporting country.
2. When the amounts exceed the corresponding amounts fixed by the importing country, the latter shall accept them if the products are invoiced in the currency of the exporting country. When the products are invoiced in the currency of the United Kingdom or another country referred to in Article 4, the importing country shall recognise the amount notified by the country concerned.
3. The amounts to be used in any given national currency shall be the equivalent in that national currency of the amounts expressed in euro as at the first working day of October and shall apply from 1 January of the following year. The Parties shall notify each other of the relevant amounts.
4. The amounts expressed in euro and their equivalents in the national currencies of the United Kingdom and Lebanon shall be reviewed by the Association Committee at the request of the United Kingdom or Lebanon. When carrying out this review, the Association Committee shall ensure that there will be no decrease in the amounts to be used in national currency and shall furthermore 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 31

Mutual assistance

1. The customs authorities of the United Kingdom and of Lebanon shall provide each other with specimen impressions of stamps used in their customs offices for the issue of movement certificates EUR.1 and with the addresses of the customs authorities responsible for verifying those certificates and invoice declarations.
2. In order to ensure the proper application of this Protocol, the United Kingdom and Lebanon shall assist each other, through the competent customs administrations, in checking the authenticity of the movement certificates EUR.1 or the invoice declarations and the correctness of the information given in these documents.

ARTICLE 32

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 country 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 country shall return the movement certificate EUR.1 and the invoice, if it has been submitted, the invoice declaration, or a copy of these documents, to the customs authorities of the exporting country giving, where appropriate, the reasons for the enquiry. 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 country. 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 country 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 must indicate clearly

whether the documents are authentic and whether the products concerned can be considered as products originating in the United Kingdom, Lebanon or one of the other countries referred to in Article 4 and fulfil the other requirements of this Protocol.

6. If in cases of reasonable doubt there is no reply within 10 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 33

Dispute settlement

Where disputes arise in relation to the verification procedures of Article 32 which cannot be settled between the customs authorities requesting a verification and the customs authorities responsible for carrying out this verification or where they raise a question as to the interpretation of this Protocol, they shall be submitted to the Association Committee.

In all cases the settlement of disputes between the importer and the customs authorities of the importing country shall be under the legislation of the said country.

ARTICLE 34

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 35

Free zones

1. The United Kingdom and Lebanon 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 means of an exemption to the provisions contained in paragraph 1, when products originating in the United Kingdom or Lebanon 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 EUR.1 certificate at the exporter's request, if the treatment or processing undergone is in conformity with the provisions of this Protocol.

TITLE VII **CEUTA AND MELILLA**

ARTICLE 36

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 37

Amendments to the Protocol

The Association Council may decide to amend the provisions of this Protocol.

ARTICLE 38

Implementation of the Protocol

The United Kingdom and Lebanon shall each take the steps necessary to implement this Protocol.

ARTICLE 39

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 Lebanon in temporary storage, in bonded warehouses or in free zones, subject to the submission to the customs authorities of the importing State, within 12 months of that date, of a certificate EUR.1 issued retrospectively by the competent authorities of the

exporting State together with the documents showing that the goods have been transported directly.

ARTICLE 40

Annexes

1. Annexes I to V, excepting Annex II(a), to Protocol 4 of the EU-Lebanon Association Agreement are incorporated into and made part of this Protocol as Incorporated Annexes I to V to this Protocol and shall apply, *mutatis mutandis*, subject to the following modifications:

(a) In Annex V:

(i) only the English and Arabic versions of the invoice declaration shall be incorporated; and

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

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

ANNEX A

Joint Declaration concerning the Principality of Andorra

1. Products originating in the Principality of Andorra meeting the condition of Article 4(5)(b)(ii) of Protocol 4, and falling within Chapters 25 to 97 of the Harmonised System, shall be accepted by Lebanon as originating in the European Union within the meaning of this Agreement.
2. Protocol 4 shall apply, *mutatis mutandis*, for the purpose of defining the originating status of the abovementioned products.

ANNEX B

Joint Declaration concerning the Republic of San Marino

1. Products originating in the Republic of San Marino meeting the condition of Article 4(5)(b)(ii) of Protocol 4 shall be accepted by Lebanon as originating in the European Union within the meaning of this Agreement.
2. Protocol 4 shall apply, *mutatis mutandis*, for the purpose of defining the originating status of the abovementioned products.

ANNEX III

JOINT DECLARATIONS

Joint Declaration relating to Article 15 of the Agreement

The United Kingdom and Lebanon declare their awareness of the importance to the Lebanese economy of the agricultural sector, including in providing employment and supporting livelihoods.

Further, the United Kingdom and Lebanon recognise Lebanon's ambition to strengthen their agricultural sector and the Lebanese position that the United Kingdom is an important European trading partner for certain key agricultural products.

The United Kingdom and Lebanon reiterate their intention to both:

- from the entry into force of the Agreement, examine on a product by product basis, recognising Lebanon's interests in vital agricultural products such as wine, the possibility of further concessions with regards to agricultural, fisheries and processed agricultural products, in accordance with Article 15(2); and
- three years after the entry into force of the Agreement, undertake the assessment provided for in Article 15(1) in accordance with the objective of progressively establishing greater liberalisation of trade in agricultural, fisheries and processed agricultural products, in the interests of both the United Kingdom and Lebanon.

In making this declaration, the United Kingdom and Lebanon recognise the specific context in Lebanon at the time of signature of the Agreement, including with regards to the Lebanese economic situation, and the impact on trade resulting from the Syrian crisis.

Joint Declaration concerning Protocol 4 and a future approach to rules of origin

In the event of an agreement between the United Kingdom and the European Union, the United Kingdom and Lebanon approve taking the necessary steps, as a matter of urgency, to update Protocol 4 of the Agreement concerning the definition of the concept "originating products" and methods of administrative cooperation and, at that point, to consider any relevant developments or revisions made to the Regional Convention on pan-Euro-Mediterranean preferential rules of origin. Any necessary steps will be taken in accordance with the procedures of the Association Council contained in Protocol 4.

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