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Agreement establishing an Association between the European Economic Community and the Republic of Cyprus - Protocol concerning the definition of the concept of "originating products" and methods of administrative cooperation - Final Act - Joint Declarations - Unilateral Declarations

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AGREEMENT establishing an Association between the European Economic Community and the Republic of Cyprus

THE COUNCIL OF THE EUROPEAN COMMUNITIES, of the one part, and THE GOVERNMENT OF THE REPUBLIC OF CYPRUS, of the other part,

DETERMINED to consolidate and to extend the economic and commercial relations existing between the European Economic Community and Cyprus,

AWARE of the importance of the harmonious development of trade between the Contracting Parties,

WHEREAS, while observing the provisions of the General Agreement on Tariffs and Trade, the object of this Agreement is the progressive elimination of obstacles to trade between the European Economic Community and Cyprus, and whereas it provides that, eighteen months before the expiry of the first stage, negotiations may be opened with a view to determining the conditions under which a customs union between the Community and the Republic of Cyprus could be established,

HAVE DECIDED to conclude an Agreement establishing an Association between the European Economic Community and the Republic of Cyprus, in accordance with Article 238 of the Treaty establishing the European Economic Community, and to this end have designated as Plenipotentiaries:

THE COUNCIL OF THE EUROPEAN COMMUNITIES:

Mr W. K. N. SCHMELZER,

President in office of the Council of the European Communities.

Minister for Foreign Affairs of the Netherlands;

Mr Sicco L. MANSHOLT,

President of the Commission of the European Communities;

THE GOVERNMENT OF THE REPUBLIC OF CYPRUS:

Mr John CI. CHRISTOPHIDES,

Minister of Foreign Affairs;

Mr Titos PHANOS.

Ambassador,

Head of the Mission of the Republic of Cyprus;

WHO, having exchanged their Full Powers, found in good and due form, HAVE AGREED UPON THE FOLLOWING PROVISIONS:

Article 1

By this Agreement, an Association is established between the European Economic Community and the Republic of Cyprus.

# Article 2

- 1. The aim of the Agreement is progressively to eliminate obstacles as regards the main body of trade between the European Economic Community and Cyprus and thus to contribute to the development of international trade.
- 2. The Agreement provides for two successive stages, the first terminating on 30 June 1977 and the second of a duration, in principle, of five years.
- 3. Negotiations are provided for during the eighteen months preceding the expiry of the first stage, with a view to defining the content of the second stage, providing for a further elimination of obstacles to trade between the European Economic Community and Cyprus and the adoption by the Republic of Cyprus of the Common Customs Tariff.
- 4. The first stage shall be governed by the provisions set forth hereinafter.

TITLE I

Trade

# Article 3

- 1. Products originating in Cyprus, shall, on importation into the Community, benefit from the provisions set forth in Annex I.
- 2. Products originating in the Community shall, on importation into Cyprus, benefit from the provisions set forth in Annex II.
- 3. The Contracting Parties shall take all appropriate measures, whether general or particular, to ensure fulfilment of the obligations arising out of the Agreement. They shall refrain from any measure likely to jeopardize the achievement of the aims of the Agreement.

# Article 4

Any measure or practice of an internal fiscal nature establishing, whether directly or indirectly, a discrimination between the products of one Contracting Party and like products originating in the other Contracting Party shall be forbidden.

## Article 5

The rules governing trade between the Contracting Parties may not give rise to any discrimination between the Member States, or between nationals or companies of these States, nor nationals or companies of Cyprus.

## Article 6

To the extent that export duties are levied on products of one Contracting Party exported to the other Contracting Party, such duties shall not be higher than those applicable to products exported to the most favoured third country.

# Article 7

The provisions set forth in the Protocol shall determine the rules of origin to be applied to the products covered by the Agreement.

# Article 8

1. If one of the Contracting Parties finds that dumping is being practised in its relations with the other Contracting Party, it may, following consultations within the Association Council, have recourse to protective measures against such practices, in accordance with the Agreement relating to the application of Article VI of the General Agreement on Tariffs and Trade.

In case of urgency, such Contracting Party may, after having informed the Association Council, take the provisional measures provided for in the said Agreement. Consultations shall be held on such measures not later than two weeks after their implementation.

- 2. In the event of measures being taken against bounties and subsidies, the Contracting Parties undertake to comply with the provisions of Article VI of the General Agreement on Tariffs and Trade.
- 3. Any dumping practices, bounties or subsidies which have been ascertained, and any measures taken against them, shall, at the request of one of the Contracting Parties, give rise to consultation within the Association Council at three-monthly intervals.

## Article 9

Payments relating to trade in goods, and the transfer of such payments to the Member State in which the creditor is resident, or to Cyprus, shall be free from any restrictions, to the extent that such transactions fall within the provisions of this Agreement.

# Article 10

1. If serious disturbances occur in a sector of Cyprus' economic activity or jeopardize its external financial stability, or if difficulties arise which result in the deterioration of the

economic situation of any area of Cyprus, the Republic of Cyprus may take the necessary protective measures.

Such measures and the procedures for applying them shall be notified to the Association Council without delay.

- 2. If serious disturbances occur in a sector of the economic activity of the Community or of one or more of its Member States, or jeopardize their external financial stability, or if difficulties arise which result in the deterioration of the economic situation of any area of the Community, the latter may take, or may authorize the Member State or States concerned to take, the necessary protective measures.
- Such measures and the procedures for applying them shall be notified to the Association Council without delay.
- 3. For the purpose of implementing paragraphs 1 and 2, the measures selected must, as a matter of priority, be such as would least disturb the functioning of the regime established by this Agreement. Such measures shall not exceed the limits of what is strictly necessary to remedy the difficulties that have arisen.
- 4. Consultations may be held within the Association Council concerning measures taken pursuant to paragraphs 1 and 2.

## Article 11

This Agreement shall not preclude prohibitions or restrictions on imports, exports or goods in transit justified on grounds of public morality, public policy, public security, the protection of health and life of humans, animals or plants, the protection of national treasures possessing artistic, historic, or archaeological value, or the protection of industrial or commercial property. However, such prohibitions or restrictions shall not constitute a means of arbitrary discrimination or a disguised restriction on trade.

# TITLE II General and final provisions

# Article 12

- 1. An Association Council is hereby established, which shall be responsible for the administration of this Agreement and shall supervise its proper implementation. For this purpose, it shall make recommendations. It shall take decisions in the cases provided for under Title II.
- 2. The Contracting Parties shall keep each other informed and, at the request of either Party, shall hold consultations within the Association Council with a view to the proper implementation of this Agreement.
- 3. The Association Council shall lay down its rules of procedure in a Decision.

# Article 13

1. The Association Council shall consist of the members of the Council and members of the Commission of the European Communities, on the one hand, and of members of the Government of the Republic of Cyprus, on the other.

Members of the Association Council may arrange to be represented, in accordance with the conditions to be laid down in the rules of procedure.

2. The Association Council shall take its decisions by common agreement.

# Article 14

- 1. The Association Council shall be presided in turn by each of the Contracting Parties, in accordance with the provisions to be adopted in the rules of procedure of the Association Council.
- 2. Meetings of the Association Council shall be convened once a year by its President. The Association Council shall, in addition, meet whenever circumstances so require, at the request of either of the Contracting Parties, in accordance with the conditions to be laid down in its rules of procedure.
- 3. The Association Council may decide to set up any committee that can assist it in the discharge of its tasks.

In its rules of procedure, the Association Council shall determine the composition and duties of such committees and how they shall function.

#### Article 15

This Agreement may be denounced by either Contracting Party, subject to six months' notice in advance being given.

# Article 16

This Agreement shall apply on the one hand, to the territories to which the Treaty establishing the European Economic Community applies, and, on the other hand, to the territory of the Republic of Cyprus.

## Article 17

Annexes I and II and the Protocol on originating products shall form an integral part of this Agreement.

# Article 18

This Agreement shall come into force on the first day of the month following the date on which the Contracting Parties have notified each other that the necessary procedures to this end have been completed.

# Article 19

This Agreement is drawn up in duplicate, in the Dutch, English, French, German and Italian languages, each of these texts being equally authentic.

Zu Urkund dessen haben die unterzeichneten Bevollmächtigten ihre Unterschriften unter dieses Abkommen gesetzt.

En foi de quoi, les plénipotentiaires soussignés ont apposé leurs signatures au bas du présent accord.

In fede di che, i plenipotenziari sottoscritti hanno apposto le loro firme in calce al presente accordo.

Ten blijke waarvan de ondergetekende gevolmachtigden hun handtekening onder deze Overeenkomst hebben gesteld.

In witness whereof, the undersigned Plenipotentiaries have affixed their signatures below this Agreement.

Geschehen zu Brüssel am neunzehnten Dezember neunzehnhundertzweiundsiebzig.

Fait à Bruxelles, le dix-neuf décembre mil neuf cent soixante-douze.

Fatto a Bruxelles, addì diciannove dicembre millenovecentosettantadue.

Gedaan te Brussel, de negentiende december negentienhonderdtweeënzeventig.

Done at Brussels on this nineteenth day of December in the year one thousand nine hundred and seventy-two.

Im Namen des Rates der Europäischen Gemeinschaften,

Pour le Conseil des Communautés européennes,

Per il Consiglio delle Comunità europee,

Voor de Raad der Europese Gemeenschappen,

For the Council of the European Communities, >PIC FILE= "T0004043">

Mit dem Vorbehalt, daß für die Europäische Wirtschaftsgemeinschaft erst dann endgültig eine Verpflichtung besteht, wenn sie der anderen Vertragspartei notifiziert hat, daß die durch den Vertrag zur Gründung der Europäischen Wirtschaftsgemeinschaft vorgeschriebenen Verfahren, namentlich die Anhörung des Europäischen Parlaments, stattgefunden haben.

Sous réserve que la Communauté économique européenne ne sera définitivement engagée qu'après notification à l'autre partie contractante de l'accomplissement des procédures requises par le traité instituant la Communauté économique européenne et notamment la consultation de l'Assemblée.

Con riserva che la Comunità economica europea sarà definitivamente vincolata soltanto dopo la notifica all'altra parte contraente dell'espletamento delle procedure richieste dal trattato che istituisce la Comunità economica europea e, in particolare, dell'avvenuta consultazione del Parlamento europeo.

Onder voorbehoud dat de Europese Economische Gemeenschap eerst definitief gebonden zal zijn na kennisgeving aan de andere Overeenkomstsluitende Partij van de vervulling der door het Verdrag tot oprichting van de Europese Economische Gemeenschap vereiste procedures, met name van de raadpleging van het Europese Parlement

Provided that the Community shall be finally bound only after the other Contracting Party has been notified that the procedures required by the Treaty establishing the European Economic Community, and, in particular, consultation of the European Parliament, have been completed.

Im Namen der Regierung der Republik Zypern,

Pour le gouvernement de la république de Chypre,

Per il governo della Republica di Cipro, Voor de Regering van de Republiek Cyprus, For the Government of the Republic of Cyprus, >PIC FILE= "T0004044">

# ANNEX I IMPLEMENTATION OF ARTICLE 3 (1) OF THE AGREEMENT Article 1

The customs duties applicable on importation into the Community of products originating in Cyprus, other than those falling under Annex II of the Treaty establishing the European Economic Community and other than those mentioned in Lists A and B, of this Annex, shall be those of the Common Customs Tariff reduced by 70 %.

#### Article 2

Within the limits of annual Community tariff quotas, the products listed below, originating in Cyprus, shall, on importation into the Community, benefit from the reductions in customs duties provided for in Article 1. >PIC FILE= "T0004045">

## Article 3

Products referred to in Articles 1 and 2, and originating in Cyprus, shall not, on importation into the Community, be subject to charges having an effect equivalent to customs duties.

#### Article 4

- 1. Without prejudice to the levying of a variable component, determined in accordance with Articles 6 and 7 of Council Regulation (EEC) No 1059/69 of 28 May 1969 laying down the trading arrangements applicable to certain goods obtained from the processing of agricultural products, the fixed component levied on importation into the Community of products listed below which originate in Cyprus shall be reduced by 70 %. >PIC FILE= "T0004046">
- 2. Paragraph 1 above shall be applied in accordance with the terms set out in Article 8.

## Article 5

- 1. The following products originating in Cyprus, shall, on entry into the Community pay the Common Customs Tariff duty reduced by 40 %: >PIC FILE= "T0004047">
- 2. During the period of application of the reference price, the provisions of paragraph 1 shall apply provided that, on domestic markets within the Community, the price of citrus fruits imported from Cyprus, after customs clearance, account being taken of adjustment factors for the different classes of citrus fruits and after deduction of transport costs and import charges other than customs duties, shall be at least as high as the reference price for the period in question, increased by the incidence of the Common Customs Tariff on these reference prices and a flat sum of 1.20 units of account per 100 kg.
- 3. Transport costs and import charges other than customs duties, referred to in paragraph 2, shall be those used for calculating the entry prices referred to in Council Regulation (EEC) No 1035/72 of 18 May 1972 on the common organization of the market in fruit and vegetables.

However the Community reserves the right to calculate the amount to be deducted in the case of import charges other than customs duties in such a way as to avoid difficulties which may result from the incidence of those charges on entry prices, depending on origin.

- 4. Articles 23 to 28 of Council Regulation (EEC) No 1035/72 shall continue to apply.
- 5. Where, as a consequence of abnormal conditions of competition, the benefits accruing from the provisions of paragraph 1 shall be or shall risk being jeopardized, there may be consultation within the Association Council to consider the problems raised by the situation that has arisen.

## Article 6

- 1. The following products, originating in Cyprus, shall on entry into the Community pay the Common Customs Tariff duty reduced by 40 %: >PIC FILE= "T0004048">
- 2. Where disturbance of the market occurs for products falling within subheading 08.02 D of the Common Customs Tariff, there shall be consultation within the Association Council with a view to appropriate remedies.

## Article 7

The following product, originating in Cyprus, shall be exempt from payment of customs duty on entry into the Community: >PIC FILE= "T0004049">

#### Article 8

- 1. The rates of the Common Customs Tariff duties to be taken into consideration for calculating the reduced duties mentioned in Articles 1, 2, 4, 5 and 6 shall be those effectively applied at any given time vis-à-vis third countries.
- 2. The reduced duties, calculated in accordance with Articles 1, 2, 4, 5 and 6 shall be applied by rounding to the first decimal point.

## Article 9

Products originating in Cyprus referred to in this Annex, including products mentioned in List A, shall be imported into the Community free of quantitative restrictions. This provision shall be without prejudice to the rules governing the importation of petroleum products.

# Article 10

1. In respect of products referred to in this Annex, other than those falling under Annex II of the Treaty establishing the European Economic Community, the Community reserves the right, particularly for the purpose of avoiding certain distortions of competition or the replacement of trade, to amend the system provided for in this Annex, in the event of specific regulations being laid down as a consequence of the implementation of the common agricultural policy.

In adopting such Regulations or amending this system, the Community shall take the interests of Cyprus into account.

2. In respect of products referred to in this Annex falling under Annex II of the Treaty establishing the European Economic Community, the Community reserves the right, in the event of the adoption of regulations, to amend the system provided for in this Annex.

In adopting such regulations or amending this system, the Community shall take the interests of Cyprus into account.

3. In respect of products referred to in this Annex falling under Annex II of the Treaty establishing the European Economic Community, the Community reserves the right, in the event of the amendment of its regulations, to amend the system provided for in this Annex.

In amending this system, the Community shall confer on imports originating in Cyprus a benefit comparable with that provided for in this Annex.

4. Consultations may take place within the Association Council with a view to implementing this Article.

# Article 11

Products originating in Cyprus referred to in this Annex may not receive a more favourable treatment than that which the Member States apply to each other on the basis of the Treaty establishing the European Economic Community.

LIST A relating to products imported into the Community under specific Regulations as a consequence of the implementation of the common agricultural policy, and excluded from the treatment provided for in Article 1

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LIST B relating to Article 1

>PIC FILE= "T0004052">

ANNEX II IMPLEMENTATION OF ARTICLE 3 (2) OF THE AGREEMENT

Article 1

The customs duties and taxes having equivalent effect applicable on the importation into Cyprus of products originating in the Community, other than those mentioned in lists A and B, shall be those of the General Customs Tariff of Cyprus reduced by the following percentages and according to the following time table: >PIC FILE= "T0004330">

## Article 2

- 1. The tariff system applied by the Republic of Cyprus to products originating in the Community may not be less favourable than that applied to products originating in the most favoured third country.
- 2. Until the end of the fourth year of the Agreement, paragraph 1 shall not be applicable in respect of countries granted preferential treatment by the Republic of Cyprus at the time of entry into force of the Agreement.

However, the tariff measures taken by the Republic of Cyprus shall not have the effect of increasing any preference enjoyed by these countries.

# Article 3

- 1. The customs duties and taxes having equivalent effect applicable on the importation into Cyprus of products originating in the Community mentioned in List A shall be those of the General Customs Tariff of Cyprus, reduced by the percentages and according to the time table set out in Article 1, provided that such reductions do not exceed the number of points shown under each heading in relation to the General Tariff of Cyprus.
- 2. For the products mentioned in List B, no tariff reduction shall be made during the first stage of the Agreement.

## Article 4

1. The rates of duties to be taken into consideration for the purpose of calculating the reduced duties referred to in Article 1 shall be those of the General Tariff of Cyprus

effectively applied at any given time vis-à-vis third countries. The reduced duties shall be applied by rounding to the first decimal point.

2. In the event of the introduction or modification of customs duties in the Customs Tariff of Cyprus, or of taxes having equivalent effect, the reduction percentages granted to the Community pursuant to Article 1 shall remain unchanged.

## Article 5

- 1. Without prejudice to the right of the Republic of Cyprus to modify the duties in its customs tariff and the taxes having equivalent effect, and notwithstanding Articles 1 and 4, and to the extent that protective measures prove necessary to meet the requirements of its industrialisation and development, the Republic of Cyprus may reintroduce, increase, or establish customs duties. Such customs duties may not exceed a level of 20 % ad valorem, and in certain special and exceptional cases, of 25 ad valorem. Such measures may only be applied to a maximum volume of 10 % of the total value of the imports of Cyprus from the Community during 1971.
- 2. Such measures may not be taken unless they are necessary to protect, and to further the development of, any new processing industry not existing in Cyprus at the time of entry into force of the Agreement; they shall only be applicable in respect of a specific form of production.
- 3. Twelve months after the reintroduction, increase or establishment of such customs duties, the Republic of Cyprus shall proceed to an annual tariff reduction of 10 % with regard to imports originating in the Community.
- 4. The measures referred to in paragraph 1 shall be taken after consultations within the Association Council. Such consultations shall take place at the earliest possible opportunity.

## Article 6

The Republic of Cyprus shall refrain from introducing new quantitative restrictions and charges having equivalent effect on the importation of products originating in the Community.

This provision shall not affect the regulations applicable to the importation of petroleum products.

The treatment applied to the Community as regards quantitative restrictions shall be at least as favourable as that applied to the most favoured country.

## Article 7

1. In respect of products referred to in this Annex other than those falling under Annex II of the Treaty establishing the European Economic Community, the Republic of Cyprus reserves the right, particularly for the purpose of avoiding certain distortions of competition or the replacement of trade, to amend the system provided for in this Annex, in the event of specific regulations being laid down as a consequence of the implementation of its agricultural policy.

In adopting such regulations or amending this system, the Republic of Cyprus shall take the interests of the Community into account.

2. In respect of products referred to in this Annex falling under Annex II of the Treaty establishing the European Economic Community, the Republic of Cyprus reserves the right, in the event of the adoption of regulations, to amend the system provided for in this Annex.

In adopting such regulations or amending this system, the Republic of Cyprus shall take the interests of the Community into account.

3. In respect of products referred to in this Annex falling under Annex II of the Treaty establishing the European Economic Community, the Republic of Cyprus reserves the right, in the event of the amendment of its regulations, to amend the treatment provided for in this Annex.

In amending this system, the Republic of Cyprus shall confer on imports originating in the Community a benefit comparable with that provided for in this Annex.

4. Consultations may take place within the Association Council with a view to implementing this Article.

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LIST A relating to Article 3 (1)
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LIST B relating to paragraph 2 of Article 3
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>PIC FILE= "T0004073">
PROTOCOL concerning the definition of the concept of "originating" products and
methods of administrative cooperation
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TITLE I Definition of the concept of "originating" products

Article 1

For the purpose of implementing the Agreement establishing an Association between the European Economic Community and the Republic of Cyprus, the following products shall be considered as: 1. products originating in the Community, provided that they have been transported to Cyprus directly, within the meaning of Article 5: (a) products wholly obtained in the Member States;

(b) products obtained in the Member States, in the manufacture of which products other than those referred to in (a) above are used, provided that the said products have undergone sufficient working or processing within the meaning of Article 3. This condition shall not apply, however, to products which, within the meaning of this Protocol, originate in Cyprus;

- 2. products originating in Cyprus, provided that they have been transported to the importing Member State directly, within the meaning of Article 5: (a) products wholly obtained in Cyprus;
- (b) products obtained in Cyprus, in the manufacture of which products other than those referred to in (a) above are used, provided that the said products have undergone sufficient working or processing within the meaning of Article 3. This condition shall not apply, however, to products which, within the meaning of this Protocol, originate in the Community.

The products listed in List C shall be temporarily excluded from the scope of this Protocol.

## Article 2

The following shall be considered as wholly obtained either in the Member States or in Cyprus, within the meaning of Article 1, 1 (a) and 2 (a): (a) mineral products extracted from their soil or from their sea or ocean bed;

- (b) vegetable products harvested there;
- (c) live animals born and raised there;
- (d) products from live animals;
- (e) products from hunting and fishing conducted there;
- (f) products of sea fishing and other products taken from the sea by their vessels;
- (g) products made aboard their factory ships exclusively from products referred to in (f);
- (h) used articles collected there fit only for the recovery of raw materials;
- (i) waste and scrap resulting from manufacturing operations conducted there;
- (j) goods produced there exclusively from products specified in (a) to (i).

# Article 3

For the purpose of implementing Article 1, 1 (b) and 2 (b), the following shall be considered as sufficient working or processing: (a) working or processing as a result of which the goods obtained receive a classification under a tariff heading other than that covering each of the products worked or processed, except, however, working or processing appearing in List A, where the special provisions of that list apply; (b) working or processing appearing in List B.

"Tariff headings" shall mean the headings in the Brussels Nomenclature for the Classification of Goods in Customs Tariffs.

## Article 4

Where the Lists A and B referred to in Article 3 provide that the goods obtained in a Member State or in Cyprus shall be considered as originating there only if the value of the products worked or processed does not exceed a given percentage of the value of the goods obtained, the value to be taken into consideration for determining such percentage shall be: - on the one hand:

as regards products whose importation can be proved : their customs value at the time of importation;

as regards products of undetermined origin: the earliest ascertainable price paid for such products in the territory of the State where manufacture takes place;

- on the other hand:

the ex-factory price of the goods obtained, less internal taxes refunded or refundable on exportation.

#### Article 5

The following shall be considered as transported directly from the exporting Member State to Cyprus or from Cyprus to the importing Member State: (a) goods transported without passing through territory other than that of Contracting Parties; (b) goods transported through territories other than those of Contracting Parties, or transhipped in such territories, if the passage in such territories or the transhipment is covered by a single transport document drawn up in a Member State or in the Republic of Cyprus.

Transhipments carried out in the ports of territories other than those of Contracting Parties shall not be considered as interrupting direct transport if such transhipments are caused by force majeure or are the result of events at sea.

# TITLE II Methods of administrative cooperation Article 6

"Originating" products within the meaning of this Protocol shall, in the importing Member State or in Cyprus, benefit from the provisions of the Agreement, upon submission of an A.CY.1 movement certificate issued by the customs authorities of the Republic of Cyprus or the customs authorities of the exporting Member State.

However, products sent by post (including parcels) shall, provided that the consignments contain only "originating" products and that the value does not exceed one thousand units of account per consignment, benefit from the provisions of the Agreement in the Member State or in Cyprus, on the presentation of form A.CY.2, subject to each parcel bearing the label contained in Part 2 of this form.

# Article 7

Movement certificate A.CY.1 shall be issued only on application being made in writing by the exporter, on the form prescribed for this purpose.

## Article 8

The A.CY.1 movement certificate shall be issued by the customs authorities of the exporting State when the goods to which it relates are exported. It shall be made available to the exporters as soon as actual exportation has been effected or ensured. In exceptional circumstances, an A.CY.1 movement certificate may also be issued after the exportation of the goods to which it refers, if it was not submitted at the time of such exportation because of errors or involuntary omissions or special circumstances. In

this case, the certificate shall bear a special reference to the conditions in which it was issued.

An A.CY.1 movement certificate may be issued only where it can serve as documentary evidence for the purpose of implementing the preferential treatment provided for in the Agreement.

## Article 9

Movement certificates A.CY.1 must be submitted, within four months from the date of issue by the customs authorities of the exporting Member State, to the customs authorities of the importing Member State where the goods are delivered.

# Article 10

Movement certificates A.CY.1 must be made out on a form of which a specimen appears in Annex V. They shall be drawn up in one of the languages in which the Agreement is drawn up, in accordance with the provisions of the national law of the exporting State. They shall be typewritten or hand-written; in the latter case, they shall be completed in ink and in capital letters.

Each certificate shall measure 210 X 297 mm. The paper used must be white sized writing paper not containing mechanical pulp and weighing not less than 64 g/m2 or between 25 and 30 g/m2 if airmail paper is used. It shall have a green machine-turned background making any falsification by chemical or mechanical means apparent to the eye.

On the front of each certificate, a diagonal pattern of three blue stripes, each 3 mm wide, shall run from the bottom left hand corner to the top right hand corner. Each certificate shall contain a serial number by which it can be identified. The Member States and the Republic of Cyprus may reserve the right to print the certificates themselves or may have them printed by approved printers. In the latter case, each form must carry reference to such approval. Each form must bear the name and address of the printer or a sign by which the printer can be identified.

# Article 11

In the importing State, A.CY.1 movement certificates shall be submitted to the customs authorities, in accordance with the provisions made in the laws and regulations of that State. The said authorities may require a translation of a certificate. They may also require the import declaration to be accompanied by a statement from the importer to the effect that the goods meet the conditions required for the implementation of the Agreement.

## Article 12

Form A.CY.2, of which a specimen appears in Annex VI, shall be completed by the exporter. It shall be drawn up in one of the languages in which the Agreement is drawn up and in accordance with the provisions of the national law of the exporting State. It shall be typewritten or hand written; in the latter case it shall be completed in ink and in capital letters.

Form A.CY.2 is composed of two parts, each part being 210 mm X 148 mm. The paper used shall be white sized writing paper not containing mechanical pulp and weighing not less than 64 g/m2. On the front of Part 1 and the label contained in Part 2, a diagonal

pattern of three blue stripes, each 3 mm wide, shall run from the bottom left-hand corner to the top right-hand corner.

Form A.CY.2 may be perforated mechanically so that the two parts may be separated and the portion of the form to be affixed on the consignment can be detached. The back of this portion may be adhesive.

The Member States and the Republic of Cyprus may reserve the right to print the forms themselves or may have them printed by approved printers. In the latter case, each form must carry a reference to such approval. Each form must bear the name and address of the printer or a sign by which the printer can be identified. Each part shall also bear a serial number by which it can be identified.

# Article 13

For each postal consignment, an A.CY.2 form shall be completed. After completing and signing the two parts of the form, the exporter shall insert his declaration (Part 1) in the consignment and stick the label from Part 2 on the outer packing of the consignment. These provisions do not dispense exporters from complying with any formalities required by customs or postal regulations.

## Article 14

Unless they suspect some irregularity, the customs authorities of the Member State or of the Republic of Cyprus shall admit as benefiting from the provisions of the Agreement any goods contained in a consignment bearing an A.CY.2 label.

For the purpose of a random check or in a case of doubt as to regularity, the customs authorities of a Member State or of the Republic of Cyprus may ask for a verification by the customs authorities of the Republic of Cyprus or the Member State, forwarding, for this purpose, Part 1 of the A.CY.2 form contained in the consignment, and may suspend, while waiting for the result of such examination, the application of the Agreement. In such cases, the goods may be released to the importer, subject to such safeguards as may be considered necessary.

# Article 15

- 1. Member States and the Republic of Cyprus shall admit as "originating" products benefiting from the provisions of the Agreement, without requiring the production of an A.CY.1 movement certificate or the completion of an A.CY.2 form, goods sent as small packages to private persons or forming part of passengers' personal luggage, in so far as such goods are not imported by way of trade and have been declared as meeting the conditions required for the application of this Agreement, and where there is no doubt as to the veracity of such declaration.
- 2. Importations which are occasional and consist solely of goods for the personal use of the addressee or passenger or his family, it being evident from the nature and quality of the goods that no commercial purpose is in view, shall not be considered as importations by way of trade. Furthermore, the total value of these goods must not exceed 60 units of account in the case of small packages or 200 units of account in the case of the contents of passengers' personal luggage.

# Article 16

1. Goods sent from a Member State or from Cyprus for exhibition in another country and sold after the exhibition for importation into Cyprus or into a Member State shall benefit

on importation into that State from the provisions of the Agreement on condition that the goods meet the requirements of this Protocol entitling them to be recognized as originating in the exporting country and provided that it is shown to the satisfaction of the customs authorities of the importing State that: (a) an exporter has consigned these goods from the territory of a Member State or from Cyprus to the country in which the exhibition is held and has exhibited them there;

- (b) the goods have been sold or otherwise disposed of by that exporter to someone in Cyprus or in a Member State;
- (c) the goods have been consigned during the exhibition or immediately thereafter to Cyprus or to a Member State in the condition in which they were sent for exhibition:
- (d) the goods have not, since they were consigned for exhibition, been used for any purpose other than demonstration at the exhibition.
- 2. A movement certificate A.CY.1 must be produced to the customs authorities of the importing State in the normal manner. The name and address of the exhibition must be indicated thereon. Where necessary, additional documentary evidence of the nature of the goods and the conditions under which they have been exhibited may be required from the country where the exhibition was held.
- 3. Paragraph 1 shall apply to any trade, industrial, agricultural or crafts exhibition, fair or similar public show or display which is not organized for private purposes in shops or business premises with a view to the sale of foreign goods, and during which the goods remain under customs control.

#### Article 17

In order to ensure the proper application of this Title, the Member States and the Republic of Cyprus shall assist each other, through their respective customs administrations, for the purpose of checking the authenticity and correctness of A.CY.1 movement certificates and of exporters' declarations made on A.CY.2 forms. The Association Council shall draw up any recommendations necessary for the application of this Protocol, especially of this Title, so that the methods of administrative cooperation may be applied in due course in the Member States and in the Republic of Cyprus.

## TITLE III Final Provisions

## Article 18

The Member States and the Republic of Cyprus shall take all the measures necessary for the A.CY.1 movement certificates to be produced, in accordance with Article 11, as from the date of entry into force of the Agreement.

## Article 19

The Republic of Cyprus, the Member States and the Community shall, each to the extent to which they are concerned, take the necessary steps to implement this Protocol.

## Article 20

The explanatory notes, Lists A, B and C, the model of the A.CY.1 movement certificate and that of the A.CY.2 form annexed to this Protocol shall form an integral part of the latter.

## Article 21

Goods which conform to the provisions of Title I and which, on the date of entry into force of the Agreement, are either being transported or are being held in a Member State or Cyprus under temporary warehouse procedure, in bonded warehouses or in free zones, including free ports and free bonded warehouses, may be allowed to benefit from the provisions of the Agreement, subject to the submission - within four months from that date - to the customs authorities of the importing state of an A.CY.1 movement certificate, issued retrospectively by the authorities of the exporting State, and of any documents that provide supporting evidence of direct transport.

# ANNEX I EXPLANATORY NOTES

Note 1 - Article 1

The terms "in the Member States" or "in Cyprus" shall also cover territorial waters. Ships operating on the high seas, including "factory ships" on which the fish caught is worked or processed, shall be considered as part of the Member State to which they belong or of Cyprus provided that they satisfy the conditions laid down in Explanatory Note 4.

Note 2 - Article 1

In order to determine whether goods originate in a Member State or in Cyprus, it shall not be necessary to establish whether the power and fuel, plant and equipment and machine tools used to obtain such goods originate or not in third countries.

Note 3 - Article 1

Packing shall be considered as forming a whole with the goods contained therein. This provision, however, shall not apply to packing which is not of the normal type for the article packed and which has intrinsic value of a durable nature apart from its function as packing.

Note 4 - Article 2 (f)

The term "their vessels" shall apply only to vessels: - which are registered in a Member State or in the Republic of Cyprus;

- which sail under the flag of a Member State or of the Republic of Cyprus;
- which are owned to an extent of at least 50 % by nationals of Member States or the Republic of Cyprus, or by a company or firm with its head office in one of these States, of which the "manager" or "managers", chairman of the board of directors or of the supervisory board, and the majority of the members of such boards are nationals of a Member State or the Republic of Cyprus, and of which, in addition, in the case of partnerships or limited companies, at least half the capital belongs to States party to the Agreement to public bodies or to nationals of the said States;
- of which the captain and officers are all nationals of the Member States or the Republic of Cyprus;
- of which at least 75 % of the crew are nationals of the Member States or the Republic of Cyprus.

## Note 5 - Article 4

"Ex factory price" shall mean the price paid to the manufacturer in whose undertaking sufficient working or processing is carried out. Where such working or processing is

carried out successively in two or more undertakings, the price to be taken into account shall be that paid to the last manufacturer.

Note 6 - Article 8

Where an A.CY.1 movement certificate relates to goods originally imported from a Member State or Cyprus and re-exported in the same state, the new certificates issued by the re-exporting State must show in which country the original movement certificate was issued.

Note 7 - Article 13

After completing the A.CY.2 form, the exporter shall insert the words "A.CY.2", followed by the serial number of the form used, either on the C 1 green label or on the C 2/C P 3 or C 2 M/C P 3 M customs declaration. The invoice concerning the goods contained in the consignment shall also contain the words "A.CY.2" and the serial number of the form used.

ANNEX II LIST A List of working or processing operations which result in a change of tariff heading without conferring the status of "originating products" on the products undergoing such operations, or conferring this status only subject to certain conditions

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ANNEX III LIST B List of working or processing operations which do not result in a change of tariff heading but which do confer the status of "originating" products on the products undergoing such operations

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ANNEX IV LIST C List of products temporarily excluded from the scope of this Protocol
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ANNEX V
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>PIC FILE= "T0004106">
>PIC FILE= "T0004107">
>PIC FILE= "T0004108">
>PIC FILE= "T0004109">
>PIC FILE= "T0004111"> >PIC FILE= "T0004110">
FINAL ACT
The Plenipotentiaries of
THE COUNCIL OF THE EUROPEAN COMMUNITIES.
of the one part.
and
```

THE GOVERNMENT OF THE REPUBLIC OF CYPRUS.

of the other part,

assembled at Brussels, on this nineteenth day of December, in the year one thousand nine hundred and seventy-two,

for the purpose of signing the Agreement establishing an Association between the European Economic Community and the Republic of Cyprus,

have, at the time of signing this Agreement, - adopted the following Joint Declarations by the Contracting Parties: 1. Joint Declaration by the Contracting Parties concerning cooperation and contacts between the European Parliament and the House of Representatives of the Republic of Cyprus,

- 2. Joint Declaration by the Contracting Parties concerning amendments to the customs tariffs and to the import regulations,
- 3. Joint Declaration by the Contracting Parties concerning Article 2 of the Agreement,
- 4. Joint Declaration by the Contracting Parties concerning Article 2 of Annex I;
- and have taken note of the following Declarations: 1. Declaration by the European Economic Community concerning agricultural products,
- 2. Declaration by the Republic of Cyprus concerning Article 6 of Annex II.

The aforementioned Declarations are annexed to this Final Act.

The Plenipotentiaries have agreed that these Declarations shall, in so far as necessary, be subject, under the same conditions as the Agreement, to the procedures required to ensure their validity.

Zu Urkund dessen haben die unterzeichneten Bevollmächtigten ihre Unterschriften unter diese Schlußakte gesetzt.

En foi de quoi, les plénipotentiaires soussignés ont apposé leurs signatures au bas du présent acte final.

In fede di che, i plenipotenziari sottoscritti hanno apposto le loro firme in calce al presente atto finale.

Ten blijke waarvan de ondergetekende gevolmachtigden hun handtekening onder deze Slotakte hebben gesteld.

In witness whereof, the undersigned Plenipotentiaries have affixed their signatures below the Final Act.

Geschehen zu Brüssel am neunzehnten Dezember neunzehnhundertzweiundsiebzig.

Fait à Bruxelles, le dix-neuf décembre mil neuf cent soixante-douze.

Fatto a Bruxelles, addì diciannove dicembre millenovecentosettantadue.

Gedaan te Brussel, de negentiende december negentienhonderdtweeënzeventig.

Done at Brussels on this nineteenth day of December in the year one thousand nine hundred and seventy-two.

Im Namen des Rates der Europäischen Gemeinschaften,

Pour le Conseil des Communautés européennes,

Per il Consiglio delle Comunità europee,

Voor de Raad der Europese Gemeenschappen,

For the Council of the European Communities, >PIC FILE= "T0004112">

Mit dem Vorbehalt, daß für die Europäische Wirtschaftsgemeinschaft erst dann endgültig eine Verpflichtung besteht, wenn sie der anderen Vertragspartei notifiziert hat, daß die durch den Vertrag zur Gründung der Europäischen Wirtschaftsgemeinschaft vorgeschriebenen Verfahren, namentlich die Anhörung des Europäischen Parlaments, stattgefunden haben.

Sous réserve que la Communauté économique européenne ne sera définitivement engagée qu'après notification à l'autre partie contractante de l'accomplissement des procédures requises par le traité instituant la Communauté économique européenne et notamment la consultation de l'Assemblée.

Con riserva che la Comunità economica europea sarà definitivamente vincolata soltanto dopo la notifica all'altra parte contraente dell'espletamento delle procedure richieste dal trattato che istituisce la Comunità economica europea e, in particolare, dell'avvenuta consultazione del Parlamento europeo.

Onder voorbehoud dat de Europese Economische Gemeenschap eerst definitief gebonden zal zijn na kennisgeving aan de andere Overeenkomstsluitende Partij van de vervulling der door het Verdrag tot oprichting van de Europese Economische Gemeenschap vereiste procedures, met name van de raadpleging van het Europese Parlement.

Provided that the Community shall be finally bound only after the other Contracting Party has been notified that the procedures required by the Treaty establishing the European Economic Community, and, in particular, consultation of the European Parliament, have been completed.

Im Namen der Regierung der Republik Zypern,

Pour le gouvernement de la république de Chypre,

Per il governo della Repubblica di Cipro,

Voor de Regering van de Republiek Cyprus,

For the Government of the Republic of Cyprus, >PIC FILE= "T0004113">

ANNEX I IMPLEMENTATION OF ARTICLE 3 (1) OF THE AGREEMENT

Article 1

The customs duties applicable on importation into the Community of products originating in Cyprus, other than those falling under Annex II of the Treaty establishing the European Economic Community and other than those mentioned in Lists A and B, of this Annex, shall be those of the Common Customs Tariff reduced by 70 %.

## Article 2

Within the limits of annual Community tariff quotas, the products listed below, originating in Cyprus, shall, on importation into the Community, benefit from the reductions in customs duties provided for in Article 1. >PIC FILE= "T0004045">

## Article 3

Products referred to in Articles 1 and 2, and originating in Cyprus, shall not, on importation into the Community, be subject to charges having an effect equivalent to customs duties.

# Article 4

- 1. Without prejudice to the levying of a variable component, determined in accordance with Articles 6 and 7 of Council Regulation (EEC) No 1059/69 of 28 May 1969 laying down the trading arrangements applicable to certain goods obtained from the processing of agricultural products, the fixed component levied on importation into the Community of products listed below which originate in Cyprus shall be reduced by 70 %. >PIC FILE= "T0004046">
- 2. Paragraph 1 above shall be applied in accordance with the terms set out in Article 8.

## Article 5

- 1. The following products originating in Cyprus, shall, on entry into the Community pay the Common Customs Tariff duty reduced by 40 %: >PIC FILE= "T0004047">
- 2. During the period of application of the reference price, the provisions of paragraph 1 shall apply provided that, on domestic markets within the Community, the price of citrus fruits imported from Cyprus, after customs clearance, account being taken of adjustment factors for the different classes of citrus fruits and after deduction of transport costs and import charges other than customs duties, shall be at least as high as the reference price for the period in question, increased by the incidence of the Common Customs Tariff on these reference prices and a flat sum of 1.20 units of account per 100 kg.
- 3. Transport costs and import charges other than customs duties, referred to in paragraph 2, shall be those used for calculating the entry prices referred to in Council Regulation (EEC) No 1035/72 of 18 May 1972 on the common organization of the market in fruit and vegetables.

However the Community reserves the right to calculate the amount to be deducted in the case of import charges other than customs duties in such a way as to avoid difficulties which may result from the incidence of those charges on entry prices, depending on origin.

- 4. Articles 23 to 28 of Council Regulation (EEC) No 1035/72 shall continue to apply.
- 5. Where, as a consequence of abnormal conditions of competition, the benefits accruing from the provisions of paragraph 1 shall be or shall risk being jeopardized, there may be consultation within the Association Council to consider the problems raised by the situation that has arisen.

## Article 6

1. The following products, originating in Cyprus, shall on entry into the Community pay the Common Customs Tariff duty reduced by 40 %: >PIC FILE= "T0004048">

2. Where disturbance of the market occurs for products falling within subheading 08.02 D of the Common Customs Tariff, there shall be consultation within the Association Council with a view to appropriate remedies.

## Article 7

The following product, originating in Cyprus, shall be exempt from payment of customs duty on entry into the Community: >PIC FILE= "T0004049">

## Article 8

- 1. The rates of the Common Customs Tariff duties to be taken into consideration for calculating the reduced duties mentioned in Articles 1, 2, 4, 5 and 6 shall be those effectively applied at any given time vis-à-vis third countries.
- 2. The reduced duties, calculated in accordance with Articles 1, 2, 4, 5 and 6 shall be applied by rounding to the first decimal point.

# Article 9

Products originating in Cyprus referred to in this Annex, including products mentioned in List A, shall be imported into the Community free of quantitative restrictions. This provision shall be without prejudice to the rules governing the importation of petroleum products.

## Article 10

1. In respect of products referred to in this Annex, other than those falling under Annex II of the Treaty establishing the European Economic Community, the Community reserves the right, particularly for the purpose of avoiding certain distortions of competition or the replacement of trade, to amend the system provided for in this Annex, in the event of specific regulations being laid down as a consequence of the implementation of the common agricultural policy.

In adopting such Regulations or amending this system, the Community shall take the interests of Cyprus into account.

2. In respect of products referred to in this Annex falling under Annex II of the Treaty establishing the European Economic Community, the Community reserves the right, in the event of the adoption of regulations, to amend the system provided for in this Annex

In adopting such regulations or amending this system, the Community shall take the interests of Cyprus into account.

3. In respect of products referred to in this Annex falling under Annex II of the Treaty establishing the European Economic Community, the Community reserves the right, in the event of the amendment of its regulations, to amend the system provided for in this Annex.

In amending this system, the Community shall confer on imports originating in Cyprus a benefit comparable with that provided for in this Annex.

4. Consultations may take place within the Association Council with a view to implementing this Article.

## Article 11

Products originating in Cyprus referred to in this Annex may not receive a more favourable treatment than that which the Member States apply to each other on the basis of the Treaty establishing the European Economic Community.

LIST A relating to products imported into the Community under specific Regulations as a consequence of the implementation of the common agricultural policy, and excluded from the treatment provided for in Article 1

>PIC FILE= "T0004050"> >PIC FILE= "T0004051">

LIST B relating to Article 1

>PIC FILE= "T0004052">

ANNEX II IMPLEMENTATION OF ARTICLE 3 (2) OF THE AGREEMENT

#### Article 1

The customs duties and taxes having equivalent effect applicable on the importation into Cyprus of products originating in the Community, other than those mentioned in lists A and B, shall be those of the General Customs Tariff of Cyprus reduced by the following percentages and according to the following time table: >PIC FILE= "T0004330">

## Article 2

- 1. The tariff system applied by the Republic of Cyprus to products originating in the Community may not be less favourable than that applied to products originating in the most favoured third country.
- 2. Until the end of the fourth year of the Agreement, paragraph 1 shall not be applicable in respect of countries granted preferential treatment by the Republic of Cyprus at the time of entry into force of the Agreement.

However, the tariff measures taken by the Republic of Cyprus shall not have the effect of increasing any preference enjoyed by these countries.

## Article 3

- 1. The customs duties and taxes having equivalent effect applicable on the importation into Cyprus of products originating in the Community mentioned in List A shall be those of the General Customs Tariff of Cyprus, reduced by the percentages and according to the time table set out in Article 1, provided that such reductions do not exceed the number of points shown under each heading in relation to the General Tariff of Cyprus.
- 2. For the products mentioned in List B, no tariff reduction shall be made during the first stage of the Agreement.

## Article 4

- 1. The rates of duties to be taken into consideration for the purpose of calculating the reduced duties referred to in Article 1 shall be those of the General Tariff of Cyprus effectively applied at any given time vis-à-vis third countries. The reduced duties shall be applied by rounding to the first decimal point.
- 2. In the event of the introduction or modification of customs duties in the Customs Tariff of Cyprus, or of taxes having equivalent effect, the reduction percentages granted to the Community pursuant to Article 1 shall remain unchanged.

## Article 5

1. Without prejudice to the right of the Republic of Cyprus to modify the duties in its customs tariff and the taxes having equivalent effect, and notwithstanding Articles 1 and 4, and to the extent that protective measures prove necessary to meet the

requirements of its industrialisation and development, the Republic of Cyprus may reintroduce, increase, or establish customs duties. Such customs duties may not exceed a level of 20 % ad valorem, and in certain special and exceptional cases, of 25 ad valorem. Such measures may only be applied to a maximum volume of 10 % of the total value of the imports of Cyprus from the Community during 1971.

- 2. Such measures may not be taken unless they are necessary to protect, and to further the development of, any new processing industry not existing in Cyprus at the time of entry into force of the Agreement; they shall only be applicable in respect of a specific form of production.
- 3. Twelve months after the reintroduction, increase or establishment of such customs duties, the Republic of Cyprus shall proceed to an annual tariff reduction of 10 % with regard to imports originating in the Community.
- 4. The measures referred to in paragraph 1 shall be taken after consultations within the Association Council. Such consultations shall take place at the earliest possible opportunity.

## Article 6

The Republic of Cyprus shall refrain from introducing new quantitative restrictions and charges having equivalent effect on the importation of products originating in the Community.

This provision shall not affect the regulations applicable to the importation of petroleum products.

The treatment applied to the Community as regards quantitative restrictions shall be at least as favourable as that applied to the most favoured country.

# Article 7

1. In respect of products referred to in this Annex other than those falling under Annex II of the Treaty establishing the European Economic Community, the Republic of Cyprus reserves the right, particularly for the purpose of avoiding certain distortions of competition or the replacement of trade, to amend the system provided for in this Annex, in the event of specific regulations being laid down as a consequence of the implementation of its agricultural policy.

In adopting such regulations or amending this system, the Republic of Cyprus shall take the interests of the Community into account.

2. In respect of products referred to in this Annex falling under Annex II of the Treaty establishing the European Economic Community, the Republic of Cyprus reserves the right, in the event of the adoption of regulations, to amend the system provided for in this Annex.

In adopting such regulations or amending this system, the Republic of Cyprus shall take the interests of the Community into account.

3. In respect of products referred to in this Annex falling under Annex II of the Treaty establishing the European Economic Community, the Republic of Cyprus reserves the right, in the event of the amendment of its regulations, to amend the treatment provided for in this Annex.

In amending this system, the Republic of Cyprus shall confer on imports originating in the Community a benefit comparable with that provided for in this Annex.

4. Consultations may take place within the Association Council with a view to implementing this Article.

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LIST A relating to Article 3 (1)
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LIST B relating to paragraph 2 of Article 3
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PROTOCOL concerning the definition of the concept of "originating" products and methods of administrative cooperation

TITLE I Definition of the concept of "originating" products

#### Article 1

For the purpose of implementing the Agreement establishing an Association between the European Economic Community and the Republic of Cyprus, the following products shall be considered as: 1. products originating in the Community, provided that they have been transported to Cyprus directly, within the meaning of Article 5: (a) products wholly obtained in the Member States;

- (b) products obtained in the Member States, in the manufacture of which products other than those referred to in (a) above are used, provided that the said products have undergone sufficient working or processing within the meaning of Article 3. This condition shall not apply, however, to products which, within the meaning of this Protocol, originate in Cyprus;
- 2. products originating in Cyprus, provided that they have been transported to the importing Member State directly, within the meaning of Article 5: (a) products wholly obtained in Cyprus;
- (b) products obtained in Cyprus, in the manufacture of which products other than those referred to in (a) above are used, provided that the said products have undergone sufficient working or processing within the meaning of Article 3. This condition shall not apply, however, to products which, within the meaning of this Protocol, originate in the Community.

The products listed in List C shall be temporarily excluded from the scope of this Protocol.

## Article 2

The following shall be considered as wholly obtained either in the Member States or in Cyprus, within the meaning of Article 1, 1 (a) and 2 (a): (a) mineral products extracted from their soil or from their sea or ocean bed;

- (b) vegetable products harvested there;
- (c) live animals born and raised there;
- (d) products from live animals;
- (e) products from hunting and fishing conducted there;
- (f) products of sea fishing and other products taken from the sea by their vessels;
- (g) products made aboard their factory ships exclusively from products referred to in (f);
- (h) used articles collected there fit only for the recovery of raw materials;
- (i) waste and scrap resulting from manufacturing operations conducted there;
- (j) goods produced there exclusively from products specified in (a) to (i).

## Article 3

For the purpose of implementing Article 1, 1 (b) and 2 (b), the following shall be considered as sufficient working or processing: (a) working or processing as a result of which the goods obtained receive a classification under a tariff heading other than that covering each of the products worked or processed, except, however, working or processing appearing in List A, where the special provisions of that list apply; (b) working or processing appearing in List B.

"Tariff headings" shall mean the headings in the Brussels Nomenclature for the Classification of Goods in Customs Tariffs.

# Article 4

Where the Lists A and B referred to in Article 3 provide that the goods obtained in a Member State or in Cyprus shall be considered as originating there only if the value of the products worked or processed does not exceed a given percentage of the value of the goods obtained, the value to be taken into consideration for determining such percentage shall be: - on the one hand:

as regards products whose importation can be proved : their customs value at the time of importation;

as regards products of undetermined origin: the earliest ascertainable price paid for such products in the territory of the State where manufacture takes place;

- on the other hand:

the ex-factory price of the goods obtained, less internal taxes refunded or refundable on exportation.

#### Article 5

The following shall be considered as transported directly from the exporting Member State to Cyprus or from Cyprus to the importing Member State: (a) goods transported without passing through territory other than that of Contracting Parties; (b) goods transported through territories other than those of Contracting Parties, or transhipped in such territories, if the passage in such territories or the transhipment is covered by a single transport document drawn up in a Member State or in the Republic of Cyprus.

Transhipments carried out in the ports of territories other than those of Contracting Parties shall not be considered as interrupting direct transport if such transhipments are caused by force majeure or are the result of events at sea.

# TITLE II Methods of administrative cooperation Article 6

"Originating" products within the meaning of this Protocol shall, in the importing Member State or in Cyprus, benefit from the provisions of the Agreement, upon submission of an A.CY.1 movement certificate issued by the customs authorities of the Republic of Cyprus or the customs authorities of the exporting Member State.

However, products sent by post (including parcels) shall, provided that the consignments contain only "originating" products and that the value does not exceed one thousand units of account per consignment, benefit from the provisions of the Agreement in the Member State or in Cyprus, on the presentation of form A.CY.2, subject to each parcel bearing the label contained in Part 2 of this form.

# Article 7

Movement certificate A.CY.1 shall be issued only on application being made in writing by the exporter, on the form prescribed for this purpose.

# Article 8

The A.CY.1 movement certificate shall be issued by the customs authorities of the exporting State when the goods to which it relates are exported. It shall be made available to the exporters as soon as actual exportation has been effected or ensured. In exceptional circumstances, an A.CY.1 movement certificate may also be issued after the exportation of the goods to which it refers, if it was not submitted at the time of such exportation because of errors or involuntary omissions or special circumstances. In this case, the certificate shall bear a special reference to the conditions in which it was issued.

An A.CY.1 movement certificate may be issued only where it can serve as documentary evidence for the purpose of implementing the preferential treatment provided for in the Agreement.

# Article 9

Movement certificates A.CY.1 must be submitted, within four months from the date of issue by the customs authorities of the exporting Member State, to the customs authorities of the importing Member State where the goods are delivered.

## Article 10

Movement certificates A.CY.1 must be made out on a form of which a specimen appears in Annex V. They shall be drawn up in one of the languages in which the Agreement is drawn up, in accordance with the provisions of the national law of the exporting State. They shall be typewritten or hand-written; in the latter case, they shall be completed in ink and in capital letters.

Each certificate shall measure 210 X 297 mm. The paper used must be white sized writing paper not containing mechanical pulp and weighing not less than 64 g/m2 or between 25 and 30 g/m2 if airmail paper is used. It shall have a green machine-turned background making any falsification by chemical or mechanical means apparent to the eye.

On the front of each certificate, a diagonal pattern of three blue stripes, each 3 mm wide, shall run from the bottom left hand corner to the top right hand corner. Each certificate shall contain a serial number by which it can be identified. The Member States and the Republic of Cyprus may reserve the right to print the certificates themselves or may have them printed by approved printers. In the latter case, each form must carry reference to such approval. Each form must bear the name and address of the printer or a sign by which the printer can be identified.

#### Article 11

In the importing State, A.CY.1 movement certificates shall be submitted to the customs authorities, in accordance with the provisions made in the laws and regulations of that State. The said authorities may require a translation of a certificate. They may also require the import declaration to be accompanied by a statement from the importer to the effect that the goods meet the conditions required for the implementation of the Agreement.

## Article 12

Form A.CY.2, of which a specimen appears in Annex VI, shall be completed by the exporter. It shall be drawn up in one of the languages in which the Agreement is drawn up and in accordance with the provisions of the national law of the exporting State. It shall be typewritten or hand written; in the latter case it shall be completed in ink and in capital letters.

Form A.CY.2 is composed of two parts, each part being 210 mm X 148 mm. The paper used shall be white sized writing paper not containing mechanical pulp and weighing not less than 64 g/m2. On the front of Part 1 and the label contained in Part 2, a diagonal pattern of three blue stripes, each 3 mm wide, shall run from the bottom left-hand corner to the top right-hand corner.

Form A.CY.2 may be perforated mechanically so that the two parts may be separated and the portion of the form to be affixed on the consignment can be detached. The back of this portion may be adhesive.

The Member States and the Republic of Cyprus may reserve the right to print the forms themselves or may have them printed by approved printers. In the latter case, each form must carry a reference to such approval. Each form must bear the name and address of the printer or a sign by which the printer can be identified. Each part shall also bear a serial number by which it can be identified.

For each postal consignment, an A.CY.2 form shall be completed. After completing and signing the two parts of the form, the exporter shall insert his declaration (Part 1) in the consignment and stick the label from Part 2 on the outer packing of the consignment. These provisions do not dispense exporters from complying with any formalities required by customs or postal regulations.

# Article 14

Unless they suspect some irregularity, the customs authorities of the Member State or of the Republic of Cyprus shall admit as benefiting from the provisions of the Agreement any goods contained in a consignment bearing an A.CY.2 label.

For the purpose of a random check or in a case of doubt as to regularity, the customs authorities of a Member State or of the Republic of Cyprus may ask for a verification by the customs authorities of the Republic of Cyprus or the Member State, forwarding, for this purpose, Part 1 of the A.CY.2 form contained in the consignment, and may suspend, while waiting for the result of such examination, the application of the Agreement. In such cases, the goods may be released to the importer, subject to such safeguards as may be considered necessary.

## Article 15

- 1. Member States and the Republic of Cyprus shall admit as "originating" products benefiting from the provisions of the Agreement, without requiring the production of an A.CY.1 movement certificate or the completion of an A.CY.2 form, goods sent as small packages to private persons or forming part of passengers' personal luggage, in so far as such goods are not imported by way of trade and have been declared as meeting the conditions required for the application of this Agreement, and where there is no doubt as to the veracity of such declaration.
- 2. Importations which are occasional and consist solely of goods for the personal use of the addressee or passenger or his family, it being evident from the nature and quality of the goods that no commercial purpose is in view, shall not be considered as importations by way of trade. Furthermore, the total value of these goods must not exceed 60 units of account in the case of small packages or 200 units of account in the case of the contents of passengers' personal luggage.

## Article 16

- 1. Goods sent from a Member State or from Cyprus for exhibition in another country and sold after the exhibition for importation into Cyprus or into a Member State shall benefit on importation into that State from the provisions of the Agreement on condition that the goods meet the requirements of this Protocol entitling them to be recognized as originating in the exporting country and provided that it is shown to the satisfaction of the customs authorities of the importing State that: (a) an exporter has consigned these goods from the territory of a Member State or from Cyprus to the country in which the exhibition is held and has exhibited them there;
- (b) the goods have been sold or otherwise disposed of by that exporter to someone in Cyprus or in a Member State;
- (c) the goods have been consigned during the exhibition or immediately thereafter to Cyprus or to a Member State in the condition in which they were sent for exhibition;
- (d) the goods have not, since they were consigned for exhibition, been used for any purpose other than demonstration at the exhibition.

- 2. A movement certificate A.CY.1 must be produced to the customs authorities of the importing State in the normal manner. The name and address of the exhibition must be indicated thereon. Where necessary, additional documentary evidence of the nature of the goods and the conditions under which they have been exhibited may be required from the country where the exhibition was held.
- 3. Paragraph 1 shall apply to any trade, industrial, agricultural or crafts exhibition, fair or similar public show or display which is not organized for private purposes in shops or business premises with a view to the sale of foreign goods, and during which the goods remain under customs control.

# Article 17

In order to ensure the proper application of this Title, the Member States and the Republic of Cyprus shall assist each other, through their respective customs administrations, for the purpose of checking the authenticity and correctness of A.CY.1 movement certificates and of exporters' declarations made on A.CY.2 forms. The Association Council shall draw up any recommendations necessary for the application of this Protocol, especially of this Title, so that the methods of administrative cooperation may be applied in due course in the Member States and in the Republic of Cyprus.

## TITLE III Final Provisions

#### Article 18

The Member States and the Republic of Cyprus shall take all the measures necessary for the A.CY.1 movement certificates to be produced, in accordance with Article 11, as from the date of entry into force of the Agreement.

## Article 19

The Republic of Cyprus, the Member States and the Community shall, each to the extent to which they are concerned, take the necessary steps to implement this Protocol.

# Article 20

The explanatory notes, Lists A, B and C, the model of the A.CY.1 movement certificate and that of the A.CY.2 form annexed to this Protocol shall form an integral part of the latter.

## Article 21

Goods which conform to the provisions of Title I and which, on the date of entry into force of the Agreement, are either being transported or are being held in a Member State or Cyprus under temporary warehouse procedure, in bonded warehouses or in free zones, including free ports and free bonded warehouses, may be allowed to benefit from the provisions of the Agreement, subject to the submission - within four months from that date - to the customs authorities of the importing state of an A.CY.1 movement certificate, issued retrospectively by the authorities of the exporting State, and of any documents that provide supporting evidence of direct transport.

## ANNEX LEXPLANATORY NOTES

#### Note 1 - Article 1

The terms "in the Member States" or "in Cyprus" shall also cover territorial waters. Ships operating on the high seas, including "factory ships" on which the fish caught is worked or processed, shall be considered as part of the Member State to which they belong or of Cyprus provided that they satisfy the conditions laid down in Explanatory Note 4.

# Note 2 - Article 1

In order to determine whether goods originate in a Member State or in Cyprus, it shall not be necessary to establish whether the power and fuel, plant and equipment and machine tools used to obtain such goods originate or not in third countries.

## Note 3 - Article 1

Packing shall be considered as forming a whole with the goods contained therein. This provision, however, shall not apply to packing which is not of the normal type for the article packed and which has intrinsic value of a durable nature apart from its function as packing.

# Note 4 - Article 2 (f)

The term "their vessels" shall apply only to vessels: - which are registered in a Member State or in the Republic of Cyprus;

- which sail under the flag of a Member State or of the Republic of Cyprus;
- which are owned to an extent of at least 50 % by nationals of Member States or the Republic of Cyprus, or by a company or firm with its head office in one of these States, of which the "manager" or "managers", chairman of the board of directors or of the supervisory board, and the majority of the members of such boards are nationals of a Member State or the Republic of Cyprus, and of which, in addition, in the case of partnerships or limited companies, at least half the capital belongs to States party to the Agreement to public bodies or to nationals of the said States;
- of which the captain and officers are all nationals of the Member States or the Republic of Cyprus;
- of which at least 75  $\,\%$  of the crew are nationals of the Member States or the Republic of Cyprus.

# Note 5 - Article 4

"Ex factory price" shall mean the price paid to the manufacturer in whose undertaking sufficient working or processing is carried out. Where such working or processing is carried out successively in two or more undertakings, the price to be taken into account shall be that paid to the last manufacturer.

## Note 6 - Article 8

Where an A.CY.1 movement certificate relates to goods originally imported from a Member State or Cyprus and re-exported in the same state, the new certificates issued by the re-exporting State must show in which country the original movement certificate was issued.

# Note 7 - Article 13

After completing the A.CY.2 form, the exporter shall insert the words "A.CY.2", followed by the serial number of the form used, either on the C 1 green label or on the C 2/C P 3 or C 2 M/C P 3 M customs declaration. The invoice concerning the goods contained in the consignment shall also contain the words "A.CY.2" and the serial number of the form used.

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ANNEX II LIST A List of working or processing operations which result in a change of
tariff heading without conferring the status of "originating products" on the products
undergoing such operations, or conferring this status only subject to certain conditions
>PIC FILE= "T0004074"> >PIC FILE= "T0004075">
>PIC FILE= "T0004076">
>PIC FILE= "T0004077">
>PIC FILE= "T0004078">
>PIC FILE= "T0004079">
>PIC FILE= "T0004080">
>PIC FILE= "T0004081">
>PIC FILE= "T0004082">
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>PIC FILE= "T0004096">
>PIC FILE= "T0004097">
>PIC FILE= "T0004098">
>PIC FILE= "T0004099">
ANNEX III LIST B List of working or processing operations which do not result in a change
of tariff heading but which do confer the status of "originating" products on the
products undergoing such operations
>PIC FILE= "T0004100"> >PIC FILE= "T0004101">
>PIC FILE= "T0004102">
>PIC FILE= "T0004103">
ANNEX IV LIST C List of products temporarily excluded from the scope of this Protocol
>PIC FILE= "T0004104">
ANNEX V
>PIC FILE= "T0004105">
>PIC FILE= "T0004106">
>PIC FILE= "T0004107">
>PIC FILE= "T0004108">
>PIC FILE= "T0004109">
>PIC FILE= "T0004111"> >PIC FILE= "T0004110">
FINAL ACT
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The Plenipotentiaries of THE COUNCIL OF THE EUROPEAN COMMUNITIES, of the one part, and

THE GOVERNMENT OF THE REPUBLIC OF CYPRUS,

of the other part,

assembled at Brussels, on this nineteenth day of December, in the year one thousand nine hundred and seventy-two,

for the purpose of signing the Agreement establishing an Association between the European Economic Community and the Republic of Cyprus,

have, at the time of signing this Agreement, - adopted the following Joint Declarations by the Contracting Parties: 1. Joint Declaration by the Contracting Parties concerning cooperation and contacts between the European Parliament and the House of Representatives of the Republic of Cyprus,

- 2. Joint Declaration by the Contracting Parties concerning amendments to the customs tariffs and to the import regulations,
- 3. Joint Declaration by the Contracting Parties concerning Article 2 of the Agreement,
- 4. Joint Declaration by the Contracting Parties concerning Article 2 of Annex I;
- and have taken note of the following Declarations: 1. Declaration by the European Economic Community concerning agricultural products,
- 2. Declaration by the Republic of Cyprus concerning Article 6 of Annex II.

The aforementioned Declarations are annexed to this Final Act.

The Plenipotentiaries have agreed that these Declarations shall, in so far as necessary, be subject, under the same conditions as the Agreement, to the procedures required to ensure their validity.

Zu Urkund dessen haben die unterzeichneten Bevollmächtigten ihre Unterschriften unter diese Schlußakte gesetzt.

En foi de quoi, les plénipotentiaires soussignés ont apposé leurs signatures au bas du présent acte final.

In fede di che, i plenipotenziari sottoscritti hanno apposto le loro firme in calce al presente atto finale.

Ten blijke waarvan de ondergetekende gevolmachtigden hun handtekening onder deze Slotakte hebben gesteld.

In witness whereof, the undersigned Plenipotentiaries have affixed their signatures below the Final Act.

Geschehen zu Brüssel am neunzehnten Dezember neunzehnhundertzweiundsiebzig. Fait à Bruxelles, le dix-neuf décembre mil neuf cent soixante-douze.

Fatto a Bruxelles, addì diciannove dicembre millenovecentosettantadue.

Gedaan te Brussel, de negentiende december negentienhonderdtweeënzeventig.

Done at Brussels on this nineteenth day of December in the year one thousand nine hundred and seventy-two.

Im Namen des Rates der Europäischen Gemeinschaften,

Pour le Conseil des Communautés européennes,

Per il Consiglio delle Comunità europee,

Voor de Raad der Europese Gemeenschappen,

For the Council of the European Communities, >PIC FILE= "T0004112">

Mit dem Vorbehalt, daß für die Europäische Wirtschaftsgemeinschaft erst dann endgültig eine Verpflichtung besteht, wenn sie der anderen Vertragspartei notifiziert hat, daß die durch den Vertrag zur Gründung der Europäischen Wirtschaftsgemeinschaft vorgeschriebenen Verfahren, namentlich die Anhörung des Europäischen Parlaments, stattgefunden haben.

Sous réserve que la Communauté économique européenne ne sera définitivement engagée qu'après notification à l'autre partie contractante de l'accomplissement des procédures requises par le traité instituant la Communauté économique européenne et notamment la consultation de l'Assemblée.

Con riserva che la Comunità economica europea sarà definitivamente vincolata soltanto dopo la notifica all'altra parte contraente dell'espletamento delle procedure richieste dal trattato che istituisce la Comunità economica europea e, in particolare, dell'avvenuta consultazione del Parlamento europeo.

Onder voorbehoud dat de Europese Economische Gemeenschap eerst definitief gebonden zal zijn na kennisgeving aan de andere Overeenkomstsluitende Partij van de vervulling der door het Verdrag tot oprichting van de Europese Economische Gemeenschap vereiste procedures, met name van de raadpleging van het Europese Parlement.

Provided that the Community shall be finally bound only after the other Contracting Party has been notified that the procedures required by the Treaty establishing the European Economic Community, and, in particular, consultation of the European Parliament, have been completed.

Im Namen der Regierung der Republik Zypern,

Pour le gouvernement de la république de Chypre,

Per il governo della Repubblica di Cipro,

Voor de Regering van de Republiek Cyprus,

For the Government of the Republic of Cyprus, >PIC FILE= "T0004113"> ANNEX

Joint Declaration by the Contracting Parties concerning cooperation and contacts between the European Parliament and the House of Representatives of the Republic of Cyprus

The Contracting Parties agree to take all appropriate measures in order to facilitate cooperation and contacts between the European Parliament and the House of Representatives of the Republic of Cyprus.

Joint Declaration by the Contracting Parties concerning amendments to the customs tariffs and to the import regulations

The Contracting Parties agree to notify each other with the least possible delay of any amendments made to their respective customs tariffs, or to the regulations governing their import trade.

Joint Declaration by the Contracting Parties concerning Article 2 of the Agreement 1. The Republic of Cyprus envisages the progressive establishment, during the course of the second stage of the Agreement, of a customs union with the European Economic Community. To this end, the Republic of Cyprus envisages applying with due regard to its economic situation, to the products mentioned in List A of Annex II to the Agreement, as from the commencement of the second stage an initial reduction vis-à-vis

the Community of at least 35 % of customs duties and taxes having an equivalent effect.

- 2. The European Economic Community envisages granting the Republic of Cyprus, from the commencement of the second stage, exemption from customs duties and taxes having equivalent effect in respect of products referred to in Article 1 of Annex I of the Agreement.
- 3. The procedures for the introduction by the Republic of Cyprus of the common customs tariff, the elimination of the customs duties and quantitative restrictions applied vis-à-vis the Community, complementary provisions for the proper implementation of the customs union, and the special arrangements for the importation into the Community of products falling under Annex II of the Treaty establishing the European Economic Community or subject to a specific regulation within the framework of the Common Agricultural Policy, which latter arrangements shall take due account of this policy of the Community, shall be determined during the course of negotiations for transition to the second stage.

Joint Declaration by the Contracting Parties concerning Article 2 of Annex I The Contracting Parties, taking into consideration the undertaking by the Republic of Cyprus to apply the Common Customs Tariff during the second stage of the Agreement, agree that, for the purpose of the implementation of the Protocol concerning the definition of "originating" products and on methods of administrative cooperation, the special provisions mentioned in List A to that Protocol shall not be applicable, during the first stage, to imports, made under the conditions laid down in Article 2 of Annex I, of products falling under tariff heading Nos 56.04 (man-made fibres discontinuous or waste, carded, combed or otherwise prepared for spinning) and 61.01 (men's and boys' outer garments).

Declaration by the European Economic Community concerning agricultural products The Community is prepared to re-examine with the Republic of Cyprus, the agricultural content of the Agreement in the light of the result of work in progress with a view to a global approach on the Community's relations with the Mediterranean countries. In the course of this work the interests of Cyprus shall also be taken into consideration. Declaration by the Republic of Cyprus concerning Article 6 of Annex II The Government of the Republic of Cyprus declares that it is prepared to take the necessary steps to procure that, during the first stage of the Agreement, imports which are still subject to quantitative restrictions shall be freed from such restrictions as early as possible and to the extent compatible with the proper development of the economy of Cyprus.

It also declares that it is prepared to ensure that, when products still subject to quantitative restrictions are imported, normal conditions of competition are respected.

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