

ANNEX I

REFERRED TO IN ARTICLE 2.3

**RULES OF ORIGIN AND METHODS OF ADMINISTRATIVE
COOPERATION**

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Article 1

Regional Convention on Pan-Euro-Mediterranean Preferential Rules of Origin

1. For the purpose of implementing the Agreement with regard to the rules of origin and with respect to the rights and obligations of the Parties concerning rules of origin and administrative cooperation between the customs authorities of the Parties, Appendix I and, where appropriate, the relevant provisions of Appendix II to the Regional Convention on Pan-Euro-Mediterranean Preferential Rules of Origin (Convention) with all future amendments shall apply and are hereby incorporated into and made part of the Agreement.
2. All references to the “relevant agreement” in Appendix I and, where appropriate, the relevant provisions of Appendix II to the Convention shall be construed so as to mean “the Agreement”.

Article 2

Consultations and Dispute Settlement

1. Where disputes arise in relation to the verification procedures set out in Article 32 of Appendix I to the Convention, which cannot be settled between the customs authorities requesting the verification and the customs authorities responsible for carrying out this verification, they shall be submitted first to the Sub-Committee on Customs Matters and then to the Joint Committee.
2. In all cases, the settlement of disputes between an importer and the customs authorities of the importing country shall take place under the legislation of that country.
3. For clarity, Chapter 9 (Dispute Settlement) of the Agreement applies with respect to the settlement of any disputes concerning the interpretation or application of Appendix I to the Convention.

Article 3

Withdrawal from the Convention

1. Should a Party give notice in writing to the depositary of the Convention of their intention to withdraw from the Convention according to Article 9 of the Convention, the

Parties shall immediately enter into negotiations on rules of origin for the purposes of the Agreement.

2. Until entry into force of new rules of origin negotiated pursuant to paragraph 1, the rules of origin contained in Appendix I and, where appropriate, the relevant provisions of Appendix II to the Convention, applicable at the moment of withdrawal, shall continue to apply to the Agreement. However, as of the moment of withdrawal, the rules of origin contained in Appendix I and, where appropriate, the relevant provisions of Appendix II to the Convention shall be construed so as to allow bilateral cumulation between the EFTA States and Turkey only.

Article 4

Transitional Provisions and Cumulation

1. Pursuant to paragraph 5 of Article 3 of Appendix I to the Convention, the rules on cumulation provided for in Article 3 of Appendix I to the Convention shall apply between the EFTA States and Turkey even before the Convention has entered into application with relation to all the Contracting Parties listed in Article 3 of the Convention. In order to allow for diagonal cumulation, it is not required that the Convention has entered into application with relation to all contracting Parties to the Convention, provided that the notifications have been made to the depositary of the Convention regarding the references to the Regional Convention, or the rules of origin which are identical to the ones included in the Convention are applied in the relevant free trade agreements.

2. Notwithstanding paragraph 5 of Article 16 and paragraph 3 of Article 21 of Appendix I to the Convention, where cumulation involves only EFTA States, Turkey, the Faroe Islands, the EU, the participants in the European Union's Stabilisation and Association Process, the Republic of Moldova, Ukraine and Georgia, the proof of origin may be a movement certificate EUR.1 or an origin declaration.
