

Free Trade Agreement

between the United Kingdom of Great Britain and Northern Ireland and the Kingdom of Denmark in respect of the Faroe Islands

THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND (“the United Kingdom”) and THE KINGDOM OF DENMARK IN RESPECT OF THE FAROE ISLANDS (“the Faroe Islands”) (hereinafter referred to as “the Parties”),

RECOGNISING that the Agreement between the European Community, of the one part, and the Government of Denmark and the Home Government of the Faroe Islands, of the other part, signed in Brussels on 6 December 1996 (“the EU-Faroe Islands Agreement”) will cease to apply to the United Kingdom when it ceases to be a Member State of the European Union, or at the end of any transitional period or implementation period during which the rights and obligations under the EU-Faroe Islands Agreement continue to apply to the United Kingdom;

DESIRING that the rights and obligations between them as provided for by the EU-Faroe Islands Agreement should continue after the United Kingdom leaves the European Union;

HAVE AGREED AS FOLLOWS:

Article 1

Objective

The overriding objective of this Agreement is to preserve preferential conditions relating to trade between the Parties, which resulted from the EU-Faroe Islands Agreement, and to provide a platform for further trade liberalisation between the Parties.

Article 2

Definitions

1. Throughout this Instrument:

- a) “*mutatis mutandis*” means with the technical changes necessary to apply the EU-Faroe Islands Agreement as if it had been concluded between the United Kingdom and the Faroe Islands, taking into account the object and purpose of this Agreement;
- b) the “*Incorporated Agreement*” means the EU-Faroe Islands Agreement as incorporated into and modified by this Instrument; and
- c) “*this Instrument*” means the preambular paragraphs, present Articles 1 to 10 and the Annex modifying the Incorporated Agreement, including the Appendix to that Annex.

2. “*This Agreement*”:

- a) if referred to in this Instrument, means this Instrument and the Incorporated Agreement; and

b) if referred to in the Incorporated Agreement, means the Incorporated Agreement only.

Article 3

European currency references

Notwithstanding Article 2, references to EUR (the euro currency) and to ECU (the European Currency Unit) in the Incorporated Agreement shall continue to be read as references to EUR (the euro currency) in this Agreement.

Article 4

Incorporation of the EU-Faroe Islands Agreement

The EU-Faroe Islands Agreement, in effect immediately before it ceases to apply to the United Kingdom, is incorporated into and made part of this Agreement, *mutatis mutandis*, subject to the provisions of this Instrument.

Article 5

Integral parts of this Agreement

The Annex to this Instrument, including the Appendix to that Annex, is integral to this Agreement.

Article 6

Territorial application

For the avoidance of doubt in relation to Article 39 of the Incorporated Agreement, this Agreement shall apply in respect of the United Kingdom to the extent that and under the conditions which the EU-Faroe Islands Agreement applied immediately before it ceased to apply to the United Kingdom, to the United Kingdom and the following territories for whose international relations it is responsible:

- (a) Gibraltar;
- (b) the Channel Islands and the Isle of Man; and
- (c) the Sovereign Base Areas of Akrotiri and Dhekelia in Cyprus.

Article 7

Continuation of time periods

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

Article 8

Joint Committee

1. The Joint Committee which the Parties establish under Article 31 of the Incorporated Agreement shall, in particular, ensure that this Agreement operates properly from the date this Agreement enters into force.
2. Unless the Parties agree otherwise, any decisions adopted by the Joint Committee established by the EU-Faroe Islands Agreement before the EU-Faroe Islands Agreement ceased to apply to the United Kingdom shall, to the extent those decisions relate to the Parties to this Agreement, be deemed to have been adopted, *mutatis mutandis* and subject to the provisions of this Instrument, by the Joint Committee the Parties establish under Article 31 of the Incorporated Agreement.
3. For the avoidance of doubt, paragraph 2 shall not apply to Decision 1/2001, as amended, of the Joint Committee established by the EU-Faroe Islands Agreement.
4. Nothing in paragraph 2 prevents the Joint Committee established under Article 31 of the Incorporated Agreement from making decisions which are different from, modify, revoke or supersede the decisions deemed to have been adopted by it under that paragraph.

Article 9

Amendments

1. The Parties may agree, in writing, to amend this Agreement. An amendment shall enter into force on the date of receipt of the later of the Parties' written notifications confirming that they have completed their respective legal requirements and procedures, or on such date as the Parties may agree.
2. Notwithstanding paragraph 1, the Joint Committee established under Article 31 of the Incorporated Agreement may decide to amend an Annex, Protocol or Appendix to this Agreement, subject to the relevant provisions of the Incorporated Agreement.

Article 10

Entry into force and provisional application

1. Article 40 of the EU-Faroe Islands Agreement shall not be incorporated into this Agreement.
 2. Each of the Parties shall notify the other in writing of the completion of the procedures required by its law for the entry into force of this Agreement.
 3. This Agreement shall enter into force on the later of:
 - a) the date on which the EU-Faroe Islands Agreement ceases to apply to the United Kingdom; or
 - b) the date of receipt of the later of the Parties' notifications that they have completed their domestic procedures required for entry into force.
 4. a) Pending entry into force of this Agreement, the Parties may agree to provisionally applying this Agreement in accordance with such domestic procedures as are required for provisional application. Such provisional application shall take effect on the later of:
 - i. the date on which the EU-Faroe Islands Agreement ceases to apply to the United Kingdom; or
 - ii. the date of the later of the negotiating States' notifications that they have completed their domestic procedures for allowing provisional application pending the entry into force of this Agreement.
 - b) A Party may terminate the provisional application of this Agreement by written notice to the other Party. Such termination shall take effect on the first day of the second month following notification.
 - c) If a Party intends not to provisionally apply a provision of this Agreement, it shall first notify the other Party of the provisions that it will not provisionally apply, and the Parties shall enter consultations promptly to agree those provisions exempt from provisional application. The provisions that are not subject to a notification by a Party under this subparagraph, shall provisionally apply from the date the provisional application of this Agreement comes into effect under subparagraph (a).
5. If this Agreement or certain provisions of this Agreement are provisionally applied pending its entry into force, unless this Instrument provides otherwise, all references in this Agreement to the date of entry into force shall be deemed to refer to the date that such provisional application takes effect.
 6. The United Kingdom shall submit notifications under this Article to the Ministry of Foreign Affairs and Trade of the Faroe Islands or its successor. The Faroe Islands shall submit notifications under this Article to the United Kingdom's Department for International Trade or its successor.

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

Done in duplicate at [] this [] day of [] 201[] in the English and Faroese languages, both texts being equally authoritative. In the event of any inconsistency between the texts, the English language text shall prevail.

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

For the Kingdom of Denmark in respect of
the Faroe Islands:

ANNEX

The incorporation of the EU-Faroe Islands Agreement into this Agreement is further modified as follows:

A. MODIFICATIONS TO THE PREAMBLE OF THE EU-FAROE ISLANDS AGREEMENT

The following paragraph in the preamble to the EU-Faroe Islands Agreement shall not be incorporated into this Agreement:

“CONSIDERING the importance of the fisheries relationship laid down in the Agreement on fisheries between the Contracting Parties, who confirm that the trade aspects of this Agreement should not affect the functioning of the Fisheries Agreement and that, consequently, the volume of the mutual fisheries possibilities under that Agreement should continue to be maintained at a satisfactory level;”

B. MODIFICATIONS TO PROTOCOL 1

CONCERNING THE TARIFF TREATMENT AND ARRANGEMENTS APPLICABLE TO CERTAIN FISH AND FISHERY PRODUCTS RELEASED FOR FREE CIRCULATION IN THE COMMUNITY OR IMPORTED INTO THE FAROES

The Annex to Protocol 1 of the EU-Faroe Islands Agreement shall be substituted for:

“ANNEX

The preferential customs duties and other conditions to be applied on import into the United Kingdom of products originating in and coming from the Faroe Islands shall be as indicated in the table below from the year that this Agreement enters into force. The relevant period for all tariff rate quotas listed in the table below is 1 January to 31 December in any year. If this Agreement enters into force part-way through a calendar year, the annual quotas shall be applied on a pro-rata basis for the remainder of that year.

TABLE I

CN code	Description	Rate of duty	Tariff quota (TQ)
(1)	(2)	(3)	(4)
0301	Live fish:		
ex 0301 91 90	--- Trout of the species <i>Oncorhynchus mykiss</i>	0	TQ No 1
0301 92 00	-- Eels (<i>Anguilla</i> spp.)	0	
ex 0301 99 11	---- Atlantic salmon (<i>Salmo salar</i>)	0	

0302		Fish, fresh or chilled, excluding fish fillets and other fish meat of heading No 0304:		
ex	0302 11 90	--- Trout of the species <i>Oncorhynchus mykiss</i>	0	TQ No 1
ex	0302 12 00	-- Atlantic salmon (<i>Salmo salar</i>)	0	
	0302 19 00	-- Other	0	
	03 02 21 10	--- Lesser or Greenland halibut (<i>Reinhardtius hippoglossoides</i>)	0	
	0302 21 30	--- Atlantic (<i>Hippoglossus hippoglossus</i>)	0	
	0302 22 00	-- Palice (<i>Pleuronectes platessa</i>)	0	
	0302 23 00	-- Sole (<i>Solea</i> spp.)	0	
	0302 29 10	--- Megrim (<i>Lepidorhombus</i> spp.)	0	
	0302 29 90	--- Other	0	
	0302 40	- Herrings (<i>Clupea harengus</i> , <i>Clupea pallasii</i>), excluding livers and roes:		
	0302 40 05	-- From 1 January to 14 February	0	
	0302 40 98	-- From 16 June to 31 December	0	
	0302 50 10	-- Cod of the species <i>Gadus morhua</i>	0	
	0302 62 00	---- Haddock (<i>Melanogrammus aeglefinus</i>)	0	
	0302 63 00	-- Coalfish (<i>Pollachius virens</i>)	0	
ex	0302 64 05	--- Mackerel of the species <i>Scomber scombrus</i> , from 1 January to 14 February	0	
ex	0302 64 98	--- Mackerel of the species <i>Scomber scombrus</i> , from 16 June to 31 December	0	
	0302 65	-- Dogfish and other sharks:		
	0302 65 20	--- Dogfish of the species <i>Squalus acanthias</i>	0	
	0302 65 50	--- Dogfish of the species <i>Scyliorhinus</i> spp.	0	
	0302 65 90	--- Other	0	
	0302 66 00	-- Eels (<i>Anguilla</i> spp.)	0	
		---- Redfish (<i>Sebastes</i> spp.):		
	0302 69 31	---- Of the species <i>Sebastes marinus</i>	0	
ex	0302 69 33	---- Of the species <i>Sebastes mentella</i>	0	
	0302 69 41	---- Whittings (<i>Merlangus merlangus</i>)	0	
	0302 69 45	---- Ling (<i>Molva</i> spp.)	0	
ex	0302 69 68	---- Hake of the species <i>Merluccius merluccius</i>	0	
	0302 69 81	---- Monkfish (<i>Lophius</i> spp.)	0	
	0302 69 85	---- Blue whiting (<i>Micomesistius poutassou</i> or <i>Gadus poutassou</i>)	0	
	0302 69 99	---- Other	0	

0302 70 00	- Livers and roes	0	
0303	Fish, frozen excluding fish fillets and other fish meat of heading No 0304:		
ex 0303 21 90	--- Trout of the species <i>Oncorhynchus mykiss</i>	0	TQ No 1
ex 0303 22 00	--- Atlantic salmon (<i>Salmo salar</i>)	0	
0303 29 00	-- Other	0	
0303 31 10	--- Lesser or Greenland halibut (<i>Reinhardtius hippoglossoides</i>)	0	
0303 31 30	--- Atlantic halibut (<i>Hippoglossus hippoglossus</i>)	0	
0303 32 00	-- Plaice (<i>Pleuronectes platessa</i>)	0	
0303 33 00	-- Sole (<i>Solea</i> spp.)	0	
0303 39 10	--- Flounder (<i>Platichthys flesus</i>)	0	
0303 39 30	--- Fish of the genus <i>Rhombosolea</i>	0	
0303 39 80	--- Other	0	
0303 50	- Herrings (<i>Clupea harengues</i> , <i>Clupea pollasi</i>), excluding livers and roes:	0	
0303 50 05	-- From 1 January to 14 February	0	
0303 50 98	-- From 16 June to 31 December	0	
0303 60 11	-- Cod of the species <i>Gadus morhua</i>	0	
<u>0303 72 00</u>	<u>- Haddock (<i>Melanogrammus aeglefinus</i>)</u>	<u>0</u>	
0303 73 00	-- Coalfish (<i>Pollachius virens</i>)	0	
ex 0303 74 10	--- Mackerel of the species <i>Scomber scombrus</i> , from 1 January to 14 February	0	
ex 0303 74 20	--- Mackerel of the species <i>Scomber scombrus</i> , from 16 June to 31 December	0	
0303 75	-- Dogfish and other sharks:		
0303 75 20	--- Of the species <i>Squalus acanthias</i>	0	
0303 75 50	--- Of the species <i>Scyliorhinus</i> spp.	0	
0303 75 90	--- Other		
0303 79	--Other:		
	--- Redfish (<i>Sebastes</i> spp.):		
0303 79 35	---- Redfish of the species <i>Sebastes marinus</i>	0	
ex 0303 79 37	----Redfish of the species <i>Sebastes mentella</i>	0	
0303 79 45	---- Whiting (<i>Merlangus merlangus</i>)	0	
0303 79 51	----Ling (<i>Molva</i> spp.)	0	
0303 79 81	---- Monkfish (<i>Lophius</i> spp.)	0	
0303 79 83	---- Blue whiting (<i>Micromesistius poutassou</i> or <i>Gadus poutassou</i>)	0	

0303 79 96	---- Other	0	
0303 80	- Livers and roes	0	
0303 80 90	-- Other	0	
0304	Fish fillets and other fish meat (whether or not minced), fresh, chilled or frozen:		
0304 10	- Fresh or chilled:		
	-- Fillets:		
	--- Of freshwater fish:		
ex 0304 10 11	---- Of trout of the species <i>Oncorhynchus mykiss</i>	0	TQ No 1
ex 0304 10 13	---- Of Atlantic salmon (<i>Salmo salar</i>)	0	
	--- Other		
ex 0304 10 31	---- Of cod of the species <i>Gadus morhua</i>	0	
0304 10 33	---- Of coalfish (<i>Pollachius virens</i>)	0	
0304 10 35	---- Of redfish (<i>Sebastes</i> spp.)	0	
0304 10 38	---- Other		
	-- Other fish meat (whether or not minced)		
0304 10 91	--- Of freshwater fish:	0	
	--- Other:		
	---- Flaps of herring:		
0304 10 94	----- From 1 January to 14 February	0	
0304 10 96	----- From 16 June to 31 December	0	
0304 10 98	---- Other	0	
0304 20	- Frozen fillets:		
	-- Of freshwater fish:		
ex 0304 20 11	--- Of trout of the species <i>Oncorhynchus mykiss</i>	0	TQ No 1
ex 0304 20 13	--- Of Atlantic salmon (<i>Salmon salar</i>)	0	
	-- Of cod (<i>Gadus morhua</i> , <i>Gadus macrocephalus</i> , <i>Gadus Ogac</i>) and of fish of the species <i>Boreogadus saida</i> :		
ex 0304 20 29	--- Of cod of the species <i>Gadus morhua</i>	0	
0304 20 31	-- Of coalfish (<i>Pollachius virens</i>)	0	
0304 20 33	-- Of haddock (<i>Melanogrammus aeglefinus</i>)	0	
	-- Of redfish (<i>Sebastes</i> spp.)		
0304 20 35	--- Of the species <i>Sebastes marinus</i>	0	
ex 0304 20 37	--- Of the species <i>Sebastes mentella</i>	0	
0304 20 41	-- Of Whiting (<i>Merlangus merlangus</i>)	0	

	0304 20 43	-- Of ling (<i>Molva</i> spp.)	0	
ex	0304 20 53	--- Of mackerel of the species <i>Scomber scombrus</i>	0	
	0304 20 71	-- Of plaice (<i>Pleuronectes platessa</i>)	0	
	0304 20 75	-- Of herring (<i>Clupea harengus</i> , <i>Clupea pallasii</i>)	0	
	0304 20 96	-- Other		
		--- Of blue whiting (<i>Micromesistius poutassou</i> or <i>Gadus poutassou</i>)		
		--- Other than of blue whiting (<i>Micromesistius poutassou</i> or <i>Gadus poutassou</i>)	0	
	0304 90	- Other:		
	0304 90 05	-- Surimi	0	
		-- Other:		
ex	0304 90 10	--- Of freshwater fish:		
		---- Of trout of the species <i>Oncorhynchus mykiss</i>	0	TQ No 1
		---- Of Atlantic salmon (<i>Salmo salar</i>)	0	
		--- Other:		
		---- Of herring (<i>Clupea harengus</i> , <i>Clupea pallasii</i>):		
	0304 90 20	----- From 1 January to 14 February	0	
	0304 90 27	----- From 16 June to 31 December	0	
	0304 90 38	----- Of cod of the species <i>Gadus morhua</i>	0	
	0304 90 41	----- Of coalfish (<i>Pollachius virens</i>)	0	
	0304 90 45	----- Of haddock (<i>Melanogrammus aeglefinus</i>)	0	
	0304 90 57	----- Of monkfish (<i>Lophius</i> spp.)	0	
	0304 90 59	----- Of blue whiting (<i>Micromesistius poutassou</i> or <i>Gadus poutassou</i>)	0	
	0304 90 97	----- Other	0	
	0305	Fish, dried, salted or in brine; smoked fish, whether or not cooked before or during the smoking process; flours, meals and pellets of fish, fit for human consumption:		
	0305 10 00	- Flours, meals and pellets of fish, fit for human consumption	0	
	0305 20 00	- Livers and roes, dried, smoked, salted or in brine	0	
	0305 30	- Fish fillets, dried, salted or in brine, but not smoked:		
ex	0305 30 19	--- Of cod of the species <i>Gadus morhua</i>	0	
ex	0305 30 30	-- Of Atlantic salmon (<i>Salmo salar</i>), salted or in brine	0	
	0305 30 50	-- Of lesser or Greenland halibut (<i>Reinhardtius hippoglossoides</i>), salted or in brine	0	
	0305 30 90	-- Other	0	

ex 0305 41 00	- Smoked fish, including fillets:		
ex 0305 42 00	-- Atlantic salmon (<i>Salmo salar</i>)	0	
0305 42 00	-- Herrings (<i>Clupea harengus</i> , <i>Clupea pallasii</i>)	0	
0305 49 10	--- Lesser or Greenland halibut (<i>Reinhardtius hippoglossoides</i>)	0	
0305 49 20	--- Atlantic halibut (<i>Hippoglossus hippoglossus</i>)	0	
ex 0305 49 30	--- Mackerel of the species <i>Scomber scombrus</i>	0	
ex 0305 49 45	--- Trout of the species <i>Oncorhynchus mykiss</i>	0	
0305 49 50	--- Eels (<i>Anguilla</i> spp.)	0	
0305 49 80	--- Other	0	
	- Dried fish, whether or not salted but not smoked:		
ex 0305 51 10	--- Cod of the species <i>Gadus morhua</i> , dried, unsalted	0	
ex 0305 51 90	--- Cod of the species <i>Gadus morhua</i> , dried, salted	0	
<u>0305 59</u>	-- Other:		
<u>0305 59 80</u>	-- Other:		
ex <u>0305 59 80</u>	--- <u>Coalfish (Pollachius)</u>	<u>0</u>	<u>TQ No 5</u>
ex 0305 59 90	--- Other:	0	
-	---- <u>Of ling (<i>Molva molva</i>)</u>	<u>0</u>	
-	---- <u>Of blue ling (<i>Molva dipterygia dipterygia</i>)</u>	<u>0</u>	
-	---- <u>Of tusk (<i>Brasme brasme</i>)</u>	<u>0</u>	
	- Fish, salted but not dried or smoked and fish in brine:		
0305 61 00	-- Herrings (<i>Clupea harengus</i> , <i>Clupea pallasii</i>)	0	
ex 0305 62 00	-- Cod of the species <i>Gadus morhua</i>	0	
0305 69	-- Other:		
0305 69 90	--- Other	0	
0306	Crustaceans, whether in shell or not, live, fresh, chilled, frozen, dried, salted or in brine; crustaceans, in shell, cooked by steaming or by boiling in water, whether or not chilled, frozen, dried, salted or in brine; flours,		
	meals and pellets or crustaceans, fit for human consumption:		
	- Frozen:		
0306 13	-- Shrimps and prawns:		
0306 13 10	--- Of the family <i>Pandalidae</i>	0	
0306 13 40	--- Deepwater rose shrimps (<i>Parapenaeus logirostris</i>)	0	
0306 13 50	--- Shrimps of the genus <i>Penaeus</i>	0	
0306 13 80	--- Other	0	
<u>0306 14</u>	-- <u>Crabs</u>		

	<u>0306 14 90</u>	-- Other:		
ex	<u>0306 14 90</u>	---- Crabs of the species <i>Geryon affinis</i>	0	<u>TQ No 6</u>
	0306 19 30	--- Norway lobsters (<i>Nephrops norvegicus</i>)	0	
		- Not frozen:		
	0306 29 30	--- Norway lobster (<i>Nephrops norvegicus</i>)	0	
	0307	Molluscs, whether in shell or not, live, fresh, chilled, frozen, dried, salted or in brine; aquatic invertebrates other than crustaceans and molluscs, live, fresh, chilled, frozen, dried, salted or in brine; flours, meals and pellets of aquatic invertebrates other than crustaceans, fit for human consumption:		
		- Scallops, including queen scallops, of the genera <i>Pecten</i> , <i>Chlamys</i> or <i>Placopecten</i> :		
	0307 21 00	-- Live, fresh or chilled	0	
	0307 29	-- Other:		
	0307 29 10	--- Common scallop (<i>Pecten maximus</i>), frozen	0	
	0307 29 90	--- Other	0	
		<u>- Other, including flours, meals and pellets of aquatic invertebrates other than crustaceans, fit for human consumption:</u>		
	<u>0307 91 00</u>	<u>-- Live, fresh or chilled:</u>		
ex	<u>0307 91 00</u>	--- Common whelk (<i>Buccinum undatum</i>)	0	<u>TQ No 7</u>
	<u>0307 99</u>	-- Other:		
		--- Frozen:		
	<u>0307 99 18</u>	---- Other:		
ex	<u>0307 99 18</u>	---- Common whelk (<i>Buccinum undatum</i>)	0	<u>TQ No 7</u>
	1604	Prepared or preserved fish; caviar and caviar substitutes prepared from fish eggs:		
		- Fish, whole or in pieces, but not minced:		
ex	1604 11 00	-- Atlantic salmon (<i>Salmo salar</i>)	0	TQ No 2
	1604 12	-- Herrings:		
		--- Other:		
	1604 12 91	---- In airtight containers	0	
	1604 12 99	---- Other	0	
	1604 19	-- Other		
ex	1604 19 10	--- Trout of the species <i>Oncorhynchus mykiss</i>	0	TQ No 2
	1604 19 91	---- Fillets, raw, merely coated with batter or breadcrumbs, whether or not prefried in oil, deep frozen	0	

	---- Other:		
1604 19 92	----- Cod (<i>Gadus morhua</i> , <i>Gadus ogac</i> , <i>Gadus macrocephalus</i>)	0	TQ No 3
1604 19 93	----- Coalfish (<i>Pollachius virens</i>)	0	TQ No 3
1604 19 94	----- Hake (<i>Merluccius</i> spp., <i>Urophycis</i> spp.)	0	TQ No 3
1604 19 95	----- Alaska pollack (<i>Theragra chalcogramma</i>) and pollack (<i>Pollachius pollachius</i>)	0	TQ No 3
1604 19 98	----- Other	0	TQ No 3
1604 20	- Other prepared or preserved fish:		
1604 20 05	-- Preparations of surimi	0	TQ No 3
	-- Other:		
ex 1604 20 10	--- Of Atlantic salmon (<i>Salmon salar</i>)	0	TQ No 2
ex 1604 20 30	--- Of Trout of the species <i>Oncorhynchus mykiss</i>	0	TQ No 2
1604 20 90	--- Of other fish:		
	---- Other than of herring	0	TQ No 3
1605	Crustaceans, molluscs and other aquatic invertebrates, prepared or preserved:		
1605 20	- Shrimps and prawns:		
1605 20 10	-- In airtights containers	0	TQ No 4
	-- Other:		
1605020 91	--- In immediate packings of a net content not exceeding 2 kg	0	TQ No 4
1605 20 99	--- Other	0	TQ No 4
ex 1605 40 00	- Norway lobsters (<i>Nephrops norvegicus</i>)	0	TQ No 4
<u>1605 90</u>	- <u>Other</u>		
	-- <u>Molluscs:</u>		
<u>1605 90 30</u>	--- <u>Other:</u>		
ex <u>1605 90 30</u>	---- <u>Common whelk (<i>Buccinum undatum</i>)^d</u>	<u>0</u>	<u>TQ No 7</u>
2301	Flours, meals and pellets, of meat or meat offal, of fish or of crustaceans, molluscs or other aquatic invertebrates, unfit for human consumption; greaves:		
2301 20 00	- Flours, meals and pellets, of fish or of crustaceans, molluscs or other aquatic invertebrates	0	

TABLE II

CN code	Description	Rate of duty	Tariff quota (TQ)
(1)	(2)	(3)	(4)
0301	Live fish:		TQ No 1 95 Tonnes
ex 0301 91 90	--- Trout of the species <i>Oncorhynchus mykiss</i>	0	
0302	Fish, fresh or chilled, excluding fish fillets and other fish meat of heading No 0304:		
ex 0302 11 90	--- Trout of the species <i>Oncorhynchus mykiss</i>	0	
0303	Fish, frozen, excluding fish fillets and other fish meat of heading No 0304:		
ex 0303 21 90	--- Trout of the species <i>Oncorhynchus mykiss</i>	0	
0304	Fish fillets and other fish meat (whether or not minced), fresh, chilled or frozen:		
0304 10	- Fresh or chilled:		
	-- Fillets:		
ex 0304 10 11	---- Of trout of the species <i>Oncorhynchus mykiss</i>	0	
0304 20	- Frozen fillets:		
ex 0304 20 11	--- Of trout of the species <i>Oncorhynchus mykiss</i>	0	
0304 90	- Other:		
ex 0304 90 10	--- Of trout of the species <i>Oncorhynchus mykiss</i>	0	
<u>0305</u>	<u>Fish, dried, salted or in brine, smoked fish, whether or not cooked before or during the smoking process; flours, meals and pellets of fish, fit for human consumption:</u>		
	- <u>Dried fish, whether or not salted but not smoked:</u>		
<u>0305 59</u>	-- <u>Other:</u>		
<u>0305 59 80</u>	--- <u>Other:</u>		
ex <u>0305 59 80</u>	<u>Coalfish (<i>Pollachius virens</i>)</u>	<u>0</u>	<u>TQ No 5</u> <u>102 Tonnes</u>
<u>0306</u>	<u>Crustaceans, whether in shell or not, live, fresh, chilled, frozen, dried, salted or in brine; crustaceans, in shell, cooked by steaming or by boiling in water, whether or not chilled, frozen, dried, salted or in brine; flours, meals and pellets of crustaceans, fit for human consumption:</u>		
	- <u>Frozen:</u>		
<u>0306 14</u>	-- <u>Crabs:</u>		
<u>0306 14</u>	--- <u>Other:</u>		
ex <u>0306 14 90</u>	---- <u>Crabs of the species <i>Geryon affinis</i></u>	<u>0</u>	<u>TQ No 6</u>

				<u>102 Tonnes</u>
	<u>0307</u>	<u>Molluscs, whether in shell or not, live, fresh, chilled, frozen, dried, salted or in brine; aquatic invertebrates other than crustaceans and molluscs, live, fresh, chilled, frozen, dried, salted or in brine; flours, meals and pellets of aquatic invertebrates other than crustaceans, fit for human consumption:</u>		
		<u>- Other, including flours, meals and pellets of aquatic invertebrates other than crustaceans, fit for human consumption:</u>		
	<u>0307 91 00</u>	<u>-- Live, fresh or chilled:</u>		
ex	<u>0307 91 00</u>	<u>--- Commons whelk (<i>Buccinum undatum</i>)^d</u>	<u>0</u>	<u>TQ No 7</u> <u>163 Tonnes</u>
	<u>0307 99</u>	<u>-- Other:</u>		
		<u>--- Frozen:</u>		
	<u>0307 99 18</u>	<u>---- Other:</u>		
ex	<u>0307 99 18</u>	<u>----- Common whelk (<i>Buccinum undatum</i>)^d</u>		<u>TQ No 7</u> <u>163 Tonnes</u>
	1604	Prepared or preserved fish; caviar and caviar substitutes prepared from fish eggs:		TQ No 2 54 Tonnes
		- Fish, whole or in pieces, but not minced:		
ex	1604 11 00	-- Atlantic salmon (<i>Salmo salar</i>)	0	
	1604 19	-- Other:		
ex	1604 19 10	--- Trout of the species <i>Oncorhynchus mykiss</i>	0	
	1604 20	- Other prepared or preserved fish:		
		-- Other:		
ex	1604 20 10	--- Of Atlantic salmon (<i>Salmo salar</i>)	0	
ex	1604 20 30	--- Of trout of the species <i>Oncorhynchus mykiss</i>	0	
	1604	Prepared or preserved fish; caviar and caviar substitutes prepared from fish eggs		TQ No 3 163 Tonnes
	1604 19 92	----- Cod (<i>Gadus morhua</i> , <i>Gadus ogac</i> , <i>Gadus macrocephalus</i>)	0	
	1604 19 93	----- Coalfish (<i>Pollachius virens</i>)	0	
	1604 19 94	----- Hake (<i>Merluccius</i> spp., <i>Urophycis</i> spp.)	0	
	1604 19 95	----- Alaska Pollack (<i>Theragra chalcogramma</i>) and pollack (<i>Pollachius pollachius</i>)	0	
	1604 19 98	----- Other	0	
	1604 20	- Other prepared or preserved fish:		

	1604 20 05	-- Preparations of surimi	0	
		-- Other:		
ex	1604 20 90	--- Of other fish:		
		---- Other than of herring	0	
	<u>1605</u>	<u>Crustaceans, molluscs and other aquatic invertebrates, prepared or preserved:</u>	-	<u>TQ No 4⁽²⁾</u> <u>545 Tonnes</u>
	1605 20	- Shrimps and prawns		
	1605 20 10	-- In airtight containers	0	
		-- Other:		
	1605 20 91	--- In immediate packing of a net content not exceeding 2 kg	0	
	1605 20 99	--- Other:	0	
ex	1605 40 00	- Norway lobsters (<i>Nephrops norvegicus</i>)	0	
	<u>1605 90</u>	- <u>Other</u>		
		-- <u>Molluscs:</u>		
	<u>1605 90</u>	--- <u>Other:</u>		
ex	<u>1605 90 30</u>	---- <u>Common whelk (<i>Buccinum undatum</i>)</u>	<u>0</u>	<u>TQ No 7</u> <u>163 Tonnes</u>

[1] Figures refer to the commercial presentation "whole and gutted". For imports falling within HS code 0304, a coefficient of 2 shall be applied for quantities drawn from this tariff quota.

[2] The annual quota shall be 545 tonnes in the year that this Agreement enters into force. From 1 January of the year following the entry into force of this Agreement, the annual quota shall be increased by 136 tonnes per year to a maximum level of 817 tonnes provided that at least 80% of the quota for the previous year has been used by 31 December of that year."

C. MODIFICATIONS TO PROTOCOL 3

CONCERNING THE DEFINITION OF THE CONCEPT OF 'ORIGINATING PRODUCTS' AND METHODS OF ADMINISTRATIVE COOPERATION

Protocol 3 concerning the definition of the concept of 'originating products' and methods of administrative cooperation shall be replaced by the text in the Appendix.

D. MODIFICATIONS TO PROTOCOL 4

CONCERNING THE SPECIAL PROVISIONS APPLICABLE TO IMPORTS OF CERTAIN AGRICULTURAL PRODUCTS OTHER THAN THOSE LISTED IN PROTOCOL 1

Article 1 of Protocol 4 of the EU-Faroe Islands Agreement shall be substituted for:

“Article 1

The United Kingdom shall grant to products originating in and coming from the Faroe Islands the following tariff quotas from the year that this Agreement enters into force. The relevant period for all tariff rate quotas listed in the table below is 1 January to 31 December in any year. If this Agreement enters into force part-way through a calendar year, the annual quotas shall be applied on a pro-rata basis for the remainder of that year.

Product (As described within the EU-Faroe Islands Agreement)	Tariff Lines	UK-FO quota (new)
Meat of sheep or goats, fresh, chilled or frozen	0204	3 tonnes
Edible offal of sheep and goats, fresh or chilled	0206 80 99	
Edible offal of sheep and goats, frozen	0206 90 99	
Meat of sheep or goats, salted, in brine, dried or smoked, with bone in	0210 90 11	
Meat of sheep or goats, salted, in brine, dried or smoked, boneless	0210 90 19	
Edible meat offal of sheep or goats, salted, in brine, dried or smoked	0210 90 60	
Sausages and similar products, of meat, meat offal or blood; food preparations based on these products:	ex 1601	
- Of sheep and goats		
Other prepared or preserved meat, meat offal or blood:		
- Of sheep and goats	ex 1602	
<u>Fish feed</u>	(*) <u>ex 2309 90 10</u> (*) <u>ex 2309 90 31</u> (*) <u>ex 2309 90 41</u>	2724 Tonnes
<u>(*) Fish feed that benefit from the preferential import regime may not contain added gluten, in addition to the gluten naturally present in the cereals that may enter in the compounding of this feed.</u>		

As regards the tariff quota opened for fish feed under CN codes ex 2309 90 10, ex 2309 90 31 and ex 2309 90 41:

1. Faroe authorities shall certify that fish feed exported to the United Kingdom under this preferential quota does not contain added gluten, in addition to the gluten naturally present in the cereals that may enter in the compounding of the fish feed. The United Kingdom

may proceed to controls in the Faroe Islands of the compounding of the fish feed, especially its gluten content.

2. The conduct of controls of the compounding of fish feed is detailed in Annex 1 to this Protocol. If the inspection brings evidence that the conditions required for granting this trade preference are not met, the Government of the United Kingdom may suspend this preference for as long as no proper conditions are in place.”

E. MODIFICATIONS TO PROTOCOL 5

ON MUTUAL ASSISTANCE BETWEEN ADMINISTRATIVE AUTHORITIES IN CUSTOMS MATTERS

- a) For paragraph 1 of Article 10 substitute:

“Any information communicated in whatsoever form pursuant to this Protocol shall be of a confidential or restricted nature, depending on the rules applicable in each of the Parties. It shall be covered by the obligation of official secrecy and shall enjoy the protection extended to similar information under the relevant laws of the Party which received it.”

- b) Article 14 shall not be incorporated into this Agreement.

F. MODIFICATIONS TO (1999) PROTOCOL ON VETERINARY MATTERS

SUPPLEMENTING THE AGREEMENT BETWEEN THE EUROPEAN COMMUNITY, OF THE ONE PART, AND THE GOVERNMENT OF DENMARK AND THE HOME GOVERNMENT OF THE FAROE ISLANDS, OF THE OTHER PART

- a) The penultimate paragraph (1) to the preamble shall not be incorporated into this Agreement.
- b) Article 1 and paragraph 1 of Article 2 shall not be incorporated into this Agreement.
- c) For paragraph 2 of Article 2 substitute:

“A veterinary sub-group shall be set up under the Joint Committee established by this Agreement to cooperate on veterinary matters and to discuss and make recommendations to the Joint Committee on resolving any issues between the parties on veterinary matters.”

- d) Article 4 shall not be incorporated into this Agreement;
- e) Article 5 shall not be incorporated into this Agreement.

APPENDIX

Protocol 3

concerning the definition of the concept of “originating products” and methods of administrative cooperation

TITLE I

GENERAL PROVISIONS

Article 1

Definitions

For the purposes of this Protocol:

- (a) ‘manufacture’ means any kind of working or processing including assembly or specific operations;
- (b) ‘material’ means any ingredient, raw material, component or part, etc., used in the manufacture of a product;
- (c) ‘product’ means a product being manufactured, even if it is intended for later use in another manufacturing operation;
- (d) ‘goods’ means both materials and products;
- (e) ‘customs value’ means the value as determined in accordance with the Agreement on implementation of Article VII of the General Agreement on Tariffs and Trade 1994;
- (f) ‘ex-works price’ means the price paid for the product ex works to the manufacturer in the United Kingdom or the Faroe Islands in whose undertaking the last working or processing is carried out, provided the price includes the value of all the materials used, minus any internal taxes which are, or may be, repaid when the product obtained is exported;
- (g) ‘value of materials’ means the customs value at the time of importation of the non-originating materials used, or, if this is not known and cannot be ascertained, the first ascertainable price paid for the materials in the United Kingdom or in the Faroe Islands;
- (h) ‘value of originating materials’ means the value of such materials as defined in (g) applied mutatis mutandis;

- (i) 'value added' means the ex-works price minus the customs value of each of the materials incorporated which originate in the other countries referred to in Articles 3 and 4 with which cumulation is applicable or, where the customs value is not known or cannot be ascertained, the first ascertainable price paid for the materials in the United Kingdom or in the Faroe Islands.
- (j) 'chapters' and 'headings' mean the chapters and the headings (four-digit codes) used in the nomenclature which makes up the Harmonised Commodity Description and Coding System, referred to in this Protocol as 'the Harmonised System' or 'HS';
- (k) 'classified' refers to the classification of a product or material under a particular heading;
- (l) 'consignment' means products which are either sent simultaneously from one exporter to one consignee or covered by a single transport document covering their shipment from the exporter to the consignee or, in the absence of such a document, by a single invoice;
- (m) 'territories' includes territorial waters;
- (n) 'Incorporated Annexes I to IV b' mean Annexes I to IV b of Appendix I to the Regional Convention on pan-Euro-Mediterranean preferential rules of origin, as those Annexes are incorporated by Article 39 of this Protocol.

TITLE II

DEFINITION OF THE CONCEPT OF 'ORIGINATING PRODUCTS'

Article 2

General requirements

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

2. For the purpose of implementing this Agreement, the following products shall be considered as originating in the Faroe Islands:
- (a) products wholly obtained in the Faroe Islands within the meaning of Article 5;
 - (b) products obtained in the Faroe Islands incorporating materials which have not been wholly obtained there, provided that such materials have undergone sufficient working or processing in the Faroe Islands within the meaning of Article 6.

Article 3

Cumulation in the United Kingdom

1. Without prejudice to the provisions of Article 2(1), products shall be considered as originating in the United Kingdom, if they are obtained there, incorporating materials originating in Switzerland (including Liechtenstein)¹, Iceland, Norway, Turkey or the European Union, provided that the working or processing carried out in the United Kingdom goes beyond the operations referred to in Article 7. It shall not be necessary for such materials to have undergone sufficient working or processing.
2. Without prejudice to the provisions of Article 2(1), products shall be considered as originating in the United Kingdom if they are obtained there, incorporating materials originating in the Faroe Islands or any other country referred to in the Annex to this Protocol, provided that the working or processing carried out in the United Kingdom goes beyond the operations referred to in Article 7. It shall not be necessary for such materials to have undergone sufficient working or processing.
3. Without prejudice to the provisions of Article 2(1), working or processing carried out in Iceland, Norway or the European Union shall be considered as having been carried out in the United Kingdom when the products obtained undergo subsequent working or processing in the United Kingdom that goes beyond the operations referred to in Article 7.
4. For cumulation provided in paragraphs 1 and 2, where the working or processing carried out in the United Kingdom does not go beyond the operations referred to in Article 7, the product obtained shall be considered as originating in the United Kingdom only where the value added there is greater than the value of the materials used that are originating in any of the other countries. If this is not so, the product obtained shall be considered as originating in the country which accounts for the highest value of originating materials used in the manufacture in the United Kingdom.

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

5. For cumulation provided in paragraph 3, where the working or processing carried out in the United Kingdom does not go beyond the operation referred to in Article 7, the product obtained shall be considered as originating in the United Kingdom only where the value added there is greater than the value added in any of the other countries.
6. Products originating in the countries referred to in paragraphs 1 and 2, which do not undergo any working or processing in the United Kingdom, retain their origin if exported into one of these countries.
7. (a) The cumulation provided for in this Article in respect of the European Union may be applied provided that:
- i. the United Kingdom, the Faroe Islands and the European Union have arrangements on administrative cooperation which ensure a correct implementation of this Article;
 - ii. materials and products have acquired originating status by the application of rules of origin identical to those in this Protocol; and
 - iii. notices indicating the fulfilment of the necessary requirements to apply cumulation have been published by the Parties.
- (b) Except as provided for in paragraph 7(a), the cumulation provided for in this Article may be applied provided that:
- i. a preferential trade agreement in accordance with Article XXIV of the General Agreement on Tariffs and Trade 1994 (“GATT 1994”) is applicable between the countries involved in the acquisition of the originating status and the country of destination;
 - ii. materials and products have acquired originating status by the application of rules of origin identical to those in this Protocol; and
 - iii. notices indicating the fulfilment of the necessary requirements to apply cumulation have been published by the Parties.
8. The United Kingdom shall provide the Faroe Islands with details of the agreements or arrangements including their dates of entry into force, and their corresponding rules of origin, which are applied with the other countries referred to in paragraphs 1 and 2.

Article 4

Cumulation in the Faroe Islands

1. Without prejudice to the provisions of Article 2(2), products shall be considered as originating in the Faroe Islands, if they are obtained there, incorporating materials originating in the United Kingdom, Switzerland (including Liechtenstein), Iceland, Norway, Turkey or the European Union, provided that the working or processing

carried out in the Faroe Islands goes beyond the operations referred to in Article 7. It shall not be necessary for such materials to have undergone sufficient working or processing.

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

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

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

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

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

(b) Except as provided for in paragraph 5(a), the cumulation provided for in this Article may be applied provided that:

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

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

Article 5

Wholly obtained products

1. The following shall be considered as wholly obtained in the United Kingdom or the Faroe Islands:
 - (a) mineral products extracted from its soil or from its seabed;
 - (b) vegetable products harvested there;
 - (c) live animals born and raised there;
 - (d) products from live animals raised there;
 - (e) products obtained by hunting or fishing conducted there;
 - (f) products of sea fishing and other products taken from the sea outside the territorial waters of the Party by its vessels;
 - (g) products made aboard its factory ships exclusively from products referred to in (f);
 - (h) used articles collected there fit only for the recovery of raw materials, including used tyres fit only for retreading or for use as waste;
 - (i) waste and scrap resulting from manufacturing operations conducted there;
 - (j) products extracted from marine soil or subsoil outside its territorial waters provided that it has sole rights to work that soil or subsoil;
 - (k) goods produced there exclusively from the products specified in (a) to (j).

2. The terms ‘its vessels’ and ‘its factory ships’ in paragraphs 1(f) and (g) shall apply only to vessels and factory ships:
 - (a) which are registered or recorded in the United Kingdom or the Faroe Islands;
 - (b) which sail under the flag of the United Kingdom or the Faroe Islands;
 - (c) which are owned to an extent of at least 50% by nationals of the United Kingdom, a Member State of the European Union or the Faroe Islands,

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

- (d) of which the master and officers are nationals of the United Kingdom, a Member State of the European Union or the Faroe Islands; and
- (e) of which at least 75% of the crew are nationals of the United Kingdom, a Member State of the European Union or the Faroe Islands.

Article 6

Sufficiently worked or processed products

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

The conditions referred to above indicate the working or processing which must be carried out on non-originating materials used in manufacturing and apply only in relation to such materials. It follows that if a product which has acquired originating status by fulfilling the conditions set out in the list is used in the manufacture of another product, the conditions applicable to the product in which it is incorporated do not apply to it, and no account shall be taken of the non-originating materials which may have been used in its manufacture.

2. Notwithstanding paragraph 1, non-originating materials which, according to the conditions set out in the list in Incorporated Annex II, should not be used in the manufacture of a product may nevertheless be used, provided that:

- (a) their total value does not exceed 10% of the ex-works price of the product;
- (b) any of the percentages given in the list for the maximum value of non-originating materials are not exceeded by virtue of this paragraph.

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

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

Article 7

Insufficient working or processing

1. Without prejudice to paragraph 2, the following operations shall be considered as insufficient working or processing to confer the status of originating products, whether or not the requirements of Article 6 are satisfied:

- (a) preserving operations to ensure that the products remain in good condition during transport and storage;
- (b) breaking-up and assembly of packages;
- (c) washing, cleaning; removal of dust, oxide, oil, paint or other coverings;
- (d) ironing or pressing of textiles;
- (e) simple painting and polishing operations;
- (f) husking, partial or total bleaching, polishing, and glazing of cereals and rice;
- (g) operations to colour sugar or form sugar lumps;
- (h) peeling, stoning and shelling, of fruits, nuts and vegetables;
- (i) sharpening, simple grinding or simple cutting;
- (j) sifting, screening, sorting, classifying, grading, matching (including the making-up of sets of articles);
- (k) simple placing in bottles, cans, flasks, bags, cases, boxes, fixing on cards or boards and all other simple packaging operations;
- (l) affixing or printing marks, labels, logos and other like distinguishing signs on products or their packaging;
- (m) simple mixing of products, whether or not of different kinds;
- (n) mixing of sugar with any material;
- (o) simple assembly of parts of articles to constitute a complete article or disassembly of products into parts;
- (p) a combination of two or more operations specified in (a) to (n);
- (q) slaughter of animals.

2. All operations carried out in the United Kingdom or in the Faroe Islands on a given product shall be considered together when determining whether the working or processing undergone by that product is to be regarded as insufficient within the meaning of paragraph 1.

Article 8

Unit of qualification

1. The unit of qualification for the application of the provisions of this Protocol shall be the particular product which is considered as the basic unit when determining classification using the nomenclature of the Harmonised System.

It follows that:

- (a) when a product composed of a group or assembly of articles is classified under the terms of the Harmonised System in a single heading, the whole constitutes the unit of qualification;
- (b) when a consignment consists of a number of identical products classified under the same heading of the Harmonised System, each product must be taken individually when applying the provisions of this Protocol.

2. Where, under General Rule 5 of the Harmonised System, packaging is included with the product for classification purposes, it shall be included for the purposes of determining origin.

Article 9

Accessories, spare parts and tools

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

Article 10

Sets

Sets, as defined in General Rule 3 of the Harmonised System, shall be regarded as originating when all component products are originating. Nevertheless, when a set is composed of originating and non-originating products, the set as a whole shall be regarded as originating, provided that the value of the non-originating products does not exceed 15% of the ex-works price of the set.

Article 11

Neutral elements

In order to determine whether a product is an originating product, it shall not be necessary to determine the origin of the following which might be used in its manufacture:

- (a) energy and fuel;
- (b) plant and equipment;
- (c) machines and tools;
- (d) goods which neither enter into the final composition of the product nor are intended to do so.

TITLE III

TERRITORIAL REQUIREMENTS

Article 12

Principle of territoriality

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

2. Except as provided for in Articles 3 and 4, where originating goods exported from the United Kingdom or from the Faroe Islands to another country return, they shall be considered as non-originating, unless it can be demonstrated to the satisfaction of the customs authorities that:

- (a) the returning goods are the same as those exported; and
- (b) they have not undergone any operation beyond that necessary to preserve them in good condition while in that country or while being exported.

3. The acquisition of originating status in accordance with the conditions set out in Title II shall not be affected by working or processing done outside the United

Kingdom or the Faroe Islands on materials exported from the United Kingdom or the Faroe Islands and subsequently re-imported there, provided:

- (a) the said materials are wholly obtained in the United Kingdom or the Faroe Islands or have undergone working or processing beyond the operations referred to in Article 7 prior to being exported; and
- (b) it can be demonstrated to the satisfaction of the customs authorities that:
 - (i) the re-imported goods have been obtained by working or processing the exported materials; and
 - (ii) the total added value acquired outside the United Kingdom or the Faroe Islands by applying the provisions of this Article does not exceed 10% of the ex-works price of the end product for which originating status is claimed.

4. For the purposes of paragraph 3, the conditions for acquiring originating status set out in Title II shall not apply to working or processing done outside the United Kingdom or the Faroe Islands. However, where, in the list in Incorporated Annex II a rule setting a maximum value for all the non-originating materials incorporated is applied in determining the originating status of the end product, the total value of the non-originating materials incorporated in the territory of the Party concerned, taken together with the total added value acquired outside the United Kingdom or the Faroe Islands by applying the provisions of this Article, shall not exceed the stated percentage.

5. For the purposes of applying the provisions of paragraphs 3 and 4, 'total added value' means all costs arising outside the United Kingdom or the Faroe Islands, including the value of the materials incorporated there.

6. The provisions of paragraphs 3 and 4 shall not apply to products which do not fulfil the conditions set out in the list in Incorporated Annex II or which can be considered sufficiently worked or processed only if the general tolerance fixed in Article 6(2) is applied.

7. The provisions of paragraphs 3 and 4 shall not apply to products of Chapters 50 to 63 of the Harmonised System.

8. Any working or processing of the kind covered by the provisions of this Article and done outside the United Kingdom or the Faroe Islands shall be done under the outward processing arrangements, or similar arrangements.

Article 13

Direct transport

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

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

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

- (a) a single transport document covering the passage from the exporting Party through the country of transit; or
- (b) a certificate issued by the customs authorities of the country of transit:
 - (i) giving an exact description of the products;
 - (ii) stating the dates of unloading and reloading of the products and, where applicable, the names of the ships, or the other means of transport used; and
 - (iii) certifying the conditions under which the products remained in the transit country; or
- (c) failing these, any substantiating documents.

Article 14

Exhibitions

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

- (a) an exporter has consigned these products from the United Kingdom or the Faroe Islands to the country in which the exhibition is held and has exhibited them there;
- (b) the products have been sold or otherwise disposed of by that exporter to a person in the United Kingdom or the Faroe Islands;

- (c) the products have been consigned during the exhibition or immediately thereafter in the state in which they were sent for exhibition; and
- (d) the products have not, since they were consigned for exhibition, been used for any purpose other than demonstration at the exhibition.

2. A proof of origin shall be issued or made out in accordance with the provisions of Title V and submitted to the customs authorities of the United Kingdom or the Faroe Islands in the normal manner. The name and address of the exhibition shall be indicated thereon. Where necessary, additional documentary evidence of the conditions under which they have been exhibited may be required.

3. Paragraph 1 shall apply to any trade, industrial, agricultural or crafts exhibition, fair or similar public show or display which is not organised for private purposes in shops or business premises with a view to the sale of foreign products, and during which the products remain under customs control.

TITLE IV

DRAWBACK OR EXEMPTION

Article 15

Prohibition of drawback of, or exemption from, customs duties

1. Non-originating materials used in the manufacture of products originating in the United Kingdom or in the Faroe Islands for which a proof of origin is issued or made out in accordance with the provisions of Title V shall not be subject in the United Kingdom or the Faroe Islands to drawback of, or exemption from, customs duties of whatever kind.

2. The prohibition in paragraph 1 shall apply to any arrangement for refund, remission or non-payment, partial or complete, of customs duties or charges having an equivalent effect, applicable in the United Kingdom or the Faroe Islands to materials used in the manufacture, where such refund, remission or non-payment applies, expressly or in effect, when products obtained from the said materials are exported and not when they are retained for home use there.

3. The exporter of products covered by a proof of origin shall be prepared to submit at any time, upon request from the customs authorities, all appropriate documents proving that no drawback has been obtained in respect of the non-originating materials used in the manufacture of the products concerned and that all customs duties or charges having equivalent effect applicable to such materials have actually been paid.

4. The provisions of paragraphs 1, 2 and 3 of this Article shall also apply in respect of packaging within the meaning of Article 8(2), accessories, spare parts and tools within the meaning of Article 9 and products in a set within the meaning of Article 10 when such items are non-originating.

5. The provisions of paragraphs 1 to 4 shall apply only in respect of materials which are of the kind to which this Agreement applies.

TITLE V

PROOF OF ORIGIN

Article 16

General requirements

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

- (a) a movement certificate EUR.1, a specimen of which appears in Incorporated Annex III a;
- (b) a movement certificate EUR-MED, a specimen of which appears in Incorporated Annex III b; or
- (c) in the cases specified in Article 22(1), a declaration (hereinafter referred to as the 'origin declaration' or the 'origin declaration EUR-MED') given by the exporter on an invoice, a delivery note or any other commercial document which describes the products concerned in sufficient detail to enable them to be identified. The texts of the origin declarations appear in Incorporated Annexes IV a and b.

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

3. Notwithstanding paragraph 5 of Article 17 and paragraph 3 of Article 22 below, where cumulation involves only the United Kingdom, the European Union, Switzerland (including Liechtenstein), Iceland, Norway, the Faroe Islands, Turkey, the Republic of Albania, Bosnia and Herzegovina, the Republic of Macedonia,

Montenegro, the Republic of Serbia, the Republic of Kosovo, the Republic of Moldova or Georgia, the proof of origin may be a movement certificate EUR.1 or an origin declaration.

Article 17

Procedure for the issue of a movement certificate EUR.1 or EUR-MED

1. A movement certificate EUR.1 or EUR-MED shall be issued by the customs authorities of the exporting Party on application having been made in writing by the exporter or, under the exporter's responsibility, by his authorised representative.
2. For this purpose, the exporter or his authorised representative shall fill in both the movement certificate EUR.1 or EUR-MED and the application form, specimens of which appear in the Incorporated Annexes III a and b. These forms shall be completed in one of the languages in which this Agreement is drawn up and in accordance with the provisions of the national law of the exporting country. If the completion of the forms is done in handwriting, they shall be completed in ink in printed characters. The description of the products shall be given in the box reserved for this purpose without leaving any blank lines. Where the box is not completely filled, a horizontal line shall be drawn below the last line of the description, the empty space being crossed through.
3. The exporter applying for the issue of a movement certificate EUR.1 or EUR-MED shall be prepared to submit at any time, at the request of the customs authorities of the United Kingdom or the Faroe Islands where the movement certificate EUR.1 or EUR-MED is issued, all appropriate documents proving the originating status of the products concerned as well as the fulfilment of the other requirements of this Protocol.
4. Without prejudice to paragraph 5, a movement certificate EUR.1 shall be issued by the customs authorities of the United Kingdom or of the Faroe Islands in the following cases:
 - (a) if the products concerned can be considered as products originating in the United Kingdom or in the Faroe Islands with which cumulation is applicable, without application of cumulation with materials originating in Switzerland (including Liechtenstein), Turkey or one of the countries referred to in Articles 3(2) and 4(2), and fulfil the other requirements of this Protocol; or
 - (b) if the products concerned can be considered as products originating in one of the other countries referred to in Articles 3 and 4 with which cumulation is applicable, without application of cumulation with materials originating in one of the countries referred to in Articles 3 and 4, and fulfil the other requirements of this Protocol, provided a certificate EUR-MED or an invoice declaration EUR-MED has been issued in the country of origin.

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

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

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

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

‘CUMULATION APPLIED WITH ... *(name of the country/countries)*’
- (b) if origin has been obtained without the application of cumulation with materials originating in one or more of the countries referred to in Articles 3 and 4:

‘NO CUMULATION APPLIED’

7. The customs authorities issuing movement certificates EUR.1 or EUR-MED shall take any steps necessary to verify the originating status of the products and the fulfilment of the other requirements of this Protocol. For this purpose, they shall have the right to call for any evidence and to carry out any inspection of the exporter's accounts or any other check considered appropriate. They shall also ensure that the forms referred to in paragraph 2 are duly completed. In particular, they shall check whether the space reserved for the description of the products has been completed in such a manner as to exclude all possibility of fraudulent additions.

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

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

Article 18

Movement certificates EUR.1 or EUR-MED issued retrospectively

1. Notwithstanding Article 17(9), a movement certificate EUR.1 or EUR-MED may exceptionally be issued after exportation of the products to which it relates if:

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

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

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

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

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

‘ISSUED RETROSPECTIVELY’

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

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

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

Article 19

Issue of a duplicate movement certificate EUR.1 or EUR-MED

1. In the event of theft, loss or destruction of a movement certificate EUR.1 or EUR-MED, the exporter may apply to the customs authorities which issued it for a duplicate made out on the basis of the export documents in their possession.
2. The duplicate issued in this way shall be endorsed with the following word in English:

‘DUPLICATE’
3. The endorsement referred to in paragraph 2 shall be inserted in Box 7 of the duplicate movement certificate EUR.1 or EUR-MED.
4. The duplicate, which shall bear the date of issue of the original movement certificate EUR.1 or EUR-MED, shall take effect as from that date.

Article 20

Issue of movement certificates EUR.1 or EUR-MED on the basis of a proof of origin issued or made out previously

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

Article 21

Accounting segregation

1. Where considerable cost or material difficulties arise in keeping separate stocks of originating and non-originating materials which are identical and interchangeable, the customs authorities may, at the written request of those concerned, authorise the so-called ‘accounting segregation’ method (hereinafter referred to as the ‘method’) to be used for managing such stocks.
2. The method shall ensure that, for a specific reference-period, the number of products obtained which could be considered as ‘originating’ is the same as that which would have been obtained had there been physical segregation of the stocks.
3. The customs authorities may make the grant of authorisation, referred to in paragraph 1 subject to any conditions deemed appropriate.
4. The method shall be applied and the application thereof shall be recorded on the basis of the general accounting principles applicable in the country where the product was manufactured.

5. The beneficiary of the method may make out or apply for proofs of origin, as the case may be, for the quantity of products which may be considered as originating. At the request of the customs authorities, the beneficiary shall provide a statement of how the quantities have been managed.

6. The customs authorities shall monitor the use made of the authorisation and may withdraw it whenever the beneficiary makes improper use of the authorisation in any manner whatsoever or fails to fulfil any of the other conditions laid down in this Protocol.

Article 22

Conditions for making out an origin declaration or an origin declaration EUR-MED

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

- (a) by an approved exporter within the meaning of Article 23; or
- (b) by any exporter for any consignment consisting of one or more packages containing originating products the total value of which does not exceed EUR 6 000.

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

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

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

- (a) cumulation was applied with materials originating in Switzerland (including Liechtenstein), Turkey or one of the other countries referred to in Articles 3(2) and 4(2); or

- (b) the products may be used as materials in the context of cumulation for the manufacture of products for export to one of the other countries referred to in Articles 3 and 4; or
- (c) the products may be re-exported from the country of destination to one of the other countries referred to in Articles 3 and 4.

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

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

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

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

‘NO CUMULATION APPLIED’

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

6. An origin declaration or an origin declaration EUR-MED shall be made out by the exporter by typing, stamping or printing on the invoice, the delivery note or another commercial document, the declaration, the texts of which appear in Incorporated Annexes IV a and b, using one of the linguistic versions set out in those Annexes and in accordance with the provisions of the national law of the exporting country. If the declaration is handwritten, it shall be written in ink in printed characters.

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

8. An origin declaration or an origin declaration EUR-MED may be made out by the exporter when the products to which it relates are exported, or after exportation on condition that it is presented in the importing country at the latest two years after the importation of the products to which it relates.

Article 23

Approved exporter

1. The customs authorities of the exporting Party may authorise any exporter (hereinafter referred to as ‘approved exporter’), who makes frequent shipments of products in accordance to the provisions of this Agreement to make out origin declarations or origin declarations EUR-MED irrespective of the value of the products concerned. An exporter seeking such authorisation shall offer to the satisfaction of the customs authorities all guarantees necessary to verify the originating status of the products as well as the fulfilment of the other requirements of this Protocol.
2. The customs authorities may grant the status of approved exporter subject to any conditions which they consider appropriate.
3. The customs authorities shall grant to the approved exporter a customs authorisation number which shall appear on the origin declaration or on the origin declaration EUR-MED.
4. The customs authorities shall monitor the use of the authorisation by the approved exporter.
5. The customs authorities may withdraw the authorisation at any time. They shall do so where the approved exporter no longer offers the guarantees referred to in paragraph 1, no longer fulfils the conditions referred to in paragraph 2 or otherwise makes an incorrect use of the authorisation.

Article 24

Validity of proof of origin

1. A proof of origin shall be valid for four months from the date of issue in the exporting Party, and shall be submitted within that period to the customs authorities of the importing Party.
2. Proofs of origin which are submitted to the customs authorities of the importing Party after the final date for presentation specified in paragraph 1 may be accepted for the purpose of applying preferential treatment, where the failure to submit these documents by the final date set is due to exceptional circumstances.
3. In other cases of belated presentation, the customs authorities of the importing Party may accept the proofs of origin where the products have been submitted before the said final date.

Article 25

Submission of proof of origin

Proofs of origin shall be submitted to the customs authorities of the importing Party in accordance with the procedures applicable in that country. The said authorities may require a translation of a proof of origin and may also require the import declaration to be accompanied by a statement from the importer to the effect that the products meet the conditions required for the implementation of this Agreement.

Article 26

Importation by instalments

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

Article 27

Exemptions from proof of origin

1. Products sent as small packages from private persons to private persons or forming part of travellers' personal luggage shall be admitted as originating products without requiring the submission of a proof of origin, provided that such products are not imported by way of trade and have been declared as meeting the requirements of this Protocol and where there is no doubt as to the veracity of such a declaration. In the case of products sent by post, that declaration may be made on the customs declaration CN22 / CN23 or on a sheet of paper annexed to that document.
2. Imports which are occasional and consist solely of products for the personal use of the recipients or travellers or their families shall not be considered as imports by way of trade if it is evident from the nature and quantity of the products that no commercial purpose is in view.
3. Furthermore, the total value of these products shall not exceed EUR 500 in the case of small packages or EUR 1 200 in the case of products forming part of travellers' personal luggage.

Article 28

Supporting documents

The documents referred to in Articles 17(3) and 22(5) used for the purpose of proving that products covered by a movement certificate EUR.1 or EUR-MED, or an origin declaration or origin declaration EUR-MED may be considered as products originating

in the United Kingdom, in the Faroe Islands or in one of the other countries referred to in Articles 3 and 4 and fulfil the other requirements of this Protocol may consist, *inter alia*, of the following:

- (a) direct evidence of the processes carried out by the exporter or supplier to obtain the goods concerned, contained for example in his accounts or internal bookkeeping;
- (b) documents proving the originating status of materials used, issued or made out in the United Kingdom or in the Faroe Islands where these documents are used in accordance with national law;
- (c) documents proving the working or processing of materials in the United Kingdom or in the Faroe Islands, issued or made out in the United Kingdom or in the Faroe Islands, where these documents are used in accordance with national law;
- (d) movement certificates EUR.1 or EUR-MED or origin declarations or origin declarations EUR-MED proving the originating status of materials used, issued or made out in the United Kingdom or the Faroe Islands in accordance with this Protocol, or in one of the other countries referred to in Articles 3 and 4, in accordance with rules of origin which are identical to the rules in this Protocol;
- (e) appropriate evidence concerning working or processing undergone outside the United Kingdom, the Faroe Islands or the other countries referred to in Articles 3 and 4 by application of Article 12, proving that the requirements of that Article have been satisfied.

Article 29

Preservation of proof of origin and supporting documents

1. The exporter applying for the issue of a movement certificate EUR.1 or EUR-MED shall keep for at least three years the documents referred to in Article 17(3).
2. The exporter making out an origin declaration or origin declaration EUR-MED shall keep for at least three years a copy of this origin declaration as well as the documents referred to in Article 22(5).
3. The customs authorities of the exporting Party issuing a movement certificate EUR.1 or EUR-MED shall keep for at least three years the application form referred to in Article 17(2).
4. The customs authorities of the importing Party shall keep for at least three years the movement certificates EUR.1 and EUR-MED and the origin declarations and origin declarations EUR-MED submitted to them.

Article 30

Discrepancies and formal errors

1. The discovery of slight discrepancies between the statements made in the proof of origin and those made in the documents submitted to the customs office for the purpose of carrying out the formalities for importing the products shall not *ipso facto* render the proof of origin null and void if it is duly established that this document does correspond to the products submitted.
2. Obvious formal errors, such as typing errors, on a proof of origin shall not cause this document to be rejected if these errors are not such as to create doubts concerning the correctness of the statements made in this document.

Article 31

Amounts expressed in euro

1. For the application of the provisions of Article 22(1)(b) and Article 27(3) in cases where products are invoiced in a currency other than euro, amounts in the national currencies of the countries referred to in Articles 3 and 4 equivalent to the amounts expressed in euro shall be fixed annually by each of the countries concerned.
2. A consignment shall benefit from the provisions of Article 22(1)(b) or Article 27(3) by reference to the currency in which the invoice is drawn up, according to the amount fixed by the Party concerned.
3. The amounts to be used in any given national currency shall be the equivalent in that currency of the amounts expressed in euro as at the first working day of October and shall apply from 1 January the following year. The Parties shall notify each other of the relevant amounts.
4. A Party may round up or down the amount resulting from the conversion into its national currency of an amount expressed in euro. The rounded-off amount may not differ from the amount resulting from the conversion by more than 5%. A country may retain unchanged its national currency equivalent of an amount expressed in euro if, at the time of the annual adjustment provided for in paragraph 3, the conversion of that amount, prior to any rounding-off, results in an increase of less than 15% in the national currency equivalent. The national currency equivalent may be retained unchanged if the conversion were to result in a decrease in that equivalent value.
5. The amounts expressed in euro shall be reviewed by the Joint Committee at the request of any of the Parties. When carrying out this review, the Joint Committee shall consider the desirability of preserving the effects of the limits concerned in real terms. For this purpose, it may decide to modify the amounts expressed in euro.

TITLE VI**ARRANGEMENTS FOR ADMINISTRATIVE COOPERATION**Article 32***Mutual assistance***

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

Article 33***Verification of proofs of origin***

1. Subsequent verifications of proofs of origin shall be carried out at random or whenever the customs authorities of the importing Party have reasonable doubts as to the authenticity of such documents, the originating status of the products concerned or the fulfilment of the other requirements of this Protocol.
2. For the purposes of implementing the provisions of paragraph 1, the customs authorities of the importing Party shall return the movement certificate EUR.1 or EUR-MED and the invoice, if it has been submitted, the origin declaration or the origin declaration EUR-MED, or a copy of these documents, to the customs authorities of the exporting Party giving, where appropriate, the reasons for the request for verification. Any documents and information obtained suggesting that the information given on the proof of origin is incorrect shall be forwarded in support of the request for verification.
3. The verification shall be carried out by the customs authorities of the exporting Party. For this purpose, they shall have the right to call for any evidence and to carry out any inspection of the exporter's accounts or any other check considered appropriate.
4. If the customs authorities of the importing Party decide to suspend the granting of preferential treatment to the products concerned while awaiting the results of the

verification, release of the products shall be offered to the importer subject to any precautionary measures judged necessary.

5. The customs authorities requesting the verification shall be informed of the results of this verification as soon as possible. These results shall indicate clearly whether the documents are authentic and whether the products concerned may be considered as products originating in the United Kingdom, in the Faroe Islands or in one of the other countries referred to in Articles 3 and 4 and fulfil the other requirements of this Protocol.

6. If, in cases of reasonable doubt, there is no reply within ten months of the date of the verification request or if the reply does not contain sufficient information to determine the authenticity of the document in question or the real origin of the products, the requesting customs authorities shall, except in exceptional circumstances, refuse entitlement to the preferences.

Article 34

Dispute settlement

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

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

Article 35

Penalties

Penalties shall be imposed on any person who draws up, or causes to be drawn up, a document which contains incorrect information for the purpose of obtaining a preferential treatment for products.

Article 36

Free zones

1. The United Kingdom and the Faroe Islands shall take all necessary steps to ensure that products traded under cover of a proof of origin which in the course of transport use a free zone situated in their territory, are not substituted by other goods and do not undergo handling other than normal operations designed to prevent their deterioration.

2. By way of derogation from paragraph 1, when products originating in the United Kingdom or in the Faroe Islands are imported into a free zone under cover of a proof of origin and undergo treatment or processing, the authorities concerned shall issue a new movement certificate EUR.1 or EUR-MED at the exporter's request, if the treatment or processing undergone complies with this Protocol.

TITLE VII

CEUTA AND MELILLA

Article 37

Application of the Protocol

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

TITLE VIII

FINAL PROVISIONS

Article 38

Transitional Provision for Goods in Transit or Storage

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

Article 39

Annexes

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

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

Article 40

Amendments to the Protocol

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

Annex**LIST REFERRED TO IN PARAGRAPH 2 OF ARTICLES 3 AND 4**

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