

FREE TRADE AGREEMENT

BETWEEN

THE GOVERNMENT OF MONTENEGRO

AND

THE GOVERNMENT OF UKRAINE

Free Trade Agreement between the Government of Montenegro and the Government of Ukraine

PREAMBLE

The Government of Montenegro and the Government of Ukraine (hereinafter referred to as “the Parties” or “Montenegro” and “Ukraine” where appropriate)

DESIROUS to develop and strengthen friendly relations, especially in the fields of economic co-operation and trade, with an aim to contribute to the progress of economic co-operation and to increase the scope of mutual trade exchange,

CONFIRMING their intention to participate actively and to promote expansion of reciprocal trade and economic relations;

HAVING regard to the experience gained from the co-operation developed between the Parties as well as between them and their main trading partners,

DECLARING their readiness to undertake activities with a view to promoting harmonious development of their trade as well as to expanding and diversifying their mutual cooperation in the fields of joint interest, including fields not covered by this Free Trade Agreement (hereinafter referred to as "this Agreement"), thus creating a framework and supportive environment based on equality, non discrimination, and a balance of rights and obligations,

REFERRING to the mutual interest in the continual reinforcement of the multilateral trading system and considering that the legal instruments of the World Trade Organization (hereinafter referred to as “WTO”) constitute a basis for their foreign trade policy,

RESOLVED to lay down for this purpose provisions aimed at the progressive abolition of the obstacles to the mutual trade in accordance with the provisions of these instruments, in particular those concerning the establishment of free trade areas,

Have agreed as follows:

CHAPTER I GENERAL PROVISIONS

Article 1 *Objectives*

1. The Parties hereby shall establish a free trade area by means of this Agreement and in conformity with the WTO rules.

2. The objectives of this Agreement are:

a) to increase and enhance the economic cooperation between the Parties and raise the living standard of the population of the two countries,

b) to eliminate difficulties and restrictions on trade in goods and to liberalize trade in services,

c) to promote, through the expansion of reciprocal trade, the harmonious development of the economic relations between the Parties,

d) to contribute by the removal of barriers to trade, to the harmonious development and expansion of world trade and

e) to promote trade and cooperation between the Parties in third country markets.

Article 2 *Definitions*

For purposes of this Agreement, unless otherwise specified further, the definitions of World Trade Organization (WTO) are applicable.

Article 3 *Transparency*

1. The Parties shall publish or otherwise make publicly available their laws, regulations, judicial decisions, administrative rulings of general application and their respective international agreements that may affect the operation of this Agreement.

2. The Parties shall promptly respond to specific questions and provide, upon request, information to each other on matters referred to in paragraph 1. They are not required to disclose confidential information.

Article 4

Customs Unions, Free Trade Areas and Frontier Trade Arrangements

1. This Agreement shall not preclude the maintenance or establishment of customs unions, free trade areas, arrangements for frontier trade and other preferential agreements insofar as they do not have the effect of altering the trade arrangements provided for in this Agreement.

2. When a Party enters into a customs union or free trade agreement with a third party it shall, upon request by other Party, be prepared to enter into consultations with the requesting Party.

Article 5

Relationship to Other International Obligations

1. This Agreement shall in no way prejudice the obligation of the Parties arising from their participation in the regional or sub-regional unions and entities, and multilateral treaties as well as in international organizations.

2. The rights and obligations arising from treaties concluded between the Parties before or after entry into force of this Agreement shall not be affected by the provisions of this Agreement, except that their provisions are compatible with those of this Agreement.

CHAPTER II TRADE IN GOODS

Article 6

Scope

The provisions of this Agreement shall apply to products originating in the Parties classified under Chapters 1 to 97 of the Harmonized Commodity Description and Coding System (HS 2007).

Article 7

Customs Duties on Imports

1. Upon entry into force of this Agreement, the Parties shall abolish all customs duties on imports of products originating in Montenegro or in Ukraine covered by Article 6 except as otherwise provided for in Annex I. No new customs duties on imports shall be introduced.

2. A customs duty includes any duty or charge of equivalent effect imposed in connection with the importation or exportation of a product, including any form of surtax or surcharge in connection with such importation or exportation, but does not include any charge imposed in conformity with Articles III and VIII of the GATT 1994.

Article 8
Other Duties and charges with equivalent effects

1. The value-added tax and excise taxes levied in connection with customs clearance of imported goods are not covered by taxes (charges), having equivalent effect to the customs duties.

2. No new customs duties on imports or any taxes and other charges having equivalent effect shall be introduced in trade between the Parties.

Article 9
Customs Duties on Exports

1. Upon entry into force of this Agreement, each party may apply customs duties on exports of originating in Montenegro or in Ukraine products covered by Article 6 in accordance with the Article XI of the GATT.

2. The Parties agree that under this Agreement Ukraine retains its WTO commitments as for export duty applying on oilseeds, live cattle and animal skins according to the timetable for phasing in the export duty cuts.

Article 10
Basic Duties

In trade between the Parties covered by this Agreement, the Parties shall apply their respective Customs Tariffs on the classification of goods for imports into them.

Article 11
Import and Export Restrictions

Without prejudice to the provision of the Article 7, the rights and obligations of the Parties in respect of export and import restrictions shall be governed by Article XI of the GATT 1994, which is hereby incorporated into and made part of this Agreement.

Article 12
Internal Taxation and Regulations

The Parties shall apply any internal taxes and other charges and regulations in accordance with Article III of the GATT 1994 and other relevant WTO Agreements.

Article 13
General and Security Exceptions

1. For the purposes of this Agreement, Articles XX and XXI of the GATT 1994 and its interpretative notes are incorporated into and made part of this Agreement, *mutatis mutandis*.

Article 14
Technical Regulations

1. The rights and obligations of the Parties in respect of technical regulations, standards and conformity assessment shall be governed by the WTO Agreement on Technical Barriers to Trade (hereinafter referred to as “the TBT Agreement”).

2. Without prejudice to paragraph 1, the Parties agree to hold consultations where a Party considers that another Party has taken measures not in conformity with the TBT Agreement which are likely to create, or have created, an obstacle to trade, in order to find an appropriate solution in conformity with the TBT Agreement.

Article 15
Sanitary and Phytosanitary Measures

1. The rights and obligations of the Parties in respect of sanitary and phytosanitary measures shall be governed by the WTO Agreement on the Application of Sanitary and Phytosanitary Measures (hereinafter referred to as “the SPS Agreement”).

2. The Parties shall exchange names and addresses of contact points with sanitary and phytosanitary expertise in order to facilitate communication and the exchange of information.

Article 16
Rules of Origin

The provisions of this Agreement shall be applied to all products covered by this Agreement provided that they satisfy the Rules of Origin as set out in Annex II, which shall form an integral part of this Agreement.

Article 17
Customs Valuation

The Parties shall determine the customs value of goods traded between them in accordance with the provisions of Article VII of the GATT 1994 and the WTO Agreement on Implementation of Article VII of the GATT 1994.

Article 18
Transit of Goods

The Parties shall ensure free transit of goods, originating in the territory of the State of one Party and transporting through the territory of the State of the other Party, in accordance with national legislation of their States.

Article 19
Bilateral Safeguard Measures

1. Where, as a result of the reduction or elimination of a customs duty under this Agreement, any product originating in a Party is being imported into the territory of another Party in such increased quantities, in absolute terms or relative to domestic production, and under such conditions as to constitute a substantial cause of serious injury or threat thereof to the domestic industry of like or directly competitive products in the territory of the importing Party, the importing Party may take bilateral safeguard measures to the minimum extent necessary to remedy or prevent the injury, subject to the provisions of paragraphs 2 to 10.

2. Bilateral safeguard measures shall only be taken upon clear evidence that increased imports have caused or are threatening to cause serious injury pursuant to an investigation in accordance with the procedures laid down in Articles 3 and 4 of the WTO Agreement on Safeguards.

3. The Party intending to take a bilateral safeguard measure under this Article shall immediately, and in any case before taking a measure, make notification to the other Party. The notification shall contain all pertinent information, which shall include evidence of serious injury or threat thereof caused by increased imports, a precise description of the product involved and the proposed measure, as well as the proposed date of introduction, expected duration and timetable for the progressive removal of the measure.

4. If the conditions set out in paragraph 1 are met, the importing Party may take measures consisting in increasing the rate of customs duty for the product to a level not to exceed the lesser of:

- (a) the MFN rate of duty applied at the time the action is taken; or
- (b) the MFN rate of duty applied on the day immediately preceding the date of the entry into force of this Agreement.

5. Bilateral safeguard measures shall be taken for a period not exceeding two years. In very exceptional circumstances, after review by the joint Free Trade Committee (referred to in Article 55), measures may be taken up to a total maximum period of three years. No bilateral safeguard measures shall be applied to the import of a product which has previously been subject to such a measure.

6. The Committee shall, within 30 days from the date of notification, examine the information provided under paragraph 3 in order to facilitate a mutually acceptable resolution of the matter. In the absence of such resolution, the importing Party may adopt a measure

pursuant to paragraph 4 to remedy the problem, and, in the absence of mutually agreed compensation, the Party against whose product the measure is taken may take compensatory action. In the selection of the bilateral safeguard measure and the compensatory action, priority must be given to the measure which least disturbs the functioning of this Agreement. The compensatory action shall normally consist of suspension of concessions having substantially equivalent trade effects or concessions substantially equivalent to the value of the additional duties expected to result from the bilateral safeguard measure. The Party taking compensatory action shall apply the action only for the minimum period necessary to achieve the substantially equivalent trade effects and in any event, only while the bilateral safeguard measure under paragraph 4 is being applied.

7. Upon the termination of the bilateral safeguard measure, the rate of customs duty shall be the rate which would have been in effect before the measure.

8. In critical circumstances, where delay in the introduction of a bilateral safeguard measure in accordance with this Article would cause damage which would be difficult to repair, a Party may take a provisional bilateral safeguard measure pursuant to a preliminary determination that there is clear evidence that increased imports constitute a substantial cause of serious injury, or threat thereof, to the domestic industry. The Party intending to take such a measure shall immediately notify the other Party. Within 30 days of the date of the notification, the procedures set out in paragraphs 2 to 6, including for compensatory action, shall be initiated. Any compensation shall be based on the total period of application of the provisional bilateral safeguard measure and of the bilateral safeguard measure.

9. Any provisional bilateral safeguard measure shall be terminated within 200 days at the latest. The period of application of any such provisional bilateral safeguard measure shall be counted as part of the duration of the bilateral safeguard measure set out in paragraph 5 and any extension thereof. Any tariff increases shall be promptly refunded if the investigation described in paragraph 2 does not result in a finding that the conditions of paragraph 1 are met.

10. Five years after the date of entry into force of this Agreement, the Parties shall review in the Committee whether there is need to maintain the possibility to take bilateral safeguard measures between them. If the Parties decide, after the first review, to maintain such possibility, they shall thereafter conduct biennial reviews of this matter in the Committee.

Article 20 ***Global Safeguard Measures***

1. If a product is being imported, irrespective of its origin, in such increased quantities, absolute or relative to domestic production, and under such conditions as to cause or threaten to cause serious injury to the domestic industry that produces like or directly competitive products each Party has a right to apply safeguard measures to such products according to Article XIX of the GATT 1994 and WTO Agreement on Safeguards.

2. For imports of goods originating from the territory of one of the Parties to the

territory of the other Party that do not cause or threaten to cause serious injury to the domestic industry producing like or directly competing goods of the importing Party, the safeguard measures with respect to imports of such goods do not apply.

3. At the request of the other Party and/or provided that it has a substantial interest the Party intending to take safeguard measures shall provide immediately ad hoc written notification of all pertinent information on the initiation of the safeguard investigation, the provisional findings and the final findings of the investigation.

4. For the purpose of this Article, it is considered that a Party has a substantial interest when it is among the five largest suppliers of the imported goods during the most recent three-year period of time, measured in terms of either absolute volume or value.

5. The Parties, in selecting measures relating to this Article, give priority to those measures which cause minimal economic injury and do not create serious obstacles to the implementation of this Agreement.

Article 21 *Antidumping and Countervailing Measures*

1. Both Parties agree that anti-dumping and countervailing measures should be used in full compliance with Article VI of GATT 1994, WTO Agreement on Implementation of Article VI of GATT 1994 and WTO Agreement on Subsidies and Countervailing Measures and should be based on a fair and transparent system.

2. Immediately after any imposition of provisional measures and before the final decision is taken, the Parties shall ensure full and meaningful disclosure of all essential facts and considerations which form the basis for the decision to apply these measures. Disclosures shall be made in writing and allow interested parties sufficient time to respond with comments. After final disclosure interested parties shall be given at least ten days to make these comments. Each interested party shall be granted the possibility to express their views during an anti-dumping investigation.

3. Should a Party decide to impose an anti-dumping duty, the amount of such duty shall not exceed the margin of dumping and should be less than the margin if such a lesser duty is adequate to remove the injury to the domestic industry.

4. The Party which is subject to anti-dumping measures imposed by the other Party has the right to request consultations in order to discuss the impact of the anti-dumping measures on bilateral trade and review national anti-dumping legislation.

Article 22 *Procedure for consultation and application of measures*

1. Prior to the application of measures envisaged in Articles 19 and/or 21 of this Agreement, the Parties shall seek a resolution of differences through consultations within the Committee referred in Article 55 of this Agreement.

2. If this Committee is unable to reach a mutually acceptable solution within thirty days of the date of initiating these consultations, the Party that initiated the procedure to introduce measures envisaged in Articles 19 and/or 21, is entitled to take such measures aimed at removing the serious injury, or threat of serious injury, and shall notify the other Party in advance. The extent and the period of application of the measures shall be limited as far as it is necessary to remove the injury.

3. In exceptional cases, when the delay of application of measures envisaged in Articles 19 and/or 21 of this Agreement may lead to injury being difficult to remedy, the Party shall inform the Committee before applying provisional measures without prior consultations. Such consultations shall be immediately initiated after taking such action.

Article 23 ***Balance of Payments***

1. The Parties shall endeavour to avoid the imposition of restrictive measures for balance of payments purposes.

2. A Party in serious balance of payments difficulties, or under imminent threat thereof, may, in accordance with the conditions established under the GATT 1994 and the WTO Understanding on the Balance of Payments Provisions of the GATT 1994, adopt trade restrictive measures, which shall be of limited duration and non-discriminatory, and may not go beyond what is necessary to remedy the balance of payments situation.

3. The Party introducing a measure under this Article shall promptly notify the other Party thereof.

Article 24 ***State Trading Enterprises***

The rights and obligations of the Parties in respect of state trading enterprises shall be governed by Article XVII of the GATT 1994 and the Understanding on the Interpretation of Article XVII of the GATT 1994, which are hereby incorporated into and made part of this Agreement.

CHAPTER III **TRADE IN SERVICES**

Article 25 ***Scope and Coverage***

1. This Chapter applies to measures by Parties affecting trade in services. It applies to all services sectors.

2. In respect of air transport services, this Chapter shall not apply to measures affecting air traffic rights or measures affecting services directly related to the exercise of air

traffic rights, except as provided for in paragraph 3 of the GATS Annex on Air Transport Services. The definitions of paragraph 6 of the GATS Annex on Air Transport Services are hereby incorporated and made part of this Chapter.

3. Articles 28, 29 and 30 shall not apply to laws, regulations or requirements governing the procurement by governmental agencies of services purchased for governmental purposes and not with a view to commercial resale or with a view to use in the supply of services for commercial sale.

Article 26 ***Incorporation of Provisions from the GATS***

Wherever a provision of this Chapter provides that a provision of the GATS is incorporated into and made part of this Chapter, the meaning of the terms used in the GATS provision shall be understood as follows:

- (a) “Member” means Party;
- (b) “Schedule” means a Schedule referred to in Article 41 and contained in Annex VII; and
- (c) “Specific commitment” means a specific commitment in a Schedule referred to in Article 41.

Article 27 ***Definitions***

For the purpose of this Chapter:

- (a) the following definitions of Article I of the GATS are incorporated into and made part of this Agreement:
 - (i) “trade in services”;
 - (ii) “services”; and
 - (iii) “a service supplied in the exercise of governmental authority”;
- (b) “measures by Parties” means measures taken by the Parties as defined in Article I paragraph 3 (a) (i) and (ii) of the GATS;
- (c) “service supplier” means any person that supplies, or seeks to supply, a service;¹

¹ Where the service is not supplied or sought to be supplied directly by a juridical person but through other forms of commercial presence such as a branch or a representative office, the service supplier (*i.e.* the juridical person) shall, nonetheless, through such commercial presence be accorded the treatment provided for

- (d) “natural person of another Party” means a natural person who, under the legislation of that other Party, is:
- (i) a national of that other Party who resides in the territory of any WTO Member; or
 - (ii) a permanent resident of that other Party who resides in the territory of any Party, if that other Party accords substantially the same treatment to its permanent residents as to its nationals in respect of measures affecting trade in services. For the purpose of the supply of a service through presence of natural persons (Mode 4), this definition covers a permanent resident of that other Party who resides in the territory of any Party or in the territory of any WTO Member;
- (e) “juridical person of another Party” means a juridical person which is either:
- (i) constituted or otherwise organised under the law of that other Party, and is engaged in substantive business operations in the territory of:
 - (aa) any Party; or
 - (bb) any Member of the WTO and is owned or controlled by natural persons of that other Party or by juridical persons that meet all the conditions of subparagraph (i) (aa);or
 - (ii) in the case of the supply of a service through commercial presence, owned or controlled by:
 - (aa) natural persons of that other Party; or
 - (bb) juridical persons of that other Party identified under subparagraph (e) (i);
- (f) the following definitions of Article XXVIII of the GATS are hereby incorporated into and made part of this Chapter:
- (i) “measure”;
 - (ii) “supply of a service”;
 - (iii) “measures by Members affecting trade in services”;

service suppliers under this Chapter. Such treatment shall be extended to the commercial presence through which the service is supplied or sought to be supplied and need not be extended to any other parts of the service supplier located outside the territory where the service is supplied or sought to be supplied.

- (iv) “commercial presence”;
- (v) “sector” of a service;
- (vi) “service of another Member”;
- (vii) “monopoly supplier of a service”;
- (viii) “service consumer”;
- (ix) “person”;
- (x) “juridical person”;
- (xi) “owned”, “controlled” and “affiliated”; and
- (xii) “direct taxes”.

Article 28 ***Most-Favoured-Nation Treatment***

1. Without prejudice to measures taken in accordance with Article VII of the GATS, and except as provided for in its List of MFN Exemptions contained in Annex VIII, a Party shall accord immediately and unconditionally, in respect of all measures affecting the supply of services, to services and service suppliers of another Party treatment no less favourable than the treatment it accords to like services and service suppliers of any non-party.

2. Treatment granted under other existing or future agreements concluded by one of the Parties and notified under Article V or Article V *bis* of the GATS shall not be subject to paragraph 1.

3. If a Party concludes or amends an agreement of the type referred to in paragraph 2, it shall notify the other Parties without delay and endeavour to accord to the other Parties treatment no less favourable than that provided under that agreement. The former Party shall, upon request by any other Party, negotiate the incorporation into this Agreement of a treatment no less favourable than that provided under the former agreement.

4. The rights and obligations of the Parties in respect of advantages accorded to adjacent countries shall be governed by paragraph 3 of Article II of the GATS, which is hereby incorporated into and made part of this Chapter.

Article 29 ***Market Access***

Commitments on market access shall be governed by Article XVI of the GATS, which is hereby incorporated into and made part of this Chapter.

Article 30
National Treatment

Commitments on national treatment shall be governed by Article XVII of the GATS, which is hereby incorporated into and made part of this Chapter.

Article 31
Additional Commitments

Additional commitments shall be governed by Article XVIII of the GATS, which is hereby incorporated into and made part of this Chapter.

Article 32
Domestic Regulation

1. Each Party shall ensure that all measures of general application affecting trade in services are administered in a reasonable, objective and impartial manner.

2. Each Party shall maintain or institute as soon as practicable judicial, arbitral or administrative tribunals or procedures which provide, at the request of an affected service supplier of another Party, for the prompt review of, and where justified, appropriate remedies for, administrative decisions affecting trade in services. Where such procedures are not independent of the agency entrusted with the administrative decision concerned, the Party shall ensure that the procedures in fact provide for an objective and impartial review.

3. Where authorisation is required by a Party for the supply of a service, the competent authorities of that Party shall, within a reasonable period of time after the submission of an application is considered complete under that Party's domestic laws and regulations, inform the applicant of the decision concerning the application. At the request of the applicant, the competent authorities of that Party shall provide, without undue delay, information concerning the status of the application.

4. Each Party shall provide for adequate procedures to verify the competence of professionals of any other Party.

Article 33
Recognition

1. For the purpose of the fulfilment of its relevant standards or criteria for the authorisation, licensing or certification of service suppliers, each Party shall give due consideration to any requests by another Party to recognise the education or experience obtained, requirements met, or licences or certifications granted in that other Party. Such recognition may be based upon an agreement or arrangement with that other Party, or otherwise be accorded autonomously.

2. Where a Party recognises, by agreement or arrangement, the education or experience obtained, requirements met, or licences or certifications granted, in the territory of a non-party, that Party shall afford another Party adequate opportunity to negotiate its accession to such an agreement or arrangement, whether existing or future, or to negotiate a comparable agreement or arrangement with it. Where a Party accords recognition autonomously, it shall afford adequate opportunity for another Party to demonstrate that the education or experience obtained, requirements met, or licences or certifications granted in the territory of that other Party should also be recognised.

3. Any such agreement or arrangement or autonomous recognition shall be in conformity with the relevant provisions of the WTO Agreement, in particular paragraph 3 of Article VII of the GATS.

Article 34 *Movement of Natural Persons*

1. This Article applies to measures affecting natural persons who are service suppliers of a Party, and natural persons of a Party who are employed by a service supplier of a Party, in respect of the supply of a service.

2. This Chapter shall not apply to measures affecting natural persons seeking access to the employment market of a Party, nor shall it apply to measures regarding nationality, residence or employment on a permanent basis.

3. Natural persons covered by a specific commitment shall be allowed to supply the service in accordance with the terms of that commitment.

4. This Chapter shall not prevent a Party from applying measures to regulate the entry of natural persons of another Party into, or their temporary stay in, its territory, including those measures necessary to protect the integrity of, and to ensure the orderly movement of natural persons across, its borders, provided that such measures are not applied in such a manner as to nullify or impair the benefits accruing to any Party under the terms of a specific commitment.²

Article 35 *Transparency*

The rights and obligations of the Parties in respect of transparency shall be governed by paragraphs 1 and 2 of Article III and by Article III *bis* of the GATS, which are hereby incorporated into and made part of this Chapter.

² The sole fact of requiring a visa for natural persons shall not be regarded as nullifying or impairing benefits under a specific commitment.

Article 36
Monopolies and Exclusive Service Suppliers

The rights and obligations of the Parties in respect of monopolies and exclusive service suppliers shall be governed by paragraphs 1, 2 and 5 of Article VIII of the GATS, which are hereby incorporated into and made part of this Chapter.

Article 37
Business Practices

The rights and obligations of the Parties in respect of business practices shall be governed by Article IX of the GATS, which is hereby incorporated into and made part of this Chapter.

Article 38
Payments and Transfers

1. Except under the circumstances envisaged in Article 39, a Party shall not apply restrictions on international transfers and payments for current transactions with another Party.

2. Nothing in this Chapter shall affect the rights and obligations of the Parties under the Articles of the Agreement of the International Monetary Fund (hereinafter referred to as the "IMF"), including the use of exchange actions which are in conformity with the Articles of the Agreement of the IMF, provided that a Party shall not impose restrictions on capital transactions inconsistently with its specific commitments regarding such transactions, except under Article 39 or at the request of the IMF.

Article 39
Restrictions to Safeguard the Balance of Payments

1. The Parties shall endeavour to avoid the imposition of restrictions to safeguard the balance of payments.

2. Any restriction to safeguard the balance of payments adopted or maintained by a Party under and in conformity with Article XII of the GATS shall apply under this Chapter.

Article 40
Exceptions

The rights and obligations of the Parties in respect of general exceptions and security exceptions shall be governed by Article XIV and paragraph 1 of Article XIV *bis* of the GATS, which are hereby incorporated into and made part of this Chapter.

Article 41
Schedules of Specific Commitments

1. Each Party shall set out in a schedule the specific commitments it undertakes under Articles 29, 30 and 31. With respect to sectors where such commitments are undertaken, each Schedule shall specify:

- (a) terms, limitations and conditions on market access;
- (b) conditions and qualifications on national treatment;
- (c) undertakings relating to additional commitments referred to in Article 31; and
- (d) where appropriate, the time-frame for implementation of such commitments and the date of entry into force of such commitments.

2. Measures inconsistent with both Articles 29 and 30 shall be dealt with as provided for in paragraph 2 of Article XX of the GATS.

3. The Parties' Schedules of specific commitments are set out in Annex III.

Article 42
Modification of Schedules

The Parties shall, upon written request by a Party, hold consultations to consider any modification or withdrawal of a specific commitment in the requesting Party's Schedule of specific commitments. The consultations shall be held within three months after the requesting Party made its request. In the consultations, the Parties shall aim to ensure that a general level of mutually advantageous commitments no less favourable to trade than that provided for in the Schedule of specific commitments prior to such consultations is maintained. Modifications of Schedules are subject to the procedures set out in Articles 55 and 58.

Article 43
Review

With the objective of further liberalising trade in services between them, in particular eliminating substantially all remaining discrimination within a period of ten years, the Parties shall review at least every other year, or more frequently if so agreed, their Schedules of specific commitments and their Lists of MFN Exemptions, taking into account in particular any autonomous liberalisation and on-going work under the auspices of the WTO. The first such review shall take place no later than three years after the entry into force of this Agreement.

Article 44
Annexes

The following Annexes form an integral part of this Chapter:

- Annex III (Schedules of Specific Commitments and Lists of MFN Exemptions);
- Annex IV (Financial Services); and
- Annex V (Telecommunications Services).

CHAPTER IV
DISPUTE SETTLEMENT

Article 45
Scope and Coverage

1. The provisions of this Chapter shall apply with respect to the settlement of any disputes concerning the interpretation or application of this Agreement, except as otherwise provided in this Agreement.

2. Disputes regarding the same matter arising under both this Agreement and the WTO Agreement may be settled in either forum at the discretion of the complaining Party. The forum thus selected shall be used to the exclusion of the other.

3. For purposes of paragraph 2, dispute settlement proceedings under the WTO Agreement are deemed to be initiated by a Party's request for the establishment of a panel under Article 6 of the WTO Dispute Settlement Understanding, whereas dispute settlement proceedings under this Agreement are deemed to be initiated upon a request for arbitration pursuant to paragraph 1 of Article 48.

4. Before a Party initiates dispute settlement proceedings under the WTO Agreement against another Party, that Party shall notify other Party of its intention.

Article 46
Good Offices, Conciliation or Mediation

1. Good offices, conciliation and mediation are procedures that are undertaken voluntarily if the Parties so agree. They may begin and be terminated at any time. They may continue while procedures of an arbitration panel established in accordance with this Chapter are in progress.

2. Proceedings involving good offices, conciliation and mediation shall be confidential and without prejudice to the Parties' rights in any other proceedings.

Article 47
Consultations

1. The Parties shall at all times endeavour to agree on the interpretation and application of this Agreement, and shall make every attempt through cooperation and consultations to reach a mutually satisfactory resolution of any matter raised in accordance with this Article.

2. A Party may request in writing consultations with another Party if it considers that a measure or other matter is inconsistent with this Agreement. The Party requesting consultations shall at the same time notify the other Party in writing thereof. The Party to which the request is made shall reply to the request within 10 days after the date of its receipt. Consultations shall take place in the Committee unless the Parties making and receiving the request for consultations agree otherwise.

3. Consultations shall commence within 30 days from the date of receipt of the request for consultations. Consultations on urgent matters, including those on perishable goods, shall commence within 15 days from the receipt of the request for consultations. If the Party to which the request is made does not reply within 10 days or does not enter into consultations within 30 days from the date of receipt of the request for consultations, or within 15 days for urgent matters, the Party making the request is entitled to request the establishment of an arbitration panel in accordance with Article 4.4 48.

4. The parties to the dispute shall provide sufficient information to enable a full examination of how the measure or other matter is inconsistent with this Agreement and treat any confidential or proprietary information exchanged in the course of consultations in the same manner as the Party providing the information.

5. The consultations shall be confidential and without prejudice to the rights of the Parties in any further proceedings.

Article 48
Establishment of Arbitration Panel

1. If the consultations referred to in Article 47 fail to settle a dispute within 60 days, or 30 days in relation to urgent matters, including those on perishable goods, after the date of the receipt of the request for consultations by the Party complained against, it may be referred to an arbitration panel by means of a written request from the complaining Party to the Party complained against.

2. The request for arbitration shall identify the specific measure or other matter at issue and provide a brief summary of the legal basis of the complaint.

3. The arbitration panel shall comprise three members who shall be nominated in accordance with the “Optional Rules for Arbitrating Disputes between Two States of the Permanent Court of Arbitration”, effective 20 October 1992 (hereinafter referred to as “the Optional Rules”). The date of establishment of the arbitration panel shall be the date on which the Chairperson is appointed.

4. Unless the parties to the dispute otherwise agree within 20 days from the date of receipt of the request for the establishment of the arbitration panel, the terms of reference for the arbitration panel shall be:

“To examine, in the light of the relevant provisions of this Agreement, the matter referred to in the request for the establishment of an arbitration panel pursuant to Article 48 and to make findings of law and fact together with the reasons therefore, as well as recommendations, if any, for the resolution of the dispute and the implementation of the ruling.”

Article 49 ***Procedures of the Arbitration Panel***

1. Unless otherwise specified in this Agreement or agreed between the parties to the dispute, the procedures of the arbitration panel shall be governed by the Optional Rules.

2. The arbitration panel shall examine the matter referred to it in the request for the establishment of an arbitration panel in the light of the relevant provisions of this Agreement interpreted in accordance with rules of interpretation of public international law.

3. Unless the parties to the dispute agree otherwise, the hearings of the arbitration panel shall take place in Geneva. The language of any proceeding shall be English. The hearings of the arbitration panel shall be open to the public unless the parties to the dispute agree otherwise.

4. There shall be no *ex parte* communications with the arbitration panel concerning matters under its consideration.

5. A Party's written submissions, written versions of oral statements and responses to questions put by an arbitration panel, shall, at the same time as it is submitted to the arbitration panel, be transmitted by that Party to the other party to the dispute.

6. The Parties shall treat as confidential the information submitted by other Party to the arbitration panel which that Party has designated as confidential.

7. Decisions of the arbitration panel shall be taken by a majority of its members. Any member may furnish separate opinions on matters not unanimously agreed. The arbitration panel may not disclose which members are associated with majority or minority opinions.

Article 50 ***Arbitration Panel Reports***

1. The arbitration panel should, as a general rule, submit an initial report containing its findings and ruling to the parties to the dispute not later than 90 days from the date of establishment of the arbitration panel. In no case should it do so later than five months

from this date. A party to the dispute may submit written comments to the arbitration panel on its initial report within 14 days of receipt of the report. The arbitration panel shall present to the parties to the dispute a final report within 30 days of their receipt of the initial report.

2. The final report, as well as any ruling under Articles 52 and 53, shall be communicated to the Parties. The reports shall be made public, unless the parties to the dispute decide otherwise.

3. Any ruling of the arbitration panel under any provision of this Chapter shall be final and binding upon the parties to the dispute.

Article 51

Suspension or Termination of Arbitration Panel Proceedings

1. Where the parties to the dispute agree, an arbitration panel may suspend its work at any time for a period not exceeding 12 months. If the work of an arbitration panel has been suspended for more than 12 months, the arbitration panel's authority for considering the dispute shall lapse unless the parties to the dispute agree otherwise.

2. A complaining Party may withdraw its complaint at any time before the final report has been issued. Such withdrawal is without prejudice to its right to introduce a new complaint regarding the same issue at a later point in time.

3. The parties to the dispute may agree at any time to terminate the proceedings of an arbitration panel established under this Agreement by jointly notifying the Chairperson of that arbitration panel.

4. An arbitration panel may, at any stage of the proceedings prior to release of the final report, propose that the parties to the dispute seek to settle the dispute amicably.

Article 52

Implementation of Final Report

1. The Party concerned shall promptly comply with the ruling of the arbitration panel. If it is impracticable to comply immediately, the parties to the dispute shall endeavour to agree on a reasonable period of time to do so. In the absence of such agreement within 30 days from the date of the issuance of the final report, either party to the dispute may request the original arbitration panel to determine the length of the reasonable period of time, in light of the particular circumstances of the case. The ruling of the arbitration panel should be given within 30 days from that request.

2. The party to the dispute concerned shall notify the other party to the dispute of the measure adopted in order to comply with the ruling of the arbitration panel, as well as provide a detailed description of how the measure ensures compliance sufficient to allow the other party to the dispute to assess the measure.

3. In case of disagreement as to the existence of a measure complying with the ruling of the arbitration panel or to the consistency of that measure with the ruling of the arbitration panel, such dispute shall be decided by the same arbitration panel before compensation can be sought or suspension of benefits can be applied in accordance with Article 53. The ruling of the arbitration panel shall normally be rendered within 90 days.

Article 53 ***Compensation and Suspension of Benefits***

1. If the Party concerned fails to properly comply with the ruling in the final report within a reasonable period of time as provided for in paragraph 1 of Article 52, that Party shall, if so requested by the complaining Party, enter into consultations with a view to agreeing on a mutually acceptable compensation. If no such agreement has been reached within 20 days from the request, the complaining Party shall be entitled to suspend the application of benefits granted under this Agreement but only equivalent to those affected by the measure or matter that the arbitration panel has found to be inconsistent with this Agreement.

2. In considering what benefits to suspend, the complaining Party should first seek to suspend benefits in the same sector or sectors as that affected by the measure or matter that the arbitration panel has found to be inconsistent with this Agreement. The complaining Party that considers it is not practicable or effective to suspend benefits in the same sector or sectors may suspend benefits in other sectors.

3. The complaining Party shall notify the other party to the dispute of the benefits which it intends to suspend, the grounds for such suspension and when suspension will commence, no later than 30 days before the date on which the suspension is due to take effect. Within 15 days from that notification, the Party complained against may request the original arbitration panel to rule on whether the benefits which the complaining Party intends to suspend are equivalent to those affected by the measure found to be inconsistent with this Agreement, and whether the proposed suspension is in accordance with paragraphs 1 and 2. The ruling of the arbitration panel shall be given within 45 days from that request. Benefits shall not be suspended until the arbitration panel has issued its ruling.

4. Compensation and suspension of benefits shall be temporary measures and shall only be applied by the complaining Party until the measure or matter found to be inconsistent with this Agreement has been withdrawn or amended so as to bring it into conformity with this Agreement, or until the parties to the dispute have resolved the dispute otherwise.

5. At the request of a party to the dispute, the original arbitration panel shall rule on the conformity with the final report of any implementing measures adopted after the suspension of benefits and, in light of such ruling, whether the suspension of benefits should be terminated or modified. The ruling of the arbitration panel shall be given within 30 days from the date of that request.

Article 54
Other Provisions

1. Whenever possible, the arbitration panel referred to in Articles 52 and 53 shall comprise the same panelists who issued the final report. If a member of the original arbitration panel is unavailable, the appointment of a replacement panelist shall be conducted in accordance with the selection procedure for the original panelist.

2. Any time period mentioned in this Chapter may be modified by mutual agreement of the Parties involved.

CHAPTER V
INSTITUTIONAL PROVISIONS

Article 55
Free Trade Committee

1. The Parties hereby establish the Montenegrin - Ukrainian Free Trade Committee (here and after referred to as “the Committee”) in order to ensure full and effective implementation of the provisions of this Agreement.

2. The objectives of the Committee are:

(a) to supervise and review the implementation of this Agreement, *inter alia* by means of a comprehensive review of the application of the provisions of this Agreement, with due regard to any specific reviews contained in this Agreement;

(b) to keep under review the possibility of further removal of barriers to trade and other restrictive measures concerning trade between the Parties;

(c) to oversee the further development of this Agreement;

(d) to endeavour to resolve disputes that may arise regarding the interpretation or application of this Agreement; and

(e) to consider any other matter that may affect the operation of this Agreement.

3. The Committee shall meet whenever necessary upon request by the either Party in the capitals of both States alternately, at the agreed date.

CHAPTER VI FINAL PROVISIONS

Article 56 *Fulfillment of Obligations*

The Parties shall take all necessary measures to ensure the achievement of the objectives of this Agreement and the fulfilment of their obligations under this Agreement.

Article 57 *Annexes*

The Annexes to this Agreement shall form an integral part thereof. The Free Trade Committee may recommend amending the Annexes in accordance with the national legislation of the Parties.

Article 58 *Amendments*

Amendments to this Agreement, as well as to its Annexes, shall enter into force on the date of receipt of the latter written notification through diplomatic channels, by which the Parties inform each other that all necessary requirements foreseen by their national legislation for the entry into force of this Agreement, have been fulfilled.

Article 59 *Validity and Withdrawal*

1. This Agreement is concluded for an unlimited period.
2. Each Party to this Agreement may withdraw from this Agreement by a written notification to the other Party. The termination shall take effect on the first day of the seventh month following the date on which the notification was received by the other Party.
3. Without prejudice to Article 4, on the day of the accession of each Party of this Agreement to the European Union, this Agreement shall cease to be effective.
4. Six months after the termination of this Agreement, its provisions will apply to all contracts that are concluded during the term and in accordance with this Agreement, in order to ensure complete performance of obligations arising from them.

Article 60
Entry into Force

The Parties shall ratify this Agreement in accordance with their own procedures. This Agreement shall enter into force on the first day of the second month, following the date of the receipt through diplomatic channels of the latter document on ratification.

IN WITNESS WHEREOF the undersigned plenipotentiaries, being duly authorised thereto, have signed this Agreement.

DONE at,on....., in two originals, each in the Montenegrin, Ukrainian and English languages, all texts being equally authentic. In case of any divergence in the interpretation of this Agreement, the English text shall prevail.

For the Government of Montenegro

For the Government of Ukraine

ANNEX I

CUSTOMS DUTIES ON IMPORTS

UKRAINE – LIST OF EXEMPTIONS REFERRED TO IN ARTICLE 7

| HS Code | Description of Products |
|---------------|---|
| 0203 | MEAT OF SWINE, FRESH, CHILLED OR FROZEN |
| 0206 41 00 00 | LIVERS OF SWINE, FROZEN |
| 0206 49 20 00 | OTHER EDIBLE OFFAL OF SWINE, FROZEN |
| 0207 14 | CUTS AND OFFAL OF THE POULTRY, FROZEN |
| 0209 00 11 00 | PIG FAT, FRESH, CHILLED, FROZEN, SALTED, IN BRINE |
| 1701 | CANE OR BEET SUGAR AND CHEMICALLY PURE SUCROSE, IN SOLID FORM |

ANNEX II
RULES OF ORIGIN AND
METHODS OF ADMINISTRATIVE CO-OPERATION

TITLE I GENERAL PROVISIONS

Article 1 Definitions

**TITLE II DEFINITION OF THE CONCEPT OF "ORIGINATING
PRODUCTS"**

Article 2 General requirements
Article 3 Cumulation in Montenegro
Article 4 Cumulation in Ukraine
Article 5 Wholly obtained products
Article 6 Sufficiently worked or processed products
Article 7 Insufficient working or processing
Article 8 Unit of qualification
Article 9 Accessories, spare parts and tools
Article 10 Sets
Article 11 Neutral elements

TITLE III TERRITORIAL REQUIREMENTS

Article 12 Principle of territoriality
Article 13 Direct transport
Article 14 Exhibitions

TITLE IV DRAWBACK OR EXEMPTION

Article 15 Prohibition of drawback of, or exemption from, customs duties

TITLE V PROOF OF ORIGIN

Article 16 General requirements
Article 17 Procedure for the issue of a certificate of origin EUR.1
Article 18 Certificates of origin EUR.1 issued retrospectively
Article 19 Issue of a duplicate certificate of origin EUR.1
Article 20 Issue of certificates of origin EUR.1 on the basis of a proof of origin issued
or made out previously
Article 21 Accounting segregation
Article 22 Conditions for making out an invoice declaration
Article 23 Approved exporter
Article 24 Validity of proof of origin
Article 25 Submission of proof of origin
Article 26 Importation by instalments
Article 27 Exemptions from proof of origin
Article 28 Supporting documents

| | |
|------------|--|
| Article 29 | Preservation of proof of origin and supporting documents |
| Article 30 | Discrepancies and formal errors |
| Article 31 | Amounts expressed in euro |

TITLE VI ARRANGEMENTS FOR ADMINISTRATIVE CO-OPERATION

| | |
|------------|----------------------------------|
| Article 32 | Mutual assistance |
| Article 33 | Verification of proofs of origin |
| Article 34 | Dispute settlement |
| Article 35 | Penalties |
| Article 36 | Free zones |

TITLE VII FINAL PROVISIONS

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| Article 37 | Amendments to the Annex |
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List of Appendixes

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| Appendix I: | Introductory notes to the list in Appendix II |
| Appendix II: | List of products and working or processing operations which confer originating status |
| Appendix III: | Specimens of certificate of origin EUR.1 and application for a certificate of origin EUR.1 |
| Appendix IV: | Text of the invoice declaration |

TITLE I
GENERAL PROVISIONS

Article 1
Definitions

For the purposes of this Annex:

- (a) "manufacture" means any kind of working or processing including assembly or specific operations;
- (b) "material" means any ingredient, raw material, component or part, etc., used in the manufacture of the product;
- (c) "product" means the product being manufactured, even if it is intended for later use in another manufacturing operation;
- (d) "goods" means both materials and products;
- (e) "customs value" means the value as determined in accordance with the 1994 Agreement on implementation of Article VII of the General Agreement on Tariffs and Trade (WTO Agreement on customs valuation);
- (f) "ex-works price" means the price paid for the product ex works to the manufacturer in Montenegro or in Ukraine 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 Montenegro or in Ukraine ;
- (h) "value of originating materials" means the value of such materials as defined in (g) applied *mutatis mutandis*;
- (i) "value added" shall be taken to be 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 or, where the customs value is not known or cannot be ascertained, the first ascertainable price paid for the materials in Montenegro or in Ukraine ;
- (j) "chapters" and "headings" mean the chapters and the headings (four-digit codes) used in the nomenclature which makes up the Harmonized Commodity Description and Coding System, referred to in this Annex as "the Harmonized 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.

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 Montenegro:

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

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

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

Article 3

Cumulation in Montenegro

Without prejudice to the provisions of Article 2(1), products shall be considered as originating in Montenegro if such products are obtained there, incorporating materials originating in Ukraine, provided that the working or processing carried out in Montenegro goes beyond the operations referred to in Article 7. It shall not be necessary that such materials have undergone sufficient working or processing.

Article 4

Cumulation in Ukraine

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

Article 5

Wholly obtained products

1. The following shall be considered as wholly obtained in Montenegro or in Ukraine:

- (a) mineral products extracted from their soil or from their seabed;

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

2. The terms "their vessels" and "their factory ships" in paragraph 1(f) and (g) shall apply only to vessels and factory ships:

- (a) which are registered or recorded in Montenegro or in Ukraine;
- (b) which sail under the flag of Montenegro or of Ukraine;
- (c) which are owned to an extent of at least 50 per cent by nationals of Montenegro or of Ukraine, 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 Montenegro or of Ukraine 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 Montenegro or of Ukraine;
and
- (e) of which at least 75 per cent of the crew are nationals of Montenegro or of Ukraine.

Article 6

Sufficiently worked or processed products

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

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

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

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

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

3. Paragraphs 1 and 2 shall not apply subject to the provisions of Article 7.

Article 7

Insufficient working or processing

1. Without prejudice to Article 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; partial or total milling of crystal sugar;
- (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, including mixing of sugar with any material;
- (n) simple assembly of parts of articles to constitute a complete article or disassembly of products into parts;
- (o) a combination of two or more operations specified in (a) to (n);
- (p) slaughter of animals.

2. All operations carried out either in Montenegro or in Ukraine 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 Annex shall be the particular product which is considered as the basic unit when determining classification using the nomenclature of the Harmonized System.

It follows that:

- (a) when a product composed of a group or assembly of articles is classified under the terms of the Harmonized 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 Harmonized System, each product must be taken individually when applying the provisions of this Annex.

2. Where, under General Rule 5 of the Harmonized 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 Harmonized 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 per cent of the ex-works price of the set.

Article 11

Neutral elements

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

- (a) energy and fuel;
- (b) plant and equipment;
- (c) machines and tools;
- (d) goods which do not enter and which are not intended to enter into the final composition of the product.

TITLE III

TERRITORIAL REQUIREMENTS

Article 12

Principle of territoriality

1. Except as provided for in Articles 3 and 4 and paragraph 3 of this Article, the conditions for acquiring originating status set out in Title II must be fulfilled without interruption in Montenegro or in Ukraine.

2. Except as provided for in Articles 3 and 4, where originating goods exported from Montenegro or from Ukraine to another country return, they must 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 Montenegro or Ukraine on materials exported from Montenegro or from Ukraine and subsequently re-imported there, provided:

- (a) the said materials are wholly obtained in Montenegro or in Ukraine 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 Montenegro or Ukraine by applying the provisions of this Article does not exceed 10 per cent 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 Montenegro or Ukraine. But where, in the list in Appendix 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 Montenegro or Ukraine 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' shall be taken to mean all costs arising outside Montenegro or Ukraine, 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 Appendix 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 Harmonized System

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

Article 13

Direct transport

1. The preferential treatment provided for under the Agreement applies only to products, satisfying the requirements of this Annex, which are transported directly between Montenegro and Ukraine. However, products constituting one single consignment may be transported through other territories with, should the occasion arise, trans-shipment or temporary warehousing in such territories, provided that they remain under the surveillance of the customs authorities in the country of transit or warehousing and do not undergo

operations other than unloading, reloading or any operation designed to preserve them in good condition.

Originating products may be transported by pipeline across territory other than that of Montenegro or Ukraine.

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

(a) a single transport document covering the passage from the exporting country through the country of transit; or

(b) a certificate issued by the customs authorities of the country of transit:

(i) giving an exact description of the products;

(ii) stating the dates of unloading and reloading of the products and, where applicable, the names of the ships, or the other means of transport used;
and

(iii) certifying the conditions under which the products remained in the transit country;
or

(c) failing these, any substantiating documents.

Article 14 **Exhibitions**

1. Originating products, sent for exhibition in a country other than Montenegro and Ukraine and sold after the exhibition for importation in Montenegro or in Ukraine shall benefit on importation from the provisions of the Agreement provided it is shown to the satisfaction of the customs authorities that:

(a) an exporter has consigned these products from Montenegro or from Ukraine 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 Montenegro or in Ukraine;

(c) the products have been consigned during the exhibition or immediately thereafter in the state in which they were sent for exhibition;

and

(d) the products have not, since they were consigned for exhibition, been used for any purpose other than demonstration at the exhibition.

2. A proof of origin must be issued or made out in accordance with the provisions of Title V and submitted to the customs authorities of the importing country in the normal manner.

The name and address of the exhibition must be indicated thereon. Where necessary, additional documentary evidence of the conditions under which they have been exhibited may be required.

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

TITLE IV DRAWBACK OR EXEMPTION

Article 15

Prohibition of drawback of, or exemption from, customs duties

1. Non-originating materials used in the manufacture of products originating in Montenegro or in Ukraine for which a proof of origin is issued or made out in accordance with the provisions of Title V shall not be subject in Montenegro or in Ukraine 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 Montenegro or in Ukraine to materials used in the manufacture, where such refund, remission or non-payment applies, expressly or in effect, when products obtained from the said materials are exported and not when they are retained for home use there.

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

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

5. The provisions of paragraphs 1 to 4 shall apply only in respect of materials which are of the kind to which the Agreement applies. Furthermore, they shall not preclude the application of an export refund system for agricultural products, applicable upon export in accordance with the provisions of the Agreement.

TITLE V PROOF OF ORIGIN

Article 16

General requirements

1. Products originating in Montenegro shall, on importation into Ukraine and products originating in Ukraine shall, on importation into Montenegro benefit from the Agreement upon submission of either:

- (a) a certificate of origin EUR.1, a specimen of which appears in Appendix III; or
- (b) in the cases specified in Article 22(1), a declaration, subsequently referred to as the "invoice declaration", 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 text of the invoice declaration appears in Appendix IV.

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

Article 17

Procedure for the issue of a certificate of origin EUR.1

1. A certificate of origin EUR.1 shall be issued by the customs authorities of the exporting country according to its domestic law on application having been made in writing by the exporter or, under the exporter's responsibility, by his authorised representative.

2. For this purpose, the exporter or his authorised representative shall fill out both the certificate of origin EUR.1 and the application form, specimens of which appear in Appendix III. These forms shall be completed in one of the languages in which this Agreement is drawn up or in English and in accordance with the provisions of the domestic law of the exporting country. If they are hand-written, they shall be completed in ink in printed characters. The description of the products must be given in the box reserved for this purpose without leaving any blank lines. Where the box is not completely filled, a horizontal line must be drawn below the last line of the description, the empty space being crossed through.

3. The exporter applying for the issue of a certificate of origin EUR.1 shall be prepared to submit at any time, at the request of the customs authorities of the exporting country where the certificate of origin EUR.1 is issued, all appropriate documents proving the originating status of the products concerned as well as the fulfilment of the other requirements of this Annex.

4. A certificate of origin EUR.1 shall be issued by customs authorities of Montenegro or of Ukraine if the products concerned can be considered as products originating in Montenegro or in Ukraine and fulfil the other requirements of this Annex.

5. The customs authorities shall take any steps necessary to verify the originating status of the products and the fulfilment of the other requirements of this Annex. 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.

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

7. A certificate of origin EUR.1 shall be issued by customs authorities of the exporting country according to its domestic law and made available to the exporter as soon as actual exportation has been effected or ensured.

Article 18

Certificates of origin EUR.1 issued retrospectively

1. Notwithstanding Article 17(7), a certificate of origin EUR.1 may exceptionally be issued after exportation of the products to which it relates if:

(a) it was not issued at the time of exportation because of errors or involuntary omissions or special circumstances;

or

(b) it is demonstrated to the satisfaction of the customs authorities that a certificate of origin EUR.1 was issued but was not accepted at importation for technical reasons.

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

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

4. Certificates of origin EUR.1 issued retrospectively must be endorsed with the following phrase in English:
'ISSUED RETROSPECTIVELY'

5. The endorsement referred to in paragraph 4 shall be inserted in the "Remarks" box of the certificate of origin EUR.1.

Article 19

Issue of a duplicate certificate of origin EUR.1

1. In the event of theft, loss or destruction of a certificate of origin EUR.1, the exporter may apply to the customs authorities of the exporting country which issued it for a duplicate made out on the basis of the export documents in their possession.

2. The duplicate issued in this way must be endorsed with the following word in English:

'DUPLICATE'

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

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

Article 20

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

When originating products are placed under the control of a customs office in Montenegro or in Ukraine, it shall be possible to replace the original proof of origin by one or more certificates of origin EUR.1 for the purpose of sending all or some of these products elsewhere within Montenegro or Ukraine. The replacement certificate(s) of origin EUR.1 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 to be used for managing such stocks.

2. This method must be able to 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 if there had been physical segregation of the stocks.

3. The customs authorities may grant such authorisation, subject to any conditions deemed appropriate.

4. This method is recorded and applied on the basis of the general accounting principles applicable in the country where the product was manufactured.

5. The beneficiary of this facilitation may issue 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 at any time 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 Annex.

Article 22

Conditions for making out an invoice declaration

1. An invoice declaration as referred to in Article 16(1)(b) may be made out:

(a) by an approved exporter within the meaning of Article 23,

or

(b) by any exporter for any consignment consisting of one or more packages containing originating products whose total value does not exceed EUR 6,000.

2. An invoice declaration may be made out if the products concerned can be considered as products originating in Montenegro or in Ukraine and fulfil the other requirements of this Annex.

3. The exporter making out an invoice declaration shall be prepared to submit at any time, at the request of the customs authorities of the exporting country, all appropriate documents proving the originating status of the products concerned as well as the fulfilment of the other requirements of this Annex.

4. An invoice declaration shall be made out by the exporter by typing, stamping or printing on the invoice, the delivery note or another commercial document, the declaration, the text of which appears in Appendix IV, using one of the linguistic versions set out in that Appendix and in accordance with the provisions of the domestic law of the exporting country. If the declaration is hand-written, it shall be written in ink in printed characters.

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

6. An invoice declaration may be made out by the exporter when the products to which it relates are exported, or after exportation on condition that it is presented in the importing country no longer than two years after the importation of the products to which it relates.

Article 23

Approved exporter

1. The customs authorities of the exporting country may authorise any exporter, hereinafter referred to as 'approved exporter', who makes frequent shipments of products under this Agreement to make out invoice declarations irrespective of the value of the products concerned. An exporter seeking such authorisation must offer to the satisfaction of the customs authorities all guarantees necessary to verify the originating status of the products as well as the fulfilment of the other requirements of this Annex.

2. The customs authorities may grant the status of approved exporter subject to any conditions which they consider appropriate.

3. The customs authorities shall grant to the approved exporter a customs authorisation number which shall appear on the invoice declaration.

4. The customs authorities shall monitor the use of the authorisation by the approved exporter.

5. The customs authorities may withdraw the authorisation at any time. They shall do so where the approved exporter no longer offers the guarantees referred to in paragraph 1, 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 six months from the date of issue in the exporting country, and must be submitted within the said period to the customs authorities of the importing country.

2. Proofs of origin which are submitted to the customs authorities of the importing country after the final date for presentation specified in paragraph 1 may be accepted for the purpose of applying preferential treatment, where the failure to submit these documents by the final date set is due to exceptional circumstances.

3. In other cases of belated presentation, the customs authorities of the importing country may accept the proofs of origin where the products have been submitted before the said final date.

Article 25

Submission of proof of origin

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

Article 26

Importation by instalments

Where, at the request of the importer and on the conditions laid down by the customs authorities of the importing country, dismantled or non-assembled products within the meaning of General Rule 2(a) of the Harmonized System falling within Sections XVI and XVII or headings 7308 and 9406 of the Harmonized 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 Annex and where there is no doubt as to the veracity of such a declaration. In the case of products sent by post, this declaration can be made on the customs declaration CN22/CN23 or on a sheet of paper annexed to that document, which should be accepted by customs authorities.

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(3) used for the purpose of proving that products covered by a certificate of origin EUR.1 or an invoice declaration can be considered as products originating in Montenegro or in Ukraine and fulfil the other requirements of this Annex 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 book-keeping;
- (b) documents proving the originating status of materials used, issued or made out in Montenegro or in Ukraine where these documents are used in accordance with domestic law;
- (c) documents proving the working or processing of materials in Montenegro or in Ukraine, issued or made out in Montenegro or in Ukraine, where these documents are used in accordance with domestic law;
- (d) certificates of origin EUR.1 or invoice declarations proving the originating status of materials used, issued or made out in Montenegro or in Ukraine in accordance with this Annex;
- (e) appropriate evidence concerning working or processing undergone outside Montenegro or Ukraine 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 certificate of origin EUR.1 shall keep for at least three years the documents referred to in Article 17(3).

2. The exporter making out an invoice declaration shall keep for at least three years a copy of this invoice declaration as well as the documents referred to in Article 22(3).

3. The customs authorities of the exporting country issuing a certificate of origin EUR.1 shall keep for at least three years the application form referred to in Article 17(2).
4. The customs authorities of the importing country shall keep for at least three years the certificates of origin EUR.1 and the invoice declarations 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 should not cause this document to be rejected if these errors are not such as to create doubts concerning the correctness of the statements made in this document.

Article 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 Montenegro and of Ukraine equivalent to the amounts expressed in euro shall be fixed annually by the Parties.
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 Parties.
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. The amounts shall be communicated BY the Parties to each other by 15 October and shall apply from 1 January the following year.
4. A country 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 per cent. 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 per cent in the national currency equivalent. The national currency equivalent may be retained unchanged if the conversion would result in a decrease in that equivalent value.
5. The amounts expressed in euro shall be reviewed by the Free Trade Committee at the request of Montenegro or of Ukraine. When carrying out this review, the Free Trade 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 CO-OPERATION

Article 32
Mutual assistance

1. The customs authorities in Montenegro and in Ukraine shall provide each other with specimen impressions of stamps used for the issue of certificates of origin EUR.1 and with the addresses of the customs authorities responsible for verifying those certificates and invoice declarations.
2. In order to ensure the proper application of this Annex, Montenegro and Ukraine shall assist each other, through the competent customs authorities, in checking the authenticity of the certificates of origin EUR.1 or the invoice declarations 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 country have reasonable doubts as to the authenticity of such documents, the originating status of the products concerned or the fulfilment of the other requirements of this Annex.
2. For the purposes of implementing the provisions of paragraph 1, the customs authorities of the importing country shall return the certificate of origin EUR.1 and the invoice, if it has been submitted, the invoice declaration, or a copy of these documents, to the customs authorities of the exporting country giving, where appropriate, the reasons for the enquiry. Any documents and information obtained suggesting that the information given on the proof of origin is incorrect shall be forwarded in support of the request for verification.
3. The verification shall be carried out by the customs authorities of the exporting country. For this purpose, they shall have the right to call for any evidence and to carry out any inspection of the exporter's accounts or any other check considered appropriate.
4. If the customs authorities of the importing country decide to suspend the granting of preferential treatment to the products concerned while awaiting the results of the verification, release of the products shall be offered to the importer subject to any precautionary measures judged necessary.
5. The customs authorities requesting the verification shall be informed of the results of this verification as soon as possible. These results must indicate clearly whether the documents are authentic and whether the products concerned can be considered as products originating in Montenegro or in Ukraine and fulfil the other requirements of this Annex.
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

1. Where disputes arise in relation to the verification procedures of Article 33 which cannot be settled between the customs authorities requesting verification and the customs authorities responsible for carrying out this verification or where they raise a question as to the interpretation of this Annex, they shall be submitted to the Free Trade Committee.
2. In all cases the settlement of disputes between the importer and the customs authorities of the importing country shall be under the legislation of the said country.

Article 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

Products which are imported from the free zones of either contracting parties shall be excluded from preferential treatment under the Montenegrin-Ukrainian free trade Agreement.

TITLE VII
FINAL PROVISIONS

Article 37

Amendments to the Annex

The Parties may amend this Annex after entry into force through mutual consent. Any amendment made to this Annex shall enter into force according to the provisions of Article 29 of the Free Trade Agreement between both Parties and shall constitute an integral part of the Annex.

APPENDIX I

INTRODUCTORY NOTES TO THE LIST IN ANNEX II

Note 1 — General introduction

This Annex lays down under which products shall be considered to originate in the beneficiary country concerned. There are four different types of rule, which vary according to the product:

- (a) through working or processing a maximum content of non-originating materials is not exceeded;
- (b) through working or processing the 4-digit Harmonized System heading or 6-digit Harmonized System sub-heading of the manufactured products becomes different from the 4-digit Harmonized System heading or 6-digit sub-heading respectively of the materials used;
- (c) a specific working and processing operation is carried out;
- (d) working or processing is carried out on certain wholly obtained materials.

Note 2 — The structure of the list

2.1 Columns 1 and 2 describe the product obtained. Column 1 gives the chapter number, 4-digit heading or 6-digit sub-heading number used in the Harmonized System, as appropriate. Column 2 gives the description of goods used in that system for that heading or chapter. For each entry in columns 1 and 2, subject to Note 2.4, one or more rules ("qualifying operations") are set out in column 3. These qualifying operations concern only non-originating materials. Where, in some cases, the entry in column 1 is preceded by "ex", this signifies that the rule in column 3 applies only to the part of that heading as described in column 2.

2.2 Where several Harmonized System headings or sub-headings are grouped together in column 1 or a chapter number is given and the description of products in column 2 is therefore given in general terms, the adjacent rule in column 3 applies to all products which, under the Harmonized System, are classified in headings of the chapter or in any of the headings or sub-headings grouped together in column 1.

2.3 Where there are different rules in the list applying to different products within a heading, each indent contains the description of that part of the heading covered by the adjacent rule in column 3.

2.4 Where two alternative rules are set out in column 3, separated by "or", it is at the choice of the exporter which one to use.

Note 3 — General provisions concerning certain agricultural goods

3.1 Agricultural goods falling within Chapters 6, 7, 8, 9, 10, 12 and heading 2401 which are grown or harvested in the territory of a beneficiary country shall be treated as originating in the territory of that country, even if grown from seeds, bulbs, rootstock, cuttings, grafts, shoots, buds, or other live parts of plants imported from another country.

3.2 In cases where the content of non originating sugar in a given product is subject to limitations, the weight of sugars of headings 1701 (sucrose) and 1702 (e.g., fructose, glucose, lactose, maltose, isoglucose or invert sugar) used in the manufacture of the final product and used in the manufacture of the non-originating products incorporated in the final product is taken into account for the calculation of such limitations.

Note 4 — Terminology used in respect of certain textile products

4.1 The term "natural fibres" is used in the list to refer to fibres other than artificial or synthetic fibres. It is restricted to the stages before spinning takes place, including waste, and, unless otherwise specified, includes fibres which have been carded, combed or otherwise processed, but not spun.

4.2 The term "natural fibres" includes horsehair of heading 0503, silk of headings 5002 and 5003, as well as wool-fibres and fine or coarse animal hair of headings 5101 to 5105, cotton fibres of headings 5201 to 5203, and other vegetable fibres of headings 5301 to 5305.

4.3 The terms "textile pulp", "chemical materials" and "paper-making materials" are used in the list to describe the materials, not classified in Chapters 50 to 63, which can be used to manufacture artificial, synthetic or paper fibres or yarns.

4.4 The term "man-made staple fibres" is used in the list to refer to synthetic or artificial filament tow, staple fibres or waste, of headings 5501 to 5507.

Note 5 — Tolerances applicable to products made of a mixture of textile materials

5.1 Where, for a given product in the list, reference is made to this Note, the conditions set out in column 3 shall not be applied to any basic textile materials used in the manufacture of this product and which, taken together, represent 10 % or less of the total weight of all the basic textile materials used. (See also Notes 5.3 and 5.4)

5.2 However, the tolerance mentioned in Note 6.1 may be applied only to mixed products which have been made from two or more basic textile materials.

The following are the basic textile materials:

- silk,
- wool,
- coarse animal hair,
- fine animal hair,
- horsehair,
- cotton,
- paper-making materials and paper,
- flax,
- true hemp,
- jute and other textile bast fibres,
- sisal and other textile fibres of the genus Agave,
- coconut, abaca, ramie and other vegetable textile fibres,
- synthetic man-made filaments,
- artificial man-made filaments,

- current-conducting filaments,
- synthetic man-made staple fibres of polypropylene,
- synthetic man-made staple fibres of polyester,
- synthetic man-made staple fibres of polyamide,
- synthetic man-made staple fibres of polyacrylonitrile,
- synthetic man-made staple fibres of polyimide,
- synthetic man-made staple fibres of polytetrafluoroethylene,
- synthetic man-made staple fibres of poly(phenylene sulphide),
- synthetic man-made staple fibres of poly(vinyl chloride),
- other synthetic man-made staple fibres,
- artificial man-made staple fibres of viscose,
- other artificial man-made staple fibres,
- yarn made of polyurethane segmented with flexible segments of polyether, whether or not gimped,
- yarn made of polyurethane segmented with flexible segments of polyester, whether or not gimped,
- products of heading 5605 (metallised yarn) incorporating strip consisting of a core of aluminium foil or of a core of plastic film whether or not coated with aluminium powder, of a width not exceeding 5 mm, sandwiched by means of a transparent or coloured adhesive between two layers of plastic film,
- other products of heading 5605,
- glass fibres,
- metal fibres.

Example:

A yarn, of heading 5205, made from cotton fibres of heading 5203 and synthetic staple fibres of heading 5506, is a mixed yarn. Therefore, non-originating synthetic staple fibres which do not satisfy the origin rules may be used, provided that their total weight does not exceed 10 % of the weight of the yarn.

Example:

A woollen fabric, of heading 5112, made from woollen yarn of heading 5107 and synthetic yarn of staple fibres of heading 5509, is a mixed fabric. Therefore, synthetic yarn which does not satisfy the origin rules, or woollen yarn which does not satisfy the origin rules, or a combination of the two, may be used, provided that their total weight does not exceed 10 % of the weight of the fabric.

Example:

Tufted textile fabric, of heading 5802, made from cotton yarn of heading 5205 and cotton fabric of heading 5210, is only a mixed product if the cotton fabric is itself a mixed fabric made from yarns classified in two separate headings, or if the cotton yarns used are themselves mixtures.

Example:

If the tufted textile fabric concerned had been made from cotton yarn of heading 5205 and synthetic fabric of heading 5407, then, obviously, the yarns used are two separate basic textile materials and the tufted textile fabric is, accordingly, a mixed product.

5.3 In the case of products incorporating "yarn made of polyurethane segmented with flexible segments of polyether, whether or not gimped", the tolerance is 20 % in respect of this yarn.

5.3 In the case of products incorporating "strip consisting of a core of aluminium foil or of a core of plastic film whether or not coated with aluminium powder, of a width not exceeding 5 mm, sandwiched by means of a transparent or coloured adhesive between two layers of plastic film", the tolerance is 30 % in respect of this strip.

Note 6 — Other tolerances applicable to certain textile products

6.1 Where, in the list, reference is made to this Note, textile materials which do not satisfy the rule set out in the list in column 3 for the made-up product concerned, may be used, provided that they are classified in a heading other than that of the product and that their value does not exceed 8 % of the ex-works price of the product.

6.2 Materials, which are not classified within Chapters 50 to 63, may be used freely in the manufacture of textile products, whether or not they contain textiles.

Example:

If a rule in the list provides that, for a particular textile item (such as trousers), yarn must be used, this does not prevent the use of metal items, such as buttons, because buttons are not classified within Chapters 50 to 63. For the same reason, it does not prevent the use of slide-fasteners, even though slide-fasteners normally contain textiles.

6.3 Where a percentage-rule applies, the value of materials which are not classified within Chapters 50 to 63 must be taken into account when calculating the value of the non-originating materials incorporated.

Note 7 — Definition of specific processes and simple operations carried out in respect of certain products of Chapter 27

7.1. For the purposes of headings ex 2707 and 2713, the "specific processes" are the following:

- (a) vacuum-distillation;
- (b) redistillation by a very thorough fractionation-process (1);
- (c) cracking;
- (d) reforming;
- (e) extraction by means of selective solvents;
- (f) the process comprising all of the following operations: processing with concentrated sulphuric acid, oleum or sulphuric anhydride; neutralisation with alkaline agents; decolourisation and purification with naturally-active earth, activated earth, activated charcoal or bauxite;
- (g) polymerisation;
- (h) alkylation;
- (i) isomerisation.

7.2. For the purposes of headings 2710, 2711 and 2712, the "specific processes" are the following:

- (a) vacuum-distillation;

- (b) redistillation by a very thorough fractionation-process (1);
- (c) cracking;
- (d) reforming;
- (e) extraction by means of selective solvents;
- (f) the process comprising all of the following operations: processing with concentrated sulphuric acid, oleum or sulphuric anhydride; neutralisation with alkaline agents; decolourisation and purification with naturally-active earth, activated earth, activated charcoal or bauxite;
- (g) polymerisation;
- (h) alkylation;
- (i) isomerisation;
- (j) in respect of heavy oils of heading ex 2710 only, desulphurisation with hydrogen, resulting in a reduction of at least 85 % of the sulphur-content of the products processed (ASTM D 1266-59 T method);
- (k) in respect of products of heading 2710 only, deparaffining by a process other than filtering;
- (l) in respect of heavy oils of heading ex 2710 only, treatment with hydrogen, at a pressure of more than 20 bar and a temperature of more than 250 °C, with the use of a catalyst, other than to effect desulphurisation, when the hydrogen constitutes an active element in a chemical reaction. The further treatment, with hydrogen, of lubricating oils of heading ex 2710 (e.g. hydrofinishing or decolourisation), in order, more especially, to improve colour or stability shall not, however, be deemed to be a specific process;
- (m) in respect of fuel oils of heading ex 2710 only, atmospheric distillation, on condition that less than 30 % of these products distils, by volume, including losses, at 300 °C, by the ASTM D 86 method;
- (n) in respect of heavy oils other than gas oils and fuel oils of heading ex 2710 only, treatment by means of a high-frequency electrical brush-discharge.
- (o) in respect of crude products (other than petroleum jelly, ozokerite, lignite wax or peat wax, paraffin wax containing by weight less than 0,75 % of oil) of heading ex 2712 only, de-oiling by fractional crystallisation.

7.3. For the purposes of headings ex 2707 and 2713, simple operations, such as cleaning, decanting, desalting, water-separation, filtering, colouring, marking, obtaining a sulphur-content as a result of mixing products with different sulphur-contents, or any combination of these operations or like operations, do not confer origin.

APPENDIX II

LIST OF PRODUCTS AND WORKING OR PROCESSING OPERATIONS WHICH CONFER ORIGINATING STATUS

| Harmonized System heading | Description of product | Qualifying operation (Working or processing, carried out on non-originating materials, which confers originating status) |
|---------------------------|---|--|
| (1) | (2) | (3) |
| Chapter 1 | Live animals | All the animals of Chapter 1 are wholly obtained |
| Chapter 2 | Meat and edible meat offal | Manufacture in which all the meat and edible meat offal in the products of this chapter is wholly obtained |
| ex Chapter 3 | Fish and crustaceans, molluscs and other aquatic invertebrates, except for: | All fish and crustaceans, molluscs and other aquatic invertebrates are wholly obtained |
| 0304 | Fish fillets and other fish meat (whether or not minced), | Manufacture in which all the materials of Chapter 3 used are wholly obtained |

| | | |
|---------------------|---|--|
| | fresh, chilled or frozen | |
| 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 | Manufacture in which all the materials of Chapter 3 used are wholly obtained |
| ex 0306 | Crustaceans, whether in shell or not, 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 | Manufacture in which all the materials of Chapter 3 used are wholly obtained |
| ex 0307 | Molluscs, whether in shell or not, dried, salted or in brine; aquatic invertebrates other than crustaceans and molluscs, dried, salted or in brine; flours, meals and pellets of aquatic invertebrates other than crustaceans, fit for human consumption | Manufacture in which all the materials of Chapter 3 used are wholly obtained |
| Chapter 4 | Dairy produce; birds' eggs; natural honey; edible products of animal origin, not elsewhere specified or included; | Manufacture in which: — all the materials of Chapter 4 used are wholly obtained; and — the weight of sugar ⁽¹⁾ used does not exceed 40 % of the weight of the final product |
| ex Chapter 5 | Products of animal origin, not elsewhere specified or included, except for: | Manufacture from materials of any heading |
| ex 0511 91 | Inedible fish eggs and roes | All the eggs and roes are wholly obtained |
| Chapter 6 | Live trees and other plants; bulbs, roots and the like; cut flowers and ornamental foliage | Manufacture in which all the materials of Chapter 6 used are wholly obtained |
| Chapter 7 | Edible vegetables and certain roots and tubers | Manufacture in which all the materials of Chapter 7 used are wholly obtained |
| Chapter 8 | Edible fruit and nuts; peel of citrus fruits or melons | Manufacture in which: — all the fruit, nuts and peels of citrus fruits or melons of Chapter 8 used are wholly obtained, and — the weight of sugar ⁽¹⁾ used does not exceed 40 % of the weight of the final product |
| Chapter 9 | Coffee, tea, maté and spices; | Manufacture from materials of any heading |
| Chapter 10 | Cereals | Manufacture in which all the materials of Chapter 10 used are wholly obtained |
| ex Chapter 11 | Products of the milling industry; malt; starches; inulin; wheat gluten; except for: | Manufacture in which all the materials of Chapters 10 and 11, headings 0701 and 2303, and sub-heading 0710 10 used are wholly obtained |
| ex 1106 | Flour, meal and powder of the dried, shelled leguminous vegetables of heading 0713 | Drying and milling of leguminous vegetables of heading 0708 |
| Chapter 12 | Oil seeds and oleaginous fruits; miscellaneous grains, seeds and fruit; industrial or medicinal plants; straw and fodder | Manufacture from materials of any heading, except that of the product |
| Chapter 13 | Lac; gums, resins and other vegetable saps and extracts | Manufacture from materials of any heading, in which the weight of sugar ⁽¹⁾ used does not exceed 40 % of the weight of the final product |
| Chapter 14 | Vegetable plaiting materials; vegetable products not elsewhere specified or included | Manufacture from materials of any heading |
| ex Chapter 15 | Animal or vegetable fats and oils and their cleavage products; prepared edible fats; animal or vegetable waxes; except for: | Manufacture from materials of any sub-heading, except that of the product |
| 1501 to 1504 | Fats from pig, poultry, bovine, sheep or goat, fish, etc | Manufacture from materials of any heading except that of the product |
| 1505, 1506 and 1520 | Wool grease and fatty substances derived therefrom (including lanolin). Other animal fats and oils and their fractions, whether or not refined, but not chemically modified.. Glycerol, crude; glycerol waters and glycerol lyes. | Manufacture from materials of any heading |
| 1509 and 1510 | Olive oil and its fractions | Manufacture in which all the vegetable materials used are wholly obtained |
| 1516 and 1517 | Animal or vegetable fats and oils and their fractions, partly or wholly hydrogenated, inter-esterified, re-esterified or elaidinised, whether or not refined, but not further prepared Margarine; edible mixtures or preparations of animal or vegetable fats or oils or of fractions of different fats or oils of this Chapter, other than edible fats or oils or their fractions of heading 1516 | Manufacture from materials of any heading, except that of the product, in which the weight of all the materials of Chapter 4 used does not exceed 40 % of the weight of the final product |
| Chapter 16 | Preparations of meat, of fish or of crustaceans, molluscs or other aquatic invertebrates | Manufacture: — from materials of any heading, except meat and edible meat offal of Chapter 2 and materials of Chapter 16 obtained from meat and edible meat offal of Chapter 2, and — in which all the materials of Chapter 3 and materials of Chapter 16 obtained from fish and crustaceans, molluscs and other aquatic invertebrates of Chapter 3 used are wholly obtained |
| ex Chapter 17 | Sugars and sugar confectionery; except for: | Manufacture from materials of any heading, except that of the product |
| ex 1702 | Other sugars, including chemically pure lactose and | Manufacture from materials of any heading, except that of the product, in |

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| | glucose, in solid form; sugar syrups; artificial honey, whether or not mixed with natural honey; caramel | which the weight of the materials of headings 1101 to 1108, 1701 and 1703 used does not exceed 30 % of the weight of the final product |
| ex 1702 | Chemically pure maltose and fructose | Manufacture from materials of any heading including other materials of heading 1702 |
| 1704 | Sugar confectionery (including white chocolate), not containing cocoa | Manufacture from materials of any heading, except that of the product, in which: — the individual weight of sugar ⁽¹⁾ and of the materials of Chapter 4 used does not exceed 40 % of the weight of the final product, and — the total combined weight of sugar ⁽¹⁾ and the materials of Chapter 4 used does not exceed 60 % of the weight of final product |
| Chapter 18 | Cocoa and cocoa preparations | Manufacture from materials of any heading, except that of the product, in which — the individual weight of sugar ⁽¹⁾ and of the materials of Chapter 4 used does not exceed 40 % of the weight of the final product, and — the total combined weight of sugar ⁽¹⁾ and the materials of Chapter 4 used does not exceed 60 % of the weight of final product |
| Chapter 19 | Preparations of cereals, flour, starch or milk; pastrycooks' products | Manufacture from materials of any heading, except that of the product, in which: — the weight of the materials of Chapters 2, 3 and 16 used does not exceed 20 % of the weight of the final product, and — the weight of the materials of headings 1006 and 1101 to 1108 used does not exceed 20 % of the weight of the final product, and — the individual weight of sugar ⁽¹⁾ and of the materials of Chapter 4 used does not exceed 40 % of the weight of the final product, and — the total combined weight of sugar ⁽¹⁾ and the materials of Chapter 4 used does not exceed 60 % of the weight of final product |
| ex Chapter 20 | Preparations of vegetables, fruit, nuts or other parts of plants; except for: | Manufacture from materials of any heading, except that of the product, in which the weight of sugar ⁽¹⁾ used does not exceed 40 % of the weight of the final product |
| 2002 and 2003 | Tomatoes, mushrooms and truffles prepared or preserved otherwise than by vinegar of acetic acid | Manufacture in which all the materials of Chapters 7 and 8 used are wholly obtained |
| ex Chapter 21 | Miscellaneous edible preparations; except for: | Manufacture from materials of any heading, except that of the product, in which: — the individual weight of sugar ⁽¹⁾ and of the materials of Chapter 4 used does not exceed 40 % of the weight of the final product, and — the total combined weight of sugar ⁽¹⁾ and the materials of Chapter 4 used does not exceed 60 % of the weight of final product |
| 2103 | Sauces and preparations therefore; mixed condiments and mixed seasonings; mustard flour and meal and prepared mustard: | |
| | - Sauces and preparations therefore; mixed condiments and mixed seasonings | Manufacture from materials of any heading, except that of the product. However, mustard flour or meal or prepared mustard may be used |
| | - Mustard flour and meal and prepared mustard | Manufacture from materials of any heading |
| Chapter 22 | Beverages, spirits and vinegar | Manufacture from materials of any heading, except that of the product and headings 2207 and 2208, in which: — all the materials of sub-headings 0806 10, 2009 61, 2009 69 used are wholly obtained, and — the individual weight of sugar ⁽¹⁾ and of the materials of Chapter 4 used does not exceed 40 % of the weight of the final product, and — the total combined weight of sugar ⁽¹⁾ and the materials of Chapter 4 used does not exceed 60 % of the weight of final product |
| ex Chapter 23 | Residues and waste from the food industries; prepared animal fodder; except for: | Manufacture from materials of any heading, except that of the product |
| ex 2303 | Residues of starch manufacture | Manufacture from materials of any heading, except that of the product, in which the weight of the materials of Chapter 10 used does not exceed 20 % of the weight of the final product |
| 2309 | Preparations of a kind used in animal feeding | Manufacture from materials of any heading, except that of the product, in which: — all the materials of Chapters 2 and 3 used are wholly obtained, and — the weight of materials of Chapter 10 and 11 and headings 2302 and 2303 used does not exceed 20 % of the weight of the final product, and — the individual weight of sugar ⁽¹⁾ and of the materials of Chapter 4 used does not exceed 40 % of the weight of the final product, and — the total combined weight of sugar and the materials of Chapter 4 used does not exceed 60 % of the weight of final product |
| ex Chapter 24 | Tobacco and manufactured tobacco substitutes; except for: | Manufacture from materials of any heading in which the weight of materials of Chapter 24 used does not exceed 30 % of the total weight of materials of Chapter 24 used |
| 2401 | Unmanufactured tobacco; tobacco refuse | All unmanufactured tobacco and tobacco refuse of Chapter 24 is wholly |

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| | | obtained |
| 2402 | Cigars, cheroots, cigarillos and cigarettes, of tobacco or of tobacco substitutes | Manufacture from materials of any heading, except that of the product and of heading 2403, and in which the weight of materials of heading 2401 used does not exceed 50 % of the total weight of materials of heading 2401 used |
| ex Chapter 25 | Salt; sulphur; earths and stone; plastering materials, lime and cement; except for: | Manufacture from materials of any heading, except that of the product <i>or</i> Manufacture in which the value of all the materials used does not exceed 70 % of the ex-works price of the product |
| ex 2519 | Crushed natural magnesium carbonate (magnesite), in hermetically-sealed containers, and magnesium oxide, whether or not pure, other than fused magnesia or dead-burned (sintered) magnesia | Manufacture from materials of any heading, except that of the product. However, natural magnesium carbonate (magnesite) may be used |
| Chapter 26 | Ores, slag and ash | Manufacture from materials of any heading, except that of the product |
| ex Chapter 27 | Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes, except for: | Manufacture from materials of any heading, except that of the product <i>or</i> Manufacture in which the value of all the materials used does not exceed 70 % of the ex-works price of the product |
| 2710 | Petroleum oils and oils obtained from bituminous materials, other than crude; preparations not elsewhere specified or included, containing by weight 70 % or more of petroleum oils or of oils obtained from bituminous materials, these oils being the basic constituents of the preparations; waste oils | Operations of refining and/or one or more specific process(es) ⁽³⁾ <i>or</i> Other operations in which all the materials used are classified within a heading other than that of the product. However, materials of the same heading as the product may be used, provided that their total value does not exceed 50 % of the ex-works price of the product |
| 2711 | Petroleum gases and other gaseous hydrocarbons | Operations of refining and/or one or more specific process(es) ⁽³⁾ <i>or</i> Other operations in which all the materials used are classified within a heading other than that of the product. However, materials of the same heading as the product may be used, provided that their total value does not exceed 50 % of the ex-works price of the product |
| 2712 | Petroleum jelly; paraffin wax, microcrystalline petroleum wax, slack wax, ozokerite, lignite wax, peat wax, other mineral waxes, and similar products obtained by synthesis or by other processes, whether or not coloured | Operations of refining and/or one or more specific process(es) ⁽³⁾ <i>or</i> Other operations in which all the materials used are classified within a heading other than that of the product. However, materials of the same heading as the product may be used, provided that their total value does not exceed 50 % of the ex-works price of the product |
| 2713 | Petroleum coke, petroleum bitumen and other residues of petroleum oils or of oils obtained from bituminous materials | Operations of refining and/or one or more specific process(es) ⁽²⁾ <i>or</i> Other operations in which all the materials used are classified within a heading other than that of the product. However, materials of the same heading as the product may be used, provided that their total value does not exceed 50 % of the ex-works price of the product |
| ex Chapter 28 | Inorganic chemicals; organic or inorganic compounds of precious metals, of rare-earth metals, of radioactive elements or of isotopes; except for: | Manufacture from materials of any heading, except that of the product. However, materials of the same heading as the product may be used, provided that their total value does not exceed 20 % of the ex-works price of the product <i>or</i> Manufacture in which the value of all the materials used does not exceed 50 % of the ex-works price of the product |
| ex 2811 | Sulphur trioxide | Manufacture from sulphur dioxide <i>or</i> Manufacture in which the value of all the materials used does not exceed 50 % of the ex-works price of the product |
| ex 2840 | Sodium perborate | Manufacture from disodium tetraborate pentahydrate <i>or</i> Manufacture in which the value of all the materials used does not exceed 50 % of the ex-works price of the product |
| 2843 | Colloidal precious metals; inorganic or organic compounds of precious metals, whether or not chemically defined; amalgams of precious metals | Manufacture from materials of any heading, including other materials of heading 2843 |
| ex 2852 | - Mercury compounds of internal ethers and their halogenated, sulphonated, nitrated or nitrosated derivatives | Manufacture from materials of any heading. However, the value of all the materials of heading 2909 used shall not exceed 20 % of the ex-works price of the product <i>or</i> Manufacture in which the value of all the materials used does not exceed 50 % of the ex-works price of the product |
| | - Mercury compounds of nucleic acids and their salts, whether or not chemically defined; other heterocyclic compounds | Manufacture from materials of any heading. However, the value of all the materials of headings 2852, 2932, 2933 and 2934 used shall not exceed 20 % of the ex-works price of the product <i>or</i> Manufacture in which the value of all the materials used does not exceed 50 % of the ex-works price of the product |

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| ex Chapter 29 | Organic chemicals; except for: | Manufacture from materials of any heading, except that of the product. However, materials of the same heading as the product may be used, provided that their total value does not exceed 20 % of the ex-works price of the product <i>or</i> Manufacture in which the value of all the materials used does not exceed 50 % of the ex-works price of the product |
| ex 2905 | Metal alcoholates of alcohols of this heading and of ethanol; except for: | Manufacture from materials of any heading, including other materials of heading 2905. However, metal alcoholates of this heading may be used, provided that their total value does not exceed 20 % of the ex-works price of the product <i>or</i> Manufacture in which the value of all the materials used does not exceed 50 % of the ex-works price of the product |
| 2905 43; 2905 44; 2905 45 | Mannitol; D-glucitol (sorbitol); Glycerol | Manufacture from materials of any sub-heading, except that of the product. However, materials of the same sub-heading as the product may be used, provided that their total value does not exceed 20 % of the ex-works price of the product <i>or</i> Manufacture in which the value of all the materials used does not exceed 50 % of the ex-works price of the product |
| 2915 | Saturated acyclic monocarboxylic acids and their anhydrides, halides, peroxides and peroxyacids; their halogenated, sulphonated, nitrated or nitrosated derivatives | Manufacture from materials of any heading. However, the value of all the materials of headings 2915 and 2916 used shall not exceed 20 % of the ex-works price of the product <i>or</i> Manufacture in which the value of all the materials used does not exceed 50 % of the ex-works price of the product |
| ex 2932 | - Internal ethers and their halogenated, sulphonated, nitrated or nitrosated derivatives | Manufacture from materials of any heading. However, the value of all the materials of heading 2909 used shall not exceed 20 % of the ex-works price of the product <i>or</i> Manufacture in which the value of all the materials used does not exceed 50 % of the ex-works price of the product |
| | - Cyclic acetals and internal hemiacetals and their halogenated, sulphonated, nitrated or nitrosated derivatives | Manufacture from materials of any heading <i>or</i> Manufacture in which the value of all the materials used does not exceed 50 % of the ex-works price of the product |
| 2933 | Heterocyclic compounds with nitrogen hetero-atom(s) only | Manufacture from materials of any heading. However, the value of all the materials of headings 2932 and 2933 used shall not exceed 20 % of the ex-works price of the product <i>or</i> Manufacture in which the value of all the materials used does not exceed 50 % of the ex-works price of the product |
| 2934 | Nucleic acids and their salts, whether or not chemically defined; other heterocyclic compounds | Manufacture from materials of any heading. However, the value of all the materials of headings 2932, 2933 and 2934 used shall not exceed 20 % of the ex-works price of the product <i>or</i> Manufacture in which the value of all the materials used does not exceed 50 % of the ex-works price of the product |
| Chapter 30 | Pharmaceutical products | Manufacture from materials of any heading |
| Chapter 31 | Fertilisers | Manufacture from materials of any heading, except that of the product. However, materials of the same heading as the product may be used, provided that their total value does not exceed 20 % of the ex-works price of the product <i>or</i> Manufacture in which the value of all the materials used does not exceed 50 % of the ex-works price of the product |
| Chapter 32 | Tanning or dyeing extracts; tannins and their derivatives; dyes, pigments and other colouring matter; paints and varnishes; putty and other mastics; inks | Manufacture from materials of any heading, except that of the product. However, materials of the same heading as the product may be used, provided that their total value does not exceed 20 % of the ex-works price of the product <i>or</i> Manufacture in which the value of all the materials used does not exceed 50 % of the ex-works price of the product |
| ex Chapter 33 | Essential oils and resinoids; perfumery, cosmetic or toilet preparations; except for: | Manufacture from materials of any heading, except that of the product. However, materials of the same heading as the product may be used, provided that their total value does not exceed 20 % of the ex-works price of the product <i>or</i> Manufacture in which the value of all the materials used does not exceed 50 % of the ex-works price of the product |
| ex 3301 | Essential oils (terpeneless or not), including concretes and absolutes; resinoids; extracted oleoresins; concentrates of essential oils in fats, in fixed oils, in | Manufacture from materials of any heading, except that of the product. However, materials of the same heading as the product may be used, provided that their total value does not exceed 20 % of the ex-works price of the product |

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| | waxes or the like, obtained by enfleurage or maceration; terpenic by-products of the distillation of essential oils; aqueous distillates and aqueous solutions of essential oils | <i>or</i> Manufacture in which the value of all the materials used does not exceed 50 % of the ex-works price of the product |
| ex Chapter 34 | Soap, organic surface-active agents, washing preparations, lubricating preparations, artificial waxes, prepared waxes, polishing or scouring preparations, candles and similar articles, modelling pastes, "dental waxes" and dental preparations with a basis of plaster, except for: | Manufacture from materials of any heading, except that of the product. However, materials of the same heading as the product may be used, provided that their total value does not exceed 20 % of the ex-works price of the product <i>or</i> Manufacture in which the value of all the materials used does not exceed 70 % of the ex-works price of the product |
| ex 3404 | Artificial waxes and prepared waxes: — With a basis of paraffin, petroleum waxes, waxes obtained from bituminous minerals, slack wax or scale wax | Manufacture from materials of any heading |
| Chapter 35 | Albuminoidal substances; modified starches; glues; enzymes | Manufacture from materials of any heading, except that of the product, in which the value of all the materials used does not exceed 50 % of the ex-works price of the product |
| Chapter 36 | Explosives; pyrotechnic products; matches; pyrophoric alloys; certain combustible preparations | Manufacture from materials of any heading, except that of the product. However, materials of the same heading as the product may be used, provided that their total value does not exceed 20 % of the ex-works price of the product <i>or</i> Manufacture in which the value of all the materials used does not exceed 50 % of the ex-works price of the product |
| Chapter 37 | Photographic or cinematographic goods | Manufacture from materials of any heading, except that of the product. However, materials of the same heading as the product may be used, provided that their total value does not exceed 20 % of the ex-works price of the product <i>or</i> Manufacture in which the value of all the materials used does not exceed 50 % of the ex-works price of the product |
| ex Chapter 38 | Miscellaneous chemical products; except for: | Manufacture from materials of any heading, except that of the product. However, materials of the same heading as the product may be used, provided that their total value does not exceed 20 % of the ex-works price of the product <i>or</i> Manufacture in which the value of all the materials used does not exceed 50 % of the ex-works price of the product |
| ex 3803 | Refined tall oil | Refining of crude tall oil <i>or</i> Manufacture in which the value of all the materials used does not exceed 50 % of the ex-works price of the product |
| ex 3805 | Spirits of sulphate turpentine, purified | Purification by distillation or refining of raw spirits of sulphate turpentine <i>or</i> Manufacture in which the value of all the materials used does not exceed 50 % of the ex-works price of the product |
| ex 3806 | Ester gums | Manufacture from resin acids <i>or</i> Manufacture in which the value of all the materials used does not exceed 50 % of the ex-works price of the product |
| ex 3807 | Wood pitch (wood tar pitch) | Distillation of wood tar <i>or</i> Manufacture in which the value of all the materials used does not exceed 50 % of the ex-works price of the product |
| 3809 10 | Finishing agents, dye carriers to accelerate the dyeing or fixing of dyestuffs and other products and preparations (for example, dressings and mordants), of a kind used in the textile, paper, leather or like industries, not elsewhere specified or included: With a basis of amylaceous substances | Manufacture in which the value of all the materials used does not exceed 50 % of the ex-works price of the product |
| 3823 | Industrial monocarboxylic fatty acids; acid oils from refining; industrial fatty alcohols | Manufacture from materials of any heading, including other materials of heading 3823 <i>or</i> Manufacture in which the value of all the materials used does not exceed 50 % of the ex-works price of the product |
| 3824 60 | Sorbitol other than that of sub-heading 2905 44 | Manufacture from materials of any sub-heading, except that of the product and except materials of sub-heading 2905 44. However, materials of the same sub-heading as the product may be used, provided that their total value does not exceed 20 % of the ex-works price of the product <i>or</i> |

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| | | Manufacture in which the value of all the materials used does not exceed 50 % of the ex-works price of the product |
| ex Chapter 39 | Plastics and articles thereof; except for: | Manufacture from materials of any heading, except that of the product. <i>or</i> Manufacture in which the value of all the materials used does not exceed 50 % of the ex-works price of the product |
| ex 3907 | - Copolymer, made from polycarbonate and acrylonitrile-butadiene-styrene copolymer (ABS) | Manufacture from materials of any heading, except that of the product. However, materials of the same heading as the product may be used, provided that their total value does not exceed 50 % of the ex-works price of the product ⁽⁵⁾ <i>or</i> Manufacture in which the value of all the materials used does not exceed 50 % of the ex-works price of the product |
| | - Polyester | Manufacture from materials of any heading, except that of the product <i>or</i> Manufacture from polycarbonate of tetrabromo-(bisphenol A) <i>or</i> Manufacture in which the value of all the materials used does not exceed 50 % of the ex-works price of the product |
| ex 3920 | Ionomer sheet or film | Manufacture from a thermoplastic partial salt which is a copolymer of ethylene and metacrylic acid partly neutralised with metal ions, mainly zinc and sodium <i>or</i> Manufacture in which the value of all the materials used does not exceed 50 % of the ex-works price of the product |
| ex 3921 | Foils of plastic, metallised | Manufacture from highly-transparent polyester-foils with a thickness of less than 23 micron ⁽⁶⁾ <i>or</i> Manufacture in which the value of all the materials used does not exceed 50 % of the ex-works price of the product |
| ex Chapter 40 | Rubber and articles thereof; except for: | Manufacture from materials of any heading, except that of the product <i>or</i> Manufacture in which the value of all the materials used does not exceed 70 % of the ex-works price of the product |
| 4012 | Retreaded or used pneumatic tyres of rubber; solid or cushion tyres, tyre treads and tyre flaps, of rubber: | |
| | - Retreaded pneumatic, solid or cushion tyres, of rubber | Retreading of used tyres |
| | - Other | Manufacture from materials of any heading, except those of headings 4011 and 4012 <i>or</i> Manufacture in which the value of all the materials used does not exceed 70 % of the ex-works price of the product |
| ex Chapter 41 | Raw hides and skins (other than furskins) and leather; except for: | Manufacture from materials of any heading, except that of the product |
| 4101 to 4103 | Raw hides and skins of bovine (including buffalo) or equine animals (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment dressed or further prepared), whether or not dehaired or split; raw skins of sheep or lambs (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment dressed or further prepared), whether or not with wool on or split, other than those excluded by note 1(c) to Chapter 41; other raw hides and skins (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment dressed or further prepared), whether or not dehaired or split, other than those excluded by note 1(b) or 1(c) to Chapter 41 | Manufacture from materials of any heading |
| 4104 to 4106 | Tanned or crust hides and skins, without wool or hair on, whether or not split, but not further prepared | Re-tanning of tanned or pre-tanned hides and skins of sub-headings 4104 11, 4104 19, 4105 10, 4106 21, 4106 31 or 4106 91, <i>or</i> Manufacture from materials of any heading, except that of the product |
| 4107, 4112, 4113 | Leather further prepared after tanning or crusting | Manufacture from materials of any heading, except that of the product. However, materials of sub-headings 4104 41, 4104 49, 4105 30, 4106 22, 4106 32 and 4106 92 may be used only if a re-tanning operation of the tanned or crust hides and skins in the dry state takes place |
| Chapter 42 | Articles of leather; saddlery and harness; travel goods, handbags and similar containers; articles of animal gut (other than silk worm gut) | Manufacture from materials of any heading, except that of the product <i>or</i> Manufacture in which the value of all the materials used does not exceed 70 % of the ex-works price of the product |
| ex Chapter 43 | Furskins and artificial fur; manufactures thereof; except | Manufacture from materials of any heading, except that of the product |

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| | for: | <i>or</i> Manufacture in which the value of all the materials used does not exceed 70 % of the ex-works price of the product |
| 4301 | Raw furskins (including heads, tails, paws and other pieces or cuttings, suitable for furrier's use), other than raw hides and skins of heading 4101, 4102 or 4103 | Manufacture from materials of any heading |
| ex 4302 | Tanned or dressed furskins, assembled: | |
| | - Plates, crosses and similar forms | Bleaching or dyeing, in addition to cutting and assembly of non-assembled tanned or dressed furskins |
| | - Other | Manufacture from non-assembled, tanned or dressed furskins |
| 4303 | Articles of apparel, clothing accessories and other articles of fur skin | Manufacture from non-assembled tanned or dressed furskins of heading 4302 |
| ex Chapter 44 | Wood and articles of wood; wood charcoal; except for: | Manufacture from materials of any heading, except that of the product <i>or</i> Manufacture in which the value of all the materials used does not exceed 70 % of the ex-works price of the product |
| ex 4407 | Wood sawn or chipped lengthwise, sliced or peeled, of a thickness exceeding 6 mm, planed, sanded or end-jointed | Planing, sanding or end-jointing |
| ex 4408 | Sheets for veneering (including those obtained by slicing laminated wood) and for plywood, of a thickness not exceeding 6 mm, spliced, and other wood sawn lengthwise, sliced or peeled of a thickness not exceeding 6 mm, planed, sanded or end-jointed | Splicing, planing, sanding or endjointing |
| ex 4410 to ex 4413 | Beadings and mouldings, including moulded skirting and other moulded boards | Beading or moulding |
| ex 4415 | Packing cases, boxes, crates, drums and similar packings, of wood | Manufacture from boards not cut to size |
| ex 4418 | - Builders' joinery and carpentry of wood | Manufacture from materials of any heading, except that of the product. However, cellular wood panels, shingles and shakes may be used |
| | - Beadings and mouldings | Beading or moulding |
| ex 4421 | Match splints; wooden pegs or pins for footwear | Manufacture from wood of any heading, except drawn wood of heading 4409 |
| Chapter 45 | Cork and articles of cork | Manufacture from materials of any heading, except that of the product <i>or</i> Manufacture in which the value of all the materials used does not exceed 70 % of the ex-works price of the product |
| Chapter 46 | Manufactures of straw, of esparto or of other plaiting materials; basketware and wickerwork | Manufacture from materials of any heading, except that of the product <i>or</i> Manufacture in which the value of all the materials used does not exceed 70 % of the ex-works price of the product |
| Chapter 47 | Pulp of wood or of other fibrous cellulosic material; recovered (waste and scrap) paper or paperboard | Manufacture from materials of any heading, except that of the product <i>or</i> Manufacture in which the value of all the materials used does not exceed 70 % of the ex-works price of the product |
| Chapter 48 | Paper and paperboard; articles of paper pulp, of paper or of paperboard | Manufacture from materials of any heading, except that of the product <i>or</i> Manufacture in which the value of all the materials used does not exceed 70 % of the ex-works price of the product |
| Chapter 49 | Printed books, newspapers, pictures and other products of the printing industry; manuscripts, type-scripts and plans | Manufacture from materials of any heading, except that of the product <i>or</i> Manufacture in which the value of all the materials used does not exceed 70 % of the ex-works price of the product |
| ex Chapter 50 | Silk; except for: | Manufacture from materials of any heading, except that of the product |
| ex 5003 | Silk waste (including cocoons unsuitable for reeling, yarn waste and garnetted stock), carded or combed | Carding or combing of silk waste |
| 5004 to ex 5006 | Silk yarn and yarn spun from silk waste | Spinning of natural fibres or extrusion of man-made fibres accompanied by spinning or twisting (⁷) |
| 5007 | Woven fabrics of silk or of silk waste: | Spinning of natural and/or man-made staple fibres or extrusion of man-made filament yarn or twisting, in each case accompanied by weaving <i>or</i> Weaving accompanied by dyeing <i>or</i> Yarn dyeing accompanied by weaving <i>or</i> Printing accompanied by at least two preparatory or finishing operations (such as scouring, bleaching, mercerising, heat setting, raising, calendering, shrink resistance processing, permanent finishing, decatizing, impregnating, mending and burling), provided that the value of the unprinted fabric used does not exceed 47,5 % of the ex-works price of |

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| | | the product ⁽⁷⁾ |
| ex Chapter 51 | Wool, fine or coarse animal hair; horsehair yarn and woven fabric; except for: | Manufacture from materials of any heading, except that of the product |
| 5106 to 5110 | Yarn of wool, of fine or coarse animal hair or of horsehair | Spinning of natural fibres or extrusion of man-made fibres accompanied by spinning ⁽⁷⁾ |
| 5111 to 5113 | Woven fabrics of wool, of fine or coarse animal hair or of horsehair: | Spinning of natural and/or man-made staple fibres or extrusion of man-made filament yarn, in each case accompanied by weaving <i>or</i> Weaving accompanied by dyeing <i>or</i> Yarn dyeing accompanied by weaving <i>or</i> Printing accompanied by at least two preparatory or finishing operations (such as scouring, bleaching, mercerising, heat setting, raising, calendaring, shrink resistance processing, permanent finishing, decatizing, impregnating, mending and burling), provided that the value of the unprinted fabric used does not exceed 47,5 % of the ex-works price of the product ⁽⁷⁾ |
| ex Chapter 52 | Cotton; except for: | Manufacture from materials of any heading, except that of the product |
| 5204 to 5207 | Yarn and thread of cotton | Spinning of natural fibres or extrusion of man-made fibres accompanied by spinning ⁽⁷⁾ |
| 5208 to 5212 | Woven fabrics of cotton: | Spinning of natural and/or man-made staple fibres or extrusion of man-made filament yarn, in each case accompanied by weaving <i>or</i> Weaving accompanied by dyeing or by coating <i>or</i> Yarn dyeing accompanied by weaving <i>or</i> Printing accompanied by at least two preparatory or finishing operations (such as scouring, bleaching, mercerising, heat setting, raising, calendaring, shrink resistance processing, permanent finishing, decatizing, impregnating, mending and burling), provided that the value of the unprinted fabric used does not exceed 47,5 % of the ex-works price of the product ⁽⁷⁾ |
| ex Chapter 53 | Other vegetable textile fibres; paper yarn and woven fabrics of paper yarn; except for: | Manufacture from materials of any heading, except that of the product |
| 5306 to 5308 | Yarn of other vegetable textile fibres; paper yarn | Spinning of natural fibres or extrusion of man-made fibres accompanied by spinning ⁽⁷⁾ |
| 5309 to 5311 | Woven fabrics of other vegetable textile fibres; woven fabrics of paper yarn: | Spinning of natural and/or man-made staple fibres or extrusion of man-made filament yarn, in each case accompanied by weaving <i>or</i> Weaving accompanied by dyeing or by coating <i>or</i> Yarn dyeing accompanied by weaving <i>or</i> Printing accompanied by at least two preparatory or finishing operations (such as scouring, bleaching, mercerising, heat setting, raising, calendaring, shrink resistance processing, permanent finishing, decatizing, impregnating, mending and burling), provided that the value of the unprinted fabric used does not exceed 47,5 % of the ex-works price of the product ⁽⁷⁾ |
| 5401 to 5406 | Yarn, monofilament and thread of man-made filaments | Extrusion of man-made fibres accompanied by spinning <i>or</i> spinning of natural fibres ⁽⁷⁾ |
| 5407 and 5408 | Woven fabrics of man-made filament yarn: | Spinning of natural and/or man-made staple fibres or extrusion of man-made filament yarn, in each case accompanied by weaving <i>or</i> Weaving accompanied by dyeing or by coating <i>or</i> Twisting or texturing accompanied by weaving provided that the value of the non-twisted/non-textured yarns used does not exceed 47,5 % of the ex-works price of the product <i>or</i> Printing accompanied by at least two preparatory or finishing operations (such as scouring, bleaching, mercerising, heat setting, raising, calendaring, shrink resistance processing, permanent finishing, decatizing, impregnating, mending and burling), provided that the value of the unprinted fabric used does not exceed 47,5 % of the ex-works price of the product ⁽⁷⁾ |
| 5501 to 5507 | Man-made staple fibres | Extrusion of man-made fibres |

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| 5508 to 5511 | Yarn and sewing thread of man-made staple fibres | Spinning of natural fibres or extrusion of man-made fibres accompanied by spinning ⁽⁷⁾ |
| 5512 to 5516 | Woven fabrics of man-made staple fibres: | Spinning of natural and/or man-made staple fibres or extrusion of man-made filament yarn, in each case accompanied by weaving <i>or</i> Weaving accompanied by dyeing or by coating <i>or</i> Yarn dyeing accompanied by weaving <i>or</i> Printing accompanied by at least two preparatory or finishing operations (such as scouring, bleaching, mercerising, heat setting, raising, calendering, shrink resistance processing, permanent finishing, decatizing, impregnating, mending and burling), provided that the value of the unprinted fabric used does not exceed 47,5 % of the ex-works price of the product ⁽⁷⁾ |
| ex Chapter 56 | Wadding, felt and non-wovens; special yarns; twine, cordage, ropes and cables and articles thereof; except for: | Extrusion of man-made fibres accompanied by spinning or spinning of natural fibres <i>or</i> Flocking accompanied by dyeing or printing ⁽⁷⁾ |
| 5602 | Felt, whether or not impregnated, coated, covered or laminated: - Needle loom felt | Extrusion of man-made fibres accompanied by fabric formation, However: — polypropylene filament of heading 5402, — polypropylene fibres of heading 5503 or 5506, or — polypropylene filament tow of heading 5501, of which the denomination in all cases of a single filament or fibre is less than 9 decitex, may be used, provided that their total value does not exceed 40 % of the ex-works price of the product <i>or</i> Fabric formation alone in the case of felt made from natural fibres ⁽⁷⁾ |
| | - Other | Extrusion of man-made fibres accompanied by fabric formation, <i>or</i> Fabric formation alone in the case of other felt made from natural fibres ⁽⁷⁾ |
| 5603 | Nonwovens, whether or not impregnated, coated, covered or laminated | Extrusion of man-made fibres, or use of natural fibres, accompanied by nonwoven techniques including needle punching |
| 5604 | Rubber thread and cord, textile covered; textile yarn, and strip and the like of heading 5404 or 5405, impregnated, coated, covered or sheathed with rubber or plastics: - Rubber thread and cord, textile covered | Manufacture from rubber thread or cord, not textile covered |
| | - Other | Extrusion of man-made fibres accompanied by spinning or spinning of natural fibres ⁽⁷⁾ |
| 5605 | Metallised yarn, whether or not gimped, being textile yarn, or strip or the like of heading 5404 or 5405, combined with metal in the form of thread, strip or powder or covered with metal | Extrusion of man-made fibres accompanied by spinning or spinning of natural and/or man-made staple fibres ⁽⁷⁾ |
| 5606 | Gimped yarn, and strip and the like of heading 5404 or 5405, gimped (other than those of heading 5605 and gimped horsehair yarn); chenille yarn (including flock chenille yarn); loop wale-yarn | Extrusion of man-made fibres accompanied by spinning or spinning of natural and/or man-made staple fibres <i>or</i> Spinning accompanied with flocking <i>or</i> Flocking accompanied by dyeing ⁽⁷⁾ |
| Chapter 57 | Carpets and other textile floor coverings: | Spinning of natural and/or man-made staple fibres or extrusion of man-made filament yarn, in each case accompanied by weaving <i>or</i> Manufacture from coir yarn or sisal yarn or jute yarn <i>or</i> Flocking accompanied by dyeing or by printing <i>or</i> Tufting accompanied by dyeing or by printing Extrusion of man-made fibres accompanied by non-woven techniques |

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| | | including needle punching ⁽⁷⁾ However: — polypropylene filament of heading 5402, — polypropylene fibres of heading 5503 or 5506, or — polypropylene filament tow of heading 5501, of which the denomination in all cases of a single filament or fibre is less than 9 decitex, may be used, provided that their total value does not exceed 40 % of the ex-works price of the product Jute fabric may be used as a backing |
| ex Chapter 58 | Special woven fabrics; tufted textile fabrics; lace; tapestries; trimmings; embroidery; except for: | Spinning of natural and/or man-made staple fibres or extrusion of man-made filament yarn, in each case accompanied by weaving <i>or</i> Weaving accompanied by dyeing or flocking or coating <i>or</i> Flocking accompanied by dyeing or by printing <i>or</i> Yarn dyeing accompanied by weaving <i>or</i> Printing accompanied by at least two preparatory or finishing operations (such as scouring, bleaching, mercerising, heat setting, raising, calendering, shrink resistance processing, permanent finishing, decatizing, impregnating, mending and burling), provided that the value of the unprinted fabric used does not exceed 47,5 % of the ex-works price of the product ⁽⁷⁾ |
| 5805 | Hand-woven tapestries of the types Gobelins, Flanders, Aubusson, Beauvais and the like, and needle-worked tapestries (for example, petit point, cross stitch), whether or not made up | Manufacture from materials of any heading, except that of the product |
| 5810 | Embroidery in the piece, in strips or in motifs | Manufacture in which the value of all the materials used does not exceed 50 % of the ex-works price of the product |
| 5901 | Textile fabrics coated with gum or amylaceous substances, of a kind used for the outer covers of books or the like; tracing cloth; prepared painting canvas; buckram and similar stiffened textile fabrics of a kind used for hat foundations | Weaving accompanied by dyeing or by flocking or by coating <i>or</i> Flocking accompanied by dyeing or by printing |
| 5902 | Tyre cord fabric of high tenacity yarn of nylon or other polyamides, polyesters or viscose rayon: | |
| | - Containing not more than 90 % by weight of textile materials | Weaving |
| | - Other | Extrusion of man-made fibres accompanied by weaving |
| 5903 | Textile fabrics impregnated, coated, covered or laminated with plastics, other than those of heading 5902 | Weaving accompanied by dyeing or by coating <i>or</i> Printing accompanied by at least two preparatory or finishing operations (such as scouring, bleaching, mercerising, heat setting, raising, calendering, shrink resistance processing, permanent finishing, decatizing, impregnating, mending and burling), provided that the value of the unprinted fabric used does not exceed 47,5 % of the ex-works price of the product |
| 5904 | Linoleum, whether or not cut to shape; floor coverings consisting of a coating or covering applied on a textile backing, whether or not cut to shape | Weaving accompanied by dyeing or by coating ⁽⁷⁾ |
| 5905 | Textile wall coverings: | |
| | - Impregnated, coated, covered or laminated with rubber, plastics or other materials | Weaving accompanied by dyeing or by coating |
| | - Other | Spinning of natural and/or man-made staple fibres or extrusion of man-made filament yarn, in each case accompanied by weaving <i>or</i> Weaving accompanied by dyeing or by coating <i>or</i> Printing accompanied by at least two preparatory or finishing operations (such as scouring, bleaching, mercerising, heat setting, raising, calendering, shrink resistance processing, permanent finishing, decatizing, impregnating, mending and burling), provided that the value of the unprinted fabric used does not exceed 47,5 % of the ex-works price of the product ⁽⁷⁾ : |
| 5906 | Rubberised textile fabrics, other than those of heading 5902: | |

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| | - Knitted or crocheted fabrics | Spinning of natural and/or man-made staple fibres or extrusion of man-made filament yarn, in each case accompanied by knitting <i>or</i> Knitting accompanied by dyeing or by coating <i>or</i> Dyeing of yarn of natural fibres accompanied by knitting ⁽⁷⁾ |
| | - Other fabrics made of synthetic filament yarn, containing more than 90 % by weight of textile materials | Extrusion of man-made fibres accompanied by weaving |
| | - Other | Weaving accompanied by dyeing or by coating <i>or</i> Dyeing of yarn of natural fibres accompanied by weaving |
| 5907 | Textile fabrics otherwise impregnated, coated or covered; painted canvas being theatrical scenery, studio back-cloths or the like | Weaving accompanied by dyeing or by flocking or by coating <i>or</i> Flocking accompanied by dyeing or by printing <i>or</i> Printing accompanied by at least two preparatory or finishing operations (such as scouring, bleaching, mercerising, heat setting, raising, calendaring, shrink resistance processing, permanent finishing, decatizing, impregnating, mending and burling), provided that the value of the unprinted fabric used does not exceed 47,5 % of the ex-works price of the product |
| 5908 | Textile wicks, woven, plaited or knitted, for lamps, stoves, lighters, candles or the like; incandescent gas mantles and tubular knitted gas mantle fabric therefor, whether or not impregnated: | |
| | - Incandescent gas mantles, impregnated | Manufacture from tubular knitted gas-mantle fabric |
| | - Other | Manufacture from materials of any heading, except that of the product |
| 5909 to 5911 | Textile articles of a kind suitable for industrial use: | |
| | - Polishing discs or rings other than of felt of heading 5911 | Weaving |
| | - Woven fabrics, of a kind commonly used in paper-making or other technical uses, felted or not, whether or not impregnated or coated, tubular or endless with single or multiple warp and/or weft, or flat woven with multiple warp and/or weft of heading 5911 | Extrusion of man-made fibres or Spinning of natural and/or of man-made staple fibres, in each case accompanied by weaving <i>or</i> Weaving accompanied by dyeing or by coating Only the following fibres may be used: - - coir yarn - - yarn of polytetrafluoroethylene ⁽⁸⁾ , - - yarn, multiple, of polyamide, coated impregnated or covered with a phenolic resin, - - yarn of synthetic textile fibres of aromatic polyamides, obtained by polycondensation of m-phenylenediamine and isophthalic acid, - - monofil of polytetrafluoroethylene ⁽⁸⁾ , - - yarn of synthetic textile fibres of poly(p-phenylene terephthalamide), - - glass fibre yarn, coated with phenol resin and gimped with acrylic yarn ⁽⁸⁾ , - - copolyester monofilaments of a polyester and a resin of terephthalic acid and 1,4-cyclohexanediethanol and isophthalic acid |
| | - Other | Extrusion of man-made filament yarn or spinning of natural or man-made staple fibres, accompanied by weaving ⁽⁷⁾ <i>or</i> Weaving accompanied by dyeing or by coating |
| Chapter 60 | Knitted or crocheted fabrics | Spinning of natural and/or man-made staple fibres or extrusion of man-made filament yarn, in each case accompanied by knitting <i>or</i> Knitting accompanied by dyeing or by flocking or by coating <i>or</i> Flocking accompanied by dyeing or by printing <i>or</i> Dyeing of yarn of natural fibres accompanied by knitting <i>or</i> |

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| | | Twisting or texturing accompanied by knitting provided that the value of the non-twisted/non-textured yarns used does not exceed 47,5 % of the ex-works price of the product |
| Chapter 61 | Articles of apparel and clothing accessories, knitted or crocheted: | |
| | - Obtained by sewing together or otherwise assembling, two or more pieces of knitted or crocheted fabric which have been either cut to form or obtained directly to form | Knitting and making-up (including cutting) ⁽⁷⁾ ⁽⁹⁾ |
| | - Other | Spinning of natural and/or man-made staple fibres or extrusion of man-made filament yarn, in each case accompanied by knitting (knitted to shape products) <i>or</i> Dyeing of yarn of natural fibres accompanied by knitting (knitted to shape products) ⁽⁷⁾ |
| ex Chapter 62 | Articles of apparel and clothing accessories, not knitted or crocheted; except for: | Weaving accompanied by making-up (including cutting) <i>or</i> Making-up preceded by printing accompanied by at least two preparatory or finishing operations (such as scouring, bleaching, mercerising, heat setting, raising, calendering, shrink resistance processing, permanent finishing, decatizing, impregnating, mending and burling), provided that the value of the unprinted fabric used does not exceed 47,5 % of the ex-works price of the product ⁽⁷⁾ ⁽⁹⁾ |
| ex 6202, ex 6204, ex 6206, ex 6209 and ex 6211 | Women's, girls' and babies' clothing and clothing accessories for babies, embroidered | Weaving accompanied by making-up (including cutting) <i>or</i> Manufacture from unembroidered fabric, provided that the value of the unembroidered fabric used does not exceed 40 % of the ex-works price of the product ⁽⁹⁾ |
| ex 6210 and ex 6216 | Fire-resistant equipment of fabric covered with foil of aluminised polyester | Weaving accompanied by making-up (including cutting) <i>or</i> Coating provided that the value of the uncoated fabric used does not exceed 40 % of the ex-works price of the product accompanied by making-up (including cutting) ⁽⁹⁾ |
| 6213 and 6214 | Handkerchiefs, shawls, scarves, mufflers, mantillas, veils and the like: | |
| | - Embroidered | Weaving accompanied by making-up (including cutting) <i>or</i> Manufacture from unembroidered fabric, provided that the value of the unembroidered fabric used does not exceed 40 % of the ex-works price of the product ⁽⁹⁾ <i>or</i> Making-up preceded by printing accompanied by at least two preparatory or finishing operations (such as scouring, bleaching, mercerising, heat setting, raising, calendering, shrink resistance processing, permanent finishing, decatizing, impregnating, mending and burling), provided that the value of the unprinted fabric used does not exceed 47,5 % of the ex-works price of the product ⁽⁷⁾ ⁽⁹⁾ |
| | - Other | Weaving accompanied by making-up (including cutting) <i>or</i> Making-up preceded by printing accompanied by at least two preparatory finishing operations (such as scouring, bleaching, mercerising, heat setting, raising, calendering, shrink resistance processing, permanent finishing, decatizing, impregnating, mending and burling), provided that the value of the unprinted fabric used does not exceed 47,5 % of the ex-works price of the product ⁽⁷⁾ ⁽⁹⁾ |
| 6217 | Other made up clothing accessories; parts of garments or of clothing accessories, other than those of heading 6212: | |
| | - Embroidered | Weaving accompanied by making-up (including cutting) <i>or</i> Manufacture from unembroidered fabric, provided that the value of the unembroidered fabric used does not exceed 40 % of the ex-works price of the product ⁽⁹⁾ |
| | - Fire-resistant equipment of fabric covered with foil of aluminised polyester | Weaving accompanied by making-up (including cutting) <i>or</i> Coating provided that the value of the uncoated fabric used does not exceed 40 % of the ex-works price of the product accompanied by making-up (including cutting) ⁽⁹⁾ |
| | - Interlinings for collars and cuffs, cut out | Manufacture from materials of any heading, except that of the product, and in which the value of all the materials used does not exceed 40 % of the ex-works |

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| | | price of the product |
| | - Other | Weaving accompanied by making-up (including cutting) ⁽⁹⁾ |
| ex Chapter 63 | Other made-up textile articles; sets; worn clothing and worn textile articles; rags; except for: | Manufacture from materials of any heading, except that of the product |
| 6301 to 6304 | Blankets, travelling rugs, bed linen etc.; curtains etc.; other furnishing articles: | |
| | - Of felt, of nonwovens | Extrusion of man-made fibres or use of natural fibres in each case accompanied by non-woven process including needle punching and making-up (including cutting) ⁽⁷⁾ |
| | - Other: | |
| | - - Embroidered | Weaving or knitting accompanied by making-up (including cutting) <i>or</i> Manufacture from unembroidered fabric, provided that the value of the unembroidered fabric used does not exceed 40 % of the ex-works price of the product ⁽⁹⁾ ⁽¹⁰⁾ |
| | - - Other | Weaving or knitting accompanied by making-up (including cutting) |
| 6305 | Sacks and bags, of a kind used for the packing of goods | Extrusion of man-made fibres or spinning of natural and/or man-made staple fibres accompanied by weaving or knitting and making-up (including cutting) ⁽⁷⁾ |
| 6306 | Tarpaulins, awnings and sunblinds; tents; sails for boats, sailboards or landcraft; camping goods: | |
| | - Of nonwovens | Extrusion of man-made fibres or natural fibres in each case accompanied by any non-woven techniques including needle punching |
| | - Other | Weaving accompanied by making-up (including cutting) ⁽⁷⁾ ⁽⁹⁾ <i>or</i> Coating provided that the value of the uncoated fabric used does not exceed 40 % of the ex-works price of the product accompanied by making-up (including cutting) |
| 6307 | Other made-up articles, including dress patterns | Manufacture in which the value of all the materials used does not exceed 40 % of the ex-works price of the product |
| 6308 | Sets consisting of woven fabric and yarn, whether or not with accessories, for making up into rugs, tapestries, embroidered table cloths or serviettes, or similar textile articles, put up in packings for retail sale | Each item in the set must satisfy the rule which would apply to it if it were not included in the set. However, non-originating articles may be incorporated, provided that their total value does not exceed 15 % of the ex-works price of the set |
| ex Chapter 64 | Footwear, gaiters and the like; parts of such articles; except for: | Manufacture from materials of any heading, except from assemblies of uppers affixed to inner soles or to other sole components of heading 6406 |
| 6406 | Parts of footwear (including uppers whether or not attached to soles other than outer soles); removable in-soles, heel cushions and similar articles; gaiters, leggings and similar articles, and parts thereof | Manufacture from materials of any heading, except that of the product |
| Chapter 65 | Headgear and parts thereof | Manufacture from materials of any heading, except that of the product |
| Chapter 66 | Umbrellas, sun umbrellas, walking-sticks, seat-sticks, whips, riding-crops, and parts thereof: | Manufacture from materials of any heading, except that of the product <i>or</i> Manufacture in which the value of all the materials used does not exceed 70 % of the ex-works price of the product |
| Chapter 67 | Prepared feathers and down and articles made of feathers or of down; artificial flowers; articles of human hair | Manufacture from materials of any heading, except that of the product |
| ex Chapter 68 | Articles of stone, plaster, cement, asbestos, mica or similar materials, except for: | Manufacture from materials of any heading, except that of the product <i>or</i> Manufacture in which the value of all the materials used does not exceed 70 % of the ex-works price of the product |
| ex 6803 | Articles of slate or of agglomerated slate | Manufacture from worked slate |
| ex 6812 | Articles of asbestos; articles of mixtures with a basis of asbestos or of mixtures with a basis of asbestos and magnesium carbonate | Manufacture from materials of any heading |
| ex 6814 | Articles of mica, including agglomerated or reconstituted mica, on a support of paper, paperboard or other materials | Manufacture from worked mica (including agglomerated or reconstituted mica) |
| Chapter 69 | Ceramic products | Manufacture from materials of any heading, except that of the product <i>or</i> Manufacture in which the value of all the materials used does not exceed 50 % of the ex-works price of the product |
| ex Chapter 70 | Glass and glassware, except for: | Manufacture from materials of any heading, except that of the product <i>or</i> Manufacture in which the value of all the materials used does not exceed 70 % of the ex-works price of the product |
| 7006 | Glass of heading 7003, 7004 or 7005, bent, edge-worked, engraved, drilled, | |
| | - Glass-plate substrates, coated with a dielectric thin | Manufacture from non-coated glass-plate substrate of heading 7006 |

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| | film, and of a semiconductor grade in accordance with SEMI-standards | |
| | - Other | Manufacture from materials of heading 7001 |
| 7010 | Carboys, bottles, flasks, jars, pots, phials, ampoules and other containers, of glass, of a kind used for the conveyance or packing of goods; preserving jars of glass; stoppers, lids and other closures, of glass | Manufacture from materials of any heading, except that of the product <i>or</i> Cutting of glassware, provided that the total value of the uncut glassware used does not exceed 50 % of the ex-works price of the product |
| 7013 | Glassware of a kind used for table, kitchen, toilet, office, indoor decoration or similar purposes (other than that of heading 7010 or 7018) | Manufacture from materials of any heading, except that of the product <i>or</i> Cutting of glassware, provided that the total value of the uncut glassware used does not exceed 50 % of the ex-works price of the product <i>or</i> Hand-decoration (except silk-screen printing) of hand-blown glassware, provided that the total value of the hand-blown glassware used does not exceed 50 % of the ex-works price of the product |
| ex 7019 | Articles (other than yarn) of glass fibres | Manufacture from: — uncoloured slivers, rovings, yarn or chopped strands, or — glass wool |
| ex Chapter 71 | Natural or cultured pearls, precious or semi-precious stones, precious metals, metals clad with precious metal, and articles thereof; imitation jewellery; coin, except for: | Manufacture from materials of any heading, except that of the product <i>or</i> Manufacture in which the value of all the materials used does not exceed 70 % of the ex-works price of the product |
| 7106, 7108 and 7110 | Precious metals: | |
| | - Unwrought | Manufacture from materials of any heading, except those of headings 7106, 7108 and 7110 <i>or</i> Electrolytic, thermal or chemical separation of precious metals of heading 7106, 7108 or 7110 <i>or</i> Fusion and/or alloying of precious metals of heading 7106, 7108 or 7110 with each other or with base metals |
| | - Semi-manufactured or in powder form | Manufacture from unwrought precious metals |
| ex 7107, ex 7109 and ex 7111 | Metals clad with precious metals, semi-manufactured | Manufacture from metals clad with precious metals, unwrought |
| 7115 | Other articles of precious metal or of metal clad with precious metal | Manufacture from materials of any heading, except that of the product |
| 7117 | Imitation jewellery | Manufacture from materials of any heading, except that of the product <i>or</i> Manufacture from base metal parts, not plated or covered with precious metals, provided that the value of all the materials used does not exceed 50 % of the ex-works price of the product |
| ex Chapter 72 | Iron and steel; except for: | Manufacture from materials of any heading, except that of the product |
| 7207 | Semi-finished products of iron or non-alloy steel | Manufacture from materials of heading 7201, 7202, 7203, 7204, 7205 or 7206 |
| 7208 to 7216 | Flat-rolled products, bars and rods, angles, shapes and sections of iron or non-alloy steel | Manufacture from ingots or other primary forms or semi-finished materials of heading 7206 or 7207 |
| 7217 | Wire of iron or non-alloy steel | Manufacture from semi-finished materials of heading 7207 |
| 7218 91 and 7218 99 | Semi-finished products | Manufacture from materials of heading 7201, 7202, 7203, 7204, 7205 or sub-heading 7218 10 |
| 7219 to 7222 | Flat-rolled products, bars and rods, angles, shapes and sections of stainless steel | Manufacture from ingots or other primary forms or semi-finished materials of heading 7218 |
| 7223 | Wire of stainless steel | Manufacture from semi-finished materials of heading 7218 |
| 7224 90 | Semi-finished products | Manufacture from materials of heading 7201, 7202, 7203, 7204, 7205 or sub-heading 7224 10 |
| 7225 to 7228 | Flat-rolled products, hot-rolled bars and rods, in irregularly wound coils; angles, shapes and sections, of other alloy steel; hollow drill bars and rods, of alloy or non-alloy steel | Manufacture from ingots or other primary forms or semi-finished materials of heading 7206, 7207, 7218 or 7224 |
| 7229 | Wire of other alloy steel | Manufacture from semi-finished materials of heading 7224 |
| ex Chapter 73 | Articles of iron or steel; except for: | Manufacture from materials of any heading, except that of the product |
| ex 7301 | Sheet piling | Manufacture from materials of heading 7207 |
| 7302 | Railway or tramway track construction material of iron or steel, the following: rails, check-rails and rack rails, switch blades, crossing frogs, point rods and other crossing pieces, sleepers (cross-ties), fishplates, chairs, chair wedges, sole plates (base plates), rail clips, bedplates, ties and other material specialised for | Manufacture from materials of heading 7206 |

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| | jointing or fixing rails | |
| 7304, 7305 and 7306 | Tubes, pipes and hollow profiles, of iron (other than cast iron) or steel | Manufacture from materials of heading 7206, 7207, 7208, 7209, 7210, 7211, 7212, 7218, 7219, 7220 or 7224 |
| ex 7307 | Tube or pipe fittings of stainless steel | Turning, drilling, reaming, threading, deburring and sandblasting of forged blanks, provided that the total value of the forged blanks used does not exceed 35 % of the ex-works price of the product |
| 7308 | Structures (excluding prefabricated buildings of heading 9406) and parts of structures (for example, bridges and bridge-sections, lock-gates, towers, lattice masts, roofs, roofing frameworks, doors and windows and their frames and thresholds for doors, shutters, balustrades, pillars and columns), of iron or steel; plates, rods, angles, shapes, sections, tubes and the like, prepared for use in structures, of iron or steel | Manufacture from materials of any heading, except that of the product. However, welded angles, shapes and sections of heading 7301 may not be used |
| ex 7315 | Skid chain | Manufacture in which the value of all the materials of heading 7315 used does not exceed 50 % of the ex-works price of the product |
| ex Chapter 74 | Copper and articles thereof; except for: | Manufacture from materials of any heading, except that of the product |
| 7403 | Refined copper and copper alloys, unwrought | Manufacture from materials of any heading |
| Chapter 75 | Nickel and articles thereof | Manufacture from materials of any heading, except that of the product |
| ex Chapter 76 | Aluminium and articles thereof; except for: | Manufacture from materials of any heading, except that of the product |
| 7601 | Unwrought aluminium | Manufacture from materials of any heading |
| 7607 | Aluminium foil (whether or not printed or backed with paper, paperboard, plastics or similar backing materials) of a thickness (excluding any backing) not exceeding 0,2 mm | Manufacture from materials of any heading, except that of the product and heading 7606 |
| Chapter 77 | Reserved for possible future use in the Harmonized System | |
| ex Chapter 78 | Lead and articles thereof, except for: | Manufacture from materials of any heading, except that of the product |
| 7801 | Unwrought lead: | |
| | - Refined lead | Manufacture from materials of any heading |
| | - Other | Manufacture from materials of any heading, except that of the product. However, waste and scrap of heading 7802 may not be used |
| Chapter 79 | Zinc and articles thereof | Manufacture from materials of any heading, except that of the product |
| Chapter 80 | Tin and articles thereof | Manufacture from materials of any heading, except that of the product |
| Chapter 81 | Other base metals; cermets; articles thereof | Manufacture from materials of any heading |
| ex Chapter 82 | Tools, implements, cutlery, spoons and forks, of base metal; parts thereof of base metal; except for: | Manufacture from materials of any heading, except that of the product <i>or</i> Manufacture in which the value of all the materials used does not exceed 70 % of the ex-works price of the product |
| 8206 | Tools of two or more of the headings 8202 to 8205, put up in sets for retail sale | Manufacture from materials of any heading, except those of headings 8202 to 8205. However, tools of headings 8202 to 8205 may be incorporated into the set, provided that their total value does not exceed 15 % of the ex-works price of the set |
| 8211 | Knives with cutting blades, serrated or not (including pruning knives), other than knives of heading 8208, and blades therefore | Manufacture from materials of any heading, except that of the product. However, knife blades and handles of base metal may be used |
| 8214 | Other articles of cutlery (for example; hair clippers, butchers' or kitchen cleavers, choppers and mincing knives, paper knives); manicure or pedicure sets and instruments (including nail files) | Manufacture from materials of any heading, except that of the product. However, handles of base metal may be used |
| 8215 | Spoons, forks, ladles, skimmers, cake-servers, fish-knives, butter-knives, sugar tongs and similar kitchen or tableware | Manufacture from materials of any heading, except that of the product. However, handles of base metal may be used |
| ex Chapter 83 | Miscellaneous articles of base metal; except for: | Manufacture from materials of any heading, except that of the product <i>or</i> Manufacture in which the value of all the materials used does not exceed 70 % of the ex-works price of the product |
| ex 8302 | Other mountings, fittings and similar articles suitable for buildings, and automatic door closers | Manufacture from materials of any heading, except that of the product. However, other materials of heading 8302 may be used, provided that their total value does not exceed 20 % of the ex-works price of the product |
| ex 8306 | Statuettes and other ornaments, of base metal | Manufacture from materials of any heading, except that of the product. However, other materials of heading 8306 may be used, provided that their total value does not exceed 30 % of the ex-works price of the product |
| ex Chapter 84 | Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof; except for: | Manufacture from materials of any heading, except that of the product <i>or</i> Manufacture in which the value of all the materials used does not exceed 70 % of the ex-works price of the product |
| 8401 | Nuclear reactors; fuel elements (cartridges), non-irradiated, for nuclear reactors; machinery and apparatus | Manufacture in which the value of all the materials used does not exceed 70 % of the ex-works price of the product |

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| | for isotopic separation | |
| 8407 | Spark-ignition reciprocating or rotary internal combustion piston engines | Manufacture in which the value of all the materials used does not exceed 50 % of the ex-works price of the product |
| 8408 | Compression-ignition internal combustion piston engines (diesel or semi-diesel engines) | Manufacture in which the value of all the materials used does not exceed 50 % of the ex-works price of the product |
| 8427 | Fork-lift trucks; other works trucks fitted with lifting or handling equipment | Manufacture in which the value of all the materials used does not exceed 70 % of the ex-works price of the product |
| 8482 | Ball or roller bearings | Manufacture in which the value of all the materials used does not exceed 50 % of the ex-works price of the product |
| ex Chapter 85 | Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts and accessories of such articles; except for: | Manufacture from materials of any heading, except that of the product <i>or</i> Manufacture in which the value of all the materials used does not exceed 70 % of the ex-works price of the product |
| 8501, 8502 | Electric motors and generators; Electric generating sets and rotary converters | Manufacture from materials of any heading, except that of the product and of heading 8503 <i>or</i> Manufacture in which the value of all the materials used does not exceed 50 % of the ex-works price of the product |
| 8513 | Portable electric lamps designed to function by their own source of energy (for example, dry batteries, accumulators, magnetos), other than lighting equipment of heading 8512 | Manufacture from materials of any heading, except that of the product. <i>or</i> Manufacture in which the value of all the materials used does not exceed 50 % of the ex-works price of the product |
| 8519 | Sound recording and sound reproducing apparatus | Manufacture from materials of any heading, except that of the product and of heading 8522 <i>or</i> Manufacture in which the value of all the materials used does not exceed 50 % of the ex-works price of the product |
| 8521 | Video recording or reproducing apparatus, whether or not incorporating a video tuner | Manufacture from materials of any heading, except that of the product and of heading 8522 <i>or</i> Manufacture in which the value of all the materials used does not exceed 50 % of the ex-works price of the product |
| 8523 | Discs, tapes, solid-state non-volatile storage devices, "smart cards" and other media for the recording of sound or of other phenomena, whether or not recorded, including matrices and masters for the production of discs, but excluding products of Chapter 37 | Manufacture in which the value of all the materials used does not exceed 50 % of the ex-works price of the product |
| 8525 | Transmission apparatus for radio-broadcasting or television, whether or not incorporating reception apparatus or sound recording or reproducing apparatus; television cameras, digital cameras and other video camera recorders | Manufacture from materials of any heading, except that of the product and of heading 8529 <i>or</i> Manufacture in which the value of all the materials used does not exceed 50 % of the ex-works price of the product |
| 8526 | Radar apparatus, radio navigational aid apparatus and radio remote control apparatus | Manufacture from materials of any heading, except that of the product and of heading 8529 <i>or</i> Manufacture in which the value of all the materials used does not exceed 50 % of the ex-works price of the product |
| 8527 | Reception apparatus for radio-broadcasting, whether or not combined, in the same housing, with sound recording or reproducing apparatus or a clock | Manufacture from materials of any heading, except that of the product and of heading 8529 <i>or</i> Manufacture in which the value of all the materials used does not exceed 50 % of the ex-works price of the product |
| 8528 | Monitors and projectors, not incorporating television reception apparatus; reception apparatus for television, whether or not incorporating radiobroadcast receivers or sound or video recording or reproducing apparatus | Manufacture from materials of any heading, except that of the product and of heading 8529 <i>or</i> Manufacture in which the value of all the materials used does not exceed 50 % of the ex-works price of the product |
| 8535 to 8537 | Electrical apparatus for switching or protecting electrical circuits, or for making connections to or in electrical circuits; connectors for optical fibres, optical fibre bundles or cables; boards, panels, consoles, desks, cabinets and other bases, for electric control or the distribution of electricity | Manufacture from materials of any heading, except that of the product and of heading 8538 <i>or</i> Manufacture in which the value of all the materials used does not exceed 50 % of the ex-works price of the product |
| 8540 11 and 8540 12 | Cathode ray television picture tubes, including video monitor cathode ray tubes | Manufacture in which the value of all the materials used does not exceed 50 % of the ex-works price of the product |
| 8542 31 to 8542 33 and 8542 39 | Monolithic integrated circuits | Manufacture in which the value of all the materials used does not exceed 50 % of the ex-works price of the product <i>or</i> The operation of diffusion, in which integrated circuits are formed on a semi- |

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| | | conductor substrate by the selective introduction of an appropriate dopant, whether or not assembled and/or tested in a non-party |
| 8544 | Insulated (including enamelled or anodised) wire, cable (including coaxial cable) and other insulated electric conductors, whether or not fitted with connectors; optical fibre cables, made up of individually sheathed fibres, whether or not assembled with electric conductors or fitted with connectors | Manufacture in which the value of all the materials used does not exceed 50 % of the ex-works price of the product |
| 8545 | Carbon electrodes, carbon brushes, lamp carbons, battery carbons and other articles of graphite or other carbon, with or without metal, of a kind used for electrical purposes | Manufacture in which the value of all the materials used does not exceed 70 % of the ex-works price of the product |
| 8546 | Electrical insulators of any material | Manufacture in which the value of all the materials used does not exceed 50 % of the ex-works price of the product |
| 8547 | Insulating fittings for electrical machines, appliances or equipment, being fittings wholly of insulating materials apart from any minor components of metal (for example, threaded sockets) incorporated during moulding solely for purposes of assembly, other than insulators of heading 8546; electrical conduit tubing and joints therefor, of base metal lined with insulating material | Manufacture in which the value of all the materials used does not exceed 50 % of the ex-works price of the product |
| 8548 | Waste and scrap of primary cells, primary batteries and electric accumulators; spent primary cells, spent primary batteries and spent electric accumulators; electrical parts of machinery or apparatus, not specified or included elsewhere in this Chapter | Manufacture in which the value of all the materials used does not exceed 50 % of the ex-works price of the product |
| Chapter 86 | Railway or tramway locomotives, rolling-stock and parts thereof; railway or tramway track fixtures and fittings and parts thereof; mechanical (including electro-mechanical) traffic signalling equipment of all kinds | Manufacture in which the value of all the materials used does not exceed 70 % of the ex-works price of the product |
| ex Chapter 87 | Vehicles other than railway or tramway rolling-stock, and parts and accessories thereof; except for: | Manufacture in which the value of all the materials used does not exceed 50 % of the ex-works price of the product |
| 8711 | Motorcycles (including mopeds) and cycles fitted with an auxiliary motor, with or without side-cars; side-cars | Manufacture from materials of any heading, except that of the product <i>or</i> Manufacture in which the value of all the materials used does not exceed 50 % of the ex-works price of the product |
| ex Chapter 88 | Aircraft, spacecraft, and parts thereof, except for: | Manufacture from materials of any heading, except that of the product <i>or</i> Manufacture in which the value of all the materials used does not exceed 70 % of the ex-works price of the product |
| ex 8804 | Rotochutes | Manufacture from materials of any heading, including other materials of heading 8804 <i>or</i> Manufacture in which the value of all the materials used does not exceed 70 % of the ex-works price of the product |
| Chapter 89 | Ships, boats and floating structures | Manufacture from materials of any heading, except that of the product <i>or</i> Manufacture in which the value of all the materials used does not exceed 70 % of the ex-works price of the product |
| ex Chapter 90 | Optical, photographic, cinematographic, measuring, checking, precision, medical or surgical instruments and apparatus; parts and accessories thereof, except for: | Manufacture from materials of any heading, except that of the product <i>or</i> Manufacture in which the value of all the materials used does not exceed 70 % of the ex-works price of the product |
| 9002 | Lenses, prisms, mirrors and other optical elements, of any material, mounted, being parts of or fittings for instruments or apparatus, other than such elements of glass not optically worked | Manufacture in which the value of all the materials used does not exceed 50 % of the ex-works price of the product |
| 9033 | Parts and accessories (not specified or included elsewhere in this Chapter) for machines, appliances, instruments or apparatus of Chapter 90 | Manufacture in which the value of all the materials used does not exceed 50 % of the ex-works price of the product |
| Chapter 91 | Clocks and watches and parts thereof | Manufacture in which the value of all the materials used does not exceed 70 % of the ex-works price of the product |
| Chapter 92 | Musical instruments; parts and accessories of such articles | Manufacture in which the value of all the materials used does not exceed 70 % of the ex-works price of the product |
| Chapter 93 | Arms and ammunition; parts and accessories thereof | Manufacture in which the value of all the materials used does not exceed 50 % of the ex-works price of the product |
| Chapter 94 | Furniture; bedding, mattresses, mattress supports, | Manufacture from materials of any heading, except that of the product |

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| | cushions and similar stuffed furnishings; lamps and lighting fittings, not elsewhere specified or included; illuminated signs, illuminated name-plates and the like; prefabricated buildings | or Manufacture in which the value of all the materials used does not exceed 70 % of the ex-works price of the product |
| ex Chapter 95 | Toys, games and sports requisites; parts and accessories thereof, except for: | Manufacture from materials of any heading, except that of the product or Manufacture in which the value of all the materials used does not exceed 70 % of the ex-works price of the product |
| ex 9506 | Golf clubs and parts thereof | Manufacture from materials of any heading, except that of the product. However, roughly-shaped blocks for making golf-club heads may be used |
| ex Chapter 96 | Miscellaneous manufactured articles, except for: | Manufacture from materials of any heading, except that of the product or Manufacture in which the value of all the materials used does not exceed 70 % of the ex-works price of the product |
| 9601 and 9602 | Worked ivory, bone, tortoiseshell, horn, antlers, coral, mother-of-pearl and other animal carving material, and articles of these materials (including articles obtained by moulding). Worked vegetable or mineral carving material and articles of these materials; moulded or carved articles of wax, of stearin, of natural gums or natural resins or of modelling pastes, and other moulded or carved articles, not elsewhere specified or included; worked, unhardened gelatine (except gelatine of heading 3503) and articles of unhardened gelatin | Manufacture from materials of any heading |
| 9603 | Brooms, brushes (including brushes constituting parts of machines, appliances or vehicles), hand-operated mechanical floor sweepers, not motorized, mops and feather dusters; prepared knots and tufts for broom or brush making; paint pads and rollers, squeegees (other than roller squeegees) | Manufacture in which the value of all the materials used does not exceed 70 % of the ex-works price of the product |
| 9605 | Travel sets for personal toilet, sewing or shoe or clothes cleaning | Each item in the set must satisfy the rule which would apply to it if it were not included in the set. However, non-originating articles may be incorporated, provided that their total value does not exceed 15 % of the ex-works price of the set |
| 9606 | Buttons, press-fasteners, snap-fasteners and press-studs, button moulds and other parts of these articles; button blanks | Manufacture: — from materials of any heading, except that of the product, and — in which the value of all the materials used does not exceed 70 % of the ex-works price of the product |
| 9608 | Ball-point pens; felt-tipped and other porous-tipped pens and markers; fountain pens, stylograph pens and other pens; duplicating stylos; propelling or sliding pencils; pen-holders, pencilholders and similar holders; parts (including caps and clips) of the foregoing articles, other than those of heading 9609 | Manufacture from materials of any heading, except that of the product. However, nibs or nib-points of the same heading as the product may be used |
| 9612 | Typewriter or similar ribbons, inked or otherwise prepared for giving impressions, whether or not on spools or in cartridges; ink-pads, whether or not inked, with or without boxes | Manufacture: — from materials of any heading, except that of the product, and — in which the value of all the materials used does not exceed 70 % of the ex-works price of the product |
| 9613 20 | Pocket lighters, gas fuelled, refillable | Manufacture in which the total value of the materials of heading 9613 used does not exceed 30 % of the ex-works price of the product |
| 9614 | Smoking pipes (including pipe bowls) and cigar or cigarette holders, and parts thereof | Manufacture from materials of any heading |
| Chapter 97 | Works of art, collectors' pieces and antiques | Manufacture from materials of any heading, except that of the product |

⁽¹⁾ See Introductory Note 4.2.

⁽²⁾ For the special conditions relating to "specific processes", see Introductory Notes 8.1 and 8.3.

⁽³⁾ For the special conditions relating to "specific processes", see Introductory Note 8.2.

⁽⁴⁾ A "group" is regarded as any part of the heading separated from the rest by a semi-colon.

⁽⁵⁾ In the case of the products composed of materials classified within both headings 3901 to 3906, on the one hand, and within headings 3907 to 3911, on the other hand, this restriction only applies to that group of materials which predominates by weight in the product.

⁽⁶⁾ The following foils shall be considered as highly transparent: foils, the optical dimming of which, measured according to ASTM-D 1003-16 by Gardner Hazemeter (i.e. Hazefactor), is less than 2 %.

⁽⁷⁾ For special conditions relating to products made of a mixture of textile materials, see Introductory Note 6.

⁽⁸⁾ The use of this material is restricted to the manufacture of woven fabrics of a kind used in paper-making machinery.

⁽⁹⁾ See Introductory Note 7.

(¹⁰) For knitted or crocheted articles, not elastic or rubberised, obtained by sewing or assembling pieces of knitted or crocheted fabrics (cut out or knitted directly to shape), see Introductory Note 7.
SEMI - Semiconductor Equipment and Materials Institute Incorporated.'

Appendix III
Specimens of certificate of origin EUR.1 and application for a certificate of
origin EUR.1

Printing instructions

1. Each form shall measure 210 x 297 mm; a tolerance of up to minus 5 mm or plus 8 mm in the length may be allowed. The paper used must be white, sized for writing, not containing mechanical pulp and weighing not less than 25 g/m². It shall have a printed green guilloche pattern background making any falsification by mechanical or chemical means apparent to the eye.
2. The competent authorities of the contracting parties may reserve the right to print the forms themselves or may have them printed by approved printers. In the latter case, each form must include a reference to such approval. Each form must bear the name and address of the printer or a mark by which the printer can be identified. It shall also bear a serial number, either printed or not, by which it can be identified.

CERTIFICATE OF ORIGIN

| | | |
|---|--|---|
| 1. Exporter (Name, full address, country) | EUR.1 No A 000.000 | |
| | See notes overleaf before completing this form. | |
| 3. Consignee (Name, full address, country) (Optional) | 2. Certificate used in preferential trade between | |
| | And | |
| | (Insert appropriate countries, groups of countries or territories) | |
| 6. Transport details (Optional) | 4. Country, group of countries or territory in which the products are considered as originating | 5. Country, group of countries or territory of destination |
| | 7. Remarks | |
| 8. Item number; Marks and numbers; Number and kind of packages ⁽¹⁾; Description of goods | 9. Gross mass (kg) or other measure (litres, m³, etc.) | 10. Invoices (Optional) |
| 11. CUSTOMS ENDORSEMENT <i>Declaration certified</i> Export document ⁽²⁾ FormNo Of Customs office Issuing country or territory Stamp Place and date (Signature) | 12. DECLARATION BY THE EXPORTER I, the undersigned, declare that the goods described above meet the conditions required for the issue of this certificate. Place and date (Signature) | |

(1) If goods are not packed, indicate number of articles or state « in bulk » as appropriate

(2) Complete only where the regulations of the exporting country or territory require.

| | |
|---|---|
| <p>13. REQUEST FOR VERIFICATION, to</p> | <p>14. RESULT OF VERIFICATION</p> |
| <p>Verification of the authenticity and accuracy of this certificate is requested.</p> <p>.....</p> <p>.....</p> <p>(Place and date)</p> <p>Stamp</p> <p>.....</p> <p>(Signature)</p> | <p>Verification carried out shows that this certificate ⁽¹⁾</p> <p><input type="checkbox"/> was issued by the authorised body indicated and that the information contained therein is accurate.</p> <p><input type="checkbox"/> does not meet the requirements as to authenticity and accuracy (see remarks appended).</p> <p>.....</p> <p>.....</p> <p>(Place and date)</p> <p>Stamp</p> <p>.....</p> <p>(Signature)</p> <p>.....</p> <p>(1) Insert X in the appropriate box.</p> |

NOTES

1. Certificate must not contain erasures or words written over one another. Any alterations must be made by deleting the incorrect particulars and adding any necessary corrections. Any such alteration must be initialled by the person who completed the certificate and endorsed by the authorised bodies of the issuing country or territory according to its domestic law.
2. No spaces must be left between the items entered on the certificate and each item must be preceded by an item number. A horizontal line must be drawn immediately below the last item. Any unused space must be struck through in such a manner as to make any later additions impossible.
3. Goods must be described in accordance with commercial practice and with sufficient detail to enable them to be identified.

APPLICATION FOR A CERTIFICATE OF ORIGIN

| | | |
|--|--|---|
| 1. Exporter (Name, full address, country) | EUR.1 No A 000.000 | |
| | See notes overleaf before completing this form. | |
| 3. Consignee (Name, full adress, country) (Optional) | 2. Application for a certificate to be used in preferential trade between and (Insert appropriate countries or groups of countries or territories) | |
| | 4. Country, group of countries or territory in which the products are considered as originating | 5. Country, group of countries or territory of destination |
| 6. Transport details (Optional) | 7. Remarks | |
| 8. Item number; Marks and numbers; Number and kind of packages ⁽¹⁾ Description of goods | 9. Gross mass (kg) or other measure (litres, m³, etc.) | 10. Invoices (Optional) |

(1) If goods are not packed, indicate number of articles or state « in bulk » as appropriate

DECLARATION BY THE EXPORTER

I, the undersigned, exporter of the goods described overleaf,

DECLARE that the goods meet the conditions required for the issue of the attached certificate;

SPECIFY as follows the circumstances which have enable these goods to meet the above conditions:

.....
.....
.....
.....

SUBMIT the following supporting documents (³):

.....
.....
.....
.....

UNDERTAKE to submit, at the request of the appropriate authorities, any supporting evidence which these authorities may require for the purpose of issuing the attached certificate, and undertake, if required, to agree to any inspection of my accounts and to any check on the processes of manufacture of the above goods, carried out by the said authorities;

REQUEST the issue of the attached certificate for these goods.

.....
(Place and date)

(Signature)

³ For example: import documents, certificates of origin, invoices, manufacturer's declarations, etc, referring to the products used in manufacture or to the goods re-exported in the same state.

APPENDIX IV

Text of the invoice declaration

Ukraine version

Експортер продукції, на яку поширюється цей документ (митний дозвіл №...), заявляє, що за винятком випадків, де це явно зазначено, ці товари є товарами ... преференційного походження.

.....
(місце та дата)

.....
(Підпис експортера; крім того ім'я людини, що підписує декларацію, має бути вказане розбірливо)

Montenegro version

Izvoznik proizvoda obuhvaćenih ovim dokumentom (carinsko odobrenje br.....⁽¹⁾)
izjavljuje da su, osim u slučaju kada je drugačije naznačeno, ovi proizvodi
.....⁽²⁾ preferencijalnog porijekla.

.....⁽⁴⁾
(Mjesto i datum)

.....⁽⁵⁾
(Potpis izvoznika, dodatno mora biti
čitko navedeno ime lica koje je izjavu potpisalo)

-
- (1) Kada je izjavu na fakturi dao ovlašćeni izvoznik, broj ovlašćenja ovlaštenog izvoznika se mora unijeti na ovo mjesto. Kada je izjavu na fakturi dao izvoznik koji nije ovlašćeni izvoznik riječi u zagradama će se izostaviti ili će se prostor ostaviti prazan.
 - (2) Navešće se porijeklo proizvoda.
 - (3) Popuniti i obrisati kada je potrebno.
 - (4) Ove indicije mogu biti izostavljene ako je informacija sadržana u samom dokumentu.
 - (5) Vidjeti član 5.7 Appendix I. U slučajevima kada nije neophodan potpis izvoznika, izostanak potpisa povlači izostavljanje imena potpisnika.

ANNEX III

**APPENDIX I - MONTENEGRO – SCHEDULE OF SPECIFIC COMMITMENTS
AND LIST OF MFN EXEMPTIONS REFERRED TO IN ARTICLES 41 AND 44**

**APPENDIX II – UKRAINE - SCHEDULE OF SPECIFIC COMMITMENTS AND
LISTS OF MFN EXEMPTIONS REFERRED TO IN ARTICLES 41 AND 44⁴**

⁴ The Parties agreed that under this Agreement in Annex III, Ukraine retains its WTO commitments.

Modes of supply: (1) Cross border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

| Sector or sub-Sector | Limitations on market access | Limitations on national treatment | Additional commitments |
|--|---|---|------------------------|
| I. HORIZONTAL COMMITMENTS | | | |
| Public Utilities | (3) Services considered as public utilities at a national or local level may be subject to public monopolies or to exclusive rights granted to private operators ⁵ . | | |
| Legal Entities Limitations on branches, agencies and representative offices | | (3) Treatment accorded to subsidiaries having their registered office, central administration or principal place of business within Montenegro may not be extended to branches or agencies established in Montenegro. Treatment less favourable may be accorded to subsidiaries with a registered office in Montenegro that cannot show an effective and continuous link with Montenegro's economy. | |

⁵ Explanatory Note: Public utilities exist in sectors such as related scientific and technical consulting services, R&D services on social sciences and humanities, technical testing and analysis services, environmental services, health services, transport services and services auxiliary to all modes of transport. Exclusive rights on such services are often granted to private operators, for instance operators with concessions from public authorities, subject to specific service obligations. Given that public utilities often also exist at the sub-central level, detailed and exhaustive sector-specific scheduling is not practical. This limitation does not apply to telecommunications and to computer and related services.

Modes of supply: (1) Cross border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

| Sector or sub-Sector | Limitations on market access | Limitations on national treatment | Additional commitments |
|----------------------|------------------------------|---|------------------------|
| Subsidies | | <p>(3) Eligibility for subsidies may be limited to juridical persons established within the territory of Montenegro or a particular geographical sub-division thereof. Unbound for subsidies for research and development. The supply of a service, or its subsidisation, within the public sector is not in breach of this commitment.</p> <p>(4) To the extent that any subsidies are made available to natural persons, their availability may be limited to citizens of Montenegro.</p> | |

Modes of supply: (1) Cross border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

| Sector or sub-Sector | Limitations on market access | Limitations on national treatment | Additional commitments |
|---|--|--|------------------------|
| Temporary Entry and Stay of Natural Persons | <p>(4) Unbound except for measures concerning the entry into and temporary stay in Montenegro of the following categories of natural persons providing services:</p> <p>(i) <u>Intra-corporate transfers (ICT)</u></p> <p>Entry and stay for a maximum of 3 years will be granted to persons transferred within a corporation and its subsidiaries and branches who:</p> <ul style="list-style-type: none"> - Have been employed by a juridical person established in another WTO Member for at least one year immediately preceding the date of admission; - Are temporarily transferred in the context of the provision of a service in Montenegro to a subsidiary or branch that is providing services in Montenegro; and - Are Managers, Executives or Specialists. | <p>(4) Unbound except for measures concerning the categories of natural persons referred to in the Market Access column.</p> | |

Modes of supply: (1) Cross border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

| Sector or sub-Sector | Limitations on market access | Limitations on national treatment | Additional commitments |
|----------------------|--|-----------------------------------|------------------------|
| | <p><u>Managers:</u> are persons working in a senior position who primarily direct the organization, including (a) directing the establishment or a department or sub-division of the establishment; (b) supervising and controlling the work of other supervisory, professional or managerial employees; and (c) having the authority personally to hire and fire or recommend hiring, firing or other personnel actions (such as promotion or leave authorization), and exercise discretionary authority over day-to-day operations. Does not include first-line supervisors, unless the employees supervised are professionals, nor does it include employees who primarily perform tasks necessary for the provision of the service. An economic needs test will not be required.</p> <p><u>Executives:</u> are persons within the organization, who primarily direct the management of the organization, establish the goals and policies of the organization, exercise wide latitude in decision-making, and receive only general supervision or direction from higher-level executives, the board of directors, or stockholders of the business. Executives would not directly perform tasks related to the actual provision of a service or services. An economic needs test will not be required.</p> <p><u>Specialists:</u> are persons who possess</p> | | |

Modes of supply: (1) Cross border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

| Sector or sub-Sector | Limitations on market access | Limitations on national treatment | Additional commitments |
|----------------------|--|-----------------------------------|------------------------|
| | <p>uncommon knowledge essential to an establishment's service, research equipment, techniques or management. In assessing such knowledge, account will be taken not only of knowledge specific to the establishment, but also of whether the</p> | | |
| | <p>person has a high level of qualification referring to a type of work or trade requiring specific technical knowledge, including membership of an accredited profession. An economic needs test will not be required.</p> <p>(ii) <u>Business Visitors (BV)</u></p> <p>Entry and temporary stay of the following categories is permitted without application of an economic needs test for a period of up to 90 days in any twelve months:</p> <p>(a) Service sellers - persons not residing in Montenegro who are representatives of a service supplier and are seeking temporary entry for the purpose of negotiating and contracting for the sale of services but are not engaged in making direct sales to the general public or in supplying services themselves; and</p> <p>(b) Persons responsible for setting up a commercial presence - managers who are responsible for setting up in Montenegro a</p> | | |

Modes of supply: (1) Cross border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

| Sector or sub-Sector | Limitations on market access | Limitations on national treatment | Additional commitments |
|----------------------|--|-----------------------------------|------------------------|
| | <p>commercial presence of a service provider of another WTO Member and who is not engaged in making direct sales or in supplying services; when the service provider has no other commercial presence in Montenegro.</p> | | |
| | <p>(iii) <u>Contractual Service Suppliers (CSS)</u></p> <p>Access will be granted to natural persons engaged in the supply of a service on a temporary basis as employees of a legal person with no commercial presence in Montenegro, subject to the following conditions:</p> <ul style="list-style-type: none"> - The legal person has obtained a service contract, for a period not exceeding 12 months from a final consumer in Montenegro, through a procedure which guarantees the bona fide character of the contract; - The service contract complies with the laws of Montenegro; - The natural person seeking access should be offering such services as an employee of the legal person supplying the service for at least a year immediately preceding such movement; - The temporary entry and stay shall be | | |

Modes of supply: (1) Cross border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

| Sector or sub-Sector | Limitations on market access | Limitations on national treatment | Additional commitments |
|----------------------|--|-----------------------------------|------------------------|
| | <p>for a cumulative period of not more than 3 months in any 12 month period or for the duration of the contract, whatever is less;</p> <ul style="list-style-type: none"> - The natural person must possess <ul style="list-style-type: none"> (a) a university degree or a technical qualification demonstrating knowledge of an equivalent level⁶; (b) professional qualifications where this is required to exercise an activity in the sector concerned pursuant to the laws, regulations or requirements | | |

⁶ Where the degree or qualification has not been obtained in Montenegro, the latter may evaluate whether this is equivalent to a university degree acquired in Montenegro.

Modes of supply: (1) Cross border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

| Sector or sub-Sector | Limitations on market access | Limitations on national treatment | Additional commitments |
|----------------------|--|-----------------------------------|------------------------|
| | <p>of Montenegro; and (c) at least three years professional experience in the sector;</p> <ul style="list-style-type: none"> - The commitment relates only to the service activity which is the subject of the contract; it does not confer entitlement to exercise a professional title in Montenegro; - The number of the persons covered by the service contract shall not be larger than necessary to fulfil the contract; - An economic needs test will not be required; and - The service contract has to be obtained in one of the activities mentioned below: <ul style="list-style-type: none"> - Legal services; - Accounting and bookkeeping services; - Architectural services, urban planning and landscape architectural services; - Engineering services, integrated engineering services; - Computer and related services; - Advertising; - Management consulting services; - Services related to management consulting; - Technical testing and analysis services; - Related scientific and technical consulting services; | | |

Modes of supply: (1) Cross border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

| Sector or sub-Sector | Limitations on market access | Limitations on national treatment | Additional commitments |
|----------------------|--|-----------------------------------|------------------------|
| | <ul style="list-style-type: none"> - Translation services; - Environmental services; and - Installations and maintenance of machinery or equipment. | | |

Modes of supply: (1) Cross border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

| Sector or sub-Sector | Limitations on market access | Limitations on national treatment | Additional commitments |
|--|--|--|------------------------|
| II. SECTOR SPECIFIC COMMITMENTS | | | |
| 1. BUSINESS SERVICES | | | |
| A. Professional Services | | | |
| (a) Legal services - Consultancy on foreign, international law and domestic law (part of CPC 861) | (1) None. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | (1) None. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | |
| (b) Accounting, auditing and bookkeeping services (CPC 862) | (1) None. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | (1) None. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | |
| (c) Taxation services ⁷ (CPC 863) | (1) None. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | (1) None. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | |
| (d) Architectural services (CPC 8671) | (1) None. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | (1) None. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | |
| (e) Engineering services (CPC 8672) | (1) None. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | (1) None. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | |

⁷ Legal advice and legal representation in taxation matters are not included, since committed under legal services (part of CPC 861).

Modes of supply: (1) Cross border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

| Sector or sub-Sector | Limitations on market access | Limitations on national treatment | Additional commitments |
|---|---|---|------------------------|
| (f) Integrated engineering services (CPC 8673) | (1) None. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | (1) None. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | |
| (g) Urban planning and landscape architectural services (CPC 8674) | (1) None. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | (1) None. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | |
| (h) Medical and dental services (CPC 9312) | (1) None. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | (1) None. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | |
| (i) Veterinary services (CPC 932) | (1) None. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | (1) None. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | |
| (j) Services provided by midwives, nurses, physiotherapists and para-medical personnel (CPC 93191) | (1) Unbound. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | (1) Unbound. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | |
| B. Computer and Related Services | | | |
| - Computer and related services (CPC 84) Montenegro subscribes to the "Understanding on the scope of coverage of Computer Services - (CPC 84)" attached in Annex I. | (1) None. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | (1) None. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | |

Modes of supply: (1) Cross border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

| Sector or sub-Sector | Limitations on market access | Limitations on national treatment | Additional commitments |
|---|--|--|------------------------|
| C. Research and Development Services | | | |
| (a) R&D services on natural sciences (CPC 851) | (1) None. (2) None. | (1) None. (2) None. | |
| (b) R&D services on social sciences and humanities (CPC 852) | (3) None. (4) Unbound, except as indicated in the horizontal section. | (3) None. (4) Unbound, except as indicated in the horizontal section. | |
| (c) Interdisciplinary R&D services (CPC 853) | | | |
| D. Real Estate Services | | | |
| (a) Involving own or leased property (CPC 821) | (1) None. (2) None. | (1) None. (2) None. | |
| (b) On a fee or contract basis (CPC 822) | (3) None. (4) Unbound, except as indicated in the horizontal section. | (3) None. (4) Unbound, except as indicated in the horizontal section. | |
| E. Rental/Leasing Services Without Operators | | | |
| (a) Relating to ships (CPC 83103) | (1) None. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | (1) None. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | |
| (b) Relating to aircraft (CPC 83104) | (1) None. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | (1) None. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | |
| (c) Relating to other transport equipment (CPC 83101, 83102, 83105) | (1) None. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | (1) None. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | |

Modes of supply: (1) Cross border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

| Sector or sub-Sector | Limitations on market access | Limitations on national treatment | Additional commitments |
|---|--|--|------------------------|
| (d) Relating to other machinery and equipment (CPC 83106 - 83109) | (1) None. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | (1) None. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | |
| (e) Other: - Rental services relating to pre-recorded video cassettes and optical discs for use in home entertainment equipment (CPC 83202) | (1) None. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | (1) None. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | |
| F. Other Business Services | | | |
| (a) Advertising services (CPC 871) | (1) None. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | (1) None. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | |
| (b) Market research and public opinion polling services (CPC 864) | (1) None. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | (1) None. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | |
| (c) Management consulting services (CPC 865) | (1) None. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | (1) None. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | |
| (d) Services related to management consulting (CPC 866) | (1) None. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | (1) None. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | |

Modes of supply: (1) Cross border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

| Sector or sub-Sector | Limitations on market access | Limitations on national treatment | Additional commitments |
|--|--|--|------------------------|
| (e) Technical testing and analysis services (CPC 8676) | (1) None. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | (1) None. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | |
| (f) Advisory and consulting services incidental to agriculture, hunting and forestry (part of CPC 881) | (1) None. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | (1) None. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | |
| (g) Advisory and consulting services incidental to fishing (part of CPC 882) | (1) None. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | (1) None. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | |
| (h) Services incidental to mining (CPC 883, 5115) | (1) None. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | (1) None. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | |
| (j) Services incidental to energy distribution (CPC 887) | (1) None. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | (1) None. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | |
| (k) Placement and supply services of personnel (CPC 872) | (1) None. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | (1) None. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | |

Modes of supply: (1) Cross border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

| Sector or sub-Sector | Limitations on market access | Limitations on national treatment | Additional commitments |
|---|---|---|------------------------|
| (l) Investigation and security (CPC 873) | (1) None. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | (1) None. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | |
| (m) Related scientific and technical consulting services (CPC 8675) | (1) None. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | (1) None. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | |
| (n) Maintenance and repair of equipment (not including maritime vessels, aircraft or other transport equipment) (CPC 633, 8861-8866) | (1) None. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | (1) None. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | |
| (o) Building-cleaning services (CPC 874) | (1) Unbound. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | (1) Unbound. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | |
| (p) Photographic services (CPC 875) | (1) Unbound. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | (1) Unbound. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | |
| (q) Packaging services (CPC 876) | (1) Unbound. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | (1) Unbound. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | |

Modes of supply: (1) Cross border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

| Sector or sub-Sector | Limitations on market access | Limitations on national treatment | Additional commitments |
|--|--|--|------------------------|
| (r) Printing, publishing (CPC 88442) | (1) None. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | (1) None. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | |
| (s) Convention services (part of CPC 87909) | (1) None. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | (1) None. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | |
| (t) Other: - Translation and interpretation services (CPC 87905) | (1) None. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | (1) None. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | |
| 2. COMMUNICATION SERVICES | | | |
| A. Postal services ⁸ (CPC 7511) B. Courier services (CPC 7512) Services relating to the handling ⁹ of postal items ¹⁰ according to the following list of sub-sectors, whether for domestic or foreign destinations. | | | |

⁸ While discussions on classification in this sector are still ongoing, the commitment is listed according to the proposed classification that has been notified to WTO by the EC and its Member States on 23 March 2001 (WTO document S/CSS/W/61) and of the scheduling guidelines on postal/courier co-sponsored by the EC on 17 February 2005 (WTO document TN/S/W/30), without prejudice to the outcome of the discussion on the classification of postal and courier services.

⁹ The term "handling" should be taken to include clearance, sorting, transport and delivery.

¹⁰ "Postal item" refers to items handled by any type of commercial operator, whether public or private.

Modes of supply: (1) Cross border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

| Sector or sub-Sector | Limitations on market access | Limitations on national treatment | Additional commitments |
|--|--|---|---|
| (a) Handling of addressed written communications on any kind of physical medium ¹¹ , including: <ul style="list-style-type: none"> - Hybrid mail service; and - Direct mail. (b) Handling of addressed parcels and packages ¹² (c) Handling of addressed press products ¹³ (d) Handling of items referred to in (a) to (c) above as registered or insured mail | (1) (2) (3) Licensing systems may be established for sub-sectors (a) to (d), for which a general Universal Service Obligations exists. These licenses may be subject to particular universal service obligations and/or financial contribution to a compensation fund. None for sub-sectors (e) to (g). (4) Unbound except as indicated in the horizontal section. | (1) (2) (3) None. (4) Unbound except as indicated in the horizontal section. | Montenegro undertakes the commitments in the Reference paper on postal and courier services in the Annex 2. Private operators cannot be treated less favourably than the National Post Office of Montenegro in providing express delivery services. |
| (e) Express delivery services ¹⁴ for items referred to in (a) to (c) above (f) Handling of non-addressed items (g) Document exchange ¹⁵ Sub-sectors (a), (d) and (e) are excluded when they fall into the scope of the services which may be reserved, which is: for items of correspondence the price of which is less than five times the public basic tariff, provided that they weigh less than 350 grams ¹⁶ , plus the registered mail service used in the course of judicial or administrative procedures. | | | |

¹¹ E.g. letter, postcards.

¹² Books, catalogues are included hereunder.

¹³ Journals, newspapers, periodicals.

¹⁴ Express delivery services include the collection, transport, and delivery of documents, printed matter, parcels, goods or other items on an expedited basis, while tracking and maintaining control of these items throughout the supply of the service. This commitment does not include maritime transport services, or services to which the Annex on Air Transport Services applies.

¹⁵ Provision of means, including the supply of ad hoc premises as well as transportation by a third party, allowing self-delivery by mutual exchange of postal items between users subscribing to this service. Postal item refers to items handled by any type of commercial operator, whether public or private.

Modes of supply: (1) Cross border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

| Sector or sub-Sector | Limitations on market access | Limitations on national treatment | Additional commitments |
|---|--|--|--|
| C. Telecommunication Services | | | |
| <p>All services consisting of the transmission and reception of signals by any electromagnetic means¹⁷, excluding broadcasting¹⁸</p> <p>Telecommunications services do not cover the economic activity consisting of the provision of content which require telecommunications services for their transport.</p> <p>These services may be provided on a facilities basis or non-facilities basis, and encompass local, long-distance, or international services, for public or non-public use, and may be provided through any means of technology.</p> | <p>(1) None. (2) None. (3) None. (4) Unbound, except as indicated in horizontal commitments.</p> | <p>(1) None. (2) None. (3) None. (4) Unbound, except as indicated in horizontal commitments.</p> | <p>Montenegro undertakes the obligations contained in the reference paper attached hereto for the following basic telecommunications services:</p> <p>a) Voice telephone services; b) Packet-switched data transmission services; c) Circuit-switched data transmission services; d) Telex services; e) Telegraph services; f) Facsimile services; g) Private leased circuit services; and o) Other.</p> |
| 3. CONSTRUCTION AND RELATED ENGINEERING SERVICES | | | |

¹⁶ "Items of correspondence": a communication in written form on any kind of physical medium to be conveyed and delivered at the address indicated by the sender on the item itself or on its wrapping. Books, catalogues, newspapers and periodicals are not regarded as items of correspondence.

¹⁷ Sub-sectors 2.C.h) to 2.C.m) of the Services Sectoral Classification List contained in MTN,GNS/W/120 (value-added services) and Sub-sectors 2.C.a) to 2.C.g) of that List are included here. Sub-sector 2.C.o) of that List is also included here to the extent that it falls under this definition. For the purpose of this Schedule, sub-sector 2.C.n) of that List ('On-line information and/or data processing (including transaction processing)') is a computer and related service and, as such, is reflected in this Schedule of Commitments under 1.B.

¹⁸ Broadcasting is defined as the uninterrupted chain of transmission required for the distribution of TV and radio programme signals to the general public, but does not cover contribution links between operators.

Modes of supply: (1) Cross border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

| Sector or sub-Sector | Limitations on market access | Limitations on national treatment | Additional commitments |
|---|---|--|------------------------|
| <p>A. General construction work for buildings (CPC 512)</p> <p>B. General construction work for civil engineering (CPC 513)</p> <p>C. Installation and assembly work (CPC 514, 516)</p> <p>D. Building completion and finishing work (CPC 517)</p> <p>E. Other: (CPC 511, 515, 518)</p> | <p>(1) Unbound due to lack of technical feasibility.</p> <p>(2) None.</p> <p>(3) None.</p> <p>(4) Unbound, except as indicated in the horizontal section.</p> | <p>(1) Unbound.</p> <p>(2) None.</p> <p>(3) None.</p> <p>(4) Unbound, except as indicated in the horizontal section.</p> | |
| <p>4. DISTRIBUTION SERVICES Sub-sectors below exclude trade in arms, munitions, war material and other military equipment.</p> | | | |
| <p>A. Commission agents' services (CPC 621, 61111, 6113, 6121)</p> <p>B. Wholesale trade services (CPC 622, CPC 61111, 6113, 6121)</p> <p>C. Retailing services (CPC 631, 632, 61112, 6113, 6121, 6122, 613)</p> <p>D. Franchising (CPC 8929)</p> | <p>(1) None.</p> <p>(2) None.</p> <p>(3) None.</p> <p>(4) Unbound, except as indicated in the horizontal section.</p> | <p>(1) None.</p> <p>(2) None.</p> <p>(3) None.</p> <p>(4) Unbound, except as indicated in the horizontal section.</p> | |
| <p>5. EDUCATIONAL SERVICES (only privately funded services)</p> | | | |
| <p>A. Primary education services (CPC 921)</p> | <p>(1) None.</p> <p>(2) None.</p> <p>(3) None.</p> <p>(4) Unbound, except as indicated in the horizontal section.</p> | <p>(1) None.</p> <p>(2) None.</p> <p>(3) A private elementary school may be established only by a domestic natural or legal person.</p> <p>(4) Unbound, except as indicated in the horizontal section.</p> | |

Modes of supply: (1) Cross border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

| Sector or sub-Sector | Limitations on market access | Limitations on national treatment | Additional commitments |
|--|--|---|------------------------|
| B. Secondary education services (CPC 922) | (1) None. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | (1) None. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | |
| C. Higher education services (CPC 923) | (1) None. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | (1) None. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | |
| D. Adult education (CPC 924) | (1) None. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | (1) None. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | |
| E. Other education services (CPC 929) Training services (e.g. language training; driver's education; executive/management training; information technology training) and education testing services | (1) None. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | (1) None. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | |
| 6. ENVIRONMENTAL SERVICES | | | |
| A. Wastewater management (wastewater services corresponds to sewage services) (CPC 9401) | (1) Unbound, except for advisory services where None. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | (1) Unbound except for advisory services where None. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | |
| B. Solid/Hazardous waste management - Refuse disposal services (CPC 9402) - Sanitation and similar services (CPC 9403) | | | |
| C. Protection of ambient air and climate - Cleaning services of exhaust | | | |

Modes of supply: (1) Cross border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

| Sector or sub-Sector | Limitations on market access | Limitations on national treatment | Additional commitments |
|--|---|---|------------------------|
| <p>gases (CPC 9404)</p> <p>D. Remediation and clean up of soil and waters</p> <ul style="list-style-type: none"> - Treatment, remediation of contaminated/polluted soil and water (part of CPC 9406) <p>Corresponds to parts of Nature and landscape protection services</p> <p>E. Noise and vibration abatement (CPC 9405)</p> <p>F. Protection of biodiversity and landscape</p> <ul style="list-style-type: none"> - Nature and landscape protection services (parts of CPC 9406 not covered under D) | | | |
| <p>G. Other Environmental Services (CPC 9409)</p> | <p>(1) Unbound, except for advisory services where None.</p> <p>(2) None.</p> <p>(3) None.</p> <p>(4) Unbound, except as indicated in the horizontal section.</p> | <p>(1) Unbound, except for advisory services where None.</p> <p>(2) None.</p> <p>(3) None.</p> <p>(4) Unbound, except as indicated in the horizontal section.</p> | |

Modes of supply: (1) Cross border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

| Sector or sub-Sector | Limitations on market access | Limitations on national treatment | Additional commitments |
|---|---|--|------------------------|
| 7. FINANCIAL SERVICES | | | |
| <ul style="list-style-type: none"> - As a general rule and in a non-discriminatory manner, financial institutions incorporated in Montenegro must adopt a specific legal form¹⁹. - The admission to the market of new financial products may be subject to existence of, and consistency with, a regulatory framework aimed at achieving the objectives indicated in Article 2(a) of the Annex on Financial Services. | | | |
| A. All insurance and insurance - related services | | | |
| <ul style="list-style-type: none"> - Insurance company may not offer services of life and non-life insurance simultaneously. Exceptionally insurance company providing life insurance services may provide non-life insurance such as insurance against accidents as well as voluntary health insurance to its customers up to the level of treatment costs. - Compulsory insurance can be provided only by insurance companies (including foreign insurance suppliers) licensed in Montenegro and State funds. Compulsory insurance implies obligatory insurance of passengers in public transportation against accidents and insurance of owners of motor vehicles, aircrafts and maritime vessels for third party liability and collective insurance of employees against industrial accidents. State funds provide compulsory pension and health insurance. Ten years after the date of accession, compulsory insurance of owners or users of maritime vessels for third party liability may also be supplied by insurance companies not licensed in Montenegro under the same conditions that applies to insurance companies licensed in Montenegro. | | | |
| i. Direct insurance (including co-insurance) | | | |
| (a) Life insurance | <ul style="list-style-type: none"> (1) Unbound, except for provision of life insurance to foreign nationals where None. (2) None. (3) None, branching will be allowed as of January 2012 on a non discriminatory basis. (4) Unbound, except as indicated in the horizontal section. | <ul style="list-style-type: none"> (1) None. (2) None. (3) None, branching will be allowed as of January 2012 on a non discriminatory basis. (4) Unbound, except as indicated in the horizontal section. | |
| (b) Non-life insurance | (1) Unbound, except none for: | (1) None. | |

¹⁹ - Foreign insurance companies are required to establish subsidiaries which must be incorporated as joint stock companies. Branching will be allowed as of January 2012;

- Company for intermediation in insurance and agency for provision of other services may be established as a joint stock or limited liability company;
- Foreign banks may establish subsidiaries, branch offices or representative offices in the territory of Montenegro. Representative offices of foreign banks may provide only preparatory activities such as market research and may not provide banking services;
- Broker and dealer companies, credit guarantee funds investment funds and a stock exchange must be incorporated as joint stock companies;
- Micro finance institutions and legal entities for provision of investment advisory services must be incorporated as limited liability companies or joint stock companies, Company for investment fund management company must be incorporated as a joint stock or limited liability company, while asset management company performing activity of managing and organizing voluntary pension funds must be established as a non-public joint stock company.

Modes of supply: (1) Cross border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

| Sector or sub-Sector | Limitations on market access | Limitations on national treatment | Additional commitments |
|-----------------------------------|--|---|------------------------|
| | <p>insurance of risks relating to maritime shipping and commercial aviation and space launching and freight (including satellites), with such insurance to cover any or all of the following: the goods being transported, the vehicle transporting the goods and any liability arising there from.</p> <p>(2) None.</p> <p>(3) None, branching will be allowed as of January 2012 on a non discriminatory basis.</p> <p>(4) Unbound, except as indicated in the horizontal section.</p> | <p>(2) None.</p> <p>(3) None, branching will be allowed as of January 2012 on a non discriminatory basis.</p> <p>(4) Unbound, except as indicated in the horizontal section.</p> | |
| (ii) Reinsurance and retrocession | <p>(1) None.</p> <p>(2) None.</p> <p>(3) None, branching will be allowed as of January 2012 on a non discriminatory basis.</p> <p>(4) Unbound, except as indicated in the horizontal section.</p> | <p>(1) None.</p> <p>(2) None.</p> <p>(3) None, branching will be allowed as of January 2012 on a non discriminatory basis.</p> <p>(4) Unbound, except as indicated in the horizontal section.</p> | |

Modes of supply: (1) Cross border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

| Sector or sub-Sector | Limitations on market access | Limitations on national treatment | Additional commitments |
|--|--|---|------------------------|
| (iii) Insurance intermediation, such as brokerage and agency | <p>(1) Unbound, except none for: insurance of risks relating to maritime shipping and commercial aviation and space launching and freight (including satellites), with such insurance to cover any or all of the following: the goods being transported, the vehicle transporting the goods and any liability arising there from.</p> <p>(2) None.</p> <p>(3) None, branching will be allowed as of January 2012 on a non discriminatory basis.</p> <p>(4) Unbound, except as indicated in the horizontal section.</p> | <p>(1) None.</p> <p>(2) None.</p> <p>(3) None, branching will be allowed as of January 2012 on a non discriminatory basis.</p> <p>(4) Unbound, except as indicated in the horizontal section.</p> | |
| (iv) Services auxiliary to insurance such as consultancy, actuarial, risk assessment and claim settlement services | <p>(1) Unbound, except none for: insurance of risks relating to maritime shipping and commercial aviation and space launching and freight (including satellites), with such insurance to cover any or all of the following: the goods being transported, the vehicle transporting the goods and any liability arising there from.</p> <p>(2) None.</p> <p>(3) None, branching will be allowed as of January 2012 on a non discriminatory basis.</p> <p>(4) Unbound, except as indicated in the horizontal section.</p> | <p>(1) None.</p> <p>(2) None.</p> <p>(3) None, branching will be allowed as of January 2012 on a non discriminatory basis.</p> <p>(4) Unbound, except as indicated in the horizontal section.</p> | |

Modes of supply: (1) Cross border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

| Sector or sub-Sector | Limitations on market access | Limitations on national treatment | Additional commitments |
|--|--|--|------------------------|
| B. Banking and other financial services | | | |
| One out of five members of the bank's management board and at least two executive directors must be familiar with the official language of Montenegro and be resident in Montenegro for the duration of the engagement. | | | |
| (v) Acceptance of deposits and other repayable funds from the public | (1) None. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | (1) None. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | |
| (vi) Lending of all types, consumer credit, mortgage credit, factoring and financing of commercial transaction (vii) Financial leasing (viii) All payment and money transmission services including credit charge and debit cards, traveller's cheques and bankers drafts (ix) Guarantees and commitments | (1) None. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | (1) None. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | |

Modes of supply: (1) Cross border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

| Sector or sub-Sector | Limitations on market access | Limitations on national treatment | Additional commitments |
|---|---|---|------------------------|
| <p>(x) Trading for own account or for account of customers whether on an exchange market in an over-the-counter market or otherwise following:</p> <p>(A) Money market instruments (cheques, bills, certificate of deposits, etc.);</p> <p>(B) Foreign exchange;</p> <p>(C) Derivative products (including, but not limited to, futures and options);</p> <p>(D) Exchange rate and interest rate instruments, such as swaps and forward rate agreements;</p> <p>(E) Transferable securities; and</p> <p>(F) Other negotiable instruments and financial assets, such as bullion.</p> | <p>(1) None.</p> <p>(2) None.</p> <p>(3) None.</p> <p>(4) Unbound, except as indicated in the horizontal section.</p> | <p>(1) None.</p> <p>(2) None.</p> <p>(3) None.</p> <p>(4) Unbound, except as indicated in the horizontal section.</p> | |
| <p>xi) Participation in issues of all kinds of securities, under-writing and placement as agent (whether publicly or privately) and provision of service related to such issues</p> <p>(xii) Money broking</p> | <p>(1) None.</p> <p>(2) None.</p> <p>(3) None.</p> <p>(4) Unbound, except as indicated in the horizontal section.</p> | <p>(1) None.</p> <p>(2) None.</p> <p>(3) None.</p> <p>(4) Unbound, except as indicated in the horizontal section.</p> | |

Modes of supply: (1) Cross border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

| Sector or sub-Sector | Limitations on market access | Limitations on national treatment | Additional commitments |
|--|---|---|------------------------|
| xiii) Asset management, such as cash or portfolio management, all forms of collective investment management, pension fund management, custodial, depository and trust services | <p>(1) The establishment of a specialised management company is required to perform the activities of management of unit trusts and investment companies. Only firms having their registered office in Montenegro can act as depositories of the assets of investment funds.</p> <p>(2) None.</p> <p>(3) The establishment of a specialised management company is required to perform the activities of management of unit trusts and investment companies. Only firms having their registered office in Montenegro can act as depositories of the assets of investment funds.</p> <p>(4) Unbound, except as indicated in the horizontal section.</p> | <p>(1) None.</p> <p>(2) None.</p> <p>(3) None.</p> <p>(4) Unbound, except as indicated in the horizontal section.</p> | |
| (xiv) Settlement and clearing services for financial assets: securities, derivative products, and other negotiable instruments | <p>(1) Unbound.</p> <p>(2) None.</p> <p>(3) This type of services may be provided by Central Depository of Securities only.</p> <p>(4) Unbound, except as indicated in the horizontal section.</p> | <p>(1) None.</p> <p>(2) None.</p> <p>(3) None.</p> <p>(4) Unbound, except as indicated in the horizontal section.</p> | |
| (xv) Provision and transfer of financial information, and financial data processing and related software by providers of other financial services | <p>(1) None.</p> <p>(2) None.</p> <p>(3) None.</p> <p>(4) Unbound, except as indicated in the horizontal section.</p> | <p>(1) None.</p> <p>(2) None.</p> <p>(3) None.</p> <p>(4) Unbound, except as indicated in the horizontal section.</p> | |

Modes of supply: (1) Cross border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

| Sector or sub-Sector | Limitations on market access | Limitations on national treatment | Additional commitments |
|--|--|--|------------------------|
| (xvi) Advisory, intermediation and other auxiliary financial services on all the activities listed in subparagraphs (v) through (xv), including credit reference and analysis, investment and portfolio research and advice, advice on acquisitions and on corporate restructuring and strategy. | (1) None. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | (1) None. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | |
| 8. HEALTH RELATED AND SOCIAL SERVICES (only privately funded services) | | | |
| A. Hospital services (CPC 9311) | (1) Unbound. (2) None. | (1) Unbound. (2) None. | |
| B. Other human health services (CPC 9319) | (3) None. (4) Unbound, except as indicated in the horizontal section. | (3) None. (4) Unbound, except as indicated in the horizontal section. | |
| 9. TOURISM AND TRAVEL RELATED SERVICES | | | |
| A. Hotels and restaurants (incl. catering) (CPC 641- 643) (excluding catering in transport services sector) | (1) None. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | (1) None. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | |
| B. Travel agencies and tour operators services (CPC 7471) | (1) None. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | (1) None. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | |
| C. Tourist guide services (CPC 7472) | (1) None. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | (1) None. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | |

Modes of supply: (1) Cross border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

| Sector or sub-Sector | Limitations on market access | Limitations on national treatment | Additional commitments |
|--|--|---|--|
| 10. RECREATIONAL, CULTURAL AND SPORTING SERVICES (other than audiovisual services) | | | |
| A. Cinema theatre operation services (CPC 96199 **) | (1) Unbound. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | (1) Unbound. (2) Unbound. (3) None, except for access to subsidies: Unbound. (4) Unbound, except as indicated in the horizontal section. | |
| B. News agency services (CPC 962) | (1) None. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | (1) None. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | |
| D. Sporting and other recreational activities, excluding gambling and betting services (part of CPC 964) | (1) None. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | (1) None. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | |
| 11. TRANSPORT SERVICES | | | |
| A. Maritime Transport Services | | | |
| (a) Passenger transportation (CPC 7211) (b) Freight transportation (CPC 7212) except cabotage ²⁰ | (1) None. (2) None. (3) (a) Establishment of a registered company for the purpose of operating a fleet under the Montenegrin flag: Unbound. (b) Other forms of commercial presence for the supply of international maritime transport | (1) None. (2) None. (3) (a) Unbound. (b) None. | The following services at the port are made available to international maritime transport suppliers on reasonable and no discriminatory terms and conditions: 1. Pilotage; 2. Towing and tug assistance; 3. Provisioning, fuelling and watering; 4. Garbage collecting and ballast waste |

²⁰ Without prejudice to the scope of activities which may be considered as "cabotage" under the relevant national legislation, this schedule does not include "maritime cabotage services", which are assumed to cover transportation of passengers or goods between a port located in Montenegro and another port located in Montenegro, traffic originating and terminating in the same port located in Montenegro provided that this traffic remains within Montenegro's territorial waters, and transportation of passengers and goods between a port located in Montenegro and installations or structures situated on the continental shelf of Montenegro.

Modes of supply: (1) Cross border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

| Sector or sub-Sector | Limitations on market access | Limitations on national treatment | Additional commitments |
|--|---|--|---|
| | <p>services: None²¹.</p> <p>(4) (a) Ship's crews: Unbound. (b) Unbound, except as indicated in the horizontal section.</p> | <p>(4) (a) Unbound. (b) Unbound, except as indicated in the horizontal section.</p> | <p>disposal;</p> <p>5. Port Captain's services;</p> <p>6. Navigation aids;</p> <p>7. Shore-based operational services essential to ship operations, including communications, water and electrical supplies;</p> <p>8. Emergency repair facilities; and</p> <p>9. Anchorage, berth and berthing services.</p> |
| (c) Rental of vessels with crew (CPC 7213) | <p>(1) None. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section.</p> | <p>(1) None. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section.</p> | |

²¹ "Other forms of commercial presence for the supply of international maritime transport services" means the ability for international maritime transport service suppliers of other Members to undertake locally all activities which are necessary for the supply to their customers of a partially or fully integrated transport service, within which the maritime transport constitutes a substantial element. (This commitment shall however not be construed as limiting in any manner the commitments undertaken under the cross-border mode of delivery). These activities include, but are not limited to:

- Marketing and sales of maritime transport and related services through direct contact with customers, from quotation to invoicing, these services being those operated or offered by the service supplier itself or by service suppliers with which the service seller has established standing business arrangements;
- The acquisition, on their own account or on behalf of their customers (and the resale to their customers) of any transport and related services, including inward transport services by any mode, particularly inland waterways, road and rail, necessary for the supply of the integrated services;
- The preparation of documentation concerning transport documents, customs documents, or other documents related to the origin and character of the goods transported;
- The provision of business information by any means, including computerised information systems and electronic data interchange (subject to the provisions of the annex on telecommunications);
- The setting up of any business arrangements (including participation in the stock of a company) and the appointment of personnel recruited locally (or, in the case of foreign personnel, subject to the horizontal commitment on movement of personnel) with any locally established shipping agency; and
- Acting on behalf of the companies, organising the call of the ship or taking over cargoes when required.

Modes of supply: (1) Cross border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

| Sector or sub-Sector | Limitations on market access | Limitations on national treatment | Additional commitments |
|--|--|---|------------------------|
| (d) Maintenance and repair of vessels (CPC 8868***) | (1) Unbound. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | (1) Unbound. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | |
| (e) Pushing and towing services (CPC 7214), except cabotage | (1) None. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | (1) None. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | |
| - Maritime cargo handling services ²² | (1) Unbound except no limitation on transshipment (board to board or via the quay) or on the use of on-board cargo handling equipment. (2) None. (3) None ²³ . (4) Unbound, except as indicated in the horizontal section. | (1) Unbound except no limitation on transshipment (board to board or via the quay) or on the use of on-board cargo handling equipment. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | |
| - Storage and warehousing services (CPC 742) - Customs clearance services ²⁴ - Container station and depot services ²⁵ | (1) Unbound (2) None. (3) None ²⁶ . (4) Unbound, except as indicated in the horizontal section. | (1) Unbound (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | |

²² "Maritime cargo handling services" means activities exercised by stevedore companies, including terminal operators, but not including the direct activities of dockers when this workforce is organised independently of the stevedoring or terminal operator companies. The activities covered include the organisation and supervision of (a) the loading/discharging of cargo to/from a ship; (b) the lashing/unlashing of cargo; and (c) the reception/delivery and safekeeping of cargoes before shipment or after discharge.

²³ Public utility concession or licensing procedures may apply in case of occupation of the public domain.

²⁴ "Customs clearance services" means activities consisting in carrying out, on behalf of another party, customs formalities concerning import, export or through transport of cargoes, whether this service is the main activity of the service provider or a usual complement of its main activity.

²⁵ "Container station and depot services" means activities consisting in storing containers, whether in port areas or inland, with a view to their stuffing/stripping, repairing and making them available for shipments.

²⁶ Public utility concession or licensing procedures may apply in case of occupation of the public domain.

Modes of supply: (1) Cross border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

| Sector or sub-Sector | Limitations on market access | Limitations on national treatment | Additional commitments |
|---|--|--|------------------------|
| - Maritime agency services ²⁷ - Maritime freight forwarding services ²⁸ | (1) None. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | (1) None. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | |
| C. Air Transport Services | | | |
| (d) Maintenance and repair of aircrafts (CPC 8868**) | (1) None. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | (1) None. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | |
| (e) Supporting services for air transport - Selling and marketing of air transport services - Computer reservation system (CRS) | (1) None. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | (1) None, except for distribution through CRS of air transport services provided by CRS parent carrier: Unbound. (2) None. (3) None, except for distribution through CRS of air transport services provided by CRS parent carrier: Unbound. (4) Unbound, except as indicated in the horizontal section. | |
| E. Rail Transport Services | | | |

²⁷ "Maritime agency services" means activities consisting in representing, within a given geographic area, as an agent the business interests of one or more shipping lines or shipping companies, for the following purposes: (a) marketing and sales of maritime transport and related services, from quotation to invoicing, and issuance of bills of lading on behalf of the companies, acquisition and resale of the necessary related services, preparation of documentation, and provision of business information; and (b) acting on behalf of the companies organising the call of the ship or taking over cargoes when required.

²⁸ "Freight forwarding services" means (the activity consisting of organising and monitoring shipment operations on behalf of shippers, through the acquisition of transport and related services, preparation of documentation and provision of business information).

Modes of supply: (1) Cross border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

| Sector or sub-Sector | Limitations on market access | Limitations on national treatment | Additional commitments |
|--|---|---|------------------------|
| (b) Freight transportation (CPC 7112) | (1) Unbound. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | (1) Unbound. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | |
| (d) Maintenance and repair of rail transport equipment (CPC 8868**) | (1) Unbound. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | (1) Unbound. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | |
| (e) Supporting services for railway transport (CPC 7430) | (1) Unbound. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | (1) Unbound. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | |
| F. Road Transport Services | | | |
| (a) Passenger transportation (CPC 7121, 7122) | (1) Unbound. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | (1) None. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | |
| (b) Freight transportation (CPC 7123) | (1) Unbound. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | (1) None. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | |

Modes of supply: (1) Cross border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

| Sector or sub-Sector | Limitations on market access | Limitations on national treatment | Additional commitments |
|---|--|--|------------------------|
| (c) Rental of commercial vehicles with operator (CPC 7124) (d) Repair services n.e.c. of motor vehicles, trailers and semi-trailers (CPC 8867) | (1) None. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | (1) None. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | |
| (e) Supporting services for road transport services (CPC 744) | (1) None. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | (1) None. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | |
| (f) Maintenance and repair services of motor vehicles (CPC 6112) | (1) None. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | (1) None. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | |
| G. Pipeline Transport | | | |

Modes of supply: (1) Cross border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

| Sector or sub-Sector | Limitations on market access | Limitations on national treatment | Additional commitments |
|--|--|--|--|
| (a) Transportation of fuels (CPC 7131) | (1) None (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | (1) None (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | Montenegro commits itself to provide full transparency in the formulation, adoption and application of measures affecting access to and trade in services of pipeline transportation. |
| (b) Transportation of other goods (CPC 7139) | (1) None. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | (1) None. (2) None. (3) None. (4) Unbound, except as indicated in the horizontal section. | Montenegro undertakes to ensure adherence to the principles of non-discriminatory treatment in access to and use of pipeline networks under its jurisdiction, within the technical capacities of these networks, with regard to the origin, destination or ownership of product transported, without imposing any unjustified delays, restrictions or charges, as well as without discriminatory pricing based on the differences in origin, destination or ownership. |
| H. Services auxiliary to all modes of transport | | | |
| (a) Cargo handling services (CPC 741) | (1) Unbound. (2) None. | (1) Unbound. (2) None. | |
| (b) Storage and warehousing services (CPC 742) | (3) None. (4) Unbound, except as indicated in the horizontal section. | (3) None. (4) Unbound, except as indicated in the horizontal section. | |
| (c) Freight transport agency services (CPC 748) | (1) None. (2) None. | (1) None. (2) None. | |
| (d) Other supporting and auxiliary transport services (CPC 749) | (3) None. (4) Unbound, except as indicated in the horizontal section. | (3) None. (4) Unbound, except as indicated in the horizontal section. | |

ANNEX I

Understanding on the Scope of Coverage of CPC 84 - Computer and Related Services

1. CPC 84 covers all computer and related services.
2. Technological developments have led to the increased offering of these services as a bundle or package of related services that can include some or all of the basic functions listed in paragraph 3. For example, services such as web or domain hosting, data mining services and grid computing each consist of a combination of basic computer services functions.
3. Computer and related services, regardless of whether they are delivered via a network, including the Internet, include all services that provide any of the following or any combination thereof:
 - Consulting, adaptation, strategy, analysis, planning, specification, design, development, installation, implementation, integration, testing, debugging, updating, support, technical assistance, or management of or for computers or computer systems;
 - Consulting, strategy, analysis, planning, specification, design, development, installation, implementation, integration, testing, debugging, updating, adaptation, maintenance, support, technical assistance, management or use of or for software²⁹;
 - Data processing, data storage, data hosting or database services;
 - Maintenance and repair services for office machinery and equipment, including computers; and
 - Training services for staff of clients, related to software, computers or computer systems, and not elsewhere classified.
4. In many cases, computer and related services enable the provision of other services³⁰ by both electronic and other means. However, in such cases, there is an important distinction between the computer and related service (e.g., web-hosting or application hosting) and the other service enabled by the computer and related service. The other service, regardless of whether it is enabled by a computer and related service, is not covered by CPC 84.

²⁹ The term "software" may be defined as the sets of instructions required to make computers work and communicate. A number of different programmes may be developed for specific applications (application software), and the customer may have a choice of using ready-made programmes off the shelf (packaged software), developing specific programmes for particular requirements (customized software) or using a combination of the two.

³⁰ E.g., W/120.1.A.b. (accounting, auditing and bookkeeping services), W/120.1.A.d. (architectural services), W/120.1.A.h. (medical and dental services), W/120.2.D (audiovisual services), W/120.5. (educational services).

ANNEX TO THE UNDERSTANDING ON THE SCOPE OF COVERAGE OF CPC 84 COMPUTER AND RELATED SERVICES

CPC Division 84 – Computer and Related Services

- 841 Consultancy services related to the installation of computer hardware.
- 8410 84100 Consultancy services related to the installation of computer hardware:
Assistance services to the clients in the installation of computer hardware (i.e. physical equipment) and computer networks.
- 842 Software implementation services:
All services involving consultancy services on, development and implementation of software. The term "software" may be defined as the sets of instructions required to make computers work and communicate. A number of different programmes may be developed for specific applications (application software), and the customer may have a choice of using ready-made programmes off the shelf (packaged software), developing specific programmes for particular requirements (customized software) or using a combination of the two.
- 8421 84210 Systems and software consulting services:
Services of a general nature prior to the development of data processing systems and applications. It might be management services, project planning services, etc.
- 8422 84220 Systems analysis services:
Analysis services include analysis of the clients' needs, defining functional specification, and setting up the team. Also involved are project management, technical coordination and integration and definition of the systems architecture.
- 8423 84230 Systems design services:
Design services include technical solutions, with respect to methodology, quality-assurance, choice of equipment software packages or new technologies, etc.
- 8424 84240 Programming services:
Programming services include the implementation phase, i.e. writing and debugging programmes, conducting tests, and editing documentation.
- 8425 84250 Systems maintenance services:
Maintenance services include consulting and technical assistance services of software products in use, rewriting or changing existing programmes or systems, and maintaining up-to-date software documentation and manuals. Also included are specialist work, e.g. conversions.
- 843 Data processing services.
- 8431 84310 Input preparation services:
Data recording services such as key punching, optical scanning or other methods for data entry.
- 8432 84320 Data-processing and tabulation services:
Services such as data processing and tabulation services, computer calculating services, and rental services of computer time.

8433 84330 Time-sharing services:

This seems to be the same type of services as 84320. Computer time only is bought; if it is bought from the customer's premises, telecommunications services are also bought. Data processing or tabulation services may also be bought from a service bureau. In both cases the services might be time sharing processed. Thus, there is no clear distinction between 84320 and 84330.

8439 84390 Other data processing services:

Services which manage the full operations of a customer's facilities under contract: computer-room environmental quality control services; management services of in-place computer equipment combinations; and management services of computer work flows and distributions.

844 Database services.

8440 84400 Database services:

All services provided from primarily structured databases through a communication network.

Exclusions: Data and message transmission services (e.g. network operation services, value-added network services) are classified in class 7523 (Data and message transmission services).

Documentation services consisting in information retrieval from databases are classified in subclass 96311 (Library services).

845 Maintenance and repair services of office machinery and equipment including computers.

8450 84500 Maintenance and repair services of office machinery and equipment including computers:

Repair and maintenance services of office machinery, computers and related equipment.

849 Other computer services.

8491 84910 Data preparation services:

Data preparation services for clients not involving data processing services.

8499 84990 Other computer services n.e.c.:

Other computer related services, not elsewhere classified, e.g. training services for staff of clients, and other professional computer services.

ANNEX II

Reference Paper on the Postal and Courier Sector

Scope

The following are definitions and principles on the regulatory framework for all postal and courier services.

Definitions

"Individual licence" is an authorisation, granted to an individual supplier by a regulatory authority, which is required before supplying a given service.

"Universal service" is the permanent provision of a postal service of specified quality at all points in the territory of a Member at affordable prices for all users.

1. Prevention of anti-competitive practices in the postal and courier sector

Appropriate measures will be maintained or introduced for the purpose of preventing suppliers who, alone or together, have the ability to affect materially the terms of participation (having regard to price and supply) in the relevant markets for postal and courier services as a result of use of their position in the market, from engaging in or continuing anti-competitive practices.

2. Universal service

Any Member has the right to define the kind of universal service obligation it wishes to maintain. Such obligations will not be regarded as anti-competitive per se, provided they are administered in a transparent, non-discriminatory and competitively neutral manner and are not more burdensome than necessary for the kind of universal service defined by the Member.

3. Individual licenses

An individual licence may only be required for services which are within the scope of the universal service.

Where an individual licence is required, the following will be made publicly available:

- (a) All the licensing criteria and the period of time normally required to reach a decision concerning an application for a licence; and
- (b) The terms and conditions of individual licenses.

The reasons for the denial of an individual licence will be made known to the applicant upon request and an appeal procedure through an independent body will be established. Such a procedure will be transparent, non-discriminatory, and based on objective criteria.

4. Independence of the regulatory body

The regulatory body is legally separate from, and not accountable to, any supplier of postal and courier services. The decisions of and the procedures used by the regulatory body will be impartial with respect to all market participants.

REFERENCE PAPER

Scope

The following are definitions and principles on the regulatory framework for the basic telecommunications services.

Definitions

Users mean service consumers and service suppliers.

Essential facilities mean facilities of a public telecommunications transport network or service that:

- (a) Are exclusively or predominantly provided by a single or limited number of suppliers; and
- (b) Cannot feasibly be economically or technically substituted in order to provide a service.

A major supplier is a supplier which has the ability to materially affect the terms of participation (having regard to price and supply) in relevant market for basic telecommunications services as a result of:

- (a) Control over essential facilities; or
- (b) Use of its position in the market.

1. Competitive safeguards

1.1. Prevention of anti-competitive practices in telecommunications

Appropriate measures shall be maintained for the purpose of preventing suppliers who, alone or together, are a major supplier from engaging in or continuing anti-competitive practices.

1.2. Safeguards

The anti-competitive practices referred to above shall include in particular:

- (a) Engaging in anti-competitive cross-subsidization;
- (b) Using information obtained from competitors with anti-competitive results; and
- (c) Not making available to other services suppliers on timely basis technical information about essential facilities and commercially relevant information which are necessary for them to provide services.

2. Interconnection

- 2.1. This section applies to linking with suppliers, providing public telecommunications transport networks or services in order to allow the users of one supplier to communicate with users of another supplier and to access services provided by another supplier, where specific commitments are undertaken.

2.2. Interconnection to be ensured

Interconnection with a major supplier will be ensured at any technically feasible point in the network. Such interconnection is provided.

- (a) Under not-discriminatory terms, conditions (including technical standards and specifications) and rates and of a quality no less favourable than that provided for its own like services or for like services of non-affiliated service suppliers or for its subsidiaries or other affiliates;
- (b) In a timely fashion, on terms, conditions (including technical standards and specifications) and cost-oriented rates that are transparent, reasonable, having regard to economic feasibility, and sufficiently unbundled so that the supplier need not pay for network components or facilities that it does not require for the service to be provided; and
- (c) Upon request, at points in addition to the network termination points offered to the majority of users, subject to charges that reflect the cost of construction of necessary additional facilities.

2.3. Public availability of the procedures for interconnection negotiations

The procedures applicable for interconnection to a major supplier will be made publicly available.

2.4. Transparency of interconnection arrangements

It is ensured that a major supplier will make publicly available either its interconnection agreements or a reference interconnection offer.

2.5. Interconnection: dispute settlement

A service supplier requesting interconnection with a major supplier will have recourse, either:

- (a) At any time; or
- (b) After a reasonable period of time which has been made publicly known to an independent domestic body, which may be a regulatory body as referred to in paragraph 5 below, to resolve disputes regarding appropriate terms, conditions and rates for interconnection within a reasonable period of time, to the extent that these have not been established previously.

3. Universal services

Any Member has the right to define the kind of universal service obligation it wishes to maintain. Such obligations will not be regarded as anti-competitive per se, provided they are administered in a transparent, non-discriminatory and competitively neutral manner and are not more burdensome than necessary for the kind of universal service defined by the Member.

4. Public availability of licensing criteria

Where a licence is required, the following will be made publicly available:

- (a) All the licensing criteria and the period of time normally required to reach a decision concerning an application for a licence; and
- (b) the terms and conditions of individual licenses.

The reasons for the denial of a licence will be made known to the applicant upon request.

5. Independent regulators

The regulatory body is separate from, and not accountable to, any supplier of basic telecommunications services. The decisions of and the procedures used by regulators shall be impartial with respect to all market participants.

6. Allocation and use of scarce resources

Any procedures for the allocation and use of scarce resources, including frequencies, numbers and rights of way, will be carried out in an objective, timely, transparent and non-discriminatory manner. The current state of allocated frequency bands will be made publicly available, but detailed identification of frequencies allocated for specific Government uses is not required.

List of Article II MFN Exemptions of Montenegro

| Sector or sub-sector | Description of measure indicating its inconsistency with Article II GATS | Countries to which the measure applies | Intended duration | Conditions creating the need for the exemption |
|--|---|---|---|--|
| Legal services | Apart from consultancy services, other legal services provided by advocates, i.e. attorneys who are members of the Montenegrin Bar Association and registered in the Association's Register may be provided subject to reciprocity. | All countries. | Indefinite. | Reciprocal coordination of the legal profession within the overall regional development of judicial and administrative institutions. |
| Audiovisual services Production and distribution of audiovisual works through broadcasting or other forms of transmission to the public | Measures which define works of European origin, in such a way as to extend national treatment to audiovisual works which meet certain linguistic and origin criteria regarding access to broadcasting or similar forms of transmission. | Parties to the Council of Europe Convention on Transfrontier Television or other European countries with whom an agreement may be concluded. | Indefinite. Exemption needed, for certain countries, only until an economic integration agreement is concluded or completed. | The measures aim, within the sector, to promote cultural values in Europe, as well as achieving linguistic policy objectives. |
| - Production and distribution of cinematographic works and television programmes | Measures based upon Government-to-Government framework agreements, and plurilateral agreements, on co-production of audiovisual works, which confer National Treatment to audiovisual works covered by these agreements, in particular in relation to distribution and access to funding. | All countries with whom cultural cooperation may be desirable (agreements already exist, or are being negotiated, with the following countries: Algeria, Angola, Argentina, Australia, Brazil, Burkina Faso, Canada, Cape Verde, Chile, Côte d'Ivoire, Colombia, Cuba, Egypt, Guinea Bissau, India, Israel, Mali, Mexico, Morocco, Mozambique, New Zealand, São Tomé e Príncipe, Senegal, States in Central, Eastern and South-Eastern Europe, Switzerland, Tunisia, Turkey, Venezuela). | Indefinite. | The aim of these agreements is to promote cultural links between the countries concerned. |

| Sector or sub-sector | Description of measure indicating its inconsistency with Article II GATS | Countries to which the measure applies | Intended duration | Conditions creating the need for the exemption |
|--|--|---|---|---|
| - Production and distribution of television programmes and cinematographic works | Measures granting the benefit of any support programmes (such as Action Plan for Advanced Television Services, MEDIA or EURIMAGES) to audiovisual works, and suppliers of such works, meeting certain European origin criteria. | European countries. | Indefinite. Exemption needed, for certain countries, only until an economic integration agreement is concluded or completed. | These programmes aim at preserving and promoting the regional identity of countries within Europe which have long-standing cultural links. |
| Road transport services | Road transport licenses are issued subject to reciprocity. | All countries. | Indefinite | International practice. |
| - Passenger and Freight | Measures taken under existing or future agreements which reserve and/or restrict the provision of road transportation services and specify the terms and conditions of this provision, including transit permits and/or preferential road taxes, in the territory of Montenegro or across the borders of Montenegro. | All countries with which agreements are or will be in force. | Indefinite. | The need for exemption is linked to the region characteristics of the road transport services and to the necessity to regulate traffic rights in the across the territory of Montenegro and between Montenegro and the countries concerned. |
| Selling marketing and computer reservations systems of air transport services | The obligations of Montenegrin CRS system vendors or of Montenegrin parent and participating air carriers shall not apply, respectively, in respect of foreign parent carriers or of CRS controlled by foreign air carriers to the extent that their CRS outside Montenegro does not offer national treatment to Montenegrin air carriers or to Montenegrin parent and participating air carriers. | All countries where a CRS system vendor or a parent air carrier is located. | Indefinite. | The need for the exemption results from the insufficient development of multilaterally agreed rules for the operation of CRS. |
| All sectors | Measures based on bilateral agreements concluded by Montenegro with the objective of providing for the movement of all categories of natural persons supplying services. | Regional countries. | Indefinite. | The agreements reflect a process of progressive trade liberalisation between Montenegro and its regional trading partners. |

ANNEX IV
REFERRED TO IN ARTICLE 44
FINANCIAL SERVICES

ANNEX IV

REFERRED TO IN ARTICLE 44
FINANCIAL SERVICES

Article 1

Scope and Definitions

1. This Annex applies to measures by Parties affecting trade in financial services.³¹
2. For the purpose of this Annex:

(a) A “financial service” is any service of a financial nature offered by a financial service supplier of a Party. Financial services include all insurance and insurance-related services, and all banking and other financial services (excluding insurance). Financial services include the following activities:

Insurance and insurance-related services

- (i) direct insurance (including co-insurance):
 - (aa) life;
 - (bb) non-life;
- (ii) reinsurance and retrocession;
- (iii) insurance intermediation, such as brokerage and agency;
- (iv) services auxiliary to insurance, such as consultancy, actuarial, risk assessment and claim settlement services;

Banking and other financial services (excluding insurance)

- (v) acceptance of deposits and other repayable funds from the public;
- (vi) lending of all types, including consumer credit, mortgage credit, factoring and financing of commercial transaction;
- (vii) financial leasing;

³¹ “Trade in financial services” shall be understood in accordance with the definition contained in subparagraph (a) (i) of Article 27 of this Agreement.

(viii) all payment and money transmission services, including credit, charge and debit cards, travellers cheques and bankers drafts;

(ix) guarantees and commitments;

(x) trading for own account or account of customers, whether on an exchange, in an over-the-counter market or otherwise, the following:

(aa) money market instruments (including cheques, bills, certificates of deposits);

(bb) foreign exchange;

(cc) derivative products including, but not limited to, futures and options;

(dd) exchange rate and interest rate instruments, including products such as swaps, forward rate agreements;

(ee) transferable securities;

(ff) other negotiable instruments and financial assets, including bullion;

(xi) participation in issues of all kinds of securities, including underwriting and placement as agent (whether publicly or privately) and provision of services related to such issues;

(xii) money broking;

(xiii) asset management, such as cash or portfolio management, all forms of collective investment management, pension fund management, custodial, depositary and trust services;

(xiv) settlement and clearing services for financial assets, including securities, derivative products and other negotiable instruments;

(xv) provision and transfer of financial information, and financial data processing and related software by suppliers of other financial services;

(xvi) advisory, intermediation and other auxiliary financial services on all the activities listed in subparagraphs (v) through (xv), including credit reference and analysis, investment and portfolio research and advice, advice on acquisitions and on corporate restructuring and strategy.

(b) A “financial service supplier” means any natural or juridical person of a Party wishing to supply or supplying financial services but the term “financial service supplier” does not include a public entity.

(c) “Public entity” means:

(i) a government, a central bank or a monetary authority, of a Party, or an entity owned or controlled by a Party, that is principally engaged in carrying out governmental functions or activities for governmental purposes, not including an entity principally engaged in supplying financial services on commercial terms; or

(ii) a private entity, performing functions normally performed by a central bank or monetary authority, when exercising those functions.

(d) For the purpose of subparagraph (a) (ii) of Article 27 of this Agreement, “services supplied in the exercise of governmental authority” means the following:

(i) activities conducted by a central bank or monetary authority or by any other public entity in pursuit of monetary or exchange rate policies;

(ii) activities forming part of a statutory system of social security or public retirement plans; and

(iii) other activities conducted by a public entity for the account or with the guarantee or using the financial resources of the Government.

(e) For the purpose of subparagraph (a) (ii) of Article 27 of this Agreement, if a Party allows any of the activities referred to in subparagraphs (d) (ii) or (d) (iii) of this paragraph to be conducted by its financial service suppliers in competition with a public entity or a financial service supplier, “services” shall include such activities.

(f) Subparagraph (a) (iii) of Article 27 of this Agreement shall not apply to services covered by this Annex.

Article 2

National Treatment

1. Under terms and conditions that accord national treatment, each Party shall grant to financial service suppliers of another Party established in its territory access to payment and clearing systems operated by public entities and to official funding and refinancing facilities available in the normal course of ordinary business. This paragraph is not intended to confer access to a Party’s lender of last resort facilities.

2. Where

(a) membership or participation in, or access to, a self-regulatory body, securities or futures exchange or market, clearing agency, or any other organisation or association, is required by a Party in order for financial

service suppliers of any other Party to supply financial services on an equal basis with financial service suppliers of the Party; or

- (b) the Party provides directly or indirectly such entities, privileges or advantages in supplying financial services,

the Party shall ensure that such entities accord national treatment to financial service suppliers of any other Party resident in its territory in the sectors inscribed in its Schedule, and subject to any conditions and qualifications set out therein.

Article 3

Transparency

1. Each Party shall promote regulatory transparency in financial services. Accordingly, the Parties undertake to consult to implement objective and transparent regulatory processes in each Party, taking into account:

- (a) the work undertaken by the Parties in the GATS and in other fora relating to trade in financial services; and
- (b) the importance of regulatory transparency, of identifiable policy objectives and of clear and consistently applied regulatory processes that are communicated or otherwise made publicly available.

2. The competent authorities of each Party shall make available to interested persons domestic requirements and procedures for completing applications relating to the supply of financial services.

3. Where a licence is required for the supply of a financial service, the competent authorities of a Party shall make the requirements for such a licence publicly available. The period of time normally required to reach a decision concerning an application for a licence shall either:

- (a) be made available to the applicant upon request; or
- (b) be made publicly available,

or a combination of both.

Article 4

Expeditious Application Procedures

1. The competent authorities of each Party shall process expeditiously applications related to the supply of financial services submitted by service suppliers of other Parties.

2. If the competent authorities of a Party require additional information from the

applicant in order to process its application, they shall notify the applicant without undue delay.

3. Upon request by the applicant, the competent authorities of a Party shall provide, without undue delay, information concerning the status of its application.

4. The competent authorities of each Party shall notify the applicant of the outcome of its application promptly after a decision has been taken. In case a decision is taken to deny an application, the reason for the denial shall be made known to the applicant.

5. Where a licence is required for the supply of a financial service and if the applicable requirements are fulfilled, the competent authorities of a Party shall grant the applicant a licence, as a rule within six months after the submission of its application is considered complete under that Party's domestic laws and regulations.

Article 5

Domestic Regulation

1. Notwithstanding any other provisions of this Chapter, a Party shall not be prevented from adopting or maintaining reasonable measures for prudential reasons, including for:

- (a) the protection of investors, depositors, policy-holders, policy-claimants, persons to whom a fiduciary duty is owed by a financial service supplier, or any similar financial market participants; or
- (b) ensuring the integrity and stability of that Party's financial system.

Where such measures do not conform with the provisions of this Chapter, they shall not be used as a means of avoiding that Party's commitments or obligations under this Chapter.

2. Measures referred to in paragraph 1 shall not be more burdensome than necessary to achieve their aim or constitute a disguised restriction on trade in services, and shall not discriminate against financial services or financial service suppliers of another Party in comparison to the Party's own like financial services or like financial service suppliers.

3. Each Party shall make its best endeavours to ensure that the Basel Committee's "Core Principles for Effective Banking Supervision", the standards and principles of the International Association of Insurance Supervisors and the International Organisation of Securities Commissions' "Objectives and Principles of Securities Regulation" are implemented and applied in its territory.

4. Nothing in this Chapter shall be construed to require a Party to disclose information relating to the affairs and accounts of individual customers or any confidential or proprietary information in the possession of public entities.

Article 6

Recognition of Prudential Measures

Where a Party recognises, by agreement or arrangement, prudential measures of a non-party in determining how the Party's measures relating to financial services shall be applied, that Party shall afford adequate opportunity for another Party to negotiate its accession to such an agreement or arrangement, or to negotiate a comparable agreement or arrangement with it, under circumstances in which there would be equivalent regulation, oversight, implementation of such regulation and, if appropriate, procedures concerning the sharing of information between the parties to the agreement or arrangement. Where a Party accords such recognition autonomously, it shall afford adequate opportunity for another Party to demonstrate that such circumstances exist.

Article 7

Transfers of Information and Processing of Information

No Party shall take measures that prevent transfers of information into or out of the Party's territory or the processing of financial information, including transfers of data by electronic means, or that, subject to importation rules consistent with international agreements, prevent transfers of equipment, where such transfers of information, processing of financial information or transfers of equipment are necessary for the conduct of the ordinary business of a financial service supplier of another Party. Nothing in this Article restricts the right of a Party to protect personal data, personal privacy and the confidentiality of individual records and accounts so long as such right is not used to circumvent the provisions of this Chapter.

ANNEX V

REFERRED TO IN ARTICLE 44
TELECOMMUNICATIONS SERVICES

ANNEX V

REFERRED TO IN ARTICLE 44 TELECOMMUNICATIONS SERVICES

Article 1

Scope and Definitions

1. This Annex applies to measures by Parties affecting trade in telecommunications services.³² It shall not apply to measures by a Party relating to broadcasting or to cable distribution of radio or television programming.³³
2. For the purpose of this Annex:
 - (a) “telecommunications services” means the transmission and reception of electromagnetic signals – sound, data image and any combinations thereof. The sector of telecommunications services does not cover the economic activity consisting of content provision which requires telecommunications services for its transport;
 - (b) “regulatory authority” means the body or bodies entrusted with any of the regulatory tasks assigned in relation to the issues mentioned in this Annex;
 - (c) “essential facilities” means facilities of a public telecommunications network or service that:
 - (i) are exclusively or predominantly provided by a single or limited number of suppliers; and
 - (ii) cannot feasibly be economically or technically substituted in order to supply a service; and
 - (d) “major supplier” means a supplier which has the ability to materially affect the terms of participation (having regard to price and supply) in the relevant market for telecommunications services as a result of:
 - (i) control over essential facilities; or
 - (ii) the use of its position in the market.

³² “Trade in telecommunications services” shall be understood in accordance with the definition contained in subparagraph (a) (i) of Article 27 of this Agreement.

³³ “Broadcasting” shall be defined as provided for in the relevant legislation of each Party.

Article 2

Competitive Safeguards

1. Each Party shall maintain appropriate measures for the purpose of preventing suppliers who, alone or together, are a major supplier from engaging in or continuing anti-competitive practices.
2. The anti-competitive practices referred to in paragraph 1 shall include, in particular:
 - (a) engaging in anti-competitive cross-subsidisation;
 - (b) using information obtained from competitors with anti-competitive results; and
 - (c) not making available to other service suppliers on a timely basis technical information about essential facilities and commercially relevant information which are necessary for them to supply services.

Article 3

Interconnection

1. This Article applies to linking with suppliers providing public telecommunications networks or services in order to allow the users of one supplier to communicate with users of another supplier and to access services supplied by another supplier, where specific commitments are undertaken.
2. Each Party shall ensure that a major supplier provides interconnection at any technically feasible point in the network. Such interconnection shall be provided:
 - (a) under non-discriminatory terms, conditions (including technical standards and specifications) and rates and of a quality no less favourable than that provided for its own like services or for like services of non-affiliated service suppliers or for its subsidiaries or other affiliates;
 - (b) in a timely fashion, on terms, conditions (including technical standards and specifications) and cost-oriented rates that are transparent, reasonable, having regard to economic feasibility, and sufficiently unbundled so that the supplier need not pay for network components or facilities that it does not require for the services to be supplied; and
 - (c) upon request, at points in addition to the network termination points offered to the majority of users, subject to charges that reflect the cost of construction of necessary additional facilities.
3. Each Party shall ensure that a major supplier is required to allow other service suppliers who interconnect with that major supplier:

- (a) to locate their equipment which is necessary for interconnection in the major supplier's buildings; or
- (b) to install their cables and lines which are necessary for interconnection in the major supplier's buildings, conduits or cable tunnels;

where physically feasible and where no practical or viable alternatives exist, in order to interconnect smoothly with the essential facilities of the major supplier.

4. Each Party shall ensure that the procedures applicable for interconnection negotiations to a major supplier are made publicly available.

5. Each Party shall ensure that major suppliers make their interconnection agreements available to service suppliers of another Party, and/or publish reference interconnection offers in advance, unless they are already publicly available.

6. Where suppliers are unable to resolve disputes regarding the negotiation of an interconnection agreement with a major supplier within a stipulated time, each Party shall ensure that the suppliers have recourse to assistance from an independent domestic body, which may be a regulatory authority as referred to in Article 6, to resolve disputes regarding appropriate terms, conditions and rates for interconnection within a reasonable timeframe. That body or authority shall fix the conditions for the interconnection in accordance with the normal principles governing the market and the sector in question and in accordance with the principles set out in this Annex. The assistance may include special conciliation proceedings.

Article 4

Universal Service

1. Each Party has the right to define the kind of universal service obligation it wishes to maintain.

2. Measures by Parties governing universal service shall be transparent, objective, technologically neutral and non-discriminatory. They shall also be neutral with respect to competition and not be more burdensome than necessary.

Article 5

Licensing Procedure

1. Where a licence is required for the supply of a telecommunications service, a Party shall make the following publicly available:

- (a) the terms and conditions for such a licence; and

- (b) the period of time normally required to reach a decision concerning an application for a licence.

2. Except for licences relating to the use of frequency spectrum, where a licence is required for the supply of a telecommunications service, and if the applicable conditions are fulfilled, the Party shall grant the applicant a licence, as a rule within six months after the submission of its application is considered complete under that Party's laws and regulations.

3. The Party shall notify the applicant of the outcome of its application promptly after a decision has been taken. In case a decision is taken to deny an application for a licence, the Party shall make known to the applicant, upon request, the reason for the denial.

Article 6

Regulatory Authority

1. Each Party's regulatory authority for telecommunications services shall be separate from, and not accountable to, any supplier of telecommunications services.

2. Each Party shall ensure that the decisions of, and the procedures used by, its regulatory authority are impartial with respect to all market participants.

3. Each Party shall ensure that suppliers of the other Party affected by the decision of the regulatory authority of the Party have recourse to appeal to an independent administrative body and/or a court, in accordance with that Party's laws and regulations.

4. Each Party shall ensure that the tasks to be undertaken by its regulatory authorities are made publicly available. Where tasks are assigned to more than one authority, each Party shall ensure that the respective tasks of each authority are made publicly available.

Article 7

Scarce Resources

Each Party shall ensure that its procedures for the allocation and use of scarce resources, including frequencies, numbers and rights of way, are carried out in an objective, timely, transparent and non-discriminatory manner. Each Party shall make publicly available the current state of allocated frequency bands.
