

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(76) 488 final

Brussels, 23 September 1976

Seven BEPOSAL Unit  
COUNCIL REGULATIONS

on the applications of Decisions Nos 2/76 and 3/76  
of the EEC Joint Committees

EEC/AUSTRIA  
EEC/FINLAND  
EEC/ICELAND  
EEC/NORWAY  
EEC/PORTUGAL  
EEC/SWEDEN and  
EEC/SWITZERLAND

amending Protocol No 3 concerning the definition of  
the concept of "originating products" and methods of  
administrative cooperation

(submitted to the Council by the Commission)

COM(76) 488 final



## EXPLANATORY MEMORANDUM

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Developments in manufacturing techniques and international economic conditions for certain products since the entry into force of the free-trade Agreements concluded between the Community and the EFTA-States have made it necessary to adjust the specific rules of origin relating to these products set out in Lists A and B annexed to Protocol No 3, which are an integral part of the Agreements in question, and in the list in Article 25 of the said Protocols No 3.

To this end, each of the Joint Committees set up by these Agreements has adopted a Decision supplementing and amending the said Lists A and B and the list in the abovementioned Article 25.

Moreover, the Joint Committees have also adopted a Decision supplementing Note 11 to Article 23 of Annex I to Protocols No 3 in order to define the meaning of the expression "products used in manufacture" contained in Article 23 of Protocols No 3, so that certain products do not escape the "no-drawback" rule laid down by the said Article 23.

The object of the seven proposals for regulations annexed hereto is to enable the abovementioned Decisions to be made operative in the Community.

It is proposed that the Council adopt these regulations so that they can enter into force on 1 November 1976.



Proposal for Council Regulation (EEC)

on the application of Decisions Nos 2/76 and 3/76 of the EEC-Joint Committee supplementing and amending Lists A and B annexed to Protocol No 3 concerning the definition of the concept of "originating products" and methods of administrative cooperation and the list in Article 25 of the said Protocol, and supplementing Note 11 to Article 23 in Annex I to that Protocol

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THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 113 thereof,

Having regard to the proposal from the Commission,

Whereas an Agreement between the European Economic Community and

(2) (3) was signed on

(4)

and entered into force on

(5);

Whereas, pursuant to Article 28 of Protocol No 3 concerning the definition of the concept of "originating products" and methods of administrative co-operation, which is an integral part of the said Agreement, the Joint Committee has adopted Decisions Nos 2/76 and 3/76 supplementing and amending Lists A and B annexed to the abovementioned Protocol, and the list in Article 25 of that Protocol, and supplementing Note 11 to Article 23 in Annex I to the same Protocol;

Whereas the Decisions should be made operative in the Community,

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- (1) Austria, Finland, Iceland, Norway, Portugal, Sweden, Switzerland
  - (2) the Republic of Austria, the Republic of Finland, the Republic of Iceland, the Kingdom of Norway, the Portuguese Republic, the Kingdom of Sweden, the Swiss Confederation
  - (3) Austria, Sweden, Switzerland: OJ No L 300, 31.12.1972  
Finland: OJ No L 328, 28.11.1973  
Norway: OJ No L 171, 17.6.1973  
Iceland, Portugal: OJ No L 301, 31.12.1972
  - (4) Austria, Iceland, Portugal, Sweden, Switzerland: 22 July 1972  
Norway: 14 May 1973  
Finland: 5 October 1973
  - (5) Austria, Portugal, Sweden, Switzerland: 1 January 1973  
Iceland: 1 April 1973  
Norway: 1 July 1973  
Finland: 1 January 1974

HAS ADOPTED THIS REGULATION:

Article 1

For the purpose of implementing the Agreement between the European Economic Community and (1), Decisions Nos 2/76 and 3/76 of the Joint Committee shall be applicable in the Community.

Article 2

This Regulation shall enter into force on 1 November 1976.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the Council  
The President

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(1) the Republic of Austria, the Republic of Finland, the Republic of Iceland, the Kingdom of Norway, the Portuguese Republic, the Kingdom of Sweden, the Swiss Confederation.

JOINT COMMITTEE DECISION No 2 /76

supplementing and amending Lists A and B annexed to  
Protocol No 3 concerning the definition  
of the concept of "originating products" and methods  
of administrative co-operation, and the list  
contained in Article 25 of that Protocol

THE JOINT COMMITTEE,

Having regard to the Agreement between the European Economic Community  
and .....(1), signed in Brussels on .....(2),

Having regard to Protocol No 3 concerning the definition of the  
concept of "originating products" and methods of administrative  
co-operation (hereinafter referred to as Protocol No 3), and in  
particular Article 28 thereof,

.../...

(1) the Republic of Austria, the Republic of Finland, the Republic of Iceland,  
the Kingdom of Norway, the Republic of Portugal, the Kingdom of Sweden,  
the Swiss Confederation

(2) Austria, Iceland, Portugal, Sweden, Switzerland: 22 July 1972  
Norway: 14 May 1973  
Finland: 5 October 1973

Whereas experience gained since the entry into force of the Agreement shows that the rules of origin laid down for certain products in Protocol No 3 must be adapted to take account of developments in the manufacturing techniques for those products and in international economic conditions of trade therein; whereas the amendment of the tariff classification of non-crystallizable sorbitol must also be taken into account;

Whereas certain of these rules of origin should therefore be supplemented and amended,

HAS DECIDED AS FOLLOWS:

Article 1

1. In List A annexed to Protocol No 3 the rules relating to headings Nos 38.19, 40.05, 59.11, ex Chapter 84 and 84.41 shall be replaced by those set out in Annex I to this Decision.
2. In the said List A the headings listed below and the corresponding rules shall be deleted:



ex 28.13 Hydrobromic acid

28.27 Lead oxides; red lead and orange lead

ex 28.28 Lithium hydroxide

ex 28.29 Lithium fluoride

ex 28.30 Lithium chloride

ex 28.33 Bromides

ex 28.42 Lithium carbonate

ex 29.02 Organic bromides

ex 29.02 Trichlorodi (chloro-phenyl) ethane

ex 29.35 Pyridine; alphapicoline; betapicoline; gammapicoline

ex 29.35 Vinylpyridine

ex 29.38 Nicotinic acid

ex 98.15 Vacuum flasks and other vacuum vessels.

## Article 2

1. In List B annexed to Protocol No 3 the rules set out in Annex II to this Decision shall be inserted in the appropriate place as determined by the numerical order of the tariff headings.
2. In the said List B the rule relating to heading No ex 84.41 shall be replaced by those set out in Annex III to this Decision.

Article 3

1. In the list set out in Article 25 of Protocol No 3, as amended by Decision No 9/73 of the Joint Committee, rule No 1 shall be replaced by the rule set out in Annex IV to this Decision.
2. The rule set out in Annex V to this Decision shall be added to the list set out in Article 25 of Protocol No 3, as amended by Decision No 9/73 of the Joint Committee.

Done at Brussels,

For the Joint Committee  
The Chairman

R. de KERGORLAY

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Products obtained		Working or processing that does not confer the status of originating products	Working or processing that confers the status of originating products when the following conditions are met
Customs Tariff heading No	Description		
ex 38.19	<p>Chemical products and preparations of the chemical or allied industries (including those consisting of mixtures of natural products), not elsewhere specified or included; residual products of the chemical or allied industries, not elsewhere specified or included, excluding:</p> <ul style="list-style-type: none"> <li>— Fusel oil and Dippel's oil;</li> <li>— Naphthenic acids and their non-water-soluble salts, esters of naphthenic acids;</li> <li>— Sulphonaphthenic acids and their non-water-soluble salts; esters of sulphonaphthenic acids;</li> <li>— Petroleum sulphonates, excluding petroleum sulphonates of alkali metals, of ammonium or of ethanolamines, thiophenated sulphonic acids of oils obtained from bituminous minerals, and their salts;</li> <li>— Mixed alkylbenzenes and mixed alkylnaphthalenes;</li> <li>— Ion exchangers;</li> <li>— Catalysts;</li> <li>— Getters for vacuum tubes;</li> <li>— Refractory cements or mortars and similar preparations;</li> <li>— Alkaline iron oxide for the purification of gas;</li> <li>— Carbon (excluding that in artificial graphite of heading No 38.01) of metallo-graphite or other compounds, in the form of small plates, bars or other semi-manufactures</li> </ul> <p>— Sorbitol other than sorbitol of heading No 29.04</p>		Manufacture in which the value of the products used does not exceed 50% of the value of the finished product
ex 38.19	<p>Auxiliary products of a kind used in the textile, leather and paper industries (not elsewhere specified or included); composite plasticizers, hardeners, and stabilizers for elastic materials and for products based on plastic materials (not elsewhere specified or included)</p>		Manufacture in which the value of the products used does not exceed 60% of the value of the finished products

Products obtained		Working or processing that does not confer the status of originating products	Working or processing that confers the status of originating products when the following conditions are met
Customs Tariff heading No	Description		
40.05	Plates, sheets and strip, of unvulcanized natural or synthetic rubber, other than smoked sheets and crepe sheets of heading No 40.01 or 40.02; granules of unvulcanized natural or synthetic rubber compounded ready for vulcanization; unvulcanized natural or synthetic rubber, compounded before or after coagulation either with carbon black (with or without the addition of mineral oil) or with silica (with or without the addition of mineral oil), in any form, of a kind known as masterbatch		Manufacture in which the value of the products used, except that of natural rubber, does not exceed 50 % of the value of the finished product
ex 59.11	Rubberized textile fabrics, other than rubberized, knitted or crocheted goods, with the exception of those consisting of fabric of continuous synthetic textile fibres or of fabric composed of parallel yarns of continuous synthetic textile fibres, impregnated or covered with rubber latex, containing at least 90% by weight of textile materials and used for the manufacture of tyres or for other technical uses		Manufacture from yarn
ex 59.11	Rubberized textile fabrics, other than rubberized, knitted or crocheted goods, consisting of fabric of continuous synthetic textile fibres or of fabric composed of parallel yarns of continuous synthetic textile fibres, impregnated or covered with rubber latex, containing at least 90% by weight of textile materials and used for the manufacture of tyres or for other technical uses		Manufacture from chemical products or textile pulp

Products obtained		Working or processing that does not confer the status of originating products	Working or processing that confers the status of originating products when the following conditions are met
Customs Tariff heading No	Description		
ex Chap 84	Boilers, machinery and mechanical appliances and parts thereof, excluding refrigerators and refrigerating equipment (electrical and other) (No 84.15) and sewing machines (lock stitch only), with heads of a weight not exceeding 16 kg without motor or 17 kg including the motor (ex 84.41)		Working, processing or assembly in which the value of the materials and parts used does not exceed 40 % of the value of the finished product (1)
ex 84.41	Sewing machines (lock stitch only) with heads of a weight not exceeding 16 kg without motor or 17 kg including the motor		Working, processing or assembly in which the value of the non-originating materials and parts used does not exceed 40 % of the value of the finished product, and provided that : <ul style="list-style-type: none"> <li>- at least 50 % by value of the materials and parts (2) used for the assembly of the head (motor excluded) are originating products and</li> <li>- the thread tension, crochet and zigzag mechanisms are originating products</li> </ul>

(1) These provisions shall not apply to fuel elements of heading No ex 84.59 until 31 December 1984.

(2) In determining the value of products, materials and parts, the following must be taken into account:  
 (a) in respect of originating products, materials and parts, the first verifiable price paid, or the price which would be paid in case of sale, for the said products on the territory of the country where working, processing or assembly is carried out;  
 (b) in respect of other products, materials and parts, the provisions of Article 6 of this Protocol determining:  
 (i) the value of imported products,  
 (ii) the value of products of undetermined origin.



ANNEX II

Finished products		Working or processing that confers the status of originating products
Customs Tariff heading No	Description	
ex 25.10	Natural magnesium carbonate (magnosile), whether or not calcined, other than magnesium oxide, or shed and put into hermetically sealed containers	Crushing and putting into hermetically sealed containers of natural magnesium carbonate (magnosile), whether or not calcined, other than magnesium oxide
ex 25.24	Natural asbestos fibres	Treatment of asbestos concentrate
ex 25.26	Milled and homogenized mica waste	Milling and homogenizing mica waste
ex 47.01	Sulphate pulp derived by mechanical or chemical means from any fibrous vegetable material, bleached	Manufacture from unbleached sulphate pulp derived by mechanical or chemical means from any fibrous vegetable material, provided that the value of the non-originating products used does not exceed 60 % of the value of the finished product
ex 73.29	Skid chains	Working or processing in which the value of the non-originating products used does not exceed 50 % of the value of the finished product
ex 97.06	Golf club heads, of wood or other materials	Manufacture from roughly shaped pieces

Finished products		Working or processing that confers the status of originating products
Exemption No.	Description	
ex 84.41	Sewing machines, including furniture specially designed for sewing machines with the exception of sewing machines (lockstitch only) with heads of a weight not exceeding 16 kg without motor or 17kg including the motor	Working, processing or assembly in which the value of the non-originating materials and parts used does not exceed 40% of the value of the finished product
ex 84.41	Sewing machines (lockstitch only) with heads of a weight not exceeding 16 kg without motor or 17 kg including the motor	Working, processing or assembly in which the value of the non-originating materials and parts used does not exceed 40% of the value of the finished product, and provided that: <ul style="list-style-type: none"> <li>(a) at least 50% by value of the materials and parts (1) used for assembly of the head (motor excluded) are originating products, and</li> <li>(b) the thread tension, crochet and zigzag mechanisms are originating products</li> </ul>

- (1) In determining the value of materials and parts, the following must be taken into account:
- (a) in respect of originating materials and parts, the first verifiable price paid, or the price which would be paid in case of sale, for the said products in the territory of the country where working, processing or assembly is carried out;
  - (b) in respect of other materials and parts, the provisions of Article 6 of this Protocol determining:
    - (i) the value of imported products,
    - (ii) the value of products of undetermined origin.

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COLUMN 1	COLUMN 2
Products used	Products obtained
1. ex 11.08    Starches obtained from maize, potatoes, wheat, manioc (tapioca) or sago	35.05    Dextrins and dextrin glues ; soluble or roasted starches ; starch glues

COLUMN 1	COLUMN 2
Products used	Products obtained
25. ex 29.14 Vinyl acetate monomer Any product other than or not containing a product obtained by polymerization of the monomer	ex 39.02 Polyvinyl acetate

JOINT COMMITTEE DECISION No 3/76

supplementing Note 11 - Article 23  
of Annex I to Protocol No 3  
concerning the definition of the concept of "originating products"  
and methods of administrative co-operation

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THE JOINT COMMITTEE,

Having regard to the Agreement between the European Economic  
Community and .....(1) signed in Brussels on  
..... (2),

Having regard to Protocol No 3 concerning the definition of the  
concept of "originating products" and methods of administrative  
co-operation (hereinafter referred to as "Protocol No 3"), and in  
particular Article 28 thereof,

.../...

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- (1) the Republic of Austria, the Republic of Finland, the Republic of Iceland,  
the Kingdom of Norway, the Republic of Portugal, the Kingdom of Sweden,  
the Swiss Confederation
- (2) Austria, Iceland, Portugal, Sweden, Switzerland: 22 July 1972  
Norway: 14 May 1973  
Finland: 5 October 1973

Whereas the meaning of the expression "products used in manufacture" used in Article 23 of Protocol No 3 should be clarified,

HAS DECIDED AS FOLLOWS:

Sole Article

The following paragraph shall be added to Note 11 - Article 23 of Annex I to Protocol No 3:

' "Products used in manufacture" shall mean any products in respect of which a "drawback or remission of any kind granted from customs duties" is requested as a result of the export of originating products for which a certificate EUR.1 is issued or a form EUR.2 is made out.'

Done at Brussels,  
For the Joint Committee  
The Chairman

R. de KERGORLAY

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