

COMMISSION OF THE EUROPEAN COMMUNITIES

SEC(90) 640 final

Brussels, 3 April 1990

Proposal for a

COUNCIL DECISION

on the conclusion of an Agreement
in the form of an exchange of letters
between the European Economic Community
and the Principality of Andorra

(presented by the Commission)

EXPLANATORY MEMORANDUM

1. On 20 March 1989 the Council adopted directives authorizing the Commission to initiate negotiations with Andorra with a view to concluding an agreement in the form of an exchange of letters.

Two negotiating meetings were held in Brussels on 13 and 14 April 1989 and 13 and 14 December 1989 on the basis of these directives.

2. At the close of the second negotiating meeting a draft agreement in the form of an exchange of letters was initialled in Brussels on 14 December 1989.

Under the agreement a customs union was established between Andorra and the Community for industrial products. The customs union comprises the abolition of customs duties and charges having equivalent effect and the removal of quantitative restrictions in trade between the two sides, the adoption by Andorra of the import formalities applied by the Community to other countries and the customs provisions required for the operation of the customs union.

The Community will allow agricultural products originating in Andorra to be imported duty free.

A specific solution has been found for tobacco products.

Relatively liberal provisions have been adopted for tax relief for travellers, in order to take into account the specific nature of Andorra's economy, for which tourist trade is essential.

The Agreement also provides for the setting-up of a Joint Committee, which will be responsible for administering the Agreement, specifying certain rules, and establishing a dispute settlement procedure. The Agreement also contains provisions designed to avoid discrimination in tax or commercial matters.

The Agreement has been concluded for an unlimited period, but will be reviewed within a maximum of five years.

3. The Commission considers that, in line with the Council's negotiating directives, the draft Agreement enables relations to be established on a sound basis and takes into consideration the interests and specific nature of Andorra.

4. The Commission therefore requests the Council to adopt this Agreement and implement the procedure required for the signing and conclusion of the Agreement.

The Commission therefore presents the following to the Council:

(i) a proposal for a Council decision on the conclusion of the Agreement in the form of an exchange of letters between the European Economic Community and the Principality of Andorra;

(ii) the draft Agreement resulting from the initialled text and the Annexes and Appendix thereto;

(iii) the declarations and exchange of letters between Heads of Delegation, attached to the draft Agreement.

proposal for a
COUNCIL DECISION

on the conclusion of an Agreement
in the form of an exchange of letters
between the European Economic Community
and the Principality of Andorra

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 the Agreement in the form of an exchange of letters between the
European Economic Community and the Principality of Andorra should be
approved;

HAS DECIDED AS FOLLOWS:

Article 1

The Agreement in the form of an exchange of letters between the European
Economic Community and the Principality of Andorra, and the Annexes and the
Appendix which form an integral part of the Agreement, are hereby approved
on behalf of the Community.

The texts of the Agreement, the Annexes and Appendix thereto and the
declarations by the Principality of Andorra and by the Community, the joint
declarations and the exchange of letters between the Heads of Delegation
are annexed to this Decision.¹

¹ The date of entry into force of the Agreement will be published in the
Official Journal of the European Communities by the General Secretariat of
the Council.

Article 2

The President of the Council shall give the notification provided for in Article 24 of the Agreement.¹

Article 3

This Decision shall take effect the day following that of its publication in the Official Journal of the European Communities.

For the Council

Done at Brussels, ...

The President

¹ The date of entry into force of the Agreement will be published in the Official Journal of the European Communities by the General Secretariat of the Council.

Draft agreement in the form of an exchange of letters

between

the European Economic Community

and

the Principality of Andorra

Brussels, 14 December 1989

D R A F T A G R E E M E N T

in the form of an exchange of letters

between the European Economic Community

and the Principality of Andorra

A. Letter from the Principality of Andorra

Sir,

Please find attached the text of the Agreement between the Principality of Andorra and the European Economic Community. We have the honour to confirm that the Principality of Andorra accepts the Agreement.

Please would you confirm that the European Economic Community accepts the Agreement. The Agreement between the Principality of Andorra and the European Economic Community shall thereby be concluded, as set out in the attached text.

Please accept, Sir, the assurance of my highest consideration.

For the Principality of Andorra

Brussels, ...

B. Letter from the Community

Sirs,

I acknowledge receipt of your letter accepting the Agreement between the Principality of Andorra and the European Economic Community. Your letter reads as follows:

"Please find attached the text of the Agreement between the Principality of Andorra and the European Economic Community. We have the honour to confirm that the Principality of Andorra accepts the Agreement.

Please would you confirm that the European Economic Community accepts the Agreement. The Agreement between the Principality of Andorra and the European Economic Community shall thereby be concluded, as set out in the attached text."

I have the honour to confirm that the European Economic Community accepts this Agreement. The Agreement between the Principality of Andorra and the European Economic Community is hereby concluded in accordance with the terms of your letters and of the attached text.

Please accept, Sirs, the assurance of my highest consideration.

On behalf of
the Council of the European Communities

DRAFT
AGREEMENT IN THE FORM OF
AN EXCHANGE OF LETTERS
BETWEEN
THE EUROPEAN ECONOMIC COMMUNITY
AND
THE PRINCIPALITY OF ANDORRA

THE PRINCIPALITY OF ANDORRA AND THE EUROPEAN ECONOMIC COMMUNITY,

Desirous of introducing, in respect of their trade relations, arrangements to take the place of national arrangements currently in force and respecting the specific situation of the Principality of Andorra;

Considering that, owing to geographical, historical and social and economic factors, Andorra's exceptional situation justifies special arrangements, particularly as regards exemption from import duties, turnover tax and excise duties collected on goods imported by travellers from Andorra into the Community,

HAVE AGREED AS FOLLOWS:

Article 1

Trade between the European Economic Community, on the one hand, and the Principality of Andorra, on the other, shall be governed by the provisions set out below.

TITLE I

Customs Union

Article 2

A customs union shall be established between the Community and Andorra for the products covered by Chapters 25 to 97 of the Harmonized System in accordance with the procedures and conditions set out under this Title.

Article 3

1. The provisions of this Title shall apply to:
 - (a) goods produced in the Community or in Andorra, including those obtained wholly or in part from products which come from third countries and are in free circulation in the Community or in Andorra;
 - (b) goods which come from third countries and are in free circulation in the Community or in Andorra.

2. Products coming from third countries shall be considered to be in free circulation in the Community or in Andorra if the import formalities have been complied with and any customs duties or charges having equivalent effect which are payable have been levied, and there has been no total or partial drawback of such duties or charges in respect of the said products.

Article 4

The provisions of this Title shall also apply to goods obtained or produced in the Community or in Andorra, in the manufacture of which were used products coming from third countries and not in free circulation either in the Community or in Andorra. These provisions shall, however, apply to those goods only if the exporting Contracting Party levies the customs duties laid down in the Community for third country products used in their manufacture.

Article 5

The Contracting Parties shall refrain from introducing between themselves any new customs duties on imports or exports or charges having equivalent effect, and from increasing those already applied in their trade with each other on 1 January 1989.

Article 6

1. Customs duties on imports and charges having equivalent effect in force between the Community and Andorra shall be abolished in accordance with paragraphs 2 and 3 of this Article.

2. On 1 January 1991 Andorra shall abolish customs duties and charges having equivalent effect on imports from the Community.

3. (a) From 1 January 1991 the Community, with the exception of the Kingdom of Spain and the Portuguese Republic, shall abolish customs duties and charges having equivalent effect on imports from Andorra.

(b) From 1 January 1991 the Kingdom of Spain and the Portuguese Republic shall apply the same customs duties in respect of Andorra as they apply in respect of the Community as constituted on 31 December 1985.

(c) In the case of processed agricultural products covered by Chapters 25 to 97 of the Harmonized System and by Regulation (EEC) No 3033/80, subparagraphs (a) and (b) above shall apply to customs duties constituting the fixed component of the charge on imports of those products into the Community from Andorra, while the variable component provided for in the Regulation shall continue to apply.

(d) By way of derogation from subparagraphs (a), (b) and (c), imports covered by the provisions relating to tax relief for travellers referred to in Article 13 shall be exempt from customs duties from 1 January 1991.

Article 7

1. For products covered by the customs union, Andorra shall adopt, with effect from 1 January 1991:

- the provisions on import formalities applied by the European Economic Community to third countries;
- the laws, regulations and administrative provisions applicable to customs matters in the Community and necessary for the proper functioning of the customs union.

The provisions referred to in the first and second indents shall be those currently applicable in the Community.

2. The provisions referred to in the second indent of paragraph 1 shall be determined by the Joint Committee provided for in Article 17.

Article 8

1. (a) Over a period of five years, and beyond that period if no agreement can be reached in accordance with 1(b), Andorra shall authorize the Community, acting on behalf of and for Andorra, to

enter goods sent from third countries to Andorra for free circulation. Entry into free circulation will be effected by the Community customs offices listed in Annex I.

(b) At the end of this period, and under Article 20, Andorra may exercise right of entry into free circulation for its goods, following agreement by the contracting parties.

2. Where import duties are payable on goods pursuant to paragraph 1, these duties shall be levied on behalf of Andorra. Andorra shall undertake not to refund these sums directly or indirectly to the parties concerned.

3. The Joint Committee provided for in Article 17 shall determine:

(a) possible changes to the list of the customs offices competent to clear the goods referred to in paragraph 1 and the procedure for forwarding the said goods to Andorra referred to in paragraph 1;

(b) the arrangements for assigning to the Andorran Exchequer the amounts collected in accordance with paragraph 2, and the percentage to be deducted by the Community to cover administrative costs in accordance with the relevant regulations in force within the Community;

(c) any other arrangements necessary for the proper implementation of this Article.

Article 9

Quantitative restrictions on imports and exports and all measures having equivalent effect between the Community and the Principality of Andorra shall be prohibited from 1 January 1991.

1. If either Contracting Party considers that disparities arising from the other Party's application, in respect of imports from third countries, of customs duties, quantitative restrictions or any measures having equivalent effect, or of any other measure of commercial policy, threaten to deflect trade or to cause economic difficulties in its territory, it may bring the matter before the Joint Committee, which shall, if necessary, recommend appropriate methods for avoiding any harm liable to result therefrom.

2. Where deflections occur or economic difficulties arise and the Party concerned considers that they call for immediate action, that Party may itself take the necessary surveillance or protection measures, notifying the Joint Committee without delay; the Joint Committee may recommend that the said measures be amended or abolished.

3. In the choice of such measures preference shall be given to those which least disturb the operation of the customs union and, in particular, the normal development of trade.

TITLE II

Arrangements for products not covered by the customs union

Article 11

1. Products covered by Chapters 1 to 24 of the Harmonized System which originate in Andorra shall be exempt from import duties when imported into the Community.

2. Rules of origin and methods of administrative cooperation are set out in the Appendix.

- 7 -
Article 12

1. The arrangements applied to goods from third countries imported into Andorra shall not be more favourable than those applied to imports of Community goods.

2. Products covered by headings Nos 24.02 and 24.03 of the Harmonized System which are manufactured in the Community from raw tobacco and which meet the conditions of Article 3(1) shall be eligible, when imported into Andorra, for a preferential rate corresponding to 60% of the rate applied in Andorra for the same products *vis-à-vis* third countries.

TITLE III

Common provisions

Article 13

1. Exemptions from import duties, turnover tax and excise duties levied on imports by travellers between the Contracting Parties and applicable to goods contained in the personal luggage of travellers coming from one of the Contracting Parties shall be those currently applicable in the Community in respect of third countries, provided imports of those goods are strictly non-commercial.

2. With regard to the products covered by Title II of this Agreement and listed below, the exemptions referred to in paragraph 1 shall be granted within the following quantitative limits for each traveller entering the Community from Andorra:

- milk powder	2.5 kg
- condensed milk	3 kg
- fresh milk	6 kg
- butter	1 kg
- cheese	4 kg
- sugar and confectionery	5 kg
- meat	5 kg

3. By way of derogation from the provisions of paragraph 1 and provided that the goods have been acquired under the domestic market conditions of one of the Contracting Parties and that they meet the above conditions:

- the total value of the exemptions applicable to goods covered by Title I shall be set per person at three times the value of the exemption granted by the Community to travellers from third countries;

- the following quantitative limits shall apply to the goods listed below:

(a) Tobacco products

cigarettes	300 items
or	
cigarillos (cigars weighing no more than 3g each)	150 items
or	
cigars	75 items
or	
smoking tobacco	400 grammes

(b) Alcohol and alcoholic beverages

distilled beverages and spirituous beverages having an alcoholic strength by volume of more than 22% vol; undenatured ethyl alcohol of 80% vol or more

1.5 l total

or
spirituous distilled beverages, aperitifs based on wine or alcohol, taffia, sake or similar beverages with an alcoholic strength by volume not exceeding 22% vol, sparkling wine, dessert wine and

3 l total

still wine

5 l total

(c) Perfume

75 g

and

toilet water

3/8 l

(d)	<u>Coffee</u>	1 000 g
	or	
	extracts and essences of coffee	400 g
(e)	<u>Tea</u>	200 g
	or	
	extracts and essences of tea	80 g

4. Within the quantitative limits laid down in the second indent of paragraph 3, the value of the goods listed therein shall not be taken into consideration for determining the exemptions referred to in paragraph 1.

Article 14

The Contracting Parties shall refrain from any domestic tax measure or practice leading directly or indirectly to discrimination between the products of one Contracting Party and similar products from the other Contracting Party.

Products sent to the territory of one of the Contracting Parties shall not be eligible for a refund of domestic charges which is higher than the charges which have been levied directly or indirectly.

Article 15

1. In addition to the cooperation provided for in Articles 11(2) and 17(6) of this Agreement, the administrative authorities of the Contracting Parties responsible for implementing the provisions of this Agreement shall assist each other in other cases so as to ensure compliance with the provisions.

2. Arrangements for the application of paragraph 1 shall be determined by the Joint Committee referred to in Article 17.

The Agreement shall not preclude prohibitions or restrictions on imports, exports or goods in transit justified on grounds of public morality, public policy or public security; the protection of health and life of humans, animals or plants; the protection of national treasures possessing artistic, historic or archaeological value; the protection of industrial or commercial property; or controls relating to gold and silver. Such prohibitions or restrictions shall not, however, constitute a means of arbitrary discrimination or a disguised restriction on trade between the Contracting Parties.

Article 17

1. A Joint Committee shall be set up with responsibility for administering the Agreement and ensuring that it is properly implemented. To that end, it shall formulate recommendations. It shall take decisions in the cases provided for in the Agreement. The decisions shall be executed by the Contracting Parties in accordance with their own regulations.

2. With a view to the proper performance of the Agreement, the Contracting Parties shall carry out exchanges of information and, at the request of either party, shall consult together in the Joint Committee.

3. The Joint Committee shall draw up its own Rules of Procedure.

4. The Joint Committee shall be composed, on the one hand, of representatives of the Community and, on the other, of representatives of the Principality of Andorra.

5. The Joint Committee shall take decisions by common accord.

6. The Joint Committee shall be chaired by each of the Contracting Parties in turn in accordance with the arrangements to be laid down in its Rules of Procedure.

7. The Joint Committee shall meet at the request of either of the Contracting Parties, to be lodged at least one month before the date of the intended meeting. Where the Joint Committee is convened under Article 10, it shall meet within eight working days from the date on which the request is lodged.

8. In accordance with the procedure laid down in paragraph 2 of this Article, the Joint Committee shall determine methods of administrative cooperation for the purposes of applying Articles 3 and 4, taking as a basis the methods adopted by the Community in respect of trade between the Member States; it may also amend provisions in the Appendix, referred to in Article 11.

Article 18

1. Any disputes arising between the Contracting Parties over the interpretation of the Agreement shall be put before the Joint Committee.

2. If the Joint Committee does not succeed in settling the dispute at its next meeting, each Party may notify the other of the designation of an arbitrator; the other Party shall then be required to designate a second arbitrator within two months.

The Joint Committee shall designate a third arbitrator.

The arbitrators' decisions shall be taken by a majority vote.

Each Party involved in the dispute shall be required to take the measures needed to ensure the application of the arbitrators' decision.

Article 19

In trade covered by the Agreement:

- the arrangements applied by Andorra vis-a-vis the Community may not give rise to any discrimination between the Member States, their nationals, or their companies;

the arrangements applied by the Community vis-a-vis Andorra may not give rise to any discrimination between Andorran nationals or companies.

TITLE IV

GENERAL AND FINAL PROVISIONS

Article 20

This Agreement is concluded for an unlimited duration. Within five years of its entry into force, the two Parties shall begin consultations to examine the results of its application and if necessary to open negotiations on its amendment in the light of that examination.

Article 21

Either Contracting Party may denounce this Agreement by notifying the other Contracting Party in writing. In that case, the Agreement shall cease have effect six months after the date of such notification.

Article 22

The Agreement shall apply, on the one hand, to the territories in which the Treaty establishing the European Economic Community is applied and under the conditions laid down in that Treaty and, on the other, to the territory of the Principality of Andorra.

Article 23

The Appendix and Annexes I and II to this Agreement shall form an integral part thereof.

- 13 -
Article 24

1. This Agreement shall enter into force on 1 July 1990, on condition that the Contracting Parties have notified each other before that date of the completion of the procedures necessary to that effect.
2. After the date provided for in paragraph 1, the Agreement shall enter into force on the first day of the second month following notification.
3. If the second paragraph applies, the date 1 January 1991 contained in various provisions of the Agreement shall be replaced by the date 1 July 1991.

Article 25

The provisions of this Agreement shall replace those applied by the Community, and in particular by France and Spain, prior to the Agreement's entry into force, under the 1867 exchange of letters with the Principality of Andorra.

Article 26

This Agreement is drawn up in two originals in the Catalan, Danish, Dutch, English, French, German, Greek, Italian, Portuguese and Spanish languages, each text being equally authentic.

ANNEX I

List of customs offices referred to in Article 8(1)

- TOULOUSE PORTET
- L'HOSPITALET PAS DE LA CASE
- LA TOUR DE CAROL
- PERPIGNAN
- MADRID
- BARCELONA
- ALGECIRAS
- TUY
- FARGA DE MOLES

ANNEX II

"As regards the provisions of trade policy adopted by the Principality of Andorra under the Agreement, and in order that imports of the products consumed in Andorra should not be affected by these provisions, derogations may be decided by the Joint Committee at the request of the Principality of Andorra; these derogations may include aspects of common commercial policy which do not apply to all the Member States of the Community.

The Commission shall communicate to the Andorran authorities any relevant information concerning the arrangements applicable to the Community's external trade."

STATEMENT BY THE COMMUNITY

concerning agricultural and processed agricultural products

This Agreement may not affect the Community's refund arrangements for exports of agricultural products or processed agricultural products.

STATEMENT BY THE PRINCIPALITY OF ANDORRA

The Principality of Andorra undertakes not to operate any discrimination as regards import duties and taxes levied on whisky, absinth and aniseed-based aperitifs, on the one hand, and other alcoholic beverages and aperitifs, on the other hand.

JOINT STATEMENT

In so far as provisions of this Agreement, such as, in particular, the provisions governing customs duties, charges having equivalent effect, quantitative restrictions, measures having equivalent effect, prohibitions on imports, exports or goods in transit, are similar to the provisions of the Treaty establishing the European Economic Community, the Contracting Parties' representatives within the Joint Committee shall undertake to interpret the former, within the scope of this Agreement, in the same way as the latter are interpreted in trade within the European Economic Community.

JOINT STATEMENT

The Joint Committee shall examine and endeavour to find a solution to any problems which arise in trade between the Contracting Parties as regards the monitoring and certification of technical standards.

APPENDIX

concerning the definition of "originating products" and methods of administrative cooperation

TITLE I

Definition of the concept of originating products

Article 1

For the purpose of implementing the provisions of Article 11(1) of the Agreement, the following shall be regarded as products originating in the Principality of Andorra:

- (a) vegetable products which are harvested in Andorra;
- (b) live animals born and raised in Andorra;
- (c) products obtained from live animals born and raised in Andorra;
- (d) products from hunting or fishing in Andorra;
- (e) products obtained in Andorra by working or processing products referred to in points (a) to (d), even if other products have been used in their manufacture, provided that the products which were not obtained in Andorra play only a subsidiary part in manufacture.

TITLE II

Arrangements for administrative cooperation

1. Originating products within the meaning of this Appendix shall when imported into the Community be covered by the Agreement on presentation of:

- (a) an EUR.1 movement certificate, hereinafter referred to as an "EUR.1 certificate". A specimen of the EUR.1 certificate is given in Annex II to this Appendix;
- (b) an invoice bearing the exporter's declaration as given in Annex III to this Appendix, made out by any exporter for any consignment of one or more packages containing originating products whose total value does not exceed ECU 2 820.

2. The following originating products within the meaning of this Appendix shall when imported into the Community be covered by the Agreement without it being necessary to present either of the documents referred to in paragraph 1:

- (a) goods sent as small packages from private persons to private persons, whose total value does not exceed ECU 200;
- (b) goods forming part of travellers' personal luggage whose value does not exceed ECU 565.

These provisions shall apply only provided that such goods are not imported by way of trade and have been declared as meeting the conditions required for the application of the Agreement, and where there is no doubt as to the veracity of such declaration.

Imports which are occasional and consist solely of goods for the personal use of the recipients or travellers shall not be considered as imports by way of trade if it is evident from the nature and quantity of the goods that no commercial purpose is in view.

3. Up to and including 30 April 1991 the ecu to be used in terms of any given national currency shall be the equivalent in that national currency of the ecu as at 3 October 1988. For each successive period of two years thereafter it shall be the equivalent in that national currency of the ecu as at the first working day in October in the year immediately preceding the two-year period.

4. Amounts in the national currency of the exporting State equivalent to the amounts expressed in ecus shall be fixed by the exporting State and communicated to the other parties. When these amounts are greater than the corresponding amounts fixed by the importing State, the importing State shall accept them if the goods are invoiced in the currency of the exporting State.

If the goods are invoiced in the currency of another Member State of the Community, the importing State shall recognize the amount notified by the State concerned.

Article 3

1. An EUR. 1 certificate shall be issued by the Andorran customs authorities when the goods to which it relates are exported. It shall be

made available to the exporter as soon as actual exportation has been effected or ensured.

2. The EUR. 1 certificate shall be issued by the Andorran customs authorities if the goods to be exported can be considered as products originating in the Principality of Andorra within the meaning of Article 1 of this Appendix.

3. An EUR. 1 certificate may be issued only where it can serve as the documentary evidence required for the purpose of implementing the preferential arrangements provided for by the Agreement.

The date of issue of the EUR. 1 certificate must be indicated in the part of the certificate reserved for the customs authorities.

4. In exceptional circumstances an EUR. 1 certificate may also be issued after exportation of the goods to which it relates if it was not issued at the time of exportation because of errors or involuntary omissions or special circumstances.

Certificates issued retrospectively must be endorsed with one of the following phrases:

- 'EXPEDIDO A POSTERIORI', 'UDSTEDT EFTERFØLGENDE', 'NACHTRÄGLICH
AUSGESTELLT', 'ISSUED
RETROSPECTIVELY', 'DELIVRE A POSTERIORI', 'RILASCIATO A
POSTERIORI', 'AFGEGEVEN A POSTERIORI', 'EMITIDO A POSTERIORI', 'EMES A
POSTERIORI'.

5. In the event of the theft, loss or destruction of an EUR. 1 certificate, the exporter may apply to the Andorran customs authorities which issued it for a duplicate made out on the basis of the export documents in their possession. The duplicate issued in this way must be endorsed with one of the following:

'DUPLICADO', 'DUPLIKAT', 'DUPLIKAT', 'DUPLICATE'
'DUPLICATA', 'DUPLICATO', 'DUPLICAAT', 'SEGUNDA VIA', 'DUPLICAT'.

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

6. The endorsements referred to in paragraphs 4 and 5 shall be entered in the Remarks box on the EUR. 1 certificate.

7. For the purpose of verifying whether the conditions stated in paragraph 2 have been met, the Andorran customs authorities shall have the right to call for any documentary evidence or to carry out any check which they consider appropriate.

Article 4

1. An EUR. 1 certificate shall be issued only on application having been made in writing by the exporter or, under the exporter's responsibility, by his authorized representative, on the form of which a specimen is given in Annex II to this Appendix; it shall be completed in accordance with this Appendix.

2. It shall be the responsibility of the Andorran customs authorities to ensure that the form referred to in paragraph 1 is duly completed. In particular, the Andorran customs authorities shall check whether the space reserved for the description of the goods has been completed in such a manner as to exclude all possibility of fraudulent additions. To this end, the description of the goods must be given without leaving any blank lines. Where the space is not completely filled a horizontal line must be drawn below the last line of the description, the empty space being crossed through.

3. Since the EUR. 1 certificate constitutes the documentary evidence for the application of the preferential tariff provided for by the Agreement, it shall be the responsibility of the Andorran customs authorities to take any steps necessary to verify the origin of the goods and to check the other statements on the EUR. 1 certificate.

4. When a certificate is issued in accordance with Article 3(4) of this Appendix, after the goods to which it relates have actually been exported, the exporter must in the application referred to in paragraph 1:

- Indicate the place and date of consignment of the goods to which the certificate relates,
- certify that no EUR. 1 certificate was issued at the time of exportation of the goods in question, and state the reasons.

Article 5

1. EUR. 1 certificates shall be made out on the form of which a specimen is given in Annex II. This form shall be printed in one or more of the languages in which the Agreement is drawn up. Certificates shall be made out in one of these languages and in accordance with the provisions of the domestic law of the Principality of Andorra; if they are handwritten they shall be completed in ink and in capital letters.

2. Each certificate shall measure 210 x 297 mm. A tolerance of up to plus 8 mm or minus 5 mm in the length may be allowed. The paper used must be white writing paper, sized, 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.

3. The Principality of Andorra may reserve the right to print the certificates itself or may have them printed by approved printers. In the latter case, each certificate must include a reference to such approval. Each certificate 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.

Article 6

1. An EUR. 1 certificate must be submitted, within four months of the date of issue, by the Andorran customs authorities to the customs authorities of the importing State where the goods are entered in accordance with the procedures laid down by that State.

2. An EUR. 1 certificate which is submitted to the customs authorities of the Importing State 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 the certificate by the final date set is due to reasons of *force majeure* or exceptional circumstances.

In other cases of belated presentation, the customs authorities of the importing State may accept the certificates where the goods have been submitted to them before the said final date.

3. The discovery of slight discrepancies between the statements made in the EUR. 1 certificate and those made in the documents submitted to the customs office for the purpose of carrying out the formalities for importing the goods shall not *ipso facto* render the certificate null and void if it is duly established that the certificate does correspond to the goods submitted.

Article 7

The declaration referred to in Article 2(1)(b) shall be drawn up by the exporter in the manner specified in Annex III to this Appendix, in one of the languages in which the Agreement is drawn up.

It shall be typed, or printed by means of a stamp and signed by hand. The exporter must retain a copy of the invoice bearing this declaration for at least two years.

Article 8

1. The exporter or his representative shall submit with his application for an EUR. 1 certificate any appropriate supporting document proving that the goods to be exported qualify for the issue of an EUR. 1 certificate.

He shall undertake to submit, at the request of the appropriate authorities, any supplementary evidence they may require for the purpose of establishing the correctness of the originating status of the goods eligible for

preferential treatment and shall undertake to agree to any inspection of his accounts and to any check on the processes of the obtaining of the above goods, carried out by the said authorities.

2. Exporters must keep for not less than two years the supporting documents referred to in paragraph 1.

3. The provisions of paragraphs 1 and 2 shall apply *mutatis mutandis* in the case of the use of the declaration referred to in Article 2(1)(b).

Article 9

1. Goods sent from the Principality of Andorra for exhibition in another country and sold after the exhibition for importation into the Community shall benefit on importation from the provisions of the Agreement on condition that the goods meet the requirements of this Appendix entitling them to be recognized as originating in Andorra and provided that it is shown to the satisfaction of the customs authorities that:

- (a) an exporter has consigned the goods from Andorra to the country in which the exhibition is held and has exhibited them there;
- (b) the goods have been sold or otherwise disposed of by that exporter to a consignee in the Community;
- (c) the goods have been consigned during the exhibition or immediately thereafter to the Community in the state in which they were sent for exhibition;
- (d) the goods have not, since they were consigned for exhibition, been used for any purpose other than demonstration at an exhibition.

2. An EUR. 1 certificate must be submitted to the customs authorities in the normal manner. The name and place of the exhibition must be indicated thereon. Where necessary, additional documentary evidence of the nature of the goods and the conditions under which they have been exhibited may be required.

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

Article 10

1. In order to ensure the proper application of this Title, Member States of the Community and Andorra shall assist each other, through their respective customs administrations, in checking the authenticity and accuracy of EUR. 1 certificates and the declarations by exporters made on invoices.

Representatives of the Commission of the European Communities may on request take part in this checking.

2. The Andorran customs authorities shall forward to the customs authorities of the Member States, via the Commission of the European Communities, specimen impressions of the stamps used in their offices for issuing EUR. 1 certificates.

3. Penalties shall be imposed on any person who, in order to enable goods to be accepted as eligible for preferential treatment, draws up, or causes to be drawn up, a document which contains incorrect particulars.

Article 11

1. Subsequent verification of EUR. 1 certificates and of exporters' declarations made on invoices shall be carried out at random or whenever the customs authorities of the importing State have reasonable doubt as to the authenticity of the document or the accuracy of the information regarding the true origin of the goods in question.

2. For the purposes of implementing the provisions of paragraph 1, the customs authorities of the importing State shall return the EUR. 1 certificate, and the invoice if it has been submitted, or the invoice

bearing the exporter's declaration or a copy of those documents, to the Andorran customs authorities, giving, where appropriate, the reasons of substance or form for an inquiry.

The customs authorities of the Importing State shall forward, in support of the request for subsequent verification, any documents and information that have been obtained suggesting that the particulars given on the EUR. 1 certificate or the invoice are inaccurate.

If the customs authorities of the Importing State decide to suspend the application of Article 11 pending the results of the verification, they shall offer to release the goods to the importer subject to any precautionary measures judged necessary.

3. The customs authorities of the Importing State shall be informed of the results of the verification as soon as possible. The results must be such as to make it possible to determine whether the documents which are referred to in paragraph 2, and which have been returned, apply to the goods actually exported and whether these goods can in fact qualify for the application of the preferential arrangements.

When such disputes cannot be settled between the customs authorities of the Importing State and the Andorran customs authorities, or when they raise a problem of interpretation of this Appendix, they shall be submitted to the Customs Committee.

For the purpose of subsequent verification of EUR. 1 certificates, the export documents or copies of EUR. 1 certificates provided in their place must be retained for at least two years by the Andorran customs authorities.

TITLE III

Final provisions

Article 12

The Community and Andorra shall each take the measures necessary for the implementation of this Appendix.

The Annexes to this Appendix shall form an integral part thereof.

EXPLANATORY NOTES

Note 1

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

Note 2

In order to determine the origin of products falling within Chapters 1 to 24 of the Combined Nomenclature, no account shall be taken of any packaging.

Note 3

Products which do not make up more than 10% by quantity of those referred to in Article 1 (a) to (e) of the Appendix shall be regarded as "playing a subsidiary part" in manufacture.

MOVEMENT CERTIFICATE

ANNEX II (1)

<p>1. Exporter (Name, full address, country)</p>	<p>EUR.1 No A 000.000</p> <p style="font-size: small;">See notes overleaf before completing this form</p>
<p>3. Consignee (Name, full address, country) (Optional)</p>	<p>2. Certificate used in preferential trade between</p> <p style="text-align: center;">.....</p> <p style="text-align: center;">and</p> <p style="text-align: center;">.....</p> <p style="font-size: x-small; text-align: center;">(insert appropriate countries, groups of countries or territories)</p>
<p>6. Transport details (Optional)</p>	<p>4. Country, group of countries or territory in which the products are considered as originating</p>
<p>7. Remarks</p>	<p>5. Country, group of countries or territory of destination</p>
<p>8. Item number; Makes and numbers; Number and kind of packages (''); Description of goods</p>	
<p>9. Gross weight (kg) or other measure (litres, m³, etc.)</p>	
<p>10. Invoices (Optional)</p>	

Goods are not tracked, indicate number of articles or state in bulk, see Annex I

11. CUSTOMS ENDORSEMENT

Declaration certified

Export document: (2)

Form No

Customs office

Issuing country or territory

Stamp

.....

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

13. REQUEST FOR VERIFICATION, to:	14. RESULT OF VERIFICATION,
<p>Verification of the authenticity and accuracy of this certificate is requested.</p> <p>..... (Place and date)</p> <p>Stamp</p> <p>..... (Signature)</p>	<p>Verification carried out shows that this certificate (*)</p> <p><input type="checkbox"/> was issued by the customs office 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>..... (Place and date)</p> <p>Stamp</p> <p>..... (Signature)</p> <p>(*) Insert X in the appropriate box.</p>

NOTES

1. Certificates 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 customs authorities of the issuing country or territory.
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 MOVEMENT CERTIFICATE

1. Exporter (Name, full address, country)	EUR.1 No A 000.000		
2. Consignee (Name, full address, country) (Optional)	See notes overleaf before completing this form		
	2. Application for a certificate to be used in preferential trade between <div style="text-align: center;">and</div> <small>(Insert appropriate countries, groups of countries or territories)</small>		
	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; Makes and numbers; Number and kind of packages ('); Description of goods	9. Gross weight (kg) or other measure (litres, m ³ , etc.)	10. Invoices (Optional)	

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 enabled these goods to meet the above conditions:

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

SUBMIT the following supporting documents¹:

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

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)

¹ For example, import documents, movement certificates, invoices, manufacturer's declarations, etc., referring to the products used in manufacture or to the goods re-exported in the same state.

Declaration provided for in Article 2 (1) (b)

I, the undersigned, exporter of the goods covered by this document, declare that, except where otherwise indicated,¹ the goods meet the conditions laid down for obtaining originating status in preferential trade with the Community and that the country of origin of the goods is Andorra.

.....
(place and date)

.....
(signature)

(The signature must be followed by the name of

the

script.)

signatory in clear

¹ When an invoice also includes products not originating in Andorra, the exporter must clearly indicate them.



COMMISSION
OF THE EUROPEAN
COMMUNITIES

DIRECTORATE-GENERAL
EXTERNAL RELATIONS

Brussels, 14 December 1989.

Mr Josep Pintat
Head of Government
Spokesman for the Delegation
of the Principality of Andorra
for the negotiations with the
European Community

Sir,

I have the honour to acknowledge your letter of 14 December 1989 containing the Andorran Delegation's statement concerning the collection and repayment of import duties. I am able to agree to the discussion of the matter at the first Joint Committee meeting.

Please accept, Sir, the assurance of my highest consideration.

J.J. Schwei
Head of Division
Head of the Delegation
of the European Economic Community
for the negotiations with the
Principality of Andorra

Andorra, 14 December 1989

Mr J.J. Schwed
Head of Division
Head of the Delegation
of the European Economic Community
for the negotiations with
the Principality of Andorra

Sir,

Following our negotiating meeting on 13 and 14 December, the Andorran delegation for the negotiations with the European Economic Community stated that the import duties collected on entry into free circulation operations at all the Community customs offices for goods being sent to Andorra were collected on behalf of Andorra and should be paid back to Andorra. It would like the Joint Committee to examine, at its first meeting, ways and means of fully applying this principle.

Please accept, Sir, the assurance of my highest consideration.

Mr Josep Pintat.
Head of Government
Spokesman of the Delegation
of the Principality of Andorra
for the negotiations with the
European Community

FICHE FINANCIERE

L'accord avec Andorre entraînera certaines pertes résultant de la franchise de droits à l'importation dans la Communauté dont bénéficieront les produits originaires d'Andorre. Cette perte sera en toute hypothèse minime, compte tenu de la modicité du courant d'importations en provenance d'Andorre (29 millions d'Ecus en 1988); et compte tenu du fait que d'ores et déjà la France, et, pour certains produits, l'Espagne, appliquent la franchise de droits à l'égard des importations d'Andorre. Cette perte pourrait se situer autour de 600.000 Ecus.

FICHE PETITES ET MOYENNES ENTREPRISES

Sur le plan industriel, l'institution d'une Union Douanière avec la Principauté d'Andorre sera sans effet vis-à-vis des Petites et Moyennes Entreprises communautaires en raison de l'inexistence d'une capacité de production andorrane, dont l'économie est essentiellement fondée sur le commerce touristique.

Sur le plan commercial les franchises accordées aux voyageurs ne modifient pas le statu quo ante qui existait de fait avant l'accord. La perception du TDC sur les importations des pays tiers, ainsi que la reprise de certains éléments de la politique commerciale commune constituent par ailleurs des protections contre d'éventuels détournements de trafic.