

ANNEX I

REFERRED TO IN ARTICLE 2.2

RULES OF ORIGIN AND CUSTOMS PROCEDURES

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RULES OF ORIGIN AND CUSTOMS PROCEDURES

TABLE OF CONTENTS:

SECTION I RULES OF ORIGIN

TITLE I GENERAL PROVISIONS

- Article 1 Definitions

TITLE II REQUIREMENTS FOR "ORIGINATING PRODUCTS"

- Article 2 Origin Criteria
- Article 3 Cumulation of Origin
- Article 4 Wholly Obtained Products
- Article 5 Sufficiently Worked or Processed Products
- Article 6 Insufficient Working or Processing Operations
- Article 7 Unit of Qualification
- Article 8 Accessories, Spare Parts and Tools
- Article 9 Sets
- Article 10 Neutral Elements
- Article 11 Segregation of Materials

TITLE III TERRITORIAL REQUIREMENTS

- Article 12 Principle of Territoriality
- Article 13 Exemptions from the Principle of Territoriality
- Article 14 Direct Transport

SECTION II CUSTOMS PROCEDURES

TITLE IV PROOF OF ORIGIN

- Article 15 Origin Declaration
- Article 16 Approved Exporter
- Article 17 Importation Requirements
- Article 18 Importation by Instalments
- Article 19 Waiver of Origin Declaration
- Article 20 Supporting Documents
- Article 21 Record-Keeping Requirements
- Article 22 Discrepancies and Formal Errors

TITLE V ARRANGEMENTS FOR ADMINISTRATIVE CO-OPERATION

- Article 23 Notifications
- Article 24 Verification of Origin Declarations
- Article 25 Dispute Settlement
- Article 26 Confidentiality
- Article 27 Penalties
- Article 28 Denial of Preferential Tariff Treatment
- Article 29 Free Zones

TITLE VI CUSTOMS CO-OPERATION

- Article 30 Customs co-operation
- Article 31 Customs contact points

TITLE VII FINAL PROVISIONS

- Article 32 Sub-Committee on Customs and Origin Matters
 - Article 33 Explanatory Notes
 - Article 34 Goods in Transit or Storage
-

LIST OF APPENDICES

Appendix 1	Introductory Notes to the list in Appendix 2
Appendix 2	List of working or processing required to be carried out on non-originating materials in order that the product manufactured can obtain originating status
Appendix 3	Text of the Origin Declaration
Appendix 4	Exemptions from the Principle of Territoriality

SECTION I RULES OF ORIGIN

TITLE I

GENERAL PROVISIONS

Article 1

Definitions

For the purposes of this Annex:

- (a) “chapters”, “headings” and “sub-headings” mean the chapters, the headings (four-digit codes) and sub-headings (six-digit codes) used in the nomenclature of the HS;
- (b) “classified” refers to the classification of a product or material under a particular chapter, heading and sub-heading;
- (c) “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;
- (d) “customs value” means the calculated value determined in accordance with the Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade 1994 (WTO Agreement on Customs Valuation);
- (e) “ex-works price” means the price paid or payable for the product ex-works to the manufacturer in a Party 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 returned or repaid when the product obtained is exported;
- (f) “goods” means materials, products, or articles;
- (g) “the HS” means the Harmonized Commodity Description and Coding System in force on the date of signature of this Agreement, including its general rules and legal notes;
- (h) “manufacture” means any kind of working or processing, including assembly or specific operations;
- (i) “material” means any ingredient, raw material, component or part, etc., used in the manufacture of a product;

- (j) “non-originating materials” means materials which do not qualify as originating under this Annex;
- (k) “Party” means Iceland, Korea, Norway and Switzerland. Due to the customs union between Switzerland and Liechtenstein, products originating in Liechtenstein are considered to be originating in Switzerland;
- (l) “product” means the product being manufactured, even if it is intended for later use as a material in another manufacturing operation;
- (m) “territories” includes territorial sea;
- (n) “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 a Party;
- (o) “value of originating materials” means the value of originating materials in accordance with the definition of sub-paragraph (n) applied *mutatis mutandis*;
- (p) “exporter” means a person located in the territory of a Party from where a good is exported by such a person;
- (q) “importer” means a person located in the territory of a Party where a good is imported by such a person; and
- (r) “producer” means a person that grows, mines, harvests, fishes, traps, hunts, manufactures, processes or assembles goods.

TITLE II

REQUIREMENTS FOR “ORIGINATING PRODUCTS”

Article 2

Origin Criteria

For the purpose of this Agreement, the following products shall be considered to be originating in a Party:

- (a) products wholly obtained in a Party within the meaning of Article 4;

- (b) products obtained in a Party incorporating materials which have not been wholly obtained there, provided that such materials have undergone sufficient working or processing in the Party concerned within the meaning of Article 5; or
- (c) products obtained in a Party exclusively from materials that qualify as originating pursuant to this Annex.

Article 3

Cumulation of Origin

1. Notwithstanding Article 2, materials originating in another Party within the meaning of this Annex shall be considered to be materials originating in the Party concerned, provided that they have undergone working or processing going beyond that referred to in Article 6.
2. Products originating in another Party within the meaning of this Annex, which are exported from one Party to another, shall retain their origin when exported in the same state or without having undergone in the exporting Party working or processing going beyond that referred to in Article 6.
3. For the purpose of paragraph 2, where materials originating in two or more of the Parties are used and those materials have undergone working or processing in the exporting Party not going beyond that referred to in Article 6, the origin is determined by the material with the highest customs value or, if this is not known and cannot be ascertained, with the highest first ascertainable price paid for that material in that Party.

Article 4

Wholly Obtained Products

For the purposes of Article 2(a), the following shall be considered to be wholly obtained in a Party:

- (a) mineral products extracted from their soil or from their seabed;
- (b) vegetable products grown harvested or gathered there;
- (c) live animals born and raised there;
- (d) products from live animals born and raised there;
- (e) products obtained by hunting, trapping or fishing conducted there;

- (f) products of sea fishing and other products taken from the sea outside the territorial sea of a country by a vessel flying the flag of a Party;
- (g) products manufactured on board a factory ship flying the flag of a Party, exclusively from products referred to in sub-paragraph (f);
- (h) articles collected there which can no longer perform their original purpose nor are capable of being restored or repaired and are fit only for disposal or recovery of parts or raw materials;
- (i) waste and scrap resulting from consumption or manufacturing operations conducted there, fit only for disposal or recovery of raw materials;
- (j) products extracted from the seabed or beneath the seabed outside their territorial sea, provided that they have sole rights to exploit such seabed; or
- (k) products manufactured there exclusively from products specified in sub-paragraphs (a) to (j).

Article 5

Sufficiently Worked or Processed Products

1. For the purposes of Article 2(b), products which are not wholly obtained are considered to be sufficiently worked or processed when the conditions set out in Appendix 2 are fulfilled. The conditions referred to above indicate the working or processing which shall be carried out on non-originating materials used in manufacturing and apply only in relation to such materials. Accordingly, it follows that if a product which has acquired originating status, regardless of whether this product has been manufactured in the same factory or in another factory in a Party, by fulfilling the conditions set out in Appendix 2, is used as material in the manufacture of another product, the conditions applicable to such other product do not apply to the product that is used as material, and therefore no account shall be taken of any non-originating materials incorporated into such a product used as a material in the manufacture of another product.

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

- (a) for products except for those falling within Chapters 50 to 63 of the HS, their total value does not exceed 10 per cent of the ex-works price of the product; and

- (b) for products falling within Chapters 50 to 63 of the HS, their total weight of basic textile material used does not exceed 10 per cent of the total weight of all the basic textile materials used; and
 - (c) any of the percentages given in Appendix 2 for the maximum value of non-originating materials are not exceeded through the application of this paragraph.
3. Paragraph 2 shall not apply to a non-originating material used in the production of a good provided for in Chapters 1 through 24 of the HS unless the non-originating materials is provided for in a different subheading from that of the good for which the origin is being determined under this Article.
4. For the purposes of fulfilling the conditions set out in Appendix 2, the processes may be carried out by one or more producers within one Party. Supporting documents proving the working or processing shall be maintained by the exporter or the producer of the final product.
5. Paragraphs 1 to 4 shall apply except as provided for in Article 6.

Article 6

Insufficient Working or Processing Operations

1. Without prejudice to paragraph 2, the following operations shall be considered to be insufficient working or processing to confer the status of originating products, whether or not the requirements of Article 5 are satisfied:
- (a) preserving operations to ensure that the products remain in good condition during transport and storage;
 - (b) changes of packaging, 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) simple¹ 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;

¹ “simple” generally describes activities which need neither special skills nor machines, apparatus or equipment especially produced or installed for carrying out the activity.

- (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) simple² 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 mixing³ of products, whether or not of different kinds;
- (n) simple⁴ assembly of parts of articles to constitute a complete article or disassembly of products into parts;
- (o) simple⁵ testing or calibrations;
- (p) slaughter of animals; or
- (q) a combination of two or more operations specified in sub-paragraphs (a) to (p).

2. All operations carried out in a Party 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 7

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 HS.

² See footnote 1.

³ “simple mixing” generally describes activities which need neither special skills nor machines, apparatus or equipment especially produced or installed for carrying out the activity. However, simple mixing does not include chemical reaction. Chemical reaction means a process (including a biochemical process) which results in a molecule with a new structure by breaking intramolecular bonds and by forming new intramolecular bonds, or by altering the spatial arrangement of atoms in a molecule.

⁴ See footnote 1.

⁵ See footnote 1.

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

Article 8

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 9

Sets

Notwithstanding the rules set out in Appendix 2, sets, as defined in General Rule 3 of the HS, shall be regarded as originating when all component products are originating. However, 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 10

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, including goods to be used for their maintenance;
- (c) machines, tools, dies and moulds; and
- (d) any other goods which do not enter into and which are not intended to enter into the final composition of the product.

Article 11

Segregation of Materials

1. Where identical and interchangeable originating and non-originating materials are used in the manufacture of a product, those materials shall be physically segregated, according to their origin, during storage. “Identical and interchangeable materials” means materials being of the same kind and commercial quality, possessing the same technical and physical characteristics, and which once they are incorporated into the finished product cannot be distinguished from one another for origin purposes.
2. A producer facing considerable costs or material difficulties in keeping separate stocks of identical and interchangeable originating and non-originating materials used in the manufacture of a product, may use the so-called “accounting segregation” method for managing stocks.
3. The accounting method shall be recorded, applied and maintained in accordance with generally accepted accounting principles applicable in the Party in which the product is manufactured. The method chosen must:
 - (a) permit a clear distinction to be made between originating and non-originating materials acquired and/or kept in stock; and
 - (b) guarantee that no more products receive originating status than would be the case if the materials had been physically segregated.
4. The producer using this facilitation shall assume full responsibility that origin declarations are completed for the quantity of products considered as originating and for keeping all documentary evidence of origin of the materials. At the request of the customs authorities, the producer shall provide satisfactory information on how the stocks have been managed.
5. A Party may require that the application of the method for managing stocks as provided for in this Article is subject to prior authorization by customs authorities.

TITLE III

TERRITORIAL REQUIREMENTS

Article 12

Principle of Territoriality

1. Except as provided for in Articles 3 and 13, the conditions for acquiring originating status set out in Title II must be fulfilled without interruption in a Party.
2. Except as provided for in Article 3, an originating product exported from a Party to a non-Party shall when returned be considered to be non-originating unless it can be demonstrated to the satisfaction of the customs authorities in accordance with laws and regulations of the importing Party concerned that:
 - (a) the returning product is the same as that exported; and
 - (b) the returning product has not undergone any operation beyond that necessary to preserve it in good condition while being exported.

Article 13

Exemption from the Principle of Territoriality

Notwithstanding the provisions of Article 12, the acquisition of originating status in accordance with the conditions set out in Title II shall not be affected by working or processing carried out outside the territory of a Party on materials exported from the Party concerned and subsequently re-imported there, provided that the conditions set out in Appendix 4 are fulfilled.

Article 14

Direct Transport

1. The preferential treatment provided for under this Agreement applies only to products, satisfying the requirements of this Annex, which are transported directly between an EFTA State and Korea. However, products may be transported through territories of non-parties, provided that they do not undergo operations other than unloading, reloading, splitting-up of consignments or any operation designed to preserve them in good condition. During this period the products shall remain under customs control in the country of transit.

2. The importer shall upon request supply the appropriate evidence that the conditions set out in paragraph 1 have been fulfilled, to the customs authority in accordance with the laws and regulations of the importing Party.

3. For the purpose of application of paragraph 1, originating products may be transported by pipeline across territories other than that of an EFTA State or Korea.

SECTION II CUSTOMS PROCEDURES

TITLE IV

PROOF OF ORIGIN

Article 15

Origin Declaration

1. For the purposes of obtaining preferential tariff treatment in the importing Party, a proof of origin in the form of an origin declaration as set out in Appendix 3 shall be completed by an exporter of a Party for products which can be considered to be products originating in an EFTA State or in Korea and which fulfil the other requirements of this Annex.
2. The origin declaration may be provided on an invoice or any other commercial document identifying the exporter, his address and telephone number, which describes the products concerned in sufficient detail to enable them to be identified.
3. An origin declaration shall be completed in English, in a legible and permanent form and, except as provided in Article 16, bear the original signature of the exporter.
4. An origin declaration may be completed by the exporter or the producer when the products to which it relates are exported, or after exportation.
5. When completing an origin declaration, an exporter that relies on documents and information from a producer shall take steps in accordance with domestic laws and regulations of the exporting Party to ensure that the documents and information are accurate.
6. An exporter that has completed an origin declaration and that becomes aware that the origin declaration contains incorrect information shall immediately notify the importer in writing with a copy to the exporting customs authority of any change affecting the originating status of each product to which the origin declaration is applicable. Penalties, if any, shall be made in accordance with laws and regulations of the exporting Party.
7. An exporter that has completed an origin declaration shall, on request of the customs authority of the exporting Party, provide to the authority concerned a copy of the origin declaration, and of all documents supporting the originating status of each product to which the origin declaration is applicable. For this purpose, the said customs authorities shall have the right to carry out inspections of the exporters or the producer's accounts or any other controls considered appropriate.

8. For the purposes of this Article, the term “exporter” does not include a forwarding agent, customs broker or the like, unless such a company, in accordance with national laws and regulations has been authorized in writing by the owner of the product to complete the origin declaration.

Article 16

Approved Exporter

1. Where a Party has established an approved exporter programme, the customs authority of that Party may authorize an exporter of that Party that makes frequent shipments of originating products under this Agreement to complete an origin declaration without signature, on condition that he gives the customs authority of the exporting Party a written undertaking that he accepts full responsibility for any origin declaration which identifies him as if it had been signed in manuscript by him.

2. The customs authority of the exporting Party shall provide to the approved exporter referred to in paragraph 1, a customs authorization number or other form of identification as may be agreed by the customs authorities of the Parties for use on the origin declaration instead of the signature of the exporter.

3. The customs authority of the exporting Party may verify the proper use of an authorization as referred to in paragraph 1 and may at any time withdraw the authorization if the exporter no longer meets the conditions or otherwise makes improper use of the authorization.

Article 17

Importation Requirements

1. Each Party shall grant preferential tariff treatment in accordance with this Agreement to originating products imported from another Party, within the meaning of Article 15. The importing customs authority may require the import declaration to be accompanied by a statement from the importer to the effect that the products meet the conditions of this Annex.

2. In order to obtain preferential tariff treatment, the importer shall, in accordance with the procedures applicable in the importing Party, request preferential tariff treatment at the time of importation of an originating product, whether or not he has an origin declaration. In the case that the importer at the time of importation does not have in his possession an origin declaration, the importer of the product may, in accordance with the law and regulations of the importing Party, present origin declaration or other documentary evidence of origin and if required such other documentation relating to the importation of the product, at a later stage.

3. Notwithstanding paragraph 1, originating products within the meaning of this Annex shall, in the cases specified in Article 19, on importation benefit from the preferential tariff treatment under this Agreement without it being necessary to submit a document as referred to in paragraph 1.

4. An origin declaration shall be valid for 12 months from the date of issue in the exporting Party.

5. An origin declaration which is submitted to the customs authority of the importing Party after the final date for presentation specified in paragraph 4 may be accepted for the purpose of applying for preferential tariff treatment where the failure to submit such a document by the final date set is due to exceptional circumstances.

6. The importing Party shall grant preferential tariff treatment to goods, in cases where the importer does not have the origin declaration at the time of importation, provided that:

- (a) the importer had, at the time of importation, indicated to the customs authority of the importing Party his intention to claim preferential tariff treatment; and
- (b) the origin declaration is submitted to the customs authority of the importing country within the time-limit in accordance with the domestic law and regulation in the importing Party.

7. An origin declaration shall be submitted to the customs authority of the importing Party in accordance with the procedures applicable in that Party.

8. Notwithstanding paragraph 1, the granting of preferential tariff treatment may be suspended for a time period not exceeding one month in the case where an importer claiming preferential tariff treatment, on the request of the importing Party's customs authority fails to present an origin declaration or such other documents related to the origin declaration, in accordance with its national law and regulation.

Article 18

Importation by Instalments

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

Article 19

Waiver of Origin Declaration

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 an origin declaration, 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 a postal customs declaration or on a sheet of paper annexed to that document.

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

3. For the purposes of paragraph 1, in case of small packages sent from private persons to private persons the total value of these products shall not exceed the following amounts:

- (a) 500 euro for importation in an EFTA State; or
- (b) 1000 US dollar (USD) for importation in Korea.

4. For the purposes of paragraph 1, in case of products forming part of travellers' personal luggage the total value of these products shall not exceed the following amounts:

- (a) 1200 euro for importation in an EFTA State; or
- (b) 1000 US dollar (USD) for importation in Korea.

5. Where the value of the products is invoiced or declared in a currency other than those mentioned in paragraphs 3 and 4 the amount equivalent to the amount expressed in the national currency of the importing Party shall be applied.

Article 20

Supporting Documents

The documents referred to in paragraph 7 of Article 15 used for the purpose of proving that products covered by an origin declaration can be considered as products originating in an EFTA State or in Korea and fulfil the other requirements of this Annex may consist of *inter alia* the following:

- (a) direct evidence of the processes carried out by the exporter or supplier to obtain the goods concerned, contained for example in his accounts or internal bookkeeping;
- (b) documents proving the originating status of materials used, issued or made out in a Party where these documents are used, as provided for in their domestic law;
- (c) documents proving the working or processing of materials in a Party, issued or made out in a Party where these documents are used, as provided for in their domestic law;
- (d) origin declarations proving the originating status of materials used, completed in a Party; or
- (e) appropriate evidence concerning working or processing undergone outside the territories of the Parties by application of Article 13, proving that the requirements of that Article have been satisfied.

Article 21

Record-Keeping Requirements

1. The exporter or the producer making out an origin declaration shall keep for a maximum of five years a copy of the origin declaration in question as well as the documents referred to in paragraph 7 of Article 15.
2. The importer shall keep all records related to the importation in accordance with national laws and regulation.
3. The records to be kept in accordance with paragraph 1 and 2 shall include electronic records.

Article 22

Discrepancies and Formal Errors

1. The discovery of slight discrepancies between the statements made in the origin declaration 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 origin declaration null and void if it is duly established that such document does correspond to the products submitted.

2. Obvious formal errors such as typing errors in an origin declaration 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.

TITLE V

ARRANGEMENTS FOR ADMINISTRATIVE CO-OPERATION

Article 23

Notifications

The customs authorities of the Parties shall provide each other, through the EFTA Secretariat, with the addresses of the customs authorities of the Parties responsible for verifying origin declarations.

Article 24

Verification of Origin Declarations

1. In order to ensure the proper application of this Annex, the Parties shall assist each other, through the respective customs authorities of the Parties, to verify the authenticity of the origin declarations and the correctness of the information given in these documents.
2. Subsequent verifications of origin declarations shall be carried out whenever the customs authority of the importing Party wants to verify the authenticity of such documents, the originating status of the products concerned or the fulfilment of the other requirements of this Annex.
3. For the purposes of implementing the provisions of paragraph 1, the customs authority of the importing Party shall return the origin declaration, or a copy of this document, to the customs authority of the exporting Party, as the case may be, giving the reasons for the inquiry. Any documents and information obtained suggesting that the information given on the origin declaration is incorrect shall be forwarded in support of the request for verification.
4. The verification shall be carried out by the customs authority of the exporting Party. For this purpose, they shall have the right to request any evidence and to carry out any inspection of the exporter's accounts or any other control considered appropriate.

5. The customs authority of the importing Party may decide to suspend the granting of preferential tariff treatment to the products covered by the origin declaration concerned while awaiting the results of the verification. The release of the products shall be offered to the importer subject to any precautionary measures judged necessary.

6. The customs authority requesting the verification shall be informed of the results of this verification including findings and facts, and any supporting documents made available by the exporter, as soon as possible. These results shall indicate clearly whether the documents are authentic and whether the products concerned can be considered as products originating in an EFTA State or in Korea and fulfil the other requirements of this Annex.

7. If there is no reply within ten months of the date of the verification request or if the reply does not contain sufficient information to be able to determine the authenticity of the document in question or the origin of the products, the requesting customs authorities shall be entitled, save in exceptional circumstances, to refuse to grant preferential tariff treatment.

8. Subject to any conditions set out by the customs authority of the exporting Party, the customs officials of the importing Party may be present as an observer during the course of an origin verification conducted by the customs authority of the exporting Party.

9. In the fourth year from the entry into force of this Agreement, the Joint Committee shall, if deemed necessary by the Parties, examine and revise the provisions of this Article.

Article 25

Dispute Settlement

Disputes between the Parties arising in relation to the verification procedures pursuant to Article 24, which cannot be settled between the customs authorities of the Parties, or which raise a question as to the interpretation of this Annex, shall be referred to the Sub-Committee on Customs and Origin Matters stipulated in Article 32. The Sub-Committee shall present a report to the Joint Committee containing its conclusions.

Article 26

Confidentiality

1. All information which is by nature confidential or which is provided on a confidential basis shall be covered by the obligation of professional secrecy, in accordance with the respective laws of each Party. It shall not be disclosed by the

Parties' authorities without the express permission of the person or authority providing it.

2. If a Party considers that the other Party has not maintained confidentiality of information as required under this Article, it may make a written request to the other Party for consultations. The Parties shall consult within 30 days after the request is delivered with a view to agreeing on appropriate steps to ensure compliance with this Article.

Article 27

Penalties

Each Party shall provide for penalties to 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 preferential tariff treatment and who fails to comply with any obligation under this Annex.

Article 28

Denial of Preferential Tariff Treatment

Except as otherwise provided in this Annex, the importing Party may deny claim for preferential tariff treatment or recover unpaid duties in accordance with its laws and regulations, where the product does not meet the requirements of this Annex, or where the importer, exporter or producer fails to comply with any of the relevant requirements of this Annex.

Article 29

Free Zones

1. An exporter in a Party shall ensure that products traded under cover of an origin declaration which in the course of transport use a free zone located in a Party, are not substituted by other goods and do not undergo handling other than normal operations designed to prevent their deterioration.

2. Notwithstanding paragraph 1, when products originating in an EFTA State or in Korea are imported into a free zone inside the territory of a Party under cover of an origin declaration and undergo working or processing, the exporter concerned may complete a new origin declaration if the working or processing undergone is in conformity with the provisions of this Annex.

TITLE VI

CUSTOMS CO-OPERATION

Article 30

Customs Co-Operation

The Customs authorities of the Parties may co-operate in the harmonisation and simplification of the customs procedures, sharing of best practises and information on customs control and verification techniques, exchange of expertise in customs matters and exchange of customs officers, as well as developing joint training programmes for customs officers in customs related issues.

Article 31

Customs Contact Points

1. The Parties shall exchange lists of designated contact points for all matters relating to this Annex.
2. The contact points shall endeavour to resolve any matter raised under this Annex through consultations. If the matter cannot be resolved through the contact points, the matter shall be referred to the Sub-Committee on Customs and Origin Matters as set out in this Annex. The Sub-Committee shall present a report to the Joint Committee containing its conclusions.

TITLE VII

FINAL PROVISIONS

Article 32

Sub-Committee on Customs and Origin Matters

1. A Sub-Committee of the Joint Committee on Customs and Origin Matters is hereby established.
2. The functions of the Sub-Committee shall be to exchange information and review the rules of origin in light of changed circumstances, such as technological advances, changes in market conditions or other international developments.

Furthermore, the Sub-Committee shall prepare and co-ordinate positions, prepare amendments to the rules of origin and assist the Joint Committee regarding:

- (a) general rules of origin and customs procedures as set out in this Annex;
 - (b) product-specific rules of origin set out in Appendices 2 and 4 ; and
 - (c) other matters referred to the Sub-Committee by the Joint Committee.
3. The Sub-Committee shall endeavour to resolve as soon as possible any dispute arising in relation to the verification procedures, as referred to in Article 25.
4. The Sub-Committee shall report to the Joint Committee. The Sub-Committee may make recommendations to the Joint Committee on matters related to its functions.
5. The Sub-Committee shall act by consensus. The Sub-Committee shall be chaired alternatively by a representative of a Party for an agreed period of time. The chairperson shall be elected at the first meeting of the Sub-Committee.
6. The Sub-Committee shall meet as often as required. It may be convened by the Joint Committee, by the chairperson of the Sub-Committee on his/her own initiative or upon request of any Party. The venue shall alternate between Korea and an EFTA State.
7. A provisional agenda for each meeting shall be prepared by the chairperson in consultation with all Parties, and forwarded to the Parties, as a general rule, not later than two weeks before the meeting.

Article 33

Explanatory Notes

1. The Parties shall agree on “Explanatory Notes” regarding the interpretation, application and administration of this Annex within the Sub-Committee on Customs and Origin Matters.
2. The Parties shall implement simultaneously the agreed Explanatory Notes in accordance with their respective internal procedures.

Article 34

Goods in Transit or Storage

The provisions of this Agreement may be applied to goods which comply with the provisions of this Annex and which on the date of entry into force of this Agreement

are either in transit or are in a Party or, in temporary storage in bonded warehouse under customs control or in free zones, subject to the submission to the customs authority of the importing Party, within four months of that date, of an origin declaration completed retrospectively by the exporter concerned after the entry into the force of this Agreement together with the documents showing that the goods have been transported directly.
