

TRADE IN GOODS/MARKET ACCESS CHAPTER:

Article X - SPECIFIC MEASURES CONCERNING THE MANAGEMENT OF PREFERENTIAL TREATMENT

1. The Parties agree to co-operate in combating customs violations related to the preferential treatment granted under this Title.
2. For the purposes of paragraph 1, the Parties shall offer each other administrative cooperation and mutual administrative assistance in customs and related matters as part of the implementation and the control of the preferential treatment, which shall include, inter alia, the following obligations:
 - (a) to verify the originating status of the product(s) concerned;
 - (b) to carry out the subsequent verification of the proof of origin and communicate the results of that verification to the other Party;
 - (c) to grant authorisation to the requesting Party to conduct enquiry visits in order to determine the authenticity of documents or accuracy of information relevant to the granting of the preferential treatment in question.
3. Where in accordance with provisions on administrative co-operation or mutual administrative assistance in customs matters referred to in paragraph 2 it was established that a proof of origin was unduly issued in the meaning of the Protocol on Rules of Origin to this agreement, the importing Party will deny a preferential tariff treatment to a declarant who claimed it with regard to goods for which the proof of origin was issued in the exporting party.
4. If the denial of preferences for individual consignment as referred to in paragraph 3 is considered insufficient to implement and control the preferential treatment of a given product, any Party may, in accordance with the procedure laid down in paragraph 5, temporarily suspend the relevant preferential treatment of the product(s) concerned in either of the following cases:
 - (a) where a Party has made a finding of a systematic customs violation regarding claims of preferential tariff treatment under this Agreement; or
 - (b) where a Party has made a finding that the other Party has systematically failed to comply with the obligations under paragraph 2.
5. The Party which has made a finding referred to in paragraph 4 shall without undue delay notify the competent authority of the other Party and provide compelling and verifiable information upon which the finding was based and engage in consultations with the competent authority of the other Party with a view to achieving a mutually acceptable solution.
6. If the competent authorities have not achieved a mutually acceptable solution after thirty days following the notification the Party that has made the finding shall without undue delay refer it to the Trade Committee.
7. If the Trade Committee has failed to agree on an acceptable solution within sixty days following the referral, the Party which has made the finding may temporarily suspend the preferential tariff treatment for the product(s) concerned.

The temporary suspensions of preferential tariff treatment under this Article shall apply only for a period necessary to protect the financial interests of the Party concerned and may be applied until the exporting Party provides convincing

evidence of the ability to comply with the requirements and to provide sufficient control of the fulfilment of all the requirements referred to in paragraph 2 and no longer than three months. Where the conditions that gave rise to the initial suspension persist after the expiry of the three month period, the Party concerned may decide to renew the suspension for next three months. The pending suspensions shall be subject to periodic consultations within the Trade Committee.

8. Each Party shall publish, in accordance with its internal procedures, notices to importers about any notifications and decisions concerning temporary suspensions referred to in paragraph 4 and will without undue delay notify the other Party and the Trade Committee.