

**ANNEX III**  
**DEFINITION OF THE CONCEPT OF ORIGINATING PRODUCTS AND**  
**METHODS OF ADMINISTRATIVE COOPERATION**

(Referred to in Article 11 (Rules of Origin) of this Agreement)

**SECTION I: GENERAL PROVISIONS**

**Article 1: Definitions**

For the purposes of this Annex:

(a) "aquaculture" means the farming of aquatic organisms, including fish, molluscs, crustaceans, other aquatic invertebrates and aquatic plants, from seedstock such as eggs, fry, fingerlings and larvae, by intervention in the rearing or growth processes to enhance production, such as regular stocking, feeding, protection from predators, etc.;

(b) "chapters", "headings" and "sub-headings" mean the chapters, the headings and the sub-headings of two, four and six digit codes, respectively, used in the nomenclature which makes up the Harmonized Commodity Description and Coding System, referred to in this Annex as "the Harmonized System" or "HS";

(c) "classified" refers to the classification of a product or material under a particular heading;

(d) "competent authorities" refers to the following governmental bodies:

- (i) with respect to Venezuela, the *Ministry of the peoples power with competence in foreign trade*, or its successor;
- (ii) with respect to Turkey, *Ministry of Customs and Trade*, or its successor;

(e) "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;

(f) "customs value" means the value as determined in accordance with the Customs Valuation Agreement;

(g) "ex-works price" means the price paid for the product ex works to the manufacturer in Venezuela or Turkey in whose undertaking the last working or processing is carried out, provided the price includes the value of all the materials used, minus any internal taxes which are, or may be, repaid when the product obtained is exported;

(h) "fungible materials" means materials that are of the same kind and commercial quality, with the same technical and physical characteristics, and which cannot be distinguished from one another once they are incorporated into the finished product;

(i) "goods" means both materials and products;

(j) "manufacture" means any kind of working or processing, including assembly or specific operations;

(k) "material" means any ingredient, raw material, component or part, used in the manufacture of a product;

(l) "product" means the product being manufactured, even if it is intended for later use in another manufacturing operation;

(m) "raw material" means a basic substance in its natural, modified or semi-processed state, used as an input to a production process for subsequent modification or transformation into a finished product;

(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 Turkey or in Venezuela;

(o) "value of the non-originating 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 non-originating materials in Venezuela or in Turkey; and

(p) "value of originating materials" means the value of such materials as defined in subparagraph (n) applied *mutatis mutandis*.

## **SECTION II: DEFINITION OF THE CONCEPT OF "ORIGINATING PRODUCTS"**

### **Article 2: General Requirements**

1. For the purposes of implementing this Agreement, the following products shall be considered as originating in Venezuela:

- (a) products wholly obtained in Venezuela within the meaning of Article 4 (Wholly Obtained Products); and
- (b) products obtained in Venezuela incorporating materials which have not been wholly obtained there, provided that such materials have undergone sufficient working or processing in Venezuela within the meaning of Article 5 (Sufficiently Worked or Processed Products).

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

- (a) products wholly obtained in Turkey within the meaning of Article 4 (Wholly Obtained Products); and
- (b) products obtained in Turkey incorporating materials which have not been wholly obtained there, provided that such materials have undergone sufficient working or processing in Turkey within the meaning of Article 5 (Sufficiently Worked or Processed Products);

3. Notwithstanding paragraphs 1 and 2, products shall be considered as originating only when the products are new and unused. For greater certainty, new and unused refers to those which have not been used. The natural wear of the good caused during transport and temporary storage in customs warehouses and in other areas under the customs supervision shall not be considered as proof of use.

4. Products originating in Venezuela or in Turkey have to satisfy all other applicable requirements under this Annex.

#### **Article 3: Cumulation of Origin**

1. Materials originating in Venezuela shall be considered as materials originating in Turkey when incorporated into a product obtained there. It shall not be necessary that such materials have undergone sufficient working or processing in Turkey, provided that they have undergone working or processing going beyond that referred to in Article 6 (Insufficient Working or Processing Operations).

2. Materials originating in Turkey shall be considered as materials originating in Venezuela when incorporated into a product obtained there. It shall not be necessary that such materials have undergone sufficient working or processing in Venezuela, provided that they have undergone working or processing going beyond that referred to in Article 6 (Insufficient Working or Processing Operations).

#### **Article 4: Wholly Obtained Products**

1. The following products shall be considered as wholly obtained in Venezuela or in Turkey:

- (a) mineral products extracted from their soil, subsoil or from their seabed;
- (b) fruit and vegetable products growing collected or harvested there;
- (c) live animals born and raised there;
- (d) products obtained from live animals raised there;
- (e) (i) products obtained by hunting or fishing conducted there;

- (ii) products of aquaculture, including mariculture, where the fish, crustaceans, molluscs and other aquatic invertebrates are born or raised there;
- (f) products of sea fishing and other products taken from the sea outside the territorial waters of Turkey or of Venezuela by their vessels;
- (g) products made aboard their factory ships exclusively from products referred to in subparagraph (f);
- (h) raw materials recovered from used goods collected there;
- (i) waste and scrap resulting from manufacturing operations conducted there, provided that such waste and scrap are fit only for recovery of raw materials;
- (j) products extracted from marine soil or subsoil outside the territory of Turkey or of Venezuela, provided that they have rights to work that soil or subsoil; and
- (k) goods produced there exclusively from the products specified in subparagraphs (a) to (j).

2. The terms 'their vessels' and 'their factory ships' shall apply only to vessels and factory ships which:

- (a) are registered in Turkey or in Venezuela;
- (b) sail under the flag of Turkey or of Venezuela; and
- (c) meet the following conditions:
  - (i) they are at least 50 percent owned by nationals of Turkey or of Venezuela; or
  - (ii) they are owned by juridical persons:
    - (A) which have their head office and their main place of business in Turkey or in Venezuela; and
    - (B) which are at least 50 percent owned by nationals or public entities of Turkey or of Venezuela.

#### **Article 5: Sufficiently Worked or Processed Products**

1. For the purposes of Article 2 (General Requirements), products which are not wholly obtained are considered to be sufficiently worked or processed when the conditions set out in the list in Appendix 2 (hereinafter referred to as "the list") are fulfilled.

2. The conditions referred to in paragraph 1 indicate, for all products covered by this Agreement, the working or processing which must be carried out on non-originating materials used in manufacturing those products, and apply only in relation to such materials. It follows that if a product which has acquired originating status by fulfilling the conditions set out in the list is used in the manufacture of another product, the conditions applicable to the product in which it is incorporated do not apply to it, and no account shall be taken of the non-originating materials which may have been used in its manufacture.

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

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

4. Paragraphs 1, 2 and 3 shall apply subject to the provisions of Article 6 (Insufficient Working or Processing Operations).

#### **Article 6: Insufficient Working or Processing Operations<sup>1</sup>**

1. Without prejudice to paragraph 2, the following operations shall be considered as insufficient working or processing to confer the status of originating product, whether or not the requirements of Article 5 (Sufficiently Worked or Processed Products) are satisfied:

- (a) preserving operations to ensure that the products remain in good condition during transport and storage;
- (b) breaking-up and assembly of packages;
- (c) washing, cleaning, removal of dust, oxide, oil, paint or other coverings;
- (d) ironing or pressing of textiles;
- (e) simple painting and polishing operations;
- (f) husking, partial or total bleaching, polishing, and glazing of cereals and rice;
- (g) operations to colour or flavour sugar or form sugar lumps; partial or total milling of crystal sugar;
- (h) peeling, stoning and shelling of fruits, nuts and vegetables;

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<sup>1</sup> For the purposes of this Article, "simple" generally describes activities which need neither special skills nor machines, apparatus or equipment especially produced or installed for carrying out the activity.

- (i) sharpening, simple grinding or simple cutting;
- (j) sifting, screening, sorting, classifying, grading, matching (including the making-up of sets of articles);
- (k) simple placing in bottles, cans, flasks, bags, cases, boxes, fixing on cards or boards and all other simple packaging operations;
- (l) affixing marks, labels, logos and other like distinguishing signs on products or their packaging;
- (m) simple mixing of products, whether or not of different kinds; mixing of sugar with any material;
- (n) simple assembly of parts of articles to constitute a complete article or disassembly of products into parts;
- (o) slaughter of animals; and
- (p) a combination of two or more operations specified in subparagraphs (a) to (o).

2. All operations carried out either in Venezuela or in Turkey 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 that of the particular product which is considered as the basic unit when determining classification using the nomenclature of the Harmonized System. It follows that:

- (a) when a product composed of a group or assembly of articles is classified under the terms of the Harmonized System in a single heading, the whole constitutes the unit of qualification; and
- (b) when a consignment consists of a number of identical products classified under the same heading of the Harmonized System, each product must be taken individually when applying the provisions of this Annex.

2. Where, under General Rule 5 of the Harmonised System, packaging is included with the product for classification purposes, such packaging shall be included for the purposes of determining origin<sup>2</sup>. In case change in tariff classification is required according

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<sup>2</sup> When the products qualify as wholly obtained, the packaging shall not be taken into consideration for the purposes of origin determination.

to Appendix 2 (List of Working or Processing Required to be Carried Out on Non-Originating Materials in order for the Product Manufactured to Obtain Originating Status), the packaging materials shall maintain their tariff classification for the purposes of origin determination.

#### **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**

Sets, as defined in General Rule 3 of the Harmonized System, shall be regarded as originating when all component products are originating. Nevertheless, when a set is composed of originating and non-originating products, the set as a whole shall be regarded as originating, provided that the value of the non-originating products does not exceed 15 per cent of the ex-works price of the set.

#### **Article 10: Neutral Elements**

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

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

#### **Article 11: Accounting Segregation**

1. If originating and non-originating fungible materials are used in the working or processing of a product, the competent governmental authorities may, at the written request of economic operators, authorise the management of materials using the accounting segregation method without keeping the materials in separate stocks.
2. The competent governmental authorities may make the granting of authorisation referred to in paragraph 1 subject to any conditions they deem appropriate.
3. The authorisation shall be granted only if by use of the accounting segregation method it can be ensured that, at any time, the number of products obtained which could be considered as originating in Turkey or in Venezuela is the same as the number that would have been obtained by using a method of physical segregation of the stocks.

4. If authorised, the method such as averaging, last-in, first-out, or first-in, first-out, shall be applied and the application thereof shall be recorded on the basis of the general accounting principles applicable in Turkey or in Venezuela, depending on where the product is manufactured.

5. A manufacturer using the accounting segregation method shall apply for movement certificate EUR.1 for the quantity of products which may be considered as originating in the exporting Party. At the request of the customs authorities or competent governmental authorities of the exporting Party, the beneficiary shall provide a statement of how the quantities have been managed.

6. The competent governmental authorities shall monitor the use of the authorisation referred to in paragraph 3 and may withdraw it if the manufacturer makes improper use of it or fails to fulfil any of the other conditions laid down in this Annex.

### **SECTION III: TERRITORIAL REQUIREMENTS**

#### **Article 12: Principle of Territoriality**

1. The conditions set out in Section II (Definition of the Concept of "Originating Products") relating to the acquisition of originating status must be fulfilled without interruption in Venezuela or in Turkey.

2. If originating goods exported from Venezuela or from Turkey to another country that is not a Party to this Agreement return to the exporting Party, such goods shall be considered as non-originating, unless it can be demonstrated to the satisfaction of the customs authorities that:

- (a) the returning goods are the same as those exported; and
- (b) they have not undergone any operation beyond that necessary to preserve them in good condition while in that country or while being exported.

3. The acquisition of originating status in accordance with the conditions set out in Section II (Definition of the Concept of "Originating Products") shall not be affected by working or processing done outside Turkey or Venezuela on materials exported from Turkey or from Venezuela and subsequently re-imported there, provided:

- (a) the said materials are wholly obtained in Turkey or in Venezuela or have undergone working or processing beyond the insufficient operations listed in Article 6 (Insufficient Working or Processing Operations) prior to being exported; and
- (b) it can be demonstrated to the satisfaction of the customs authorities or other competent authorities that:
  - (i) the reimported goods have been obtained by working or processing the exported materials; and



- (ii) the total added value acquired outside Turkey or Venezuela by applying the provisions of this Article does not exceed 10% of the ex-works price of the end product for which originating status is claimed.

4. Without prejudice to the provision of paragraphs 1,2 and 3 of this Article, the goods under sub-headings of "2503.00", "2710.19", "2710.12", "2714.90" and "2802.00" shall be considered as originating in Venezuela when:

- (a) the materials originating in Turkey or in Venezuela used in the production of those goods are exported to the refinery operated by the Venezuelan state-owned *Petróleos de Venezuela, S.A. (PDVSA)* in the island of Curaçao; and
- (b) underwent working or processing in this refinery and exported by Venezuela from the island of Curaçao,

provided it can be demonstrated to the satisfaction of the customs authorities in Venezuela that those goods have been obtained by working or processing the exported materials.

5. The implementation of the provisions of paragraph 4 shall be reviewed by Joint Committee in every three years.

#### **Article 13: 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 Venezuela and Turkey. However, products may be transported through other territories with, should the occasion arise, trans-shipment or temporary warehousing in such territories, provided that they remain under the surveillance of the customs authorities in the country of transit or temporary warehousing and do not undergo operations other than unloading, reloading or any operation designed to preserve them in good condition.

2. Evidence that the conditions set out in paragraph 1 have been fulfilled shall be supplied, upon request, to the customs authorities of the importing Party by the submission of:

- (a) transportation documents, such as airway bills, bills of lading, cargo manifest, or multimodal, or combined transportation documents, that certify transport from the country of origin to the importing Party;
- (b) customs documents that authorize the trans-shipment or temporary storage; or
- (c) failing these, any substantiating documents satisfying the customs authorities requirements.

#### **Article 14: Exhibitions**

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

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

2. A movement certificate EUR.1 must be issued in accordance with the provisions of Section IV (Movement Certificate EUR.1) and submitted to the customs authorities of the importing Party in the normal manner. The name and address of the exhibition must be indicated thereon. Where necessary, additional documentary evidence of the conditions under which the goods 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 products, and during which the products remain under customs control.

#### **SECTION IV: MOVEMENT CERTIFICATE EUR.1**

##### **Article 15: General Requirements**

1. Products originating in Venezuela shall, on importation into Turkey, and products originating in Turkey shall, on importation into Venezuela, benefit from this Agreement upon presentation, in accordance with the domestic law of the importing Party, of a movement certificate EUR.1, specimen of which appears in Appendix 3 (Specimen of Movement Certificate EUR.1).

2. Notwithstanding paragraph 1, originating products within the meaning of this Annex shall, in the cases specified in Article 22 (Exemptions from Movement Certificate EUR.1), benefit from this Agreement without it being necessary to submit any of the documents referred to above.

#### **Article 16: Procedure for the Issuance of a Movement Certificate EUR.1**

1. A movement certificate EUR.1 shall be issued by the competent authorities of the exporting Party on application having been made in writing by the exporter or, under the exporter's responsibility, by his authorized representative.
2. For the purposes of paragraph 1, the exporter or his/her authorized representative shall fill out the movement certificate EUR.1 in accordance with the provisions of the domestic law of the exporting Party, where applicable. This form shall be completed in English. If it is hand-written, it shall be completed in ink in printed characters. The description of the products must be given in the box reserved for this purpose without leaving any blank lines. Where the box is not completely filled, a horizontal line must be drawn below the last line of the description, the empty space being crossed through.
3. The exporter applying for the issue of a movement certificate EUR.1 shall be prepared to submit at any time, at the request of the competent authorities of the exporting Party where the movement certificate EUR.1 is issued, all appropriate documents proving the originating status of the products concerned as well as the fulfilment of the other requirements of this Annex.
4. A movement certificate EUR.1 shall be issued by the competent authorities of Venezuela or Turkey if the products concerned can be considered as products originating in Venezuela or Turkey and fulfil the other requirements of this Annex.
5. The competent authorities issuing movement certificates EUR.1 shall take any steps necessary to verify the originating status of the products and the fulfilment of the other requirements of this Annex. For this purpose, such authorities shall have the right to call for any evidence and to carry out any inspection of the exporter's accounts or any other check considered appropriate. The said authorities shall also ensure that the form referred to in paragraph 2 are duly completed. In particular, the competent authorities shall check whether the space reserved for the description of the products has been completed in such a manner as to exclude all possibility of fraudulent additions.
6. The date of issue of the movement certificate EUR.1 shall be indicated in box 11 of the certificate.
7. A movement certificate EUR.1 shall be issued by the competent authorities and made available to the exporter as soon as the actual exportation has been effected or ensured.
8. In the case of Venezuela, issuance of the movement certificate EUR.1 shall be subject to the submission and approval of the corresponding affidavit of Origin, or its equivalent, by the agency with competence in foreign trade matters.
9. In the case of Turkey, issuance of the movement certificate EUR.1 shall be subject to the submission of an application form.

#### **Article 17: Movement Certificate EUR.1 Issued Retrospectively**

1. Notwithstanding paragraph 7 of Article 16 (Procedure for the Issuance of a Movement Certificate EUR.1), a movement certificate EUR.1 may exceptionally be issued after the exportation of the products to which it relates if:

- (a) a movement certificate EUR.1 was not issued at the time of exportation because of errors or involuntary omissions or special circumstances; or
- (b) it is demonstrated to the satisfaction of the competent authorities that a movement certificate EUR.1 was issued but was not accepted at importation for technical reasons.

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

3. The competent authorities may issue a movement certificate EUR.1 retrospectively only after verifying that the information supplied in the exporter's application agrees with that in the corresponding file.

4. Movement certificates EUR.1 issued retrospectively shall be endorsed with the following phrase:

**"ISSUED RETROSPECTIVELY"**

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

#### **Article 18: Issuance of a Duplicate Movement Certificate EUR.1**

1. In the event of theft, loss or destruction of a movement certificate EUR.1, the exporter may apply to the competent authority which issued such certificate for a duplicate made out on the basis of the original movement certificate EUR.1 issued.

2. The duplicate issued pursuant to paragraph 1, shall be endorsed with the following word:

**"DUPLICATE"**

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

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

#### **Article 19: Validity of Movement Certificate EUR.1**

1. A movement certificate EUR.1 shall be valid for 12 months from the date it is issued. Such movement certificate EUR.1 must be presented within the said period to the customs authorities of the importing Party, in accordance with its domestic law.
2. Movement certificates EUR.1 which are submitted to the customs authorities of the importing Party after the final date for presentation specified in paragraph 1 may be accepted for the purpose of applying preferential treatment, where the failure to submit these documents by the final date set is due to exceptional circumstances.
3. In other cases of belated presentation, the customs authorities of the importing Party may accept, in accordance with their domestic law, the movement certificate EUR.1 where the products have been submitted before the said final date.
4. For the purposes of applying paragraphs 2 and 3, if a movement certificate EUR.1 is not presented at the time of importation, the importer must declare to the customs authorities of the importing Party the intention of requesting preferential tariff treatment for the products concerned.

#### **Article 20: Submission of Movement Certificate EUR.1**

Movement certificate EUR.1 shall be submitted to the customs authorities of the importing Party in accordance with the procedures applicable in that Party.

#### **Article 21: Importation by Instalments**

Where, at the request of the importer and on the conditions laid down by the customs authorities of the importing Party, dismantled or non-assembled products within the meaning of General Rule 2(a) of the Harmonized System falling within headings 7308 and 9406 of the Harmonized System are imported by instalments, a single movement certificate EUR.1 for such products shall be submitted to the customs authorities upon importation of the first instalment.

#### **Article 22: Exemptions from Movement Certificate EUR.1**

1. Products sent as small packages from private persons to private persons or forming part of travellers' personal luggage shall be admitted as originating products without requiring the submission of a movement certificate EUR.1, 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 may be made on the 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 in view.

3. The total value of the products referred to in paragraphs 1 and 2 shall not exceed:
  - (a) for importation into Turkey, 500 euros in the case of small packages or 1,200 euros in the case of products forming part of travellers' personal luggage;
  - (b) for importing to Venezuela: All the limitations provided for in the Venezuelan regulations which govern the liberation regimes or tariff suspension regimes applied to small packages and products which are part of the personal baggage of travellers. Venezuela will notify Turkey concerning the limitations and any modification to these limitations.
4. For the purposes of paragraph 3, in cases where the products are invoiced in a currency other than euro or US dollars, amounts in the national currencies of the Parties equivalent to the amounts expressed in euro or US dollars shall be fixed in accordance with the current exchange rate applicable in the importing Party.

#### **Article 23: Supporting Documents**

The documents referred to in paragraph 3 of Article 16 (Procedure for the Issuance of a Movement Certificate EUR.1) used for the purpose of proving that products covered by a movement certificate EUR.1 can be considered as products originating in a Party and fulfil the other requirements of this Annex, may consist, *inter alia*, of the following:

- (a) direct evidence of the processes carried out by the exporter or supplier to obtain the goods concerned, contained for example in his accounts or internal book-keeping;
- (b) documents proving the originating status of materials used, issued or made out in Venezuela or in Turkey,
- (c) documents proving the working or processing of materials in Venezuela or in Turkey, issued or made out in Venezuela or in Turkey; or
- (d) movement certificates EUR.1 proving the originating status of materials used, issued or made out in a Party, in accordance with this Annex.

#### **Article 24: Preservation of Movement Certificate EUR.1 and Supporting Documents**

1. The exporter applying for the issuance of a movement certificate EUR.1 shall keep for at least five years from the date of the issuance of the certificate the documents referred to in paragraph 3 of Article 16 (Procedure for the Issuance of a Movement Certificate EUR.1).
2. The importer shall keep for at least five years from the date of importation of the good, the documentation related to importation including the transport documents, the movement certificates EUR.1 presented by him/her.

#### **Article 25: Discrepancies and Formal Errors**

1. The discovery of slight discrepancies between the statements made in the movement certificate EUR.1 and those made in the documents submitted to the customs authority for the purpose of carrying out the formalities for importing the products, shall not *ipso facto* render the movement certificate EUR.1 null and void if it is duly established that this document does correspond to the products submitted.
2. Obvious formal errors, such as typing errors, on a movement certificate EUR.1 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 it.

#### **Article 26: Amounts Expressed in Euro or in US Dollars**

1. For the application of paragraph 3 of Article 22 (Exemptions from Movement Certificate EUR.1) in cases where products are invoiced in a currency other than euro or US dollars, amounts in the national currency of Turkey equivalent to the amounts expressed in euro or US dollars shall be fixed annually by Turkey and submitted to Venezuela.
2. A consignment shall benefit from paragraph 3 of Article 22 (Exemptions from Movement Certificate EUR.1) having as reference the currency in which the invoice is drawn up, according to the amount fixed by the Parties.
3. The amounts to be used in national currency of Turkey shall be the equivalent in that currency of the amounts expressed in euro or in US dollar as at the first working day of October each year. Turkey shall notify Venezuela of these amounts by 15 October and these amounts shall apply from 1 January the following year.
4. Turkey may round up or down the amount resulting from the conversion into its national currency of an amount expressed in euro or in US dollar. The rounded-off amount may not differ from the amount resulting from the conversion by more than five per cent. Turkey may retain unchanged its national currency equivalent of an amount expressed in euro or in US dollar if, at the time of the annual adjustment provided for in paragraph 3, the conversion of that amount, prior to any rounding off, results in an increase of less than 15 per cent in the national currency equivalent. The national currency equivalent may be retained unchanged if the conversion would result in a decrease in that equivalent value.

### **SECTION V: ARRANGEMENTS FOR ADMINISTRATIVE CO-OPERATION**

#### **Article 27: Cooperation between Competent Authorities**

1. The competent authorities of Venezuela and Turkey shall provide each other, with specimen impressions of stamps used for the issuance of movement certificates EUR.1 and with the addresses of the Competent Authorities responsible for verifying those certificates.

2. Any changes to the elements referred to in paragraph 1 shall be notified by the competent authorities of the Party concerned to the competent authorities of the other Party without undue delay, indicating the date when these changes come into effect.

3. In order to ensure the proper application of this Annex, Venezuela and Turkey shall assist each other, through the competent authorities, in checking the authenticity of the movement certificates EUR.1 and the correctness of the information given in these documents.

#### **Article 28: Verification of Movement Certificate EUR.1**

1. Subsequent verification of movement certificate EUR.1 shall be carried out at random or whenever the competent authorities of the importing Party have reasonable doubts as to the authenticity of such documents, the originating status of the products concerned or the fulfilment of the other requirements of this Annex.

2. For the purposes of implementing paragraph 1, the competent authorities of the importing Party shall return the movement certificate EUR.1 and the invoice, if submitted, or a copy of these documents, to the competent authorities of the exporting Party giving, where appropriate, the reasons for the enquiry. Any documents and information obtained suggesting that the information given on the movement certificate EUR.1 is incorrect shall be forwarded in support of the request for verification.

3. The verification shall be carried out by the competent authorities of the exporting Party. For this purpose, such authorities shall have the right to call for any evidence and to carry out any inspection of the exporter's accounts or any other check considered appropriate.

4. If the competent authorities of the importing Party decide to suspend the granting of preferential treatment to the products concerned while awaiting the results of the verification, release of the products shall be offered to the importer subject to any precautionary measures judged necessary.

5. The competent authorities requesting the verification shall be informed of the results of this verification as soon as possible. These results must indicate clearly whether the documents are authentic and whether the products concerned can be considered as products originating in a Party and fulfil the other requirements of this Annex.

6. If in cases of reasonable doubt there is no reply within 10 months of the date when the verification request is received by the exporting Party, or if the reply does not contain sufficient information to determine the authenticity of the document in question or the real origin of the products, the requesting competent authorities shall, except in exceptional circumstances, refuse entitlement to the preferences.

7. For the purposes of this Article, working communications between the competent authorities of the importing and the exporting Parties shall be conducted in English.



#### **Article 29: Dispute Settlement**

1. Where disputes arise in relation to the verification procedures of Article 28 (Verification of Movement Certificate EUR.1) which cannot be settled between the competent authority requesting a verification and the competent authority responsible for carrying out this verification, or where questions arise regarding the interpretation of this Annex, they shall be submitted to the Subcommittee.

2. In case a satisfactory solution is not agreed, the affected Party may resort to the dispute settlement mechanism under Chapter V (Dispute Settlement) of this Agreement. In that case, the consultations carried out in the Subcommittee shall be taken into consideration for the procedure of consultations established in the dispute settlement mechanism.

#### **Article 30: Penalties**

Penalties shall be imposed, in accordance with the respective domestic legislation of each Party for violations of its law and regulations related to this Annex.

### **SECTION VI: FINAL PROVISIONS**

#### **Article 31: Subcommittee on Customs and Origin Matters**

A Subcommittee on customs and origin matters shall be set up under the Joint Committee to assist it in carrying out its duties and to ensure a continuous information and consultations process between experts.

It shall be composed of experts from Turkey and Venezuela responsible for questions related to customs and origin matters.

#### **Article 32: Appendices**

Appendices 1, 2 and 3 to this Annex shall form an integral part thereof.

#### **Article 33: Amendments to this Annex**

Joint Committee may decide to amend the provisions of this Annex pursuant to Article 28 (Amendments) of this Agreement.

#### **Article 34: Transitional Provisions for Products in Transit or Storage**

This Agreement may be applied to products 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 in temporary storage in customs warehouses or in free zones, subject to the submission to the customs authorities of the importing Party, within 12 months of that date, of a movement certificate EUR.1 made out retrospectively together with the documents showing that the goods have been transported directly in accordance with Article 13 (Direct Transport).