

FREE TRADE AGREEMENT
BETWEEN
BOSNIA AND HERZEGOVINA
AND
THE REPUBLIC OF TURKEY

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PREAMBLE

Bosnia and Herzegovina and the Republic of Turkey (hereinafter referred to individually as “Bosnia and Herzegovina” and “Turkey” respectively, or “the Party” and collectively as “the Parties”);

Reaffirming their firm commitment to pluralistic democracy based on the rule of law, human rights and fundamental freedoms;

Recalling their intention to participate actively in the process of economic integration in Europe as an important dimension of the stability on the European continent and expressing their preparedness to co-operate in seeking ways and means to strengthen this process;

Reaffirming their commitment to the principles of a market economy, which constitutes the basis for their relations;

Considering the importance of the links existing between the Parties, their desire to strengthen those links and to further extend the relations established previously;

Taking into consideration the Agreement Establishing an Association between Turkey and the European Economic Community and the Stabilisation and Association Agreement between Bosnia and Herzegovina and European Communities and their Member States offering the prospect of integration into European structures for Bosnia and Herzegovina;

Convinced that this Agreement will create a new climate for economic relations between the Parties and above all for the development of trade and investment;

Resolved to eliminate progressively the obstacles to substantially all their mutual trade, in accordance with the provisions of the *General Agreement on Tariffs and Trade 1994* (hereinafter "GATT 1994"), *General Agreement on Trade in Services* (hereinafter “GATS”) and the Agreement establishing the *World Trade Organisation* (hereinafter "WTO"), Bosnia and Herzegovina having objective to become a member of the WTO;

Considering that no provision of this Agreement may be interpreted as exempting the Parties from their obligations under other international agreements;

Firmly convinced that this Agreement will foster the intensification of mutually beneficial trade relations between the Parties and contribute to the process of integration in Europe;

Considering that paragraph 1 of Article 31 of the Free Trade Agreement between Bosnia and Herzegovina and the Republic of Turkey signed on 3 July 2002 and entered into force on 1 July 2003 (hereinafter called as the “FTA signed on 3 July 2002”) provides that Bosnia and Herzegovina and the Republic of Turkey “In their efforts to gradually develop and broaden their co-operation, in particular in the context of the European integration, they will co-operate with the aim of achieving a progressive liberalisation and mutual opening of their markets for

investments and trade in services, taking into account relevant provisions of the General Agreement on Trade in Services (GATS)”;

Having regard that paragraph 2 of Article 17 of the Stabilization and Association Agreement between Bosnia and Herzegovina and European Communities and their Member States provides the following: “Bosnia and Herzegovina shall conclude before the end of the transitional period referred to in Article 18(1) with Turkey, which has established a custom union with the Community, on a mutually advantageous basis, an agreement establishing a free trade area in accordance with Article XXIV of the GATT 1994 as well as liberalising the establishment and supply of services between them at an equivalent level of this Agreement in accordance with Article V of the GATS.”;

Having regard to the Recommendation No 1/2014 of the Joint Committee established by the FTA signed on 3 July 2002, adopted in Ankara, on 13 November 2014, on initiating necessary internal legal procedures for the opening of the negotiation process with the aim of achieving progressive liberalization and mutual opening of their markets for trade in services, taking into account relevant provisions of the GATS;

Considering the necessity and appropriateness to consolidate trade in goods and trade in services texts in a single document and modernise the certain provisions of FTA signed on 3 July 2002;

Have decided as follows:

CHAPTER I
GENERAL DEFINITIONS AND INITIAL PROVISIONS

Section I - General definitions

Article 1.1
Definitions of general application

For the purposes of this Agreement, unless otherwise specified:

- (a) “*days*” means calendar days;
- (b) “*GATS*” means the General Agreement on Trade in Services;
- (c) “*GATT 1994*” means the General Agreement on Tariffs and Trade 1994;
- (d) “*Harmonized System*” or “*HS*” means the Harmonized Commodity Description and Coding System done at Brussels on 14 June 1983, including its General Rules of Interpretation, Section Notes, and Chapter Notes, and their amendments, as adopted and implemented by the Parties in their respective tariff laws;
- (e) “*IMF*” means the *International Monetary Fund*;
- (f) “*measure*” means any measure by a Party, whether in the form of a law, regulation, ruling, procedure, practice, decision, administrative action or any other form;
- (g) “*MFN*” means most favoured nation;
- (h) “*WTO*” means the World Trade Organization;
- (i) “*WTO Agreement*” means the Marrakesh Agreement establishing the WTO;
- (j) “*WTO Anti-Dumping Agreement*” means the WTO Agreement on Implementation of Article VI of GATT 1994;
- (k) “*WTO Agreement on Subsidies and Countervailing Measures*” means *WTO Agreement on Subsidies and Countervailing Measures* contained in Annex 1A of the WTO Agreement;
- (l) “*WTO Agreement on the Application of Sanitary and Phytosanitary Measures*” means the *Agreement on the Application of Sanitary and Phytosanitary Measures* contained in Annex 1A of the WTO Agreement;

(m) “*WTO Agreement on Safeguards*” means the *Agreement on Safeguards* contained in Annex 1A of the WTO Agreement;

(n) “*WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS)*” means the *Agreement on Trade-Related Aspects of Intellectual Property Rights* contained in Annex 1C of the WTO Agreement; and

(o) “*WTO Agreement on Technical Barriers to Trade*” means *Agreement on Technical Barriers to Trade* contained in Annex 1A of the WTO Agreement.

Section II - Initial provisions

Article 1.2

Establishment of a free trade area

The Parties establish a free trade area in accordance with the provisions of this Agreement and in conformity with Article XXIV of GATT 1994 and Article V of GATS.

Article 1.3

Objectives

The objectives of this Agreement are:

(a) to liberalise and facilitate trade in goods and services between the Parties in accordance with the provisions of this Agreement;

(b) to promote, through the expansion of mutual trade, the harmonious development of economic relations between the Parties and thus to foster in the Parties the advance of economic activity, the improvement of living and employment conditions, and financial stability;

(c) to provide fair conditions of competition for trade between the Parties;

(d) to contribute by the removal of barriers to trade, to the harmonious development and expansion of world trade; and

(e) to facilitate economic integration, sustainable development and continuous integration of the Parties into the global economy.

Article 1.4
Relation to multilateral agreements

The Parties affirm their rights and obligations with respect to each other in accordance with the WTO Agreement, including the GATT 1994, GATS and its successor agreements and other multilateral agreements to which both Parties are party.

Article 1.5
Customs unions, free trade areas and frontier trade

1. This Agreement shall not prevent the maintenance or establishment of customs unions, free trade areas or arrangements for frontier trade to the extent that these do not negatively affect the trade regime of the Parties and in particular the provisions concerning rules of origin provided for by this Agreement.

2. Exchange of information shall take place, upon request of either Party, within the Joint Committee concerning agreements establishing such customs unions or free trade areas.

CHAPTER II TRADE IN GOODS

Article 2.1 Scope

The provisions of this Chapter shall apply to products listed in Chapters 1 to 24 of the Harmonized System and the products listed in Annex I of this Agreement (hereinafter referred to as "agricultural products") and products listed in Chapters 25 to 97 of the Harmonized System with the exception of the products listed in Annex I of this Agreement (hereinafter referred to as "industrial products") originating in the Parties.

Article 2.2 Classification of goods

For the purposes of this Agreement, the classification of goods in trade between the Parties shall be in conformity with the Harmonized System.

Article 2.3 Customs duties on imports, charges having equivalent effect and import duties of a fiscal nature

1. For industrial products defined in Article 2.1 (Scope), the customs duties on imports, charges having equivalent effect and import duties of a fiscal nature applicable in Turkey to products originating in Bosnia and Herzegovina shall be abolished upon the date of entry into force of this Agreement.
2. For agricultural products defined in Article 2.1 (Scope), the customs duties on imports applicable in Turkey to products originating in Bosnia and Herzegovina shall be abolished upon the date of entry into force of this Agreement, except for the products listed in Annex II to this Agreement, for which the conditions specified therein shall apply.
3. For the agricultural products originating in Bosnia and Herzegovina listed in Annex III to this Agreement, in addition to the customs duties, charges having equivalent effect and import duties of a fiscal nature shall be abolished according to the conditions established in Annex III.
4. For all products originating in Turkey the customs duties on imports, charges having equivalent effect and import duties of a fiscal nature applicable in Bosnia and Herzegovina shall be abolished on the date of entry into force of this Agreement.

5. The Parties shall not introduce new or increase existing customs duties on imports, charges having an effect equivalent and import duties of a fiscal nature in trade between them.

Article 2.4

Customs duties on exports, charges having equivalent effect and export duties of a fiscal nature

1. The Parties shall abolish all customs duties on exports, charges having equivalent effect and export duties of a fiscal nature upon the date of entry into force of this Agreement.
2. The Parties shall not introduce new customs duties on exports, charges having equivalent effect and export duties of a fiscal nature in trade between them.

Article 2.5

Quantitative restrictions and measures having equivalent effect

1. All quantitative restrictions on imports and exports and measures having equivalent effect shall be abolished upon the date of entry into force of this Agreement.
2. The Parties shall not introduce new quantitative restrictions on imports and exports or measures having equivalent effect in trade between them.

Article 2.6

Elimination of technical barriers to trade

1. The rights and obligations of the Parties relating to technical regulations, standards and related measures shall be governed by the *WTO Agreement on Technical Barriers to Trade*.
2. The Parties shall co-operate and exchange information in the field of conformity assessment, standardisation, metrology and accreditation with the aim of reducing and/or eliminating technical barriers to trade.
3. Each Party shall, upon request of the other Party, provide information on particular individual cases of technical norms, standards and related measures.
4. In areas where multilateral (MLA) or bilateral (BLA) agreements have been concluded and in force between accreditation institutes of the Parties and the European Accreditation (EA), the Parties shall:
 - a) mutually and automatically recognise the laboratory reports issued by their accredited laboratories within their accredited scopes; and

b) recognise documents on conformity assessment issued by their accredited bodies for conformity assessments once the conditions are met. The Joint Committee shall examine the fulfilment of the necessary conditions for all existing and future cases and decide or recommend further actions for the implementation of this sub-paragraph.

5. To eliminate technical barriers and effectively implement this Agreement in other areas that are not covered by paragraph 4 of this Article, the Parties shall consider to conclude an arrangement on mutual recognition of test reports, certificates of conformity and other documents directly or indirectly related to conformity assessment of the products which are the subject of trade between the Parties. The Joint Committee shall examine any such initiative submitted by the Parties and may recommend to start the negotiations taking into account such agreements between Bosnia and Herzegovina and the European Union.

Article 2.7 **Agricultural policy**

1. Without prejudice to the concessions granted under Article 2.3 (Customs duties on imports, charges having equivalent effect and import duties of a fiscal nature), the provisions of this Chapter shall not, in any way, restrict Parties in pursuing their respective agricultural policies or the taking of any measure under such policies, including the implementation of the WTO agreements.

2. The Parties shall notify to the Joint Committee changes in their respective agricultural policies pursued or measures applied which may affect the conditions of trade in agricultural products between them. On the request of a Party, prompt consultations shall be held to examine the situation.

Article 2.8 **Specific safeguards**

Notwithstanding other provisions of this Agreement, in particular Article 2.16 (Bilateral safeguards), and given the particular sensitivity of the agricultural market, if imports of agricultural products originating in a Party, which are the subject of concessions granted under this Agreement, cause serious disturbance to the market or to its domestic regulatory mechanisms in the other Party, the Parties shall enter into consultations immediately to find an appropriate solution. Pending such solution, the Party concerned may take appropriate measures in accordance with the provisions of the GATT 1994 and the other relevant WTO agreements.

Article 2.9
Sanitary and phytosanitary measures

1. The Parties shall apply their regulations in veterinary, phytosanitary and sanitary matters, in particular in the exchange of information on infectious animal diseases, quarantine diseases, and plant pests and weed, taking into account the *WTO Agreement on the Application of Sanitary and Phytosanitary Measures*.
2. The Parties shall apply their regulations in veterinary, phytosanitary and sanitary matters in a non-discriminatory fashion and shall not introduce any new measures that have the effect of unduly obstructing trade.
3. The veterinary and sanitary measures and the work of the veterinary services of the Parties shall be in accordance with the *International Office of Epizootics* and the *Codex Alimentarius*.
4. The phytosanitary measures and the work of the plant protection services of the Parties shall be in accordance with the *International Plant Protection Convention*.
5. The Parties shall exchange the information on sanitary and phytosanitary protection of animals, plants and products.

Article 2.10
Rules of origin and co-operation between the customs administrations

1. Annex IV (Rules of origin and methods of administrative cooperation) to this Agreement lays down the rules of origin and related methods of administrative co-operation which shall be applied in trade between the Parties.
2. The Parties shall take appropriate measures, including regular reviews by the Joint Committee and arrangements for administrative co-operation, to ensure that the provisions of Annex IV (Rules of origin and methods of administrative cooperation) of this Agreement are effectively and harmoniously applied, and to reduce, as far as possible, the formalities imposed on trade, and to achieve mutually satisfactory solutions to any difficulties arising from the operation of those provisions.

Article 2.11
Internal taxation

1. Each Party shall accord national treatment to the goods of the other Party in accordance with Article III of GATT 1994, including its interpretative notes. To this end, Article III of GATT 1994 and its interpretative notes are incorporated into and made part of this Agreement, *mutatis mutandis*.

2. Exporters may not benefit from repayment of internal taxes in excess of the amount of indirect taxation imposed on products exported to the territory of a Party.

Article 2.12
State trading enterprises

1. The mutual rights and obligations of the Parties relating to state enterprises shall be governed by Article XVII of GATT 1994, its notes and supplementary provisions and the *Understanding on the Interpretation of Article XVII of GATT 1994*, which are hereby incorporated into and made part of this Agreement, *mutatis mutandis*.

2. The Party may request information from the other Party bilaterally as foreseen in subparagraphs 4(c) and 4(d) of Article XVII of GATT 1994.

Article 2.13
Subsidies and countervailing measures

1. The mutual rights and obligations of the Parties relating to subsidies and countervailing measures shall be governed by the *WTO Agreement on Subsidies and Countervailing Measures*.

2. This Agreement does not confer any additional rights or impose any additional obligations on the Parties with regard to measures taken under the *WTO Agreement on Subsidies and Countervailing Measures*.

Article 2.14
Dumping

1. The mutual rights and obligations of the Parties relating to anti-dumping shall be governed by Article VI of GATT 1994 and the *WTO Anti-Dumping Agreement*.

2. This Agreement does not confer any additional rights or impose any additional obligations on the Parties with regard to measures taken under to Article VI of GATT 1994 and the *WTO Anti-Dumping Agreement*.

Article 2.15
Global safeguards

1. The mutual rights and obligations of the Parties relating to global safeguard measures shall be governed by Article XIX of GATT 1994 and the *WTO Agreement on Safeguards*.

2. This Agreement does not confer any additional rights or impose any additional obligations on the Parties with regard to measures taken under the Article XIX of GATT 1994 and the *WTO Agreement on Safeguards*.

Article 2.16 **Bilateral safeguards**

Notwithstanding Article 2.15 (Global safeguards), where any product is being imported in such increased quantities and under such conditions as to cause or threaten to cause:

- a) serious injury to domestic producers of like or directly competitive products in the territory of the importing Party, or
- b) serious disturbances in any related sector of the economy or difficulties which could bring about serious deterioration in the economic situation of a region

the Party concerned may take appropriate measures under the conditions and in accordance with the procedure laid down in Article 2.18 (Procedure for the application of bilateral safeguard, re-export and serious shortage measures).

Article 2.17 **Re-export and serious shortage**

Where compliance with the provisions of Articles 2.4 (Customs duties on exports, charges having equivalent effect and export duties of a fiscal nature) and Article 2.5 (Quantitative restrictions and measures having equivalent effect) leads to:

- a) re-export towards a third country against which the exporting Party maintains for the product concerned quantitative export restrictions, export duties or measures or charges having equivalent effect; or
- b) a serious shortage, or threat thereof, of a product essential to the exporting Party;

and where the situations referred to above give rise or are likely to give rise to major difficulties for the exporting Party, that Party may take appropriate measures under the conditions and in accordance with the procedures laid down in Article 2.18 (Procedure for the application of bilateral safeguard, re-export and serious shortage measures). The measures shall be non-discriminatory and eliminated when conditions no longer justify their maintenance.

Article 2.18
Procedure for the application of bilateral safeguard, re-export
and serious shortage measures

1. Before initiating the procedure for the application of safeguard measures under Article 2.16 (Bilateral safeguards) and Article 2.17 (Re-export and serious shortage), the Parties shall endeavour to solve any differences between them through direct consultations.
2. In the event of a Party subjecting imports of products liable to give rise to the situation referred to in Article 2.16 (Bilateral safeguards) to an administrative procedure having as its purpose the rapid provision of information on the trade flows, it shall inform the other Party.
3. Without prejudice to paragraph 7 of this Article, a Party which considers resorting to safeguard measures shall promptly notify the other Party thereof and supply all relevant information. Consultations between the Parties shall take place without delay within the Joint Committee with a view to finding a solution acceptable to the Parties.
4. With regard to Article 2.16 (Bilateral safeguards) and Article 2.17 (Re-export and serious shortage), the Joint Committee shall examine the case or the situation and may take any decision needed to put an end to the difficulties notified by the Party concerned. In the case of the absence of such decision within thirty days of the matter being referred to the Joint Committee, the Party concerned may adopt the measures necessary in order to remedy the situation and shall notify to the other Party the measures taken.
5. The safeguard measures taken shall be immediately notified to the other Party. They shall be limited, with regard to their extent and to their duration, to what is strictly necessary in order to rectify the situation giving rise to their application and shall not be in excess of the injury caused by the practice or the difficulty in question. Priority shall be given to such measures which will least disturb the functioning of this Agreement.
6. The safeguard measures taken shall be the subject of periodic consultations within the Joint Committee with a view to their relaxation as soon as possible, or abolition when conditions no longer justify their maintenance.
7. Where exceptional circumstances requiring immediate action make prior examination impossible, the Party concerned may, in cases of Article 2.16 (Bilateral safeguards) and Article 2.17 (Re-export and serious shortage), apply forthwith the provisional measures strictly necessary to remedy the situation. The measures taken shall be notified without delay and consultations between the Parties shall take place as soon as possible within the Joint Committee.

**CHAPTER III
TRADE IN SERVICES**

Section I - General provisions

**Article 3.1
Scope**

1. This Chapter applies to all measures adopted or maintained by the Parties affecting trade in services.
2. This Chapter shall not apply to cabotage in maritime transport services.
3. Nothing in this Chapter shall be construed to require any Party to privatize public undertakings or to impose any obligation with respect to government procurement.
4. The provisions of this Chapter shall not apply to services supplied in the exercise of governmental authority.
5. Consistent with the provisions of this Chapter each Party retains the right to exercise its powers and to regulate and introduce new regulations in order to meet legitimate public policy objectives¹.
6. This Chapter shall not apply to subsidies or grants provided by a Party, including government-supported loans, guarantees and insurance.
7. This Chapter does not apply to domestic and international air transport services, whether scheduled or non-scheduled and services directly related to the exercise of traffic rights, other than:
 - (i) aircraft repair and maintenance services;
 - (ii) selling and marketing of air transport services;
 - (iii) computer reservation system (CRS) services;
 - (iv) ground-handling services; and
 - (v) airport operation and management services.

¹ For the purposes of this paragraph the term “legitimate public policy objectives” includes, but is not limited to, the public policy regarding security, public health, environment, personal data protection, consumer protection, prevention of anti-competitive practices, sustainable development etc.

Article 3.2 Definitions

For the purposes of this Chapter:

- (a) **“measures adopted or maintained by a Party”** means measures adopted or maintained by:
 - (i) central, regional or local governments and authorities; and
 - (ii) non-governmental bodies in the exercise of powers delegated by central or local governments or authorities;
- (b) **“trade in services”** is defined as the supply of a service:
 - (i) from the territory of a Party into the territory of the other Party;
 - (ii) in the territory of a Party by a service supplier of that Party to a service consumer of the other Party;
 - (iii) by a service supplier of a Party, through commercial presence in the territory of the other Party; and
 - (iv) by a service supplier of a Party, through presence of natural persons of that Party in the territory of the other Party;
- (c) a **juridical person** is:
 - (i) "owned" by persons of a Party if more than 50 per cent of the equity interest in it is beneficially owned by persons of that Party;
 - (ii) "controlled" by persons of a Party if such persons have the power to name a majority of its directors or otherwise to legally direct its actions;
 - (iii) "affiliated" with another person when it controls, or is controlled by, that other person; or when it and the other person are both controlled by the same person;
- (d) **“enterprise/juridical person”** means any legal entity duly constituted or organized in accordance with the laws of a Party’s applicable law, whether privately or governmentally owned or controlled, including any corporation, trust, partnership, sole proprietorship, joint venture or business association;
- (e) **“juridical person of a Party”** means a juridical person which is either:

- (i) constituted under the law of that Party, and is engaged in substantive business operations in the territory of that Party; or
- (ii) in the case of the supply of a service through commercial presence, owned or controlled by;
 - 1. natural persons of that Party; or
 - 2. juridical persons of that Party identified under subparagraph (i);
- (f) **“natural person of a Party”** means a natural person that has the nationality of Bosnia and Herzegovina or Turkey according to their respective domestic legislation;
- (g) **“services supplied in the exercise of governmental authority”** means any service which is supplied neither on a commercial basis, nor in competition with one or more service suppliers;
- (h) **“service supplier of a Party”** means any natural or juridical person of a Party that supplies, or seeks to supply a service;
- (i) **“supply of a service”** includes the production, distribution, marketing, sale and delivery of a service;
- (j) **“commercial presence”** means any type of business or professional establishment, including through:
 - (i) the constitution, acquisition or maintenance of a juridical person, or
 - (ii) the creation or maintenance of a branch or a representative office,within the territory of a Party for the purpose of supplying a service;
- (k) **“measures adopted or maintained by Parties affecting trade in services”** include measures in respect of:
 - (i) the purchase, payment or use of a service;
 - (ii) the access to and use of, in connection with the supply of a service, services which are required by Parties to be offered to the public generally;
 - (iii) the presence, including commercial presence, of persons of a Party for the supply of a service in the territory of the other Party;
- (l) **“sector”** of a service means:

- (i) with reference to a specific commitment, one or more, or all, subsectors of that service, as specified in a Party's Schedule of specific commitments,
 - (ii) otherwise, the whole of that service sector, including all of its subsectors;
- (m) **"service consumer"** means any person that receives or uses a service;
- (n) **"direct taxes"** comprise all taxes on total income, on total capital or on elements of income or of capital, including taxes on gains from the alienation of property, taxes on estates, inheritances and gifts, and taxes on the total amounts of wages or salaries paid by enterprises, as well as taxes on capital appreciation;
- (o) **"monopoly"** means any person, public or private, which in the relevant market of the territory of a Party is authorised or established formally or in effect by that Party as the sole supplier of that service.
- (p) **"aircraft repair and maintenance services"** means such activities when undertaken on an aircraft or a part thereof while it is withdrawn from service and do not include so-called line maintenance;
- (q) **"selling and marketing of air transport services"** means opportunities for the air carrier concerned to sell and market freely its air transport services including all aspects of marketing such as market research, advertising and distribution. These activities do not include the pricing of air transport services nor the applicable conditions;
- (r) **"computer reservation system (CRS) services"** means services provided by computerised systems that contain information about air carriers' schedules, availability, fares and fare rules, through which reservations can be made or tickets may be issued;
- (s) **"ground handling services"** means the supply at an airport, on a fee or contract basis, of the following: airline representation, administration and supervision; passenger handling; baggage handling; ramp services; catering (except the preparation of the food); air cargo and mail handling; fueling of an aircraft; aircraft servicing and cleaning; surface transport; and flight operations, crew administration and flight planning. Ground handling services do not include self-handling; security; line maintenance; aircraft repair and maintenance; or management or operation of essential centralised airport infrastructure such as de-icing facilities, fuel distribution systems, baggage handling systems, and fixed intra-airport transport systems;
- (t) **"airport operation and management services"** means the supply of air terminal, airfield and other airport infrastructure operation services on a fee or contract basis. Airport operation services do not include air navigation services.

Article 3.3
Most favoured nation treatment

1. Except as provided for in a Party's List of MFN-exemptions contained in Annex V (Schedules of specific commitments in services), that Party shall accord immediately and unconditionally to services and services suppliers of the other Party treatment no less favourable than the treatment it accords to like services and services suppliers of a non-Party.
2. The obligations arising from paragraph 1 of this Article shall not apply to treatment granted:
 - (a) under measures providing for recognition of qualifications, licenses or prudential measures in accordance with the Section IV (Financial services);
 - (b) under any international agreement or arrangement relating wholly or mainly to taxation.
3. This Article shall not apply to economic integration agreements that create an internal market in services, and to which a Party is a signatory.

Article 3.4
Market access

1. With respect to market access through the modes of supply identified in Article 3.2 (Definitions), each Party shall accord to services and service suppliers of the other Party treatment no less favourable than that provided for under the terms, limitations and conditions agreed and specified in its Schedule.
2. In sectors where market-access commitments are undertaken, the measures which a Party shall not maintain or adopt either on the basis of a regional subdivision or on the basis of its entire territory, unless otherwise specified in its Schedule, are defined as:
 - (a) limitations on the number of service suppliers whether in the form of numerical quotas, monopolies, exclusive service suppliers or the requirements of an economic needs test;
 - (b) limitations on the total value of service transactions or assets in the form of numerical quotas or the requirement of an economic needs test;
 - (c) limitations on the total number of service operations or on the total quantity of service output expressed in terms of designated numerical units in the form of quotas or the requirement of an economic needs test;

(d) limitations on the total number of natural persons that may be employed in a particular service sector or that a service supplier may employ and who are necessary for, and directly related to, the supply of a specific service in the form of numerical quotas or the requirement of an economic needs test;

(e) measures which restrict or require specific types of legal entity or joint venture through which a service supplier may supply a service; and

(f) limitations on the participation of foreign capital in terms of maximum percentage limit on foreign shareholding or the total value of individual or aggregate foreign investment.

Article 3.5

National treatment

1. In the sectors inscribed in its Schedule, and subject to any conditions and qualifications set out therein, each Party shall accord to services and service suppliers of the other Party, with respect to all measures affecting the supply of services, treatment no less favourable than that it accords to its own like services and service suppliers.

2. A Party may meet the requirement of paragraph 1 of this Article by according to services and service suppliers of the other Party, either formally identical treatment or formally different treatment to that it accords to its own like services and service suppliers.

3. Formally identical or formally different treatment shall be considered to be less favourable if it modifies the conditions of competition in favour of services or service suppliers of the Party compared to like services or service suppliers of the other Party.

Article 3.6

Additional commitments

Parties may negotiate commitments with respect to measures affecting trade in services not subject to scheduling under Article 3.4 (Market access) or Article 3.5 (National treatment), including those regarding qualifications, standards or licensing matters. Such commitments shall be inscribed in a Party's Schedule.

Article 3.7

Schedules of specific commitments

1. Each Party shall set out in a schedule the specific commitments it undertakes under Article 3.4 (Market access), Article 3.5 (National treatment) and Article 3.6 (Additional commitments). With respect to sectors where such commitments are undertaken, each Schedule

shall specify:

- (a) terms, limitations and conditions on market access;
 - (b) conditions and qualifications on national treatment;
 - (c) undertakings relating to additional commitments referred to in Article 3.6 (Additional commitments);
 - (d) where appropriate, the time-frame for implementation of such commitments;
and
 - (e) the date of entry into force of such commitments.
2. Measures inconsistent with both Article 3.4 (Market access) and Article 3.5 (National treatment) shall be dealt with as provided for in paragraph 2 of Article XX of GATS.
 3. The Parties' Schedules of specific commitments are set out in Annex V (Schedules of specific commitments in services).
 4. Neither Party may adopt new or more discriminatory measures with regard to services or service suppliers of the other Party in comparison with treatment accorded pursuant to the specific commitments undertaken in conformity with paragraph 1 of this Article.

Article 3.8 Modification of schedules

The Parties shall, upon written request by a Party, hold consultations to consider any modification or withdrawal of a specific commitment in the requesting Party's Schedule of specific commitments. The consultations shall be held within three months after the requesting Party made its request. In the consultations, the Parties shall aim to ensure that a general level of mutually advantageous commitments no less favourable to trade than that provided for in the Schedule of specific commitments prior to such consultations is maintained. Modifications of Schedules are subject to the procedures set out in Article 6.2 (Joint committee) and Article 6.8 (Amendments) of Chapter VI (Institutional and final provisions).

Article 3.9 Mutual recognition

1. For the purpose of the fulfilment of its relevant standards or criteria for the authorisation, licensing or certification of service suppliers, each Party shall give due consideration to any requests by the other Party to recognise the education or experience obtained, requirements met, or licences or certifications granted in that other Party. Such

recognition may be based upon an agreement or arrangement with that other Party, or otherwise be accorded autonomously.

2. Where a Party recognises, by agreement or arrangement, the education or experience obtained, requirements met, or licences or certifications granted, in the territory of a non-party, that Party shall afford the other Party adequate opportunity to negotiate its accession to such an agreement or arrangement, whether existing or future, or to negotiate a comparable agreement or arrangement with it. Where a Party accords recognition autonomously, it shall afford adequate opportunity for the other Party to demonstrate that the education or experience obtained, requirements met, or licences or certifications granted, in the territory of that other Party should also be recognised.

3. Any such agreement or arrangement or autonomous recognition shall be in conformity with the relevant provisions of the WTO Agreement, in particular paragraph 3 of Article VII of GATS.

Article 3.10 **Transparency and disclosure of confidential information**

1. Each Party shall maintain or establish appropriate mechanisms for responding to inquiries from interested persons regarding its laws and regulations relating to the subject matter of this Chapter.

2. Nothing in this Chapter shall require any Party to provide confidential information, the disclosure of which would impede law enforcement, or otherwise be contrary to the public interest, or which would prejudice legitimate commercial interests of particular enterprises, public or private.

3. Each Party's regulatory authorities shall make publicly available the requirements, including any documentation required, for completing applications relating to the supply of services.

4. On the request of an applicant, a Party's regulatory authority shall inform the applicant of the status of its application. If the authority requires additional information from the applicant, it shall notify the applicant without undue delay.

5. On the request of an unsuccessful applicant, a regulatory authority that has denied an application shall, to the extent possible, inform the applicant of the reasons for denial of the application.

Article 3.11

Domestic regulation

1. Each Party shall ensure that all measures of general application covered by this Chapter affecting trade in services are administered in a reasonable, objective and impartial manner.
2. With a view to ensuring that measures relating to qualification requirements and procedures, technical standards and licensing requirements do not constitute unnecessary barriers to trade in services, each Party shall ensure, as appropriate for individual sectors, that such measures are:
 - (a) based on objective and transparent criteria, such as competence and the ability to supply the service;
 - (b) in the case of licensing procedures, not in themselves a restriction on the supply of the service.
3. Where a Party requires authorisation for the supply of a service, it shall ensure that its competent authorities:
 - (a) within a reasonable period of time after the submission of an application considered complete under its domestic laws and regulations, inform the applicant of the decision concerning the application;
 - (b) to the extent practicable, establish an indicative timeframe for processing of an application;
 - (c) if an application is rejected, to the extent practicable inform the applicant of the reasons for the rejection, either directly or upon request as appropriate;
 - (d) at the request of the applicant, provide, without undue delay, information concerning the status of the application;
 - (e) as far as practicable, provide applicants with the opportunity to correct minor errors and omissions in their applications and endeavour to provide guidance on the additional information required; and
 - (f) where they deem appropriate, accept copies of documents that are authenticated in accordance with its domestic law in place of original documents.
4. Each Party shall ensure that any authorisation fee charged by the competent authority is reasonable, and does not, in itself, restrict the supply of the relevant service.

5. Each Party's regulatory authorities shall make publicly available the requirements, including any documentation required, for completing applications relating to the supply of services.

Article 3.12 Denial of benefits

A Party may deny the benefits of this Chapter to a service supplier of the other Party that is a juridical person, where the former Party (denying Party) establishes that the juridical person is owned or controlled by persons of a non-Party and the denying Party:

- (a) does not maintain diplomatic relations with the non-Party; or
- (b) adopts or maintains measures with respect to the non-Party or a person of the non-Party that prohibits transactions with the juridical person or that would be violated or circumvented if the benefits of this Chapter were accorded to the juridical person.

Article 3.13 Review of commitments

If, after this Agreement enters into force, a Party further liberalizes any of its specific commitments unilaterally, it shall give positive consideration to a request by the other Party for the incorporation herein of the unilateral liberalisation. Any such incorporation should maintain the overall balance of commitments undertaken by each Party under this Agreement.

Article 3.14 Co-production on audio visual services

1. Recognizing that audio-visual co-productions in the areas including film, animation and broadcasting program can significantly contribute to the development of audio-visual industry and to an intensification of cultural and economic exchange and understanding between them, the Parties agree to consider the possibility to negotiate co-production agreement in the audio-visual sector.

2. The co-production agreement in accordance with paragraph 1 of this Article, after its entry into force, shall become an integral part of this Agreement. The detailed co-production agreement would be negotiated between the competent authorities of the Parties.

Section II - Temporary movement of natural persons

Article 3.15

Scope

1. This Section applies to measures affecting the movement of natural persons who are service suppliers of a Party and natural persons of a Party who are employed by a service supplier of a Party, in respect of the supply of a service.
2. This Agreement shall not apply to measures affecting natural persons seeking access to the employment market of a Party, nor shall it apply to measures regarding citizenship, residence or employment on a permanent basis.
3. Nothing in this Agreement shall prevent a Party from applying measures to regulate the entry of natural persons into, or their temporary stay in, its territory, including those measures necessary to protect the integrity of, and to ensure the orderly movement of natural persons across its borders, provided that such measures are not applied in such a manner as to nullify or impair the benefits accruing to the other Party under this Agreement.²

Article 3.16

General principle

Each Party shall apply its measures relating to the provisions of this Section as expeditiously as possible, so as to avoid unduly impairing or delaying trade in goods or services under this Agreement.

Article 3.17

Specific commitments

1. In scheduling commitments pursuant to Article 3.4 (Market access) and Article 3.5 (National treatment), each Party shall set out in its Schedule the commitments it undertakes for the entry and temporary stay in its territory of natural persons of the other Party. These Schedules shall specify the terms, limitations and conditions governing those commitments for each category of service supplier, including the period of stay and any possibility for extension of stay, any numerical limitations such as quotas and any requirements of an economic needs test.

² The sole fact of requiring a visa for natural persons shall not be regarded as nullifying or impairing benefits under the terms of a specific commitment in Annex V (Schedules of specific commitments in services).

2. Each Party shall grant entry and temporary stay to natural persons of the other Party in accordance with this Chapter including the terms and conditions for each category set out in Annex V (Schedules of specific commitments in services) provided that the natural persons comply with the relevant (immigration) laws and regulations applicable to entry and temporary stay such as those relating to public health and safety and national security.

3. The sole fact that a Party grants entry and temporary stay to a natural person of another Party shall not be construed to exempt that person from meeting any applicable licensing or other requirements, including any mandatory codes of conduct, to practice a profession or otherwise engage in business activities.

4. Parties shall avoid applying economic needs tests and quantitative restrictions or other procedures of similar effect as a condition for entry and temporary stay for intra-corporate transferees in the form of executives-managers and specialists as defined in each Party's Schedule of specific commitments.

Article 3.18 **Provision of information**

1. For the purposes of this Chapter, each Party shall ensure that its competent authorities make publicly available the information necessary for an effective application of the grant of authorisations for the entry into and temporary stay in its territory.

2. Information referred to in paragraph 1 of this Article shall include descriptions of, in particular:

(i) all categories of authorisation and permits relevant to the entry and temporary stay for each category set out in Annex V (Schedules of specific commitments in services);

(ii) requirements and procedures for application for, and issuance of, first-time entry and temporary stay, including conditions to be met and method of filing; and

(iii) requirements and procedures for application for, and issuance of, renewal of entry and temporary stay authorisation and permits.

3. Each Party shall provide the other Party with details of relevant publications or websites where information referred to in paragraph 2 of this Article is made available.

Article 3.19

Entry, temporary stay and related requirements and procedures

1. Parties shall, in accordance with domestic laws and regulations, ensure transparency, efficiency, due and fair process in visa, work permits or any similar type of authorisation regarding entry and temporary stay of natural persons supplying services.
2. Documents requested for granting visa, work permit and any similar type of document must be relevant and not excessive in relation to the purpose for which they are collected.
3. Fees for processing applications for entry and temporary stay and work for the service providers shall be reasonable and determined with regard to the administrative costs involved.
4. Complete applications shall be processed promptly and expeditiously. The competent authorities of each Party shall notify the applicant for entry, temporary stay or work permit of the outcome of its application promptly after a decision has been taken. The notification shall include, if applicable, the period of stay and any other terms and conditions.
5. The work permit applications shall be processed as expeditiously as possible and in any case the processing time shall not exceed 60 days.
6. Upon the applicant's request, the competent authorities of the Party concerned shall, without undue delay and to the extent possible, provide information concerning the status of the applicant's application.
7. In case of an incomplete application, the applicant shall be informed promptly of the information required to complete the application and shall be provided with the opportunity to correct any deficiencies within a reasonable period of time.
8. When the application is refused, the applicant shall be informed of the refusal and be provided information on available review procedures.

Section III - Telecommunications services

Article 3.20

Definitions

For purposes of this Section:

“attribution” means - recommended way of describing, characterising, allocation, assignment and use of scarce telecommunications resources, including frequencies and numbers;

“authorisation” means licenses, concessions, permits, registrations or other authorisations that a Party may require to provide public telecommunications services;

“co-location” means the access and use of physical space in order to install, maintain or repair equipment on properties owned or controlled and used by another major supplier for the provision of public telecommunications services;

“cost-oriented” means based on costs, and may include a reasonable profit and may involve different cost methodologies for different facilities or services;

“enterprise” as defined in Article 3.2 (Definitions) of Chapter III (Trade in services);

“essential elements” are those elements of the network or public telecommunications service that:

- (a) are essential for the provision of public telecommunications services;
- (b) are exclusively or predominantly provided, by a single supplier or a limited number of suppliers, and
- (c) are not economically or technically feasible to replace in order to supply a service;

“end user” means a final consumer of or subscriber to a public telecommunications service, including a service supplier other than a supplier of public telecommunications services;

“homologation” means - the process of obtaining certificates by which the competent control agency attests, in each specific case, the compliance of technical equipment with all legal requirements in terms of its safety, harmlessness to human health, compatibility, and the like;

“interconnection” means the link between two or more public telecommunication networks within the territory of a Party, in order to allow users of one supplier communicate with the users of another supplier and also be able to have access to the services provided by another supplier;

“interface” means– network connecting point, including all physical connections with their access technical specifications which form part of such network and are necessary for access to and efficient communication via the network;

“leased circuits” means telecommunications facilities between two or more designated points that are destined for the dedicated use or for the availability of a particular client or for other users chosen by that client;

“major supplier” means a supplier of public telecommunications services, which has the ability to importantly affect the terms of participation, from the point of view of price and

supply in the relevant market of networks or public telecommunications services, as a result of:

- (a) control of the essential elements or,
- (b) the use of its position in the market;

“network element” means any facility or an equipment used for the provision of a public telecommunications service, its technical definition must include its characteristics, functions and capabilities that are provided by such facilities or equipment;

“non-discriminatory” means treatment no less favourable than that given to any other network or similar telecommunication services user, in like circumstances;

“number portability” means the right of end users of public telecommunications services to maintain, for fixed telephone numbers at the same location, for mobile numbers at any location, the same phone numbers when switching to a similar supplier of public telecommunications services;

“public telecommunications network” means the infrastructure used to provide public telecommunications services;

“public telecommunications services” means any telecommunications service, offered to the general public. These services may include, among others, telephony and data transmission, without any end to end change in the form or content of such information, but excludes information services;

“reference interconnection offer” means an offer of interconnection offered by a major supplier and registered or approved by the telecommunication regulatory body, which is sufficiently detailed to allow suppliers of public telecommunications services that wish to accept those rates, terms and conditions, obtain interconnection without having to engage in negotiations with the supplier in question;

“telecommunications” means the emission, transmission and reception of signals by any physical, electromagnetic or optical means;

“telecommunications regulatory authority” means the body or bodies in the telecommunications services sector, in charge of any of the regulatory tasks assigned in accordance with the national legislation of each Party;

“termination point of the network” means the point where a public telecommunications network connects with the facilities and equipment of end users or, where applicable, the point where other telecommunication networks connect to this one; and

“user” means a natural or legal person, whether a subscriber or not, that uses

telecommunications services, may be a supplier of public telecommunications services.

Article 3.21

Scope

1. This Section shall apply to:
 - (a) measures adopted or maintained by a Party, related to the access to, and the use of, the networks and public telecommunications services;
 - (b) measures adopted or maintained by a Party, related to the obligations of the providers of networks or public telecommunication services, and
 - (c) other measures adopted or maintained by a Party, related to the networks and public telecommunications services.
2. This Section shall not apply to measures adopted or maintained by a Party related to broadcasting³ and cable distribution of radio or television programming destined to the public, except to guarantee that the enterprises that provide these services have access and continuous use of networks and public telecommunications services as established in Article 3.22 (Network and public telecommunication services access and use).
3. Nothing in this Section shall be construed to require a Party, or require a Party to compel any enterprise, to establish, construct, acquire, lease, operate or supply networks or public telecommunication services, where such networks or services are not offered to the general public.
4. In addition, this Section shall not be construed as preventing a Party from prohibiting persons that operate private networks, the use of their networks to provide networks or public telecommunication services to third persons.

Article 3.22

Network and public telecommunication services access and use

1. Subject to the right of a Party to restrict the supply of a service in accordance with the reservations set out in Annex V (Schedules of specific commitments in services), a Party shall ensure that enterprises that supply telecommunications services of the other Party have access to networks or public telecommunications services offered in its territory or across its borders and may use them on reasonable and non-discriminatory terms and conditions, including, among other forms, the provisions established in paragraphs 2 to 6 of this Article.

³ Broadcasting shall be defined as provided for in the relevant legislation of each Party.

2. Each Party shall ensure that such enterprises are permitted to:
 - (a) buy or lease and connect terminals or other equipment that interfaces with the public telecommunications networks;
 - (b) provide services to final, individual or multiple users, over owned or leased circuits;
 - (c) interconnect private leased or owned circuits with networks and public telecommunication services of that Party, or with circuits leased or owned by another enterprise, and
 - (d) perform switching, signalling, processing and conversion functions; and use operating protocols of their choice.
3. Each Party shall ensure that enterprises of the other Party may use networks and public telecommunication services to transmit information in its territory or across its borders, and to access information contained in databases or otherwise stored in a readable form by a machine in the territory of any Party.
4. Notwithstanding paragraph 3 of this Article, a Party may take necessary measures to:
 - (a) ensure the security and confidentiality of messages, and/or
 - (b) protect the privacy of personal data of telecommunications end users;provided that such measures are not applied in a way that would constitute a discriminatory, arbitrary or unjustifiable mean, or a disguised restriction on trade in services.
5. Each Party shall ensure that no conditions are imposed on access to and use of networks or public telecommunications services, except those deemed necessary for:
 - (a) safeguard the public service responsibilities of suppliers of public networks or public telecommunications services, in particular their ability to make their networks or services available to the general public;
 - (b) protect the technical integrity of networks or public telecommunication services;
or
 - (c) ensure that services suppliers of the other Party do not provide services that are limited by the reservations listed by the Parties in Annex V (Schedules of specific commitments in services).

6. Provided that they satisfy the criteria set out in paragraph 5 of this Article, the conditions for access to and use of networks or public telecommunications services may include:

- (a) the requirement to use specific technical interfaces, including interface protocols, for interconnection with such networks and services
- (b) requirements, where necessary, for interoperability of such services;
- (c) the homologation or approval of terminal or other equipment in the interface with network and technical requirements related to the connection of such equipment to those networks, and
- (d) restrictions in the interconnection of private leased or owned circuits with such networks or services, or with circuits owned or leased by other enterprise.

7. Nothing in this Article shall prevent a Party from requiring an enterprise to provide notification or to obtain license, concession, permit, registration or other type of authorisation in order to provide some kind of public telecommunications service in its territory.

Article 3.23

Public availability of licensing criteria

1. Where a licence is required, the following will be made publicly available:
 - (a) all the licensing criteria and the period of time normally required to reach a decision concerning an application for a licence, and
 - (b) the terms and conditions of individual licences.
2. The reasons for the denial of a licence will be made known to the applicant upon request.

Article 3.24

Performance of major suppliers

Treatment of major suppliers

1. Each Party shall ensure that major suppliers in its territory provide suppliers of public telecommunications services of the other Party, treatment no less favourable than that provided by such suppliers, in like circumstances, to its subsidiaries, to its affiliates or non-affiliated services suppliers with respect to:

- (a) availability, supply, rates or quality of networks or similar public telecommunications services; and
- (b) the availability of technical interfaces necessary for interconnection.

Competitive safeguards

1. Each Party shall maintain the appropriate measures to prevent suppliers that, in an individual or a conjunctive way, are major suppliers in its territory, apply or continue applying anti-competitive practices.
2. The anti-competitive practices referred to in paragraph 1 of this Article include:
 - (a) perform anti-competitive activities of cross-subsidization;
 - (b) use information obtained from competitors with anti-competitive results; and
 - (c) not making available to other suppliers of public telecommunications services, in a timely manner, technical information on the essential elements and commercially relevant information which those suppliers need to provide public telecommunications services.

Interconnection with major suppliers

A. General terms and conditions

1. Each Party shall ensure that a major supplier provides interconnection:
 - (a) in any technically feasible point of the network;
 - (b) in terms, conditions (including technical standards and specifications), and rates that are non-discriminatory with respect to other suppliers;
 - (c) of a quality no less favourable than that provided for its own similar services, or for non-affiliated service providers or for its subsidiaries or other affiliates;
 - (d) in a timely way, on terms, conditions (including technical standards and specifications) and cost-oriented rates that are transparent, reasonable, having regard to economic feasibility, and sufficiently unbundled so that the supplier need not pay for network components or facilities that it does not require for the service to be provided; except when following a market review, the regulatory authority determines that this is not necessary to achieve effective competition; and
 - (e) upon previous request, in additional points to the termination points of the network offered to most of the users, subject to charges that reflect the cost of

construction of necessary additional facilities.

B. Interconnection options

2. Each Party shall ensure that suppliers of public telecommunication services of the other Party, may interconnect its facilities and equipment with those of major suppliers in its territory, in accordance with at least one of the following options:

- (a) a reference interconnection offer or other standard interconnection offer containing rates, terms and conditions that major suppliers offer to suppliers of public telecommunications services;
- (b) terms and conditions of a valid interconnection agreement; or
- (c) through negotiation of a new interconnection agreement.

C. Public availability of interconnection procedures

3. Each Party shall make available to the public the applicable procedures for interconnection with major suppliers in its territory.

4. A Party shall make publicly available the applicable procedures for interconnection negotiations with a major supplier in its territory.

5. A Party shall provide a means for suppliers of the other Party to obtain the rates, terms, and conditions necessary for interconnection offered by a major supplier. Such means include, at a minimum, ensuring:

- (a) the public availability of interconnection agreements in effect between a major supplier in its territory and other suppliers of public telecommunications services in its territory;
- (b) the public availability of rates, terms, and conditions for interconnection with a major supplier set by the telecommunications regulatory body or other competent body; or
- (c) the public availability of a reference interconnection offer.

Services for which such rates, terms, and conditions are made publicly available may not include all interconnection-related services offered by a major supplier, as determined by a Party under its laws and regulations.

Article 3.25
Supply and pricing of leased circuits

1. Each Party shall ensure that major suppliers in its territory provide to enterprises of the other Party leased circuits, which are public telecommunication services, in terms, conditions and rates that are reasonable and non-discriminatory.
2. For purposes of paragraph 1 of this Article, each Party shall provide its telecommunications regulatory body the authority to require major suppliers in its territory, to offer to enterprises of the other Party leased circuits, in a flat rate or in prices based on capacity; and cost-oriented.

Article 3.26
Co-location

1. Each Party shall ensure that major suppliers in its territory provide suppliers of public telecommunication services of the other Party, the physical co-location of necessary equipment to interconnect or have access to unbundled network elements, in terms, conditions and cost-oriented rates, which are reasonable, non-discriminatory and transparent.
2. Each Party may specify, in accordance with its domestic law and regulations, the elements subject to paragraph 1 of this Article.

Article 3.27
Access to poles, ducts, conduits and way rights

Each Party shall ensure that major suppliers in its territory provide access to poles, ducts, conduits and rights of way to suppliers of public telecommunications services of the other Party in terms, conditions and reasonable and non-discriminatory rates.

Article 3.28
Resale

Each Party shall ensure that major suppliers in its territory:

- (a) offer for resale, at reasonable⁴ rates, to suppliers of public telecommunications services of the other Party, public telecommunications services that such major suppliers provide retail to end users, and
- (b) does not impose discriminatory or unjustified conditions or limitations in the resale of

⁴ A Party may determine reasonable rates through any methodology it considers appropriate.

such services⁵.

Article 3.29

Unbundling of network elements

1. Each Party shall provide to its telecommunications regulatory body, the authority to require major suppliers in its territory provide to suppliers of public telecommunications services of the other Party, access to the network elements in an unbundled way in terms, conditions and cost-oriented rates that are reasonable, non-discriminatory and transparent, for the supply of public telecommunications services.
2. Each Party may determine which network elements should be available in its territory and which suppliers may obtain such elements, in accordance with its domestic laws and regulations.

Article 3.30

Interconnection

1. Each Party shall ensure that suppliers of public telecommunications services in its territory provide, directly or indirectly, interconnection to suppliers of public telecommunications services of the other Party, in accordance with the Party's domestic legislation.
2. For the purposes of paragraph 1 of this Article, each Party shall ensure that suppliers of public telecommunications services in its territory take reasonable actions to protect the confidentiality of commercially sensitive information of, or related to, suppliers and end users of public services telecommunications, and only use such information to provide those services.

Article 3.31

Number portability

Each Party shall ensure that suppliers of public telecommunications services in its territory provide number portability, in an opportune way, and in reasonable and non-discriminatory terms and conditions.

⁵ Where its domestic law or legislation so establishes it, a Party may prohibit the reseller to obtain, at wholesale rates, a public telecommunications service that is available at a retail level only to a limited category of users, to offer such service to a different category of users.

Article 3.32
Flexibility in the choice of technologies

1. Neither Party may prevent suppliers of public telecommunications services to have flexibility in choosing the technologies that they use to provide their services, including mobile wireless services, subject to the valid technical regulations in each Party.
2. Nothing in this Article shall be construed as preventing that, if an operator intends to provide a different approach to the service that was authorised, the regulatory body require additional license or other proper authorisation to provide such public telecommunications service.

Article 3.33
Universal service

1. Each Party has the right to define the kind of universal service obligations that it wishes to adopt or maintain.
2. Each Party shall administer any universal service obligation that it adopts or maintains, in a transparent, non-discriminatory and competitively neutral way, and shall ensure that any universal service obligation is not more burdensome than necessary for the type of universal service defined by the Party.

Article 3.34
Attribution, assignation and use of scarce resources

1. Each Party shall administer its procedures for the attribution, assignation and use of scarce telecommunications resources, including frequencies and numbers in an objective, opportune, transparent and non-discriminatory way, except those related to government use.
2. The measures of a Party related to the attribution and assignation of the spectrum and frequency management do not constitute incompatible measures, *per se* with Article 3.4 (Market access).
3. In consequence, each Party shall retain the right to establish, implement and maintain spectrum and frequency management policies that may have the effect to limit the number of suppliers of public telecommunications services, as long as this is done in a compatible way with other provisions of this Agreement. In addition, each Party retains the right to attribute and assign frequency bands taking into account present and future needs and the availability of spectrum.
4. Each Party shall make available to the public the current state of attributed and assigned frequency bands but shall not be required to provide detailed identification of attributed and

assigned frequencies for specific government uses.

5. Where the spectrum for non-government telecommunications services is attributed, each Party's procedures shall be based on a public comment process, open and transparent, that considers the public interest. These procedures shall be based on, in general, market-based approaches in the assignment of spectrum for terrestrial non-governmental telecommunications services.

Article 3.35

Regulatory authority

1. Each Party shall ensure that its telecommunications regulatory authority is independent and is separate from and not accountable to, any supplier of public telecommunications services.

2. For this purpose, each Party shall ensure that its telecommunications regulatory authority has no financial interest or operational functions in any supplier of public telecommunications services.

3. Each Party shall ensure that the decisions and procedures of its regulatory authority are impartial with respect to all market participants. For this purpose, each Party shall ensure that any financial interest that the Party has in a supplier of public telecommunications services, does not influence the decisions and procedures of its telecommunications regulatory authority.

4. Neither Party shall provide to a supplier of public telecommunications services a treatment more favourable than that provided to a similar supplier of the other Party, justifying that the supplier that receives more favourable treatment is totally or partly owned by the national government of any of the Parties.

Article 3.36

Solution of domestic telecommunications disputes

Each Party shall ensure that there are internal mechanisms for dispute solutions, in accordance with its valid domestic legislation.

Article 3.37

Transparency

In accordance with the domestic legislation of the Party, each Party shall to the extent possible:

(a) promptly publish or make available to the public the regulation that establishes the telecommunications regulatory authority, including the basis for such regulation.

- (b) provide interested persons, as far as possible, through public notice with adequate advance, the opportunity to comment any regulation that the telecommunications regulatory authority proposes, and
- (c) make available to the public the measures concerning to networks or public telecommunications services, including measures relating to:
- (i) rates and other terms and conditions of the service;
 - (ii) specifications of technical interfaces;
 - (iii) conditions for the connection of the terminal and other equipment to the public telecommunications network;
 - (iv) requirements of notification, license, permit, registration or other authorisation, if they exist;
 - (v) information about the responsible bodies of the elaboration, modification and adoption of measures related to standards that affect the access and use; and
 - (vi) procedures related to solution of telecommunications disputes, set out in Article 6.5 (Dispute settlement) and Annex VI (Dispute settlement).

Article 3.38
Relation to other chapters

In case of any incompatibility between this Section and another Chapter of this Agreement, this Section shall prevail to the extent of the incompatibility.

Article 3.39
Standards and international organizations

The Parties recognize the importance of international standards for global compatibility and interoperability of networks or telecommunication services, and undertake to promote such standards through the work of competent international bodies, including *the International Telecommunication Union* and *the International Organization for Standardization*.

Section IV - Financial services

Article 3.40 Scope and definitions

1. This Chapter sets out the principles of the regulatory framework for all financial services on which specific commitments are undertaken in Annex V (Schedules of specific commitments in services).
2. For the purposes of this Section:

“financial services” means any service of a financial nature offered by a financial service supplier of a Party. Financial services include all insurance and insurance-related services, and all banking and other financial services (excluding insurance). Financial services include the following activities:

- (a) Insurance and insurance-related services:
 - (i) direct insurance (including co-insurance): life; non-life;
 - (ii) reinsurance and retrocession;
 - (iii) insurance inter-mediation, such as brokerage and agency; and
 - (iv) services auxiliary to insurance, such as consultancy, actuarial, risk assessment and claim settlement services; and
- (b) Banking and other financial services (excluding insurance):
 - (i) acceptance of deposits and other repayable funds from the public;
 - (ii) lending of all types, including consumer credit, mortgage credit, factoring and financing of commercial transactions;
 - (iii) financial leasing;
 - (iv) all payment and money transmission services, including credit, charge and debit cards, travellers' cheques and banker's drafts;
 - (v) guarantees and commitments;
 - (vi) trading for own account or for account of customers, whether on an exchange, in an over-the-counter market or otherwise, the following:

- A. money market instruments (including cheques, bills and certificates of deposits);
 - B. foreign exchange;
 - C. derivative products including, but not limited to, futures and options;
 - D. exchange rate and interest rate instruments, including products such as swaps, forward rate agreements;
 - E. transferable securities; and
 - F. other negotiable instruments and financial assets, including bullion;
- (vii) participation in issues of all kinds of securities, including underwriting and placement as agent (whether publicly or privately) and provision of services related to such issues;
 - (viii) money broking;
 - (ix) asset management, such as cash or portfolio management, all forms of collective investment management, pension fund management, custodial, depository and trust services;
 - (x) settlement and clearing services for financial assets, including securities, derivative products and other negotiable instruments;
 - (xi) provision and transfer of financial information, and financial data processing and related software; and
 - (xii) advisory, intermediation and other auxiliary financial services on all the activities listed in subparagraphs (i) through (xi), including credit reference and analysis, investment and portfolio research and advice, advice on acquisitions and on corporate restructuring and strategy;

“financial service supplier” means any natural or juridical person of a Party that seeks to provide or provides financial services and does not include a public entity;

“new financial service” means a service of a financial nature, including services related to existing and new products or the manner in which a product is delivered, that is not supplied by any financial service supplier in the territory of a Party but which is supplied in the territory of the other Party;

“public entity” means:

- (a) a government, a central bank or a monetary authority of a Party or an entity owned or controlled by a Party, that is principally engaged in carrying out governmental functions or activities for governmental purposes, not including an entity principally engaged in supplying financial services on commercial terms; or
- (b) a private entity, performing functions normally performed by a central bank or monetary authority, when exercising those functions.

Article 3.41 Prudential carve-out

1. Each Party may adopt or maintain measures for prudential reasons⁶, including:
 - (a) the protection of investors, depositors, policy-holders or persons to whom a fiduciary duty is owed by a financial service supplier; and
 - (b) ensuring the integrity and stability of the Party’s financial system.
2. These measures shall not be more burdensome than necessary to achieve their aim, and where they do not conform to the other provisions of this Agreement, they shall not be used as a means of avoiding each Party’s commitments or obligations under such provisions.
3. Nothing in this Agreement shall be construed to require a Party to disclose information relating to the affairs and accounts of individual consumers or any confidential or proprietary information in the possession of public entities.
4. Without prejudice to other means of prudential regulation of cross-border trade in financial services, a Party may require the registration of cross-border financial service suppliers of the other Party and of financial instruments.

Article 3.42 Transparency

1. The Parties recognise that transparent regulations and policies governing the activities of financial service suppliers are important in facilitating access of foreign financial service suppliers to, and their operations in each other’s markets. Each Party commits to promote regulatory transparency in financial services.

⁶ It is understood that the term “prudential reasons” may include the maintenance of the safety, soundness, integrity, or financial responsibility of individual financial service suppliers.

2. The competent authorities of each Party shall make available to interested persons domestic requirements and applicable procedures for completing applications relating to the supply of financial services.
3. Where a licence or an authorisation is required for the supply of a financial service, the competent authorities of a Party shall make the requirements for such a licence or an authorisation publicly available.
4. Each Party shall ensure that all measures of general application to which this Section applies are administered in a reasonable, objective and impartial manner.
5. To the extent practicable, each Party should allow reasonable time between publication of final regulations of general application and their effective date.
6. Each Party shall ensure that the rules of general application adopted or maintained by self-regulatory organizations of the Party are promptly published or otherwise made available in such a manner as to enable interested persons to become acquainted with them.
7. Each Party shall maintain or establish appropriate mechanisms for responding to inquiries from interested persons regarding measures of general application covered by this Chapter.

Article 3.43
Self-regulatory organisations

When a Party requires membership or participation in, or access to, any self-regulatory organisation, securities or futures exchange or market, clearing agency or any other organisation or association, in order for financial service suppliers of the other Party to supply financial services on an equal basis to financial service suppliers of the Party, or when the Party provides directly or indirectly such entities with privileges or advantages in supplying financial services, the Party shall ensure that such entities accord national treatment and MFN treatment to financial service suppliers of the other Party.

Article 3.44
Payment and clearing systems

Under terms and conditions that accord national treatment, each Party shall grant to financial service suppliers of the other Party established in its territory access to payment and clearing systems operated by public entities and to official funding and refinancing facilities available in the normal course of ordinary business. This Article is not intended to confer access to a Party's lender of last resort facilities.

Article 3.45
New financial services

1. Each Party shall permit a financial service supplier of the other Party established in its territory to provide any new financial service that the Party would permit its own financial service suppliers to supply, in like circumstances, under its domestic law, provided that the introduction of the new financial service does not require a new law or modification of an existing law.
2. A Party may determine the institutional and juridical form through which the service may be provided and may require authorisation for the provision of the service. Where such authorisation is required, a decision shall be made within a reasonable period of time and the authorisation may be refused only for prudential reasons.

Article 3.46
Transfers of information and processing of information

Subject to its domestic legislation, no Party shall take measures that prevent transfers of information into or out of its territory or the processing of financial information, including transfers of data by electronic means, or that, subject to importation rules consistent with international agreements, prevent transfers of equipment, where such transfers of information, processing of financial information or transfers of equipment are necessary for the conduct of the ordinary business of a financial service supplier of another Party. Nothing in this Article restricts the right of a Party to protect personal data, personal privacy and the confidentiality of individual records and accounts so long as such right is not used to circumvent the provisions of this Chapter.

Article 3.47
Specific exceptions

1. Nothing in this Section shall be construed to prevent a Party, including its public entities, from exclusively conducting or providing in its territory activities or services forming part of a public retirement plan or statutory system of social security, except when those activities may be carried out, as provided by its domestic regulations, by financial service suppliers in competition with public entities or private institutions.
2. Nothing in this Agreement shall apply to activities conducted by a central bank or monetary authority or by any other public entity in pursuit of monetary or exchange rate policies.
3. Nothing in this Section shall be construed to prevent a Party, including its public entities, from exclusively conducting or providing in its territory activities or services for the account or with the guarantee or using the financial resources of the Party, including its public

entities except when those activities may be carried out, as provided by its domestic regulations, by financial service suppliers in competition with public entities or private institutions.

Article 3.48 Recognition

1. A Party may recognise prudential measures of the other Party in determining how the Party's measures relating to financial services shall be applied. Such recognition, which may be achieved through harmonisation or otherwise, may be based upon an agreement or arrangement between the Parties, or may be accorded autonomously.

2. A Party that is a party to an agreement or arrangement of the type referred to in paragraph 1 of this Article with a third party, whether at the time of entry into force of this Agreement or thereafter, shall afford adequate opportunity for the other Party to negotiate its accession to such agreements or arrangements, or to negotiate comparable ones with it, under circumstances in which there would be equivalent regulation, oversight, implementation of such regulation, and, if appropriate, procedures concerning the sharing of information between the Parties to the agreement or arrangement. Where a Party accords recognition autonomously, it shall afford adequate opportunity for the other Party to demonstrate that such circumstances exist.

Section V – Road transport and auxiliary services

Article 3.49 Scope

1. This Section applies to measures by Parties affecting trade in international road freight transport and auxiliary services.

2. Where applicable and subject to the disciplines of Article V of GATT 1994 and the relevant provisions of *Trade Facilitation Agreement* of the WTO this Section also covers transit traffic.

Article 3.50 Definitions

For the purposes of this Section;

“**vehicle**” means a motor vehicle or a coupled combination of vehicles, registered in a Party and used exclusively for the carriage of goods.

“international road freight transport” means:

- (a) a laden or an unladen journey undertaken by a vehicle the point of departure or arrival of which is in the territory of a Party;
- (b) transit of a laden or an unladen vehicle;

“auxiliary services” means services classified under CPC 741, 742, 748 and 749, which are supplied in support of international road freight transport;

“transport equipment” means the part of a vehicle which is intended to bear the load, has supports and, by means of a device which is part of the vehicle, may be detached from the vehicle and re-incorporated therein;

“transit” means transport operation across the territory of a Party when the passage across such territory is only a portion of a complete journey beginning and terminating beyond the frontier of the Party across whose territory the traffic passes; and

“perishable goods” means goods that rapidly decay due to their natural characteristics, in particular in the absence of appropriate storage conditions.

Article 3.51 Freedom of transit

A Party shall not adopt or maintain any measure that is a quantitative limitation or has an equivalent effect on the number of service suppliers or the vehicles in transit.

Article 3.52 Administrative and technical requirements

A Party shall not adopt or maintain any administrative and technical requirements⁷ that are not based on objective and transparent criteria, such as competence and the ability to supply the service, and shall ensure that those requirements do not constitute arbitrary or unjustifiable discrimination or a disguised restriction on trade in services covered by this Section.

⁷ This Article shall not apply to the requirements with respect to the distribution of international road freight transport quotas and the issuance of transport permits.

Article 3.53
Movement of transport equipment

Each Party shall permit cross-border movement and transit of transport equipment⁸ necessary for the supply of services covered by this Section, on reasonable and non-discriminatory terms and conditions.

Article 3.54
Specific routes

A Party shall not adopt or maintain any measure requiring a service supplier of the other Party to follow a specific route that does not apply to its own like service suppliers.

Article 3.55
Mandatory modes of transport

No Party may adopt or maintain any discriminatory measures that prevent service suppliers of the other Party to use their preferred mode of transport.

Article 3.56
Perishable goods

The Parties recognise the essential role of road transport for the timely delivery of perishable goods and with a view to preventing avoidable loss or deterioration of perishable goods they:

- a) shall give appropriate priority to service suppliers and their vehicles carrying perishable goods when scheduling any examinations that may be required for crossing borders; and
- b) shall endeavour to avoid the imposition of restrictive measures that prevent timely delivery of perishable goods.

Article 3.57
Penalties

1. Each Party shall ensure that penalties charged by its competent authorities are reasonable, non-discriminatory and pre-established by law in a level of detail sufficient for service suppliers to estimate in advance how much is charged for each infringement.

⁸ For greater certainty, trailers and semi-trailers are covered by the definition of vehicle and are not regarded as transport equipment.

2. Each Party shall ensure that once a service supplier or a vehicle of a Party is charged for an infringement, it will not be charged again for the same specific infringement throughout its whole territory during the same journey.

Article 3.58
Access to and use of the infrastructure

The Parties shall not adopt or maintain any measure that would deny service suppliers of the other Party access to and use of relevant transportation infrastructure⁹ on reasonable and non-discriminatory terms and conditions.

Article 3.59
Financial guarantee

If the competent authorities of a Party require the deposit of a financial guarantee as a condition to supply a service covered by this Section in its territory, they shall set such guarantee at a reasonable level, having regard to the risk involved, and shall release the guarantee in a timely manner.

Article 3.60
Transparency

1. Each Party shall make publicly available on the internet relevant measures affecting the supply of services covered by this Section, including, where applicable information on:

- (a) weight and dimensions for vehicles,
- (b) fiscal charges,
- (c) border formalities,
- (d) social regulations and environmental regulations, and
- (e) penalties.

2. Each Party shall promptly provide information on internet concerning any amendments, new regulations and international agreements affecting the supply of services covered by this Section.

⁹ For purposes of this Article relevant transportation infrastructure means any infrastructure, including road side facilities, necessary for the supply of services that is made generally available to the service suppliers.

Article 3.61
Professional drivers

Professional drivers who are employed by a service supplier of a Party may stay in the territory of the other Party without a visa for a maximum period of 90 days in any 180-day period.

Article 3.62
Relation to other agreements

1. The Parties affirm their existing rights and obligations under other agreements to which both Parties are party.
2. In the event of any inconsistency between the provisions of this Agreement affecting the services covered by this Section and such other agreements the provision most favourable to the service supplier shall apply.

Article 3.63
Relation to Chapter III (Trade in services)

In case of any inconsistency between the provisions of this Section and Chapter III (Trade in services), the provisions of this Section shall prevail to the extent of the inconsistency.

Section VI – Electronic commerce

Article 3.64
Definitions

For the purposes of this Section:

“*digital products*” means computer programs, text, video, images, sound recordings, and other products that are digitally encoded and produced for commercial sale or distribution, and transmitted electronically. For greater certainty, digital products do not include digitised representations of financial instruments, including money;

“*electronic authentication*” means the process or act of verifying the identity of a Party to an electronic communication or transaction and/or ensuring the integrity of an electronic communication;

“*electronic commerce*” means any economic and commercial activity conducted by electronic means and without any physical interaction;

“electronic technologies” means a combination of software and hardware that provides interaction between the persons of the Parties using an electronic document;

“electronic transmission or transmitted electronically” means transmissions made using any electromagnetic means, including by photonic means;

“personal data” means any data, including information, about an identified or identifiable natural person;

“trade administration documents” means forms issued or controlled by a Party that must be completed by or for an importer or exporter in connection with the import or export of goods; and

“unsolicited commercial electronic message” means an electronic message, which is sent for commercial and marketing purposes to an electronic address without the consent of the recipient or against the explicit rejection of the recipient, using an internet access service supplier and, to the extent provided for under the domestic laws and regulations of each Party, other telecommunications service.

Article 3.65

Scope

This Section shall apply to measures adopted and maintained by a Party affecting trade by electronic means.

Article 3.66

General provisions

1. The Parties recognise the economic growth and opportunities provided by the increasing use of electronic commerce, in particular for businesses and consumers and the importance of the need to create an environment of trust and confidence in its use.
2. The Parties recognise that electronic commerce may increase trade opportunities and contribute to economic growth, and underscore the importance of promoting the use of electronic technologies in trade in order to minimize the costs and facilitate trade.

Article 3.67

Customs duties

1. The Parties agree not to impose customs duties on electronic transmissions between Parties.

2. Paragraph 1 of this Article shall not preclude a Party from imposing internal taxes or other internal charges on electronic transmissions.

Article 3.68
Non-discriminatory treatment of digital products

1. No Party may accord less favourable treatment to digital products created, produced, published, contracted for, commissioned or first made available on commercial terms in the territory of the other Party, or to digital products of which the author, performer, producer, developer, or owner is a person of the other Party than it accords to other like digital products.¹⁰

2. The Parties understand that this Article does not apply to subsidies or grants provided by a Party including government-supported loans, guarantees, and insurance.

3. This Article does not apply to any measure affecting broadcasting.

Article 3.69
Domestic electronic transactions framework

The Parties shall endeavour to avoid any unnecessary regulatory burden on electronic transactions.

Article 3.70
Electronic authentication and certification services

1. Neither Party shall adopt or maintain legislation for electronic authentication that would:

- (a) prohibit Parties to an electronic transaction from mutually determining the appropriate electronic authentication methods for that transaction; or
- (b) prevent Parties before judicial or administrative authorities to establish that their electronic transaction complies with any legal requirements with respect to electronic authentication.

2. Notwithstanding paragraph 1 of this Article, a Party may require that, for a particular category of electronic transactions or electronic communications that have significant relevance to those transactions, the method of authentication meets certain performance standards or is based on a specific electronic certificate issued by a supplier of certification

¹⁰ For greater certainty, to the extent that a digital product of a non-Party is a “like digital product”, it will qualify as an “other like digital product” for the purposes of this paragraph.

services accredited or recognized in accordance with the Party's laws and regulations provided that the requirement serves a legitimate policy objective.

Article 3.71

Personal data protection

1. The Parties recognise the economic and social benefits of protecting the personal data of users of electronic commerce and that it contributes to enhancing consumer confidence in electronic commerce.
2. Each Party shall, in a manner it considers appropriate, protect the personal data of the users of electronic commerce. Personal data of the users of electronic commerce cannot be shared with the other Party without the consent of the users.
3. Each Party shall endeavour to:
 - (a) adopt or maintain a domestic legal framework that provides for the protection of the personal data of the users of electronic commerce; and
 - (b) exchange information on their experiences in protecting personal data.

Article 3.72

Paperless trading

The Parties shall endeavour to:

- (a) make trade administration documents available to the public in electronic form; and
- (b) accept trade administration documents submitted electronically as the legal equivalent of the paper version of those documents.

Article 3.73

Cooperation on electronic commerce

1. The Parties shall exchange information and experience with regard to laws and regulations in the field of electronic commerce, in particular with regard to personal data protection and improvement of consumer confidence.
2. The Parties shall maintain a dialogue on regulatory issues raised by electronic commerce, which will, *inter alia*, address the following issues:

- (a) the recognition of certificates of electronic authentication issued to the public and the facilitation of cross-border certification services;
 - (b) the liability of intermediary service providers with respect to the transmission or storage of information;
 - (c) the treatment of unsolicited commercial electronic messages; and
 - (d) any other issues relevant for the development of electronic commerce.
3. The dialogue shall include exchange of information on the Parties' respective legislation on these issues as well as on the implementation of such legislation.

Article 3.74
Online consumer protection

1. The Parties recognize the importance of maintaining and adopting transparent and effective measures to protect consumers from fraudulent and deceptive commercial practices as well as measures conducive to the development of consumer confidence when they engage in electronic commerce.
2. To this end, each Party shall adopt or maintain provisions regarding consumer protection in their domestic laws to proscribe fraudulent and deceptive commercial practices that cause harm to consumers engaged in electronic commerce.
3. The Parties shall endeavour to promote the cooperation between their respective national consumer protection bodies or other relevant bodies on activities related to cross-border electronic commerce in order to enhance consumer welfare and confidence.
4. Each Party's national consumer protection enforcement bodies shall endeavour to cooperate with those of the other Party, in appropriate cases of mutual concern, in the enforcement of their respective laws related to consumer protection in order to prevent or detain fraudulent and deceptive commercial practices in electronic commerce.
5. To this end, Parties should exchange information and experiences on national approaches for the protection of consumers engaging in electronic commerce and other issues regarding electronic commerce.

Article 3.75
Unsolicited commercial electronic messages

1. Each Party shall adopt or maintain measures regarding unsolicited commercial electronic messages that:

- (a) require suppliers of unsolicited commercial electronic messages to facilitate the ability of recipients to stop such messages;
- (b) require the consent, as specified according to the laws and regulations of each Party, of recipients to receive commercial electronic messages; or
- (c) otherwise provide for the minimization of unsolicited commercial electronic messages.

2. Each Party shall provide recourse against suppliers of unsolicited commercial electronic messages who do not comply with its measures implemented pursuant to paragraph 1 of this Article.

Article 3.76 **Electronic supply of services**

The Parties affirm that measures affecting the supply of a service delivered or performed electronically are subject to the obligations contained in the relevant provisions of Chapter III (Trade in services) which are subject to any exceptions or limitations and restrictions set out in Annex V (Schedules of specific commitments in services) that are applicable to such obligations.

CHAPTER IV PUBLIC PROCUREMENT

Article 4.1 Objective

The Parties consider the opening-up of the award of public contracts on the basis of non-discrimination and reciprocity to be a desirable objective.

Article 4.2 Scope

Access to contract award procedures shall be limited to scope, rules, procedures and contracts above thresholds in each Party's respective legislation. Contracts excluded from the scope of the public procurement laws of the Parties are not covered by this Agreement. To this end, each Party aims to ensure that the legislation applicable to procurement guarantees transparency and fair competition.

Article 4.3 National treatment

With respect to access to contract award procedures, each Party shall accord immediately and unconditionally to the goods and services¹ of the other Party and to the suppliers of the other Party, treatment no less favourable than the treatment the Party accords to domestic goods, services and suppliers.

Article 4.4 Industrial development

1. Subject to paragraphs 2, 3 and 4 of this Article, considering the development needs and circumstances of the Parties, and notwithstanding Article 4.3 (National treatment), the Parties may:

- (a) provide a price preference to the suppliers of domestic goods and domestic suppliers of services; and
- (b) impose or enforce offsets.

¹ For greater certainty, services also include construction work

2. With effect from eight years after the entry into force of this Agreement, each Party shall apply Article 4.3 (National treatment), in relation to:

- (a) suppliers of the other Party-originating goods, as defined by Article 2.10 (Rules of origin and co-operation between the customs administrations) of Chapter II (Trade in goods); and
- (b) service suppliers of the other Party which are established and have substantive business operations in the territory of that Party.

3. Regarding price preference, the Parties shall not increase the maximum margin of the preference in force at the date of entry into force of this Agreement.

4. In the event that the Parties implicitly or explicitly, extend more favourable treatment to any third party or parties, with regard to price preference or offsets in any international agreement, or cease to provide for price preference or offsets within their domestic legislation, each Party shall automatically extend the same benefit to the other Party.

Article 4.5 **Security and general exceptions**

1. Nothing in this Chapter shall be construed to prevent any Party from taking any action or not disclosing any information that it considers necessary for the protection of its essential security interests relating to the procurement of arms, ammunition or war materials, or to procurement indispensable for national security or for national defence purposes.

2. Subject to the requirement that such measures are not applied in a manner that would constitute a means of arbitrary or unjustifiable discrimination between Parties where the same conditions prevail or a disguised restriction on international trade, nothing in this Chapter shall be construed to prevent any Party from imposing or enforcing measures:

- (a) necessary to protect public morals, order or safety;
- (b) necessary to protect human, animal or plant life or health;
- (c) necessary to protect intellectual property; or
- (d) relating to goods or services of persons with disabilities, philanthropic institutions or prison labour.

Article 4.6
Relation to Chapter III (Trade in services)

The Parties' commitments under this Chapter shall be subject to any conditions, reservations or qualifications inscribed in Chapter III (Trade in services).

**CHAPTER V
GENERAL AND COMMON PROVISIONS**

**Article 5.1
General exceptions**

1. Nothing in this Agreement shall prevent the Parties from taking actions and adopting measures consistent with Article XX of GATT 1994 and Article XIV of GATS, *mutatis mutandis*.
2. The Joint Committee shall be informed, to the fullest extent possible, of measures taken under paragraph 1 of this Article and of their termination.
3. The Parties understand that the measures referred to in Article XX(b) of GATT 1994 and Article XIV(b) of GATS include environmental measures necessary to protect human, animal, or plant life or health, and that Article XX(g) of GATT 1994 applies to measures relating to the conservation of living and non-living exhaustible natural resources.

**Article 5.2
Security exceptions**

Nothing in this Agreement shall be construed:

- (a) to require a Party to furnish any information, the disclosure of which it considers contrary to its essential security interests;
- (b) to prevent a Party from taking any action which it considers necessary for the protection of its essential security interests:
 - (i) connected with the production of or trade in arms, munitions or war material or relating to economic activities carried out directly or indirectly for the purpose of supplying a military establishment;
 - (ii) relating to fissionable and fusionable materials or the materials from which they are derived; or
 - (iii) taken in time of war or other emergency in international relations; or
- (c) to prevent a Party from taking any action in order to carry out its international obligations for the purpose of maintaining international peace and security.

Article 5.3
Rules of competition concerning undertakings

1. The following are incompatible with the proper functioning of this Agreement insofar as they may affect trade between the Parties:
 - (a) all agreements between undertakings, decisions by associations of undertakings and concerted practices between undertakings which have as their object or effect the prevention, restriction or distortion of competition;
 - (b) abuse by one or more undertakings of a dominant position in the territories of the Parties as a whole or in a substantial part thereof.
2. The provisions of paragraph 1 of this Article shall apply to the activities of all undertakings including public undertakings and undertakings to which the Parties grant special or exclusive rights. Undertakings entrusted with the operation of services of general economic interest or having the character of a revenue-producing monopoly, shall be subject to provisions of paragraph 1 of this Article insofar as the application of these provisions does not obstruct the performance, in law or in fact, of the particular public tasks assigned to them.
3. With regard to agricultural products, the provisions of paragraph 1(a) of this Article shall not apply to such agreements, decisions and practices which form an integral part of a national market organisation.
4. The Parties undertake to apply their respective competition laws in a transparent, timely and non-discriminatory manner, respecting the principles of procedural fairness and rights of defence of the parties concerned, with a view to counteracting practices referred to in paragraph 1 of this Article.

Article 5.4
Payments

1. Except under the circumstances envisaged in Article 5.5 (Balance of payments difficulties), a Party shall not apply restrictions on international transfers and payments for current transactions relating to its specific commitments.
2. Nothing in this Agreement shall affect the rights and obligations of the Parties under *the Articles of the Agreement of the IMF*, including the use of exchange actions which are in conformity with the Articles of the Agreement of the IMF, provided that a Party shall not impose restrictions on capital transactions, except under Article 5.5 (Balance of payments difficulties) or at the request of the IMF.

Article 5.5
Balance of payments difficulties

1. The Parties shall endeavour to avoid the imposition of restrictive measures including measures with regard to trade in goods and services, for balance of payments difficulties.
2. Where one of the Parties is in serious balance of payments difficulties, or under imminent threat thereof, the Party concerned may, in accordance with the conditions established in the WTO Agreement and be consistent with *the Articles of Agreement of the IMF* as applicable, adopt restrictive measures, including measures related to imports.
3. The Parties understand that the restrictions referred to in paragraph 1 of this Article, shall not be discriminatory, shall be of limited duration and may not go beyond what is necessary to remedy the balance of payments situation. The measures shall be progressively relaxed as balance of payments conditions improve and they shall be eliminated when conditions no longer justify their maintenance.
4. The Party concerned shall inform the other Party forthwith of their introduction and, whenever practicable, of a time schedule for their removal.

Article 5.6
Intellectual, industrial and commercial property

1. The Parties shall provide suitable and effective protection of intellectual, industrial and commercial property rights in line with *WTO Agreement on Trade-Related Aspects of Intellectual Property Rights* (TRIPS) and other international agreements in the field of intellectual property to which they both are parties. This shall encompass effective means of enforcing such rights.
2. Implementation of this Article shall be regularly assessed by the Parties. If difficulties which affect trade arise in connection with intellectual, industrial and commercial property rights, either Party may request urgent consultations to find mutually satisfactory solutions.

**CHAPTER VI
INSTITUTIONAL AND FINAL PROVISIONS**

**Article 6.1
Evolutionary clause**

1. Where a Party considers that it would be useful in the interests of the economies of the Parties to develop and deepen the relations established by this Agreement by extending them to the fields not covered therein, it shall submit a reasoned request to the other Party. The Joint Committee may examine such request and, where appropriate, may make recommendations, particularly with a view to opening negotiations.
2. Agreements resulting from the procedure referred to in paragraph 1 of this Article will be subject to ratification by the Parties in accordance with their internal legislation.

**Article 6.2
Joint Committee**

1. The Parties hereby establish a Joint Committee comprising representatives of Bosnia and Herzegovina and Turkey.
2. The first meeting of the Joint Committee shall be held within one year after the entry into force of this Agreement. Thereafter, the Joint Committee shall meet every two years in Bosnia and Herzegovina or Turkey alternately, unless the Parties agree otherwise. The Joint Committee shall be co-chaired by the representatives appointed by Bosnia and Herzegovina and Turkey. The Joint Committee shall agree on its meeting schedule and set its agenda.
3. The Joint Committee shall:
 - (a) ensure that this Agreement operates properly;
 - (b) supervise and facilitate the implementation and application of this Agreement;
 - (c) supervise the work of all sub-committees, working groups and other bodies established under this Agreement;
 - (d) consider ways to further enhance trade relations between the Parties;
 - (e) without prejudice to Article 5 of Annex VI (Dispute settlement), seek to solve problems which might arise in areas covered by this Agreement; and
 - (f) consider any other matter of interest relating to an area covered by this

Agreement.

4. The Joint Committee may:
 - (a) decide to establish or dissolve sub-committees, or allocate responsibilities to them;
 - (b) make recommendations in the matters related to this Agreement, including recommendations to amend this Agreement;
 - (c) modify this Agreement where specifically empowered to do so;
 - (d) adopt interpretations of the provisions of this Agreement;
 - (e) adopt its own rules of procedure; and
 - (f) take any other action in the exercise of its functions as the Parties may agree.

Article 6.3 Decision-making

1. Without prejudice to the Parties' respective applicable legal requirements and procedures, the Joint Committee shall, for the purpose of attaining the objectives of this Agreement, have the power to take decisions in respect of all matters in the cases provided by this Agreement.
2. The decisions taken shall be binding on the Parties. The Parties shall take the necessary measures to implement the decisions taken in accordance with their respective applicable legal requirements and procedures.
3. The Joint Committee shall draw up its decisions and recommendations by mutual consent.

Article 6.4 Agreement coordinators

1. The Parties hereby establish the following Agreement coordinators:
 - (a) for Bosnia and Herzegovina: Department for International Trade Relations of the Ministry of Foreign Trade and Economic Relations, or its successor; and
 - (b) for Turkey: Directorate General for European Union Affairs of the Ministry of Economy, or its successor.

2. The Agreement coordinators shall:
 - (a) prepare the agenda and coordinate the preparation of the Joint Committee meetings;
 - (b) follow up on the decisions adopted by the Joint Committee, as appropriate;
 - (c) act as contact points to facilitate communication between the Parties on any matter covered by this Agreement, unless otherwise provided in this Agreement; and
 - (d) consider any other matter that may affect the operation of this Agreement, as requested by the Joint Committee.

Article 6.5
Dispute settlement

1. The Parties shall take any measures required to fulfil their obligations under this Agreement. They shall ensure that the objectives set out in this Agreement are attained.
2. Any dispute concerning interpretation, implementation or application of the provisions of this Agreement shall be resolved through the procedures and mechanisms as set out in Annex VI (Dispute settlement).

Article 6.6
Protocols, annexes, appendixes, notes and footnotes

All existing and future protocols, annexes, appendixes, notes and footnotes to this Agreement shall form an integral part thereof.

Article 6.7
Confidentiality

Where a Party provides information to the other Party in accordance with this Agreement and designates the information as confidential, the other Party shall maintain the confidentiality of the information. Such information shall be used only for the purposes specified, and shall not be otherwise disclosed without the specific permission of the Party providing the information, except to the extent that it may be required to be disclosed in the context of judicial proceedings.

Article 6.8 Amendments

1. This Agreement may be amended by written agreement between the Parties.
2. Amendments to this Agreement shall be subject to ratification, acceptance or approval in accordance with the respective internal legal requirements of the Parties.
3. The Parties shall notify each other through diplomatic channels on the completion of their internal legal procedures referred to in paragraph 2 of this Article.
4. Amendments to this Agreement shall enter into force on the first day of the second month following the date of the receipt of the latter notification that internal legal procedures have been completed, or at a later date as agreed by the Parties.

Article 6.9 Entry into force

1. This Agreement shall be subject to ratification, acceptance or approval in accordance with the respective internal legal requirements of the Parties.
2. The Parties shall notify each other through diplomatic channels on the completion of their internal legal procedures referred to in paragraph 1 of this Article.
3. This Agreement shall enter into force on the first day of the second month following the date of the receipt of the latter notification that internal legal procedures have been completed.
4. Upon entry into force of this Agreement, the following cease to apply:
 - Free Trade Agreement between Bosnia and Herzegovina and the Republic of Turkey, signed on 3 July 2002;
 - Protocol on the Amendment of the Free Trade Agreement between Bosnia and Herzegovina and the Republic of Turkey, signed on 14 May 2009; and
 - Decision No 1/2011 of the Joint Committee established by the Free Trade Agreement between Bosnia and Herzegovina and the Republic of Turkey, signed on 14 January 2011.

Article 6.10 Validity and denouncement

1. This Agreement is concluded for an indefinite period of time.

2. Each Party may denounce it through diplomatic channels by a written notification to the other Party. In such case the Agreement shall be terminated on the first day of the seventh month after the date on which the other Party received the notification.

3. The Parties agreed that, in case of accession of one of the Parties to the European Union, the Agreement will be terminated without any compensations for the other Party, on the day before the date of the accession to the European Union. In that case, the Party acceding to the European Union shall inform the other Party of such accession within a reasonable period of time.

Article 6.11 **Authentic Texts**

This Agreement is drawn up in two originals in English language, both being equally authentic.

IN WITNESS WHEREOF, the undersigned plenipotentiaries, being duly authorized thereto, have signed this Agreement.

DONE in Ankara on 2 May 2019.

For Bosnia and Herzegovina

For the Republic of Turkey

Milorad Dodik
Chairman of the Presidency of Bosnia
and Herzegovina

Recep Tayyip Erdoğan
President

ANNEX I

(List of products referred to in Article 2.1 (Scope) of Chapter II (Trade in goods))

HS Code	Product Description
2905.43	Mannitol
2905.44	D-glucitol (sorbitol)
3302.10.29	Mixtures of odoriferous substances and mixtures
3501	– Casein:
3501.10.10	– – For the manufacture of regenerated textile fibres
3501.10.50	– – For industrial uses, other than the manufacture of foodstuffs or fodder
3501.10.90	– – Other
	– Other
3501.90.90	– – Other
3502	Albumins (including concentrates of two or more whey proteins, containing by weight more than 80% whey proteins, calculated on the dry matter), albuminates and other albumin derivatives:
	– Egg albumin:
	– – Dried:
3502.11.10	– – – Unfit, or to be rendered unfit, for human consumption
3502.11.90	– – – Other
	– – Other:
3502.19.10	– – – Unfit, or to be rendered unfit, for human consumption
3502.19.90	– – – Other
	– Milk albumin, including concentrates of two or more whey proteins:
3502.20.10	– – Unfit, or to be rendered unfit, for human consumption
	– – Other:
3502.20.91	– – – Dried (for example, in sheets, scales, flakes, powder)
3502.20.99	– – Other
	– Other:
	– – Albumins, other than egg albumin and milk albumin (lactalbumin):
3502.90.20	– – – Unfit, or to be rendered unfit, for human consumption
3502.90.70	– – – Other
3502.90.90	– – Albuminates and other albumin derivatives
2852.90.00	– – Other
3505.10	Dextrins and other modified starches
3505.10.10	Dextrins
3505.10.90	Other and roasted or soluble starches
3505.20	Glues
3809	Finishing agents, dye carriers to accelerate the dyeing or fixing of dyestuffs and other products and preparations (for example, dressing and

HS Code	Product Description
	mordants), of a kind used in the textile, paper, leather or like industries, not elsewhere specified or included
3809.10	– With a basis of amylaceous substances
	– Other
3809.91	– – Of a kind used in the textile or like industries (excluding 3809.91.00.90)
3809.92	– – Of a kind used in the paper or like industries (excluding 3809.92.00.90)
3809.93	– – Of a kind used in the leather or like industries (excluding 3809.93.00.90)
3824.60	Sorbitol, other than that of subheading 2905.44
4501	Natural cork, raw or simply prepared; waste cork; crushed, granulated or ground cork:
4501.10.00	– Natural cork, raw or simply prepared
4501.90.00	– Other
5201.00	Cotton, not carded or combed
5301	Flax, raw or processed but not spun; flax low and waste (incl. yarn waste and garneted stock)
5302	True hemp (<i>Cannabis sativa</i> L.), raw or processed but not spun: low and waste of true hemp (incl. yarn and garneted stock)

ANNEX II

(Referred to in paragraph 2 of Article 2.3 (Customs duties on imports, charges having equivalent effect and import duties of a fiscal nature) of Chapter II (Trade in goods))

1. The agricultural products originating in Bosnia and Herzegovina as listed in Table 1 are excluded from the tariff concessions on the importation to Turkey.

Table 1

HS Code	Product Description
0102	Live bovine animals
0104	Live sheep and goats
ex 0105	Live poultry; that is to say fowls of the species <i>Gallus domesticus</i>
0201	Meat of bovine animals, fresh or chilled
0202	Meat of bovine animals, frozen
0204	Meat of sheep or goats, fresh, chilled or frozen
0206	Edible offal of bovine animals, swine, sheep, goats, horses, asses, mules or hinnies, fresh, chilled or frozen
ex 0207	Meat and edible offal, of the fowls of the species <i>Gallus domesticus</i> , fresh, chilled or frozen

2. Without prejudice to paragraph 1 of this Annex, Turkey shall publish the quantities of the unilateral annual duty free tariff quotas on importation to Turkey of meat and meat products listed in Table 1 and originating in Bosnia and Herzegovina to take effect starting from 1 January of each year.

3. Notwithstanding Article 2.10 (Rules of origin and co-operation between the customs administrations) of Chapter II (Trade in goods)

- (a) during 24 months following the entry into force of this Agreement, the products covered under the tariff quota for tariff headings 0201 and 0202 shall obtain originating status if they are produced of animals wholly obtained in Bosnia and Herzegovina or animals which were fed at least 90 days in Bosnia and Herzegovina;

- (b) following that, abovementioned products shall obtain originating status only if they are produced of animals wholly obtained in Bosnia and Herzegovina or by application of bilateral cumulation.

4. Other products listed in Table 1 for which annual duty free quota referred to in paragraph 2 of this Annex may be granted shall obtain originating status only if they are produced of animals wholly obtained in Bosnia and Herzegovina or by application of bilateral cumulation.

ANNEX III

(Referred to in paragraph 3 of Article 2.3 (Customs duties on imports, charges having equivalent effect and import duties of a fiscal nature) of Chapter II (Trade in goods))

HS Code	Product Description	Agricultural Component/Mass Housing Fund Applied Under Tariff Quota	Annual Tariff Quota
0303.14	Trout (<i>Salmo trutta</i> , <i>Oncorhynchus mykiss</i> , <i>Oncorhynchus clarki</i> , <i>Oncorhynchus aguabonita</i> , <i>Oncorhynchus gilae</i> , <i>Oncorhynchus apache</i> and <i>Oncorhynchus chrysogaster</i>)	0	100 ton
0303.25	Carp (<i>Cyprinus</i> spp., <i>Carassius</i> spp., <i>Ctenopharyngodon idellus</i> , <i>Hypophthalmichthys</i> spp., <i>Cirrhinus</i> spp., <i>Mylopharyngodon piceus</i> , <i>Çatla çatla</i> , <i>Labeo</i> spp., <i>Osteochilus hasselti</i> , <i>Leptobarbus hoeveni</i> , <i>Megalobrama</i> spp.)	0	100 ton
0711.90.30	Sweet corn	0	300 ton
18.06	Chocolate and other food preparations containing cocoa	0	500 ton
19.04	Prepared foods obtained by swelling or roasting of cereals or cereal products (for example, corn flakes); cereals (other than maize (corn)) in grain form or in the form of flakes or other worked grains (except flour, grouts and meal), pre-cooked or otherwise prepared, not elsewhere specified or included.	0	500 ton
19.05	Bread, pastry, cakes, biscuits and other bakers' wares, whether or not containing cocoa; communion wafers, empty cachets of a kind suitable for pharmaceutical use, sealing wafers, rice paper and similar products.	0	2.500 ton

HS Code	Product Description	Agricultural Component/Mass Housing Fund Applied Under Tariff Quota	Annual Tariff Quota
Ex. 22.02 2202.99.91 2202.99.95 2202.99.99	Waters, including mineral waters and aerated waters, containing added sugar or other sweetening matter or flavoured, and other non-alcoholic beverages, not including fruit or vegetable juices of heading 2009 ----- Containing by weight of fat less than 0,2 % obtained from the products of headings 0401 to 0404 ----- Containing by weight of fat 0,2 % or more but less than 2 % ----- Containing by weight of fat 2 % or more	 0	 5.000 hl

ANNEX IV
Rules of origin and methods of administrative cooperation

(referred to in Article 2.10 (Rules of origin and co-operation between the customs administrations) of Chapter II (Trade in goods))

Article 1
Provisions making reference to the Regional Convention on pan-Euro-Mediterranean preferential rules of origin

1. The rules of origin provided for in Protocol I to this Annex shall apply, until the Regional Convention on pan-Euro-Mediterranean preferential rules of origin¹ (hereinafter: the "Convention") enter into application, at least, between Bosnia and Herzegovina, Turkey, all countries or territories participating in the European Union's Stabilisation and Association process² and the European Union.
2. In accordance with paragraph 1, Parties agree to inform each other, without delay, of each replacement of the existing Protocol with the Convention, in order of timely fulfilment of obligations to begin implementation of the Convention between Bosnia and Herzegovina and Turkey.

Article 2
Applicable rules of origin in accordance to the Convention

1. From the date of notice, which shall be published in the Official Journal of the European Union, indicating the fulfilment of the necessary requirements for application of cumulation between Bosnia and Herzegovina and Turkey (notification in accordance with Article 3 of Appendix I to the Convention), the Protocol I to this Annex shall cease to apply.
2. For the purpose of implementing the Agreement as from the date referred to in paragraph 1, Appendix I and, where appropriate, the relevant provisions of Appendix II to the Regional Convention, as well as provisions that are listed below shall apply.
3. All references to the "relevant agreement" in Appendix I and, where appropriate, in the relevant provisions of Appendix II to the Regional Convention shall be construed so as to mean the Agreement.

¹ The European Union Official Journal L 54, 26.2.2013, p.4.

² As defined in the Conclusions of the General Affairs Council in April 1997 and Commission Communication of May 1999 on the establishment of the Stabilisation and Association process with Western Balkan countries.

4. For the purpose of implementing the Agreement, Article 3 of Appendix I to the Convention shall apply to:

(i) the products which are covered under Decision n°1/95 of the EC-Turkey Association Council of 22 December 1995³ and “Agreement between the Republic of Turkey and the European Coal and Steel Community on trade in products covered by the Treaty establishing the European Coal and Steel Community”.

(ii) the products other than specified in sub-paragraph (i) only when originating in Bosnia and Herzegovina, Turkey or in any country or territory participating in the European Union's Stabilisation and Association process.

Article 3 **Dispute settlement**

1. Where disputes arise in relation to the verification procedures of Article 32 of Appendix I to the Convention that cannot be settled between the customs authorities requesting the verification and the customs authorities responsible for carrying out this verification, they shall be submitted to the Joint Committee provided for in Article 6.2 (Joint Committee) of this Agreement.

2. In all cases the settlement of disputes between the importer and the customs authorities of the importing Party shall take place under the legislation of that country.

Article 4 **Amendments to the applicable rules of origin**

The Joint Committee may decide to amend the provisions of the applicable rules of origin.

Article 5 **Withdrawal from the Convention**

1. Should either Bosnia and Herzegovina or Turkey give notice in writing to the depositary of the Convention of their intention to withdraw from the Convention according to its Article 9, Bosnia and Herzegovina and Turkey shall immediately enter into negotiations on rules of origin for the purpose of implementing the Agreement.

³ Decision n°1/95 of the EC-Turkey Association Council of 22 December 1995 applies to products other than agricultural products as defined in the Agreement establishing an Association between the European Economic Community and Turkey and other than coal and steel products as defined in the Agreement between the European Coal and Steel Community and the Republic of Turkey on trade in products covered by the treaty establishing the European Coal and Steel Community

2. Until the entry into force of such newly negotiated rules of origin, the rules of origin contained in Appendix I and, where appropriate, the relevant provisions of Appendix II to the Convention, applicable at the moment of withdrawal, shall continue to apply to the Agreement. However, as of the moment of withdrawal, the rules of origin contained in Appendix I and, where appropriate, the relevant provisions of Appendix II to the Convention shall be construed so as to allow bilateral cumulation between Bosnia and Herzegovina and Turkey only.

Article 6
Transitional provisions – cumulation

Notwithstanding Article 16(5) and 21(3) of Appendix I of the Convention, where cumulation of origin involves only EFTA States, the Faroe Islands, the European Union, Turkey and the participants in the Stabilisation and Association Process, the Republic of Moldova and the Republic of Georgia, the proof of origin may be a movement certificate EUR.1 or an origin declaration.

PROTOCOL I
Concerning the definition of the concept of "originating products" and methods of administrative cooperation

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TITLE I
GENERAL PROVISIONS

Article 1
Definitions

For the purposes of this Protocol:

- (a) "manufacture" means any kind of working or processing including assembly or specific operations;
- (b) "material" means any ingredient, raw material, component or part, etc., used in the manufacture of the product;
- (c) "product" means the product being manufactured, even if it is intended for later use in another manufacturing operation;
- (d) "goods" means both materials and products;
- (e) "customs value" means the value as determined in accordance with the 1994 Agreement on implementation of Article VII of the General Agreement on Tariffs and Trade (WTO Agreement on customs valuation);
- (f) "ex-works price" means the price paid for the product ex works to the manufacturer in Bosnia and Herzegovina or in 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;
- (g) "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 Bosnia and Herzegovina or in Turkey;
- (h) "value of originating materials" means the value of such materials as defined in (g) applied *mutatis mutandis*;
- (i) "value added" shall be taken to be the ex-works price minus the customs value of each of the materials incorporated which originate in the other countries referred to in Articles 3 and 4 or, where the customs value is not known or cannot be ascertained, the first ascertainable price paid for the materials in Bosnia and Herzegovina or in Turkey;

(j) "chapters" and "headings" mean the chapters and the headings (four-digit codes) used in the nomenclature which makes up the Harmonized Commodity Description and Coding System, referred to in this Protocol as "the Harmonized System" or "HS";

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

(l) "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;

(m) "territories" includes territorial waters.

TITLE II DEFINITION OF THE CONCEPT OF "ORIGINATING PRODUCTS"

Article 2 General requirements

1. For the purpose 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 5;

(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 6;

2. For the purpose of implementing this Agreement, the following products shall be considered as originating in Bosnia and Herzegovina:

(a) products wholly obtained in Bosnia and Herzegovina within the meaning of Article 5;

(b) products obtained in Bosnia and Herzegovina incorporating materials which have not been wholly obtained there, provided that such materials have undergone sufficient working or processing in Bosnia and Herzegovina within the meaning of Article 6.

Article 3 **Cumulation in Turkey**

1. Without prejudice to the provisions of Article 2 (1), products shall be considered as originating in Turkey if such products are obtained there, incorporating materials originating in Bosnia and Herzegovina, in Turkey, in any country or territory participating in the European Union's Stabilisation and Association process¹ or incorporating the materials originating in the Community to which the Decision n°1/95 of the EC-Turkey Association Council of 22 December 1995² applies provided that the working or processing carried out in Turkey goes beyond the operations referred to in Article 7. It shall not be necessary that such materials have undergone sufficient working or processing.

2. Where the working or processing carried out in Turkey does not go beyond the operations referred to in Article 7, the product obtained shall be considered as originating in Turkey only where the value added there is greater than the value of the materials used originating in any one of the other countries or territories referred to in paragraph 1. If this is not so, the product obtained shall be considered as originating in the country which accounts for the highest value of originating materials used in the manufacture in Turkey.

3. Products, originating in one of the countries or territories referred to in paragraph 1, which do not undergo any working or processing in Turkey, retain their origin if exported into one of these countries or territories.

4. The cumulation provided for in this Article may be applied only provided that:

- (a) a preferential trade agreement in accordance with Article XXIV of the General Agreement on Tariffs and Trade (GATT) is applicable between the countries or territories involved in the acquisition of the originating status and the country of destination;
- (b) materials and products have acquired originating status by the application of rules of origin identical to those given in this Protocol;

and

¹ As defined in the Conclusions of the General Affairs Council in April 1997 and Commission Communication of May 1999 on the establishment of the Stabilisation and Association process with Western Balkan countries.

² Decision n°1/95 of the EC-Turkey Association Council of 22 December 1995 applies to products other than agricultural products as defined in the Agreement establishing an Association between the European Economic Community and Turkey and other than coal and steel products as defined in the Agreement between the European Coal and Steel Community and the Republic of Turkey on trade in products covered by the treaty establishing the European Coal and Steel Community.

- (c) notices indicating the fulfilment of the necessary requirements to apply cumulation have been published in the Official Gazette of Bosnia and Herzegovina and in Turkey according to its own procedures.

5. Turkey shall provide Bosnia and Herzegovina with details of the Agreements and their corresponding rules of origin which are applied with the other countries or territories referred to in paragraph 1.

6. The products in Annex V shall be excluded from the cumulation provided for in this Article.

Article 4

Cumulation in Bosnia and Herzegovina

1. Without prejudice to the provisions of Article 2(2), products shall be considered as originating in Bosnia and Herzegovina if such products are obtained there, incorporating materials originating in Bosnia and Herzegovina, Turkey, or in any country or territory participating in the European Union's Stabilisation and Association Process³ or incorporating the materials originating in the Community to which the Decision n°1/95 of the EC-Turkey Association Council of 22 December 1995⁴ applies, provided that the working or processing carried out in Bosnia and Herzegovina goes beyond the operations referred to in Article 7. It shall not be necessary that such materials have undergone sufficient working or processing.

2. Where the working or processing carried out in Bosnia and Herzegovina does not go beyond the operations referred to in Article 7, the product obtained shall be considered as originating in Bosnia and Herzegovina only where the value added there is greater than the value of the materials used originating in any one of the other countries or territories referred to in paragraph 1. If this is not so, the product obtained shall be considered as originating in the country which accounts for the highest value of originating materials used in the manufacture in Bosnia and Herzegovina.

3. Products, originating in one of the countries or territories referred to in paragraph 1, which do not undergo any working or processing in Bosnia and Herzegovina, retain their origin if exported into one of these countries or territories.

³ As defined in the Conclusions of the General Affairs Council in April 1997 and Commission Communication of May 1999 on the establishment of the Stabilisation and Association process with Western Balkan countries.

⁴ Decision n°1/95 of the EC-Turkey Association Council of 22 December 1995 applies to products other than agricultural products as defined in the Agreement establishing an Association between the European Economic Community and Turkey and other than coal and steel products as defined in the Agreement between the European Coal and Steel Community and the Republic of Turkey on trade in products covered by the treaty establishing the European Coal and Steel Community.

4. The cumulation provided for in this Article may be applied only provided that:
- (a) a preferential trade agreement in accordance with Article XXIV of the General Agreement on Tariffs and Trade (GATT) is applicable between the countries or territories involved in the acquisition of the originating status and the country of destination;
 - (b) materials and products have acquired originating status by the application of rules of origin identical to those given in this Protocol;
- and
- (c) notices indicating the fulfilment of the necessary requirements to apply cumulation have been published in the Official Gazette of Bosnia and Herzegovina and Turkey according to its own procedures.
5. Bosnia and Herzegovina shall provide Turkey with details of the Agreements, including their dates of entry into force, and their corresponding rules of origin, which are applied with the other countries or territories referred to in paragraph 1.
6. The products in Annex V shall be excluded from the cumulation provided for in this Article.

Article 5 **Wholly obtained products**

1. The following shall be considered as wholly obtained in Bosnia and Herzegovina or in Turkey:
- (a) mineral products extracted from their soil or from their seabed;
 - (b) vegetable products harvested there;
 - (c) live animals born and raised there;
 - (d) products from live animals raised there;
 - (e) products obtained by hunting or fishing conducted there;
 - (f) products of sea fishing and other products taken from the sea outside the territorial waters of Bosnia and Herzegovina or of Turkey by their vessels;

- (g) products made aboard their factory ships exclusively from products referred to in (f);
- (h) used articles collected there fit only for the recovery of raw materials, including used tyres fit only for retreading or for use as waste;
- (i) waste and scrap resulting from manufacturing operations conducted there;
- (j) products extracted from marine soil or subsoil outside their territorial waters provided that they have sole rights to work that soil or subsoil;
- (k) goods produced there exclusively from the products specified in (a) to (j).

2. The terms "their vessels" and "their factory ships" in paragraph 1(f) and (g) shall apply only to vessels and factory ships:

- (a) which are registered or recorded in Bosnia and Herzegovina or in Turkey;
 - (b) which sail under the flag of Bosnia and Herzegovina or of Turkey;
 - (c) which are owned to an extent of at least 50 per cent by nationals of Bosnia and Herzegovina or of Turkey, or by a company with its head office in one of these States, of which the manager or managers, Chairman of the Board of Directors or the Supervisory Board, and the majority of the members of such boards are nationals of Bosnia and Herzegovina or of Turkey and of which, in addition, in the case of partnerships or limited companies, at least half the capital belongs to those States or to public bodies or nationals of the said States;
 - (d) of which the master and officers are nationals of Bosnia and Herzegovina or of Turkey;
- and
- (e) of which at least 75 per cent of the crew are nationals of Bosnia and Herzegovina or of Turkey.

Article 6

Sufficiently worked or processed products

1. For the purposes of Article 2, products which are not wholly obtained are considered to be sufficiently worked or processed when the conditions set out in the list in Annex II are fulfilled.

The conditions referred to above indicate, for all products covered by the Agreement, the working or processing which must be carried out on non-originating materials used in manufacturing 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.

2. Notwithstanding paragraph 1, 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.

This paragraph shall not apply to products falling within Chapters 50 to 63 of the Harmonized System.

3. Paragraphs 1 and 2 shall apply subject to the provisions of Article 7.

Article 7 **Insufficient working or processing**

1. Without prejudice to paragraph 2, the following operations shall be considered as insufficient working or processing to confer the status of originating products, whether or not the requirements of Article 6 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 sugar or form sugar lumps;

- (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) simple 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 mixing of products, whether or not of different kinds; mixing of sugar with any other material;
- (n) simple assembly of parts of articles to constitute a complete article or disassembly of products into parts;
- (o) a combination of two or more operations specified in (a) to (n);
- (p) slaughter of animals.

2. All operations carried out either in Bosnia and Herzegovina 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 8

Unit of qualification

1. The unit of qualification for the application of the provisions of this Protocol shall be 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;
- (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 Protocol.

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

Article 9
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 10
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 11
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;
- (c) machines and tools;
- (d) goods which do not enter and which are not intended to enter into the final composition of the product.

TITLE III
TERRITORIAL REQUIREMENTS

Article 12
Principle of territoriality

1. Except as provided for in Articles 3 and 4 and paragraph 3 of this Article, the conditions for acquiring originating status set out in Title II must be fulfilled without interruption in Bosnia and Herzegovina or in Turkey.

2. Except as provided for in Articles 3 and 4, where originating goods exported from Bosnia and Herzegovina or from Turkey to another country return, they must 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 Title II shall not be affected by working or processing done outside Bosnia and Herzegovina or Turkey on materials exported from Bosnia and Herzegovina or from Turkey and subsequently re-imported there, provided:

(a) the said materials are wholly obtained in Bosnia and Herzegovina or in Turkey or have undergone working or processing beyond the operations referred to in Article 7 prior to being exported;

and

(b) it can be demonstrated to the satisfaction of the customs authorities that:

i) the re-imported goods have been obtained by working or processing the exported materials; and

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

4. For the purposes of paragraph 3, the conditions for acquiring originating status set out in Title II shall not apply to working or processing done outside Bosnia and Herzegovina or Turkey. But where, in the list in Annex II, a rule setting a maximum value for all the non-originating materials incorporated is applied in determining the originating status of the end product, the total value of the non-originating materials incorporated in the territory of the party concerned, taken together with the total added value acquired outside Bosnia and Herzegovina or Turkey by applying the provisions of this Article, shall not exceed the stated percentage.

5. For the purposes of applying the provisions of paragraphs 3 and 4, 'total added value' shall be taken to mean all costs arising outside Bosnia and Herzegovina or Turkey, including the value of the materials incorporated there.

6. The provisions of paragraphs 3 and 4 shall not apply to products which do not fulfil the conditions set out in the list in Annex II or which can be considered sufficiently worked or processed only if the general tolerance fixed in Article 6(2) is applied.

7. The provisions of paragraphs 3 and 4 shall not apply to products of Chapters 50 to 63 of the Harmonized System

8. Any working or processing of the kind covered by the provisions of this Article and done outside Bosnia and Herzegovina or Turkey shall be done under the outward processing arrangements, or similar arrangements.

Article 13 **Direct transport**

1. The preferential treatment provided for under the Agreement applies only to products, satisfying the requirements of this Protocol, which are transported directly between Bosnia and Herzegovina and Turkey or through the territories of the other countries or territories referred to in Articles 3 and 4. However, products constituting one single consignment 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 warehousing and do not undergo operations other than unloading, reloading or any operation designed to preserve them in good condition.

Originating products may be transported by pipeline across territory other than that of Bosnia and Herzegovina or Turkey.

2. Evidence that the conditions set out in paragraph 1 have been fulfilled shall be supplied to the customs authorities of the importing country by the production of:

- (a) a single transport document covering the passage from the exporting country through the country of transit; or

- (b) a certificate issued by the customs authorities of the country of transit:
 - (i) giving an exact description of the products;
 - (ii) stating the dates of unloading and reloading of the products and, where applicable, the names of the ships, or the other means of transport used; and
 - (iii) certifying the conditions under which the products remained in the transit country; or
- (c) failing these, any substantiating documents.

Article 14 **Exhibitions**

1. Originating products, sent for exhibition in a country other than those referred to in Articles 3 and 4 and sold after the exhibition for importation in Bosnia and Herzegovina or in Turkey shall benefit on importation from the provisions of the Agreement provided it is shown to the satisfaction of the customs authorities that:

- (a) an exporter has consigned these products from Bosnia and Herzegovina or from Turkey to the country in which the exhibition is held and has exhibited them there;
- (b) the products have been sold or otherwise disposed of by that exporter to a person in Bosnia and Herzegovina 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 proof of origin must be issued or made out in accordance with the provisions of Title V and submitted to the customs authorities of the importing country 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 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 organised 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.

**TITLE IV
DRAWBACK OR EXEMPTION**

**Article 15
Prohibition of drawback of, or exemption from, customs duties**

1. Non-originating materials used in the manufacture of products originating in Bosnia and Herzegovina, in Turkey or in one of the other countries or territories referred to in Articles 3 and 4 for which a proof of origin is issued or made out in accordance with the provisions of Title V shall not be subject in Bosnia and Herzegovina or in Turkey to drawback of, or exemption from, customs duties of whatever kind.
2. The prohibition in paragraph 1 shall apply to any arrangement for refund, remission or non-payment, partial or complete, of customs duties or charges having an equivalent effect, applicable in Bosnia and Herzegovina or in Turkey to materials used in the manufacture, where such refund, remission or non-payment applies, expressly or in effect, when products obtained from the said materials are exported and not when they are retained for home use there.
3. The exporter of products covered by a proof of origin shall be prepared to submit at any time, upon request from the customs authorities, all appropriate documents proving that no drawback has been obtained in respect of the non-originating materials used in the manufacture of the products concerned and that all customs duties or charges having equivalent effect applicable to such materials have actually been paid.
4. The provisions of paragraphs 1 to 3 shall also apply in respect of packaging within the meaning of Article 8(2), accessories, spare parts and tools within the meaning of Article 9 and products in a set within the meaning of Article 10 when such items are non-originating.
5. The provisions of paragraphs 1 to 4 shall apply only in respect of materials which are of the kind to which the Agreement applies. Furthermore, they shall not preclude the application of an export refund system for agricultural products, applicable upon export in accordance with the provisions of the Agreement.

TITLE V PROOF OF ORIGIN

Article 16 General requirements

1. Products originating in Bosnia and Herzegovina shall, on importation into Turkey and products originating in Turkey shall, on importation into Bosnia and Herzegovina benefit from the Agreement upon submission of either:
 - (a) a movement certificate EUR.1, a specimen of which appears in Annex III; or
 - (b) in the cases specified in Article 22(1), a declaration, subsequently referred to as the "invoice declaration", given by the exporter on an invoice, a delivery note or any other commercial document which describes the products concerned in sufficient detail to enable them to be identified; the text of the invoice declaration appears in Annex IV.
2. Notwithstanding paragraph 1, originating products within the meaning of this Protocol shall, in the cases specified in Article 27, benefit from the Agreement without it being necessary to submit any of the documents referred to above.

Article 17 Procedure for the issue of a movement certificate EUR.1

1. A movement certificate EUR.1 shall be issued by the customs authorities of the exporting country on application having been made in writing by the exporter or, under the exporter's responsibility, by his authorised representative.
2. For this purpose, the exporter or his authorised representative shall fill out both the movement certificate EUR.1 and the application form, specimens of which appear in Annex III. These forms shall be completed in one of the languages in which this Agreement is drawn up and in accordance with the provisions of the domestic law of the exporting country. If they are hand-written, they 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 customs authorities of the exporting country 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 Protocol.

4. A movement certificate EUR.1 shall be issued by the customs authorities of Bosnia and Herzegovina or of Turkey if the products concerned can be considered as products originating in Bosnia and Herzegovina, Turkey or in one of the other countries or territories referred to in Articles 3 and 4 and fulfil the other requirements of this Protocol.

5. The customs 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 Protocol. For this purpose, they 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. They shall also ensure that the forms referred to in paragraph 2 are duly completed. In particular, they 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 customs authorities and made available to the exporter as soon as actual exportation has been effected or ensured.

Article 18 **Movement certificates EUR.1 issued retrospectively**

1. Notwithstanding Article 17(7), a movement certificate EUR.1 may exceptionally be issued after exportation of the products to which it relates if:

(a) it 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 customs 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 must indicate in his 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 customs 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 must be endorsed with the following phrase in English:

"ISSUED RETROSPECTIVELY",

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

Article 19 **Issue 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 customs authorities which issued it for a duplicate made out on the basis of the export documents in their possession.

2. The duplicate issued in this way must be endorsed with the following word in English:

"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 20 **Issue of movement certificates EUR.1 on the basis of a proof of origin issued or made out previously**

When originating products are placed under the control of a customs office in Bosnia and Herzegovina or in Turkey, it shall be possible to replace the original proof of origin by one or more movement certificates EUR.1 for the purpose of sending all or some of these products elsewhere within Bosnia and Herzegovina or Turkey. The replacement movement certificate(s) EUR.1 shall be issued by the customs office under whose control the products are placed.

Article 21 **Accounting segregation**

1. Where considerable cost or material difficulties arise in keeping separate stocks of originating and non-originating materials which are identical and interchangeable, the customs authorities may, at the written request of those concerned, authorise the so-called "accounting segregation" method to be used for managing such stocks.

2. This method must be able to ensure that, for a specific reference-period, the number of products obtained which could be considered as "originating" is the same as that which would have been obtained if there had been physical segregation of the stocks.

3. The customs authorities may grant such authorisation, subject to any conditions deemed appropriate.
4. This method is recorded and applied on the basis of the general accounting principles applicable in the country where the product was manufactured.
5. The beneficiary of this facilitation may issue or apply for proofs of origin, as the case may be, for the quantity of products which may be considered as originating. At the request of the customs authorities, the beneficiary shall provide a statement of how the quantities have been managed.
6. The customs authorities shall monitor the use made of the authorisation and may withdraw it at any time whenever the beneficiary makes improper use of the authorisation in any manner whatsoever or fails to fulfil any of the other conditions laid down in this Protocol.

Article 22
Conditions for making out an invoice declaration

1. An invoice declaration as referred to in Article 16(1)(b) may be made out:
 - (a) by an approved exporter within the meaning of Article 23, or
 - (b) by any exporter for any consignment consisting of one or more packages containing originating products whose total value does not exceed EUR 6,000.
2. An invoice declaration may be made out if the products concerned can be considered as products originating in Bosnia and Herzegovina, in Turkey or in one of the other countries or territories referred to in Articles 3 and 4 and fulfil the other requirements of this Protocol.
3. The exporter making out an invoice declaration shall be prepared to submit at any time, at the request of the customs authorities of the exporting country, all appropriate documents proving the originating status of the products concerned as well as the fulfilment of the other requirements of this Protocol.
4. An invoice declaration shall be made out by the exporter by typing, stamping or printing on the invoice, the delivery note or another commercial document, the declaration, the text of which appears in Annex IV, using one of the linguistic versions set out in that Annex and in accordance with the provisions of the domestic law of the exporting country. If the declaration is hand-written, it shall be written in ink in printed characters.
5. Invoice declarations shall bear the original signature of the exporter in manuscript. However, an approved exporter within the meaning of Article 23 shall not be required to sign such declarations provided that he gives the customs authorities of the exporting country a

written undertaking that he accepts full responsibility for any invoice declaration which identifies him as if it had been signed in manuscript by him.

6. An invoice declaration may be made out by the exporter when the products to which it relates are exported, or after exportation on condition that it is presented in the importing country no longer than two years after the importation of the products to which it relates.

Article 23 **Approved exporter**

1. The customs authorities of the exporting country may authorise any exporter, hereinafter referred to as 'approved exporter', who makes frequent shipments of products under this Agreement to make out invoice declarations irrespective of the value of the products concerned. An exporter seeking such authorisation must offer to the satisfaction of the customs authorities all guarantees necessary to verify the originating status of the products as well as the fulfilment of the other requirements of this Protocol.

2. The customs authorities may grant the status of approved exporter subject to any conditions which they consider appropriate.

3. The customs authorities shall grant to the approved exporter a customs authorisation number which shall appear on the invoice declaration.

4. The customs authorities shall monitor the use of the authorisation by the approved exporter.

5. The customs authorities may withdraw the authorisation at any time. They shall do so where the approved exporter no longer offers the guarantees referred to in paragraph 1, no longer fulfils the conditions referred to in paragraph 2 or otherwise makes an incorrect use of the authorisation.

Article 24 **Validity of proof of origin**

1. A proof of origin shall be valid for four months from the date of issue in the exporting country, and must be submitted within the said period to the customs authorities of the importing country.

2. Proofs of origin which are submitted to the customs authorities of the importing country 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 country may accept the proofs of origin where the products have been submitted before the said final date.

Article 25 **Submission of proof of origin**

Proofs of origin shall be submitted to the customs authorities of the importing country in accordance with the procedures applicable in that country. The said authorities may require a translation of a proof of origin and may also require the import declaration to be accompanied by a statement from the importer to the effect that the products meet the conditions required for the implementation of the Agreement.

Article 26 **Importation by instalments**

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

Article 27 **Exemptions from proof of origin**

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 proof of origin, provided that such products are not imported by way of trade and have been declared as meeting the requirements of this Protocol 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 the customs declaration CN22/CN23 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. Furthermore, the total value of these products shall not exceed EUR 500 in the case of small packages or EUR 1,200 in the case of products forming part of travellers' personal luggage.

Article 28

Supporting documents

The documents referred to in Articles 17(3) and 22(3) used for the purpose of proving that products covered by a movement certificate EUR.1 or an invoice declaration can be considered as products originating in Bosnia and Herzegovina, in Turkey or in one of the other countries or territories referred to in Articles 3 and 4 and fulfil the other requirements of this Protocol 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 in Bosnia and Herzegovina or in Turkey where these documents are used in accordance with domestic law;
- (c) documents proving the working or processing of materials in Bosnia and Herzegovina or in Turkey, issued or made out in Bosnia and Herzegovina or in Turkey, where these documents are used in accordance with domestic law;
- (d) movement certificates EUR.1 or invoice declarations proving the originating status of materials used, issued or made out in Bosnia and Herzegovina or in Turkey in accordance with this Protocol, or in one of the other countries or territories referred to in Articles 3 and 4, in accordance with rules of origin which are identical to the rules in this Protocol.
- (e) appropriate evidence concerning working or processing undergone outside Bosnia and Herzegovina or Turkey by application of Article 12, proving that the requirements of that Article have been satisfied.

Article 29

Preservation of proof of origin and supporting documents

1. The exporter applying for the issue of a movement certificate EUR.1 shall keep for at least three years the documents referred to in Article 17(3).
2. The exporter making out an invoice declaration shall keep for at least three years a copy of this invoice declaration as well as the documents referred to in Article 22(3).
3. The customs authorities of the exporting country issuing a movement certificate EUR.1 shall keep for at least three years the application form referred to in Article 17(2).
4. The customs authorities of the importing country shall keep for at least three years the movement certificates EUR.1 and the invoice declarations submitted to them.

Article 30
Discrepancies and formal errors

1. The discovery of slight discrepancies between the statements made in the proof of origin 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 proof of origin 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 proof of origin 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.

Article 31
Amounts expressed in euro

1. For the application of the provisions of Article 22(1)(b) and Article 27(3) in cases where products are invoiced in a currency other than euro, amounts in the national currencies of Bosnia and Herzegovina, of Turkey and of the other countries or territories referred to in Articles 3 and 4 equivalent to the amounts expressed in euro shall be fixed annually by each of the countries concerned.
2. A consignment shall benefit from the provisions of Article 22(1)(b) or Article 27(3) by reference to the currency in which the invoice is drawn up, according to the amount fixed by the country concerned.
3. The amounts to be used in any given national currency shall be the equivalent in that currency of the amounts expressed in euro as at the first working day of October. The amounts shall be communicated to Bosnia and Herzegovina and Turkey by 15 October and shall apply from 1 January the following year.
4. A country may round up or down the amount resulting from the conversion into its national currency of an amount expressed in euro. The rounded-off amount may not differ from the amount resulting from the conversion by more than 5 per cent. A country may retain unchanged its national currency equivalent of an amount expressed in euro 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.
5. The amounts expressed in euro shall be reviewed by the Joint Committee at the request of Bosnia and Herzegovina or of Turkey. When carrying out this review, the Joint Committee shall consider the desirability of preserving the effects of the limits concerned in real terms. For this purpose, it may decide to modify the amounts expressed in euro.

TITLE VI
ARRANGEMENTS FOR ADMINISTRATIVE CO-OPERATION

Article 32
Mutual assistance

1. The customs authorities of Bosnia and Herzegovina and of Turkey shall provide each other, through the competent customs authorities with specimen impressions of stamps used in their customs offices for the issue of movement certificates EUR.1 and with the addresses of the customs authorities responsible for verifying those certificates and invoice declarations.
2. In order to ensure the proper application of this Protocol, Bosnia and Herzegovina and Turkey shall assist each other, through the competent customs administrations, in checking the authenticity of the movement certificates EUR.1 or the invoice declarations and the correctness of the information given in these documents.

Article 33
Verification of proofs of origin

1. Subsequent verifications of proofs of origin shall be carried out at random or whenever the customs authorities of the importing country 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 Protocol.
2. For the purposes of implementing the provisions of paragraph 1, the customs authorities of the importing country shall return the movement certificate EUR.1 and the invoice, if it has been submitted, the invoice declaration, or a copy of these documents, to the customs authorities of the exporting country giving, where appropriate, the reasons for the enquiry. Any documents and information obtained suggesting that the information given on the proof of origin is incorrect shall be forwarded in support of the request for verification.
3. The verification shall be carried out by the customs authorities of the exporting country. For this purpose, they 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 customs authorities of the importing country 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 customs 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 Bosnia and Herzegovina, in Turkey or in one of the other countries or territories referred to in Articles 3 and 4 and fulfil the other requirements of this Protocol.

6. If in cases of reasonable doubt there is no reply within ten months of the date of the verification request 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 customs authorities shall, except in exceptional circumstances, refuse entitlement to the preferences.

Article 34

Dispute settlement

Where disputes arise in relation to the verification procedures of Article 33 which cannot be settled between the customs authorities requesting a verification and the customs authorities responsible for carrying out this verification or where they raise a question as to the interpretation of this Protocol, they shall be submitted to Joint Committee

In all cases the settlement of disputes between the importer and the customs authorities of the importing country shall be under the legislation of the said country.

Article 35

Penalties

Penalties shall 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 a preferential treatment for products.

Article 36

Free zones

1. Bosnia and Herzegovina and Turkey shall take all necessary steps to ensure that products traded under cover of a proof of origin which in the course of transport use a free zone situated in their territory, are not substituted by other goods and do not undergo handling other than normal operations designed to prevent their deterioration.

2. By means of an exemption to the provisions contained in paragraph 1, when products originating in Bosnia and Herzegovina or in Turkey are imported into a free zone under cover of a proof of origin and undergo treatment or processing, the authorities concerned shall issue

a new movement certificate EUR.1 at the exporter's request, if the treatment or processing undergone is in conformity with the provisions of this Protocol.

TITLE VII FINAL PROVISIONS

Article 37 Goods in transit and storage

Goods which conform to the provisions of Title II and which on the date of entry into force of this Protocol are either being transported or are being held in Bosnia and Herzegovina or in Turkey in temporary storage, in bonded warehouses or in free zones, may be accepted as originating products subject to the submission, within four months from that date, to the customs authorities of the importing country of proof of origin, drawn up retrospectively, and of any documents that provide supporting evidence of the conditions of transport.

Article 38 Sub Committee on Customs and Origin Matters

A Sub-Committee 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 consultation processed between experts.

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

Article 39 Annexes

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

Article 40 Amendments to the Protocol

The Joint Committee may decide to amend the provisions of this Protocol.

ANNEX I
INTRODUCTORY NOTES TO THE LIST IN ANNEX II

Note 1:

The list sets out the conditions required for all products to be considered as sufficiently worked or processed within the meaning of Article 6 of the Protocol.

Note 2:

2.1. The first two columns in the list describe the product obtained. The first column gives the heading number or chapter number used in the Harmonized System and the second column gives the description of goods used in that system for that heading or chapter. For each entry in the first two columns, a rule is specified in column 3 or 4. Where, in some cases, the entry in the first column is preceded by an "ex", this signifies that the rules in column 3 or 4 apply only to the part of that heading as described in column 2.

2.2. Where several heading numbers are grouped together in column 1 or a chapter number is given and the description of products in column 2 is therefore given in general terms, the adjacent rules in column 3 or 4 apply to all products which, under the Harmonized System, are classified in headings of the chapter or in any of the headings grouped together in column 1.

2.3. Where there are different rules in the list applying to different products within a heading, each indent contains the description of that part of the heading covered by the adjacent rules in column 3 or 4.

2.4. Where, for an entry in the first two columns, a rule is specified in both columns 3 and 4, the exporter may opt, as an alternative, to apply either the rule set out in column 3 or that set out in column 4. If no origin rule is given in column 4, the rule set out in column 3 is to be applied.

Note 3:

3.1. The provisions of Article 6 of the Protocol, concerning products having acquired originating status which are used in the manufacture of other products, shall apply, regardless of whether this status has been acquired inside the factory where these products are used or in another factory in a Party.

Example:

An engine of heading 8407, for which the rule states that the value of the non-originating materials which may be incorporated may not exceed 40 % of the ex-works price, is made from "other alloy steel roughly shaped by forging" of heading ex 7224.

If this forging has been forged in the Party from a non-originating ingot, it has already acquired originating status by virtue of the rule for heading ex 7224 in the list. The forging can then count as originating in the value-calculation for the engine, regardless of whether it was produced in the same factory or in another factory in the Party. The value of the non-originating ingot is thus not taken into account when adding up the value of the non-originating materials used.

3.2. The rule in the list represents the minimum amount of working or processing required, and the carrying-out of more working or processing also confers originating status; conversely, the carrying-out of less working or processing cannot confer originating status. Thus, if a rule provides that non-originating material, at a certain level of manufacture, may be used, the use of such material at an earlier stage of manufacture is allowed, and the use of such material at a later stage is not.

3.3. Without prejudice to Note 3.2, where a rule uses the expression "Manufacture from materials of any heading", then materials of any heading(s) (even materials of the same description and heading as the product) may be used, subject, however, to any specific limitations which may also be contained in the rule.

However, the expression "Manufacture from materials of any heading, including other materials of heading ..." or "Manufacture from materials of any heading, including other materials of the same heading as the product" means that materials of any heading(s) may be used, except those of the same description as the product as given in column 2 of the list.

3.4. When a rule in the list specifies that a product may be manufactured from more than one material, this means that one or more materials may be used. It does not require that all be used.

Example:

The rule for fabrics of headings 5208 to 5212 provides that natural fibres may be used and that chemical materials, among other materials, may also be used. This does not mean that both have to be used; it is possible to use one or the other, or both.

3.5. Where a rule in the list specifies that a product must be manufactured from a particular material, the condition obviously does not prevent the use of other materials which, because of their inherent nature, cannot satisfy the rule. (See also Note 6.2 below in relation to textiles).

Example:

The rule for prepared foods of heading 1904, which specifically excludes the use of cereals and their derivatives, does not prevent the use of mineral salts, chemicals and other additives which are not products from cereals.

However, this does not apply to products which, although they cannot be manufactured from the particular materials specified in the list, can be produced from a material of the same nature at an earlier stage of manufacture.

Example:

In the case of an article of apparel of ex Chapter 62 made from non-woven materials, if the use of only non-originating yarn is allowed for this class of article, it is not possible to start from non-woven cloth – even if non-woven cloths cannot normally be made from yarn. In such cases, the starting material would normally be at the stage before yarn – that is, the fibre stage.

3.6. Where, in a rule in the list, two percentages are given for the maximum value of non-originating materials that can be used, then these percentages may not be added together. In other words, the maximum value of all the non-originating materials used may never exceed the higher of the percentages given. Furthermore, the individual percentages must not be exceeded, in relation to the particular materials to which they apply.

Note 4:

4.1. The term "natural fibres" is used in the list to refer to fibres other than artificial or synthetic fibres. It is restricted to the stages before spinning takes place, including waste, and, unless otherwise specified, includes fibres which have been carded, combed or otherwise processed, but not spun.

4.2. The term "natural fibres" includes horsehair of heading 0503, silk of headings 5002 and 5003, as well as wool-fibres and fine or coarse animal hair of headings 5101 to 5105, cotton fibres of headings 5201 to 5203, and other vegetable fibres of headings 5301 to 5305.

4.3. The terms "textile pulp", "chemical materials" and "paper-making materials" are used in the list to describe the materials, not classified in Chapters 50 to 63, which can be used to manufacture artificial, synthetic or paper fibres or yarns.

4.4. The term "man-made staple fibres" is used in the list to refer to synthetic or artificial filament tow, staple fibres or waste, of headings 5501 to 5507.

Note 5:

5.1. Where, for a given product in the list, reference is made to this Note, the conditions set out in column 3 shall not be applied to any basic textile materials used in the manufacture of this product and which, taken together, represent 10 % or less of the total weight of all the basic textile materials used. (See also Notes 5.3 and 5.4 below.)

5.2. However, the tolerance mentioned in Note 5.1 may be applied only to mixed products which have been made from two or more basic textile materials.

The following are the basic textile materials:

- silk,
- wool,
- coarse animal hair,
- fine animal hair,
- horsehair,
- cotton,
- paper-making materials and paper,
- flax,
- true hemp,
- jute and other textile bast fibres,
- sisal and other textile fibres of the genus *Agave*,
- coconut, abaca, ramie and other vegetable textile fibres,
- synthetic man-made filaments,
- artificial man-made filaments,
- current-conducting filaments,
- synthetic man-made staple fibres of polypropylene,
- synthetic man-made staple fibres of polyester,

- synthetic man-made staple fibres of polyamide,
- synthetic man-made staple fibres of polyacrylonitrile,
- synthetic man-made staple fibres of polyimide,
- synthetic man-made staple fibres of polytetrafluoroethylene,
- synthetic man-made staple fibres of poly(phenylene sulphide),
- synthetic man-made staple fibres of poly(vinyl chloride),
- other synthetic man-made staple fibres,
- artificial man-made staple fibres of viscose,
- other artificial man-made staple fibres,
- yarn made of polyurethane segmented with flexible segments of polyether, whether or not gimped,
- yarn made of polyurethane segmented with flexible segments of polyester, whether or not gimped,
- products of heading 5605 (metallised yarn) incorporating strip consisting of a core of aluminium foil or of a core of plastic film whether or not coated with aluminium powder, of a width not exceeding 5 mm, sandwiched by means of a transparent or coloured adhesive between two layers of plastic film,
- other products of heading 5605.

Example:

A yarn, of heading 5205, made from cotton fibres of heading 5203 and synthetic staple fibres of heading 5506, is a mixed yarn. Therefore, non-originating synthetic staple fibres which do not satisfy the origin-rules (which require manufacture from chemical materials or textile pulp) may be used, provided that their total weight does not exceed 10 % of the weight of the yarn.

Example:

A woollen fabric, of heading 5112, made from woollen yarn of heading 5107 and synthetic yarn of staple fibres of heading 5509, is a mixed fabric. Therefore, synthetic yarn which does not satisfy the origin-rules (which require manufacture from chemical

materials or textile pulp), or woollen yarn which does not satisfy the origin-rules (which require manufacture from natural fibres, not carded or combed or otherwise prepared for spinning), or a combination of the two, may be used, provided that their total weight does not exceed 10 % of the weight of the fabric.

Example:

Tufted textile fabric, of heading 5802, made from cotton yarn of heading 5205 and cotton fabric of heading 5210, is a only mixed product if the cotton fabric is itself a mixed fabric made from yarns classified in two separate headings, or if the cotton yarns used are themselves mixtures.

Example:

If the tufted textile fabric concerned had been made from cotton yarn of heading 5205 and synthetic fabric of heading 5407, then, obviously, the yarns used are two separate basic textile materials and the tufted textile fabric is, accordingly, a mixed product.

5.3. In the case of products incorporating "yarn made of polyurethane segmented with flexible segments of polyether, whether or not gimped", this tolerance is 20 % in respect of this yarn.

5.4. In the case of products incorporating "strip consisting of a core of aluminium foil or of a core of plastic film whether or not coated with aluminium powder, of a width not exceeding 5 mm, sandwiched by means of a transparent or coloured adhesive between two layers of plastic film", this tolerance is 30 % in respect of this strip.

Note 6:

6.1. Where, in the list, reference is made to this Note, textile materials (with the exception of linings and interlinings), which do not satisfy the rule set out in the list in column 3 for the made-up product concerned, may be used, provided that they are classified in a heading other than that of the product and that their value does not exceed 8 % of the ex-works price of the product.

6.2. Without prejudice to Note 6.3, materials, which are not classified within Chapters 50 to 63, may be used freely in the manufacture of textile products, whether or not they contain textiles.

Example:

If a rule in the list provides that, for a particular textile item (such as trousers), yarn must be used, this does not prevent the use of metal items, such as buttons, because

buttons are not classified within Chapters 50 to 63. For the same reason, it does not prevent the use of slide-fasteners, even though slide-fasteners normally contain textiles.

6.3. Where a percentage-rule applies, the value of materials which are not classified within Chapters 50 to 63 must be taken into account when calculating the value of the non-originating materials incorporated.

Note 7:

7.1. For the purposes of headings ex 2707, 2713 to 2715, ex 2901, ex 2902 and ex 3403, the "specific processes" are the following:

- (a) vacuum-distillation;
- (b) redistillation by a very thorough fractionation-process;
- (c) cracking;
- (d) reforming;
- (e) extraction by means of selective solvents;
- (f) the process comprising all of the following operations: processing with concentrated sulphuric acid, oleum or sulphuric anhydride; neutralisation with alkaline agents; decolourisation and purification with naturally-active earth, activated earth, activated charcoal or bauxite;
- (g) polymerisation;
- (h) alkylation;
- (i) isomerisation.

7.2. For the purposes of headings 2710, 2711 and 2712, the "specific processes" are the following:

- (a) vacuum-distillation;
- (b) redistillation by a very thorough fractionation-process;
- (c) cracking;
- (d) reforming;

- (e) extraction by means of selective solvents;
- (f) the process comprising all of the following operations: processing with concentrated sulphuric acid, oleum or sulphuric anhydride; neutralisation with alkaline agents; decolourisation and purification with naturally-active earth, activated earth, activated charcoal or bauxite;
- (g) polymerisation;
- (h) alkylation;
- (ij) isomerisation;
- (k) in respect of heavy oils of heading ex 2710 only, desulphurisation with hydrogen, resulting in a reduction of at least 85 % of the sulphur-content of the products processed (ASTM D 1266-59 T method);
- (l) in respect of products of heading 2710 only, deparaffining by a process other than filtering;
- (m) in respect of heavy oils of heading ex 2710 only, treatment with hydrogen, at a pressure of more than 20 bar and a temperature of more than 250 °C, with the use of a catalyst, other than to effect desulphurisation, when the hydrogen constitutes an active element in a chemical reaction. The further treatment, with hydrogen, of lubricating oils of heading ex 2710 (e.g. hydrofinishing or decolourisation), in order, more especially, to improve colour or stability shall not, however, be deemed to be a specific process;
- (n) in respect of fuel oils of heading ex 2710 only, atmospheric distillation, on condition that less than 30 % of these products distils, by volume, including losses, at 300 °C, by the ASTM D 86 method;
- (o) in respect of heavy oils other than gas oils and fuel oils of heading ex 2710 only, treatment by means of a high-frequency electrical brush-discharge;
- (p) in respect of crude products (other than petroleum jelly, ozokerite, lignite wax or peat wax, paraffin wax containing by weight less than 0.75 % of oil) of heading ex 2712 only, de-oiling by fractional crystallisation.

7.3. For the purposes of headings ex 2707, 2713 to 2715, ex 2901, ex 2902 and ex 3403, simple operations, such as cleaning, decanting, desalting, water-separation, filtering, colouring, marking, obtaining a sulphur-content as a result of mixing products with different sulphur-contents, or any combination of these operations or like operations, do not confer origin.

ANNEX II

**LIST OF WORKING OR PROCESSING REQUIRED TO BE CARRIED OUT ON
NON-ORIGINATING MATERIALS IN ORDER THAT THE PRODUCT
MANUFACTURED CAN OBTAIN ORIGINATING STATUS**

*The products mentioned in the list may not be all covered by the Agreement. It is, therefore,
necessary to consult the other parts of the Agreement.*

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
Chapter 1	Live animals	All the animals of Chapter 1 shall be wholly obtained	
Chapter 2	Meat and edible meat offal	Manufacture in which all the materials of Chapters 1 and 2 used are wholly obtained	
Chapter 3	Fish and crustaceans, molluscs and other aquatic invertebrates	Manufacture in which all the materials of Chapter 3 used are wholly obtained	
ex Chapter 4	Dairy produce; birds' eggs; natural honey; edible products of animal origin, not elsewhere specified or included; except for:	Manufacture in which all the materials of Chapter 4 used are wholly obtained	
0403	Buttermilk, curdled milk and cream, yoghurt, kephir and other fermented or acidified milk and cream, whether or not concentrated or containing added sugar or other sweetening matter or flavoured or containing added fruit, nuts or cocoa	Manufacture in which: - all the materials of Chapter 4 used are wholly obtained, - all the fruit juice (except that of pineapple, lime or grapefruit) of heading 2009 used is originating, and - the value of all the materials of Chapter 17 used does not exceed 30 % of the ex-works price of the product	
ex Chapter 5	Products of animal origin, not elsewhere specified or included; except for:	Manufacture in which all the materials of Chapter 5 used are wholly obtained	
ex 0502	Prepared pigs', hogs' or boars' bristles and hair	Cleaning, disinfecting, sorting and straightening of bristles and hair	
Chapter 6	Live trees and other plants; bulbs, roots and the like; cut flowers and ornamental foliage	Manufacture in which: - all the materials of Chapter 6 used are wholly obtained, and - the value of all the materials used does not exceed 50 %	

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
		of the ex-works price of the product	
Chapter 7	Edible vegetables and certain roots and tubers	Manufacture in which all the materials of Chapter 7 used are wholly obtained	
Chapter 8	Edible fruit and nuts; peel of citrus fruits or melons	Manufacture in which: - all the fruit and nuts used are wholly obtained, and - the value of all the materials of Chapter 17 used does not exceed 30 % of the value of the ex-works price of the product	
ex Chapter 9	Coffee, tea, maté and spices; except for:	Manufacture in which all the materials of Chapter 9 used are wholly obtained	
0901	Coffee, whether or not roasted or decaffeinated; coffee husks and skins; coffee substitutes containing coffee in any proportion	Manufacture from materials of any heading	
0902	Tea, whether or not flavoured	Manufacture from materials of any heading	
ex 0910	Mixtures of spices	Manufacture from materials of any heading	
Chapter 10	Cereals	Manufacture in which all the materials of Chapter 10 used are wholly obtained	
ex Chapter 11	Products of the milling industry; malt; starches; inulin; wheat gluten; except for:	Manufacture in which all the cereals, edible vegetables, roots and tubers of heading 0714 or fruit used are wholly obtained	

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
ex 1106	Flour, meal and powder of the dried, shelled leguminous vegetables of heading 0713	Drying and milling of leguminous vegetables of heading 0708	
Chapter 12	Oil seeds and oleaginous fruits; miscellaneous grains, seeds and fruit; industrial or medicinal plants; straw and fodder	Manufacture in which all the materials of Chapter 12 used are wholly obtained	
1301	Lac; natural gums, resins, gum-resins and oleoresins (for example, balsams)	Manufacture in which the value of all the materials of heading 1301 used does not exceed 50 % of the ex-works price of the product	
1302	Vegetable saps and extracts; pectic substances, pectinates and pectates; agar-agar and other mucilages and thickeners, whether or not modified, derived from vegetable products: - Mucilages and thickeners, modified, derived from vegetable products - Other	Manufacture from non-modified mucilages and thickeners Manufacture in which the value of all the materials used does not exceed 50 % of the ex-works price of the product	
Chapter 14	Vegetable plaiting materials; vegetable products not elsewhere specified or included	Manufacture in which all the materials of Chapter 14 used are wholly obtained	
ex Chapter 15	Animal or vegetable fats and oils and their cleavage products; prepared edible fats; animal or vegetable waxes; except for:	Manufacture from materials of any heading, except that of the product	

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
1501	Pig fat (including lard) and poultry fat, other than that of heading 0209 or 1503: - Fats from bones or waste - Other	Manufacture from materials of any heading, except those of heading 0203, 0206 or 0207 or bones of heading 0506 Manufacture from meat or edible offal of swine of heading 0203 or 0206 or of meat and edible offal of poultry of heading 0207	
1502	Fats of bovine animals, sheep or goats, other than those of heading 1503 - Fats from bones or waste - Other	Manufacture from materials of any heading, except those of heading 0201, 0202, 0204 or 0206 or bones of heading 0506 Manufacture in which all the materials of Chapter 2 used are wholly obtained	
1504	Fats and oils and their fractions, of fish or marine mammals, whether or not refined, but not chemically modified: - Solid fractions - Other	Manufacture from materials of any heading, including other materials of heading 1504 Manufacture in which all the materials of Chapters 2 and 3 used are wholly obtained	
ex 1505	Refined lanolin	Manufacture from crude wool grease of heading 1505	

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
1506	Other animal fats and oils and their fractions, whether or not refined, but not chemically modified: - Solid fractions - Other	Manufacture from materials of any heading, including other materials of heading 1506 Manufacture in which all the materials of Chapter 2 used are wholly obtained	
1507 to 1515	Vegetable oils and their fractions: - Soya, ground nut, palm, copra, palm kernel, babassu, tung and oiticica oil, myrtle wax and Japan wax, fractions of jojoba oil and oils for technical or industrial uses other than the manufacture of foodstuffs for human consumption - Solid fractions, except for that of jojoba oil - Other	Manufacture from materials of any heading, except that of the product Manufacture from other materials of headings 1507 to 1515 Manufacture in which all the vegetable materials used are wholly obtained	
1516	Animal or vegetable fats and oils and their fractions, partly or wholly hydrogenated, inter-esterified, re-esterified or elaidinised, whether or not refined, but not further prepared	Manufacture in which: - all the materials of Chapter 2 used are wholly obtained, and - all the vegetable materials used are wholly obtained. However, materials of headings 1507, 1508, 1511 and 1513 may be used	

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
1517	Margarine; edible mixtures or preparations of animal or vegetable fats or oils or of fractions of different fats or oils of this Chapter, other than edible fats or oils or their fractions of heading 1516	Manufacture in which: <ul style="list-style-type: none"> - all the materials of Chapters 2 and 4 used are wholly obtained, and - all the vegetable materials used are wholly obtained. However, materials of headings 1507, 1508, 1511 and 1513 may be used 	
Chapter 16	Preparations of meat, of fish or of crustaceans, molluscs or other aquatic invertebrates	Manufacture: <ul style="list-style-type: none"> - from animals of Chapter 1, and/or - in which all the materials of Chapter 3 used are wholly obtained 	
ex Chapter 17	Sugars and sugar confectionery; except for:	Manufacture from materials of any heading, except that of the product	
ex 1701	Cane or beet sugar and chemically pure sucrose, in solid form, containing added flavouring or colouring matter	Manufacture in which the value of all the materials of Chapter 17 used does not exceed 30 % of the ex-works price of the product	
1702	Other sugars, including chemically pure lactose, maltose, glucose and fructose, in solid form; sugar syrups not containing added flavouring or colouring matter; artificial honey, whether or not mixed with natural honey; caramel: <ul style="list-style-type: none"> - Chemically-pure maltose and fructose 	Manufacture from materials of any heading, including other materials of heading 1702	

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
ex 1703	- Other sugars in solid form, containing added flavouring or colouring matter - Other Molasses resulting from the extraction or refining of sugar, containing added flavouring or colouring matter	Manufacture in which the value of all the materials of Chapter 17 used does not exceed 30 % of the ex-works price of the product Manufacture in which all the materials used are originating Manufacture in which the value of all the materials of Chapter 17 used does not exceed 30 % of the ex-works price of the product	
1704	Sugar confectionery (including white chocolate), not containing cocoa	Manufacture: - from materials of any heading, except that of the product, and - in which the value of all the materials of Chapter 17 used does not exceed 30 % of the ex-works price of the product	
Chapter 18	Cocoa and cocoa preparations	Manufacture: - from materials of any heading, except that of the product, and - in which the value of all the materials of Chapter 17 used does not exceed 30 % of the ex-works price of the product	

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
1901	<p>Malt extract; food preparations of flour, groats, meal, starch or malt extract, not containing cocoa or containing less than 40 % by weight of cocoa calculated on a totally defatted basis, not elsewhere specified or included; food preparations of goods of headings 0401 to 0404, not containing cocoa or containing less than 5 % by weight of cocoa calculated on a totally defatted basis, not elsewhere specified or included:</p> <ul style="list-style-type: none"> - Malt extract - Other 	<p>Manufacture from cereals of Chapter 10</p>	<p>Manufacture:</p> <ul style="list-style-type: none"> - from materials of any heading, except that of the product, and - in which the value of all the materials of Chapter 17 used does not exceed 30 % of the ex-works price of the product
1902	<p>Pasta, whether or not cooked or stuffed (with meat or other substances) or otherwise prepared, such as spaghetti, macaroni, noodles, lasagne, gnocchi, ravioli, cannelloni; couscous, whether or not prepared:</p>		

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
	<ul style="list-style-type: none"> - Containing 20 % or less by weight of meat, meat offal, fish, crustaceans or molluscs - Containing more than 20 % by weight of meat, meat offal, fish, crustaceans or molluscs 	<p>Manufacture in which all the cereals and derivatives (except durum wheat and its derivatives) used are wholly obtained</p> <p>Manufacture in which:</p> <ul style="list-style-type: none"> - all the cereals and their derivatives (except durum wheat and its derivatives) used are wholly obtained, and - all the materials of Chapters 2 and 3 used are wholly obtained 	
1903	Tapioca and substitutes therefore prepared from starch, in the form of flakes, grains, pearls, siftings or similar forms	Manufacture from materials of any heading, except potato starch of heading 1108	
1904	Prepared foods obtained by the swelling or roasting of cereals or cereal products (for example, corn flakes); cereals (other than maize (corn)) in grain form or in the form of flakes or other worked grains (except flour, groats and meal), pre-cooked or otherwise prepared, not elsewhere specified or included	<p>Manufacture:</p> <ul style="list-style-type: none"> - from materials of any heading, except those of heading 1806, - in which all the cereals and flour (except durum wheat and <i>Zea indurata</i> maize, and their derivatives) used are wholly obtained, and - in which the value of all the materials of Chapter 17 used does not exceed 30 % of the ex-works price of the product 	

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
1905	Bread, pastry, cakes, biscuits and other bakers' wares, whether or not containing cocoa; communion wafers, empty cachets of a kind suitable for pharmaceutical use, sealing wafers, rice paper and similar products	Manufacture from materials of any heading, except those of Chapter 11	
ex Chapter 20	Preparations of vegetables, fruit, nuts or other parts of plants; except for:	Manufacture in which all the fruit, nuts or vegetables used are wholly obtained	
ex 2001	Yams, sweet potatoes and similar edible parts of plants containing 5 % or more by weight of starch, prepared or preserved by vinegar or acetic acid	Manufacture from materials of any heading, except that of the product	
ex 2004 and ex 2005	Potatoes in the form of flour, meal or flakes, prepared or preserved otherwise than by vinegar or acetic acid	Manufacture from materials of any heading, except that of the product	
2006	Vegetables, fruit, nuts, fruit-peel and other parts of plants, preserved by sugar (drained, glacé or crystallized)	Manufacture in which the value of all the materials of Chapter 17 used does not exceed 30 % of the ex-works price of the product	
2007	Jams, fruit jellies, marmalades, fruit or nut purée and fruit or nut pastes, obtained by cooking, whether or not containing added sugar or other sweetening matter	Manufacture: - from materials of any heading, except that of the product, and - in which the value of all the materials of Chapter 17 used does not exceed 30 % of the ex-works price of the product	

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
ex 2008	<ul style="list-style-type: none"> - Nuts, not containing added sugar or spirits - Peanut butter; mixtures based on cereals; palm hearts; maize (corn) - Other except for fruit and nuts cooked otherwise than by steaming or boiling in water, not containing added sugar, frozen 	<p>Manufacture in which the value of all the originating nuts and oil seeds of headings 0801, 0802 and 1202 to 1207 used exceeds 60 % of the ex-works price of the product</p> <p>Manufacture from materials of any heading, except that of the product</p> <p>Manufacture:</p> <ul style="list-style-type: none"> - from materials of any heading, except that of the product, and - in which the value of all the materials of Chapter 17 used does not exceed 30 % of the ex-works price of the product 	
2009	Fruit juices (including grape must) and vegetable juices, unfermented and not containing added spirit, whether or not containing added sugar or other sweetening matter	<p>Manufacture:</p> <ul style="list-style-type: none"> - from materials of any heading, except that of the product, and - in which the value of all the materials of Chapter 17 used does not exceed 30 % of the ex-works price of the product 	
ex Chapter 21	Miscellaneous edible preparations; except for:	Manufacture from materials of any heading, except that of the product	

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
2101	Extracts, essences and concentrates, of coffee, tea or maté and preparations with a basis of these products or with a basis of coffee, tea or maté; roasted chicory and other roasted coffee substitutes, and extracts, essences and concentrates thereof	Manufacture: - from materials of any heading, except that of the product, and - in which all the chicory used is wholly obtained	
2103	Sauces and preparations therefor; mixed condiments and mixed seasonings; mustard flour and meal and prepared mustard: - Sauces and preparations therefor; mixed condiments and mixed seasonings - Mustard flour and meal and prepared mustard	Manufacture from materials of any heading, except that of the product. However, mustard flour or meal or prepared mustard may be used Manufacture from materials of any heading	
ex 2104	Soups and broths and preparations therefor	Manufacture from materials of any heading, except prepared or preserved vegetables of headings 2002 to 2005	
2106	Food preparations not elsewhere specified or included	Manufacture: - from materials of any heading, except that of the product, and - in which the value of all the materials of Chapter 17 used does not exceed 30 % of the ex-works price of the product	

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
ex Chapter 22	Beverages, spirits and vinegar; except for:	<p>Manufacture:</p> <ul style="list-style-type: none"> - from materials of any heading, except that of the product, and - in which all the grapes or materials derived from grapes used are wholly obtained 	
2202	Waters, including mineral waters and aerated waters, containing added sugar or other sweetening matter or flavoured, and other non-alcoholic beverages, not including fruit or vegetable juices of heading 2009	<p>Manufacture:</p> <ul style="list-style-type: none"> - from materials of any heading, except that of the product, - in which the value of all the materials of Chapter 17 used does not exceed 30 % of the ex-works price of the product, and - in which all the fruit juice used (except that of pineapple, lime or grapefruit) is originating 	
2207	Undenatured ethyl alcohol of an alcoholic strength by volume of 80 % vol or higher; ethyl alcohol and other spirits, denatured, of any strength	<p>Manufacture:</p> <ul style="list-style-type: none"> - from materials of any heading, except heading 2207 or 2208, and - in which all the grapes or materials derived from grapes used are wholly obtained or, if all the other materials used are already originating, arrack may be used up to a limit of 5 % by volume 	

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
2208	Undenatured ethyl alcohol of an alcoholic strength by volume of less than 80 % vol; spirits, liqueurs and other spirituous beverages	Manufacture: - from materials of any heading, except heading 2207 or 2208, and - in which all the grapes or materials derived from grapes used are wholly obtained or, if all the other materials used are already originating, arrack may be used up to a limit of 5 % by volume	
ex Chapter 23	Residues and waste from the food industries; prepared animal fodder; except for:	Manufacture from materials of any heading, except that of the product	
ex 2301	Whale meal; flours, meals and pellets of fish or of crustaceans, molluscs or other aquatic invertebrates, unfit for human consumption	Manufacture in which all the materials of Chapters 2 and 3 used are wholly obtained	
ex 2303	Residues from the manufacture of starch from maize (excluding concentrated steeping liquors), of a protein content, calculated on the dry product, exceeding 40 % by weight	Manufacture in which all the maize used is wholly obtained	
ex 2306	Oil cake and other solid residues resulting from the extraction of olive oil, containing more than 3 % of olive oil	Manufacture in which all the olives used are wholly obtained	

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
2309	Preparations of a kind used in animal feeding	Manufacture in which: - all the cereals, sugar or molasses, meat or milk used are originating, and - all the materials of Chapter 3 used are wholly obtained	
ex Chapter 24	Tobacco and manufactured tobacco substitutes; except for:	Manufacture in which all the materials of Chapter 24 used are wholly obtained	
2402	Cigars, cheroots, cigarillos and cigarettes, of tobacco or of tobacco substitutes	Manufacture in which at least 70 % by weight of the unmanufactured tobacco or tobacco refuse of heading 2401 used is originating	
ex 2403	Smoking tobacco	Manufacture in which at least 70 % by weight of the unmanufactured tobacco or tobacco refuse of heading 2401 used is originating	
ex Chapter 25	Salt; sulphur; earths and stone; plastering materials, lime and cement; except for:	Manufacture from materials of any heading, except that of the product	
ex 2504	Natural crystalline graphite, with enriched carbon content, purified and ground	Enriching of the carbon content, purifying and grinding of crude crystalline graphite	
ex 2515	Marble, merely cut, by sawing or otherwise, into blocks or slabs of a rectangular (including square) shape, of a thickness not exceeding 25 cm	Cutting, by sawing or otherwise, of marble (even if already sawn) of a thickness exceeding 25 cm	

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
ex 2516	Granite, porphyry, basalt, sandstone and other monumental or building stone, merely cut, by sawing or otherwise, into blocks or slabs of a rectangular (including square) shape, of a thickness not exceeding 25 cm	Cutting, by sawing or otherwise, of stone (even if already sawn) of a thickness exceeding 25 cm	
ex 2518	Calcined dolomite	Calcination of dolomite not calcined	
ex 2519	Crushed natural magnesium carbonate (magnesite), in hermetically-sealed containers, and magnesium oxide, whether or not pure, other than fused magnesia or dead-burned (sintered) magnesia	Manufacture from materials of any heading, except that of the product. However, natural magnesium carbonate (magnesite) may be used	
ex 2520	Plasters specially prepared for dentistry	Manufacture in which the value of all the materials used does not exceed 50 % of the ex-works price of the product	
ex 2524	Natural asbestos fibres	Manufacture from asbestos concentrate	
ex 2525	Mica powder	Grinding of mica or mica waste	
ex 2530	Earth colours, calcined or powdered	Calcination or grinding of earth colours	
Chapter 26	Ores, slag and ash	Manufacture from materials of any heading, except that of the product	
ex Chapter 27	Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes; except for:	Manufacture from materials of any heading, except that of the product	

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
ex 2707	Oils in which the weight of the aromatic constituents exceeds that of the non-aromatic constituents, being oils similar to mineral oils obtained by distillation of high temperature coal tar, of which more than 65 % by volume distils at a temperature of up to 250 °C (including mixtures of petroleum spirit and benzole), for use as power or heating fuels	Operations of refining and/or one or more specific process(es) ⁽¹⁾ or Other operations in which all the materials used are classified within a heading other than that of the product. However, materials of the same heading as the product may be used, provided that their total value does not exceed 50 % of the ex-works price of the product	
ex 2709	Crude oils obtained from bituminous minerals	Destructive distillation of bituminous materials	
2710	Petroleum oils and oils obtained from bituminous materials, other than crude; preparations not elsewhere specified or included, containing by weight 70 % or more of petroleum oils or of oils obtained from bituminous materials, these oils being the basic constituents of the preparations; waste oils	Operations of refining and/or one or more specific process(es) ⁽²⁾ or Other operations in which all the materials used are classified within a heading other than that of the product. However, materials of the same heading as the product may be used, provided that their total value does not exceed 50 % of the ex-works price of the product	

¹ For the special conditions relating to "specific processes", see Introductory Notes 7.1 and 7.3.

² For the special conditions relating to "specific processes", see Introductory Note 7.2.

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
2711	Petroleum gases and other gaseous hydrocarbons	Operations of refining and/or one or more specific process(es) ⁽³⁾ or Other operations in which all the materials used are classified within a heading other than that of the product. However, materials of the same heading as the product may be used, provided that their total value does not exceed 50 % of the ex-works price of the product	
2712	Petroleum jelly; paraffin wax, microcrystalline petroleum wax, slack wax, ozokerite, lignite wax, peat wax, other mineral waxes, and similar products obtained by synthesis or by other processes, whether or not coloured	Operations of refining and/or one or more specific process(es) ⁽⁴⁾ or Other operations in which all the materials used are classified within a heading other than that of the product. However, materials of the same heading as the product may be used, provided that their total value does not exceed 50 % of the ex-works price of the product	

³ For the special conditions relating to "specific processes", see Introductory Note 7.2.

⁴ For the special conditions relating to "specific processes", see Introductory Note 7.2.

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
2713	Petroleum coke, petroleum bitumen and other residues of petroleum oils or of oils obtained from bituminous materials	Operations of refining and/or one or more specific process(es) ⁽⁵⁾ or Other operations in which all the materials used are classified within a heading other than that of the product. However, materials of the same heading as the product may be used, provided that their total value does not exceed 50 % of the ex-works price of the product	
2714	Bitumen and asphalt, natural; bituminous or oil shale and tar sands; asphaltites and asphaltic rocks	Operations of refining and/or one or more specific process(es) ⁽⁶⁾ or Other operations in which all the materials used are classified within a heading other than that of the product. However, materials of the same heading as the product may be used, provided that their total value does not exceed 50 % of the ex-works price of the product	

⁵ For the special conditions relating to "specific processes", see Introductory Notes 7.1 and 7.3.

⁶ For the special conditions relating to "specific processes", see Introductory Notes 7.1 and 7.3.

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
2715	Bituminous mixtures based on natural asphalt, on natural bitumen, on petroleum bitumen, on mineral tar or on mineral tar pitch (for example, bituminous mastics, cut-backs)	Operations of refining and/or one or more specific process(es) ⁽⁷⁾ or Other operations in which all the materials used are classified within a heading other than that of the product. However, materials of the same heading as the product may be used, provided that their total value does not exceed 50 % of the ex-works price of the product	
ex Chapter 28	Inorganic chemicals; organic or inorganic compounds of precious metals, of rare-earth metals, of radioactive elements or of isotopes; except for:	Manufacture from materials of any heading, except that of the product. However, materials of the same heading as the product may be used, provided that their total value does not exceed 20 % of the ex-works price of the product	Manufacture in which the value of all the materials used does not exceed 40 % of the ex-works price of the product
ex 2805	"Mischmetall"	Manufacture by electrolytic or thermal treatment in which the value of all the materials used does not exceed 50 % of the ex-works price of the product	
ex 2811	Sulphur trioxide	Manufacture from sulphur dioxide	Manufacture in which the value of all the materials used does not exceed 40 % of the ex-works price of the product
ex 2833	Aluminium sulphate	Manufacture in which the value of all the materials used does not exceed 50 % of the ex-works price of the product	

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For the special conditions relating to "specific processes", see Introductory Notes 7.1 and 7.3.

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
ex 2840	Sodium perborate	Manufacture from disodium tetraborate pentahydrate	Manufacture in which the value of all the materials used does not exceed 40 % of the ex-works price of the product
ex 2852	Mercury compounds of saturated acyclic monocarboxylic acids and their anhydrides, halides, peroxides and peroxyacids; their halogenated, sulphonated, nitrated or nitrosated derivatives	Manufacture from materials of any heading. However, the value of all the materials of headings 2852, 2915 and 2916 used shall not exceed 20 % of the ex-works price of the product	Manufacture in which the value of all the materials used does not exceed 40 % of the ex-works price of the product
	Mercury compounds Internal ethers and their halogenated, sulphonated, nitrated or nitrosated derivative	Manufacture from materials of any heading. However, the value of all the materials of heading 2909 used shall not exceed 20 % of the ex-works price of the product	Manufacture in which the value of all the materials used does not exceed 40 % of the ex-works price of the product
	Mercury compounds of heterocyclic compounds with nitrogen hetero-atom(s) only	Manufacture from materials of any heading. However, the value of all the materials of headings 2852, 2932 and 2933 used shall not exceed 20 % of the ex-works price of the product	Manufacture in which the value of all the materials used does not exceed 40 % of the ex-works price of the product
	Mercury compounds of nucleic acids and their salts, whether or not chemically defined; other heterocyclic compounds	Manufacture from materials of any heading. However, the value of all the materials of headings 2852, 2932, 2933 and 2934 used shall not exceed 20 % of the ex-works price of the product	Manufacture in which the value of all the materials used does not exceed 40 % of the ex-works price of the product

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
	Mercury compounds of naphthenic acids, their water-insoluble salts and their esters Other mercury compounds of prepared binders for foundry moulds or cores; chemical products and preparations of the chemical or allied industries (including those consisting of mixtures of natural products), not elsewhere specified or included	Manufacture from materials of any heading, except that of the product. However, materials of the same heading as the product may be used, provided that their total value does not exceed 20 % of the ex-works price of the product Manufacture in which the value of all the materials used does not exceed 50 % of the ex-works price of the product	Manufacture in which the value of all the materials used does not exceed 40 % of the ex-works price of the product
ex Chapter 29 ex 2901	Organic chemicals; except for: Acyclic hydrocarbons for use as power or heating fuels	Manufacture from materials of any heading, except that of the product. However, materials of the same heading as the product may be used, provided that their total value does not exceed 20 % of the ex-works price of the product Operations of refining and/or one or more specific process(es) ⁽⁸⁾ or	Manufacture in which the value of all the materials used does not exceed 40 % of the ex-works price of the product

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For the special conditions relating to "specific processes", see Introductory Notes 7.1 and 7.3.

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
ex 2902	Cyclanes and cyclenes (other than azulenes), benzene, toluene, xylenes, for use as power or heating fuels	Other operations in which all the materials used are classified within a heading other than that of the product. However, materials of the same heading as the product may be used, provided that their total value does not exceed 50 % of the ex-works price of the product	
ex 2905	Metal alcoholates of alcohols of this heading and of ethanol	Operations of refining and/or one or more specific process(es) ⁽⁹⁾ or Other operations in which all the materials used are classified within a heading other than that of the product. However, materials of the same heading as the product may be used, provided that their total value does not exceed 50 % of the ex-works price of the product	Manufacture in which the value of all the materials used does not exceed 40 % of the ex-works price of the product
2915	Saturated acyclic monocarboxylic acids and their anhydrides, halides, peroxides and peroxyacids; their halogenated, sulphonated, nitrated or nitrosated derivatives	Manufacture from materials of any heading, including other materials of heading 2905. However, metal alcoholates of this heading may be used, provided that their total value does not exceed 20 % of the ex-works price of the product	Manufacture in which the value of all the materials used does not exceed 40 % of the ex-works price of the product

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For the special conditions relating to "specific processes", see Introductory Notes 7.1 and 7.3.

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
ex 2932	- Internal ethers and their halogenated, sulphonated, nitrated or nitrosated derivatives	Manufacture from materials of any heading. However, the value of all the materials of heading 2909 used shall not exceed 20 % of the ex-works price of the product	Manufacture in which the value of all the materials used does not exceed 40 % of the ex-works price of the product
	- Cyclic acetals and internal hemiacetals and their halogenated, sulphonated, nitrated or nitrosated derivatives	Manufacture from materials of any heading	Manufacture in which the value of all the materials used does not exceed 40 % of the ex-works price of the product
2933	Heterocyclic compounds with nitrogen hetero-atom(s) only	Manufacture from materials of any heading. However, the value of all the materials of headings 2932 and 2933 used shall not exceed 20 % of the ex-works price of the product	Manufacture in which the value of all the materials used does not exceed 40 % of the ex-works price of the product
2934	Nucleic acids and their salts, whether or not chemically defined; other heterocyclic compounds	Manufacture from materials of any heading. However, the value of all the materials of headings 2932, 2933 and 2934 used shall not exceed 20 % of the ex-works price of the product	Manufacture in which the value of all the materials used does not exceed 40 % of the ex-works price of the product
ex 2939	Concentrates of poppy straw containing not less than 50 % by weight of alkaloids	Manufacture in which the value of all the materials used does not exceed 50 % of the ex-works price of the product	
ex Chapter 30	Pharmaceutical products; except for:	Manufacture from materials of any heading, except that of the product. However, materials of the same heading as the product may be used, provided that their total value does not exceed 20 % of the ex-works price of the product	

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
3002	<p>Human blood; animal blood prepared for therapeutic, prophylactic or diagnostic uses; antisera and other blood fractions and modified immunological products, whether or not obtained by means of biotechnological processes; vaccines, toxins, cultures of micro-organisms (excluding yeasts) and similar products:</p> <ul style="list-style-type: none"> - Products consisting of two or more constituents which have been mixed together for therapeutic or prophylactic uses or unmixed products for these uses, put up in measured doses or in forms or packings for retail sale - Other <ul style="list-style-type: none"> -- Human blood -- Animal blood prepared for therapeutic or prophylactic uses 	<p>Manufacture from materials of any heading, including other materials of heading 3002. However, materials of the same description as the product may be used, provided that their total value does not exceed 20 % of the ex-works price of the product</p>	<p>Manufacture from materials of any heading, including other materials of heading 3002. However, materials of the same description as the product may be used, provided that their total value does not exceed 20 % of the ex-works price of the product</p>

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
3003 and 3004	-- Blood fractions other than antisera, haemoglobin, blood globulins and serum globulins	Manufacture from materials of any heading, including other materials of heading 3002. However, materials of the same description as the product may be used, provided that their total value does not exceed 20 % of the ex-works price of the product	
	-- Haemoglobin, blood globulins and serum globulins	Manufacture from materials of any heading, including other materials of heading 3002. However, materials of the same description as the product may be used, provided that their total value does not exceed 20 % of the ex-works price of the product	
	-- Other	Manufacture from materials of any heading, including other materials of heading 3002. However, materials of the same description as the product may be used, provided that their total value does not exceed 20 % of the ex-works price of the product	
	Medicaments (excluding goods of heading 3002, 3005 or 3006): - Obtained from amikacin of heading 2941	Manufacture from materials of any heading, except that of the product. However, materials of headings 3003 and 3004 may be used, provided that their total value does not exceed 20 % of the ex-works price of the product	

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
ex 3006	<p>- Other</p> <p>- Waste pharmaceuticals specified in note 4(k) to this Chapter</p> <p>- Sterile surgical or dental adhesion barriers, whether or not absorbable:</p> <p>- made of plastics</p> <p>- made of fabrics</p>	<p>Manufacture:</p> <p>- from materials of any heading, except that of the product. However, materials of headings 3003 and 3004 may be used, provided that their total value does not exceed 20 % of the ex-works price of the product, and</p> <p>- in which the value of all the materials used does not exceed 50 % of the ex-works price of the product</p> <p>The origin of the product in its original classification shall be retained</p> <p>Manufacture in which the value of all the materials of Chapter 39 used does not exceed 20 % of the ex-works price of the product ⁽⁵⁾</p> <p>Manufacture from (7):</p> <p>– natural fibres</p> <p>– man-made staple fibres, not carded or combed or otherwise processed for spinning,</p> <p>or</p> <p>– chemical materials or textile pulp</p>	<p>Manufacture in which the value of all the materials used does not exceed 25 % of the ex-works price of the product</p>

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
	- Appliances identifiable for ostomy use	Manufacture in which the value of all the materials used does not exceed 50 % of the ex-works price of the product	
ex Chapter 31	Fertilizers; except for:	Manufacture from materials of any heading, except that of the product. However, materials of the same heading as the product may be used, provided that their total value does not exceed 20 % of the ex-works price of the product	Manufacture in which the value of all the materials used does not exceed 40 % of the ex-works price of the product
ex 3105	Mineral or chemical fertilizers containing two or three of the fertilizing elements nitrogen, phosphorous and potassium; other fertilizers; goods of this chapter, in tablets or similar forms or in packages of a gross weight not exceeding 10 kg, except for: - sodium nitrate - calcium cyanamide - potassium sulphate - magnesium potassium sulphate	Manufacture: - from materials of any heading, except that of the product. However, materials of the same heading as the product may be used, provided that their total value does not exceed 20 % of the ex-works price of the product, and - in which the value of all the materials used does not exceed 50 % of the ex-works price of the product	Manufacture in which the value of all the materials used does not exceed 40 % of the ex-works price of the product
ex Chapter 32	Tanning or dyeing extracts; tannins and their derivatives; dyes, pigments and other colouring matter; paints and varnishes; putty and other mastics; inks; except for:	Manufacture from materials of any heading, except that of the product. However, materials of the same heading as the product may be used, provided that their total value does not exceed 20 % of the ex-works price of the product	Manufacture in which the value of all the materials used does not exceed 40 % of the ex-works price of the product
ex 3201	Tannins and their salts, ethers, esters and other derivatives	Manufacture from tanning extracts of vegetable origin	Manufacture in which the value of all the materials used does not exceed 40 % of the ex-works price of the product

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
3205	Colour lakes; preparations as specified in note 3 to this chapter based on colour lakes ⁽¹⁰⁾	Manufacture from materials of any heading, except headings 3203, 3204 and 3205. However, materials of heading 3205 may be used, provided that their total value does not exceed 20 % of the ex-works price of the product	Manufacture in which the value of all the materials used does not exceed 40 % of the ex-works price of the product
ex Chapter 33	Essential oils and resinoids; perfumery, cosmetic or toilet preparations; except for:	Manufacture from materials of any heading, except that of the product. However, materials of the same heading as the product may be used, provided that their total value does not exceed 20 % of the ex-works price of the product	Manufacture in which the value of all the materials used does not exceed 40 % of the ex-works price of the product
3301	Essential oils (terpeneless or not), including concretes and absolutes; resinoids; extracted oleoresins; concentrates of essential oils in fats, in fixed oils, in waxes or the like, obtained by enfleurage or maceration; terpenic by-products of the deterpenation of essential oils; aqueous distillates and aqueous solutions of essential oils	Manufacture from materials of any heading, including materials of a different "group" ⁽¹¹⁾ in this heading. However, materials of the same group as the product may be used, provided that their total value does not exceed 20 % of the ex-works price of the product	Manufacture in which the value of all the materials used does not exceed 40 % of the ex-works price of the product

¹⁰ Note 3 to Chapter 32 says that these preparations are those of a kind used for colouring any material or used as ingredients in the manufacture of colouring preparations, provided that they are not classified in another heading in Chapter 32.

¹¹ A "group" is regarded as any part of the heading separated from the rest by a semicolon.

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
ex Chapter 34	Soap, organic surface-active agents, washing preparations, lubricating preparations, artificial waxes, prepared waxes, polishing or scouring preparations, candles and similar articles, modelling pastes, "dental waxes" and dental preparations with a basis of plaster; except for:	Manufacture from materials of any heading, except that of the product. However, materials of the same heading as the product may be used, provided that their total value does not exceed 20 % of the ex-works price of the product	Manufacture in which the value of all the materials used does not exceed 40 % of the ex-works price of the product
ex 3403	Lubricating preparations containing less than 70 % by weight of petroleum oils or oils obtained from bituminous minerals	Operations of refining and/or one or more specific process(es) ⁽¹²⁾ or Other operations in which all the materials used are classified within a heading other than that of the product. However, materials of the same heading as the product may be used, provided that their total value does not exceed 50 % of the ex-works price of the product	
3404	Artificial waxes and prepared waxes: - With a basis of paraffin, petroleum waxes, waxes obtained from bituminous minerals, slack wax or scale wax	Manufacture from materials of any heading, except that of the product. However, materials of the same heading as the product may be used, provided that their total value does not exceed 50 % of the ex-works price of the product	

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For the special conditions relating to "specific processes", see Introductory Notes 7.1 and 7.3.

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
	- Other	<p>Manufacture from materials of any heading, except:</p> <ul style="list-style-type: none"> - hydrogenated oils having the character of waxes of heading 1516, - fatty acids not chemically defined or industrial fatty alcohols having the character of waxes of heading 3823, and - materials of heading 3404 <p>However, these materials may be used, provided that their total value does not exceed 20 % of the ex-works price of the product</p>	Manufacture in which the value of all the materials used does not exceed 40 % of the ex-works price of the product
ex Chapter 35	Albuminoidal substances; modified starches; glues; enzymes; except for:	Manufacture from materials of any heading, except that of the product. However, materials of the same heading as the product may be used, provided that their total value does not exceed 20 % of the ex-works price of the product	Manufacture in which the value of all the materials used does not exceed 40 % of the ex-works price of the product
3505	<p>Dextrins and other modified starches (for example, pregelatinised or esterified starches); glues based on starches, or on dextrins or other modified starches:</p> <p>- Starch ethers and esters</p>	Manufacture from materials of any heading, including other materials of heading 3505	Manufacture in which the value of all the materials used does not exceed 40 % of the ex-works price of the product

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
ex 3507	- Other Prepared enzymes not elsewhere specified or included	Manufacture from materials of any heading, except those of heading 1108 Manufacture in which the value of all the materials used does not exceed 50 % of the ex-works price of the product	Manufacture in which the value of all the materials used does not exceed 40 % of the ex-works price of the product
Chapter 36	Explosives; pyrotechnic products; matches; pyrophoric alloys; certain combustible preparations	Manufacture from materials of any heading, except that of the product. However, materials of the same heading as the product may be used, provided that their total value does not exceed 20 % of the ex-works price of the product	Manufacture in which the value of all the materials used does not exceed 40 % of the ex-works price of the product
ex Chapter 37 3701	Photographic or cinematographic goods; except for: Photographic plates and film in the flat, sensitised, unexposed, of any material other than paper, paperboard or textiles; instant print film in the flat, sensitised, unexposed, whether or not in packs: - Instant print film for colour photography, in packs	Manufacture from materials of any heading, except that of the product. However, materials of the same heading as the product may be used, provided that their total value does not exceed 20 % of the ex-works price of the product Manufacture from materials of any heading, except those of headings 3701 and 3702. However, materials of heading 3702 may be used, provided that their total value does not exceed 30 % of the ex-works price of the product	Manufacture in which the value of all the materials used does not exceed 40 % of the ex-works price of the product Manufacture in which the value of all the materials used does not exceed 40 % of the ex-works price of the product

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
3702	- Other Photographic film in rolls, sensitised, unexposed, of any material other than paper, paperboard or textiles; instant print film in rolls, sensitised, unexposed	Manufacture from materials of any heading, except those of headings 3701 and 3702. However, materials of headings 3701 and 3702 may be used, provided that their total value does not exceed 20 % of the ex-works price of the product	Manufacture in which the value of all the materials used does not exceed 40 % of the ex-works price of the product
3704	Photographic plates, film paper, paperboard and textiles, exposed but not developed	Manufacture from materials of any heading, except those of headings 3701 to 3704	Manufacture in which the value of all the materials used does not exceed 40 % of the ex-works price of the product
ex Chapter 38	Miscellaneous chemical products; except for:	Manufacture from materials of any heading, except that of the product. However, materials of the same heading as the product may be used, provided that their total value does not exceed 20 % of the ex-works price of the product	Manufacture in which the value of all the materials used does not exceed 40 % of the ex-works price of the product
ex 3801	- Colloidal graphite in suspension in oil and semi-colloidal graphite; carbonaceous pastes for electrodes - Graphite in paste form, being a mixture of more than 30 % by weight of graphite with mineral oils	Manufacture in which the value of all the materials used does not exceed 50 % of the ex-works price of the product Manufacture in which the value of all the materials of heading 3403 used does not exceed 20 % of the ex-works price of the product	Manufacture in which the value of all the materials used does not exceed 40 % of the ex-works price of the product

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
ex 3803	Refined tall oil	Refining of crude tall oil	Manufacture in which the value of all the materials used does not exceed 40 % of the ex-works price of the product
ex 3805	Spirits of sulphate turpentine, purified	Purification by distillation or refining of raw spirits of sulphate turpentine	Manufacture in which the value of all the materials used does not exceed 40 % of the ex-works price of the product
ex 3806	Ester gums	Manufacture from resin acids	Manufacture in which the value of all the materials used does not exceed 40 % of the ex-works price of the product
ex 3807	Wood pitch (wood tar pitch)	Distillation of wood tar	Manufacture in which the value of all the materials used does not exceed 40 % of the ex-works price of the product
3808	Insecticides, rodenticides, fungicides, herbicides, anti-sprouting products and plant-growth regulators, disinfectants and similar products, put up in forms or packings for retail sale or as preparations or articles (for example, sulphur-treated bands, wicks and candles, and fly-papers)	Manufacture in which the value of all the materials used does not exceed 50 % of the ex-works price of the products	
3809	Finishing agents, dye carriers to accelerate the dyeing or fixing of dyestuffs and other products and preparations (for example, dressings and mordants), of a kind used in the textile, paper, leather or like industries, not elsewhere specified or included	Manufacture in which the value of all the materials used does not exceed 50 % of the ex-works price of the products	

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
3810	Pickling preparations for metal surfaces; fluxes and other auxiliary preparations for soldering, brazing or welding; soldering, brazing or welding powders and pastes consisting of metal and other materials; preparations of a kind used as cores or coatings for welding electrodes or rods	Manufacture in which the value of all the materials used does not exceed 50 % of the ex-works price of the products	
3811	Anti-knock preparations, oxidation inhibitors, gum inhibitors, viscosity improvers, anti-corrosive preparations and other prepared additives, for mineral oils (including gasoline) or for other liquids used for the same purposes as mineral oils: - Prepared additives for lubricating oil, containing petroleum oils or oils obtained from bituminous minerals - Other	Manufacture in which the value of all the materials of heading 3811 used does not exceed 50 % of the ex-works price of the product Manufacture in which the value of all the materials used does not exceed 50 % of the ex-works price of the product	
3812	Prepared rubber accelerators; compound plasticisers for rubber or plastics, not elsewhere specified or included; anti-oxidizing preparations and other compound stabilizers for rubber or plastics	Manufacture in which the value of all the materials used does not exceed 50 % of the ex-works price of the product	

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
3813	Preparations and charges for fire-extinguishers; charged fire-extinguishing grenades	Manufacture in which the value of all the materials used does not exceed 50 % of the ex-works price of the product	
3814	Organic composite solvents and thinners, not elsewhere specified or included; prepared paint or varnish removers	Manufacture in which the value of all the materials used does not exceed 50 % of the ex-works price of the product	
3818	Chemical elements doped for use in electronics, in the form of discs, wafers or similar forms; chemical compounds doped for use in electronics	Manufacture in which the value of all the materials used does not exceed 50 % of the ex-works price of the product	
3819	Hydraulic brake fluids and other prepared liquids for hydraulic transmission, not containing or containing less than 70 % by weight of petroleum oils or oils obtained from bituminous minerals	Manufacture in which the value of all the materials used does not exceed 50 % of the ex-works price of the product	
3820	Anti-freezing preparations and prepared de-icing fluids	Manufacture in which the value of all the materials used does not exceed 50 % of the ex-works price of the product	
Ex 3821	Prepared culture media for maintenance of micro-organisms (including viruses and the like) or of plant, human or animal cells	Manufacture in which the value of all the materials used does not exceed 50 % of the ex-works price of the product	
3822	Diagnostic or laboratory reagents on a backing, prepared diagnostic or laboratory reagents whether or not on a backing, other than those of heading 3002 or 3006; certified reference materials	Manufacture in which the value of all the materials used does not exceed 50 % of the ex-works price of the product	

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
3823	<p>Industrial monocarboxylic fatty acids; acid oils from refining; industrial fatty alcohols:</p> <ul style="list-style-type: none"> - Industrial monocarboxylic fatty acids, acid oils from refining - Industrial fatty alcohols 	<p>Manufacture from materials of any heading, except that of the product</p> <p>Manufacture from materials of any heading, including other materials of heading 3823</p>	
3824	<p>Prepared binders for foundry moulds or cores; chemical products and preparations of the chemical or allied industries (including those consisting of mixtures of natural products), not elsewhere specified or included:</p> <ul style="list-style-type: none"> - The following of this heading: <ul style="list-style-type: none"> -- Prepared binders for foundry moulds or cores based on natural resinous products -- Naphthenic acids, their water-insoluble salts and their esters -- Sorbitol other than that of heading 2905 	<p>Manufacture from materials of any heading, except that of the product. However, materials of the same heading as the product may be used, provided that their total value does not exceed 20 % of the ex-works price of the product</p>	<p>Manufacture in which the value of all the materials used does not exceed 40 % of the ex-works price of the product</p>

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
	<ul style="list-style-type: none"> -- Petroleum sulphonates, excluding petroleum sulphonates of alkali metals, of ammonium or of ethanolamines; thiophenated sulphonic acids of oils obtained from bituminous minerals, and their salts -- Ion exchangers -- Getters for vacuum tubes -- Alkaline iron oxide for the purification of gas -- Ammoniacal gas liquors and spent oxide produced in coal gas purification -- Sulphonaphthenic acids, their water-insoluble salts and their esters -- Fusel oil and Dippel's oil -- Mixtures of salts having different anions -- Copying pastes with a basis of gelatin, whether or not on a paper or textile backing - Other 	<p>Manufacture in which the value of all the materials used does not exceed 50 % of the ex-works price of the product</p>	
3901 to 3915	Plastics in primary forms, waste, parings and scrap, of plastic; except for headings ex 3907 and 3912 for which the rules are set out below:		

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
ex 3907	<ul style="list-style-type: none"> - Addition homopolymerisation products in which a single monomer contributes more than 99 % by weight to the total polymer content - Other - Copolymer, made from polycarbonate and acrylonitrile-butadiene-styrene copolymer (ABS) - Polyester 	<p>Manufacture in which:</p> <ul style="list-style-type: none"> - the value of all the materials used does not exceed 50 % of the ex-works price of the product, and - within the above limit, the value of all the materials of Chapter 39 used does not exceed 20 % of the ex-works price of the product ⁽¹³⁾ <p>Manufacture in which the value of all the materials of Chapter 39 used does not exceed 20 % of the ex-works price of the product ⁽¹⁴⁾</p> <p>Manufacture from materials of any heading, except that of the product. However, materials of the same heading as the product may be used, provided that their total value does not exceed 50 % of the ex-works price of the product ⁽¹⁵⁾</p> <p>Manufacture in which the value of all the materials of Chapter 39 used does not exceed 20 % of the ex-works price of the product and/or manufacture from polycarbonate of tetrabromo-(bisphenol A)</p>	<p>Manufacture in which the value of all the materials used does not exceed 25 % of the ex-works price of the product</p> <p>Manufacture in which the value of all the materials used does not exceed 25 % of the ex-works price of the product</p>

¹³ In the case of the products composed of materials classified within both headings 3901 to 3906, on the one hand, and within headings 3907 to 3911, on the other hand, this restriction only applies to that group of materials which predominates by weight in the product.

¹⁴ In the case of the products composed of materials classified within both headings 3901 to 3906, on the one hand, and within headings 3907 to 3911, on the other hand, this restriction only applies to that group of materials which predominates by weight in the product.

¹⁵ In the case of the products composed of materials classified within both headings 3901 to 3906, on the one hand, and within headings 3907 to 3911, on the other hand, this restriction only applies to that group of materials which predominates by weight in the product.

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
3912	Cellulose and its chemical derivatives, not elsewhere specified or included, in primary forms	Manufacture in which the value of all the materials of the same heading as the product used does not exceed 20 % of the ex-works price of the product	
3916 to 3921	Semi-manufactures and articles of plastics; except for headings ex 3916, ex 3917, ex 3920 and ex 3921, for which the rules are set out below: - Flat products, further worked than only surface-worked or cut into forms other than rectangular (including square); other products, further worked than only surface-worked - Other: -- Addition homopolymerisation products in which a single monomer contributes more than 99 % by weight to the total polymer content -- Other	Manufacture in which the value of all the materials of Chapter 39 used does not exceed 50 % of the ex-works price of the product Manufacture in which: - the value of all the materials used does not exceed 50 % of the ex-works price of the product, and - within the above limit, the value of all the materials of Chapter 39 used does not exceed 20 % of the ex-works price of the product ⁽¹⁶⁾ Manufacture in which the value of all the materials of Chapter 39 used does not exceed 20 % of the ex-works price of the product ⁽¹⁷⁾	Manufacture in which the value of all the materials used does not exceed 25 % of the ex-works price of the product Manufacture in which the value of all the materials used does not exceed 25 % of the ex-works price of the product Manufacture in which the value of all the materials used does not exceed 25 % of the ex-works price of the product

¹⁶ In the case of the products composed of materials classified within both headings 3901 to 3906, on the one hand, and within headings 3907 to 3911, on the other hand, this restriction only applies to that group of materials which predominates by weight in the product.

¹⁷ In the case of the products composed of materials classified within both headings 3901 to 3906,

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
ex 3916 and ex 3917	Profile shapes and tubes	Manufacture in which: - the value of all the materials used does not exceed 50 % of the ex-works price of the product, and - within the above limit, the value of all the materials of the same heading as the product used does not exceed 20 % of the ex-works price of the product	Manufacture in which the value of all the materials used does not exceed 25 % of the ex-works price of the product
ex 3920	- Ionomer sheet or film - Sheets of regenerated cellulose, polyamides or polyethylene	Manufacture from a thermoplastic partial salt which is a copolymer of ethylene and metacrylic acid partly neutralised with metal ions, mainly zinc and sodium Manufacture in which the value of all the materials of the same heading as the product used does not exceed 20 % of the ex-works price of the product	Manufacture in which the value of all the materials used does not exceed 25 % of the ex-works price of the product
ex 3921	Foils of plastic, metallised	Manufacture from highly-transparent polyester-foils with a thickness of less than 23 micron ⁽¹⁸⁾	Manufacture in which the value of all the materials used does not exceed 25 % of the ex-works price of the product
3922 to 3926	Articles of plastics	Manufacture in which the value of all the materials used does not exceed 50 % of the ex-works price of the product	
ex Chapter 40	Rubber and articles thereof; except for:	Manufacture from materials of any heading, except that of the product	

on the one hand, and within headings 3907 to 3911, on the other hand, this restriction only applies to that group of materials which predominates by weight in the product.

¹⁸ The following foils shall be considered as highly transparent: foils, the optical dimming of which, measured according to ASTM-D 1003-16 by Gardner Hazemeter (i.e. Hazefactor), is less than 2 %.

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
ex 4001	Laminated slabs of crepe rubber for shoes	Lamination of sheets of natural rubber	
4005	Compounded rubber, unvulcanised, in primary forms or in plates, sheets or strip	Manufacture in which the value of all the materials used, except natural rubber, does not exceed 50 % of the ex-works price of the product	
4012	Retreaded or used pneumatic tyres of rubber; solid or cushion tyres, tyre treads and tyre flaps, of rubber:		
	- Retreaded pneumatic, solid or cushion tyres, of rubber	Retreading of used tyres	
	- Other	Manufacture from materials of any heading, except those of headings 4011 and 4012	
ex 4017	Articles of hard rubber	Manufacture from hard rubber	
ex Chapter 41	Raw hides and skins (other than furskins) and leather; except for:	Manufacture from materials of any heading, except that of the product	
ex 4102	Raw skins of sheep or lambs, without wool on	Removal of wool from sheep or lamb skins, with wool on	
4104 to 4106	Tanned or crust hides and skins, without wool or hair on, whether or not split, but not further prepared	Retanning of tanned leather Or Manufacture from materials of any heading, except that of the product	
4107, 4112 and 4113	Leather further prepared after tanning or crusting, including parchment-dressed leather, without wool or hair on, whether or not split, other than leather of heading 4114	Manufacture from materials of any heading, except headings 4104 to 4113	

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
ex 4114	Patent leather and patent laminated leather; metallised leather	Manufacture from materials of headings 4104 to 4106, 4107, 4112 or 4113, provided that their total value does not exceed 50 % of the ex-works price of the product	
Chapter 42	Articles of leather; saddlery and harness; travel goods, handbags and similar containers; articles of animal gut (other than silk worm gut)	Manufacture from materials of any heading, except that of the product	
ex Chapter 43	Furskins and artificial fur; manufactures thereof; except for:	Manufacture from materials of any heading, except that of the product	
ex 4302	Tanned or dressed furskins, assembled: - Plates, crosses and similar forms - Other	Bleaching or dyeing, in addition to cutting and assembly of non-assembled tanned or dressed furskins Manufacture from non-assembled, tanned or dressed furskins	
4303	Articles of apparel, clothing accessories and other articles of furskin	Manufacture from non-assembled tanned or dressed furskins of heading 4302	
ex Chapter 44	Wood and articles of wood; wood charcoal; except for:	Manufacture from materials of any heading, except that of the product	
ex 4403	Wood roughly squared	Manufacture from wood in the rough, whether or not stripped of its bark or merely roughed down	

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
ex 4407	Wood sawn or chipped lengthwise, sliced or peeled, of a thickness exceeding 6 mm, planed, sanded or end-jointed	Planing, sanding or end-jointing	
ex 4408	Sheets for veneering (including those obtained by slicing laminated wood) and for plywood, of a thickness not exceeding 6 mm, spliced, and other wood sawn lengthwise, sliced or peeled of a thickness not exceeding 6 mm, planed, sanded or end-jointed	Splicing, planing, sanding or end-jointing	
ex 4409	Wood continuously shaped along any of its edges, ends or faces, whether or not planed, sanded or end-jointed: - Sanded or end-jointed - Beadings and mouldings	Sanding or end-jointing Beading or moulding	
ex 4410 to ex 4413	Beadings and mouldings, including moulded skirting and other moulded boards	Beading or moulding	
ex 4415	Packing cases, boxes, crates, drums and similar packings, of wood	Manufacture from boards not cut to size	
ex 4416	Casks, barrels, vats, tubs and other coopers' products and parts thereof, of wood	Manufacture from riven staves, not further worked than sawn on the two principal surfaces	
ex 4418	- Builders' joinery and carpentry of wood	Manufacture from materials of any heading, except that of the product. However, cellular wood panels, shingles and shakes may be used	

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
ex 4421	- Beadings and mouldings Match splints; wooden pegs or pins for footwear	Beading or moulding Manufacture from wood of any heading, except drawn wood of heading 4409	
ex Chapter 45 4503	Cork and articles of cork; except for: Articles of natural cork	Manufacture from materials of any heading, except that of the product Manufacture from cork of heading 4501	
Chapter 46	Manufactures of straw, of esparto or of other plaiting materials; basketware and wickerwork	Manufacture from materials of any heading, except that of the product	
Chapter 47	Pulp of wood or of other fibrous cellulosic material; recovered (waste and scrap) paper or paperboard	Manufacture from materials of any heading, except that of the product	
ex Chapter 48 ex 4811 4816	Paper and paperboard; articles of paper pulp, of paper or of paperboard; except for: Paper and paperboard, ruled, lined or squared only Carbon paper, self-copy paper and other copying or transfer papers (other than those of heading 4809), duplicator stencils and offset plates, of paper, whether or not put up in boxes	Manufacture from materials of any heading, except that of the product Manufacture from paper-making materials of Chapter 47 Manufacture from paper-making materials of Chapter 47	

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
4817	Envelopes, letter cards, plain postcards and correspondence cards, of paper or paperboard; boxes, pouches, wallets and writing compendiums, of paper or paperboard, containing an assortment of paper stationery	Manufacture: - from materials of any heading, except that of the product, and - in which the value of all the materials used does not exceed 50 % of the ex-works price of the product	
ex 4818	Toilet paper	Manufacture from paper-making materials of Chapter 47	
ex 4819	Cartons, boxes, cases, bags and other packing containers, of paper, paperboard, cellulose wadding or webs of cellulose fibres	Manufacture: - from materials of any heading, except that of the product, and - in which the value of all the materials used does not exceed 50 % of the ex-works price of the product	
ex 4820	Letter pads	Manufacture in which the value of all the materials used does not exceed 50 % of the ex-works price of the product	
ex 4823	Other paper, paperboard, cellulose wadding and webs of cellulose fibres, cut to size or shape	Manufacture from paper-making materials of Chapter 47	
ex Chapter 49	Printed books, newspapers, pictures and other products of the printing industry; manuscripts, typescripts and plans; except for:	Manufacture from materials of any heading, except that of the product	

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
4909	Printed or illustrated postcards; printed cards bearing personal greetings, messages or announcements, whether or not illustrated, with or without envelopes or trimmings	Manufacture from materials of any heading, except those of headings 4909 and 4911	
4910	Calendars of any kind, printed, including calendar blocks: - Calendars of the "perpetual" type or with replaceable blocks mounted on bases other than paper or paperboard - Other	Manufacture: - from materials of any heading, except that of the product, and - in which the value of all the materials used does not exceed 50 % of the ex-works price of the product Manufacture from materials of any heading, except those of headings 4909 and 4911	
ex Chapter 50	Silk; except for:	Manufacture from materials of any heading, except that of the product	
ex 5003	Silk waste (including cocoons unsuitable for reeling, yarn waste and garnetted stock), carded or combed	Carding or combing of silk waste	

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
5004 to ex 5006	Silk yarn and yarn spun from silk waste	Manufacture from ⁽¹⁹⁾ : - raw silk or silk waste, carded or combed or otherwise prepared for spinning, - other natural fibres, not carded or combed or otherwise prepared for spinning, - chemical materials or textile pulp, or - paper-making materials	
5007	Woven fabrics of silk or of silk waste: - Incorporating rubber thread - Other	Manufacture from single yarn ⁽²⁰⁾ Manufacture from ⁽²¹⁾ : - coir yarn, - natural fibres, - man-made staple fibres, not carded or combed or otherwise prepared for spinning, - chemical materials or textile pulp, or - paper or	

¹⁹ For special conditions relating to products made of a mixture of textile materials, see Introductory Note 5.

²⁰ For special conditions relating to products made of a mixture of textile materials, see Introductory Note 5.

²¹ For special conditions relating to products made of a mixture of textile materials, see Introductory Note 5.

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
		Printing accompanied by at least two preparatory or finishing operations (such as scouring, bleaching, mercerising, heat setting, raising, calendering, shrink resistance processing, permanent finishing, decatizing, impregnating, mending and burling), provided that the value of the unprinted fabric used does not exceed 47.5 % of the ex-works price of the product	
ex Chapter 51	Wool, fine or coarse animal hair; horsehair yarn and woven fabric; except for:	Manufacture from materials of any heading, except that of the product	
5106 to 5110	Yarn of wool, of fine or coarse animal hair or of horsehair	Manufacture from ⁽²²⁾ : - raw silk or silk waste, carded or combed or otherwise prepared for spinning, - natural fibres, not carded or combed or otherwise prepared for spinning, - chemical materials or textile pulp, or - paper-making materials	
5111 to 5113	Woven fabrics of wool, of fine or coarse animal hair or of horsehair: - Incorporating rubber thread - Other	Manufacture from single yarn ⁽²³⁾ Manufacture from ⁽²⁴⁾ :	

²² For special conditions relating to products made of a mixture of textile materials, see Introductory Note 5.

²³ For special conditions relating to products made of a mixture of textile materials, see Introductory Note 5.

²⁴ For special conditions relating to products made of a mixture of textile materials, see

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
		<ul style="list-style-type: none"> - coir yarn, - natural fibres, - man-made staple fibres, not carded or combed or otherwise prepared for spinning, - chemical materials or textile pulp, or - paper <p>or</p> <p>Printing accompanied by at least two preparatory or finishing operations (such as scouring, bleaching, mercerising, heat setting, raising, calendering, shrink resistance processing, permanent finishing, decatizing, impregnating, mending and burling), provided that the value of the unprinted fabric used does not exceed 47.5% of the ex-works price of the product</p>	
ex Chapter 52	Cotton; except for:	Manufacture from materials of any heading, except that of the product	

Introductory Note 5.

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
5204 to 5207	Yarn and thread of cotton	Manufacture from ⁽²⁵⁾ : - raw silk or silk waste, carded or combed or otherwise prepared for spinning, - natural fibres, not carded or combed or otherwise prepared for spinning, - chemical materials or textile pulp, or - paper-making materials	
5208 to 5212	Woven fabrics of cotton: - Incorporating rubber thread - Other	Manufacture from single yarn ⁽²⁶⁾ Manufacture from ⁽²⁷⁾ : - coir yarn, - natural fibres, - man-made staple fibres, not carded or combed or otherwise prepared for spinning, - chemical materials or textile pulp, or - paper or	

²⁵ For special conditions relating to products made of a mixture of textile materials, see Introductory Note 5.

²⁶ For special conditions relating to products made of a mixture of textile materials, see Introductory Note 5.

²⁷ For special conditions relating to products made of a mixture of textile materials, see Introductory Note 5.

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
		Printing accompanied by at least two preparatory or finishing operations (such as scouring, bleaching, mercerising, heat setting, raising, calendering, shrink resistance processing, permanent finishing, decatizing, impregnating, mending and burling), provided that the value of the unprinted fabric used does not exceed 47.5 % of the ex-works price of the product	
ex Chapter 53	Other vegetable textile fibres; paper yarn and woven fabrics of paper yarn; except for:	Manufacture from materials of any heading, except that of the product	
5306 to 5308	Yarn of other vegetable textile fibres; paper yarn	Manufacture from ⁽²⁸⁾ : - raw silk or silk waste, carded or combed or otherwise prepared for spinning, - natural fibres, not carded or combed or otherwise prepared for spinning, - chemical materials or textile pulp, or - paper-making materials	
5309 to 5311	Woven fabrics of other vegetable textile fibres; woven fabrics of paper yarn: - Incorporating rubber thread	Manufacture from single yarn ⁽²⁹⁾	

²⁸ For special conditions relating to products made of a mixture of textile materials, see Introductory Note 5.

²⁹ For special conditions relating to products made of a mixture of textile materials, see Introductory Note 5.

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
	- Other	Manufacture from ⁽³⁰⁾ : - coir yarn, - jute yarn, - natural fibres, - man-made staple fibres, not carded or combed or otherwise prepared for spinning, - chemical materials or textile pulp, or - paper or Printing accompanied by at least two preparatory or finishing operations (such as scouring, bleaching, mercerising, heat setting, raising, calendering, shrink resistance processing, permanent finishing, decatizing, impregnating, mending and burling), provided that the value of the unprinted fabric used does not exceed 47.5 % of the ex-works price of the product	

³⁰ For special conditions relating to products made of a mixture of textile materials, see Introductory Note 5.

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
5401 to 5406	Yarn, monofilament and thread of man-made filaments	Manufacture from ⁽³¹⁾ : - raw silk or silk waste, carded or combed or otherwise prepared for spinning, - natural fibres, not carded or combed or otherwise prepared for spinning, - chemical materials or textile pulp, or - paper-making materials	
5407 and 5408	Woven fabrics of man-made filament yarn: - Incorporating rubber thread - Other	Manufacture from single yarn ⁽³²⁾ Manufacture from ⁽³³⁾ : - coir yarn, - natural fibres, - man-made staple fibres, not carded or combed or otherwise prepared for spinning, - chemical materials or textile pulp, or - paper or	

³¹ For special conditions relating to products made of a mixture of textile materials, see Introductory Note 5.

³² For special conditions relating to products made of a mixture of textile materials, see Introductory Note 5.

³³ For special conditions relating to products made of a mixture of textile materials, see Introductory Note 5.

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
		Printing accompanied by at least two preparatory or finishing operations (such as scouring, bleaching, mercerising, heat setting, raising, calendering, shrink resistance processing, permanent finishing, decatizing, impregnating, mending and burling), provided that the value of the unprinted fabric used does not exceed 47.5 % of the ex-works price of the product	
5501 to 5507	Man-made staple fibres	Manufacture from chemical materials or textile pulp	
5508 to 5511	Yarn and sewing thread of man-made staple fibres	Manufacture from ⁽³⁴⁾ : - raw silk or silk waste, carded or combed or otherwise prepared for spinning, - natural fibres, not carded or combed or otherwise prepared for spinning, - chemical materials or textile pulp, or - paper-making materials	
5512 to 5516	Woven fabrics of man-made staple fibres: - Incorporating rubber thread	Manufacture from single yarn ⁽³⁵⁾	

³⁴ For special conditions relating to products made of a mixture of textile materials, see Introductory Note 5.

³⁵ For special conditions relating to products made of a mixture of textile materials, see Introductory Note 5.

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
	- Other	Manufacture from ⁽³⁶⁾ : - coir yarn, - natural fibres, - man-made staple fibres, not carded or combed or otherwise prepared for spinning, - chemical materials or textile pulp, or - paper or Printing accompanied by at least two preparatory or finishing operations (such as scouring, bleaching, mercerising, heat setting, raising, calendering, shrink resistance processing, permanent finishing, decatizing, impregnating, mending and burling), provided that the value of the unprinted fabric used does not exceed 47.5 % of the ex-works price of the product	
ex Chapter 56	Wadding, felt and non-wovens; special yarns; twine, cordage, ropes and cables and articles thereof; except for:	Manufacture from ⁽³⁷⁾ : - coir yarn, - natural fibres, - chemical materials or textile pulp, or - paper-making materials	

³⁶ For special conditions relating to products made of a mixture of textile materials, see Introductory Note 5.

³⁷ For special conditions relating to products made of a mixture of textile materials, see Introductory Note 5.

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
5602	<p>Felt, whether or not impregnated, coated, covered or laminated:</p> <p>- Needleloom felt</p> <p>- Other</p>	<p>Manufacture from ⁽³⁸⁾:</p> <p>- natural fibres, or</p> <p>- chemical materials or textile pulp</p> <p>However:</p> <p>- polypropylene filament of heading 5402,</p> <p>- polypropylene fibres of heading 5503 or 5506, or</p> <p>- polypropylene filament tow of heading 5501,</p> <p>of which the denomination in all cases of a single filament or fibre is less than 9 decitex, may be used, provided that their total value does not exceed 40 % of the ex-works price of the product</p> <p>Manufacture from ⁽³⁹⁾:</p> <p>- natural fibres,</p> <p>- man-made staple fibres made from casein, or</p> <p>- chemical materials or textile pulp</p>	

³⁸ For special conditions relating to products made of a mixture of textile materials, see Introductory Note 5.

³⁹ For special conditions relating to products made of a mixture of textile materials, see Introductory Note 5.

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
5604	Rubber thread and cord, textile covered; textile yarn, and strip and the like of heading 5404 or 5405, impregnated, coated, covered or sheathed with rubber or plastics: - Rubber thread and cord, textile covered - Other	Manufacture from rubber thread or cord, not textile covered Manufacture from ⁽⁴⁰⁾ : - natural fibres, not carded or combed or otherwise processed for spinning, - chemical materials or textile pulp, or - paper-making materials	
5605	Metallised yarn, whether or not gimped, being textile yarn, or strip or the like of heading 5404 or 5405, combined with metal in the form of thread, strip or powder or covered with metal	Manufacture from ⁽⁴¹⁾ : - natural fibres, - man-made staple fibres, not carded or combed or otherwise processed for spinning, - chemical materials or textile pulp, or - paper-making materials	

⁴⁰ For special conditions relating to products made of a mixture of textile materials, see Introductory Note 5.

⁴¹ For special conditions relating to products made of a mixture of textile materials, see Introductory Note 5.

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
5606	Gimped yarn, and strip and the like of heading 5404 or 5405, gimped (other than those of heading 5605 and gimped horsehair yarn); chenille yarn (including flock chenille yarn); loop wale-yarn	Manufacture from ⁽⁴²⁾ : - natural fibres, - man-made staple fibres, not carded or combed or otherwise processed for spinning, - chemical materials or textile pulp, or - paper-making materials	
Chapter 57	Carpets and other textile floor coverings: - Of needleloom felt	Manufacture from ⁽⁴³⁾ : - natural fibres, or - chemical materials or textile pulp However: - polypropylene filament of heading 5402, - polypropylene fibres of heading 5503 or 5506, or - polypropylene filament tow of heading 5501, of which the denomination in all cases of a single filament or fibre is less than 9 decitex, may be used, provided that their total value does not exceed 40 % of the ex-works price of the product Jute fabric may be used as a backing	

⁴² For special conditions relating to products made of a mixture of textile materials, see Introductory Note 5.

⁴³ For special conditions relating to products made of a mixture of textile materials, see Introductory Note 5.

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
	<ul style="list-style-type: none"> - Of other felt - Other 	Manufacture from ⁽⁴⁴⁾ : <ul style="list-style-type: none"> - natural fibres, not carded or combed or otherwise processed for spinning, or - chemical materials or textile pulp Manufacture from ⁽⁴⁵⁾ : <ul style="list-style-type: none"> - coir yarn or jute yarn, - synthetic or artificial filament yarn, - natural fibres, or - man-made staple fibres, not carded or combed or otherwise processed for spinning Jute fabric may be used as a backing	
ex Chapter 58	Special woven fabrics; tufted textile fabrics; lace; tapestries; trimmings; embroidery; except for: <ul style="list-style-type: none"> - Combined with rubber thread - Other 	Manufacture from single yarn ⁽⁴⁶⁾ Manufacture from ⁽⁴⁷⁾ :	

⁴⁴ For special conditions relating to products made of a mixture of textile materials, see Introductory Note 5.

⁴⁵ For special conditions relating to products made of a mixture of textile materials, see Introductory Note 5.

⁴⁶ For special conditions relating to products made of a mixture of textile materials, see Introductory Note 5.

⁴⁷ For special conditions relating to products made of a mixture of textile materials, see Introductory Note 5.

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
5805	Hand-woven tapestries of the types Gobelins, Flanders, Aubusson, Beauvais and the like, and needle-worked tapestries (for example, petit point, cross stitch), whether or not made up	<ul style="list-style-type: none"> - natural fibres, - man-made staple fibres, not carded or combed or otherwise processed for spinning, or - chemical materials or textile pulp or Printing accompanied by at least two preparatory or finishing operations (such as scouring, bleaching, mercerising, heat setting, raising, calendering, shrink resistance processing, permanent finishing, decatizing, impregnating, mending and burling), provided that the value of the unprinted fabric used does not exceed 47.5 % of the ex-works price of the product	Manufacture from materials of any heading, except that of the product
5810	Embroidery in the piece, in strips or in motifs	Manufacture: <ul style="list-style-type: none"> - from materials of any heading, except that of the product, and - in which the value of all the materials used does not exceed 50 % of the ex-works price of the product 	

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
5901	Textile fabrics coated with gum or amylaceous substances, of a kind used for the outer covers of books or the like; tracing cloth; prepared painting canvas; buckram and similar stiffened textile fabrics of a kind used for hat foundations	Manufacture from yarn	
5902	Tyre cord fabric of high tenacity yarn of nylon or other polyamides, polyesters or viscose rayon: - Containing not more than 90 % by weight of textile materials - Other	Manufacture from yarn	
5903	Textile fabrics impregnated, coated, covered or laminated with plastics, other than those of heading 5902	Manufacture from chemical materials or textile pulp	
		Manufacture from yarn or Printing accompanied by at least two preparatory or finishing operations (such as scouring, bleaching, mercerising, heat setting, rasing, calendering, shrink resistance processing, permanent finishing, decatizing, impregnating, mending and burling), provided that the value of the unprinted fabric used does not exceed 47.5 % of the ex-works price of the product	

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
5904	Linoleum, whether or note cut to shape; floor coverings consisting of a coating or covering applied on a textile backing, whether or not cut to shape	Manufacture from yarn ⁽⁴⁸⁾	
5905	Textile wall coverings: - Impregnated, coated, covered or laminated with rubber, plastics or other materials - Other	Manufacture from yarn Manufacture from ⁽⁴⁹⁾ : - coir yarn, - natural fibres, - man-made staple fibres, not carded or combed or otherwise processed for spinning, or - chemical materials or textile pulp or	

⁴⁸ For special conditions relating to products made of a mixture of textile materials, see Introductory Note 5.

⁴⁹ For special conditions relating to products made of a mixture of textile materials, see Introductory Note 5.

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
5906	<p>Rubberised textile fabrics, other than those of heading 5902:</p> <ul style="list-style-type: none"> - Knitted or crocheted fabrics - Other fabrics made of synthetic filament yarn, containing more than 90 % by weight of textile materials - Other 	<p>Printing accompanied by at least two preparatory or finishing operations (such as scouring, bleaching, mercerising, heat setting, raising, calendering, shrink resistance processing, permanent finishing, decatizing, impregnating, mending and burling), provided that the value of the unprinted fabric used does not exceed 47.5 % of the ex-works price of the product</p> <p>Manufacture from ⁽⁵⁰⁾:</p> <ul style="list-style-type: none"> - natural fibres, - man-made staple fibres, not carded or combed or otherwise processed for spinning, or - chemical materials or textile pulp <p>Manufacture from chemical materials</p> <p>Manufacture from yarn</p>	

⁵⁰ For special conditions relating to products made of a mixture of textile materials, see Introductory Note 5.

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
5907	Textile fabrics otherwise impregnated, coated or covered; painted canvas being theatrical scenery, studio back-cloths or the like	Manufacture from yarn or Printing accompanied by at least two preparatory or finishing operations (such as scouring, bleaching, mercerising, heat setting, rasing, calendering, shrink resistance processing, permanent finishing, decatizing, impregnating, mending and burling), provided that the value of the unprinted fabric used does not exceed 47.5 % of the ex-works price of the product	
5908	Textile wicks, woven, plaited or knitted, for lamps, stoves, lighters, candles or the like; incandescent gas mantles and tubular knitted gas mantle fabric therefor, whether or not impregnated: - Incandescent gas mantles, impregnated - Other	Manufacture from tubular knitted gas-mantle fabric Manufacture from materials of any heading, except that of the product	
5909 to 5911	Textile articles of a kind suitable for industrial use: - Polishing discs or rings other than of felt of heading 5911	Manufacture from yarn or waste fabrics or rags of heading 6310	

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
	- Woven fabrics, of a kind commonly used in papermaking or other technical uses, felted or not, whether or not impregnated or coated, tubular or endless with single or multiple warp and/or weft, or flat woven with multiple warp and/or weft of heading 5911	Manufacture from ⁽⁵¹⁾ : - coir yarn, - the following materials: -- yarn of polytetrafluoroethylene ⁽⁵²⁾ , -- yarn, multiple, of polyamide, coated impregnated or covered with a phenolic resin, -- yarn of synthetic textile fibres of aromatic polyamides, obtained by polycondensation of <i>m</i> -phenylenediamine and isophthalic acid, -- monofil of polytetrafluoroethylene ⁽⁵³⁾ , -- yarn of synthetic textile fibres of poly(<i>p</i> -phenylene terephthalamide), -- glass fibre yarn, coated with phenol resin and gimped with acrylic yarn ⁽⁵⁴⁾ ,	

⁵¹ For special conditions relating to products made of a mixture of textile materials, see Introductory note 5

⁵² The use of this material is restricted to the manufacture of woven fabrics of a kind used in papermaking machinery.

⁵³ The use of this material is restricted to the manufacture of woven fabrics of a kind used in papermaking machinery.

⁵⁴ The use of this material is restricted to the manufacture of woven fabrics of a kind used in papermaking machinery.

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
	- Other	<ul style="list-style-type: none"> -- copolyester monofilaments of a polyester and a resin of terephthalic acid and 1,4-cyclohexanediethanol and isophthalic acid, -- natural fibres, -- man-made staple fibres not carded or combed or otherwise processed for spinning, or -- chemical materials or textile pulp <p>Manufacture from ⁽⁵⁵⁾:</p> <ul style="list-style-type: none"> - coir yarn, - natural fibres, - man-made staple fibres, not carded or combed or otherwise processed for spinning, or - chemical materials or textile pulp 	
Chapter 60	Knitted or crocheted fabrics	<p>Manufacture from ⁽⁵⁶⁾:</p> <ul style="list-style-type: none"> - natural fibres, - man-made staple fibres, not carded or combed or otherwise processed for spinning, or - chemical materials or textile pulp 	
Chapter 61	Articles of apparel and clothing accessories, knitted or crocheted:		

⁵⁵ For special conditions relating to products made of a mixture of textile materials, see Introductory Note 5.

⁵⁶ For special conditions relating to products made of a mixture of textile materials, see Introductory Note 5.

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
	<p>- Obtained by sewing together or otherwise assembling, two or more pieces of knitted or crocheted fabric which have been either cut to form or obtained directly to form</p> <p>- Other</p>	<p>Manufacture from yarn ⁽⁵⁷⁾⁽⁵⁸⁾</p> <p>Manufacture from ⁽⁵⁹⁾:</p> <p>- natural fibres,</p> <p>- man-made staple fibres, not carded or combed or otherwise processed for spinning, or</p> <p>- chemical materials or textile pulp</p>	
<p>ex Chapter 62</p> <p>ex 6202, ex 6204, ex 6206, ex 6209 and ex 6211</p>	<p>Articles of apparel and clothing accessories, not knitted or crocheted; except for:</p> <p>Women's, girls' and babies' clothing and clothing accessories for babies, embroidered</p>	<p>Manufacture from yarn ⁽⁶⁰⁾⁽⁶¹⁾</p> <p>Manufacture from yarn ⁽⁶²⁾</p> <p>or</p> <p>Manufacture from unembroidered fabric, provided that the value of the unembroidered fabric used does not exceed 40 % of the ex-works price of the product ⁽⁶³⁾</p>	

⁵⁷ For special conditions relating to products made of a mixture of textile materials, see Introductory Note 5.

⁵⁸ See Introductory Note 6.

⁵⁹ For special conditions relating to products made of a mixture of textile materials, see Introductory Note 5.

⁶⁰ For special conditions relating to products made of a mixture of textile materials, see Introductory Note 5.

⁶¹ See Introductory Note 6.

⁶² See Introductory Note 6.

⁶³ See Introductory Note 6.

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
ex 6210 and ex 6216	Fire-resistant equipment of fabric covered with foil of aluminised polyester	Manufacture from yarn ⁽⁶⁴⁾ or Manufacture from uncoated fabric, provided that the value of the uncoated fabric used does not exceed 40 % of the ex-works price of the product ⁽⁶⁵⁾	
6213 and 6214	Handkerchiefs, shawls, scarves, mufflers, mantillas, veils and the like: - Embroidered - Other	Manufacture from unbleached single yarn ⁽⁶⁶⁾ ⁽⁶⁷⁾ or Manufacture from unembroidered fabric, provided that the value of the unembroidered fabric used does not exceed 40 % of the ex-works price of the product ⁽⁶⁸⁾	
		Manufacture from unbleached single yarn ⁽⁶⁹⁾ ⁽⁷⁰⁾ or	

⁶⁴ See Introductory Note 6.

⁶⁵ See Introductory Note 6.

⁶⁶ For special conditions relating to products made of a mixture of textile materials, see Introductory Note 5.

⁶⁷ See Introductory Note 6.

⁶⁸ See Introductory Note 6.

⁶⁹ For special conditions relating to products made of a mixture of textile materials, see Introductory Note 5.

⁷⁰ See Introductory Note 6.

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
6217	Other made up clothing accessories; parts of garments or of clothing accessories, other than those of heading 6212: - Embroidered	Making up, followed by printing accompanied by at least two preparatory or finishing operations (such as scouring, bleaching, mercerising, heat setting, raising, calendering, shrink resistance processing, permanent finishing, decatizing, impregnating, mending and burling), provided that the value of all the unprinted goods of headings 6213 and 6214 used does not exceed 47.5 % of the ex-works price of the product	
		Manufacture from yarn ⁽⁷¹⁾ or Manufacture from unembroidered fabric, provided that the value of the unembroidered fabric used does not exceed 40 % of the ex-works price of the product ⁽⁷²⁾	

⁷¹ See Introductory Note 6.

⁷² See Introductory Note 6.

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
	<ul style="list-style-type: none"> - Fire-resistant equipment of fabric covered with foil of aluminised polyester - Interlinings for collars and cuffs, cut out - Other 	<p>Manufacture from yarn ⁽⁷³⁾</p> <p>or</p> <p>Manufacture from uncoated fabric, provided that the value of the uncoated fabric used does not exceed 40 % of the ex-works price of the product ⁽⁷⁴⁾</p> <p>Manufacture:</p> <ul style="list-style-type: none"> - from materials of any heading, except that of the product, and - in which the value of all the materials used does not exceed 40 % of the ex-works price of the product <p>Manufacture from yarn ⁽⁷⁵⁾</p>	
<p>ex Chapter 63</p> <p>6301 to 6304</p>	<p>Other made-up textile articles; sets; worn clothing and worn textile articles; rags; except for:</p> <p>Blankets, travelling rugs, bed linen etc.; curtains etc.; other furnishing articles:</p> <ul style="list-style-type: none"> - Of felt, of nonwovens - Other: 	<p>Manufacture from materials of any heading, except that of the product</p> <p>Manufacture from ⁽⁷⁶⁾:</p> <ul style="list-style-type: none"> - natural fibres, or - chemical materials or textile pulp 	

⁷³ See Introductory Note 6.

⁷⁴ See Introductory Note 6.

⁷⁵ See Introductory Note 6.

⁷⁶ For special conditions relating to products made of a mixture of textile materials, see Introductory Note 5.

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
6305	-- Embroidered -- Other Sacks and bags, of a kind used for the packing of goods	Manufacture from unbleached single yarn ⁽⁷⁷⁾ ⁽⁷⁸⁾ or Manufacture from unembroidered fabric (other than knitted or crocheted), provided that the value of the unembroidered fabric used does not exceed 40 % of the ex-works price of the product	
6306	Tarpaulins, awnings and sunblinds; tents; sails for boats, sailboards or landcraft; camping goods:	Manufacture from unbleached single yarn ⁽⁷⁹⁾ ⁽⁸⁰⁾ Manufacture from ⁽⁸¹⁾ : - natural fibres, - man-made staple fibres, not carded or combed or otherwise processed for spinning, or - chemical materials or textile pulp	

⁷⁷ See Introductory Note 6.

⁷⁸ For knitted or crocheted articles, not elastic or rubberised, obtained by sewing or assembling pieces of knitted or crocheted fabrics (cut out or knitted directly to shape), see Introductory Note 6.

⁷⁹ See Introductory Note 6.

⁸⁰ For knitted or crocheted articles, not elastic or rubberised, obtained by sewing or assembling pieces of knitted or crocheted fabrics (cut out or knitted directly to shape), see Introductory Note 6.

⁸¹ For special conditions relating to products made of a mixture of textile materials, see Introductory Note 5.

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
6307	- Of nonwovens - Other Other made-up articles, including dress patterns	Manufacture from ⁽⁸²⁾ ⁽⁸³⁾ : - natural fibres, or - chemical materials or textile pulp	
6308	Sets consisting of woven fabric and yarn, whether or not with accessories, for making up into rugs, tapestries, embroidered table cloths or serviettes, or similar textile articles, put up in packings for retail sale	Manufacture from unbleached single yarn ⁽⁸⁴⁾ ⁽⁸⁵⁾ Manufacture in which the value of all the materials used does not exceed 40 % of the ex-works price of the product	
ex Chapter 64	Footwear, gaiters and the like; parts of such articles; except for:	Manufacture from materials of any heading, except from assemblies of uppers affixed to inner soles or to other sole components of heading 6406	
6406	Parts of footwear (including uppers whether or not attached to soles other than outer soles); removable in-soles, heel cushions and similar articles; gaiters, leggings and similar articles, and parts thereof	Manufacture from materials of any heading, except that of the product	

⁸² For special conditions relating to products made of a mixture of textile materials, see Introductory Note 5.

⁸³ See Introductory Note 6.

⁸⁴ For special conditions relating to products made of a mixture of textile materials, see Introductory Note 5.

⁸⁵ See Introductory Note 6.

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
ex Chapter 65 6505	Headgear and parts thereof; except for: Hats and other headgear, knitted or crocheted, or made up from lace, felt or other textile fabric, in the piece (but not in strips), whether or not lined or trimmed; hair-nets of any material, whether or not lined or trimmed	Manufacture from materials of any heading, except that of the product Manufacture from yarn or textile fibres ⁽⁸⁶⁾	
ex Chapter 66 6601	Umbrellas, sun umbrellas, walking-sticks, seat-sticks, whips, riding-crops, and parts thereof; except for: Umbrellas and sun umbrellas (including walking-stick umbrellas, garden umbrellas and similar umbrellas)	Manufacture from materials of any heading, except that of the product Manufacture in which the value of all the materials used does not exceed 50 % of the ex-works price of the product	
Chapter 67	Prepared feathers and down and articles made of feathers or of down; artificial flowers; articles of human hair	Manufacture from materials of any heading, except that of the product	
ex Chapter 68 ex 6803	Articles of stone, plaster, cement, asbestos, mica or similar materials; except for: Articles of slate or of agglomerated slate	Manufacture from materials of any heading, except that of the product Manufacture from worked slate	

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
ex 6812	Articles of asbestos; articles of mixtures with a basis of asbestos or of mixtures with a basis of asbestos and magnesium carbonate	Manufacture from materials of any heading	
ex 6814	Articles of mica, including agglomerated or reconstituted mica, on a support of paper, paperboard or other materials	Manufacture from worked mica (including agglomerated or reconstituted mica)	
Chapter 69	Ceramic products	Manufacture from materials of any heading, except that of the product	
ex Chapter 70	Glass and glassware; except for:	Manufacture from materials of any heading, except that of the product	
ex 7003, ex 7004 and ex 7005	Glass with a non-reflecting layer	Manufacture from materials of heading 7001	
7006	Glass of heading 7003, 7004 or 7005, bent, edge-worked, engraved, drilled, enamelled or otherwise worked, but not framed or fitted with other materials:		
	- Glass-plate substrates, coated with a dielectric thin film, and of a semiconductor grade in accordance with SEMII-standards ⁽⁸⁷⁾	Manufacture from non-coated glass-plate substrate of heading 7006	
	- Other	Manufacture from materials of heading 7001	

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
7007	Safety glass, consisting of toughened (tempered) or laminated glass	Manufacture from materials of heading 7001	
7008	Multiple-walled insulating units of glass	Manufacture from materials of heading 7001	
7009	Glass mirrors, whether or not framed, including rear-view mirrors	Manufacture from materials of heading 7001	
7010	Carboys, bottles, flasks, jars, pots, phials, ampoules and other containers, of glass, of a kind used for the conveyance or packing of goods; preserving jars of glass; stoppers, lids and other closures, of glass	Manufacture from materials of any heading, except that of the product or Cutting of glassware, provided that the total value of the uncut glassware used does not exceed 50 % of the ex-works price of the product	
7013	Glassware of a kind used for table, kitchen, toilet, office, indoor decoration or similar purposes (other than that of heading 7010 or 7018)	Manufacture from materials of any heading, except that of the product or Cutting of glassware, provided that the total value of the uncut glassware used does not exceed 50 % of the ex-works price of the product or Hand-decoration (except silk-screen printing) of hand-blown glassware, provided that the total value of the hand-blown glassware used does not exceed 50 % of the ex-works price of the product	

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
ex 7019	Articles (other than yarn) of glass fibres	Manufacture from: - uncoloured slivers, rovings, yarn or chopped strands, or - glass wool	
ex Chapter 71	Natural or cultured pearls, precious or semi-precious stones, precious metals, metals clad with precious metal, and articles thereof; imitation jewellery; coin; except for:	Manufacture from materials of any heading, except that of the product	
ex 7101	Natural or cultured pearls, graded and temporarily strung for convenience of transport	Manufacture in which the value of all the materials used does not exceed 50 % of the ex-works price of the product	
ex 7102, ex 7103 and ex 7104	Worked precious or semi-precious stones (natural, synthetic or reconstructed)	Manufacture from unworked precious or semi-precious stones	
7106, 7108 and 7110	Precious metals: - Unwrought	Manufacture from materials of any heading, except those of headings 7106, 7108 and 7110 or Electrolytic, thermal or chemical separation of precious metals of heading 7106, 7108 or 7110 or Alloying of precious metals of heading 7106, 7108 or 7110 with each other or with base metals	
	- Semi-manufactured or in powder form	Manufacture from unwrought precious metals	

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
ex 7107, ex 7109 and ex 7111	Metals clad with precious metals, semi-manufactured	Manufacture from metals clad with precious metals, unwrought	
7116	Articles of natural or cultured pearls, precious or semi-precious stones (natural, synthetic or reconstructed)	Manufacture in which the value of all the materials used does not exceed 50 % of the ex-works price of the product	
7117	Imitation jewellery	Manufacture from materials of any heading, except that of the product or Manufacture from base metal parts, not plated or covered with precious metals, provided that the value of all the materials used does not exceed 50 % of the ex-works price of the product	
ex Chapter 72	Iron and steel; except for:	Manufacture from materials of any heading, except that of the product	
7207	Semi-finished products of iron or non-alloy steel	Manufacture from materials of heading 7201, 7202, 7203, 7204 or 7205	
7208 to 7216	Flat-rolled products, bars and rods, angles, shapes and sections of iron or non-alloy steel	Manufacture from ingots or other primary forms of heading 7206	
7217	Wire of iron or non-alloy steel	Manufacture from semi-finished materials of heading 7207	
ex 7218, 7219 to 7222	Semi-finished products, flat-rolled products, bars and rods, angles, shapes and sections of stainless steel	Manufacture from ingots or other primary forms of heading 7218	

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
7223 ex 7224, 7225 to 7228	Wire of stainless steel Semi-finished products, flat-rolled products, hot-rolled bars and rods, in irregularly wound coils; angles, shapes and sections, of other alloy steel; hollow drill bars and rods, of alloy or non-alloy steel	Manufacture from semi-finished materials of heading 7218 Manufacture from ingots or other primary forms of heading 7206, 7218 or 7224	
7229	Wire of other alloy steel	Manufacture from semi-finished materials of heading 7224	
ex Chapter 73 ex 7301 7302 7304, 7305 and 7306	Articles of iron or steel; except for: Sheet piling Railway or tramway track construction material of iron or steel, the following: rails, check-rails and rack rails, switch blades, crossing frogs, point rods and other crossing pieces, sleepers (cross-ties), fish-plates, chairs, chair wedges, sole plates (base plates), rail clips, bedplates, ties and other material specialised for jointing or fixing rails Tubes, pipes and hollow profiles, of iron (other than cast iron) or steel	Manufacture from materials of any heading, except that of the product Manufacture from materials of heading 7206 Manufacture from materials of heading 7206 Manufacture from materials of heading 7206, 7207, 7218 or 7224	

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
ex 7307	Tube or pipe fittings of stainless steel (ISO No X5CrNiMo 1712), consisting of several parts	Turning, drilling, reaming, threading, deburring and sandblasting of forged blanks, provided that the total value of the forged blanks used does not exceed 35 % of the ex-works price of the product	
7308	Structures (excluding prefabricated buildings of heading 9406) and parts of structures (for example, bridges and bridge-sections, lock-gates, towers, lattice masts, roofs, roofing frameworks, doors and windows and their frames and thresholds for doors, shutters, balustrades, pillars and columns), of iron or steel; plates, rods, angles, shapes, sections, tubes and the like, prepared for use in structures, of iron or steel	Manufacture from materials of any heading, except that of the product. However, welded angles, shapes and sections of heading 7301 may not be used	
ex 7315	Skid chain	Manufacture in which the value of all the materials of heading 7315 used does not exceed 50 % of the ex-works price of the product	
ex Chapter 74	Copper and articles thereof; except for:	Manufacture: - from materials of any heading, except that of the product, and - in which the value of all the materials used does not exceed 50 % of the ex-works price of the product	
7401	Copper mattes; cement copper (precipitated copper)	Manufacture from materials of any heading, except that of the product	

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
7402	Unrefined copper; copper anodes for electrolytic refining	Manufacture from materials of any heading, except that of the product	
7403	Refined copper and copper alloys, unwrought: - Refined copper - Copper alloys and refined copper containing other elements	Manufacture from materials of any heading, except that of the product Manufacture from refined copper, unwrought, or waste and scrap of copper	
7404	Copper waste and scrap	Manufacture from materials of any heading, except that of the product	
7405	Master alloys of copper	Manufacture from materials of any heading, except that of the product	
ex Chapter 75	Nickel and articles thereof; except for:	Manufacture: - from materials of any heading, except that of the product, and - in which the value of all the materials used does not exceed 50 % of the ex-works price of the product	
7501 to 7503	Nickel mattes, nickel oxide sinters and other intermediate products of nickel metallurgy; unwrought nickel; nickel waste and scrap	Manufacture from materials of any heading, except that of the product	

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
ex Chapter 76	Aluminium and articles thereof; except for:	Manufacture: - from materials of any heading, except that of the product, and - in which the value of all the materials used does not exceed 50 % of the ex-works price of the product	
7601	Unwrought aluminium	Manufacture: - from materials of any heading, except that of the product, and - in which the value of all the materials used does not exceed 50 % of the ex-works price of the product or Manufacture by thermal or electrolytic treatment from unalloyed aluminium or waste and scrap of aluminium	
7602	Aluminium waste or scrap	Manufacture from materials of any heading, except that of the product	
ex 7616	Aluminium articles other than gauze, cloth, grill, netting, fencing, reinforcing fabric and similar materials (including endless bands) of aluminium wire, and expanded metal of aluminium	Manufacture: - from materials of any heading, except that of the product. However, gauze, cloth, grill, netting, fencing, reinforcing fabric and similar materials (including endless bands) of aluminium wire, or expanded metal of aluminium may be used; and - in which the value of all the materials used does not exceed 50 % of the ex-works price of the product	

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
Chapter 77	Reserved for possible future use in the HS		
ex Chapter 78	Lead and articles thereof; except for:	<p>Manufacture:</p> <ul style="list-style-type: none"> - from materials of any heading, except that of the product, and - in which the value of all the materials used does not exceed 50 % of the ex-works price of the product <p>Manufacture from "bullion" or "work" lead</p> <p>Manufacture from materials of any heading, except that of the product. However, waste and scrap of heading 7802 may not be used</p>	
7801	Unwrought lead: - Refined lead - Other		
7802	Lead waste and scrap		
ex Chapter 79	Zinc and articles thereof; except for:	<p>Manufacture:</p> <ul style="list-style-type: none"> - from materials of any heading, except that of the product, and - in which the value of all the materials used does not exceed 50 % of the ex-works price of the product <p>Manufacture from materials of any heading, except that of the product. However, waste and scrap of heading 7902 may not be used</p>	
7901	Unwrought zinc		

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
7902	Zinc waste and scrap	Manufacture from materials of any heading, except that of the product	
ex Chapter 80	Tin and articles thereof; except for:	Manufacture: - from materials of any heading, except that of the product, and - in which the value of all the materials used does not exceed 50 % of the ex-works price of the product	
8001	Unwrought tin	Manufacture from materials of any heading, except that of the product. However, waste and scrap of heading 8002 may not be used	
8002 and 8007	Tin waste and scrap; other articles of tin	Manufacture from materials of any heading, except that of the product	
Chapter 81	Other base metals; cermets; articles thereof: - Other base metals, wrought; articles thereof - Other	Manufacture in which the value of all the materials of the same heading as the product used does not exceed 50 % of the ex-works price of the product Manufacture from materials of any heading, except that of the product	
ex Chapter 82	Tools, implements, cutlery, spoons and forks, of base metal; parts thereof of base metal; except for:	Manufacture from materials of any heading, except that of the product	

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
8206	Tools of two or more of the headings 8202 to 8205, put up in sets for retail sale	Manufacture from materials of any heading, except those of headings 8202 to 8205. However, tools of headings 8202 to 8205 may be incorporated into the set, provided that their total value does not exceed 15 % of the ex-works price of the set	
8207	Interchangeable tools for hand tools, whether or not power-operated, or for machine-tools (for example, for pressing, stamping, punching, tapping, threading, drilling, boring, broaching, milling, turning, or screwdriving), including dies for drawing or extruding metal, and rock drilling or earth boring tools	Manufacture: - from materials of any heading, except that of the product, and - in which the value of all the materials used does not exceed 40 % of the ex-works price of the product	
8208	Knives and cutting blades, for machines or for mechanical appliances	Manufacture: - from materials of any heading, except that of the product, and - in which the value of all the materials used does not exceed 40 % of the ex-works price of the product	
ex 8211	Knives with cutting blades, serrated or not (including pruning knives), other than knives of heading 8208	Manufacture from materials of any heading, except that of the product. However, knife blades and handles of base metal may be used	

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
8214	Other articles of cutlery (for example, hair clippers, butchers' or kitchen cleavers, choppers and mincing knives, paper knives); manicure or pedicure sets and instruments (including nail files)	Manufacture from materials of any heading, except that of the product. However, handles of base metal may be used	
8215	Spoons, forks, ladles, skimmers, cake-servers, fish-knives, butter-knives, sugar tongs and similar kitchen or tableware	Manufacture from materials of any heading, except that of the product. However, handles of base metal may be used	
ex Chapter 83	Miscellaneous articles of base metal; except for:	Manufacture from materials of any heading, except that of the product	
ex 8302	Other mountings, fittings and similar articles suitable for buildings, and automatic door closers	Manufacture from materials of any heading, except that of the product. However, other materials of heading 8302 may be used, provided that their total value does not exceed 20 % of the ex-works price of the product	
ex 8306	Statuettes and other ornaments, of base metal	Manufacture from materials of any heading, except that of the product. However, other materials of heading 8306 may be used, provided that their total value does not exceed 30 % of the ex-works price of the product	

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
ex Chapter 84	Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof; except for:	Manufacture: - from materials of any heading, except that of the product, and - in which the value of all the materials used does not exceed 40 % of the ex-works price of the product	Manufacture in which the value of all the materials used does not exceed 30 % of the ex-works price of the product
ex 8401	Nuclear fuel elements	Manufacture from materials of any heading, except that of the product	Manufacture in which the value of all the materials used does not exceed 30 % of the ex-works price of the product
8402	Steam or other vapour generating boilers (other than central heating hot water boilers capable also of producing low pressure steam); super-heated water boilers	Manufacture: - from materials of any heading, except that of the product, and - in which the value of all the materials used does not exceed 40 % of the ex-works price of the product	Manufacture in which the value of all the materials used does not exceed 25 % of the ex-works price of the product
8403 and ex 8404	Central heating boilers other than those of heading 8402 and auxiliary plant for central heating boilers	Manufacture from materials of any heading, except those of headings 8403 and 8404	Manufacture in which the value of all the materials used does not exceed 40 % of the ex-works price of the product
8406	Steam turbines and other vapour turbines	Manufacture in which the value of all the materials used does not exceed 40 % of the ex-works price of the product	
8407	Spark-ignition reciprocating or rotary internal combustion piston engines	Manufacture in which the value of all the materials used does not exceed 40 % of the ex-works price of the product	
8408	Compression-ignition internal combustion piston engines (diesel or semi-diesel engines)	Manufacture in which the value of all the materials used does not exceed 40 % of the ex-works price of the product	

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
8409	Parts suitable for use solely or principally with the engines of heading 8407 or 8408	Manufacture in which the value of all the materials used does not exceed 40 % of the ex-works price of the product	Manufacture in which the value of all the materials used does not exceed 25 % of the ex-works price of the product
8411	Turbo-jets, turbo-propellers and other gas turbines	Manufacture: - from materials of any heading, except that of the product, and - in which the value of all the materials used does not exceed 40 % of the ex-works price of the product	
8412	Other engines and motors	Manufacture in which the value of all the materials used does not exceed 40 % of the ex-works price of the product	
ex 8413	Rotary positive displacement pumps	Manufacture: - from materials of any heading, except that of the product, and - in which the value of all the materials used does not exceed 40 % of the ex-works price of the product	
ex 8414	Industrial fans, blowers and the like	Manufacture: - from materials of any heading, except that of the product, and - in which the value of all the materials used does not exceed 40 % of the ex-works price of the product	

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
8415	Air conditioning machines, comprising a motor-driven fan and elements for changing the temperature and humidity, including those machines in which the humidity cannot be separately regulated	Manufacture in which the value of all the materials used does not exceed 40 % of the ex-works price of the product	
8418	Refrigerators, freezers and other refrigerating or freezing equipment, electric or other; heat pumps other than air conditioning machines of heading 8415	Manufacture: <ul style="list-style-type: none"> - from materials of any heading, except that of the product, - in which the value of all the materials used does not exceed 40 % of the ex-works price of the product, and - in which the value of all the non-originating materials used does not exceed the value of all the originating materials used 	Manufacture in which the value of all the materials used does not exceed 25 % of the ex-works price of the product
ex 8419	Machines for wood, paper pulp, paper and paperboard industries	Manufacture in which: <ul style="list-style-type: none"> - the value of all the materials used does not exceed 40 % of the ex-works price of the product, and - within the above limit, the value of all the materials of the same heading as the product used does not exceed 25 % of the ex-works price of the product 	Manufacture in which the value of all the materials used does not exceed 30 % of the ex-works price of the product

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
8420	Calendering or other rolling machines, other than for metals or glass, and cylinders therefore	<p>Manufacture in which:</p> <ul style="list-style-type: none"> - the value of all the materials used does not exceed 40 % of the ex-works price of the product, and - within the above limit, the value of all the materials of the same heading as the product used does not exceed 25 % of the ex-works price of the product 	<p>Manufacture in which the value of all the materials used does not exceed 30 % of the ex-works price of the product</p>
8423	Weighing machinery (excluding balances of a sensitivity of 5 cg or better), including weight operated counting or checking machines; weighing machine weights of all kinds	<p>Manufacture:</p> <ul style="list-style-type: none"> - from materials of any heading, except that of the product, and - in which the value of all the materials used does not exceed 40 % of the ex-works price of the product 	<p>Manufacture in which the value of all the materials used does not exceed 25 % of the ex-works price of the product</p>
8425 to 8428	Lifting, handling, loading or unloading machinery	<p>Manufacture in which:</p> <ul style="list-style-type: none"> - the value of all the materials used does not exceed 40 % of the ex-works price of the product, and - within the above limit, the value of all the materials of heading 8431 used does not exceed 10 % of the ex-works price of the product 	<p>Manufacture in which the value of all the materials used does not exceed 30 % of the ex-works price of the product</p>
8429	Self-propelled bulldozers, angledozers, graders, levellers, scrapers, mechanical shovels, excavators, shovel loaders, tamping machines and road rollers:		

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
8430	- Road rollers - Other Other moving, grading, levelling, scraping, excavating, tamping, compacting, extracting or boring machinery, for earth, minerals or ores; pile-drivers and pile-extractors; snow-ploughs and snow-blowers	Manufacture in which the value of all the materials used does not exceed 40 % of the ex-works price of the product Manufacture in which: - the value of all the materials used does not exceed 40 % of the ex-works price of the product, and - within the above limit, the value of all the materials of heading 8431 used does not exceed 10 % of the ex-works price of the product	Manufacture in which the value of all the materials used does not exceed 30 % of the ex-works price of the product
ex 8431	Parts suitable for use solely or principally with road rollers	Manufacture in which the value of all the materials used does not exceed 40 % of the ex-works price of the product	Manufacture in which the value of all the materials used does not exceed 30 % of the ex-works price of the product
8439	Machinery for making pulp of fibrous cellulosic material or for making or finishing paper or paperboard	Manufacture in which: - the value of all the materials used does not exceed 40 % of the ex-works price of the product, and - within the above limit, the value of all the materials of the same heading as the product used does not exceed 25 % of the ex-works price of the product	Manufacture in which the value of all the materials used does not exceed 30 % of the ex-works price of the product

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
8441	Other machinery for making up paper pulp, paper or paperboard, including cutting machines of all kinds	Manufacture in which: - the value of all the materials used does not exceed 40 % of the ex-works price of the product, and - within the above limit, the value of all the materials of the same heading as the product used does not exceed 25 % of the ex-works price of the product	Manufacture in which the value of all the materials used does not exceed 30 % of the ex-works price of the product
Ex 8443	Printers, for office machines (for example automatic data processing machines, word-processing machines, etc.)	Manufacture in which the value of all the materials used does not exceed 40 % of the ex-works price of the product	
8444 to 8447	Machines of these headings for use in the textile industry	Manufacture in which the value of all the materials used does not exceed 40 % of the ex-works price of the product	
ex 8448	Auxiliary machinery for use with machines of headings 8444 and 8445	Manufacture in which the value of all the materials used does not exceed 40 % of the ex-works price of the product	
8452	Sewing machines, other than book-sewing machines of heading 8440; furniture, bases and covers specially designed for sewing machines; sewing machine needles:		

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
	<p>- Sewing machines (lock stitch only) with heads of a weight not exceeding 16 kg without motor or 17 kg with motor</p> <p>- Other</p>	<p>Manufacture in which:</p> <ul style="list-style-type: none"> - the value of all the materials used does not exceed 40 % of the ex-works price of the product, - the value of all the non-originating materials used in assembling the head (without motor) does not exceed the value of all the originating materials used, and - the thread-tension, crochet and zigzag mechanisms used are originating <p>Manufacture in which the value of all the materials used does not exceed 40 % of the ex-works price of the product</p>	
8456 to 8466	Machine-tools and machines and their parts and accessories of headings 8456 to 8466	Manufacture in which the value of all the materials used does not exceed 40 % of the ex-works price of the product	
8469 to 8472	Office machines (for example, typewriters, calculating machines, automatic data processing machines, duplicating machines, stapling machines)	Manufacture in which the value of all the materials used does not exceed 40 % of the ex-works price of the product	
8480	Moulding boxes for metal foundry; mould bases; moulding patterns; moulds for metal (other than ingot moulds), metal carbides, glass, mineral materials, rubber or plastics	Manufacture in which the value of all the materials used does not exceed 50 % of the ex-works price of the product	

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
8482	Ball or roller bearings	Manufacture: - from materials of any heading, except that of the product, and - in which the value of all the materials used does not exceed 40 % of the ex-works price of the product	Manufacture in which the value of all the materials used does not exceed 25 % of the ex-works price of the product
8484	Gaskets and similar joints of metal sheeting combined with other material or of two or more layers of metal; sets or assortments of gaskets and similar joints, dissimilar in composition, put up in pouches, envelopes or similar packings; mechanical seals	Manufacture in which the value of all the materials used does not exceed 40 % of the ex-works price of the product	
ex 8486	- Machine tools for working any material by removal of material, by laser or other light or photon beam, ultrasonic, electrodischarge, electrochemical, electron beam, ionic-beam or plasma arc processes - machine tools (including presses) for working metal by bending, folding, straightening, flattening, shearing, punching or notching - machine tools for working stone, ceramics, concrete, asbestos-cement or like mineral materials or for cold working glass - parts and accessories suitable for use solely or principally with the machines of headings 8456, 8462 and 8464	Manufacture in which the value of all the materials used does not exceed 40 % of the ex-works price of the product	

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
	<p>- marking-out instruments which are pattern generating apparatus of a kind used for producing masks or reticles from photoresist coated substrates; parts and accessories thereof</p> <p>- moulds, injection or compression types</p> <p>- other lifting, handing, loading or unloading machinery</p> <p>- parts suitable for use solely or principally with the machinery of heading 8428</p> <p>-cameras of a kind used for preparing printing plates or cylinders which are pattern generating apparatus of a kind used for producing masks or reticles from photoresist coated substrates; parts and accessories thereof</p>	<p>Manufacture in which the value of all the materials used does not exceed 50 % of the ex-works price of the product</p> <p>Manufacture in which:</p> <ul style="list-style-type: none"> - the value of all the materials used does not exceed 40 % of the ex-works price of the product, and - in which the value of all non-originating materials used does not exceed the value of all the originating materials used <p>Manufacture in which the value of all the materials used does not exceed 40 % of the ex-works price of the product</p> <p>Manufacture:</p> <ul style="list-style-type: none"> - from materials of any heading, except that of the product, - in which the value of all the materials used does not exceed 40 % of the ex-works price of the product, and - in which the value of all the non-originating materials used does not exceed the value of all the originating materials used 	<p>Manufacture in which the value of all the materials used does not exceed 30 % of the ex-works price of the product</p> <p>Manufacture in which the value of all the materials used does not exceed 30 % of the ex-works price of the product</p>

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
8487	Machinery parts, not containing electrical connectors, insulators, coils, contacts or other electrical features, not specified or included elsewhere in this Chapter	Manufacture in which the value of all the materials used does not exceed 40 % of the ex-works price of the product	
ex Chapter 85	Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts and accessories of such articles; except for:	Manufacture: - from materials of any heading, except that of the product, and - in which the value of all the materials used does not exceed 40 % of the ex-works price of the product	Manufacture in which the value of all the materials used does not exceed 30 % of the ex-works price of the product
8501	Electric motors and generators (excluding generating sets)	Manufacture in which: - the value of all the materials used does not exceed 40 % of the ex-works price of the product, and - within the above limit, the value of all the materials of heading 8503 used does not exceed 10 % of the ex-works price of the product	Manufacture in which the value of all the materials used does not exceed 30 % of the ex-works price of the product
8502	Electric generating sets and rotary converters	Manufacture in which: - the value of all the materials used does not exceed 40 % of the ex-works price of the product, and - within the above limit, the value of all the materials of headings 8501 and 8503 used does not exceed 10 % of the ex-works price of the product	Manufacture in which the value of all the materials used does not exceed 30 % of the ex-works price of the product

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
ex 8504	Power supply units for automatic data-processing machines	Manufacture in which the value of all the materials used does not exceed 40 % of the ex-works price of the product	
ex 8517	Other apparatus for the transmission or reception of voice, images or other data, including apparatus for communication in a wireless network (such as a local or wide area network), other than transmission or reception apparatus of headings 8443,8525,8527 or 8528	Manufacture in which: - the value of all the materials used does not exceed 40 % of the ex-works price of the product, and - the value of all the non-originating materials used does not exceed the value of all the originating materials used	Manufacture in which the value of all the materials used does not exceed 25 % of the ex-works price of the product
ex 8518	Microphones and stands therefore; loudspeakers, whether or not mounted in their enclosures; audio-frequency electric amplifiers; electric sound amplifier sets	Manufacture in which: - the value of all the materials used does not exceed 40 % of the ex-works price of the product, and - the value of all the non-originating materials used does not exceed the value of all the originating materials used	Manufacture in which the value of all the materials used does not exceed 25 % of the ex-works price of the product
8519	Sound recording or sound reproducing apparatus	Manufacture in which: - the value of all the materials used does not exceed 40 % of the ex-works price of the product, and - the value of all the non-originating materials used does not exceed the value of all the originating materials used	Manufacture in which the value of all the materials used does not exceed 30 % of the ex-works price of the product

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
8521	Video recording or reproducing apparatus, whether or not incorporating a video tuner	Manufacture in which: <ul style="list-style-type: none"> - the value of all the materials used does not exceed 40 % of the ex-works price of the product, and - the value of all the non-originating materials used does not exceed the value of all the originating materials used 	Manufacture in which the value of all the materials used does not exceed 30 % of the ex-works price of the product
8522	Parts and accessories suitable for use solely or principally with the apparatus of headings 8519 to 8521	Manufacture in which the value of all the materials used does not exceed 40 % of the ex-works price of the product	
8523	<ul style="list-style-type: none"> - Unrecorded discs, tapes, solid-state non-volatile storage devices and other media for the recording of sound or of other phenomena, including matrices and masters for the production of discs, but excluding products of Chapter 37; - recorded discs, tapes solid-state non-volatile storage devices and other media for the recording of sound or of other phenomena, including matrices and masters for the production of discs, but excluding products of Chapter 37 	Manufacture in which the value of all the materials used does not exceed 40 % of the ex-works price of the product Manufacture in which: <ul style="list-style-type: none"> - the value of all the materials used does not exceed 40 % of the ex-works price of the product, and - within the above limit, the value of all the materials of heading 8523 used does not exceed 10 % of the ex-works price of the product 	Manufacture in which the value of all the materials used does not exceed 30 % of the ex-works price of the product

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
8525	<p>- proximity cards and "smart cards" with two or more electronic integrated circuits</p> <p>- "smart cards" with one electronic integrated circuit</p> <p>Transmission apparatus for radio-broadcasting or television, whether or not incorporating reception apparatus or sound recording or reproducing apparatus; television cameras, digital cameras and video camera recorders</p>	<p>Manufacture in which:</p> <ul style="list-style-type: none"> - the value of all the materials used does not exceed 40 % of the ex-works price of the product, and - within the above limit, the value of all the materials of headings 8541 and 8542 used does not exceed 10 % of the ex-works price of the product <p>or</p> <p>The operation of diffusion, in which integrated circuits are formed on a semi-conductor substrate by the selective introduction of an appropriate dopant, whether or not assembled and/or tested in a country other than those specified in Articles 3 and 4</p> <p>Manufacture:</p> <ul style="list-style-type: none"> - from materials of any heading, except that of the product, and - in which the value of all the materials used does not exceed 40 % of the ex-works price of the product <p>Manufacture in which:</p> <ul style="list-style-type: none"> - the value of all the materials used does not exceed 40 % of the ex-works price of the product, and - the value of all the non-originating materials used does not exceed the value of all the originating materials used 	<p>Manufacture in which the value of all the materials used does not exceed 25 % of the ex-works price of the product</p> <p>Manufacture in which the value of all the materials used does not exceed 30 % of the ex-works price of the product</p> <p>Manufacture in which the value of all the materials used does not exceed 25 % of the ex-works price of the product</p>

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
8526	Radar apparatus, radio navigational aid apparatus and radio remote control apparatus	Manufacture in which: <ul style="list-style-type: none"> - the value of all the materials used does not exceed 40 % of the ex-works price of the product, and - the value of all the non-originating materials used does not exceed the value of all the originating materials used 	Manufacture in which the value of all the materials used does not exceed 25 % of the ex-works price of the product
8527	Reception apparatus for radio-broadcasting, whether or not combined, in the same housing, with sound recording or reproducing apparatus or a clock	Manufacture in which: <ul style="list-style-type: none"> - the value of all the materials used does not exceed 40 % of the ex-works price of the product, and - the value of all the non-originating materials used does not exceed the value of all the originating materials used 	Manufacture in which the value of all the materials used does not exceed 25 % of the ex-works price of the product
8528	<ul style="list-style-type: none"> - monitors and projectors, not incorporating television reception apparatus, of a kind solely or principally used in an automatic data-processing system of heading 8471 - other monitors and projectors, not incorporating television reception apparatus; ,Reception apparatus for television –, whether or not incorporating radio broadcast receivers or sound or video recording or reproducing apparatus; 	Manufacture in which the value of all the materials used does not exceed 40 % of the ex-works price of the product Manufacture in which: <ul style="list-style-type: none"> - the value of all the materials used does not exceed 40 % of the ex-works price of the product, and - the value of all the non-originating materials used does not exceed the value of all the originating materials used 	Manufacture in which the value of all the materials used does not exceed 25 % of the ex-works price of the product

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
8529	<p>Parts suitable for use solely or principally with the apparatus of headings 8525 to 8528:</p> <p>-Suitable for use solely or principally with video recording or reproducing apparatus</p> <p>- Suitable for use solely or principally with monitors and projectors, not incorporating television reception apparatus, of a kind solely or principally used in an automatic data-processing system of heading 8471</p> <p>-Other</p>	<p>Manufacture in which the value of all the materials used does not exceed 40 % of the ex-works price of the product</p> <p>Manufacture:</p> <p>- from materials of any heading, except that of the product, and</p> <p>-in which the value of all the materials used does not exceed 40 % of the ex-works price of the product</p> <p>Manufacture in which:</p> <p>- the value of all the materials used does not exceed 40 % of the ex-works price of the product, and</p> <p>- the value of all the non-originating materials used does not exceed the value of all the originating materials used</p>	<p>Manufacture in which the value of all the materials used does not exceed 30 % of the ex-works price of the product</p> <p>Manufacture in which the value of all the materials used does not exceed 25 % of the ex-works price of the product</p>
8535	<p>Electrical apparatus for switching or protecting electrical circuits, or for making connections to or in electrical circuits for a voltage exceeding 1000 V</p>	<p>Manufacture in which:</p> <p>- the value of all the materials used does not exceed 40 % of the ex-works price of the product, and</p> <p>- within the above limit, the value of all the materials of heading 8538 used does not exceed 10 % of the ex-works price of the product</p>	<p>Manufacture in which the value of all the materials used does not exceed 30 % of the ex-works price of the product</p>

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
8536	<p>- Electrical apparatus for switching or protecting electrical circuits, or for making connections to or in electrical circuits for a voltage not exceeding 1000 V</p> <p>- connectors for optical fibres, optical fibre bundles or cables</p> <p>-- of plastics</p> <p>-- of ceramics, of iron and steel</p> <p>-- of copper</p>	<p>Manufacture in which:</p> <ul style="list-style-type: none"> - the value of all the materials used does not exceed 40 % of the ex-works price of the product, and - within the above limit, the value of all the materials of heading 8538 used does not exceed 10 % of the ex-works price of the product <p>Manufacture in which the value of all the materials used does not exceed 50 % of the ex-works price of the product</p> <p>Manufacture from materials of any heading, except that of the product</p> <p>Manufacture:</p> <ul style="list-style-type: none"> - from materials of any heading, except that of the product, and - in which the value of all the materials used does not exceed 50 % of the ex-works price of the product 	<p>Manufacture in which the value of all the materials used does not exceed 30 % of the ex-works price of the product</p>

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
8537	Boards, panels, consoles, desks, cabinets and other bases, equipped with two or more apparatus of heading 8535 or 8536, for electric control or the distribution of electricity, including those incorporating instruments or apparatus of Chapter 90, and numerical control apparatus, other than switching apparatus of heading 8517	<p>Manufacture in which:</p> <ul style="list-style-type: none"> - the value of all the materials used does not exceed 40 % of the ex-works price of the product, and - within the above limit, the value of all the materials of heading 8538 used does not exceed 10 % of the ex-works price of the product 	Manufacture in which the value of all the materials used does not exceed 30 % of the ex-works price of the product
ex 8541	Diodes, transistors and similar semi-conductor devices, except wafers not yet cut into chips	<p>Manufacture:</p> <ul style="list-style-type: none"> - from materials of any heading, except that of the product, and - in which the value of all the materials used does not exceed 40 % of the ex-works price of the product 	Manufacture in which the value of all the materials used does not exceed 25 % of the ex-works price of the product
ex 8542	Electronic integrated circuits and microassemblies:		

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
	<p>- Monolithic integrated circuits</p> <p>- multichips which are parts of machinery or apparatus, not specified or included elsewhere in this Chapter</p> <p>- Other</p>	<p>Manufacture in which:</p> <ul style="list-style-type: none"> - the value of all the materials used does not exceed 40 % of the ex-works price of the product, and - within the above limit, the value of all the materials of headings 8541 and 8542 used does not exceed 10 % of the ex-works price of the product <p>or</p> <p>The operation of diffusion, in which integrated circuits are formed on a semi-conductor substrate by the selective introduction of an appropriate dopant, whether or not assembled and/or tested in a country other than those specified in Articles 3 and 4</p> <p>Manufacture in which the value of all the materials used does not exceed 40 % of the ex-works price of the product</p>	<p>Manufacture in which the value of all the materials used does not exceed 25 % of the ex-works price of the product</p> <p>Manufacture in which the value of all the materials used does not exceed 25 % of the ex-works price of the product</p>

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
8544	Insulated (including enamelled or anodised) wire, cable (including coaxial cable) and other insulated electric conductors, whether or not fitted with connectors; optical fibre cables, made up of individually sheathed fibres, whether or not assembled with electric conductors or fitted with connectors	Manufacture in which the value of all the materials used does not exceed 40 % of the ex-works price of the product	
8545	Carbon electrodes, carbon brushes, lamp carbons, battery carbons and other articles of graphite or other carbon, with or without metal, of a kind used for electrical purposes	Manufacture in which the value of all the materials used does not exceed 40 % of the ex-works price of the product	
8546	Electrical insulators of any material	Manufacture in which the value of all the materials used does not exceed 40 % of the ex-works price of the product	
8547	Insulating fittings for electrical machines, appliances or equipment, being fittings wholly of insulating materials apart from any minor components of metal (for example, threaded sockets) incorporated during moulding solely for purposes of assembly, other than insulators of heading 8546; electrical conduit tubing and joints therefor, of base metal lined with insulating material	Manufacture in which the value of all the materials used does not exceed 40 % of the ex-works price of the product	

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
8548	Waste and scrap of primary cells, primary batteries and electric accumulators; spent primary cells, spent primary batteries and spent electric accumulators; electrical parts of machinery or apparatus, not specified or included elsewhere in this Chapter	Manufacture in which the value of all the materials used does not exceed 40 % of the ex-works price of the product	
ex Chapter 86	Railway or tramway locomotives, rolling-stock and parts thereof; railway or tramway track fixtures and fittings and parts thereof; mechanical (including electro-mechanical) traffic signalling equipment of all kinds; except for:	Manufacture in which the value of all the materials used does not exceed 40 % of the ex-works price of the product	
8608	Railway or tramway track fixtures and fittings; mechanical (including electromechanical) signalling, safety or traffic control equipment for railways, tramways, roads, inland waterways, parking facilities, port installations or airfields; parts of the foregoing	Manufacture: - from materials of any heading, except that of the product, and - in which the value of all the materials used does not exceed 40 % of the ex-works price of the product	Manufacture in which the value of all the materials used does not exceed 30 % of the ex-works price of the product
ex Chapter 87	Vehicles other than railway or tramway rolling-stock, and parts and accessories thereof; except for:	Manufacture in which the value of all the materials used does not exceed 40 % of the ex-works price of the product	

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
8709	Works trucks, self-propelled, not fitted with lifting or handling equipment, of the type used in factories, warehouses, dock areas or airports for short distance transport of goods; tractors of the type used on railway station platforms; parts of the foregoing vehicles	Manufacture: - from materials of any heading, except that of the product, and - in which the value of all the materials used does not exceed 40 % of the ex-works price of the product	Manufacture in which the value of all the materials used does not exceed 30 % of the ex-works price of the product
8710	Tanks and other armoured fighting vehicles, motorized, whether or not fitted with weapons, and parts of such vehicles	Manufacture: - from materials of any heading, except that of the product, and - in which the value of all the materials used does not exceed 40 % of the ex-works price of the product	Manufacture in which the value of all the materials used does not exceed 30 % of the ex-works price of the product
8711	Motorcycles (including mopeds) and cycles fitted with an auxiliary motor, with or without side-cars; side-cars: - With reciprocating internal combustion piston engine of a cylinder capacity: -- Not exceeding 50 cm ³	Manufacture in which: - the value of all the materials used does not exceed 40 % of the ex-works price of the product, and - the value of all the non-originating materials used does not exceed the value of all the originating materials used	Manufacture in which the value of all the materials used does not exceed 20 % of the ex-works price of the product

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
ex 8712	-- Exceeding 50 cm ³	<p>Manufacture in which:</p> <ul style="list-style-type: none"> - the value of all the materials used does not exceed 40 % of the ex-works price of the product, and - the value of all the non-originating materials used does not exceed the value of all the originating materials used 	<p>Manufacture in which the value of all the materials used does not exceed 25 % of the ex-works price of the product</p>
	- Other	<p>Manufacture in which:</p> <ul style="list-style-type: none"> - the value of all the materials used does not exceed 40 % of the ex-works price of the product, and - the value of all the non-originating materials used does not exceed the value of all the originating materials used 	<p>Manufacture in which the value of all the materials used does not exceed 30 % of the ex-works price of the product</p>
	Bicycles without ball bearings	<p>Manufacture from materials of any heading, except those of heading 8714</p>	<p>Manufacture in which the value of all the materials used does not exceed 30 % of the ex-works price of the product</p>
8715	Baby carriages and parts thereof	<p>Manufacture:</p> <ul style="list-style-type: none"> - from materials of any heading, except that of the product, and - in which the value of all the materials used does not exceed 40 % of the ex-works price of the product 	<p>Manufacture in which the value of all the materials used does not exceed 30 % of the ex-works price of the product</p>

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
8716	Trailers and semi-trailers; other vehicles, not mechanically propelled; parts thereof	Manufacture: - from materials of any heading, except that of the product, and - in which the value of all the materials used does not exceed 40 % of the ex-works price of the product	Manufacture in which the value of all the materials used does not exceed 30 % of the ex-works price of the product
ex Chapter 88	Aircraft, spacecraft, and parts thereof; except for:	Manufacture from materials of any heading, except that of the product	Manufacture in which the value of all the materials used does not exceed 40 % of the ex-works price of the product
ex 8804	Rotochutes	Manufacture from materials of any heading, including other materials of heading 8804	Manufacture in which the value of all the materials used does not exceed 40 % of the ex-works price of the product
8805	Aircraft launching gear; deck-arrestor or similar gear; ground flying trainers; parts of the foregoing articles	Manufacture from materials of any heading, except that of the product	Manufacture in which the value of all the materials used does not exceed 30 % of the ex-works price of the product
Chapter 89	Ships, boats and floating structures	Manufacture from materials of any heading, except that of the product. However, hulls of heading 8906 may not be used	Manufacture in which the value of all the materials used does not exceed 40 % of the ex-works price of the product
ex Chapter 90	Optical, photographic, cinematographic, measuring, checking, precision, medical or surgical instruments and apparatus; parts and accessories thereof; except for:	Manufacture: - from materials of any heading, except that of the product, and - in which the value of all the materials used does not exceed 40 % of the ex-works price of the product	Manufacture in which the value of all the materials used does not exceed 30 % of the ex-works price of the product

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
9001	Optical fibres and optical fibre bundles; optical fibre cables other than those of heading 8544; sheets and plates of polarizing material; lenses (including contact lenses), prisms, mirrors and other optical elements, of any material, unmounted, other than such elements of glass not optically worked	Manufacture in which the value of all the materials used does not exceed 40 % of the ex-works price of the product	Manufacture in which the value of all the materials used does not exceed 30 % of the ex-works price of the product
9002	Lenses, prisms, mirrors and other optical elements, of any material, mounted, being parts of or fittings for instruments or apparatus, other than such elements of glass not optically worked	Manufacture in which the value of all the materials used does not exceed 40 % of the ex-works price of the product	
9004	Spectacles, goggles and the like, corrective, protective or other	Manufacture in which the value of all the materials used does not exceed 40% of the ex-works price of the product	
ex 9005	Binoculars, monoculars, other optical telescopes, and mountings therefor, except for astronomical refracting telescopes and mountings therefor	Manufacture: <ul style="list-style-type: none"> - from materials of any heading, except that of the product, - in which the value of all the materials used does not exceed 40 % of the ex-works price of the product; and - in which the value of all the non-originating materials used does not exceed the value of all the originating materials used 	

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
ex 9006	Photographic (other than cinematographic) cameras; photographic flashlight apparatus and flashbulbs other than electrically ignited flashbulbs	<p>Manufacture:</p> <ul style="list-style-type: none"> - from materials of any heading, except that of the product, - in which the value of all the materials used does not exceed 40 % of the ex-works price of the product, and - in which the value of all the non-originating materials used does not exceed the value of all the originating materials used 	Manufacture in which the value of all the materials used does not exceed 30 % of the ex-works price of the product
9007	Cinematographic cameras and projectors, whether or not incorporating sound recording or reproducing apparatus	<p>Manufacture:</p> <ul style="list-style-type: none"> - from materials of any heading, except that of the product, - in which the value of all the materials used does not exceed 40 % of the ex-works price of the product, and - in which the value of all the non-originating materials used does not exceed the value of all the originating materials used 	Manufacture in which the value of all the materials used does not exceed 30 % of the ex-works price of the product
9011	Compound optical microscopes, including those for photomicrography, cinephotomicrography or microprojection	<p>Manufacture:</p> <ul style="list-style-type: none"> - from materials of any heading, except that of the product, - in which the value of all the materials used does not exceed 40 % of the ex-works price of the product, and - in which the value of all the non-originating materials used does not exceed the value of all the originating materials used 	Manufacture in which the value of all the materials used does not exceed 30 % of the ex-works price of the product

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
ex 9014	Other navigational instruments and appliances	Manufacture in which the value of all the materials used does not exceed 40 % of the ex-works price of the product	
9015	Surveying (including photogrammetrical surveying), hydrographic, oceanographic, hydrological, meteorological or geophysical instruments and appliances, excluding compasses; rangefinders	Manufacture in which the value of all the materials used does not exceed 40 % of the ex-works price of the product	
9016	Balances of a sensitivity of 5 cg or better, with or without weights	Manufacture in which the value of all the materials used does not exceed 40 % of the ex-works price of the product	
9017	Drawing, marking-out or mathematical calculating instruments (for example, drafting machines, pantographs, protractors, drawing sets, slide rules, disc calculators); instruments for measuring length, for use in the hand (for example, measuring rods and tapes, micrometers, callipers), not specified or included elsewhere in this chapter	Manufacture in which the value of all the materials used does not exceed 40 % of the ex-works price of the product	
9018	Instruments and appliances used in medical, surgical, dental or veterinary sciences, including scintigraphic apparatus, other electro-medical apparatus and sight-testing instruments:		

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
9019	- Dentists' chairs incorporating dental appliances or dentists' spittoons - Other Mechano-therapy appliances; massage apparatus; psychological aptitude-testing apparatus; ozone therapy, oxygen therapy, aerosol therapy, artificial respiration or other therapeutic respiration apparatus	Manufacture from materials of any heading, including other materials of heading 9018 Manufacture: - from materials of any heading, except that of the product, and - in which the value of all the materials used does not exceed 40 % of the ex-works price of the product	Manufacture in which the value of all the materials used does not exceed 40 % of the ex-works price of the product Manufacture in which the value of all the materials used does not exceed 25 % of the ex-works price of the product Manufacture in which the value of all the materials used does not exceed 25 % of the ex-works price of the product
9020	Other breathing appliances and gas masks, excluding protective masks having neither mechanical parts nor replaceable filters	Manufacture: - from materials of any heading, except that of the product, and - in which the value of all the materials used does not exceed 40 % of the ex-works price of the product	Manufacture in which the value of all the materials used does not exceed 25 % of the ex-works price of the product
9024	Machines and appliances for testing the hardness, strength, compressibility, elasticity or other mechanical properties of materials (for example, metals, wood, textiles, paper, plastics)	Manufacture in which the value of all the materials used does not exceed 40 % of the ex-works price of the product	

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
9025	Hydrometers and similar floating instruments, thermometers, pyrometers, barometers, hygrometers and psychrometers, recording or not, and any combination of these instruments	Manufacture in which the value of all the materials used does not exceed 40 % of the ex-works price of the product	
9026	Instruments and apparatus for measuring or checking the flow, level, pressure or other variables of liquids or gases (for example, flow meters, level gauges, manometers, heat meters), excluding instruments and apparatus of heading 9014, 9015, 9028 or 9032	Manufacture in which the value of all the materials used does not exceed 40 % of the ex-works price of the product	
9027	Instruments and apparatus for physical or chemical analysis (for example, polarimeters, refractometers, spectrometers, gas or smoke analysis apparatus); instruments and apparatus for measuring or checking viscosity, porosity, expansion, surface tension or the like; instruments and apparatus for measuring or checking quantities of heat, sound or light (including exposure meters); microtomes	Manufacture in which the value of all the materials used does not exceed 40 % of the ex-works price of the product	
9028	Gas, liquid or electricity supply or production meters, including calibrating meters therefor:		

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
9029	- Parts and accessories - Other Revolution counters, production counters, taximeters, mileometers, pedometers and the like; speed indicators and tachometers, other than those of heading 9014 or 9015; stroboscopes	Manufacture in which the value of all the materials used does not exceed 40 % of the ex-works price of the product Manufacture in which: - the value of all the materials used does not exceed 40 % of the ex-works price of the product, and - the value of all the non-originating materials used does not exceed the value of all the originating materials used Manufacture in which the value of all the materials used does not exceed 40 % of the ex-works price of the product	Manufacture in which the value of all the materials used does not exceed 30 % of the ex-works price of the product
9030	Oscilloscopes, spectrum analysers and other instruments and apparatus for measuring or checking electrical quantities, excluding meters of heading 9028; instruments and apparatus for measuring or detecting alpha, beta, gamma, X-ray, cosmic or other ionizing radiations	Manufacture in which the value of all the materials used does not exceed 40 % of the ex-works price of the product	
9031	Measuring or checking instruments, appliances and machines, not specified or included elsewhere in this chapter; profile projectors	Manufacture in which the value of all the materials used does not exceed 40 % of the ex-works price of the product	

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
9032	Automatic regulating or controlling instruments and apparatus	Manufacture in which the value of all the materials used does not exceed 40 % of the ex-works price of the product	
9033	Parts and accessories (not specified or included elsewhere in this chapter) for machines, appliances, instruments or apparatus of Chapter 90	Manufacture in which the value of all the materials used does not exceed 40 % of the ex-works price of the product	
ex Chapter 91	Clocks and watches and parts thereof; except for:	Manufacture in which the value of all the materials used does not exceed 40 % of the ex-works price of the product	
9105	Other clocks	Manufacture in which: - the value of all the materials used does not exceed 40 % of the ex-works price of the product, and - the value of all the non-originating materials used does not exceed the value of all the originating materials used	Manufacture in which the value of all the materials used does not exceed 30 % of the ex-works price of the product
9109	Clock movements, complete and assembled	Manufacture in which: - the value of all the materials used does not exceed 40 % of the ex-works price of the product, and - the value of all the non-originating materials used does not exceed the value of all the originating materials used	Manufacture in which the value of all the materials used does not exceed 30 % of the ex-works price of the product

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
9110	Complete watch or clock movements, unassembled or partly assembled (movement sets); incomplete watch or clock movements, assembled; rough watch or clock movements	<p>Manufacture in which:</p> <ul style="list-style-type: none"> - the value of all the materials used does not exceed 40 % of the ex-works price of the product, and - within the above limit, the value of all the materials of heading 9114 used does not exceed 10 % of the ex-works price of the product 	Manufacture in which the value of all the materials used does not exceed 30 % of the ex-works price of the product
9111	Watch cases and parts thereof	<p>Manufacture:</p> <ul style="list-style-type: none"> - from materials of any heading, except that of the product, and - in which the value of all the materials used does not exceed 40 % of the ex-works price of the product 	Manufacture in which the value of all the materials used does not exceed 30 % of the ex-works price of the product
9112	Clock cases and cases of a similar type for other goods of this chapter, and parts thereof	<p>Manufacture:</p> <ul style="list-style-type: none"> - from materials of any heading, except that of the product, and - in which the value of all the materials used does not exceed 40 % of the ex-works price of the product 	Manufacture in which the value of all the materials used does not exceed 30 % of the ex-works price of the product
9113	<p>Watch straps, watch bands and watch bracelets, and parts thereof:</p> <ul style="list-style-type: none"> - Of base metal, whether or not gold- or silver-plated, or of metal clad with precious metal - Other 	<p>Manufacture in which the value of all the materials used does not exceed 40 % of the ex-works price of the product</p> <p>Manufacture in which the value of all the materials used does not exceed 50 % of the ex-works price of the product</p>	

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
Chapter 92	Musical instruments; parts and accessories of such articles	Manufacture in which the value of all the materials used does not exceed 40 % of the ex-works price of the product	
Chapter 93	Arms and ammunition; parts and accessories thereof	Manufacture in which the value of all the materials used does not exceed 50 % of the ex-works price of the product	
ex Chapter 94	Furniture; bedding, mattresses, mattress supports, cushions and similar stuffed furnishings; lamps and lighting fittings, not elsewhere specified or included; illuminated signs, illuminated name-plates and the like; prefabricated buildings; except for:	Manufacture from materials of any heading, except that of the product	Manufacture in which the value of all the materials used does not exceed 40 % of the ex-works price of the product
ex 9401 and ex 9403	Base metal furniture, incorporating unstuffed cotton cloth of a weight of 300 g/m ² or less	<p>Manufacture from materials of any heading, except that of the product</p> <p>or</p> <p>Manufacture from cotton cloth already made up in a form ready for use with materials of heading 9401 or 9403, provided that:</p> <ul style="list-style-type: none"> - the value of the cloth does not exceed 25 % of the ex-works price of the product, and - all the other materials used are originating and are classified in a heading other than heading 9401 or 9403 	Manufacture in which the value of all the materials used does not exceed 40 % of the ex-works price of the product

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
9405	Lamps and lighting fittings including searchlights and spotlights and parts thereof, not elsewhere specified or included; illuminated signs, illuminated name-plates and the like, having a permanently fixed light source, and parts thereof not elsewhere specified or included	Manufacture in which the value of all the materials used does not exceed 50 % of the ex-works price of the product	
9406	Prefabricated buildings	Manufacture in which the value of all the materials used does not exceed 50 % of the ex-works price of the product	
ex Chapter 95	Toys, games and sports requisites; parts and accessories thereof; except for:	Manufacture from materials of any heading, except that of the product	
ex 9503	Other toys; reduced-size ("scale") models and similar recreational models, working or not; puzzles of all kinds	Manufacture: - from materials of any heading, except that of the product, and - in which the value of all the materials used does not exceed 50 % of the ex-works price of the product	
ex 9506	Golf clubs and parts thereof	Manufacture from materials of any heading, except that of the product. However, roughly-shaped blocks for making golf-club heads may be used	
ex Chapter 96	Miscellaneous manufactured articles; except for:	Manufacture from materials of any heading, except that of the product	
ex 9601 and ex 9602	Articles of animal, vegetable or mineral carving materials	Manufacture from "worked" carving materials of the same heading as the product	

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
ex 9603	Brooms and brushes (except for besoms and the like and brushes made from marten or squirrel hair), hand-operated mechanical floor sweepers, not motorized, paint pads and rollers, squeegees and mops	Manufacture in which the value of all the materials used does not exceed 50 % of the ex-works price of the product	
9605	Travel sets for personal toilet, sewing or shoe or clothes cleaning	Each item in the set must satisfy the rule which would apply to it if it were not included in the set. However, non-originating articles may be incorporated, provided that their total value does not exceed 15% of the ex-works price of the set	
9606	Buttons, press-fasteners, snap-fasteners and press-studs, button moulds and other parts of these articles; button blanks	Manufacture: - from materials of any heading, except that of the product, and - in which the value of all the materials used does not exceed 50 % of the ex-works price of the product	
9608	Ball-point pens; felt-tipped and other porous-tipped pens and markers; fountain pens, stylograph pens and other pens; duplicating stylos; propelling or sliding pencils; pen-holders, pencil-holders and similar holders; parts (including caps and clips) of the foregoing articles, other than those of heading 9609	Manufacture from materials of any heading, except that of the product. However, nibs or nib-points of the same heading as the product may be used	

HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	or (4)
9612	Typewriter or similar ribbons, inked or otherwise prepared for giving impressions, whether or not on spools or in cartridges; ink-pads, whether or not inked, with or without boxes	Manufacture: - from materials of any heading, except that of the product, and - in which the value of all the materials used does not exceed 50 % of the ex-works price of the product	
ex 9613	Lighters with piezo-igniter	Manufacture in which the value of all the materials of heading 9613 used does not exceed 30 % of the ex-works price of the product	
ex 9614	Smoking pipes and pipe bowls	Manufacture from roughly-shaped blocks	
Chapter 97	Works of art, collectors' pieces and antiques	Manufacture from materials of any heading, except that of the product	

ANNEX III
SPECIMENS OF MOVEMENT CERTIFICATE EUR.1 AND APPLICATION FOR A MOVEMENT
CERTIFICATE EUR.1

Printing instructions

1. Each form shall measure 210 x 297 mm; a tolerance of up to minus 5 mm or plus 8 mm in the length may be allowed. The paper used must be white, sized for writing, 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.
2. The competent authorities of the Parties may reserve the right to print the forms themselves or may have them printed by approved printers. In the latter case, each form must include a reference to such approval. Each form 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.

MOVEMENT CERTIFICATE

1. Exporter (Name, full address, country)	EUR.1 No A 000.000		
	See notes overleaf before completing this form.		
3. Consignee (Name, full address, country) (Optional)	2. Certificate used in preferential trade between And (Insert appropriate countries, groups of countries or territories)		
	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; Marks and numbers; Number and kind of packages (1); Description of goods	9. Gross mass (kg) or other measure (litres, m³, etc.)	10. Invoices (Optional)	
11. CUSTOMS ENDORSEMENT <i>Declaration certified</i> Export document (2) FormNo Of Customs office Issuing countryStamp Place and 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)		

(1) If goods are not packed, indicate number of articles or state « in bulk » as appropriate
 (2) Complete only where the regulations of the exporting country or territory require.

<p>13. REQUEST FOR VERIFICATION, to</p>	<p>14. RESULT OF VERIFICATION</p>
<p>Verification of the authenticity and accuracy of this certificate is requested.</p> <p>.....</p> <p>..</p> <p>(Place and date) Stamp</p> <p>.....</p> <p>(Signature)</p>	<p>Verification carried out shows that this certificate ⁽¹⁾</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>.....</p> <p>(Place and date) Stamp</p> <p>.....</p> <p>(Signature)</p> <p>.....</p> <p>(1) Insert X in the appropriate box.</p>

NOTES

1. Certificate 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.
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		
	See notes overleaf before completing this form.		
	2. Application for a certificate to be used in preferential trade between <div style="text-align: center; padding: 5px;">and</div> (Insert appropriate countries or groups of countries or territories)		
3. Consignee (Name, full address, country) (Optional)	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; Marks and numbers; Number and kind of packages ⁽¹⁾ Description of goods	9. Gross mass (kg) or other measure (litres, m³, etc.)	10. Invoices (Optional)	

(1) If goods are not packed, indicate number of articles or state « in bulk » as appropriate

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 enable these goods to meet the above conditions:

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

SUBMIT the following supporting documents ⁽¹⁾:

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

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.

ANNEX IV
Text of the invoice declaration

The invoice declaration, the text of which is given below, must be made out in accordance with the footnotes. However, the footnotes do not have to be reproduced.

Version of Bosnia and Herzegovina

Izvoznik proizvoda obuhvaćenih ovom ispravom (carinsko ovlaštenje br.....⁽¹⁾) izjavljuje da su, osim ako je to drukčije izričito navedeno, ovi proizvodi⁽²⁾ preferencijalnog porijekla.

Izvoznik proizvoda obuhvaćenih ovom ispravom (carinsko ovlaštenje br.....⁽¹⁾) izjavljuje da su, osim ako je to drukčije izričito navedeno, ovi proizvodi⁽²⁾ preferencijalnog podrijetla.

Извозник производа обухваћених овом исправом (царинско овлашћење бр.....⁽¹⁾) изјављује да су, осим ако је то другачије изричито наведено, ови производи⁽²⁾ преференцијалног поријекла.

Turkish version

İşbu Belge (Gümrük Onay No ...⁽¹⁾) kapsamındaki maddelerin ihracatçısı, aksi açıkça belirtilmedikçe, bu maddelerin.....⁽²⁾ tercihli maddeler olduğunu beyan eder.

English version

The exporter of the products covered by this document (customs authorization No ...⁽¹⁾) declares that, except where otherwise clearly indicated, these products are of ...⁽²⁾ preferential origin.

.....⁽³⁾
(Place and date)

.....⁽⁴⁾
(Signature of the exporter, in addition the name of the person signing the declaration has to be indicated in clear script)"

⁽¹⁾ When the invoice declaration is made out by an approved exporter, the authorization number of the approved exporter must be entered in this space. When the invoice declaration is not made out by an approved exporter, the words in brackets shall be omitted or the space left blank.

⁽²⁾ Origin of products to be indicated.

⁽³⁾ These indications may be omitted if the information is contained on the document itself.

⁽⁴⁾ In cases where the exporter is not required to sign, the exemption of signature also implies the exemption of the name of the signatory.

ANNEX V

Products excluded from the cumulation provided for in Article 3 and Article 4

<i>CN-Code</i>	<i>Description</i>
1704 90 99	Other sugar confectionery, not containing cocoa.
1806 10 30	Chocolate and other food preparations containing cocoa – cacao powder, containing added sugar or sweetening matter: – – containing 65 % or more but less than 80 % by weight of sucrose (including invert sugar expressed as sucrose) or isoglucose expressed as sucrose
1806 10 90	– – containing 80 % or more by weight of sucrose (including invert sugar expressed as sucrose) or isoglucose expressed as sucrose
1806 20 95	– Other food preparations containing cocoa in block, slabs or bars weighting more than 2 kg or in liquid, paste, powder, granular or other bulk form in containers or immediate packaging of a content exceeding 2 kg – – Other – – – Other
1901 90 99	Malt extract, food preparations of flour, groats, meal, starch or malt extract, not containing cocoa or containing less than 40 % by weight of cocoa calculated on a totally defatted basis, not elsewhere specified or included, food preparations of goods of headings 0401 to 0404, not containing cocoa or containing less than 5 % by weight of cocoa calculated on a totally defatted basis, not elsewhere specified or included – other – – other (than malt extract) – – – other
2101 12 98	Other preparations with a basis of coffee.
2101 20 98	Other preparations with a basis of tea or mate.
2106 90 59	Food preparations not elsewhere specified or included – other – – other
2106 90 98	Food preparations not elsewhere specified or included: – other (than protein concentrates and textured protein substances) – – other – – – other
	Mixtures of odoriferous substances and mixtures (including alcoholic solutions) with a basis of one or more of these substances, of a kind used as raw materials in industry; other preparations based on odoriferous substances, of a kind used for the manufacture of beverages: – Of a kind used in the food or drink industries

<i>CN-Code</i>	<i>Description</i>
3302 10 29	-- Of the type used in the drink industries: --- Preparations containing all flavouring agents characterising a beverage: ---- Of an actual alcoholic strength by volume exceeding 0,5 % ---- Other: ----- Containing no milkfats, sucrose, isoglucose, glucose, or starch or containing, by weight, less than 1,5 % milkfat, 5 % sucrose or isoglucose, 5 % glucose or starch ----- Other

ANNEX V
Schedules of specific commitments in services
(referred to in Article 3.7 (Schedules of specific commitments) of Chapter III (Trade in services))

APPENDIX I to ANNEX V
SCHEDULE OF SPECIFIC COMMITMENTS
BOSNIA AND HERZEGOVINA

ANX V/APPX I/1

BOSNIA AND HERZEGOVINA – SCHEDULE OF SPECIFIC COMMITMENTS

EXPLANATORY NOTES

1. Bosnia and Herzegovina's commitments undertaken under the Chapter on Trade in Services (Section on Temporary Movement of Natural Persons for the Purpose of Supplying Services) do not apply in cases where the intent or effect of their temporary presence is to interfere with, or otherwise affect the outcome of, any labour/management dispute or negotiation.

2. This Schedule does not include measures relating to qualification requirements and procedures, technical standards and licensing requirements when they do not constitute a market access or a national treatment limitation within the meaning of Article 3.4 (Market access) and Article 3.5 (National treatment) of Chapter III (Trade in services). Those measures (e.g. need to obtain a license, universal service obligations, need to obtain recognition of qualifications in regulated sectors, and need to pass specific examinations, including language examinations and need to have a legal domicile in the territory where the economic activity is performed), even if not listed, apply in any case to services and service suppliers of Turkey.

The conditions and criteria, required for obtaining all the permissions and authorisations which are indicated in this Schedule and those which are applied for becoming a member of all the related chambers, do not limit market access or qualify national treatment within the scope of Article 3.4 (Market access) and Article 3.5 (National treatment) of Chapter III (Trade in services).

3. Nothing in this Schedule shall be construed to prejudice the enforcement of any measure under the foreign trade regime and related customs procedures of Bosnia and Herzegovina with regard to goods, in compliance with international agreements Bosnia and Herzegovina is a party to. In this respect, with regard to service sectors, sub-sectors or activities where importation and/or exportation of goods might be an integral part of the supply of services, such as distribution services, maintenance and repair services, and technical testing and analysis services, any relevant foreign trade and/or customs measure shall continue to apply, even if not listed, to services and services suppliers of Turkey.

4. The rights and obligations arising from this Schedule shall have no self-executing effect and thus confer no rights directly on natural or juridical persons.

Modes of supply:		1) Cross-border supply	2) Consumption abroad	3) Commercial presence	4) Presence of natural persons
Sector or Sub-Sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments		
I. HORIZONTAL COMMITMENTS					
All sectors included in this Schedule					
CPC codes inscribed in this Schedule are those contained in document: Statistical Papers Series M No. 77, Provisional Central Product Classification, Department of International Economic and Social Affairs, Statistical Office of the UN, New York, 1991.					
	<u>Public utilities</u> 3) Services considered as public utilities at a national or local level may be subject to public monopolies or to exclusive rights granted to private operators. ¹				
	3) <u>Representative offices and branches</u>	3) Treatment less favourable may be accorded to subsidiaries which have their registered office in the			

¹ Public utilities exist in sectors such as environment services, related scientific and technical consulting services, R&D services on social sciences and humanities, technical testing and analysis services, public health and public social services, public education services, public transport, communication services. Exclusive rights on such services are often granted to private operators, for instances operators with concessions from public authorities, subject to specific service operations. However, if the market for a service is open to more than one service supplier, it will not subsequently be subject to exclusive rights granted to a private operator. Given that public utilities also exist at the sub-central level, detailed and exhaustive sector-specific scheduling is not practical.

Modes of supply:				
	1) Cross-border supply	2) Consumption abroad	3) Commercial presence	4) Presence of natural persons
Sector or Sub-Sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments	
	<p>Representative office is a part of a company without having a legal person status. Such offices may only engage in market research, promotional, or representational activities. They cannot perform commercial activities. Foreign legal person may establish representative office.</p> <p>Branch office of domestic company (domestic company may be established by domestic or foreign legal or natural persons) is part of the company without having a legal person status. Such offices may engage in all business activities of the company.</p>	<p>territory of Bosnia and Herzegovina unless it can be shown that they possess an effective and continuous link with economy of Bosnia and Herzegovina.</p> <p>Treatment accorded to subsidiaries having their registered office, central administration or principal place of business within Bosnia and Herzegovina may not be extended to branches or agencies established in Bosnia and Herzegovina.</p> <p>However, mentioned treatment will be extended to branches unless it is explicitly prohibited by the legislation of a customs union of which Bosnia and Herzegovina is a Member State.</p>		
	<p>4) Unbound, except for measures concerning the entry into and temporary stay within Party of the following categories of natural persons providing services:</p> <p>(i) <u>Intra-corporate transfers (ICT)</u></p>	<p>4) Unbound except for measures concerning the categories of natural persons referred to in the Market Access column.</p>		

Modes of supply:				
	1) Cross-border supply	2) Consumption abroad	3) Commercial presence	4) Presence of natural persons
Sector or Sub-Sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments	
	<p>Entry and supply of services is subject to the following conditions:</p> <ul style="list-style-type: none"> - The natural person concerned must have been employed by a juridical person established in the territory of the other Party for at least the year immediately preceding the date of admission. - The natural person is temporarily transferred in the context of the provision of a service in the territory of Bosnia and Herzegovina to an establishment (subsidiary, branch, office) of the aforementioned juridical person, which is effectively providing like services in Bosnia and Herzegovina. - The natural person concerned must belong to one of the following categories: 			

Modes of supply:				
	1) Cross-border supply	2) Consumption abroad	3) Commercial presence	4) Presence of natural persons
Sector or Sub-Sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments	
	<p>a) <u>Managers:</u></p> <p>Persons working in a senior position within a juridical person, who primarily direct the management of the establishment, receiving general supervision or direction principally from the board of directors or stockholders of the business or their equivalent, including:</p> <ul style="list-style-type: none"> - Directing the establishment or a department or sub-division of the establishment; - Supervising and controlling the work of other supervisory, professional or managerial employees; - Having the authority personally to hire and fire or recommend hiring, firing or other personnel actions. - Condition for performing activities mentioned above is working licence, - Entry and stay is limited to one year with possibility for 			

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-Sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	extension to maximum three years.		
	<p>b) <u>Specialists:</u></p> <p>Persons working within a juridical person who possess uncommon knowledge essential to the establishment's service, research equipment, techniques or management. In assessing such knowledge, account will be taken not only of knowledge specific to the establishment, but also of whether the person has a high level of qualification referring to a type of work or trade requiring specific technical knowledge, including membership of an accredited profession.</p> <p>- Condition for performing activities is working licence,</p> <p>Entry and stay is limited to one year with possibility for extension to maximum 3 (three) years.</p>		

Modes of supply:				
	1) Cross-border supply	2) Consumption abroad	3) Commercial presence	4) Presence of natural persons
Sector or Sub-Sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments	
	<p>(ii) <u>Business Visitors (BV)</u></p> <p>Entry and temporary stay of the following categories is permitted without application of an economic needs test for a period of up to 90 days:</p> <p>a) <u>Service sellers:</u></p> <p>Persons not residing in the territory of Bosnia and Herzegovina, who are representatives of a service supplier and are seeking temporary entry for the purpose of negotiating for the sale of services or entering into agreements to sell services for that service provider when:</p>	<p>(ii) <u>Business Visitors (BV)</u></p> <p>Unbound except for measures concerning the categories of natural persons referred to and committed to the Market Access column.</p>		
	<p>- The representatives will not be engaged in making direct sales to the general public or in supplying services themselves.</p> <p>b) <u>Persons responsible for setting up a commercial presence:</u></p>			

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-Sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	<p>Persons working in a senior position, as defined in (i) a) above, within a juridical person, who are responsible for the setting up in Bosnia and Herzegovina of a commercial presence of a service provider of the other Party when:</p> <ul style="list-style-type: none"> - The representatives are not engaged in making direct sales or in supplying services; and - The service provider has its principal place of business in the territory of the other Party and has no commercial presence in Bosnia and Herzegovina. <p>(iii) <u>Contractual service suppliers (CSS)</u></p> <p>Entry and supply of services is subject to the following conditions:</p> <ul style="list-style-type: none"> - The natural persons are engaged in the supply of a 	<p>(iii) <u>Contractual service suppliers (CSS)</u></p> <p>Unbound except for measures concerning the categories of natural persons referred to and committed in the market access column.</p>	

Modes of supply:				
	1) Cross-border supply	2) Consumption abroad	3) Commercial presence	4) Presence of natural persons
Sector or Sub-Sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments	
	<p>service on a temporary basis as employees of a juridical person, who has no commercial presence in Bosnia and Herzegovina.</p> <ul style="list-style-type: none"> - The juridical person has obtained a service contract, for a period not exceeding 12 months from a final consumer in Bosnia and Herzegovina through a procedure which guarantees the bona fide character of the contract (e.g. advertisement of the availability of the contract). - The service contract shall comply with the laws, regulations and requirements of Bosnia and Herzegovina. - The natural person seeking access should be offering such services as an employee of the juridical person supplying the service for at least the year immediately preceding such movement. 			

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-Sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	<ul style="list-style-type: none"> - Condition for performing activities mentioned above is working licence, - The temporary entry and stay shall be limited to not more than six months in any 12 months period or for the duration of the contract, whatever is less. 		
	<ul style="list-style-type: none"> - The number of the persons covered by the service contract shall not be larger than necessary to fulfil the contract. 		
	<p>(iv) <u>independent professionals (IP)</u></p> <p>Entry and supply of services is subject to the following conditions:</p> <ul style="list-style-type: none"> - The natural person is engaged in the supply of a service as a self-employed person established in the territory of the other Party. - The natural person has to obtain a service contract, other than through an agency 	<p>(iv) <u>independent professionals (IP)</u></p> <p>Unbound except for measures concerning the categories of natural persons referred to and committed in the market access column.</p>	

Modes of supply:				
	1) Cross-border supply	2) Consumption abroad	3) Commercial presence	4) Presence of natural persons
Sector or Sub-Sector	Limitations on Market Access		Limitations on National Treatment	Additional Commitments
	<p>as defined by CPC 872, for a period not exceeding 12 months from a final consumer in Bosnia and Herzegovina through a procedure which guarantees the bona fide character of the contract where this requirement exists in Bosnia and Herzegovina.</p> <ul style="list-style-type: none"> - The service contract shall comply with the laws, regulations and requirements of Bosnia and Herzegovina. - Condition for performing activities mentioned above is working licence, 			
	<ul style="list-style-type: none"> - Temporary entry and stay shall be limited to not more than six months in any 12 months period or for the duration of the contract, whichever is less. 			
			<p><u>Subsidies</u></p> <p>3) Eligibility for subsidies may be limited to juridical persons established within the territory of</p>	

Modes of supply:				
	1) Cross-border supply	2) Consumption abroad	3) Commercial presence	4) Presence of natural persons
Sector or Sub-Sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments	
		<p>Party or a particular geographical sub-division thereof.</p> <p>Unbound for subsidies for research and development. The supply of a service, or its subsidisation, within the public sector is not in breach of this commitment.</p> <p>4) To the extent that any subsidies are made available to natural persons, their availability may be to domestic nationals.</p>		

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-Sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
II. COMMITMENTS IN SPECIFIC SECTORS			
1. BUSINESS SERVICES			
A. Professional Services			
(a) Legal services (only advisory services on foreign and International Law) (Part of CPC 861)	1) None 2) None 3) Establishment in the form of a “Limited Liability Companies” is required. Turkish nationals have to have professional title “(attorney at law)” enrolled with Turkish Bar Associations. 4) Unbound, except as indicated in the Horizontal Section	1) None 2) None 3) Representation in the Bosnia and Herzegovina’s Courts is assigned only to Bosnia and Herzegovina’s nationals. Use of the professional title “(attorney at law)” is reserved for the Bosnia and Herzegovina’s nationals enrolled with Bosnia and Herzegovina’s Bar Associations. Legal professionals of Bosnia and Herzegovina’s nationality hired by foreign law partnership cannot provide legal services, other than advisory services on foreign and international law (CPC 861**). 4) Unbound, except as indicated in the Horizontal Section	
(b) Accounting, auditing and bookkeeping services (CPC 862)	1) Unbound 2) None 3) Majority of owners must be certified accountants, auditors and bookkeepers.	1) Unbound 2) None 3) Majority of owners must be certified accountants, auditors and bookkeepers.	

Modes of supply:		1) Cross-border supply	2) Consumption abroad	3) Commercial presence	4) Presence of natural persons
Sector or Sub-Sector	Limitations on Market Access		Limitations on National Treatment		Additional Commitments
	4) Unbound, except as indicated in the Horizontal Section		4) Unbound, except as indicated in the Horizontal Section		
(c) Taxation advisory services (CPC 863)	1) None 2) None 3) None 4) Unbound, except as indicated in the Horizontal Section		1) None 2) None 3) None 4) Unbound, except as indicated in the Horizontal Section		
(d) Architectural services (CPC 8671)	1) Unbound 2) None 3) None 4) Unbound, except as indicated in the Horizontal Section		1) Unbound 2) None 3) None 4) Unbound, except as indicated in the Horizontal Section		
(e) Engineering services (CPC 8672)					
(f) Integrated engineering services (CPC 8673) excluding building					
(g) Urban planning and landscape architectural services (CPC 8674)	1) None 2) None 3) None 4) Unbound, except as indicated in the Horizontal Section		1) None 2) None 3) None 4) Unbound, except as indicated in the Horizontal Section		
(h) Medical and dental services (CPC 9312)	1) Unbound 2) None 3) Unbound 4) Unbound, except as indicated in the Horizontal Section		1) Unbound 2) None 3) Unbound 4) Unbound, except as indicated in the Horizontal Section		
(j) Services provided by midwives, nurses, physiotherapists and paramedical personnel (CPC 93191)					
(i) Veterinary services (CPC 932)	1) None 2) None 3) None 4) Unbound, except as indicated in the Horizontal Section Unbound		1) None 2) None 3) None 4) Unbound, except as indicated in the Horizontal Section		

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-Sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
B. Computer and Related Services (CPC 84). Acceptance of the "Understanding on the scope of coverage of Computer Services - CPC 84" reproduced in the annex.			
Computer and Related Services (CPC 84)	1) None 2) None 3) None 4) Unbound, except as indicated in the Horizontal Section Unbound	1) None 2) None 3) None 4) Unbound, except as indicated in the Horizontal Section Unbound	
C. Research and Development Services			
(a) R&D services on natural sciences (CPC 851)	1) None 2) None	1) None 2) None	
(b) R&D services on social sciences and humanities (CPC 852)	3) None 4) Unbound, except as indicated in the Horizontal Section	3) None 4) Unbound, except as indicated in the Horizontal Section	
(c) Interdisciplinary R&D services (CPC 853)			
D. Real Estate and Land Services - Services relates on activities of real estate agents and not include purchases of real estates and land in behalf of mentioned agents.			
(a) Involving own or leased property (CPC 821)	1) None 2) None	1) None 2) None	
(b) On a fee or contract basis (CPC 822)	3) None 4) Unbound, except as indicated in the Horizontal Section	3) None 4) Unbound, except as indicated in the Horizontal Section	
E. Rental/Leasing Services Without Operators			
(a) Relating to ships (CPC 83103)	1) None 2) None 3) None	1) None 2) None 3) None	

Modes of supply:		1) Cross-border supply	2) Consumption abroad	3) Commercial presence	4) Presence of natural persons
Sector or Sub-Sector	Limitations on Market Access		Limitations on National Treatment		Additional Commitments
	4) Unbound, except as indicated in the Horizontal Section		4) Unbound, except as indicated in the Horizontal Section		
(b) Relating to aircraft (CPC 83104)	1) None	2) None, except that aircraft used by BIH's air carriers have to be registered in BIH. Waivers can be granted for short-term lease contracts or under exceptional circumstances.	3) None, except that to be registered in the aircraft register of BIH, the aircraft must be owned either by natural persons meeting specific nationality criteria or by juridical persons meeting specific commitments regarding ownership of capital and control (including nationality of directors).	1) None	2) None
	3) None, except that to be registered in the aircraft register of BIH, the aircraft must be owned either by natural persons meeting specific nationality criteria or by juridical persons meeting specific commitments regarding ownership of capital and control (including nationality of directors).			3) None	
	4) Unbound, except as indicated in the Horizontal Section			4) Unbound, except as indicated in the Horizontal Section	
(c) Relating to other transport equipment (CPC 83101+ 83102+ 83105)	1) None	2) None	3) None	4) Unbound, except as indicated in the Horizontal Section	
	4) Unbound, except as indicated in the Horizontal Section			4) Unbound, except as indicated in the Horizontal Section	
(d) Relating to other machinery and equipment (CPC 83106-83109)	1) None	2) None	3) None	1) None	2) None
	3) None			3) None	

Modes of supply:		1) Cross-border supply	2) Consumption abroad	3) Commercial presence	4) Presence of natural persons
Sector or Sub-Sector	Limitations on Market Access		Limitations on National Treatment		Additional Commitments
	4) Unbound, except as indicated in the Horizontal Section		4) Unbound, except as indicated in the Horizontal Section		
(e) Relating to pre-recorded video cassettes and optical disks for use in home entertainment equipment (CPC 83202)	1) None 2) None 3) None 4) Unbound, except as indicated in the Horizontal Section		1) None 2) None 3) None 4) Unbound, except as indicated in the Horizontal Section		
F. Other Business Services					
(a) Advertising services (CPC 871)	1) None 2) None 3) None 4) Unbound, except as indicated in the Horizontal Section		1) None 2) None 3) None 4) Unbound, except as indicated in the Horizontal Section		
(b) Market research and public opinion polling services (CPC 864)	1) None 2) None 3) None 4) Unbound, except as indicated in the Horizontal Section		1) None 2) None 3) None 4) Unbound, except as indicated in the Horizontal Section		
(c) Management consulting services (CPC 865)	1) None 2) None 3) None 4) Unbound, except as indicated in the Horizontal Section		1) None 2) None 3) None 4) Unbound, except as indicated in the Horizontal Section		
(d) Services related to management consulting (CPC 866)	1) None 2) None 3) None 4) Unbound, except as indicated in the Horizontal Section		1) None 2) None 3) None 4) Unbound, except as indicated in the Horizontal Section		

Modes of supply:		1) Cross-border supply	2) Consumption abroad	3) Commercial presence	4) Presence of natural persons
Sector or Sub-Sector	Limitations on Market Access		Limitations on National Treatment		Additional Commitments
(e) Technical testing and analysis services (CPC 8676)	1) Unbound 2) None 3) None 4) Unbound, except as indicated in the Horizontal Section	1) Unbound 2) None 3) None 4) Unbound, except as indicated in the Horizontal Section			
(f) Services incidental to agriculture, hunting and forestry (part of CPC 881) excluding management and exploitation of natural resources	1) None 2) None 3) None 4) Unbound, except as indicated in the Horizontal Section	1) None 2) None 3) None 4) Unbound, except as indicated in the Horizontal Section			
(g) Services incidental to fishing (CPC 882) excluding management and exploitation of natural resources	1) None 2) None 3) None 4) Unbound, except as indicated in the Horizontal Section	1) None 2) None 3) None 4) Unbound, except as indicated in the Horizontal Section			
(h) Services incidental to mining (part of CPC 883) excluding management and exploitation of natural resources	1) None 2) None 3) None 4) Unbound, except as indicated in the Horizontal Section	1) None 2) None 3) None 4) Unbound, except as indicated in the Horizontal Section			
(k) Placement and supply services of Personnel (CPC 872)	1) None 2) None 3) None 4) Unbound, except as indicated in the Horizontal Section	1) None 2) None 3) None 4) Unbound, except as indicated in the Horizontal Section			
(m) Related scientific and technical consulting services (CPC 8675)	1) None 2) None 3) None	1) None 2) None 3) None			

Modes of supply:		1) Cross-border supply	2) Consumption abroad	3) Commercial presence	4) Presence of natural persons
Sector or Sub-Sector	Limitations on Market Access		Limitations on National Treatment		Additional Commitments
	4) Unbound, except as indicated in the Horizontal Section.		4) Unbound, except as indicated in the Horizontal Section		
(n) Maintenance and repair of equipment (not including maritime vessels, aircraft or other transport equipment) (CPC 633, 8861-8866)	1) None 2) None 3) None 4) Unbound, except as indicated in the Horizontal Section		1) None 2) None 3) None 4) Unbound, except as indicated in the Horizontal Section		
(o) Building-cleaning services (CPC 874)	1) Unbound 2) None 3) None 4) Unbound, except as indicated in the Horizontal Section		1) Unbound 2) None 3) None 4) Unbound, except as indicated in the Horizontal Section		
(p) Photographic services (CPC 875)	1) Unbound, except for aerial photography: None 2) None 3) None 4) Unbound, except as indicated in the Horizontal Section		1) Unbound, except for aerial photography: none 2) None 3) None 4) Unbound, except as indicated in the Horizontal Section		
(q) Packaging services (CPC 876)	1) Unbound 2) None 3) None 4) Unbound, except as indicated in the Horizontal Section		1) Unbound 2) None 3) None 4) Unbound, except as indicated in the Horizontal Section		
(r) Printing, publishing (CPC 88442)	1) None 2) None 3) None, except foreign investment in a publishing company shall be no more than 49 per cent		1) None 2) None 3) None		

Modes of supply:	1) Cross-border supply	2) Consumption abroad	3) Commercial presence	4) Presence of natural persons
Sector or Sub-Sector	Limitations on Market Access		Limitations on National Treatment	Additional Commitments
	4) Unbound, except as indicated in the Horizontal Section		4) Unbound, except as indicated in the Horizontal Section	
(s) Convention services (CPC 87909)	1) None 2) None 3) None 4) Unbound, except as indicated in the Horizontal Section		1) None 2) None 3) None 4) Unbound, except as indicated in the Horizontal Section	
(t) Other - Translation and interpretation services (CPC 87905)	1) None, except for translation and interpretation services for domestic courts: unbound 2) None 3) None, except for translation and interpretation services for/before domestic courts: unbound 4) Unbound, except as indicated in the Horizontal Section		1) None, except for translation and interpretation services for domestic courts: unbound 2) None 3) None, except for translation and interpretation services for/before domestic courts: unbound 4) Unbound, except as indicated in the Horizontal Section	
A/B Postal Services and Courier Services² (CPC 7511-7512)				
Services relating to the handling ³ of postal items ⁴ according to the following list of sub-sectors, whether for domestic or foreign destinations.	1,2,3) None 4) Unbound except as indicated in the horizontal section		1,2,3) None 4) Unbound except as indicated in the horizontal section	Remark: Licensing system may be established for sub-sectors for which general Universal service obligation

² While discussions on classification in this sector are still ongoing, the draft commitments are listed according to the proposed classification that has been notified to the WTO by the EEC and its Member States on 23 March 2001 (doc. S/CSS/W/61) and of the Scheduling Guidelines on postal/courier co-sponsored by the EC on 17 February 2005 (WTO doc. TN/S/W/30), without prejudice to the outcome of the discussion on the classification of postal and courier services.

³ The term "handling" should be taken to include clearance, sorting, transport and delivery.

⁴ "Postal item" refers to items handled by any type of commercial operator, whether public or private.

Modes of supply:		1) Cross-border supply	2) Consumption abroad	3) Commercial presence	4) Presence of natural persons
Sector or Sub-Sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments		
(i) Handling of addressed written communications on any kind of physical medium ⁵ , including - Hybrid mail service - Direct mail (ii) Handling of addressed parcels and packages ⁶ on any kind of physical medium (iii) Handling of addressed press products (iv) Handling of items referred to in (i) to (iii) above as registered or insured mail (v) Express delivery services ⁷ for items referred to in (i) to (iii) above (vi) Handling of non-addressed items (vii) Document exchange ⁸			exists. These licences may be subject to particular universal obligations and/or financial contribution to a compensation fund.		

⁵ E.g. letter, postcards.

⁶ Books, catalogues are included hereunder.

⁷ Express delivery services include the collection, transport and delivery of documents, printed matter, parcels and/or other goods on an expedited basis, while tracking and maintaining control of these items throughout the supply of the service. This commitment does not include maritime transport services, or services to which the GATS Annex on Air Transport Services applies.

⁸ Provision of means, including the supply of ad hoc premises as well as transportation by a third party, allowing self-delivery by mutual exchange of postal items between users subscribing to this service. Postal item refers to items handled by any type of commercial operator, whether public or private.

Modes of supply:		1) Cross-border supply	2) Consumption abroad	3) Commercial presence	4) Presence of natural persons
Sector or Sub-Sector	Limitations on Market Access	Limitations on National Treatment	Limitations on National Treatment	Limitations on National Treatment	Additional Commitments
Sub-sectors (i), (iv) and (v) are excluded when they fall into the scope of the services which may be reserved, which is: for items of correspondence the price of which is less than five times the public basic tariff, provided that they weigh less than 350 grams ⁹ , plus the registered mail service used in the course of judicial or administrative procedures, regardless of their weight.					
C. Telecommunication Services ¹⁰ CPC 7521-843 The commitments taken by BiH are based on the scheduling principles provided by the “Note for Scheduling Basic Telecom Services Commitment” (S/GBT/W/2. Rev.1) and “Market Access Limitations on Spectrum Availability” (S/GBT/W/3)					
All services consisting of the transmission and reception of signals by any electromagnetic means ¹¹ , excluding broadcasting ¹² .	1) Unbound 2) None 3) None 4) Unbound except as indicated in the horizontal section	1) Unbound 2) None 3) None 4) Unbound except as indicated in the horizontal section	1) Unbound 2) None 3) None 4) Unbound except as indicated in the horizontal section	1) Unbound 2) None 3) None 4) Unbound except as indicated in the horizontal section	

⁹ “Items of correspondence”: a communication in written form on any kind of physical medium to be conveyed and delivered at the address indicated by the sender on the item itself or on its wrapping. Books, catalogues, newspapers and periodicals are not regarded as items of correspondence.

¹⁰ Footnote for clarification purposes: BIH maintains public participation in certain telecommunication operators. BIH reserves its right to maintain such public participation in the future. This is not a market access limitation.

¹¹ Sub-sectors 2.C.h) to 2.C.m) of the Services Sectoral Classification List contained in MTN, GNS/W/120 (value-added services) and sub-sectors 2.C.a) to 2.C.g) of that List are included here. Sub-sector 2.C.o) of that List is also included here to the extent that it falls under this definition. For the purpose of this Schedule, sub-sector 2.C.n) of that List ('On-line information and/or data processing (including transaction processing)') is a computer and related service and, as such, is reflected in this Schedule of Commitments under 1.B.

¹² Broadcasting is defined as the uninterrupted chain of transmission required for the distribution of TV and radio programme signals to the general public, but does not cover contribution links between operators.

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-Sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
3. CONSTRUCTION AND RELATED ENGINEERING SERVICES			
A. General construction work for buildings (CPC 512)	1) Unbound 2) None 3) None	1) Unbound 2) None 3) None	
B. General construction work for civil engineering (CPC 513)	4) Unbound, except as indicated in the Horizontal Section	4) Unbound, except as indicated in the Horizontal Section	
C. Installation and assembly work (CPC 514+516)			
D. Building completion and finishing work (CPC 517)			
E. Other (CPC 511+515+518)			
4. DISTRIBUTION SERVICES Sub-sectors below exclude trade in arms, explosives and genetically modified organisms			
A. Commission agents' services (CPC 6111, 6113, 6121, 621)	1) None 2) None 3) None	1) None 2) None 3) None	
B. Wholesale trade (CPC 61111, 6113, 6121, 622)	4) Unbound, except as indicated in the Horizontal Section	4) Unbound, except as indicated in the Horizontal Section	
C. Retailing services (CPC 61112, 61120, 61220, 6113, 6121, 631, 632,			
D. Franchising (CPC 8929)			

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-Sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
5. EDUCATION SERVICES All education services included in this section: - Sub-sectors listed below only cover privately funded education services. - Educational services in investigation, security and defence areas and in history and culture of people and nationalities in BIH are excluded.			
B. Secondary education services (CPC 922)	1) None 2) None 3) None 4) Unbound, except as indicated in the Horizontal Section	1) None 2) None 3) None 4) Unbound, except as indicated in the Horizontal Section	
C. Higher education services (CPC 923)	1) None 2) None 3) None 4) Unbound, except as indicated in the Horizontal Section	1) None 2) None 3) None 4) Unbound, except as indicated in the Horizontal Section	
D. Adult education (CPC 924)	1) None 2) None 3) None 4) Unbound, except as indicated in the Horizontal Section	1) None 2) None 3) None 4) Unbound, except as indicated in the Horizontal Section	
E. Other education services (CPC 929) Training services (e.g. language training, drivers education, executive/management training, information technology training,) education testing services after-school courses, educational programs offered during school breaks, tutoring and preparatory courses	1) None 2) None 3) None 4) Unbound, except as indicated in the Horizontal Section	1) None 2) None 3) None 4) Unbound, except as indicated in the Horizontal Section	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-Sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
6. ENVIRONMENTAL SERVICES			
A. Water for human use and wastewater management - waste water services correspond to sewage services (CPC 9401)	1) Unbound, except for advisory services where: none 2) None 3) None 4) Unbound, except as indicated in the horizontal section	1) Unbound, except for advisory services where: none 2) None 3) None, 4) Unbound, except as indicated in the Horizontal Section	
B. Solid/hazardous waste management. Refuse disposal services (CPC 9402) - Sanitation and Similar Services (CPC 9403)			
C. Protection of ambient air and climate. Cleaning services of exhaust gases (CPC 94040)	1) Unbound, except for advisory services where none 2) None 3) None 4) Unbound, except as indicated in the Horizontal Section	1) Unbound, except for advisory services where none 2) None 3) None 4) Unbound, except as indicated in the Horizontal Section	
D. Remediation and clean-up of soil and water. Treatment, remediation of contaminated/polluted soil and water (part of CPC 9406). Corresponds to parts of Nature and Landscape Protection Services			
E. Noise and vibration abatement (CPC 9405)			
F. Protection of biodiversity and landscape			

Modes of supply:		1) Cross-border supply	2) Consumption abroad	3) Commercial presence	4) Presence of natural persons
Sector or Sub-Sector	Limitations on Market Access	Limitations on National Treatment	Limitations on National Treatment	Additional Commitments	
- Nature and landscape protection services (parts of CPC 9406 not covered under D)					
7. FINANCIAL SERVICES					
- The admission to the market of new financial services or products may be subject to the existence of and consistency with, a regulatory framework aimed at achieving the objectives indicated in Article 2. (a) of the Section on Financial Services.					
A. All insurance and insurance-related services					
(i) Direct insurance (including co insurance): (a) life	1) Unbound 2) None 3) None Branch office: None 4) Unbound, except as indicated in the Horizontal Section	1) Unbound 2) None 3) None Branch office: None 4) Unbound, except as indicated in the Horizontal Section			
(i) Direct insurance (including co insurance): (b) non-life. (ii) Reinsurance and retrocession; (iii) Insurance intermediation, such as brokerage and agency; (iv) Services auxiliary to insurance, such as consultancy, actuarial, risk assessment.	1) Unbound except insurance of maritime transportation of passengers (scheduled or non-scheduled), with such insurance to cover any or all of the following: the passengers being transported, the vehicle transporting the passengers and any liability arising there from. 2) None 3) None Branch office: None 4) Unbound, except as indicated in the Horizontal Section	1) Unbound except insurance of maritime transportation of passengers (scheduled or non-scheduled), with such insurance to cover any or all of the following: the passengers being transported, the vehicle transporting the passengers and any liability arising there from. 2) None 3) None 4) Unbound, except as indicated in the Horizontal Section			

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-Sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
B. Banking and other financial services			
(v) Acceptance of deposits and other repayable funds from the public; (vi) Lending of all types, including consumer credit, mortgage credit, factoring and financing of commercial transaction; (vii) Financial leasing; (viii) All payment and money transmission services, including credit, charge and debit cards, travellers' cheques and bankers' drafts; (ix) Guarantees and commitments; (x) Trading for own account or for account of customers, whether on an exchange, in an over-the-counter market or otherwise, the following: (a) money market instruments (including cheques, bills, certificates of deposits); (b) foreign exchange; (c) derivative products including, but not limited to, futures and options; (d) exchange rate and interest rate instruments, including	1) Unbound 2) None 3) None, except the establishment of a specialised management company is required to perform the activities of management of unit trusts and investment companies. Branch office: None 4) Unbound, except as indicated in the horizontal section.	1) Unbound 2) None 3) None 4) Unbound, except as indicated in the horizontal section.	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-Sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
products such as swaps, forward rate agreements; (e) transferable securities; (f) other negotiable instruments and financial assets, including bullion. (xi) Participation in issues of all kinds of securities, including underwriting and placement as agent (whether publicly or privately) and provision of services related to such issues; (xii) Money broking; (xiii) Asset management, such as cash or portfolio management, all forms of collective investment management, custodial, depository and trust services; (xiv) Settlement and clearing services for financial assets, including securities, derivative products, and other negotiable instruments; (xv) Provision and transfer of financial information, and financial data processing and related software by suppliers of other financial services; (xvi) Advisory, intermediation and other auxiliary financial services on all			

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-Sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
the activities listed in subparagraphs (v) through (xv), including credit reference and analysis, investment and portfolio research and advice, advice on acquisitions and on corporate restructuring and strategy.			
8. HEALTH RELATED AND SOCIAL SERVICES (Sub-sectors listed below only cover privately funded services HEALTH RELATED AND SOCIAL SERVICES)			
A. Hospital services (CPC 9311) C. Social services - Convalescent and rest houses, old peoples' home (CPC 933)	1) Unbound 2) None 3) None 4) Unbound, except as indicated in the Horizontal Section	1) Unbound 2) None 3) None 4) Unbound, except as indicated in the Horizontal Section	
B. Other human health services (CPC 9319 (other than 93191))	1) Unbound 2) None 3) None 4) Unbound, except as indicated in the Horizontal Section	1) Unbound 2) None 3) None 4) Unbound, except as indicated in the Horizontal Section	
9. TOURISM AND TRAVEL RELATED SERVICES			
A. Hotels and restaurants (incl. catering) (CPC 641-643)	1) None, for catering services and reservation services or online frequent guest programs 2) None 3) None	1) None, for catering services and reservation services or online frequent guest programs 2) None 3) None	

Modes of supply:				
	1) Cross-border supply	2) Consumption abroad	3) Commercial presence	4) Presence of natural persons
Sector or Sub-Sector	Limitations on Market Access		Limitations on National Treatment	Additional Commitments
	4) Unbound, except as indicated in the Horizontal Section		4) Unbound, except as indicated in the Horizontal Section	
B. Travel agencies and tour operators' services (CPC 7471)	1) None 2) None 3) None 4) Unbound, except as indicated in the Horizontal Section		1) None 2) None 3) None 4) Unbound, except as indicated in the Horizontal Section	
C. Tourist guide services (CPC 7472)	1) None 2) None 3) None 4) Unbound, except as indicated in the Horizontal Section		1) None 2) None 3) None 4) Unbound, except as indicated in the Horizontal Section	
10. RECREATIONAL, CULTURAL AND SPORTING SERVICES (Other than audio-visual services)				
A. Other entertainment and cultural services - Cinema theatre operation services (part of CPC 96199) Excluding movies containing information on history, politics and society)	1) Unbound 2) None 3) None 4) Unbound, except as indicated in the Horizontal Section		1) Unbound 2) Unbound 3) None, except for access to subsidies 4) Unbound, except as indicated in the Horizontal Section	
B. News agency services (CPC 962)	1) None 2) None 3) None 4) Unbound, except as indicated in the Horizontal Section		1) None 2) None 3) None 4) Unbound, except as indicated in the Horizontal Section	

Modes of supply:		1) Cross-border supply	2) Consumption abroad	3) Commercial presence	4) Presence of natural persons
Sector or Sub-Sector	Limitations on Market Access		Limitations on National Treatment		Additional Commitments
- Sporting and other recreational services (CPC 964) except for gambling and betting services (CPC 9641, 96491)	1) None	2) None	3) None	4) Unbound, except as indicated in the Horizontal Section	
11. TRANSPORT SERVICES					
A. Maritime Transport Services					
(a) Passenger transportation (CPC 7211) and (b) Freight transportation (CPC 7212) excluding cabotage	1) None	2) None	3) (a) Establishment of a registered company for the purpose of operating a fleet under the national flag: Unbound (b) Other forms of commercial presence for the supply of international maritime transport services: None ¹³	1) None, 2) None 3) (a) Unbound (b) None	The following services at the port are made available to international maritime transport suppliers on reasonable and non-discriminatory terms and conditions by Bosnia and Herzegovina suppliers 1. Pilotage 2. Towing and the tug assistance 3. Provisioning, fuelling and watering

¹³ "Other forms of commercial presence for the supply of international maritime transport services" means the ability for international maritime transport service suppliers of the other Party to undertake locally all activities, which are necessary for the supply to their customers of a partially or fully integrated transport service, within which the maritime transport constitutes a substantial element. (This commitment shall however not be construed as limiting in any manner the commitments undertaken under the cross-border mode of delivery).

These activities include, but are not limited to:

- (a) marketing and sales of maritime transport and related services through direct contact with customers, from quotation to invoicing, these services being those operated or offered by the service supplier itself or by service suppliers with which the service seller has established standing business arrangements;
- (b) the acquisition, on their own account or on behalf of their customers (and the resale to their customers) of any transport and related services, including inland transport services by any mode, particularly inland waterways, road and rail, necessary for the supply of the integrated services;

Modes of supply:		1) Cross-border supply	2) Consumption abroad	3) Commercial presence	4) Presence of natural persons
Sector or Sub-Sector	Limitations on Market Access		Limitations on National Treatment		Additional Commitments
	4) (a) Ship's crews: Unbound (b) Key personnel employed in relation to a commercial presence under mode 3b) above Unbound, except as indicated in the horizontal section		4) Unbound, except as indicated in the Horizontal Section		4. Garbage collecting and ballast waste disposal 5. Port Captain services 6. Navigation aids 7. Shore-based operational services essential to ship operations including communications, water and electrical supplies 8. Emergency repair facilities 9. Anchorage, berth and berthing services
(c) Rental of vessels with crew (CPC 7213)	1) None 2) None		1) None 2) None		
(d) Maintenance and repair of vessels (CPC 8868)	3) None 4) Unbound, except as indicated in the Horizontal Section		3) None 4) Unbound, except as indicated in the Horizontal Section		
(e) Pushing and towing services (CPC 7214)					

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- (c) the preparation of documentation concerning transport documents, customs documents, or other documents related to the origin and character of the goods transported;
 - (d) the provision of business information by any means, including computerised information systems and electronic data interchange (subject to the provisions of the section on telecommunications);
 - (e) the setting up of any business arrangements (including participation in the stock of a company) and the appointment of personnel recruited locally (or, in the case of foreign personnel, subject to the horizontal commitment on movement of personnel) with any locally established shipping agency;
 - (f) acting on behalf of the companies, organising the call of the ship or taking over cargoes when required.

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-Sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(f) Supporting services for maritime transport (CPC 745)	1) None 2) None 3) None 4) Unbound, except as indicated in the Horizontal Section	1) None 2) None 3) None 4) Unbound, except as indicated in the Horizontal Section	
Services Auxiliary to Maritime Transport			
Cargo Handling Services (as defined below - 4)	1) Unbound* except for - no limitation on transshipment (board to board or via the quay) and/or on the use of on-board cargo handling equipment. 2) None 3) None** 4) Unbound, except as indicated in the horizontal section	1) Unbound* except for - no limitation on transshipment (board to board or via the quay) and/or on the use of on-board cargo handling equipment. 2) None 3) None 4) Unbound, except as indicated in the horizontal section	
Storage and Warehousing Services (CPC 742)	1) Unbound* 2) None 3) None** 4) Unbound, except as indicated in the horizontal section	1) Unbound* 2) None 3) None 4) Unbound, except as indicated in the horizontal section	
Customs Clearance Services (as defined below - 5)	1) Unbound* 2) None 3) None** 4) Unbound, except as indicated in the horizontal section	1) Unbound* 2) None 3) None 4) Unbound, except as indicated in the horizontal section	

* A commitment on this mode of delivery is not feasible.

** Public utility concession or licensing procedures may apply in case of occupation of the public domain.

Modes of supply:				1) Cross-border supply	2) Consumption abroad	3) Commercial presence	4) Presence of natural persons		
Sector or Sub-Sector	Limitations on Market Access		Limitations on National Treatment		Additional Commitments				
Container Station and Depot Services (as defined below - 6)	1) Unbound*	2) None	3) None**	4) Unbound, except as indicated in the horizontal section	1) Unbound*	2) None	3) None	4) Unbound, except as indicated in the horizontal section	
Agency Services (as defined below - 7)	1) None	2) None	3) None	4) Unbound, except as indicated in the horizontal section	1) None	2) None	3) None	4) Unbound, except as indicated in the horizontal section	See Note.
Freight Forwarding Services (as defined below - 8)	1) None	2) None	3) None	4) Unbound, except as indicated in the horizontal section	1) None	2) None	3) None	4) Unbound, except as indicated in the horizontal section	See Note.
B. Internal Waterways Transport									
(a) Passenger transportation (CPC 7221)	1) Unbound	2) None	3) Unbound	4) (a) Ship's crews: Unbound (b) Unbound, except as indicated in the horizontal section	1) Unbound	2) None	3) Unbound	4) Unbound, except as indicated in the Horizontal Section	
(b) Freight transportation (CPC 7222)									
(c) Rental of vessels with crew (CPC 7223)	1) Unbound	2) None	3) None	4) Unbound, except as indicated in the Horizontal Section	1) Unbound	2) None	3) None	4) Unbound, except as indicated in the Horizontal Section	
(d) Maintenance and repair of vessels (CPC 8868)									
(e) Pushing and towing services (CPC 7224)									

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-Sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
C. Air Transport Services			
(d) Aircraft repair and maintenance services (part of CPC 8868)	1) None 2) None 3) None 4) Unbound, except as indicated in the Horizontal Section	1) None 2) None 3) None 4) Unbound, except as indicated in the Horizontal Section	
- Selling and marketing of air transport services and computer reservation system (CRS) services only	1) None 2) None 3) None 4) Unbound, except as indicated in the Horizontal Section	1) For distribution through CRS of air transport services provided by CRS parent carrier: Unbound. 2) None 3) For distribution through CRS of air transport services provided by CRS parent carrier: Unbound. 4) Unbound, except as indicated in the Horizontal Section	
Ground handling services, excluding flight operations, crew administration and flight planning	1) Unbound 2) None 3) None 4) Unbound, except as indicated in the Horizontal Section	1) Unbound 2) None 3) None 4) Unbound, except as indicated in the Horizontal Section	
Airport operation and management services	1) Unbound 2) None 3) None 4) Unbound, except as indicated in the Horizontal Section	1) Unbound 2) None 3) None 4) Unbound, except as indicated in the Horizontal Section	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-Sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
E. Rail Transport Services			
(a) Passenger transportation (CPC 7111)	1) Unbound, exclusive domestic supplier (Public companies)	1) Unbound, exclusive domestic supplier (Public companies)	
(b) Freight transportation (CPC 7112)	2) None	2) None	
(d) Maintenance and repair of rail transport equipment (part of CPC 8868)	3) Unbound 4) Unbound, except as indicated in the Horizontal Section	3) Unbound 4) Unbound, except as indicated in the Horizontal Section	
F. Road Transport Services			
(a) Passenger transportation (CPC 7121, 7122)	1) Unbound, 2) None 3) Unbound 4) Unbound, except as indicated in the Horizontal Section	1) Unbound 2) None 3) Unbound 4) Unbound, except as indicated in the Horizontal Section	
(b) Freight transportation (CPC 7123)	1) Unbound, 2) None	1) Unbound 2) None	
(c) Rental of commercial vehicles with operator (CPC 7124)	3) Unbound 4) Unbound, except as indicated in the Horizontal Section	3) Unbound 4) Unbound, except as indicated in the Horizontal Section	
(d) Maintenance and repair of road transport equipment (CPC 6112)	1,2,3) None 4) Unbound, except as indicated in the Horizontal Section	1,2,3) None 4) Unbound, except as indicated in the Horizontal Section	
H. Services auxiliary to all modes of transport excluding maritime			
(a) Cargo- handling services (CPC 741)	1) Unbound*, except for - no limitation on transshipment (board to board or via the quay) and/or on	1) Unbound*, except for - no limitation on transshipment (board to board or via the quay) and/or on	

Modes of supply:		1) Cross-border supply	2) Consumption abroad	3) Commercial presence	4) Presence of natural persons
Sector or Sub-Sector	Limitations on Market Access		Limitations on National Treatment		Additional Commitments
		the use of on-board cargo handling equipment. 2) None 3) None** 4) Unbound, except as indicated in the horizontal section		the use of on-board cargo handling equipment. 2) None 3) None 4) Unbound, except as indicated in the horizontal section	
(b) Storage and warehouse services (CPC 742)		1) Unbound* 2) None 3) None** 4) Unbound, except as indicated in the horizontal section		1) Unbound* 2) None 3) None 4) Unbound, except as indicated in the horizontal section	
(c) Freight transport agency services (CPC 748)		1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section		1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section	

* A commitment on this mode of delivery is not feasible.

** Public utility concession or licensing procedures may apply in case of occupation of the public domain.

NOTE TO THE SCHEDULE

Where road, rail, inland waterways and related auxiliary services are not otherwise fully covered in this Schedule, a multimodal transport operator shall have the ability to rent or lease trucks, railway carriages or barges, and related equipment, for the purpose of inland forwarding of cargoes, or have access to, and use of, these forms of multimodal activities on reasonable and non-discriminatory terms and conditions for the purpose of carrying out multimodal transport operations. "Reasonable and non-discriminatory terms and conditions" means, for the purpose of multimodal transport operations and this additional commitment, the ability of the multimodal transport operator to arrange for the conveyance of its merchandise on a timely basis, including priority over other merchandise which has entered the port at a later date.

DEFINITIONS

1. Without prejudice to the scope of activities which may be considered as "cabotage" under the relevant national legislation, this Schedule does not include "cabotage services".
2. "Other forms of commercial presence for the supply of international transport services" means the ability for international transport service suppliers of the other Party to undertake locally all activities which are necessary for the supply to their customers of a partially or fully integrated transport service, within which the all modes of transport constitutes a substantial element. (This commitment shall however not be construed as limiting in any manner the commitments undertaken under the cross-border mode of delivery).

These activities include, but are not limited to:

- (a) marketing and sales of transport and related services through direct contact with customers, from quotation to invoicing, these services being those operated or offered by the service supplier itself or by service suppliers with which the service seller has established standing business arrangements;
- (b) the acquisition, on their own account or on behalf of their customers (and the resale to their customers) of any transport and related services, including inward transport services by any mode, particularly inland waterways, road and rail, necessary for the supply of the integrated service;
- (c) the preparation of documentation concerning transport documents, customs documents, or other documents related to the origin and character of the goods transported;
- (d) the provision of business information by any means, including computerised information systems and electronic data interchange (subject to the provisions of the Section III (Telecommunications));

(e) the setting up of any business arrangements (including participation in the stock of a company) and the appointment of personnel recruited locally (or, in the case of foreign personnel, subject to the horizontal commitment on movement of personnel) with any locally established shipping agency;

(f) acting on behalf of the companies, organising the call of the ship or taking over cargoes when required.

3. "Multimodal transport operator" means the person on whose behalf the bill of lading/multimodal transport document, or any other document evidencing a contract of multimodal carriage of goods, is issued and who is responsible for the carriage of goods pursuant to the contract of carriage.

4. "Cargo handling services" means activities exercised by stevedore companies, including terminal operators, but not including the direct activities of dockers, when this workforce is organised independently of the stevedoring or terminal operator companies. The activities covered include the organisation and supervision of:

- the loading/discharging of cargo to/from a ship;
- the lashing/unlashing of cargo;
- the reception/delivery and safekeeping of cargoes before shipment or after discharge.

5. "Customs clearance services" (alternatively "customs house brokers' services") means activities consisting in carrying out on behalf of the other party customs formalities concerning import, export or through transport of cargoes, whether this service is the main activity of the service provider or a usual complement of its main activity.

6. "Container station and depot services" means activities consisting in storing containers, whether in port areas or inland, with a view to their stuffing/stripping, repairing and making them available for shipments.

7. "Agency services" means activities consisting in representing, within a given geographic area, as an agent the business interests of one or more shipping lines or shipping companies, for the following purposes:

- marketing and sales of transport and related services, from quotation to invoicing, and issuance of bills of lading on behalf of the companies, acquisition and resale of the necessary related services, preparation of documentation, and provision of business information;
- acting on behalf of the companies organising the call of the ship or taking over cargoes when required.

8. "Freight forwarding services" means the activity consisting of organising and monitoring shipment operations on behalf of shippers, through the acquisition of transport and related services, preparation of documentation and provision of business information.

Appendix I-A

Understanding on the scope of coverage of CPC 84 - Computer and Related Services

1. CPC 84 covers all computer and related services.
2. Technological developments have led to the increased offering of these services as a bundle or package of related services that can include some or all of the basic functions listed in paragraph 3. For example, services such as web or domain hosting, data mining services and grid computing each consist of a combination of basic computer services functions.
3. Computer and related services, regardless of whether they are delivered via a network, including the Internet, include all services that provide any of the following or any combination thereof:
 - consulting, adaptation, strategy, analysis, planning, specification, design, development, installation, implementation, integration, testing, debugging, updating, support, technical assistance, or management of or for computers or computer systems;
 - consulting, strategy, analysis, planning, specification, design, development, installation, implementation, integration, testing, debugging, updating, adaptation, maintenance, support, technical assistance, management or use of or for software¹⁴;
 - data processing, data storage, data hosting or database services;
 - maintenance and repair services for office machinery and equipment, including computers and
 - training services for staff of clients, related to software, computers or computer systems, and not elsewhere classified.

¹⁴ The term “software” may be defined as the sets of instructions required to make computers work and communicate. A number of different programmes may be developed for specific applications (application software), and the customer may have a choice of using ready-made programmes off the shelf (packaged software), developing specific programmes for particular requirements (customized software) or using a combination of the two.

4. In many cases, computer and related services enable the provision of other services¹⁵ by both electronic and other means. However, in such cases, there is an important distinction between the computer and related service (*e.g.*, web-hosting or application hosting) and the other service enabled by the computer and related service. The other service, regardless of whether it is enabled by a computer and related service, is not covered by CPC 84.

¹⁵ *E.g.* W/120.1.A.b. (accounting, auditing and bookkeeping services), W/120.1.A.d. (architectural services), W/120.1.A.h. (medical and dental services), W/120.2.D (audio-visual services), W/120.5. (educational services).

**NOTES to the Understanding on the scope of coverage of CPC 84
Computer and Related Services**

CPC DIVISION 84 - COMPUTER AND RELATED SERVICES

- 841 Consultancy services related to the installation of computer hardware
- 8410 84100 Consultancy services related to the installation of computer hardware
Assistance services to the clients in the installation of computer hardware (i.e. physical equipment) and computer networks.
- 842 Software implementation services
All services involving consultancy services on, development and implementation of software. The term "software" may be defined as the sets of instructions required to make computers work and communicate. A number of different programmes may be developed for specific applications (application software), and the customer may have a choice of using ready-made programmes off the shelf (packaged software), developing specific programmes for particular requirements (customized software) or using a combination of the two.
- 8421 84210 Systems and software consulting services
Services of a general nature prior to the development of data processing systems and applications. It might be management services, project planning services, etc.
- 8422 84220 Systems analysis services
Analysis services include analysis of the clients' needs, defining functional specification, and setting up the team. Also involved are project management, technical coordination and integration and definition of the systems architecture.
- 8423 84230 Systems design services
Design services include technical solutions, with respect to methodology, quality-assurance, choice of equipment software packages or new technologies, etc.
- 8424 84240 Programming services
Programming services include the implementation phase, i.e. writing and debugging programmes, conducting tests, and editing documentation.

- 8425 84250 Systems maintenance services
Maintenance services include consulting and technical assistance services of software products in use, rewriting or changing existing programmes or systems, and maintaining up-to-date software documentation and manuals. Also included are specialist work, e.g. conversions.
- 843 Data processing services
- 8431 84310 Input preparation services
Data recording services such as key punching, optical scanning or other methods for data entry.
- 8432 84320 Data-processing and tabulation services
Services such as data processing and tabulation services, computer calculating services, and rental services of computer time.
- 8433 84330 Time-sharing services
This seems to be the same type of services as 84320. Computer time only is bought; if it is bought from the customer's premises, telecommunications services are also bought. Data processing or tabulation services may also be bought from a service bureau. In both cases the services might be time sharing processed. Thus, there is no clear distinction between 84320 and 84330.
- 8439 84390 Other data processing services
Services which manage the full operations of a customer's facilities under contract: computer-room environmental quality control services; management services of in-place computer equipment combinations; and management services of computer work flows and distributions.
- 844 Database services
- 8440 84400 Database services
All services provided from primarily structured databases through a communication network.
Exclusions: Data and message transmission services (e.g. network operation services, value-added network services) are classified in class 7523 (Data and message transmission services).
Documentation services consisting in information retrieval from databases are classified in subclass 96311 (Library services).
- 845 Maintenance and repair services of office machinery and equipment including computers

- 8450 84500 Maintenance and repair services of office machinery and equipment including computers
Repair and maintenance services of office machinery, computers and related equipment.
- 849 Other computer services
- 8491 84910 Data preparation services
Data preparation services for clients not involving data processing services.
- 8499 84990 Other computer services n.e.c.
Other computer related services, not elsewhere classified, e.g. training services for staff of clients, and other professional computer services.
-

LIST OF ARTICLE II (MFN) EXEMPTIONS OF BOSNIA AND HERZEGOVINA

Sector or sub-sector	Description of measure indicating its inconsistency with Article II	Countries to which the measure applies	Intended duration	Conditions creating the need for the exemption
All sectors	Measures based on bilateral agreements concluded by Party with the objective of providing for the movement of all categories of natural persons supplying services.	European Community and its Member States and Switzerland.	Indefinite.	The agreements reflect a process of progressive trade liberalisation between Party and its regional trading partners.

APPENDIX II to ANNEX V
SCHEDULE OF SPECIFIC COMMITMENTS
TURKEY

ANX V/APPX II/1

TURKEY – SCHEDULE OF SPECIFIC COMMITMENTS

EXPLANATORY NOTES

1. The list of commitments below (hereinafter referred to as “this Schedule”) indicates the service sectors liberalised pursuant to Article 3.7 (Schedules of specific commitments) of Chapter III (Trade in services), and, by means of reservations, the market access and national treatment limitations that apply to services and service suppliers of Bosnia and Herzegovina in those sectors. This Schedule is composed of the following elements:

(a) the first column indicates the sector or subsector in which the commitment is undertaken by Turkey, and the scope of liberalisation to which the reservations apply;

(b) the second column describes the applicable reservations to Article 3.4 (Market access) of Chapter III (Trade in services) in the sector or subsector indicated in the first column;

(c) the third column describes the applicable reservations to Article 3.5 (National treatment) of Chapter III (Trade in services) in the sector or subsector indicated in the first column; and

(d) the fourth column describes additional commitments on the measures affecting supply of services that are not subject to scheduling under Articles 3.4 (Market access) and 3.5 (National treatment) of Chapter III (Trade in services).

Supply of services in sectors or subsectors covered by this Agreement and not mentioned in this Schedule is not committed.

2. Four different modes of supply are indicated in this Schedule. These shall be understood as follows:

- (a) The mode of supply “1) the cross-border supply” is understood as the supply of a service from the territory of a Party into the territory of the other Party, in accordance with Article 3.2 (b.i) (Definitions) of Chapter III (Trade in services).
- (b) The mode of supply “2) the consumption abroad” is understood as the supply of a service in the territory of a Party to the service consumer of the other Party, in accordance with Article 3.2 (b.ii) (Definitions) of Chapter III (Trade in services).
- (c) The mode of supply “3) the commercial presence” is understood as the supply of a service through an establishment, in accordance with Article 3.2 (b.iii) (Definitions) of Chapter III (Trade in services).
- (d) The mode of supply “4) the presence of natural persons” is understood as the supply of a service through the temporary presence of natural persons for business purpose, in accordance with Article 3.2 (b.iv.) (Definitions) of Chapter III (Trade in services).

3. Notwithstanding Article 3.4 (Market access) of Chapter III (Trade in services), non-discriminatory requirements as regards the types of legal form of an establishment do not need to be specified in this Schedule in order to be maintained or adopted by Turkey.

4. Turkey does not undertake any commitment on the entry and temporary stay of natural person categories not indicated in this Schedule

Turkey’s commitments on Temporary Movement of Natural Persons for the Purpose of Supplying Services do not apply in cases where the intent or effect of their temporary presence is to interfere with, or otherwise affect the outcome of, any labour/management dispute or negotiation.

Intra-corporate transferees, graduate trainees, business visitors and business service sellers whose entries and temporary stay are permitted shall observe the immigration and labour laws of Turkey.

Turkey may take any measures affecting natural persons seeking access to the employment market of Turkey and measures regarding citizenship, residence or employment on a permanent basis.

5. In identifying individual sectors and sub-sectors, CPC means the Central Products Classification as set out in Statistical Office of the United Nations, Statistical Papers, Series M, No. 77, CPC Prov, 1991. Postal/courier services are defined in the related sector or sub-sector column. Financial services are defined according to the Financial Services Section. A CPC code accompanied with double asterisks “**” indicate that "part of" the sector is covered. “Unbound*” indicate “lack of technical feasibility”.

The ordering of the service sectors, sub-sectors and activities in this Schedule reflects the Services Sectoral Classification List contained in the WTO document MTN.GNS/W/120, dated 10 July 1991.

6. This Schedule does not include measures relating to qualification requirements and procedures, technical standards and licensing requirements when they do not constitute a market access or a national treatment limitation within the meaning of Article 3.4 (Market access) and Article 3.5 (National treatment) of Chapter III (Trade in services). Those measures (e.g. need to obtain a license, universal service obligations, need to obtain recognition of qualifications in regulated sectors, and need to pass specific examinations, including language examinations and need to have a legal domicile in the territory where the economic activity is performed), even if not listed, apply in any case to services and service suppliers of Bosnia and Herzegovina.

The conditions and criteria, required for obtaining all the permissions and authorisations which are indicated in this Schedule and those which are applied for becoming a member of all the related chambers, do not limit market access or qualify national treatment within the scope of Article 3.4 (Market access) and Article 3.5 (National treatment) of Chapter III (Trade in services).

7. Nothing in this Schedule shall be construed to prejudice the enforcement of any measure under the foreign trade regime and related customs procedures of Turkey with regard to goods, in compliance with international agreements Turkey is a party to. In this respect, with regard to service sectors, sub-sectors or activities where importation and/or exportation of goods might be an integral part of the supply of

services, such as distribution services, maintenance and repair services, and technical testing and analysis services, any relevant foreign trade and/or customs measure shall continue to apply, even if not listed, to services and services suppliers of Bosnia and Herzegovina.

8. In accordance with Article 3.1 (Scope) of Chapter III (Trade in services), this Schedule does not include measures concerning subsidies or grants provided by Turkey, including government-supported loans, guarantees and insurance or to any conditions attached to the receipt of such subsidies or grants, whether or not such subsidies or grants are offered exclusively to domestic services, service consumers or service suppliers.

9. The rights and obligations arising from this Schedule shall have no self-executing effect and thus confer no rights directly on natural or juridical persons.

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
I. HORIZONTAL COMMITMENTS APPLICABLE TO SECTORS LISTED IN THE SECTORAL PART OF THE SCHEDULE			
ALL SECTORS INCLUDED IN THIS SCHEDULE	<p>3) “None for Joint Stock Companies, Limited Liability Companies, Commandite Companies, Collective Companies as defined in Turkish Commercial Code and Foreign Direct Investment Law.”. Unbound for the establishment or acquisition of any other type of legal entity.</p> <p>Opening of a liaison office by a company organised under the laws of a foreign government is subject to permission of the Ministry of Economy, provided that they do not engage in commercial activities in Turkey.</p> <p><u>Real Estate Acquisition:</u></p> <p>3) According to Land Registry Law, Companies with foreign capital are permitted to acquire real estate in Turkey to conduct business activities listed in the articles of association of their</p>	<p>3) <u>Branching:</u></p> <p>The establishment of a branch by a company organised under the laws of a foreign government requires the appointment of a natural person representative with domicile in Turkey who is duly authorised by the company to fully represent it.</p>	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	<p>enterprise. However, acquisitions in military zones (military forbidden zones, military security zones and strategic zones) and special security zones require permissions from the Turkish military authorities and province governorship respectively.</p> <p>1.3.4) The Council of Ministers has the authority to determine, modify or limit the conditions of and/or to partially or fully withdraw or ban the right to real estate acquisition by foreign natural persons and juridical persons organised under the laws of a foreign government, in line with national interests.</p>		
	<p><u>Public utilities:</u></p> <p>Economic activities considered as public utilities at the national or local level may be subject to public monopolies or to exclusive rights granted to private operators.</p>		

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	<p>4) Unbound except for measures concerning the entry and temporary stay of natural persons in the following categories:</p> <p>I. <u>Intra-corporate transferees</u> are natural persons who have been employed by a juridical person of a Party for at least one year and who are temporarily transferred to one of its subsidiaries, affiliates or branches in the territory of Turkey. The natural person concerned shall belong to one of the following categories.</p> <p><i>Executives-Managers:</i></p> <p>Natural persons working in a senior position within a juridical person, who primarily direct the management of the company, receiving general supervision or direction principally from the board of directors or</p>		

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	<p>shareholders of the business or their equivalents, including:</p> <ul style="list-style-type: none"> (A) directing the company or a department or sub-division thereof; (B) supervising and controlling the work of other supervisory, professional or managerial employees; and (C) having the authority personally to recruit and dismiss or recommend recruiting, dismissing or other personnel actions. <p>Specialists:</p> <p>Natural persons working within a juridical person, and who possess uncommon knowledge essential to the company's production, research equipment, techniques or management. In assessing such knowledge, account will be taken not only of knowledge specific to the company, but also of whether the person has a high level of</p>		

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	<p>qualification referring to a type of work or trade requiring specific technical knowledge, including membership of an accredited profession.</p>		
	<p>II. <u>Trainees:</u> means natural persons who have been employed by a juridical person of a Party for at least one year, who possess a university degree and who are temporarily transferred to one of its subsidiaries, affiliates, or branches in the territory of Turkey for career development purposes or to obtain training in business techniques or methods.¹</p>		
	<p>III. <u>Business visitors</u> are natural persons working in a senior position within a juridical person of a Party and who are responsible for</p>		

¹ The recipient company may be required to submit a training programme covering the duration of stay for prior approval, demonstrating that the purpose of the stay is for training corresponding to the level of a university degree.

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	<p>setting up a subsidiary, affiliate or branch in the territory of Turkey. They do not engage in direct transactions with the general public and do not receive remuneration from a source located in Turkey.</p>		
	<p>IV. <u>Business Service Sellers:</u> means natural persons who are representatives of a service supplier of a Party seeking temporary entry into the territory of Turkey for the purpose of negotiating the sale of services or entering into agreements to sell services for that service supplier. They do not engage in making direct sales to the general public and do not receive remuneration from a source located within Turkey.</p>		

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	<p><i>Intra-corporate transferees</i> and <i>trainees</i> need to obtain a work permit from the Ministry of Labour and Social Security. The work permits may be issued, in accordance with respective laws, regulations and requirements of Turkey, for a period of up to one year. Turkey may authorise an extension for the period allowed in conformity with the laws and regulations in force in its territory.</p> <p><i>Business visitors</i> and <i>business service sellers</i> are not required to obtain work permits. The entry and temporary stay of <i>business visitors</i> and <i>business service sellers</i> may be permitted, in accordance with respective laws, regulations and requirements of Turkey, for a period of up to 90 days within 180 days.</p> <p>3,4) Foreign engineers and architects may engage in the provision of engineering and architecture</p>		

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	<p>services in Turkey only after becoming a temporary member of the related professional chamber under the Union of Chambers of Turkish Engineers and Architects.</p>		

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
II. SECTOR SPECIFIC COMMITMENTS			
1. BUSINESS SERVICES			
A. Professional Services			
(a) Legal services (only advisory services on foreign and International Law) (CPC 861**)	1) None 2) None 3) Establishment in the form of a “foreign attorney partnership (yabancı avukatlık ortaklığı)” is required. 4) Unbound, except as indicated in the horizontal section	1) None 2) None 3) Representation in the Turkish Courts is assigned only to Turkish nationals. Use of the professional title “avukat (attorney at law)” is reserved for the Turkish nationals enrolled with Turkish Bar Associations. Legal professionals of Turkish nationality hired by foreign law partnerships cannot provide legal services, other than advisory services on foreign and international law (CPC 861**). 4) Unbound, except as indicated in the horizontal section	
(b) Accounting, auditing and bookkeeping services (CPC 862)	1) Unbound 2) None 3) Authorised financial advisers ² may associate their works in the	1) Unbound 2) None 3) Foreign titles and names cannot be used in the titles of	

² The term “financial adviser” used in this entry refers to a “Certified Public Accountant (Serbest Muhasebeci Mali Müşavir)” pursuant to the “Law

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	<p>form of a “partnership office (adi ortaklık)” or an “equity company³ (sermaye şirketi)” in accordance with the Turkish Commercial Code after becoming a member of the related Chamber.</p> <p>Foreign auditing firms may carry out independent audit in Turkey on the condition that they are authorised by Public Oversight, Auditing and Accounting Standards Authority, in accordance with the principle of reciprocity.</p> <p>Auditing firms are required to be established as “equity companies” in accordance with the Turkish Commercial Code.</p> <p>Auditing firms that will perform the audits of capital market institutions are required to be established as “joint-stock corporations”.</p>	<p>partnerships or corporations among Turkish and Foreign Financial Advisers</p>	

No. 3568 on Certified Public Accountants and Sworn-In Public Accountants”. Foreign financial advisers can be authorised, under reciprocity condition, by the approval of the Prime Minister upon the proposal of the Ministry of Finance.

³ Equity company types are “joint-stock corporation (anonim şirket)”, “limited liability company (limited şirket)” and “partnership limited by shares (sermayesi paylara bölünmüş komandit şirket)”.

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	<p>For an audit firm to be authorised: Majority of its capital and voting rights shall be owned by auditors, and all the partners of the firm shall be members of profession.⁴ The members of its managing body shall be entirely composed of the members of profession; and majority of them, but provided that this ratio does not exceed seventy-five percent, shall be the auditors permanently employed by it.</p> <p>4) Unbound</p>	<p>4) Turkish citizenship is required for Accountants and Certified Public Accountants</p>	
(c) Taxation Services Business tax planning and consulting services (CPC 86301)	<p>1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section</p>	<p>1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section</p>	
(d) Architectural Services (CPC 8671)	<p>1) None 2) None</p>	<p>1) None 2) None</p>	

⁴ "Members of profession" are "certified public accountants (serbest muhasebeci mali müşavir)" or "sworn-in public accountants (yeminli mali müşavir)" pursuant to the Law No. 3568; and Turkish nationality requirement exists for members of profession.

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	3) None 4) Unbound, except as indicated in the horizontal section	3) None 4) Unbound, except as indicated in the horizontal section	
(e) Engineering Services (CPC 8672)	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section	
(f) Integrated Engineering (CPC 8673)	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section	
(g) Landscape architecture services (part of CPC 8674)	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section	
(h) Veterinary Services (CPC 932) - Only for animal hospitals and laboratories	1) None 2) None 3) Wholly foreign owned animal hospitals and laboratories can be established in Turkey on the condition that all the veterinaries employed are Turkish citizens. Responsible director of an animal hospital or a laboratory must be a veterinary. Nationality requirement exists for	1) None 2) None 3) None	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	veterinaries. Obtaining an operation license from the Ministry of Food, Agriculture and Livestock is required. 4) Unbound	4) Unbound	
B. Computer and Related Services			
(a) Consultancy services related to the installation of computer hardware (CPC 841)	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section	
(b) Software implementation services (CPC 842)	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section	
(c) Data processing services (CPC 843)	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section	
(d) Database services including data storage, data hosting and web hosting services (CPC 844)	1) Unbound 2) None 3) None 4) Unbound, except as indicated in the horizontal section	1) Unbound 2) None 3) None 4) Unbound, except as indicated in the horizontal section	
(e) Other CRS	1) None 2) None	1) None 2) None	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
- Maintenance and repair services of office machinery and equipment including computers (CPC 845) - Training services for staff of clients (CPC 84990**)	3) None 4) Unbound, except as indicated in the horizontal section	3) None 4) Unbound except as indicated in the horizontal section	
C. Research and Development Services (excluding R&D financed in whole or in part by public funds)			
(a) R&D services on natural sciences (CPC 851 except part of CPC 85102 ⁵) (b) R&D services on social sciences and humanities (CPC 852) (c) Interdisciplinary R&D services (CPC 853)	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section	1) None 2) None 3) None, except juridical persons duly established in Turkey, but which are acting on behalf of foreign natural persons or juridical persons that have no commercial presence in Turkey, are required to obtain prior permission to conduct scientific research activities in the Turkish territory. 4) Unbound, except as indicated in the horizontal section In addition, to conduct scientific research activities in the Turkish territory, foreign natural persons	

⁵ Only R&D services on chemistry are covered under CPC 85102.

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
		are required to obtain prior permission.	
E. Rental/Leasing Services without Operators			
(a) Relating to ships ⁶ (CPC 83103)	1) Unbound	1) Unbound	
(b) Relating to aircraft ⁶ (CPC 83104)	2) None	2) None	
(c) Relating to other transport equipment (CPC 83101+ 83105) 83105	3) None except Turkey may apply economic needs tests with respect to rental/leasing services (without operators) relating to other transport equipment.	3) None	
(d) Relating to other machinery and equipment (CPC 83106-83109) - Including rental or leasing of studio recording equipment (part of CPC 83109)	4) Unbound except indicated in the horizontal section	4) Unbound except indicated in the horizontal section	
(e) Leasing or rental services concerning personal and household goods (CPC 832)			
F. Other Business Services			
(a) Advertising services (CPC 871)	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section	

⁶ This commitment does not include or confer any right with regard to carrying the Turkish flag.

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(b) Market research services (CPC 864)	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section	
(c) Management consulting services (CPC 865)	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section	
(e) Technical Testing and Analysis Services, excluding technical testing, analysis and control (inspection) services relating to construction and construction materials ⁷ , vessels and aircrafts, and marine survey activities. - Composition and purity testing and analysis services (CPC 86761**) ⁸	1) Unbound 2) Unbound 3) None 4) Unbound, except as indicated in the horizontal section	1) Unbound 2) Unbound 3) None 4) Unbound, except as indicated in the horizontal section	
- Testing and analysis services of physical properties (CPC 86762)	1) Unbound 2) Unbound 3) None	1) Unbound 2) Unbound 3) None	

⁷ Turkey does not assume any commitments regarding technical testing and analysis services relating to the construction sector, including construction and building control activities performed to ensure that the whole construction process, as well as the construction materials used as inputs in the construction, are in conformity with the technical specifications and standards specified by relevant laws and regulations.

⁸ Only inspection, testing and analysis services of air, water, noise level and vibration level under CPC 86761.

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	4) Unbound, except as indicated in the horizontal section	4) Unbound, except as indicated in the horizontal section	
- Testing and analysis services of integrated mechanical and electrical components (CPC 86763)	1) Unbound 2) Unbound 3) None, except establishment of a commercial presence for testing and analysis services regarding automobiles and other motor vehicles is subject to an economic needs test. Main criteria: the number of and impact on existing domestic suppliers, protection of public health, safety, and the environment. 4) Unbound, except as indicated in the horizontal section	1) Unbound 2) Unbound 3) None 4) Unbound, except as indicated in the horizontal section	
- Technical inspection services (CPC 86764)	1) Unbound 2) Unbound 3) None 4) Unbound, except as indicated in the horizontal section	1) Unbound 2) Unbound 3) None 4) Unbound, except as indicated in the horizontal section	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(f) Services incidental to hunting (CPC 881)	1) Commercial presence is required 2) None 3) Only travel agencies with a Type-A license may operate in this field with the condition of obtaining a hunting licence 4) Unbound, except as indicated in the horizontal section	1) Commercial presence is required 2) None 3) None 4) Unbound, except as indicated in the horizontal section	
(h) Services incidental to mining (CPC 883+5115)	1) Commercial presence is required. 2) None 3) ⁹ None 4) “Permanent Supervisors (daimi nezaretçi)” in mining sites are required to be Turkish nationals. Otherwise Unbound, except as indicated in the horizontal section	1) Commercial presence is required 2) None 3) None 4) “Technical supervisors (teknik nezaretçi)” and “permanent supervisors (daimi nezaretçi)” in mining sites are required to be Turkish nationals.	
(n) Maintenance and repair of equipment (not including maritime vessels, aircraft or other transport equipment) (CPC 633+ 8861-8866)	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section	
(o) Building-cleaning services (CPC 874)	1) None 2) None 3) None	1) None 2) None 3) None	

⁹ Petroleum and Mining Laws specify that services incidental to mining require an operating licence.

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	4) Unbound, except as indicated in the horizontal section	4) Unbound, except as indicated in the horizontal section	
(p) Photographic services (CPC 875) except specialty photography services (CPC 87504)	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section	
(q) Packaging services (CPC 876)	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section	
(r) - Printing (CPC 88442**)	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section	
- Publishing (CPC 88442**) [Excluding publishing services of newspapers, magazines and publications of news agencies]	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section	1) None 2) None 3) Unbound 4) Unbound, except as indicated in the horizontal section	
(s) Convention services (CPC 87909**)	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section	
(t) Other	1,3) None, except for translation and interpretation services supplied	1) Unbound 2) None	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
- Translation and interpretation services (CPC 87905)	by sworn/certified interpreters in relation with notary services. - Sworn/certified translation services: unbound 2) None 4) Unbound for sworn/certified translation services. Otherwise, unbound, except as indicated in the horizontal section	3) None, except as indicated in the MA column. 4) Unbound for sworn/certified translation services. Otherwise, unbound, except as indicated in the horizontal section	
2. COMMUNICATION SERVICES			
A./B. Postal Services (Postal and Courier Services)			
Postal services cover the acceptance, collection, processing, shipment, distribution and delivery of “postal items” as defined in the Law on Postal Services No. 6475	1,3) Establishment in the form of an “equity capital company (sermaye şirketi)” ¹⁰ is required. “Posta ve Telgraf Teşkilatı Anonim Şirketi (PTT A.Ş.)”, a wholly state owned enterprise, is authorised by the Law on Postal Services to supply postal services under a universal service obligation and has the monopoly right to supply the following services:	1,3) None	

¹⁰ In accordance with Article 124 of the Turkish Commercial Code (Law No. 6102), the following are considered equity capital companies: “joint-stock company (anonim şirket)”; “limited liability company (limited şirket)”; “limited partnership in which the capital is divided into shares (sermayesi paylara bölünmüş komandit şirket)”.

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	<ul style="list-style-type: none"> - acceptance, collection, sorting, transport, distribution and delivery of domestic and international items of correspondence whose weight or fee limits are determined by the Council of Ministers¹¹; - Without prejudice to the provisions related with electronic notification of the Tax Procedural Law no. 213 dated 4/1/1961, acceptance, collection, sorting, transport, distribution and delivery of any type of official notice, including through electronic media, within the scope of the Law numbered 7201 and other laws; - Postal services of Turkish Armed Forces in peacetime; 		

¹¹ Until the weight and/or fee limits of monopoly right is determined by the Council of Ministers, the PTT A.Ş. shall continue to exercise its monopoly right over all the open and closed letters and postcards bearing any kind of correspondence without any weight limit.

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	<ul style="list-style-type: none"> - Printing and sale of postal stamps that show the fees to be collected in postal services, personal stamps, commemorative stamps, postcards and first day covers. 2) None 4) Unbound, except as indicated in the horizontal section 	<ul style="list-style-type: none"> 2) None 4) Unbound, except as indicated in the horizontal section 	
C. Telecommunication (Electronic Communications) Services¹²			
<ul style="list-style-type: none"> (a) Voice telephone services (b) Packet-switched data transmission services (c) Circuit-switched data transmission services (d) Telex services 	<ul style="list-style-type: none"> 1,3) Other than national public organizations and state-owned enterprises foreseen by law, in order to be authorised, establishment is required in the form of a joint-stock or limited liability company locating in Turkey. Electronic communications (telecommunications) services and infrastructure requiring authorisation in the form of limited number of rights of use 	<ul style="list-style-type: none"> 1) None 	

¹² The scope of basic telecommunications in this Schedule does not cover any kind of (analog-digital) radio and TV programme broadcasting services and on-demand media services to the public.

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(f) Facsimile services (g) Private leased circuit services (h) Electronic mail (i) Voice mail (j) On-line information and data-base retrieval (k) Electronic data interchange (l) Enhanced/value-added facsimile services, incl. store and forward, store and retrieve (m) Code and protocol (n) On-line information and/or data processing (o) Others <ul style="list-style-type: none"> - Mobile services analog/digital cellular - Paging services - Cable broadcasting¹³ services - Satellite Communications Services (VSAT, SCPC VSAT) - Satellite Platform Services - GMPCS services - Infrastructure services - Private/Public Access Mobile Radio Services - Directory Information Services 	can be provided only by joint stock companies. 2) None 4) Unbound, except as indicated in the horizontal section	2) None 3) None 4) Unbound, except as indicated in the horizontal section	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(e) Telegraph services	1) PTT A.Ş., a wholly state owned enterprise, is the exclusive service provider. 2) None 3) PTT A.Ş., a wholly state owned enterprise, is the exclusive service provider. 4) Unbound	1) None 2) None 3) None 4) Unbound	
D. Audio-visual Services (Excluding Broadcasting¹⁴)			
(a) Motion picture and video-tape production and distribution services (CPC 9611)	1) None, except establishment of a commercial presence is required for the distribution of motion pictures in physical media (CD, video-tape, etc.). 2) None 3) None 4) Unbound, except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section	
(b) Motion picture projection services (CPC 9612) (by Cinema theatre owners only)	1) Unbound* 2) None 3) None 4) Unbound, except as indicated in the horizontal section	1) Unbound 2) None 3) None 4) Unbound, except as indicated in the horizontal section	

¹³ Cable broadcasting services include only the transmission of broadcasting signals but do not include editorial activities relating to content.

¹⁴ Broadcasting covers the transmission of signs or signals via any technology for the reception and/or display of aural and/or visual programme signals by all or part of the public

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(c) Radio and television services (CPC 96131, 96132)	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section	
(d) Radio and television programme distribution ¹⁵ services, excluding transmission	1) None, except establishment of a commercial presence is required for the distribution of radio and TV programmes in physical media (CD, video-tape, etc.). 2) None 3) None 4) Unbound, except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section	
(e) Sound recording services (For the purposes of this Schedule, sound recording service activities are defined as fixation of a series of musical, spoken, or other sounds in a studio, but not including the sounds accompanying a motion picture, radio or television programme or other audio-visual work.)	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section	

¹⁵ For greater certainty, distribution services in this context may include the licensing of radio and television programmes to other service providers for exhibition, broadcast or the transmission, rental, sale or use. Transmission services for radio and television programmes, including on-demand services, are not covered by this Schedule.

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
3. CONSTRUCTION AND RELATED ENGINEERING SERVICES (CPC 51)			
All services falling within CPC 51	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section	
4. DISTRIBUTION SERVICES (Distribution services do not include services related to the goods subject to import and export restriction or prohibition; alcohol, tobacco, electronic cigarettes and other addictive products; pharmaceuticals; optical goods; seeds; fertilizers and other soil enhancers, pesticides and preparations of a kind used in animal feeding; wood and coal; instruments and appliances for measuring electricity, gas and liquid; taximeters; firearms and military equipment; precious metals; waste and scrap and materials for recycling; toxic substances; nuclear energy and water.)			
A. Commission agents' Services CPC 621	1) Unbound 2) None 3) None, except Turkey may apply economic needs tests on commercial presence.	1) Unbound 2) None 3) None	
B. Wholesale trade services CPC 622, CPC 61111	For distribution of energy products, limitation on the total value of service transactions through market share cap applies too.		
C. Retailing services CPC 631, CPC 632, CPC 61112, CPC 6113, CPC 6121			
D. Franchising ¹⁶ Franchising related to non-financial intangible assets (CPC 8929*)	4) Unbound, except as indicated in the horizontal section	4) Unbound, except as indicated in the horizontal section	
E. Other			

¹⁶ Franchising services under the heading of distribution services are assumed to be the distribution of goods through franchises.

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
Retail sales of motor fuel (CPC 613)			
5. EDUCATION SERVICES**¹⁷			
A,B,E. Primary, Secondary and Other Educational Services (CPC 921, 922, 929)	1,3) Natural and legal foreign persons directly or by establishing partnership with Turkish citizens may only establish international educational institutions (including vocational and technical schools) and only for foreign students. 2) None 4) Unbound, except as indicated in the horizontal section. In addition, foreign teachers and experts may work in primary and secondary educational institutions and in non-formal educational institutions (i.e. in language teaching and vocational training centres) after getting permission from the Ministry of National Education to obtain a work permit from the Ministry of Labour and Social	1,3) None 2) None 4) Unbound, except as indicated in the horizontal section	

¹⁷ This commitment covers private education services only.

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	Security. A Turkish national teacher must be assigned to the international educational institutions (including vocational and technical schools) as head assistant of school "Senior Deputy Principal".		
C. Higher Education Services (CPC 923)	<p>1) None</p> <p>2) None</p> <p>3) Private universities ["non-profit foundation higher education institutions (vakıf yükseköğretim kurumları)"] can only be established by foundations constituted under Turkish Civil Code, and through the enactment of a specific Law. All members of the administrative board of higher education institution [i.e. the Board of Trustees (Mütevelli Heyeti)], as well as the president (rector) must be Turkish nationals.</p> <p>4) All members of the administrative board of higher education institution i.e. the Board of Trustees (Mütevelli Heyeti)], as well as the president (rector) must be Turkish</p>	<p>1) None</p> <p>2) None</p> <p>3) None</p> <p>4) Unbound, except as indicated in the horizontal section</p>	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	nationals. Otherwise, unbound, except as indicated in the horizontal section		
D. Adult Education (CPC 924)	1) Unbound 2) None 3) Foreign persons directly or by establishing partnership with Turkish persons may only establish international educational institutions, and only for foreign students. 4) Unbound, except as indicated in the horizontal section. In addition, foreign teachers and experts may work in educational institutions after getting a prior permission from the Ministry of National Education to obtain a work permit from the Ministry of Labour and Social Security.	1) Unbound 2) None 3) None 4) Unbound, except as indicated in the horizontal section	
6. ENVIRONMENTAL SERVICES*¹⁸			
A. Sewage Services (CPC 9401)	1) Unbound 2) None 3) None	1) Unbound 2) None 3) None	

¹⁸ Turkey's offer on environmental services excludes the provision of water for human use, including water collection, purification and distribution through mains.

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	4) Unbound, except as indicated in the horizontal section	4) Unbound, except as indicated in the horizontal section	
B. Refuse Disposal Services (CPC 9402)	1) Unbound 2) None 3) None 4) Unbound, except as indicated in the horizontal section	1) Unbound 2) None 3) None 4) Unbound, except as indicated in the horizontal section	
C. Sanitation and Similar Services (CPC 9403)	1) Unbound 2) None 3) None 4) Unbound, except as indicated in the horizontal section	1) Unbound 2) None 3) None 4) Unbound except as indicated in the horizontal section	
D. Other: - Cleaning services of exhaust gases (CPC 9404)	1) Unbound 2) None 3) None 4) Unbound, except as indicated in the horizontal section	1) Unbound 2) None 3) None 4) Unbound, except as indicated in the horizontal section	
- Noise abatement services (CPC 9405)	1) Unbound 2) None 3) None 4) Unbound, except as indicated in the horizontal section	1) Unbound 2) None 3) None 4) Unbound, except as indicated in the horizontal section	
7. FINANCIAL SERVICES HORIZONTAL COMMITMENTS			
Measures applicable to supply of services through commercial presence for all sectors in Financial Services:			
Banking	3) Permission to establish a bank which has to be established in the form of a joint-stock company or to open the first branch or representative office	3) None	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	<p>of a foreign bank in Turkey, shall be given by a decision taken by the Banking Regulation and Supervision Board. A permission to operate should also be received following the consummation of establishment or branch opening transactions, in order to start receiving deposits and/or conducting banking transactions. Lending limits for the branches of foreign banks are based on branch capital rather than worldwide capital.</p>		
Insurance	<p>3) Insurance and reinsurance companies have to be established in the form of a joint-stock or a mutual company. For the purpose of commencing their operation, insurance and reinsurance companies have to obtain a license from the Undersecretariat of Treasury for each insurance branch in which they would like to operate.</p>	<p>3) None</p>	
Securities market	<p>3) For the establishment and operations of capital market</p>	<p>3) None</p>	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	institutions ¹⁹ permission of the Capital Markets Board is required. Also, banks engaging in capital market activities (investment services) are required to obtain from the Capital Markets Board appropriate authorisation certificates for these activities. Establishment of branches and agencies by securities intermediary institutions established in Turkey also requires the Capital Markets Board's permission.		

¹⁹

According to the Capital Market Law, capital market institutions are specified as follows:

- (a) Investment firms,
- (b) Collective investment schemes,
- (c) Independent auditors, appraisal companies and rating agencies performing activities in capital market,
- (d) Portfolio management firms
- (e) Mortgage finance corporations,
- (f) Housing finance and asset finance funds,
- (g) Asset lease companies,
- (h) Central clearing institutions,
- (i) Central settlement institutions,
- (j) Trade repositories,
- (k) Other capital market institutions, the establishment and operation of which are regulated by the Capital Markets Board.

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	<p>Securities intermediary institutions, investment companies, and other capital market institutions with the exception of investment funds²⁰ can only be established in the form of a joint-stock company. Establishment of branches and representative offices of foreign securities intermediary institutions is not permitted. The Capital Markets Board may take any measure to ensure that the establishment of capital market institutions or their branches and agencies are beneficial to the economic development of Turkey, as well as to the stability, soundness and development of capital markets.</p>		
OTHER FINANCIAL SERVICES			
A. Financial leasing service	3) Financial leasing companies (lessors) can only be established in the form of a joint-stock company.	3) None	

²⁰ According to Capital Market Law, investment funds can be established in contractual type within the fund rules in conformity with the fiduciary ownership principles.

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	Establishing a financial leasing company is subject to permission of the Banking Regulation and Supervision Board. A permission to operate should also be received following the consummation of establishment transactions.		
B. Factoring and consumer financing services	3) Factoring companies and financing companies must be established in the form of a joint-stock company. Establishing a factoring company or a financing company is subject to permission of the Banking Regulation and Supervision Board. A permission to operate should also be received following the consummation of establishment transactions.	3) None	
C. Authorised institutions (foreign exchange dealers)	3) In order to engage in activities as an authorised institution, the permission of the Undersecretariat of Treasury must be obtained. The Undersecretariat may take any measure to ensure that the establishment of authorised	3) None	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	<p>institutions or their subsequent branches and agencies is beneficial to the economic development of Turkey as well as to the stability, soundness and development of financial markets.</p> <p>Authorised institutions must be established in the form of a joint-stock company.</p>		
D. Precious metals exchange	<p>3) To operate as a Precious Metal Intermediary Institution (PMII) one should obtain permission from Undersecretariat of Treasury. Banks, authorised institutions, joint-stock companies engaging in trade and production of precious metals, branches, which are located in Turkey, of the companies resident abroad engaging in trade and production of precious metals may apply to the Undersecretariat to operate as a PMII. Moreover, it is also possible to apply for permission to the Undersecretariat to operate solely as a precious metal brokerage institution and</p>	<p>3) None</p>	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	to be established as a joint stock company to operate as such.		
FINANCIAL SERVICES (SECTOR-SPECIFIC COMMITMENTS)			
Insurance and Insurance-related Services (i) Direct insurance (A) Life	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section	
(B) Non-life	1,2) Unbound, except: (a) The hull insurance of aircrafts, helicopters and ships which are purchased through a foreign loan or leased through a financial leasing contract from abroad, provided that the insurance period is limited to the term of the credit or leasing contract; (b) marine liability insurance; (c) transportation insurance of imported and exported goods; (d) personal injury, sickness, health and motor vehicle insurance, limited to the time during which people	1,2) None	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	<p>will be abroad or temporarily staying abroad,</p> <p>(e) insurance of ships and yachts registered with the Turkish International Maritime Registry.</p> <p>3) None</p> <p>4) Unbound, except as indicated in the horizontal section</p>	<p>3) None</p> <p>4) Unbound, except as indicated in the horizontal section</p>	
(ii) Reinsurance and retrocession	<p>1) None</p> <p>2) None</p> <p>3) None</p> <p>4) Unbound, except as indicated in the horizontal section</p>	<p>1) None</p> <p>2) None</p> <p>3) None</p> <p>4) Unbound, except as indicated in the horizontal section</p>	
(iii) Insurance intermediation such as brokerage and agency	<p>1,2) Unbound for intermediaries (agents and brokers) except the ones dealing with life insurance and non-life insurance categories indicated in the “(i)(B) Non-life” section and reinsurance brokers.</p> <p>3) Juridical person insurance and reinsurance agencies and brokers must be established in Turkey in the form of a joint-stock or limited-liability company. The general manager and the deputy managers responsible for technical departments must reside in Turkey. Insurance</p>	<p>1,2) None</p> <p>3) None</p>	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	<p>agencies and brokers that are established in foreign countries may engage in insurance intermediation activities only by means of opening branches in Turkey. Institutional form and residency requirements stipulated above apply for branches, as well.</p> <p>4) Natural person insurance and reinsurance brokers and agents have to reside in Turkey. Otherwise, unbound, except as indicated in the horizontal section</p>	<p>4) None, except natural person agents, and natural person insurance and reinsurance brokers have to reside in Turkey.</p>	
(iv) Services auxiliary to insurance, such as consultancy, actuarial, risk assessment and claim settlement services	<p>1,2) None, except adjusters and actuaries.</p> <p>3) None</p> <p>4) Unbound for adjusters and actuaries. Otherwise, unbound, except as indicated in the horizontal section</p>	<p>1,2) None</p> <p>3) None</p> <p>4) Unbound, except as indicated in the horizontal section</p>	
Banking and Other Financial Services (excluding insurance)			
(v) Acceptance of deposits and other repayable funds from the public	<p>1) Unbound</p> <p>2) None</p> <p>3) No natural person or legal entity other than credit institutions or those authorised under specific</p>	<p>1) Unbound</p> <p>2) None</p> <p>3) None</p>	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	regulations can accept deposits or other repayable funds from the public. 4) Unbound, except as indicated in the horizontal section	4) Unbound, except as indicated in the horizontal section	
(vi) Lending of all types including consumer credit, mortgage credit, factoring and financing of commercial transaction	1) Unbound 2) None 3) Banks and financing companies can lend consumer credits. 4) Unbound, except as indicated in the horizontal section	1) Unbound 2) None 3) None 4) Unbound, except as indicated in the horizontal section	
(A) Consumer credit			
(B) Factoring	1) Unbound 2) None 3) Banks and factoring companies can engage in factoring activities. 4) Unbound, except as indicated in the horizontal section	1) Unbound 2) None 3) None 4) Unbound, except as indicated in the horizontal section	
(C) Mortgage credit	1) Unbound 2) None 3) Financial leasing companies and financing companies which are found eligible to operate in housing finance by the Banking Regulation and Supervision Agency can engage in trading of mortgage credits. Also banks can engage in trading of these activities.	1) Unbound 2) None 3) None	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	4) Unbound, except as indicated in the horizontal section	4) Unbound, except as indicated in the horizontal section	
(D) Financing of commercial transactions	1) Unbound 2) None 3) Banks, financial leasing companies, factoring companies, and financing companies can engage in these activities. 4) Unbound, except as indicated in the horizontal section	1) Unbound 2) None 3) None 4) Unbound, except as indicated in the horizontal section	
(vii) Financial leasing	1) Unbound 2) None 3) Banks which are not authorised to accept deposits and financial leasing companies can engage in financial leasing transactions. 4) Unbound, except as indicated in the horizontal section	1) Unbound 2) None 3) None 4) Unbound, except as indicated in the horizontal section	
(viii) All payment and money transmission services, including credit and debit cards and travellers cheques	1) Unbound 2) None 3) Payment and money transmission services can only be conducted by banks and institutions authorised in accordance with the “Law on Payments and Securities Settlement Systems, Payment Services and Electronic Money Institutions”. The institutions	1) Unbound 2) None 3) None	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	<p>engaging in the provision of payment and money transmission services are required to be established in Turkey, in the form of a joint-stock company. Credit and debit cards services can only be provided by banks. Transfers of foreign exchange abroad must be carried out through the banking system.</p> <p>4) Unbound, except as indicated in the horizontal section</p>	<p>4) Unbound, except as indicated in the horizontal section</p>	
(ix) Guarantees and commitments	<p>1) Unbound 2) None 3) None 4) Unbound, except as indicated in the horizontal section</p>	<p>1) Unbound 2) None 3) None 4) Unbound, except as indicated in the horizontal section</p>	
<p>(x) Trading for own account or for account of customers, whether on an exchange, in an over-the-counter market or otherwise, the following:</p> <p>(A) Money market instruments (including cheques and bills)</p>	<p>1) Unbound 2) None 3) The trading of money market instruments can be performed by both banks and securities intermediary institutions; however, securities intermediary institutions cannot engage in the trading of cheques and bills. 4) Unbound, except as indicated in the horizontal section</p>	<p>1) Unbound 2) None 3) None 4) Unbound, except as indicated in the horizontal section</p>	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(B) Foreign exchange	1) Unbound 2) None 3) Banks, foreign exchange dealers, securities intermediary institutions (limited to investment services and activities), as well as national postal administration (PTT A.Ş.) can engage in foreign exchange trading. 4) Unbound, except as indicated in the horizontal section	1) Unbound 2) None 3) None 4) Unbound, except as indicated in the horizontal section	
(C) Derivative products	1) Unbound 2) None 3) Authorised banks and securities intermediary institutions can engage in trading of these products. Authorised banks can execute orders in derivative instruments except for those based on stock indices and stocks, and deal on own account in derivative instruments except for those based on stocks. 4) Unbound, except as indicated in the horizontal section	1) Unbound 2) None 3) None 4) Unbound, except as indicated in the horizontal section	
(D) Exchange rate and interest rate instruments	1) Unbound 2) None	1) Unbound 2) None 3) None	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	<p>3) Authorised banks and securities intermediary institutions can engage in trading of exchange rate and interest rate instruments. Only securities intermediary institutions can provide “leveraged transactions” as defined in Capital Market Law no. 6362 (i.e. retail forex brokerage).</p> <p>4) Unbound, except as indicated in the horizontal section</p>	<p>4) Unbound, except as indicated in the horizontal section</p>	
(E) Transferable securities	<p>1) Unbound</p> <p>2) None</p> <p>3) Banks and securities intermediary institutions can engage in trading of these products. However, only securities intermediary institutions can provide such investment services with regard to execution of orders and dealing on own account in shares.</p> <p>4) Unbound, except as indicated in the horizontal section</p>	<p>1) Unbound</p> <p>2) None</p> <p>3) None</p> <p>4) Unbound, except as indicated in the horizontal section</p>	
(F) Other negotiable instruments and financial assets, including bullion	<p>1) Unbound</p> <p>2) None</p>	<p>1) Unbound</p> <p>2) None</p> <p>3) None</p>	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	3) Banks and related intermediary institutions can engage in trading of these products. 4) Unbound, except as indicated in the horizontal section	4) Unbound, except as indicated in the horizontal section	
(xi) Underwriting and placement	1) Unbound 2) None 3) Development and Investment Banks, and securities intermediary institutions can provide underwriting and placement services for the securities to be issued after being registered by the Capital Markets Board. 4) Unbound, except as indicated in the horizontal section	1) Unbound 2) None 3) None 4) Unbound, except as indicated in the horizontal section	
(xii) Money broking	1) Unbound 2) None 3) None 4) Unbound, except as indicated in the horizontal section	1) Unbound 2) None 3) None 4) Unbound, except as indicated in the horizontal section	
(xiii) Asset management such as [cash] or portfolio management, all forms of collective investment management, pension fund management, custodial depository and trust services	1) Unbound 2) None 3) Development and Investment Banks, securities intermediary institutions (excluding collective investment management) and portfolio management	1) Unbound 2) None 3) None	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(A) Portfolio management	companies can provide these services. 4) Unbound, except as indicated in the horizontal section	4) Unbound, except as indicated in the horizontal section	
(B) Collective investment management	1) Unbound 2) None 3) Collective investment portfolios can be managed by portfolio management companies. Investment companies can also manage their own portfolios 4) Unbound, except as indicated in the horizontal section	1) Unbound 2) None 3) None 4) Unbound, except as indicated in the horizontal section	
(C) Pension fund management	1) Unbound 2) None 3) Portfolio management companies can provide these services. 4) Unbound, except as indicated in the horizontal section	1) Unbound 2) None 3) None 4) Unbound, except as indicated in the horizontal section	
(D) Custodial, depository and trust services	1) Unbound 2) None 3) Authorised banks and securities intermediary institutions operating in capital market can provide custodial services for their customers. Depository accounts related with capital market instruments, with the	1) Unbound 2) None 3) None	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	<p>exception of government debt instruments held in bank portfolios, can only be kept by Central Registry Agency.</p> <p>4) Unbound, except as indicated in the horizontal section</p>	<p>4) Unbound, except as indicated in the horizontal section</p>	
(xiv) Settlement and clearing services for financial assets, including securities, derivative products, and cheques	<p>1) Unbound</p> <p>2) None</p> <p>3) İstanbul Clearing, Settlement and Custody Bank (Takasbank) Inc., The Central Bank of the Republic of Turkey, Central Registry Agency Inc. (MKK) and other entities authorised by the Capital Markets Board and the Central Bank of the Republic of Turkey (CBRT) can provide securities clearing and settlement services.</p> <p>Only the institution established and/or authorised by the Central Bank of the Republic of Turkey can provide cheque clearing services.</p> <p>Payment systems can only be operated by the Central Bank of the Republic of Turkey and other entities authorised by The Central Bank of the Republic of</p>	<p>1) Unbound</p> <p>2) None</p> <p>3) None</p>	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	Turkey. An entity that operates as a payment and securities settlement system is required to be established in Turkey, in the form of a joint-stock company. 4) Unbound, except as indicated in the horizontal section	4) Unbound, except as indicated in the horizontal section	
(xv) Provision and transfer of financial information by suppliers of other financial services	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section	
- Financial data processing and provision and transfer of related software by suppliers of other financial services	1,2) Unbound 3) Financial institutions are obliged to establish and maintain their data processing centres (both primary and secondary information systems ²¹) in Turkey for the storage and processing of financial data. 4) Unbound, except as indicated in the horizontal section	1,2) Unbound 3) None 4) Unbound, except as indicated in the horizontal section	
(xvi) Advisory, intermediation and other auxiliary financial services on all the activities listed in subparagraphs (v) through (xv),	1) None 2) None 3) None	1) None 2) None 3) None	

²¹ Primary systems are comprised of infrastructure, hardware, software and data which ensure the execution of financial activities as well as the recording and use of information in electronic media in a secure manner and as to be accessed when needed. Secondary systems are primary system substitutes.

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
including credit reference and analysis, investment and portfolio research and advice on acquisitions and on corporate restructuring and strategy	4) Unbound, except as indicated in the horizontal section	4) Unbound, except as indicated in the horizontal section	
8. HEALTH RELATED AND SOCIAL SERVICES			
A. Hospital Services (CPC 9311)	1) Unbound* 2) None 3) Foreigners may establish private hospitals with the permission of Ministry of Health. The number and type of hospitals, medical branches in each hospital, number of required health personnel, bed capacity as well as procurement of medical devices may be limited in accordance with investment plans based on health service needs of residential areas. 4) Unbound	1) None 2) None 3) None 4) Unbound	
9. TOURISM AND TRAVEL RELATED SERVICES			
A. Hotels and restaurants (CPC 641-643)	1) Unbound* 2) None ²²	1) None 2) None	

²² Turkish citizens may travel abroad without any restriction. Only, they are required to pay, with certain exceptions, a TL amount equivalent of up to

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	3) None 4) Unbound, except as indicated in the horizontal section. In addition, after receiving the permission of the Ministry of Labour and Social Security based on the affirmative opinions of the Ministry of Interior and the Ministry of Culture and Tourism, the hotels and restaurants establishments with the tourism encouragement certificate, may employ foreign personnel. But the amount of foreign personnel that would be employed in an enterprise should not exceed 10 per cent of the total personnel. This amount could be increased up to 20 per cent by the decision of the Ministry of Culture and Tourism.	3) None 4) Unbound, except as indicated in the horizontal section	
B. Travel Agencies and Tour Operators Services (CPC 7471)	1) Commercial presence is required.	1) Travel agencies established under the laws of a foreign government cannot organize tours originating from Turkey abroad.	

\$US 100 fee for each exit.

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	2) None 3) None 4) Unbound, except as indicated in the horizontal section	2) None 3) None 4) Unbound, except as indicated in the horizontal section	
10. RECREATIONAL, CULTURAL AND SPORTING SERVICES			
A. Entertainment services (including theatre and live bands) - Theatrical producer, singer group, band and orchestra entertainment services (CPC 96191)	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section	
Library Services (CPC 96311)	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section. In addition, after receiving the permission of the Ministry of Labour and Social Security, based on the affirmative opinions of the Ministry of Interior and the Ministry of Culture and Tourism, the service providers authorised by the Ministry of Culture and Tourism	1) None 2) None 3) None except the name of the library has to be Turkish. 4) Unbound, except as indicated in the horizontal section	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	<p>may employ foreign personnel. But the quantity of foreign personnel that would be employed in an enterprise shall not exceed 10 per cent of the total personnel. This ratio could be increased up to 20 per cent by the approval of the Ministry of Culture and Tourism on a case by case basis.</p>		
<p>Archive Services (CPC 96312)</p>	<p>1) Unbound 2) None 3) None 4) Unbound, except as indicated in the horizontal section. In addition, after receiving the permission of the Ministry of Labour and Social Security, based on the affirmative opinions of the Ministry of Interior and the Ministry of Culture and Tourism, the service providers authorised by the Ministry of Culture and Tourism may employ foreign personnel. But the quantity of foreign personnel that would be employed in an enterprise shall not exceed 10 per cent of the</p>	<p>1) Unbound 2) None 3) None 4) Unbound, except as indicated in the horizontal section</p>	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	total personnel. This ratio could be increased up to 20 per cent by the approval of the Ministry of Culture and Tourism on a case by case basis.		
- Museum Services except for Historical Sites and Buildings (Except military related museum services) (CPC 69321**)	1) None	1) None except in case the state outsources the services in state controlled areas, the interested service supplier should have residency in Turkey in order to be able to attend the tender.	
- Preservation Services of Historical Sites and Buildings (CPC 69322)	2) None 3) None 4) Unbound, except as indicated in the horizontal section. In addition, after receiving the permission of the Ministry of Labour and Social Security, based on the affirmative opinions of the Ministry of Interior and the Ministry of Culture and Tourism, the service providers authorised by the Ministry of Culture and Tourism may employ foreign personnel. But the quantity of foreign personnel that would be employed in an enterprise shall not exceed 10 per cent of the	2) None 3) None 4) Unbound, except as indicated in the horizontal section	
- Botanical and Zoological Garden Services (CPC 96331)			
- Nature reserve services including wildlife preservation services (CPC 96332)			

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	total personnel. This ratio could be increased up to 20 per cent by the approval of the Ministry of Culture and Tourism on a case by case basis.		
11. TRANSPORT SERVICES			
A. Maritime Transport Services except Cabotage²³			
(a) Passenger transportation (CPC 7211)	1) None 2) None 3) In order to fly the Turkish flag, the shipping companies must have the majority of 51 per cent Turkish shareholders. ²⁴	1) None 2) None 3) None	

²³ Without prejudice to the scope of activities which may be considered as "cabotage" under the relevant national legislation, this Schedule does not include "maritime cabotage services", which are assumed to cover transportation of passengers or goods between a port located in Turkey and another port located in Turkey, and traffic originating and terminating in the same port located in Turkey provided that this traffic remains within Turkey's territorial waters. In addition, according to the "Law Concerning Coastal Shipping (Cabotage) along Turkish Shores and Performance of Trade and Business in Turkish Ports and Territorial Waters" (Law No: 815), the right to transport goods and passengers from one point to another along Turkish shores and to perform towing and piloting, and all other port services of any type, whatsoever, within or between Turkish ports and shores shall belong exclusively to ships and vessels that fly the Turkish flag in accordance with Article 940 of the Turkish Commercial Code (Law No. 6102). Vessels carrying the Turkish flag in accordance with the Law on Turkish International Ship Registry (Law No. 4490) but not fulfilling the requirements of Article 940 of Turkish Commercial Code cannot perform the aforementioned functions falling within the scope of cabotage rights. For further clarification, this Schedule does not establish any right for the conduct of activities falling under cabotage rights as stipulated in the "Law Concerning Coastal Shipping (Cabotage) along Turkish Shores and Performance of Trade and Business in Turkish Ports and Territorial Waters" (Law No: 815).

²⁴ All Turkish ships shall fly the Turkish flag. A ship shall be regarded as Turkish only if its owner (or owners) is/are Turkish. However, the following ships shall also be considered as Turkish: i) Ships which belong to legal persons such as bodies, institutions, associations and foundations set up in accordance with Turkish Law, the majority of whose Board of Directors are of Turkish nationality; ii) Ships which belong to the trading companies, the majority of whose managerial

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	4) Captain and crew of the Turkish flag vessels should be Turkish citizens.	4) Turkish nationality is required for captain and crew.	
b) Freight transportation (CPC 7212)	1) None 2) None 3) In order to fly the Turkish flag, the shipping companies must have the majority of 51 per cent Turkish shareholders. 4) Captain and crew of the Turkish flag vessels should be Turkish citizens.	1) None 2) None 3) None 4) Turkish nationality is required for captain and crew.	
(c) Rental of vessels with crew ²⁵ (CPC 7213)	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section	1) Vessels rented by foreigners may not operate inside the Turkish coastal waters. These kinds of vessels are considered as foreign vessels and cannot fly the Turkish flag. 2) None 3) None 4) Unbound, except as indicated in the horizontal section	
d) Maintenance and repair of vessels (CPC 8868)	1) None 2) None 3) None	1) None 2) None 3) None	

staff and representatives are of Turkish nationality and are registered on the Turkish Trade Register.

²⁵ This commitment does not include or confer any right with regard to maritime transportation services.

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	4) Unbound, except as indicated in the horizontal section	4) Unbound, except as indicated in the horizontal section	
C. Air Transport Services			
(a) Selling and marketing of air transport services	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section.	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section.	
(b) Computer reservation system (CRS) services	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section.	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section.	
(c) Aircraft repair and maintenance services	1) None 2) None 3) Authorization from the Ministry of Transport, Maritime Affairs and Communications is necessary to perform functions for the maintenance and repair of aircraft. 4) Unbound except as indicated in the horizontal section.	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section.	
(d) Ground-handling services (only including ground administration, passenger handling, baggage handling, freight and mail handling, ramp handling, aircraft	1) Unbound* 2) None 3) Authorization from the Ministry of Transport, Maritime Affairs and Communications (a Type-A	1) Unbound 2) None 3) None, except the amount of LC required is determined on the basis of reciprocity principle	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<p>services, fuel and oil handling, surface transport)</p>	<p>or Type-C license) is necessary to perform ground-handling services. Authorizations are provided only to commercial companies established in accordance with the Turkish Commercial Code.</p> <p>In the case of ground-handling companies that would acquire type A and C licenses;</p> <p>a. The majority of the persons authorized for the administration and representation of the company should be Turkish nationals.</p> <p>b. According to the main contract, Turkish shareholders should hold the majority of the voting rights.</p> <p>Type-A licenses can also be obtained by domestic airline operators to provide ground-handling services to other airline operators. Foreign airline operators cannot provide such services.</p>		

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	<p>Passenger handling, ramp handling, and load-control and communication services can only be provided by a ground-handling company with a Type-A license.</p> <p>Catering services can only be provided by ground-handling companies operating within the airport, companies with a catering service provision license, and domestic airline operators. Foreign airline operators cannot provide these services.</p> <p>Operation licenses may be limited in number. In issuing an operation license, criteria such as: runway, apron, taxiway areas of the airport; air traffic capacity of the airport; availability of parking and workshop areas in the airport; existing physical conditions of the airport and forecasts on future market conditions; and additional</p>		

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	<p>capacity needs are taken into account.</p> <p>4) The majority of the persons authorized for the administration and representation of a ground-handling company must be Turkish nationals. Otherwise, Unbound except as indicated in the horizontal section.</p>	<p>4) Unbound except as indicated in the horizontal section.</p>	
<p>e) Airport Operation and Management Services (covers airport infrastructure and operation services, including related consulting services.)</p>	<p>1) Unbound*</p> <p>2) None</p> <p>3) Airport management services could be provided through transferring operational rights by leasing of the state airports (including built and transferred by private sector entities through Built-Operate-Transfer Model. Transfer of operational rights by leasing is rendered by the General Directorate of State Airports Authority through tender for a period of maximum 49 years. Transferring of operation rights by leasing is subject to the authorization by the Ministry of Transport, Maritime Affairs and Communications.</p>	<p>1) Unbound</p> <p>2) None</p> <p>3) None</p>	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	4) Unbound except as indicated in the horizontal section.	4) Unbound except as indicated in the horizontal section.	
E. Rail Transport Services (CPC 7111, 7112)	1) Unbound 2) None 3) Establishment as a commercial company in accordance with the Turkish Commercial Code is required for obtaining authorisation. TCDD A.Ş., a wholly state owned enterprise, has the monopoly right for the management of traffic over the domestic railway network as well as the operation of railway infrastructure owned by the State 4) Unbound, except as indicated in the horizontal section	1) Unbound 2) None 3) None 4) Unbound, except as indicated in the horizontal section	
F. Road transport services			
(a) Passenger transportation (CPC 7121 + 7122)	1) Unbound 2) None	1) Unbound 2) None	
(b) Freight transportation (CPC 7123)	3) Turkish nationality or being a legal entity established under the relevant Turkish laws are required for obtaining a carrier licence. 4) Unbound, except as indicated in the horizontal section	3) None 4) Unbound, except as indicated in the horizontal section	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(c) Supporting services for road transport services (CPC 744 except 7442)	1) Unbound 2) None 3) None 4) Unbound except as indicated in the horizontal section.	1) Unbound 2) None 3) None 4) Unbound except as indicated in the horizontal section.	
H. Services auxiliary to all modes of transport:			
(a) Cargo handling services (CPC 741 except maritime cargo handling services)	1) Unbound 2) None 3) None 4) Unbound, except as indicated in the horizontal section	1) Unbound 2) None 3) None 4) Unbound, except as indicated in the horizontal section	
(b) Storage and warehousing Services except “licensed warehousing” (CPC 742).	1) Unbound 2) None 3) None except for “customs warehouses” and “temporary storage facilities at customs”. For establishment and operation of customs warehouses and temporary storage facilities at customs economic needs test applies. 4) Unbound, except as indicated in the horizontal section.	1) Unbound 2) None 3) None except customs warehouses and temporary storage facilities at customs can only be established by companies that are in operation for at least two years. 4) Unbound, except as indicated in the horizontal section.	
- Licensed warehousing (part of CPC 742) Licensed warehousing is a system in which agricultural products that are convenient to storage	1) Unbound 2) None 3) None 4) Unbound, except as indicated in the horizontal section	1) Unbound 2) None 3) None 4) Unbound, except as indicated in the horizontal section.	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(like cereals, legumes, oil seeds, cotton, nuts, olive and olive oil) and classified in compliance with the current product standards are warehoused after their classes, qualities and standards are determined by authorized classifiers.			
(c) Freight transport agency services (CPC 748)	1) Unbound 2) None 3) None 4) Unbound except as indicated in the horizontal section	1) Unbound 2) None 3) None 4) Unbound except as indicated in the horizontal section	

LIST OF MFN EXEMPTIONS OF TURKEY

Sector or Sub sector	Description of measure indicating its inconsistency with Article xx on MFN	Countries to which the measure applies	Intended duration	Conditions creating the need for the exemption
ALL SECTORS	<p>(a) Extending full national treatment for the investments of the nationals or companies of countries with which a Bilateral Investment Treaty is concluded.</p> <p>(b)(i) Executing the transfers, in specific periods, of the nationals and companies of certain countries which made investments in Turkey.</p> <p>(ii) Granting foreign exchange risk guarantee for certain countries for the transfers which are not realized due to the difficulties in balance of payments.</p> <p>(c) Covering "trade risk" in subrogation for one country.</p> <p>(d) The agreements with three countries, the MFN Articles of which do not include the derogation paragraphs relating to the privileges which are accorded to the investors of the third countries resulting from its membership in or associated with a free trade zone, an economic cooperation, a customs union or a common market.</p>	<p>All countries with which agreements are or will be in force.</p> <p>Belgium-Luxembourg, Kuwait</p> <p>Japan</p> <p>Japan, Bangladesh, Germany</p>	Indefinite	Desire to create favourable conditions for a greater economic cooperation between Turkey and mentioned countries and to encourage investments by nationals and companies of one country in the territory of the other countries.

Sector or Sub sector	Description of measure indicating its inconsistency with Article xx on MFN	Countries to which the measure applies	Intended duration	Conditions creating the need for the exemption
ALL SECTORS	The restriction in the transfer of the premiums for long-term insurance schemes and the employment of the foreign country workers by foreign companies is waived for one country.	Libya	Indefinite	To ensure social security and continuous employment of Turkish workers in the mentioned country.
ALL SECTORS	If the amount of the consulate duties collected from the Turkish nationals by any country is higher than the amounts written in the tariff list, the amounts of consulate duties which are collected from the nationals of that country will be increased reciprocally.	All countries	Indefinite	Desire to ensure equal treatment to Turkish nationals.
ALL SECTORS	On the condition that the legal provisions are reserved and with the condition of reciprocity, the foreign real persons could own real estates in Turkey by acquisition or by inheritance.	All countries	Indefinite	To secure the right of Turkish nationals to acquire real estates in a foreign country.
Professional Services	If any foreign country lays down legal and administrative conditions against Turkish citizens for performing arts and supplying services, the similar activities of the citizens of that country could be prohibited in Turkey.	All countries	Indefinite	Desire to create favourable circumstances for Turkish citizens to perform their activities under equal conditions in the other countries.
Transportation Services	The income and corporate tax rates for the foreign road, maritime and air transport companies can reciprocally be decreased down to zero or increased to a new rate not exceeding two times of the existing rate can be determined, as a country by country basis either for each transportation type separately or for all types of them.	All countries	Indefinite	Desire to facilitate and to lower the costs of transportation services between Turkey and other countries.

Sector or Sub sector	Description of measure indicating its inconsistency with Article xx on MFN	Countries to which the measure applies	Intended duration	Conditions creating the need for the exemption
Transportation Services	Transit or bilateral transportation services, can be excluded from VAT. This exception is granted, with the condition of reciprocity, to the related countries' tax payers who do not have the residence, legal and business centre in Turkey.	All countries	Indefinite	Desire to lower costs and to create favourable conditions for the provision of services in this sector.
Transportation Services	To apply, on the basis of reciprocity, restrictions, prohibitions, different treatments and different tariffs to the goods and transportation vehicles of the countries which apply restrictions, prohibitions and different treatments to the Turkish road, air and maritime transportation vehicles.	All countries	Indefinite	Desire to secure the smooth functioning of mutual transportation services.
Air Transport Services - Ground Handling Services	Reciprocity condition applies	All countries	Indefinite	Desire to ensure effective market access and equivalent treatment for Turkish service suppliers
Road Transport Services	To grant, on the basis of reciprocity, the privileges about the quotas and fees, the exemptions from the permission procedures.	All countries with which agreements are or will be in force.	Indefinite	Desire to facilitate road transport services between Turkey and other countries.

Sector or Sub sector	Description of measure indicating its inconsistency with Article xx on MFN	Countries to which the measure applies	Intended duration	Conditions creating the need for the exemption
Rail Transport Services	The bilateral reduction in the renting fees of railway wagons of countries mentioned aside (paragraph a) and the application of national treatment to tariff rates on the reciprocal transportation of goods with the countries mentioned aside (paragraph b).	a) Syria, Iraq, Iran, Lebanon b) Commonwealth of Independent States and the Baltic Republics.	Indefinite	Desire to facilitate rail transport services between Turkey and other countries.
Accounting, Auditing and Book-keeping Services	In order to perform the services under the title of "financial advisor", the citizens of the countries which have officially codified the principles for the profession of financial advisory may be authorised, under reciprocal conditions, provided that these persons should have the characteristics required for the professional of financial advisory in Turkey and should have rights to perform similar services in their own countries.	All countries	Indefinite	Desire to create favourable conditions for Turkish financial advisors to perform their jobs under equal conditions all over the world.

ANNEX VI
Dispute settlement

(referred to in Article 6.5(Dispute settlement) of Chapter VI (Institutional and final provisions))

Article 1
Objective

The objective of this Annex is to avoid and settle any dispute between the Parties concerning the interpretation and application of this Agreement with a view to arrive at, where possible, a mutually acceptable solution.

Article 2
Scope

Except as otherwise provided in this Agreement, this Annex shall apply with respect to avoidance or settlement of all disputes between the Parties regarding the interpretation or application of the provisions of this Agreement or wherever a Party considers that:

- (a) a measure of the other Party is inconsistent with the obligations under the provisions of this Agreement; or
- (b) the other Party has failed to carry out its obligations under the provisions of this Agreement.

Article 3
Choice of forum

1. Where a dispute regarding any matter referred to in Article 2 (Scope) of this Annex arises under this Agreement and under the WTO Agreement, or any other agreement to which both Parties are party, the complaining Party may select the forum in which to settle the dispute.
2. The complaining Party shall notify the other Party in writing of its intention to bring a dispute to a particular forum before doing so.
3. Once the complaining Party has selected a particular forum, the forum selected shall be used to the exclusion of other possible *fora*.

4. For the purposes of this Article, the complaining Party shall be deemed to have selected a forum when it has requested the establishment of, or referred a matter to, a dispute settlement panel.

Article 4 Consultations

1. The Parties shall at all times endeavour to agree on the interpretation and application of the provisions of this Agreement and to resolve any dispute thereof by entering into consultations in good faith with the aim of reaching a mutually agreed solution.

2. A Party shall seek consultations, by means of a written request to the other Party, and shall give the reasons for the request, identification of the measures at issue, the applicable provisions of the Agreement referred to in Article 2 (Scope) of this Annex, and the reasons for the applicability of such provisions.

3. Consultations shall be held within 30 days of the date of receipt of the request and take place, unless the Parties agree otherwise, on the territory of the Party complained against. The consultations shall be deemed concluded within 60 days of the date of receipt of the request, unless the Parties agree otherwise. Consultations shall be confidential, and without prejudice to the rights of either Party in any further proceedings.

4. Consultations on matters of urgency, including those regarding perishable goods shall be held within 15 days of the date of receipt of the request, and shall be deemed concluded within 30 days of the date of receipt of the request, unless the Parties agree otherwise.

5. If the Party to which the request is made does not respond to the request for consultations within ten days of the date of its receipt, or if consultations are not held within the timeframes laid down in paragraph 3 or paragraph 4 of this Article respectively, or if consultations have been concluded and no mutually agreed solution has been reached, the complaining Party may request the establishment of an arbitration panel in accordance with Article 5 (Initiation of arbitration procedure) of this Annex.

Article 5 Initiation of arbitration procedure

1. Where the Parties have failed to resolve the dispute by recourse to consultations as provided for in Article 4 (Consultations) of this Annex, the complaining Party may request the establishment of an arbitration panel in accordance with this Article.

2. The request for the establishment of an arbitration panel shall be made in writing to the Party complained against. The complaining Party shall identify in its request the specific

measure at issue, and explain how such measure constitutes a breach of the applicable provisions of the Agreement referred to in Article 2 (Scope) of this Annex in a manner sufficient to present the legal basis for the complaint clearly.

Article 6

Terms of reference

Unless the Parties otherwise agree within 20 days from the date of receipt of the request for the establishment of the arbitration panel, the terms of reference of the arbitration panel shall be:

“To examine, in the light of the relevant provisions of this Agreement, the matter referred to in the request for the establishment of an arbitration panel pursuant to Article 5 (Initiation of arbitration procedure) of this Annex and to make findings, determinations and any recommendations for resolution of the dispute, and issue a written report, as provided in Article 9 (Arbitration panel report) of this Annex”.

Article 7

Composition and establishment of the arbitration panel

1. An arbitration panel shall be composed of three members. Each Party shall appoint a member within 30 days of the receipt of the request referred to in paragraph 1 of Article 5 (Initiation of arbitration procedure) of this Annex and the two members shall, within 30 days of the appointment of the second of them, designate the third member by agreement.
2. The Parties shall, within seven days of the designation of the third member, approve or disapprove the appointment of that member, who shall, if approved, act as the chairperson of the arbitration panel.
3. If any of the members of the arbitration panel has not been appointed in line with paragraph 1 and 2 of this Article, either Party to the dispute may request the Secretary–General of the Permanent Court of Arbitration at The Hague (PCA) to appoint the missing member/s of the arbitration panel within a further period of 30 days.
4. For the purposes of paragraphs 2 and 3 of this Article, in the event that the Secretary–General of the PCA is a national of either Party, the Deputy the Secretary–General of the PCA or the officer next in seniority who is not a national of either Party shall be requested to make the necessary appointments.
5. Any person appointed as a member of the arbitration panel shall have expertise or experience in law, international trade, other matters covered by this Agreement or the resolution of disputes arising under international trade agreements. Arbitration panels for disputes on prudential issues and other financial matters shall have the necessary expertise

relevant to the specific financial service under dispute. Each member shall be independent, serve in their individual capacities and not be affiliated with, nor take instructions from any Party or organisation related to the dispute and shall comply with Appendix II (Code of conduct for arbitrators). If a Party considers that a member of the arbitration panel is in violation of these requirements, the Parties shall consult and if they agree, the member shall be removed and a new member shall be appointed in accordance with this Article. Additionally, the chairperson shall not be a national of either Party and have his or her usual place of residence in the territory of, nor be employed by, either Party nor have dealt with the dispute in any capacity.

6. If a member of the arbitration panel appointed under this Article becomes unable to participate in the proceeding or resigns, or is to be replaced according to paragraph 5 of this Article, a successor shall be selected in the same manner as prescribed for the appointment of the original member. The successor shall have all the powers and duties of the original member. In such a case, the work of the arbitration panel shall be suspended for a period beginning on the date the original member becomes unable to participate in the proceeding, resigns, or is to be replaced according to paragraph 5 of this Article. The work of the arbitration panel shall resume on the date the new member is appointed.

7. The date of establishment of the arbitration panel shall be the date on which the last of the three members is selected.

Article 8

Proceedings of the arbitration panel

1. The arbitration panel shall meet in closed session, unless the Parties decide otherwise.
2. The Parties shall be given the opportunity to provide at least one written submission and to attend any of the presentations, statements or rebuttals in the proceedings. All information or written submissions submitted by a Party to the arbitration panel, including any comments on the interim report and responses to questions put by the arbitration panel, shall be made available to the other Party.
3. A Party asserting that a measure of the other Party is inconsistent with this Agreement shall have the burden of establishing such inconsistency. A Party asserting that a measure is subject to an exception under this Agreement shall have the burden of establishing that the exception applies.
4. The arbitration panel should consult with the Parties as appropriate and provide adequate opportunities for the development of a mutually satisfactory resolution or mutually agreed solution.

5. The arbitration panel shall make every effort to take any decision by consensus. Where a decision cannot be arrived at by consensus, the matter at issue shall be decided by majority vote.

6. At the request of a Party, or upon its own initiative, the arbitration panel may obtain information from any source, including the Parties involved in the dispute, as it deems appropriate for the arbitration panel proceedings. The arbitration panel also has the right to seek the relevant opinion of experts as it deems appropriate. The arbitration panel shall consult the Parties before choosing such experts. Any information obtained in this manner must be disclosed to the Parties and submitted for their comments.

7. The deliberations of the arbitration panel and the documents submitted to it shall be kept confidential.

8. Notwithstanding paragraph 7 of this Article, either Party may make public statements as to its views regarding the dispute, but shall treat as confidential information and written submissions submitted by the other Party to the arbitration panel which the other Party has designated as confidential. Where a Party has provided information or written submissions designated to be confidential, that Party shall, within 30 days of a request of the other Party, provide a non-confidential summary of the information or written submissions which may be disclosed publicly.

Article 9

Arbitration panel report

1. The arbitration panel shall issue an interim report to the Parties setting out:
 - (a) a summary of the submissions and arguments of the Parties;
 - (b) the findings of fact, together with reasons;
 - (c) its determination as to the interpretation or application of the provisions of this Agreement or whether a measure at issue is inconsistent with the provisions of this Agreement or whether a Party has failed to carry out its obligations under the provisions of this Agreement, or any other determination requested in the terms of reference; and
 - (d) if there is a determination of inconsistency, its recommendation that the Party complained against bring the measure into conformity with the obligations under this Agreement and, if the Parties agree, on the means to resolve the dispute,

not later than 90 days from the date of establishment of the arbitration panel. Where it considers that this deadline cannot be met, the chairperson of the arbitration panel must notify the Parties in writing, stating the reasons for the delay and the date on which the

arbitration panel plans to issue its interim report. Under no circumstances should the arbitration panel issue its interim report later than 120 days after the date of its establishment.

2. Any Party may submit a written request for the arbitration panel to review precise aspects of the interim report within 30 days of its notification.
3. After considering any written comments by the Parties on the interim report, the arbitration panel may modify its report and make any further examination it considers appropriate. The final report shall set out the matters listed in paragraph 1 of this Article, include a sufficient discussion of the arguments made at the interim review stage, and answer clearly to the written comments of the two Parties.
4. The arbitration panel shall issue its final report to the Parties within 150 days from the date of the establishment of the arbitration panel. Where it considers that this deadline cannot be met, the chairperson of the arbitration panel shall notify the Parties in writing, stating the reasons for the delay and the date on which the arbitration panel plans to issue its final report. Under no circumstances should the arbitration panel issue its final report later than 180 days after the date of its establishment.
5. In cases of urgency, including those involving perishable goods:
 - (a) the arbitration panel shall make every effort to issue its interim and final reports to the Parties within half of the respective time periods under paragraphs 1 and 4 of this Article. Under no circumstances should the arbitration panel issue its final report later than 90 days after the date of its establishment;
 - (b) any Party may submit a written request for the arbitration panel to review precise aspects of the interim report within half of the time period under paragraph 2 of this Article.
6. The final report shall contain:
 - (a) the descriptive part summarising the submissions and arguments of the Parties;
 - (b) the findings of the fact;
 - (c) the findings on the applicability of relevant provisions and the basic rationale behind any findings; and
 - (d) recommendation that the Party complained against bring the measure into conformity with the obligations under this Agreement.

7. Any findings, determinations and recommendations in the final report of the arbitration panel shall be final and binding on the Parties, and shall not create any rights or obligations to any person. For greater certainty, nothing in the final report may add to or diminish the rights and obligations of the Parties under this Agreement.

Article 10

Implementation of the arbitration panel report

1. The Party complained against shall take any measure necessary to comply in good faith with the arbitration panel determinations and any recommendations in the final report, and the Parties shall endeavour to agree on the time period for the Party complained against to comply with such determinations and recommendations.

2. No later than 30 days after the receipt of final report, the Party complained against shall notify the complaining Party of the time it will require for compliance (hereinafter referred to as “reasonable period of time”), if immediate compliance is not practicable.

3. If there is disagreement between the Parties on the reasonable period of time to comply with the arbitration panel determinations and any recommendations, the complaining Party shall, within 50 days of the date of issuance of the final report, request in writing to the original arbitration panel to determine the length of the reasonable period of time. Such request shall be notified simultaneously to the other Party. The original arbitration panel shall issue its determination to the Parties within 20 days from the date of the submission of the request.

4. In the event that any member of the original arbitration panel is no longer available, the procedures set out in Article 7 (Composition and establishment of the arbitration panel) of this Annex shall apply. The time limit for issuing the determination on the length of the reasonable period of time shall be 35 days¹ from the date of the submission of the request referred to in paragraph 3 of this Article.

5. The Party complained against shall inform the complaining Party in writing of its progress to comply with the arbitration panel determinations and any recommendations at least one month before the expiry of the reasonable period of time.

6. The reasonable period of time may be extended by mutual agreement of the Parties.

7. The Party complained against shall notify the complaining Party before the end of the reasonable period of time of any measure that it has taken to comply with the arbitration panel determinations and any recommendations.

¹ For greater certainty, the period of 35 days does not include the days suspended pursuant to paragraph 7 of Article 7 (Composition and establishment of the arbitration panel) of this Annex.

8. In the event that there is disagreement between the Parties concerning the existence or the consistency of any measure notified under paragraph 7 of this Article with the provisions referred to in Article 2 (Scope), the complaining Party may request in writing the original arbitration panel to determine on the matter. Such request shall identify the specific measure at issue and the provisions referred to in Article 2 (Scope) of this Annex with which it considers that measure to be inconsistent, in a manner sufficient to present the legal basis for the complaint clearly, and it shall explain how such measure is inconsistent with the provisions referred to in Article 2 (Scope) of this Annex. The original arbitration panel shall notify its determination within 45 days of the date of the submission of the request.

9. In the event that any member of the original arbitration panel is no longer available, the procedures set out in Article 7 (Composition and establishment of the arbitration panel) of this Annex and Appendix I to this Annex (Rules of procedure for arbitration panel) shall apply. The time limit for issuing the determination shall be 60 days² from the date of the submission of the request referred to in paragraph 8 of this Article.

Article 11

Compensation and suspension of concessions or other obligations

1. If the Party complained against fails to notify any measure taken to comply with the arbitration panel determinations and any recommendations before the expiry of the reasonable period of time, or if the arbitration panel determines that no measure taken to comply exists or that the measure notified under paragraph 7 of Article 10 (Implementation of the arbitration panel report) of this Annex is inconsistent with that Party's obligations under the provisions referred to in Article 2 (Scope) of this Annex, the Party complained against shall, if so requested by the complaining party, enter into negotiations with the complaining Party with a view to developing mutually acceptable agreement on compensation.

2. If no agreement on compensation is reached within twenty days of the date of receipt of the request mentioned in paragraph 1 of this Article, the complaining Party shall be entitled, upon notification to the other Party, to suspend concessions or obligations arising from any provision referred to in Article 2 (Scope) of this Annex at a level equivalent to the nullification or impairment caused by the violation. The notification shall specify the level of concessions or other obligations that the complaining Party intends to suspend and indicate the reasons on which the suspension is based. The complaining Party may implement the suspension at any moment after the expiry of 30 days after the date of receipt of the notification by the Party complained against, unless the Party complained against has requested arbitration under paragraph 5 of this Article.

² For greater certainty, the period of 60 days does not include the days suspended pursuant to paragraph 7 of Article 7 (Composition and establishment of the arbitration panel) of this Annex.

3. The compensation referred to in paragraph 1 of this Article and the suspension referred to in paragraph 2 of this Article shall be temporary measures. Neither compensation nor suspension is preferred to full elimination of the non-conformity as determined in the final report of the arbitration panel. The suspension shall only be applied until such time as the non-conformity is fully eliminated or a mutually satisfactory solution is reached.

4. In considering what concessions or other obligations to suspend pursuant to paragraph 2:

(a) the complaining Party should first seek to suspend concessions or other obligations with respect to the same sector(s) as that in which an inconsistency with the obligations under this Agreement has been found in the final report of the arbitration panel referred to in Article 9 (Arbitration panel report) of this Annex;

(b) if the complaining Party considers that it is not practicable or effective to suspend concessions or other obligations with respect to the same sector(s), it may suspend concessions or other obligations with respect to other sector(s); and

(c) the complaining Party will take into consideration those concessions or other obligations the suspension of which would least disturb the functioning of this Agreement.

5. If the Party complained against considers that the level of suspension is not equivalent to the nullification or impairment caused by the violation, to determine the matter it may request in writing the original arbitration panel. Such request shall be notified to the complaining Party before the expiry of the 20-day period referred to in paragraph 2 of this Article. The original arbitration panel, having sought, if appropriate, the opinion of experts, shall notify its determination on the level of the suspension of concessions or other obligations to the Parties within 30 days of the date of the submission of the request. Concessions or other obligations shall not be suspended until the original arbitration panel has notified its determination, and any suspension shall be consistent with the arbitration panel determination.

6. In the event that any member of the original arbitration panel is no longer available, the procedures laid down in Article 7 (Composition and establishment of the arbitration panel) of this Annex shall apply. The period for issuing the determination shall be 45 days³ from the date of the submission of the request referred to in paragraph 5.

7. The suspension of concessions or other obligations shall be temporary and shall not be applied after:

³ For greater certainty, the period of 45 days does not include the days suspended pursuant to paragraph 7 of Article 7 (Composition and establishment of the arbitration panel) of this Annex.

- (a) the Parties have reached a mutually agreed solution pursuant to Article 14 (Mutually agreed solution) of this Annex; or
- (b) the Parties have reached an agreement on whether the measure notified under paragraph 1 of Article 12 (Review of any measure taken to comply after the suspension of concessions or other obligations) of this Annex brings the Party complained against into conformity with the provisions referred to in Article 2 (Scope) of this Annex; or
- (c) any measure found to be inconsistent with the provisions referred to in Article 2 (Scope) of this Annex has been withdrawn or amended so as to bring it into conformity with those provisions, as determined under paragraph 2 of Article 12 (Review of any measure taken to comply after the suspension of concessions or other obligations) of this Annex.

Article 12

Review of any measure taken to comply after the suspension of concessions or other obligations

1. The Party complained against shall notify the complaining Party of any measure it has taken to comply with the determination of the arbitration panel and of its request for the termination of the suspension of concessions or other obligations applied by the complaining Party.
2. If the Parties do not reach an agreement on whether the notified measure brings the Party complained against into conformity with the provisions referred to in Article 2 (Scope) of this Annex within 30 days of the date of receipt of the notification, the complaining Party shall request in writing the original arbitration panel to determine the matter. Such request shall be notified simultaneously to the other Party. The arbitration panel determination shall be notified to the Parties within 45 days of the date of the submission of the request. If the complaining Party does not request the arbitration panel to determine the matter, or the arbitration panel determines that any measure taken to comply is in conformity with the provisions referred to in Article 2 (Scope) of this Annex, the suspension of concessions or other obligations shall be terminated.
3. In the event that any member of the original arbitration panel is no longer available, the procedures set out in Article 7 (Composition and establishment of the arbitration panel) of this Annex shall apply. The time limit for issuing the determination shall be 60days⁴ from the date of the submission of the request referred to in paragraph 2 of this Article.

⁴ For greater certainty, the period of 60 days does not include the days suspended pursuant to paragraph 7 of Article 7 (Composition and establishment of the arbitration panel) of this Annex.

Article 13
Suspension and termination of arbitration procedures

1. The arbitration panel shall, at the written request of both Parties, suspend its work at any time for a period agreed by the Parties not exceeding 12 months and shall resume its work at the end of this agreed period at the written request of the complaining Party, or before the end of this agreed period at the written request of both Parties. If the complaining Party does not request the resumption of the arbitration panel's work before the expiry of the agreed suspension period, the dispute settlement procedures initiated pursuant to this Annex shall be deemed terminated. Subject to Article 3 (Choice of forum) of this Annex, the suspension and termination of the arbitration panel's work are without prejudice to the rights of either Party in another proceeding.
2. The Parties may, at any time, agree in writing to terminate the dispute settlement procedures initiated pursuant to this Annex.

Article 14
Mutually agreed solution

The Parties may reach a mutually agreed solution to a dispute under this Annex at any time. They shall notify the arbitration panel, if any, of such a solution. If the solution requires approval pursuant to the relevant domestic procedures of either Party, the notification shall refer to this requirement, and the dispute settlement procedures initiated pursuant to this Annex shall be suspended. If such approval is not required, or upon notification of the completion of any such domestic procedures, the procedure shall be terminated.

Article 15
Rules of procedure

1. Dispute settlement procedures under this Annex shall be governed by Appendix I (Rules of procedure for arbitration panel) of this Agreement.
2. Any time period or other rules and procedures for arbitration panels provided for in this Annex may be modified by mutual agreement of the Parties.

Article 16
Rules of interpretation

The arbitration panel shall interpret the provisions referred to in Article 2 (Scope) of this Annex in accordance with customary rules of interpretation of public international law, including those codified in the 1969 *Vienna Convention on the Law of Treaties*.

Article 17
Expenses

Each Party shall bear the cost of its appointed arbitrator and its own expenses and legal costs. The cost of the chairperson of an arbitration panel and other expenses associated with the conduct of the proceedings shall be borne by the Parties in equal shares.

APPENDIX I to ANNEX VI

Rules of procedure for arbitration panel

Article 1 Definitions

1. For the purposes of this Appendix:

“*advisor*” means a person retained by a Party to advise or assist that Party in connection with the arbitration panel proceeding;

“*arbitration panel*” means a panel established under Article 7 (Composition and establishment of the arbitration panel) of Annex VI (Dispute settlement);

“*arbitrator*” means a member of an arbitration panel established under Article 7 (Composition and establishment of the arbitration panel) of Annex VI (Dispute settlement);

“*assistant*” means a person who, under the terms of appointment of an arbitrator, conducts research or provides assistance to the arbitrator;

“*complaining Party*” means a Party that requests the establishment of an arbitration panel under Article 5 (Initiation of arbitration procedure) of Annex VI (Dispute settlement);

“*Party complained against*” means the Party that is alleged to be in violation of the provisions referred to in Article 2 (Scope) of Annex VI (Dispute settlement); and

“*representative of a Party*” means an employee or any person appointed by a government department or agency or any other public entity of a Party who represents the Party for the purposes of a dispute under this Agreement.

Article 2 Logistical administration

The Party complained against shall be in charge of the logistical administration of dispute settlement proceedings, in particular the organisation of hearings, unless otherwise agreed.

Article 3

Notifications

1. The Parties and the arbitration panel shall transmit any request, notice, written submission or other document by e-mail, with a copy submitted on the same day by registered post, courier, facsimile transmission, delivery against receipt or any other means of telecommunication that provides a record of the sending thereof. Unless proven otherwise, an e-mail message shall be deemed to be received on the same date of its sending.
2. A Party shall provide an electronic copy of each of its written submissions and rebuttals to the other Party and to each of the arbitrators. A paper copy of the document shall also be provided.
3. All notifications shall be addressed and delivered to the Ministry of Foreign Trade and Economic Relations of Bosnia and Herzegovina or its successor and, the Ministry of Economy of the Republic of Turkey or its successor, respectively.
4. Minor errors of a clerical nature in any request, notice, written submission or other document related to the arbitration panel proceeding may unless the other Party objects, be corrected by delivery of a new document clearly indicating the changes.
5. If the last day for delivery of a document falls on an official holiday of either Party, the document may be delivered on the next business day.

Article 4

Commencing the arbitrations

Unless the Parties otherwise agree, they shall meet the arbitration panel within seven days of the date of the establishment of the arbitration panel in order to determine such matters that the Parties or the arbitration panel deems appropriate, including the remuneration and expenses to be paid to the arbitrators. Arbitrators and representatives of the Parties may take part in this meeting *via* telephone or video conference.

Article 5

Initial submissions

The complaining Party shall deliver its initial written submission no later than 20 days after the date of establishment of the arbitration panel. The Party complained against shall deliver its written counter-submission no later than 20 days after the date of delivery of the initial written submission.

Article 6
Working of arbitration panels

1. The chairperson of the arbitration panel shall preside at all of its meetings. An arbitration panel may delegate to the chairperson authority to make administrative and procedural decisions.
2. Except as otherwise provided in this Agreement, the arbitration panel may conduct its activities by any means, including telephone, facsimile transmissions or computer links.
3. Only arbitrators may take part in the deliberations of the arbitration panel but the arbitration panel may permit its assistants to be present at its deliberations. The drafting of any decision, determination or recommendation shall remain the exclusive responsibility of the arbitration panel and shall not be delegated.
4. Where a procedural question arises that is not covered by this Agreement, the arbitration panel may adopt an appropriate procedure, in consultation with the Parties, that is not inconsistent with this Agreement.
5. When the arbitration panel considers that there is a need to modify any time period applicable in the proceeding, or to make any other procedural or administrative adjustment in the proceeding, it shall inform the Parties in writing of the reasons for the modification or adjustment with the indication of the period or adjustment needed.

Article 7
Replacement

1. If an arbitrator becomes unable to participate in the proceeding or resigns, or is to be replaced, a successor shall be selected in accordance with Article 7 (Composition and establishment of the arbitration panel) of Annex VI (Dispute settlement).
2. Where a Party considers that an arbitrator does not comply with the requirements of the Code of conduct under Appendix II (Code of conduct for arbitrators) (hereinafter referred to as “Code of conduct”), and for this reason should be replaced, this Party should notify the other Party within 15 days from the time at which it came to know of the circumstances underlying the arbitrator’s non-compliance with the Code of conduct.
3. Where a Party considers that an arbitrator other than the chairperson does not comply with the requirements of the Code of conduct, the Parties shall consult and, if they so agree, replace the arbitrator and select a replacement following the procedure set out in Article 7 (Composition and establishment of the arbitration panel) of Annex VI (Dispute settlement).

4. If the Parties fail to agree on the need to replace the arbitrator, any Party may request that such matter be referred to the chairperson of the arbitration panel, whose decision shall be final. If, pursuant to such a request, the chairperson finds that the arbitrator did not comply with the requirements of the Code of conduct, a new arbitrator shall be selected. The Party which had selected the arbitrator who needs to be replaced, shall select a new arbitrator in accordance with Article 7 (Composition and establishment of the arbitration panel) of Annex VI (Dispute settlement). If the Party fails to select a new arbitrator within five days of the finding of the chairperson of the arbitration panel, the chairperson shall request the Secretary-General of the PCA to make the appointment within 20 days.

5. Where a Party considers that the chairperson of the arbitration panel does not comply with the requirements of the Code of conduct, the Parties shall consult and, if they so agree, replace the chairperson and select a replacement following the procedure set out in Article 7 (Composition and establishment of the arbitration panel) of Annex VI (Dispute settlement).

6. If the Parties fail to agree on the need to replace the chairperson, any Party may request that such matter be referred to a neutral third party. If the Parties are unable to agree on a neutral third party, such matter shall be referred to the Secretary-General of the PCA whose decision on the need to replace the chairperson shall be final. If the neutral third party or the Secretary-General of the PCA as the case may be decides that the original chairperson did not comply with the requirements of the Code of Conduct, the Parties shall agree on the replacement. If the Parties fail to agree on a new chairperson, the Secretary-General of the PCA shall, at the request of any Party, select the new chairperson within 20 days of the request.

7. The arbitration panel proceedings shall be suspended for the period taken to carry out the procedures provided for in paragraphs 1 to 6 of this Article.

Article 8 Hearings

1. Unless the Parties otherwise agree, at least one hearing shall be held. The chairperson shall fix the date and time of the hearing in consultation with the Parties and the other arbitrators and confirm this in writing to the Parties. This information shall also be made publicly available by the Party in charge of the logistical administration of the proceeding when the hearing is open to the public.

2. Unless the Parties otherwise agree, the hearing shall be held in Bosnia and Herzegovina where the complaining Party is Turkey, or in Turkey where the complaining Party is Bosnia and Herzegovina.

3. The arbitration panel may convene additional hearings if the Parties so agree.

4. All arbitrators shall be present during the entirety of any hearing.

5. Representatives of a Party, advisors to a Party, administration staff, interpreters, translators and rapporteurs and arbitrators' assistants may attend the hearings, irrespective of whether the hearings are open to the public or not. Only the representatives and advisors of a Party may address the arbitration panel.

6. No later than five days before the date of a hearing, each Party shall deliver to the arbitration panel and simultaneously to the other Party a list of the names of those persons who will make oral arguments or presentations at the hearing on behalf of that Party and of other representatives or advisors who will be attending the hearing.

7. The hearings of the arbitration panels shall be closed to the public. The Parties may decide to open the hearings partially or completely to the public. The arbitration panel shall meet in closed sessions when the submissions and arguments of a Party contain confidential information.

8. The arbitration panel shall conduct the hearing in the following manner, ensuring that the complaining Party and the Party complained against are afforded equal time:

submissions

- (a) submission of the complaining Party; and
- (b) counter-submission of the Party complained against.

rebuttals

- (a) reply of the complaining Party; and
- (b) counter-rebuttal of the Party complained against.

9. The arbitration panel may direct questions to either Party at any time during a hearing.

10. The arbitration panel shall arrange for a transcript of each hearing to be prepared and delivered a copy of the transcript as soon as possible to the Parties.

11. Within ten days of the date of the hearing, each Party may deliver to the arbitration panel and simultaneously to the other Party a supplementary written submission concerning any matter that arose during the hearing.

Article 9
Questions in writing

1. The arbitration panel may at any time during the proceedings address questions in

writing to a Party or both Parties. The arbitration panel shall ensure that each of the Parties receive a copy of any questions put by the arbitration panel.

2. Each Party shall also provide a copy of its written response to the arbitration panel's questions to the arbitration panel and simultaneously to the other Party. Each Party shall be given the opportunity to provide written comments on the other Party's reply within ten days of the date of receipt.

Article 10 **Confidentiality**

The Parties and their advisors shall maintain the confidentiality of the arbitration panel hearings where the hearings are held in closed session, the deliberations and interim panel report, and all written submissions to, and communications with, the panel. Each Party and its advisors shall treat as confidential any information submitted by the other Party to the arbitration panel which that Party has designated as confidential. Nothing in this Appendix shall preclude a Party from disclosing statements of its own positions to the public to the extent that, when making reference to information submitted by the other Party, it does not disclose any information designated by the other Party as confidential.

Article 11 ***Ex parte* contacts**

1. The arbitration panel shall not meet, hear or otherwise contact a Party in the absence of the other Party.

2. No arbitrator may discuss an aspect of the subject matter of the proceeding with a Party or both Parties in the absence of the other arbitrators.

Article 12 **Urgent cases**

In cases of urgency referred to in Annex VI (Dispute settlement), the arbitration panel, after consulting the Parties, shall adjust the time limits referred to in this Annex as appropriate and shall notify the Parties of such adjustments.

Article 13 **Translation and interpretation**

1. The common working language for the proceedings of the arbitration panel shall be

English. If a Party decides to use interpretation during the proceedings, the arrangement and the cost shall be borne by that Party.

2. Any document submitted for use in any proceedings pursuant to this Annex shall be in English. If any original document is not in English, the Party submitting it for use in the proceedings shall provide a translation of that document.

Article 14

Computation of time

1. All time periods laid down in this Annex shall be counted in calendar days, the first day being the day following the act or fact to which they refer.

2. Where, by reason of the operation of paragraph 5 of Article 3, a Party receives a document on a date other than the date on which the same document is received by the other Party, any period of time the calculation of which is dependent on such receipt shall be calculated from the last date of receipt of that document.

Article 15

Other procedures

Unless otherwise provided, this Appendix is also applicable to procedures established under Article 10 (Implementation of the arbitration panel report), Article 11 (Compensation and suspension of concessions or other obligations) and Article 12 (Review of any measure taken to comply after the suspension of concessions or other obligations) of Annex VI (Dispute settlement).

APPENDIX II to ANNEX VI
Code of conduct for arbitrators

Article 1
Definitions

1. In this Code of conduct:

“**arbitrator**” means a member of an arbitration panel established under Article 7 (Composition and establishment of the arbitration panel) of Annex VI (Dispute settlement);

“**candidate**” means an individual who is under consideration for selection as an arbitrator under Article 7 (Composition and establishment of the arbitration panel) of Annex VI (Dispute settlement);

“**assistant**” means a person who, under the terms of appointment of an arbitrator, conducts research or provides assistance to the arbitrator;

“**proceeding**”, unless otherwise specified, means an arbitration panel proceeding under Annex VI (Dispute settlement); and

“**staff**”, in respect of an arbitrator, means persons under the direction and control of the arbitrator, other than assistants.

Article 2
Responsibilities to the process

Throughout the proceedings, every candidate and arbitrator shall avoid impropriety and the appearance of impropriety, shall be independent and impartial, shall avoid direct and indirect conflicts of interests and shall observe high standards of conduct so that the integrity and impartiality of the dispute settlement mechanism are preserved. Arbitrators shall not take instructions from any organisation or government with regard to matters before an arbitration panel. Former arbitrators must comply with the obligations established in Article 6 (Obligations of former arbitrators) and Article 7 (Confidentiality) of this Appendix.

Article 3
Disclosure obligations

1. Prior to confirmation of his or her selection as an arbitrator under Annex VI (Dispute settlement), a candidate shall disclose any interest, relationship or matter that is likely to affect his or her independence or impartiality or that might reasonably create an appearance of impropriety or bias in the proceeding. To this end, a candidate shall make all reasonable efforts to become aware of any such interests, relationships and matters.
2. A candidate or an arbitrator shall only communicate matters concerning actual or potential violations of this Code of conduct to the Joint Committee for consideration by the Parties.
3. Once selected, an arbitrator shall continue to make all reasonable efforts to become aware of any interests, relationships or matters referred to in paragraph 1 of this Article and shall disclose them. The disclosure obligation is a continuing duty which requires an arbitrator to disclose any such interests, relationships or matters that may arise during any stage of the proceeding at the earliest time the arbitrator becomes aware of it. The arbitrator shall disclose such interests, relationships or matters by informing the Joint Committee, in writing, for consideration by the Parties.

Article 4
Duties of arbitrators

1. Upon selection, an arbitrator shall perform his or her duties thoroughly and expeditiously throughout the course of the proceeding, and with fairness and diligence.
2. An arbitrator shall consider only those issues raised in the proceeding and necessary for a ruling and shall not delegate this duty to any other person.
3. An arbitrator shall take all appropriate steps to ensure that his or her assistants and staff are aware of, and comply with Article 2 (Responsibilities to the process), Article 3 (Disclosure obligations) and Article 7 (Confidentiality) of this Appendix.
4. An arbitrator shall not engage in *ex parte* contacts concerning the proceeding.

Article 5
Independence and impartiality of arbitrators

1. An arbitrator must be independent and impartial and avoid creating an appearance of impropriety or bias and shall not be influenced by self-interest, outside pressure, political considerations, public clamour, and loyalty to a Party or fear of criticism.

2. An arbitrator shall not, directly or indirectly, incur any obligation or accept any benefit that would in any way interfere, or appear to interfere, with the proper performance of her or his duties.

3. An arbitrator may not use her or his position on the arbitration panel to advance any personal or private interests and shall avoid actions that may create the impression that others are in a special position to influence her or him.

4. An arbitrator may not allow financial, business, professional, family or social relationships or responsibilities to influence her or his conduct or judgement.

5. An arbitrator shall avoid entering into any relationship or acquiring any financial interest that is likely to affect her or his impartiality or that might reasonably create an appearance of impropriety or bias.

Article 6 **Obligations of former arbitrators**

All former arbitrators must avoid actions that may create the appearance that they were biased in carrying out their duties or derived any advantage from the decision or ruling of the arbitration panel.

Article 7 **Confidentiality**

1. No arbitrator or former arbitrator shall at any time disclose or use any non-public information concerning a proceeding or acquired during a proceeding except for the purposes of that proceeding and shall not, in particular, disclose or use any such information to gain a personal advantage or an advantage for others or to affect the interest of others.

2. An arbitrator shall not disclose an arbitration panel determination or parts thereof prior to its publication in accordance with Annex VI (Dispute settlement).

3. An arbitrator or former arbitrator shall not at any time disclose the deliberations of an arbitration panel, or any arbitrator's view regarding the deliberations.

Article 8 **Expenses**

Each arbitrator shall keep a record and render a final account of the time devoted to the procedure and of his or her expenses, as well as the time and expenses of his or her assistant.

