

## **PROTOCOL II**

### **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 Turkey or in Georgia 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 Turkey or in Georgia;
- (h) “value of originating materials” means the value of such materials as defined in subparagraph (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 Contracting Party or, where the customs value is not known or cannot be ascertained, the first ascertainable price paid for the materials in Turkey or in Georgia;
- (j) “chapters” and “headings” means 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;
- (n) “EUR” means “euro”, the single currency of the European Monetary Union;
- (o) “the customs authorities or other competent authorities” means Republic of Turkey Prime Ministry Undersecretariat of Customs for Turkish side and authorized administrations in Georgia for Georgian side.

## **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 Georgia:
  - (a) products wholly obtained in Georgia within the meaning of Article 5;
  - (b) products obtained in Georgia incorporating materials which have not been wholly obtained there, provided that such materials have undergone sufficient working or processing in Georgia within the meaning of Article 6.

### **Article 3 Bilateral Cumulation in Turkey**

Materials originating in Georgia shall be considered as materials originating in Turkey when incorporated into a product obtained there. It shall not be necessary that such materials have undergone sufficient working or processing, provided they have undergone working or processing going beyond the operations referred to in Article 7.

**Article 4**  
**Bilateral cumulation in Georgia**

Materials originating in Turkey shall be considered as materials originating in Georgia when incorporated into a product obtained there. It shall not be necessary that such materials have undergone sufficient working or processing, provided they have undergone working or processing going beyond the operations referred to in Article 7.

**Article 5**  
**Wholly obtained products**

1. The following shall be considered as wholly obtained in Turkey or in Georgia:
  - (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 Turkey or of Georgia by their vessels;
  - (g) products made aboard their factory ships exclusively from products referred to in subparagraph (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 subparagraphs (a) to (j).
  
2. The terms “their vessels” and “their factory ships” in subparagraphs 1(f) and (g) shall apply only to vessels and factory ships:
  - (a) which are registered or recorded in Turkey or in Georgia;
  - (b) which sail under the flag of Turkey or of Georgia;
  - (c) which are owned to an extent of at least 50% by nationals of Turkey or of

Georgia, 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 Turkey or Georgia 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 Turkey or of Georgia; and
- (e) of which at least 75 per cent of the crew are nationals of Turkey or of Georgia

#### **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 of this Protocol are fulfilled.

The conditions referred to above indicate, for all products covered by this 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. Accordingly, 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% 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 operations**

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,
  - (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 subparagraphs (a) to (n);
  - (p) slaughter of animals.
  
2. All operations carried out in Turkey or in Georgia 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.  
Accordingly, 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, are 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. The conditions for acquiring originating status set out in Title II must continue to be fulfilled without interruption in Turkey or Georgia.
2. Where originating goods exported from Turkey or from Georgia to another country return, they must be considered as non-originating, unless it can be demonstrated to the satisfaction of the customs authorities or other competent authorities that:
  - (a) the returning goods are the same as those that were 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 Turkey or Georgia on materials exported from Turkey or from Georgia and subsequently re-imported there, provided:
  - (a) the said materials are wholly obtained in Turkey or in Georgia or have undergone working or processing beyond the insufficient operations listed in Article 7 prior to being exported; and
  - (b) it can be demonstrated to the satisfaction of the customs authorities or other competent authorities that:
    - i) the reimported goods have been obtained by working or processing the exported materials; and
    - ii) the total added value acquired outside Turkey or Georgia by applying the provisions of this Article does not exceed 10% of the ex-works price of the end product for which originating status is claimed.
4. 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 Turkey or Georgia. 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 Turkey or Georgia 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, Turkey or Georgia 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 and 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 coming under Chapters 50 to 63 of the Harmonised System.
8. Any working or processing of the kind covered by the provisions of this Article and done outside Turkey or Georgia 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 Turkey and Georgia. 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 Turkey or Georgia.

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 than Turkey or Georgia and sold after the exhibition for importation in Turkey or in Georgia 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 Turkey or from Georgia 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 Turkey or in Georgia;
  - (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 organized for private purposes in shops or business premises with a view to the sale of foreign products, and during which the products remain under customs control.

**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 Turkey or in Georgia, for which a proof of origin is issued or made out in accordance with the provisions of Title V shall not be subject in Turkey or Georgia 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 Turkey or in Georgia 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 or other competent 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.
6. Notwithstanding paragraph 1, Turkey or Georgia may apply arrangements for drawback of, or exemption from, customs duties or charges having an equivalent effect, applicable to materials used in the manufacture of originating products, subject to the following provisions:
  - (a) a 5 per cent rate of customs charge shall be retained in respect of products falling within Chapters 25 to 49 and 64 to 97 of the Harmonized System, or such lower rate as is in force in the Party concerned;
  - (b) a 10 per cent rate of customs charge shall be retained in respect of products falling within Chapters 50 to 63 of the Harmonized System, or such lower rate as is in force in the Party concerned.

**TITLE V  
PROOF OF ORIGIN**

**Article 16  
General requirements**

1. Products originating in Turkey shall, on importation into Georgia and products originating in Georgia shall, on importation into Turkey, benefit from this 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, the text of which appears in Annex IV, 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 (hereinafter referred to as the “invoice declaration”).
2. Notwithstanding paragraph 1, originating products within the meaning of this Protocol shall, in the cases specified in Article 27, benefit from this 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 or other competent authorities of the exporting country on application having been made in writing by the exporter or, under the exporter's responsibility, by his authorized representative.
2. For this purpose, the exporter or his authorized representative shall fill out both movement certificate EUR.1 and the application form, specimens of which appear in Annex III. These forms shall be completed in one of the official 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 handwritten, 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 or other competent 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 or other competent authorities of Turkey or of Georgia if the products concerned can be considered as products originating in Turkey or in Georgia and fulfil the other requirements of this Protocol.
5. The customs authorities or other competent authorities issuing movement certificate 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. The issuing customs authorities or other competent authorities 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 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 or other competent 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 or other competent authorities that a movement certificate EUR.1 was issued but was not accepted at importation for technical reasons.
2. For the implementation of paragraph 1, the exporter 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 or other competent authorities may issue a movement certificate EUR.1 retrospectively only after verifying that the information supplied in the exporter's application agrees with that in the corresponding file.
4. Movement certificates EUR.1 issued retrospectively must be endorsed with one of the following phrases:  
TR “SONRADAN VERİLMİŞTİR”  
GE “gacemulia retrospeqtulad”  
EN “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 or other competent 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 one of the following words:  
  
TR “İKİNCİ NÜSHADIR”  
GE “dublikati”  
EN “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 Turkey or Georgia, it shall be possible to replace the original proof of origin by one or more proof of origin for the purpose of sending all or some of these products elsewhere within a Contracting Party. The replacement proof(s) of origin 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 or other competent 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 or other competent 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 or other competent authorities, the beneficiary shall provide a statement of how the quantities have been managed.
6. The customs authorities or other competent authorities shall monitor the use made of the authorization and may withdraw it at any time whenever the beneficiary makes improper use of the authorization 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 euro 6.000.
2. An invoice declaration may be made out if the products concerned can be considered as products originating in Turkey or in Georgia 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 or other competent 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 handwritten, 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 or other competent 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 or other competent authorities of the exporting country may authorize 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 or other competent authorities evidence of the originating status of the products as well as the fulfilment of the other requirements of this Protocol.
2. The customs authorities or other competent authorities may grant the status of approved exporter subject to any conditions which they consider appropriate.
3. The customs authorities or other competent authorities shall grant to the approved exporter a customs authorisation number which shall appear on the invoice declaration.
4. The customs authorities or other competent authorities shall monitor the use of the authorization by the approved exporter.
5. The customs authorities or other competent authorities may withdraw the authorization at any time. They shall do so where the approved exporter no longer offers the guarantees referred to in paragraph 1, does not fulfil the conditions referred to in paragraph 2 or otherwise makes an incorrect use of the authorization.
6. The customs authorities or other competent authorities responsible for the implementation of the verification of proof of origin within the meaning of Article 33 of this Protocol may inform each other on the changes in granting authorizations to the approved exporters and may also mutually exchange the updated lists.

### **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 this 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 heading Nos. 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 must not exceed EUR 500 in the case of small packages or EUR 1200 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 Turkey or in Georgia 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 bookkeeping;
- (b) documents proving the originating status of materials used, issued or made out in Turkey or in Georgia where these documents are used in accordance with domestic law;
- (c) documents proving the working or processing of materials in Turkey or Georgia, issued or made out in Turkey or in Georgia, 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 Turkey or in Georgia in accordance with this Protocol.

## **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 or other competent 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 Turkey and of Georgia 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 and shall be applied from 1 January the following year. The Parties shall communicate the amounts to each other by 15 October.
4. Turkey or Georgia 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. Turkey or Georgia 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 Turkey or of Georgia. 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 COOPERATION**

**Article 32**  
**Mutual assistance**

1. The customs authorities or other competent authorities of Turkey and of Georgia shall provide each other with specimen impressions of stamps used in their offices for the issue of movement certificates EUR.1 and with the addresses of the customs

authorities or relevant competent and duly authorized bodies responsible for verifying those certificates and invoice declarations.

2. In order to ensure the proper application of this Protocol, Turkey and Georgia shall assist each other, through the competent customs administrations and relevant competent and duly authorized bodies, 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 or other competent 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 or the invoice declaration is incorrect shall be forwarded in support of the request for verification.
3. The verification shall be carried out by the customs authorities or other competent 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 Turkey or Georgia 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 or other competent 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 the 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. Turkey and Georgia 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 Turkey and Georgia 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**  
**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 consultations process between experts.

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

**Article 38**  
**Annexes**

Annexes I, II, III, IV to this Protocol shall form an integral part thereof.

**Article 39**  
**Goods in transit and storage**

Goods which conform to the provisions of Title II and which on the date of entry into force of the Agreement are either being transported or are being held in Turkey or in Georgia 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 40**  
**Amendments to the Protocol**

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