

## **ANNEX V**

### **DEFINITION OF THE CONCEPT OF ORIGINATING PRODUCTS AND METHODS OF ADMINISTRATIVE COOPERATION (Referred to in Article 10)**

#### **TITLE I**

#### **GENERAL PROVISIONS**

##### **ARTICLE 1 Definitions**

For the purposes of this Annex:

- 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 Agreement on Implementation of Article VII of the GATT 1994 as may be amended (hereinafter referred to as "Customs Valuation Agreement");
- f) "ex-works price" means the price paid for the product ex works to the manufacturer in Turkey or in Chile in whose undertaking the last working or processing is carried out, provided the price includes at least 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 Chile;

- h) "value of originating materials" means the value of such materials as defined in subparagraph (g) applied *mutatis mutandis*;
- i) "chapters" and "headings" mean the chapters (two-digit codes) and the headings (four-digit codes) used in the nomenclature which makes up the Harmonized System;
- j) "classified" refers to the classification of a product or material under a particular heading;
- k) "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;
- l) "preferential tariff treatment" refers to the customs duty applicable to an originating good as laid down in this Agreement;
- m) "competent authority" refers to customs authority in Turkey and General Directorate of International Economic Affairs (DIRECON) of the Ministry of Foreign Affairs in Chile. The Parties may designate entities or bodies for the issuance of certificates of origin; and
- n) "customs authority" refers to the Prime Ministry Undersecretariat of Customs in Turkey and the National Customs Service in Chile.

## **TITLE II**

### **DEFINITION OF THE CONCEPT OF "ORIGINATING PRODUCTS"**

#### **ARTICLE 2**

##### **General Requirements**

1. For the purpose of the implementation of this Agreement, the following products shall be considered as originating in Turkey:
  - a) products wholly obtained in Turkey within the meaning of Article 4;
  - b) products obtained in Turkey incorporating materials which have not been wholly obtained there, provided that such materials have undergone sufficient working or processing in Turkey within the meaning of Article 5;
2. For the purpose of the implementation of this Agreement, the following products shall be considered as originating in Chile:
  - a) products wholly obtained in Chile within the meaning of Article 4;
  - b) products obtained in Chile incorporating materials which have not been wholly obtained there, provided that such materials have undergone sufficient working or processing in Chile within the meaning of Article 5.

#### **ARTICLE 3**

##### **Bilateral Cumulation of Origin**

1. Materials originating in Turkey shall be considered as materials originating in Chile 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 6.
2. Materials originating in Chile 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 6.

**ARTICLE 4**  
**Wholly Obtained Products**

1. The following shall be considered as wholly obtained in Turkey or in Chile:
  - 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 Chile 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 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 seas 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 (f) and (g) of paragraph 1 shall apply only to vessels and factory ships:
  - a) which are registered or recorded in Turkey or in Chile;
  - b) which sail under the flag of Turkey or of Chile.
3. In addition to the requirements laid down in paragraph 2, products obtained under subparagraphs (f) and (g) of paragraph 1 shall be considered as wholly obtained in Turkey or in Chile when "their vessels" and "their factory ships":

a) are owned:

- i) to an extent of at least 50 per cent by nationals of Turkey or of Chile, or
- ii) by a partnership or limited company with its head office in Turkey or in Chile, 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 of Chile and, of which at least half the capital belongs to those States or to public bodies or nationals of the said States, or
- iii) by a company other than those referred to in (ii) with its head office in Turkey or in Chile, 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 of Chile;

and

- b) of which the master and at least 75 per cent of the crew, officers included, are nationals of Turkey or of Chile.

## **ARTICLE 5**

### **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 of Appendix II to this Annex 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 Appendix II is used in the manufacture of another product, the conditions applicable to the resulting product do not apply to the incorporating product, 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 Appendix II, 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 Appendix II for the maximum value of non-originating materials are not exceeded through the application of this paragraph.

Without prejudice to notes 5 and 6 of Appendix I, this paragraph shall not apply to products falling within Chapters 50 to 63 of the Harmonized System.

3. Paragraphs 1 and 2 shall apply except as provided in Article 6.

## **ARTICLE 6**

### **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 5 are satisfied:
  - a) preserving operations to ensure that the products remain in good condition during transport and storage such as drying, freezing, ventilation, chilling and like operations;
  - 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) operations whose sole purpose is to ease loading;
  - p) a combination of two or more operations specified in subparagraphs (a) to (o);
  - q) slaughter of animals.
2. All operations carried out either in Turkey or in Chile on a given product shall be considered when determining whether the working or processing undergone by that product is to be regarded as insufficient within the meaning of paragraph 1.

## **ARTICLE 7**

### **Unit of Qualification**

1. The unit of qualification for the application of the provisions of this Annex shall be the particular product which is considered as the basic unit when determining classification using the nomenclature of the 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 Annex.
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. Any other packaging shall not be included for the purposes of determining origin.

### **ARTICLE 8**

#### **Accessories, Spare Parts and Tools**

Accessories, spare parts and tools dispatched with a piece of equipment, machine, apparatus or vehicle:

- which are part of the normal equipment and included in the price thereof, or
- which are not separately invoiced,

shall be regarded as one with the piece of equipment, machine, apparatus or vehicle in question.

### **ARTICLE 9**

#### **Sets**

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

### **ARTICLE 10**

#### **Neutral Elements**

In order to determine whether a product originates, it shall not be necessary to determine the origin of the following 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 11**

##### **Principle of Territoriality**

1. The conditions set out in Title II relating to the acquisition of originating status must be fulfilled without interruption in Turkey or in Chile.
2. If originating goods exported from Turkey or Chile 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 goods returned 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.

##### **ARTICLE 12**

##### **Direct Transport**

1. The preferential treatment provided for under this Agreement applies only to products, satisfying the requirements of this Annex, which are transported directly between Turkey and Chile. However, products may be transported through other territories with, should the occasion arise, trans-shipment or temporary warehousing in such territories, provided that they remain under the surveillance of the customs authorities in the country of transit or warehousing and do not undergo operations other than unloading, reloading, or any operation designed to preserve them in good condition.
2. Evidence that the conditions set out in paragraph 1 have been fulfilled shall be supplied to the customs authorities of the importing Party by the production of:
  - a) a single transport document covering the passage from the exporting Party 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 13**

#### **Exhibitions**

1. Originating products, sent for exhibition in a country other than Turkey or Chile and sold after the exhibition for importation in Turkey or in Chile shall benefit on importation from the provisions of this Agreement provided it is shown to the satisfaction of the Customs Authorities of the importing Party that:
  - a) an exporter has consigned these products from Turkey or from Chile 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 Chile;
  - c) the products have been consigned during the exhibition or immediately thereafter in the state in which they were sent for exhibition;
  - d) the products have not, since they were consigned for exhibition, been used for any purpose other than demonstration at the exhibition; and
  - e) the products have remained during the exhibition under customs control.
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 Party in the normal manner. The name and address of the exhibition must be indicated thereon. Where necessary, additional documentary evidence of the conditions under which 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.

## **TITLE IV**

### **DRAWBACK OR EXEMPTION**

#### **ARTICLE 14**

##### **Prohibition of Drawback of, or Exemption from, Customs Duties**

1. Non-originating materials used in the manufacture of products originating in Turkey or in Chile 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 in Chile 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 applicable in Turkey or in Chile 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 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 paragraph 2 of Article 7, accessories, spare parts and tools within the meaning of Article 8 and products in a set within the meaning of Article 9 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 this 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 this Agreement.

## **TITLE V**

### **PROOF OF ORIGIN**

#### **ARTICLE 15**

##### **General Requirements**

1. Products originating in Turkey or in Chile shall, on importation into another Party benefit from the preferential treatment under this Agreement upon submission of the following proofs of origin:
  - a) a movement certificate EUR.1, a specimen of which appears in Appendix III; or
  - b) in the cases specified in paragraph 1 of Article 20, 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 Appendix IV.
2. Notwithstanding paragraph 1, originating products within the meaning of this Annex shall, in the cases specified in Article 25, benefit from this Agreement without it being necessary to submit any of the documents referred to above.

#### **ARTICLE 16**

##### **Procedure for the Issue of a Movement Certificate EUR.1**

1. A movement certificate EUR.1 shall be issued by the competent authorities of the exporting Parties on application having been made in writing by the exporter or, under the exporter's responsibility, by his authorised representative.
2. The procedure for the completion of both the movement certificate EUR.1 and the application form is set out in Appendix III.
3. The exporter applying for the issue of a movement certificate EUR.1 shall be prepared to submit at any time, at the request of the competent authority of the exporting Party where the movement certificate EUR.1 is issued, all appropriate documents proving the originating status of the products concerned as well as the fulfilment of the other requirements of this Annex.

4. A movement certificate EUR.1 shall be issued if the products concerned can be considered as products originating in Turkey or in Chile and fulfil the other requirements of this Annex.
5. The issuing authorities shall take any steps necessary to verify the originating status of the products and the fulfilment of the other requirements of this Annex. For this purpose, 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 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 the movement certificate EUR.1 shall be indicated in Box 11 of the certificate.
7. When the exporter in Chile repeatedly provided false information or documentation, the competent authority may temporarily suspend the issuance of new certificates of origin.
8. The Parties shall seek the possibility to implement a system of electronic certification and submission of proof of origin and recognition of electronic signature. The Sub-Committee on Customs and Rules of Origin will evaluate a time frame for its implementation.

## **ARTICLE 17**

### **Movement Certificate EUR.1 Issued Retrospectively**

1. Notwithstanding paragraph 7 of Article 16, a movement certificate EUR.1 may also 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 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 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:  
  
Turkish "SONRADAN VERİLMİŞTİR"  
Spanish "EMITIDO A POSTERIORI"  
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 18**

### **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 by stating the reasons for his request may apply to the 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:  
  
Turkish "İKİNCİ NÜSHADIR"  
Spanish "DUPLICADO"  
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 19**  
**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 in Chile, 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 Turkey or Chile. The replacement movement certificate(s) EUR.1 shall be issued by the customs office of first entry in Turkey or in Chile under whose control the products are placed.

**ARTICLE 20**  
**Conditions for Making Out an Invoice Declaration**

1. An invoice declaration as referred to in subparagraph 1 (b) of Article 15 may be made out:
  - a) by an approved exporter within the meaning of Article 21, 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 Turkey, or in Chile and fulfil the other requirements of this Annex.
3. The exporter making out an invoice declaration shall be prepared to submit at any time, at the request of the customs authorities or competent authorities of the exporting Party, all appropriate documents proving the originating status of the products concerned as well as the fulfilment of the other requirements of this Annex.
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 Appendix IV. Specific requirements as for the making out of an invoice declaration are set out in Appendix IV.
5. Invoice declarations shall bear the original signature of the exporter in manuscript. However, an approved exporter within the meaning of Article 21 shall not be required to sign such declarations provided that he gives the

competent authorities of the exporting Party 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 to the customs authorities of the importing Party no longer than two years after the importation of the products to which it relates.

## **ARTICLE 21**

### **Approved Exporter**

1. The competent authority of the exporting Party may authorise any exporter, hereinafter referred to as “approved exporter”, who makes frequent shipments of originating products under this Agreement to make out invoice declarations irrespective of the value of the products concerned. An exporter seeking such authorization must offer to the satisfaction of the competent authorities all guarantees necessary to verify the originating status of the products as well as the fulfilment of the other requirements of this Annex.
2. The competent authorities may grant the status of approved exporter subject to any conditions which they consider appropriate.
3. The competent authorities shall grant to the approved exporter an authorization number which shall appear on the invoice declaration.
4. The competent authorities shall monitor the use of the authorization by the approved exporter.
5. The 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, no longer fulfils the conditions referred to in paragraph 2 or otherwise makes an incorrect use of the authorization.

## **ARTICLE 22**

### **Validity of Proof of Origin**

1. A proof of origin as referred to in paragraph 1 of Article 15 shall be valid for 10 months from the date of issue in the exporting Party, and must be submitted within the said period to the customs authorities of the importing Party.

2. Proofs of origin which are submitted to the customs authorities of the importing Party after the final date for presentation specified in paragraph 1 may be accepted for the purpose of applying preferential treatment, where the failure to submit these documents by the final date set is due to exceptional circumstances.
3. In other cases of belated presentation, the customs authorities of the importing Party may accept the proofs of origin where the products have been submitted before the said final date.
4. In accordance with the internal legislation of the importing Party, preferential treatment may also be granted, where applicable by repayment of duties, within a period of two years from the date of acceptance of the import declaration, where a proof of origin is produced indicating that the imported goods were at that date eligible for preferential tariff treatment.

## **ARTICLE 23**

### **Submission of Proof of Origin**

1. Proofs of origin shall be submitted to the customs authorities of the importing Party in accordance with the procedures applicable in that Party. The said authorities may require a translation of a proof of origin which can be drawn up by the importer. They 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.
2. The requirements mentioned in paragraph 1 relating to translation and the statement by the importer shall not be systematic and should only be imposed with a view to clarifying the submitted information or to ensuring that the importer endorses the full responsibility for the declared origin.

## **ARTICLE 24**

### **Importation by Instalments**

Where, at the request of the importer and on the conditions laid down by the customs authorities of the importing Party, dismantled or non-assembled products within the meaning of General Rule 2(a) of the Harmonized System classified 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 25**  
**Exemptions from Proof of Origin**

1. Products sent from private persons to private persons or forming part of travelers' 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 Annex and where there is no doubt as to the veracity of such a declaration. In the case of products sent by post, this declaration can be made on the customs declaration CN22/CN23 or other certificates established by the Universal Postal Union, 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 travelers 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 products sent from private persons to private persons or EUR 1.200, in the case of products forming part of travelers' personal luggage.

**ARTICLE 26**  
**Supporting Documents**

The documents referred to in paragraph 3 of Article 16 and paragraph 3 of Article 20 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 Chile and fulfil the other requirements of this Annex may consist *inter alia* of the following:

- a) direct evidence of the processes carried out by the exporter or supplier to obtain the goods concerned, contained for example in his accounts or internal book-keeping;
- b) documents proving the originating status of materials used, issued or made out in Turkey or in Chile where these documents are used in accordance with the internal legislation;
- c) documents proving the working or processing of materials in Turkey or in Chile, issued or made out in Turkey or in Chile, where these documents are used in accordance with the internal legislation;

- d) movement certificates EUR.1 or invoice declarations proving the originating status of materials used, issued or made out in Turkey or in Chile in accordance with this Annex.

## **ARTICLE 27**

### **Preservation of Proof of Origin and Supporting Documents**

1. The exporter applying for the issue of a movement certificate EUR.1 shall keep for three years the documents referred to in paragraph 3 of Article 16.
2. The exporter making out an invoice declaration shall keep for three years a copy of this invoice declaration as well as the documents referred to in paragraph 3 of Article 20.
3. The competent authorities of the exporting Party issuing a movement certificate EUR.1 shall keep for three years the application form referred to in paragraph 2 of Article 16.
4. The customs authorities in Turkey shall keep for at least three years the movement certificates EUR.1 and the invoice declarations submitted to them into importation. The customs authorities of Chile must have at their disposal for three years the movement certificates EUR.1 and the invoice declarations submitted to them into importation.

## **ARTICLE 28**

### **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 29**  
**Amounts Expressed in Euro**

1. For the application of the provisions of subparagraph 1 (b) of Article 20 and paragraph 3 of Article 25 in cases where products are invoiced in a currency other than euro, amounts in the national currencies of Turkey or of Chile equivalent to the amounts expressed in euro shall be fixed in accordance to paragraphs 3 and 7 by the Parties.
2. A consignment shall benefit from the provisions of subparagraph 1 (b) of Article 20 or paragraph 3 of Article 25 by reference to the currency in which the invoice is drawn up, according to the amount fixed by the Party 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. They shall apply them from 1 January the following year.
4. A Party 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 Party 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 Chile. 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.
6. The equivalent of the local currency will be informed at the Sub-Committee on Customs and Rules of Origin or every two years, in accordance with paragraph 3.

## **TITLE VI**

### **ARRANGEMENTS FOR ADMINISTRATIVE COOPERATION**

#### **ARTICLE 30**

##### **Mutual Assistance**

1. The competent authorities of Turkey and of Chile shall provide each other, with specimen impressions of stamps used for the issue of movement certificates EUR.1 and with the addresses of the authority responsible for verification process.
2. In order to ensure the proper application of this Annex, Turkey and Chile shall assist each other, through their respective 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 31**

##### **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 Party have reasonable doubts as to the authenticity of such documents, the originating status of the products concerned or the fulfilment of the other requirements of this Annex.
2. For the purposes of implementing the provisions of paragraph 1, the customs authorities of the importing Party 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 competent authorities of the exporting Party giving, where appropriate, the reasons for the enquiry. Any documents and information obtained suggesting that the information given on the proof of origin is incorrect shall be forwarded in support of the request for verification.
3. The verification shall be carried out by the competent authorities of the exporting Party. For this purpose, 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 Party decide to suspend the granting of preferential treatment to the products concerned while awaiting the results of the verification, release of the products shall be offered to the importer subject to any precautionary measures judged necessary.
5. The 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 in Chile and fulfil the other requirements of this Annex.
6. If in cases of reasonable doubt there is no reply within 10 months of the date 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 32**

### **Resolution of Disputes**

1. Where disputes arise in relation to the verification procedures of Article 31 which cannot be settled between the customs authorities requesting verification and the competent authorities responsible for carrying out this verification or where they raise a question as to the interpretation of this Annex, they shall be submitted to the Sub-Committee on Customs and Rules of Origin.
2. In all cases the settlement of disputes between the importer and the customs authorities of the importing Party shall be under the legislation of the said Party.

## **ARTICLE 33**

### **Penalties**

Penalties may be imposed in accordance with internal legislation for infringement to provisions of this Annex. In particular, 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 34**  
**Confidentiality**

In accordance with the applicable internal legislation, each Party shall treat as confidential the information submitted under the provisions of this Annex by a person or authority of the other Party when such information is designated by that Party as confidential. Accordingly, access to the said information may be refused where disclosure would undermine the protection of the commercial interest of the person that submitted the information.

**ARTICLE 35**  
**Free Zones**

1. Turkey and Chile 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 from paragraph 1, when products originating in Turkey or in Chile are entered 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 Annex.

**ARTICLE 36**  
**Amendments to this Annex**

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

**ARTICLE 37**  
**Explanatory Notes**

The Parties shall agree on the "Explanatory Notes" regarding the interpretation, application and administration of this Annex.

**ARTICLE 38**  
**Transitional Provision for Goods in Transit or Storage**

The provisions of this Agreement may be applied to goods which comply with the provisions of this Annex and which on the date of entry into force of this Agreement are either in transit or are in Turkey or in Chile in temporary storage in customs warehouses or in free zones, subject to the submission to the customs authorities of the importing Party, within 10 months of the said date, of a movement certificate EUR.1 issued retrospectively by the competent authorities of the exporting Party together with the documents showing that the goods have been transported directly in accordance with the provisions of Article 12.

**ARTICLE 39**  
**Customs Cooperation**

The Parties agree to negotiate an Agreement on Cooperation and Mutual Assistance in Customs Matters through their respective customs authorities.