

DECISION OF THE COUNCIL NO 2 OF 2019

(Adopted at the third meeting of the Council on 14 May 2019)

AMENDMENTS TO THE EFTA CONVENTION

THE COUNCIL,

Having regard to the Convention establishing the European Free Trade Association (hereinafter referred to as the “EFTA Convention”), in particular Chapter II regarding free movement of goods,

Having regard to the Member States’ aim of further liberalising EFTA internal trade in agricultural products,

Having regard to the Member States’ wish to simplify the structure and coverage of agricultural products under the EFTA Convention,

Noting that all EFTA States are Contracting Parties to the Regional Convention on Pan-Euro-Mediterranean Preferential Rules of Origin (hereinafter referred to as the “PEM Convention”) and that the PEM Convention has entered into force for all EFTA States,

Noting that the PEM Convention aims at replacing the protocols on rules of origin currently in force among the Contracting Parties to the Pan-Euro-Mediterranean system of cumulation of origin,

Aiming to fully harmonise the rules of origin in the EFTA Convention with the PEM Convention,

Having regard to the Decision No. 2 of 2012 of the EFTA Council to amend the EFTA Convention regarding the rights and obligations of the Member States concerning rules of origin and administrative cooperation between the customs authorities of the Member States,

Having regard to Article 59 of the EFTA Convention concerning amendments to the EFTA Convention,

DECIDES:

1. The text of Article 5 of the EFTA Convention shall be replaced by the following:

“The provisions on rules of origin and administrative cooperation are set out in Annex A.”

2. The text set out in the Annex to this decision concerning rules of origin and administrative cooperation shall be added as new Annex A.
3. The text of paragraphs 2 and 3 of Article 53 of the EFTA Convention shall be replaced by the following, and the numbering of paragraph 4 adjusted accordingly:

“2. The Annexes to this Convention are the following:

Annex A Rules of origin and administrative cooperation
Annex B on mutual administrative assistance in customs matters
Annex E Seeds
Annex F Organic agriculture
Annex G Sanitary and phytosanitary measures
Annex H Procedure for the provision of information in the field of technical regulations and of rules on Information Society services
Annex I Mutual recognition in relation to conformity assessment
Annex J Intellectual property rights
Annex K Movement of persons
Annex L Reservations by Iceland on investment and services
Annex M Reservations by Liechtenstein on investment and services
Annex N Reservations by Norway on investment and services
Annex O Reservations by Switzerland on investment and services
Annex P Land Transport
Annex Q Air Transport
Annex R Public procurement
Annex S Organs, committees and other bodies set up by the Council
Annex T Arbitration
Annex U Territorial application
Annex V Basic Agricultural Products
Annex W Processed Agricultural Products
Annex X Agricultural Products above HS chapter 24 (Article 8)

3. The Council may decide to amend paragraph 2.

4. The Council may decide to amend Annexes A, H, S, T, V, W and X as well as the Appendices to Annexes E, F, K, P, Q and R, unless otherwise provided in the Annexes.”

4. This Decision shall enter into force on the first day of the second month following the deposit of the instruments of acceptance by all Member States with the Depositary.
5. The Secretary-General of EFTA shall deposit the text of this Decision with the Depositary.

ANNEX A
Rules of origin and administrative cooperation (Art. 5)

Article 1

Regional Convention on Pan-Euro-Mediterranean Preferential Rules of Origin

1. With respect to the rights and obligations of the Member States concerning rules of origin and administrative cooperation between the customs authorities of the Member States, Appendix I and the relevant provisions of Appendix II to the Regional Convention on Pan-Euro-Mediterranean Preferential Rules of Origin (hereinafter referred to as the “PEM Convention”), including their Annexes, shall apply and are hereby incorporated into and made part of the Convention, *mutatis mutandis*, without prejudice to Article 15 of the Convention.
2. Chapter XVII of the Convention shall apply with respect to the settlement of any disputes concerning the interpretation and application of Appendix I and the relevant provisions of Appendix II to the PEM Convention, including their Annexes.

Article 2

Withdrawal from the PEM Convention

1. If a Member State withdraws from the PEM Convention, it shall immediately notify the other Member States and enter into negotiations on new rules of origin for the purpose of the Convention.
2. Until new rules enter into force, Appendix I to the PEM Convention, including its Annexes, and the relevant provisions of Appendix II including its Annexes, applicable at the time of withdrawal, shall continue to apply, *mutatis mutandis*, allowing only for cumulation between the Member States.

Article 3

Transitional provisions

Until the application of the revised rules of the PEM Convention and notwithstanding paragraph 5 of Article 16 and paragraph 3 of Article 21 of Appendix I to the PEM Convention, where cumulation involves only EFTA States, the Faroe Islands, the European Union, Turkey, the participants in the Stabilisation and Association Process, Moldova, Georgia, and Ukraine, a movement certificate EUR.1 or an origin declaration may be used.
