

PAK-CHINA EHP RULES OF ORIGIN

A Free Trade Agreement between the Government of the Islamic Republic of Pakistan and the Government of the People's Republic of China was signed on November 24, 2006 at Islamabad. The Free Trade Agreement consists of the following components: The Agreement and Annexes I, II and III.

The agreement contains the Articles on Establishment of Free Trade Area, objectives, relation to other agreements, application of this agreement, definitions, scope and coverage, National treatment; tariff elimination, para-tariffs and non-tariff barriers, rules of origin, Trade remedies, safeguard measures, sanitary and phyto-sanitary measures, TBTs, Investment, settlement of disputes, amendments; annexes etc.

The preambles and necessary conditions of relevant SRO s issued by the Federal Board of Revenue are given below; however, the applicable rates of customs duties are available in Pakistan Customs Tariff-Volume-I of this publication. For ease of reference Annex-II and Annex-III of the Agreement are appended below:-

Annex-II

[Annex 'II' is the form and instruction for the Certificate of Origin. A claim that products shall be accepted as eligible for preferential concession shall be supported by a Certificate of Origin issued by a government authority designated by the exporting Party and notified to the other Party the Agreement in accordance with the operational certification procedures, as set out in annex. (Chapter IV, Article 23 of the Agreement)]

RULES OF ORIGIN FOR THE CHINA-PAKISTAN FREE TRADE AREA

In determining the origin of products eligible for preferential tariff concession under the Agreement on the Early Harvest Program and the Free Trade Agreement between the People's Republic of China and the Islamic Republic of Pakistan (hereinafter referred to as "the Agreements"), the following Rules of Origin shall apply:

Rule 1: Definitions

For the purposes of these Rules

- (a) "a Party" means the Islamic Republic of Pakistan ("Pakistan") or the People's Republic of China ("China").
- (b) "CIF value" .means the price actually paid or payable to the exporter for the good when the good is unloaded from the carrier, at the port of importation. The value includes the cost of the good, insurance and' freight necessary to deliver the goods to the named port of destination.
- (c) "Customs Valuation Agreement" means the WTO Agreement on implementation of Article VII of the General Agreement on Tariffs and Trade 1994.
- (d) "FOB value" means the price actually paid or payable to the exporter for the good when the good is loaded into the carrier at the named port of exportation. The value includes the cost of the good and all costs necessary to bring the good into the carrier.
- (e) "Materials" include ingredients, parts, components, subassembly and/or goods that were physically incorporated into another good or were subject to a process in the production of another good.
- (f) "Originating goods" means products that qualify as originating in accordance with the provisions of Rule 2.
- (g) "Product Specific Rules" are rules that specify that the materials have undergone a change in tariff classification or a specific manufacturing or processing operation, or satisfy an ad valorem criterion or a combination of any of these criteria.

- (h) "Indirect material" means a good used in the production, testing or inspection of a good but not physically incorporated into the good, or a good used in the maintenance of buildings or the operation of equipment associated with the production of a good, including:
 - a. Fuel and energy;
 - b. Tools, dies, and moulds;
 - c. Parts and materials used in the maintenance of equipment and buildings;
 - d. Lubricants, greases, compounding materials, and other materials used in production or used to operate equipment and buildings;
 - e. Groves, glasses; footwear, clothing, safety equipment, and supplies;
 - f. Equipment, devices, and supplies used for testing or inspecting the goods;
 - g. Catalysts and solvents; and any other goods that are not incorporated into the good but whose use in the production of the good can reasonably be demonstrated to be part of that production;
- i. "Non-originating material" used in production means any material whose country of origin is other than that of the Parties and any material whose origin cannot be determined;
- j. "Production" includes methods of obtaining goods including manufacturing, producing, assembling, processing, raising, growing, breeding, mining, extracting, harvesting, fishing, trapping, gathering, collecting, hunting and capturing.

Rule 2: Origin Criteria

For the purposes of this Agreement, products imported by a Party shall be deemed to be originating and eligible for preferential concessions if they conform to the origin requirements under anyone of the following:

- (a) products which are wholly obtained or produced as set out and defined in Rule 3; or
- (b) products not wholly obtained or produced provided that the said products are eligible under Rule 4, Rule 5 [or Rule 6].

Rule 3: Wholly Obtained or Produced Products

Within the meaning of Rule 1 (a), the following shall be considered as wholly produced or obtained in a Party:

- (a) Plant and plant products harvested, picked or gathered there;
- (b) Live animals born and raised there;
- (c) Products obtained from live animals referred to in paragraph (b) above;
- (d) Products obtained from hunting, trapping, fishing, aquaculture, gathering or capturing conducted there;
- (e) Minerals and other naturally occurring substances, not included in paragraphs (a) to (d) above, extracted or taken from its soil, waters, seabed or beneath their seabed;
- (f) Products taken from the waters, seabed or beneath the seabed outside the territorial waters of that Party; provided that that Party has the rights to exploit such waters, seabed and beneath the seabed in accordance with international law;
- (g) Products of sea fishing and other marine products taken from the high seas by vessels registered with a Party or entitled to fly the flag of that Party;

- (h) Products processed and/or made on board factory ships registered with a Party or entitled to fly the flag of that Party, exclusively from products referred to in paragraph (g) above;
- (i) Parts or raw materials recovered there from articles which can no longer perform their original purpose nor are capable of being restored or repaired;
- (j) Articles collected there which can no longer perform their original purpose nor are capable of being restored or repaired and are fit only for disposal or recovery of parts of raw materials, or for recycling purposes;
- (k) waste and scrap resulting from manufacturing operations conducted there; and
- (l) Goods obtained or produced in a Party solely from products referred to in paragraphs (a) to (k) above.

Rule 4: Not wholly Produced or Obtained Products

- (a) For the purposes of Rule 2(b), a product shall be deemed to be originating if not less than 40% of its content originates from a Party.
- (b) For the purposes of calculating local value added content the following method shall apply:

Value of Non-originating materials

- (c) The value of the non-originating materials shall be:
 - (i) the CIF value at the time of importation of the materials; or
 - (ii) the earliest ascertained price paid for the materials of undetermined origin in the territory of the Party where the working or processing takes place.

Rule 5: Cumulative Rule of Origin

Unless otherwise provided for, products which comply with origin requirements provided for in Rule 2 and which are used in the territory of a Party as materials for a finished product eligible for preferential treatment under the Agreement shall be considered as products originating in the territory of the Party where working or processing of the finished product has taken place provided that the aggregate China-Pakistan originating content on the final product is not less than 40%.

Rule 6: Product Specific Rules

Products which have undergone sufficient transformation in a Party shall be treated as originating goods of that Party. Products which satisfy the Product Specific Criteria as annexed to these Rules shall be considered as goods to which sufficient transformation has been carried out in a Party.)

Rule 7: Minimal Operations and Processes

The following operations or processes shall be considered as minimal operations and shall not be taken into account in determining the origin of a product in terms of Rule2:

- a) Operations to ensure the preservation of products in good condition during transport and storage (such as drying, freezing, keeping in brine, ventilation, spreading out, chilling, placing in salt, sulphur dioxide or other aqueous solutions, removal of damaged parts, and like operations);
- b) Simple operations consisting of removal of dust, sifting or screening, sorting, classifying, matching (including the making-up of sets of articles), washing, painting, cutting;
- c) Changes of packing and breaking up and assembly of consignments;
- d) Simple cutting, slicing and repacking or placing in bottles, flasks, bags, boxes, fixing on cards or boards and all other simple packing operations;

- e) Affixing of marks, labels or other like distinguishing signs on products or their packaging;
- f) Simple mixing of products whether or not of different kinds, where one or more components of the mixture do not meet the conditions laid down in this Chapter to enable them to be considered as originating products;
- g) Simple assembly of parts of products to constitute a complete product;
- h) Disassembly;
- i) Slaughter of animals.
- j) Mere dilution with water or another substance that does not materially alter the characteristics of the goods; and
- k) A combination of two or more operations referred to in paragraphs (a) to (j).

Rule 8: Direct-Consignment

The following shall be considered as consigned directly from the exporting Party to the importing Party:

- (a) If the products are transported without passing through the territory other than China and Pakistan;
- (b) The products whose transport involves transit through one or more intermediate non-CPFTA countries with or without transshipment or temporary storage in such countries, provided that:
 - (i) The transit entry is justified for geographical reason or by consideration related exclusively to transport requirements;
 - (ii) The products have not entered into trade or consumption there; and
 - (iii) the products have not undergone any operation there other than unloading and reloading or any operation required to keep them in good condition.

Rule 9: Treatment of Packing

- (a) Where for purposes of assessing customs duties, a Party treats products separately from their packing; it may also, in respect of its imports consigned from another Party, determine separately the origin of such packing.
- (b) Where paragraph (a) above is not applied, packing shall be considered as forming a whole with the products and no part of any packing required for their transport or storage shall be considered as having been imported from outside the CPFTA when determining the origin of the products as a whole.

Rule 10: Accessories, Spare parts and Tools

The origin of accessories, spare parts, tools and instructional or other information materials presented with the goods therewith shall be neglected in determining the origin of the goods, provided that such accessories, spare parts, tools and information materials are classified and collected customs duties with the goods by the importing member state.

Rule 11: Treatment of Indirect Materials.

Unless otherwise provided; for the purpose of determining the origin of goods, the origin of indirect materials as defined in rule 1(i), or the materials used in its manufacture which do not remain in the goods or form part of the goods, shall not be taken into account.

Rule 12: Certificate of Origin

A claim that products shall be accepted as eligible for preferential concession shall be supported by a Certificate of Origin issued by a government authority designated by the exporting

Party and notified to the other Party to the Agreement in accordance with the operational certification procedures, as set out in Attachment A.

Rule 13: Review and Modification

These rules may be reviewed and modified as and when necessary upon request of a Party and may be open to such reviews and modifications as may be agreed upon by the [TNC] [Council of Ministers].

ATTACHMENT A

OPERATIONAL CERTIFICATION PROCEDURES FOR THE RULES OF ORIGIN OF THE CHINA- PAKISTAN FREE TRADE AREA

For the purpose of implementing the rules of origin for the China-Pakistan Free Trade Area, the following operational procedures on the issuance and verification of the Certificate of Origin (Form X) and the other related administrative matters shall apply Authorities

Rule 1: The Certificate of origin shall be issued by the Government authorities of the exporting Party

Rule 2: (a) The two Parties shall inform each other of the names and addresses of their respective Government authorities issuing the Certificate of Origin and shall provide specimen signatures and specimen of official seals used by their said Government authorities.

(b) The above information and specimens shall be provided reciprocally. Any change in names, addresses, or official seals shall be promptly informed in the same manner as mutually agreed upon by both Parties.

Rule 3: For the purpose of verifying the conditions for preferential treatment, the Government authorities designated to issue the Certificate of Origin shall have the right to request any supporting documentary evidence or to carry out any check where appropriate. If such right cannot be obtained through the existing national laws and regulations, it shall be inserted as a clause in the application form referred to in the following rules 4 and 5.

Applications

Rule 4: The exporter and/or the manufacturer of the products qualified for preferential treatment shall apply in writing to the Government authorities requesting for the pre-exportation verification of the origin of the products. The result of the verification, subject to review periodically or whenever appropriate, shall be accepted as the supporting evidence in verifying the origin of the said products to be exported thereafter. The pre-verification may not apply to the products of which, by their nature, origin can be easily verified.

Rule 5: At the time of carrying out the formalities for exporting the products under preferential treatment, the exporter or his authorized representative shall submit a written application for the Certificate of Origin together with appropriate supporting documents proving that the products to be exported qualify for the issuance of a Certificate of Origin.

Pre-Exportation Examination

Rule 6: The Government authorities designated to issue the Certificate of Origin shall, to the best of their competence and ability, carry out proper examination upon each application for the Certificate of Origin to ensure that:

- (a) The application and the Certificate of Origin are duly completed and signed by the authorized signatory;
- (b) The origin of the product is in conformity with the China-Pakistan FTA Rules of Origin;
- (c) The other statements of the Certificate of Origin correspond to supporting documentary evidence submitted;
- (d) Description, quantity and weight of goods, marks and number of packages, number and kinds of packages, as specified, conform to the products to be exported.

Issuance of Certificate of Origin

Rule 7:

- a) The Certificate of Origin must be on ISO A4 size paper in conformity to the specimen as shown in Attachment II to this Annex "C". It shall be made in English.
- b) The Certificate of Origin shall comprise one original and two copies.
- c) Each Certificate of Origin shall bear a reference number separately given by each place or office of issuance.
- d) The original shall be forwarded, by the exporter to the importer for submission to the Customs Authorities at the port of place of importation. Duplicate copy shall be retained by the issuing authority in the exporting country, and the triplicate copy shall be retained by the exporter.

Original Beige (Pantone color code: 727c)

Duplicate White (Pantone color code:)

Triplicate White (Pantone color code:)

Rule 8: To implement the provisions of Rule 4 and 5 of the China-Pakistan FTA Rules of Origin, the Certificate of Origin issued by the exporting Party shall indicate the relevant rules and applicable percentage of China-Pakistan FTA content in Box 8.

Rule 9: Neither erasures nor superimposition shall be allowed on the certificate of origin. Any alteration shall be made by striking out the erroneous materials and making any addition required. Such alterations shall be approved by the person who made them and certified by the appropriate Government authorities. Unused spaces shall be crossed out to prevent any subsequent addition.

Rule 10: (a) The Certificate of Origin shall be issued by the relevant Government authorities of the exporting Party before or at the time of exportation or within 15 days , thereafter whenever the products to be exported can be considered originating in that Party within the meaning of the (China -Pakistan FTA Rules of Origin).

- (b) In exceptional cases where a certificate of Origin has not been issued before or at the time of exportation or soon thereafter due to involuntary errors or omissions or other valid causes, the Certificate of Origin may be issued retroactively but no longer than (one year) from the date of shipment, bearing the words "ISSUED RETROSPECTIVELY"

Rule 11: In the event of theft, loss or destruction of a Certificate of Origin, the exporter may apply in writing to the Government authorities which issued it for the certified true copy of the original and the triplicate to be made on the basis of the export documents in their possession bearing the endorsement of the words "CERTIFIED TRUE COPV" in Box 12. This copy shall bear the date of the original Certificate of Origin. The certified true copy of a Certificate of Origin shall be issued not longer than one year from the date of issuance of the original Certificate of Origin and on condition that the exporter provides to the relevant issuing authority the third copy.

Presentation

Rule 12: The importer shall take the initiative to claim for the preferential treatment to the Customs of the importing party at the time of import declaration. The original Certificate of Origin shall be submitted to the Customs Authorities at the time of lodging the import entry for the products concerned.

Rule 13: The following time limit for the presentation of the Certificate of Origin shall be observed:

- (a) Certificate of Origin shall be submitted to the Customs Authorities of the importing Party within six months from the date of endorsement by the relevant Government authorities of the exporting Party;
- (b) Where the products pass through the territory of one or more non-parties in accordance with the provisions of Rule 8 (b) of the China- Pakistan FTA Rules of Origin, the time limit laid down in paragraph (a) above for the submission of the Certificate of Origin is extended to eight months;
- (c) Where the Certificate of Origin is submitted to the relevant Government authorities of the importing Party after the expiration of the time limit for its submission, such Certificate is still to be accepted when failure to observe the time limit results from force majeure or other valid causes beyond the control of the exporter; and
- (d) In all cases, the relevant Government authorities in the importing Party may accept such Certificate of Origin provided that the products have been imported before the expiration of the time limit of the said Certificate of Origin.

Rule 14: In the case of consignments of products originating in the exporting Party and not exceeding US\$ 200.00 FOB, the production of a Certificate of Origin shall be waived and the use of simplified declaration by the exporter that the products in question have originated in the exporting Party will be accepted. Products sent through the post not exceeding US\$ 200.00 FOB shall also be similarly treated.

Rule 15: The discovery of minor discrepancies between the statements made in the Certificate of Origin and those made in the documents submitted to the Customs Authorities of the importing Party for the purpose of carrying out the formalities for importing the products shall not ipso-facto invalidate the Certificate of Origin, if it does in fact correspond to the products submitted.

Rule 16: (a) The importing Party may request a retroactive check at random and/or when it has reasonable doubt as to the authenticity of the document or as to the accuracy of the information regarding the true origin of the products in question or of certain parts thereof.

- (b) The request shall be accompanied with the Certificate of Origin concerned and shall specify the reasons and any additional information suggesting that the particulars given on the said Certificate of Origin may be inaccurate, unless the retroactive check is requested on a random basis.
- (c) The Customs Authorities of the importing Party may suspend the provisions on preferential treatment while awaiting the result of verification. However, it may release the products to the importer subject to any administrative measures deemed necessary, provided that they are not held to be subject to import prohibition or restriction and there is no suspicion of fraud.
- (d) The issuing Government authorities receiving a request for retroactive check shall respond to the request promptly and reply not later than six (6) months after the receipt of the request.

Rule 17: (a) The application for Certificates of Origin and all documents related to such application shall be retained by the issuing authorities for not less than two (2) years from the date of issuance.

- (b) Information relating to the validity of the Certificate of Origin shall be furnished upon request of the importing Party.
- (c) Any information communicated between the Parties concerned shall be treated as confidential and shall be used for the validation of Certificates of Origin purposes only.

Special Cases

Rule 18: When destination of all or parts of the products exported to a Party is changed, (before) or after their arrival in the Party, the following rules shall be observed:

- (a) If the products have already been submitted to the Customs Authorities in the importing Party, the Certificate of Origin shall, by a written application of the importer be endorsed to this effect for all or parts of products by the said authorities and the original returned to the importer. The triplicate shall be returned to the issuing authorities.
- (b) If the changing of destination occurs during transportation to the importing Party as specified in the Certificate of Origin, the exporter shall apply in writing, accompanied with the issued Certificate of Origin, for the new issuance for all or parts of products.

Rule 19: For the purpose of implementing Rule 8(b) of the China-Pakistan FTA Rules of Origin, where transportation is effected through the territory outside the two member states, the following shall be produced to the Government authorities of the importing Member State:

- (a) A through Bill of Lading issued in the exporting Member State;
- (b) A Certificate of Origin issued by the relevant Government authorities of the exporting Member State;
- (e) A copy of the original commercial invoice in respect of the product; and
- (d) Supporting documents in evidence that the requirements of Rule 8(b) sub-paragraphs (i), (ii) and (iii) of the China-Pakistan FTA Rules of Origin are being complied with.

Rule 20: (a) Products sent from an exporting Party for exhibition in the other Party and sold during or after the exhibition into a Party shall benefit from the China-Pakistan FTA preferential tariff treatment on the condition that the products meet the requirements of the China-Pakistan FTA Rules of Origin, provided that it is shown to the satisfaction of the relevant Government authorities of the importing Party that:

- (i) an exporter has dispatched those products from the territory of the exporting Party to the country where the exhibition is held and has exhibited them there;
 - (ii) the exporter has sold the goods or transferred them to a consignee in the importing Party; and
 - (iii) the products have been consigned during the exhibition or immediately thereafter to the importing Party in the state in which they were sent for exhibition.
- (b) For purposes of implementing the above provisions, the Certificate of Origin must be produced to the relevant Government authorities of the importing Party. The name and address of the exhibition must be indicated, a certificate issued by the relevant Government authorities of the Party where the exhibition took place together with supporting documents prescribed in rule 19(d) may be required.
- (c) Paragraph (a) shall apply to any trade, agricultural or crafts exhibition, fair or similar show or display in shops or business premises with the view to the sale of foreign products and where the products remain under Customs control during the exhibition.

Action against Fraudulent Acts

Rule 21: (a) When it is suspected that fraudulent acts in connection with the Certificate of Origin have been committed, the Government authorities concerned shall co-operate in the action to be taken in the territory of the respective Party against the persons involved.

- (b) Each Party shall be responsible for providing legal sanctions for fraudulent acts related to the Certificate of Origin.

Rule 22 Consultation on Dispute: In the case of a dispute concerning origin determination, classification of products or other matters, the Government authorities concerned in both

parties shall consult each other with a view to resolving the dispute, and the result shall be reported to the other Member State

PAK - CHINA FTA CERTIFICATE OF ORIGIN

1. Exporter's Name and Address, country		<p>CERTIFICATE NO.</p> <p>CERTIFICATE OF ORIGIN</p> <p>CHINA-PAKISTAN FTA (Combined Declaration and Certificate)</p> <p>Issued in (Country)</p> <p>See Instructions Overleaf</p>			
2. Consignee's Name and Address, country					
3. Producer's Name and Address, country					
4. Means of transport and route (as far as known)		4. For Official Use Only			
Departure Date		<input type="checkbox"/> Preferential Treatment Given Under China-Pakistan FTA free Trade Area Preferential Tariff -----			
Vessel/Flight/Train/Vehicle No.		<input type="checkbox"/> Preferential Treatment Not Given (Please State reason/s) ----- -----			
Port of loading		<p>Signature of Authorized Signatory of the Importing Country</p>			
Port of discharge					
6. Item Number	7. Marks and numbers on packages; Number and kind of packages; Description of goods; HS code of the	8. Origin Criterion	9. Gross Weight, Quantity and	10. Number and date of invoice	11. Remarks

importing country	FOB		
<p>12. Declaration by the exporter</p> <p>The undersigned hereby declares that the above details and statement are correct; that all the goods were produced in</p> <p>-----</p> <p style="text-align: center;">Country</p> <p>and that they comply with the origin requirements specified for these goods in the China-Pakistan Free Trade Area preferential Tariff for the goods exported to</p> <p>-----</p> <p style="text-align: center;">(Importing country)</p> <p>-----</p> <p>Place and date, signature of authorized signatory</p>	<p>13. Certification</p> <p>It is hereby certified, on the basis of control carried out, that the declaration by the exporter is correct.</p> <p>-----</p> <p>Place and date, signature and stamp of certifying authority</p>		

China-Pakistan FTA Certificate of Origin Instructions

- Box 1:** State the full legal name, address (including country) of the exporter.
- Box 2:** State the full legal name, address (including country) of the consignee.
- Box 3:** State the full legal name, address (including country) of the producer. If more than one producer's good is included in the certificate, list the additional producers, including name, address (including country). If the exporter or the producer wishes the information to be confidential, it is acceptable to state "Available to Customs upon request". If the producer and the exporter are the same, complete field with "SAME".
- Box 4:** Complete the means of transport and route and specify the departure date, transport vehicle No., port of loading and discharge.
- Box 5:** The Customs Authority; of the importing Party must indicate- in the relevant boxes whether or not preferential treatment is accorded.
- Box 6:** State the item number
- Box 7:** Provide a full description of each good. The description should be sufficiently detailed to enable the products to be identified by the Customs Officers examining them and relate it to the invoice description and to the HS description of the good. Shipping Marks and numbers on the packages, number and kind of package shall also be specified. For each good, identify the HS tariff classification to 6 digits, using the HS tariff classification of the country into whose territory the goods is imported.
- Box 8:** For exports from one Party to the other Party to be eligible for preferential treatment under China-Pakistan FTA, the requirement is that either: (to be adjusted according to the specific rules of origin)

- i. The products wholly obtained in the exporting Party as defined in China-Pakistan FTA Rules of Origin;
- ii. Subject to sub-paragraph (i) above, for the purpose of implementing the provisions of China-Pakistan FTA Rules of Origin, products worked on and processed as a result of which the total value of material' originating from non- China-Pakistan FTA member states or of undetermined origin used is less than 60% of the FOB value of the product produced or obtained and the final process of the manufacture is performed within territory of the exporting Party;
- iii. Products which comply with origin requirements provided for in Article 16 of this Agreement and which are used in a Party as inputs for a finished product eligible for preferential treatment in the other Party shall be considered as a product originating in the Party where working or processing of the finished product has taken place provided that the aggregate China-Pakistan FTA content of the final product is not less than 40%; or
- iv. Products that satisfy the Product Specific Rules provided for in Attachment B of the China-Pakistan FTA Rules of Origin shall be considered as goods to which sufficient transformation has been carried out in a Party.

If the goods qualify under the above criteria, the exporter must indicate in Field 8 of this form the origin criteria on the basis of which he claims that his goods qualify for preferential treatment, in the manner shown in the following table:

Circumstances of production or manufacture in the first country named in Field 12 of this form	Insert in Field 8
(a) Products wholly produced in the country of exportation (see paragraph 8 (i) above)	“P”
(b) Products worked upon but not wholly produced in the exporting Party which were produced in conformity with the provisions of paragraph 8 (ii) above	Percentage of single country content, example 40%
(c) Products worked upon but not wholly produced in the exporting Party which were produced in conformity with the provisions of paragraph 8 (iii) above	Percentage of China-Pakistan FTA cumulative content, example 40%
(d) Products satisfied the Product Specific Rules	"Product Specific Rules"

Box 9: Gross weight in Kilos should be shown here. Other units of measurement e.g. volume or number of items which would indicate exact quantities may be used when customary; the FOB value shall be the invoiced value declared by exporter to the issuing authority.

Box 10: Invoice number and date of invoices should be shown here.

Box 11: Customer's Order Number, Letter of Credit Number, and etc. may be included if required.

Box 12: The field must-be completed, signed and dated by the exporter. Insert the place, date of signature.

Box 13: The field must be completed, signed, dated and stamped by the authorized person of the certifying authority.

Annex III

[Annex 'III' is for the purposes of this Agreement and Chapter X (Dispute Settlement). It covers Rules of Procedure of an Arbitral Panel established pursuant to Article 63.]

RULES OF PROCEDURE OF ARBITRAL PANEL

General provisions

1. For the purposes of this Agreement and Chapter X:

arbitral panel means an arbitral panel established pursuant to Article 63;

complaining Party means a Party that requests the establishment of an arbitral panel under Article 63; and

responding Party means a Party that has been complained against pursuant to Article 63.

Notifications

2. Any request, notice, written submissions or other document shall be delivered by either Party or the arbitral panel by delivery against receipt, registered post, courier, facsimile transmission, telex, telegram or any other means of telecommunication that provides a record of the sending thereof.
3. A Party shall provide a copy of each of its written submissions to the other Party and to each of the panellists. A copy of the document shall also be provided in-electronic format.
4. All notifications shall be made and delivered to each Party.
5. Minor errors of a clerical nature in any request, notice, written submission or other document related to the arbitral panel proceeding may be corrected by delivery of a new document clearly indicating the changes.
6. If the last day for delivery of a document falls on a legal holiday of a Party, the document may be delivered on the next business day.

Commencing the arbitration

7. Unless the Parties otherwise agree, they shall meet with the arbitral panel within 15 days following the composition of the arbitral panel in order to determine such matters that the Parties or the arbitral panel deems appropriate.

Initial submissions

8. The Party shall deliver its initial written submission no later than 20 days after the composition of the arbitral panel. The responding Party shall deliver its written counter-submission no later than 30 days after the date of delivery of the initial written submission.

Operation of arbitral panels

9. The chair of the arbitral panel shall preside at all of its meetings.
10. Except as otherwise provided in these rules, the arbitral panel may conduct its activities by any means, including telephone, facsimile transmissions or computer links.
11. Only panellists may take part in the deliberations of the arbitral panel.
12. The drafting of the report shall remain the exclusive responsibility of the arbitral panel.
13. Where a procedural question arises that is not covered by these rules, an arbitral panel may adopt an appropriate procedure that is not inconsistent with this Agreement.
14. When the arbitral panel considers that there is a need to modify any time period applicable in the proceeding, or to make any other procedural or administrative adjustment in the proceeding, it shall inform the Parties in writing of the reasons for the modification or adjustment with the indication of the period or adjustment needed.

Hearings

15. The Chair shall fix the date and time of the hearing in consultation with the Parties and the other members of the arbitral panel. The Chair shall notify in writing to the Parties of the date, time and location of the hearing. Unless either of the Parties disagrees, the arbitral panel may decide not to convene a hearing.

16. Unless the Parties otherwise agree, the hearing shall be held in the responding Party's territory. The responding Party shall be in charge of the logistical administration of dispute settlement proceedings, "in particular the organization of hearings, unless otherwise agreed.
17. The arbitral panel may convene additional hearings if the Parties so agree.
18. All panellists shall be present at hearings.
19. No later than five days before the date of a hearing, each Party shall deliver a list of the names of those representatives or advisers who will be attending the hearing.
20. The hearings of the arbitral panel shall be held in closed session.
21. The arbitral panel shall conduct the hearing in the following manner: argument of the complaining Party; argument of the responding Party; rebuttal arguments of the Parties; the reply of the complaining Party; the counter-reply of the responding Party. The Chair may set time limits for oral arguments to ensure that each Party is afforded equal time.
22. The arbitral panel may direct questions to either Party at any time during a hearing.
23. Within 15 days after the date of the hearing, each Party may deliver a supplementary written submission responding to any matter that arose during the hearing.

Questions in writing

24. The arbitral panel may at any time during the proceedings address-questions in writing to one or both Parties. The arbitral panel shall deliver the written questions to the Party to whom the questions are addressed.
25. A Party to whom the arbitral panel addresses written questions shall deliver a copy of any written reply to the other Party and to the arbitral panel. Each Party shall be given the opportunity to provide written comments on the reply within five days after the date of delivery.

Confidentiality

26. The Parties shall maintain the confidentiality of the arbitral panel's hearings. Each Party shall treat as confidential the information submitted by the other Party to the arbitral panel which that Party has designated as confidential. Where a Party submits a confidential version of its written submissions to the arbitral panel, it shall also, upon request of the other Party, provide a non-confidential summary of the information contained in its submissions that could be disclosed to the public, no later than 15 days after the date-of either the request or the submission, whichever is later. Nothing in these rules shall preclude a Party from disclosing statements of its own positions to the public.

Ex parte contacts

27. The arbitral panel shall not meet or contact a Party in the absence of the other Party.
28. No Party may contact any panellist in relation to the dispute in the absence of the other Party or other panellists.
29. No panellist may discuss an aspect of the subject matter of the proceeding with a Party or both Parties in the absence of the other panellists.

Role of experts

30. Upon request of a Party or on its own initiative, the arbitral panel may obtain information and technical advice from any person or body that it deems appropriate. Any information so obtained shall be submitted to the Parties for comments.
31. When a request is made for a written report of an expert, any time period applicable to the arbitral panel proceeding shall be suspended for a period beginning on the date of delivery of the request and ending on the date the report is delivered to the arbitral panel.

Cases of urgency

32. In cases of urgency referred to in Article 69 of this Agreement, the arbitral panel shall appropriately adjust the time periods mentioned to in these rules.

Working language

33. The working language of the dispute settlement proceedings shall be English.
34. Written submissions, documents, oral arguments or presentations at the hearings, initial and final reports of the arbitral panel, as well as all other written or oral communications between the Parties and the arbitral panel, shall be conducted in the working language.
35. Any Party may provide comments on a translated version of a document that is prepared in accordance with these rules.

Computation of time

36. Where anything under this Agreement or these rules is to be done, or the arbitral panel requires anything to be done, within a number of days after, before or of a specified date or event, the specified date or the date on which the specified event occurs shall not be included in calculating that number of days.
37. Where, by reason of the operation of Rule 6, a Party receives a document on a date other than the date on which the same document is received by the other Party, any period of time the calculation of which is dependent on such receipt shall be calculated from the date of receipt of the last such document.
