

CHAPTER 3 RULES OF ORIGIN

Article 3.1: Definitions

For the purposes of this Chapter:

Aquaculture refers to the farming of aquatic organisms including fish, molluscs, crustaceans, other aquatic invertebrates and aquatic plants, from seedstock such as eggs, fry, fingerlings and larvae, by intervention in the rearing or growth processes to enhance production, such as, *inter alia*, regular stocking, feeding, and protection from predators;

Competent authority refers to:

- (a) for the Kingdom of Cambodia, the Ministry of Commerce or the General Department of Customs and Excise of Cambodia, Ministry of Economy and Finance or any other agency notified from time to time; and
- (b) for the UAE, the Ministry of Economy or any other agency notified from time to time;

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;

Customs authority refers to:

- (a) for the Kingdom of Cambodia, the General Department of Customs and Excise of Cambodia, Ministry of Economy and Finance; and
- (b) for the UAE, the Federal Authority for Identity, Citizenship, Customs, and Port Security;

Customs value refers to the price actually paid or payable to the exporter for a product when the product is loaded out of the carrier, at the port of importation, including the cost of the product, insurance, and freight necessary to deliver the product to the named port of destination. The valuation shall be made in accordance with Article VII of the GATT 1994, including its notes and supplementary provision thereof; and the Customs Valuation Agreement;

Generally accepted accounting principles refers to the recognised consensus or substantial authoritative support in the territory of a Party, with respect to the recording of revenues, expenses, costs, assets, and liabilities, the disclosure of information and the preparation of financial statements. These standards may

encompass broad guidelines of general application as well as detailed standards, practices and procedures;

Good refers to any merchandise, product, article, or material;

Harmonized System (“HS”) refers to the Harmonized Commodity Description and Coding System, including its general rules and legal notes set out in the Annex to the International Convention on the Harmonized Commodity Description and Coding System;

Manufacture refers to any kind of working or processing, including assembly or specific operations;

Material refers to any ingredient, raw material, compound or part, etc., used in the production of a good;

Non-originating good refers to a good that does not qualify as originating under this Chapter;

Non-originating material (NOM) refers to any materials whose country of origin is a country other than the Parties (imported non-originating), any materials whose origin cannot be determined (undetermined origin) or a material that does not qualify as originating under this Chapter;

Originating goods / originating material refers to goods or materials that qualify as originating under this Chapter;

Product refers to that which is obtained by growing, raising, mining, harvesting, fishing, aquaculture, trapping, hunting, extracting or manufactured, even if it is intended for later use in another manufacturing operation; and

Production refers to growing, raising, mining, harvesting, fishing, farming, breeding, extracting, gathering, collecting, capturing, aquaculture, trapping, hunting, manufacturing, producing, processing, or assembling a good.

Section A: Origin Determination

Article 3.2: Originating Goods

For the purposes of implementing this Agreement, goods shall be considered as originating in territory of a Party, if:

- (a) goods are wholly obtained or produced there according to Article 3.3;

- (b) goods are not wholly obtained or produced entirely there, provided that the good has undergone sufficient transformation according to Article 3.4;
- (c) goods produced entirely there exclusively from originating materials of any of the Parties; or
- (d) goods satisfied all other applicable requirements of this Chapter.

Article 3.3: Wholly Obtained or Produced Goods

For the purposes of Article 3.2 (a), the following goods shall be deemed to be wholly obtained or produced in the territory of a Party:

- (a) plant and plant products grown, collected and harvested there;
- (b) live animals born and raised there;
- (c) products obtained from live animals there;
- (d) mineral product and natural resources extracted or taken from that Party's soil, subsoil, waters, seabed, or beneath the seabed;
- (e) product obtained from hunting, trapping, collecting, capturing, fishing, or aquaculture conducted there;
- (f) fish, shellfish, and other marine life taken by vessels registered with the Party and entitled to fly its flag, and other products taken by the Party or a person of that Party, from the waters, seabed or beneath the seabed outside the territorial waters of the Party, provided that the Party has the rights to exploit the natural resources of such waters, seabed and beneath the seabed under international law;
- (g) fish, shellfish, and other marine life taken from the high seas by vessels registered with the Party and entitled to fly its flag;
- (h) goods produced or made on board factory ships registered with a Party and entitled to fly its flag, exclusively from products referred to in subparagraph (f) through (g);
- (i) raw materials recovered from used goods collected there;
- (j) waste or scrap resulting from utilization, consumption, or manufacturing operations conducted there, fit only for recovery of raw materials; and

- (k) product produced or obtained there exclusively from product referred to in subparagraphs (a) through (j), or from their derivatives, at any stage of production.

Article 3.4: Sufficient Working or Production

1. For the purposes of Article 3.2 (b), a good shall be deemed to be originating if the good satisfies any of the following:
 - (a) a Change in Tariff Heading (CTH), which means that all non-originating materials used in the production of the good have undergone a change in HS tariff classification at the 4-digit level;
 - (b) a Qualifying Value Content (QVC) not less than 40% of the FOB value; or
 - (c) a Qualifying Value Content (QVC) not less than 35% of the Ex-Works Value.
2. Notwithstanding paragraph 1, if the good falls within the classifications included in exception list in Annex 3A (Product Specific Rules) (hereinafter referred to as PSR), then the good shall fulfill the specific rule detailed therein.
3. For the purposes of paragraph 1, the QVC shall be calculated using any of the following methods:

(a)
$$QVC = \frac{\text{ExWorks Value or FOB Value} - V.N.M}{\text{ExWorks Value or FOB Value}} * 100 \text{ or}$$

(b)
$$QVC = \frac{V.O.M + \text{Direct Labour Cost} + \text{Direct Overhead Cost} + \text{Profit} + \text{Other Costs}}{\text{ExWorks or FOB Value}} * 100$$

where:

- (i) **QVC** is the qualifying value content of a good expressed as a percentage;
- (ii) **FOB** is the value of the good free on board, inclusive of the cost of transport (regardless of the mode of transport) to the port or site of final shipment abroad;
- (iii) **Ex-Works Value** is the price paid for the good ex-works to the manufacturer in the Parties 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 good obtained is exported;

- (iv) **V.N.M** is the **CIF/Customs** value of the non-originating materials at the time of importation or the earliest ascertained price paid or payable in the Party where the production takes place for all non-originating materials, parts or produce that are acquired by the producer in the production of the good. When the producer of a good acquires non-originating materials within that Party the value of such materials shall not include freight, insurance, packing costs and any other costs incurred in transporting the material from the supplier's warehouse to the producer's location;
- (v) **VOM** is the value of originating materials, parts, or produce acquired or self-produced, and used in the production of the good;
- (vi) **Direct Labour Cost** includes wages, remuneration, and other employee benefits;
- (vii) **Direct Overhead Cost** is the total overhead expense; and
- (viii) **Other Costs** are the costs incurred in placing the good in the ship or other means of transport for export including, but not limited to. domestic transport costs, storage and warehousing, port handling, brokerage fees and service charges. This cost is only applicable when calculating QVC on FOB basis.

Article 3.5: Intermediate Goods

For a non-originating material that undergoes sufficient production in the territory of a Party as provided in Article 3.4, the resulting good shall be considered as originating and no account shall be taken of the non-originating material contained therein when that good is used in the subsequent production of another good.

Article 3.6: Accumulation

1. An originating good of a Party which is used in the processing or production in the territory of the other Party as material for finished goods shall be deemed as a material originating in the territory of the latter Party where the working or processing of the finished goods has taken place.

2. Notwithstanding subparagraph 1, an originating material from a Party that does not undergo processing beyond the minimal or insufficient operations listed in Article 3.8 in the other Party shall retain its originating status of the former Party.
3. The Joint Committee established under Article 16.1 (Joint Committee) may agree to review this Article with a view to providing for other forms of accumulation for the purposes of qualifying goods as originating goods under this agreement.

Article 3.7: Tolerance (*De Minimis*)

1. Notwithstanding Article 3.4, A good will be considered to have undergone a change in tariff classification if the value of all non-originating materials that are used in the production of the good and that do not undergo the applicable change in tariff classification does not exceed 10% of the FOB price or 15% of the Ex-Works price of the good.
2. The value of non-originating materials referred to in paragraph 1 shall be included in the value of the non-originating materials for any applicable value-added content requirement.

Article 3.8: Minimal/Insufficient Operations and Processes

1. Whether or not the requirements of Article 3.4 are satisfied, a good shall not be considered to be originating in the territory of a Party if the following operations are undertaken exclusively by itself or in combination in the territory of that Party:
 - (a) slaughter of animals;
 - (b) operations to ensure the preservation of products in good condition during transport and storage such as drying, freezing, ventilation, chilling and like operations;
 - (c) simple processes, consisting of sifting, screening, sorting, washing, classifying, sharpening, cutting, slitting, grinding, bending, coiling, uncoiling, or slicing;
 - (d) cleaning, including removal of oxide, oil, paint or other coverings;
 - (e) simple painting and polishing operations;
 - (f) simple testing or calibration;

- (g) simple placing in bottles, cans, flasks, bags, cases, boxes, fixing on cards or boards and all other simple packaging operations;
- (h) simple mixing of goods, whether or not of different kinds;
- (i) simple assembly of parts of products to constitute a complete good or disassembly of products into parts;
- (j) changes of packaging, unpackaging or repackaging operations, and breaking up and assembly of consignments;
- (k) affixing or printing marks, labels, logos and other like distinguishing signs on goods or their packaging;
- (l) husking, partial or total bleaching, polishing and glazing of cereals and rice; and
- (m) mere dilution with water or another substance that does not materially alter the characteristics of the goods.

2. For the purposes of paragraph 1, the term “simple” will be defined as following:

- (a) “Simple” generally describes an activity which does not need special skills, machines, apparatus or equipment especially produced or installed for carrying out the activity;
- (b) “Simple mixing” generally describes an activity which does not need special skills, machine, apparatus or equipment especially produce or install for carrying out the activity. However, simple mixing does not include chemical reaction. Chemical reaction means a process (including a biochemical process) which results in a molecule with a new structure by breaking intramolecular bonds and by forming new intramolecular bonds, or by altering the spatial arrangement of atoms in a molecule.

Article 3.9: Indirect Materials

In order to determine whether a good originates, the following material used in the production of a good shall be treated as originating material, irrespective of whether such material is originated:

- (a) energy and fuel;
- (b) plant and equipment;

- (c) machines and tools;
- (d) spare parts and materials used in the maintenance of equipment;
- (e) equipment, devices, supplies used for testing or inspecting the goods; and
- (f) any other materials which are used in the production, testing or inspection of a good and do not enter and which are not intended to enter into the final composition of the product.

Article 3.10: Accessories, Spare Parts, Tools

1. Accessories, spare parts, tools, and instructional or other information materials delivered with a good that form part of the good's standard accessories, spare parts, tools, and instructional or other information materials presented with the good shall be regarded as a part of the good, and shall be disregarded in determining whether or not all the non-originating materials used in the production of the originating goods undergo the applicable change in tariff classification or a specific manufacturing or processing operation set out in Annex 3A (PSR) provided that:
 - (a) the accessories, spare parts, tools, and instructional or other information materials are classified with and not invoiced separately from the good; and
 - (b) the quantities and value of the accessories, spare parts, tools, and instructional or other information materials presented with the good are customary for the good.
2. Notwithstanding paragraph 1, if the goods are subject to QVC requirement, the value of the accessories, spare parts, tools and instructional or other information materials shall be taken into account as originating or non-originating materials, as the case may be, in calculating the qualifying value content of the goods.

Article 3.11: Packaging Materials and Containers for Retail Sale

1. Packaging materials and containers in which a good is packaged for retail sale, which are classified together with the good in accordance with Rule 5 of the General rules for the interpretation of the Harmonized System, shall not be taken into account in determining the originating status of the good, provided that:

- (a) the good is wholly obtained or produced in a Party in accordance with Article 3.2 (a);
 - (b) the good is produced in a Party exclusively from originating materials of any of the parties, in accordance with Article 3.2 (c);
or
 - (c) the good is subject to a change in tariff classification or a specific manufacturing or processing operation requirement.
2. If the good is subject to qualifying value content requirement, the value of such packaging materials and containers shall be taken into account as originating or non-originating materials, as the case may be, in calculating the qualifying value content of the good.

Article 3.12: Packaging Materials and Containers for Transportation and Shipment

Each Party shall provide that packing materials and containers for transportation and shipment are disregarded in determining whether a good is originating.

Article 3.13: Fungible Goods and Materials

1. Each Party shall provide that the determination of whether fungible goods or materials are originating shall be made through physical segregation of each good or material, or, in case of any difficulty, through the use of any inventory management method, recognised in the generally accepted accounting principles of the Party in which the production is performed, or any other methods accepted by both Parties.
2. Each Party shall provide that an inventory management method selected under paragraph 1 of this Article for particular fungible goods or materials shall continue to be used for those fungible goods or materials throughout the fiscal year of the Party that selected the inventory management method.

Section B: Territoriality and Transit

Article 3.14: Transit and Transshipment

1. Each Party shall provide that an originating good retains its originating status if the good has been transported directly to the importing Party without passing through the territory of a non-Party.

2. Notwithstanding paragraph 1, each Party shall provide that an originating good retains its originating status if transited or through one or more intermediate non-Parties, provided that the good:
 - (a) remained under customs control in the territory of a non-Party; and
 - (b) have not undergone any operation there other than unloading, reloading, split from bulk, storing or any operation required to keep them in good condition.
3. An importer shall upon request supply appropriate evidence to the customs authorities of the importing Party that the conditions set out in paragraph 2 have been fulfilled.

Article 3.15: Free Economic Zones or Free Zones

1. Both Parties shall take all necessary steps to ensure that originating goods 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. Goods produced or manufactured in a free zone situated within a Party, shall be considered as originating goods in that Party when exported to the other Party provided that the treatment or processing is in conformity with the provisions of this Chapter and supported by a proof of origin.

Article 3.16: Third Party Invoicing

1. The customs authority in the importing Party shall not reject a certificate of origin only for the reason that the invoice was not issued by the exporter or producer of a good provided that the good meets the requirements in this Chapter.
2. The exporter of the goods shall indicate “third party invoicing” and such information as name and country of the company issuing the invoice shall appear in the appropriate field as detailed in Annex 3B (Specimen of Cambodia-UAE Certificate of Origin).

Section C: Origin Certification

Article 3.17: Proof of Origin

1. Goods originating in a Party shall, on importation into the other Party, benefit from preferential tariff treatment under this Agreement on the basis of a Proof of Origin.
2. Any of the following shall be considered as a Proof of Origin:
 - (a) a paper format certificate of origin in soft or hard copy issued by a competent authority as per Article 3.18;
 - (b) an Electronic Certificate of Origin (E-Certificate) issued by a competent authority and exchanged by a mutually developed electronic system as per Article 3.19; and
 - (c) an origin declaration made out by an approved exporter as per Article 3.20.
3. Each Party shall provide that a Proof of Origin shall be completed in the English language and shall remain valid for one year from the date on which it is issued.

Article 3.18: Certificate of Origin in Paper Format

1. A Certificate of Origin in paper format shall:
 - (a) be in standard A4 white paper as per the attached Form set out in Annex 3B (Certificate of Origin);
 - (b) comprise one original and two copies. The original shall be forwarded by the producer or exporter to the importer for submission to the customs authority of the importing Party. The duplicate shall be retained by the competent authority of the exporting Party. The triplicate shall be retained by the producer or exporter;
 - (c) may cover one or more goods under one consignment; and
 - (d) be in a printed format or such other medium including electronic format.
2. Each Certificate of Origin shall bear a unique serial reference number separately given by each place or office of issuance.
3. A Certificate of Origin shall bear an official signature and seal of the Competent authority. The official seal may be applied electronically.

4. In case the official seal is applied electronically, an authentication mechanism, such as QR code or a secured website, shall be included in the certificate for the certificate to be deemed as an original copy.

Article 3.19: Electronic Data Origin Exchange System

For the purposes of Article 3.17.2 (b), the Parties shall endeavor to develop an electronic system for origin information exchange to ensure the effective and efficient implementation of this Chapter particularly on transmission of electronic certificate of origin.

Article 3.20: Origin Declaration

1. For the purposes of Article 3.17.2 (c), the Parties shall, within one year from the date of entry into force of this Agreement, implement provisions allowing each customs authority or competent authority to recognize an origin declaration made by an approved exporter.
2. The customs authority or competent authority of the exporting Party may authorise any exporter, (hereinafter referred to as “approved exporter”), who exports goods under this Agreement, to make out Origin Declarations, a specimen of which appears in Annex 3C (Origin Declaration), irrespective of the value of the goods concerned.
3. An exporter seeking such authorisation must offer to the satisfaction of the customs authority or competent authority of the exporting party all guarantees necessary to verify the originating status of the goods as well as the fulfilment of the other requirements of this Chapter.
4. An Origin Declaration (the text of which appears in Annex 3C (Origin Declaration) shall be made out by the approved exporter by typing, stamping, or printing the declaration on the invoice or the packing list in case the invoice is not available.
5. The customs authority or competent authority of the exporting party may grant the status of approved exporter, subject to any conditions set out in Article 3.21.

Article 3.21: Approved Exporter

1. Each Party shall provide for the authorisation of an exporter who exports goods under this Agreement as an approved exporter, in accordance with its laws and regulations. An exporter seeking such authorisation shall apply in writing or electronically and must offer to the satisfaction of the competent authority of the exporting Party all guarantees necessary to

verify the originating status of the good for which a Declaration of Origin is completed. The competent authority of an exporting Party may grant the status of approved exporter subject to any conditions which it considers appropriate, including the following:

- (a) that the exporter is duly registered in accordance with the laws and regulations of the exporting Party;
- (b) that the exporter knows and understands the rules of origin as set out in this Chapter;
- (c) that the exporter has a satisfactory level of experience in export in accordance with the laws and regulations of the exporting Party;
- (d) that the exporter has a record of good compliance, measured by risk management of the competent authority of the exporting Party;
- (e) that the exporter, in the case of a trader, is able to obtain a declaration by the producer confirming the originating status of the good for which the Declaration of Origin is completed by an approved exporter and the readiness of the producer to cooperate in verification in accordance with Article 3.30 and meet all requirements of this Chapter; and
- (f) that the exporter has a well-maintained bookkeeping and record-keeping system, in accordance with the laws and regulations of the exporting Party.

2. The competent authority of an exporting Party shall:

- (a) make its approved exporter procedures and requirements public and easily available;
- (b) grant the approved exporter authorisation in writing or electronically;
- (c) provide the approved exporter an authorisation code which must be included in the Declaration of Origin; and
- (d) promptly include the information on the authorisation granted in the approved exporter database referred to in paragraph 6.

3. An approved exporter shall have the following obligations:

- (a) to allow the customs authorities or competent authority of an exporting Party access to records and premises for the purposes

of monitoring the use of authorisation, in accordance with Article 3.31;

- (b) to complete the Declarations of Origin only for goods for which the approved exporter has been allowed to do so by the customs authorities or competent authority of an exporting Party and for which it has all appropriate documents proving the originating status of the goods concerned at the time of completing the declaration;
 - (c) to take full responsibility for all Declarations of Origin completed, including any misuse; and
 - (d) to promptly inform the customs authorities or competent authority of an exporting Party of any changes related to the information referred to in subparagraph (b).
4. Each Party shall promptly include the following information of its approved exporters in the approved exporter database:
- (a) the legal name and address of the exporter;
 - (b) the approved exporter authorisation code;
 - (c) the issuance date and, if applicable, the expiry date of its approved exporter authorisation; and
 - (d) a list of goods subject to the authorisation, at least at the HS Chapter level.

Any change in the items referred to in subparagraphs (a) through (d), or withdrawals or suspensions of authorisation, shall be promptly included in the approved exporter database.

5. Notwithstanding paragraph 4, no Party shall be required to provide the information referred to in that paragraph to the approved exporter database if it has established its own secured website, containing the above information, that is accessible to the Parties.
6. The customs authority or competent authority of the exporting party shall share or publish the list of approved exporters and periodically update it.
7. The competent authority of the exporting Party shall monitor the use of the authorisation, including verification of the Declarations of Origin by an approved exporter, and withdraw the authorisation where the conditions referred to in paragraph 1 are not met.

8. An approved exporter shall be prepared to submit at any time, on request of the customs authorities of the importing Party, all appropriate documents proving the originating status of the goods concerned, including statements from the suppliers or producers in accordance with the laws and regulations of the importing Party as well as the fulfilment of the other requirements of this Chapter.

Article 3.22: Application and Examination of Application for a Certificate of Origin

1. Certificates of Origin shall be issued by the competent authority of the exporting Party, either upon an electronic application or an application in paper form, having been made by the exporter or under the exporter's responsibility by his or her authorized representative, in accordance with the domestic regulations of the exporting Party.
2. The exporter applying for the issuance of a Certificate of Origin shall be prepared to submit at any time, upon request of the competent authority of the exporting Party, all appropriate documents proving the originating status of the goods concerned, as well as the fulfillment of the other requirements of this Chapter.
3. The competent authority shall, to the best of its competence and ability, carry out proper examination to ensure that:
 - (a) the application and the Certificate of Origin is duly completed and signed by the authorised signatory;
 - (b) the origin of the good is in conformity with the provisions of this Chapter;
 - (c) HS Code, description, quantity and weight of goods, marks, and number of packages, number and kinds of packages, as specified, conform to the goods to be exported; and
 - (d) multiple items in a single shipment declared on the same Certificate of Origin shall be allowed provided that each item qualifies separately in its own rights.

Article 3.23: Certificate of Origin Issued Retroactively

1. The Certificate of Origin shall be issued by the competent authority of the exporting Party prior to or at the time of shipment.
2. In exceptional cases where a Certificate of Origin has not been issued prior to or at the time of shipment, due to involuntary errors or omissions

or other valid causes, the Certificate of Origin may be issued retroactively but with a validity no longer than one year from the date of shipment, in which case it is necessary to indicate “ISSUED RETROACTIVELY” in the appropriate field as detailed in Annex 3B (Specimen of Cambodia-UAE Certificate of Origin).

3. The provisions of this Article shall be applied to goods which comply with the provisions of this Agreement, and which on the date of entry into force, are either being transported to the party in accordance with article 3.14 or are in temporary storage under customs control. This shall be subject to the submission to the customs authorities of the importing Party, within six months from the said date, of a Certificate of Origin issued retrospectively by the Competent Authority of the exporting Party together with documents, showing that the goods have been transported directly in accordance with Article 3.14.

Article 3.24: Loss of the Certificate of Origin

1. In the event of theft, loss or destruction of a Certificate of Origin, the manufacturer, producer, exporter, or its authorized representative may apply to the Competent Authority, which issued it, for a certified true copy of the original Certificate of Origin to be made out on the basis of the export documents in possession of the Competent authority.
2. The certified true copy of the original Certificate of Origin shall be endorsed with an official signature and seal and bear the words “CERTIFIED TRUE COPY” and the date of issuance of the original Certificate of Origin in appropriate field as detailed in Annex 3B (Certificate of Origin), The certified true copy of a Certificate of Origin shall be issued within the same validity period of the original Certificate of Origin.
3. The exporter shall immediately notify the loss to the competent authority, and undertake not to use the original Certificate of Origin for exports under this Agreement.

Article 3.25: Importation by Installments

Where, on 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 (HS) are imported by installments, a single proof of origin for such products shall be submitted to the customs authorities upon importation of the first installment.

Article 3.26: Treatment of Erroneous Declaration in the Certificate of Origin

Neither erasures nor superimposition shall be allowed on the Certificate of Origin. Any alterations shall be made by issuing a new certificate of origin to replace the erroneous one. The reference number of the corrected Certificate of Origin should be indicated in the appropriate field on the newly issued Certificate of Origin as detailed in Annex 3B (Specimen of Cambodia-UAE Certificate of Origin). The validity of the replacement certificate will be the same as the original.

Article 3.27: Treatment of Minor Discrepancies

1. The discovery of minor discrepancies between the statements made in the Proof of Origin and those made in the documents submitted to the customs authority of the importing Party for the purposes of carrying out the formalities for importing the goods shall not ipso-facto invalidate the proof of origin, if it does in fact correspond to the goods 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.

Section D: Cooperation and Origin Verification

Article 3.28: Denial of Preferential Tariff Treatment

1. Except as otherwise provided in this Chapter, the customs authority of the importing Party may deny a claim for preferential tariff treatment or recover unpaid duties, in accordance with its laws and regulations, where:
 - (a) the good does not meet the requirements of this Chapter;
 - (b) the importer, exporter, or producer of the good fails or has failed to comply with any of the relevant requirements of this Chapter for obtaining preferential tariff treatment;
 - (c) the customs authority of the importing Party has not received sufficient information to determine that the good is originating; or
 - (d) the exporter, producer, or the competent or customs authority of the exporting Party does not comply with the requirements of verification in accordance with Article 3.29 or Article 3.30.

2. If the customs authority of the importing Party denies a claim for preferential tariff treatment, it shall provide the decision in writing to the importer that includes the reasons for the decision.
3. Upon being communicated the grounds for denial of preferential tariff treatment, the importer may, within the period provided for in the custom laws of the importing Party, file an appeal against such decision with the appropriate authority under the customs laws and regulations of the importing Party.

Article 3.29: Retroactive Check

1. The customs authority of the importing Party may request a retroactive check at random 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 goods in question or of certain parts thereof.
2. For the purposes of paragraph 1, the custom authority of the importing Party may conduct the checking process by issuing a written request for additional information from the competent or customs authority of the exporting party;
3. The request shall be accompanied with the copy of Proof of Origin concerned and shall specify the reasons and any additional information suggesting that the particulars given on the said Proof of Origin may be inaccurate, unless the retroactive check is requested on a random basis.
4. The customs authority of the importing Party may suspend the provisions on preferential treatment while awaiting the result of verification. However, it may release the goods 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.
5. Pursuant to paragraph 2, the concerned party receiving a request for retroactive check shall respond to the request promptly and reply no later than 90 days after the receipt of the request.
6. When a reply from the concerned party is not obtained within 90 days after the receipt of the request pursuant to paragraph 5, the customs authority of the importing Party may deny preferential tariff treatment to the good referred to in the said Proof of Origin that would have been subject to the retroactive check.

Article 3.30: Verification Visits

1. Pursuant to Article 3.29 (2), if the customs authority of the importing Party is not satisfied with the outcome of the retroactive check, it may, under exceptional circumstances for justifiable reasons, conduct or request the competent or customs authority of the exporting party to conduct a verification visit to the producer or exporter premises including inspection of the exporter's or producer's accounts, records or any other check considered appropriate.
2. Prior to conducting a verification visit pursuant to paragraph 1, the customs authority of the importing party shall deliver a written notification to the competent or customs authority of the exporting party to conduct the verification visit.
3. The written notification mentioned in paragraph 2 shall be as comprehensive as possible and shall include, among others:
 - (a) the producer or exporter whose premises are to be visited;
 - (b) justification for the unsatisfactory outcome of the retroactive check conducted by the competent or customs authority of the exporting Party; and
 - (c) the coverage of the proposed verification visit, including reference to the good subject to the verification.
4. The customs authority of importing party or the competent or customs authority of the exporting Party shall obtain the written consent of the producer or exporter whose premises are to be visited.
5. When a written consent from the producer or exporter is not obtained within 30 days from the date of receipt of the verification visit notification, the customs authority of the importing Party may deny preferential tariff treatment to the good that would have been subject to the verification visit.
6. The customs authority of importing party or the competent or customs authority of the exporting Party conducting the verification visit shall provide the producer or exporter, whose good is subject to such verification with a written determination of whether or not the good subject to such verification qualifies as an originating good.
7. Upon the issuance of the written determination referred to in paragraph 6 that the good qualifies as an originating good, the customs authority of the importing party shall immediately restore preferential benefits and promptly refunded the duties paid in excess of the preferential duty or

release guarantees obtained in accordance with the domestic laws and regulations of the Parties.

8. Upon the issuance of the written determination referred to in paragraph 6 that the good does not qualify as an originating good, the producer or exporter shall be allowed 30 days from the date of receipt of the written determination to provide in writing comments or additional information regarding the eligibility of the good for preferential tariff treatment. The final written determination shall be communicated to the producer or exporter within 30 days after the date of receipt of the comments or additional information.
9. The verification visit process, including the actual visit and the determination under paragraph 6, shall be carried out and its results communicated to the competent or customs authority of the importing party or the exporting party within a maximum period of six months from the first day the initial verification visit was requested. While the process of verification is being undertaken, Article 3.29.4 shall be applied.

Article 3.31: Record Keeping Requirement

1. For the purposes of the verification process pursuant to Article 3.29 and 3.30, Each party shall require that:
 - (a) the manufacturer, producer or exporter retain, for a period not less than three years from the date of issuance of the Proof of Origin, or a longer period in accordance with its domestic laws and regulations, all supporting records necessary to prove that the good for which the Proof of Origin was issued was originating; and
 - (b) the importers shall retain, for a period not less than three years from the date of importation of the good, or a longer period in accordance with its domestic laws and regulations, all records to prove that the good for which preferential tariff treatment was claimed was originating; and
 - (c) the competent authority retains, for a period not less than three years from the date of issuance of the Proof of Origin, or a longer period in accordance with its domestic laws and regulations, all supporting records of the application for the Proof of Origin.
2. The records referred to in paragraph 1 may be maintained in any medium that allows for prompt retrieval, including but not limited to, digital, electronic, optical, magnetic, or written form.

Article 3.32: Confidentiality

All information related to the application of this Chapter communicated between the Parties shall be treated as confidential. It shall not be disclosed by the Parties authorities without express permission of the person or authority providing it.

Article 3.33: Contact Points

Each Party shall, within 30 days after the date of entry into force of this Agreement for that Party, designate one or more contact points within its competent authority for the implementation of this Chapter and notify the other Party of the contact details of that contact point or those contact points. Each Party shall promptly notify the other Party of any change to those contact details.

Article 3.34: Mutual Assistance

The competent authorities of both Parties shall provide each other with:

- (a) a specimen impression of the official stamps and signatures used in their offices for the issue of Certificate of Origin;
- (b) name and Address of the competent authorities responsible for verifying the Proof of Origin; and
- (c) secured web address for the QR codes and electronic certificates authentications.

Section E: Consultation and Modifications

Article 3.35: Consultation and Modifications

The Parties shall consult and cooperate as appropriate through the Joint / Sub Committee to:

- (a) discuss and address issues relating to the implementation of this Chapter;
- (b) monitor the implementation and operation of this Chapter; and
- (c) discuss necessary amendments to this Chapter, taking into account developments in technology, production processes, and other related matters.