

ANNEX II

REFERRED TO IN ARTICLE 2.2

**RULES OF ORIGIN AND METHODS OF ADMINISTRATIVE
COOPERATION**

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Article 1

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

In respect of rules of origin and administrative cooperation between the customs authorities of the Parties, Appendix I and the relevant provisions of Appendix II of the Regional Convention on Pan-Euro-Mediterranean Preferential Rules of Origin (hereinafter referred to as the “Convention”), including its Annexes, shall apply and are hereby incorporated into and made part of the Agreement, *mutatis mutandis*.

Article 2

Withdrawal from the Convention

1. If a Party withdraws from the Convention, the Parties shall immediately enter into negotiations on new rules of origin applicable to the Agreement.
2. Until new rules enter into force, Appendix I of the Convention, including its Annexes, and the relevant provisions of Appendix II, as in force at the time of export, shall continue to apply to the Agreement, *mutatis mutandis*, allowing for cumulation only between the Parties.

Article 3

Notification

A Party shall immediately notify the other Parties about ratification of, withdrawal from, or reservations in respect of the Convention.

Article 4

Other Provisions

Chapter 12 of the Agreement shall apply with respect to the settlement of any disputes concerning the interpretation or application of Appendix I to the Convention.

Article 5

Transitional Provisions regarding Cumulation

1. Notwithstanding paragraph 5 of Article 16 and paragraph 3 of Article 21 of Appendix I to the Convention, where cumulation involves only EFTA States, Georgia, the Faroe Islands, the EU, Turkey, the participants in the Stabilisation and Association Process and the Republic of Moldova, a movement certificate EUR.1 or an origin declaration may be used.
 2. Provided that paragraph 5 of Article 3 of Appendix I of the Convention is fulfilled, it is understood that diagonal cumulation may be applied between Contracting Parties to the Convention, regardless whether the Convention is applicable to them or not.
 3. It is understood that, until the Convention has entered into force for all Parties to this Agreement, diagonal cumulation may only be applied between the Parties, and, subject to subparagraphs 5 (a) and (b) of Article 3 of Appendix I of the Convention, between the Parties and any Contracting Party to the Convention.
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