

No. 23458

SPAIN
and
EUROPEAN ECONOMIC COMMUNITY

Agreement concerning economic and trade relations (with annexes, protocol, final act and declarations). Signed at Luxembourg on 29 June 1970

Protocol to the above-mentioned Agreement, consequent on the accession of the Hellenic Republic to the European Economic Community (with annexes). Signed at Brussels on 12 December 1980

Authentic texts of the Agreement, final act and declarations: Spanish, German, French, Italian and Dutch.

Authentic texts of the Protocol: Spanish, Danish, German, Greek, English, French, Italian and Dutch.

Registered by Spain on 29 July 1985.

ESPAGNE
et
COMMUNAUTÉ ÉCONOMIQUE EUROPÉENNE

Accord relatif aux relations économiques et commerciales (avec annexes, protocole, acte final et déclarations). Signé à Luxembourg le 29 juin 1970

Protocole à l'Accord susmentionné, à la suite de l'adhésion de la République hellénique à la Communauté économique européenne (avec annexes). Signé à Bruxelles le 12 décembre 1980

Textes authentiques de l'Accord, acte final et déclarations : espagnol, allemand, français, italien et néerlandais.

Textes authentiques du Protocole : espagnol, danois, allemand, grec, anglais, français, italien et néerlandais.

Enregistrés par l'Espagne le 29 juillet 1985.

[TRANSLATION — TRADUCTION]

AGREEMENT¹ BETWEEN THE EUROPEAN COMMUNITY AND SPAIN

The Council of the European Communities, of the one part, and
The Spanish Head of State, of the other part,

Determined to consolidate and to extend economic and trade relations between the European Economic Community and Spain;

Recognizing the importance of the harmonious development of trade between the Contracting Parties;

Desiring to establish the basis for a progressive expansion of trade with each other, while observing the provisions of the General Agreement on Tariffs and Trade;²

Considering that the European Economic Community is anxious to develop economic and trade relations with countries bordering on the Mediterranean;

Have decided to conclude an Agreement between the European Economic Community and Spain and to this end have designated as their Plenipotentiaries:

The Council of the European Communities: Mr. Pierre Harmel, President-in-Office of the Council of the European Communities, Minister for Foreign Affairs; Mr. Jean Rey, President of the Commission of the European Communities;

The Spanish Head of State: Mr. Gregorio López Bravo, Minister for Foreign Affairs;

who, having exchanged their full powers, found in good and due form,

Have agreed as follows:

Article 1. 1. The progressive elimination of obstacles to the main body of trade between the European Economic Community and Spain shall be brought about in two stages, as indicated below.

2. The first stage shall last not less than six years.

3. Transition from the first to the second stage shall be effected by mutual agreement between the Contracting Parties, if the conditions for it have been satisfied.

4. During the first stage the following provisions shall apply.

TITLE I. TRADE

Article 2. 1. Products originating in Spain shall, on importation into the Community, be governed by the provisions of Annex I.

¹ Came into force on 1 October 1970, i.e., the first day of the month following the date on which the Contracting Parties had notified each other (on 24 September 1970) of the completion of the necessary procedures, in accordance with article 19.

² United Nations, *Treaty Series*, vol. 55, p. 187.

2. Products originating in the Community shall, on importation into Spain, be governed by the provisions of Annex II.

3. The Contracting Parties shall take all appropriate measures, whether general or particular, to ensure fulfilment of the obligations arising out of the Agreement. They shall refrain from any measure which could jeopardize the attainment of the objectives of this Agreement.

Article 3. Any internal fiscal measure or practice giving rise, directly or indirectly, to discrimination between the products of one Contracting Party and like products of the other Contracting Party shall be prohibited.

Article 4. The trading arrangements applied by Spain to products originating in the Community or exported to the Community shall not give rise to any discrimination between the Member States, their nationals or their companies or firms.

The trading arrangements applied by the Community to products originating in Spain or exported to Spain shall not give rise to any discrimination between Spanish nationals, or between Spanish companies or firms.

Article 5. Subject to special provisions relating to frontier-zone traffic, the treatment applied by Spain to products originating in the Community shall in no case be less favourable than that applied to products originating in the most-favoured third State.

Article 6. Where duties are levied on products of one Contracting Party exported to the other Contracting Party, such duties may not exceed those applied to products exported to the most-favoured third State.

Article 7. Articles 5 and 6 shall not preclude the maintenance or establishment by Spain of customs unions or free-trade areas, if these do not have the effect of modifying the trade arrangements laid down in the Agreement, and in particular the rules of origin.

Article 8. The rules of origin applicable to products covered by the Agreement are laid down in the Protocol.

Article 9. 1. If one of the Contracting Parties finds in its relations with the other Contracting Party that dumping is being practised, it may, after consultations in the Joint Committee provided for in Article 13, take protective measures against such practices in accordance with the provisions of the Agreement on implementation of Article VI of the General Agreement on Tariffs and Trade.¹

In urgent cases that Contracting Party may, after notifying the Joint Committee, apply the interim measures provided for by that Agreement. Consultations shall take place regarding such measures not later than two weeks after their implementation.

2. Where measures are directed against bounties or subsidies, the Contracting Parties undertake to comply with the provisions of Article VI of the General Agreement on Tariffs and Trade.

3. At the request of either Contracting Party, consultations shall take place every three months in the Joint Committee on any observed dumping practices,

¹ United Nations, *Treaty Series*, vol. 651, p. 320.

bounties or subsidies which are found to exist and on measures taken in regard thereto.

Article 10. Payments relating to trade and the transfer of such payments to the Member State in which the creditor resides, or to Spain, shall not be subject to any restriction where such trade is covered by the provisions of this Agreement.

Article 11. 1. If serious disturbances occur in a sector of the Spanish economy or prejudice its external financial stability, or if difficulties arise which adversely affect the economic situation in a region of Spain, Spain may take the necessary protective measures.

The Joint Committee shall be notified immediately of such measures and of the rules for their application.

2. If serious disturbances occur in a sector of the economy of the Community or of one or more Member States, or prejudice the external financial stability of one or more Member States, or if difficulties arise which adversely affect the economic situation in a region of the Community, the Community may take, or authorize the Member State or States concerned to take, the necessary protective measures.

The Joint Committee shall be notified immediately of such measures and of the rules for their application.

3. In the choice of measures to be taken in pursuance of paragraphs 1 and 2, preference shall be given to those which will least disturb the operation of the Agreement. These measures shall not exceed what is strictly necessary to remedy the difficulties that have arisen.

4. Consultations may take place in the Joint Committee on the measures taken in pursuance of paragraphs 1 and 2.

Article 12. The provisions of the Agreement shall not preclude prohibitions or restrictions on imports, exports or goods in transit justified on grounds of public morality, public policy or public security; the protection of health and life of humans, animals or plants; the protection of national treasures possessing artistic, historic or archaeological value; or the protection of industrial and commercial property. Such prohibitions or restrictions shall not, however, constitute a means of arbitrary discrimination or a disguised restriction on trade.

TITLE II. GENERAL AND FINAL PROVISIONS

Article 13. 1. A Joint Committee is hereby established to administer the Agreement and to ensure its proper execution. To this end it may make recommendations. It shall take decisions as provided for in this Title.

2. The Contracting Parties agree to keep each other informed and, at the request of either of them, to consult together in the Joint Committee to ensure that the Agreement is correctly implemented.

3. The Joint Committee shall adopt its rules of procedure by decision.

Article 14. 1. The Joint Committee shall consist of representatives of the Community and representatives of Spain.

2. The Joint Committee shall act by mutual agreement.

Article 15. 1. The Chairmanship of the Joint Committee shall be held alternately by each of the Contracting Parties, in accordance with its rules of procedure.

2. The Joint Committee shall meet once a year on the initiative of its Chairman.

The Joint Committee shall also meet whenever necessary, at the request of either Contracting Party, in accordance with its rules of procedure.

3. The Joint Committee may decide to set up working parties to assist in the performance of its tasks.

Article 16. The Agreement may be denounced by either Contracting Party giving six months' notice.

Article 17. 1. The Agreement shall apply to the European territories where the Treaty establishing the European Economic Community¹ applies and to the territory of Spain.

2. The Agreement shall apply also to the French Overseas Departments so far as concerns those of the fields covered by it which correspond to those listed in the first subparagraph of Article 227(2) of the Treaty establishing the European Economic Community.

The conditions for applying, to those Departments, the provisions of the Agreement relating to other fields shall be decided at a later date by agreement between the Contracting Parties.

Article 18. Annexes I and II, the lists appearing therein and the Protocol shall form an integral part of the Agreement.

Article 19. This Agreement shall enter into force on the first day of the month following the day on which the Contracting Parties notify each other of the completion of the procedures necessary to that end.

Article 20. This Agreement is drawn up in two copies in the Dutch, French, German, Italian and Spanish languages, each of these texts being authentic.

IN WITNESS WHEREOF, the undersigned plenipotentiaries have signed this Agreement.

DONE at Luxembourg this 29th day of June in the year 1970.

For the Council of the European Communities:

PIERRE HARMEL

JEAN REY

Subject to the reservation that the European Economic Community shall not be finally bound until notification has been given to the other Contracting Party of completion of the procedures required by the Treaty establishing the European Economic Community.

For the Spanish Head of State:

GREGORIO LÓPEZ-BRAVO

¹ United Nations, *Treaty Series*, vol. 298, p. 3.

ANNEX I

APPLICATION OF ARTICLE 2, PARAGRAPH 1, OF THE AGREEMENT

Article 1. Products originating in Spain, to which the provisions of this annex apply, including the products set out in lists A and B but excluding the products referred to in articles 3 and 10, may be imported into the Community without quantitative restrictions

Article 2. Subject to the special provisions set out in articles 3, 4 and 5, the customs duties applicable to imports into the Community of products originating in Spain other than those listed in Annex II to the Treaty establishing the European Community and other than those specified in lists A and B shall be those of the Common Customs Tariff reduced by the following percentages and in accordance with the following timetable:

<i>Timetable</i>	<i>Rate of reduction</i>
On the date of entry into force of the Agreement . .	30 per cent
With effect from 1 January 1972	50 per cent
With effect from 1 January 1973	60 per cent

Article 3. 1. The products listed below, refined in Spain, shall qualify, on importation into the Community, for the reductions in customs duties provided for in article 2, subject to an overall annual Community tariff quota of 1,200,000 tons.

<i>Common Customs Tariff number</i>	<i>Description of goods</i>
27.10	Petroleum oils and oils obtained from bituminous minerals, other than crude; preparations not elsewhere specified or included, containing not less than 70 per cent by weight of petroleum oils or of oils obtained from bituminous minerals, these oils being the basic constituents of the preparations: A. Light oils: III. Intended for other purposes B. Medium oils: III. Intended for other purposes C. Heavy oils: I. Gas oil: (c) Intended for other purposes II. Fuel oils: (c) Intended for other purposes III. Lubricating oils and others: (c) Intended for mixing in accordance with the conditions laid down in supplementary note 7 to the present chapter ^(a) (d) Intended for other purposes
27.11	Petroleum gases and other gaseous hydrocarbons: A. Commercial propanes and butanes: III. Intended for other purposes
27.12	Petroleum jelly: A. Crude: III. Intended for other purposes B. Other

^(a) Admission to this subheading shall be subject to conditions to be specified by the competent authorities.

*Common
Customs Tariff
number*

Description of goods

- 27.13 Paraffin wax, micro-crystalline wax, slack wax, ozokerite, lignite wax, peat wax and other mineral waxes, whether or not coloured:
 B. Others:
 I. Crude:
 (c) Intended for other purposes
 II. Others
- 27.14 Petroleum bitumen, petroleum coke and other residues of petroleum oils or of oils obtained from bituminous minerals:
 C. Others

2. The Community reserves the right to alter the arrangements established in this article:

- On adoption of a common definition of origin for petroleum products coming from third States and associated countries;
- On adoption of decisions within the framework of a common trade policy;
- On the establishment of a common energy policy.

Under these circumstances, the Community shall accord to the imports referred to in paragraph 1 advantages equivalent to those provided for in this article.

3. Consultations may take place within the Joint Committee on the measures taken in implementation of paragraph 2.

4. Subject to the provisions of paragraphs 1 and 2, the provisions of this Agreement shall not conflict with the regulations applied to imports of petroleum products.

Article 4. The products listed below, originating in Spain, shall qualify, on importation into the Community, for the reductions in customs duties provided for in article 2, subject to an annual Community tariff quota of 1,800 tons:

*Common
Customs Tariff
number*

Description of goods

- 55.09 Other woven fabrics of cotton

Article 5. 1. The products specified in the list set out in paragraph 2, originating in Spain, shall be subject, on importation into the Community, to the Common Customs Tariff duties reduced by the following percentages and in accordance with the following timetable:

<i>Timetable</i>	<i>Rate of reduction</i>
On the date of entry into force of the Agreement . .	10 per cent
As from 1 January 1973.....	20 per cent
As from 1 January 1975.....	30 per cent
As from 1 January 1977.....	40 per cent

2. The following is the list referred to in paragraph 1:

*Common
Customs Tariff
number*

Description of goods

- 25.01 Common salt (including rock salt, sea salt and table salt); pure sodium chloride; salt liquors; sea water:
 A. Common salt (including rock salt, sea salt and table salt) and pure sodium chloride, even in an aqueous solution:

*Common
Customs Tariff
number*

Description of goods

- II. Others:
- (a) Denatured or intended for other industrial purposes (including refining), except preservation or the preparation of products intended for human consumption^(a)
- (b) Unspecified
- B. Salt liquors; sea water
- 53.11 Woven fabrics of sheep's or lambs' wool or of fine animal hair
- 56.01 Man-made fibres (discontinuous), not carded, combed or otherwise prepared for spinning:
B. Regenerated fibres
- 60.03 Stockings, understockings, socks, ankle-socks, sockettes and the like, knitted or crocheted, not elastic or rubberized
- 60.04 Undergarments, knitted or crocheted, not elastic or rubberized
- 61.03 Men's and boys' undergarments, including collars, shirt fronts and cuffs
- 62.01 Travelling rugs and blankets:
B. Others
- 62.02 Bed linen, table linen, toilet linen and kitchen linen; curtains and other furnishing articles
- 64.02 Footwear with outer soles of leather or composition leather; footwear (other than footwear falling within heading No. 64.01) with outer soles of rubber or artificial plastic material
- 69.07 Unglazed setts, flags and paving, hearth and wall tiles
- 78.01 Unwrought lead (including argentiferous lead); lead waste and scrap:
A. Unwrought
- 79.01 Unwrought zinc; zinc waste and scrap:
A. Unwrought

^(a) Admission to this subheading shall be subject to conditions to be specified by the competent authorities.

Article 6. The products referred to in articles 2, 3, 4 and 5, originating in Spain, shall not be subject, on importation into the Community, to charges having an effect equivalent to customs duties.

Article 7. 1. The products listed below, originating in Spain, shall be subject, on importation into the Community, to customs duties equal to 60 per cent of the Common Customs Tariff duties:

*Common
Customs Tariff
number*

Description of goods

- ex 08.02 A Fresh oranges
- ex 08.02 B Mandarines and satumas, fresh; clementines, tangerines and other similar citrus hydrids, fresh
- ex 08.02 C Fresh lemons

2. During the period of application of the reference prices, the provisions of paragraph 1 shall be applicable on condition that, in the internal Community market, the prices of citrus fruit imported from Spain,

— After customs clearance,

- After having taken into account the conversion factors in force for the different categories of citrus fruit, and
- After deduction of transport costs and import taxes other than customs duties, are greater than or equal to the reference prices for the period concerned, marked up
- To take account of the impact of the Common Customs Tariff on the reference prices concerned and
- To include a lump sum of 1.20 units of account per 100 kilograms.

3. The transport costs and import taxes other than customs duties referred to in paragraph 2 shall be those specified for calculation of the entry prices referred to in regulation No. 23 concerning the progressive establishment of a common organization of the market in the fruit and vegetable sector.

However, the Community reserves the right, in the matter of deduction of the import taxes other than customs duties referred to in paragraph 2, to calculate the amount to be deducted, with a view to avoiding any inconvenience that may be caused by the impact of such taxes on entry prices by origin.

4. The provisions of article 11 of regulation No. 23 shall remain in force.

5. If the advantages resulting from the provisions of paragraph 1 are jeopardized or are in danger of being jeopardized in conditions of abnormal competition, consultations may take place in the Joint Committee with a view to considering the problems raised by the situation thus created.

Article 8. 1. The Community shall take all necessary measures to ensure that the levy applicable to the importation into the Community of olive oil other than that having undergone a refining process, in accordance with subheading 15.07 A. II of the Common Customs Tariff, wholly obtained in Spain and transported direct from that country to the Community, shall be the levy calculated in accordance with the provisions of article 13 of regulation No. 136/66/EEC concerning the establishment of a common organization of the market in the oils and fats sector, applicable on importation, reduced by 0.50 units of account per 100 kilograms.

2. Furthermore, on condition that Spain applies a special export charge and that the said special charge is reflected in the import price, the Community shall reduce the amount of the levy resulting from the calculation referred to in paragraph 1 by an amount equal to that of the charge paid, up to a ceiling of 4 units of account per 100 kilograms.

Each Contracting Party shall take the requisite steps to ensure implementation of this paragraph.

3. Consultations on the functioning of the system provided for in this article may be held in the Joint Committee.

Article 9. 1. The products listed below, originating in Spain, shall be subject, on importation into the Community, to customs duty equal to 30 per cent of the Common Customs Tariff duty, subject to an annual Community tariff quota of 200 tons:

*Common
Customs Tariff
number*

Description of goods

08.03

Figs, fresh or dried:

ex B. Dried:

— Presented in immediate packings of a net capacity of 15 kg or less

2. The products listed below, originating in Spain, shall qualify for importation into the Community duty-free, subject to an annual Community tariff quota of 1,700 tons:

<i>Common Customs Tariff number</i>	<i>Description of goods</i>
08.04	Grapes, fresh or dried: B. Dried: I. Presented in immediate packings of a net capacity of 15 kg or less

Article 10. The products listed below, originating in Spain, shall be subject, on importation into the Community, to the Common Customs Tariff duties reduced by the percentages indicated:

<i>Common Customs Tariff number</i>	<i>Description of goods</i>	<i>Rate of reduction</i>
12.03	Seeds, fruit and spores, of a kind used for sowing	50 per cent

Article 11. The products listed below, originating in Spain, shall be subject, on importation into the Community, to the Common Customs Tariff duties reduced by the percentages indicated:

<i>Common Customs Tariff number</i>	<i>Description of goods</i>	<i>Rate of reduction</i>
02.01	Meat and edible offals of the animals falling within heading Nos. 01.01, 01.02, 01.03 or 01.04, fresh, chilled or frozen: A. Meat: ex IV. Others except meat of domestic sheep	50 per cent
02.04	Other meat and edible meat offals, fresh, chilled or frozen	50 per cent
03.02	Fish, simply salted or in brine, dried or smoked: A. Simply salted or in brine or dried: I. Whole, headless or in pieces: ex (c) Anchovies (<i>Engraulis</i> sp. p.): — Simply salted or in brine, presented in barrels or other containers of a net capacity of 10 kg or more	50 per cent
03.03	Crustaceans and molluscs, whether in shell or not, fresh (live or dead), chilled, frozen, salted, in brine or dried; crustaceans, in shell, simply boiled in water: A. Crustaceans: I. Crawfish II. Lobster B. Molluscs, whether in shell or not: II. Mussels	50 per cent 100 per cent 25 per cent
05.04	Guts, bladders and stomachs of animals (other than fish), whole and pieces thereof	50 per cent
05.15	Animal products not elsewhere specified or included; dead animals of chapter 1 or chapter 3, unfit for human consumption: ex B. Others: — Animal products not elsewhere specified or included; dead animals of chapter 1, unfit for human consumption	50 per cent
07.01	Vegetables, fresh or chilled: E. Chards and cardoons F. Leguminous vegetables, shelled or unshelled: ex III. Others: — Broad beans	30 per cent 30 per cent

<i>Common Customs Tariff number</i>	<i>Description of goods</i>	<i>Rate of reduction</i>
	M. Tomatoes: ex I. From 1 November to 14 May: — From 1 January to the last day of February	50 per cent
	S. Sweet peppers (<i>Capsicum grossum</i>)	30 per cent
	ex T. Others: — Parsley	30 per cent
07.05	Dried leguminous vegetables, shelled, whether or not skinned or split	50 per cent
07.06	Manioc, arrowroot, salep, Jerusalem artichokes, sweet potatoes and other similar roots and tubers with high starch or inulin content, fresh or dried, whole or sliced; sago pith: A. Jerusalem artichokes C. Others	50 per cent 50 per cent
08.01	Dates, bananas, coconuts, Brazil nuts, cashew nuts, pineapples, avocados, mangoes, guavas and mangosteens, fresh or dried, shelled or not A. Dates D. Avocados E. Coconuts and cashew nuts F. Brazil nuts G. Others	50 per cent 50 per cent 50 per cent 50 per cent 50 per cent
08.03	Figs, fresh or dried: A. Fresh	30 per cent
08.04	Grapes, fresh or dried: A. Fresh: ex (a) From 1 November to 14 July: — From 1 January to 31 March	50 per cent
08.05	Nuts other than those falling within heading No. 08.01, fresh or dried, shelled or not: B. Common nuts E. Pecan nuts	50 per cent 50 per cent
08.06	Apples, pears and quinces, fresh: C. Quinces	30 per cent
ex 08.09	Other fruit, fresh: — Grenadines	30 per cent
08.12	Fruit, dried, other than that falling within heading Nos. 08.01, 08.02, 08.03, 08.04 or 08.05: A. Apricots B. Peaches, including nectarines D. Apples and pears E. Papayas F. Fruit salads: I. Without prunes G. Others	50 per cent 50 per cent 50 per cent 50 per cent 50 per cent 50 per cent 50 per cent
09.02	Tea	50 per cent
09.04	Pepper of the genus "Piper"; pimento of the genus "Capsicum" or the genus "Pimenta"	50 per cent
09.09	Seeds of anise, badian, fennel, coriander, cumin, caraway and juniper	50 per cent
09.10	Thyme, saffron and bay leaves; other spices	50 per cent
11.03	Flour of the dried vegetables falling within heading No. 07.05	50 per cent

<i>Common Customs Tariff number</i>	<i>Description of goods</i>	<i>Rate of reduction</i>
11.04	Flour of the fruits falling within any heading in chapter 8	50 per cent
11.08	Starches; inulin: B. Inulin	50 per cent
12.07	Plants and parts (including seeds and fruit) of trees, bushes, shrubs or other plants, being goods of a kind used primarily in perfumery, in pharmacy, or for insecticidal, fungicidal or similar purposes, fresh or dried, whole, cut, crushed, ground or powdered: A. Pyrethrum (flowers, leaves, stalks, bark, roots) B. Chinchona bark C. Liquorice roots D. Quassia amara (wood and bark) E. Tonka beans F. Calabar beans G. Cubeb pepper H. Coca leaves IJ. Other woods, roots and barks; mosses, lichens and algae	50 per cent 50 per cent 50 per cent 50 per cent 50 per cent 50 per cent 50 per cent 50 per cent
12.08	Locust beans, fresh or dried, whether or not kibbled or ground, but not further prepared; fruit kernels and other vegetable products of a kind used primarily for human food, not falling within any other heading	50 per cent
12.10	Mangolds, swedes, fodder roots; hay, lucerne, clover, sainfoin, forage kale, lupines, vetches and similar forage products: A. Mangolds, swedes and other fodder roots	50 per cent
13.03	Vegetable saps and extracts; pectic substances, pectinates and pectates; agar-agar and other mucilages and thickeners, derived from vegetable products: B. Pectic substances, pectinates and pectates	25 per cent
16.05	Crustaceans and molluscs, prepared or preserved: ex B. Others: — Crustaceans simply boiled in water and shelled (except Norway lobsters and crayfish); molluscs, prepared or preserved	50 per cent
20.01	Vegetables and fruit, prepared or preserved by vinegar or acetic acid, with or without sugar, whether or not containing salt, spices or mustard: A. Mango chutney ex B. Others except gherkins	50 per cent 50 per cent
20.02	Vegetables prepared or preserved otherwise than by vinegar or acetic acid: ex A. Mushrooms except cultivated mushrooms F. Capers and olives ex H. Others, including mixtures: — Except carrots, artichoke hearts, artichoke bottoms and mixtures	50 per cent 50 per cent 50 per cent
23.02	Bran, sharps and other residues derived from the sifting, milling or working of cereals or of leguminous vegetables B. Grains of leguminous vegetables	50 per cent

Article 12. 1. The rates of the Common Customs Tariff to be taken into account for the purpose of calculating the reduced duties referred to in articles 2, 3, 4, 5, 6, 7, 9, 10 and 11 shall be those effectively applied at all times to third States.

2. Reduced duties calculated in accordance with the provisions of articles 2, 3, 4, 5, 6, 7, 9, 10 and 11 shall, on application, be rounded up to the first decimal point.

Article 13. If the date of entry into force of the Agreement does not coincide with the beginning of the calendar year, the quotas referred to under articles 3, 4 and 9 shall be opened *prorata temporis*:

- For the first year, as from the date of entry into force of the Agreement,
- For the final year, up to the date of expiry of the first stage.

Article 14. 1. In respect of the products referred to in this annex other than those covered by Annex II to the Treaty establishing the European Economic Community, the Community reserves the right, in the event of specific regulations being established further to the implementation of the common agricultural policy, to alter the arrangements provided for in this annex, particularly in order to prevent certain distortions of competition or substitutions.

The Community shall take the interests of Spain into account when establishing these regulations and altering these arrangements.

2. In respect of the products referred to in this annex that are covered by Annex II to the Treaty establishing the European Economic Community, the Community reserves the right, in the event of Community regulations being established, to alter the arrangements provided for in this annex.

The Community shall take the interests of Spain into account when establishing these regulations and altering these arrangements.

3. In respect of the products referred to in this annex that are covered by Annex II of the Treaty establishing the European Economic Community, the Community reserves the right, in the event of the Community regulations being amended, to alter the arrangements provided for in this annex.

The Community shall accord an advantage comparable to that provided for in this annex in respect of imports originating in Spain when altering these arrangements.

4. For the purposes of implementing the provisions of this article, consultations may be held within the Joint Committee.

Article 15. The products originating in Spain referred to in this annex may not enjoy more favourable treatment than that accorded by the Member States to each other under the Treaty establishing the European Economic Community.

Article 16. The Community shall apply to Spain the Convention on the Valuation of Goods for Customs Purposes signed in Brussels on 15 December 1950 and the International Convention on the Simplification and Harmonization of Customs Procedures concluded in Geneva on 3 November 1923.

LIST A. PRODUCTS WHICH, AS A RESULT OF IMPLEMENTATION OF THE COMMON AGRICULTURAL POLICY, ARE SUBJECT TO SPECIAL RULES ON IMPORTATION INTO THE COMMUNITY, AND TO WHICH THE PROVISIONS OF ARTICLE 2 DO NOT APPLY¹

LIST B. REFERRED TO IN ARTICLE 2¹

¹ The lists A and B are not published herein in accordance with article 12 (2) of the General Assembly regulations to give effect to Article 102 of the Charter of the United Nations as amended in the last instance by General Assembly resolution 33/141 A of 19 December 1978.

ANNEX II

APPLICATION OF ARTICLE 2, PARAGRAPH 2, OF THE AGREEMENT

Article 1. The customs duties and charges having equivalent effect applicable to the importation into Spain of products originating in the Community and specified in lists A, B and C shall be those of the Spanish customs tariff, reduced by the following percentages and in accordance with the following timetable:

Products	On entry into force of the Agreement	Rate of reduction				
		1.1.1973	1.1.1974	As from 1.1.1975	1.1.1976	1.1.1977
List A (60%)	10%	20%	30%	40%	50%	60%
List B (25%)	5%	10%	10%	15%	20%	25%
List C (25%)	5%	10%	10%	15%	20%	25%

Article 2. 1. The rates of the Spanish customs tariff to be taken into account in calculating the reduced duties referred to in article 1 shall be those effectively applied at all times to third States. Figures shall be rounded up to the first decimal point for the purpose of applying the reduced rates.

2. In the event of the introduction or alteration of the Spanish customs tariffs or charges of equivalent effect, the percentage reductions granted to the Community in pursuance of the provisions of article 1 shall remain unchanged.

Article 3. 1. Notwithstanding articles 1 and 2 and to the extent that its industrialization and development call for protective measures, Spain may introduce, increase or reintroduce customs duties *ad valorem* not exceeding 15 per cent, or 20 per cent in certain specific and exceptional cases. The amount in respect of which such measures may be applied shall not exceed 5 per cent of the overall value of Spanish imports from the Community during 1968.

2. Such measures may only be taken if they are necessary to protect a new manufacturing industry not existing in Spain on the date of entry into force of the Agreement and to promote its development; they may be applied only to the production of certain goods.

3. Twelve months after the introduction, increase or reintroduction of the customs duties, Spain shall initiate tariff reductions of 5 per cent per year on imports originating in the Community.

4. The measures referred to in paragraph 1 shall be taken after consultations within the Joint Committee. Such consultations shall take place at the earliest opportunity.

Article 4. 1. Spain shall refrain from introducing new quantitative restrictions on imports of products originating in the Community other than those listed in Annex II to the Treaty establishing the European Economic Community.

However, this obligation shall apply only to 80 per cent of the value of total imports of the said products, this percentage being calculated on the basis of the average for 1966, 1967 and 1968.

2. If, in accordance with the provisions of paragraph 1, Spain introduces or reintroduces quantitative restrictions on imports of the products referred to in paragraph 1, it shall open quotas for the Community in respect of such products originating in the Community. Each of these quotas shall be equal to at least 75 per cent of imports into Spain of the products that it covers during the year preceding the introduction or reintroduction of such quantitative restrictions. The quotas shall be subject to the provisions of article 5.

Article 5. 1. Spain shall open quotas, the value of which is indicated in the fourth column of list D, for the products originating in the Community specified in the said list.

2. If the date of entry into force of the Agreement does not coincide with the beginning of the calendar year, the quotas referred to in this article shall be opened *pro rata temporis*:

— For the first year, from the date of entry into force of the Agreement,

— For the second year, up to the date of expiry of the first stage.

3. From the beginning of the second, third, fourth, fifth and sixth year of the Agreement, Spain shall raise overall quotas in respect of the products on list D by 13 per cent and each individual quota by at least 7 per cent compared with the previous year.

4. Import licenses in respect of quotas opened for the Community shall be apportioned in such a way as to ensure that the imports are evenly spread between the peninsula and the Balearic Islands, on the one hand, and the territories having a special arrangement, on the other, taking into account the volume of trade with the two areas recorded in 1966, 1967 and 1968.

5. If imports in two consecutive years fall short of the quota opened, liberalizing measures shall be taken with respect to the product or products concerned.

In exceptional cases, however, this provision shall not be applied, after consultations within the Joint Committee, if the characteristics of the product concerned are such as to entail a severe disturbance in imports.

Article 6. 1. At the end of the sixth year of the Agreement, products originating in the Community other than those listed in Annex II of the Treaty establishing the European Economic Community shall be liberalized for importation into Spain.

However, Spain may maintain quantitative restrictions equivalent in value to not more than 5 per cent of the average of total imports of products originating in the Community in 1966, 1967 and 1968.

2. Spain is willing to liberalize its imports of products originating in the Community at a faster pace than that provided for in article 5 if its economic situation and that of the sector concerned allow it to do so.

Article 7. 1. In respect of the products listed in Annex II of the Treaty establishing the European Economic Community — other than those referred to in articles 1, 8, 9 and 10 — that have not been liberalized for importation into Spain on the date of entry into force of the Agreement, Spain shall refrain from introducing or increasing customs duties or charges having equivalent effect and shall undertake to maintain, on normal market terms, the Community's share in imports of those products, calculated on the basis of the years 1966, 1967 and 1968. These provisions do not concern regulatory duties.

2. The provisions of paragraph 1 shall not apply in cases in which the change in import regulations improves the terms of trade.

Consultations on the implementation of the provisions of this article may be held within the Joint Committee.

Article 8. 1. The following products, originating in the Community, may be imported into Spain without quantitative restrictions on the conditions laid down in paragraph 2:

Spanish
Customs Tariff
number

04.04

Cheese and curds:

G. Others:

1. Containing 40 per cent or less by weight of fat and containing

b. More than 47 per cent and not more than 72 per cent by weight of water in the non-fat substance;

Description of goods

Spanish
Customs Tariff
number

Description of goods

4. Butterkäse, Cantal, Edam, Fontal, Fontina, Gouda, Italico, Kernhem, Mimoletta, Saint-Nectaire, Saint-Paulin, Tilsitt

2. The threshold price of the products referred to in paragraph 1, originating in the Community, may not exceed 100.48 pesetas per kilogram and should be at least 6.30 pesetas per kilogram less than the general threshold price applied by Spain to the same products originating in third States.

Article 9. Spain undertakes to purchase in the Community, on normal market terms, at least 25 per cent of its total annual imports of butter (heading No. 04.03 of the Spanish customs tariff) for as long as those imports remain subject to the State-trading system. This percentage shall be raised by at least 1 per cent per year as from 1 January 1972 so as to attain a minimum of 30 per cent as from 1 January 1976.

Article 10. Spain undertakes to purchase in the Community, on normal market terms, 90 per cent of its total annual imports of the following products for as long as those imports remain subject to the State-trading system:

Spanish
Customs Tariff
number

Description of goods

- | | |
|-------|---|
| 04.02 | Milk and cream, conserved, concentrated or sweetened: |
| | A. Unsweetened: |
| | 1. Not denatured: |
| | a. In powder or other solid forms |
| | b. Others |
| | B. Sweetened: |
| | 1. In powder or other solid forms |
| | 2. Others |

Article 11. 1. In respect of the products referred to in this annex, other than those covered by Annex II of the Treaty establishing the European Economic Community, Spain reserves the right, in the event of specific regulations being established as a result of the implementation of its agricultural policy, to alter the arrangements provided for in this annex, particularly so as to avoid certain distortions of competition or substitutions.

In establishing these regulations and altering these arrangements, Spain shall take the Community's interests into account.

2. In respect of the products referred to in this annex that are covered by Annex II of the Treaty establishing the European Economic Community, Spain reserves the right, in the event of regulations being established, to alter the arrangements provided for in this annex.

In establishing these regulations and altering these arrangements, Spain shall take the Community's interests into account.

3. In respect of the products referred to in this annex that are covered by Annex II of the Treaty establishing the European Economic Community, Spain reserves the right, in the event of its regulations being amended, to alter the arrangements provided for in this annex.

In altering these arrangements, Spain shall accord an advantage comparable to that provided for in this annex in respect of imports originating in the Community.

4. For the purpose of implementing the provisions of this article, consultations may be held within the Joint Committee.

Article 12. Spain shall apply to the Community the Convention on the Valuation of Goods for Customs Purposes signed in Brussels on 15 December 1950 and the International

Convention on the Simplification and Harmonization of Customs Procedures concluded in Geneva on 3 November 1923.

LIST A, LIST B, LIST C. PRODUCTS SUBJECT, ON IMPORTATION INTO SPAIN, TO SPANISH CUSTOMS TARIFF DUTIES REDUCED BY THE PERCENTAGES AND IN ACCORDANCE WITH THE TIMETABLE LAID DOWN IN ARTICLE 1 OF THIS ANNEX¹

LIST D. BASIC QUOTAS OPENED BY SPAIN FOR IMPORTS OF PRODUCTS ORIGINATING IN THE COMMUNITY, LISTED IN ARTICLE 5 (1)¹

¹ The lists A, B, C and D are not published herein in accordance with article 12 (2) of the General Assembly regulations to give effect to Article 102 of the Charter of the United Nations as amended in the last instance by General Assembly resolution 33/141 A of 19 December 1978.

PROTOCOL ON THE DEFINITION OF THE CONCEPT OF “ORIGINATING PRODUCTS” AND ON METHODS OF ADMINISTRATIVE COOPERATION

TITLE I. PROVISIONS ON THE DEFINITION OF THE CONCEPT OF “ORIGINATING PRODUCTS”

Article 1. For the purpose of the Agreement between the European Economic Community and Spain, the following shall be considered as:

1. Products originating in the Community subject to their having been, within the meaning of Article 5, transported direct to Spain:
 - (a) Products wholly obtained or produced in the Member States;
 - (b) Products obtained or produced in the Member States in the manufacture of which products other than those referred to in (a) have been used, if those products have been sufficiently worked or processed within the meaning of Article 3. This condition does not apply to products originating in Spain within the meaning of this Protocol;
2. Products originating in Spain subject to their having been, within the meaning of Article 5, transported direct to the importing Member State:
 - (a) Products wholly obtained or produced in Spain;
 - (b) Products obtained or produced in Spain, in the manufacture of which products other than those referred to in (a) have been used, if those products have been sufficiently worked or processed within the meaning of Article 3. This condition does not apply to products originating in the Community within the meaning of this Protocol.

This Protocol shall for the time being not apply to the products specified in List C.

Article 2. For the purposes of Article 1 (1) (a) and (2) (a) the following shall be considered as “wholly obtained or produced”, either in the Member States or in Spain:

- (a) Mineral products extracted from the ground thereof;
- (b) Vegetable products harvested therein;
- (c) Live animals born and raised therein;
- (d) Products derived from live animals raised therein;
- (e) Products of hunting and fishing carried on therein;
- (f) Marine products taken from the sea by their ships;
- (g) Waste and scrap derived from manufacturing processes and used articles, fit only for the recovery of raw materials, if they were collected therein;
- (h) Goods derived exclusively from the animals or products referred to in subparagraphs (a) to (g) or from their derivatives.

Article 3. For the purposes of Article 1 (1) (b) and (2) (b), “sufficiently worked or processed” means:

- (a) Subjected to working or processing as [a] result of which the goods so manufactured are classified under a different tariff heading from that of any of

the constituents, with the exception, however, of those goods specified in List A to which the special provisions of that list apply;

(b) Subjected to the working or processing specified in List B.

“Tariff heading” means a heading of the Brussels Nomenclature for the Classification of Goods in Customs Tariffs.

Article 4. Where Lists A and B, referred to in Article 3, provide that goods manufactured in a Member State or in Spain may be considered as originating therein only if the value of the products used in their manufacture does not exceed a given percentage of the value of the goods so manufactured, the values for determining this percentage shall be as follows:

— On the one hand,

For products the importation of which can be proved: their value for customs purposes at the time of importation;

For products of undetermined origin: the first verifiable price paid for those products in the territory of the State where manufacture takes place;

— On the other hand,

The ex-factory price of the goods manufactured, less internal charges refunded or to be refunded on exportation.

Article 5. The following shall be considered as transported direct from the exporting Member State to Spain, or from Spain to the importing Member State:

(a) Products transported without passing through territories other than those of the Contracting Parties;

(b) Products transported through territories other than those of the Contracting Parties or with transshipment in such territories provided that carriage through or transshipment in such territories is covered by a single transport document made out in a Member State or in Spain;

(c) Products which, without being covered by a single transport document made out in a Member State or in Spain, carried through territories other than those of the Contracting Parties, provided that carriage through those territories is justified for geographical reasons and that the conditions laid down in Explanatory Note 6 are satisfied.

Transshipment in ports situated in territories other than those of the Contracting Parties, when this transshipment is attributable to *force majeure* or events at sea, shall not be considered as interruptions of direct transport.

TITRE II. PROVISIONS ON THE ORGANIZATION OF METHODS OF ADMINISTRATIVE COOPERATION

Article 6. Originating products within the meaning of this Protocol shall be accepted in the importing Member State or in Spain as coming under the Agreement on production of a movement certificate A.E. 1 endorsed by the customs authorities of Spain or the Member State.

However, products sent in postal packets (including parcels), provided each packet contains only “originating products” of a value not exceeding 1 000 units of account, shall be accepted in Spain or in the Member State as coming under the Agreement, on production of form A.E. 2.

Article 7. Movement certificate A.E. 1 shall be endorsed only upon written application by the exporter made out on the form prescribed for this purpose.

Article 8. Movement certificate A.E. 1 shall be endorsed by the customs authorities of the exporting State at the time of exportation of the goods to which it relates. It shall be made available to the exporter as soon as exportation has been actually effected or ensured.

Exceptionally, movement certificate A.E. 1 may be endorsed after exportation of the goods to which it relates if, through error or inadvertent omission, it was not produced at the time of exportation. In that case a special note shall be added explaining the circumstances in which it was endorsed.

Movement certificate A.E. 1 may be endorsed only where it can serve as documentary evidence for the application of the preferential treatment provided for by the Agreement.

Article 9. Movement certificate A.E. 1 must be submitted to the customs office of the importing State where the goods are presented within two months of the date of endorsement by the customs authorities of the exporting State.

Article 10. Movement certificate A.E. 1 shall be made out in the form shown in the Annex to this Protocol. It shall be in one of the official languages of the European Economic Community and shall comply with the internal laws of the exporting country. It shall be typed or handwritten; if the latter, it shall be in ink in block letters.

The size of the certificate shall be 21 × 29.7 cm. The paper used shall be sized writing paper containing no mechanical pulp, and weighing not less than 64 g per sq m; if air mail paper is used, the weight shall be between 25 and 30 g per sq m. It shall have a printed green guilloche pattern background such as to reveal any falsification by mechanical or chemical means.

A band consisting of three blue stripes, each 3 mm wide, shall be printed diagonally across the front of each certificate from the lower left to the top right corner.

The Member States and Spain may themselves print the certificates or may entrust the work to printers authorized by them. In the latter case reference to that authorization must appear on each form. Each certificate must bear the distinguishing mark of the authorized printers and an identifying serial number.

Article 11. The movement certificate shall be submitted to the customs authorities of the importing State in accordance with its procedural requirements. Those authorities shall have the right to require a translation of it. They may require the import declaration to be supplemented by a statement by the importer that the goods satisfy the conditions required by the Agreement.

Article 12. Form A.E. 2, a specimen of which is annexed to this Protocol, shall be completed by the exporter. It shall be in one of the official languages of the European Economic Community and shall comply with the internal laws of the exporting country. It shall be typed or handwritten; if the latter, it shall be in ink in block letters.

Form A.E. 2 shall consist of two parts, each measuring 21 × 14.8 cm. The paper used shall be white sized writing paper containing no mechanical pulp, and weighing not less than 64 g per sq m. A band consisting of three blue stripes, each

3 mm wide, shall be printed diagonally across the front of each part from the lower left to the top right corner.

Form A.E. 2 may be perforated by machine so that the two parts may be detached, as also the label which is to be affixed to the consignment. The reverse of that part may be gummed.

The Member States and Spain may themselves print the forms or may entrust the work to printers authorized by them. In the latter case reference to that authorization must appear on each form. Each part must bear the distinguishing mark of the authorized printers and an indentifying serial number.

Article 13. A form A.E. 2 shall be made out for each postal packet. After completing and signing both parts the exporter shall place his declaration (part 1) inside the packet and affix the label from part 2 of form A.E. 2 to the outer wrapping.

These provisions shall not exempt exporters from compliance with the other formalities laid down by customs or postal regulations.

Article 14. Unless improper use is suspected, the customs authorities of the Member State or of Spain shall apply the provisions of the Agreement to the goods contained in a packet bearing a label A.E. 2.

In order to make a random check or where an irregularity is suspected, the customs authorities of the Member State or of Spain may request verification from the customs authorities of Spain or of the Member States, sending them for that purpose part 1 of form A.E. 2 which was enclosed in the packet, and they may await the results of that verification before applying the provisions of the Agreement. In such cases the goods may be released to the importer subject to such safeguards as may be considered necessary.

Article 15. 1. The Member States and Spain shall, without requiring the production of movement certificate A.E. 1 or the completion of a form A.E. 2, apply the provisions of the Agreement to goods imported in small packets addressed to individuals or contained in the personal luggage of travellers, if these goods serve no commercial purpose and they are declared to comply with the conditions required for the application of these provisions and the accuracy of this declaration is not in doubt.

2. Imports shall be considered as serving no commercial purpose if they are occasional and consist exclusively of goods for the personal or family use of the addressees or travellers; the nature or quantity of such goods must not be such as might indicate that they are being imported for commercial reasons. Furthermore, the total value of these goods must not exceed 60 units of account for small packets or 200 units of account for the contents of the personal luggage of travellers.

Article 16. The Member States and Spain shall afford each other assistance through their respective customs authorities in verifying the authenticity and accuracy of movement certificates A.E. 1 and of the exporter's declaration on forms A.E. 2, in order to ensure that this Title is properly applied.

The Joint Committee shall make such recommendations as are necessary for the application of this Protocol, and in particular of this Title, so that methods of administrative cooperation may be applied in good time in the Member States and in Spain.

TITLE III. FINAL PROVISIONS

Article 17. The Member States and Spain shall take all necessary measures to ensure that movement certificates A.E. 1 can be submitted, in accordance with Article 11, from the date of the entry into force of the Agreement.

Article 18. Spain, the Member States and the Community shall, each for its part, take the measures necessary for the implementation of this Protocol.

Article 19. The Explanatory Notes, Lists A, B and C, the specimen movement certificate A.E. 1 and the specimen form A.E. 2 shall form an integral part of this Protocol.

Article 20. The provisions of the Agreement may be applied to goods which comply with the provisions of Title 1 and which, on the date of the entry into force of the Agreement, are either in transit, or are in a Member State or in Spain in temporary storage, in bonded warehouses or in free zones, subject to the production, to the customs authorities of the importing country within two months from that date, of a certificate A.E. 1 endorsed retrospectively by the competent authorities of the exporting State, together with documents showing that the goods have been transported direct.

ANNEX I

EXPLANATORY NOTES

Note 1 to Article 1

The expression “in the Member States” or “in Spain” shall also cover territorial waters and ships operating on the high seas, including “factory ships”, on board which fishery catches are processed or prepared, provided that they satisfy the conditions set out in Explanatory Note 4.

Note 2 to Article 1

For the purpose of determining whether goods originate in the Community or in Spain, the question whether the fuel and power, equipment, machinery and tools used in manufacturing those goods originated in a third State shall be irrelevant.

Note 3 to Article 1

Packaging shall be considered as forming an integral part of the products which it contains. Nevertheless, this provision shall not apply to packaging which is not of the usual type for the product packed and which has a lasting utility value of its own apart from its nature as packaging.

Note 4 to Article 2 (f)

The expression “their ships” shall apply only in respect of ships:

- Which are registered or recorded in a Member State or in Spain,
- Which fly the flag of a Member State or of Spain,
- Which are owned at least as to half by nationals of the Member States or of Spain or by a company or firm whose head office is situated in one of those States and of which the manager or managers, the chairman of the board of directors or of the supervisory board and the majority of the members of these boards are nationals of the Members States or

of Spain and of which, whether or not it is with limited liability, at least half the capital is owned by those States, by bodies governed by public law or by nationals of those States,

- Whose officers are all nationals of the Member States or of Spain,
- Of which at least 75% of the crew is composed of nationals of the Member States or of Spain.

Note 5 to Article 4

“Ex-factory price” means the price paid to the manufacturer by whom the goods have been sufficiently worked or processed. Where such working or processing has been done successively by two or more manufacturers, the price shall be that paid to the last manufacturer.

Note 6 to Article 5 (c)

1. For the application of Article 5 (c), the carriage of goods, traded between the Member States and Spain, through territories other than those of the Contracting Parties, shall be justified for geographical reasons when such carriage is occasioned by the need to load or unload goods at the Portuguese ports of Lisbon or Oporto.

2. While passing through territories other than those of the Contracting Parties, products originating in a Member State or in Spain shall:

- Remain under the supervision of the customs authorities of the country of transit and may not be put into free circulation there,
- Undergo, while in transit, only such forms of handling as are needed to prevent their deterioration.

Proof that these conditions are satisfied shall be furnished by the production to the customs authorities of the country of destination of a certificate issued by the customs authorities of the country of transit and containing:

- An exact description of the goods,
- The date of loading or unloading of the goods and the names of the ships,
- A certified statement of the conditions under which transit took place or, failing that, any other document accepted as conclusive by the country of destination.

Note 7 to Article 8

A provisional movement certificate A.E. 1 may be issued for goods exported from Spain under the terms of Article 5 (c) where the final destination is not known at the time they leave Spain. This shall later be replaced by a final movement certificate A.E. 1 or, where consignments are divided before loading, by several such certificates, where proof is furnished to the customs authorities which issued the first certificate that the goods have been dispatched to a Member State.

The provisional certificate must be made out on the form prescribed by Article 10. Under the heading “Remarks” the word “PROVISIONAL” shall be entered in red ink, in block letters.

Note 8 to Article 8

Where a movement certificate A.E. 1 relates to products originally imported from a Member State or from Spain and later re-exported in the same state, the new certificates issued by the re-exporting State must show the State in which the first movement certificate was issued.

Note 9 to Article 13

After having completed form A.E. 2, the exporter shall enter “A.E. 2” followed by the serial number of the form used, either on the green C1 label or on the C2 or C2M declaration, or in the section “Remarks” of customs declarations CP3 or CP3M.

LIST A. LIST OF WORKING OR PROCESSING OPERATIONS WHICH RESULT IN A CHANGE OF TARIFF HEADING WITHOUT CONFERRING THE STATUS OF "ORIGINATING PRODUCT" ON THE PRODUCTS UNDERGOING SUCH OPERATIONS, OR CONFERRING THIS STATUS ONLY SUBJECT TO CERTAIN CONDITIONS¹

LIST B. LIST OF WORKING OR PROCESSING OPERATIONS WHICH DO NOT RESULT IN A CHANGE OF TARIFF HEADING, BUT WHICH DO CONFER THE STATUS OF "ORIGINATING PRODUCT" ON THE PRODUCTS UNDERGOING SUCH OPERATIONS¹

LIST C. LIST OF PRODUCTS TEMPORARILY EXCLUDED FROM THE SCOPE OF THIS PROTOCOL¹

¹ The lists A, B and C are not published herein in accordance with article 12 (2) of the General Assembly regulations to give effect to Article 102 of the Charter of the United Nations as amended in the last instance by General Assembly resolution 33/141 A of 19 December 1978.

FINAL ACT¹

The Plenipotentiaries of the Council of the European Communities on the one hand and the Head of State of Spain on the other

Meeting on 29 June 1970 in Luxembourg

To sign the Agreement between the European Economic Community and Spain

— Have adopted the following joint declarations by the Contracting Parties:

1. Joint Declaration by the Contracting Parties concerning article 2, paragraph 3, of the Agreement,
2. Joint Declaration by the Contracting Parties concerning article 6 of the Agreement,
3. Joint Declaration by the Contracting Parties concerning the bilateral trade agreements,
4. Joint Declaration by the Contracting Parties concerning changes in customs tariffs and import regulations,
5. Joint Declaration by the Contracting Parties concerning articles 2, 3, 4, 5, 7, 9, 10 and 11 of annex I,
6. Joint Declaration by the Contracting Parties concerning articles 7 and 8 of annex I,
7. Joint Declaration by the Contracting Parties concerning articles 1 and 2 of annex II,
8. Joint Declaration by the Contracting Parties concerning article 7 of annex II,
9. Joint Declaration by the Contracting Parties concerning article 8 of annex II;

— Have taken note of the following declarations by the delegation of the Community:

1. Declaration by the delegation of the Community concerning certain wines;
2. Declaration by the delegation of the Community concerning articles 2, 3 and 4 of annex I;

— And have taken note of the following declarations by the delegation of Spain:

1. Declaration by the delegation of Spain concerning article 1 of annex II,
2. Declaration by the delegation of Spain concerning article 5 of annex II,
3. Declaration by the delegation of Spain concerning articles 9 and 10 of annex II,
4. Declaration by the delegation of Spain concerning the system of guarantees applicable to imports into Spain.

The declarations listed above are annexed to this Final Act.

The Plenipotentiaries have agreed that these declarations, as appropriate, will be subject to the procedures required to guarantee their validity under the same conditions as the Agreement itself.

¹ Published for information only.

IN WITNESS WHEREOF the undersigned Plenipotentiaries have set their signatures to this Final Act.

DONE at Luxembourg on 29 June 1970.

On behalf of the Council of the European Communities:

PIERRE HARMEL

JEAN REY

Subject to the proviso that the commitment of the European Community shall become effective only when it has informed the other Contracting Party that the procedures required by the Treaty establishing the European Economic Community have been concluded.

On behalf of the Head of State of Spain:

GREGORIO LÓPEZ-BRAVO

ANNEX

JOINT DECLARATION BY THE CONTRACTING PARTIES CONCERNING
ARTICLE 2, PARAGRAPH 3, OF THE AGREEMENT

For purposes of implementing the concessions which they are granting one another under annexes I and II, the Contracting Parties agree to make the necessary arrangements to ensure that the import opportunities they have opened for one another are not affected by laws, regulations or administrative provisions or by administrative practices.

Consultations may be held on such measures within the Joint Committee.

JOINT DECLARATION BY THE CONTRACTING PARTIES
CONCERNING ARTICLE 6 OF THE AGREEMENT

The Contracting Parties declare that article 6 of the Agreement does not apply to export duties levied on trade between them in order to adjust by mutual agreement, at import, the implementation of certain provisions on the organization of agricultural markets, in particular certain duties provided for in these provisions.

JOINT DECLARATION BY THE CONTRACTING PARTIES
CONCERNING THE BILATERAL TRADE AGREEMENTS

The Contracting Parties agree as follows:

1. The general provisions of the Agreement between the European Economic Community and Spain, and the specific provisions for certain products, shall replace any provisions of agreements concluded between the States members of the Community and Spain which are incompatible with or identical to the provisions of the present Agreement.

2. Areas falling under article 113 of the Treaty establishing the European Economic Community which are not covered by this Agreement, in particular those covered in the bilateral agreements between the States members and Spain, shall be resolved under the common commercial policy of the Community.

JOINT DECLARATION BY THE CONTRACTING PARTIES CONCERNING CHANGES
IN CUSTOMS TARIFFS AND IMPORT REGULATIONS

The Contracting Parties agree that they will inform one another as quickly as possible of any changes in their respective customs tariffs and in their import regulations.

JOINT DECLARATION BY THE CONTRACTING PARTIES CONCERNING
ARTICLES 2, 3, 4, 5, 7, 9, 10 AND 11 OF ANNEX I

The rates of the Common Customs Tariff to be taken into account for purposes of calculating the low rates referred to in articles 2, 3, 4, 5, 7, 9, 10 and 11 of annex I are not the rates which would be applied under the system of generalized preferences envisaged in the context of the United Nations Conference on Trade and Development or in conformity with the rules of the General Agreement on Tariffs and Trade (GATT).

JOINT DECLARATION BY THE CONTRACTING PARTIES CONCERNING
ARTICLES 7 AND 8 OF ANNEX I

The Contracting Parties agree that where reference is made in annex I to the provisions of Regulation No. 23 and of Regulation No. 136/66/EWG, article 14, the regulations in question are those which are applicable to third countries at the moment the goods in question are imported.

JOINT DECLARATION BY THE CONTRACTING PARTIES CONCERNING
ARTICLES 1 AND 2 OF ANNEX II

The rates of the Common Customs Tariff to be taken into account for purposes of calculating the low rates referred to in articles 1 and 2 of annex II are not the rates which would be applied under the system of generalized preferences envisaged in the context of the United Nations Conference on Trade and Development or in conformity with the rules of the General Agreement on Tariffs and Trade (GATT).

JOINT DECLARATION BY THE CONTRACTING PARTIES
CONCERNING ARTICLE 7 OF ANNEX II

The Contracting Parties agree that the regulations provided for in article 7 of annex II shall apply to the following products which are subject to quantitative restrictions when imported into Spain:

<i>Spanish Customs Tariff number</i>	<i>Description</i>
17.04 ¹	Sugar, confectionery, not containing cocoa: D. Other
18.06	Chocolate and other food preparations containing cocoa
19.03	Macaroni, spaghetti and similar products
19.07	Bread, ships' biscuits and other ordinary bakers' wares, not containing added sugar, honey, eggs, fats, cheese or fruit
19.08	Pastry, biscuits, cake and other fine bakers' wares, whether or not containing cocoa in any proportion: A. Containing neither sugar nor cocoa
21.07	Food preparations not elsewhere specified or included: C. Other
35.05	Dextrins and dextrin glues; soluble or roasted starches; starch glues

They also declare that, in respect of such products originating in the Community, the level of authorized imports may not be lower than the total value of imports of such products in 1968.

JOINT DECLARATION BY THE CONTRACTING PARTIES
CONCERNING ARTICLE 8 OF ANNEX II

The Contracting Parties declare that article 8 of annex II in no way prevents them from agreeing subsequently to change the threshold price of 100.48 pesetas per kg and the margin of 6.30 pesetas per kg specified therein.

DECLARATION BY THE DELEGATION OF THE COMMUNITY
CONCERNING CERTAIN WINES

The Community had made the following offer to Spain:

A. *Wines from Jerez and Malaga*

— The rates of the Common Customs Tariff on wines from Jerez and Malaga (ex 22.05) would be reduced by 60 per cent and 50 per cent respectively.

¹ This reads "17.01" in the Spanish authentic text — Se lit « 17.01 » dans le texte authentique espagnol.

— These reductions would be subject to the following restrictions:

Benelux countries:	Reduction without restriction as to quantity
Germany, France and Italy:	Reduction not to exceed:
— Germany	15,000 hl of sherry 20,000 hl of malaga
— France	1,500 hl of sherry 2,500 hl of malaga
— Italy	1,500 hl of sherry 250 hl of malaga

In respect of Italy these concessions would be granted only for wine in containers of up to two litres.

B. *Wines from Jumilla, Priorato, Rioja, Valdepeñas*

— The rates of the Common Customs Tariff on wines from Jumilla, Priorato, Rioja and Valdepeñas (ex 22.05), originating in Spain and imported into the Community, would be reduced by 30 per cent;

— These reductions would be applied within a tariff quota of 6,000 hectolitres;

— These concessions would be granted for wine in containers of up to 2 litres.

Since the Community has reserved the right to re-examine this arrangement once the common regulations pertaining to markets in the wine sector come into force, once they come into force the Community will grant concessions for the wines listed under items A and B above providing advantages comparable to those that would have resulted from the above offers.

DECLARATION BY THE DELEGATION OF THE COMMUNITY CONCERNING ARTICLES 2, 3 AND 4 OF ANNEX I

The Community will consider whether the reductions in customs duties referred to in articles 2, 3 and 4 of annex I, which are applicable to products originating in Spain and imported into the Community, may be increased to 70 per cent of the rates of the Common Customs Tariff as of 1 January 1974.

DECLARATION BY THE DELEGATION OF SPAIN CONCERNING ARTICLE I OF ANNEX II

Should the Community decide to increase the reduction in the rates of the Common Customs Tariff to 70 per cent, as of 1 January 1974, as provided for in articles 2, 3 and 4 of annex I, the customs duties and charges having equivalent effect applicable to the products in lists A and B of annex II originating in the Community would be those of the Spanish customs tariff reduced by the following percentages and in accordance with the following timetable:

Products	Rate of reduction as from			
	1.1.1974	1.1.1975	1.1.1976	1.1.1977
List A	32,5%	45%	57,5%	70%
List B	15%	20%	25%	30%

DECLARATION BY THE DELEGATION OF SPAIN
CONCERNING ARTICLE 5 OF ANNEX II

The Spanish Government declares that article 5, paragraph 5, subparagraph 2, of annex II may be applied in particular to the following products:

- Sulphur of all kinds (items 25.03 and 28.02 of the Spanish customs tariff)
- Pyrites (items 25.02 and ex 26.01 of the Spanish customs tariff)
- Lead ores (item 26.01E of the Spanish customs tariff)
- Ash and residues, containing lead (item 26.03A of the Spanish customs tariff)

DECLARATION BY THE DELEGATION OF SPAIN CONCERNING
ARTICLES 9 AND 10 OF ANNEX II

Should there be any change in the regulations applicable not only in the Iberian peninsula and the Balearic Islands but also in the territories having a special arrangement, to the import of products referred to in articles 9 and 10 of annex II, the Spanish Government will grant the Community advantages of an equivalent scale.

DECLARATION BY THE DELEGATION OF SPAIN CONCERNING THE SYSTEM
OF GUARANTEES APPLICABLE TO IMPORTS INTO SPAIN

Considering that the system of guarantees which importers must provide is incompatible with the objective of the Agreement, the Spanish Government declares that this system is only temporary and that it will cease to apply on 9 December 1970.

The Spanish Government points out, however, that the safeguard clause in the Agreement is intended to rectify precisely the type of situation for which the system of guarantees was established.

PROTOCOL¹ TO THE AGREEMENT BETWEEN SPAIN AND THE EUROPEAN ECONOMIC COMMUNITY² CONSEQUENT ON THE ACCESSION OF THE HELLENIC REPUBLIC TO THE COMMUNITY

Spain, of the one part, and the European Economic Community, of the other part,

Considering the accession of the Hellenic Republic to the European Communities³ on 1 January 1981,

Having regard to the Agreement between the European Economic Community and Spain, signed in Luxembourg on 29 June 1970,² hereinafter called the "Agreement",

Have decided to determine by common accord the adjustments and transitional measures to the Agreement consequent on the accession of the Hellenic Republic to the European Economic Community,

And to conclude this Protocol:

TITLE I. ADJUSTMENTS

Article 1. The text of the Agreement, including the Annexes and Protocol which form an integral part thereof, and the text of the Final Act and of the declarations annexed thereto shall be drawn up in Greek and shall be authentic in the same way as the original texts. The Joint Committee shall approve the Greek text.

Article 2. 1. The annual Community tariff quotas⁴ provided for in favour of Spain under Article 2 (1) of the Agreement and listed below shall be increased to:

2. For the purposes of the Community tariff quotas laid down for the goods listed in Annex II to this Protocol or in Annex II to the EEC Treaty, the Hellenic Republic shall apply duties calculated in accordance with Articles 4 and 5 or Article 8 of this Protocol.

Article 3. For the products in List D of Annex II to the Agreement, originating in the Community and listed in Annex I to this Protocol, Spain shall open annual quotas for the amounts indicated.

Any alteration on the quotas opened for products originating in the Community shall be made in conformity with the provisions of Annex II to the Agreement.

¹ Came into force on 1 March 1984, i.e., the first day of the second month following the date on which the Contracting Parties had informed each other (on 31 January 1984) of their approval, in accordance with article 13.

² See p. 263 of this volume.

³ United Nations, *Treaty Series*, vol. 1383, p. 3.

⁴ The table of the annual Community tariff quotas is not published herein in accordance with article 12 (2) of the General Assembly regulations to give effect to Article 102 of the Charter of the United Nations as amended in the last instance by General Assembly resolution 33/141 A of 19 December 1978.

TITLE II. TRANSITIONAL MEASURES

Article 4. For the products listed in Annex II, the Hellenic Republic shall, until 31 December 1985, progressively align customs duties on imports resulting from the application of the Agreement in accordance with the following timetable:

- From 1 January 1981 the Hellenic Republic shall apply a duty reducing by 10% the difference between the basic duty and the duty resulting from the application of the Agreement;
- From 1 January 1982:
 - (a) For tariff headings in respect of which the basic duties are not more than 15% in either direction from the duties resulting from the application of the Agreement, these latter duties shall be applied;
 - (b) In other cases, the Hellenic Republic shall apply a duty again reducing by 10% the difference between the basic duty and the duty resulting from the application of the Agreement.

This difference shall be reduced by a further 20% on 1 January 1983, by 20% on 1 January 1984 and by 20% on 1 January 1985.

From 1 January 1986 the Hellenic Republic shall apply in full the duties resulting from the application of the Agreement.

Article 5. 1. For the products listed in Annex II, the basic duty to which the successive reductions as provided for in Article 4 are to be applied shall, for each product, be the duty actually applied by the Hellenic Republic in respect of Spain on 1 July 1980.

2. However, in respect of matches falling within heading No. 36.06 of the Common Customs Tariff of the European Communities, the basic duty shall be 17.2% *ad valorem*.

Article 6. 1. For the products listed in Annex II, the Hellenic Republic shall progressively abolish charges having equivalent effect to customs duties on imports of products originating in Spain in accordance with the following timetable:

- On 1 January 1981, each charge shall be reduced to 90% of the basic rate;
- On 1 January 1982, each charge shall be reduced to 80% of the basic rate;
- The other four reductions each of 20% of the basic rate shall be made on:
 - 1 January 1983,
 - 1 January 1984,
 - 1 January 1985,
 - 1 January 1986.

2. The basic rate to which the successive reductions as provided for in paragraph 1 are to be applied shall, for each product, be the rate applied by the Hellenic Republic on 31 December 1980 in respect of the Community as at present constituted.

3. Any charge having equivalent effect to a customs duty on imports introduced as from 1 January 1979 in trade between the Hellenic Republic and Spain shall be abolished on 1 January 1981.

Article 7. If the Hellenic Republic suspends or reduces duties or charges of equivalent effect on products imported from the Community as at present

constituted more quickly than foreseen in the established timetable the Hellenic Republic shall also suspend or reduce, by the same percentage, those duties or charges having equivalent effect on products originating in Spain.

Article 8. For the products listed in Annex II to the Treaty establishing the European Economic Community, the preferential rates provided for or calculated shall be applied to the duties actually levied by the Hellenic Republic on imports from third countries as laid down in Article 64 of the 1979 Act of Accession.

In no case shall imports into Greece of products originating in Spain benefit from rates of duty more favourable than those applied to products coming from the Community as at present constituted.

Article 9. 1. The Hellenic Republic may retain quantitative restrictions until 31 December 1985 on products listed in Annex III, originating in Spain.

2. The restrictions referred to in paragraph 1 shall take the form of quotas.

The quotas for 1981 are listed in Annex III.

3. The minimum rate of progressive increase for the quotas referred to in paragraph 2 shall be 25% at the beginning of each year for quotas expressed in EUR units of account (EUA), and 20% at the beginning of each year for quotas expressed in terms of volume. Such increases shall be added to each quota and the next increase calculated on the total thus obtained.

However, with regard to motor coaches and buses and other vehicles falling within subheading ex 87.02 A I of the Common Customs Tariff of the European Communities, the quota shall be raised by 20% a year.

Where a quota is expressed in terms of both volume and value, the quota relating to the volume shall be raised by at least 20% a year and the quota relating to value by at least 25% a year, the succeeding quotas to be calculated each year on the basis of the previous quota plus the increase.

4. Where it is found that imports into Greece of a product listed in Annex III have for two consecutive years been less than 90% of the quota, the Hellenic Republic shall liberalize imports of that product originating in Spain if the product in question is at that time liberalized vis-à-vis the Community as at present constituted.

5. If the Hellenic Republic liberalizes imports of a product listed in Annex III coming from the Community as at present constituted or increases a quota beyond the minimum rate laid down in paragraph 3 applicable to the Community as at present constituted, the Hellenic Republic shall also liberalize imports of that product originating in Spain or increase the quota proportionally.

6. Regarding licences for imports of products listed in Annex III and originating in Spain, the Hellenic Republic shall apply the same administrative rules and practices as applied to such imports originating in the Community as at present constituted, with the exception of the quota for fertilisers falling within headings 31.02 and 31.03 and subheadings 31.05 A I, II and IV of the Common Customs Tariff of the European Communities, where the Hellenic Republic may apply the rules and practices relevant to exclusive market rights.

Article 10. 1. The rates of import deposits and cash payments in force in Greece on 31 December 1980 with regard to imports of products originating in

Spain shall be progressively eliminated over a period of three years from 1 January 1981.

The rate of import deposits and cash payments shall be reduced in accordance with the following timetable:

- 1 January 1981: 25%
- 1 January 1982: 25%
- 1 January 1983: 25%
- 1 January 1984: 25%

2. If, in respect of the Community as at present constituted, the Hellenic Republic reduces a rate of imports or cash payments more quickly than under the timetable set out in paragraph 1, the Hellenic Republic shall make the same reduction with regard to imports originating in Spain.

TITLE III. GENERAL AND FINAL PROVISIONS

Article 11. The Joint Committee shall make any amendments which may be necessary to the rules of origin consequent on the accession of the Hellenic Republic to the European Communities.

Article 12. The Annexes to this Protocol form an integral part thereof. This Protocol forms an integral part of the Agreement.

Article 13. This Protocol shall be approved by the Contracting Parties in accordance with their own procedures. It shall enter into force on 1 January 1981, provided that the Contracting Parties have notified each other before that date that the procedures necessary to this end have been completed. After this date the Protocol shall enter into force on the first day of the second month following such notification.

Article 14. This Protocol is drawn up in duplicate, in the Spanish, Danish, Dutch, English, French, German, Greek and Italian languages, each of these texts being equally authentic.

[For signature page, see p. 336 of the present volume.]

ANNEX I

LIST OF PRODUCTS REFERRED TO IN ARTICLE 3¹

ANNEX II

LIST OF PRODUCTS REFERRED TO IN ARTICLE 4¹

ANNEX III

LIST OF PRODUCTS REFERRED TO IN ARTICLE 9¹

¹ Not published herein in accordance with article 12 (2) of the General Assembly regulations to give effect to Article 102 of the Charter of the United Nations as amended in the last instance by General Assembly resolution 33/141 A of 19 December 1978.