

EUROPE AGREEMENT

establishing an association between the European Communities and their Member States, of the one part, and the Republic of Poland, of the other part

THE KINGDOM OF BELGIUM,
THE KINGDOM OF DENMARK,
THE FEDERAL REPUBLIC OF GERMANY,
THE HELLENIC REPUBLIC,
THE KINGDOM OF SPAIN,
THE FRENCH REPUBLIC,
IRELAND,
THE ITALIAN REPUBLIC,
THE GRAND DUCHY OF LUXEMBOURG,
THE KINGDOM OF THE NETHERLANDS,
THE PORTUGUESE REPUBLIC,

THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND,
Contracting Parties to the Treaty establishing the European Economic Community, the Treaty establishing the European Coal and Steel Community and the Treaty establishing the European Atomic Energy Community, hereinafter referred to as 'Member States', and
THE EUROPEAN ECONOMIC COMMUNITY, THE EUROPEAN COAL AND STEEL COMMUNITY, THE EUROPEAN ATOMIC ENERGY COMMUNITY, hereinafter referred to as 'the Community',

of the one part, and

THE REPUBLIC OF POLAND, hereinafter referred to as 'Poland',
of the other part,

CONSIDERING the importance of the existing traditional links between the Community, its Member States and Poland and the common values that the Contracting Parties share;

RECOGNIZING that the Community and Poland wish to strengthen these links and to establish close and lasting relations, based on reciprocity, which would allow Poland to take part in the process of European integration, thus strengthening and widening the relations established in the past notably by the Agreement on trade and commercial and economic cooperation, signed on 19 September 1989;

CONSIDERING the commitment of the Community and its Member States and of Poland to strengthening the political and economic freedoms which constitute the very basis of the association;

RECOGNIZING the significant achievements of the Polish people in the process of fast transition to a new political and economic order based on the rule of law and human rights, including the legal and economic framework for market economy and a multiparty system with free and democratic elections;

RECALLING the firm commitment of the Community, its Member States and of Poland to the process of the Conference on Security and Cooperation in Europe (CSCE), including the full implementation of all provisions and principles therein, in particular the Helsinki Final Act, the concluding documents of the Madrid and Vienna follow-up meetings and the Charter of Paris for a new Europe;

CONSCIOUS of the importance of the Association Agreement to establishing in Europe a system of stability based on cooperation, with the Community as one of the cornerstones;

BELIEVING that a link should be made between full implementation of association on the one hand, and the actual accomplishment of Poland's political, economic, and legal reforms on the other hand, as well as the introduction of the factors necessary for cooperation and the rapprochement between the parties' systems, notably in the light of the conclusions of the

CSCE Bonn Conference;

DESIROUS of establishing and developing regular political dialogue on bilateral and international issues of mutual interest;

TAKING ACCOUNT of the Community's willingness to provide decisive support for the implementation of reform and to help Poland cope with the economic and social consequences of structural readjustment;

TAKING ACCOUNT furthermore of the Community's willingness to set up instruments of cooperation and economic, technical and financial assistance on a global and multiannual basis;

CONSIDERING the commitment of the Community and Poland to free trade, and in particular to compliance with the rights and obligations arising out of the General Agreement on Tariffs and Trade (GATT);

BEARING IN MIND the economic and social disparities between the Community and Poland and thus recognizing that the objectives of this association should be reached through appropriate provisions of this Agreement;

CONVINCED that the Association Agreement will create a new climate for their economic relations and in particular for the development of trade and investment, instruments which are indispensable for economic restructuring and the technological modernization;

DESIROUS of establishing cultural cooperation and developing exchanges of information;

RECOGNIZING the fact that the final objective of Poland is to become a member of the Community and that this association, in the view of the Parties, will help to achieve this objective,

HAVE AGREED AS FOLLOWS:

Article 1

1. An association is hereby established between the Community and its Member States on the one part and Poland on the other part.

2. The aim of this Agreement is:

- to provide an appropriate framework for the political dialogue, allowing the development of close political relations between the parties,
- to promote the expansion of trade and the harmonious economic relations between the parties and so to foster the dynamic economic development and prosperity in Poland,
- to provide a basis for the Community's financial and technical assistance to Poland,
- to provide an appropriate framework for Poland's gradual integration into the Community.

To this end, Poland shall work towards fulfilling the necessary conditions,

- to promote cooperation in cultural matters.

TITLE I POLITICAL DIALOGUE

Article 2

A regular political dialogue shall be established between the parties. It shall accompany and consolidate the rapprochement between the Community and Poland, support the political and economic changes under way in that country and contribute to the establishment of new links of solidarity. The political dialogue and cooperation:

- will facilitate Poland's full integration into the community of democratic nations and progressive rapprochement with the Community. The economic rapprochement provided for in this Agreement will lead to greater political convergence,
- will bring about better mutual understanding and an increasing convergence of positions on international issues, and in particular on those issues likely to have substantial effects on one

or the other Party,

- will enable each Party to consider the position and interests of the other in their respective decision-making processes,
- will enhance security and stability in the whole of Europe.

Article 3

1. Consultations as appropriate shall take place between the President of the European Council and the President of the Commission of the European Communities on one side and the President of Poland on the other.
2. At ministerial level, political dialogue shall take place within the Association Council. This shall have general responsibility for any matters the parties might wish to put to it.

Article 4

Other procedures and mechanisms for political dialogue shall be set up by the parties, and in particular in the following forms:

- meetings at senior official level (political directors) between Polish officials, on the one hand, and the Presidency of the Council of the European Communities and the Commission of the European Communities, on the other,
- taking full advantage of all diplomatic channels including regular briefings by Polish officials in Warsaw, consultations on the occasion of international meetings and contacts between diplomatic representatives in third countries,
- providing regular information to Poland on European Political Cooperation which shall be reciprocated as appropriate,
- any other means which would make a useful contribution to consolidating, developing and stepping up this dialogue.

Article 5

Political dialogue at parliamentary level shall take place within the framework of the Parliamentary Association Committee.

TITLE II GENERAL PRINCIPLES

Article 6

1. The association includes a transition period of a maximum duration of 10 years divided into two successive stages, each in principle lasting five years. The first stage shall begin when this Agreement enters into force.
2. The Association Council shall proceed regularly to examine the application of this Agreement and of Poland's accomplishments in the process leading to a market economy system.
3. During the course of the 12 months preceding the expiration of the first stage, the Association Council shall meet to decide the transition to the second stage as well as on any possible changes to be brought about as regards measures concerning the implementation of the provisions governing the second stage. In doing this, it will take into account the results of the examination mentioned in paragraph 2.
4. The two stages envisaged in paragraphs 1 and 3 do not apply to Title III.

TITLE III FREE MOVEMENT OF GOODS

Article 7

1. The Community and Poland shall gradually establish a free trade area in a transitional

period lasting a maximum of 10 years starting from the entry into force of this Agreement in accordance with the provisions of this Agreement and in conformity with those of the General Agreement on Tariffs and Trade (GATT).

2. The combined nomenclature of goods shall be applied to the classification of goods in trade between the two Parties.

3. For each product the basic duty to which the successive reductions set out in this Agreement are to be applied shall be that actually applied erga omnes on the day preceding that date of entry into force of the Agreement.

4. If, after entry into force of this Agreement, any tariff reduction is applied on an erga omnes basis, in particular reductions resulting from the tariff agreement concluded as a result of the GATT Uruguay Round, such reduced duties shall replace the basic duties referred to in paragraph 3 as from the date when such reductions are applied.

5. The Community and Poland shall communicate to each other their respective basic duties.

CHAPTER I Industrial products

Article 8

1. The provisions of this Chapter shall apply to products originating in the Community and in Poland listed in Chapters 25 to 97 of the combined nomenclature with the exception of the products listed in Annex I.

2. The provisions of Articles 9 to 13 included do not apply to products mentioned in Articles 15 and 16.

Article 9

1. Customs duties on imports applicable in the Community to products originating in Poland other than those listed in Annexes IIa, IIb and III shall be abolished on the entry into force of this Agreement.

2. Customs duties on imports applicable in the Community to products originating in Poland which are listed in Annex IIa shall be progressively abolished in accordance with the following timetable:

- on the date of entry into force of this Agreement each duty shall be reduced to 50 % of the basic duty,

- one year after the date of entry into force of this Agreement the remaining duties shall be eliminated.

Customs duties on imports applicable in the Community to products originating in Poland listed in Annex IIb shall be progressively reduced, from the date of entry into force of this Agreement, by annual reductions of 20 % of the basic duty, so as to arrive at a total abolition by the end of the fourth year after the date of entry into force of this Agreement.

3. The products of Polish origin listed in Annex III shall benefit from a suspension of customs duties on imports within the limits of annual Community tariff quotas or ceilings increasing progressively in accordance with the conditions defined in that Annex so as to arrive at a complete abolition of customs duties on imports of the products concerned at the end of the fifth year at the latest.

At the same time, customs duties on imports applicable to import quantities in excess of the quotas or ceilings provided for above shall be progressively dismantled from the entry into force of this Agreement by annual reductions of 15 %. By the end of the fifth year, remaining duties shall be abolished.

4. Quantitative restrictions on imports to the Community and measures having equivalent effect shall be abolished on the date of entry into force of this Agreement with regard to the products originating in Poland.

Article 10

1. Customs duties on imports applicable in Poland to products originating in the Community listed in Annex IVa shall be abolished on the date of entry into force of this Agreement.
2. Customs duties on imports applicable in Poland to products originating in the Community which are listed in Annex IVb shall be progressively reduced as specified in that Annex. Poland shall open duty free tariff quotas for products originating in the Community, as listed in that Annex and according to the conditions contained therein.
3. Customs duties on imports applicable in Poland to products originating in the Community other than those listed in Annexes IVa and IVb shall be progressively reduced, and abolished by the end of the seventh year at the latest from the entry into force of this Agreement according to the following timetable:
 - three years after the date of entry into force of this Agreement each duty shall be reduced to 80 % of the basic duty,
 - four years after the date of entry into force of this Agreement each duty shall be reduced to 60 % of the basic duty,
 - five years after the date of entry into force of this Agreement each duty shall be reduced to 40 % of the basic duty,
 - six years after the date of entry into force of this Agreement each duty shall be reduced to 20 % of the basic duty,
 - seven years after the date of entry into force of this Agreement the remaining duties shall be eliminated.
4. Quantitative restrictions on imports into Poland of products originating in the Community and measures having equivalent effect shall be abolished on entry into force of this Agreement with the exception of those listed in Annex V which shall be abolished in accordance with the timetable provided in that Annex.

Article 11

The provisions concerning the abolition of customs duties on imports shall also apply to customs duties of a fiscal nature.

Article 12

The Community and Poland shall abolish upon entry into force of this Agreement in trade between themselves, any charges having an effect equivalent to customs duties on imports.

Article 13

1. The Community and Poland shall progressively abolish between them at the latest by the end of the fifth year after entry into force of this Agreement any customs duties on exports and charges having equivalent effect.
2. Quantitative restrictions on exports and any measures having equivalent effect shall be abolished by the Community and Poland on the entry into force of this Agreement except for those applied to products listed in Annex VI which shall be eliminated as specified therein.

Article 14

Each Party declares its readiness to reduce its customs duties in trade with the other Party more rapidly than is provided for in Articles 9 and 10 if its general economic situation and the situation of the economic sector concerned so permit.

The Association Council may make recommendations to this effect.

Article 15

Protocol 1 lays down the arrangements applicable to the textile products referred to therein.

Article 16

Protocol 2 lays down the arrangements applicable to products covered by the Treaty establishing the European Coal and Steel Community.

Article 17

The provisions of this Chapter do not preclude the retention of an agricultural component in the duties applicable to products listed in Annex VII.

CHAPTER II Agriculture

Article 18

1. The provisions of this chapter shall apply to agricultural products originating in the Community and in Poland.
2. The term 'agricultural products' means the products listed in Chapters 1 to 24 of the combined nomenclature and the products listed in Annex I, but excluding fishery products as defined by Regulation (EEC) No 3687/91.

Article 19

Protocol 3 lays down the trade arrangements for processed agricultural products which are listed in such Protocol.

Article 20

1. The Community shall abolish at the date of entry into force of this Agreement the quantitative restrictions on imports of agricultural products originating in Poland maintained by virtue of Council Regulation (EEC) No 3420/83 in the form existing on the date of signature hereof.
2. The agricultural products originating in Poland listed in Annex VIIIa or VIIIb shall benefit, upon the date of entry into force of this Agreement, from the reduction of levies within the limit of Community quotas or from the reduction of customs duties and upon the conditions provided in the same Annex.
3. Poland shall gradually abolish quantitative restrictions on imports of agricultural products originating in the Community listed in Annex IX in accordance with the conditions established in that Annex.
4. The Community and Poland shall grant each other the concessions referred to in Annexes Xa, Xb, Xc and XI, on a harmonious and reciprocal basis, in accordance with the conditions laid down therein.
5. Taking account of the volume of trade in agricultural products between them, of their particular sensitivity, of the rules of the common agricultural policy of the Community, of the role of agriculture in the Polish economy, and of the consequences of the multilateral trade negotiations under the General Agreement on Tariffs and Trade, the Community and Poland shall examine on a regular basis in the Association Council, product by product and on an orderly and reciprocal basis, the possibilities of granting each other further concessions. In this context special attention will be given to agricultural production based on natural techniques.
6. Taking account of the need for an increased harmony between the agricultural policies in the Community and Poland, as well as Poland's objective of becoming a member of the Community, both Parties will have regular consultations in the Association Council on the strategy and practical modalities of their respective policies.

Article 21

Notwithstanding other provisions of this Agreement and in particular Article 30, if, given the particular sensitivity of the agricultural markets, imports of products originating in one Party, which are the subject of concessions granted in Article 20, cause serious disturbance to the markets in the other Party, both Parties shall enter into consultations immediately to find an appropriate solution. Pending such solution, the Party concerned may take the measures it deems necessary.

CHAPTER III Fisheries

Article 22

The provisions of this chapter shall apply to fishery products originating in the Community and in Poland, which are covered by Regulation (EEC) No 3687/91 on the common organization of the market in the sector of fishery products.

Article 23

The Parties shall conclude as soon as practicable negotiations of an agreement on fishery products.

Thereafter, the provisions of Article 20 (5) shall apply mutatis mutandis to fishery products.

CHAPTER IV Common provisions

Article 24

The provisions of this chapter shall apply to trade in all products except where otherwise provided herein or in Protocols 1, 2 and 3.

Article 25

1. No new customs duties on imports or exports or charges having equivalent effect shall be introduced, nor shall those already applied be increased, in the trade between the Community and Poland from the date of entry into force of this Agreement.

2. No new quantitative restriction on imports or exports or measure having equivalent effect shall be introduced nor shall those existing be made more restrictive in trade between the Community and Poland from the date of entry into force of this Agreement.

3. Without prejudice to the concessions granted under Article 20, the provisions of paragraphs 1 and 2 of this Article shall not restrict in any way the pursuance of the respective agricultural policies of Poland and the Community or the taking of any measures under such policies.

Article 26

1. The two Parties shall refrain from any measures or practice of an internal fiscal nature establishing, whether directly or indirectly, discrimination between the products of one Party and like products originating in the territory of the other Party.

2. Products exported to the territory of one of the two Parties may not benefit from repayment of internal taxation in excess of the amount of direct or indirect taxation imposed on them.

Article 27

1. This Agreement shall not preclude the maintenance or establishment of Customs unions, free trade areas or arrangements for frontier trade except in so far as they alter the trade arrangements provided for in this Agreement.

2. Consultations between the Parties shall take place within the Association Council

concerning agreements establishing such customs unions or free trade areas, and, where requested, on other major issues related to their respective trade policy with third countries. In particular in the event of a third country acceding to the Community, such consultations shall take place so as to ensure that account can be taken of the mutual interests of the Community and Poland stated in this Agreement.

Article 28

Exceptional measures of limited duration which derogate from the provisions of Articles 10 and 25 (1) may be taken by Poland in the form of increased customs duties.

These measures may only concern infant industries, or certain sectors undergoing restructuring or facing serious difficulties, particularly where these difficulties produce important social problems.

Customs duties on imports applicable in Poland to products originating in the Community introduced by these measures may not exceed 25 % ad valorem and shall maintain an element of preference for products originating in the Community. The total value of imports of the products which are subject to these measures may not exceed 15 % of total imports of industrial products from the Community as defined in Chapter I, during the last year for which statistics are available.

These measures shall be applied for a period not exceeding five years unless a longer duration is authorized by the Association Council. They shall cease to apply at the latest at the expiration of the transitional period.

No such measures can be introduced in respect of a product if more than three years have elapsed since the elimination of all duties and quantitative restrictions or charges or measures having an equivalent effect concerning that product.

Poland shall inform the Association Council of any exceptional measures it intends to take and, at the request of the Community, consultations shall be held in the Association Council on such measures and the sectors to which they apply before they are applied. When taking such measures Poland shall provide the Association Council with a schedule for the elimination of the customs duties introduced under this Article. This schedule shall provide for a phasing out of these duties starting at the latest two years after their introduction at equal annual rates. The Association Council may decide on a different schedule.

Article 29

If one of the Parties finds that dumping is taking place in trade with the other Party within the meaning of Article VI of the General Agreement on Tariffs and Trade, it may take appropriate measures against this practice in accordance with the Agreement relating to the application of Article VI of the General Agreement on Tariffs and Trade, with related internal legislation and with the conditions and procedures laid down in Article 33.

Article 30

Where any product is being imported in such increased quantities and under such conditions as to cause or threaten to cause:

- serious injury to domestic producers of like or directly competitive products in the territory of one of the Contracting Parties, or

- serious disturbances in any sector of the economy or difficulties which could bring about serious deterioration in the economic situation of a region,

the Community or Poland, whichever is concerned, may take appropriate measures under the conditions and in accordance with the procedures laid down in Article 33.

Article 31

Where compliance with the provisions of Articles 13 and 25 leads to

(i) re-export towards a third country against which the exporting Party maintains, for the product concerned, quantitative export restrictions, export duties or measures having equivalent effect,

or

(ii) a serious shortage, or threat thereof, of a product essential to the exporting Party, and where the situations referred to above give rise, or are likely to give rise, to major difficulties for the exporting Party, that Party may take appropriate measures under the conditions and in accordance with the procedures laid down in Article 33. The measures shall be non-discriminatory and be eliminated when conditions no longer justify their maintenance.

Article 32

The Member States and Poland shall progressively adjust any State monopolies of a commercial character so as to ensure that, by the end of the fifth year following the entry into force of this Agreement, no discrimination regarding the conditions under which goods are procured and marketed exists between nationals of the Member States and of Poland. The Association Council will be informed about the measures adopted to implement this objective.

Article 33

1. In the event of the Community or Poland subjecting imports of products liable to give rise to the difficulties referred to in Article 30 to an administrative procedure having as its purpose the rapid of information on the trend of trade flows, it shall inform the other Party.

2. In the cases specified in Articles 29, 30 and 31, before taking the measures provided for therein or, in cases to which paragraph 3 (d) applies, as soon as possible, the Community or Poland, as the case may be, shall supply the Association Council with all relevant information with a view to seeking a solution acceptable to the two Parties.

In the selection of measures, priority must be given to those which least disturb the functioning of this Agreement.

The safeguard measures shall be notified immediately to the Association Council and shall be the subject of periodic consultations within that body, particularly with a view to establishing a timetable for their abolition as soon as circumstances permit.

3. For the implementation of paragraph 2, the following provisions shall apply:

(a) as regards Article 30, the difficulties arising from the situation referred to in that Article shall be referred for examination to the Association Council, which may take any decision needed to put an end to such difficulties.

If the Association Council or the exporting Party has not taken a decision putting an end to the difficulties or no other satisfactory solution has been reached within 30 days of the matter being referred, the importing Party may adopt the appropriate measures to remedy the problem. These measures must not exceed the scope of what is necessary to remedy the difficulties which have arisen;

(b) as regards Article 29, the Association Council shall be informed of the dumping case as soon as the authorities of the importing Party have initiated an investigation. When no end has been put to the dumping or no other satisfactory solution has been reached within 30 days of the matter being referred to the Association Council, the importing Party may adopt the appropriate measures.

(c) as regards Article 31, the difficulties arising from the situations referred to in that Article shall be referred for examination to the Association Council.

The Association Council may take any decision needed to put an end to the difficulties. If it has not taken such a decision within 30 days of the matter being referred to it, the exporting Party may apply appropriate measures on the exportation of the product concerned;

(d) where exceptional circumstances requiring immediate action make prior information or examination, as the case may be, impossible, the Community or Poland whichever is concerned may, in the situations specified in Articles 29, 30 and 31, apply forthwith the precautionary measures strictly necessary to deal with the situation.

Article 34

Protocol 4 lays down rules of origin for the application of tariff preferences provided for in this Agreement.

Article 35

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 of artistic, historic or archaeological value or the protection of intellectual, industrial and commercial property or rules relating to gold and silver. Such prohibitions or restrictions shall not, however, constitute a means of arbitrary discrimination or a disguised restriction on trade between the Parties.

Article 36

Protocol 5 lays down the specific provisions to apply to trade between Poland of the one part and Spain and Portugal of the other part.

TITLE IV MOVEMENT OF WORKERS, ESTABLISHMENT, SUPPLY OF SERVICES CHAPTER I Movement of workers

Article 37

1. Subject to the conditions and modalities applicable in each Member State:

- the treatment accorded to workers of Polish nationality, legally employed in the territory of a Member State shall be free from any discrimination based on nationality, as regards working conditions, remuneration or dismissal, as compared to its own nationals,
- the legally resident spouse and children of a worker legally employed in the territory of a Member State, with the exception of seasonal workers and of workers coming under bilateral agreements within the meaning of Article 41, unless otherwise provided by such agreements, shall have access to the labour market of that Member State, during the period of that worker's authorized stay of employment.

2. Poland shall, subject to the conditions and modalities applicable in that country, accord the treatment referred to in paragraph 1 to workers who are nationals of a Member State and are legally employed in its territory as well as to their spouse and children who are legally resident in the said territory.

Article 38

1. With a view to coordinating social security systems for workers of Polish nationality, legally employed in the territory of a Member State and for the members of their family, legally resident there, and subject to the conditions and modalities applicable in each Member State:

- all periods of insurance, employment or residence completed by such workers in the various Member States shall be added together for the purpose of pensions and annuities in respect of old age, invalidity and death and for the purpose of medical care for such workers and such family members,
- any pensions or annuities in respect of old age, death industrial accident or occupational

disease, or of invalidity resulting therefrom, with the exception of non-contributory benefits, shall be freely transferable at the rate applied by virtue of the law of the debtor Member State or States,

- the workers in question shall receive family allowances for the members of their family as defined above.

2. Poland shall accord to workers who are nationals of a Member State and legally employed in its territory, and to members of their families legally resident there, treatment similar to that specified in the second and third indents of paragraph 1.

Article 39

1. The Association Council shall by decision adopt the appropriate provisions to implement the objective set out in Article 38.

2. The Association Council shall by decision adopt detailed rules for administrative cooperation providing the necessary management and control guarantees for the application of the provisions referred to in paragraph 1.

Article 40

The provisions adopted by the Association Council in accordance with Article 39 shall not affect any rights or obligations arising from bilateral agreements linking Poland and the Member States where those agreements provide for more favourable treatment of nationals of Poland or of the Member States.

Article 41

1. Taking into account the labour market situation in the Member State, subject to its legislation and to the respect of rules in force in that Member State in the area of mobility of workers:

- the existing facilities for access to employment for Polish workers accorded by Member States under bilateral agreements ought to be preserved and if possible improved,

- the other Member States shall consider favourably the possibility of concluding similar agreements.

2. The Association Council shall examine granting other improvements including facilities of access for professional training, in conformity with rules and procedures in force in the Member States, and taking account of the labour market situation in the Member States and in the Community.

3. The Member States will examine the possibility of granting work permits to Polish nationals already having residence permits in the Member State concerned with the exception of those Polish nationals who have been admitted as tourists or visitors.

Article 42

During the second stage referred to in Article 6, or earlier if so decided, the Association Council shall examine further ways of improving the movement of workers, taking into account inter alia the social and economic conditions and requirements in Poland and the employment situation in the Community. The Association Council shall make recommendations to such end.

Article 43

In the interest of facilitating the restructuring of labour resources resulting from the economic restructuring in Poland the Community shall provide technical assistance for the establishment of a suitable social security system in Poland as set out in Article 87.

CHAPTER II Establishment

Article 44

1. Poland shall, during the transitional periods referred to in Article 6, facilitate the setting up of operations on its territory by Community companies and nationals. To that end, it shall:

(i) grant for the establishment of Community companies and nationals as defined in Article 48 a treatment no less favourable than that accorded to its own nationals and companies in accordance with the following timetable:

- from entry into force of the Agreement for the sectors included in Annex XIIa, and for all sectors not referred to in Annexes XIIa, XIIb, XIIc, XIId and XIIE,
- gradually, and at the latest by the end of the transitional period referred to in Article 6 for the sectors included in Annex XIIb;
- gradually, and at the latest by the end of the transitional period referred to in Article 6 for the sectors included in Annexes XIIc and XIId;

and

(ii) grant, from entry into force of this Agreement, in the operation of Community companies and nationals established in Poland a treatment no less favourable than that accorded to its own companies and nationals.

Should the existing laws and regulations not grant such treatment of Community companies and nationals for certain economic activities in Poland upon entry into force of this Agreement, Poland shall amend such laws and regulations as to ensure such treatment at the latest at the end of the first stage referred to in Article 6.

2. Poland shall, during the transitional periods referred to in paragraph 1, not adopt any new regulations or measures which introduce discrimination as regards the establishment and operations of Community companies and nationals in its territory in comparison to its own companies and nationals.

3. Each Member State shall grant, from entry into force of this Agreement, a treatment no less favourable than that accorded to its own companies and nationals for the establishment of Polish companies and nationals as defined in Article 48 and shall grant in the operation of Polish companies and nationals established in its territory a treatment no less favourable than that accorded to its own companies and nationals.

4. For the purposes of this Agreement:

(a) 'establishment' shall mean

(i) as regards nationals, the right to take up and pursue economic activities as self-employed persons and to set up and manage undertakings, in particular companies, which they effectively control. Self-employment and business undertakings by nationals shall not extend to seeking or taking employment in the labour market or confer a right of access to the labour market of another Party. The provisions of this chapter do not apply to those who are not exclusively self-employed;

(ii) as regards companies, the right to take up and pursue economic activities by means of the setting up and management of subsidiaries, branches and agencies;

(b) 'subsidiary' of a company shall mean a company which is effectively controlled by the first company;

(c) 'economic activities' shall in particular include activities of an industrial character, activities of a commercial character, activities of craftsmen and activities of the professions.

5. The Association Council shall during the transitional periods referred to in paragraph 1 (i) examine regularly the possibility of accelerating the granting of national treatment in the sectors referred to in Annexes XIIb, XIIc and XIId and the inclusion of areas or matters listed in Annex XIIE within the scope of application of the provisions of paragraphs 1, 2 and 3.

Amendments may be made to these Annexes by decision of the Association Council.

Following the expiration of the transitional periods referred to in paragraph 1 (i), the Association Council may exceptionally, upon request of Poland, and if the necessity arises, decide to prolong the duration of exclusion of certain areas or matters listed in Annexes XIIb, XIIc and XIId for a limited period of time.

6. The provisions concerning establishment and operation of Community and Polish companies and nationals contained in paragraphs 1, 2 and 3 shall not apply to the areas or matters listed in Annex XIIe.

7. Notwithstanding the provisions of this Article, Community companies established in the territory of Poland shall have, from entry into force of this Agreement, the right to acquire, use, rent and sell real property, and as regards natural resources, agricultural land and forestry, the right to lease, where these are directly necessary for the conduct of the economic activities for which they are established.

Poland shall grant these rights to branches and agencies established in Poland of Community companies at the latest by the end of the first stage referred to in Article 6.

Poland shall grant these rights to Community nationals established as self-employed persons in Poland at the latest by the end of the transitional period referred to in Article 6.

Article 45

1. Subject to the provisions of Article 44, with the exception of financial services described in Annex XIIc, each Party may regulate the establishment and operation of companies and nationals on its territory, in so far as these regulations do not discriminate against companies and nationals of the other Party in comparison to its own companies and nationals.

2. In respect of financial services, described in Annex XIIc, this Agreement does not prejudice the right of the Parties to adopt measures necessary for the conduct of the Party's monetary policy, or for prudential grounds in order to ensure the protection of investors, depositors, policy holders, or persons to whom a fiduciary duty is owed, or to ensure the integrity and stability of the financial system. These measures shall not discriminate against companies and nationals of the other Party in comparison to its own companies and nationals.

Article 46

In order to make it easier for Community nationals and Polish nationals to take up and pursue regulated professional activities in Poland and the Community respectively, the Association Council shall examine which steps are necessary to be taken to provide for the mutual recognition of qualifications. It may take all necessary measures to that end.

Article 47

The provisions of Article 45 do not preclude the application by a Contracting Party of particular rules concerning the establishment and operation in its territory of branches and agencies of companies of another Party not incorporated in the territory of the first Party, which are justified by legal or technical differences between such branches and agencies as compared to branches and agencies of companies incorporated in its territory, or, as regards financial services, for prudential reasons. The difference in treatment shall not go beyond what is strictly necessary as a result of such legal or technical differences, or, as regards financial services, described in Annex XIIc, for prudential reasons.

Article 48

1. A 'Community company' and a 'Polish company' respectively shall for the purpose of this Agreement mean a company or a firm set up in accordance with the laws of a Member State or of Poland respectively and having its registered office, central administration, or principal place of business in the territory of the Community or Poland respectively. However, should

the company or firm, set up in accordance with the laws of a Member State or of Poland respectively, have only its registered office in the territory of the Community or Poland respectively, its operations must possess a real and continuous link with the economy of one of the Member States or Poland respectively.

2. With regard to international maritime transport, shall also be beneficiaries of the provisions of this chapter and chapter III of this Title, a national or a shipping company of the Member States or of Poland respectively established outside the Community or Poland respectively and controlled by nationals of a Member State, or Polish nationals respectively, if their vessels are registered in that Member State or in Poland respectively in accordance with their respective legislations.

3. A Community and a Polish national respectively shall, for the purpose of this Agreement, mean a natural person who is a national of one of the Member States or of Poland respectively.

4. The provisions of this Agreement shall not prejudice the application by each Party of any measure necessary to prevent the circumvention of its measures concerning third country access to its market through the provisions of this Agreement.

Article 49

For the purpose of this Agreement 'financial services' shall mean those activities described in Annex XIIc. The Association Council may extend or modify the scope of Annex XIIc.

Article 50

During the first stage referred to in Article 6 for the sectors included in Annexes XIIa and XIIb, or for the sectors included in Annexes XIIc and XIId during the transitional period referred to in Article 6, Poland may introduce measures which derogate from the provisions of this chapter as regards the establishment of Community companies and nationals if certain industries:

- are undergoing restructuring, or
- are facing serious difficulties, particularly where these entail serious social problems in Poland, or
- face the elimination or a drastic reduction of the total market share held by Polish companies or nationals in a given sector or industry in Poland, or
- are newly emerging industries in Poland.

Such measures:

- shall cease to apply at the latest two years after the expiration of the first stage referred to in Article 6 for the sectors included in Annexes XIIa and XIIb, or for the sectors included in Annexes XIIc and XIId upon the expiration of the transitional period referred to in Article 6, and
- shall be reasonable and necessary in order to remedy the situation, and
- shall only relate to establishments in Poland to be created after the entry into force of such measures and shall not introduce discrimination concerning the operations of Community companies or nationals already established in Poland at the time of introduction of a given measure compared to Polish companies or nationals.

While devising and applying such measures, Poland shall grant whenever possible to Community companies and nationals a preferential treatment, and in no case a treatment less favourable than that accorded to companies or nationals from any third country.

Prior to the introduction of these measures, Poland shall consult the Association Council and shall not put them into effect before a one-month period following the notification to the Association Council of the concrete measures to be introduced by Poland, except where the threat of irreparable damage requires the taking of urgent measures in which case Poland shall

consult the Association Council immediately after their introduction.

Upon the expiration of the first stage referred to in Article 6 for the sectors included in Annex XIIb, or for the sectors included in Annexes XIIc and XIId upon expiration of the transitional period referred to in Article 6, Poland may introduce such measures only with the authorization of the Association Council and under conditions determined by the latter.

Article 51

1. The provisions of this chapter shall not apply to air transport services, inland-waterways transport services and maritime cabotage transport services.
2. The Association Council may make recommendations for improving establishment and operations in the areas covered by paragraph 1.

Article 52

1. Notwithstanding the provisions of Chapter I of this Title, the beneficiaries of the rights of establishment granted by Poland and the Community respectively shall be entitled to employ, or have employed by one of their subsidiaries, in accordance with the legislation in force in the host country of establishment, in the territory of Poland and the Community respectively, employees who are nationals of Community Member States and Poland respectively, provided that such employees are key personnel as defined in paragraph 2 and that they are employed exclusively by such beneficiaries or their subsidiaries. The residence and work permits of such employees shall only cover the period of such employment.

2. Key personnel of the beneficiaries of the rights of establishment herein referred to as 'organization' are:

(a) senior employees of an organization who primarily direct the management of the organization, receiving general supervision or direction principally from the board of directors or shareholders of the business, including:

- directing the organization or a department or sub-division of the organization,
- supervising and controlling the work of other supervisory, professional or managerial employees,
- having the authority personally to engage and dismiss or recommend engaging, dismissing or other personnel actions;

(b) persons employed by an organization who possess high or uncommon:

- qualifications referring to a type of work or trade requiring specific technical knowledge,
- knowledge essential to the organization's service, research equipment, techniques or management.

These may include, but are not limited to, members of accredited professions.

Each such employee must have been employed by the organization concerned for at least one year preceding the detachment by the organization.

Article 53

1. The provisions of this chapter shall be applied subject to limitations justified on grounds of public policy, public security or public health.

2. The provisions of this chapter shall not apply to activities which in the territory of each Party are connected, even occasionally, with the exercise of official authority.

Article 54

Companies which are controlled and exclusively owned jointly by Polish companies or nationals and Community companies or nationals shall also be beneficiaries of the provisions of this chapter and Chapter III of this Title.

CHAPTER III Supply of services between the Community and Poland

Article 55

1. The Parties undertake in accordance with the provisions of this chapter to take the necessary steps to allow progressively the supply of services by Community or Polish companies or nationals who are established in a Party other than that of the person for whom the services are intended taking into account the development of the services sector in the Parties.
2. In step with the liberalization process mentioned in paragraph 1, and subject to the provisions of Article 58 (1), the Parties shall permit the temporary movement of natural persons providing the service or who are employed by the service provider as key personnel as defined in Article 52 (2), including natural persons who are representatives of a Community or Polish company or national and are seeking temporary entry for the purpose of negotiating for the sale of services or entering into agreements to sell services for that service provider, where those representatives will not be engaged in making direct sales to the general public or in supplying services themselves.
3. The Association Council shall take the measures necessary to implement progressively the provisions of paragraph 1.

Article 56

With regard to supply of transport services between the Community and Poland, the following replaces the provisions of Article 55:

1. With regard to international maritime transport the Parties undertake to apply effectively the principle of unrestricted access to the market and traffic on a commercial basis.
 - (a) the above provision does not prejudice the rights and obligations under the United Nations Code of Conduct for Liner Conferences, as applied by one or the other Contracting Party to this Agreement. Non-conference liners will be free to operate in competition with a conference as long as they adhere to the principle of fair competition on a commercial basis;
 - (b) the parties affirm their commitment to a freely competitive environment as being an essential feature of the dry and liquid bulk trade.
2. In applying the principles of paragraph 1, the Parties shall:
 - (a) not introduce cargo sharing clauses in future bilateral agreements with third countries, other than in those exceptional circumstances where liner shipping companies from one or other Party to this Agreement would not otherwise have an effective opportunity to ply for trade to and from the third country concerned;
 - (b) prohibit cargo sharing arrangements in future bilateral agreements concerning dry and liquid bulk trade;
 - (c) abolish, upon entry into force of this Agreement, all unilateral measures, administrative, technical and other obstacles which could have restrictive or discriminatory effects on the free supply of services in international maritime transport.
3. With a view to assuring a coordinated development and progressive liberalization of transport between the Parties adapted to their reciprocal commercial needs, the conditions of mutual market access in air transport and in inland transport shall be dealt with by special transport agreements to be negotiated between the Parties after the entry into force of this Agreement.
4. Prior to the conclusion of the agreements referred to in paragraph 3, the Parties shall not take any measures or actions which are more restrictive or discriminatory as compared to the situation existing on the day preceding the day of entry into force of this Agreement.
5. During the transitional period, Poland shall progressively adapt its legislation including administrative, technical and other rules to that of the Community legislation existing at any

time in the field of air and inland transport in so far as it serves liberalization purposes and mutual access to markets of the Parties and facilitates the movement of passengers and of goods.

6. In step with the common progress in the achievement of the objectives of this chapter, the Association Council shall examine ways of creating the conditions necessary for improving freedom to provide air and inland transport services.

Article 57

The provisions of Article 53 shall apply to the matters covered by this chapter.

CHAPTER IV General provisions

Article 58

1. For the purpose of Title IV of this Agreement, nothing in the Agreement shall prevent the Parties from applying their laws and regulations regarding entry and stay, work, labour conditions and establishment of natural persons, and supply of services, provided that, in so doing, they do not apply them in a manner as to nullify or impair the benefits accruing to any Party under the terms of a specific provision of this Agreement. This provision does not prejudice the application of Article 53.

2. The provisions of Chapters II, III and IV of Title IV shall be adjusted by decision of the Association Council in the light of the result of the negotiations on services taking place in the Uruguay Round and in particular to ensure that under any provision of the present Agreement a Party grants to the other Party a treatment no less favourable than that accorded under the provisions of a future GATS Agreement.

3. The exclusion of Community companies and nationals established in Poland in accordance with the provisions of Chapter II of Title IV from public aid granted by Poland in the areas of public education services, health related and social services and cultural services shall, for the duration of the transitional period referred to in paragraph 6, be deemed compatible with the provisions of Title IV and with the competition rules referred to in Title V.

TITLE V PAYMENTS, CAPITAL, COMPETITION AND OTHER ECONOMIC PROVISIONS, APPROXIMATION OF LAWS CHAPTER I Current payments and movement of capital

Article 59

The Contracting Parties undertake to authorize, in freely convertible currency, any payments on the current account of balance of payments to the extent that the transaction underlying the payments concern movements of goods, services or persons between the Parties which have been liberalized pursuant to this Agreement.

Article 60

1. With regard to transactions on the capital account of balance of payments, from the entry into force of this Agreement, the Member States and Poland respectively shall ensure the free movement of capital relating to direct investments made in companies formed in accordance with the laws of the host country and investments made in accordance with the provisions of Chapter II of Title IV, and the liquidation or repatriation of these investments and of any profit stemming therefrom. Notwithstanding the above provision, such free movement, liquidation and repatriation shall be ensured by the end of the first stage referred to in Article 6 for all investments linked to establishment of nationals establishing in Poland as self-employed persons pursuant to Chapter II of Title IV.

2. Without prejudice to paragraph 1, the Member States, as from the entry into force of this Agreement, and Poland as from the start of the second stage referred to in Article 6, shall not introduce any new foreign exchange restrictions on the movement of capital and current payments connected therewith between residents of the Community and Poland and shall not make the existing arrangements more restrictive.

3. The Parties shall consult each other with a view to facilitating the movement of capital between the Community and Poland in order to promote the objectives of this Agreement.

Article 61

1. During the first stage referred to in Article 6 the Contracting Parties shall take measures permitting the creation of the necessary conditions for the further gradual application of Community rules on the free movement of capital.

2. During the second stage referred to in Article 6 the Association Council shall examine ways of enabling Community rules on the movement of capital to be applied in full.

Article 62

With reference to the provisions of this chapter, and notwithstanding the provisions of Article 64, until a full convertibility of the Polish currency in the meaning of Article VIII of the International Monetary Fund is introduced, Poland may in exceptional circumstances apply exchange restrictions connected with the granting or taking up of short- and medium-term credits to the extent that such restrictions are imposed on Poland for the granting of such credits and are permitted according to Poland's status under the IMF.

Poland shall apply these restrictions in a non-discriminatory manner. They shall be applied in such a manner as to cause the least possible disruption to this Agreement. Poland shall inform the Association Council promptly of the introduction of such measures and of any changes therein.

CHAPTER II Competition and other economic provisions

Article 63

1. The following are incompatible with the proper functioning of the Agreement, in so far as they may affect trade between the Community and Poland:

(i) all agreements between undertakings, decisions by associations of undertakings and concerted practices between undertakings which have as their object or effect the prevention, restriction or distortion of competition;

(ii) abuse by one or more undertakings of a dominant position in the territories of the Community or of Poland as a whole or in a substantial part thereof;

(iii) any public aid which distorts or threatens to distort competition by favouring certain undertakings or the production of certain goods.

2. Any practices contrary to this Article shall be assessed on the basis of criteria arising from the application of the rules of Articles 85, 86 and 92 of the Treaty establishing the European Community.

3. The Association Council shall, within three years of the entry into force of this Agreement, adopt by decision the necessary rules for the implementation of paragraphs 1 and 2.

Until these rules are adopted, the provisions of the Agreement on interpretation and application of Articles VI, XVI and XXIII of the General Agreement on Tariffs and Trade shall be applied as the rules for the implementation of paragraphs 1 (iii) and related parts of paragraph 2.

4. (a) For the purposes of applying the provisions of paragraph 1 (iii), the Parties recognize that during the first five years after the entry into force of this Agreement, any public aid

granted by Poland shall be assessed taking into account the fact that Poland shall be regarded as an area identical to those areas of the Community described in Article 92 (3) (a) of the Treaty establishing the European Community. The Association Council shall, taking into account the economic situation of Poland, decide whether that period should be extended by further periods of five years.

(b) Each Party shall ensure transparency in the area of public aid, inter alia by reporting annually to the other Party on the total amount and the distribution of the aid given and by providing, upon request, information on aid schemes. Upon request by one Party, the other Party shall provide information on particular individual cases of public aid.

5. With regard to products referred to in Chapters II and III of Title III:

- the provisions of paragraph 1 (iii) do not apply,
- any practices contrary to paragraph 1 (i) should be assessed according to the criteria established by the Community on the basis of Articles 42 and 43 of the Treaty establishing the European Economic Community, and in particular of those established in Council Regulation No 26/62.

6. If the Community or Poland considers that a particular practice is incompatible with the terms of paragraph 1, and:

- is not adequately dealt with under the implementing rules referred to in paragraph 3, or
- in the absence of such rules, and if such practice causes or threatens to cause serious prejudice to the interest of the other Party or material injury to its domestic industry, including its services industry,

it may take appropriate measures after consultation within the Association Council or after 30 working days following referral for such consultation.

In the case of practices incompatible with paragraph 1 (iii) of this Article, such appropriate measures may, where the General Agreement on Tariffs and Trade applies thereto, only be adopted in accordance with the procedures and under the conditions laid down by the General Agreement on Tariffs and Trade and any other relevant instrument negotiated under its auspices which are applicable between the Parties.

7. Notwithstanding any provisions to the contrary adopted in accordance with paragraph 3, the Parties shall exchange information taking into account the limitations imposed by the requirements of professional and business secrecy.

8. This Article shall not apply to the products covered by the Treaty establishing the European Coal and Steel Community which are the subject of Protocol 2.

Article 64

1. The Parties shall endeavour to avoid the imposition of restrictive measures including measures relating to imports for balance of payments purposes. In the event of their introduction, the Party having introduced the same shall present to the other Party as soon as possible, a time schedule for their removal.

2. Where one or more Member States of the Community or Poland is in serious balance of payments difficulties, or under imminent threat thereof, the Community or Poland, as the case may be, may, in accordance with the conditions established under the General Agreement on Tariffs and Trade, adopt restrictive measures, including measures relating to imports, which shall be of limited duration and may not go beyond what is necessary to remedy the balance of payments situation. The Community or Poland, as the case may be, shall inform the other Party forthwith.

3. Any restrictive measures shall not apply to transfers related to investment and in particular to the repatriation of amounts invested or reinvested and of any kind of revenues stemming therefrom.

Article 65

With regard to public undertakings, and undertakings to which special or exclusive rights have been granted, the Association Council shall ensure that as from the third year following the date of entry into force of this Agreement, the principles of the Treaty establishing the European Economic Community, in particular Article 90, and the principles of the concluding document of the April 1990 Bonn meeting of the Conference on Security and Cooperation in Europe, in particular entrepreneurs' freedom of decision, are upheld.

Article 66

1. Poland shall continue to improve the protection of intellectual, industrial and commercial property rights in order to provide, by the end of the fifth year from the entry into force of this Agreement, a level of protection similar to that existing in the Community, including comparable means of enforcing such rights.

2. By the end of the fifth year from the entry into force of this Agreement, Poland shall apply to accede to the Munich Convention on the Grant of European Patents of 5 October 1973 and shall accede to the other multilateral conventions on intellectual, industrial and commercial property rights referred to in Annex XIII paragraph 1 to which Member States are Parties, or which are de facto applied by Member States.

Article 67

1. The Contracting Parties consider the opening up of the award of public contracts on the basis of non-discrimination and reciprocity, in particular in the GATT context, to be a desirable objective.

2. Polish companies as defined in Article 48, shall be granted access to contract award procedures in the Community pursuant to Community procurement rules under a treatment no less favourable than that accorded to Community companies as of the entry into force of this Agreement.

Community companies as defined in Article 48 shall be granted access to contract award procedures in Poland under a treatment no less favourable than that accorded to Polish companies at the latest at the end of the transitional period referred to in Article 6.

Community companies established in Poland under the provisions of Chapter II of Title IV shall have, upon entry into force of the Agreement, access to contract award procedures under a treatment no less favourable than that accorded to Polish companies.

The Association Council shall periodically examine the possibility for Poland to introduce access to award procedures in Poland for all Community companies prior to the end of the transitional period.

3. As regards establishment, operations, supply of services between the Community and Poland, as well as employment and movement of labour linked to the fulfilment of public contracts, the provisions of Articles 37 to 58 are applicable.

CHAPTER III Approximation of laws

Article 68

The Contracting Parties recognize that the major precondition for Poland's economic integration into the Community is the approximation of that country's existing and future legislation to that of the Community. Poland shall use its best endeavours to ensure that future legislation is compatible with Community legislation.

Article 69

The approximation of laws shall extend to the following areas in particular: customs law,

company law, banking law, company accounts and taxes, intellectual property, protection of workers at the workplace, financial services, rules on competition, protection of health and life of humans, animals and plants, consumer protection, indirect taxation, technical rules and standards, transport and the environment.

Article 70

The Community shall provide Poland with technical assistance for the implementation of these measures which may include inter alia:

- the exchange of experts,
- the provision of information,
- organization of seminars,
- training activities,
- aid for the translation of Community legislation in the relevant sectors.

TITLE VI ECONOMIC COOPERATION

Article 71

1. The Community and Poland shall establish cooperation aimed at contributing to Poland's development. Such cooperation shall back up Poland's achievements and shall strengthen existing economic links on the widest possible foundation, to the benefit of both Parties.

2. Policies designed to bring about the economic and social development of Poland, in particular policies relating to industry including the mining sector, investment, agriculture, energy, transport, regional development and tourism should be guided by the principle of sustainable development. This entails ensuring that environmental considerations are fully incorporated into such policies from the outset.

These policies shall also take into account the requirements of sustainable social development.

3. Special attention must be devoted to measures capable of fostering cooperation between the countries of central and eastern Europe with a view to integrated development of the region.

Article 72

Industrial cooperation

1. Cooperation shall seek to promote the following in particular:

- industrial cooperation between economic operators in the Community and in Poland, with the particular aim of strengthening the private sector,
- Community participation in Poland's efforts in both public and private sectors to modernize and restructure its industry, which will effect the transition from a centrally planned system to a market economy under conditions which ensure that the environment is protected,
- the restructuring of individual sectors,
- the establishment of new undertakings in areas offering potential for growth.

2. Industrial cooperation initiatives take into account priorities determined by Poland. The initiatives should seek in particular to establish a suitable framework for undertakings, to improve management know-how and to promote transparency as regards markets and conditions for undertakings.

Article 73

Investment promotion and protection

1. Cooperation shall aim to establish a favourable climate for private investment, both domestic and foreign, which is so essential to economic and industrial reconstruction in Poland.

2. The particular aims of cooperation shall be:

- for Poland to establish a legal framework which favours investment; this could be achieved where appropriate by the Member States and Poland extending agreements for the promotion and protection of investment,
- to implement suitable arrangements for the transfer of capital,
- to bring about better investment protection,
- to carry through deregulation and improve economic infrastructure,
- to exchange information on investment opportunities in the form of trade fairs, exhibitions, trade weeks and other events.

Article 74

Agro and industrial standards and conformity assessment

1. Cooperation shall aim in particular to reduce differences in standardization and conformity assessment.
2. To this end, cooperation shall seek:
 - to comply with Community technical regulations and European standards concerning quality of industrial and agricultural food products,
 - to promote the use of Community technical regulations and European standards and conformity assessment procedures,
 - where appropriate, to achieve the conclusion of agreements on mutual recognition in these fields,
 - to encourage Poland's participation in the work of specialized organizations (CEN, Cenelec, ETSI, EOTC).
3. The Community will provide Poland with technical assistance where appropriate.

Article 75

Cooperation in science and technology

1. The Parties shall undertake to promote cooperation in research and technological development. They shall devote special attention to the following:
 - the exchange of scientific and technological information, including information on each other's science and technology policies and activities,
 - 293A1231(18).1- the organization of joint scientific meetings (seminars and workshops),
 - joint R& D activities aimed at encouraging scientific progress and the transfer of technology and know-how,
 - training activities and mobility programmes for researchers and specialists from both sides,
 - the development of an environment conducive to research and the application of new technologies and adequate protection of the intellectual property of the results of research,
 - participation in the Community programmes in accordance with paragraph 3.
 Technical assistance shall be provided where appropriate.
2. The Association Council shall determine the appropriate procedures for developing cooperation.
3. Cooperation under the Community's framework programme in the field of research and technological development shall be implemented according to specific arrangements to be negotiated and concluded in accordance with the procedures adopted by each Party.

Article 76

Education and training

1. Cooperation shall endeavour to raise the level of general education and professional qualifications in Poland, taking into consideration the priorities of Poland.
2. Cooperation shall comprise the following areas:
 - reform of education and training,

- in-service training and continuous education,
- re-training and adaptation to the labour market,
- training in management abilities,
- teaching of Community languages,
- translation,
- provision of training equipment,
- promoting teaching in the field of European studies within the appropriate institutions.

3. There will be established institutional frameworks and plans of cooperation (starting with the European Training Foundation, when established, and Polish participation in Tempus). Polish participation in other Community programmes could also be considered in this context, in accordance with Community procedures.

4. Cooperation shall foster direct collaboration between educational institutions, and between educational institutions and enterprises, mobility and exchange of teachers, students and administrators, provide professional practice and training periods abroad, assist in developing curricula, elaborating teaching materials and equipping educational institutions.

Cooperation shall also aim at mutual recognition of periods of studies and diplomas.

In order to promote integration of Poland with Community level of educational establishments and research institutions, as stated in Article 75, the Community shall take appropriate measures to facilitate Poland's cooperation with relevant European institutions.

This may include Poland's participation in the activities of these institutions as well as establishment of their filials in Poland. The objectives of the abovementioned establishments should concentrate on educating scholars, professionals and public servants to be involved in the process of European integration and cooperation with the Community institutions.

5. The principal objectives of cooperation on translation shall be:

- to train translators and develop the terminology bases (glossaries, Eurodicautom),
- to promote the use of Community standards and terminology,
- to develop an appropriate infrastructure for translation between Polish and the Community languages.

Article 77

Agriculture and the agro-industrial sector

1. Cooperation in this area shall have as its aim the increase of effectiveness of agriculture and the agro-industrial sector. It shall endeavour in particular to:

- develop private farms and distribution channels, methods of storage, marketing, etc,
- modernize the rural infrastructure (transport, water supply, telecommunications),
- rural espace planning, including construction and urban planning,
- improve productivity and quality by using appropriate methods and products; provide training and monitoring in the use of anti-pollution methods connected with inputs,
- develop and modernize processing firms and their marketing techniques,
- promote complementarity in agriculture,
- promote industrial cooperation in agriculture and the exchange of know-how, particularly between the private sectors in the Community and Poland,
- develop cooperation on health, animal and plant health, including veterinary legislation and inspection, vegetal and phytosanitary legislation with the aim of bringing about gradual harmonization with Community standards through assistance for training and the organization of checks.

2. To these ends, technical assistance shall be provided by the Community as appropriate.

Article 78

Energy

1. Cooperation shall take place within the framework of the principles of the market economy and develop against a background of progressive integration of the market of Poland and that of the Community.

2. Cooperation shall focus on the following in particular:

- modernization of infrastructure,
- improvement and diversification of supply,
- formulation and planning of energy policy,
- management and training for the energy sector,
- the development of energy resources,
- the promotion of energy saving and energy efficiency,
- the environmental impact of energy production and consumption,
- the nuclear energy sector,
- the electricity and gas sectors, including consideration of the possibility of interconnection of supply networks,
- the formulation of framework conditions for cooperation between undertakings in this sector,
- the transfer of technology and know-how,
- opening up the energy market to a greater degree; facilitating transit of gas and electricity.

Article 79

Cooperation in the nuclear sector

1. Cooperation in the nuclear field shall mainly cover the following topics:

- upgrading the nuclear law and regulation in Poland,
- nuclear safety, nuclear emergency preparedness and accident management,
- radiation protection, including environmental radiation monitoring,
- fuel cycle problems, safeguarding and physical protection of nuclear materials,
- radioactive waste management,
- decommissioning and dismantling of nuclear installations,
- decontamination.

2. Cooperation will include exchange of information and experience and R& D activities in accordance with Article 75.

Article 80

Environment

1. The Parties shall develop and strengthen their cooperation in the vital task of combating the deterioration of the environment, which they have judged to be a priority.

2. Cooperation shall centre on:

- effective monitoring of pollution levels,
- combating regional and transboundary air and water pollution,
- efficient energy production and consumption, safety of industrial plants,
- classification and safe handling of chemicals,
- water quality, particularly of cross-boundary waterways,
- waste reduction, recycling and safe disposal; implementation of the Basle Convention,
- the environmental impact of agriculture, soil erosion, the protection of forests and flora and fauna,
- land-use planning, including construction and urban planning,
- use of economic and fiscal instruments,
- global climate change.

3. To these ends, the Parties plan to cooperate particularly in the following areas:

- exchange of information and experts, including information and experts dealing with the

transfer of clean technologies,

- training programmes,
- approximation of laws (Community standards),
- cooperation at regional level (including cooperation within the framework of the European Environment Agency, when established by the Community) and international level,
- development of strategies, particularly with regard to global and climatic issues.

Article 81

Transport

1. The Parties shall develop and step up cooperation in order to enable Poland to:

- restructure and modernize transport,
- facilitate the movement of passengers and goods and improve access to the transport market by removing administrative, technical and other obstacles,
- achieve operating standards comparable to those in the Community.

2. Cooperation shall include the following in particular:

- economic, legal and technical training programmes,
- the provision of technical assistance and advice, and the exchange of information (conferences and seminars).

3. Priority areas shall be the following:

- road transport, including the gradual easing of transit conditions,
- the management of railways and airports, including cooperation between the appropriate national authorities,
- the modernization, on major routes of common interest and trans-European links, of road, inland waterway, railway, port and airport infrastructure,
- land-use planning including construction and urban planning,
- the upgrading of technical equipment to meet Community standards, particularly in the fields of road-rail transport, multimodal transport and transshipment,
- the setting-up of consistent transport policies compatible with the transport policies applicable in the Community.

Article 82

Telecommunications

1. The Parties shall expand and strengthen cooperation in this area, and shall to this end initiate in particular the following actions:

- exchange information on telecommunications policies,
- exchange technical and other information and organize seminars, workshops and conferences for experts of both sides,
- conduct training and advisory operations,
- carry out transfers of technology,
- have the appropriate bodies from both sides carry out joint projects,
- promote European standards, systems of certification and regulatory approaches,
- promote new communications, services and facilities, particularly those with commercial applications.

2. These activities shall focus on the following priority areas:

- the modernization of Poland's telecommunications network and its integration into European and world networks,
- cooperation within the structures of European standardization,
- the integration of trans-European systems; the legal and regulatory aspects of telecommunications,
- the management of telecommunications in the new economic environment: organizational

structures, strategy and planning, purchasing principles,
- land-use planning, including construction and urban planning.

Article 83

Banking, insurance and other financial services

1. The Parties shall cooperate on the adoption of a common set of rules and standards inter alia for accounting and for supervisory and regulatory systems of banking, insurance and financial sectors.
2. Both sides shall establish precise methods of facilitating the process of reform, in particular by:
 - contributing to the preparation of glossaries and the translation of Community and Polish legislation,
 - holding discussions and information meetings on the laws in force or being drafted in Poland and in the Community,
 - providing training.

Article 84

Monetary policy

At the request of the Polish authorities, the Community shall provide technical assistance designed to support the efforts of Poland towards the introduction of full convertibility of the Zloty and the gradual approximation of its policies to those of the European Monetary System. This will include informal exchange of information concerning the principles and the functioning of the European Monetary System.

Article 85

Money laundering

1. The Parties agree on the necessity of making every effort and cooperating in order to prevent the use of their financial systems for laundering of proceeds from criminal activities in general and drug offences in particular.
2. Cooperation in this area shall include administrative and technical assistance with the purpose of establishing suitable standards against money laundering equivalent to those adopted by the Community and international fora in this field, in particular the Financial Action Task Force (FATF).

Article 86

Regional development

1. The Parties shall strengthen cooperation between them on regional development and land-use planning.
2. To this end, any of the following measures are planned:
 - the provision of information for national, regional or local authorities on regional and land-use planning policy, and, where appropriate, the provision of assistance for the formulation of such policy,
 - joint action by regional and local authorities in the area of economic development,
 - the study of coordinated approaches for the development of border areas between the Community and Poland,
 - exchange visits to explore the opportunities for cooperation and assistance,
 - the exchange of civil servants,
 - the provision of technical assistance with special attention to the development of disadvantaged areas,
 - the establishment of programmes for the exchange of information and experience, by

methods including seminars.

Article 87

Social cooperation

1. With regard to health and safety, cooperation between the Parties shall aim at improving the level of protection of the health and safety of workers, taking as a reference the level of protection existing in the Community, in particular through:

- the provision of technical assistance,
- the exchange of experts,
- cooperation between firms,
- information and training operations.

2. With regard to employment, cooperation between the Parties shall focus in particular on:

- organization of the labour market,
- job-finding and careers advice services,
- planning and realization of regional restructuring programmes,
- encouragement of local employment development.

Cooperation in these fields shall be realized through actions such as the performance of studies, provision of the services of experts and information and training.

3. With regard to social security, cooperation between the Parties shall seek to adapt the social security system in Poland to the new economic and social situation, primarily by providing the services of experts and information and training.

Article 88

Tourism

The Parties shall step up and develop cooperation between them, in particular by:

- facilitating the tourist trade,
- stepping up the flow of information through international networks, data banks, etc,
- transferring know-how through training, exchanges, seminars,
- studying the opportunities for joint operations such as cross-frontier projects, town-twinning, etc.

Article 89

Small and medium-sized enterprises (SMEs)

1. The Parties shall aim to develop and strengthen small and medium-sized enterprises and cooperation between SMEs in the Community and Poland.

2. They shall encourage the exchange of information and know-how in the following areas:

- bringing about the legal, administrative, technical, tax and financial conditions necessary to the establishment and expansion of SMEs and for cross-border cooperation,
- the provision of the specialized services required by SMEs (management training, accounting, marketing, quality control, etc.) and the strengthening of agencies providing such services,
- the establishment of appropriate links with Community operators with the aim of improving the flow of information to SMEs and promoting cross-border cooperation (e.g. the Business Cooperation Network (BC-NET), Euro-Info Centres, conferences, etc).

Article 90

Information and the audiovisual media

1. The Parties shall take appropriate measures to stimulate an effective mutual exchange of information. Initial priority shall be given to programmes providing basic information about the Community for the general public, and specialized information for specific audiences in

Poland; the latter shall include wherever possible access to Community computerized data bases.

2. The Parties shall cooperate to promote the audiovisual industry in Europe. In particular, the audiovisual sector in Poland may take part in the actions undertaken by the Community within the framework of the Media programme 1991 to 1995, under procedures to be agreed with the bodies responsible for managing each action, and in accordance with the provisions of the decision of the Council of the European Communities of 21 December 1990, which established the programme.

The Parties shall coordinate and where appropriate harmonize their policies concerning the regulation of cross-border broadcasting, technical norms in the audiovisual field, and the promotion of European audiovisual technology.

Article 91

Customs

1. The aim of cooperation shall be to guarantee compliance with all the provisions scheduled for adoption in connection with trade and to achieve the approximation of Poland's customs system to that of the Community, thus helping to ease the steps towards liberalization planned under this Agreement.

2. Cooperation shall include the following in particular:

- the exchange of information,
- the organization of seminars and placements,
- the development of cross-frontier infrastructure between the Parties,
- the introduction of the single administrative document and of an interconnection between the transit systems of the Community and Poland,
- the simplification of inspections and formalities in respect of the carriage of goods.

Technical assistance shall be provided where appropriate.

3. Without prejudice to further cooperation provided for in this Agreement, and in particular Article 94, the mutual assistance between administrative authorities of the Contracting Parties in customs matters shall take place in accordance with the provisions of Protocol 6.

Article 92

Statistical cooperation

1. Cooperation in this area shall have as its aim the development of an efficient statistical system to provide, in a rapid and timely fashion, the reliable statistics needed to plan and monitor the process of reform and to contribute to the development of private enterprise in Poland.

2. To these ends it shall in particular seek:

- to set up a reliable and independent statistical system,
- to bring about harmonization with international (and particularly Community) methods, standards and classifications,
- to provide the data needed to maintain and monitor economic reform,
- to provide private-sector economic operators with the appropriate macro-economic and micro-economic data,
- to guarantee the confidentiality of data.

3. Technical assistance shall be provided by the Community as appropriate.

Article 93

Economics

1. The Community and Poland will facilitate the process of economic reforms and integration by cooperating to improve understanding of the fundamentals of their respective economies

and of devising and implementing economic policy in market economies.

2. To these ends the Community and Poland will:

- exchange information on macro-economic performance and prospects and on strategies for development,
- analyse jointly economic issues of mutual interest, including the framing of economic policy and the instruments for implementing it,
- through the programme of Action for Cooperation in Economics in particular, encourage extensive cooperation among economists and managers in the Community and Poland, in order to speed up the transfer of know-how for the drafting of economic policies, and provide for wide dissemination of the results of policy-relevant research.

Article 94

Drugs

1. The cooperation is in particular aimed at increasing the efficiency of policies and measures to counter the supply and illicit traffic of narcotics and psychotropic substances and the reduction of abuse of these products.
2. The Contracting Parties shall agree on the necessary methods of cooperation to attain these objectives, including the modalities of the implementation of common actions. Their actions will be based on consultation on and close coordination of the objectives and the policy measures in the fields targeted in paragraph 1.
3. The cooperation between the Contracting Parties will comprise technical and administrative assistance which could deal in particular with the following areas: the drafting and implementation of national legislation; the creation of institutions and information centres and of social and health centres; the training of personnel and research; the prevention of diversion of precursors used for the purpose of illicit manufacture of narcotic drugs or psychotropic substances.
The Parties may agree to include other areas.

TITLE VII CULTURAL COOPERATION

Article 95

1. The Parties agree to promote cultural cooperation. Where appropriate, Community cultural cooperation programmes, or those of one or more Member States, may be extended to Poland and additional actions of mutual interest shall be developed.
2. The areas of cooperation may include in particular:
 - translation of literary works,
 - conservation and restoration of historic and cultural monuments and sites,
 - training of persons working in the cultural field,
 - cultural events with a European character.

TITLE VIII FINANCIAL COOPERATION

Article 96

In order to achieve the objectives of this Agreement and in accordance with Articles 97, 98, 100 and 101, Poland shall benefit from temporary financial assistance from the Community in the form of grants and loans to accelerate the economic transformation of Poland and to help Poland to cope with the economic and social consequences of structural readjustment.

Article 97

This financial assistance shall be covered by:

- the operation Phare measures provided for in Council Regulation (EEC) No 3906/89, as amended, until the end of 1992; thereafter grants will be made available by the Community, either within the framework of the operation Phare on a multiannual basis, or within a new financial multiannual framework established by the Community following consultations with Poland and taking into account the considerations set out in Articles 100 and 101,
- the loan(s) provided by the European Investment Bank until the expiry date of the availability thereof. Poland shall have access to European Investment Bank loans according to the provisions of Article 18 of the Statute of the Bank for subsequent years; following consultations with Poland the Community shall fix the maximum amount and period of availability of loans from the European Investment Bank for Poland.

Article 98

The objectives and the areas of the Community's financial assistance shall be laid down in an indicative programme to be agreed between the two Parties. The Parties shall inform the Association Council.

Article 99

1. The Community shall, in case of special need, taking into account the availability of all financial resources, on request of Poland and in coordination with international financial institutions, in the context of the G-24, examine the possibility of granting temporary financial assistance:

- to support measures with the aim of stabilizing and maintaining the convertibility of the zloty,
- to support medium-term stabilization and economic restructuring efforts, including balance of payments support.

2. This financial assistance is subject to Poland's presentation of IMF supported programmes in the context of G-24, as appropriate, for convertibility and/or for restructuring its economy, to the Community's acceptance thereof, to Poland's continued adherence to these programmes and, as an ultimate objective, to rapid transition to reliance on finance from private sources.

3. The Association Council will be informed of the conditions under which this assistance will be provided and of the respect of the obligations undertaken by Poland concerning such assistance.

Article 100

The Community financial assistance shall be evaluated in the light of the needs which arise and of Poland's development level, and taking into account established priorities and the absorption capacity of the Polish economy, the ability to repay loans and accomplishment of a market economy system and restructuring in Poland.

Article 101

In order to permit optimum use of the resources available, the Contracting Parties shall ensure that Community contributions are made in close coordination with those from other sources such as the Member States, other countries including the G-24 and international financial institutions, such as the International Monetary Fund, the International Bank for Reconstruction and Development and the European Bank for Reconstruction and Development.

TITLE IX INSTITUTIONAL, GENERAL AND FINAL PROVISIONS

Article 102

An Association Council is hereby established which shall supervise the implementation of this Agreement. It shall meet at ministerial level once a year and when circumstances require. It shall examine any major issues arising within the framework of this Agreement and any other bilateral or international issues of mutual interest.

Article 103

1. The Association Council shall consist of the members of the Council of the European Communities and members of the Commission of the European Communities, on the one hand, and of members of the Government of Poland, on the other.
2. Members of the Association Council may arrange to be represented, in accordance with the conditions to be laid down in its rules of procedure.
3. The Association Council shall establish its rules of procedure.
4. The Association Council shall be presided in turn by a member of the Council of the European Communities and a member of the Government of Poland, in accordance with the provisions to be laid down in its rules of procedure.

Article 104

The Association Council shall, for the purpose of attaining the objectives of this Agreement, have the power to take decisions in the cases provided for therein. The decisions taken shall be binding on the Parties which shall take the measures necessary to implement the decisions taken. The Association Council may also make appropriate recommendations. It shall draw up its decisions and recommendations by agreement between the two Parties.

Article 105

1. Each of the two Parties may refer to the Association Council any dispute relating to the application or interpretation of this Agreement.
2. The Association Council may settle the dispute by means of a decision.
3. Each Party shall be bound to take the measures involved in carrying out the decision referred to in paragraph 2.
4. In the event of it not being possible to settle the dispute in accordance with paragraph 2, either Party may notify the other of the appointment of an arbitrator; the other Party must then appoint a second arbitrator within two months. For the application of this procedure, the Community and the Member States shall be deemed to be one Party to the dispute. The Association Council shall appoint a third arbitrator. The arbitrators' decisions shall be taken by majority vote. Each party to the dispute must take the steps required to implement the decision of the arbitrators.

Article 106

1. The Association Council shall be assisted in the performance of its duties by an Association Committee composed of representatives of the members of the Council of the European Communities and of members of the Commission of the European Communities on the one hand and of representatives of the Government of Poland on the other, normally at senior civil servant level. In its rules of procedure the Association Council shall determine the duties of the Association Committee, which shall include the preparation of meetings of the Association Council, and how the Committee shall function.
2. The Association Council may delegate to the Association Committee any of its powers. In this event the Association Committee shall take its decisions in accordance with the conditions laid down in Article 104.

Article 107

The Association Council may decide to set up any other special committee or body that can assist it in carrying out its duties.

In its rules of procedure, the Association Council shall determine the composition and duties of such committees or bodies and how they shall function.

Article 108

An Association Parliamentary Committee is hereby established. It shall be a forum for Members of the Polish Parliament and the European Parliament to meet and exchange views. It shall meet at intervals which it shall itself determine.

Article 109

1. The Association Parliamentary Committee shall consist of members of the European Parliament, on the one hand, and of members of the Polish Parliament, on the other.
2. The Association Parliamentary Committee shall establish its Rules of Procedure.
3. The Association Parliamentary Committee shall be presided each in turn by the European Parliament and the Polish Parliament, in accordance with the provisions to be laid down in its Rules of Procedure.

Article 110

The Association Parliamentary Committee may request relevant information regarding the implementation of this Agreement from the Association Council, which shall then supply the Committee with the requested information.

The Association Parliamentary Committee shall be informed of the decisions of the Association Council.

The Association Parliamentary Committee may make recommendations to the Association Council.

Article 111

Within the scope of this Agreement, each Party undertakes to ensure that natural and legal persons of the other Party have access free of discrimination in relation to its own nationals to the competent courts and administrative organs in the Community and Poland to defend their individual rights and their property rights, including those concerning intellectual, industrial and commercial property.

Article 112

Nothing in the Agreement shall prevent a Contracting Party from taking any measures:

- (a) which it considers necessary to prevent the disclosure of information contrary to its essential security interests;
- (b) which relate to the production of, or trade in, arms, munitions or war materials or to research, development or production indispensable for defence purposes, provided that such measures do not impair the conditions of competition in respect of products not intended for specifically military purposes;
- (c) which it considers essential to its own security in the event of serious internal disturbances affecting the maintenance of law and order, in time of war or serious international tension constituting threat of war or in order to carry out obligations it has accepted for the purpose of maintaining peace and international security.

Article 113

1. In the fields covered by this Agreement and without prejudice to any special provisions contained therein:

- the arrangements applied by Poland in respect of the Community shall not give rise to any discrimination between the Member States, their nationals, or their companies or firms,
- the arrangements applied by the Community in respect of Poland shall not give rise to any discrimination between Polish nationals or its companies or firms.

2. The provisions of paragraph 1 are without prejudice to the right of the Contracting Parties to apply the relevant provisions of their fiscal legislation to taxpayers who are not in identical situations as regards their place of residence.

Article 114

Products originating in Poland shall not enjoy more favourable treatment when imported into the Community than that applied by Member States among themselves.

The treatment granted to Poland under Title IV and Chapter I of Title V shall not be more favourable than that accorded by Member States among themselves.

Article 115

1. The Parties shall take any general or specific measures required to fulfil their obligations under this Agreement. They shall see to it that the objectives set out in this Agreement are attained.

2. If either Party considers that the other Party has failed to fulfil an obligation under this Agreement, it may take appropriate measures. Before so doing, it shall supply the Association Council with all relevant information required for a thorough examination of the situation with a view to seeking a solution acceptable to the Parties.

In the selection of measures, priority must be given to those which least disturb the functioning of this Agreement. These measures shall be notified immediately to the Association Council and shall be the subject of consultations within the Association Council if the other Party so requests.

Article 116

This Agreement shall not, until equivalent rights for individuals and economic operators have been achieved under this Agreement, affect rights assured to them through existing agreements binding one or more Member States, on the one hand, and Poland, on the other.

Article 117

Protocols 1, 2, 3, 4, 5, 6 and 7 and Annexes I to XIII shall form an integral part of this Agreement.

Article 118

This Agreement is concluded for an unlimited period.

Either Party may denounce this Agreement by notifying the other Party. This Agreement shall cease to apply six months after the date of such notification.

Article 119

This Agreement shall apply, on the one hand, to the territories in which the Treaties establishing the European Economic Community, the European Atomic Energy Community, and the European Coal and Steel Community are applied and under the conditions laid down in those Treaties and, on the other hand, to the territory of the Republic of Poland.

Article 120

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

Article 121

This Agreement will be approved by the Contracting Parties in accordance with their own procedures.

This Agreement shall enter into force on the first day of the second month following the date on which the Contracting Parties notify each other that the procedures referred to in the first paragraph have been completed.

Upon its entry into force, this Agreement shall replace the Agreement between the European Economic Community and the Republic of Poland on trade and economic and commercial cooperation signed in Brussels on 19 September 1989, and the Protocol between the European Coal and Steel Community and the Republic of Poland signed in Brussels on 16 October 1991.

Article 122

In the event that, pending the completion of the procedures necessary for the entry into force of this Agreement, the provisions of certain parts of this Agreement, in particular those relating to the movement of goods, are put into effect in 1992 by means of an Interim Agreement between the Community and Poland, the Contracting Parties agree that, in such circumstances for the purposes of Title III, Articles 63, 65 and 66 of this Agreement and Protocols 1, 2, 3, 4, 5, 6 and 7 hereto, the terms 'date of entry into force of this Agreement' shall mean:

- the date of entry into force of the Interim Agreement in relation to obligations taking effect on that date, and
- 1 January 1992 in relation to obligations taking effect after the date of entry into force by reference to the date of entry into force.

En fe de lo cual, los plenipotenciarios abajo firmantes suscriben el presente Acuerdo.

Til bekræftelse heraf har undertegnede befuldmægtigede underskrevet denne aftale.

Zu Urkund dessen haben die unterzeichneten Bevollmächtigten ihre Unterschriften unter dieses Abkommen gesetzt.

ΑΑέο ðσσόουόç ðuí áíùðÝñù, íé ððĩáááñãíìÝííé ðεçñãáñíýóéíé Ýεáαóáí ðéò ððĩãñãáοéÝò ðĩðò óóçí ðáñíýóá óðìοεúíσσά.

In witness whereof the undersigned plenipotentiaries have signed this Agreement.

En foi de quoi, les plénipotentiaires soussignés ont apposé leurs signatures au bas du présent accord.

In fede di che, i plenipotenziari sottoscritti hanno apposto le loro firme in calce al presente accordo.

Ten blijke waarvan de ondergetekende gevolmachtigden hun handtekening onder deze Overeenkomst hebben gesteld.

Em fé do que, os plenipotenciários abaixo assinados apuseram as suas assinaturas no final do presente Acordo.

Na dowod czego pe xnomocnicy z xo Gzyli swoje podpisy pod niniejsz Na umow Na.

Hecho en Bruselas, el dieciséis de diciembre de mil novecientos noventa y uno.

Udfaerdiget i Bruxelles, den sekstende december nitten hundrede og enoghalvfems.

Geschehen zu Bruessel am sechzehnten Dezember neunzehnhunderteinundneunzig.

ἄείαα óóêò ÆñðĩÝëëαò, óóêò αεÝέá Ýíé ΑΕαεάαíãñσσĩð ÷σσééá ααίíéáêueóéá ααíααίΠíóá Ýíá.

Done at Brussels on the sixteenth day of December in the year one thousand nine hundred and ninety-one.

Fait à Bruxelles, le seize décembre mil neuf cent quatre-vingt-onze.

Fatto a Bruxelles, addì sedici dicembre millenovecentonovantuno.

Gedaan te Brussel, de zestiede december negentienhonderd eenennegentig.

Feito em Bruxelas, em dezasseis de Dezembro de mil novecentos e noventa e um.

Sporz Nadzono w Brukseli dnia szesnastego grudnia roku tysí Nac dziewi Ne'cset dziewi Ne'cdziesi Natego pierwszego.

Pour le royaume de Belgique

Voor het Koninkrijk België

>REFERENCE TO A FILM<

Paa Kongeriget Danmarks vegne

>REFERENCE TO A FILM<

Fuer die Bundesrepublik Deutschland

>REFERENCE TO A FILM<

Ãéá ôçí AAëëçíéêþ AEçìîñáôssá

>REFERENCE TO A FILM<

Por el Reino de España

>REFERENCE TO A FILM<

Pour la République française

>REFERENCE TO A FILM<

For Ireland

Thar cheann Na hÉireann

>REFERENCE TO A FILM<

Per la Repubblica italiana

>REFERENCE TO A FILM<

Pour le Grand-Duché de Luxembourg

> REFERENCE TO A FILM<

Voor het Koninkrijk der Nederlanden

>REFERENCE TO A FILM<

Pela República Portuguesa

>REFERENCE TO A FILM<

For the United Kingdom of Great Britain and Northern Ireland

> REFERENCE TO A FILM<

Por el Consejo y la Comisión de las Comunidades Europeas

For Raadet og Kommissionen for De Europaeiske Faellesskaber

Fuer den Rat und die Kommission der Europaeischen Gemeinschaften

Ãéá ôí Óðíâríýéí éáé ôçí AAðéôñîðþ òuí AAðñùðáúéþí Êíéíîðþòuí

For the Council and the Commission of the European Communities
Pour le Conseil et la Commission des Communautés européennes
Per il Consiglio e la Commissione delle Comunità europee
Voor de Raad en de Commissie van de Europese Gemeenschappen
Pelo Conselho e pela Comissão das Comunidades Europeias
>REFERENCE TO A FILM>

Za Rzeczpospolit Na Polsk Na
>REFERENCE TO A FILM>

ANNEX I

List of products referred to in Articles 8 and 18 of the Agreement
>TABLE POSITION>

ANNEX IIa

Basic products on which customs duty will be reduced by 50 % when the Agreement enters into force and will be abolished on 1 January 1993
>TABLE POSITION>

ANNEX IIb

Basic products on which customs duty will be reduced by 20 % per year when the Agreement enters into force and will be abolished on 31 December 1995
CN code 1991
7202 21 10
7202 21 90
7202 29 00
7601
7801
7901

ANNEX III
>TABLE POSITION>

Annex to Annex III
>TABLE POSITION>

ANNEX IVa

Industrial products (CN 25-97)

2501 00 10
2501 00 31
2502 00 00
2503 10 00
2503 90 00
2504 10 00
2504 90 00
2505 10 00
2505 90 00
2506 10 00
2506 21 00
2506 29 00
2507 00 10
2507 00 90
2508 10 00
2508 20 00
2508 30 00
2508 40 00
2508 50 00
2508 60 00
2508 70 00
2509 00 00
2510 10 00
2510 20 00
2511 10 00
2511 20 00
2512 00 00
2513 11 00
2513 19 00
2513 21 00
2513 29 00
2514 00 00
2515 11 00
2515 12 00
2515 20 00
2516 11 00
2516 12 10
2516 12 90
2516 21 00
2516 22 10
2516 22 90
2516 90 10
2516 90 91
2516 90 99
2517 10 10
2517 10 90
2517 20 00
2517 30 00

2517 41 00
2517 49 00
2518 10 00
2518 20 00
2518 30 00
2519 10 00
2519 90 10
2519 90 30
2519 90 90
2520 10 00
2520 20 10
2520 20 90
2521 00 00
2523 10 00
2523 21 00
2523 29 00
2523 30 00
2523 90 10
2523 90 30
2523 90 90
2524 00 10
2524 00 30
2524 00 90
2525 10 00
2525 20 00
2525 30 00
2526 10 00
2526 20 00
2527 00 00
2528 10 00
2528 90 00
2529 10 00
2529 21 00
2529 22 00
2529 30 00
2530 10 00
2530 20 00
2530 30 00
2530 40 00
2530 90 00
2601 11 00
2601 12 00
2601 20 00
2602 00 00
2603 00 00
2604 00 00
2605 00 00
2606 00 00
2607 00 00
2608 00 00

2609 00 00
2610 00 00
2611 00 00
2612 10 10
2612 10 90
2612 20 10
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2614 00 90
2615 10 00
2615 90 10
2615 90 90
2616 10 00
2616 90 00
2617 10 00
2617 90 00
2702 10 00
2702 20 00
2703 00 00
2704 00 11
2704 00 19
2704 00 30
2704 00 90
2705 00 00
2706 00 00
2708 10 00
2708 20 00
2709 00 10
2709 00 90
2711 11 00
2711 12 19
2711 12 91
2711 12 93
2711 12 99
2711 13 10
2711 13 30
2711 13 90
2711 14 00
2711 19 00
2711 21 00
2711 29 00
2714 10 00
2714 90 00
2716 00 00
2801 20 00
2801 30 10
2802 00 00
2803 00 10

2803 00 30
2803 00 90
2804 10 00
2804 21 00
2804 29 00
2804 40 00
2804 50 90
2804 80 00
2804 90 00
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2805 19 00
2805 30 90
2805 40 10
2805 40 90
2844 10 00
2844 20 11
2844 20 19
2844 20 91
2844 20 99
2844 30 19
2844 30 59
2844 30 90
2844 40 00
2844 50 00
2901 10 90
2901 21 00
2901 22 00
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2901 24 00
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2941 50 00
2941 90 00
3001 10 10
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3807 00 10
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4001 10 00
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4001 30 00
4401 10 00
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4401 30 90
4402 00 00
4403 10 10
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4407 10 79
4501 10 00
4501 90 00
4502 00 00
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4701 00 10
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4702 00 00
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4706 10 00
4706 91 00
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7410 21 00
7501 10 00
7501 20 00
7502 10 00
7502 20 00
7801 10 00
7801 91 00
7801 99 10
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7903 10 00
7903 90 00
8001 10 00
8001 20 00
8002 00 00
8102 91 10
8102 91 90
8103 10 10
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8104 20 00
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8106 00 10
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8107 10 00
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8111 00 11
8111 00 19
8112 11 00
8112 19 00
8112 20 10
8112 20 31
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8112 30 10
8112 40 11
8112 40 19
8112 91 10
8112 91 31
8112 91 39
8112 91 90
8112 99 90
8401 10 00
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8401 30 00
8401 40 10
8401 40 90
8402 11 00

8402 12 00
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8402 19 90
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8403 10 10
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8406 11 00
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8406 19 13
8406 19 15
8406 19 19
8406 19 90
8407 33 10
8407 34 10
8408 20 10
8410 11 00
8410 12 00
8410 13 00
8411 11 10
8411 11 90
8411 12 11
8411 12 13
8411 12 19
8411 12 90
8411 21 10
8411 21 90
8411 22 11
8411 22 19
8411 22 90
8411 81 10
8411 81 90
8411 82 10
8411 82 91
8411 82 93
8411 82 99
8412 10 10
8412 10 90
8412 21 10
8412 21 91
8412 21 99
8412 29 10
8412 29 50
8412 29 91
8412 29 99
8412 31 10

8412 31 90
8412 39 10
8412 39 90
8412 80 10
8412 80 91
8412 80 99
8416 10 10
8416 10 90
8416 20 00
8416 30 00
8416 90 00
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8418 30 10
8418 30 91
8418 30 99
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8418 50 11
8418 50 19
8418 50 91
8418 50 99
8418 61 10
8418 61 90
8418 69 10
8418 69 91
8418 69 99
8419 11 00
8419 19 00
8419 20 00
8419 31 00
8419 32 00
8419 39 00
8419 40 00
8419 50 10
8419 50 90
8419 60 00
8419 81 10
8419 81 91
8419 81 99
8419 89 10
8419 89 30
8419 89 80
8420 10 00
8420 91 10

8420 91 30
8420 91 90
8420 99 00
8421 11 00
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8421 19 99
8421 21 10
8421 21 90
8421 22 00
8421 29 10
8421 29 90
8421 39 10
8421 39 30
8421 39 51
8421 39 55
8421 39 71
8421 39 75
8421 39 99
8422 19 00
8422 20 00
8422 30 00
8422 40 00
8423 20 00
8423 81 10
8423 81 30
8423 81 50
8423 81 90
8423 89 10
8423 89 90
8424 20 90
8424 30 10
8424 30 90
8424 81 10
8424 81 31
8424 81 39
8424 81 91
8424 81 99
8425 49 10
8425 49 90
8426 99 10
8426 99 90
8428 20 10
8428 20 30
8428 20 91
8428 20 99
8428 33 10
8428 33 90
8428 39 10
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8428 39 99
8428 90 10
8428 90 30
8428 90 50
8428 90 71
8428 90 79
8428 90 91
8428 90 99
8429 51 10
8429 51 90
8429 59 00
8432 10 10
8432 10 90
8432 21 00
8432 29 10
8432 29 30
8432 29 50
8432 29 90
8432 30 11
8432 30 19
8432 30 90
8432 40 10
8432 40 90
8432 80 00
8433 11 10
8433 11 51
8433 11 59
8433 11 90
8433 19 10
8433 19 51
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8433 19 70
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8433 20 51
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8433 20 90
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8436 21 00
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8437 10 00
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8438 10 90
8438 20 00
8438 30 00
8438 40 00
8438 50 00
8438 60 00
8438 80 10
8438 80 91
8438 80 99
8439 10 00
8439 20 00
8439 30 00
8440 10 10
8440 10 20
8440 10 30
8440 10 40
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8441 10 10
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8443 60 00
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8445 11 00
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8459 61 99
8459 69 10
8459 69 91
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8460 29 10
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8462 41 10
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8462 49 10
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8464 20 19
8464 20 11
8464 20 90
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8470 50 00
8471 10 10
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8471 20 10
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8471 20 50
8471 20 60
8471 20 90
8471 91 10
8471 91 40
8471 91 50
8471 91 60
8471 91 90
8471 92 10
8471 92 90
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8471 99 90
8473 30 00
8474 20 00
8474 80 00
8475 10 00
8475 20 00
8477 90 10
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8479 20 10
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8479 30 10
8479 30 90
8479 40 00
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8480 10 00

8480 20 10
8480 20 90
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8480 50 00
8480 60 00
8480 71 00
8480 79 10
8480 79 90
8501 10 10
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8501 20 10
8501 20 90
8501 31 10
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8501 32 10
8501 32 91
8501 32 99
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8501 33 91
8501 33 99
8501 34 10
8501 34 50
8501 34 91
8501 34 99
8501 40 10
8501 40 90
8501 51 10
8501 51 90
8501 52 10
8501 52 91
8501 52 93
8501 52 99
8501 53 10
8501 53 50
8501 53 91
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8501 61 10
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8501 61 99
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8501 62 90
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8501 64 00
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8502 12 90
8502 13 91
8502 40 10
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8515 39 13
8515 39 19
8515 39 90
8515 80 10
8515 80 90
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8517 20 00
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8517 40 00
8517 81 10
8517 81 90
8517 82 00
8525 10 10
8525 10 90
8525 20 10
8525 20 90
8525 30 10
8525 30 91
8525 30 99
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8532 21 00
8532 22 00
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8532 24 10
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8536 10 10
8536 10 50
8536 10 90
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8536 20 90
8536 30 10
8536 30 90
8536 41 10
8536 41 90
8536 49 00
8536 50 00
8536 61 10
8536 61 90
8536 69 00
8536 90 01
8536 90 11
8536 90 19
8536 90 80
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8539 31 90
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8540 89 90
8540 91 00
8540 99 00
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8541 40 93
8541 40 99
8541 50 10
8541 50 90
8541 60 00
8541 90 00
8542 11 10
8542 11 30
8542 11 41
8542 11 43
8542 11 45
8542 11 51
8542 11 52
8542 11 53
8542 11 55
8542 11 61
8542 11 63
8542 11 65
8542 11 66
8542 11 72
8542 11 76
8542 11 81
8542 11 83
8542 11 85
8542 11 87
8542 11 92
8542 11 93
8542 11 94
8542 11 99
8542 19 10
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8542 19 50
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8542 19 90
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8542 80 00
8542 90 00
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8543 20 00
8543 30 00
8543 80 10
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8543 80 80
8543 90 10
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8544 11 10
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8544 20 99
8544 30 10
8544 30 90
8544 41 10
8544 41 90
8544 49 11
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8547 10 10
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8547 20 00
8547 90 00
8548 00 00
8604 00 00
8607 11 00
8607 12 00
8607 19 01
8607 19 11
8607 19 18

8607 19 91
8607 19 99
8607 21 10
8607 21 90
8607 29 10
8607 29 90
8607 30 01
8607 30 10
8607 30 80
8607 91 11
8607 91 19
8607 91 91
8607 91 99
8607 99 11
8607 99 19
8607 99 30
8607 99 51
8607 99 59
8607 99 90
8608 00 10
8608 00 30
8608 00 91
8608 00 99
8705 20 00
8705 30 00
8705 90 10
8705 90 30
8705 90 90
8707 10 10
8707 90 10
8708 10 10
8708 21 10
8708 29 10
8708 31 10
8708 39 10
8708 40 10
8708 50 10
8708 60 10
8708 70 10
8708 80 10
8708 91 10
8708 92 10
8708 93 10
8708 94 10
8708 99 10
8708 99 30
8708 99 50
8708 99 92
8708 99 98
8713 10 00

8713 90 00
8714 20 00
8802 40 10
8803 10 10
8803 20 10
8803 30 10
8803 90 91
9018 11 00
9018 19 00
9018 20 00
9018 31 10
9018 31 90
9018 32 10
9018 32 90
9018 39 00
9018 41 00
9018 49 00
9018 50 10
9018 50 90
9018 90 10
9018 90 20
9018 90 30
9018 90 41
9018 90 49
9018 90 50
9018 90 60
9018 90 90
9019 10 10
9019 10 90
9019 20 00
9020 00 10
9020 00 90
9021 11 00
9021 19 10
9021 19 90
9021 21 10
9021 21 90
9021 29 10
9021 29 90
9021 30 10
9021 30 90
9021 40 00
9021 50 00
9021 90 10
9021 90 90
9022 11 00
9022 19 00
9022 21 00
9022 29 00
9022 30 00

9022 90 10
9022 90 90
9024 10 10
9024 10 91
9024 10 93
9024 10 99
9024 80 10
9024 80 91
9024 80 99
9027 20 10
9701 10 00
9701 90 00
9702 00 00
9703 00 00
9704 00 00
9705 00 00
9706 00 00

ANNEX IVb

1. Customs duties on imports applicable to products originating in the Community listed below shall be eliminated according to the following schedule:

- on 1 January 1994 they will be reduced to six-sevenths of the basic duty,
- on 1 January 1996 they will be reduced to five-sevenths,
- on 1 January 1998 they will be reduced to four-sevenths,
- on 1 January 1999 they will be reduced to three-sevenths,
- on 1 January 2000 they will be reduced to two-sevenths,
- on 1 January 2001 they will be reduced to one-seventh,
- on 1 January 2002 they will be reduced to 0:

8703 21 10
8703 21 90
8703 22 19
8703 22 90
8703 23 19
8703 23 90
8703 24 10
8703 24 90
8703 31 10
8703 31 90
8703 32 19
8703 32 90
8703 33 19
8703 33 90
8703 90 90
8704 10 11
8704 10 19
8704 10 90
8704 21 10
8704 21 31
8704 21 39

8704 21 91
8704 21 99
8704 22 10
8704 22 91
8704 22 99
8704 23 10
8704 23 91
8704 23 99
8704 31 10
8704 31 31
8704 31 39
8704 31 91
8704 31 99
8704 32 10
8704 32 91
8704 32 99
8704 90 00
8706 00 11
8706 00 19
8706 00 91
8706 00 99
8707 10 90
8707 90 90

2. The products originating in the Community listed below shall benefit from a suspension of customs duties on imports within the limit of an annual preferential tariff quota for 25 000 cars opened on the entry into force of the Agreement increasing at a rate of 5 % of the base amount per year starting from 1 January 1993:

8703 21 10
8703 22 19
8703 23 19
8703 24 10
8703 31 10
8703 32 19
8703 33 19
8703 90 90

3. The products originating in the Community listed below shall benefit from a suspension of customs duties on imports within the limit of an annual preferential tariff quota for 5 000 cars opened on the entry into force of the Agreement increasing at a rate of 10 % of the base amount per year starting from 1 January 1993:

ex 8703 21 10 (*)
ex 8703 22 19 (*)
ex 8703 23 19 (*)
ex 8703 24 10 (*)
ex 8703 31 10 (*)
ex 8703 32 19 (*)
ex 8703 33 19 (*)
ex 8703 90 90 (*)

4. The products originating in the Community listed below shall benefit from a suspension of customs duties on imports within the limit of an annual preferential tariff quota for 100 units opened on the entry into force of the Agreement increasing at a rate of 10 % of the base

amount per year starting from 1 January 1993:

8704 21 31

8704 21 91

8704 22 91

8704 23 91

8704 31 31

8704 31 91

8704 32 91

5. The program of liberalization set forth in the present Annex will be subject to a regular review in the Association Council in order to meet the objectives of Article 8 of the Agreement.

(*) Fitted with catalytic equipment.

ANNEX V

1. Poland shall abolish, by the end of the 10th year from the entry into force of the Agreement, prohibition of imports of automobiles and chassis and bodies thereof of at last 10 years or older (calculated from the year following the year of production) or whose date of production can not be determined.

>TABLE POSITION>

2. Poland shall abolish, by the end of the 10th year from the entry into force of the Agreement, prohibition of imports of motor vehicles for the transport of goods and chassis and bodies thereof of at least six years or older (calculated from the year following the year of production) or whose date of production cannot be determined.

>TABLE POSITION>

3. Poland shall abolish, by the end of the 10th year from the entry into force of the Agreement, prohibition of imports of twostroke engines for automobiles and automobiles with such engines.

CN headings

ex 8407 33 10

ex 8407 33 90

ex 8407 34 10

ex 8407 34 30

ex 8703 21 10

ex 8703 21 90

ex 8703 22 11

ex 8703 22 19

ex 8703 22 90

ex 8703 23 11

ex 8703 23 19

ex 8703 23 90

ex 8703 24 10

ex 8703 24 90

ex 8706 00 11

ex 8706 00 19

ex 8706 00 91

ex 8706 00 99

4. Poland shall abolish, by the end of the fifth year from entry into force of the Agreement, licences on imports of:

- petroleum oils and oils obtained from bituminous minerals, crude,
- petroleum oils and oils obtained from bituminous minerals other than crude; preparations not elsewhere specified or included, containing by weight 70 % or more of petroleum oils or of oils obtained from bituminous minerals, those oils being the basic constituents of the preparations,
- petroleum gases and other gaseous hydrocarbons.

CN number of the Polish Customs Tariff

2709 00 10
2709 00 90
2710 00 31
2710 00 33
2710 00 35
2710 00 37
2710 00 39
2710 00 51
2710 00 55
2710 00 59
2700 10 69
2711 11 00
2711 12 11
2711 12 19
2711 12 91
2711 12 93
2711 12 99
2711 13 10
2711 13 30
2711 13 90
2711 14 00
2711 19 00
2711 21 00
2711 29 00

ANNEX VIIIa

List of products referred to in Article 20 (2) (1)

The products listed in this Annex will be subject to a 50 % levy reduction

>TABLE POSITION>

(1) Notwithstanding the rules for the interpretation of the combined nomenclature, the wording for the description of the products is to be considered as having no more than an indicative value, the preferential scheme being determined, within the context of this Annex, by the coverage of the CN codes. Where ex CN codes are indicated, the preferential scheme is to be determined by application of the CN code and corresponding description taken together.

ANNEX VIIIb

List of products referred to in Article 20 (2) (1)

>TABLE POSITION>

Annexes to Annexes VIIIb and Xc

Minimum import price arrangement for certain soft fruit for processing

1. Minimum import prices are fixed for each marketing year for the following products:

>TABLE POSITION>

The minimum import prices are fixed by the Community in consultation with Poland, taking into consideration the price evolution, imported quantities and market development in the Community.

2. The minimum import prices shall be respected in accordance with the following criteria:

- during each three month period of the marketing year the average unit value for each product listed in paragraph 1, imported into the Community, shall not be lower than the minimum import price for that product,
- during any period of two weeks the average unit value for each product listed in paragraph 1, imported in the Community shall not be lower than 90 % of the minimum import price for that product, in so far as the quantities imported during this period are not less than 4 % of the normal annual import.

3. In case of non-respect of one of these criteria the Community may introduce measures ensuring that the minimum import price is respected for each consignment of the product concerned imported from Poland.

(1) Notwithstanding the rules for the interpretation of the combined nomenclature, the wording for the description of the products is to be considered as having no more than an indicative value, the preferential scheme being determined, within the context of this Annex, by the coverage of the CN codes. Where ex CN codes are indicated, the preferential scheme is to be determined by application of the CN code and corresponding description taken together.

ANNEX IX

Poland shall abolish at the latest by the end of the fifth year from the entry into force of the Agreement the quantitative restrictions on imports originating in the Community of the following products:

(a) import prohibition on undenatured ethyl alcohol of alcoholic strength by volume of 80 % volume or higher (HS 2207 10) and unflavoured vodka (HS ex 2208 90);

(b) import quotas for:

>TABLE POSITION>

(c) import licences for:

HS 2203 00

2204 10

2204 21

2204 29

2204 30

2205 10

2205 90
2206 00.

ANNEX Xa

Arrangements for imports of live bovine animals into the Community

1. In case the number of animals fixed in the framework of the balance sheet arrangements foreseen in Regulation (EEC) No 805/68 are lower than a reference quantity, a global tariff quota equal to the difference between that reference quantity and the number of animals fixed under the balance sheet arrangements will be opened to imports from Hungary, Poland and Czechoslovakia. The reference quantity shall be:

- 217 800 in 1992,
- 237 600 in 1993,
- 257 400 in 1994,
- 277 200 in 1995,
- 297 000 in 1996.

The reduced levy applicable to animals under this quota will be fixed at 25 % of the full amount of levy.

This arrangement shall apply to live bovine animals for fattening or for slaughter with a live weight of not less than 160 kg and not more than 300 kg.

2. In case forecasts show that imports into the Community may exceed 425 000 head for any given year, the Community may take safeguard measures in accordance with Regulation (EEC) No 805/68, notwithstanding any other rights given under the Agreement.

In this context, imports of live bovine animals not covered by the arrangements mentioned in paragraph 1 shall be limited to young calves with a live weight of not more than 80 kg. Such imports shall be subject to a management regime in order to ensure regular supply over the year in question.

ANNEX Xb

List of products referred to in Article 20 (4) (1)

The quantities imported under the CN code referred to in this Annex, with the exception of codes 0104 and 0204, will be subject to levy and duty reduction of 20 % in the first year, 40 % in the second year, and 60 % in the successive year.

>TABLE POSITION>

(1) Notwithstanding the rules for the interpretation of the combined nomenclature, the wording for the description of the products is to be considered as having no more than an indicative value, the preferential scheme being determined, within the context of this Annex, by the coverage of the CN codes. Where ex CN codes are indicated, the preferential scheme is to be determined by application of the CN code and corresponding description taken together.

ANNEX XI

Agricultural products (CN 1-24)

Customs duties on imports applicable in Poland to products originating in the Community

listed in this Annex shall be reduced on the date of entry into force of the Agreement by 10 percentage points.

0101 11 00

0102 10 00

0102 90 31

0103 10 00

0104 10 10

0104 20 10

0403 10 02

0403 10 04

0403 10 06

0403 10 12

0403 10 14

0403 10 16

0403 10 22

0403 10 24

0403 10 26

0403 10 32

0403 10 34

0403 10 36

0403 90 11

0403 90 13

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0602 20 10
0602 99 10
0701 10 00
0709 10 00
0709 60 10
0801 10 10
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0802 11 10
0802 11 90
0802 12 90
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1515 11 00
1801 00 00
1902 20 10
1902 20 30
2005 70 00
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2204 21 51
2204 21 59
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2204 30 10
2204 30 91
2204 30 99
2301 10 00
2304 00 00

ANNEX XIIa Concerning Article 44

1. Manufacturing industry including fuel and power industry, metallurgical industry, electro-engineering industry, transport equipment industry, chemical industry, construction materials industry, wood and paper industry, textile, leather and apparel industry, food processing industry, excluding mining, processing of precious metals and stones, production of explosives, ammunition and weaponry, pharmaceutical industry, production of poisonous substances, production of distilled alcohols, high voltage power lines, pipe-line transportation.
2. Construction.

ANNEX XIIb Concerning Article 44

1. Mining, processing of precious metals and stones, production of explosives, ammunition and weaponry, pharmaceutical industry, production of poisonous substances, production of distilled alcohols.
2. Services excluding:
 - financial services as defined in Annex XIIc,
 - dealing and agency services in real estate and natural resources,
 - legal services not including legal advice in business-related matters and international law.

ANNEX XIIc Concerning articles 44, 45, 49 and 50

FINANCIAL SERVICES

Financial services: definitions

A financial service is any service of a financial nature offered by a financial service provider of a party. Financial services include the following activities:

A. All insurance and insurance-related services.

1. Direct insurance (including co-insurance):
 - i) life;
 - ii) non-life.
2. Reinsurance and retrocession.
3. Insurance intermediation, such as brokerage and agency.
4. Services auxiliary to insurance, such as consultancy, actuarial, risk assessment and claim settlement services.

B. Banking and other financial services (excluding insurance).

1. Acceptance of deposits and other repayable funds from the public.
2. Lending of all types, including, inter-alia, consumer credit, mortgage credit, factoring and financing of commercial transaction.
3. Financial leasing.
4. All payment and money transmission services, including credit charge and debit cards, travellers cheques and bankers draft.
5. Guarantees and commitments.
6. Trading for own account of customers, whether on an exchange, in an over the counter market or otherwise, the following:
 - (a) money market instruments (cheques, bills, certificates of deposits, etc.);

- (b) foreign exchange;
 - (c) derivative products including, but not limited to, futures and options;
 - (d) exchange rates and interest rate instruments, including products such as swaps, forward rate agreements, etc;
 - (e) transferable securities;
 - (f) other negotiable instruments and financial assets, including bullion.
7. Participation in issues of all kinds of securities, including underwriting and placement as agent (whether publicly or privately) and provision of services related to such issues.
 8. Money broking.
 9. Asset management, such as cash or portfolio management, all forms of collective investment management, pension-fund management, custodial depository and trust services.
 10. Settlement and clearing services for financial assets, including securities, derivative products, and other negotiable instruments.
 11. Advisory intermediation and other auxiliary financial services on all the activities listed in Points 1 to 10 above, including credit reference and analysis, investment and portfolio research and advice, advice on acquisitions and on corporate restructuring and strategy.
 12. Provision and transfer of financial information, and financial data processing and related software by providers of other financial services.
- Are excluded from the definition of financial services the following activities:
- (a) activities carried out by central banks or by any other public institution in pursuit of monetary and exchange rate policies;
 - (b) activities conducted by central banks, government agencies or departments, or public institutions, for the account or with the guarantee of the government, except when those activities may be carried out by financial service providers in competition with such public entities.
 - (c) activities forming part of a statutory system of social security or public retirement plans, except when those activities may be carried out by financial service providers in competition with public entities or private institutions.

ANNEX XIId Concerning Article 44

1. Acquisition of state-owned assets under privatization process.
2. Ownership, use, sale and rent of real property.
3. Dealing and agency activities in real property and natural resources.
4. Legal services which are excluded in Annex XIIf.
5. High voltage power lines.
6. Pipe-line transportation.

ANNEX XIIf Concerning Article 44

1. Acquisition and sale of natural resources.
2. Acquisition and sale of agricultural land and forests.

ANNEX XIII

1. Paragraph 2 of Article 66 refers to the following multilateral conventions:
 - Berne Convention for the Protection of Literary and Artistic Works in the Act of Paris of 24 July 1971,
 - International Convention for the Protection of Performers, Producers of Phonograms and

Broadcasting Organizations signed at Rome on 26 October 1961,

- Budapest Treaty on the International Recognition of the Deposit of Micro-organisms for the Purpose of Patent Procedure, signed at Budapest in 1977 and amended in 1980,

- the Madrid Protocol concerning the international recognition of trade marks (Madrid 1989).

2. The Association Council may decide that paragraph 2 of Article 66 applies to other multilateral conventions.

3. The Contracting Parties express their attachment to observing the obligations flowing from the following multilateral conventions:

- Paris Convention for the Protection of Industrial Property in the 1967 Act of Stockholm (Paris Union),

- Madrid Arrangement on the International Registration of Marks in the 1967 Act of Stockholm (Madrid Union),

- Patent Cooperation Treaty signed at Washington in 1970 (PCT Union).

4. Before the end of the first stage, Poland shall comply in its internal legislation with the substantial provisions of the Nice Agreement concerning the international classification of goods and services for the purposes of registration of marks (Geneva 1977, amended 1979).

5. For the purposes of paragraph 3 of this Annex and of the provisions of Article 75 (1) referring to intellectual property, the Contracting Parties shall be Poland, the European Economic Community and the Member States, each in as far as they are respectively competent for matters concerning industrial, intellectual and commercial property covered by these conventions or by Article 75 (1).

6. The provisions of this Annex and those of Article 75 (1) referring to intellectual property are without prejudice to the competences of the European Economic Community and its Member States in matters of industrial, intellectual and commercial property.

PROTOCOL 1 on textile and clothing products to the Europe Agreement ('the Agreement')

Article 1

This Protocol applies to the textile and clothing products (hereinafter 'textile products') listed in Annex 1 to the Agreement between the Community and Poland on trade in textile products initialled on 19 June 1986 and applied since 1 January 1987, as amended by the Protocol initialled in Brussels on 15 October 1991, in so far as quantitative arrangements are concerned, and to Section XI (chapters 50 to 63) of the combined nomenclature of the Community and, respectively, of the Polish Customs Tariff in so far as tariff aspects are concerned.

Article 2

1. Customs duties on imports applicable in the Community to textile products falling within Section XI (Chapters 50 to 63) of the combined nomenclature and originating in Poland in accordance with Protocol 4 of the Agreement shall be reduced, in order to arrive at their elimination at the end of a period of six years starting from the entry into force of the Agreement, as follows:

- upon entry into force of the Agreement to five-sevenths of the basic duty,
- at the start of the third year to four-sevenths of the basic duty,
- at the start of the fourth year to three-sevenths of the basic duty,
- at the start of the fifth year to two-sevenths of the basic duty,
- at the start of the sixth year to one-seventh of the basic duty,
- at the start of the seventh year the remaining duties shall be eliminated.

2. Customs duties on imports applicable in Poland to textile products falling within Section

XI (Chapters 50 to 63) of the Polish Customs Tariff and originating in the Community in accordance with Protocol 4 of the Agreement shall be progressively eliminated as provided for in Article 10 of the Agreement.

3. The rates of duty applied to reimports into the Community of textile products falling within the categories listed in the Annex to Council Regulation (EEC) No 636/82 after processing, manufacturing or working in Poland shall be eliminated on the date of entry into force of the Agreement.

4. The provisions of Article 11 and Article 12 of the Agreement shall apply to trade in textile products between the Parties.

Article 3

1. From the date of entry into force of the Agreement and pending the conclusion of the multilateral negotiations of the Uruguay Round, until the end of 1992, the quantitative arrangements and other related issues regarding exports of textile products originating in Poland to the Community shall be governed by the Agreement between Poland and the European Economic Community on trade in textile products initialled on 19 June 1986 and applied since 1 January 1987, as amended by the Protocol initialled in Brussels on 15 October 1991.

The Parties agree that, as regards exports to the Community of textile products originating in Poland, Article 25 (2) and Article 30 of the Agreement shall not apply during the period of application of the above textiles agreement between Poland and the European Economic Community as amended by the Protocol initialled in Brussels on 15 October 1991.

2. Poland and the Community hereby undertake to negotiate a new Protocol on quantitative arrangements and other related issues on their trade in textile products as soon as the future regime governing international trade in textile products has emerged from the multilateral negotiations of the Uruguay Round. The modalities and period during which non-tariff barriers shall be eliminated will be determined in the new Protocol. The period shall be equal to half the period to be decided in the Uruguay Round negotiations and it shall not be shorter than five years starting from 1 January 1993. The new Protocol shall follow on the expiration of the Agreement on textile products referred to in paragraph 1.

3. Taking into account the development of textile trade between the Parties, the degree of access of textile exports originating in the Community to Poland and the results of the multilateral trade negotiations of the Uruguay Round, provision will be made in the new Protocol for a substantial improvement of the regime applied to imports into the Community regarding import levels, growth rates, flexibility for quantitative limitations and elimination of certain quantitative limitations after a case-by-case examination. Notwithstanding Article 25 (2) and Article 30 of the Agreement, provision for a specific textiles safeguard mechanism shall also be made in the new Protocol.

4. Quantitative restrictions and measures of equivalent effect on imports of textile products into Poland existing on the date of entry into force of the Agreement, shall be abolished over the same period as is envisaged in paragraph 2 for the elimination of quantitative restrictions on textile imports into the Community. From the entry into force of the Agreement no new quantitative restrictions or measures of equivalent effect shall be imposed by Poland, except as provided for under the specific safeguard mechanism.

PROTOCOL 2 on ECSC products to the Europe Agreement ('the Agreement')

Article 1

This protocol applies to products listed in Annex 1 to this Protocol.

CHAPTER I ECSC Steel Products

Article 2

Customs duties on imports applicable in the Community on ECSC steel products originating in Poland shall be progressively abolished in accordance with the following timetable:

1. each duty shall be reduced to 80 % on the basic duty on the date of entry into force of the Agreement;
2. further reductions to 60, 40, 20, 10 and 0 % of the basic duty shall be made at the beginning of the second, third, fourth, fifth and sixth years respectively after the entry into force of the Agreement.

Article 3

Customs duties applicable in Poland on imports of ECSC steel products originating in the Community shall be progressively abolished in accordance with Article 10 (3) of the Agreement with the exception of those concerning the products referred to in Annex II, which shall be abolished upon entry into force of the Agreement.

Article 4

1. Quantitative restrictions on imports into the Community of ECSC steel products originating in Poland as well as measures having equivalent effect shall be abolished on the date of entry into force of the Agreement.
2. Quantitative restrictions on imports into Poland of ECSC steel products originating in the Community, as well as measures having equivalent effect, shall be abolished on the date of entry into force of the Agreement.

CHAPTER II ECSC Coal Products

Article 5

Customs duties on imports applicable in the Community on ECSC coal products originating in Poland shall be progressively abolished at the latest one year after the entry into force of the Agreement with the exception of those concerning the products and the regions described in Annex III, which shall be abolished at the latest four years after the entry into force of the Agreement.

Article 6

Customs duties on imports applicable in Poland to ECSC coal products originating in the Community shall be progressively abolished in accordance with Article 10 of the Agreement.

Article 7

1. Quantitative restrictions applicable in the Community to ECSC coal products originating in Poland shall be abolished at the latest one year after the entry into force of the Agreement, with the exception of those concerning the products and the regions described in Annex III, which shall be abolished at the latest four years after the entry into force of the Agreement.
2. Coal products originating in the Community shall be imported into Poland free of quantitative restrictions and measures of equivalent effect from the entry into force of the Agreement.

CHAPTER III Common provisions

Article 8

1. The following are incompatible with the proper functioning of the Agreement, in so far as they may affect trade between the Community and Poland:

- (i) all agreements of cooperative or concentrative nature between undertakings, decisions by associations of undertakings and concerted practices between undertakings which have as their object or effect the prevention, restriction or distortion of competition;
- (ii) abuse by one or more undertakings of a dominant position in the territories of the Community or of Poland as a whole or in a substantial part thereof;
- (iii) public aid in any form whatsoever except derogations allowed pursuant to the ECSC Treaty.

2. Any practices contrary to this Article shall be assessed on the basis of criteria arising from the application of the rules of Articles 65 to 66 of the Treaty establishing the ECSC, Article 85 of the EEC Treaty, and the rules on State aids, including secondary legislation.

3. The Association Council shall, within three years of the entry into force of the Agreement, adopt the necessary rules for the implementation of paragraphs 1 and 2.

4. The Parties recognize that during the first five years after the entry into force of the Agreement, and by derogation to paragraph 1 (iii), Poland may exceptionally, as regards ECSC steel products, grant public aid for restructuring purposes provided that:

- the restructuring programme is linked to a global rationalization and reduction of capacity in Poland,
- it leads to the viability of the benefiting firms under normal market conditions at the end of the restructuring period, and
- the amount and intensity of such aid are strictly limited to what is absolutely necessary in order to restore such viability and are progressively reduced.

The Association Council shall, taking into account the economic situation of Poland, decide whether the period of five years could be extended.

5. Each Party shall ensure transparency in the area of public aid by a full and continuous exchange of information to the other Party, including amount, intensity and purpose of the aid and detailed restructuring plan.

6. If the Community or Poland considers that a particular practice is incompatible with the terms of paragraph 1 as amended by paragraph 4, and

- is not adequately dealt with under the implementing rules referred to in paragraph 3, or
 - in the absence of such rules, and if such practice causes or threatens to cause prejudice to the interests of the other Party or material injury to its domestic industry,
- the affected Party may take appropriate measures if no solution is found within 30 days through consultation. Such consultation shall be held in 30 days.

In the case of practices incompatible with paragraph 1 (iii), such appropriate measures may only cover measures adopted in conformity with the procedures and under the conditions laid down by the General Agreement on Tariffs and Trade and any other relevant instrument negotiated under its auspices which are applicable between the Parties.

Article 9

The provisions of Articles 11, 12 and 13 of the Agreement shall apply to trade ECSC products between the Parties.

Article 10

The Parties agree that one of the special bodies established by the Association Council shall be a contact group which will discuss the implementation of this Protocol.

ANNEX I

List of ECSC coal and steel products

2601 11 00
2601 12 00
2602 00 00
2619 00 10
2701 11 10
2701 11 90
2701 12 10
2701 12 90
2701 19 00
2701 20 00
2702 10 00
2702 20 00
2704 00 19
2704 00 30
7201 10 11
7201 10 19
7201 10 30
7201 10 90
7201 20 00
7201 30 10
7201 30 90
7201 40 00
7202 11 20
7202 11 80
7202 99 11
7203 10 00
7203 90 00
7204 10 00
7204 21 00
7204 29 00
7204 30 00
7204 41 10
7204 41 91
7204 41 99
7204 49 10
7204 49 30
7204 49 91
7204 49 99
7204 50 10
7204 50 90
7206 10 00
7206 90 00
7207 11 11
7207 11 19
7207 12 11

7207 12 19
7207 19 11
7207 19 15
7207 19 31
7207 20 11
7207 20 15
7207 20 17
7207 20 31
7207 20 33
7207 20 51
7207 20 55
7207 20 57
7207 20 71
7208 11 00
7208 12 10
7208 12 91
7208 12 95
7208 12 98
7208 13 10
7208 13 91
7208 13 95
7208 13 98
7208 14 10
7208 14 91
7208 14 99
7208 21 10
7208 21 90
7208 22 10
7208 22 91
7208 22 95
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7208 23 91
7208 23 95
7208 23 98
7208 24 10
7208 24 91
7208 24 99
7208 31 00
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7208 32 59
7208 32 91
7208 32 99
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7208 42 10
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7208 43 99
7208 44 10
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7211 12 10
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7216 50 90
7216 90 10
7218 10 00
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7220 11 00
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7221 00 90
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7222 10 19
7222 10 51
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7222 10 99
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7222 40 11
7222 40 19
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7225 90 10
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7226 20 71
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7226 92 10
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7227 90 80
7228 10 10
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7228 20 19
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7228 60 10
7228 70 10
7228 70 31
7228 80 10
7228 80 90
7301 10 00
7302 10 31
7302 10 39
7302 10 90
7302 20 00
7302 40 10
7302 90 10

ANNEX II
7201 10 11
7201 10 19
7201 10 30
7201 10 90
7201 20 00
7201 30 10
7201 30 90
7201 40 00

ANNEX III

Products and regions referred as exceptions in Article 7 of the ECSC Protocol

Products

2601 11 00
2601 12 00
2602 00 00
2619 00 10
2701 11 00
2701 11 90
2701 12 10
2701 12 90
2701 19 00
2701 20 00
2702 10 00
2702 20 00
2704 00 19
2704 00 30

Regions

All regions of:

- the Federal Republic of Germany,
- the Kingdom of Spain.

PROTOCOL 3 on trade between Poland and the Community in processed agricultural products not covered by Annex II to the EEC Treaty

Article 1

1. The Community shall grant the tariff concessions referred to in Annex I for processed agricultural products originating in Poland. In the case of the goods referred to in Annex II, however, reductions of the variable components shall be granted within the quantity limits established by the Community.

From 1995, Poland shall grant tariff concessions determined in accordance with this Protocol for the processed agricultural products originating in the Community referred to in Annex III.

2. The Association Council may:

- add to the list of processed agricultural product referred to in this Protocol,
- increase the quantities of processed agricultural products eligible for the tariff concessions established by this Protocol.

3. The Association Council may replace the concessions referred to in paragraph 1 with a system of compensatory amounts with no quantity limits, established on the basis of the differences found between the prices on the Community and Polish markets of the agricultural products actually used to produce the processed agricultural products covered by this Protocol. The Association Council shall draw up a list of the products to which the compensatory amounts are applicable and a list of basic products. It shall adopt general implementing rules to that end.

Article 2

For the purposes of the Articles which follow, the definitions given below shall apply:

- 'goods': the processed agricultural products referred to in this Protocol,
- 'agricultural component of the levy': the part of the levy corresponding to the quantity of agricultural products incorporated into the processed product and deducted from the levy applicable when such agricultural products are imported unprocessed,
- 'non-agricultural component of the levy': the part of the levy remaining when the agricultural component is deducted from the total levy,
- 'basic products': the agricultural products considered as having been used in the production of goods within the meaning of Regulation (EEC) No 3033/80,
- 'base quantity': the quantity of a basic product calculated in the manner stipulated in Article 6 of Regulation (EEC) No 3033/80 and which is used to determine the variable component applicable to goods of a given type, in accordance with the terms of the same Regulation.

Article 3

1. From the date this Agreement enters into force, the Community shall phase out the non-agricultural component of the levy in accordance with the timetable set out in Annex I.
2. For the goods for which Annex I stipulates a variable component (MOB), the latter shall be identical to that applying in the case of third countries.
3. For the goods for which Annex I stipulates a reduced variable component (MOBR), the level of the latter shall be calculated by reducing the base quantities of the basic products for which a levy reduction is granted by 20 % in 1992, 40 % in 1993 and 60 % from 1994. In the case of other basic products, the corresponding reductions, for the same years, shall be 10, 20, and 30 %. This reduction of the variable component shall be granted only within the limits of the tariff quotas established in Annex II; for quantities in excess of those quotas, the variable component applying to all third countries shall be restored.
4. The variable components shall be replaced by reduced variable components in the case of goods added to Annex III in accordance with the procedure described in Article 1 (2).

Article 4

1. Before 1 July 1994, Poland shall determine the agricultural component of the levy on the goods referred to in Annex III on the basis of the import duties applicable in 1994 to the basic agricultural products originating in the Community considered to have been used in the production of these goods. It shall forward that information to the Association Council.
2. From the time at which the Agreement enters into force until 31 December 1994, Poland shall apply to the goods referred to in Annex III the rates of duty in force on 29 February 1997. However, if reform of Polish agricultural policy causes the agricultural component of the levy defined in Article 2 to increase, Poland shall inform the Association Council accordingly, which may agree to an increase in the rate of duty concerned which corresponds to the size of the agricultural component.
3. Poland shall phase out the levies applicable to the goods referred to in Annex 3 in accordance with a timetable established by the Association Council. Elimination of the non-agricultural component of the levy must be complete by 1 January 1999 at the latest. Reduction of the agricultural component shall be determined by the Association Council on the basis of the concessions applicable to the basic products.

Article 5

The reductions of the variable components referred to in Article 3 (3) shall apply only from 1 May 1992.

ANNEX I
>TABLE POSITION>

ANNEX II
>TABLE POSITION>

ANNEX III

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0403 10 91
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0403 90 71
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PROTOCOL 4 concerning the definition of the concept of originating products and methods of administrative cooperation

TITLE I DEFINITION OF THE CONCEPT OF 'ORIGINATING PRODUCTS'

Article 1

Origin criteria

For the purpose of implementing the Agreement, and without prejudice to the provisions of Article 2 of this Protocol, the following products shall be considered as

1. products originating in the Community:

(a) products wholly obtained in the Community;

(b) products obtained in the Community in the manufacture of which products other than those referred to in (a) are used, provided that the said products have undergone sufficient working or processing within the meaning of Article 4. This condition shall not apply, however, to products which, within the meaning of this protocol, originate in Poland;

2. products originating in Poland:

(a) products wholly obtained in Poland;

(b) products obtained in Poland in the manufacture of which products other than those referred to in (a) are used, provided that the said products have undergone sufficient working

or processing within the meaning of Article 4. This condition shall not apply, however, to products which, within the meaning of this Protocol, originate in the Community.

Article 2

Cumulation and allocation of origin

1. Inasmuch as trade between the Community and Hungary and the Czech and Slovak Federal Republic, hereinafter referred to as 'the CSFR', and between Poland and those two countries, and also between each of those countries themselves, is governed by agreements containing rules identical to those in this Protocol, the following products shall also be considered as:

A. products originating in the Community: those products referred to in Article 1 (1) which, after being exported from the Community, have undergone no working or processing in Hungary or the CSFR or have not undergone sufficient working or processing there to confer on them the status of products originating in any of those countries by virtue of provisions corresponding to those of Article 1 (1) (b) or (2) (b) of this Protocol contained in the agreements referred to above;

B. products originating in Poland: those products referred to in Article 1 (2) which, after being exported from Poland have undergone no working or processing in Hungary or the CSFR or have undergone working or processing insufficient to confer on them the status of products originating in either of those countries by virtue of provisions corresponding to those of Article 1 (1) (b) or (2) (b) of this Protocol contained in the agreements referred to above.

2. Notwithstanding the provisions of Article 1 (1) (b) and (2) (b) and those of paragraph 1 above, and provided that all the conditions laid down therein are nevertheless fulfilled, the products obtained shall not continue to be considered as products originating in the Community or in Poland respectively unless the value of the products worked or processed originating in the Community or in Poland represents the highest percentage of the value of the products obtained. If this is not so, the latter products are considered as originating in the country where the added value acquired represents the highest percentage of their value. 'Added value' shall be taken to be the ex-works price minus the customs value of each of the products incorporated which originated in another of the countries referred to in paragraph 1 of the present Article.

Article 3

Wholly obtained products

1. Within the meaning of Article 1 (1) (a) and (2) (a), the following shall be considered as wholly obtained either in the Community or in Poland:

- (a) mineral products extracted from their soil or from their seabed;
- (b) vegetable products harvested there;
- (c) live animals born and raised there;
- (d) products from live animals raised there;
- (e) products obtained by hunting or fishing conducted there;
- (f) products of sea fishing and other products taken from the sea by their vessels;
- (g) products made aboard their factory ships exclusively from products referred to in subparagraph (f);
- (h) used articles collected there fit only for the recovery of raw materials;
- (i) waste and scrap resulting from manufacturing operations conducted there;
- (j) goods produced there exclusively from the products specified in subparagraphs (a) to (i).

2. The term 'their vessels' in paragraph 1 (f) shall apply only to vessels:

- which are registered or recorded in Poland or in a Member State of the Community,
- which sail under the flag of Poland or of a Member State of the Community,
- which are owned to an extent of at least 50 % by nationals of Poland or of Member States of

the Community, or by a company with its head office in one of these States or in Poland, of which the manager or managers, chairman of the board of directors or the supervisory board, and the majority of the members of such boards are nationals of Poland or of Member States of the Community and of which, in addition, in the case of partnerships or limited companies, at least half the capital belongs to these States, to Poland, to their public bodies or to their nationals,

- of which the master and officers are nationals of Poland or of Member States of the Community,

- of which at least 75 % of the crew are nationals of Poland or of Member States of the Community.

3. The terms 'Poland' and 'the Community' shall also cover the territorial waters which surround Poland and the Member States of the Community.

Sea-going vessels, including factory ships on which the fish caught is worked or processed, shall be considered as part of the territory of the Community or of Poland provided that they satisfy the conditions set out in paragraph 2.

Article 4

Sufficiently processed products

1. For the purposes of Article 1, non-originating materials are considered to be sufficiently worked or processed when the product obtained is classified in a heading which is different from that in which all the non-originating materials used in its manufacture are classified, subject to paragraphs 2 and 3.

The expressions 'chapters' and 'headings' used in this Protocol shall mean the chapters and the headings (four-digit codes) used in the nomenclature which makes up the Harmonized Commodity Description and Coding System (hereinafter referred to as the 'Harmonized System' or HS).

The expression 'classified' shall refer to the classification of a product or material under a particular heading.

2. For a product mentioned in columns 1 and 2 of the list in Annex II, the conditions set out in column 3 for the product concerned must be fulfilled instead of the rule in paragraph 1.

(a) Where in the list in Annex II a percentage rule is applied in determining the originating status of a product obtained in the Community or in Poland, the value added by the working or processing shall correspond to the ex-works price of the product obtained, less the value of third-country materials imported into the Community or Poland.

(b) The term 'value' in the list in Annex II shall mean the customs value at the time of the import of the non-originating materials used or, if this is not known and cannot be ascertained, the first ascertainable price paid for these materials in the territory concerned.

Where the value of the originating materials used needs to be established, the provisions of the above subparagraph shall be applied *mutatis mutandis*.

(c) The term 'ex-works price' in the list in Annex II shall mean the price paid for the product obtained to the manufacturer in whose undertaking the last working or processing is carried out, provided the price includes the value of all the materials used in manufacture, minus any internal taxes which are, or may be repaid when the product obtained is exported.

(d) 'Customs value' shall be understood as the value determined in accordance with the Agreement on implementation of Article VII of the General Agreement on tariffs and trade, established in Geneva on 12 April 1979.

3. For the purpose of implementing paragraphs 1 and 2 the following shall be considered as insufficient working or processing to confer the status of originating products, whether or not there is a change of heading:

(a) operations to ensure the preservation of products in good condition during transport and

storage (ventilation, spreading out, drying, chilling, placing in salt, sulphur dioxide or other aqueous solutions, removal of damaged parts, and like operations);

(b) simple operations consisting of removal of dust, sifting or screening, sorting, classifying, matching (including the making-up of sets of articles), washing, painting, cutting up;

(c) (i) changes of packaging and breaking up and assembly of consignments;

(ii) simple placing in bottles, flasks, bags, cases, boxes, fixing on cards or boards etc., and all other simple packaging operations;

(d) affixing marks, labels and other like distinguishing signs on products or their packaging;

(e) simple mixing of products, whether or not of different kinds, where one or more components of the mixture do not meet the conditions laid down in this Protocol to enable them to be considered as originating either in the Community or in Poland;

(f) simple assembly of parts of articles to constitute a complete article;

(g) a combination of two or more operations specified in subparagraphs (a) to (f);

(h) slaughter of animals.

Article 5

Neutral elements

In order to determine whether a product originates in the Community or in Poland, it shall not be necessary to establish whether the electrical power, fuel, plant and equipment and machines and tools used to obtain such product or whether any materials or products used in the course of production which do not enter and which were not intended to enter into the final composition of the product originate in third countries or not.

Article 6

Accessories, spare parts and tools

Accessories, spare parts and tools dispatched with a piece of equipment, machine, apparatus or vehicle which are part of the normal equipment and included in the price thereof or are not separately invoiced are regarded as one with the piece of equipment, machine, apparatus or vehicle in question.

Article 7

Sets

Sets, as defined in General Rule 3 of the Harmonized System, shall be regarded as originating when all component articles are originating products. Nevertheless, when a set is composed of originating and non-originating articles, the set as a whole shall be regarded as originating provided that the value of the non-originating articles does not exceed 15 % of ex-works price of the set.

Article 8

Direct transport

1. The preferential treatment provided for under the Agreement applies only to products or materials which are transported between the territories of the Community and of Poland or, when the provisions of Article 2 are applied, of Hungary or the CSFR, without entering any other territory. However, goods originating in Poland or in the Community and constituting one single consignment which is not split up may be transported through territory other than that of the Community or Poland or, when the provisions of Article 2 apply, of Hungary or the CSFR, with, should the occasion arise, transshipment or temporary warehousing in such territory, provided that the goods have remained under the surveillance of the customs authorities in the country of transit or of warehousing and that they have not undergone operations other than unloading, reloading or any operation designed to preserve

them in good condition.

2. Evidence that the conditions referred to in paragraph 1 have been fulfilled shall be supplied to the responsible customs authorities by the production of:

(a) a single transport document issued in the exporting country covering the passage through the country of transit;

(b) or a certificate issued by the customs authorities of the country of transit:

- giving an exact description of the goods,
- stating the dates of unloading and reloading of the goods or of the embarkation or disembarkation, identifying the ships or other means of transport used, and
- certifying the conditions under which the goods remained in the transit country,

(c) or failing these, any substantiating documents.

Article 9

Territorial requirement

The conditions set out in this title relative to the acquisition of originating status must be fulfilled without interruption in the Community or in Poland except as provided for in Article 2.

If originating products exported from the Community or Poland to another country are returned, except in so far as provided for in Article 2, they must be considered as non-originating unless it can be demonstrated to the satisfaction of the customs authorities that:

- the goods returned are the same goods as those exported, and
- they have not undergone any operation beyond that necessary to preserve them in good condition while in that country.

TITLE II PROOF OF ORIGIN

Article 10

Movement certificate EUR.1

Evidence of originating status of products, within the meaning of this Protocol, shall be given by a movement certificate EUR.1, a specimen of which appears in Annex III to this Protocol.

Article 11

Normal procedure for the issue of certificates

1. A movement certificate EUR.1 shall be issued only on application having been made in writing by the exporter or, under the exporter's responsibility, by his authorized representative. Such application shall be made on a form, a specimen of which appears in Annex III to this Protocol, which shall be completed in accordance with this Protocol. Applications for movement certificates EUR.1 must be preserved for at least two years by the customs authorities of the exporting State.

2. The exporter or his representative shall submit with his request any appropriate supporting document proving that the products to be exported are such as to qualify for the issue of a movement certificate EUR.1.

He shall undertake to submit, at the request of the appropriate authorities, any supplementary evidence they may require for the purpose of establishing the correctness of the originating status of the products eligible for preferential treatment and shall undertake to agree to any inspection of his accounts and to any check on the processes of the obtaining of the above products carried out by the said authorities.

Exporters must keep for at least two years the supporting documents referred to in this paragraph.

3. A movement certificate EUR.1 may be issued only where it can serve as the documentary

evidence required for the purpose of implementing the Agreement.

4. The movement certificate EUR.1 shall be issued by the customs authorities of a Member State of the European Economic Community if the goods to be exported can be considered as products originating in the Community within the meaning of Article 1 (1) of this Protocol. The movement certificate EUR.1 shall be issued by the customs authorities of Poland if the goods to be exported can be considered as products originating in Poland within the meaning of Article 1 (2) of this Protocol.

5. Where the cumulation provisions of Article 1 or 2 are applied, the customs authorities of the Member States of the Community or of Poland may issue movement certificates EUR.1 under the conditions laid down in this Protocol if the goods to be exported can be considered as originating products within the meaning of this Protocol and provided that the goods covered by the movement certificates EUR.1 are in the Community or in Poland.

In these cases movement certificates EUR.1 shall be issued subject to the presentation of the proof of origin previously issued or made out. This proof of origin must be kept for at least two years by the customs authorities of the exporting State.

6. Since the movement certificate EUR.1 constitutes the documentary evidence for the application of the preferential tariff arrangements laid down in the Agreement, it shall be the responsibility of the customs authorities of the exporting country to take any steps necessary to verify the origin of the goods and to check the other statements on the certificate.

7. For the purpose of verifying whether the conditions for issuing EUR.1 certificates have been met, the customs authorities shall have the right to call for any documentary evidence or to carry out any check which they consider appropriate.

8. It shall be the responsibility of the customs authorities of the exporting State to ensure that the forms referred to in paragraph 1 are duly completed. In particular, they shall check whether the space reserved for the description of the products has been completed in such a manner as to exclude all possibility of fraudulent additions. To this end, the description of the products must be indicated without leaving any blank lines. Where the space is not completely filled a horizontal line must be drawn below the last line of the description, the empty space being crossed through.

9. The date of issue of the movement certificate must be indicated in the part of the certificate reserved for the customs authorities.

10. A movement certificate EUR.1 shall be issued by the customs authorities of the exporting State when the products to which it relates are exported. It shall be made available to the exporter as soon as actual export has been effected or ensured.

Article 12

Long-term certificates EUR.1

1. Notwithstanding the provisions of Article 11 (10), a movement certificate EUR.1 may be issued by the customs authorities of the exporting State when only part of the products to which it relates are exported, in the case of a certificate covering a series of exportations of the same products from the same exporter to the same importer, over a maximum period of one year from the date of issue, hereinafter referred to as an 'LT certificate'.

2. LT certificates shall be issued, in accordance with the provisions of Article 11, at the discretion of the customs authorities of the exporting State and according to their own judgment of the need for this procedure, only where the originating status of the goods to be exported is expected to remain unchanged for the period of validity of the LT certificate. If any goods are no longer covered by the LT certificate, the exporter shall immediately inform the customs authorities who issued the certificate.

3. Where the LT certificate procedure applies, the customs authorities of the exporting State may prescribe the use of EUR.1 certificates bearing a distinctive sign by which they may be

identified.

4. Box 11 'Customs endorsement' of the EUR.1 certificate must be endorsed as usual by the customs authorities of the exporting State.

5. One of the following phrases shall be entered in box 7 of the EUR.1 certificate:

'CERTIFICADO LT VÁLIDO HASTA EL . . . '

'LT-CERTIFICAT GYLDIGT INDTIL . . . '

'LT-CERTIFICAT GUELTIG BIS . . . '

'ĐÉÓŌĪĐĪĚÇŌĚĚĪ LT ÉÓ×ŌĪ ĪAA×ÑĚ . . . '

'LT-CERTIFICATE VALID UNTIL . . . '

'CERTIFICAT LT VALABLE JUSQU'AU . . . '

'CERTIFICATO LT VALIDO FINO AL . . . '

'LT-CERTIFICAAT GELDIG TOT EN MET . . . '

'LT-CERTIFICADO VALIDO ATE . . . '

'LT-SWÍADECTWO WAZNE DO . . . '

'LT-BIZONYITVANY ÉRVÉNYES . . . -IG'

'LT-OSV OEDCĚNĪ PLATNĚ DO . . . '

(date indicated in Arabic numerals).

6. Reference is not required in box 8 and box 9 of the LT certificate to the marks and numbers and number and kind of packages and the gross weight (kg or other measures (litres, m³, etc.)). Box 8 must, however, contain a description and designation of the goods which is sufficiently precise to allow for their identification.

7. Notwithstanding Article 17, the LT certificate must be submitted to the customs office of import at or before the first importation of any goods to which it relates. When the importer carries out the customs clearance at several customs offices in the State of importation, the customs authorities may require him to produce a copy of the LT certificate to all of those offices.

8. Where an LT certificate has been submitted to the customs authorities, the evidence of the originating status of the imported goods shall, during the validity of the LT certificate, be given by invoices which satisfy the following conditions:

(a) when an invoice includes both goods originating in the Community or in one of the countries referred to in Article 2 of this Protocol and non-originating goods, the exporter shall distinguish clearly between these two categories;

(b) the exporter shall state on each invoice the number of the LT certificate which covers the goods and the date of expiry of the certificate and the names of the country or countries in which the goods originate.

The statement on the invoice made by the exporter of the number of the LT certificate with the indication of the country of origin shall constitute a declaration that the goods fulfill the conditions laid down in this Protocol for the acquisition of preferential origin status in trade between the Community and Poland.

The customs authorities of the exporting State may require that the entries which, under the above provisions, must appear on the invoice, be supported by the manuscript signature followed by the name of the signatory in clear script;

(c) the description and the designation of the goods on the invoice shall be in sufficient detail to show clearly that the goods are also listed on the LT certificate to which the invoice refers;

(d) the invoices can be made out only for the goods exported during the period of validity of the relevant LT certificate. They may however be produced at the customs office of importation within four months of their being made out by the exporter.

9. In the framework of the LT certificate procedure, invoices which satisfy the conditions of this Article may be made out and/or transmitted using telecommunications or electronic data-processing methods. Such invoices shall be accepted by the customs of the importing State as

evidence of the originating status of the goods imported in accordance with the procedures laid down by the customs authorities there.

10. Should the customs authorities of the exporting State identify that a certificate and/or invoice issued under the provisions of this Article is invalid in relation to any goods supplied, they shall immediately notify the customs authorities of the importing State of the facts.

11. The provisions of this Article shall not prejudice application of the rules of the Community, the Member States and Poland on customs formalities and the use customs documents.

Article 13

Issue of EUR.1 retrospectively

1. In exceptional circumstances a movement certificate EUR.1 may also be issued after export of the products to which it relates if it was not issued at the time of export because of errors or involuntary omissions or special circumstances.

2. For the implementation of paragraph 1, the exporter must in the written application:

- indicate the place and date of export of the products to which the certificate relates,
- certify that no movement certificate EUR.1 was issued at the time of export of the products in question, and state the reasons.

3. The customs authorities may issue a movement certificate EUR.1 retrospectively only after verifying that the information supplied in the exporter's application agrees with that in the corresponding file.

Certificates issued retrospectively must be endorsed with one of the following phrases:

'NACHTRAEGLICH AUSGESTELLT', 'DELIVRÉ A POSTERIORI', 'RILASCIATO A POSTERIORI', 'AFGEGEVEN A POSTERIORI', 'ISSUED RETROSPECTIVELY', 'UDSTEDT EFTERFOELGENDE', 'AAÊAEÏEAAÍ AAÊ ÔÛÍ ÖÓÔAAÑÛÍ', 'EXPEDIDO A POSTERIORI', 'EMITADO A POSTERIORI', 'WYSTAWIONE RETROSPEKTYWNIE', 'KIADVA VISSZAMENOELEGES HATÁLLYAL', 'VYSTAVENO DODAT OECN OE'.

4. The endorsement referred to in paragraph 3 shall be inserted in the 'Remarks' box on the movement certificate EUR.

Article 14

Issue of a duplicate EUR.1

1. In the event of the theft, loss or destruction of a movement certificate EUR.1, the exporter may apply in writing to the customs authorities which issued it for a duplicate made out on the basis of the export documents in their possession.

2. The duplicate issued in this way must be endorsed with one of the following words:

'DUPLIKAT', 'DUPLICATA', 'DUPLICATO', 'DUPLICAAT', 'DUPLICATE', 'ÁÍÔÉÑÁOEÏ', 'DUPLICADO', 'SEGUNDA VIA', 'DUPLIKÁT', 'MÁSOLAT'.

3. The endorsement referred to in paragraph 2 shall be inserted in the 'Remarks' box on the movement certificate EUR.1.

4. The duplicate, which must bear the date of issue of the original movement certificate EUR.1, shall take effect as from that date.

Article 15

Simplified procedure for the issue of certificates

1. By way of derogation from Articles 11, 13 and 14 of this Protocol, a simplified procedure for the issue of EUR.1 movement certificates can be used in accordance with the following provisions.

2. The customs authorities in the exporting State may authorize any exporter, hereinafter referred to as 'approved exporter', making frequent shipments for which EUR.1 movement

certificates may be issued and who offers, to the satisfaction of the competent authorities, all guarantees necessary to verify the originating status of the products, not to submit to the customs office of the application for an EUR.1 certificate relating to those goods, for the purpose of obtaining an EUR.1 certificate under the conditions laid down in Article 11 of this Protocol.

3. The authorization referred to in paragraph 2 shall stipulate, at the choice of the competent authorities, that box No 11 'Customs endorsement' of the EUR.1 movement certificate must: (a) either be endorsed beforehand with the stamp of the competent customs office of the exporting State and the signature, which may be a facsimile, of an official of that office; or (b) be endorsed by the approved exporter with a special stamp which has been approved by the customs authorities of the exporting State and corresponds to the specimen given in Annex V of this Protocol. Such stamp may be pre-printed on the forms.

4. In the cases referred to in paragraph 3 (a), one of the following phrases shall be entered in box No 7 'Remarks' of the EUR.1 movement certificate:

'PROCEDIMIENTO SIMPLIFICADO', 'FORENKLET PROCEDURE', 'VEREINFACHTES VERFAHREN', 'ÁÐĚĪŃŎŎĀĀŎĪĀĀĪÇ AEĒÁAEĒĒĒÁÓÉÁ', 'SIMPLIFIED PROCEDURE', 'PROCÉDURE SIMPLIFIÉE', 'PROCEDURA SEMPLIFICATA', 'VEREENVOUDIGDE PROCEDURE', 'PROCEDIMENTO SIMPLIFICADO', 'UPROSZCZONA PROCEDURA', 'EGYSZERUSÍTETT ELJÁRÁS', 'ZJEDNODUSENÉ RÍZENÍ'.

5. Box No 11 'Customs endorsement' of the EUR.1 certificate shall be completed if necessary by the approved exporter.

6. The approved exporter shall, if necessary, indicate in box No 13 'Request for verification' of the EUR.1 certificate the name and address of the authority competent to verify such certificate.

7. Where the simplified procedure is applied, the customs authorities of the exporting State may prescribe the use of EUR.1 certificates bearing a distinctive sign by which they may be identified.

8. In the authorization referred to in paragraph 2 the competent authorities shall specify in particular:

- (a) the conditions under which the applications for EUR.1 certificates are to be made;
- (b) the conditions under which these applications are to be kept for at least two years;
- (c) in the cases referred to in paragraph 3 (b) the authority competent to carry out the subsequent verification referred to in Article 27 of this Protocol.

9. The customs authorities of the exporting State may declare certain categories of goods ineligible for the special treatment provided for in paragraph 2.

10. The customs authorities shall refuse the authorization referred to in paragraph 2 to exporters who do not offer all the guarantees which they consider necessary. The competent authorities may withdraw the authorization at any time. They must do so where the approved exporter no longer satisfies the conditions or no longer offers these guarantees.

11. The approved exporter may be required to inform the competent authorities, in accordance with the rules which they lay down, of the goods to be dispatched by him, so that such authorities may make any verification they think necessary before the departure of the goods.

12. The customs authorities of the exporting State may carry out any check on approved exporters which they consider necessary. Such exporters must allow this to be done.

13. The provisions of this Article shall be without prejudice to the application of the rules of the Community, the Member States and Poland concerning customs formalities and the use of customs documents.

Replacement of certificates

1. It shall at any time be possible to replace one or more movement certificates EUR.1 by one or more other certificates provided that this is done by the customs office or other competent authorities responsible for controlling the goods.
2. When products originating in the Community or in Poland and imported into a free zone under cover of an EUR.1 certificate undergo treatment or processing, the authorities concerned must issue a new EUR.1 certificate at the exporter's request if the treatment or processing undergone is in conformity with the provisions of this Protocol.
3. The replacement certificate shall be regarded as a definite movement certificate EUR.1 for the purpose of the application of this Protocol, including the provisions of this Article.
4. The replacement certificate shall be issued on the basis of a written request from the re-exporter, after the authorities concerned have verified the information supplied in the applicant's request. The date and serial number of the original movement certificate EUR.1 shall be given in box 7.

Article 17

Validity of certificates

1. A movement certificate EUR.1 must be submitted, within four months of the date of issue by the customs authorities of the exporting State, to the customs office of the importing State where the products are entered.
2. Movement certificates EUR.1 which are submitted to the customs authorities of the importing State after the final date of presentation specified in paragraph 1 may be accepted for the purpose of applying preferential treatment, where the failure to submit the certificates by the final date set is due to reasons of force majeure or exceptional circumstances.
3. In other cases of belated presentation, the customs authorities of the importing State may accept the certificates where the products have been submitted to them before the said final date.

Article 18

Exhibitions

1. Products sent from the Community or Poland for exhibition in a country other than Poland or a Member State of the Community and sold after the exhibition for importation into Poland or the Community shall benefit on importation from the provisions of the Agreement on condition that the products meet the requirements of this Protocol entitling them to be recognized as originating in the Community or in Poland and provided that it is shown to the satisfaction of the customs authorities that:
 - (a) an exporter has consigned these products from the Community or Poland to the country in which the exhibition is held and has exhibited them there;
 - (b) the products have been sold or otherwise disposed of by that exporter to someone in the Community or Poland;
 - (c) the products have been consigned during the exhibition or immediately thereafter to the Community or Poland in the state in which they were sent for exhibition;
 - (d) the products have not, since they were consigned for exhibition, been used for any purpose other than demonstration at the exhibition.
2. A movement certificate EUR.1 must be produced to the customs authorities in the normal manner. The name and address of the exhibition must be indicated thereon. Where necessary, additional documentary evidence of the nature of the products and the conditions under which they have been exhibited may be required.
3. Paragraph 1 shall apply to any trade, industrial, agricultural or crafts exhibition, fair or similar public show or display which is not organized for private purposes in shops or

business premises with a view to the sale of foreign products, and during which the products remain under customs control.

Article 19

Submission of certificates

Movement certificates EUR.1 shall be submitted to the customs authorities in the importing State in accordance with the procedures laid down by that State. The said authorities may require a translation of a certificate. They may also require the import declaration to be accompanied by a statement from the importer to the effect that the products meet the conditions required for the implementation of the Agreement.

Article 20

Importation by instalments

Without prejudice to Article 4 (3) of this Protocol, where at the request of the person declaring the goods at the customs, a dismantled or non-assembled article falling within Chapter 84 or 85 of the Harmonized System is imported by instalments on the conditions laid down by the competent authorities, it shall be considered to be a single article and a movement certificate may be submitted for the whole article upon import of the first instalment.

Article 21

Preservation of certificates

Movement certificates EUR.1 shall be preserved by the customs authorities of the importing State in accordance with the rules in force in that State.

Article 22

Form EUR.2

1. Notwithstanding Article 10, the evidence of originating status, within the meaning of this Protocol, for consignments containing only originating products and whose value does not exceed ECU 5 110 per consignment, shall be given by a form EUR.2, a specimen of which appears in Annex IV to this Protocol.

2. The form EUR.2 shall be completed and signed by the exporter or, under the exporters responsibility, by his authorized representative in accordance with this Protocol.

3. A form EUR.2 shall be completed for each consignment.

4. The exporter who applied for the form EUR.2 shall submit at the request of the customs authorities of the exporting State all supporting documents concerning the use of this form.

5. Articles 17, 19 and 21 shall apply mutatis mutandis to forms EUR.2.

Article 23

Discrepancies

The discovery of slight discrepancies between the statements made in the movement certificate EUR.1 or in the form EUR.2 and those made in the documents submitted to the customs office for the purpose of carrying out the formalities for importing the products shall not ipso facto render the document null and void if it is duly established that it corresponds to the products submitted.

Article 24

Exemptions from proof of origin

1. Products sent as small packages from private persons to private persons or forming part of traveller's personal luggage shall be admitted as originating products without requiring the

production of a movement certificate EUR.1 or the completion of form EUR.2, provided that such products are not imported by way of trade and have been declared as meeting the conditions required for the application of the Agreement, and where there is no doubt as to the veracity of such declaration.

2. Imports which are occasional and consist solely of products for the personal use of the recipients or travellers or their families shall not be considered as imports by way of trade if it is evident from the nature and quantity of the products that no commercial purpose is in view. Furthermore, the total value of these products must not exceed ECU 365 in the case of small packages or ECU 1 025 in the case of the contents of traveller's personal luggage.

Article 25

Amounts expressed in ecu

1. Amounts in the national currency of the exporting State equivalent to the amounts expressed in ecu shall be fixed by the exporting State and communicated to the other parties to the Agreement. When the amounts are more than the corresponding amounts fixed by the importing State, the latter shall accept them if the goods are invoiced in the currency of the exporting State or of another of the countries mentioned in Article 2 of this Protocol.

If the goods are invoiced in the currency of another Member State of the Community the importing State shall recognize the amount notified by the country concerned.

2. Up to and including 30 April 1993, the ecu, to be used in any given national currency shall be the equivalent in that national currency of the ecu as at 3 October 1990. For each successive period of two years, it shall be the equivalent in that national currency of the ecu as at the first working day in October in the year immediately preceding that two-year period.

TITLE III ARRANGEMENTS FOR ADMINISTRATIVE COOPERATION

Article 26

Communication of stamps and addresses

The customs authorities of the Member States and of Poland shall provide each other, through the Commission of the European Communities, with specimen impressions of stamps used in their customs offices for the issue of EUR.1 certificates and with the addresses of the customs authorities responsible for issuing movement certificates EUR.1 and for verifying those certificates and forms EUR.2.

Article 27

Verification of movement certificates EUR.1 and of forms EUR.2

1. Subsequent verification of movement certificates EUR.1 and of forms EUR.2 shall be carried out at random or whenever the customs authorities of the importing State have reasonable doubts as to the authenticity of the document or the accuracy of the information regarding the true origin of the products in question.

2. For the purpose of the subsequent verification of movement certificates EUR.1, the customs authorities of the exporting State must keep copies of the certificates, as well as any export documents referring to them, for at least two years.

3. In order to ensure the proper application of this Protocol, Poland and the Member States of the Community shall assist each other, through their respective customs administrations, in checking the authenticity of movement certificates EUR.1, including those issued under Article 11 (5), and the forms EUR.2 and the accuracy of the information concerning the actual origin of the products concerned.

4. Where an EUR.1 certificate has been issued under the conditions laid down in Article 11 (5), and relates to goods re-exported in the same state, the customs authorities of the country

of destination must be able to obtain, by means of administrative cooperation, true copies of the EUR.1 certificate or certificates issued previously relating to those goods.

5. For the purpose of implementing paragraph 1, the customs authorities of the importing State shall, return the movement certificate EUR.1 or form EUR.2, or a photocopy thereof, to the customs authorities of the exporting State, giving, where appropriate, the reasons of form or substance for an enquiry.

The relevant commercial documents or a copy thereof, shall be attached to the certificate EUR.1 or form EUR.2 and the customs authorities shall forward any information that has been obtained suggesting that the particulars given on the said certificate or the said form are inaccurate.

6. If the customs authorities of the importing State decide to suspend execution of the provisions of the Agreement while awaiting the results of the verification, they shall offer to release the products to the importer subject to any precautionary measures judged necessary.

7. The customs authorities of the importing State shall be informed of the results of the verification as soon as possible. These results must be such as to make it possible to determine whether the disputed movement certificate EUR.1 or form EUR.2 apply to the products in question and whether those products can, in fact, qualify for the application of the preferential arrangements.

If in cases of reasonable doubt there is no reply within 10 months of the date of the verification request, or if the reply does not contain sufficient information to determine the authenticity of the document in question or the real origin of the products, the requesting authorities shall refuse, except in the case of force majeure or exceptional circumstances, any benefit from the preferential treatment laid down in the Agreement.

8. Disputes which cannot be settled between the customs authorities of the importing State and those of the exporting State, or which raise a question as to the interpretation of this Protocol, shall be submitted to the Customs Cooperation Committee.

9. In all cases the settlement of disputes between the importer and the customs authorities of the importing State shall be under the legislation of the said State.

10. Where the verification procedure or any other available information appears to indicate that the provisions of this Protocol are being contravened, the Community or Poland shall on its own initiative or at the request of the other Party carry out appropriate enquiries or arrange for such enquiries to be carried out with due urgency to identify and prevent such contraventions, and for this purpose the Community or Poland may invite the participation of the other Party in these enquiries.

11. Where the verification procedure or any other available information appears to indicate that the provisions of this Protocol are being contravened, the products would be accepted as originating products under this Protocol only after completion of such aspects of administrative cooperation set down in this Protocol which may have been activated, including in particular the verification procedure.

Likewise, products would be refused treatment as originating products under this Protocol only after the completion of the verification procedure.

Article 28

Penalties

Penalties shall be imposed on any person who draws up, or causes to be drawn up, a document which contains incorrect particulars for the purpose of obtaining preferential treatment for products.

Article 29

Free zones

The Member States and Poland shall take all necessary steps to ensure that products traded under cover of a movement certificate EUR.1, which in the course of transport use a free zone situated in their territory, are not substituted by other goods and that they do not undergo handling other than normal operations designed to prevent their deterioration.

TITLE IV CEUTA AND MELILLA

Article 30

Application of the Protocol

1. The term 'Community' used in this Protocol does not cover Ceuta or Melilla. The term 'products originating in the Community' does not cover products originating in these zones.
2. This protocol shall apply mutatis mutandis to products originating in Ceuta and Melilla, subject to particular conditions set out in Article 31.

Article 31

Special conditions

1. The following provisions shall apply instead of Article 1 and references to that Article shall apply mutatis mutandis to this Article.
2. Providing they have been transported directly in accordance with the provisions of Article 8, the following shall be considered as:
 - (1) products originating in Ceuta and Melilla:
 - (a) products wholly obtained in Ceuta and Melilla;
 - (b) products obtained in Ceuta and Melilla in the manufacture of which products other than those referred to in (a) are used, provided that:
 - (i) the said products have undergone sufficient working or processing within the meaning of Article 4 of this Protocol; or that
 - (ii) those products are originating in Poland or the Community within the meaning of this Protocol, provided that they have been submitted to working or processing which goes beyond the insufficient working or processing referred to in Article 4 (3);
 - (2) products originating in Poland:
 - (a) products wholly obtained in Poland;
 - (b) products obtained in Poland in the manufacture of which products other than those referred to in (a) are used, provided that:
 - (i) the said products have undergone sufficient working or processing within the meaning of Article 4 of this Protocol; or that
 - (ii) those products are originating in Ceuta and Melilla or the Community within the meaning of this Protocol, provided that they have been submitted to working or processing which goes beyond the insufficient working or processing referred to in Article 4 (3).
3. Ceuta and Melilla shall be considered as a single territory.
4. The exporter or his authorized representative shall enter 'Poland' and 'Ceuta and Melilla' in box 2 of movement certificates EUR.1. In addition, in the case of products originating in Ceuta and Melilla, this shall be indicated in box 4 of movement certificates EUR.1.
5. The Spanish customs authorities shall be responsible for the application of this Protocol in Ceuta and Melilla.

TITLE V FINAL PROVISIONS

Article 32

Amendments to the Protocol

The Association Council shall examine at two-yearly intervals, or whenever Poland or the

Community so request, the application of the provisions of this Protocol, with a view to making any necessary amendments or adaptations.
Such examination shall take into account in particular the participation of the Contracting Parties in free trade zones or customs unions with third countries.

Article 33

Customs Cooperation Committee

1. A Customs Cooperation Committee shall be set up, charged with carrying out administrative cooperation with a view to the correct and uniform application of this Protocol and with carrying out any other task in the customs field which may be entrusted to it.
2. The Committee shall be composed, on the one hand, of experts of the Member States and of officials of the department of the Commission of the European Communities who are responsible for customs questions and, on the other hand, of experts nominated by Poland.

Article 34

Petroleum products

The products set out in Annex VI shall be temporarily excluded from the scope of this Protocol. Nevertheless, the arrangements regarding administrative cooperation shall apply, *mutatis mutandis*, to these products.

Article 35

Annexes

The Annexes to this Protocol shall form an integral part thereof.

Article 36

Implementation of the Protocol

The Community and Poland shall each take the steps necessary to implement this Protocol.

Article 37

Arrangements with Hungary and the CSFR

The Contracting Parties shall take any measures necessary for the conclusion of arrangements with Hungary and the CSFR enabling this Protocol to be applied. The Contracting Parties shall notify each other of measures taken to this effect.

Article 38

Goods in transit or storage

The provisions of the Agreement may be applied to goods which comply with the provisions of this Protocol and which on the date of entry into force of the Agreement are either in transit or are in the Community or in Poland or, in so far as the provisions of Article 2 are applicable, in Hungary or the CSFR, in temporary storage in bonded warehouses or in free zones, subject to the submission to the customs authorities of the importing State, within four months of that date, of a certificate EUR.1 endorsed retrospectively by the competent authorities of the exporting State together with the documents showing that the goods have been transported directly.

ANNEX I

NOTES

Foreword

These notes shall apply, where appropriate, to all manufactured products using non-originating materials, even if they are not subject to specific conditions contained in the list in Annex II but are subject instead to the change of heading rule set out in Article 4 (1).

Note 1

1.1. The first two columns in the list describe the product obtained. The first column gives the heading number or chapter number used in the Harmonized System and the second column gives the description of goods used in that system for that heading or chapter. For each entry in the first two columns a rule is specified in column 3. Where, in some cases, the entry in the first column is preceded by an 'ex', this signifies that the rule in column 3 applies only to the part of that heading or chapter as described in column 2.

1.2. Where several heading numbers are grouped together in column 1 or a chapter number is given and the description of products in column 2 is therefore given in general terms, the adjacent rule in column 3 applies to all products which, under the Harmonized System, are classified in headings of the chapter or in any of the headings grouped together in column 1.

1.3. Where there are different rules in the list applying to different products within a heading, each indent contains the description of that part of the heading covered by the adjacent rule in column 3.

Note 2

2.1. The term 'manufacture' covers any kind of working or processing including 'assembly' or specific operations. However, see Note 3.5 below.

2.2. The term 'material' covers any ingredient, raw material, component or part, etc., used in the manufacture of the product.

2.3. The term 'product' refers to the product being manufactured, even if it is intended for later use in another manufacturing operation.

2.4. The term 'goods' covers both materials and products.

Note 3

3.1. In the case of any heading not in the list or any part of a heading that is not in the list, the 'change of heading' rule set out in Article 4 (1) applies. If a 'change of heading' condition applies to any entry in the list, then it is contained in the rule in column 3.

3.2. The working or processing required by a rule in column 3 has to be carried out only in relation to the non-originating materials used. The restrictions contained in a rule in column 3 likewise apply only to the non-originating materials used.

3.3. Where a rule states that 'materials of any heading' may be used, materials of the same heading as the product may also be used, subject, however, to any specific limitations which may also be contained in the rule. However, the expression 'manufacture from materials of any heading, including other materials of heading No . . . ' means that only materials classified in the same heading as the product of a different description than that of the product as given in column 2 of the list may be used.

3.4. If a product made from non-originating materials which has acquired originating status during manufacture by virtue of the change of heading rule or its own list rule is used as a material in the process of manufacture of another product, then the rule applicable to the product in which it is incorporated does not apply to it.

For example:

An engine of heading No 8407, for which the rule states that the value of the non-originating materials which may be incorporated may not exceed 40 % of the ex-works price, is made from 'other alloy steel roughly shaped by forging' of heading No 7224.

If this forging has been forged in the country concerned from a non-originating ingot then the forging has already acquired origin by virtue of the rule for heading No ex 7224 in the list. It can then count as originating in the value calculation for the engine regardless of whether it was produced in the same factory or another. The value of the non-originating ingot is thus not taken into account when adding up the value of the non-originating materials used.

3.5. Even if the change of heading rule or the other rules contained in the list are satisfied, a product shall not acquire originating status if the processing carried out, taken as a whole, is insufficient within the meaning of Article 4 (3).

3.6. The unit of qualification for the application of the origin rules shall be the particular product which is considered as the basic unit when determining classification using the nomenclature of the Harmonized System. In the case of sets of products which are classified by virtue of General Rule 3 for the interpretation of the Harmonized System, the unit of qualification shall be determined in respect of each item in the set: this provision is equally applicable to sets of headings Nos 6308, 8206 and 9605.

Accordingly, it follows that:

- when a product composed of a group or assembly of articles is classified under the terms of the Harmonized System in a single heading, the whole constitutes the unit of qualification,
- when a consignment consists of a number of identical products classified under the same heading of the Harmonized System, each product must be taken individually when applying the origin rules,
- where, under General Rule 5 of the Harmonized System, packing is included with the product for classification purposes, it shall be included for the purposes of determining origin.

Note 4

4.1. The rule in the list represents the minimum amount of working or processing required and the carrying out of more working or processing also confers originating status; conversely, the carrying out of less working or processing cannot confer origin. Thus if a rule says that non-originating material at a certain level of manufacture may be used, the use of such material at an earlier stage of manufacture is allowed and the use of such material at a later stage is not.

4.2. When a rule in the list specifies that a product may be manufactured from more than one material, this means that any one or more materials may be used. It does not require that all be used.

For example:

The rule for fabrics says that natural fibres may be used and that chemical materials, among other materials, may also be used. This does not mean that both have to be used; one can use one or the other or both.

If, however, a restriction applies to one material and other restrictions apply to other materials in the same rule, then the restrictions only apply to the materials actually used:

For example:

The rule for sewing machines specifies that both the thread tension mechanism used and the

zigzag mechanism used must originate; these two restrictions only apply if the mechanisms concerned are actually incorporated into the sewing machine.

4.3. When a rule in the list specifies that a product must be manufactured from a particular material, the condition obviously does not prevent the use of other materials which, because of their inherent nature, cannot satisfy the rule.

For example:

The rule for heading No 1904 which specifically excludes the use of cereals or their derivatives does not prevent the use of mineral salts, chemicals and other additives which are not produced from cereals.

For example:

In the case of an article made from non-woven materials, if the use of only non-originating yarn is allowed for this class of article, it is not possible to start from non-woven cloth - even if non-woven cloths cannot normally be made from yarn. In such cases, the starting material would normally be at the stage before yarn - that is the fibre stage.

See also Note 7.3 in relation to textiles.

4.4. If in a rule in the list two or more percentages are given for the maximum value of non-originating materials that can be used, then these percentages may not be added together. The maximum value of all the non-originating materials used may never exceed the highest of the percentages given. Furthermore, the individual percentages must not be exceeded in relation to the particular materials they apply to.

Note 5

5.1. The term 'natural fibres' is used in the list to refer to fibres other than artificial or synthetic fibres and is restricted to the stages before spinning takes place, including waste, and, unless otherwise specified, the term 'natural fibres' includes fibres that have been carded, combed or otherwise processed but not spun.

5.2. The term 'natural fibres' includes horsehair of heading No 0503, silk of heading Nos 5002 and 5003 as well as the wool fibres, fine or coarse animal hair of heading Nos 5101 to 5105, the cotton fibres of heading Nos 5201 to 5203 and the other vegetable fibres of heading Nos 5301 to 5305.

5.3. The terms 'textile pulp', 'chemical materials' and 'paper-making materials' are used in the list to describe the materials not classified in chapters 50 to 63, which can be used to manufacture artificial, synthetic or paper fibres or yarns.

5.4. The term 'man-made staple fibres' is used in the list to refer to synthetic or artificial filament tow, staple fibres or waste, of headings Nos 5501 to 5507.

Note 6

6.1. In the case of the products classified within those headings in the list to which a reference is made to this Note, the conditions set out in column 3 of the list shall not be applied to any basic textile materials used in their manufacture which, taken together, represent 10 % or less of the total weight of all the basic textile materials used (but see also Notes 6.3 and 6.4 below).

6.2. However, this tolerance may only be applied to mixed products which have been made from two or more basic textile materials.

The following are the basic textile materials:

- silk,
- wool,

- coarse animal hair,
- fine animal hair,
- horsehair,
- cotton,
- paper-making materials and paper,
- flax,
- true hemp,
- jute and other textile bast fibres,
- sisal and other textile fibres of the genus *Agave*,
- coconut, abaca, ramie and other vegetable textile fibres,
- synthetic man-made filaments,
- artificial man-made filaments,
- synthetic man-made staple fibres,
- artificial man-made staple fibres.

For example:

A yarn of heading No 5205 made from cotton fibres of heading No 5203 and synthetic staple fibres of heading No 5506 is a mixed yarn. Therefore, non-originating synthetic staple fibres that do not satisfy the origin rules (which require manufacture from chemical materials or textile pulp) may be used up to a weight of 10 % of the yarn.

For example:

A woollen fabric of heading No 5112 made from woollen yarn of heading No 5107 and synthetic yarn of staple fibres of heading No 5509 is a mixed fabric. Therefore synthetic yarn which does not satisfy the origin rules (which require manufacture from chemical materials or textile pulp) or woollen yarn that does not satisfy the origin rules (which require manufacture from natural fibres, not carded or combed or otherwise prepared for spinning) or a combination of the two may be used up to a weight of 10 % of the fabric.

For example:

Tufted textile fabric of heading No 5802 made from cotton yarn of heading No 5205 and cotton fabric of heading No 5210 is only a mixed product if the cotton fabric is itself a mixed fabric being made from yarns classified in two separate headings or if the cotton yarns used are themselves mixtures.

For example:

If the tufted textile fabric concerned had been made from cotton yarn of heading No 5205 and synthetic fabric of heading No 5407, then, obviously, the yarns used are two separate basic textile materials and the tufted textile fabric is accordingly a mixed product.

For example:

A carpet with tufts made from both artificial yarns and cotton yarns and with a jute backing is a mixed product because three basic textile materials are used. Thus, any non-originating materials that are at a later stage of manufacture than the rule allows may be used, provided their total weight taken together does not exceed 10 % of the weight of the textile materials in the carpet. Thus, both the jute backing and/or the artificial yarns could be imported at that stage of manufacture, provided the weight conditions are met.

6.3. In the case of fabrics incorporating 'yarn made of polyurethane segmented with flexible segments of polyether whether or not gimped' this tolerance is 20 % in respect of this yarn.

6.4. In the case of fabrics incorporating strip consisting of a core of aluminium foil or of a core of plastic film whether or not coated with aluminium powder, of a width not exceeding 5 mm, sandwiched by means of an adhesive between two films of plastic film, this tolerance is 30 % in respect of this strip.

Note 7

7.1. In the case of those textile products which are marked in the list by a footnot referring to this note, textile materials with the exception of linings and interlinings which do not satisfy the rule set out in the list in column 3 for the made up products concerned may be used provided that they are classified in a heading other than that of the product and that their value does not exceed 8 % of the ex-works price of the product.

7.2. Any non-textile trimmings and accessories or other materials used which contain textiles do not have to satisfy the conditions set out in column 3 even though they fall outside the scope of Note 4.3.

7.3. In accordance with Note 4.3, any non-originating non-textile trimmings and accessories or other product, which do not contain any textiles, may, anyway, be used freely where they cannot be made from the materials listed in column 3.

For example:

If a rule in the list says that for a particular textile item, such as a blouse, yarn must be used, this does not prevent the use of metal items, such as buttons, because they cannot be made from textile materials.

7.4. Where a percentage rule applies, the value of trimmings and accessories must be taken into account when calculating the value of the non-originating materials incorporated.

ANNEX II

>TABLE POSITION>

ANNEX III

MOVEMENT CERTIFICATES EUR.1

1. Movement certificates EUR.1 shall be made out on the form of which a specimen appears in this Annex. This form shall be printed in one or more of the languages in which the Agreement is drawn up. Certificates shall be made out in one of these languages and in accordance with the provisions of the domestic law of the exporting State. If they are handwritten, they shall be completed in ink and in capital letters.

2. Each certificate shall measure 210 × 297 mm; a tolerance of up to minus 5 mm or plus 8 mm in the length may be allowed. The paper used must be white, sized for writing, not containing mechanical pulp and weighing not less than 25 g/m². It shall have a printed green guilloche pattern background making any falsification by mechanical or chemical means apparent to the eye.

3. The competent authorities of the Member States of the Community and of Poland may reserve the right to print the certificates themselves or may have them printed by approved printers. In the latter case each certificate must include a reference to such approval. Each certificate must bear the name and address of the printer or a mark by which the printer can be identified. It shall also bear a serial number, either printed or not, by which it can be identified.

MOVEMENT CERTIFICATE

>START OF GRAPHIC>

1. Exporter (Name, full address, country)
3. Consignee (Name, full address, country) (Optional)

EUR.1 No A 000.000

See notes overleaf before completing this form

2. Certificate used in preferential trade between

.....

and

.....

(Insert appropriate countries, groups of countries or territories)

4. Country, group of countries or territory in which the products are considered as originating

5. Country, group of countries or territory of destination

6. Transport details (Optional)

7. Remarks

8. Item number; Makes and numbers; Number and kind of packages ⁽¹⁾; Description of goods

9. Gross

weight (kg)

or other

measure

(litres,

m³, etc.)

10. Invoices

(Optional)

11. CUSTOMS ENDORSEMENT

Declaration certified

Export document ⁽²⁾

Form No

Customs office

Issuing country or territory

.....

.....

Date

Stamp

12. DECLARATION BY THE EXPORTER

I, the undersigned, declare that the goods described above meet the conditions required for the issue of this certificate.

Place and date

.....

(Signature)

.....

(Signature)

⁽¹⁾ If goods are not packed, indicate number of articles or state 'in bulk' as appropriate.

⁽²⁾ Complete only where the regulations of the exporting country or territory require.

13. REQUEST FOR VERIFICATION, to:

14. RESULT OF VERIFICATION,

Verification carried out shows that this certificate ⁽¹⁾

was issued by the customs office indicated and that the information contained therein is accurate.

does not meet the requirements as to authenticity and accuracy (see remarks appended).

Verification of the authenticity and accuracy of this certificate is requested.

.....
(Place and date)

.....
(Place and date)

Stamp

Stamp

.....
(Signature)

.....
(Signature)

(¹) Insert X in the appropriate box. NOTES

1. Certificates must not contain erasures or words written over one another. Any alterations must be made by deleting the incorrect particulars and adding any necessary corrections. Any such alteration must be initialled by the person who completed the certificate and endorsed by the customs authorities of the issuing country or territory.

2. No spaces must be left between the items entered on the certificate and each item must be preceded by an item number. A horizontal line must be drawn immediately below the last item. Any unused space must be struck through in such a manner as to make any later additions impossible.

3. Goods must be described in accordance with commercial practice and with sufficient detail to enable them to be identified. >END OF GRAPHIC<

APPLICATION FOR A MOVEMENT CERTIFICATE

>START OF GRAPHIC<

1. Exporter (Name, full address, country)

3. Consignee (Name, full address, country) (Optional)

EUR.1 No A 000.000

See notes overleaf before completing this form

2. Application for a certificate to be used in preferential trade between

.....
and

.....
(Insert appropriate countries, groups of countries or territories)

4. Country, group of countries or territory in which the products are considered as originating

5. Country, group of countries or territory of destination

6. Transport details (Optional)

7. Remarks

8. Item number; Makes and numbers; Number and kind of packages (¹); Description of goods

9. Gross
weight (kg)

or other
measure

(litres,
m³, etc.)

10. Invoices

(Optional)

(¹) If goods are not packed, indicate number of articles or state 'in bulk' as appropriate.

DECLARATION BY THE EXPORTER

I, the undersigned, exporter of the goods described overleaf,
DECLARE that the goods meet the conditions required for the issue of the attached
certificate;
SPECIFY as follows the circumstances which have enabled these goods to meet the above
conditions:

.....
.....
.....
.....

SUBMIT the following supporting documents ⁽¹⁾:

.....
.....
.....
.....

UNDERTAKE to submit, at the request of the appropriate authorities, any supporting
evidence which these authorities may require for the purpose of issuing the attached
certificate, and undertake, if required, to agree to any inspection of my accounts and to any
check on the processes of manufacture of the above goods, carried out by the said authorities;
REQUEST the issue of the attached certificate for these goods.

.....
(Place and date)

.....
(Signature)

⁽¹⁾ For example: import documents, movement certificates, invoices, manufacturer's
declarations, etc., referring to the products used in manufacture or to the goods re-exported in
the same state.>END OF GRAPHIC<

ANNEX IV

FORM EUR.2

1. Form EUR.2 shall be made out on the form of which a specimen appears in this Annex.
This form shall be printed in one or more of the languages in which the Agreement is drawn
up. Forms shall be made out in one of these languages and in accordance with the provisions
of the domestic law of the exporting State. If they are handwritten, they shall be completed in
ink and in capital letters.
 2. Each Form EUR.2 shall measure 210 × 148 mm; a maximum tolerance of up to minus 5
mm or plus 8 mm in the length may be allowed. The paper used must be white, sized for
writing, not containing mechanical pulp and weighing not less than 64 g/m².
 3. The competent authorities of the Member States of the Community and of Poland may
reserve the right to print the forms themselves or may have them printed by approved printers.
In the latter case each form must include a reference to such approval. Each form must bear
the name and address of the printer or a mark by which the printer can be identified. It shall
also bear a serial number, either printed or not, by which it can be identified.
- >START OF GRAPHIC<

FORM EUR.2 No

1

Form used in preferential trade
between (1) and

2

Exporter (Name, full address, country)

3

Declaration by exporter

I, the undersigned, exporter of the goods described below, declare that the goods comply with the requirements for the completion of this form and that the goods have obtained the status of originating products within the provisions governing preferential trade shown in box 1.

4

Consignee (Name, full address, country)

5

Place and date

6

Signature of exporter

7

Remarks (2)

8

Country of origin (3)

9

Country of destination (4)

10

Gross weight (kg)

11

Marks; Numbers of consignment; Description of goods

12

Authority in the exporting country (4)

responsible for verification of the declaration by the exporter

(1) Insert the countries, groups of countries or territories concerned.

(2) Refer to any verification already carried out by the appropriate authorities.

(3) The term 'country of origin' means country, group of countries or territory where the goods are considered to be originating.

(4) The term 'country' means country, group of countries or territory of destination.(RECTO)

Before completing this form read carefully the instructions on the other side.

13

Request for verification

14

Result of verification

The verification of the declaration by the exporter on the front of this form is requested (*)

Verification carried out shows that (1)

the statements and particulars given in this form are accurate

this form does not meet the requirements as to accuracy and authenticity (see remarks appended)

..... ,

(Place and date)

.....

Stamp

19

..... ,
(Place and date)

.....
Stamp

19

.....
(Signature)

.....
(Signature)

(¹) Insert X in the appropriate box.

(*) Subsequent verifications of forms EUR.2 shall be carried out at random or whenever the customs authorities of the importing State have reasonable doubt as to the accuracy of the information regarding the authenticity of the forms and the true origin of the goods in question. Instructions for the completion of form EUR.2

1. A form EUR.2 may be made out only for goods which in the exporting country fulfil the conditions specified by the provisions governing the trade referred to in box 1. These provisions must be studied carefully before the form is completed.

2. In the case of a consignment by parcel post the exporter attaches the form to the dispatch note. In the case of a consignment by letter post he encloses the form in a package. The reference 'EUR.2' and the serial number of the form should be stated on the customs green label declaration C1 or on the customs declaration C2/CP3, as appropriate.

3. These instructions do not exempt the exporter from complying with any other formalities required by customs or postal regulations.

4. An exporter who uses this form is obliged to submit to the appropriate authorities any supporting evidence which they may require and to agree to any inspection by them of his accounts and of the processes of manufacture of the goods described in box 11 of this form.

(VERSO)>END OF GRAPHIC>

ANNEX V

Specimen impression of the stamp mentioned in Article 15 (3) (b)

>START OF GRAPHIC>

JHH

30 mm

HHj

JHH

30 mm

HHj

(¹)

EUR.1

(²)

(¹) Initials or coat of arms of the exporting State.

(²) Such information as is necessary for the identification of the approved exporter.>END OF GRAPHIC>

ANNEX VI
>TABLE POSITION>

PROTOCOL 5 to the Europe Agreement ('the Agreement')

CHAPTER I Specific provisions relating to trade between Spain and Poland

Article 1

The provisions of the Agreement relating to trade in Title III shall be amended as follows in order to take account of the measures and undertakings listed in the Act of Accession of the Kingdom of Spain and the Portuguese Republic to the European Communities (hereinafter called 'the Act of Accession').

Article 2

Under the Act of Accession Spain shall not grant to products originating in Poland more favourable treatment than it provides for imports originating or in free circulation in other Member States.

Article 3

1. Customs duties on imports applicable by the Kingdom of Spain to industrial products originating in Poland and referred to in Article 9 of the Agreement and in Protocols 1 and 2 and to the non-agricultural components of products included in Protocol 3 shall be abolished according to the procedure and timetables set forth in this Article.
2. Tariff dismantling shall start from the duties actually charged by the Kingdom of Spain in its trade with third countries on 1 January 1985 in accordance with the following timetable:
 - from the entry into force of the Agreement the difference between those duties and the duties applied by the Community of Ten on that date shall be reduced to 10 %.
 - on 1 January 1993 duties shall be aligned on those applied by the Community of Ten.

Article 4

1. Duties applied by the Kingdom of Spain to agricultural products as defined in Article 18 of the Agreement originating in Poland and listed in Annexes VIII and X of the Agreement shall be progressively aligned with those applied by the Community of Ten in accordance with the procedure and timetables set out in Articles 75 (2) and 75 (3) of the Act of Accession.
2. Levies applied by the Kingdom of Spain to agricultural products referred to in Article 20 (2) of the Agreement originating in Poland and listed in Annex VIII, and to the agricultural component of products referred to in Protocol 3 originating in Poland, shall be the levies applied each year by the Community of Ten adjusted by the accession compensatory amounts as set out in the Act of Accession.

Article 5

The implementation by Spain of the undertakings covered by Article 9 (4) of the Agreement shall take place at the time set for the remaining Member States always provided that Poland has been removed from the scope of Regulations (EEC) No 1765/82 and (EEC) No 3420/83 on import arrangements for products originating in State-trading countries.

Article 6

Quantitative restrictions may be applied to imports into Spain of products originating in Poland:

- (a) until 31 December 1992 in respect of the products listed in Annex A;
- (b) until 31 December 1995 in respect of the products listed in Annex B.

Article 7

Application of the provisions of this Protocol shall be without prejudice to Council Regulation (EEC) No 1911/91 of 26 June 1991 on the application of the provisions of Community law to the Canary Islands or Council Decision 91/314/EEC of 26 June 1991 setting up a programme of options specific to the remote and insular nature of the Canary Islands (Poseican).

CHAPTER II Specific provisions relating to trade between Portugal and Poland

Article 8

The provisions of the Agreement relating to trade in Title III shall be amended as follows in order to take account of the measures and undertakings listed in the Act of Accession.

Article 9

Under the Act of Accession Portugal shall not grant Poland more favourable treatment than is provided for imports originating in other Member States.

Article 10

1. The duties applicable by the Portuguese Republic to industrial products originating in Poland and referred to in Article 9 of the Agreement and in Protocols 1 and 2 and to the non-agricultural components of products included in Protocol 3 shall be phased out according to the procedure and timetables set forth in this Article.

2. In respect of industrial products other than those included in Annexes II and III to the Agreement tariff dismantling shall take as its basic starting point the duties actually applied by the Portuguese Republic in its trade with the Community of Ten on 1 January 1985:

- from the entry into force of the Agreement provided that this does not occur before 1 January 1992, duties shall be reduced to 15 % of the basic duty,
- on 1 January 1993 duties shall be aligned on those applied by the Community of Ten.

However, for products referred to in Annex XXXI of the Act of Accession tariff dismantling shall be carried out according to the same timetable and start from the duties actually applied by the Portuguese Republic in its trade with third countries on 1 January 1985.

3. For products included in Annex II to the Agreement tariff dismantling shall start from the duties actually charged by the Portuguese Republic in its trade with third countries on 1 January 1985 in accordance with the following timetable:

- from the entry into force of the Agreement the difference between those duties and the duties applied by the Community of Ten on that date shall be reduced to 15 %,
- on 1 January 1993 duties shall be aligned on those applied by the Community of Ten.

4. For products included in Annex III of the Agreement, and within the limits set by the Community tariff quotas referred to in Article 9 (3) of the Agreement, reductions in duties shall be carried out in accordance with the procedure and timetables set out in paragraph 2 of this Article.

Beyond the limits set by Community tariff quotas the rules laid down in paragraph 3 shall apply.

Article 11

1. The duties applied by the Portuguese Republic to agricultural products as defined in Article 18 of the Agreement originating in Poland and listed in Annexes VIII and X of the Agreement shall be progressively aligned with those applied by the Community of Ten in accordance with the procedure and timetables set out below in this Article.

2. For agricultural products other than those referred to in paragraph 3 the Portuguese Republic shall reduce its tariffs from those actually applied by it in its trade with third countries on 1 January 1985. Each year the difference between those tariffs and those applied by the Community of Ten shall be reduced in accordance with the following timetable:

- from the entry into force of the Agreement the difference shall be reduced to 36,3 % of the original difference,
- on 1 January 1993 the difference shall be reduced to 27,2 % of the original difference,
- on 1 January 1994 the difference shall be reduced to 18,1 % of the original difference,
- on 1 January 1995 the difference shall be reduced to 9 % of the original difference,
- from 1 January 1996 the Portuguese Republic shall apply the same duties as the Community of Ten.

3. The Portuguese Republic shall apply a duty to the agricultural products referred to in Regulations (EEC) No 136/66, (EEC) No 804/68, (EEC) No 805/68, (EEC) No 1035/72, (EEC) No 2727/75, (EEC) No 2759/75, (EEC) No 2771/75, (EEC) No 2777/75, (EEC) No 1418/76 and (EEC) No 822/87, which reduces the difference between the duty actually applied on 31 December 1990 and the preferential duty in accordance with the following timetable:

- from the entry into force of the Agreement the difference shall be reduced to 66,6 % of the initial difference,
 - on 1 January 1993 the difference shall be reduced to 49,9 % of the initial difference,
 - on 1 January 1994 the difference shall be reduced to 33,2 % of the initial difference,
 - on 1 January 1995 the difference shall be reduced to 16,5 % of the initial difference.
- Portugal shall apply preferential rates in full from 1 January 1996.

Article 12

The implementation by Portugal of the undertakings covered by Article 9 (4) of the European Agreement shall take place at the time set for the remaining Member States always provided that Poland has been removed from the scope of Regulations (EEC) No 1765/82 and (EEC) No 3420/83 on import arrangements for products originating in State-trading countries.

Article 13

Quantitative restrictions may be applied to imports into Portugal of products originating in Poland:

- (a) until 31 December 1992 in respect of the products listed in Annex C;
- (b) until 31 December 1995 in respect of the products in Annex D.

ANNEX A

>TABLE POSITION>

ANNEX B

>TABLE POSITION>

ANNEX C
>TABLE POSITION>

ANNEX D

0103 10 00
0103 91 10
0103 92 11
0103 92 19
0701 10 00
0701 90 10
0701 90 51
0701 90 59
0803 00 10
0803 00 90
0804 30 00
2204 21 10
2204 21 21
2204 21 23
2204 21 25
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PROTOCOL 6 on mutual assistance in customs matters

Article 1

Definitions

For the purposes of this Protocol:

- (a) 'customs legislation' shall mean provisions applicable in the territories of the Contracting Parties governing the import, export, transit of goods and their placing under any other customs procedure, including measures of prohibition, restriction and control adopted by the said Parties;
- (b) 'customs duties' shall mean all duties, taxes, fees or any other charges which are levied and collected in the territories of the Contracting Parties, in application of customs legislation, but not including fees and charges which are limited in amount to the approximate costs of

services rendered;

(c) 'applicant authority' shall mean a competent administrative authority which has been appointed by a Contracting Party for this purpose and which makes a request for assistance in customs matters;

(d) 'requested authority' shall mean a competent administrative authority which has been appointed by a Contracting Party for this purpose and which receives a request for assistance in customs matters;

(e) 'contravention' shall mean any violation of the customs legislation as well as any attempted violation of such legislation.

Article 2

Scope

1. The Contracting Parties shall assist each other, in the manner and under the conditions laid down in this Protocol, in ensuring that customs legislation is correctly applied, in particular by the prevention, detection and investigation of contraventions of this legislation.

2. Assistance in customs matters, as provided for in this Protocol, applies to any administrative authority of the Contracting Parties which is competent for the application of this Protocol. It shall not prejudice the rules governing mutual assistance in criminal matters. Nor shall it cover information obtained under powers exercised at the request of the judicial authority, unless those authorities so agree.

Article 3

Assistance on request

1. At the request of the applicant authority, the requested authority shall furnish it with all relevant information to enable it to ensure that customs legislation is correctly applied, including information regarding operations noted or planned which contravene or would contravene such legislation.

2. At the request of the applicant authority, the requested authority shall inform it whether goods exported from the territory of one of the Contracting Parties have been properly imported into the territory of the other Party, specifying, where appropriate, the customs procedure applied to the goods.

3. At the request of the applicant authority, the requested authority shall take the necessary steps to ensure that a surveillance is kept on:

(a) natural or legal persons concerning whom there are reasonable grounds for believing that they are contravening or have contravened customs legislation;

(b) movement of goods notified as possibly giving rise to substantial contraventions of customs legislation;

(c) means of transport for which there are reasonable grounds for believing that they have been, are or may be used in the contravening of customs legislation.

Article 4

Spontaneous assistance

The Contracting Parties shall within their competences provide each other with assistance if they consider that to be necessary for the correct application of customs legislation, particularly when they obtain information pertaining to:

- operations which have contravened, contravene or would contravene such legislation and which may be of interest to other Contracting Parties;

- new means or methods employed in realizing such operations;

- goods known to be subject to substantial contravention of customs legislation on import, export, transit or any other customs procedure.

Article 5

Delivery/Notification

At the request of the applicant authority, the requested authority shall in accordance with its legislation take all necessary measures in order:

- to deliver all documents, and
- to notify all decisions

falling within the scope of this Protocol to an addressee, residing or established in its territory. In such a case Article 6 (3) is applicable.

Article 6

Form and substance of requests for assistance

1. Requests pursuant to this Protocol shall be made in writing. Documents necessary for the execution of such requests shall accompany the request. When required because of the urgency of the situation, oral requests may be accepted, but must be confirmed in writing immediately.

2. Requests pursuant to paragraph 1 shall include the following information:

- (a) the applicant authority making the request;
- (b) the measure requested;
- (c) the object of and the reason for the request;
- (d) the laws, rules, and other legal elements involved;
- (e) indications as exact and comprehensive as possible on the natural or legal persons being the target of the investigations;
- (f) a summary of the relevant facts, except in cases provided for in Article 5.

3. Requests shall be submitted in an official language of the requested authority or in a language acceptable to such authority.

4. If a request does not meet the formal requirements, its correction or completion may be demanded; the ordering of precautionary measures may, however, take place.

Article 7

Execution of requests

1. In order to comply with a request for assistance, the requested authority or, when the latter cannot act on its own, the administrative department to which the request has been addressed by this authority, shall proceed, within its competence and available resources, as though it were acting on its own account or at the request of other authorities of that same Contracting Party, by supplying information already possessed, by carrying out appropriate enquiries or by arranging for them to be carried out.

2. Requests for assistance will be executed in accordance with the laws, rules, and other legal instruments of the requested Contracting Party.

3. Duly authorized officials of a Contracting Party may, with the agreement of the other Contracting Party involved and within the conditions laid down by the latter, obtain from the offices of the requested authority or other authority for which the requested authority is responsible, information relating to the contravention of customs legislation which the applicant authority needs for the purposes of this Protocol.

4. Officials of a Contracting Party may, with the agreement of the other Contracting Party, be present at enquiries carried out in the latter's territory.

Article 8

Form in which information is to be communicated

1. The requested authority shall communicate results of enquiries to the applicant authority in

the form of documents, certified copies of documents, reports and the like.

2. The documents provided for in paragraph 1 may be replaced by computerized information produced in any form for the same purpose.

Article 9

Exceptions to the obligation to provide assistance

1. The Contracting Parties may refuse to give assistance as provided for in this Protocol, where to do so would:

(a) be likely to prejudice sovereignty, public policy (l'ordre publique), security or other essential interests; or

(b) involve currency or tax regulations other than regulations concerning customs duties; or

(c) violate an industrial, commercial or professional secret.

2. Where the applicant authority asks for assistance which it would itself be unable to provide if so asked, it shall draw attention to that fact in its request. It shall then be left to the requested authority to decide how to respond to such a request.

3. If assistance is withheld or denied, the decision and the reasons therefore must be notified to the applicant authority without delay.

Article 10

Obligation to observe confidentiality

1. Any information communicated in whatsoever form pursuant to this Protocol shall be of a confidential nature. It shall be covered by the obligation of official secrecy and shall enjoy the protection extended under the relevant laws applicable in the Contracting Party which received it and the corresponding provisions applying to the Community authorities.

2. Nominative data shall not be transmitted whenever there are reasonable grounds to believe that the transfer or the use made of the data transmitted would be contrary to the basic legal principles of one of the Parties, and, in particular, if the person concerned would suffer undue disadvantages. Upon request, the receiving Party shall inform the furnishing Party of the use made of the information supplied and of the results achieved.

3. Nominative data may only be transmitted to customs authorities and, in the case of need for prosecution purposes, to public prosecution and judicial authorities. Other persons or authorities may obtain such information only upon previous authorization by the furnishing authority.

4. The furnishing Party shall verify the accuracy of the information to be transferred. Whenever it appears that the information supplied was inaccurate or to be deleted, the receiving Party shall be notified without delay. The latter shall be obliged to carry out the correction or deletion.

5. Without prejudice to cases of prevailing public interest, the person concerned may obtain, upon request, information on the data stores and the purpose of this storage.

Article 11

Use of information

1. Information obtained shall be used solely for the purposes of this Protocol and may be used within each Contracting Party for other purposes only with the prior written consent of the administrative authority which furnished the information and shall be subject to any restrictions laid down by that authority. These provisions are not applicable to information concerning offences relating to narcotic drugs and psychotropic substances. Such information may be communicated to other authorities directly involved in the combatting of illicit drug traffic, within the limits of Article 2.

2. Paragraph 1 shall not impede the use of information in any judicial or administrative

proceedings subsequently instituted for failure to comply with customs legislation.

3. The Contracting Parties may, in their records of evidence, reports and testimonies and in proceedings and charges brought before the courts, use as evidence information obtained and documents consulted in accordance with the provisions of this Protocol.

Article 12

Experts and witnesses

An official of a requested authority may be authorized to appear, within the limitations of the authorization granted, as expert or witness in judicial or administrative proceedings regarding the matters covered by this Protocol in the jurisdiction of another Contracting Party, and produce such objects, documents or authenticated copies thereof, as may be needed for the proceedings. The request for an appearance must indicate specifically on what matter and by virtue of what title or qualification the official will be questioned.

Article 13

Assistance expenses

The Contracting Parties shall waive all claims on each other for the reimbursement of expenses incurred pursuant to this Protocol, except, as appropriate, for expenses to experts and witnesses and to interpreters and translators who are not dependent upon public services.

Article 14

Implementation

1. The management of this Protocol shall be entrusted to the central customs authorities of Poland on the one hand, and the competent services of the Commission and, where appropriate, the customs authorities of the Member States on the other. They shall decide on all practical measures and arrangements necessary for its application, taking into consideration rules in the field of data protection. They may recommend to the competent bodies amendments which they consider should be made to this Protocol.

2. The Contracting Parties shall consult each other and subsequently keep each other informed of the detailed rules of implementation which are adopted in accordance with the provisions of this Article.

Article 15

Complementarity

1. This Protocol shall complement and not impede application of any agreements on mutual assistance which have been concluded or may be concluded between individual or several Member States and Poland. Nor shall it preclude more extensive mutual assistance granted under such agreements.

2. Without prejudice to Article 11, these agreements shall not prejudice Community provisions governing the communication between the competent services of the Commission and the customs authorities of the Member States of any information obtained in customs matters which could be of Community interest.