CHAPTER 6. RULES OF ORIGIN

SECTION I. GENERAL PROVISIONS

Article 6.1
Scope

The Rules of Origin provided for in this Chapter shall be applied for the purposes of granting preferential tariff treatment in accordance with this Agreement.

Article 6.2
Definitions

For the purposes of this Chapter:

(a) **"aquaculture"** means farming of aquatic organisms including fish, molluscs, crustaceans, other aquatic invertebrates and aquatic plants, from feedstock such as eggs, fry, fingerlings and larvae, by intervention in the rearing or growth processes to enhance production such as regular stocking, feeding, or protection from predators;

(b) **"authorized body"** means the competent authority designated by a Party to issue Certificate of Origin under this Agreement;

(c) **"CIF value"** means the value of the goods imported, and includes the cost of freight and insurance up to the port or place of entry into the country of importation in accordance with the applicable and in force international commercial terms ("incoterms"), excluding internal taxes which may be repaid when the product is exported;

(d) **"consignment"** means goods that are sent simultaneously covered by one or more transport documents to the consignee from the exporter, as well as goods that are sent over a single post-invoice or transferred as a luggage of the person crossing the border;

(e) **"exporter"** means a seller of goods according to the foreign trade agreement (contract), consignor, supplier or producer of goods;

(f) **"EXW value"** means the price paid for a good to the producer in the Party where the last working or processing was carried out, in accordance with the applicable and in force international commercial terms ("incoterms"), excluding internal taxes which may be repaid when the product is exported;

(g) **"importer"** means a purchaser of goods according to the foreign trade agreement (contract) or consignee of goods;

(h) **"material"** means any matter or substance including ingredient, raw material, component or part used or consumed in the production of goods or physically incorporated into goods or subjected to a process in the production of other goods;

(i) **"non-originating goods"** or **"non-originating materials"** means goods or materials that do not fulfil the origin criteria of this Chapter;

(j) **"originating goods"** or **"originating materials"** means goods or materials that fulfil the origin criteria of this Chapter;

(k) **"producer"** means a person who carries out production in the territory of a Party;

(l) **"production"** means methods of obtaining goods including growing, mining, harvesting, raising, breeding, extracting, gathering, capturing, fishing, hunting, manufacturing, processing or assembling such goods;

(m) **"proof of origin"** means either Certificate of Origin or Declaration of Origin;

(n) **"verification authority"** means the competent governmental authority designated by a Party to conduct verification procedures.

Article 6.3
Origin Criteria

For the purposes of this Chapter goods shall be considered as originating in a Party if they are:

(a) wholly obtained or produced in such Party as provided for in Article 6.4 of this Agreement; or

(b) produced entirely in one or more Parties, exclusively from originating materials from one or more Parties; or

(c) produced in a Party using non-originating materials provided that value added content of the Party is not less than 50 percent of the EXW value, except for the cases that specific origin criterion for such goods set out in Annex 2 to this Agreement.

Article 6.4
Wholly Obtained or Produced Goods

For the purposes of Article 6.3 of this Agreement, the following goods shall be considered as wholly obtained or produced in a Party:

(a) plants and plant goods, including fruits, berries, flowers, vegetables, trees, seaweed, fungi and live plants, grown, harvested, or gathered in the territory of a Party;

(b) live animals born and raised in the territory of a Party;

(c) goods obtained from live animals in the territory of a Party;

(d) goods obtained from gathering, hunting, capturing, fishing, growing, raising, aquaculture in the territory of a Party;

(e) minerals and other naturally occurring substances extracted or taken from the air, soil, waters or seabed and subsoil in the territory of a Party;

(f) goods of sea fishing and other marine goods taken from the high seas, in accordance with international law, by a vessel registered or recorded in a Party and flying its flag;

(g) goods manufactured exclusively from goods referred to in subparagraph (f) of this Article, on board a factory ship registered or recorded in a Party and flying its flag;

(h) waste and scrap resulting from production and consumption conducted in the territory of a Party;

(i) used goods collected in the territory of a Party provided that such goods are fit only for the recovery of raw materials;

(j) goods produced in outer space on board a spacecraft provided that the same spacecraft is registered in a Party;

(k) goods produced or obtained in the territory of a Party solely from goods referred to in subparagraphs (a) through (j) of this Article.

Article 6.5
Value Added Content

1. For the purposes of this Chapter and product specific rules specified in Annex 2 to this Agreement the formula for calculating value added content (hereinafter referred to as "VAC") shall be:

$$\frac{\textbf{EXW value} - \textbf{Value of Non-Originating Materials}}{\textbf{EXW value}} \times 100\%$$

where the value of non-originating materials shall be:

(a) CIF value of the materials at the time of importation to a Party; or

(b) the earliest ascertained price paid or payable for non-originating materials in the territory of the Party where the working or processing takes place.

When, in the territory of a Party, the producer of the goods acquires non-originating materials within that Party, the value of such materials shall not include freight, insurance, packing costs and any other costs incidental to the transport of those materials from the location of the supplier to the location of production.

2. Each Party shall provide that for non-originating materials, the cost of waste and spoilage resulting from the use of the materials in the production of the goods may be deducted from the value of the materials.

Article 6.6
Insufficient Working or Processing

1. The following operations undertaken exclusively by themselves or in combination with each other are considered to be insufficient to meet the requirements of Article 6.3 of this Agreement:

(a) preserving operations to ensure that a product retains its condition during transportation and storage;

(b) freezing or thawing;

(c) packaging and re-packaging;

(d) washing, cleaning, removing dust, oxide, oil, paint or other coverings;

(e) ironing or pressing of textiles;

(f) colouring, polishing, varnishing, oiling;

(g) husking, partial or total bleaching, polishing and glazing of cereals and rice;

(h) operations to colour sugar or form sugar lumps;

(i) peeling and removal of stones and shells from fruits, nuts and vegetables;

(j) sharpening, grinding;

(k) cutting;

(l) sifting, screening, sorting, classifying;

(m) placing in bottles, cans, flasks, bags, cases, boxes, fixing on surface and all other packaging operations;

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

(o) mixing of products (components) which does not lead to a sufficient difference of product from the original components;
(p) simple assembly of a product or disassembly of products into parts;
(q) slaughter of animals, sorting of meat.

2. For the purposes of paragraph 1 of this Article, "simple" describes activities which do not require special skills or machines, apparatus or equipment especially designed for carrying out such activities.

Article 6.7
Accumulation of Origin

Without prejudice to Article 6.3 of this Agreement, the goods or materials originating in a Party, which are used as material in the manufacture of a product in the other Party, shall be considered as originating in such Party where the last operations other than those referred to in paragraph 1 of Article 6.6 of this Agreement have been carried out. The origin of such material shall be confirmed by a Certificate of Origin (Form CT-3) (hereinafter referred to as "Certificate of Origin") issued by an authorized body.

Article 6.8
De Minimis

1. Goods that do not undergo a change in tariff classification pursuant to Annex 2 to this Agreement are nonetheless considered originating if:
(a) the value of all non-originating materials that are used in the production of the goods and do not undergo the required change in tariff classification, does not exceed 5 percent of the EXW value of such goods and provided that such materials necessary for production of goods; and
(b) the goods meet all other applicable requirements of this Chapter.

2. The value of materials referred to in subparagraph (a) of paragraph 1 of this Article shall be included in the value of non-originating materials for any applicable VAC requirement.

Article 6.9
Direct Consignment

1. Preferential tariff treatment in accordance with this Chapter shall be granted to originating goods provided that such goods are transported directly from the territory of the exporting Party to the territory of the importing Party.

2. Notwithstanding paragraph 1 of this Article, originating goods may be transported through territories of third countries, provided that:

(a) transit through the territory of third countries is justified for geographical reasons or related exclusively to transport requirements;

(b) the goods have not entered into trade or consumption there; and

(c) the goods have not undergone any operation there other than unloading, reloading, storing, or any necessary operation designed to preserve their condition.

3. A declarant shall submit appropriate documentary evidence to the customs authorities of the importing Party confirming that the conditions set out in paragraph 2 of this Article have been fulfilled. Such evidence shall be provided to the customs authorities of the importing Party by submission of:

(a) transport documents covering the passage from the territory of one Party to the territory of the other Party containing:

i. an exact description of the goods;

ii. the dates of unloading and reloading of the goods (if the transport documents do not contain the dates of unloading and reloading of the goods, other supporting document containing such information shall be submitted in addition to transport documents) and;

iii. where applicable:

the names of the ships, or the other means of transport used;
the numbers of containers;
the conditions under which the goods remained in the third transit country in the proper condition;
the marks of the customs authorities of the country of transit;

(b) commercial invoice in respect of the goods.

4. A declarant may submit other supporting documents to prove that the requirements of paragraph 2 of this Article are fulfilled.

5. In the instance that the transport documents cannot be provided, a document issued by the customs authorities of the third transit country containing all the information referred to in subparagraph (a) of paragraph 3 of this Article shall be submitted.

6. If a declarant fails to provide the customs authorities of the importing Party with documentary evidence of direct consignment, preferential tariff treatment shall not be granted.

Article 6.10
Packaging Materials for Retail Sale

1. Packaging materials and containers in which goods are packaged for retail sale, if classified with the goods, shall be disregarded in determining whether all the non-originating materials used in the production of those goods have undergone the applicable change in tariff classification set out in Annex 2 to this Agreement.
2. Notwithstanding paragraph 1 of this Article in determining whether the goods fulfil the VAC requirement, the value of the packaging used for retail sale will be counted as originating or non-originating materials, as the case may be, in calculating the VAC of the goods.

Article 6.11
Packing Materials for Shipment

Packing materials and containers in which goods are packed exclusively for transport shall not be taken into account for the purposes of establishing whether the goods are originating.

Article 6.12
Accessories, Spare Parts, Tools and Instructional or Information Materials

1. In determining whether the goods fulfil the change in tariff classification requirements specified in Annex 2 to this Agreement, accessories, spare parts, tools and instructional or information materials, which are part of the normal equipment and included in its EXW value, and which are not separately invoiced, shall be considered as part of the goods in question and shall not be taken into account in determining whether the goods qualify as originating.
2. Notwithstanding paragraph 1 of this Article in determining whether the goods fulfil the VAC requirement, the value of accessories, spare parts, tools, instructional and information materials shall be taken into account as originating materials or non-originating materials, as the case may be, in calculating VAC of the goods.
3. This Article shall apply only where:
   (a) accessories, spare parts, tools, instructional or other information materials presented with the goods are not invoiced separately from the such goods; and

(b) the quantities and value of accessories, spare parts, tools and instructional or other information materials presented with the goods are customary for such goods.

Article 6.13
Sets

Sets, as defined in General Rule 3 of the interpretation of the Harmonized System, shall be regarded as originating when all component goods are originating. Nevertheless, when a set is composed of originating and non-originating goods, the set as a whole shall be regarded as originating, provided that the value of the non-originating goods does not exceed 15 percent of the EXW value of the set.

Article 6.14
Neutral Elements

In order to determine whether goods are originating, the origin of the following neutral elements which might be used in its manufacture and not incorporated in it shall not be taken into account:

(a) fuel and energy;
(b) tools, dies and moulds;
(c) spare parts and materials used in the maintenance of equipment and buildings;
(d) lubricants, greases, compounding materials and other materials used in the production or used to operate equipment and buildings;
(e) gloves, glasses, footwear, clothing, safety equipment;
(f) equipment, devices used for testing or inspecting the goods;
(g) catalyst and solvent; and
(h) any other goods that are not incorporated into such goods but the use of which in the production of such goods can be demonstrated to be a part of that production.

SECTION II. DOCUMENTARY PROOF OF ORIGIN

Article 6.15
Claim for Preferential Tariff Treatment

1. Goods originating in a Party shall, on importation into another Party, benefit from the preferential tariff treatment upon submission of one of the following proofs of origin:

(a) a Certificate of Origin issued in accordance with this Chapter. The Certificate of Origin submitted to the customs authorities of the importing Party shall be original, valid, duly completed and issued in conformity with the format set out in Annex 3 to this Agreement except for the cases provided for in Article 6.28 of this Agreement;

(b) a Declaration of Origin issued in accordance with Article 6.17 of this Agreement.

2. The proof of origin shall be valid for a period of 12 months from the date of issuance and must be submitted to the customs authorities of the importing Party within that period but not later than the moment of the submission of the customs declaration, except in circumstances stipulated in paragraph 3 of this Article.

3. If the importer is not in possession of a proof of origin at the time of importation, the importing Party shall impose the applied MFN customs duty or require payment of a deposit on the imported goods, where applicable. In such a case the importer may make a claim for preferential tariff treatment and refund of any excess import customs duty or deposit paid within 12 months from the time of registration of customs declaration in accordance with respective laws and regulations of the importing Party provided that all requirements of Article 6.23 of this Agreement have been met.

Article 6.16
Circumstances When the Proof of Origin is not Required

The proof of origin is not required in order to obtain preferential tariff treatment for importation of originating goods where the customs value does not exceed the amount of 200 Euro or the equivalent amount in the importing Party's currency, provided that the importation does not form part of one or more consignments that may reasonably be considered to have been undertaken or arranged for the purposes of avoiding the submission of the proof of origin.

Article 6.17
Declaration of Origin

1. A Declaration of Origin as referred to in paragraph 1 of Article 6.15 of this Agreement may be made out by producer or exporter for any consignment containing originating goods the customs value of which does not exceed 5000 Euro or the equivalent amount in the importing Party's currency.
Parties shall ensure that such importation does not form part of one or more consignments that may reasonably be considered to have been undertaken or arranged with a view to avoid the submission of the Certificate of Origin.
2. A Declaration of Origin is a statement on origin made by producer or exporter on any commercial documents related to the goods and must be in accordance with the template in Annex 4 to this Agreement.
3. Declarations of Origin shall be printed and shall bear the signature of the producer or exporter and shall be in English.
4. Declaration of Origin shall cover the originating goods under one consignment and shall remain valid for 12 months from the date it was made.
The actual weight of declared importing goods shall not exceed 5 percent of the weight specified in the commercial document containing the Declaration of Origin.
5. Where the customs authorities of the importing Party have a reasonable doubt about the authenticity of a Declaration of Origin and/or the compliance of the goods with the origin criteria, they may request a Certificate of Origin to be presented.

Article 6.18
Issuance of the Certificate of Origin

1. The producer, or exporter of the goods, or its authorized representative shall apply to an authorized body for a Certificate of Origin in writing or by electronic means if applicable.
2. The Certificate of Origin shall be issued by the authorized body to the producer or exporter of the exporting Party or its authorized representative prior to or at the time of exportation whenever the goods to be exported can be considered originating in a Party within the meaning of this Chapter.
3. The authorized body of the exporting Party shall ensure that Certificates of Origin are duly completed in accordance with the requirements set out in Annex 3 to this Agreement.

4. The Certificate of Origin shall cover the goods under one consignment.
5. Each Certificate of Origin shall bear a unique reference number separately given by the authorized body.
6. If all of the goods covered by the Certificate of Origin cannot be listed on one page, additional sheets, as set out in Annex 3 to this Agreement, shall be used.
7. The Certificate of Origin shall comprise one original and two copies.
8. The copy shall be retained by the authorized body in the exporting Party. Another copy shall be retained by the exporter.
9. Without prejudice to paragraph 2 of this Article, in exceptional cases, where a Certificate of Origin has not been issued prior to or at the time of exportation it may be issued retroactively and shall be marked "ISSUED RETROACTIVELY" or "ISSUED RETROSPECTIVELY".
10. The submitted original Certificate of Origin shall be kept at the customs authorities of the importing Party except in circumstances stipulated in its respective domestic laws and regulations.

Article 6.19
Minor Discrepancies

1. Where the origin of the goods is not in doubt, the discovery of minor discrepancies between the information in the proof of origin and in the documents submitted to the customs authorities of the importing Party shall not, of themselves, invalidate the proof of origin, if such information in fact corresponds to the goods submitted.
2. For multiple goods declared under the same proof of origin, a problem encountered with one of the goods listed shall not affect or delay the granting of preferential tariff treatment for the remaining goods covered by the proof of origin.

Article 6.20
Specific Cases of Issuance of the Certificate of Origin

1. In the event of theft, loss or destruction of a Certificate of Origin, the producer, exporter or its authorized representative may apply to the authorized body specifying the reasons for such application for a certified duplicate of the original Certificate of Origin. The duplicate shall be made on the basis of the previously issued Certificate of Origin and supporting documents. A certified duplicate shall bear the words "DUPLICATE OF THE CERTIFICATE OF ORIGIN NUMBER_ _DATE_ _".

The certified duplicate of a Certificate of Origin shall be valid no longer than 12 months from the date of issuance of the original Certificate of Origin.

2. Due to accidental errors or omissions made in the Certificate of Origin, the authorized body shall issue the Certificate of Origin in substitution for the previously issued Certificate of Origin. In this instance, the Certificate of Origin shall bear the words: "ISSUED IN SUBSTITUTION FOR THE CERTIFICATE OF ORIGIN NUMBER__DATE__". Such Certificate of Origin shall be valid no longer than 12 months from the date of its issuance.

Article 6.21
Alterations in the Certificate of Origin

Neither erasures nor superimpositions shall be allowed on the Certificate of Origin. Any alteration shall be made by striking out the erroneous data and printing any additional information required. Such alteration shall be approved by a person authorized to sign the Certificate of Origin and certified by an official seal of the appropriate authorized body.

Article 6.22
Record-keeping Requirements

1. The producer or exporter applying for the issuance of a Certificate of Origin shall keep all records and copies of documents submitted to the authorized body for the period of no less than 3 years from the date of issuance of the Certificate of Origin.

2. An importer who has been granted preferential tariff treatment must keep the copy of proof of origin, based on the date when the preferential tariff treatment was granted, for the period of no less than 3 years.

3. The application for Certificate of Origin and all documents related to such application shall be retained by the authorized body for the period of no less than 3 years from the date of issuance of the Certificate of Origin.

4. A producer or exporter making out a Declaration of Origin shall keep all records and copies of documents proving the origin of the goods concerned for a period of no less than 3 years from the date of issuance of the Declaration of Origin.

SECTION III. PREFERENTIAL TARIFF TREATMENT

Article 6.23
Granting Preferential Tariff Treatment

1. Preferential tariff treatment under this Agreement shall be applied to originating goods that satisfy the requirements of this Chapter.
2. Customs authorities of the importing Party shall grant preferential tariff treatment to originating goods of the exporting Party provided that:
   (a) importing goods satisfy the origin criteria referred to in Article 6.3 of this Agreement;
   (b) the declarant demonstrates compliance with the requirements of this Chapter;
   (c) the origin of goods confirmed by proof of origin in accordance with requirements provided for in this Chapter.
3. Notwithstanding paragraph 2 of this Article, where the customs authorities of the importing Party have a reasonable doubt as to the origin of the goods for which preferential tariff treatment is claimed and/or to the authenticity of the submitted proof of origin such customs authorities may suspend or deny the application of preferential tariff treatment to such goods. However, the goods can be released in accordance with the requirements of such Party's respective laws and regulations.

Article 6.24
Denial of Preferential Tariff Treatment

1. Where the goods do not meet the requirements of this Chapter or where the importer or exporter fails to comply with the requirements of this Chapter, the customs authorities of the importing Party may deny preferential tariff treatment and recover unpaid customs duties in accordance with its respective laws and regulations.
2. The customs authorities of the importing Party may deny preferential tariff treatment if:
   (a) the goods do not meet the requirements of this Chapter to consider them as originating in the exporting Party; and/or
   (b) the other requirements of this Chapter are not met, including:
      i. the requirements of Article 6.9 of this Agreement;
      ii. the submitted proof of origin has not been duly completed as specified in Annexes 3 or 4 to this Agreement;

(c) the verification procedures undertaken under Article 6.29 of this Agreement are unable to establish the origin of the goods or indicate the inconsistency of the origin criteria;

(d) the verification authority or authorized body of the exporting Party has confirmed that the Certificate of Origin had not been issued (i.e. forged) or had been annulled (withdrawn);

(e) the customs authority of the importing Party receives no reply within a maximum of 6 months after the date of a verification request made to the verification authority or authorized body of the exporting Party, or if the response to the request does not contain sufficient information to conclude whether the goods originate in a Party;

(f) information contained in the original Certificate of Origin or its copy does not correspond to the information in the web-database, referred to in Article 6.28 of this Agreement, on the date of registration of the customs declaration;

(g) the Certificate of Origin was not submitted upon the request of the customs authority of the importing Party in cases, provided for in paragraph 5 of Article 6.17 and in paragraphs 7 and 12 of Article 6.28 of this Agreement.

3. Where the importing Party determines through verification procedures that an exporter or producer has engaged in providing false and/or incomplete information for the purposes of obtaining Certificates of Origin, customs authorities of the importing Party may deny preferential tariff treatment to identical goods covered by Certificates of Origin issued to that exporter or producer in accordance with the respective domestic laws and regulations.

4. In cases as set out in subparagraph (b) of paragraph 2 of this Article customs authorities of the importing Party are not required to make a verification request, as provided for in Article 6.29 of this Agreement, to the verification authority or authorized body for the purposes of making decisions on denial of preferential tariff treatment.

SECTION IV. ADMINISTRATIVE COOPERATION

Article 6.25
Administrative Cooperation Language

Any notification or communication under this Section shall be conducted between the Parties through the relevant authorities in English.

Article 6.26
Authorized Body and Verification Authority

From the date of entry into force of this Agreement, each Government of the Parties shall designate or maintain an authorized body and a verification authority.

Article 6.27
Notifications

1. Prior to the issuance of any Certificates of Origin under this Agreement by the authorized body, each Party shall provide each other, through the Ministry of Industry, Mine and Trade of I.R. Iran and the Eurasian Economic Commission, respectively, with the names and addresses of each authorized body and verification authority, along with original and legible specimen impressions of their stamps, sample of the Certificate of Origin to be used and data on the security features of the Certificate of Origin.
2. I.R. Iran shall provide the Eurasian Economic Commission with the original information referred to in paragraph 1 of this Article in sextuple. The Eurasian Economic Commission may request I.R. Iran to provide additional sets of such information.
3. I.R. Iran and the Eurasian Economic Commission shall publish through the Internet the information on the names and addresses of the authorized body and verification authority of each Party.
4. Any change to the information stipulated above shall be notified by the authorities referred to in paragraph 1 of this Article, in advance and in the same manner.
5. All the information provided according to the paragraph 1 of this Article shall be applied from the date of receiving an original hard copy with such information by the Ministry of Industry, Mine and Trade of I.R. Iran or the Eurasian Economic Commission, respectively.

6. The Parties shall provide each other, through the Ministry of Industry, Mine and Trade of I.R. Iran or the Eurasian Economic Commission, respectively, with contact e-mail addresses of the bodies involved in verification procedures.

Article 6.28
Use of Web-Databases. Development and Implementation of Electronic Origin Verification System

1. In order to simplify the procedures for obtaining the preferential tariff treatment, the Parties can use via Internet secure databases of the authorized bodies that contain information on issued Certificates of Origin and enable customs authorities of the importing Party to verify the authenticity of any issued Certificate of Origin (hereinafter referred to as "web-databases").
2. The web-databases shall meet the following requirements:
    i. completeness, relevance and reliability of the information contained;
    ii. data protection of the information contained from unauthorized access, destruction, modification or any other illegal actions;
    iii. proper around the clock functioning;
    iv. entering the information on the Certificate of Origin into the web-database no later than 1 day after the date of its issuance;
    v. storage of information on the issued Certificates of Origin within the period set out in paragraph 3 of Article 6.22 of this Agreement;
    vi. possibility of saving (printing) information contained in the web-database by the customs authorities of the importing Party.
3. The data from the Certificate of Origin entered into the web-database shall be identical to those contained in such Certificate of Origin issued in accordance with Annex 3 to this Agreement, except for signatures and stamps.
4. When the interested authorized bodies adopt the web-databases or the Electronic Origin Verification System is implemented, referred to in paragraph 9 of this Article (hereinafter referred to as "the EOVS"), Certificates of Origin may be issued electronically without being made in original paper format (hereinafter referred to as "electronic Certificate of Origin").
5. If the Parties use the web-databases, the original Certificate of Origin

shall not be required by the customs authority of the importing Party. In this case, a copy of the Certificate of Origin (hard or soft copy) or the electronic Certificate of Origin is enough for the granting of tariff preferences.

6. Notwithstanding paragraph 5 of this Article, within 6 months from the date of entry into force of this Agreement the original Certificate of Origin is required to be submitted to the customs authorities of the Parties for granting preferential tariff treatment to originating goods.

7. If information on the Certificate of Origin is not available in the web-database on the date of registration of the customs declaration, the customs authority of importing Party shall require the submission of the original Certificate of Origin, unless the Certificate of Origin is issued electronically as provided for in paragraph 4 of this Article**.**

8. Prior to the web-databases implementation, the Parties shall provide each other, through the Ministry of Industry, Mine and Trade of I.R. Iran and the Eurasian Economic Commission, respectively, with the electronic addresses of the web-databases and information about requirements to access such web-databases (user names, passwords, if any).

9. With the view of further development of paperless trade, the Parties shall endeavour, no later than 5 years from the date of entry into force of this Agreement, to develop and support the EOVS based on an electronic data exchange concept.

10. The EOVS provides to the customs authorities of the importing Party the possibility to receive through the electronic data transmission the information from the Certificates of Origin issued by the authorised bodies of the exporting Party.

11. If the Parties implement the EOVS, the original Certificate of Origin, its copy or electronic Certificate of Origin shall not be required by the customs authority of the importing Party. In such case, the date and number of such Certificate of Origin shall be specified in the customs declaration.

Nevertheless the original Certificate of Origin shall be issued by the authorized bodies, unless Certificate of Origin is issued electronically as provided for in paragraph 4 of this Article.

12. If information on the Certificate of Origin is not accessible in the EOVS on the date of registration of the customs declaration, the customs authority of importing Party shall require the submission of copy of the Certificate of Origin and verify its authenticity using the web-database. If the authorized body does not have the web-database, original Certificate of Origin shall be submitted, unless Certificate of Origin is issued only electronically as provided for in paragraph 4 of this Article.

13. All the requirements and specifications for the application of the EOVS shall be set out in separate Protocol.

Article 6.29
Verification of Origin

1. Where the customs authorities of the importing Party have a reasonable doubt about the authenticity of proof of origin and/or the compliance of the goods, covered by the proof of origin, with the origin criteria, pursuant to Article 6.3 of this Agreement, and in the case of a random check, they may send a request to the verification authority or authorized body of the exporting Party to confirm the authenticity of the proof of origin and/or the compliance of the goods with the origin criteria and/or to provide, if requested, documentary evidence from the exporter and/or the producer of the goods.
2. All verification requests shall be accompanied by sufficient information to identify the concerned goods. A request to the verification authority or authorized body of the exporting Party shall be accompanied by a copy of the proof of origin and shall specify the circumstances and reasons for the request.
3. A copy of the verification request, and its accompanying documents, as well as the verification response to such a request, are transmitted electronically between the customs authority of the importing Party and the verification authority or authorized body of the exporting Party, via the contact addresses referred to in paragraph 6 of Article 6.27 of this Agreement.
4. The recipient of a request under paragraph 1 of this Article shall respond to the requesting customs authorities of the importing Party within 6 months after the date of such verification request.
5. In response to a request under paragraph 1 of this Article verification authority or authorized body of the exporting Party shall clearly indicate whether the proof of origin is authentic and/or whether the goods can be considered as originating in such Party including by providing requested documentary evidence received from the exporter and/or producer. Before the response to the verification request, paragraph 3 of Article 6.23 of this Agreement may be applied. The customs duties paid shall be refunded if the received results of the verification process confirm and clearly indicate that the goods qualify as originating and all other requirements of this Chapter are met.

Article 6.30
Confidentiality

All information provided pursuant to this Chapter shall be treated by the Parties as confidential in accordance with their respective laws and regulations. It shall not be disclosed without the written permission of the person or authority of the Party providing it except to the extent that it may be required to be disclosed in the context of judicial proceedings.

Article 6.31
Penalties or Other Measures Against Fraudulent Acts

Each Party shall provide for criminal or administrative penalties for violations of its respective laws and regulations related to this Chapter.

Article 6.32
Subcommittee on Rules of Origin

1. For the purposes of effective implementation and operation of this Chapter, a Subcommittee on Rules of Origin (hereinafter referred to as "the ROO subcommittee") shall be established.
2. The ROO subcommittee shall have the following functions:
   (a) reviewing and making appropriate recommendations to the Joint Committee and the Goods Committee on:
      i. transposition of Annex 2 to this Agreement that is in the nomenclature of the revised HS following periodic amendments of the HS. Such transposition shall be carried out without impairing the existing commitments and shall be completed in a timely manner;
      ii. implementation and operation of this Chapter, including proposals for establishing implementing arrangements;
      iii. failure to fulfil the obligations by the Parties, as determined in this Section;
      iv. technical amendments to this Chapter;
      v. disputes arising between the Parties during the implementation of this Chapter;
      vi. any amendment to the provisions of this Chapter and to the Annexes 2, 3 and 4 to this Agreement;
   (b) considering any other matter proposed by a Party related to this Chapter;

(c) reporting the findings of the ROO subcommittee to the Committee on Trade in Goods; and

(d) performing other functions as may be delegated by the Joint Committee pursuant to Article 1.5 of this Agreement.

3. The ROO subcommittee shall be composed of the representatives of the Parties, and may invite representatives of other entities of the Parties with necessary expertise relevant to the issues to be discussed, upon mutual agreement of the Parties.

4. The ROO subcommittee shall meet at such time and venue as may be agreed by the Parties but not less than once a year.

5. A provisional agenda for each meeting shall be forwarded to the Parties, as a general rule, no later than 1 month before the meeting.

Article 6.33
Goods in Transportation or Storage

Originating goods which are in the process of transportation from the exporting Party to the importing Party, or which are in temporary storage under customs control in the importing Party for a period not exceeding 6 months before the entry into force of this Agreement, shall be granted preferential tariff treatment if they are imported into the importing Party on or after the date of entry into force of this Agreement, provided that all requirements of Article 6.23 of this Agreement have been met and subject to the respective laws and regulations of the importing Party.

CHAPTER 7. TRADE FACILITATION AND CUSTOMS COOPERATION

Article 7.1
Scope

This Chapter shall apply to customs administration measures and performance of customs operations required for the release of goods traded between the Parties, in order to promote:

(a) transparency of customs procedures and customs formalities;

(b) trade facilitation and harmonization of customs operations;

(c) customs cooperation including exchange of information between central customs authorities of the Parties.

Article 7.2
Definitions

For the purposes of this Chapter:

(a) "**central customs authority**" means the highest authorized customs authority of each of the EAEU Member States or I.R. Iran exercising, in accordance with the respective domestic laws and regulations, the functions of implementing the relevant government policies, regulations, control and supervision in the customs sphere;

(b) **"customs administration"** means organizational and management activities of the customs authorities of a Party as well as the activities carried out within the regulatory framework while implementing the objectives in the customs sphere;

(c) **"customs laws and regulations"** means any norm and regulation enforced by the customs authorities of a Party including laws, rulings, decrees, writs, rules and others;

(d) **"express consignments"** means goods delivered through high-speed transportation systems by any type of transport, using an electronic information management system and tracking the movement in order to deliver the goods to the recipient in accordance with an individual invoice for the minimum possible or a fixed period of time, except for goods sent by international post;

(e) **"inward processing"** means the customs procedure under which foreign goods can be brought into the customs territory of a Party conditionally relieved from payment of customs duties and taxes on the basis that such goods are intended for processing or repair

and subsequent exportation from the customs territory of such Party within a specified period of time;

(f) **"outward processing"** means the customs procedure under which goods, which are in free circulation in the customs territory of a Party, may be temporarily exported for manufacturing, processing or repair abroad and then re-imported;

(g) **"temporary admission"** means the customs procedure under which foreign goods can be brought into the customs territory of a Party conditionally relieved totally or partially from payment of customs duties and taxes on the basis that such goods shall be re-exported within a specified period of time in accordance with the customs laws and regulations of such Party.

Article 7.3
Facilitation of Customs Administration Measures

1. Each Party shall ensure that the customs administration measures applied by its customs authorities are predictable, consistent and transparent.
2. Customs administration measures of each Party shall, where possible and to the extent permitted by its customs laws and regulations, be based on the standards and recommended practices of the World Customs Organization.
3. The central customs authorities of each Party shall endeavour to review their customs administration measures with a view to simplifying such measures
in order to facilitate trade.

Article 7.4
Mutual Recognition of Authorized Economic Operator

1. The Parties shall endeavour to establish or maintain in their respective laws and regulations the programme of Authorized Economic Operators (hereinafter referred to as "AEO").
2. In order to facilitate the performance of customs procedures, the Parties, to the extent possible, shall work toward mutual recognition of respective AEO programmes. The Parties shall endeavour to enter into negotiations on mutual recognition of their respective AEO programmes as soon as the Parties are ready to commence work leading to such agreement.

Article 7.5
Release of Goods

1. Each Party shall adopt or maintain the performance of customs procedures and operations for the efficient release of goods in order to facilitate trade between the Parties. This shall not require a Party to release goods where its requirements for the release of such goods have not been met.
2. Pursuant to paragraph 1 of this Article and to the extent possible, each Party should:
   (a) provide for the release of goods within a period of time no longer than 48 hours from the registration of a customs declaration except in the circumstances stipulated in the customs laws and regulations of the Parties;
   (b) endeavour to adopt or maintain electronic submission and processing of customs information in advance of arrival of the goods to expedite the release of goods upon arrival.
3. In case where the time period for the release of goods is extended by the customs authority of the importing Party in accordance with the customs laws and regulations of the Party, the respective customs authority should inform the declarant about the reasons and legal grounds for such extension.

Article 7.6
Pre-arrival Processing

1. Each Party shall adopt or maintain procedures allowing for the submission of import documentation and other required information, including manifests, in order to begin processing prior to the arrival of goods with a view to expediting the release of goods upon arrival.
2. Each Party shall, as appropriate, provide for advance lodging of documents in electronic format for pre-arrival processing of such documents.

Article 7.7
Requirements for the Supporting Documents including Documents Attached to the Customs Declaration

1. Each Party shall, where appropriate, endeavour to accept paper or electronic copies of supporting documents including documents attached to the customs declaration required for import, export or transit formalities.
2. Where a government agency of a Party already holds the original of such a document, any other agency of that Party shall accept a paper or electronic copy, where applicable, from the agency holding the original in lieu of the original document.
3. A Party shall not require an original or copy of export declarations submitted to the customs authorities of the exporting Party as a requirement for importation[31].

Article 7.8
Risk Management

Customs authorities of the Parties shall apply a risk management system by means of a systematic assessment of risks to focus inspections on high-risk goods and simplify the application of customs operations on low-risk goods.

Article 7.9
Customs Cooperation

1. With a view to facilitate the effective operation of this Agreement, central customs authorities of the Parties shall encourage cooperation with each other on key customs issues that affect goods traded between the Parties.
2. Where a central customs authority of a Party in accordance with such Party's respective laws and regulations has a reasonable suspicion of an unlawful activity, such central customs authority may request the central customs authority of the other Party to provide specific information normally collected in connection with the exportation and/or importation of goods.
3. A Party's request under paragraph 2 of this Article shall be in writing, specifying the purpose for which the information is sought and shall be accompanied by sufficient information to identify the concerned goods.
4. The requested Party under paragraph 2 of this Article shall provide a written response containing the requested information within 2 months from the date of receipt, if providing of such requested information does not

[31] Nothing in this paragraph precludes a Party from requiring documents such as certificates, permits or licenses as a requirement for the importation of controlled or regulated goods.

contradict with the laws and regulations of the requested Party. In case of impossibility of providing full or partial response within the prescribed period of time the requested Party shall inform the requesting Party of the expected term for providing such information.

5. The central customs authority of the requested Party shall endeavour to provide any other information to the central customs authority of the requesting Party that would assist such central customs authority in determining whether imports from or exports to the requesting Party are in compliance with such Party's respective laws and regulations.

6. The central customs authorities of the Parties shall endeavour to establish and maintain channels of communication for customs cooperation, including establishing contact points that will facilitate the rapid and secure exchange of information and improve coordination on customs issues.

Article 7.10
Information Exchange

1. In order to facilitate the performance of customs operations, to expedite the release of goods and to prevent violations of customs laws and regulations, the Parties, to the extent possible, shall create and implement electronic information exchange on a regular basis covering all goods traded among the Parties, between them (hereinafter referred to as "electronic information exchange") provided that all information security measures are ensured.

2. On behalf of the EAEU the Eurasian Economic Commission shall coordinate the creation and facilitate the operation of the electronic information exchange.

3. For the purposes of this Article, "information" means relevant and authentic data from customs declarations and transport documents.

4. For the purposes of paragraph 1 of this Article the Eurasian Economic Commission, the authorized bodies of the EAEU Member States and of I.R. Iran shall endeavour to develop the cooperation and continue consultations in order to develop electronic information exchange.

5. All the requirements and specifications for the operation of electronic information exchange as well as the specific content of information to be exchanged shall be defined in separate protocol between the authorized bodies of the EAEU Member States and of I.R. Iran. Such information shall be sufficient for identification of transported goods and performance of the efficient customs control.

6. Any information communicated in accordance with the provisions of this Article shall be treated as confidential and shall be used for customs purposes only.

7. The customs authorities of the EAEU Member States and I.R. Iran shall refuse to exchange of information if such information exchange may be detrimental to the national security.

Article 7.11
Border Agency Cooperation

Each Party shall ensure that its authorities and agencies responsible for the border controls and procedures dealing with the importation, exportation and transit of goods cooperate with one another and coordinate their activities in order to facilitate trade and to reduce burdensome administrative procedures.

Article 7.12
Publication

1. The Parties shall, to the extent possible, endeavour to publish the customs laws and regulations of general application in English. Summaries of by-laws and regulations effected the trade shall, upon request, be provided in English without prejudice to national legislation of a requested Party.
2. Within 8 months from the date of entry into force of this Agreement the competent authorities of each Party shall designate or maintain one or more enquiry points to process enquiries from interested persons concerning customs issues, and shall publish on the Internet information concerning such enquiry points.
3. The competent authorities of each Party shall exchange contact information of the designated enquiry points. Enquiry point of each Party upon request of the competent authorities of the other Party provide to the extent possible information in English related to its laws and regulations relevant to the operation of this Agreement on the following issues:

(a) existing non-tariff measures including imports end export bans and restrictions;

(b) the application of refund or waive customs duties, deferral of customs duties, fees and taxes;

(c) the application of technical barriers and sanitary and phytosanitary requirements that affect the customs clearance of goods;

(d) the requirements for qualifying for tariff rate quotas;

(e) country of origin marking, if it is requested for importation; and

(f) other matters as the Parties may decide in accordance with the Parties laws and regulations.

4. To the extent possible, each Party shall publish in advance its laws and regulations of general application governing customs issues that it proposes to adopt and shall provide interested persons an opportunity to comment before adopting such laws and regulations.

Article 7.13
Advance Rulings

1. Customs authorities of the Parties shall provide any applicant registered in the importing Party in writing with advance rulings in respect of tariff classification, origin of goods and any additional matter which a Party considers appropriate.
2. Each Party shall adopt or maintain procedures for advance rulings, which shall:
   (a) provide that the applicant may apply for an advance ruling before the importation of goods;
   (b) require that the applicant for an advance ruling provides a detailed description of the goods and all relevant information needed to process an advance ruling;
   (c) provide that its customs authority may, within 30 days from the date of application, request that the applicant provides additional information;
   (d) provide that any advance ruling be based on the facts and circumstances presented by the applicant and any other relevant information available to its customs authority;
   (e) provide that an advance ruling be issued to the applicant expeditiously, or in any case within 90 days from the date of the application excluding time period for the submission of all necessary additional information requested in accordance with subparagraph (c) of this paragraph.
3. A customs authority of a Party may reject requests for an advance ruling where the additional information requested by it in accordance with subparagraph (c) of paragraph 2 of this Article is not provided within the specified period of time.
4. An advance ruling shall be valid for at least one year from the date of its issuance unless the law, facts, or circumstances supporting that ruling have changed.
5. A customs authority of a Party may modify or revoke an advance ruling:
   (a) upon a determination that the advance ruling was based on false or inaccurate information;
   (b) if there is a change in the customs laws and regulations consistent with this Agreement; or

(c) if there is a change in a material fact, or circumstances on which the advance ruling is based.

6. A Party may decline to issue an advance ruling to the applicant where the question raised in the application:

(a) is already pending in the applicant's case before any governmental agency, appellate tribunal, or court; or

(b) has already been decided by any appellate tribunal or court.

Article 7.14
Customs Valuation

The customs value of goods traded between the Parties shall be determined in accordance with the customs laws and regulations of the importing Party which are based *inter alia* on the provisions stipulated in Annex 5 to this Agreement.

Article 7.15
Tariff Classification

The Parties shall apply nomenclatures of goods based on the current edition of the Harmonized System to goods traded between them.

Article 7.16
Transit of Goods

1. Each Party shall endeavour to facilitate the customs operations applied to goods in transit from (to) a Party to (from) any third party.

2. The Parties may mutually recognize identification tools and documents applied by the Parties required for the control of goods and vessels as well as other means of transport in transit.

Article 7.17
Express Consignments

1. Customs authorities of the Parties shall provide expedited customs clearance for express consignments while maintaining appropriate customs control.
2. Each Party shall adopt or maintain facilitated procedures for express consignments. These procedures shall:

(a) provide for information necessary to release an express consignment to be submitted and processed before the shipment arrives;
(b) allow a single submission of information covering all goods contained in an express consignment, such as a manifest, through, if possible, electronic means;
(c) to the extent possible, provide for the release of certain goods with a minimum of documentation;
(d) under normal circumstances, provide for express consignments to be released within the shortest possible time after submission of the necessary customs documents, provided the shipment has arrived;
(e) apply to shipments of any weight or value recognizing that a Party may require formal entry procedures as a condition for release, including declaration and supporting documentation and payment of customs duties, based on the good's weight or value.

Article 7.18
Perishable Goods

With a view to preventing avoidable loss or deterioration of perishable goods, and provided all regulatory requirements of a Party have been met, each Party shall provide for the release of perishable goods in an expedited manner.

Article 7.19
Temporary Admission of Goods, Inward and Outward Processing

In accordance with international standards customs authorities of the Parties shall endeavour to facilitate the performance of customs operations for the customs procedure for temporary admission of goods and goods temporary imported and exported for inward or outward processing.

Article 7.20
Preshipment Inspection

1. Preshipment inspection activities are all activities relating to the verification of the quality, the quantity, the price, including currency exchange rate and financial terms of goods to be exported to the territory of the Party.
2. The Parties shall not require the use of pre-shipment inspections in relation to tariff classification and customs valuation.
3. Without prejudice to the rights of the Parties to use other types of preshipment inspection not covered by paragraph 2 of this Article the Parties are encouraged not to introduce or apply new requirements regarding preshipment inspection and, to the extent possible, eliminate existing requirements in order to facilitate trade between the Parties.

Article 7.21
Customs Agents

The customs laws and regulations of each Party shall enable declarants to submit their customs declaration without requiring mandatory recourse to the services of customs agents.

Article 7.22
Automation

1. The customs authorities of the Parties shall, to the extent possible, ensure that customs operations may be performed with the use of information systems and information technologies, including those based on electronic means of communication provided that all information security measures are ensured.
2. The central customs authorities of the Parties shall, to the extent possible, provide declarants an opportunity to declare goods in electronic form and make electronic systems accessible to customs users.

Article 7.23
Confidentiality

All information provided in accordance with this Chapter, excluding statistics, shall be treated by the Parties as confidential in accordance with the respective laws and regulations of the Parties. It shall not be disclosed by the authorities of the Parties without the written permission of the person or authority

of the Party providing such information except to the extent that it may be required to be disclosed in the context of judicial proceedings.

Article 7.24
Review and Appeal

Each Party shall ensure the possibility of administrative review of customs decisions affecting rights of interested person and judicial appeal against such decisions in accordance with the laws and regulations of such Party.

Article 7.25
Penalties

1. Each Party shall adopt or maintain measures that allow for the imposition of administrative penalties for violations of its customs laws and regulations during importation and exportation, including provisions on tariff classification, customs valuation, determination of country of origin and obtaining preferential tariff treatment under this Agreement.
2. Each Party shall ensure that penalties for a breach of a customs law, regulation, or procedural requirement are imposed only on the person(s) responsible for the breach under its laws.
3. The penalty imposed shall depend on the facts and circumstances of the case and shall be commensurate with the degree and severity of the breach.
4. Each Party shall ensure that it maintains measures to avoid:
   (a) conflicts of interest in the assessment and collection of penalties and duties; and
   (b) creating an incentive for the assessment or collection of a penalty that is inconsistent with paragraph 3 of this Article.
5. Each Party shall ensure that when a penalty is imposed for a breach of customs laws, regulations, or procedural requirements, an explanation in writing is provided to the person(s) upon whom the penalty is imposed specifying the nature of the breach and the applicable law, regulation or procedure under which the amount or range of penalty for the breach has been prescribed.
6. When a person voluntarily discloses to a Parties' customs administration the circumstances of a breach of a customs law, regulation, or procedural requirement prior to the discovery of the breach by the customs administration, the Party is encouraged to, where appropriate, consider this fact as a potential mitigating factor when establishing a penalty for that person.

Article 7.26
Special Transitional Period for I.R. Iran

The EAEU Member States and the EAEU shall refrain from raising any claims under Article 7.6 of this Agreement for the period of 12 months from the date of entry into force of this Agreement.