Disclaimer: *In view of the European Commission's transparency policy, the Commission is publishing the texts of the EU-India FTA further to the conclusion of negotiations on 27 January 2026. These texts are published for information purposes only and may undergo further modifications, including as a result of the process of legal revision. These texts are without prejudice to the outcome of the Agreement between the EU and India. The texts will be final upon signing. The Agreement will become binding on the Parties under international law only after completion by each Party of its internal legal procedures necessary for the entry into force of the Agreement.*

CHAPTER 3

RULES OF ORIGIN AND ORIGIN PROCEDURES

SECTION A

RULES OF ORIGIN

ARTICLE 3.1

Definitions

1. For the purposes of this Chapter:

(a) "Competent Authority" means

(i) for India, the Department of Commerce or any other designated authority;

(ii) for European Union, the customs authorities.

(b) "customs authority" means:

(i) With respect to India, the Central Board of Indirect Taxes and Customs (CBIC)or its successors;

(ii) With respect to the EU, the services of the European Commission responsible for customs matters and the customs administrations and any other authorities responsible

in the Member States of the EU for the application and enforcement of customs legislation;

(c) "consignment" means products which are either sent simultaneously from one consignor to one consignee or covered by a single transport document or, in the absence of such a document by a single invoice;

(d) "exporter" means, for the purposes of this Chapter, a person, located in a Party, who, in accordance with the requirements laid down in the laws and regulations of that Party, exports or produces the originating product;

(e) "material" means any substance including ingredient, raw materials, components or parts, used in the production of a product and physically incorporated into it;

(f) "non-originating material" means a material that does not qualify as originating under this Chapter, including a material whose originating status cannot be determined;

(g) "producer" means a person who engages in the production of a product in the territory of a Party;

(h) "product" means the product resulting from the production, even if it is intended for later use as a material in the production of another product;

(i) "production" means any kind of working or processing operation including growing, cultivating, raising mining, harvesting, picking, breeding extracting, gathering, collecting, fishing, farming, trapping, hunting, capturing, aquaculture, manufacturing, processing, disassembling or assembling a good;

2. For the purposes of this Chapter any cost and value referred to in this Chapter shall be recorded and maintained in accordance with the accounting principles generally accepted in the Party in which the product is produced.

ARTICLE 3.2

Requirements for originating products

1. The following products shall be considered as originating in a Party, provided that they satisfy all other applicable requirements of this chapter:

(a) products wholly obtained or wholly produced in that Party within the meaning of Article 3; or

(b) products produced in that Party incorporating non-originating materials provided they satisfy the requirements set out in Annex II.

Those originating products shall be considered as originating goods for the purpose of applying the preferential tariff treatment in accordance with this Agreement.

2. If a product has acquired originating status, the non-originating materials used in the production of that product shall not be considered as non-originating when that product is incorporated as a material in another product.

3. The acquisition of originating status shall be fulfilled without interruption in India or in the European Union.

ARTICLE 3.3

Wholly obtained products

1. The following shall be considered as wholly obtained or wholly produced in a Party:

(a) mineral products and other naturally occurring substances extracted or taken in a Party, but not beyond the outer limits of the Party's territorial sea;

(b) plants, plant and vegetable products[1] grown, harvested, picked, or gathered there;

(c) live animals born and raised there;

(d) products obtained from live animals raised there;

(e) products obtained from slaughtered animals born and raised there;

(f) products obtained by hunting, trapping, gathering, or capturing conducted there;

(g) products obtained from aquaculture there if aquatic organisms, including fish, molluscs, crustaceans, other aquatic invertebrates and aquatic plants are born or raised from seed stock such as eggs, fry, fingerlings, larvae, or other immature fish at a post-larval stage by intervention in the rearing or growth processes to enhance production such as regular stocking, feeding or protection from predators;

(h) products obtained by fishing conducted in a Party, but not beyond the outer limits of the Party's territorial sea;

(i) products of sea fishing conducted outside any territorial sea by a vessel of a Party;

(j) products made aboard of a factory ship of a Party exclusively from products referred to in subparagraph (i);

(k) Products other than fish, shellfish and other marine life extracted or taken from the seabed or subsoil outside any territorial sea, provided that the Party or person of that Party has the right to exploit such seabed or subsoil in accordance with international law;

(l) waste and scrap excluding precious metals derived from production there;

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1 Plants, plant and vegetable products include fruit, flowers, vegetables, trees, seaweed, fungi, algae, tobacco and live plants. Those plants, plant and vegetable products can be obtained in the territory of a Party, even if grown from seeds, bulbs, rhizomes, rootstock, cuttings, slips, grafts, shoots, buds, or other live parts of plants imported from a third country.

(m) waste and scrap derived from consumption or used products collected there, provided that those products are fit only for the recovery of raw materials;

(n) products produced there exclusively from the products specified in (a) to (m) or from their derivatives at any stage of production.

2. The terms "vessel of a Party" and "factory ship of a Party" in points (i) and (j) of paragraph 1 mean a vessel and a factory ship which:

(a) is registered in a Member State of the European Union or in India;

(b) sails under the flag of a Member State of the European Union or of India; and

(c) meets one of the following conditions[2]:

(i) it is owned by nationals of a Member State of the European Union or of India in substantial a share, as defined by domestic legislation of a Party and not below 50 per cent; or

(ii) it is owned by legal person(s) which each:

(A) have their head office and place of business in a Member State of the European Union or in India; and

(B) are owned by public entities or legal persons of a Member State of the European Union or of India in substantial a share, as defined by domestic legislation of a Party and not below 50 per cent.

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[2] Products of fishing or other products taken from the sea by chartered vessels sailing under the flag of India or a Member State of the European Union are considered to originate in India or the Member State of the European Union in which the vessel is chartered, provided that the vessel is chartered by a national of India or a Member State of the European Union or a legal person who fulfils the criteria set in Art.3 paragraph 2. c).

ARTICLE 3.4

Tolerances or De Minimis

1. If a product does not satisfy the requirements of Annex II, including a change in tariff classification, due to the use of a non-originating material in its production, that product shall nevertheless be considered as originating in a Party, provided that:

(a) the total weight of non-originating materials used in the production of products classified under Chapters 1 to 8 and chapters 10 and 13 of the Harmonised System does not exceed 5 % of the weight of the product.

(b) the total weight of non-originating materials used in the production of products classified under Chapters 9, 11 and 12 and chapters 14 to 24 of the Harmonised System, other than processed fishery products of Chapter 16, does not exceed 10 % of the weight of the product.

(c) for a product classified under Chapters 50 to 63 of the Harmonised System, the tolerances or de minimis set out in Notes 6,7 and 8 of Annex I apply;

(d) the total value of non-originating materials for all other products, does not exceed 10 % of the ex-works price or FOB value of the product.

2. Paragraph 1 does not apply if the value or weight of non-originating materials used in the production of a product exceeds any of the percentages for the maximum value or weight of non-originating materials as specified in the requirements set out in Annex II.

3. Paragraph 1 shall not apply to products wholly obtained in a Party within the meaning of Article 3.

4. Where, in Annex II, the product specific rule requires:

(a) "*production in which all the materials of Chapter X used are wholly obtained*", paragraph 1 shall apply;

(b) that the product is "*wholly obtained*", non-originating materials may be used in the production provided that the total value or weight of these non-originating materials do not exceed 1 % of the ex-works price or FOB value or of the weight of the product.

ARTICLE 3.5

Insufficient production or Minimal Operations and Processes

1. Notwithstanding point (b) of Article 2(1), a product shall not be considered originating in a Party if the production of the product in that Party consists only of one or more of the following operations conducted on non-originating materials:

(a) preserving operations such as drying, freezing, keeping in brine where their sole purpose is to ensure that the products remain in good condition during transport and storage;

(b) breaking- up or assembly or changing of packaging or packing

(c) washing, cleaning, dry cleaning or removal of dust, oxide, oil, paint or other coverings;

(d) ironing or pressing of textiles and textiles articles;

(e) simple painting and polishing operations;

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

(g) operations to colour or flavour sugar or form sugar lumps; partial or total milling or grinding of sugar in solid form;

(h) peeling, stoning and shelling of fruits, nuts and vegetables;

(i) sharpening, simple grinding or simple cutting;

(j) simple sifting, screening, sorting, classifying, grading, matching including the making-up of sets of articles;

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

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

(m) simple mixing of products, whether or not of different kinds; mixing of sugar with any material;

(n) simple addition of water or dilution with water or another substance that does not materially alter the characteristics of the product, or dehydration of products or denaturation of products of Chapter 22[3];

(o) simple assembly of parts of articles to constitute a complete article or disassembly of products into parts;

(p) slaughter of animals.

2. For the purpose of paragraph 1, operations shall be considered simple if neither special skills nor machines, apparatus or equipment especially produced or installed are needed for carrying out those operations.

ARTICLE 3.6

[3] Making unfit for human consumption by the simple addition of toxic or foul-tasting substances

Cumulation of origin between the Parties

1. A product originating in a Party shall be considered as originating in the other Party if that product is used as a material in the production of another product in that latter Party.

2. Paragraph 1 does not apply if the production carried out in the other Party does not go beyond the operations referred to in Article 5(1).

ARTICLE 3.7

Unit of qualification

1. For the purpose of this Chapter, the unit of qualification shall be the particular product which is considered as the basic unit when classifying the product under the Harmonised System.

2. For a consignment consisting of a number of identical products classified under the same heading of the Harmonised System, each individual product shall be taken into account when applying the provisions of this Chapter.

ARTICLE 3.8

Accessories, spare parts, tools and its Informational or instructional material

1. This article applies on accessories, spare parts, tools and its Informational or instructional materials that:

(a) are classified and delivered with, but not invoiced separately from, the product, and

(b) are of the types, quantities and value which are customary for that product.

2. Accessories, spare parts, tools and instructional or other information materials referred to paragraph 1shall be disregarded in determining the origin of the product, except for the purposes of calculating the value of non-originating materials if a product is subject to a maximum value of non-originating materials as set out in Annex II.

ARTICLE 3.9

Packing materials and containers for shipment

Packing materials and containers for shipment that are used to protect a product during transportation shall be disregarded in determining whether that product is originating.

ARTICLE 3.10

Packaging materials and containers for retail sale

Packaging materials and containers in which the product is packaged for retail sale, if classified with the product, shall be disregarded in determining the origin of the product, except for the purposes of calculating the value of non-originating materials if a product is subject to a maximum value of non-originating materials in accordance with Annex II.

ARTICLE 3.11

Sets

Sets, as defined in General Rule 3 for the Interpretation of the Harmonised System, shall be considered as originating in a Party if all of their components are originating. If a set is composed of originating and non-originating components, the set as a whole shall be considered as originating in a Party if the value of the non-originating components does not exceed10 per cent of the ex-works price or FOB value of the set.

ARTICLE 3.12

Neutral/Indirect elements

In order to determine whether a product is originating in a Party, the following elements, which might be used in its production but not physically incorporated, shall be disregarded.

(a) fuel, energy, catalysts and solvents;

(b) plant, equipment, spare parts and materials used in the maintenance of equipment and buildings;

(c) machines, tools, dies and moulds;

(d) lubricants, greases, compounding materials and other materials used in production or used to operate equipment and buildings;

(e) gloves, glasses, footwear, clothing, safety equipment and supplies;

(f) equipment, devices and supplies used for testing or inspecting the product; and

(g) any other element used in the production.

ARTICLE 3.13

Accounting segregation for fungible materials

1. Originating and non-originating fungible materials shall be physically segregated during storage in order to maintain their originating and non-originating status.

2. For the purpose of paragraph 1, "fungible materials" means materials that are interchangeable for commercial purposes, whose properties are essentially identical and once incorporated into the finished produced cannot be distinguished from one another for origin purposes.

3. Notwithstanding paragraph 1, originating and non-originating fungible materials may be used in the production of a product without being physically segregated during storage if an accounting segregation method or an inventory management method recognised under accounting principles generally accepted in the Party is used, provided that the inventory management method selected is used throughout the fiscal year of the person that selected the inventory management method.

4. An accounting segregation method referred to in paragraph 3 shall be applied in conformity with an inventory management method under the accounting principles that are generally accepted in the Party.

5. The accounting segregation method or inventory management method shall be any method that ensures that at any time no more materials receive originating status than would be the case if the materials had been physically segregated.

ARTICLE 3.14

Returned products

If a product originating in a Party exported from that Party to a third country returns to that Party, it shall be considered as non-originating product unless the returning product:

(a) is the same as that exported; and

(b) has not undergone any operation other than that necessary to preserve it in good condition while in that third country or while being exported.

ARTICLE 3.15

Transport

1. The preferential tariff treatment provided for under this Agreement shall apply only to originating products that have been transported:

(a) directly from the exporting Party to the importing Party,

(b) through one or more non-Parties and that have not been subjected to operations, other than the ones listed in paragraph 2, after their exportation from the exporting party and prior to entering the customs territory of the importing Party, and provided that the originating products remain under customs control in each non-party where the operations take place.

2. The operations referred to in paragraph 1(b) shall be limited to the following:

(a) Operations to preserve the originating products in good condition

(b) Relabelling, adding or affixing marks, labels, seals or any other documentation to ensure compliance with specific domestic requirements of the importing Party

(c) unloading, reloading

(d) repacking

(e) storage

(f) splitting or consolidation of consignments

3. In case of doubt as to whether the requirements provided for in paragraphs 1 and 2 are complied with, the customs authority of the importing Party may request the importer to provide evidence of compliance, which may be given by any means, including contractual transport documents such as bills of lading, non-manipulation certificate, factual or concrete evidence based on marking or numbering of packages or any evidence related to the product itself.

SECTION B

ORIGIN PROCEDURES

ARTICLE 3.17

Claim for preferential tariff treatment

1. To benefit from the preferential tariff treatment for a product originating in the other Party, within the meaning of this Chapter, the importer shall make a claim for preferential tariff treatment indicating that the product qualifies as originating product. The importer shall be responsible for the correctness of the claim for preferential tariff treatment and for the compliance with the requirements provided for in this Chapter.

2. A claim for preferential tariff treatment shall be based on a proof of origin in the form of a declaration (hereafter, "Statement on Origin") that the product is originating, made out in accordance with Article 19.
In the EU, a claim for preferential tariff treatment may also be based on the importer's knowledge that the product is originating.

3. The importer for the purpose of claiming preferential tariff treatment based on a Statement on Origin as referred to in first subparagraph of paragraph 2 shall:

(a) have a valid Statement on Origin in its possession at the time the claim for preferential tariff treatment referred to in paragraph 1 is made;

(b) provide a copy thereof to the customs authority of the importing Party, if required by that customs authority; and

(c) for India, make a declaration in the bill of entry that the products qualify as originating products and enter the details of the Statement on Origin in the bill of entry.

4. The importer claiming preferential tariff treatment on the basis of a Statement on Origin shall possess information other than the Statement on Origin to demonstrate that the product is originating, only to the extent that that information is made available by the exporter. For greater certainty nothing in this paragraph shall be construed to require an exporter to share information that he is not willing to share if requested by the importer.

5. For the purpose of enabling the importing party to establish the authenticity of a Statement on Origin as referred to in paragraph 2, the exporting party shall have an authentication mechanism at entry into force of the agreement. The Parties shall ensure that the modalities of such authentication mechanism follow the procedure set out in Annex IV.

6. If an authentication mechanism pursuant to paragraph 5 is not operational in a Party at the date of entry into force of this Agreement, the issuing authority of the exporting Party shall issue certificates of origin as provided in Annex V which shall have the same effect as a Statement on Origin for determination of origin of the product. This arrangement shall remain in force until the authentication mechanism pursuant to paragraph 5 becomes operational in that Party. All other provisions of this Section shall apply *mutatis mutandis* to the certificate of origin.

ARTICLE 3.18

Time of the claim for preferential tariff treatment

1. The importer shall make a claim for preferential tariff treatment at the time of importation.

2. By way of derogation from paragraph 1, if the importer did not make a claim for preferential tariff treatment at the time of importation, or if the claim for preferential tariff treatment was denied on the ground that the Statement on Origin could not be authenticated in accordance with Article 17(5) the importing Party shall grant preferential tariff treatment and repay or remit any excess customs duty paid provided that:

(a) the claim for preferential tariff treatment is made no later than one year after the date of importation, or such longer time period as specified in the laws and regulations of the importing Party;

(b) the importer provides the basis for the claim as referred to in Article 17(2); and

(c) the product would have been considered originating and would have satisfied all other applicable requirements within the meaning of Section A of this Protocol if it had been claimed by the importer at the time of importation.

Without prejudice to the time limit specified in paragraph 2(a), the requirements applicable to the importer as set out in Article 17 shall apply mutatis mutandis for the purpose of this paragraph.

ARTICLE 3.19

Statement on Origin

1. A Statement on Origin shall be made out by an exporter or a producer of a product on the basis of information demonstrating that the product is originating, including, information on the originating status of materials used in the production of the product. The person making the Statement on Origin shall be responsible for the correctness of the Statement on Origin and the information provided. Where the exporter is not the producer and makes out a Statement on Origin, the exporter shall ensure that it is based on information demonstrating that the product is originating, including information supplied by the producer.

2. The Statement on Origin must be accompanied by an invoice or any other commercial document that describes the products concerned in sufficient detail to enable them to be identified.

3. A Statement on Origin shall be made out in accordance with the template set out in Annex III, in the English language. The declaration of the exporter in box 9 of Annex III shall be made out in one or more of the linguistic versions included in Appendix 1 to Annex III, at least one of which is English.

4. A Statement on Origin shall be valid for twelve months from the date of its completion.

5. A Statement on Origin may apply to a single consignment of one or more products imported into a Party.

6. If, at the request of the importer, unassembled or disassembled products within the meaning of General Rule 2(a) of the Harmonised System that fall within Sections XV to XXI of the Harmonised System are imported by instalments, a single Statement on Origin for such products may be used in accordance with the requirements laid down by the customs authorities of the importing Party.

ARTICLE 3.21

Errors and Discrepancies

The customs authority of the importing Party shall not reject a claim for preferential tariff treatment due to minor errors or discrepancies, typing errors or formatting errors, in the Statement on Origin provided these do not create doubt as to the originating status of the product.

ARTICLE 3.22

Third party invoicing

The customs authority of the importing Party shall not deny a claim for preferential tariff treatment for the sole reason that an invoice was not issued by the exporter or producer of a productor was issued in a third country.

ARTICLE 3.23

Importer's knowledge

For the purposes of a claim for preferential tariff treatment that is made under the second subparagraph of Article 17(2), the importer's knowledge that a product is originating in the exporting Party shall be based on information demonstrating that the product is originating and satisfies the requirements provided for in this Chapter.

ARTICLE 3.24

Record keeping requirements

1. For a minimum of three years after the date on which the claim for preferential tariff treatment was made pursuant to the first subparagraph of Article 17(2) or Article 18(2), or such longer period as required by the laws and regulations of the importing party, an importer making a claim for preferential tariff treatment for a product imported into the importing Party shall keep:

(a) if the claim was based on a Statement on Origin, the Statement on Origin completed by the exporter along with documents or information received from the exporter as well as evidence of compliance with the requirements set out in Article 15. The importer shall keep relevant records to such importation in accordance with the laws and regulations of the importing Party.

(b) if the claim was based on the importer's knowledge, all records demonstrating that the product satisfies the requirements to obtain originating status.

2. An exporter or producer who has completed a Statement on Origin shall, for a minimum of five years, or such longer period as required by the laws and regulations of the exporting party, after the date of completion of the Statement on Origin, keep a copy the Statement on Origin and all other records demonstrating that the product satisfies the requirements to obtain originating status, including, where applicable, information from the suppliers.

If the Statement on Origin referred to in subparagraph 1 is made on the basis of information provided by suppliers, those suppliers shall be required to maintain records in accordance with the first subparagraph, if those records are not in possession of the exporters.

3. The records to be kept in accordance with this Article may be held in electronic format.

ARTICLE 3.25

Waiver of procedural requirements

1. A Party may, in accordance with its laws and regulations, waive the requirement to present a Statement on Origin as referred to in Article 17, for low value consignments of originating products from another Party and for originating products forming part of the personal luggage of a traveller coming from another Party.

2. A Party may exclude any importation from the provisions of paragraph 1 when the importation forms part of a series of importations which the customs authority of the importing Party reasonably considers to have been undertaken or carried-out for the purpose of evading the requirements of this Chapter related to Statements on Origin.

3. The Parties may set value limits for products referred to in paragraph 1 and shall exchange information regarding those limits.

ARTICLE 3.26

Verification

1. The customs authority of the importing Party may conduct a verification whether a product is originating or the other requirements of this Chapter are satisfied, on the basis of risk assessment methods, which may include reasonable doubts or random selection, as to the originating status of the products concerned or the fulfilment of the other requirements of this Chapter. Such a

verification may be conducted by means of a request for information to the importer who made the claim for preferential tariff treatment.

2. If the claim for preferential tariff treatment was based on a Statement on Origin completed by an exporter or a producer, the information requested pursuant to paragraph 1 shall cover no more than the following elements:

(a) that Statement on Origin and

(b) where necessary, the information elements detailed in paragraph 4

The importer shall provide, in 10 (ten) working days after the request made under paragraph 1, to the customs authority of the importing party, the Statement on Origin and the information requested under the first subparagraph in his possession in accordance with Article 17(4).

Upon the expiry of the period of 10 days, if the customs authority of the importing party considers that additional information is required, the importer may be given additional 30 days for providing the same. The importer shall provide the information in 30 days where such information has been made available by the exporter, and where such information has not been made available, he shall inform the customs authority that he is not in a position to provide that information.

In cases where the importer replies that he is not in position to provide that information or, where, upon the expiry of the period of 30 days, the information provided by the exporter is insufficient to determine that the product is originating, the customs authority of the importing party may submit a written request to the competent authority of the exporting party pursuant to article 27 (Administrative Cooperation).

3. If the claim for preferential tariff treatment was based on the importer's knowledge in accordance with the second subparagraph of Article 17(2), the information requested pursuant to paragraph 1 shall cover the information elements detailed in paragraph 4. The importer shall provide the information to the customs authority of the importing party, no later than 90 days after the request made under paragraph 1.

After having received the requested information in accordance with the second subparagraph, the customs authority of the importing Party conducting the verification may request the importer to provide within 90 days additional information if that customs authority considers that additional information is necessary in order to verify the originating status of the product or whether the other requirements of this Chapter are satisfied. The customs authority of the importing Party may request the importer for specific documentation and information, if appropriate.

For greater certainty, Article 27 shall not apply when the verification is undertaken on a claim for preferential treatment based on the importer's knowledge.

4. The information elements referred to in paragraph 2 and 3 may be requested by the importing party as appropriate and shall include no more than the following:

(a) where the origin is determined pursuant to paragraph 1(a) of Article 2 (Wholly Obtained), the applicable category (such as harvesting, mining or fishing) and the place of production;

(b) where the origin is determined pursuant to paragraph 1(b) (products produced incorporating non- originating materials) of Article 2 (Requirements for originating products) read with Annex II (Product Specific Rules of Origin), paragraph 2 of Article 2 (Absorption), Article 6 (Cumulation of origin between the Parties)- information on the origin of the materials used relevant to demonstrate the origin of the product, pursuant to sub-paragraphs (c), (d), (e) and (f);

(c) where the origin criterion is based on a change in tariff classification, a list of all the non-originating materials used in the production of the product in a Party, including their tariff classification (in 2, 4 or 6-digit format, depending on the relevant product-specific rule of origin);

(d) where the origin criterion is based on a value method, the value of the final product as well as the value of all the non-originating materials used in the production of that final product;

(e) where the origin criterion is based on a specific production process, a description of that specific production process;

(f) where the origin criteria is based on "production from non- originating material of any heading", information on insufficient production or minimal operations and processes pursuant to Article 5;

(g) where the origin criterion is based on weight, the weight of the final product as well as the weight of the relevant non-originating materials used in the production of that final product;

(h) information on any tolerances relied on pursuant to Article 4 (Tolerances/De Minimis);

(i) information relating to compliance with the non-alteration rule established pursuant to Article 15;

(j) supporting documentation, where appropriate.

5. The importer may add any other information considered relevant for the purposes of verification.

6. If the customs authority of the importing Party decides to suspend the granting of preferential tariff treatment to the product concerned while awaiting the results of the verification, the release of the products shall be offered to the importer subject to appropriate precautionary measure, including guarantees as provided for in the importing Party's laws and regulations. As soon as the customs authority of the importing Party has ascertained that the products concerned are originating, and that the other requirements of this Chapter are fulfilled, it shall terminate the suspension and grant preferential tariff treatment in accordance with its laws and regulations.

ARTICLE 3.27

Administrative cooperation

1. If the claim for preferential tariff treatment was based on a Statement on Origin, the Parties shall cooperate, through the competent authority of each Party, in verifying whether a product is originating and is in compliance with the other requirements provided for in this Chapter.

2. After having first requested information in accordance with Article 26(1)[Verification], the customs authority of the importing Party conducting the verification may also request information from the competent authority of the exporting Party, if the customs authority of the importing Party conducting the verification considers that additional information is necessary in order to verify the originating status of the product or to verify that the other requirements provided for in this Chapter have been met. The request for information shall include the following elements:

(a) the Statement on Origin;

(b) the identity of the customs authority issuing the request;

(c) the name of the exporter;

(d) the subject and scope of the verification; and

(e) any relevant documentation.

3. As part of the request for information referred to in paragraph 2, the customs authority of the importing Party may request the competent authority of the exporting Party to provide information listed under Article 26(4), as applicable, with specific documentation and information related to the originating status of the product or the other requirements provided for in this Chapter.

4. Where the customs authority of the importing party has prima facie evidence that an importer has suppressed material facts, made a wilful mis-statement or colluded with the exporter or producer or any other person with the intention of wrongfully obtaining preferential tariff treatment under this Chapter, the customs authority of the importing Party may request the competent authority of the exporting Party to prioritise the verification request. Upon receipt of such a request, the competent authority of the exporting Party shall use its best endeavours to accord priority to the verification.

5. The competent authority of the exporting Party, on receipt of the request for information referred to in Paragraph 2, may, depending on the scope of the request, undertake to verify the originating status of the product by one or more of the following means:

(a) request information and documentation from the exporter, producer or supplier

(b) request examination

(i) by calling for any evidence from the exporter, producer or supplier

(ii) by undertaking visit of the premises of the exporter, producer or supplier

6. Without prejudice to paragraph 7, the competent authority of the exporting Party shall respond within a period of seven (7) months of receipt of the request referred to in paragraph 2 to the customs authority of the importing Party with the following:

(a) the description of the product that is subject to examination and the tariff classification relevant to the application of this Chapter;

(b) a description and explanation of the production process to substantiate the originating status of the product;

(c) information on the manner in which verification pursuant to paragraph 5 was conducted;

(d) inputs in accordance with paragraph 7; and;

(e) relevant documentation, information and supporting evidence obtained during the verification where available;

Based on the above, the competent authority shall also provide a reasoned opinion on the originating status of the product.

7. The competent authority of the exporting Party may decline to provide information to the customs authority of the importing Party if that information is considered as confidential by the exporter, producer or supplier. However, in such cases, the exporter, producer or supplier shall provide reasons for treating the information as confidential. These reasons shall be duly recorded in the verification findings by the competent authority of the exporting Party. In such circumstances, the competent authority of the exporting Party shall confirm that it has reviewed the information requested by the importing Party and shall also list the sources of information reviewed, stating clearly whether the information supports the claim for preferential tariff treatment.

8. The customs authority of the importing Party shall not deny preferential treatment for the sole reason that such confidential information is not provided to them but shall take into account the information provided by the competent authority of the exporting Party as well as its independent findings or investigation before making a final decision whether to grant preferential treatment, where appropriate.

9. In exceptional circumstances, if, after receiving the response provided under paragraph 6 pursuant to a request made under paragraph 2, the customs authority of the importing Party remains unable to determine the originating status of the goods, it may request that the competent authority of the exporting Party conduct a verification visit to the premises of the exporter, producer or supplier, with the participation of up to two duly authorised officials from the customs authority of the importing Party as Observers.

The importing Party shall provide detailed reasons for the requested visit and may specify the specific parameters to be verified during the visit. The competent authority of the exporting Party shall determine the reasonable conditions for conducting the visit, including those relating to observer participation. If the importing Party disagrees with the conditions proposed the exporting Party shall conduct the verification visit, taking into account the detailed reasons and specific parameters communicated by the importing Party. In the event that the request cannot be acceded to, the competent authority of exporting Party shall provide the customs authority of the importing Party with the reasons.

The request for verification visits under the first subparagraph of paragraph 9 shall be made within thirty (30) days from the date of receipt of the response provided under paragraph 6. The competent authority of the exporting Party shall respond to such request within thirty (30) days. The competent

authority of the exporting Party shall, within a period of ninety (90) days from the date of the verification visit, provide an updated response pursuant to paragraph 6 incorporating the outcome of the visit. Where the competent authority of the exporting party requires additional time to provide such updated response, the period shall be extended by no more than thirty (30) day with prior intimation to the importing party.

10. Where, notwithstanding such response indicating the originating status in accordance with paragraph 6 or the third subparagraph of paragraph 9, as applicable, the customs authority of the importing Party considers that sufficient justification exists to deny preferential tariff treatment, it shall, within one month from the date of receipt of the response provided pursuant to paragraph 6 or to the third subparagraph of paragraph 9, as applicable, notify the competent authority of the exporting Party. If the importing Party is unable to notify within the period of one month, it may issue the notification at the earliest opportunity.

If such notification is made, the exporting Party may request consultation within one month after the date of the notification. Where consultation is opted for, such consultation shall be completed within two months from the date of the request. The period for consultation may be extended by mutual agreement between the Parties. Each party shall inform the other party of the authorities that will participate in the consultation.

After the notification under first subparagraph is made, the customs authority of the importing Party shall retain the right to deny the preferential tariff treatment if it has a sufficient justification for doing so taking into account the information provided by the competent authority of the exporting Party together with its own independent findings or investigations in any of the following circumstances:

(a) the exporting Party does not request consultation within one month of receipt of the notification issued pursuant to first subparagraph and the information provided by the competent authority of the exporting Party is inadequate to confirm that the product is originating;

(b) where the exporting Party has requested consultation and, upon the expiry of the period for consultation referred to in the second subparagraph, the information provided by the

competent authority of the exporting Party is inadequate to confirm that the product is originating; and

(c) in exceptional circumstances, where the customs authority of the importing party determines, prior to the expiry of the period for consultation referred to in the second subparagraph, that immediate action is necessary. The importing Party shall notify the reasons to the competent authority of the exporting Party.

If the customs authority of the importing Party decides to deny the preferential tariff treatment, it shall inform the importer of the reasons. The customs authority of the importing Party shall also notify its decision to the competent authority of the exporting Party without undue delay.

11. Each Party shall notify the other Party of the contact details of the competent authorities and shall notify the other Party of any change to those contact details within thirty days after the date of the change.

12. The competent authorities responsible for initiating verifications on both sides are the customs authorities. In the EU, verifications are conducted by the customs authority,
whereas in India, verifications are conducted by the Department of Commerce.

ARTICLE 3.28

Denial of preferential tariff treatment

1. Following the verification undertaken under Article 26(1), the customs authority of the importing Party may deny the preferential tariff treatment, without recourse to administrative cooperation pursuant to Article 27 in the following cases:

(a) the products for which preferential tariff treatment has been claimed are not the same as those mentioned in the Statement on Origin;

(b) the Statement on Origin in possession of the importer has not been made out by an exporter holding a valid unique identification number in accordance with the regulation of the exporting party;

(c) the Statement on Origin has not been made out in accordance with the template set out in Annex III without prejudice to Article 21 (Errors and Discrepancies);

(d) the Statement on Origin has not been authenticated as stipulated in Annex IV;

(e) the importer relinquishes the claim; or

(f) the requirements set out in Article 18(2) are not met.

2. Following the verification under Article 26(2), the customs authority of the importing Party may deny preferential tariff treatment if no Statement on Origin has been provided as per the timelines set out in Article 26(2);

3. Following the verification under Article 26(3), the customs authority of the importing Party may deny preferential tariff treatment:

(a) if no reply has been provided by the importer as per the timelines set out in Article 26(3);

(b) if the information provided by the importer in accordance with subparagraphs 2 or 3 of Article 26(3) is inadequate to confirm that the product is originating.

4. Following a request for information pursuant to Article 27(2), the customs authority of the importing Party may deny preferential tariff treatment:

(a) if no reply has been provided by the customs authority of the exporting Party as per the timelines set out in Article 27(6);

(b) if the customs authority of the exporting Party has confirmed that the product is not originating;

(c) the exporting party does not provide a response within the timelines set out in subparagraph 3 of Article 27(9);

(e) in accordance with subparagraph 3 of Article 27(10).

5. The customs authority of the importing Party may deny preferential tariff treatment to a product for which an importer claims preferential tariff treatment where the importer fails to comply with, or fails to demonstrate compliance with the requirements of Article 15 (Transport).

ARTICLE 3.29

Temporary Suspension of Preferential Treatment

1. If, following administrative cooperation and the procedures laid down in the Article 27, any Party establishes that the exporter or producer has persistently and deliberately made out incorrect Statements on Origin, the Parties shall consult, at the request of the importing party, with a view for the exporting party to take appropriate measures.

2. On expiry of the three months from the date of request for consultation, where the exporting Party has not initiated any appropriate measure to prevent the exporter from making out incorrect Statements on Origin, the customs authority of the importing party, may decide to temporarily suspend preferential tariff treatment to that exporter or producer for the concerned product(s).

3. If the importing Party intends to temporarily suspend preferential tariff treatment in accordance with paragraph 2, it shall notify the exporting Party at least 15 days prior to the commencement of any suspension. This notification shall include the following:

(a) the name of the exporter or producer and their reference number;

(b) reasons for the intention to suspend preferential tariff treatment;

(c) description of the product(s) subject to suspension; and

(d) any other relevant information.

4. The importing and exporting Party shall coordinate on the measures necessary for the restoration of preferential tariff treatment, and on the time period for which the temporary suspension is to be in effect. That temporary suspension shall apply only for a period necessary to address the situation referred to in paragraph 1 and in any case no longer than six months or any other period that the Parties agree.

5. If, following administrative cooperation and the procedures laid down in the Article 27, any Party establishes that two or more exporters or producers of one Party have persistently and deliberately made out Statement on Origin wrongly for the same product at the HS classification level and this same product of these exporters or producers accounts for more than half of the preferential imports of the same product in value terms from the exporting party over a period of 1 year prior to the first verification request, the importing Party may submit the matter to the Joint Committee with a view to temporarily suspend preferential treatment for all imports of that product from the exporting Party.

6. The Joint Committee shall discuss the matter and recommend within 6 months whether or not to temporarily suspend the preferential tariff treatment for this product. The importing Party may only suspend preferential treatment for this product if recommended by the Joint Committee.

7. The temporary suspensions shall apply only for a period necessary to address the situation referred to in paragraph 5 and to protect the financial interests of the Party concerned and in any case no longer than six months or any other period that the Parties agree.

8. In the cases established in paragraphs 5, where the importing Party has made a finding, based on objective information, that large-scale and systematic breaches or circumventions of the provisions of this chapter, have been committed, and where the exporting Party repeatedly refuses or otherwise fails to co-operate, Article X.17 [TiG Chapter - Specific measures concerning the management of preferential treatment] applies.

9. Each Party shall inform, in accordance with its internal procedures, its importers and exporters about any decision concerning temporary suspension referred to in paragraph 2 or 5.

ARTICLE 3.30

Confidentiality

1. Each Party shall maintain, in accordance with its laws and regulations, the confidentiality of any information provided to it by the other Party, pursuant to this Chapter, and protect that information from disclosure.

2. Confidential business information obtained from the exporter by the competent authority of the exporting Party or by importing Party through the application of Articles 26 (Verification) and 27 (Administrative Cooperation) shall not be disclosed unless otherwise provided for in this Chapter.

3. Information obtained by the authorities of the importing Party may only be used by such authority for the purposes of this Chapter. The use of information collected pursuant to this Chapter in any administrative, judicial, or quasi-judicial proceedings instituted for failure to comply with customs-related laws implementing this Chapter is allowed. In such case, the person or Party who provided the information shall be notified, where possible, in advance.

4. Where one of the Parties wishes to use such information for other purposes than for the purposes of this Chapter, it shall obtain the prior written consent of the Party or person which provided the information. Such use shall then be subject to any restrictions laid down by that Party or person.

ARTICLE 3.31

Penalties

Each Party shall adopt or maintain measures to impose, where appropriate, civil, administrative penalties, and criminal sanctions for violations of its laws and regulations relating to the provisions of this Chapter.

SECTION C

FINAL PROVISIONS

ARTICLE 3.32

Ceuta and Melilla

1. Products originating in India, when imported into Ceuta and Melilla, shall in all respects be subject to the same customs treatment under this Agreement, as that which is applied to products originating in the customs territory of the European Union under Protocol 2 of the Act of Accession of the Kingdom of Spain and the Portuguese Republic to the European Communities. India shall grant to imports of products covered by this Agreement and originating in Ceuta and Melilla the same customs treatment as that which is granted to products imported from and originating in the European Union.

2. The rules of origin and origin procedures referred to in this Chapter apply *mutatis mutandis* to products exported from India to Ceuta and Melilla and to products exported from Ceuta and Melilla to India.

3. Ceuta and Melilla shall be considered as a single territory.

4. The exporters shall enter "India" or "Ceuta and Melilla" in box 9 of the template of the Statement on Origin I Annex III, depending on the origin of the product.

5. The customs authority of the Kingdom of Spain shall be responsible for the application and implementation of this Chapter in Ceuta and Melilla.

6. The EU shall notify India promptly on any changes that may affect the customs treatment provided by this article. The Committee on Customs and Rules of Origin shall, on the request of either Party, meet to discuss these changes and seek to find a mutually satisfactory solution.

ARTICLE 3.33

Committee on Customs and Rules of Origin

1. The Committee on Customs and Rules of Origin may adopt explanatory notes providing guidance to facilitate effective implementation of this Chapter.

2. The Committee on Customs and Rules of Origin shall consider periodic HS transposition of the product specific rules as part of the preparatory technical work for the adoption of decisions by the Joint Committee.

ARTICLE 3.35

Transitional provisions for products in transit or storage

1. The customs authorities of the importing Party shall grant preferential tariff treatment for an originating product of the exporting Party, which, on the date of entry into force of this Agreement:

(a) is in transit from the exporting Party to the importing Party; or

(b) has not yet been cleared for home consumption in the importing Party;

provided that the product otherwise complies with the provisions of this Chapter.

2. A product referred to in paragraph 1 is subject to an importer making a claim for preferential tariff treatment in accordance with the provisions of Article 17, within12 months of the entry into force of this agreement.