

AGREEMENT

between the European Economic Community and the Republic of Latvia on trade in textile products

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

of the one part, and

THE GOVERNMENT OF THE REPUBLIC OF LATVIA,

of the other part,

DESIRING to promote, with a view to permanent cooperation and in conditions providing every security for trade, the orderly and equitable development of trade in textile products between the European Economic Community (hereinafter referred to as 'the Community') and the Republic of Latvia (hereinafter referred to as 'Latvia'),

RESOLVED to take the fullest possible account of the serious economic and social problems at present affecting the textile industry in both importing and exporting countries, and in particular, to eliminate real risks of market disruption on the market of the Community and real risks of disruption to the textile trade of Latvia,

HAVE DECIDED to conclude this Agreement and to this end have designated as their plenipotentiaries:

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

THE GOVERNMENT OF THE REPUBLIC OF LATVIA,

WHO HAVE AGREED AS FOLLOWS:

Article 1

1. Trade in textile products listed in Annex I and originating within the Contracting Parties shall be liberalized for the duration of this Agreement under the conditions set out therein.

2. Subject to the provisions of this or any successive Agreement, the Community undertakes, in respect of the products listed in Annex I, to suspend the application of quantitative import restrictions currently in force and not to introduce new quantitative restrictions.

Quantitative import restrictions shall be re-introduced in case of denunciation or non-replacement of the present Agreement.

3. Measures having equivalent effect to quantitative restrictions on the importation into the Community of the products listed in Annex I shall be prohibited for the duration of this Agreement.

Article 2

1. Exports from Latvia to the Community of products listed in Annex I and originating in Latvia shall, at the time of entry into force of this Agreement, be free from quantitative limits. However, quantitative limits may subsequently be introduced under conditions specified in Article 5.

2. Should quantitative limits be introduced, exports of the textile products made subject to quantitative limits shall be subject to a double-checking system as specified in Protocol A.

3. At the time of entry into force of this Agreement, exports of products listed in Annex II not subject to quantitative limits shall be subject to the double-checking system referred to in paragraph 2.

4. Following consultations in accordance with the procedures set out in Article 15, exports of products in Annex I not subject to quantitative limits other than those listed in Annex II may be subject, subsequently to the entry into force of this Agreement, to the double-checking system referred to in paragraph 2 or to a prior surveillance system introduced by the Community.

Article 3

1. Imports into the Community of textile products covered by this Agreement shall not be subject to the quantitative limits established under this Agreement, provided that they are declared to be for re-export outside the Community in the same state or after processing, within the framework of the administrative system of control which exists within the Community.

However, the release for home use of products imported into the Community under the conditions referred to above shall be subject to the production of an export licence issued by the authorities of Latvia, and to proof of origin in accordance with the provisions of Protocol A.

2. Where the Community authorities ascertain that imports of textile products have been set off against a quantitative limit established under this Agreement, but that the products have subsequently been re-exported outside the Community, the authorities shall inform the Latvian authorities within four weeks of the quantities involved and authorize imports of identical quantitative limit established under this Agreement for the current or the following year, as appropriate.

3. The Community and Latvia recognize the special and differential character of re-imports of textile products into the Community after processing in Latvia as a specific form of industrial and trade cooperation.

Should quantitative limits be established under Article 5, provided that they are effected in accordance with the regulations on economic outward processing in force in the Community, these re-imports shall not be subject to these quantitative limits if they are subject to the specific arrangements laid down in Protocol C.

Article 4

Should quantitative limits be introduced under Article 5, the following provisions shall apply:

1. In any Agreement year advance use of a portion of the quantitative limit established for the following Agreement year is authorized for each category of products up to 5% of the quantitative limit for the current Agreement year.

Amounts delivered in advance shall be deducted from the corresponding quantitative limits established for the following Agreement year.

2. Carry-over to the corresponding quantitative limit for the following Agreement year of the amounts not used during any Agreement year is authorized for each category of products up to 7% of the quantitative limit for the current Agreement year.

3. Transfers in respect of categories in Group I shall not be made from any category except as follows:

- transfers between categories 2 and 3 and from category 1 to categories 2 and 3 may be made up to 4% of the quantitative limits for the category to which the transfer is made,
- transfers between categories 4, 5, 6, 7 and 8 may be made up to 4% of the quantitative limit for the category to which the transfer is made.

Transfers into any category in Groups II, III, IV and V may be made from any category or categories in Groups I, II, III, IV and V up to 5% of the quantitative limit for the category to which the transfer is made.

4. The table of equivalence applicable to the transfers referred to above is given in Annex I to this Agreement.

5. The increase in any category of products resulting from the cumulative application of the provisions in paragraphs 1, 2 and 3 above during an Agreement year shall not exceed the following limits:

- 13% for categories of products in Group I,
- 13,5% for categories of products in Groups II, III, IV and V.

6. Prior notification shall be given by the Latvian authorities in the event of recourse to the provisions of paragraphs 1, 2 and 3 above, at least 15 days in advance.

Article 5

1. Exports of textile products listed in Annex I to this Agreement may be made subject to quantitative limits on the conditions laid down in the following paragraphs.

2. Where the Community finds, under the system of administrative control set up, that the level of imports of products in a given category listed in Annex I originating in Latvia exceeds, in relation to the preceding year's total imports into the Community from all sources of products in that category, the following rates:

- 0,4% for categories of products in Group I,
- 2,4% for categories of products in Group II,
- 8,0% for categories of products in Groups III, IV and V,

it may request the opening of consultations in accordance with the procedure described in Article 15 of this Agreement, with a view to reaching agreement on an appropriate restraint level for the products in such category.

3. Pending a mutually satisfactory solution, Latvia undertakes, from the date of notification of the request for consultations, to suspend or limit at the level indicated by the Community exports of the category of products in question to the Community or to the region or regions of the Community market specified by the Community.

The Community shall authorize the importation of products of the said category shipped from Latvia before the date on which the request for consultations was submitted.

4. Should the Contracting Parties be unable in the course of consultations to reach a satisfactory solution within the period specified in Article 15 the Community shall have the right to introduce a definitive quantitative limit at an annual level not lower than the level resulting from the application of the formula set out in paragraph 2, or 106% of the level of imports reached during the calendar year preceding that in which imports exceeded the level resulting from the application of the formula set out in paragraph 2 and gave rise to the request for consultations, whichever is the higher.

The annual level so fixed shall be revised upwards after consultations in accordance with the procedure referred to in Article 15, with a view to fulfilling the conditions set out in paragraph 2, should the trend of total imports into the Community of the product in question make this necessary.

5. The annual growth rate for the quantitative limits introduced under this Article shall be determined in accordance with the provisions of Protocol D.

6. The provisions of this Article shall not apply where the percentages specified in paragraph 2 have been

reached as a result of a fall in total imports into the Community, and not as a result of an increase in exports of products originating in Latvia.

7. In the event of the provisions of paragraph 2, 3 or 4 being applied, Latvia undertakes to issue export licences for products covered by contracts concluded before the introduction of the quantitative limit, up to the volume of the quantitative limit fixed.

8. Up to the date of communication of the statistics referred to in Article 12 (6), the provisions of paragraph 2 of this Article shall apply on the basis of the annual statistics previously communicated by the Community.

Article 6

1. In view of ensuring the effective functioning of this Agreement, the Community and Latvia agree to cooperate fully in order to prevent, to investigate and to take any necessary legal and/or administrative action against circumvention by transshipment, re-routing, false declaration concerning the country or place of origin, falsification of documents, false declaration concerning fibre content, quantities description or classification of merchandise any by whatever other means. Accordingly, Latvia and the Community agree to establish the necessary legal provisions and administrative procedures permitting effective action to be taken against such circumvention, which shall include the adoption of legally binding corrective measures against exporters and/or importers involved.

2. Should the Community believe on the basis of information available that the present Agreement is being circumvented, the Community will consult with Latvia with a view to reaching a mutually satisfactory solution. These consultations will be held as early as possible and at the latest within 30 days from the date of request.

3. Pending the results of the consultation referred to in paragraph 2, Latvia shall, as a precautionary measure, if so requested by the Community, take all necessary measures to ensure that, where sufficient evidence of circumvention is provided, adjustments of quantitative limits established under Article 5 liable to be agreed following the consultations referred to in paragraph 2 may be carried out for the quota year in which the request to open consultations in accordance with paragraph 2 was made, or for the following year if the quota for the current year is exhausted.

4. Should the Parties be unable, in the course of the consultation referred to in paragraph 2 to reach a mutually satisfactory solution, the Community shall have the right:

(a) where there is sufficient evidence that products originating in Latvia have been imported in circumvention of the present Agreement, to set off the relevant quantities against the quantitative limits established under Article 5;

(b) where sufficient evidence shows that false declaration concerning fibre content, quantities, description or classification of products originating in Latvia has occurred, to refuse to import the products in question;

(c) should it appear that the territory of Latvia is involved in transshipment or re-routing of products not originating in Latvia, to introduce quantitative limits against the same products originating in Latvia if they are not already subject to quantitative limits, or to take any other appropriate measures.

5. The Parties agree to establish a system of administrative cooperation to prevent and to address effectively all problems arising from circumvention in accordance with the provisions of Protocol A to this Agreement.

Article 7

1. The quantitative limits established under this Agreement on imports into the Community of textile products of Latvian origin will not be broken down by the Community into regional shares.

2. The Parties shall cooperate in order to prevent sudden and prejudicial changes in traditional trade flows resulting in regional concentration of direct imports into the Community.

3. Latvia shall monitor its exports of products under restraint or surveillance into the Community. Should a sudden and prejudicial change in traditional trade flows arise, the Community will be entitled to request consultations in order to find a satisfactory solution to those problems. Such consultations must be held within 15 working days of their being requested by the Community.

4. Latvia shall endeavour to ensure that exports of textile products subject to quantitative limits into the Community are spaced out as evenly as possible over the year due account being taken in particular of seasonal factors.

Article 8

In the event of denunciation of this Agreement as provided for in Article 19 (3), the quantitative limits established pursuant to this Agreement shall be reduced on a *pro rata temporis* basis unless the Contracting Parties decide otherwise by common agreement.

Article 9

Latvia exports of cottage-industry fabrics woven on hand- or foot-operated looms, garments or other made-up articles obtained manually from such fabrics and of traditional folklore handicraft products shall not be subject to quantitative limits, provided that these products originating in Latvia meet the conditions laid down in Protocol B.

Article 10

1. Should the Community consider that a textile product covered by this Agreement is being imported into the Community from Latvia at a price abnormally lower than the normal competitive level and is for this reason causing or threatening to cause serious injury to Community producers of like or directly competing products, it may request consultations under Article 15, and in that event the following specific provisions shall be applicable.

2. If following such consultations it is acknowledged by common accord that the situation described in paragraph 1 exists, Latvia shall take, within the limits of its powers, the necessary steps, notably as regards the price at which the product in question will be sold, to remedy the situation.

3. In order to determine whether the price of a textile product is abnormally lower than the normal competitive level, it may be compared with:

- the prices generally charged for like products sold under the ordinary conditions by other exporting countries on the market of the importing country,
- the prices of like national products at a comparable marketing stage on the market of the importing country,
- the lowest prices charged by a third country for the same product in the course of ordinary commercial dealings in the three months preceding the request for consultations, and not having led to the adoption of any measure by the Community.

4. Should the consultations referred to in paragraph 2 above fail to lead to an agreement within 30 days of the Community's request for consultations, the Community may, until these consultations have produced a mutually satisfactory solution, temporarily refuse consignments of the product in question at prices under the conditions referred to in paragraph 1 above.

5. In totally exceptional and critical circumstances, where consignments of products are being imported from Latvia into the Community at prices abnormally lower than the normal competitive level, such as to cause injury which it would be difficult to repair, the Community may temporarily suspend imports of the products concerned pending agreement on a solution in the course of consultations, which shall be opened immediately. The Contracting Parties shall do their utmost to reach a mutually acceptable solution within 10 working days' notice of the opening of such consultations.

6. Should the Community have recourse to the measures referred to in paragraphs 4 and 5 above, Latvia may at any time request the opening of consultations to examine the possibility of eliminating or modifying these measures where the causes which made them necessary no longer exist.

Article 11

1. The classification of the products covered by this Agreement is based on the tariff and statistical nomenclature of the Community (hereinafter called the 'combined nomenclature', or in abbreviated for 'CN') and any amendments thereof.

Where any decision on classification results in a change of classification practice or a change of category of any product subject to this Agreement the affected products shall follow the trade regime applicable to the practice or category they fall into after such changes.

Any amendment to the combined nomenclature (CN) made in accordance with the procedures in force in the Community concerning categories of products covered by this Agreement or any decision relating to the classification of goods shall not have the effect of reducing quantitative limits introduced pursuant to this Agreement.

2. The origin of the products covered by this Agreement shall be determined in accordance with the rules in force in the Community.

Any amendment to these rules of origin shall be communicated to Latvia and shall not have the effect of reducing any quantitative limit established pursuant to this Agreement.

The procedures for control of the origin of the products referred to above are laid down in Protocol A.

Article 12

1. Latvia shall supply the Commission with precise statistical information on all export licences issued for categories of textile products subject to the quantitative limits established under this Agreement, or to a double-checking system expressed in quantities and in terms of value and broken down by Member States of the Community, as well as on all certificates issued by the competent Latvian authorities for products referred to in Article 9 and subject to the provisions of Protocol B.

2. The Community shall likewise transmit to the Latvian authorities precise statistical information on import authorizations issued by the Community authorities and import statistics for products covered by the system referred to in Article 5 (2).

3. The information referred to above shall, for all categories of products, be forwarded before the end of the month following the month to which the statistics relate.

4. Upon request by the Community, Latvia shall supply import statistics for all products covered by Annex I.

5. Should it be found on analysis of the information exchanged that there are significant discrepancies between the returns for exports and those for imports, consultations may be initiated in accordance with the procedure specified in Article 15 of this Agreement.

6. For the purpose of applying the provisions of Article 5, the Community undertakes to provide the Latvian authorities before 15 April of each year with the preceding year's statistics on imports of all textile products covered by this Agreement, broken down by supplying country and Community Member State.

Article 13

1. Latvia shall create favourable conditions for imports of textile products originating in the Community listed in Annex I and, where appropriate *inter alia*, accord to them non-discriminatory treatment as regards the application of quantitative restrictions, and the granting of licences and the allocation of currency needed to pay for such imports. Latvia will also recommend to its importers to use the possibilities offered by the Community producers of textiles mentioned above while according the highest possible degree of liberalization to those imports taking into account the development of trade between the Contracting Parties.

2. Where a need for additional supplies arises and in particular a need leading to the diversification on imports of textile products in Latvia, Latvia shall accord non-discriminatory treatment to imports of textile products originating in the Community.

Article 14

1. The Contracting Parties agree to examine the trend of trade in textile products and garments each year, in the framework of the consultations provided for in Article 15 and on the basis of the statistics referred to in Article 12.

2. If the Community finds that in the cases foreseen in Article 13 (2) of this Agreement it is placed in an unfavourable position as compared with a third country, it may request consultations with Latvia in accordance with the procedure specified in Article 15 with a view to taking appropriate action.

Article 15

1. Save where it is otherwise provided for in this Agreement, the consultation procedures referred to in this Agreement shall be governed by the following provisions:

- as far as possible consultations shall be held periodically. Specific additional consultations may also be held,
- any request for consultations shall be notified in writing to the other Contracting Party,

— where appropriate, the request for consultations shall be followed within a reasonable period and in any case not later than 15 days following the notification by a report setting out the circumstances which, in the opinion of the requesting Party, justify the submission of such a request,

— the Contracting Parties shall enter into consultations within one month of notification of the request at the latest, with a view to reaching agreement or a mutually acceptable conclusion within one further month at the latest,

— the period of one month referred to above for the purpose of reaching agreement or a mutually acceptable conclusion may be extended by common accord.

2. The Community may request consultations in accordance with paragraph 1 when it ascertains that during a particular year of application of the Agreement difficulties arise in the Community or one of its regions due to a sharp and substantial increase, by comparison to the preceding year, in imports of a given category of Group I subject to the quantitative limits established pursuant to this Agreement.

3. At the request of either of the Contracting Parties, consultations shall be held on any problems arising from the application of this Agreement. Any consultations held under this Article shall take place in a spirit of cooperation and with a desire to reconcile the differences between the Contracting Parties.

Article 16

The Contracting Parties undertake to promote the exchange of visits by persons, groups and delegations from business, trade and industry, to facilitate contacts in the industrial, commercial and technical fields connected with trade and cooperation in textile industry and textile products and garments, and to assist in the organization of fairs and exhibitions of mutual interest.

Article 17

As regards intellectual property, at the request of either Contracting Party, consultations shall be held in accordance with the procedure laid down in Article 15 with a view to finding an equitable solution to problems relating to the protection of marks, designs or models of articles of apparel and textile products.

Article 18

This Agreement shall apply, on the one hand, to the territories in which the Treaty establishing the European Economic Community is applied and under the conditions laid down in that Treaty and, on the other hand, to the territory of the Republic of Latvia.

Article 19

1. This Agreement shall enter into force on the first day of the month following the date on which the Parties notify each other of the completion of the procedures necessary for that purpose. It shall be applicable until 31 December 1997.

2. This Agreement shall apply with effect from 1 January 1993.

3. Either Contracting Party may at any time propose modifications to this Agreement or denounce it, provided that at least six months' notice is given. In that event, the Agreement shall come to an end on the expiry of the period of notice.

4. The Contracting Parties agree to enter into consultations not later than six months before the

expiration of the present Agreement with a view to possibly concluding a new Agreement.

5. The Annexes, Protocols, Agreed Minutes and letters exchanged or attached to this Agreement, shall form an integral part thereof.

Article 20

This Agreement shall be drawn up in two copies in the Danish, Dutch, English, French, German, Greek, Italian, Portuguese, Spanish and Latvian languages, each of these texts being equally authentic.

*For the Government
of the
Republic of Latvia*

*For the Council
of the
European Communities*

ANNEX I

(The contents of this Annex I are identical to those of pages 9 to 41.)

ANNEX II

Products without quantitative limits subject to the double-checking system referred to in Article 2 (3) of the Agreement.

(The full products descriptions of the categories listed in this Annex are to be found in Annex I to the Agreement.)

Category:

1
2
3
4
5
6
7
8
9
12
15
24
26
27
31

PROTOCOL A

TITLE I

CLASSIFICATION

Article 1

1. The competent authorities of the Community undertake to inform Latvia of any changes in the combined nomenclature (CN) before the date of their entry into force in the Community.

2. The competent authorities of the Community undertake to inform the competent authorities of Latvia of any decisions relating to the classification of products subject to the present Agreement, within one month of their adoption at the latest. Such communication shall include:

- (a) a description of the products concerned;
- (b) the relevant category and the related CN codes;
- (c) the reasons which have led to the decision.

3. Where a decision on classification results in a change of classification practice or a change of category of any product subject to the Agreement, the competent authorities of the Community shall provide 30 days' notice, from the date of the Community's communication, before the decision is put into effect. Products shipped before the date of entry into effect of the decision shall remain subject to the earlier classification practice, provided that the goods in the question are presented for importation into the Community within 60 days of that date.

4. Where a Community decision on classification resulting in a change of classification practice or a change of categorization of any product subject to the Agreement affects a category subject to quantitative limits, the Contracting Parties agree to enter into consultation in accordance with the procedures described in Article 15 of the Agreement with a view to honouring the obligation under the second subparagraph of Article 11 (1) of the Agreement.

5. In case of divergent opinions between Latvia and the competent Community authorities at the point of entry into the Community on the classification of products covered by the present Agreement, classification shall provisionally be based on indications provided by the Community, pending consultations in accordance with Article 15 with a view to reaching agreement on definitive classification of the product concerned.

TITLE II

ORIGIN

Article 2

1. Products originating in Latvia for export to the Community in accordance with the arrangements

established by this Agreement shall be accompanied by a certificate of Latvian origin conforming to the model annexed to this Protocol.

2. The certificate of origin shall be certified by the competent Latvian organizations authorized under the Latvian legislation if the products in question can be considered products originating in that country within the meaning of the relevant rules in force in the Community.

3. However, the products in Groups III, IV and V may be imported into the Community in accordance with the arrangements established by this Agreement on production of a declaration by the exporter on the invoice or other commercial document relating to the products to the effect that the products in question originate in Latvia within the meaning of the relevant rules in force in the Community.

4. The certificate of origin referred to in paragraph 1 shall not be required for import of goods covered by a certificate of origin Form A or Form APR completed in accordance with the relevant Community rules in order to qualify for generalized tariff preferences.

Article 3

The certificate of origin shall be issued only on application having been made in writing by the exporter or, under the exporter's responsibility, by his authorized representative. The competent Latvian organizations authorized under Latvian legislation shall ensure that the certificate of origin is properly completed and for this purpose they shall call for any necessary documentary evidence or carry out any check which they consider appropriate.

Article 4

Where different criteria for determining origin are laid down for products falling within the same category, the certificates or declarations of origin must contain a sufficiently detailed description of the goods so as to enable Latvian criterion to be determined, on the basis of which the certificate was issued or the declaration drawn up.

Article 5

The discovery of slight discrepancies between the statements made in the certificate of origin and those made in the documents produced to the customs office for the purpose of carrying out the formalities for importing the products shall not *ipso facto* cast doubt upon the statements in the certificate.

TITLE III

DOUBLE-CHECKING SYSTEM

Section I

Exportation

Article 6

1. The competent authorities of Latvia shall issue an export licence in respect of all consignments from Latvia of textile products subject to any definitive or provisional quantitative limits established under Article 5 of the Agreement, up to the relevant quantitative limits as may be modified by Articles 4, 6 and 8 of the Agreement, as well as of all consignments of textile products subject to a double-checking system without quantitative limits as provided for in Article 2 (3) and (4) of the Agreement.

Article 7

1. For products subject to quantitative limits under this Agreement the export licence shall conform to Model 1 annexed to this Protocol and it shall be valid for exports throughout the customs territory to which the Treaty establishing the European Economic Community applies. However, where the Community has made recourse to the provisions of Articles 5 and 7 of the Agreement in accordance with the provisions of the Agreed Minute No 1, or to the Agreed Minute No 2, the textile products covered by the export licences can only be put into free circulation in the region(s) of the Community indicated in those licences.

2. Where quantitative limits have been introduced pursuant to this Agreement, each export licence must certify *inter alia* that the quantity of the product in question has been set off against the quantitative limit established for the category of the products concerned and shall only cover one category of products subject to quantitative limits. It may be used for one or more consignments of the products in question.

3. For products subject to a double-checking system without quantitative limits the export licence shall conform to Model 2 annexed to this Protocol. It shall only cover one category of products and may be used for one or more consignments of the products in question.

Article 8

The competent authorities of the Community must be informed immediately of the withdrawal or modification of any export licence already issued.

Article 9

1. Exports of textile products subject to quantitative limits pursuant to this Agreement shall be set off against the quantitative limits established for the year in which the shipment of the goods has been effected even if the export licence is issued after such shipment.

2. For the purpose of applying paragraph 1, shipment of the goods is considered to have taken place on the date of their loading onto the exporting aircraft, vehicle or vessel.

Article 10

The presentation of an export licence, in application of Article 12 hereafter, shall be effected not later than 31 March of the year following that in which the goods covered by the licence have been shipped.

Section II

Importation

Article 11

Importation into the Community of textile products subject to quantitative limits or to a double-checking system pursuant to this Agreement shall be subject to the presentation of an import authorization.

Article 12

1. The competent authorities of the Community shall issue the import authorization referred to in Article 11 above, within five working days of the presentation by the importer of the original of the corresponding export licence.

2. The import authorizations concerning products subject to quantitative limits under this Agreement shall be valid for six months from the date of their issue for imports throughout the customs territory to which the Treaty establishing the European Economic Community is applied. However, where the Community has recourse to the provisions of Articles 5 and 7 of the Agreement in accordance with the provisions of the Agreed Minute No 1, or to the Agreed Minute No 2, the products covered by the import licences can only be put into free circulation in the region(s) of the Community indicated in those licences.

3. The import authorizations for products subject to a double-checking system without quantitative limits shall be valid for six months from the date of their issue for imports throughout the customs territory to which the Treaty establishing the European Economic Community is applicable.

4. The competent authorities of the Community shall cancel the import authorization already issued whenever the corresponding export licence has been withdrawn.

However, if the competent authorities of the Community are notified of the withdrawal or the cancellation of the export licence only after the importation of the products into the Community, the relevant quantities shall be set off against the quantitative limits established for the category and the quota year concerned.

Article 13

1. If the competent authorities of the Community find that the total quantities covered by export licences issued by the competent authorities of Latvia for a particular category in any year exceed the quantitative limit established in accordance with Article 5 of the Agreement for that category, as may be modified by Articles 4, 6 and 8 of the Agreement, the said authorities may suspend the further issue of import authorizations. In this event, the competent authorities of the Community shall immediately inform the authorities of Latvia and the special consultation procedure set out in Article 15 of the Agreement shall be initiated forthwith.

2. Exports of products of Latvian origin subject to quantitative limits or a double-checking system and not covered by Latvian export licences issued in accordance with the provisions of this Protocol may be refused an import authorization by the competent Community authorities.

However, without prejudice to Article 6 of the Agreement if the import of such products is allowed into the Community by the competent authorities of the Community, the quantities involved shall not be set off against the appropriate quantitative limits established pursuant to this Agreement, without the express agreement of the competent authorities of Latvia.

TITLE IV

FORM AND PRODUCTION OF EXPORT CERTIFICATES AND CERTIFICATES OF ORIGIN, AND COMMON PROVISIONS CONCERNING EXPORTS TO THE COMMUNITY

Article 14

1. The export licence and the certificate of origin may comprise additional copies duly indicated as such. They shall be made out in English or French. If they are completed by hand, entries must be in ink and in printed script.

These documents shall measure 210×297 mm. The paper used shall be white writing paper, sized, not containing mechanical pulp, and weighing not less than 25 g/m².

If the documents have several copies only the top copy, which is the original, shall be printed with the guilloche pattern background. This copy shall be clearly marked as 'original' and the other copies as 'copies'. Only the original shall be accepted by the competent authorities of the Community as being valid for the purpose of export to the Community in accordance with the provision of the Agreement.

2. Each document shall bear a standardized serial number, whether or not printed, by which it can be identified.

This number shall be composed of the following elements:

- two letters identifying the exporting country as follows: LV,
- two letters identifying the intended Member State of customs clearance as follows:
 - BL = Benelux,
 - DE = Federal Republic of Germany,
 - DK = Denmark,
 - EL = Greece,
 - ES = Spain,
 - FR = France,
 - GB = United Kingdom,
 - IE = Ireland,
 - IT = Italy,
 - PT = Portugal,
- a one-digit number identifying quota year, corresponding to the last figure in the respective year, e.g. 3 for 1993,
- a two-digit number from 01 to 99, identifying the particular issuing office concerned in the exporting country,
- a five-digit number running consecutively from 00001 to 99999 allocated to the intended Member State of customs clearance.

Article 15

The export licence and the certificate of origin may be issued after the shipment of the products to which they relate. In such cases they must bear the endorsement 'délivré *a posteriori*' or the endorsement 'issued retrospectively'.

Article 16

1. In the event of a theft, loss or destruction of an export licence or a certificate of origin, the exporter may apply to the competent Latvian authorities which issued the document for a duplicate to be made out on the basis

of the export documents in his possession. The duplicate of any such certificate or licence so issued shall bear the endorsement 'duplicata' or 'duplicate'.

2. The duplicate shall bear the date of the original export licence or certificate of origin.

TITLE V

ADMINISTRATIVE COOPERATION

Article 17

The Community and Latvia shall cooperate closely in the implementation of the provisions of this Protocol. To this end, contacts and exchanges or views, including on technical matters, shall be facilitated by both Parties.

Article 18

In order to ensure the correct application of this Protocol, the Community and Latvia offer mutual assistance for the checking of the authenticity and the accuracy of export licences and certificates of origin issued or of any declarations made within the terms of this Protocol.

Article 19

Latvia shall transmit to the Commission of the European Communities the names and addresses of the authorities competent to issue and verify the export licences and the certificates of origin, together with specimens of the stamps used by these authorities and specimen signatures of officials responsible for signing the export licences and the certificates of origin. Latvia shall also notify the Community of any change in this information.

Article 20

1. Subsequent verification of certificates of origin or export licences shall be carried out at random, or whenever the competent Community authorities have reasonable doubt as to the authenticity of the certificate or licence or as to the accuracy of the information regarding the true origin of the products in question.

2. In such cases, the competent authorities in the Community shall return the certificate of origin or the export licence or a copy thereof to the competent Latvian authorities, giving, where appropriate, the reasons of form or substance which justify an enquiry. If the invoice has been submitted, such invoice or a copy thereof

shall be attached to the certificate or to the licence or their copies. The authorities shall also forward any information that has been obtained suggesting that the particulars given on the said certificate or licence are inaccurate.

3. The provisions of paragraph 1 above shall also apply to subsequent verifications of the declarations of origin provided for in Article 2 of this Protocol.

4. The results of the subsequent verifications carried out in accordance with paragraphs 1 and 2 above shall be communicated to the competent authorities of the Community within three months at the latest. The information communicated shall indicate whether the disputed certificate, licence or declaration, applies to the goods actually exported and whether these goods are eligible for export under the arrangements established by the Agreement. The information shall also include, at the request of the Community, copies of all the documentation necessary to fully determine the facts, and in particular the true origin of the goods.

Should such verifications reveal systematic irregularities in the use of declarations of origin, the Community may subject imports of the products in question to the provisions of Article 2 (1) of this Protocol.

5. For the purpose of subsequent verification of certificates of origin, copies of the certificates as well as any export documents referring to them shall be kept for at least two years by the competent Latvian authorities.

6. Recourse to the random verification procedure specified in this Article must not constitute an obstacle to the release for home use of the products in question.

Article 21

1. Where the verification procedure referred to in Article 20 or where information available to the competent authorities of the Community or of Latvia indicates or appears to indicate that the provisions of this Agreement are being circumvented or infringed, the two Contracting Parties shall cooperate closely and with the appropriate urgency in order to prevent any such circumvention or infringement.

2. To this end, the competent authorities of Latvia shall, on their own initiative or at the request of the Community, carry out appropriate inquiries, or arrange for such inquiries to be carried out, concerning operations which are, or appear to the Community to be, in circumvention or infringement of this Protocol. Latvia shall communicate the results, of these inquiries to the Community, including any other pertinent information enabling the cause of the circumvention or infringement, including the true origin of the goods to be determined.

3. By agreement between the Community and Latvia, officials designated by the Community may be present at the inquiries referred to in paragraph 2 above.

4. Pursuant to the cooperation referred to in paragraph 1 above, the competent authorities of the Community and Latvia shall exchange any information considered by either Contracting Party to be of use in preventing circumvention or infringement of the provisions of this Agreement. These exchanges may include information on the production of textile, products in Latvia and on the trade in the type of products covered by this Agreement between Latvia and third countries, particularly where the Community has

reasonable grounds to consider that the products in question may be in transit across the territory of Latvia prior to their importation into the Community. This information may include at the request of the Community copies of all available relevant documentation.

5. Where sufficient evidence shows that the provisions of this Protocol have been circumvented or infringed, the competent authorities of Latvia and the Community may agree to take the measures set out in Article 6 (4) of the Agreement, and any other measures as are necessary to prevent a recurrence of such circumvention or infringement.

(1) Show net weight (kg) and also quantity in the unit prescribed for category where other than net weight – Indiquer le poids net en kilogrammes ainsi que la quantité dans l'unité prévue pour la catégorie si cette unité n'est pas le poids net.
(2) In the currency of the sale contract – Dans la monnaie du contrat de vente.

1 Exporter (name, full address, country) Exportateur (nom, adresse complète, pays)	ORIGINAL	2 No	
	3 Quota year Année contingentaire	4 Category number Numéro de catégorie	
5 Consignee (name, full address, country) Destinataire (nom, adresse complète, pays)	<div>CERTIFICATE OF ORIGIN (Textile products)</div> <div>CERTIFICAT D'ORIGINE (Produits textiles)</div>		
	6 Country of origin Pays d'origine	7 Country of destination Pays de destination	
8 Place and date of shipment – Means of transport Lieu et date d'embarquement – Moyen de transport	9 Supplementary details Données supplémentaires		
10 Marks and numbers – Number and kind of packages – DESCRIPTION OF GOODS Marques et numéros – Nombre et nature des colis – DÉSIGNATION DES MARCHANDISES		11 Quantity (1) Quantité (1)	12 FOB value (2) Valeur fob (2)
13 CERTIFICATION BY THE COMPETENT AUTHORITY – VISA DE L'AUTORITÉ COMPÉTENTE I, the undersigned, certify that the goods described above originated in the country shown in box No 6, in accordance with the provisions in force in the European Economic Community. Je soussigné certifie que les marchandises désignées ci-dessus sont originaires du pays figurant dans la case 6, conformément aux dispositions en vigueur dans la Communauté économique européenne.			
14 Competent authority (name, full address, country) Autorité compétente (nom, adresse complète, pays)		At – À , on – le (Signature) (Stamp – Cachet)	

1 Exporter (name, full address, country) Exportateur (nom, adresse complète, pays)	ORIGINAL	2 No	
	3 Quota year Année contingentaire	4 Category number Numéro de catégorie	
5 Consignee (name, full address, country) Destinataire (nom, adresse complète, pays)	<div>EXPORT LICENCE (Textile products)</div> <div>LICENCE D'EXPORTATION (Produits textiles)</div>		
	6 Country of origin Pays d'origine	7 Country of destination Pays de destination	
8 Place and date of shipment – Means of transport Lieu et date d'embarquement – Moyen de transport	9 Supplementary details Données supplémentaires		
10 Marks and numbers – Number and kind of packages – DESCRIPTION OF GOODS Marques et numéros – Nombre et nature des colis – DÉSIGNATION DES MARCHANDISES		11 Quantity ⁽¹⁾ Quantité ⁽¹⁾	12 FOB value ⁽²⁾ Valeur fob ⁽²⁾
13 CERTIFICATION BY THE COMPETENT AUTHORITY – VISA DE L'AUTORITÉ COMPÉTENTE I, the undersigned, certify that the goods described above have been charged against the quantitative limit established for the year shown in box No 3 in respect of the category shown in box No 4 by the provisions regulating trade in textile products with the European Economic Community. Je soussigné certifie que les marchandises désignées ci-dessus ont été imputées sur la limite quantitative fixée pour l'année indiquée dans la case 3 pour la catégorie désignée dans la case 4 dans le cadre des dispositions régissant les échanges de produits textiles avec la Communauté économique européenne.			
14 Competent authority (name, full address, country) Autorité compétente (nom, adresse complète, pays)		At – À _____, on – le _____ (Signature) (Stamp – Cachet)	

(1) Show net weight (kg) and also quantity in the unit prescribed for category where other than net weight – Indiquer le poids net en kilogrammes ainsi que la quantité dans l'unité prévue pour la catégorie si cette unité n'est pas le poids net.
(2) In the currency of the sale contract – Dans la monnaie du contrat de vente.

(1) Show net weight (kg) and also quantity in the unit prescribed for category where other than net weight – Indiquer le poids net en kilogrammes ainsi que la quantité dans l'unité prévue pour la catégorie si cette unité n'est pas le poids net.
(2) In the currency of the sale contract – Dans la monnaie du contrat de vente.

1 Exporter (name, full address, country) Exportateur (nom, adresse complète, pays)	ORIGINAL	2 No BD	
	3 Export year Année d'exportation	4 Category number Numéro de catégorie	
5 Consignee (name, full address, country) Destinataire (nom, adresse complète, pays)	EXPORT LICENCE (Textile products) LICENCE D'EXPORTATION (Produits textiles)		
	6 Country of origin Pays d'origine	7 Country of destination Pays de destination	
8 Place and date of shipment – Means of transport Lieu et date d'embarquement – Moyen de transport	9 Supplementary details Données supplémentaires NON-RESTRAINED TEXTILE CATEGORY CATÉGORIE TEXTILE NON LIMITÉE		
10 Marks and numbers – Number and kind of packages – DESCRIPTION OF GOODS Marques et numéros – Nombre et nature des colis – DÉSIGNATION DES MARCHANDISES		11 Quantity (1) Quantité (1)	12 FOB value (2) Valeur fob (2)
13 CERTIFICATION BY THE COMPETENT AUTHORITY – VISA DE L'AUTORITÉ COMPÉTENTE I, the undersigned, certify that the goods described above originated in the country shown in box No 6, in accordance with the provisions in force in the Agreement on trade in textile products between the European Economic Community and the Republic of Latvia. Je soussigné certifie que les marchandises désignées ci-dessus sont originaires du pays figurant dans la case 6, conformément aux dispositions en vigueur dans Accord sur le commerce des produits textiles entre la Communauté économique européenne et la République de Lettonie.			
14 Competent authority (name, full address, country) Autorité compétente (nom, adresse complète, pays)		At – À _____, on – le _____ (Signature) (Stamp – Cachet)	

PROTOCOL B

referred to in Article 9

Cottage industry and folklore products originating in Latvia

1. The exemption provided for in Article 9 in respect of cottage industry products shall apply to the following types of product only:
 - (a) fabrics woven on looms operated solely by hand or foot, being fabrics of a kind traditionally made in the cottage industry of Latvia;
 - (b) garments or other textile articles of a kind traditionally made in the cottage industry of Latvia obtained manually from the fabrics referred to above and sewn exclusively by hand without the aid of any machine;
 - (c) traditional folklore products of Latvia made by hand, in a list to be agreed between the Community and Latvia.

Exemption shall be granted in respect only of products covered by a certificate conforming to the specimen attached to this Protocol and issued by the competent authorities in Latvia. These certificates must indicate the reasons justifying their issuance; the competent authorities of the Community will accept them after having checked that the products concerned have fulfilled the conditions established in this Protocol. The certificates concerning the products envisaged in (c) above must bear a stamp 'FOLKLORE' marked clearly. In the case of a difference of opinion between the Parties concerning the nature of these products, consultations shall be held within one month in order to resolve these differences.

Should imports of any product covered by this Protocol reach proportions liable to cause problems within the Community, consultations with Latvia shall be initiated as soon as possible, with a view to resolving the situation by the adoption if necessary of a quantitative limit, in accordance with the procedure laid down in Article 15 of this Agreement.

2. The provisions of Titles IV and V of Protocol A shall apply *mutatis mutandis* to the products covered by paragraph 1 of this Protocol.
-

1 Exporter (name, full address, country) Exportateur (nom, adresse complète, pays)	ORIGINAL		2 No
3 Consignee (name, full address, country) Destinataire (nom, adresse complète, pays)	<p>CERTIFICATE in regard to HANDLOOMS, TEXTILE HANDICRAFTS and TRADITIONAL TEXTILE PRODUCTS, OF THE COTTAGE INDUSTRY, issued in conformity with and under the conditions regulating trade in textile products with the European Economic Community</p> <hr/> <p>CERTIFICAT relatif aux TISSUS TISSÉS SUR MÉTIERS À MAIN, aux PRODUITS TEXTILES FAITS À LA MAIN, et aux PRODUITS TEXTILES RELEVANT DU FOLKLORE TRADITIONNEL, DE FABRICATION ARTISANALE, délivré en conformité avec et sous les conditions régissant les échanges de produits textiles avec la Communauté économique européenne</p>		
6 Place and date of shipment — Means of transport Lieu et date d'embarquement — Moyen de transport	4 Country of origin Pays d'origine	5 Country of destination Pays de destination	
8 Marks and numbers — Number and kind of packages — DESCRIPTION OF GOODS Marques et numéros — Nombre et nature des colis — DÉSIGNATION DES MARCHANDISES	7 Supplementary details Données supplémentaires		
11 CERTIFICATION BY THE COMPETENT AUTHORITY — VISA DE L'AUTORITÉ COMPÉTENTE I, the undersigned, certify that the consignment described above includes only the following textile products of the cottage industry of the country shown in box No 4: a) fabrics woven on looms operated solely by hand or foot (handlooms) ⁽²⁾ b) garments or other textile articles obtained manually from the fabrics described under a) and sewn solely by hand without the aid of any machine (handicrafts) ⁽²⁾ c) traditional folklore handicraft textile products made by hand, as defined in the list agreed between the European Economic Community, and the country shown in box No 4. Je soussigné certifie que l'envoi décrit ci-dessus contient exclusivement les produits textiles suivants relevant de la fabrication artisanale du pays figurant dans la case 4: a) tissus tissés sur des métiers actionnés à la main ou au pied (handlooms) ⁽²⁾ b) vêtements ou autres articles textiles obtenus manuellement à partir de tissus décrits sous a) et cousus uniquement à la main sans l'aide d'une machine (handicrafts) ⁽²⁾ c) produits textiles relevant du folklore traditionnel fabriqués à la main, comme définis dans la liste convenue entre la Communauté économique européenne et le pays indiqué dans la case 4.	9 Quantity Quantité	10 FOB value⁽¹⁾ Valeur fob ⁽¹⁾	
	12 Competent authority (name, full address, country) Autorité compétente (nom, adresse complète, pays)		

At — À , on — le

(Signature)

(Stamp — Cachet)

PROTOCOL C

Reimports into the Community, within the meaning of Article 3 (3) of this Agreement, of products listed in the Annex to this Protocol shall be subject to the provisions of this Agreement, unless the special provisions below provide otherwise:

1. Subject to paragraph 2, only reimports into the Community of products affected by the specific quantitative limits laid down in the Annex to this Protocol shall be considered reimports within the meaning of Article 3 (3) of the Agreement.
2. Reimports not covered by the Annex to this Protocol may be made subject to specific quantitative limits following consultations in accordance with the procedures set out in Article 15 of the Agreement, provided the products concerned are subject to quantitative limits pursuant to the Agreement, to a double-checking system or to surveillance measures.
3. Having regard to the interests of both Parties, the Community may at its discretion, or in response to a request under Article 15 of the Agreement:
 - (a) examine the possibility of transferring from one category to another, using in advance or carrying over from one year to the next, portions of specific quantitative limits;
 - (b) consider the possibility of increasing specific quantitative limits.
4. However, the Community may apply automatically the flexibility rules set out in paragraph 3 above within the following limits:
 - (a) transfers between categories may not exceed 20 % the quantity for the category to which the transfer is made;
 - (b) carry-over of a specific quantitative limit from one year to the next may not exceed 10,5 % of the quantity set for the year of actual utilization;
 - (c) advance use of specific quantitative limits from one year to another may not exceed 7,5 % of the quantity set for the year of actual utilization.
5. The Community shall inform Latvia of any measures taken pursuant to the preceding paragraphs.
6. The competent authorities in the Community shall debit the specific quantitative limits referred to in paragraph 1 at the time of issue of the prior authorization required by Council Regulation (EEC) No 636/82 which governs economic outward processing arrangements. A specific quantitative limit shall be debited for the year in which a prior authorization is issued.
7. A certificate of origin made out by the organizations authorized to do so under Latvian law shall be issued, in accordance with Protocol A to the Agreement, for all products covered by this Protocol. This certificate shall bear a reference to the prior authorization mentioned in paragraph 6 above as evidence that the processing operation it describes has been carried out in Latvia.
8. The Community shall provide Latvia with the names and addresses of, and specimens of the stamps used by, the competent authorities of the Community which issue the prior authorizations referred to in paragraph 6 above.
9. Without prejudice to the provisions of paragraphs 1 to 8 above, Latvia and the Community shall continue consultations with a view to seek a mutually acceptable solution enabling both Contracting Parties to benefit from the Agreement's provisions on outward processing traffic and so ensure the effective development of trade in textile products between Latvia and the Community.

Annex to Protocol C

The product descriptions of the categories listed in this Annex are to be found in Annex I to the Agreement)

OPT QUOTAS

COMMUNITY QUANTITATIVE LIMITS

Category	Unit	1993	1994	1995	1996	1997
(pm)	(pm)	(pm)	(pm)	(pm)	(pm)	(pm)

PROTOCOL D

The annual growth rate for the quantitative limits which may be introduced under Article 5 of the Agreement for the products covered by the Agreement shall be fixed by Agreement between the Parties in accordance with the consultation procedures established in Article 15 of the Agreement.

Agreed Minute No 1

In the context of the Agreement between the European Economic Community and the Republic of Latvia on trade in textile and clothing products, initialled at Brussels on 15 June 1993, the Parties agreed that Article 5 of the Agreement does not preclude the Community, if the conditions are fulfilled, from applying the safeguard measures for one or more of its regions in conformity with the principles of the internal market.

In such an event, Latvia shall be informed in advance of the relevant provisions of Protocol A to the Agreement to be applied, as appropriate.

*For the Government
of the Republic of Latvia*

*For the Council
of the European Communities*

Agreed Minute No 2

Notwithstanding Article 7 (1) of this Agreement, for imperative technical or administrative reasons or to find a solution to economic problems resulting from regional concentration of imports, or in order to combat circumvention and fraud of the provisions of this Agreement, the Community will establish for a limited period of time a specific management system in conformity with the principles of the internal market.

However, if the Parties are unable to reach a satisfactory solution during the consultations provided for in Article 7 (3), Latvia undertakes, if so requested by the Community, to respect temporary export limits for one or more regions of the Community. In such a case, these limits shall not preclude the importation into the region(s) concerned of products which were shipped from Latvia on the basis of export licences obtained before the date of formal notification to Latvia by the Community about the introduction of the above limits.

The Community shall inform Latvia of the technical and administrative measures, such as defined in the attached *note verbale*, that need to be introduced by both Parties in order to implement the above paragraphs in conformity with the principles of the internal market.

*For the Government
of the Republic of Latvia*

*For the Council
of the European Communities*

Agreed Minute No 3

In the context of the Agreement between the European Economic Community and the Republic of Latvia on trade in textile and clothing products, initialled at Brussels on 15 June 1993, the Parties agreed that Latvia shall endeavour not to deprive certain regions of the Community which have traditionally had relatively small shares of Community quotas of imports of products serving as inputs for their processing industry.

The Community and Latvia further agreed to hold consultations, should the need arise, in order to avert any problems which might occur in this respect.

*For the Government
of the Republic of Latvia*

*For the Council
of the European Communities*

Agreed Minute No 4

In the context of the Agreement between the European Economic Community and the Republic of Latvia on trade in textile and clothing products, initialled at Brussels on 15 June 1993, Latvia agreed that, from the date of request for and pending the consultations referred to in Article 7 (3), it shall cooperate by not issuing export licences that would further aggravate the problems resulting from the regional concentration of direct imports into the Community.

*For the Government
of the Republic Latvia*

*For the Council
of the European Communities*

Exchange of notes

The Directorate-General for External Relations of the Commission of the European Communities presents its compliments to the Ministry of Foreign Affairs of the Republic of Latvia and has the honour to refer to the Agreement on textile products between Latvia and the Community initialled at Brussels on 15 June 1993.

The Directorate-General wishes to inform the Ministry that whilst awaiting the completion of the necessary procedures for the conclusion and the coming into force of the Agreement, the Community is prepared to allow the provisions of the Agreement to apply *de facto* from 1 January 1993. This is on the understanding that either Party may at any time terminate this *de facto* application of the Agreement provided that 120 days' notice is given.

The Directorate-General for External Relations would be grateful if the Ministry would confirm its Agreement to the foregoing.

The Directorate-General for External Relations avails itself of this opportunity to renew to the Ministry of Foreign Affairs of the Republic of Latvia the assurance of its highest consideration.

Exchange of notes

The Ministry of Foreign Affairs of the Republic of Latvia presents its compliments to the Directorate-General for External Relations of the Commission of the European Communities and has the honour to refer to the Agreement on textile products between Latvia and the Community initialled at Brussels on 15 June 1993.

The Ministry of Foreign Affairs of the Republic of Latvia wishes to confirm to the Directorate-General that whilst awaiting the completion of the necessary procedures for the conclusion and the coming into force of the Agreement, the Government of the Republic of Latvia is prepared to allow the provisions of the Agreement to apply *de facto* from 1 January 1993. This is on the understanding that either Party may at any time terminate this *de facto* application of the Agreement provided that 120 days' notice is given.

The Ministry of Foreign Affairs of the Republic of Latvia to the European Communities avails itself of this opportunity to renew to the Directorate-General for External Relations of the Commission of the European Communities the assurance of its highest consideration.
