

# WORLD TRADE ORGANIZATION

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**Textiles Monitoring Body**

Original: English

## AGREEMENT ON TEXTILES AND CLOTHING

### Notification under Article 2.17

### EUROPEAN COMMUNITY

### Administrative Arrangements with the Philippines

The Textiles Monitoring Body has received a notification from the European Commission pursuant to paragraph 17 of Article 2. The TMB is circulating this notification to WTO Members for their information.

European Commission  
Directorate-General

Brussels, 26 September 1996

Dear Ambassador,

I would like to notify to the Textiles Monitoring Body the Administrative Arrangements which have been agreed between the European Community and the Republic of the Philippines under Article 2.17 of the Agreement on Textiles and Clothing - the text of which is attached.

Please accept, Ambassador, the assurance of my highest consideration.

(Signed) Enrico Grillo Pasquarelli

Ambassador Szepesi  
Chairman  
Textiles Monitoring Body  
World Trade Organization  
Centre William Rappard  
Rue de Lausanne 154  
CH-1311 Geneva 21

Provisions of the Agreement between the European Community and the Republic of the Philippines on trade in textile products, initialled on 28 June 1986, as amended by the Agreement in the form of an Exchange of Letters amending the Agreement between the European Economic Community and the Republic of the Philippines on trade in textile products, initialled in Brussels, on 27 November 1992, which will be notified as administrative arrangements under Article 2(17) of the Uruguay Round Textiles Agreement.

Article	Description
Section 1: Trade arrangements	
Article 2(3)	Determination of origin of covered products
Article 4	Reimports after OPT
Article 5	Cottage industry
Article 6	Imports to EC for re-export after processing
Article 9, as amended	Exchange of statistical information
Article 10	Amendments to classification
Article 11	Circumvention
Article 12, as amended	Regional concentration
Article 16(1), as amended	Consultations
Protocol A, as amended	Classification, Origin, Double-checking Export certificates, Certificate of origin etc., Export certificate etc., Administrative cooperation, Specimen of export licence (textiles) Form 5, Specimen of certificate of origin
Protocol B	Cottage industry
Protocol E	OPT operations
Agreed Minute No. 2 (1992)	Temporary specific management system
Agreed Minute No. 3 (1992)	Regions with traditionally small quotas
Note verbale (1992)	Refers to Agreed Minute No. 2 (1992)
Agreed Minute No. 4 (1992)	Regional concentration
Agreed Minute No. 3 (1986)	Exceptional flexibilities
Agreed Minute No. 7 (1986)	Flexibilities between ASEAN countries

ANNEX

Administrative Arrangements between the  
European Community and the Philippines

The following Annex reproduces in full for the benefit of Members the texts of the provisions of the bilateral agreement between the European Economic Community and the Philippines, as amended, which are referred to by reference to Article numbers in the notification of the administrative arrangements to the Textiles Monitoring Body ("TMB") pursuant to paragraph 17 of Article 2 of the Agreement on Textiles and Clothing ("ATC").

Where the provisions refer to "the Agreement" the reference is to a provision of the bilateral agreement between the parties (and not to articles of the ATC).

Certain Articles referred to in the texts do not form part of the administrative arrangements. The provisions of these articles have been notified to the TMB (e.g. the quantitative limits in question and the relevant flexibility provisions or are provisions which are not intended to form part of the administrative arrangements. These provisions have been identified by way of footnotes and it should therefore be noted that the footnotes are intended for explanation and do not form part of the provisions themselves.

## Article 2

3. 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 the Philippines and shall not have the effect of reducing any quantitative limit established in Annex II.<sup>1</sup>

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

## Article 4

The Philippines and the Community recognize the special and differential character of re-imports of textile products into the Community after processing in the Philippines.

Provided that they are effected in accordance with the regulations on economic outward processing in force in the Community, these re-imports are not subject to the quantitative limits set out in Annex II when they are subject to the specific arrangements laid down in Protocol E.

## Article 5

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

## Article 6

1. Imports into the Community of textile products covered by this Agreement shall not be subject to the quantitative limits established in Annex II<sup>2</sup> 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 under the conditions referred to above shall be subject to the production of an export licence issued by the Philippine authorities, and to proof of origin in accordance with the provisions of Protocol A.

2. Where the Community authorities have evidence 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 concerned shall authorize imports of identical quantities of the same products and inform the Philippines authorities within four weeks of the quantities involved which shall not be set off against the quantitative limit established under this Agreement for the current or the following year.

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<sup>1</sup>These limits are those notified by the European Community pursuant to Article 2 of the ATC.

<sup>2</sup>These limits are those notified by the European Community pursuant to Article 2 of the ATC.

#### Article 9

1. The Philippines undertake to supply the Community with precise statistical information on all export licences issued by the Philippine authorities for all categories of textile products subject to the quantitative limits established under this Agreement.

The Community shall likewise transmit to the Philippine authorities precise statistical information on import authorizations or documents issued by the Community authorities in respect of export licences issued by the Philippines.

2. "The information referred to in paragraph 1 first indent shall, for all categories of products, be forwarded before the end of the month following the month to which the statistics relate".

3. The Philippines also undertake to supply the Community wherever possible with available statistical information on all textile exports by country of destination.

The Community shall transmit to the Philippine authorities import statistics for all products covered by the system of administrative control referred to in Article 8(2)<sup>3</sup> and for products covered by Article 6(1).

4. The information referred to in paragraph 3 shall, for all categories of products, be transmitted before the end of the third month following the quarter to which the statistics relate.

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 16.

6. For the purpose of applying the provisions of Article 8,<sup>4</sup> the Community undertakes to provide the Philippine 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.

7. The Philippines and the Community shall exchange to the extent possible available statistical information on trade in textile products.

#### Article 10

1. Should there be divergent opinions between the Philippines and the competent Community authorities at the point of entry into the Community on the classification of products covered by this Agreement, classification shall provisionally be based on indications provided by the Community, pending consultations in accordance with Article 16 with a view to reaching agreement on definitive classification of the product concerned.

2. If the above provisional classification results in provisional debit against a quantitative limit for a category of products other than the category indicated on the export documents issued by the competent Philippine authorities, the Community shall inform the Philippines of such provisional debit within 30 days.

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<sup>3</sup>This provision related to a "basket exit" mechanism.

<sup>4</sup>This provision related to a "basket exit" mechanism.

3. The authorities of the Philippines shall be informed of any amendment to the tariff and statistical nomenclatures in force in the Community or any decision, made in accordance with the procedures in force in the Community, relating to the classification of products covered by this Agreement.

Any amendment to the tariff and statistical nomenclatures in force in the Community or any decision which results in a modification of the classification of products covered by this Agreement shall not have the effect of reducing any quantitative limit established in Annex II.<sup>5</sup>

The procedures for the application of this paragraph are set out in Protocol A.

#### Article 11

1. The Philippines and the Community agree to cooperate fully in preventing the circumvention of this Agreement by transshipment, re-routing or whatever other means.

2. Where information available to the Community as a result of the investigations carried out in accordance with the procedures set out in Protocol A constitutes evidence that products of Philippine origin subject to quantitative limits established under this Agreement have been transshipped, re-routed or otherwise imported into the Community in circumvention of this Agreement, the Community may request the opening of consultations in accordance with the procedures described in Article 16, with a view to reaching agreement on an equivalent adjustment of the corresponding quantitative limits established under this Agreement.

3. Pending the result of the consultations referred to in paragraph 2, the Philippines shall as a precautionary measure, if so requested by the Community make the necessary arrangements to ensure that adjustments of quantitative limits 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 where clear evidence of circumvention is provided.

4. Should the parties be unable in the course of consultations to reach a satisfactory solution within the period specified in Article 16, the Community shall have the right, where clear evidence of circumvention has been provided, to deduct from the quantitative limits established under this Agreement amounts equivalent to the products of Philippine origin.

#### Article 12

1. The quantitative limits established under this Agreement on imports into the Community of textile products of Philippine 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. The Philippines shall monitor 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 fifteen working days of their being requested by the Community.

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<sup>5</sup>These limits are those notified by the European Community pursuant to Article 2 of the ATC.

4. The Philippines 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 16

"1. Save where it is otherwise provided for in this Agreement,

The special consultation procedures referred to in this Agreement shall be governed by the following rules:

- any request for consultations shall be notified in writing to the other party;
- the request for consultations shall be followed within a reasonable period (and in any case not later than fifteen days following the notification by a statement setting out the reasons and circumstances which, in the opinion of the requesting Party, justify the submission of such a request;
- the Parties shall enter into consultations within one month at the latest of notification of the request, 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 on a mutually acceptable conclusion may be extended by common accord.



## PROTOCOL A

### TITLE I

#### Classification

##### Article 1

1. The competent authorities of the Community undertake to inform the Philippines of any changes in the tariff and statistical nomenclatures before the date of their entry into effect in the Community.
2. The competent authorities of the Community undertake to inform the Philippines of any decisions relating to the classification of products subject to the 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 tariff and statistical references;
  - (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 application of the decision shall remain subject to the earlier classification practice, provided that the goods in 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 restraint, the two parties agree to enter into consultations in accordance with the procedures described in Article 16(1) of the Agreement with a view to honouring the obligation under the second subparagraph of Article 10(3) of the Agreement.

### TITLE II

#### Origin

##### Article 2

1. Products originating in the Philippines for export to the Community in accordance with the arrangements established by this Agreement shall be accompanied by a certificate of Philippine origin conforming to the model annexed to this Protocol.
2. The certificate of origin shall be issued by the competent governmental authorities of the Philippines 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 Group III<sup>6</sup> 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 the Philippines 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 governmental authorities of the Philippines 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, certificates or declarations of origin shall contain a sufficiently detailed description of the goods to enable the 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 product shall not *ipso facto* cast doubt upon the statements in the certificate.

## TITLE III

### Double-Checking System for Categories of Products with Quantitative Limits

#### Section I

#### Exportation

### Article 6

The competent authorities of the Philippines shall issue an export licence in respect of all consignments from the Philippines of textile products referred to in Annex II<sup>7</sup> up to the relevant quantitative limits as may be modified by Articles 7<sup>8</sup>, 13<sup>9</sup> and 14<sup>10</sup> of the Agreement and of textile

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<sup>6</sup>This relates to the European Community's groupings of categories of products.

<sup>7</sup>These limits are those notified by the European Community pursuant to Article 2 of the ATC.

<sup>8</sup>These provisions relate to flexibilities and have been notified by the European Community pursuant to Article 2 of the ATC.

<sup>9</sup>This provision related to pro rata calculations in the event of denunciation of the Agreement.

<sup>10</sup>This provision concerned a system of regional shares.

products subject to any definitive or provisional quantitative limits established as a result of the application of Article 8<sup>11</sup> of the Agreement.

#### Article 7

"1. The export licence shall conform to the model annexed to this Protocol and it shall be valid for exports throughout the customs territory to which the Treaty establishing the European Economic Community is applied. However, where the Community has made recourse to the provisions of Article 8<sup>12</sup> 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."

It must certify inter alia that the quantity of the product in question has been set off against the quantitative limit prescribed for the category of the product in question.

2. Each export licence shall not only cover one of the categories of products listed in Annex II<sup>13</sup> of this Agreement.

3. Where the conversion rate provided for in Annex II<sup>14</sup> is applied the following note must be inserted in box 9 of the export licence: "conversion rate for garments of a commercial size not exceeding 130 cm is to be applied".

#### Article 8

The competent Community authorities must be notified forthwith of the withdrawal or alteration of any export licence already issued.

#### Article 9

1. Exports shall be set off against the quantitative limits established for the year in which 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 on to the exporting aircraft, vehicle or vessel.

#### Article 10

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

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<sup>11</sup>This provision related to a "basked exit" mechanism.

<sup>12</sup>This provision related to a "basked exit" mechanism.

<sup>13</sup>These limits are those notified by the European Community pursuant to Article 2 of the ATC.

<sup>14</sup>These limits are those notified by the European Community pursuant to Article 2 of the ATC.

## Section II

### Importation

#### Article 11

Importation into the Community of textile products subject to quantitative limits shall be subject to the presentation of an import authorization or document.

#### Article 12

1. The competent Community authorities shall issue such import authorization or document automatically within five working days of the presentation by the importer of the original of the corresponding export licence.

"The import authorizations 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 Article 8<sup>15</sup> in accordance with the provisions of the Agreed Minute No. 1, or 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."

2. The competent Community authorities shall cancel the already issued import authorization or document if the corresponding export licence has been withdrawn.

However, if the competent Community authorities have not been notified of the withdrawal or cancellation of the export licence until the products have been imported into the Community, the quantities involved shall be set off against the quantitative limit for the category and the quota year in question.

#### Article 13

1. If the competent Community authorities find that the total quantities covered by export licences issued by the Philippines for a particular category in any Agreement year exceed the quantitative limit established in Annex II<sup>16</sup> for that category, as may be modified by Articles 7<sup>17</sup>, 13<sup>18</sup> and 14<sup>19</sup> of the Agreement, or any definitive or provisional limit established under Article 8 of the Agreement, the said authorities may suspend the further issue of import authorizations or documents. In this event, the competent Community authorities shall immediately inform the authorities of the Philippines and the special consultation procedure set out in Article 16 of the Agreement shall be initiated forthwith.

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<sup>15</sup>This provision related to a "basked exit" mechanism.

<sup>16</sup>These limits are those notified by the European Community pursuant to Article 2 of the ATC.

<sup>17</sup>These provisions relate to flexibilities and have been notified by the European Community pursuant to Article 2 of the ATC.

<sup>18</sup>This provision related to pro rata calculations in the event of denunciation of the Agreement.

<sup>19</sup>This provision concerned a system of regional shares.

2. Exports of Philippine origin not covered by Philippine export licences issued in accordance with the provisions of this Protocol may be refused the issue of import authorizations or documents by the competent Community authorities.

However, if the import of such products is allowed into the Community by the competent Community authorities, the quantities involved shall not be set off against the appropriate quantitative limits set out in Annex II<sup>20</sup> or established as a result of the application of Article 8<sup>21</sup> of the Agreement, without the express agreement of the Philippines save as provided for in Article 11 of the Agreement.

FORM AND PRODUCTION OF EXPORT LICENCES AND CERTIFICATES  
OF ORIGIN, AND COMMON PROVISIONS

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 block capitals.

These documents shall measure 210 x 297 mm. The paper used must be white writing paper, sized, not containing mechanical pulp and weighing not less than 25 g/m<sup>2</sup>. Each part shall have a printed guilloche-pattern background making any falsification by mechanical or chemical means apparent to the eye.

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 "copy". Only the original shall be accepted by the competent authorities in the Community as being valid for the purposes of export to the Community in accordance with the arrangements established by this 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 Philippines as follows: PH,
- "- two letters identifying the intended Member State of customs clearance as follows:

AT	=	Austria
BL	=	Benelux
DE	=	Federal Republic of Germany
DK	=	Denmark
EL	=	Greece
ES	=	Spain
FI	=	Finland
FR	=	France
GB	=	United Kingdom
IE	=	Ireland
IT	=	Italy
PT	=	Portugal
SW	=	Sweden"

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<sup>20</sup>These limits are those notified by the European Community pursuant to Article 2 of the ATC.

<sup>21</sup>This provision related to a "basked exit" mechanism.

- a one-digit number identifying quota year, corresponding to the last figure in year, e.g. 7 for 1987,
- a two-digit number running consecutively from 01 to 99 identifying the issuing office,
- "- 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 certificate of origin may be issued after the shipment of the products to which they relate. In such cases they shall bear either the endorsement "délivré a posteriori" or the endorsement "Issued retrospectively".

#### Article 16

1. In the event of theft, loss or destruction of an export licence or certificate of origin, the exporter may apply to the competent governmental authority 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".

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

### TITLE V

#### Administrative Cooperation

#### Article 17

The Community and the Philippines shall cooperate closely to implement the provisions of this Agreement. To this end, contacts and exchanges of views (including on technical matters) shall be facilitated by both parties.

#### Article 18

In order to ensure that the Agreement is properly applied, the Community and Philippines shall assist each other in checking the authenticity and accuracy of export licences and certificates of origin issued or declarations made under this Protocol.

#### Article 19

The Philippines shall send the Commission of the European Communities the names and addresses of the governmental authorities competent for the issue and verification of export licences and certificates of origin together with specimens of the stamps used by these authorities. The Philippines shall also notify the Commission 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 products in question.

2. In such cases the competent authorities in the Community shall return the certificate of origin or export licence or a copy thereof to the competent governmental authority in the Philippines giving, where appropriate, the reasons or form or substance for an enquiry. If the invoice has been submitted, such invoice or a copy thereof shall be attached to the certificate or licence or its copy. 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 shall be applicable to subsequent verifications of the declarations of origin referred to in Article 2 of this Protocol.

4. The results of the subsequent verifications carried out in accordance with paragraphs 1 and 2 shall be communicated to the competent authorities of the Community within three months at the latest together with any other pertinent information particularly regarding 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 governmental authority in the Philippines.

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 19 or where information available to the Community or to the Philippines indicates or appears to indicate that the provisions of this Agreement are being contravened, both parties shall cooperate closely and with appropriate urgency to prevent such contravention.

2. To this end the Philippines shall on its own initiative or at the request of the Community, carry out appropriate enquiries or arrange for such enquiries to be carried out concerning operations which are, or appear to be the Community to be in contravention of this Agreement. The Philippines shall communicate the results of these enquiries to the Community together with any other pertinent information enabling the true origin of the goods to be determined.

3. Subject to agreement between the Community and the Philippines officials designated by the Community may be present at the enquiries referred to above.

4. In pursuance of the cooperation referred to in paragraph 1, the Philippines and the Community shall exchange any information considered by either party to be of use in preventing the contravention of the provisions of the Agreement. These exchanges may include information on textile production in the Philippines and on trade in textile products of a kind covered by this Agreement between the Philippines and other countries, particularly where the Community has reasonable grounds to consider that the products in question may be in transit across the territory of the Philippines prior to their importation into the Community. This information shall include at the request of the Community copies of all relevant documentation.

5. Where it is established that the provisions of this Agreement have been contravened, the Philippines and the Community may agree to take such measures as are necessary to prevent a recurrence of such contravention.



## ANNEX TO PROTOCOL A, ARTICLE 2(1)

Appendix III

1. Exporter (name, full address, country) Exportateur (nom, adresse complète, pays)	ORIGINAL	2. No.	
	3. Quota year Année contingentaie	4. Category number Numéro de catégorie	
5. Consignee (name, full address, country) Destinataire (nom, adresse complète, pays)	CERTIFICATE OF ORIGIN (Textile products) <hr/> CERTIFICAT D'ORIGINE (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		
10. Marks and numbers - Number and kind of packages - DESCRIPTION OF GOODS Marques et numéros - Nombre et nature des colis - DESIGNATION DES MARCHANDISES	11. Quantity <sup>1</sup> Quantité <sup>1</sup>	12. F.o.b. value <sup>2</sup> Valeur f.o.b. <sup>2</sup>	
13. CERTIFICATION BY THE COMPETENT AUTHORITY/VISA DE L'AUTORITE COMPETENTE  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 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 européenne.			
14. Competent authority (name, full address, country) Autorité compétente (nom, adresse complète, pays)	At/A ..... On/Le .....		
	(Signature) (Stamp - Cachet)		

<sup>1</sup>Show the 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.

<sup>2</sup>In the currency of the sale contract/Dans la monnaie du contrat de vente.

## APPENDIX TO PROTOCOL A, ARTICLE 7(1)

Appendix IV

1. Exporter (name, full address, country) Exportateur (nom, adresse complète, pays)	ORIGINAL	2. No.	
	3. Quota year Année contingentaie	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		
10. Marks and numbers - Number and kind of packages - DESCRIPTION OF GOODS Marques et numéros - Nombre et nature des colis - DESIGNATION DES MARCHANDISES	11. Quantity <sup>1</sup> Quantité <sup>1</sup>	12. F.o.b. value <sup>2</sup> Valeur f.o.b. <sup>2</sup>	
13. CERTIFICATION BY THE COMPETENT AUTHORITY/VISA DE L'AUTORITE COMPETENTE  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 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 européenne.			
14. Competent authority (name, full address, country) Autorité compétente (nom, adresse complète, pays)	At/A ..... On/Le .....		
	(Signature) (Stamp - Cachet)		

<sup>1</sup>Show the weight (kg.) and also quantity in the unit prescribed for category where other than net weigh/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.

<sup>2</sup>In the currency of the sale contract/Dans la monnaie du contrat de vente.

PROTOCOL B

1. The exemption provided for in Article 5 of the Agreement in respect of cottage industry products shall apply only to the following products:

- (a) Fabrics woven on hand- or foot-operated looms, being fabrics of a kind traditionally made in the cottage industry of the Philippines;
- (b) garments or other textile articles of a kind traditionally made in the cottage industry of the Philippines obtained manually from the fabrics referred to above and sewn exclusively by hand without the aid of a machine;
- (c) traditional folklore textile products of the Philippines made by hand in the cottage industry of the Philippines as defined in a list to be agreed between both parties.

Exemption shall be granted only for products accompanied by a certificate issued by the competent Philippine authorities in accordance with the specimen annexed to this Protocol. Such certificates shall state the ground on which exemption is based and shall be accepted by the competent Community authorities provided that they are satisfied that the products concerned conform to the condition set out in this Protocol. Certificates covering the products referred to in paragraph (c) above shall bear a conspicuous stamp: "FOLKLORE". In case of divergent opinion between the Philippines and the competent Community authorities at the point of entry into Community as to the nature of such products, consultations shall be held within one month with a view to resolving such divergences. Should imports of any of the above products cause difficulties to the Community, the two Parties shall open consultations forthwith in accordance with the procedure laid down in Article 16 of the Agreement with a view to finding appropriate solutions.

2. The provisions of Title IV and V of Protocol A shall apply "*mutadis mutandis*" to the products referred to in paragraph 1 of this Protocol.

## ANNEX TO PROTOCOL B

## Appendix V

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)	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 Community _____ CERTIFICAT relatif aux TISSUS, TISSES SUR METIERS A MAIN, aux PRODUITS TEXTILES FAITS A 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 européenne			
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	
7. Supplementary details Données supplémentaires				
8. Marks and numbers - Number and kind of packages - DESCRIPTION OF GOODS Marques et numéros - Nombre et nature des colis - DESIGNATION DES MARCHANDISES	9. Quantity Quantité	10. F.o.b. value <sup>1</sup> Valeur f.o.b. <sup>1</sup>		
11. CERTIFICATION BY THE COMPETENT AUTHORITY/VISA DE L'AUTORITE COMPETENTE  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) <sup>2</sup> ; (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) <sup>2</sup> ; (c) traditional folklore handicraft textile products made by hand, as defined in the list agreed between the European 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) <sup>2</sup> ; 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) <sup>2</sup> ; c) produits textiles relevant du folklore traditionnel fabriqués à la main, comme définis dans la liste convenue entre la Communauté européenne et le pays indiqué dans la case 4.				
12. Competent authority (name, full address, country) Autorité compétente (nom, adresse complète, pays)	At/A ..... On/Le .....  (Signature) (Stamp - Cachet)			

<sup>1</sup>In the currency of the sale contract/Dans la monnaie du contrat de vente.<sup>2</sup>Delete as appropriate/Biffer la (les) mention(s) inutile(s).

## PROTOCOL E

Reimports in the sense of Article 4 paragraph 2 of this Agreement into the Community of products listed in the Annex to this Protocol shall be subject to the provisions of the Agreement except as specifically provided for by the particular provisions set out below:

1. Only reimports into the Community subject to the specific quantitative limits set out in the annex to the Protocol, as may be modified by the applications of paragraphs 2 and 3 shall be considered reimports in the sense of Article 4, paragraph 2.
2. Reimports not covered by the annex may be submitted to specific quantitative limits following consultations in accordance with the procedures set out in Article 16 of the Agreement, provided the products concerned are subject to the quantitative limits established under Annex II to the Agreement.
3. The Community may, at its own discretion, and bearing in mind the interest of both parties, or in the framework of a request set out in Article 16 of the Agreement:
  - (a) Examine the possibilities of transfers between categories and advance use or carry-over of portions of specific quantitative limits from one year to another.
4. However the Community may automatically carry out the flexibilities in the sense of paragraph 3 up to the following extent:
  - (a) Transfer between categories up to 20 per cent of the share established for the category to which the transfer is made;
  - (b) carryover of specific quantitative limits from one year to another up to 10.5 per cent of the share for the year of actual utilization;
  - (c) advance use of specific quantitative limits from one year to another up to 7.5 per cent of the share for the year of actual utilization.
5. The Community shall inform the Philippines of any measures taken pursuant to the preceding paragraphs.
6. Debiting against a specific quantitative limit referred to in Paragraph 1 shall be carried out by the competent authorities of the Community at the time of issuing the prior authorization provided for by the Community regulation on economic outward processing, Regulation (EEC) No. 636/82. A specific quantitative limit shall be debited for the year in which a prior authorization is issued.
7. A certificate of origin shall be issued for all products covered by the present Protocol by the Philippines in accordance with the provisions of Protocol A of the Agreement, bearing a reference to the prior authorization referred to in paragraph 6 as evidence that the processing operation described in the prior authorization has been carried out in the Philippines.
8. The Community shall provide the Philippines with the names, addresses and the specimens of stamps used by the competent authorities of the Community for the use of the prior authorizations referred to in paragraph 6.

9. Notwithstanding the provisions of paragraphs 1 to 8 above the Philippines and the Community will continue to consult together to seek a mutually acceptable means to enable both parties to take advantage of the OPT provisions in the Agreement with a view to the effective development of trade in textiles between the Philippines and the Community.

AGREED MINUTE NO. 2

Notwithstanding Article 12, paragraph 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 12 paragraph 3, the Philippines undertake, 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 the Philippines on the basis of export licences obtained before the date of formal notification to the Philippines by the Community about the introduction of the above limits.

The Community shall inform the Philippines 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 the Philippines

For the Council of the  
European Economic Community

AGREED MINUTE NO. 3

In the context of the agreement between the European Economic Community and the Republic of the Philippines on trade in textile and clothing products, initialled in Brussels on 27 November 1992, the Parties agreed that the Philippines shall endeavour not to deprive certain regions of the Community which have traditionally had relatively small shares of the Community quotas of imports of products serving as inputs for their processing industry.

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

The parties agreed that this Agreed Minute replaces the corresponding Agreed Minute of the Agreement on this subject.

For the Government of the  
Republic of the Philippines

For the Council of the  
European Economic Community



NOTE VERBALE

The Directorate-General for External Relations of the Commission of the European Communities presents its compliments to the Mission of the Republic of the Philippines to the European Communities and has the honour to refer to the Agreement on textile products negotiated between the Republic of the Philippines and the Community applied since 1 January 1987, as extended by the exchange of letters initialled on 15 November 1991 and as further extended by the exchange of letters of 27 November 1992.

The Directorate-General wishes to inform the Mission of the Republic of the Philippines that the Community had decided to apply, starting from 1 January 1993, the provisions of paragraph 1 of Agreed Minute No. 2 to the exchange of letters initialled on 27 November 1992. Consequently, the corresponding provisions of Articles 7 and 12 of Protocol A to the Agreement shall also be applied as of the above date.

The Directorate-General for External Relations avails itself of this opportunity to renew to the Mission of the Republic of the Philippines to the European Communities the assurance of its highest consideration.

AGREED MINUTE NO. 4

In the context of the Agreement between the European Economic Community and the Republic of the Philippines on trade in textile and clothing products, applied since 1 January 1987, as extended by the Exchange of Letters initialled on 15 November 1991 and further extended by the Exchange of Letters initialled on 27 November 1992, the Philippines agreed that, from the date of request for and pending the consultations referred to in Article 12 paragraph 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 of the Philippines

For the Council of the  
European Economic Community