

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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AGREEMENT BETWEEN THE EUROPEAN ECONOMIC COMMUNITY AND SPAIN

The Director-General has received the following communication from the Council of the European Communities:

"I have the honour to inform you that an Agreement between the European Economic Community and Spain was signed on 29 June 1970 in Luxembourg.

"I am pleased to send you herewith, for the information of the contracting parties, a copy of this Agreement, which in the opinion of both parties is consistent with the spirit and the objectives of the General Agreement."

The document submitted has the following sections:

1. Text of the Agreement.
2. Application of Article 2, paragraph 1, of the Agreement (Annex I).
3. Application of Article 2, paragraph 2, of the Agreement (Annex II).
4. Protocol concerning the definition of the term "products originating in" and concerning methods of administrative co-operation.
5. Final Act.
6. Exchange of letters concerning bilateral trade agreements.

Sections 1, 2, 5 and 6 are reproduced in full herewith. As, however, Sections 3 and 4 contain extensive product lists, only the main provisions of these sections are reproduced. The complete lists will be found in the Journal Officiel of the European Communities No. L 182, a copy of which is now being made available to each contracting party.

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AGREEMENT
BETWEEN THE
EUROPEAN ECONOMIC COMMUNITY
AND
SPAIN

THE COUNCIL OF THE EUROPEAN COMMUNITIES, of the one part,

THE HEAD OF THE SPANISH STATE, of the other part,

DETERMINED to consolidate and extend the economic and commercial relations existing between the European Economic Community and Spain,

AWARE of the importance of a harmonious development of commerce between the Contracting Parties,

DESIRING to lay the foundations of a progressive expansion of trade between them in observance of the provisions of the General Agreement on Tariffs and Trade,

CONSIDERING the concern of the European Economic Community to develop its economic and commercial relations with the coastal countries of the Mediterranean basin,

HAVE DECIDED to conclude an Agreement between the European Economic Community and Spain, and to this end have designated as their plenipotentiaries:

THE COUNCIL OF THE EUROPEAN COMMUNITIES:

Mr. Pierre HARMEL,
Currently President of the Council of the European Communities,
Minister of Foreign Affairs

Mr. Jean REY,
President of the Commission of the European Communities

THE HEAD OF THE SPANISH STATE:

Mr. Gregorio LOPEZ BRAVO,
Minister of Foreign Affairs

WHO, having exchanged their full powers, found in good and due form,

HAVE AGREED AS FOLLOWS:

ARTICLE 1

1. Obstacles to substantially all the trade between the European Economic Community and Spain shall be eliminated in two stages according to the procedure hereinafter prescribed.
2. The first stage shall last at least six years.
3. Passage from the first to the second stage shall be effected by agreement between the Contracting Parties as and when the conditions are fulfilled.
4. The first stage shall be governed by the provisions hereinafter set forth.

PART I

TRADE

ARTICLE 2

1. Products originating in Spain shall upon importation into the Community benefit from the provisions set forth in Annex I.
2. Products originating in the Community shall upon importation into Spain benefit from the provisions set forth in Annex II.
3. The Contracting Parties shall take all general or special measures calculated to ensure execution of the obligations arising out of the Agreement.

They shall abstain from any action likely to jeopardize attainment of the aims of the Agreement.

ARTICLE 3

Any measure or practice of an internal fiscal character that establishes, whether directly or indirectly, a discrimination as between the products of one Contracting Party and the like products originating in the other Contracting Party shall be prohibited.

ARTICLE 4

The trade régime applied by Spain to products originating in or consigned to the Community may not result in any discrimination between the member States, their nationals or their companies.

The trade régime applied by the Community to products originating in or consigned to Spain may not result in any discrimination between Spanish nationals or companies.

ARTICLE 5

Subject to special provisions in respect of frontier trade, the treatment accorded by Spain to products originating in the Community may in no case be less favourable than that accorded to products originating in the most-favoured third State.

ARTICLE 6

To the extent that export duties are charged on the products of one Contracting Party when consigned to the other Contracting Party, those duties may not be in excess of those imposed on products consigned to the most-favoured third State.

ARTICLE 7

The provisions of articles 5 and 6 shall not prevent the maintenance or establishment by Spain of customs unions or free-trade areas, to the extent that these do not have the effect of changing the trade régime, and in particular the provisions concerning rules of origin, provided for by the present Agreement.

ARTICLE 8

The provisions set forth in the Protocol define the rules of origin applicable to products covered by this Agreement.

ARTICLE 9

1. A Contracting Party becoming aware of dumping practices in its relations with the other Contracting Party may, after consultation in the Joint Commission established by article 13, take measures of defence against such practices in accordance with the Agreement on implementation of Article VI of the General Agreement on Tariffs and Trade.

In case of urgency the said Contracting Party may, after notifying the Joint Commission, take the provisional measures prescribed by the said Agreement. Consultations thereon shall be held not later than two weeks after the taking of the measures.

2. In taking measures against bonuses and subsidies the Contracting Parties undertake to observe the provisions of Article VI of the General Agreement on Tariffs and Trade.

3. Dumping practices, bonuses and subsidies observed and measures taken against them shall, at the request of one of the Contracting Parties, be the subject of consultations every three months in the Joint Commission.

ARTICLE 10

Payments in respect of trade in goods and likewise the transfer of such payments to the member States in which the creditor resides or to Spain shall not be subject to any restriction to the extent that such trade falls within the purview of this Agreement.

ARTICLE 11

1. If serious disturbances occur in a sector of Spain's economic activity or threaten its external financial stability, or if difficulties arise that have the effect of altering the economic situation of any area of Spain, the latter may take the necessary safeguard measures.

These measures and their implementing modalities shall be notified without delay to the Joint Commission.

2. If serious disturbances occur in a sector of the economic activity of the Community or of one or more of the member States, or threaten their external financial stability, or if difficulties arise that have the effect of altering the economic situation of any area of the Community, the latter may take or authorize the member State or States concerned to take the necessary safeguard measures.

These measures and their implementing modalities shall be notified without delay to the Joint Commission.

3. For the implementation of the provisions of paragraphs 1 and 2, the measures selected must as a matter of priority be those causing the least possible disturbance in the functioning of the régime established by the Agreement. These measures must not exceed what is strictly necessary to remedy the difficulties which have arisen.

4. Consultations may take place in the Joint Commission on measures taken in pursuance of paragraphs 1 and 2.

ARTICLE 12

The provisions of this Agreement shall not prevent prohibitions or restrictions being imposed on imports, exports or transit on the grounds of public morality, public order, public security, protection of human or animal life or health, the preservation of plant life, the protection of national treasures of artistic, historical or archaeological value, or the protection of industrial or commercial property. Such prohibitions or restrictions shall not, however, constitute either a means of arbitrary discrimination or a disguised restriction on trade.

PART II

GENERAL AND FINAL PROVISIONS

ARTICLE 13

1. A Joint Commission is hereby established to administer this Agreement and ensure its proper execution. To this end it shall make recommendations; it shall take decisions in the cases provided for in this Part.
2. The Contracting Parties agree to inform each other and, on request by either of them, to consult in the Joint Commission with a view to the proper implementation of this Agreement.
3. The Joint Commission shall by decision establish its rules of procedure.

ARTICLE 14

1. The Joint Commission shall consist, on the one hand, of representatives of the Community and, on the other hand, of representatives of Spain.
2. The Joint Commission shall take its decisions by agreement.

ARTICLE 15

1. The Joint Commission shall be presided over in turn by each Contracting Party in the conditions set forth in its rules of procedure.
2. The Joint Commission shall be convened once a year by its Chairman.

In addition, the Joint Commission shall meet whenever circumstances require, at the request of one of the Contracting Parties, in the conditions set forth in its rules of procedure.

3. The Joint Commission may decide to set up any working party that can help it to discharge its tasks.

ARTICLE 16

The Agreement may be denounced by either Contracting Party subject to six months' advance notice.

ARTICLE 17

1. The present Agreement shall apply to the European territories in which the Treaty establishing the European Economic Community is in operation, on the one hand, and to the territory of Spain on the other hand.

2. It shall also apply to the French overseas departments in the sectors covered by this Agreement corresponding to those listed in paragraph 2, sub-paragraph 1 of Article 227 of the Treaty establishing the European Economic Community.

The conditions governing the application to these departments of the provisions of the Agreement concerning the other sectors shall be determined subsequently by agreement between the Contracting Parties.

ARTICLE 18

Annexes I and II, the lists contained therein, and the Protocol shall form an integral part of the Agreement.

ARTICLE 19

The present Agreement shall come into force on the first day of the month following the date on which the Contracting Parties notify each other that the necessary procedures for this purpose have been completed.

ARTICLE 20

The present Agreement is drawn up in duplicate in the German, French, Italian, Dutch and Spanish languages, each text being equally authentic.

IN FAITH WHEREOF the undersigned plenipotentiaries have attached their signatures to the present Agreement.

Done at Luxembourg on the twenty-ninth day of June, one thousand nine hundred and seventy.

For the Council of the European Communities,

Pierre HARMEZ

Jean REY

Subject to the reservation that the European Economic Community shall be definitely committed only after the other Contracting Party has been notified of the completion of the procedures required by the Treaty establishing the European Economic Community.

For the Head of the Spanish State,

Gregorio LOPEZ BRAVO

ANNEX I

APPLICATION OF ARTICLE 2, PARAGRAPH 1, OF THE AGREEMENT

ARTICLE 1

Products originating in Spain to which the provisions of the present Annex apply, including the products enumerated in Lists A and B except those listed in articles 3 and 10, may be imported into the Community without quantitative restrictions.

ARTICLE 2

Subject to the special provisions of articles 3, 4 and 5, the customs duties applicable on importation into the Community to products originating in Spain other than those enumerated in Annex II of the Treaty establishing the European Economic Community and other than those in Lists A and B shall be those of the Common Tariff Schedule reduced in the proportions and according to the time-table immediately following:

Time-table	Rate of reduction
Date of entry of the Agreement into force	30%
From 1 January 1972	50%
From 1 January 1973	60%

ARTICLE 3

1. The products enumerated below, refined in Spain, shall benefit on importation into the Community by the reductions of customs duty prescribed in article 2, subject to an annual total Community tariff quota of 1,200,000 tons.

Tariff heading	Description of goods
27.10	<p>Petroleum oils and oils obtained from bituminous minerals, other than crude; preparations not elsewhere specified or included, containing not less than 70% by weight of petroleum oils or of oils obtained from bituminous minerals, these oils being the basic constituents of the preparations:</p> <p>A. Light oils:</p> <p>III. Intended for other purposes</p> <p>B. Medium oils:</p> <p>III. Intended for other purposes</p> <p>C. Heavy oils:</p> <p>I. Gas oil:</p> <p>(c) Intended for other purposes</p> <p>II. Fuel oil:</p> <p>(c) Intended for other purposes</p> <p>III. Lubricating and other oils:</p> <p>(c) Intended to be mixed in accordance with the terms of Additional Note 7 to this Chapter^(a)</p> <p>(d) Intended for other purposes</p>
27.11	<p>Petroleum gases and other gaseous hydrocarbons:</p> <p>A. Commercial propane and commercial butane:</p> <p>III. Intended for other purposes</p>
27.12	<p>Petroleum jelly:</p> <p>A. Crude:</p> <p>III. Intended for other purposes</p> <p>B. Other</p>
27.13	<p>Paraffin wax, micro-crystalline wax, slack wax, ozokerite, lignite wax, peat wax and other mineral waxes, whether or not coloured:</p> <p>B. Other:</p> <p>I. Crude:</p> <p>(c) Intended for other purposes</p> <p>II. Other</p>

^(a) Entry under this sub-heading is subject to conditions to be determined by the competent authorities.

Tariff heading	Description of goods
27.14	Petroleum bitumen, petroleum coke and other residues of petroleum oils or of oils obtained from bituminous minerals: C. Other

2. The Community reserves the right to modify the system laid down in the present article:

- when a standard definition of origin is adopted for petroleum products coming from third parties and from associated countries;
- when decisions are taken within the framework of an agreed commercial policy;
- when a common energy policy is drawn up.

In those cases the Community shall guarantee to the imports mentioned in paragraph 1 advantages equivalent in scope to those laid down in the present article.

3. Consultations may take place within the Joint Commission regarding the measures taken to give effect to paragraph 2.

4. Subject to paragraphs 1 and 2, the provisions of the present Agreement shall not affect the regulations governing the importation of petroleum products.

ARTICLE 4

The products mentioned below, originating in Spain, shall benefit on importation into the Community by the reductions of customs duties prescribed in article 2, within an annual Community tariff quota of 1,800 tons:

Tariff heading	Description of goods
55.09	Other woven fabrics of cotton

ARTICLE 5

1. Products in the list in paragraph 2 originating in Spain shall be subject on importation into the Community to the duties of the Common Tariff Schedule reduced in the proportions and according to the time-table immediately following:

Time-table	Rate of reduction
Date of entry of the Agreement into force	10%
From 1 January 1973	20%
From 1 January 1975	30%
From 1 January 1977	40%

2. The list mentioned in paragraph 1 is the following:

Tariff heading	Description of goods
25.01	Common salt (including rock salt, sea salt and table salt); pure sodium chloride; salt liquors; sea water: A. Common salt (including rock salt, sea salt and table salt) and pure sodium chloride, whether or not in aqueous solution: II. Other: (a) denatured or intended for other industrial purposes (including refining), than the preservation or preparation of foodstuffs ^(a) (b) not specified B. Salt liquors; sea water
53.11	Woven fabrics of wool or of fine animal hair
56.01	Man-made fibres (discontinuous), not carded, combed or otherwise prepared for spinning: B. Regenerated fibres

^(a) Entry under this sub-heading is subject to conditions to be determined by the competent authorities.

Tariff heading	Description of goods
60.03	Stockings, under stockings, socks, ankle-socks, sockettes and the like, knitted or crocheted, not elastic nor rubberized
60.04	Undergarments, knitted or crocheted, not elastic nor rubberized
61.03	Men's and boys' undergarments, including collars, shirt fronts and cuffs
62.01	Travelling rugs and blankets: B. Other
62.02	Bed linen, table linen, toilet linen and kitchen linen; curtains and other furnishing articles
64.02	Footwear with outer soles of leather or composition leather; footwear (other than footwear falling within heading No. 64.01) with outer soles of rubber or artificial plastic material
69.07	Unglazed setts, flags and paving, hearth and wall tiles
78.01	Unwrought lead (including argentiferous lead); lead waste and scrap: A. Unwrought
79.01	Unwrought zinc; zinc waste and scrap: A. Unwrought

ARTICLE 6

The products specified in articles 2, 3, 4 and 5, originating in Spain, shall not be subject on importation into the Community to dues equivalent to customs duty.

ARTICLE 7

1. The products listed below, originating in Spain, shall be subject on importation into the Community to customs duty equal to 60 per cent of the duties of the Common Tariff Schedule:

Tariff heading	Description of goods
ex 08.02 A	Oranges
ex 08.02 B	Mandarines and satsumas; clementines, tangerines and other similar citrus hybrids
ex 08.02 C	Lemons

2. During the period when threshold prices apply, the provisions of paragraph 1 shall be applied provided that the prices of citrus fruits imported from Spain on the market of the Community are, after duty has been paid and taking into account the coefficients applicable to different categories of citrus fruits and after deducting transport costs and import dues other than customs, equal to or higher than the threshold prices for the period in question adjusted to take account of the incidence of customs duties on the threshold prices and of a lump sum of 1.20 u.a. per 100 kgs.

3. The cost of transport and import dues other than customs duties referred to in paragraph 2 are those laid down for calculating the entry price referred to in Regulation No. 23 providing for the gradual establishment of a joint market organization for fruit and vegetables.

Nevertheless, as regards the deduction of import dues other than customs duties as mentioned in paragraph 2, the Community reserves the right to calculate the amount to be deducted in such a way as to avoid any possible disadvantages resulting from the incidence of those dues on entrance prices according to the origin of the products.

4. The provisions of Article 11 of Regulation No. 23 shall continue to apply.

5. If the advantages resulting from the provisions of paragraph 1 are or seem likely to be offset because of abnormal conditions of competition, consultations may take place within the Joint Commission in order to study the problems arising out of that situation.

ARTICLE 8

1. The Community shall take all the necessary steps to ensure that the levy on imports into the Community of olive oil which has not been refined in accordance with sub-item 15.07 A II of the Tariff Scale, which comes entirely from Spain and has been transported directly from that country to the Community, or the levy calculated in accordance with the provisions of Article 13 of Regulation No. 136/66/EEC on the progressive establishment of a common organization of the market in fats which is applied on such imports shall be reduced by 5 u.a. per 100 kgs.

2. Moreover, on condition that Spain applies a special export duty which is reflected in the import price, the Community shall reduce the amount of the levy calculated according to paragraph 1 by an amount equal to that of the duty paid but not exceeding 4 u.a. per 100 kgs.

Each Contracting Party shall take all measures necessary to ensure the application of the present paragraph.

3. Consultations concerning the operation of the system laid down in the present article may be held in the Joint Commission.

ARTICLE 9

1. The products mentioned below, originating in Spain, shall be subject on importation into the Community to a customs duty equal to 30 per cent of that of the Common Tariff Schedule within an annual Community tariff quota of 200 tons:

Tariff heading	Description of goods
08.03	Figs, fresh or dried: ex B. Dried: - In immediate packagings containing 15 kgs. or less

2. The products mentioned below, originating in Spain, may be imported into the Community free of customs duty within an annual Community tariff quota of 1,700 tons:

Tariff heading	Description of goods
08.04	Grapes, fresh or dried: B. Dried: I. In immediate packagings containing 15 kgs. or less

ARTICLE 10

The products mentioned below, originating in Spain, shall be subject on importation into the Community to the duty of the Common Tariff Schedule reduced in the following proportion:

Tariff heading	Description of goods	Rate of reduction
12.03	Seeds, fruit and spores, of a kind used for sowing	50%

ARTICLE 11

The products listed below, originating in Spain, shall be subject on importation into the Community to the duties of the Common Tariff Schedule reduced in the following proportions:

Tariff heading	Description of goods	Rate of reduction
02.01	Meat and edible offals of the animals falling within heading Nos. 01.01 to 01.04 inclusive, fresh, chilled or frozen: A. Meat: ex IV. Other, except meat of the domestic ovine species	50%

Tariff heading	Description of goods	Rate of reduction
02.04	Other meat and edible meat offals, fresh, chilled or frozen	50%
03.02	Fish, salted, in brine, dried or smoked: A. Salted, in brine or dried: I. Whole, headless or in pieces: ex (c) Anchovies (<i>Engraulis</i> spp): - salted, in brine, in barrels or other containers with a net content equal to or over 10 kgs.	50%
03.03	Crustaceans and molluscs, whether in shell or not, fresh (live or dead), chilled, frozen, salted, in brine or dried; crustaceans in shell, simply boiled in water: A. Crustaceans: I. Crayfish II. Lobsters B. Molluscs, including shellfish: II. Mussels	50% 100% 25%
05.04	Guts, bladders and stomachs of animals (other than fish), whole and pieces thereof	50%
05.15	Animal products not elsewhere specified or included; dead animals of Chapter 1 or Chapter 3, unfit for human consumption: ex B. Other: - Animal products not elsewhere specified or included; dead animals of Chapter 1, unfit for human consumption	50%

Tariff heading	Description of goods	Rate of reduction
07.01	Vegetables, fresh or chilled:	
	E. Chard (or white beet) and cardoons	30%
	F. Leguminous vegetables, shelled or unshelled:	
	ex III. Other:	
	- Broad beans	30%
	M. Tomatoes:	
	ex I. from 1 November to 14 May:	
	- from 1 January to the last day of February	50%
	S. Sweet capsicum (Capsicum grossum)	30%
	ex T. Other:	
	- Parsley	30%
07.05	Dried leguminous vegetables, shelled, whether or not skinned or split:	50%
07.06	Manioc, arrowroot, salep, Jerusalem artichokes, sweet potatoes and other similar roots and tubers with high starch or inulin content, fresh or dried, whole or sliced; sago pith:	
	A. Jerusalem artichokes	50%
	C. Other	50%
08.01	Dates, bananas, coconuts, Brazil nuts, cashew nuts, pineapples, avocados, mangoes, guavas and mangosteens, fresh or dried, shelled or not:	
	A. Dates	50%
	D. Avocados	50%
	E. Coconuts and cashew nuts	50%
	F. Brazil nuts	50%
	G. Other	50%

Tariff heading	Description of goods	Rate of reduction
08.03	Figs, fresh or dried:	
	A. Fresh	30%
08.04	Grapes, fresh or dried:	
	A. Fresh:	
	ex (a) from 1 November to 14 July:	
	- from 1 January to 31 March	50%
08.05	Nuts other than those falling within heading No. 08.01, fresh or dried, shelled or not:	
	B. Walnuts	50%
	E. Pecan nuts	50%
08.06	Apples, pears and quinces, fresh:	
	C. Quinces	30%
ex 08.09	Other fruit, fresh:	
	- Pomegranates	30%
08.12	Fruit, dried, other than that falling within heading No. 08.01, 08.02, 08.03, 08.04 or 08.05:	
	A. Apricots	50%
	B. Peaches, including nectarines and and free-stone peaches	50%
	D. Apples and pears	50%
	E. Papaws	50%
	F. Fruit salads:	
	I. Not containing prunes	50%
	G. Other	50%
09.02	Tea	50%
09.04	Pepper of the genus "Piper"; pimento of the genus "Capsicum" or the genus "Pimenta"	50%

Tariff heading	Description of goods	Rate of reduction
09.09	Seeds of anise, badian, fennel, coriander, cumin, caraway and juniper	50%
09.10	Thyme, saffron and bay leaves; other spices	50%
11.03	Flours of the leguminous vegetables falling within heading No. 07.05	50%
11.04	Flours of the fruits falling within any heading in Chapter 8	50%
11.08	Starches; inulin: B. Inulin	50%
12.07	Plants and parts (including seeds and fruit) of species used primarily in perfumery, in medicine or for insecticidal, fungicidal or similar purposes, fresh or dried, whole, cut, crushed, ground or powdered: A. Pyrethrum (flowers, leaves, stems, peel and roots) B. Cinchona bark C. Liquorice roots D. Quassia amara (wood and bark) E. Tonka beans F. Calabar beans G. Cubeb H. Coca leaves I. Other wood, roots and bark; mosses, lichens and algae	50% 50% 50% 50% 50% 50% 50% 50%
12.08	Locust beans, fresh or dried, whether or not kibbled or ground; fruit kernels and other vegetable products of a kind used primarily for human food, not falling within any other heading	50%
12.10	Mangolds, swedes, fodder roots; hay, lucerne, clover, sainfoin, forage kale, lupines, vetches and similar forage products A. Mangolds, swedes and fodder roots	50%

Tariff heading	Description of goods	Rate of reduction
13.03	Vegetable saps and extracts; pectic substances, pectinates and pectates; agar-agar and other mucilages and thickeners, derived from vegetable products: B. Pectic substances, pectinates and pectates	25%
16.05	Crustaceans and molluscs (including shellfish), prepared or preserved: ex B. Other: - Crustaceans simply boiled in water and shelled (except fresh-water and sea crayfish); molluscs (including shellfish), prepared or preserved	50%
20.01	Vegetables and fruit, prepared or preserved by vinegar or acetic acid, with or without salt, spices, mustard or sugar: A. Mango chutney	50%
20.02	ex B. Other, except gherkins Vegetables prepared or preserved otherwise than by vinegar or acetic acid: ex A. Mushrooms, except cultivated mushrooms F. Capers and olives ex H. Other, including mixtures: - except carrots, artichoke hearts, artichoke bases and mixtures	50%
23.02	Bran, sharps and other residues derived from the sifting, milling or working of cereals or of leguminous vegetables: B. Of leguminous vegetables	50%

ARTICLE 12

1. The rates of duty of the Common Tariff Schedule to be considered in calculating the reduced rates mentioned in articles 2, 3, 4, 5, 6, 7, 9 10 and 11 shall be those actually applied at the time to third States.

2. The reduced duties calculated under articles 2, 3, 4, 5, 6, 7, 9, 10 and 11 shall on application be rounded to the first place of decimals.

ARTICLE 13

If the date of the entry of the Agreement into force does not coincide with the beginning of the civil year, the quotas mentioned in articles 3, 4, and 9 shall be opened "pro rata temporis":

- for the first year, from the date of entry of the Agreement into force,
- for the last year, until the date of expiry of the first stage.

ARTICLE 14

1. In the case of products mentioned in this Annex other than those falling under Annex II of the Treaty establishing the European Economic Community, the Community reserves the right, if specific regulations are established in consequence of the operation of the common agricultural policy, to modify the system laid down in this Annex, particularly in order to avoid certain distortions of competition or substitutions.

If the said regulations are established and the system is modified, the Community shall have regard to Spain's interests.

2. In the case of products mentioned in this Annex and falling under Annex II of the Treaty establishing the European Economic Community, the Community reserves the right, if Community regulations are established, to modify the system laid down in this Annex.

If the said regulations are established and the system is modified, the Community shall have regard to Spain's interests.

3. In the case of products mentioned in this Annex and falling under Annex II of the Treaty establishing the European Economic Community, the Community reserves the right, if the Community regulations are modified, to modify the system laid down in this Annex.

If the system is modified, the Community will grant to imports originating in Spain a preference equivalent to that laid down in this Annex.

4. For the purpose of applying this article, consultations may take place in the Joint Commission.

ARTICLE 15

The products originating in Spain which are listed in this Annex shall not be entitled to more favourable treatment than that granted to each other by member States under the Treaty establishing the European Economic Community.

ARTICLE 16

The Community shall apply with regard to Spain the Convention on the Valuation of Goods for Customs Purposes, signed at Brussels on 15 December 1950, and the International Convention relating to the Simplification of Customs Formalities, concluded at Geneva on 3 November 1923.

List A

of products subject on importation into the Community to specific regulations in consequence of the operation of the common agricultural policy and excluded from the system laid down in Article 2

Tariff heading	Description of goods
17.02	<p>Other sugars: sugar syrups; artificial honey (whether or not mixed with natural honey); caramel:</p> <p>A. Lactose and lactose syrup:</p> <p>I. Containing 99% or more of the pure product by weight, dry</p> <p>B. Glucose and glucose syrup:</p> <p>I. Containing 99% or more of the pure product by weight, dry:</p> <p>(a) Glucose in the form of white crystalline powder, whether or not agglomerated</p> <p>(b) Other</p>
ex 17.04	<p>Sugar confectionery, not, containing cocoa, except liquorice extract containing more than 10% by weight of sugar but not containing other added substances</p>
18.06	<p>Chocolate and other food preparations containing cocoa</p>
19.01	<p>Malt extract</p>
19.02	<p>Preparations of flour, starch or malt extract, of a kind used as infant food or for dietetic or culinary purposes, containing less than 50% by weight of cocoa</p>
19.03	<p>Macaroni, spaghetti and similar products</p>
19.04	<p>Tapioca and sago; tapioca and sago substitutes obtained from potato or other starches</p>
19.05	<p>Prepared foods obtained by the swelling or roasting of cereals or cereal products (puffed rice, corn flakes and similar products)</p>

Tariff heading	Description of goods
19.06	Communion wafers, empty cachets of a kind suitable for pharmaceutical use, sealing wafers, rice paper and similar products
19.07	Bread, ships' biscuits and other ordinary bakers' wares, not containing sugar, honey, eggs, fats, cheese or fruit
19.08	Pastry, biscuits, cakes and other fine bakers' wares, whether or not containing cocoa in any proportion
ex 21.01	Roasted chicory and other roasted coffee substitutes; extracts thereof: - excluding roasted chicory and extracts thereof
21.06	Natural yeasts (active or inactive); prepared baking powders: A. Active natural yeasts: II. Baker's yeast
ex 21.07	Food preparations not elsewhere specified or included, containing sugar, dairy products, cereals or products based on cereals ¹
ex 22.02	Lemonade, flavoured spa waters and flavoured aerated waters, and other non-alcoholic beverages, not including fruit and vegetable juices falling within heading No. 20.07: - containing milk or fats derived from milk
29.04	Acyclic alcohols and their halogenated, sulphonated, nitrated or nitrosated derivatives: C. Polyhydric alcohols: II. Mannitol III. Sorbitol
ex 35.01	Casein, caseinates and other casein derivatives; casein glues: - excluding casein glues

¹This wording applies only to products subject on importation into the Community to the charge laid down in the Common Tariff Schedule, consisting of (a) an ad valorem duty constituting its fixed component; (b) a variable component.

Tariff heading	Description of goods
35.02	<p>Albumins, albuminates and other albumin derivatives:</p> <p>A. Albumins:</p> <p>II. Other:</p> <p>(a) Ovalbumin and lactalbumin:</p> <p>1. Dried (in sheets, scales, flakes, powder, etc.)</p> <p>2. Other</p>
35.05	Dextrins and dextrin glues; soluble or roasted starches; starch glues
38.12	<p>Prepared glazings, prepared dressings and prepared mordants, of a kind used in the textile, paper, leather or like industries:</p> <p>A. Prepared glazings and prepared dressings:</p> <p>I. With a basis of amylaceous substances</p>

List B

mentioned in article 2

Tariff heading	Description of goods
45.02	Natural cork in blocks, plates, sheets or strips (including cubes or square slabs, cut to size for corks or stoppers)
45.03	Articles of natural cork
45.04	Agglomerated cork (with or without a binding substance) and articles of agglomerated cork
55.05	Cotton yarn, not put up for retail sale
56.05	Yarn of man-made fibres (discontinuous or waste), not put up for retail sale
58.04	Woven pile fabrics and chenille fabrics, excluding fabrics falling within Nos. 55.08 and 58.05

ANNEX II

APPLICATION OF ARTICLE 2 PARAGRAPH 2 OF THE AGREEMENT

ARTICLE 1.

The customs duties and dues of equivalent effect applicable on importation into Spain of the products originating in the Community shown in lists A, B and C shall be those of the Spanish Customs Tariff reduced in the proportions and according to the time-table immediately following:

Products	Rate of reduction					
	On entry of the Agreement into force	1.1.1973	1.1.1974	1.1.1975	1.1.1976	1.1.1977
List A (60%)	10%	20%	30%	40%	50%	60%
List B (25%)	5%	10%	10%	15%	20%	25%
List C (25%)	5%	10%	10%	15%	20%	25%

ARTICLE 2

1. The rates of the duties of the Spanish Customs Tariff to be considered in calculating the reduced duties in article 1 shall be those actually applied at the time to third States. The reduced duties shall on application be rounded to the first place of decimals.

2. If duties of the Spanish Customs Tariff or dues of equivalent effect are introduced or modified, the reduction percentages granted to the Community under article 1 shall remain unchanged.

ARTICLE 3

1. Notwithstanding articles 1 and 2, and in so far as Spain's industrialization and development make measures of protection necessary, it may establish, increase or restore ad valorem customs duties not exceeding 15 per cent, or in certain

particular and exceptional cases 20 per cent. The amount for which these measures may be applied shall not exceed 5 per cent of the total value of Spain's imports from the Community in 1968.

2. These measures may be taken only if necessary to protect and further the development of a new transformation industry which did not exist in Spain on the date of entry of the Agreement into force; they may be applied only with respect to a particular item of production.

3. Twelve months after establishing, increasing or restoring customs duties, Spain shall introduce tariff reductions of 5 per cent per annum on imports originating in the Community.

4. The measures set forth in paragraph 1 shall be taken after consultations in the Joint Commission, which shall be held as early as possible.

ARTICLE 4

1. Spain shall refrain from introducing new quantitative restrictions on imports originating in the Community other than those listed in Annex II of the Treaty establishing the European Economic Community.

This obligation, however, shall apply only to 80 per cent of the average value of all those imports in 1966, 1967 and 1968.

2. If in accordance with paragraph 1 Spain introduces or reintroduces quantitative restrictions on the imports referred to in that paragraph, Spain shall grant the Community, for the products concerned originating therein, quotas each equal to at least 75 per cent of the products which it covers imported into Spain during the year preceding the introduction or reintroduction of the said quantitative restrictions. The quotas shall be subject to the provisions of article 5.

ARTICLE 5

1. For the products originating in the Community appearing in list D, Spain shall grant quotas of the value shown in the fourth column of that list.

2. If the date of entry of the Agreement into force does not coincide with the beginning of the civil year, the quotas to which this article applies shall be granted "pro rata temporis":

- for the first year, from the date of the entry of the Agreement into force,
- for the last year, until the date of expiry of the first stage.

3. In the case of products in list D, Spain shall increase from the beginning of the second, third, fourth, fifth and sixth years of the Agreement the aggregate of the quotas by 13 per cent and each quota by at least 7 per cent of its value in the previous year.

4. The permits for importation within the quotas granted to the Community shall, until the quotas are exhausted, be so issued as to bring about a balanced distribution between, on the one hand, the Peninsula and the Balearic Islands and, on the other hand, the territories under particular régime, with due regard to the trade with those two zones recorded in 1966, 1967 and 1968.

5. If during two consecutive years an import is less than its quota, the product or products shall be released.

Where, however, the nature of the products would entail a marked irregularity of imports, this provision may be applied only exceptionally and after consultation in the Joint Commission.

ARTICLE 6

1. After the end of the sixth year of the Agreement, products originating in the Community other than those listed in Annex II of the Treaty establishing the European Economic Community shall be freed for importation into Spain.

Spain may, however, maintain quantitative restrictions to a value not exceeding 5 per cent of the average total imports in 1966, 1967 and 1968 of products originating in the Community.

2. Spain is prepared to increase the rate of its importation of products originating in the Community over that laid down in article 5 to the extent permitted by its economic situation and that of the sector concerned.

ARTICLE 7

1. On the products listed in Annex II of the Treaty establishing the European Economic Community, other than those mentioned in articles 1, 8, 9 and 10, and not released for importation into Spain before the entry of the Agreement into force, Spain shall refrain from introducing or abolishing customs duties or dues having equivalent effect and shall undertake to maintain on normal market terms the Community's share of the imports of those products reckoned on the basis of 1966, 1967 and 1968. These provisions shall not apply to regulating duties.

2. The provisions of paragraph 1 shall not apply where modification of the import regulations improves the terms of trade.

Consultations on application of the provisions of this article may take place in the Joint Commission.

ARTICLE 8

1. The following products originating in the Community may be imported into Spain without quantitative restrictions on the terms laid down in paragraph 2:

Spanish Tariff No.	Description of goods
04.04	<p>Cheese and curd:</p> <p>G - Other:</p> <p>1 - of a fat content not exceeding 40%, and of a non-fat content containing:</p> <p>b - more than 47% and not more than 72% by weight of water:</p> <p>4 - Butter-cheese, Cantal, Edam, Fontal, Fontina, Gouda, Italico, Kornhem, Mimoletta, Saint-Nectaire, Saint Paulin, Tilsitt.</p>

2. The threshold price of the products mentioned in paragraph 1 originating in the Community may not exceed 100.48 pesetas per kg. and shall be at least 6.30 pesetas per kg. less than the threshold price paid by Spain for the same products originating in third States.

ARTICLE 9

Spain undertakes to buy in the Community on the normal market terms at least 25 per cent of its total annual imports of butter (04.03 of the Spanish Customs Tariff) so long as these remain subject to the State-trading system. This percentage shall be increased by 1 per cent per annum at least from 1 January 1972, so as to reach a minimum of 30 per cent by 1 January 1976.

ARTICLE 10

Spain undertakes to buy in the Community on the normal market terms, 90 per cent of its total annual imports of the products listed hereinafter, so long as these imports remain subject to the State-trading system:

Spanish Tariff No.	Description of goods
04.02	Milk and cream, preserved, concentrated or sweetened: A - Not containing added sugar: 1 - not denatured: a - in powder or other solid forms b - other B - Containing added sugar: 1 - in powder or other solid forms 2 - other

ARTICLE 11

1. In the case of products mentioned in this Annex, other than those falling under Annex II of the Treaty establishing the European Economic Community, Spain reserves the right, if specific regulations are established in consequence of the operation of its agricultural policy, to modify the system laid down in this Annex, particularly in order to avoid certain distortions of competition or substitutions.

If the said regulations are established and the system is modified, Spain shall have regard to the interests of the Community.

2. In the case of products mentioned in this Annex and falling under Annex II of the Treaty establishing the European Economic Community, Spain reserves the right, if regulations are established, to modify the system laid down in this Annex.

If the said regulations are established and the system is modified, Spain shall have regard to the interests of the Community.

3. In the case of products mentioned in this Annex and falling under Annex II of the Treaty establishing the European Economic Community, Spain reserves the right, if its regulations are modified, to modify the system laid down in this Annex.

If the system is modified, Spain shall grant to imports originating in the Community a preference equivalent to that laid down in this Annex.

4. For the purpose of applying this article, consultations may take place in the Joint Commission.

ARTICLE 12

Spain shall apply with regard to the Community the Convention on the Valuation of Goods for Customs Purposes, signed at Brussels on 15 December 1950, and the International Convention relating to the Simplification of Customs Formalities, concluded at Geneva on 3 November 1923.

Lists A, B, C, and D

PROTOCOL

Concerning the Definition of the Term "Products
Originating in" and Concerning Methods of
Administrative Co-operation

PART I

Provisions Concerning the Definition of the
Term "Products Originating In"

ARTICLE 1

For the purposes of applying the provisions of the Agreement between the European Economic Community and Spain:

1. Products originating in the Community, provided they are transported directly to Spain in accordance with article 5, shall be deemed to be:

(a) products obtained entirely within member States;

(b) products obtained in member States and which were manufactured from products other than those referred to in sub-paragraph (a) above provided that those products have been sufficiently worked up or transformed in accordance with article 3. This condition is, however, not required in the case of products originating in Spain within the terms of the present Protocol;

2. Products originating in Spain, provided they have been transported directly to the importing member State in accordance with article 5, shall be deemed to be:

(a) products obtained entirely in Spain;

(b) products obtained in Spain and manufactured from products other than those referred to in sub-paragraph (a), provided that these products have been sufficiently worked up or transformed in accordance with article 3. This condition is, however, not required in the case of products originating in the Community within the terms of the present Protocol.

The products mentioned in list C are temporarily excluded from the application of the provisions of the present Protocol.

ARTICLE 2

For the purposes of article 1 paragraph 1(a) and paragraph 2(a) the term "entirely obtained" in member States or in Spain shall be deemed to mean:

- (a) mineral products extracted from their soil;
- (b) products of the vegetable kingdom harvested in those countries;
- (c) live animals born and reared there;
- (d) products coming from live animals reared there;
- (e) products of hunting and fishing practised in those countries;
- (f) marine products obtained from the sea by their boats;
- (g) scrap and waste from manufacturing operations and articles no longer fit for use, provided that they were collected in those countries and cannot be used for any purpose other than recuperating the raw materials concerned;
- (h) goods obtained entirely from the animals or products mentioned under subparagraphs (a) to (g) above and their by-products.

ARTICLE 3

For the purposes of article 1 paragraph 1(b) and paragraph 2(b) the following working-up or transformation shall be deemed to be sufficient:

- (a) working-up or transformation which brings the resulting articles under a tariff heading other than that applying to each of the products in question except those which are enumerated in list A, to which the special provisions of that list apply;
- (b) working-up and transformation as shown in list B.

Tariff headings shall be deemed to mean those of the Brussels Nomenclature for the Classification of Goods in Customs Tariffs.

ARTICLE 4

When lists A and B referred to in article 3 prescribe that the goods obtained in a member state or in Spain shall be considered as originating in those countries only on condition that the value of the products worked up does not exceed by a given percentage the value of the final commodities, the values to be taken into account in determining this percentage shall be:

- on the one hand,

the customs value at the time of importation in the case of products which can be shown to have been imported;

the first price which can be checked as having been paid for those products in the country in which they were manufactured in the case of products of which the origin is uncertain;

- on the other hand,

the ex-works price of the goods after deducting any internal taxes which have been or will be refunded when the goods are exported.

ARTICLE 5

The following shall be considered as having been transported directly from the exporting member State to Spain or from Spain to the importing member State:

(a) products which are transported without passing through any territory other than those of the two contracting parties;

(b) products which are transported through territories other than those of the contracting parties or which are trans-shipped in such territories provided that their passage through those territories or their trans-shipment is covered by a single transport document drawn up in a member State or in Spain.

(c) products which, not being covered by a single transport document drawn up in a member State or in Spain, pass through territories other than those of the Contracting Parties, provided that their passage through those territories is justified on geographical grounds and that the conditions laid down in Explanatory Note 6 are fulfilled.

Direct transport shall not be deemed to be interrupted by trans-shipment in ports situated in territories other than those of the contracting parties if such trans-shipment is the result of force majeure or is the consequence of conditions at sea.

PART II

Provisions Concerning Methods of Administrative Co-operation

ARTICLE 6

"Products originating in" any of the countries concerned within the meaning of the present Protocol shall be admitted to an importing member State or to Spain in accordance with the provisions of the Agreement on presentation of a certificate for the transport of goods A.E. 1 issued by the customs authorities of Spain or of the member State.

Nevertheless, products which are sent through the post (including parcel post) which contain only products originating in the countries concerned shall be admitted in accordance with the terms of the Agreement to the member State or to Spain on presentation of the form A.E. 2.

ARTICLE 7

The certificate for the transport of goods A.E. 1 shall be issued only when the exporter so requests in writing and shall be drawn up in the prescribed form.

ARTICLE 8

The certificate for the transport of goods A.E. 1 shall be countersigned when the goods to which it refers are exported; this shall be done by the customs authorities of the exporting country. It shall be returned to the exporter as soon as the goods are actually exported or an assurance is given that this will be done.

Exceptionally the certificate A.E. 1 may also be countersigned after the goods to which it refers have been exported in cases in which it is not produced at the moment of exportation owing to an error or an involuntary omission. In such cases the certificate shall specifically mention the conditions under which it was countersigned.

The certificate A.E. 1 may not be countersigned except in cases when it is likely to be required as justification for the application of the preferential terms prescribed in the Agreement.

ARTICLE 9

The certificate for the transport of goods A.E. 1 shall be produced within a period of four months following the date on which it was countersigned by the customs authorities of the exporting country and submitted to the customs authorities of the importing country to whom the goods are presented.

ARTICLE 10

The certificate for the transport of goods A.E. 1 shall be drawn up in accordance with the form of which a specimen is attached to the present Protocol. It shall be drawn up in one of the official languages of the European Economic Community and in accordance with the legal provisions in force in the exporting country. It may be typed or hand-written, but in the latter case it shall be filled up in ink and in block capitals.

The size of the certificate shall be 21 x 29.7 cm. The paper used shall be paper not containing mechanically-produced pulp and shall be suitable for writing and weigh not less than 64 grs. per square metre, or between 25 and 30 grs. per square metre if air-mail paper is used. It shall be backed by a chequered pattern in green which will show up any forgery by mechanical or chemical processes.

Across the front of each certificate there shall be three blue diagonal strips, each of 3 mm. in width, running from the lower left-hand corner to the upper right-hand corner.

The member States and Spain may reserve the right to print those certificates themselves or to entrust the task to printers duly authorized by them. In the latter case, each form shall contain a reference to this authorization. Each certificate shall also carry a distinctive design allocated to the approved printers and a serial number which will permit it to be identified.

ARTICLE 11

In the importing country the certificate for the transport of goods shall be produced to the customs authorities in accordance with the prescriptions laid down in the regulations of that country. Those authorities may demand a translation. They may also require the declaration to be supplemented by a certificate from the importer to the effect that the goods fulfil the conditions required for the application of the provisions of this Agreement.

ARTICLE 12

Form A.E. 2, of which a specimen is attached to the present Protocol, shall be filled up by the exporter. It shall be drawn up in one of the official languages of the European Economic Community and in accordance with the legal provisions in force in the exporting country. It may be typed or hand-written, but in the latter case it shall be filled up in ink and in block capitals.

The form A.E. 2 consists of two sheets each measuring 21 x 14.8 cm. The paper used shall be white paper not containing mechanically-produced pulp, prepared for writing and weighing not less than 64 grs. per square metre. Across the front of each sheet there shall be three blue diagonal strips each 3 mm. in width going from the lower left-hand corner to the upper right-hand corner.

The form A.E. 2 may be perforated by machine in order to make it possible to separate one sheet from the other and also to detach the part of the form which has to be attached to the package. The back of this part may be gummed.

The member States and Spain may print this form themselves or may entrust the task to a printing shop approved by them. In the latter case reference to this approval shall be made on every form. In addition, each sheet shall carry the distinctive design allocated to the approved printers and a serial number to permit it to be identified.

ARTICLE 13

A form A.E. 2 shall be filled up for every parcel sent through the post. When he has filled up and signed both sheets of the form the exporter shall place the declaration (sheet 1) inside the parcel and gum the label from sheet 2 of the form A.E. 2 on the outside of the parcel.

These rules shall not exonerate the exporter from carrying out the other formalities prescribed in customs or postal regulations.

ARTICLE 14

Unless they have reason to suspect fraud, the customs authorities of the member State or of Spain shall accept under the provisions of this Agreement all goods contained in any parcel bearing the label A.E. 2.

As an occasional random check, or if they have doubts as to whether the operation is above board, the customs authorities of the member State or of Spain may ask the customs authorities of Spain or of the member State to make a check and for this purpose shall forward to them sheet 1 of form A.E. 2 contained in the parcel. Pending the results of this check they shall suspend the application of the provisions of the Agreement. Nevertheless, the goods may be released to the importer subject to such precautions as may be thought necessary.

ARTICLE 15

1. The member States and Spain may admit as products originating in one or other of the countries concerned for the purpose of this Agreement, without production of transport certificate A.E. 1 or of the form A.E. 2, goods in small quantities addressed to individuals or contained in the personal luggage of travellers, provided that the goods thus imported are not intended for purposes of trade, that they are declared to satisfy the conditions required for the enforcement of these provisions and that there is no reason to doubt the sincerity of this declaration.

2. Imported goods shall be deemed not to be intended for purposes of trade when they are imported only occasionally and are intended solely for the personal use of the addressees or the travellers and their families. Their nature and their quantity shall be such that there is no indication that they are intended for

purposes of trade. The total value of these goods shall not exceed 60 units of account in the case of small deliveries or 200 units of account in the case of the personal luggage of travellers.

ARTICLE 16

In order to ensure the due enforcement of the provisions of this Part, the member States and Spain shall help each other through their respective customs administrations in checking the authenticity and regularity of transport certificate A.E. 1 and the declarations of exporters on forms A.E. 2.

The Joint Commission shall make any necessary recommendations for the enforcement of the provisions of the present Protocol, and particularly of the present Part thereof, so that administrative co-operation can be ensured in good time between the member States and Spain.

PART III

Concluding Provisions

ARTICLE 17

The member States and Spain shall take all necessary steps to ensure that the transport certificates A.E. 1 can be produced as required by article 11 as from the date on which this Agreement comes into force.

ARTICLE 18

Spain, the member States and the Community shall in their respective spheres take all necessary steps to ensure the enforcement of the provisions of the present Protocol.

ARTICLE 19

The explanatory notes, lists A, B and C, the specimen certificate for the transport of goods, A.E. 1, and the specimen form A.E. 2 shall be deemed to constitute an integral part of the present Protocol.

ARTICLE 20

Goods which comply with the provisions of Part I and which on the date at which this Agreement comes into force are in course of transport, or have been placed in a member State or in Spain on provisional deposit, in a customs warehouse or in a free zone, may be deemed to fall under the provisions of the Agreement provided that - within two months of that date - a certificate A.E. 1 drawn up subsequently by the competent authorities of the country of export together with documents certifying direct transport are submitted to the customs authorities of the importing country.

EXPLANATORY NOTES

Note 1 - to article 1

The term "in a member State" or "in Spain" shall apply equally to their territorial waters and to vessels operating on the high seas, including factory ships on which the products of the catch are transformed or worked up, provided that they fulfil the conditions laid down in Explanatory Note 4.

Note 2 - to article 1

In order to determine whether any commodity originated in the Community or in Spain no account is taken of whether the sources of energy, plant, machines or tools used in producing this commodity did or did not originate in third States.

Note 3 - to article 1

Packing cases or other wrappings shall be deemed to form a unit with the commodities which they contain. This provision shall not apply however in the case of packing cases or wrappings which are not of the type normally used for the product in question or which have a lasting utility value in themselves apart from their use for packing purposes.

Note 4 - to article 2(f)

The term "their vessels" shall apply only to vessels:

- which are registered in a member State or in Spain;
- which fly the flag of a member State or of Spain;
- which are owned to at least 50 per cent by citizens of member States and of Spain or by a company having its main headquarters in one of these States and of which the managers, the chairman of the board of directors or supervisors and the majority of the members of those boards are citizens of the member States or of Spain; provided also that, in the case of associations of individuals or limited liability companies, at least half the capital belongs to the States in question or to public bodies or nationals of those States;
- of which all the officers are citizens of member States and of Spain;
- and of which not less than 75 per cent of the crew are citizens of member States and of Spain.

Note 5 - to article 4

The term "ex-works price" shall be deemed to mean the price paid to the manufacturer in the undertaking in which the goods were worked up or transformed to a sufficient extent. When the working-up or transforming took place in two or more successive undertakings the price to be taken into account shall be that paid to the last manufacturer.

Note 6 - to article 5(c)

1. For the purposes of applying article 5(c), the passage of goods traded between member States and Spain through territories other than those of the Contracting Parties shall be justified on geographical grounds where it results from the need to discharge or load the goods at the Portuguese ports of Lisbon and Oporto.

2. When passing through territory other than that of the contracting parties, products originating in a member State or in Spain:

- shall remain under the supervision of the customs authorities of the country of transit and shall not be admitted to pratique;
- shall not, during the period of transit, be handled except in so far as is necessary for preserving them in good condition.

Evidence that these conditions have been fulfilled shall be provided by the production to the customs authorities of the country of destination of a certificate issued by the customs authorities of the country of transit containing:

- an exact description of the goods;
- an indication of the date of loading and unloading of the goods, with the names of the ships;
- confirmation of the conditions under which the goods were kept;

or, failing that, by the production of any other document considered acceptable by the country of destination.

Note 7 - to article 8

In the case of exports from Spain in accordance with the provisions of article 5(c), when the final destination is not known at the time the goods leave Spain, a provisional transport certificate A.E. 1 may be issued in respect of these goods. This will subsequently be replaced by a definitive certificate A.E. 1, or, if the consignment is split up before being loaded, by several such certificates, provided proof can be supplied to the customs authorities issuing the original certificate that the goods have been forwarded to a member State.

The provisional certificate shall be in the form laid down in article 10. It shall be marked "PROVISIONAL" in block capitals in red ink in the space for "Observations".

Note 8 - to article 8

When a transport certificate A.E. 1 refers to products originally imported from a member State or from Spain which are re-exported as they are, the new certificates issued by the country of re-exportation shall mention the country in which the original transport certificate was issued.

Note 9 - to article 13

After filling up the form A.E. 2, the exporter shall indicate "A.E. 2" followed by the serial number of the form on the green label C 1 or on the declaration C 2 or C 2 M or in the "Remarks" section of the customs declarations CP 3 or CP 3 M.

- List A - List of cases in which working-up or transformation involves a change in the tariff heading but does not allow the products in question to qualify as "originating in" a given country or does so only under certain conditions.
- List B - List of cases in which working-up or transformation does not involve a change in the tariff heading but in which, nevertheless, the products undergoing such treatment qualify as "originating in" a given country.
- List C - List of products temporarily excluded from the application of the present Protocol.

FINAL ACT

The plenipotentiaries

of the Council of the European Economic Community,

of the one part
and

of the Head of the Spanish State,

of the other part,

met in Luxembourg on the twenty-ninth day of June one thousand nine hundred and seventy,

for the signature of the Agreement between the European Economic Community and Spain,

have, when signing this Agreement,

- adopted the joint declarations of the Contracting Parties listed below:

1. Joint Declaration of the Contracting Parties concerning article 2 paragraph 3 of the Agreement,
2. Joint Declaration of the Contracting Parties concerning article 6 of the Agreement,
3. Joint Declaration of the Contracting Parties concerning bilateral trade agreements,
4. Joint declaration of the Contracting Parties concerning modifications of customs tariffs and importation régimes,
5. Joint declaration of the Contracting Parties concerning articles 2, 3, 4, 5, 7, 9, 10 and 11 of Annex I,
6. Joint declaration of the Contracting Parties concerning articles 7 and 8 of Annex I,
7. Joint Declaration of the Contracting Parties concerning articles 1 and 2 of Annex II,
8. Joint Declaration of the Contracting Parties concerning article 7 of Annex II,
9. Joint Declaration of the Contracting Parties concerning article 8 of Annex II;

- taken note of the declarations of the delegation of the Community listed below:
 - 1. Declaration of the delegation of the Community concerning certain wines,
 - 2. Declaration of the delegation of the Community concerning articles 2, 3 and 4 of Annex I;
- taken note of the declarations of the delegation of Spain listed below:
 - 1. Declaration of the delegation of Spain concerning article 1 of Annex II,
 - 2. Declaration of the delegation of Spain concerning article 5 of Annex II,
 - 3. Declaration of the delegation of Spain concerning articles 9 and 10 of Annex II,
 - 4. Declaration of the delegation of Spain concerning the bonding system applicable to importation into Spain.

The declarations mentioned above are appended to the present Final Act.

The plenipotentiaries agree that these declarations shall, as far as necessary, be subject to the procedures required for ensuring their enforcement under the same conditions as the Agreement.

IN FAITH OF WHICH, the undersigned plenipotentiaries have appended their signatures under the present Final Act.

Done in Luxembourg on the twenty-ninth day of June one thousand nine hundred and seventy.

For the Council of the European Communities,

Pierre HARMEL

Jean REY

Subject to the reservation that the Community shall be definitely committed only after the other Contracting Party has been notified of the completion of the procedures required by the Treaty establishing the European Economic Community.

For the Head of the Spanish State,

Gregorio LOPEZ BRAVO

ANNEX

Joint Declaration of the Contracting Parties
Concerning Article 2 Paragraph 3 of the Agreement

For application of the concessions which the Contracting Parties accord to one another by Annexes I and II, they agree to make the arrangements necessary to ensure that the possibilities of importation opened by each to the other shall not be affected by legislative, regulatory or administrative measures or by administrative practices.

Such arrangements may be the subject of consultations in the Joint Commission.

Joint Declaration of the Contracting Parties
Concerning Article 6 of the Agreement

The Contracting Parties explain that article 6 of the Agreement does not relate to duties applied to exportation in their trade in order to adjust by mutual agreement the application to importation of certain measures of organization of agricultural markets, and particularly of certain duties imposed by those measures.

Joint Declaration of the Contracting Parties
Concerning Bilateral Trade Agreements

The Contracting Parties agree that:

1. The provisions of the Agreement between the European Economic Community and Spain, both general and specific, concerning determined products shall replace those provisions of the agreements concluded between the States members of the Community and Spain, which are incompatible or identical with them.
 2. Matters relating to article 113 of the Treaty establishing the European Economic Community and not dealt with by this Agreement, particularly those contained in bilateral agreements between the States members and Spain, shall be settled in accordance with the common trade policy of the Community.
-

Joint Declaration of the Contracting Parties
Concerning Modifications of Customs Tariffs and Import Régimes

The Contracting Parties agree to notify one another promptly of all modifications made in their customs tariffs and import regulations.

Joint Declaration of the Contracting Parties
Concerning Articles 2, 3, 4, 5, 7, 9, 10 and 11 of Annex I

The rates of duty of the Common Tariff Schedule to be considered in calculating the reduced rates mentioned in articles 2, 3, 4, 5, 7, 9, 10 and 11 of Annex I are not those which would be applied under the system of generalized preferences proposed in the United Nations Conference on Trade and Development or prescribed by the rules of the General Agreement on Tariffs and Trade (GATT).

Joint Declaration of the Contracting Parties
Concerning Articles 7 and 8 of Annex I

The Contracting Parties agree that, where reference is made in Annex I to the provisions of Regulation No. 23 and of article 14 of Regulation No. 136/66/EEC, the relevant régime is that applicable to third countries on importation of the particular products.

Joint Declaration of the Contracting Parties
Concerning Articles 1 and 2 of Annex II

The rates of duty of the Spanish customs tariff to be considered in calculating the reduced rates mentioned in articles 1 and 2 of Annex II are not those which would be applied under the system of generalized preferences proposed in the United Nations Conference on Trade and Development or prescribed by the rules of the General Agreement on Tariffs and Trade (GATT).

Joint Declaration of the Contracting Parties
Concerning Article 7 of Annex II

The Contracting Parties agree that for the products listed hereinafter:

Spanish tariff number	Description of goods
17.04	Sugar confectionery, not containing cocoa: D. Other
18.06	Chocolate and other food preparations containing cocoa
19.03	Macaroni, spaghetti and similar products
19.07	Bread, ships' biscuits and other ordinary bakers' wares, not containing sugar, honey, eggs, fats, cheese or fruit
19.08	Pastry, biscuits, cakes and other fine bakers' wares, whether or not containing cocoa in any proportion: A. Not containing sugar or cocoa
21.07	Food preparations not elsewhere specified or included: C. Other
35.05	Dextrins and dextrose glues; soluble or roasted starches; starch glues

which are subject to restrictions as to quantity on importation into Spain, the applicable system is that provided by article 7 of Annex II.

They explain, furthermore, that for these products originating in the Community the amount covered by import authorizations may not be less in value than that of the products imported in 1968.

Joint Declaration of the Contracting Parties
Concerning Article 8 of Annex II

The Contracting Parties explain that, notwithstanding the provisions of article 8 of Annex II, the threshold price of 100.48 pesetas per kilogramme and the margin of 6.30 pesetas therein determined may be modified by agreement between them.

Declaration of the Delegation of the Community
Concerning Certain Wines

The Community made the following offer to Spain:

A. Wines from Xeres and Malaga

- the duties of the Common Tariff Schedule on wines from Xeres and Malaga (ex 22.05) originating in Spain and imported into the Community should be reduced by 60 per cent and 50 per cent respectively;
- these reductions should take effect on the following conditions:

Benelux : reduction without restriction as to quantity

Germany, France and Italy: reduction restricted to:

-- Germany	15,000 hl. for Xeres 20,000 hl. for Malaga
-- France	1,500 hl. for Xeres 2,500 hl. for Malaga
-- Italy	1,500 hl. for Xeres 250 hl. for Malaga

Italy will grant these concessions only for wines in containers holding 2 litres or less.

B. Wines from Jumilla, Priorato, Rioja, Valdepeñas

- the duties of the Common Tariff Schedule on wines from Jumilla, Priorato, Rioja and Valdepeñas (ex 22.05) originating in Spain and imported into the Community should be reduced by 30 per cent;
- these reductions should be restricted to a tariff quota of 6,000 hl.;
- these concessions should be granted for wines in containers holding 2 litres or less.

Since the Community reserved the right to reconsider this system after the entry into force of the common regulation of markets in the wines sector, it will grant after that entry into force, for the wines designated by A and B above, concessions conferring advantages equivalent to those which would have resulted from the aforesaid offers.

Declaration of the Delegation of the Community
Concerning Articles 2, 3 and 4 of Annex I

The Community will consider the possibility of increasing to 70 per cent of the duties of the Common Tariff Schedule, from 1 January 1974, the reductions of customs duty mentioned in articles 2, 3 and 4 of Annex I and applicable to products originating in Spain and imported into the Community.

Declaration of the Delegation of Spain
Concerning Article 1 of Annex II

If the Community decided to increase to 70 per cent from 1 January 1974 the reductions of the duties of the Common Tariff Schedule mentioned in articles 2, 3 and 4 of Annex I, the customs duties and dues having equivalent effect applicable to products originating in the Community and shown in lists A and B of Annex II would be those of the Spanish customs tariff reduced in the proportions and according to the time-table shown hereunder:

Products	Rate of reduction			
	1.1.1974	1.1.1975	from 1.1.1976	1.1.1977
List A	32.5%	45.0%	57.5%	70.0%
List B	15%	20%	25%	30%

Declaration of the Delegation of Spain
Concerning Article 5 of Annex II

The Spanish Government explains that the provisions of article 5 paragraph 5 second sub-paragraph of Annex II may be applied in particular to the following products:

- sulphur of all kinds (Nos. 25.03 and 28.02 of the Spanish Customs Tariff)
 - pyrites (Nos. 25.02 and ex 26.01 of the Spanish Customs Tariff)
 - lead ores (No. 26.01E of the Spanish Customs Tariff)
 - ash and residues containing lead (No. 26.03A of the Spanish Customs Tariff).
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Declaration of the Delegation of Spain
Concerning Articles 9 and 10 of Annex II

In case of modification of the régimes applicable in the Peninsula, the Balearic Islands and the territories under special régime to importation of the products mentioned in articles 9 and 10 of Annex II, the Spanish Government will grant the Community advantages of equivalent scope.

Declaration of the Delegation of Spain
Concerning the Bonding System Applicable to
Importation into Spain

Considering that the system of bonds to be furnished by importers is incompatible with the purpose of the Agreement, the Spanish Government declares that this system is temporary only and will cease to be applied on 9 December 1970.

The Spanish Government observes, however, that the precise object of the safeguard clause in the Agreement is to remedy situations of the kind which the bonding system is intended to meet.

Exchange of Letters
Concerning Bilateral Trade Agreements

Luxembourg, 29 June 1970

Sir,

I have the honour to inform you that the representatives of the Governments of the States members of the European Economic Community have made the following declaration:

"As regards products not listed in this Agreement, the commercial advantages granted by either party on a bilateral basis shall continue in force in accordance with the conditions laid down in the trade agreements, without prejudice to any subsequent changes in the present and future provisions of the Community's trade policy."

I should be obliged if you would be good enough to acknowledge receipt of this letter and to confirm that your Government agrees with the above declaration.

I have the honour to be, Sir, your obedient servant.

(signed) Helmut SIGRIST

President of the delegation
of the European Economic Community

The President of the
delegation of Spain

Luxembourg, 29 June 1970

Sir,

In a letter of today's date you were good enough to send me the following communication:

"Sir,

I have the honour to inform you that the representatives of the Governments of the States members of the European Economic Community have made the following declaration:

"As regards products not listed in this Agreement, the commercial advantages granted by either party on a bilateral basis shall continue in force in accordance with the conditions laid down in the trade agreements, without prejudice to any subsequent changes in the present and future provisions of the Community's trade policy."

I should be obliged if you would be good enough to acknowledge receipt of this letter and to confirm that your Government agrees with the above declaration.

I have the honour to be, Sir, your obedient servant."

I have the honour to acknowledge receipt of this communication and to confirm that my Government is in agreement with that declaration.

I have the honour to be , Sir, your obedient servant.

(signed) Alberto ULLASTRES

President of the delegation
of Spain

The President
of the delegation
of the European Economic Community

Letters Concerning
Products Falling Under the Treaty
Establishing the European Coal and Steel Community

Luxembourg, 29 June 1970

Sir,

I have the honour to inform you that the representatives of the Governments of the States members of the European Coal and Steel Community have made the following declaration:

"The Governments of the member States are in favour of a study of the questions raised by trade in products falling under the Treaty establishing the European Coal and Steel Community, to be made where necessary, by procedures and under conditions to be laid down by mutual agreement at a suitable time and according to the circumstances."

I should be obliged if you would be good enough to acknowledge receipt of this letter.

I have the honour to be, Sir, your obedient servant.

(signed) Helmut SIGRIST

President of the delegation
of the European Economic Community

The President of the
delegation of Spain

Luxembourg, 29 June 1970

Sir,

In your letter of today's date you were good enough to send me a communication concerning the products falling under the Treaty establishing the European Coal and Steel Community.

I have the honour to acknowledge receipt of this communication.

I have the honour to be, Sir, your obedient servant.

(signed) Alberto ULLASTRES

President of the delegation
of Spain

The President
of the delegation
of the European Economic Community

Luxembourg, 29 June 1970

Sir,

I have the honour to inform you that the Spanish Government has made the following declaration:

"The Spanish Government is in favour of a study of the questions raised by trade in products falling under the Treaty establishing the European Coal and Steel Community, to be made where necessary, by procedures and under conditions to be laid down by mutual agreement at a suitable time and according to the circumstances."

I should be obliged if you would be good enough to acknowledge receipt of this letter.

I have the honour to be, Sir, your obedient servant.

(signed) Alberto ULLASTRES

President of the delegation
of Spain

The President
of the delegation of
the European Economic Community

Luxembourg, 29 June 1970

Sir,

In your letter of today's date you were good enough to send me a communication concerning the products falling under the Treaty establishing the European Coal and Steel Community.

I have the honour to acknowledge receipt of this communication.

I have the honour to be, Sir, your obedient servant.

(signed) Helmut SIGRIST

President of the delegation
of the European Economic Community

The President of
the delegation of Spain

Letters Concerning the
Questions Relating to Investments in
Spain

Luxembourg, 29 June 1970

Sir,

I have the honour to inform you that the representatives of the Governments of the States members of the European Economic Community have made the following declaration at your request:

"The States members of the European Economic Community declare that they are in favour of studying with the Spanish Government the questions relating to investments in Spain of capital from the Community. The conditions under which these studies shall be held shall be determined in accordance with the circumstances and with the questions to be studied."

I should be obliged if you would be good enough to acknowledge receipt of this letter.

I have the honour to be, Sir, your obedient servant.

(signed) Helmut SIGRIST

President of the delegation of the
European Economic Community

The President of
the delegation of Spain

Luxembourg, 29 June 1970

Sir,

In your letter of today's date you were good enough to send me a communication concerning the questions relating to investments in Spain of capital from the Community.

I have the honour to acknowledge receipt of this communication.

I have the honour to be, Sir, your obedient servant.

(signed) Alberto ULLASTRES

President of the delegation
of Spain

The President
of the delegation
of the European Economic Community

Luxembourg, 29 June 1970

Sir,

I have the honour to inform you that the Spanish Government has made the following declaration:

"The Spanish Government declares itself in favour of studying with the States members of the European Economic Community the questions relating to investments in Spain of capital from the Community. The conditions under which these studies shall be held shall be determined in accordance with the circumstances and with the questions to be studied."

I should be obliged if you would be good enough to acknowledge receipt of this letter.

I have the honour to be, Sir, your obedient servant.

(signed) Alberto ULLASTRES

President of the delegation
of Spain

The President
of the delegation
of the European Economic Community

Luxembourg, 29 June 1970

Sir,

In your letter of today's date you were good enough to send me a communication concerning the questions relating to investments in Spain of capital from the Community.

I have the honour to acknowledge receipt of this communication.

I have the honour to be, Sir, your obedient servant.

(signed) Helmut SIGRIST
President of the delegation of the
European Economic Community

The President of
the delegation of Spain