

ANNEX 2.A
RULES OF ORIGIN AND METHODS OF ADMINISTRATIVE COOPERATION

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SECTION A
GENERAL PROVISIONS

Article 1
Definitions

For the purposes of this Annex:

- (a) “**competent authority**” means:
 - (i) for India, the Department of Commerce in case of exports and the Central Board of Indirect Taxes and Customs (CBIC), i.e., the customs authority in case of imports or their successors;
 - (ii) for the EFTA States, the customs authorities of the respective EFTA State;
- (b) “**customs value**” means the value as determined in accordance with the Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade 1994, as set out in Annex 1A to the WTO Agreement (WTO Agreement on Customs Valuation);
- (c) “**ex-works price**” means the price paid for a product to the manufacturer in the Party where the last working or processing was carried out, in accordance with the international commercial terms (“incoterms”), excluding internal taxes which may be reimbursed when the product is exported;
- (d) “**FOB value**” means the price actually paid or payable to the exporter for a product when the product is loaded onto the carrier at the named port of exportation, including the cost of the product and all costs necessary to bring the product onto the carrier, excluding customs duties on exportation;
- (e) “**Harmonized System**” or “**HS**” means the *International Convention on the Harmonized Commodity Description and Coding System* and its Section Notes, Chapter Notes, Subheading Notes and General Rules for the Interpretation of the Harmonized System;
- (f) “**manufacture**” means working or processing, including assembly;
- (g) “**material**” means any ingredient, raw material, component or part, used in the manufacture of the product;
- (h) “**Party**” means India, Iceland, Norway or Switzerland. Due to the customs union between Switzerland and Liechtenstein, a product originating in Liechtenstein shall be considered as originating in Switzerland;
- (i) “**product**” means the product being manufactured, even if it is intended for later use in another manufacturing operation;

- (j) “**supporting documents**” means documents, in paper or electronic form, used for the purpose of proving that a product covered by a proof of origin fulfils the requirements of this Annex and can be considered as a product originating in a Party, such as evidence of the working or processing that the products and the materials used have undergone, and of the originating status of materials used in the production;
- (k) “**territory**” includes the land territory, internal waters and the territorial waters of a Party; and
- (l) “**value of non-originating materials**” means the customs value at the time of importation of the non-originating materials used, or, if this is not known and cannot be ascertained, the first ascertainable price paid for the materials in a Party.

Article 2

General Requirements

For the purposes of the Agreement, a product shall be considered as originating in a Party if:

- (a) it has been wholly obtained in a Party, in accordance with Article 3; or
- (b) the non-originating materials used in the working or processing of that product have undergone sufficient working or processing in a Party, in accordance with Article 4.

Article 3

Wholly Obtained Products

The following products shall be considered as wholly obtained in a Party:

- (a) mineral products and other non-living natural resources extracted or taken from their soil or from their seabed;
- (b) vegetable products harvested there;
- (c) live animals born and raised there, and products from such animals;
- (d) products obtained by hunting, trapping, fishing or aquaculture conducted there;
- (e) products of sea fishing and other marine products taken from the sea outside the territorial waters of any country, by a vessel registered in a Party and flying its flag, and products manufactured exclusively from such products on board a factory ship registered in a Party and flying its flag;

- (f) products extracted from marine soil or sub-soil outside their territorial waters provided that they have the sole rights to exploit that soil or sub-soil;
- (g) products of heading 30.02 and 30.04 of the Harmonized System obtained there by the use of plant or animal cell cultures;
- (h) products falling within Chapters 29-35 of the Harmonized System obtained there by fermentation;
- (i) waste and scrap derived from production or consumption there, provided that such goods are fit only for recovery of raw materials, or for recycling purposes; and
- (j) products manufactured there exclusively from those specified in subparagraphs (a) to (i).

Article 4
Sufficient Working or Processing

1. Without prejudice to Article 5, a product listed in Appendix 1 shall be considered to have undergone sufficient working or processing if the product-specific rules of that Appendix are fulfilled.
2. Notwithstanding paragraph 1, non-originating materials do not have to fulfil the conditions set out in Appendix 1, provided that:
 - (a) their total value does not exceed 10% of the FOB value or ex-works price of the product; and
 - (b) the maximum value of non-originating materials set out in Appendix 1 is not exceeded through the application of this paragraph.

Article 5
Insufficient Working or Processing

1. Notwithstanding Article 4, a product shall not be considered as originating, if it has only undergone the following operations:
 - (a) preserving operations to ensure that a product remains in good condition during transport and storage;
 - (b) freezing or thawing;
 - (c) packaging and re-packaging;
 - (d) washing, cleaning, removal of dust, oxide, oil, paint or other coverings;
 - (e) ironing or pressing of textiles;

- (f) simple painting and polishing;
 - (g) husking, partial or total bleaching, polishing, and glazing of cereals and rice;
 - (h) operations to colour sugar or form sugar lumps;
 - (i) peeling and removal of stones and shells from fruits, nuts and vegetables;
 - (j) sharpening, simple grinding or simple cutting;
 - (k) sifting, screening, sorting, classifying, grading, matching;
 - (l) simple placing in bottles, cans, flasks, bags, cases, boxes, fixing on cards or boards and all other simple packaging operations;
 - (m) affixing or printing marks, labels, logos and other like distinguishing signs on products or their packaging;
 - (n) simple mixing of products, whether or not of different kinds;
 - (o) simple assembly of parts of articles to constitute a complete article or disassembly of products into parts;
 - (p) slaughter of animals; or
 - (q) a combination of two or more operations specified in (a) to (p).
2. For the purposes of paragraph 1, “**simple**” describes activities which need neither special skills nor machines, apparatus or equipment especially produced or installed to carry out the activity.
3. All operations carried out in a Party on a given product shall be taken into account when determining whether the working or processing undergone by that product is considered as insufficient working or processing referred to in paragraph 1.

Article 6

Accumulation of Origin

1. Without prejudice to Article 2, a product originating in a Party, which is used as material in the manufacture of a product in another Party, shall be considered as originating in the Party where the last operations beyond those referred to in paragraph 1 of Article 5 have been carried out.
2. A product originating in a Party, which is exported from one Party to another and does not undergo working or processing beyond those operations referred to in paragraph 1 of Article 5, shall retain its origin.

3. Where materials originating in two or more Parties are used in the manufacture of a product and these materials have not undergone any working or processing beyond the operations referred to in Article 5, the origin of the product is determined by the material with the highest customs value, or if this cannot be ascertained, with the highest first ascertainable price paid for that material in that Party.

Article 7 **Unit of Qualification**

1. For the purpose of determining originating status, the unit of qualification of a product or material shall be determined in accordance with the Harmonized System.
2. Pursuant to paragraph 1,
 - (a) packaging shall be included with the product if it is included with that product in accordance with General Interpretative Rule 5 of the Harmonized System, which implies that:
 - (i) the packages and packing materials for retail sale, when classified together with the packaged product, shall not be taken into account for considering whether all non-originating materials used in the manufacture of a product fulfil the criterion corresponding to a change of tariff classification of the said product;
 - (ii) if the product is subject to an *ad valorem* percentage criterion, the value of the packages and packing materials for retail sale shall be taken into account in its origin assessment, in case the packing is considered as forming a whole with products; and
 - (iii) the containers and packing materials exclusively used for the transport of a product shall not be taken into account for determining the origin of any product;
 - (b) where a set of articles, in accordance with General Interpretative Rule 3 of the Harmonized System, is classified under a single heading, it shall constitute the unit of qualification; and
 - (c) where a consignment consists of a number of identical products classified under a single heading or subheading of the Harmonized System, each product shall be considered separately.

Article 8 **Accessories, Spare Parts and Tools**

Accessories, spare parts and tools dispatched with a piece of equipment, machine, apparatus or vehicle, which are part of the normal equipment as per standard trade practice

and which value is included in its FOB value or ex-works price, or which are not separately invoiced, shall be considered as part of the product in question.

Article 9

Neutral Elements

Neutral elements, which have not entered into the final composition of the product, such as energy and fuel, plant and equipment, or machines and tools, shall not be taken into account when the origin of that product is determined.

Article 10

Accounting Segregation

1. If originating and non-originating fungible materials are used in the working or processing of a product, the determination of whether the materials used are originating may be determined on the basis of an inventory management system, subject to prior authorisation of the authority designated by the exporting Party.
2. For the purposes of paragraph 1, “**fungible materials**” means materials that are of the same kind and commercial quality, with the same technical and physical characteristics, and which cannot be distinguished from one another, once they are incorporated into the finished product.
3. The inventory management system shall be based on generally accepted accounting principles applicable in the Party in which the product is manufactured and ensure that no more final products receive originating status than would have been the case if the materials had been physically segregated.
4. A producer using an inventory management system shall keep records of the operation of the system that are necessary for the customs administration of the Party concerned to verify compliance with the provisions of this Annex.
5. The authorisation to use accounting segregation may be withdrawn if the producer makes improper use of it.

SECTION B
TERRITORIAL REQUIREMENTS

Article 11
Principle of Territoriality

1. The conditions for acquiring originating status set out in Section A must be fulfilled without any interruption in the territory of a Party.
2. If an originating product is returned to the exporting Party after having been exported to a non-Party without having undergone any operation there, beyond those necessary to preserve it in good condition, that product shall retain its originating status.

Article 12
Direct Transport

1. Preferential treatment in accordance with the Agreement shall only be granted to originating products that are transported directly between the Parties.
2. Notwithstanding paragraph 1, an originating product may be transported through, or stored in, territories of non-Parties, provided that it:
 - (a) does not undergo operations other than unloading, reloading, splitting-up of loads or any operation designed to preserve it in good condition; and
 - (b) remains under customs control in those non-Parties.
3. Paragraphs 1 and 2 shall be considered fulfilled, unless the customs authority of the importing Party has reasons to believe the contrary. In such a case, the customs authority of the importing Party may request the importer or his or her representative to provide appropriate evidence that the conditions set out in paragraph 2 have been fulfilled by supplying to the customs authority of the importing Party upon request the following:
 - (a) a single transport document covering the passage from the exporting Party through the country of transit;
 - (b) a statement of non-manipulation issued by the customs authority of the country of transit;
 - (c) giving an exact description of the products;
 - (d) stating the dates of unloading and reloading of the products and, where applicable, the names of the ships, or the other means of transport used; and
 - (e) certifying the conditions under which the products remained in the country of transit; or

- (f) failing these, any substantiating documents.
- 4. For the purpose of paragraph 1, an originating product may be transported through pipelines across territories of non-Parties.

SECTION C
PROOF OF ORIGIN

Article 13
Proof of Origin

1. For products originating in a Party and otherwise fulfilling the requirements of this Annex,
 - (a) an origin declaration may be completed by an approved exporter established in an EFTA State, in accordance with Appendix 2.A.2 (Origin Declaration);
 - (b) a movement certificate EUR.1 may be issued by the customs authority of an EFTA State in accordance with Appendix 2.A.4 (Movement Certificate EUR.1);
 - (c) a certificate of origin may be issued by the authorised agencies of India, in accordance with Appendix 2.A.3 (Certificate of Origin); or
 - (d) a self-declared certificate of origin may be issued by an exporter of India in accordance with Appendix 2.A.3 (Certificate of Origin).
2. An exporter shall accept full responsibility for any proof of origin that he completes or applies for.
3. A proof of origin shall be valid for 12 months from the date of completion of the origin declaration or issuance of the certificate of origin.

SECTION D
PREFERENTIAL TREATMENT

Article 14
Importation Requirements

1. Each Party shall grant preferential tariff treatment in accordance with the Agreement to originating products imported from another Party, on the basis of a proof of origin as defined in Article 13.
2. In order to obtain preferential tariff treatment, the importer shall, in accordance with the procedures applicable in the importing Party, request preferential tariff treatment at the time of importation of an originating product and submit the proof of origin specified in Article 13¹.
3. If the importer is not in possession of a proof of origin at the time of importation, the importer may, in accordance with the domestic laws and regulations of the importing Party, make a claim for preferential treatment at the time of importation and present the proof of origin and, if required, other documentation relating to the importation, at a later stage. The customs authority of the importing Party shall clear the consignment in accordance with its domestic laws and regulations.
4. Subject to paragraph 2, a proof of origin shall be submitted to the customs authority of the Party of import within the 12 month-period set out in paragraph 3 of Article 13. The expiration of this period may be suspended if the products covered by that proof of origin remain under customs control of the importing Party. After this period, a proof of origin may be accepted only in exceptional circumstances.
5. Notwithstanding paragraph 1, a Party may, in accordance with its domestic laws and regulations, waive the requirements to present a proof of origin and grant preferential tariff treatment to non-commercial low value shipments of originating products and originating products for personal use forming part of the personal luggage of a traveller.

Article 15
Cooperation of Exporters and Importers with Competent Authorities

1. Exporters and importers benefiting from the Agreement shall, within the framework of the Agreement and subject to the domestic law of the Party where they are established, cooperate with the customs authority of that Party.
2. An exporter who has completed an origin declaration pursuant to Appendix 2.A.2 (Origin Declaration) or requested the issuance of a proof of origin pursuant to Appendices 2.A.3 (Certificate of Origin) or 2.A.4 (Movement Certificate EUR.1) shall:

¹ For greater clarity, the importer may be required to submit an invoice together with a proof of origin as per the domestic laws and regulations of the importing Party.

- (a) keep a copy of the proof of origin and all supporting documents including suppliers declarations², wherever applicable, for 5 years from completion or issuance, or for a longer period of time, if required by the domestic laws and regulations of the exporting Party;
 - (b) upon request of the competent authorities of the exporting Party, submit the documents referred to in subparagraph (a) to those authorities. The competent authorities may, at any time, carry out inspections and verify the exporters' or the producers' accounts and take other appropriate measures; and
 - (c) when becoming aware of or having reason to believe that a proof of origin contains incorrect information, immediately notify the importer and the competent authorities of the exporting Party of any change affecting the originating status of each product covered by that proof of origin.
- 3 An importer who has requested or has been granted preferential tariff treatment shall:
- (a) keep the proof of origin and other relevant documents for 5 years from the date on which preferential treatment was granted, or for a longer period of time if required by the domestic laws and regulations of the importing Party;
 - (b) upon request of the customs authority of the importing Party, submit the documents referred to in subparagraph (a) to those authorities; and
 - (c) when becoming aware of or having reason to believe that the proof of origin contains incorrect information, immediately notify the customs authority of the importing Party of any change affecting the originating status of each product covered by a proof of origin.

Article 16

Non-Party Invoicing

The competent authorities of the importing Party shall not deny a claim for preferential tariff treatment for the sole reason that the invoice was not issued by an exporter in a Party or issued in a non-Party, provided that the products meet the requirements of this Annex.

² Each Party shall prescribe the format of the supplier declaration.

SECTION E
ADMINISTRATIVE COOPERATION

Article 17
Verification of Proofs of Origin

1. For greater certainty, the verification of proofs of origin process set out in paragraph 3 and its following paragraphs, shall be subsequent to the checking of authenticity of the certificate of origin or movement certificate as referred to in subparagraphs 1(b), 1(c) and 1(d) of Article 13 in accordance with its form and seal impressions shared in accordance with Article 19 or of an origin declaration in accordance with subparagraph 19(c) of Appendix 2.A.2 (Origin Declaration), as applicable.
2. Notwithstanding the above, where the authenticity of an origin declaration is not established through the process set out in subparagraph 19(c) of Appendix 2.A.2 (Origin Declaration), the customs authority of India shall make a request for verification of authenticity to the competent authority of the exporting Party. The exporting Party shall confirm or otherwise reject the authenticity of the origin declaration within 45 working days from receipt of such request from the importing Party unless otherwise specified in Appendix 2.A.2 (Origin Declaration).
3. For the purposes of determining whether products imported into a Party are originating, the customs authority of the importing Party may, as a first step, conduct a verification of the claim by requesting in writing, information from the importer of the products, in accordance with the importing Party's domestic law and regulations. For greater certainty, nothing in this paragraph shall be construed to require an exporter to share information that the exporter is not willing to share, when requested by the importer.
4. Where the customs authority of the importing Party considers the information under paragraph 3 is insufficient to make a determination, including differences in HS classification between the certificate of origin and the import declaration, or if the importer cannot provide information within the timelines prescribed under their respective domestic laws and regulations, the importing Party shall provide a written request for information from the customs authority or the competent authority of the exporting Party and seek information, pertaining to the fulfilment of the requirements of this Chapter. Such written request, including supporting documents where appropriate, may be transmitted by electronic means by the competent authorities notified under Article 19.
5. Where a request is made under paragraph 4, the customs authority of the importing Party may, within 5 years of issuance or completion of the proof of origin, request information from the competent authority of the exporting Party on the authenticity of the proof of origin and on whether the products concerned can be considered as originating in an EFTA State or in India and fulfil the other requirements of this Annex. The exporting Party is not obliged to conduct verifications based on verification requests received after that deadline. The customs authority or the competent authority of the exporting Party shall provide the customs authority of

the importing Party with a written acknowledgement of receipt of this verification request within a period of 45 days from the date of the request, or any other time period as may be decided between the Parties.

6. Following a request under paragraph 4, the customs authority or the competent authority of the exporting Party may, in accordance with its domestic law:
 - (a) request evidence, check the exporters', suppliers' and the producers' accounts and take other appropriate measures to verify compliance with this Annex;
 - (b) ask questions to the exporter, producer or supplier in order to verify the origin of the products; or
 - (c) visit the premises of the exporter, the producer or the supplier with a view to examining the records, production processes, as well as the equipment and tools utilised in the manufacture of the product.
7. Unless the Parties agree in writing on another time period due to exceptional circumstances, the customs authority or the competent authority of the exporting Party shall, within 10 months of receiving the request under paragraph 4, provide the customs authority of the importing Party with the following:
 - (a) the result and findings of the verification indicating clearly whether the proof of origin is authentic and whether the products concerned can be considered as products originating in an EFTA State or India;
 - (b) any supporting documents requested by the importing party and made available by the exporter, where appropriate;
 - (c) any information on the materials used;
 - (d) description of the production process that is sufficient to support the originating status of the product, if made available by the exporter; and
 - (e) information on the manner in which the verification of the products was conducted.
8. The competent authority of the exporting Party may not provide information to the customs authority of the importing Party if that information is deemed confidential by the exporter, producer or supplier. In such circumstances, the competent authority of the exporting Party shall confirm that it has reviewed the information requested by the importing Party and shall also list the sources of information reviewed, stating clearly whether the information supports the claim for preferential tariff treatment.
9. The customs authority of the importing Party shall not deny preferential treatment for the sole reason that such confidential information is not provided to them but shall take into account the information provided by the competent authority of the

exporting Party as well as its independent findings or investigation before making a final decision whether to grant preferential treatment, where appropriate.

10. In exceptional circumstances, if, following a request under paragraph 4, the customs authority of the importing Party is unable to make a determination, it may request that the competent authority of the exporting Party conduct a visit to the exporter, producer or supplier. The request for such a verification visit shall be made within 30 days from the receipt of the response from the competent authority of the exporting Party to a request made under paragraph 4 and the importing Party shall give detailed reasons for the requested visit and may provide specific parameters to be verified by the exporting Party during the said factory visit. The competent authority of the exporting Party shall respond to the request for a visit within 30 days.
11. Subject to agreement³ by the exporter and to any reasonable conditions set out by the competent authority of the exporting Party that are agreed to by the importing Party, the customs authority of the importing Party may designate up to two observers of its customs authority to be present during the verification visit conducted by the competent authority of the exporting Party under paragraph 8. If the importing Party disagrees with the conditions set out by the exporting Party or the request pertains to visit to the premises of a producer or supplier who is distinct from the exporter, then the exporting Party shall conduct the verification visit based on the detailed reasons and specific parameters requested by the importing Party.
12. The competent authority of the exporting Party shall share the information on the visit including the manner in which the visit was conducted as well as the subject and scope of the verification within 90 days of the conclusion of the visit. If any information is deemed confidential by the exporter, producer or supplier then in such circumstances, the competent authority of the exporting Party shall confirm that it has reviewed the information or process requested by the importing Party and shall also list the sources of information or process reviewed, stating clearly whether the information or process supports the claim for preferential tariff treatment.
13. A request for verification under this Article shall be conducted on the basis of risk assessment methods, which may include random selection or specific intelligence or any other objective parameter.
14. During verification, the importing Party shall allow the release of the products concerned subject to the payment of any customs duties or provision of any security as per its domestic law, provided that all other regulatory requirements have been met. If as a result of the verification the importing Party determines that the products meet all the requirements of this Chapter, it shall grant preferential tariff treatment to the products and refund any customs duties paid or release any security provided, unless the security also covers other obligations under its domestic law.
15. The customs authority of the importing Party shall:

³ The exporter shall provide the customs authority of the exporting Party in writing the reason for refusing the customs authority of the importing Party as observers. The exporting Party shall inform the importing Party accordingly and conduct the verification in accordance with paragraph 8.

- (a) make a final decision on whether to grant preferential treatment;
 - (b) inform the importer of the results of the verification; and
 - (c) in case the preferential treatment is denied after verification and if the exporter deems information as confidential, the importing Party shall limit the information provided to the importer to whether the rules of origin are fulfilled and whether the proof of origin is authentic.
16. The customs authority and competent authorities of the Parties shall cooperate in the overall operation and administration of the verification process.
17. The competent authorities to initiate verifications on both sides are the customs authorities and to conduct the verification are the customs authorities in the case of the EFTA States and the authorised agencies of the Department of Commerce in the case of India.

Article 18
Denial of Preferential Treatment

1. The importing Party may deny preferential tariff treatment or recover unpaid customs duties in accordance with its domestic laws and regulations where it has determined that a product does not meet the requirements of this Annex or where the importer or exporter fails to demonstrate compliance with the relevant requirements.
2. If the requesting Party receives no reply within the time limit in accordance with Article 17, or if the reply does not clearly state whether a product is originating under the Agreement or whether the proof of origin is valid, the requesting Party may deny preferential tariff treatment to the consignment covered by the proof of origin in question.
3. If the importing Party denies a claim for preferential tariff treatment pursuant to Article 17, it shall issue a determination to the importer that includes the reasons for the determination. The customs authority of the importing Party shall also share the determination and reasons for the determination with the competent authority of the exporting Party without undue delay.
4. If, following a verification procedure, the importing Party establishes that the exporter has persistently or deliberately issued or completed proofs of origin wrongly, the importing and exporting Parties shall consult with a view to take appropriate measures. If these measures are insufficient to prevent wrongful issuance or completion of proofs of origin, the importing Party may temporarily suspend preferential tariff treatment for that exporter.
5. Based on consultations referred to in paragraph 4, and in any case no longer than 2 months from the date of initiating consultations, a decision whether or not to suspend tariff preference may be taken by the importing Party. The importing Party

shall notify the decision, including its reasoning, to the exporting Party, within 30 days after informing the importer accordingly.

6. If verification procedures have shown that two or more exporters of one Party have persistently or deliberately issued or completed proofs of origin wrongly for the same product at the HS classification level declared to the customs authority of the importing Party and this same product of these exporters accounts for more than half of the preferential imports of the same product in value terms from the exporting party over a period of 1 year prior to the first verification request, the importing Party may submit the matter to the Sub-Committee on Rules of Origin and to the Joint Committee with a view to temporarily suspend preferential treatment for all imports of that product from the exporting Party.
7. The Joint Committee shall discuss the matter and shall recommend jointly within 6 months whether the importing Party may suspend or not the granting of preferential customs clearance for this product as a temporary measure. The importing Party may only suspend preferential treatment for this product if recommended by the Joint Committee.
8. Following a temporary suspension at exporter level referred to in paragraph 4, or a Joint Committee recommendation for temporary suspension as referred to in paragraph 7, and pursuant to the conclusion of consultations between the Parties concerned and where the Parties agree that the exporter(s) has/have adopted appropriate remedial measures, where applicable, the importing Party shall agree to:
 - (a) restore preferential benefit to the product with retrospective effect; or
 - (b) restore preferential benefit to the product with prospective effect, subject to implementation of any mutually agreed measures by one or both Parties.

Article 19

Notifications and Cooperation

1. The Parties shall provide each other, through the EFTA Secretariat, with:
 - (a) specimen impressions of stamps used for the issuance of certificates of origin pursuant to Appendices 2.A.3 (Certificate of Origin) or 2.A.4 (Movement Certificate EUR.1) for enabling authenticity checks;
 - (b) the addresses of the competent authorities of the Parties responsible for verifications referred to in Article 17 and other issues related to the implementation or application of this Annex;
 - (c) information regarding the administration and updating of the approved exporters' system and the system relating to the certificate of origin; and
 - (d) information on the interpretation, application and administration of this Annex.

2. The Parties shall endeavour to resolve matters related to the implementation or application of this Annex, including specific verification requests, to the extent possible, through direct consultations or meetings between the competent authorities referred to in subparagraph 1(b).

Article 20

Confidentiality

1. Subject to the domestic law of each Party, all information which is by nature confidential, i.e., disclosure of which could prejudice the legitimate commercial interests of the exporter, producer or supplier supplying the information, or which is provided on a confidential basis, shall be covered by the obligation of professional secrecy. Such information shall not be disclosed by the Parties without the explicit permission of the person or authority providing it.
2. Notwithstanding paragraph 1, in matters relating to verification of origin in accordance with Article 17, confidential information based on which originating status has been claimed may be disclosed in administrative, civil and criminal proceedings by the Party receiving such information in accordance with its domestic law. A Party shall notify the Party which provided the information, where possible, in advance of such disclosure.

SECTION F
FINAL PROVISIONS

Article 21
Penalties

Each Party shall provide for the imposition of criminal, civil or administrative penalties for violations of its domestic law related to this Annex.

Article 22
Products in Transit or Storage

1. The customs administration of the importing Party shall grant preferential tariff treatment for an originating product of the exporting Party which, on the date of entry into force of this Agreement:
 - (a) is in the process of being transported from the exporting Party to the importing Party; or
 - (b) has not been released from customs control, including an originating product stored in a bonded warehouse regulated by the customs administration of the importing Party.
2. For such products, a proof of origin may be completed retrospectively up to 9 months after the entry into force of the Agreement, provided that the provisions of this Annex and in particular Article 12 have been fulfilled.

Article 23
Sub-Committee on Rules of Origin

1. A Sub-Committee on Rules of Origin is hereby established, consisting of representatives of the Parties.
2. The functions of the Sub-Committee on Rules of Origin shall include:
 - (a) monitoring and review of measures taken and implementation of commitments under this Annex;
 - (b) exchange of information and deliberations on developments;
 - (c) discussion on operational matters including cooperation among competent authorities;
 - (d) preparation of interpretations and guidelines regarding Appendix 2.A.1 (Product Specific Rules) following the periodic amendments to the HS codes, by the World Customs Organization;

- (e) preparation of recommendations and report to the Joint Committee as necessary; and
 - (f) any other matter referred to it by the Joint Committee.
 - 3. The Sub-Committee on Rules of Origin shall act by consensus.
 - 4. The Sub-Committee on Rules of Origin shall meet at least every 2 years, consecutively with the meeting of the Joint Committee and the Sub-Committees on Trade in Goods and Trade Facilitation, unless agreed otherwise by the Parties. The meetings of the Sub-Committee on Rules of Origin shall be chaired jointly by an EFTA State and India.
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