

**21997A0520(01)**

**Additional Protocol to the Europe Agreement on trade in textile products  
between the European Community and the Republic of Bulgaria**  
*Official Journal L 127, 20/05/1997 p. 0002 – 0057*

**THE COUNCIL OF THE EUROPEAN UNION,**  
of the one part, and

**THE GOVERNMENT OF THE REPUBLIC OF BULGARIA,**  
of the other part,

DESIRING to promote, with a view to permanent cooperation and in conditions providing the utmost security for trade, the mutual expansion and orderly and equitable development of trade in textile products between the European Community (hereinafter the 'Community') and the Republic of Bulgaria (hereinafter 'Bulgaria');

RESOLVED to take the fullest possible account of the serious economic and social problems at present affecting the textile industry in both importing and exporting countries, in particular in order to eliminate the real dangers of damage to both the Community and Bulgarian markets for textile products;

BEARING IN MIND the objectives of the Europe Agreement between the Community and Bulgaria signed in Brussels on 8 March 1993 and, in particular, those referred to in Article 1 thereof;

HAVING REGARD to the Europe Agreement and in particular Article 15 thereof,

HAVING REGARD to the Interim Agreement between the Community and Bulgaria signed in Brussels on 8 March 1993 and in particular to Article 9 thereof,

HAVING REGARD to Protocol No 1 on textile and clothing products to the Europe Agreement and to the Interim Agreement, and in particular to Article 3 thereof,

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

THE COUNCIL OF THE EUROPEAN UNION:

Johannes Friedrich BESELER

Deputy Director-General of the Directorate-General for External Economic Relations of the Commission of the European Communities

THE GOVERNMENT OF THE REPUBLIC OF BULGARIA

Evgeni IVANOV

Ambassador extraordinary and plenipotentiary,

Head of the Bulgarian Mission to the European Union

WHO HAVE AGREED AS FOLLOWS:

**Article 1**

1. The further development of trade and industrial cooperation between the textile and clothing industries in the Community and in Bulgaria is an underlying principle of this Protocol which establishes the quantitative arrangements applicable to trade in textile and clothing products (hereinafter 'textile products') originating in Bulgaria and in the Community, which are listed in Annex I to this Protocol.
2. Under the terms of this Protocol, all quantitative restrictions and measures of equivalent effect on imports in both Parties on textile products originating in the other Party, shall be eliminated at the end of the period referred to in Agreed Minute No 5.
3. Consultations will be held during the third year of application of this Protocol on the global situation and progress towards final liberalization.

## **Article 2**

1. The classification of the products covered by this Protocol and imported into the Community is based on the tariff and statistical nomenclature of the Community (hereinafter called the 'combined nomenclature' or, in abbreviated form, 'CN') and any amendments thereof. The Bulgarian customs tariff shall be applied to the classification of goods for imports into Bulgaria.
2. The Parties agree that the introduction of changes, such as changes in practices, rules, procedures and categorization of textile products, including those changes relating to the Harmonized System and the combined nomenclature, in the implementation or administration of those restrictions applied under this Protocol, should not affect the balance of rights and obligations between the Parties under this Protocol, adversely affect the access available to a Party, impede the full utilization of such access, or disrupt trade under this Protocol. The Party initiating any such changes shall inform the other Party before their entry into force. The procedures for implementation of classification changes are set out in Appendix A.
3. The origin of the products covered by this Protocol shall be determined in accordance with the rules of origin in force in the Community.

Bulgaria shall be notified of any amendments to the said rules of origin.

The procedures for checking the origin of the textile products are laid down in Appendix A.

## **Article 3**

1. Bulgaria hereby agrees for each of the years of the Protocol's application to restrain its exports to the Community of the products included in Annex II and originating in Bulgaria to the limits set out therein.
2. The number and level of quantitative restrictions applied to direct imports of textile products, expressed in terms of CN codes, of Community origin into Bulgaria for each year of the Protocol's application are listed in Annex III to this Protocol.
3. Unless it is otherwise provided for in this Protocol, Bulgaria and the Community hereby agree not to introduce new quantitative restrictions or measures of equivalent effect, on trade in textile products between the two Parties, and not to increase the number of existing ones as compared to those in force on 21 April 1993.
4. Exports to the Community of textile products listed in Annex II and originating in Bulgaria shall be subject to a double-checking system as specified in Appendix A.

## **Article 4**

1. Bulgaria and the Community recognize the special and differential character of reimports of textile products into the Community after processing, manufacturing or working in Bulgaria as a specific form of industrial and trade cooperation.
2. Save where it is otherwise provided for in Appendix B, such reimports into the Community shall not be subject to the quantitative limits of the products established in Annex II, provided that they are effected in accordance with the regulations on economic outward processing traffic in force in the Community and are eligible for the specific arrangements laid down in Appendix B to this Protocol.
3. No restrictions apply to imports into Bulgaria of textile products of Community origin destined for re-export after having undergone inward processing operations in Bulgaria.

## **Article 5**

1. Imports into either of the Parties of textile products covered by this Protocol shall not be subject to the quantitative limits established in Annex II or Annex

III, provided that they are declared to be for re-export from the importing Party in the same state or after processing, under the administrative system of control existing in the Parties.

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

2. Where the competent authorities in one Party have evidence that imports of textile products have been set off against a quantitative limit established under this Protocol, but that the products have subsequently been re-exported from that Party, the authorities concerned shall inform the authorities of the other Party within four weeks of the quantities involved and shall authorize imports of the same quantities of identical category of product, which shall not be set off against the quantitative limit established under this Protocol for the current or following year, as appropriate.
3. Exports of both Parties of cottage industry fabrics woven on hand- of foot-operated looms, garments or other made up articles obtained manually from such fabrics, and of traditional folklore handicraft products shall not be subject to quantitative limits. However, exports of these products originating in Bulgaria must meet the conditions laid down in Appendix C to this Protocol.

#### **Article 6**

1. In any year, advance use of a portion of the quantitative limit established in Annex II for the following year shall be authorized for each category of products up to 6 % of the quantitative limit for the current year.

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

2. Carry-over to the corresponding quantitative limit for the following year of amounts not used during any given Protocol year shall be authorized up to 10 % of the quantitative limit for the current year for the quantitative limits established in Annex II.
3. In the case of Group I, transfers shall be allowed only in the following cases:
  - amounts may be transferred from category 1 to categories 2 and 3, or from categories 2 and 3 to category 1 up to 7 % of the quantitative limit for the category to which the transfer is made;
  - amounts may be transferred between categories 2 and 3 up to 7 % of the quantitative limit for the category to which the transfer is made,
  - the total quantities transferred to categories 2 and 3 in accordance with the first two indents of this paragraph may not exceed 7 % of the category to which the transfer is made,
  - amounts may be transferred between categories 4, 5, 6, 7 and 8 up to 7 % of the quantitative limit for the category to which the transfer is made.
  - Amounts may be transferred into any category in Groups II and III from any category in Groups I, II and III up to 10 % of the quantitative limit for the category to which the transfer is made.
4. The table of equivalence applicable to the transfers referred to in paragraph 3 above is given in Annex I.
5. The increase in any given category of products resulting from the cumulative application of the provisions in paragraphs 1, 2 and 3 during a single year must not exceed the limits of 17 % for categories of products in Groups I, II and III.
6. The authorities of the exporting Party must notify the other Party of any recourse to the provisions of paragraphs 1, 2 and 3, at least 15 days in advance.

## **Article 7**

1. Should one Party consider that imports of textile products not subject to quantitative limits, originating in the other Party and covered by this Protocol take place in such increased, absolute or relative, quantities or under such conditions, so as to threaten to cause injury to the importing Party's production of like or directly competitive products, or where the economic interests of the importing Party so require, it may impose a prior or retrospective surveillance system on the category of products concerned for a period that it considers appropriate.
2. The Party that intends to introduce a surveillance system under paragraph 1 shall inform at least one working day in advance of its introduction the other Party, and consultations may be requested by either Party under Article 14 of this Protocol.
3. Where a surveillance system is established under this Article by the Community, the relevant provisions on double-checking, classification and certification of origin laid down in Appendix A shall be applied by Bulgaria, as appropriate.

## **Article 8**

1. Exports of textile products to either Party, which are not subject to quantitative limits, may be made subject to quantitative limits in accordance with the following paragraphs.
2. Should one Party consider that imports of textile products originating in the other Party and covered by this Protocol take place in such increased quantities, or under such conditions, so as to cause serious damage or actual threat thereof, to the importing Party's production of like or directly competitive products, it may request consultations under Article 14 of this Protocol with a view to reaching agreement on an appropriate quantitative limit for the textile category in question. The quantitative limits agreed upon may in no case be lower than 110 % of the level of the importing Party's imports during the 12 month period terminating two months, or where data is not available three months, preceding the month in which the request for consultation is made, of products in that category originating in the other Party.
3. In critical circumstances where delay would cause damage difficult to repair, action may be taken provisionally by the importing Party on the condition that the request for consultations shall be effected immediately afterwards. This action shall take the form of a quantitative restraint on Bulgarian exports to, or imports from, the Community, for a provisional three-month period starting from the date of the request. Such a provisional limit shall be set at 25 %, at least, of the level of imports or exports during the 12-month period terminating two months, or where data is not available three months, preceding the month in which the request for consultation is made.
4. Should the consultations not lead to an agreed solution within one month, then the provisional restraint referred to in paragraph 3 can be either renewed for a further three-month period pending further consultations, or made definitive at an annual level not lower than 110 % of the imports for the 12-month period terminating two months, or where data is not available three months, preceding the month in which the request for consultation is made.
5. Where paragraphs 2, 3 or 4 are applied, either Party shall authorize imports belonging to the textile category of products in question, which were shipped from the other Party before the submission of the request for consultation. Where paragraphs 2, 3 or 4 are applied, the Party concerned undertakes to issue export or import licences for products covered by contracts effectively concluded before the introduction of the quantitative limit, but up to the volume of the quantitative limit fixed.
6. The duration of the measure and the annual growth rates to be applied to any quantitative limit introduced under this Article shall be decided when introducing the measure.

7. The provisions of this Protocol, which concern exports of products subject to the quantitative limits established in Annex II or Annex III, shall also apply to products for which quantitative limits are introduced under this Article.
8. Measures taken pursuant to the provisions of this Article can in no case remain in force after the period for the elimination of all quantitative restrictions, and measures of equivalent effect, laid down in this Protocol, has elapsed.

#### **Article 9**

Nothing in this Protocol prevents a Party from unilaterally removing a quantitative limitation or increasing the level of access under a limitation, should the conditions in its market so permit.

#### **Article 10**

1. Bulgaria undertakes to supply the community with precise statistical information on all export and import licences issued by the Bulgarian authorities for all categories of textile products subject to the quantitative limits established under this Protocol, and on all certificates issued by the Bulgarian authorities for all products referred to in Article 5 (3), which are covered by the provisions of Appendix C to this Protocol.

The Community shall similarly transmit to the Bulgarian authorities precise statistical information on import authorizations issued by the Community authorities in connection with the export licences and the certificates issued by Bulgaria.

2. For all categories of products, the information referred to in paragraph 1 shall be transmitted by the end of the month following the month to which the statistics relate.
3. The Parties undertake to provide each other's authorities, by 15 April of each calendar year, with the preceding year's statistics on imports of all textile products covered by this Protocol.
4. Either Party shall, at the other Party's request, transmit available statistical information on all exports of textile products covered by this Protocol.

The Parties shall transmit to each other's authorities statistical information on the products covered by Article 5 (1).

5. For all categories of products the information referred to in paragraph 4 shall be transmitted by the end of the third month following the quarter of the year to which the statistics relate.
6. Should it be found, on analysis of the information exchanged, that there are significant discrepancies in the statistics between the returns for exports and those for imports, consultations may be held in accordance with the procedure specified in Article 14 of this Protocol.

#### **Article 11**

1. In view of ensuring the effective functioning of this Protocol between Bulgaria and the Community, the Parties agree to cooperate fully in order to prevent, to investigate and to take any necessary legal and/or administrative action against circumvention by transshipment, re-routing, false declaration concerning country or place of origin, falsification of documents, false declaration concerning fibre content, quantities, description or classification of merchandise and by whatever other means. Accordingly, Bulgaria and the Community agree to establish the necessary legal provisions and administrative procedures permitting effective action to be taken against such circumvention, which shall include the adoption of legally binding corrective measures against exporters and/or importers involved.
2. Should either Party believe on the basis of information available that the present Protocol is being circumvented, that Party will consult with the other Party with a view to reaching a mutually satisfactory solution. These consultations will be held as early as possible and at the latest within 30 days from the date of request.

3. Pending the results of the consultations referred to in paragraph 2, either Party shall, as a precautionary measure, if so requested by the other Party, take all necessary measures to ensure that, where sufficient evidence of circumvention is provided, adjustments of quantitative limits liable to be agreed following the consultations referred to in paragraph 2, may be carried out for the quota year in which the request to open consultations in accordance with paragraph 2 was made, or for the following year if the quota for the current year is exhausted.
4. Should the Parties be unable, in the course of the consultation referred to in paragraph 2, to reach a mutually satisfactory solution, the initiating Party shall have the right:
  - (a) where there is sufficient evidence that products originating in the other Party have been imported in circumvention of the present Protocol, to set off the relevant quantities against the quantitative limits established under the Protocol;
  - (b) where sufficient evidence shows that false declaration concerning fibre content, quantities, description or classification of products originating in the other Party has occurred, to refuse to import the products in question;
  - (c) should it appear that the territory of the other Party is involved in transshipment or re-routing of products not originating in that Party, to introduce quantitative limits against the same products originating in the other Party if they are not already subject to quantitative limits, or to take any other appropriate measures.
5. Without prejudice to Protocol No 6 on mutual assistance in customs matters to the Europe Agreement, the Parties agree to establish a system of administrative cooperation to prevent and to address effectively all problems arising from circumvention in accordance with the provisions of Appendix A of this Protocol.

#### **Article 12**

1. The quantitative limits established under this Protocol on imports into the Community of textile products of Bulgarian origin will not be broken down by the Community into regional shares.
2. The Parties shall cooperate in order to prevent sudden and prejudicial changes in traditional trade flows resulting in regional concentration of direct imports into the Community.
3. Bulgaria shall monitor its exports of products under restraint or surveillance into the Community. Should a sudden and prejudicial change in traditional trade flows arise, the Community will be entitled to request consultations in order to find a satisfactory solution to those problems. Such consultations must be held within 15 working days of their being requested by the Community.
4. Bulgaria shall endeavour to ensure that exports of textile products subject to quantitative limits into the Community are spaced out as evenly as possible over the year, due account being taken in particular of seasonal factors.

#### **Article 13**

1. The Parties shall refrain from discrimination in the allocation of the export licences and import authorizations or documents referred to in Appendices A and C.
2. Should either Party find that the application of this Protocol or the commercial practices of either Party are disturbing existing commercial relations between the Community and Bulgaria consultations shall be started promptly, in accordance with the procedure specified in Article 14, with a view to remedying this situation.

#### **Article 14**

1. Save where it is otherwise provided, the special consultation procedures referred to in this Protocol shall be governed by the following rules:
  - any request for consultations shall be notified in writing to the other Party,

- the request for consultation shall be followed within 15 days of the notification by a statement setting out the reasons and circumstances which, in the opinion of the requesting Party, justify the submission of such a request,
  - the Parties shall enter into consultations within one month of notification of the request at the latest, with a view to reaching agreement or a mutually acceptable conclusion within one further month at the latest.
2. If necessary, at the request of either of the Parties, consultations shall be held on any problems arising from the application of this Protocol. Any consultations held under this Article shall take place in a spirit of cooperation and with a desire to reconcile the differences between the Parties.

### **Article 15**

1. This Protocol shall enter into force on the first day of the month following the date on which the Parties notify each other of the completion of the procedures necessary for that purpose. This Protocol shall apply with effect from the date of entry into force of the Interim Agreement between the European Economic Community and Bulgaria signed on 8 March 1993. It shall expire at the end of the period referred to in Agreed Minute No 5.
2. Either Party may at any time propose consultations in accordance with Article 14, with a view to agreeing amendments to this Protocol.
3. Either Party may, at any time, denounce this Protocol by notifying the other Party. This Protocol shall cease to apply six months after the date of such notification and the quantitative limits established under this Protocol shall be reduced proportionately.
4. The Annexes, Appendices, Agreed Minutes and Joint Memoranda attached to this Protocol shall form an integral part thereof.
5. This Protocol shall form an integral part of the Europe Agreement between the Community and Bulgaria, signed on 8 March 1993 and of the Interim Agreement signed between the Parties on the same date.

### **Article 16**

This Protocol shall be drawn up in two copies in the Danish, Dutch, English, Finnish, French, German, Greek, Italian, Portuguese, Spanish, Swedish and Bulgarian languages, each of those texts being equally authentic.

Hecho en Bruselas, el veintisiete de septiembre de mil novecientos noventa y seis. Udfærdiget i Bruxelles, den syvogtyvende september nitten hundrede og seksoghalvfems.

Geschehen zu Brüssel am siebenundzwanzigsten September neunzehnhundertsechsunneunzig.

ёгйне уфйт ВсхоЭллет, уфйт еЯкпуй ерфь Уерфемвсяпх чЯлйб еннйбкьуйб ененЮнфб Эой.

Done at Brussels on the twenty-seventh day of September in the year one thousand nine hundred and ninety-six.

Fait a Bruxelles, le vingt-sept septembre mil neuf cent quatre-vingt-seize.

Fatto a Bruxelles, addm ventisette settembre millenovecentonovantasei.

Gedaan te Brussel, de zevenentwintigste september negentienhonderd zesennegentig.

Feito em Bruxelas, em vinte e sete de Setembro de mil novecentos e noventa e seis.

Tehty Brysselissä kahdentenkymmenenten seitsemänten päivästä syyskuuta vuonna tuhatyhdekskymmenosaikahdeksänkymmentäkuusi.

Som skedde i Bryssel den tjugosjunde september nittonhundra nittiosex.

>REFERENCE TO A GRAPHIC<

Por la Comunidad Europea

For Det Europæiske Fællesskab

Für die Europäische Gemeinschaft

Гйб фзн ЕхсцрбъкЮ Кпйньфзфб  
For the European Community  
Pour la Communauté européenne  
Per la Comunità europea  
Voor de Europese Gemeenschap  
Pela Comunidade Europeia  
Euroopan yhteisön puolesta  
Pe Europeiska gemenskapens vidgar  
>REFERENCE TO A GRAPHIC>  
>REFERENCE TO A GRAPHIC>

## **ANNEX I**

### **PRODUCTS REFERRED TO IN ARTICLE 1 (1)**

1. When the constitutive material of the products of categories 1 to 114 is not specifically mentioned, these products are to be taken to be made exclusively of wool or of fine hair, of cotton or of man-made fibres.
2. Garments which are not recognizable as being garments for men or boys or as being garments for women or girls are classified with the latter.
3. Where the expression 'babies' garments` is used, this is meant to cover garments up to and including commercial size 86.

## **ANNEX II**

(The full product descriptions of the categories listed in this Annex are to be found in Annex I to the Protocol)  
>TABLE POSITION>

## **ANNEX III**

On the date of initialling the Protocol, Bulgaria has no quantitative restrictions or measures of equivalent effect on imports of textile and clothing products originating in the Community.

## **Appendix A**

### **TITLE I CLASSIFICATION**

#### **Article 1**

1. The competent authorities of the Community undertake to inform Bulgaria of any changes in the combined nomenclature (CN) before the date of their entry into force in the Community.
2. The competent authorities of the Community shall inform the competent authorities of Bulgaria of any decisions relating to the classification of products subject to the present Protocol, within one month of their adoption at the latest. Such communication shall include:
  - (a) a description of the products concerned;
  - (b) the relevant category, related CN codes;
  - (c) the reasons which have led to the decision.
3. Where a classification decision results in a change of classification practice or a change in category of any product subject to the present Protocol, the affected products shall follow the trade regime applicable to the practice or category they fall into after such change, as provided for in this Protocol. Any such decision shall enter into force 30 days after it has been notified to the other Party.

The Contracting Parties agree to enter into consultation in accordance with the procedures described in Article 14 of the Protocol with a view to honouring the obligation under Article 2 (2) of the Protocol.

Products shipped before the date of the application of the decision shall remain subject to the earlier classification practice, provided that the goods in question are presented for importation within 60 days of that date.

4. In case of divergent opinions between Bulgaria and the competent Community authorities at the point of entry into the Community on the classification of products covered by the present Protocol, classification shall provisionally be based on indications provided by the importing party, pending consultations in accordance with Article 14 with a view to reaching agreement on the classification concerned. In case no agreement can be reached, the classification of the goods is to be submitted to the Nomenclature Committee for a definitive classification in the combined nomenclature.

## **TITLE II ORIGIN**

### **Article 2**

1. Products originating in Bulgaria for export to the Community in accordance with the arrangements established by the Protocol shall be accompanied by a certificate of Bulgarian origin conforming to the model annexed to this Appendix.
2. However, products in Group III can be imported into the Community under the regime established by the Protocol on the presentation of a declaration of the exporter on the invoice or another commercial document, attesting that the products in question originate in Bulgaria in accordance with the relevant provisions in force in the Community.
3. The certificate of origin referred to in paragraph 1 is not required for the importation of goods covered by a movement certificate 'EUR 1' or a form 'EUR 2' issued in conformity with Protocol No 4 of the Europe Agreement.

### **Article 3**

The certificate of origin is issued to the exporter only on receipt of a written request from either him or his representative. The competent authorities of Bulgaria are obliged to ensure that the certificates of origin are correctly filled out; to this end they shall call for any necessary document, any evidence or carry out any check which they consider appropriate.

### **Article 4**

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

### **Article 5**

The discovery of slight discrepancies between details on the certificate of origin and those on the documents produced at the customs office when going through the import formalities for the goods, does not, ipso facto, cast doubt upon the statements in the certificate.

## **TITLE III**

### **DOUBLE-CHECKING SYSTEM FOR THE CATEGORIES OF PRODUCTS SUBJECT TO COMMUNITY QUANTITATIVE LIMITS**

## ***Section I Exportation***

### **Article 6**

The competent authorities of Bulgaria shall issue an export licence in respect of all consignments from Bulgaria of textile products referred to in Annex II, up to the relevant quantitative limits as may be modified under the provisions of this Protocol and of textile products subject to any quantitative limits or surveillance system established as a result of the application of Articles 7 and 8 of the Protocol.

### **Article 7**

1. The export licence shall conform to the model annexed to this Appendix and it shall be valid for exports throughout the customs territory to which the Treaty establishing the European Community is applied. However, where the Community has made recourse to the provisions of Articles 7 and 8 of the Protocol in accordance with the provisions of Agreed Minute No 1, or to Agreed Minute No 2, the textile products covered by the export licences can only be put into free circulation in the region(s) of the Community indicated in those licences.
2. Each export licence must certify, inter alia, that the quantity of product in question has been set off against the quantitative limit established for the category of the product concerned and shall only cover one of the categories of products listed in Annex II of the Protocol. It is to be used for one or more consignments of the product in question.
3. Where the conversion rate provided for in Annex II is applied, the following note must be inserted in box 9 of the export licence: 'Conversion rate for garments of a commercial size not exceeding 130 cm is to be applied.'

### **Article 8**

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

### **Article 9**

1. Export shall be set off against the quantitative limits established for the year in which the shipment of the goods has been effected even if the export licence is issued in accordance with this Protocol after such shipment.
2. For the purpose of applying paragraph 1, shipment of the goods is considered to have taken place on the date of their loading onto the exporting aircraft, vehicle or vessel.

### **Article 10**

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

## ***Section II Importation***

### **Article 11**

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

### **Article 12**

1. The competent authorities of the Community shall issue the import authorization or document, referred to in Article 11, automatically within a maximum of five working days of the presentation by the importer of the original of the corresponding export licence.
2. The import authorizations shall be valid for six months from the date of their issue for imports throughout the customs territory to which the Treaty establishing the European Community is applied. However, where the Community has recourse to

the provisions of Articles 7 and 8 of the Protocol in accordance with the provisions of Agreed Minute No 1, or to Agreed Minute No 2, the products covered by the import licences can only be put into free circulation in the region(s) of the Community indicated in those licences.

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

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

### **Article 13**

1. If the competent authorities of the Community find that the total quantities covered by export licences issued by Bulgaria for a particular category in any year exceed the quantitative limit established for that category established in Annex II for that category as may be modified in accordance with the provisions of this Protocol, or any quantitative limit established in accordance with Article 8 of this Protocol, the said authorities may suspend the further issue of import authorizations or documents. In this event, the competent authorities of the Community shall immediately inform the authorities of Bulgaria and the special consultation procedure set out in Article 14 of this Protocol shall be initiated forthwith.
2. Exports of products of Bulgarian origin subject to quantitative limits or a surveillance system not covered by Bulgarian export licences issued in accordance with the provisions of this Appendix may be refused an import authorization or document by the competent Community authorities.

However, if the import of such products is allowed into the Community by the competent authorities of the Community, the quantities involved shall not be set off against the appropriate quantitative limits established in Annex II, or established by virtue of Article 8 of the Protocol, without the express agreement of the competent authorities of Bulgaria, save as provided for in Article 11 of the Protocol.

## **TITLE IV**

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

#### **Article 14**

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

These documents shall measure 210 x 297 mm. The paper used shall be white writing paper, sized, not containing mechanical pulp, and weighing not less than 25 g/m<sup>2</sup>.

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

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

This number shall be composed of the following elements:

Two letters identifying the exporting country as follows: BG

Two letters identifying the intended Member State of customs clearance as follows:

AT – Austria

BL – Benelux

DE – Germany  
DK – Denmark  
EL – Greece  
ES – Spain  
FI – Finland  
FR – France

GB - United Kingdom  
IE – Ireland  
IT – Italy  
PT - Portugal  
SE - Sweden

- a one-digit number identifying quota year, corresponding to the last figure in the respective year, e.g. 7 or 1997,
- a two-digit number from 01 to 99, identifying the particular issuing office concerned in the exporting country,
- a five-digit number running consecutively from 00001 to 99999 allocated to the intended Member State of customs clearance.

#### **Article 15**

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

#### **Article 16**

1. In the event of theft, loss or destruction of an export licence or a certificate of origin, the exporter may apply to the competent governmental authority, which issued the document for a duplicate to be made out on the basis of the export documents in his possession. The duplicate of any such certificate or licence so issued shall bear the endorsement 'duplicata` or 'duplicate` .
2. The duplicate shall bear the date of the original export licence or certificate of origin.

### **TITLE V PROVISIONS CONCERNING COMMUNITY EXPORTS TO BULGARIA**

#### **Article 17**

Should it be necessary, either Party may request consultations in accordance with Article 14 of the Protocol, in order to establish specific administrative provisions concerning Community exports to Bulgaria.

Such provisions shall afford the same or equivalent degree of protection to Community exporters as is provided for Bulgarian exporters under this Protocol.

### **TITLE VI ADMINISTRATIVE COOPERATION**

#### **Article 18**

The Community and Bulgaria shall co-operate fully in the implementation of the provisions of this Protocol. To this end, contacts and exchanges of views, including on technical matters, shall be facilitated by both Parties.

#### **Article 19**

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

#### **Article 20**

Bulgaria shall transmit to the European Commission the names and addresses of the authorities competent to issue and verify the export licences and the certificates of

origin, together with specimens of the stamps used by these authorities and specimen signatures of officials responsible for signing the export licences.

#### **Article 21**

1. Subsequent verification of certificates of origin or export licences shall be carried out at random, or whenever the competent Community authorities have reasonable doubt as to the authenticity of the certificate or licence or as to the accuracy of the information regarding the true origin of the products in question.
2. In such cases, the competent authorities in the Community shall return the certificate of origin or the export licence or a copy thereof to the competent Bulgarian authority, giving, where appropriate, the reasons of form or substance which justify an inquiry. If the invoice has been submitted, such invoice or a copy thereof shall be attached to the certificate or to the licence or their copies. The authorities shall also forward any information that has been obtained suggesting that the particulars given on the said certificate or licence are inaccurate.
3. The provisions of paragraph 1 shall also apply to subsequent verifications of the declarations of origin provided for in Article 2 of this Appendix.
4. The results of the subsequent verifications carried out in accordance with paragraphs 1 and 2 shall be communicated to the competent authorities of the Community within three months at the latest.

The information communicated shall indicate whether the disputed certificate, licence or declaration, applies to the goods actually exported and whether these goods are eligible for export under the arrangements established by this Protocol. The information shall also include, at the request of the Community, copies of all the documentation necessary to fully determine the facts, and in particular the true origin of the goods.

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

5. For the purpose of subsequent verification of certificates of origin, copies of the certificates as well as any export documents referring to them shall be kept for at least three years by the competent Bulgarian authorities.
6. Recourse to the random verification procedure specified in this Article must not constitute an obstacle to the release for home use of the products in question.

#### **Article 22**

1. Where the verification procedure referred to in Article 21, or where information available to the competent authorities of the Community or of Bulgaria indicates or appears to indicate that the provisions of this Protocol are being circumvented or infringed, the two Parties shall cooperate closely and with the appropriate urgency in order to prevent any such circumvention or infringement.
2. To this end, the competent authorities of Bulgaria shall, on their own initiative or at the request of the Community, carry out appropriate inquiries, or arrange for such inquiries to be carried out, concerning operations, which are, or appear to the Community to be, in circumvention or infringement of this Protocol. Bulgaria shall communicate the results of these inquiries to the Community, including any other pertinent information enabling the cause of the circumvention or infringement, including the true origin of the goods to be determined.
3. By agreement between the Community and Bulgaria, officials designated by the Community may be present at the inquiries referred to in paragraph 2.
4. In pursuance of the cooperation referred to in paragraph 1, the competent authorities of the Community and Bulgaria shall exchange any information considered by either Party to be of use in preventing circumvention or infringement of the provisions of this Protocol. These exchanges may include information on the production of textile products in Bulgaria and on the trade in the type of products covered by this Protocol between Bulgaria and third countries, particularly where the Community has reasonable grounds to consider

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

5. Where sufficient evidence shows that the provisions of this Protocol have been circumvented or infringed, the competent authorities of Bulgaria and the Community may agree to take the measures set out in Article 11 (4) of the Protocol, and any other measures as are necessary to prevent a recurrence of such circumvention or infringement.

(Annex to Appendix A, Article 2(1))

>START OF GRAPHIC>

>END OF GRAPHIC>

(Annex referred to in Article 7(1) of Appendix A)

>START OF GRAPHIC>

>END OF GRAPHIC>

## **Appendix B OUTWARD PROCESSING TRAFFIC**

Reimports into the Community, within the meaning of Article 4 (2) of the Protocol, of products listed in the Annex to this Appendix shall be subject to the provisions of this Protocol, unless the special provisions below provide otherwise.

1. Subject to paragraph 2, only reimports into the Community of products affected by the specific quantitative limits laid down in the Annex to this Appendix shall be considered reimports within the meaning of Article 4 (2) of the Protocol.
2. Reimports not covered by the Annex to this Appendix may be made subject to specific quantitative limits following consultations in accordance with the procedures set out in Article 14 of the Protocol, provided the products concerned are subject to quantitative limits under Annex II to the Protocol or to surveillance measures.
3. Having regard to the interests of both Parties, the Community may at its discretion, or in response to a request from Bulgaria under Article 14 of the Protocol, examine and give effect to:
  - (a) the possibility of transferring from one category to another, using in advance or carrying over from one year to the next, portions of specific quantitative limits;
  - (b) the possibility of increasing specific quantitative limits.
4. However, the Community may apply automatically the flexibility rules set out in paragraph 3 within the following limits:
  - (a) transfers between categories may not exceed 25 % of the quantity for the category to which the transfer is made;
  - (b) carryover of a specific quantitative limit from one year to the next may not exceed 13,5 % of the quantity set for the year of actual utilization;
  - (c) advance use of specific quantitative limits from one year to another may not exceed 7,5 % of the quantity set for the year of actual utilization.
5. The Community shall inform Bulgaria of any measures taken pursuant to the preceding paragraphs.
6. The competent authorities in the Community shall debit the specific quantitative limits referred to in paragraph 1 at the time of issue of the prior authorization require by Council Regulation (EEC) No 636/82 which governs economic outward processing arrangements. A specific quantitative limit shall be debited for the year in which a prior authorization is issued.
7. Transfers from one category to another and combined debits from the quantitative limit for products of Group II and III will be calculated in accordance with the table of equivalence in Annex I to the Agreement.
8. A certificate of origin made out by the organizations authorized to do so under Bulgarian law shall be issued, in accordance with Appendix A to the Protocol, for all products covered by this Appendix. This certificate shall bear a reference to the

prior authorization mentioned in paragraph 6 above as evidence that the processing operation it describes has been carried out in Bulgaria.

9. The Community shall provide Bulgaria with the names and addresses of, and specimens of the stamps used by, the competent authorities of the Community, which issue the prior authorizations, referred to in paragraph 6 above.
10. Without prejudice to the provisions of paragraphs 1 to 9 above, Bulgaria and the Community shall continue consultations with a view to reaching a mutually acceptable solution enabling both Parties to benefit from the Protocol's provisions on outward processing traffic and so ensure the effective development of trade in textile products between Bulgaria and the Community.

## **Annex to Appendix B OUTWARD PROCESSING TRAFFIC**

### **COMMUNITY QUANTITATIVE LIMITS**

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

>TABLE POSITION>

### **Appendix C (Referred to in Article 5 (3))**

Cottage industry and folklore products originating in Bulgaria

1. The exemption provided for in Article 5 (3) in respect of cottage industry products shall apply to the following types of product only:
  - (a) fabrics woven on looms operated solely by hand or foot, being fabrics of a kind traditionally made in the cottage industry of Bulgaria;
  - (b) garments or other textile articles of a kind traditionally made in the cottage industry of Bulgaria obtained manually from the fabrics referred to above and sewn exclusively by hand without the aid of any machine;
  - (c) traditional folklore products of Bulgaria made by hand, in a list to be agreed between the Community and Bulgaria.

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

Should imports of any product covered by this Appendix reach proportions liable to cause problems within the Community, consultations with Bulgaria shall be initiated as soon as possible, with a view to resolving the situation by the adoption, if necessary, of a quantitative limit, in accordance with the procedure laid down in Article 14 of this Protocol.

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

(Annex referred to in Appendix C)

>START OF GRAPHIC>

>END OF GRAPHIC>

### **Agreed Minute No 1**

In the context of the Protocol between the European Economic Community and the Republic of Bulgaria on trade in textile and clothing products initialled on 21 April 1993, the Parties agreed that Articles 7 and 8 of the Protocol do not preclude the

Community, if the conditions are fulfilled, from applying the surveillance system or the safeguard measures for one or more of its regions in conformity with the principles of the internal market.

In such an event, the Republic of Bulgaria shall be informed in advance of the relevant provisions of Appendix A to this Protocol to be applied, as appropriate.

For the Government of the Republic of Bulgaria

For the Council of the European Union

### **Agreed Minute No 2**

Notwithstanding Article 12 (1) of this Protocol, for imperative technical or administrative reasons or to find a solution to economic problems resulting from regional concentration of imports, or in order to combat circumvention and fraud of the provisions of this Protocol, the Community will establish for a limited period of time a specific management system in conformity with the principles of the internal market.

However, if the parties are unable to reach a satisfactory solution during the consultations provided for in Article 12 (3), Bulgaria undertakes, if so requested by the Community, to respect temporary export limits for one or more regions of the Community. In such a case, these limits shall not preclude the importation into the region(s) concerned of products, which were shipped from Bulgaria on the basis of export licences obtained before the date of formal notification to Bulgaria by the Community about the introduction of the above limits.

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

For the Government of the Republic of Bulgaria

For the Council of the European Union

### **Note Verbale**

The Directorate-General for External Relations of the Commission of the European Communities presents its compliments to the Mission of the Republic of Bulgaria to the European Communities and has the honour to refer to the Protocol on textile products negotiated between the Republic of Bulgaria and the Community initialled on 21 April 1993.

The Directorate-General wishes to inform the Mission of the Republic of Bulgaria that the Community has decided to apply, starting from the date of application of the Protocol, the provisions of paragraph 1 of Agreed Minute No 2 to the Protocol initialled on 21 April 1993. Consequently, the corresponding provisions of Articles 7 and 12 of Appendix A to the Protocol shall also be applied as of the above date.

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

### **Agreed Minute No 3**

In the context of the Protocol between the European Economic Community and the Republic of Bulgaria on trade in textile and clothing products, initialled in Brussels on 21 April 1993, the Parties agreed that Bulgaria shall endeavour not to deprive certain regions of the Community which have traditionally had relatively small shares of Community quotas of imports of products serving as inputs for their processing industry.

The Community and the Republic of Bulgaria further agree to hold consultations, should the need arise, in order to avert any problems which might occur in this respect.

For the Government of the Republic of Bulgaria

For the Council of the European Union

**Agreed Minute No 4**

In the context of the Protocol between the European Economic Community and the Republic of Bulgaria on trade in textile and clothing products, initialled in Brussels on 21 April 1993, the Republic of Bulgaria agreed that, from the date of the request for and pending the consultations referred to in Article 12 (3), it shall cooperate by not issuing export licences that would further aggravate the problems resulting from the regional concentration of direct imports into the Community.

For the Government of the Republic of Bulgaria  
For the Council of the European Union

**Agreed Minute No 6**

In the context of the Protocol between the European Economic Community and the Republic of Bulgaria on trade in textile and clothing products, initialled in Brussels on 21 April 1993, the Parties agreed that carry-over to the corresponding quantitative limits for the year 1993 of amounts not used during the year 1992 under the Agreement on trade in textile products initialled in Brussels on 11 July 1986, as amended by the Exchange of Letters initialled on 21 November 1991, is authorized for the year 1993 up to 9 % of the corresponding quantitative limits for 1992.

For the Government of the Republic of Bulgaria  
For the Council of the European Union

**Agreed Minute No 7**

In the context of the Protocol between the European Economic Community and the Republic of Bulgaria on trade in textile and clothing products, initialled in Brussels on 21 April 1993, the Parties agreed that the quantities of products originating in Bulgaria, shipped during the year 1993 and falling within one of the categories of textile products subject to the quantitative restrictions referred to in Article 3 (1) of the Protocol shall be set off against the quantitative limits established for the year 1993 for the category concerned under the present Protocol.

For the Government of the Republic of Bulgaria  
For the Council of the European Union