

**ASSOCIATION
BETWEEN
THE EUROPEAN UNION
AND CENTRAL AMERICA**

The Association Council

**Brussels, 8 December 2020
(OR. en)**

UE-AC 1952/20

**Interinstitutional File:
2020/0202(NLE)**

LEGISLATIVE ACTS AND OTHER INSTRUMENTS

Subject: DECISION OF THE EU-CENTRAL AMERICA ASSOCIATION COUNCIL
modifying Appendix 2 (List of working or processing required to be carried
out on non-originating materials in order that the product manufactured can
obtain originating status) of Annex II (Concerning definition of the concept
of 'originating products' and methods of administrative cooperation)

DECISION No .../...
OF THE EU-CENTRAL AMERICA ASSOCIATION COUNCIL

of ...

modifying Appendix 2 (List of working or processing required to be carried out on non-originating materials in order that the product manufactured can obtain originating status) of Annex II (Concerning definition of the concept of ‘originating products’ and methods of administrative cooperation)

THE EU-CENTRAL AMERICA ASSOCIATION COUNCIL,

Having regard to the Agreement establishing an Association between the European Union and its Member States, on the one hand, and Central America on the other, and in particular Article 36 of Annex II and point (iv) of paragraph 2(a) of Article 345 thereof,

Whereas:

- (1) Article 36 of Annex II and point (iv) of paragraph 2(a) of Article 345 of the Agreement establishing an Association between the European Union and its Member States, on the one hand, and Central America on the other (the 'Agreement') provide that the Association Council may modify Appendix 2 to Annex II to the Agreement.
- (2) Amendments were introduced on 1 January 2012 and 1 January 2017 into the Nomenclature governed by the Convention on the Harmonized Commodity Description and Coding System ('HS').
- (3) The Parties to the Agreement have agreed upon updating the product specific rules to reflect the HS 2012 and HS 2017.
- (4) The changes to the product specific rules in headings 2852 and 9619 resulting from the HS 2012 would become complicated to apply because of the large number of products moving to these headings each with a different rule for determining origin. The current rules should be kept unchanged because the effects of not applying the changes would not substantially alter the determination of the origin of the products.

- (5) In the case of the majority of products moving to heading 9619 resulting from the HS 2012, they have an alternative rule that the value of all the non-originating materials used does not exceed a certain percentage of the ex-work price of the product. This alternative rule should be added with the value of non-originating materials set at a maximum of 50 %.
- (6) Modifications to correct the list rules are needed for Chapter 84 and heading 8522. The opportunity should be taken to include these changes in Appendix 2.
- (7) Footnote 88 regarding the rules of origin in Appendix 2 for products under heading 3920 should be modified in order to align the Spanish language version to other language versions.
- (8) Appendix 2 to Annex II to the Agreement should therefore be modified. Those modifications do not make substantive changes to the negotiated rules of origin.

HAS ADOPTED THIS DECISION:

Article 1

Appendix 2 to Annex II to the Agreement containing the list of working or processing required to be carried out on non-originating materials in order that the product manufactured can obtain originating status is hereby replaced by the Appendix set out in the Annex to this Decision.

Article 2

This Decision shall enter into force 180 days after the date of its adoption.

Done at ...,

For the Association Council,

For the CA Party,

For the EU Party,
