

CHAPTER 3

RULES OF ORIGIN

SECTION A

GENERAL PROVISIONS

ARTICLE 3.1

Definitions

For the purposes of this Chapter:

- (a) "chapter", "heading" and "subheading" means a chapter (two-digit code), heading (four-digit code) or subheading (six-digit code) of the Harmonized System (HS);
- (b) "classified" refers to the classification of a product or material under a particular chapter, heading or subheading;
- (c) "competent authority" means:
 - (i) for Singapore: Singapore Customs;
 - (ii) for Argentina: Secretaría de Comercio or its successors;
 - (iii) for Brazil: Secretaria Especial da Receita Federal do Brasil and Secretaria de Comércio Exterior or its successors;
 - (iv) for Paraguay: Ministerio de Industria y Comercio or its successors;
 - (v) for Uruguay: Ministerio de Economía y Finanzas Política Comercial or its successors;

- (d) "custom value" means the value determined in accordance with the Customs Valuation Agreement;
- (e) "ex-works price" means the price paid for a product to the manufacturer in the State Party where the last working or processing was carried out, in accordance with the international commercial terms "incoterms", provided the price includes the value of all the materials used, direct and indirect costs, and profit minus any internal taxes which are, or may be, repaid when the product obtained is exported;
- (f) "goods" means both materials and products;
- (g) "manufacture" means working or processing, including assembling;
- (h) "material" means any ingredient, raw material, component or part used in the manufacture of a product;
- (i) "product" means the manufactured or finished product, even if it is intended for later use in another manufacturing operation;
- (j) "value of non-originating materials" means the custom value at the time of importation of the non-originating materials used including the freight and insurance to the place of import in a State Party, or, if this is not known and cannot be ascertained, the first ascertainable price paid for the materials in a State Party, which may exclude all costs incurred in transporting the non-originating materials within a Party such as freight, insurance and packing costs as well as any other known and ascertainable cost incurred there.

SECTION B

CONCEPT OF "ORIGINATING PRODUCTS"

ARTICLE 3.2

General requirements

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

- (a) it has been wholly obtained in the territory of a Party, in accordance with Article 3.3 (Wholly obtained products);
- (b) it incorporates non-originating materials provided that they have undergone sufficient working or processing in the territory of a Party, in accordance with Article 3.4 (Sufficient working or processing); or
- (c) it has been produced entirely in the territory of one or both of the Parties, exclusively from originating materials.

ARTICLE 3.3

Wholly obtained products

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

- (a) minerals and other naturally occurring substances extracted or taken from its soil, subsoil waters, seabed or beneath the seabed there;
- (b) plants and vegetable products grown and harvested there;
- (c) live animals born and raised there;
- (d) products from live animals born and raised there;
- (e) products from slaughtered animals born and raised there;
- (f) products obtained by hunting, trapping, or fishing conducted there;
- (g) products of aquaculture where the fish, crustaceans, molluscs and other aquatic invertebrates are born or raised there;

- (h) products, other than a fish, crustacean, mollusc and other marine life taken by a State Party or a person of a State Party from the Area¹, provided that State Party or the person of that State Party has the exclusive right to exploit it in accordance with international law, including the UNCLOS;
- (i) a fish, crustacean, mollusc and other marine life taken from the high seas:
 - (i) by vessels that are registered, listed or recorded and entitled to fly the flag of that State Party; or
 - (ii) by chartered vessels where the fishing licenses are issued by the same State Party whose persons are chartering the vessel;and that State Party has the right to exploit those waters in accordance with international law, including UNCLOS;
- (j) a good, referred to in subparagraph (i), obtained or produced on board of a factory ship, provided that:
 - (i) the factory ship is registered, listed or recorded and entitled to fly the flag of that State Party; or
 - (ii) in the case of a chartered factory ship, the fishing license is issued by the same State Party whose persons are chartering the factory ship;
- (k) goods extracted from "the Area" where it has exclusive exploitation rights, in accordance with UNCLOS;
- (l) waste and scrap resulting from manufacturing operations conducted there;
- (m) used products collected there fit only for the recovery of raw materials and not for their original purpose; or

¹ For the purposes of this Article, "Area" has the same meaning as in UNCLOS.

- (n) products manufactured in a Party exclusively from materials listed in subparagraphs (a) to (m).

ARTICLE 3.4

Sufficient working or processing

1. A product obtained from non-originating materials shall be considered to have undergone sufficient working or processing if the applicable product-specific rule of Annex 3-B (Product-specific Rules) is fulfilled.
2. Singapore shall give due consideration to any request from MERCOSUR for Paraguay to benefit from more flexible rules than those set in Annex 3-B (Product-specific Rules), for manufactured products obtained from non-originating materials. Such consideration shall be given taking into account the following parameters:
 - a) the request shall have a clear implementation period;
 - b) the request shall be made up to 15 (fifteen) years after the entry into force of this agreement;
and
 - c) the request shall be limited to an additional 5 (five) percentage points of maximum non-originating materials on a value rule, when applicable.
3. Notwithstanding paragraph 1, the operations defined in Article 3.5 (Insufficient working or processing) are considered as insufficient to obtain originating status.
4. The product-specific rules referred to in paragraph 1 indicate the working or processing which must be carried out on non-originating materials used in manufacturing and concern only such materials. It follows that if a product, which has acquired originating status in a Party in accordance with paragraph 1, is further processed in that Party and used as material in the manufacture of another product, no account shall be taken of the non-originating components of that material.

5. Notwithstanding paragraph 1, non-originating materials which do not fulfil the conditions set out in Annex 3-B (Product-specific Rules) may be used, provided that:

- (a) their total value does not exceed 10% of the ex-works price of a product; and
- (b) no maximum value or weight of non-originating materials set out in Annex 3-B (Product-specific Rules) is exceeded through the application of this paragraph.

This paragraph shall not apply to products falling within Chapters 50 to 63 of the Harmonized System.

6. Notwithstanding paragraph 1, tolerances stipulated in Notes 6 and 7 of Annex 3-A (Introductory Notes) shall apply for products falling within Chapters 50 to 63 of the Harmonized System.

ARTICLE 3.5

Insufficient working or processing

1. Without prejudice to paragraph 3, the following operations shall be considered as insufficient working or processing to confer the status of originating products, whether or not the requirements of Article 3.4 (Sufficient working or processing) are satisfied:

- (a) preserving operations to ensure that a product retains its condition during transport and storage, such as freezing or thawing;
- (b) changes of packaging and breaking-up and assembly of packaging;
- (c) washing, cleaning, removal of dust, oxide, oil, paint or other coverings;
- (d) ironing or pressing of textiles or textile products;
- (e) simple painting and polishing;
- (f) husking, partial or total bleaching, polishing, and glazing of cereals and rice;

- (g) colouring of sugar or forming sugar lumps;
- (h) peeling and removal of stones, cores, pips and shells from fruits, nuts and vegetables;
- (i) sharpening, simple grinding or simple cutting;
- (j) sifting, screening, sorting, classifying, grading, matching;
- (k) simple placing in bottles, cans, flasks, bags, cases, boxes, fixing on cards or boards and all other simple packaging operations;
- (l) simple addition of water or dilution or dehydration or denaturation of products;
- (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; or
- (p) slaughter of animals.

2. For the purposes of paragraph 1, "simple" describes operations or processes which need neither special skills nor machines, apparatus or equipment especially produced or installed to carry out the operation or process.

3. All operations or processes carried out in a Party on a product shall be taken into account when determining whether these operations or processes are considered as insufficient working or processing.

ARTICLE 3.6

Accumulation of origin

Originating goods or materials of any of the Parties used in the production of goods in the territory of another Party shall be considered to originate in the territory of the latter Party.

ARTICLE 3.7

Unit of qualification

For purposes of this Chapter:

- (a) the tariff classification of a particular product or material shall be determined according to the Harmonized System;
- (b) where a product composed of a group or assembly of articles or components is classified pursuant to the terms of the Harmonized System under a single tariff provision, the whole shall constitute the particular product; and
- (c) where a shipment consists of a number of identical products classified under the same tariff provision of the Harmonized System, each product shall be considered separately.

ARTICLE 3.8

Packaging materials, packing materials and containers

1. Each Party shall provide that if a product is subject to a maximum value of the non-originating materials requirement, the value of the packaging materials and containers in which the product is packaged for retail sale, if classified with the product, in accordance with Rule 5(b) of the General Rules for the Interpretation of the Harmonized System, shall be taken into account as originating or non-originating, as the case may be, in calculating the maximum value of the non-originating materials of the product. For other requirements, packaging materials and containers shall be disregarded in determining the origin of that product.

2. Packing materials and containers for shipment shall be disregarded in determining the origin of that product.

ARTICLE 3.9

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 and included in the price thereof or which are not separately invoiced, shall be regarded as one with the piece of equipment, machine, apparatus or vehicle in question.

ARTICLE 3.10

Neutral elements

In order to determine whether a product originates in a Party, it shall not be necessary to determine the origin of the following which might be used in its manufacture:

- (a) energy and fuel;
- (b) plant and equipment;
- (c) machines and tools; and
- (d) other goods which do not enter, and which are not intended to enter, into the final composition of the product.

ARTICLE 3.11

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 accounting segregation system without keeping the materials in separate stocks.
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, which cannot be distinguished from one another once they are incorporated into the finished product.
3. The accounting segregation system used on the basis of the general accounting principles applicable in the Parties, depending on where the product is manufactured, must 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 accounting segregation system must keep records of the operation of the system that are necessary for the respective customs authority to verify compliance with the provisions of this Chapter.

ARTICLE 3.12

Sets

Sets, as defined in Rule 3 of the General Rules for the Interpretation of the Harmonized System, shall be regarded as originating when all component products are originating. Nevertheless, when a set is composed of originating and non-originating products, the set as a whole shall be regarded as originating, provided that the value of the non-originating products does not exceed 15% per cent of the ex-works price of the set.

SECTION C

TERRITORIAL REQUIREMENTS

ARTICLE 3.13

Principle of territoriality

1. The conditions for acquiring originating status set out in the provisions of Section B (Concept of "originating products") must be fulfilled without any interruption in a Party.
2. Notwithstanding paragraph 1, 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 3.14

Non-alteration

1. Originating products, for which preferential tariff treatment is requested in a Party, shall be the same products as exported from another Party. They must not be altered or transformed in any way nor undergo operations other than those to preserve their condition, or to add or affix marks, labels, seals or any documentation to ensure compliance with domestic requirements of the importing Party, prior to being declared for preferential tariff treatment.
2. Products mentioned in paragraph 1 shall be transported directly between Singapore and MERCOSUR. The products may undergo transit, storage, splitting of consignments, repacking, as well as the operations mentioned in paragraph 1 in a non-party and shall retain their originating status, provided they remain under customs control in that non-party.
3. Paragraphs 1 and 2 shall be considered fulfilled, unless the customs authority of the importing Party has reason to believe the contrary. In such case, the customs authority of the importing Party may request the importer or his/her representative to provide appropriate evidence of compliance, which may be given by any means, including contractual transport documents such as bills of lading or factual or concrete evidence based on marking or numbering of packages or any other evidence.

ARTICLE 3.15

Exhibitions

1. Originating products, sent for exhibition outside the Parties and sold after the exhibition for importation in a Party, shall benefit on importation from the provisions of this Agreement provided it is shown to the satisfaction of the customs authorities of the importing country that:
 - (a) an exporter has consigned these products from a Party to the country in which the exhibition is held and has exhibited them there;
 - (b) the products have been sold or otherwise disposed of by that exporter to a person in a Party;
 - (c) the products have been consigned during the exhibition or immediately thereafter in the state in which they were sent for exhibition; and
 - (d) the products have not, since they were consigned for exhibition, been used for any purpose other than demonstration at the exhibition.
2. A proof of origin must be submitted to the customs authorities of the importing country in the normal manner. The name and address of the exhibition must be indicated thereon.
3. Paragraph 1 shall apply to any trade, industrial, agricultural or crafts exhibition, fair or similar public show or display which is not organised for private purposes in shops or business premises with a view to the sale of foreign products, and during which the products remain under customs control.

SECTION D

PROOF OF ORIGIN

ARTICLE 3.16

Proof of origin

1. Products originating in a Party, on importation into another Party, shall benefit from preferential treatment under this Agreement upon submission of a proof of origin.
2. Either of the following shall be considered as a proof of origin:
 - (a) an origin declaration by an exporter or producer, in accordance with Article 3.17 (Origin declaration)²⁻³; or
 - (b) a certificate of origin by an issuing body in accordance with Article 3.18 (Procedure for the issuance of a certificate of origin).
3. A proof of origin shall:
 - (a) specify that the good is originating and meets the requirements of this Chapter;
 - (b) be in writing, or any electronic format as notified by an importing Party; and
 - (c) be in the English language.
4. Each Party shall provide that a proof of origin remains valid for one year from the date on which it is issued or completed. Preferential treatment shall be claimed within such period to the customs authorities of the importing Party.
5. A proof of origin may be issued or completed when the products to which it relates are exported, or after exportation.

ARTICLE 3.17

² Products originating in Singapore shall, on importation into a MERCOSUR State, benefit from preferential treatment under this Agreement upon submission of an origin declaration completed by an exporter or producer established in a Party, in accordance with Article 17 (Origin declaration).

³ For exporters based in MERCOSUR, the application of paragraph 2(a) shall apply after MERCOSUR has notified to Singapore that such legislation applies to the exporters in the MERCOSUR State where the exporter completing the Origin declaration is based.

Origin declaration

1. An Origin declaration can be completed by an exporter or producer established in a State Party for products originating in that State Party and otherwise fulfilling the requirements of this Chapter.
2. The origin declaration must be completed on an invoice or any other commercial document that describes the originating product in sufficient detail to enable its identification and that contains a set of minimum data elements as set out in Annex 3-D (Minimum data elements).
3. The exporter or producer making out an origin declaration shall be prepared to submit, at any time, upon the request of the competent authority of the Party of export and, in accordance with Article 3.27 (Verification of origin), upon the request of the competent authority of the Party of import, all appropriate documents proving the originating status of the products concerned as well as the fulfilment of the other requirements of this Chapter.
4. Each Party shall provide that if a producer certifies the origin of a good, the certification of origin is completed on the basis of the producer having information that the good is originating.
5. When the exporter is not the producer of the product, the exporter may complete the origin declaration on the basis of:
 - (a) its knowledge of whether the product qualifies as an originating product, based on information in the exporter's possession;
 - (b) its reasonable reliance on the producer's written representation that the product qualifies as an originating product; or
 - (c) a completed origin declaration for the product, voluntarily provided to the exporter by the producer.

ARTICLE 3.18

Procedure for the issuance of a certificate of origin

1. A certificate of origin shall be issued by the competent authorities of the exporting country on application having been made in writing by the exporter or producer. The application form should contain a signed statement by the producer which indicates the characteristics and components of the final product as well as its productive process.
2. For this purpose, the exporter or producer shall fill out both the certificate of origin and the application form. A specimen of the certificate of origin shall appear in Annex 3-C (Certificate of origin). If the certificate of origin is hand-written, it shall be completed in ink, in printed characters. The description of the products must be given in the box reserved for this purpose without leaving any blank lines. Where the box is not completely filled, a horizontal line must be drawn below the last line of the description, the empty space being crossed through.
3. Notwithstanding paragraph 1, the competent authorities may authorize a government office or a certifying office or institution to issue the certificate of origin, in accordance with the provisions of this Article.
4. A certificate of origin shall be issued by the competent authorities of a Signatory MERCOSUR State if the products concerned can be considered as products originating in that State Party and fulfil the other requirements of this Chapter.
5. The exporter or producer applying for the issuance of a certificate of origin shall be prepared to submit, at any time, upon the request of the competent authorities of the Party of export and, in accordance with Article 3.27 (Verification of origin), upon the request of the competent authority of the Party of import, all appropriate documents proving the originating status of the products concerned as well as the fulfilment of the other requirements of this Chapter.
6. The issuing competent authorities shall also ensure that the forms referred to in paragraph 2 are duly completed. In particular, they shall check whether the space reserved for the description of the products has been completed in such a manner as to exclude all possibility of fraudulent additions.
7. The competent authorities of the exporting country issuing a certificate of origin shall keep for at least 3 (three) years the application form referred to in paragraph 2.

ARTICLE 3.19

Issuance of a duplicate certificate of origin

1. In the event of theft, loss or destruction of a certificate of origin, the exporter may apply to the competent authorities which issued it for a duplicate made out on the basis of the export documents in their possession.
2. The duplicate issued in this way must be endorsed with the following word: "DUPLICATE".
3. The endorsement referred to in paragraph 2, the number and date of the original certificate of origin shall be inserted in the "Remarks" box of the duplicate certificate of origin.

ARTICLE 3.20

Issuance of a proof of origin on the basis of a proof of origin issued previously

1. If originating products for which a proof of origin has been submitted are stored in a warehouse or a free zone under customs control in a State Party, it could be possible for the customs or competent authority to issue one or more proofs of origin, based on the original proof of origin, for the purpose of sending all or some of these products elsewhere to another State Party.
2. In the case of MERCOSUR, the provisions of paragraph 1 shall apply only to the State Parties that have decided on its implementation and that have duly notified the Joint Committee thereof.

ARTICLE 3.21

Supporting documents

The documents referred to in Article 3.17 (3) (Origin declaration) and Article 3.18 (5) (Procedure for the issuance of the certificate of origin), in paper or electronic form, used for the purpose of

proving that products covered by a proof of origin can be considered as products originating in a Party and fulfill the other requirements of this Chapter, may consist *inter alia* of the following:

- (a) direct evidence of the processes carried out by the exporter or supplier to obtain the goods concerned, contained for example in his accounts or internal book-keeping;
- (b) documents proving the originating status of materials used, issued or made out in a Party where these documents are used in accordance with domestic legislation;
- (c) documents proving the working or processing of materials in a Party, issued or made out in a Party, where these documents are used in accordance with domestic legislation; and
- (d) proof of origin proving the originating status of materials used, issued or made out in a Party in accordance with this Chapter.

SECTION E

PREFERENTIAL TREATMENT

ARTICLE 3.22

Importation requirements

1. Each Party shall grant preferential tariff treatment in accordance with this Agreement to originating products of a Party imported from another Party, on the basis of a proof of origin referred to in Article 3.16 (Proof of origin).
2. Unless otherwise provided for in this Section, each Party shall require an importer in its territory that claims preferential tariff treatment for a product imported into its territory from the territory of another Party to:
 - (a) make a written statement that the product qualifies as an originating product and this written statement shall form part of the import document and be based on valid proof of origin;

- (b) have the proof of origin in its possession at the time the written statement referred to in subparagraph (a) is made;
 - (c) provide, on request of that Party's customs administration, the proof of origin and, if required by that customs administration, such other documentation relating to the importation of the product in accordance with the domestic law of the importing Party; and
 - (d) promptly make a corrected statement and pay any duties owing when the importer has reason to believe that the proof of origin on which a written statement was based contains information that is not correct.
3. Where, at the time of importation, the customs authority of the importing Party has a reasonable doubt on the origin of a product, the product may be released upon a deposit or the payment of duties, pending the outcome of the verification. The deposit or duties paid shall be refunded once the outcome of the verification confirms that the product complies with the requirements under this Chapter.

ARTICLE 3.23

Importation by instalments

Where, at the request of an importer and on conditions laid down by the customs authority of the importing Party, a dismantled or non-assembled product within the meaning of Rule 2(a) of the General Rules for the Interpretation of the Harmonized System is imported by instalments, a proof of origin may be submitted to the customs authority upon importation of the first instalment.

ARTICLE 3.24

Obligations relating to exportation and importation

1. An exporter or producer who has provided a proof of origin shall keep a copy of the proof of origin and supporting documents for at least 5 (five) years from the date of completion or issuance,

or longer if required by laws and regulations of the State Party of export, including records concerning the purchase of, cost of, value of, shipping of and payment for, the exported product.

2. For the same period mentioned in paragraph 1, the producer who has provided a proof of origin shall also keep a copy of records concerning:

(a) the purchase of, cost of, value of, and payment for all materials, including indirect materials, used in the production of the exported product; and

(b) the production of the product in the form in which it was exported.

3. When becoming aware of or having reason to believe that a proof of origin contains incorrect information, the exporter or producer who has provided the proof of origin shall immediately notify the importer and the customs authority or competent governmental authorities of the exporting State Party of any change affecting the originating status of each product covered by that proof of origin.

4. An importer who has been granted preferential tariff treatment shall keep the proof of origin and other relevant documents for at least 3 (three) years from the date on which preferential treatment was granted, or longer if required by the laws and regulations of the State Party of import.

5. When becoming aware of or having reason to believe that a proof of origin contains incorrect information, an importer who has been granted preferential tariff treatment shall immediately notify the customs authority of the importing State Party of any change affecting the originating status of each product covered by that proof of origin.

6. When an importer claims preferential tariff treatment for a product imported from the territory of another State Party, the importing State Party may deny preferential tariff treatment to the product if the importer, exporter or producer fails to comply with any requirement under this Chapter.

ARTICLE 3.25

Discrepancies and formal errors

1. The discovery of slight discrepancies between the statements made in the proof of origin and those made in the documents submitted to the customs administration for the purpose of carrying out the formalities for importing the products shall not because of that fact render the proof of origin null and void if it is established that this document corresponds to the products submitted.
2. Obvious formal errors such as typing errors on a proof of origin shall not cause this document to be rejected if these errors do not create doubts concerning the correctness of the statements made in the document.
3. Each State Party shall provide that if the customs administration of the State Party into whose territory a product is imported determines that a proof of origin is illegible, defective on its face, or has not been completed in accordance with this Chapter, the importer shall be granted a period of 30 (thirty) days from the date of receipt of the notification sent by the customs administration to provide the corrected proof of origin.

ARTICLE 3.26

Third party invoice

A State Party shall not reject a claim for preferential tariff treatment for the sole reason that the invoice was issued in a non-Party.

SECTION F

ORIGIN VERIFICATION AND OTHER MATTERS

ARTICLE 3.27

Verification of origin

1. For the purposes of determining whether a product imported into its territory qualifies as an originating product, the importing State Party may, through its competent authority, conduct a verification of any claim for preferential tariff treatment by means of:
 - (a) a written request or questionnaire seeking information, including records, from the exporter or producer of the product in the territory of another State Party, limited to information to determine whether the product is originating;
 - (b) a visit to the premises of an exporter or producer in the territory of another State Party to observe the facilities used in the production of the product, and review the records referred to in Article 3.24 (1) and (2) (Obligations relating to exportation and importation) limited to records on whether the product is originating; or
 - (c) any other procedures as may be mutually decided by the State Parties.

2. Each State Party shall provide that verifications of origin concerning whether a product is originating or whether all other requirements of this Chapter are fulfilled shall be:
 - (a) based on risk assessment methods applied by the competent authority of the importing State Party, which may include random selection; or
 - (b) made when the importing State Party has reasonable doubts about whether the product is originating or whether all other requirements of this Chapter have been fulfilled.

3. If an importing State Party makes a verification request pursuant to paragraph 1, it shall inform the competent authorities of the exporting State Party at the time of its verification request to the exporter or producer. In addition, on request of the importing State Party, the State Party where the exporter or producer is located may, as it deems appropriate and in accordance with its laws and regulations, assist with the verification. This assistance may include providing a contact point for the verification, collecting information from the exporter or producer on behalf of the importing State Party, or other activities in order that the importing State Party may make a determination as to whether the good is originating. The importing State Party shall not deny a claim for preferential tariff treatment solely on the ground that the State Party where the exporter or producer is located did not provide requested assistance. If an importing State Party initiates a verification pursuant to subparagraph (b) of paragraph 1, it shall, at the time of the request for the visit, inform the State

Party where the exporter or producer is located and provide the opportunity for the officials of the State Party where the exporter or producer is located to accompany them during the visit.

4. If an importing State Party has initiated a verification pursuant to paragraph 1, it shall inform the importer of the initiation of the verification.

5. For the purposes of verifying the origin of a product, the importing State Party may request the importer of the product to voluntarily obtain and supply information voluntarily provided by the exporter or producer of the product in the territory of another State Party, provided that the importing State Party shall not consider the failure or refusal of the importer to obtain and supply such information as a failure of the exporter or producer to supply the information or as a ground for denying preferential tariff treatment. If the importer does not provide information to the importing State Party or the information provided is not sufficient to support a claim for preferential tariff treatment, the importing State Party shall request information from the exporter or producer pursuant to subparagraph (a) or (b) of paragraph 1 before it may deny the claim for preferential tariff treatment.

6. If an importing State Party conducts a verification pursuant to this Article, it shall accept information, including records or documents, directly from the competent authority of the exporting party, exporter, producer, or importer.

7. A written request for information or for a verification pursuant to subparagraph (a) or (b) of paragraph 1 shall:

- (a) be in English or in an official language of the State Party of the person to whom the request is made;
- (b) include the identity of the government authority issuing the request;
- (c) state the reason for the request, including the specific issue the requesting State Party seeks to resolve with the verification;
- (d) include sufficient information to identify the good that is being verified; and

(e) include a copy of relevant information submitted with the good, including the certification of origin.

8. Each State Party shall allow an exporter or producer who receives a written request or questionnaire pursuant to subparagraph (a) of paragraph 1 not less than 30 (thirty) days from the date of receipt of such request or questionnaire to provide the information and documentation required or the completed questionnaire. On written request by the exporter or producer made during that period, the importing State Party shall grant the exporter or producer a single extension of the deadline for a period of 30 (thirty) days.

9. If an exporter or producer fails to provide the information and documentation required by a written request or questionnaire or fails to return a duly completed questionnaire within the period or extension set out in paragraph 8, an importing State Party may deny preferential tariff treatment to the product in question in accordance with the procedures set out in paragraphs 18 to 21.

10. Prior to conducting a verification visit pursuant to subparagraph (b) of paragraph 1, a State Party shall, through its competent authority:

(a) deliver a written notification of its intention to conduct the visit:

(i) to the exporter or producer whose premises are to be visited;

(ii) to the competent authority of the State Party in whose territory the visit is to occur; and

(b) obtain the written consent of the exporter or producer whose premises are to be visited.

11. The notification referred to in paragraph 10 shall include:

(a) the name of the entity issuing the notification;

(b) the name of the exporter or producer whose premises are to be visited;

(c) the date and place of the proposed verification visit;

- (d) the scope of the proposed verification visit, including specific reference to the product that is the subject of the verification;
- (e) the names and titles of the officials performing the verification visit; and
- (f) the legal authority for the verification visit.

12. When, within 30 (thirty) days of receipt of a notification pursuant to paragraph 10, an exporter or producer has not given its written consent to a proposed verification visit, the notifying State Party may deny preferential tariff treatment to the product that would have been the subject of the visit.

13. Each State Party shall allow, when the exporter or producer receives notification pursuant to subparagraph (a)(i) of paragraph 10, the exporter or producer to, on a single occasion, within 15 (fifteen) days of receipt of the notification, request the postponement of the proposed verification visit for a period not exceeding 60 (sixty) days from the date of such receipt or for such longer period as agreed to by the notifying State Party.

14. The State Party whose competent authority receives notification pursuant to subparagraph (a)(ii) of paragraph 10, may, within 15 (fifteen) days of receipt of the notification, postpone the proposed verification visit for a period not exceeding 60 (sixty) days from the date of such receipt or for such longer period as the State Parties may decide.

15. A State Party shall not deny preferential tariff treatment to a product based solely on the postponement of a verification visit pursuant to paragraphs 13 or 14.

16. A State Party shall permit an exporter or a producer whose product is the subject of a verification visit by another State Party to designate two observers to be present during the visit, provided that:

- (a) the observers shall only participate as such; and
- (b) the failure of the exporter or producer to designate observers shall not result in the postponement of the visit.

17. When a State Party conducts a verification of origin involving a value test, *de minimis* calculation or any other provision in this Chapter to which Generally Accepted Accounting Principles may be relevant, it shall apply such principles as are applicable in the territory of the State Party in which the verification is taking place.
18. The State Party conducting a verification shall make a determination following a verification as expeditiously as possible and no later than 90 (ninety) days after it receives the information necessary to make the determination, including, if applicable, any information received pursuant to paragraph 21, and no later than 365 days after the first request for information or other action pursuant to paragraph 1. If permitted by its laws and regulations, a State Party may extend the 365 days period in exceptional cases, such as where the technical information concerned is very complex.
19. The State Party conducting a verification shall provide the exporter or producer whose product is the subject of the verification with a written determination of whether the product qualifies as an originating product, including findings of fact and the legal basis for the determination. The importing State Party shall also provide a written determination to the importer and to the competent authorities of the exporting State Party.
20. When a State Party determines as a result of an origin verification that the product that is the subject of the verification does not qualify as an originating product, the State Party shall include in its written determination pursuant to paragraph 18 a written notice of intent to deny preferential tariff treatment of the product.
21. A written notice of intent pursuant to paragraph 20 shall provide for a period of not less than 30 (thirty) days during which the exporter or producer of the product may provide, with regard to that determination, written comments or additional information that will be taken into consideration by the State Party prior to completing the verification.
22. For the purposes of this Article, the importing State Party shall ensure that all communication to the exporter or producer and to the State Party of export be sent by any means whereby a confirmation of receipt can be proven. The periods referred to in this Article will begin from the date of such receipt.

23. When the verification carried out by a State Party shows that an exporter or producer repeatedly makes false or unsupported representations that a product imported into the State Party's territory qualifies as an originating product, the State Party may suspend the preferential tariff treatment to be accorded to subsequent shipment of identical product according to the Customs Valuation Agreement exported or produced by such a person until that person establishes that the shipment complies with this Chapter, in accordance with its domestic laws, regulations or practices.

ARTICLE 3.28

Cooperation between customs authorities and other competent governmental authorities

1. The customs authorities or competent governmental authorities of the Signatory MERCOSUR States shall provide to the customs authorities of Singapore, by communication through the MERCOSUR Secretariat, specimens of stamps⁴ used for the issue of certificates of origin and the addresses of the customs or competent governmental authorities responsible for verifying origin declarations.
2. Where the competent governmental authority of an exporting State Party designates other entities or bodies to carry out the issuance of certificate of origin, the exporting State Party shall notify in writing the other Parties of its designees.
3. For the purposes of Article 3.16 (Proof of origin), Singapore and, on the other side, one or more Signatory MERCOSUR States, may agree to establish systems that allow proofs of origin listed in subparagraphs (a) and (b) of paragraph 1 to be issued electronically or submitted electronically.
4. The Parties shall endeavour to resolve technical matters related to the implementation or application of this Chapter, to the extent possible, through direct consultations between the customs authority or competent governmental authorities or in the Sub-committee on Trade in Goods and Rules of Origin.

⁴ For greater certainty, the customs authorities or competent governmental authorities of the Signatory MERCOSUR States shall provide the customs authorities of Singapore information on the stamp specimens by providing the customs authorities of Singapore access to the ALADI database.

ARTICLE 3.29

Confidentiality

1. Each Party shall maintain, in accordance with its legislation, the confidentiality of the information collected under this Chapter and shall protect that information from disclosure that could prejudice the competitive position of a person to whom the information relates.
2. Each Party shall ensure that the information collected under this Chapter is not used for purposes other than the administration or enforcement of determinations of origin and of customs matters, except with the authorisation of the person or State Party who provided the information.
3. Notwithstanding paragraph 2, each Party may use any information collected under this Chapter in any administrative, jurisdictional or judicial proceedings instituted for failure to comply with customs and tax related laws and regulations implementing this Chapter.

ARTICLE 3.30

Dispute settlement

1. Where the Parties raise a question as to the implementation or interpretation of this Chapter, they shall be submitted to the Subcommittee on Trade in Goods and Rules of Origin.
2. Nothing in this Article shall affect the procedures or the rights of the Parties under Chapter 18 (Dispute Settlement).
3. In all cases the settlement of disputes between the importer and the customs or competent governmental authorities of the importing country shall be under the legislation of the said country.

SECTION G

FINAL PROVISIONS

ARTICLE 3.31

Penalties

Appropriate penalties shall be imposed on any person who draws up, or causes to be drawn up, a document which contains incorrect information for the purposes of obtaining preferential treatment for products.

ARTICLE 3.32

Products in transit or storage

The provisions of this Chapter may be applied to products which, on the date of entry into force of this Agreement, are either in transit or in temporary storage in a customs warehouse or free zone under customs control. For such products, a proof of origin may be completed retrospectively up to six months after the entry into force of this Agreement, provided that the provisions of this Chapter and in particular Article 3.14 (Non-alteration) have been fulfilled.

ARTICLE 3.33

Explanatory notes

The Parties may consider the need for "Explanatory notes" regarding the interpretation, application and administration of this Chapter.