***DISCLAIMER**:The Commission and Australia are publishing the texts of the Agreement following the announcement of conclusion of the negotiations on 24 March 2026. The texts are published in view of the public interest in the Agreement, for information purposes only and they may undergo further minor modifications, including as a result of the process of legal and linguistic revision. These texts are without prejudice to the final outcome of the Agreement between the EU and Australia. The texts will be final upon signature. The Agreement will become binding on the Parties under international law only after completion by each Party of its applicable legal requirements and procedures necessary for the entry into force of the Agreement.*

CHAPTER 3

RULES OF ORIGIN AND ORIGIN PROCEDURES

SECTION A

RULES OF ORIGIN

ARTICLE 3.1

Definitions

For the purposes of this Chapter, the following definitions apply:

(a) "chapters" and "headings" and "subheadings" mean the chapters, the headings and subheadings used in the nomenclature which makes up the Harmonized System;

(b) "classified" refers to the classification of a product or material under a particular chapter, heading, or subheading of the Harmonized System;

(c) "consignment" means a product that is either sent simultaneously from a consignor to a consignee or covered by a single transport document covering a shipment from the consignor to the consignee or, in the absence of such a document, by a single invoice;

(d) "exporter" means a person, located in a Party, who, in accordance with the requirements set out in the laws and regulations of that Party, exports or produces the originating product and makes out a statement on origin;

(e) "importer" means a person who imports the originating product and claims preferential tariff treatment for it;

(f) "material" means any substance used in the production of a product, including any ingredient, raw material, component or part;

(g) "product" means the result of production, even if it is intended for use as a material in the production of another product, and shall be understood as a good referred to in Chapter 2 (Trade in goods); and

(h) "production" means any kind of working or processing, including such operations as growing, mining, raising, harvesting, fishing, trapping, hunting, assembly or disassembly of a product.

ARTICLE 3.2

General requirements for originating products

1. Provided that the product satisfies all other applicable requirements of this Chapter, a product shall be considered as originating in a Party if it is:

(a) wholly obtained in that Party within the meaning of Article 3.4 (Wholly obtained products);

(b) produced entirely in that Party exclusively from originating materials pursuant to this Chapter; or

(c) produced incorporating non-originating materials provided they satisfy the requirements of Annex 3-B (Product-specific rules of origin).

2. If a product has acquired originating status, the non-originating materials used in the production of that product shall not be considered non-originating when that product is incorporated as a material in another product.

3. The acquisition of originating status shall be fulfilled without interruption in Australia or the Union.

ARTICLE 3.3

Cumulation of origin

1. A product originating in a Party is considered as originating in the other Party if it is used as a material in the production of another product in that other Party.

2. Paragraph 1 does not apply if the production carried out in the other Party does not go beyond one or more of the operations referred to in Article 3.6 (Insufficient working or processing).

ARTICLE 3.4

Wholly obtained products

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

(a) a mineral or naturally occurring substance extracted or taken from a Party;

(b) a plant or plant product grown, cultivated, picked, gathered or harvested in a Party;

(c) a live animal born and raised in a Party;

(d) a product obtained from live animals raised in a Party;

(e) a product obtained from slaughtered animals born and raised in a Party;

(f) a product obtained by hunting, trapping, fishing, gathering or capturing, conducted there but not beyond the outer limits of the Party's territorial sea;

(g) a product obtained from aquaculture there, if aquatic organisms, including fish, molluscs, crustaceans, other aquatic invertebrates and aquatic plants are born or raised from seed stock, such as eggs, roes, fry, fingerlings or larvae, by intervention in the rearing or growth processes to enhance production, such as regular stocking, feeding or protection from predators;

(h) a product of sea fishing and other products taken from the sea outside any territorial sea by a vessel of a Party;

(i) a product made aboard a factory ship of a Party exclusively from the products referred to in point (h);

(j) a product other than fish, shellfish and other marine life extracted from the seabed or subsoil thereof outside any territorial sea provided that the Party or a person of that Party has the right to work that seabed or subsoil in accordance with international law;[1]

(k) waste or scrap derived from production in a Party;

(l) waste or scrap derived from used products collected in a Party, provided that those products are fit only for the recovery of raw materials; and

(m) a product produced there exclusively from the products specified in points (a) to (l) or from their derivatives.

2. The terms "vessel of a Party" and "factory ship of a Party" in points (h) and (i) of paragraph 1 apply only to a vessel or a factory ship that:

[1] This point does not apply to the Greater Sunrise Special Regime area, established under the Treaty between Australia and the Democratic Republic of Timor-Leste Establishing Their Maritime Boundaries in the Timor Sea, done in New York on 6 March 2018, in which Australia and Timor-Leste jointly exercise continental shelf rights as coastal states.

(a) is registered in a Member State or in Australia;

(b) sails under the flag of a Member State or of Australia; and

(c) satisfies one of the following conditions:

(i) is at least 50% owned by one or more natural persons of a Party; or

(ii) is owned by one or more juridical persons:

(A) which have their head office and main place of business in a Member State or in Australia; and

(B) which are at least 50% owned by a person of a Party.

ARTICLE 3.5

Tolerances

1. If the non-originating materials used in the production of a product do not satisfy the requirements of Annex 3-B (Product-specific rules of origin), the product shall be considered as originating in a Party, provided that it satisfies all the other applicable requirements of this Chapter and:

(a) except for products classified under Chapters 50 to 63 of the Harmonized System, the total value of such non-originating materials does not exceed 10 % of the ex-works or free on board price of those products; or

(b) for products classified under Chapters 50 to 63 of the Harmonized System, tolerance applies as stipulated in Notes 6 to 8 of Annex 3-A (Introductory notes to product-specific rules of origin).

2. Paragraph 1 does not apply if:

(a) the value or weight of non-originating materials used in the production of a product exceeds any of the percentages for the maximum value or weight of non-originating materials as specified in Annex 3-B (Product-specific rules of origin); or

(b) the product is subject to a regional value content rule, the value of originating materials does not satisfy the minimum regional value content requirement as specified in Annex 3-B (Product-specific rules of origin).

3. Paragraph 1 does not apply to products wholly obtained in a Party within the meaning of Article 3.4 (Wholly obtained products). If Annex 3-B (Product-specific rules of origin) requires that the materials used in the production of a product are wholly obtained in a Party within the meaning of Article 3.4 (Wholly obtained products), paragraphs 1 and 2 apply.

ARTICLE 3.6

Insufficient working or processing

1. Notwithstanding point (c) of Article 3.2(1) (General requirements for originating products), a product shall not be considered as originating in a Party if the production of the product in a Party consists of only one or more of the following operations conducted exclusively on non-originating materials:

(a) preserving operations the sole purpose of which is to ensure that the products remain in good condition during transport and storage;

(b) breaking-up or assembly of packages;

(c) washing, cleaning, removal of dust, oxide, oil, paint or other coverings;

(d) ironing or pressing of textiles and textile articles;

(e) simple painting and polishing operations;

(f) husking and partial or total milling of rice;

(g) polishing and glazing of cereals and rice;

(h) operations to colour or flavour sugar or form sugar lumps;

(i) partial or total milling of crystal sugar;

(j) peeling, stoning and shelling, of fruits, nuts and vegetables;

(k) sharpening, simple grinding or simple cutting;

(l) sifting, screening, sorting, classifying, grading or matching including the making-up of sets of articles;

(m) simple placing in bottles, cans, flasks, bags, cases, boxes, fixing on cards or boards and all other simple packaging operations;

(n) affixing or printing marks, labels, logos and other like distinguishing signs on the product or its packaging;

(o) simple mixing of product, whether or not of different kinds;

(p) mixing of sugar with any material;

(q) simple addition of water or dilution or dehydration or denaturation of the product;

(r) simple assembly of parts of articles to constitute a complete article or disassembly of the product into parts; or

(s) slaughter of animals.

2. For the purposes of paragraph 1, operations shall be considered simple if neither special skills nor machines, apparatus or equipment especially produced or installed are needed for carrying out those operations.

ARTICLE 3.7

Unit of qualification

1. The unit of qualification for the application of this Chapter shall be the particular product which is considered as the basic unit when classifying the product under the Harmonized System.

2. If a consignment consists of identical products classified under the same heading of the Harmonized System, each individual product shall be taken into account when applying this Chapter.

ARTICLE 3.8

Packing materials and containers for shipment

Packing materials and containers for shipment that are used to transport or protect a product during transportation shall be disregarded in determining whether that product is originating in a Party.

ARTICLE 3.9

Packaging materials and containers for retail sale

1. Packaging materials and containers in which a product is packaged for retail sale, if classified with that product, shall be disregarded in determining whether all the non-originating materials used in the production of the product have undergone the applicable change in tariff classification or a specific production or processing operation set out in Annex 3-B (Product-specific rules of origin), or whether the product is wholly obtained in a Party within the meaning of Article 3.4 (Wholly obtained products).

2. If a product is subject to a value requirement set out in Annex 3-B (Product-specific rules of origin), the value of the packaging materials and containers in which the product is packaged for retail sale, if classified with that product, shall be taken into account as originating or non-

originating, as the case may be, in the calculation of the value requirement applicable to the product.

ARTICLE 3.10

Accessories, spare parts and tools

1. Accessories, spare parts, tools and instructional or other information materials shall be regarded as one with the product in question if they are:

(a) classified and delivered with, but not invoiced separately from, the product; and

(b) of the type, quantity and value that are customary for that product.

2. Accessories, spare parts, tools and instructional or other information materials referred to in paragraph 1 shall be disregarded in determining the origin of the product except for the purposes of calculating the value of non-originating materials if a product is subject to a maximum value of non-originating materials or a minimum regional value content as set out in Annex 3-B (Product-specific rules of origin).

ARTICLE 3.11

Sets

1. A set, classified pursuant to points (b) and (c) of Rule 3 of the General Rules for the Interpretation of the Harmonized System, shall be considered as originating in a Party if all of its components are originating components.

2. If a set is composed of originating and non-originating components, it shall, as a whole, be considered as originating in a Party, provided that the value of the non-originating components does not exceed 15 % of the ex-works or free on board price of the set.

ARTICLE 3.12

Neutral elements

In order to determine whether a product is originating in a Party, the origin of the following neutral elements shall be disregarded:

(a) energy and fuel;

(b) plant and equipment, including goods used for their maintenance;

(c) machines, tools, dies and moulds;

(d) spare parts and materials used in the maintenance of equipment and buildings;

(e) lubricants, greases, compounding materials and other materials used in production or used to operate equipment and buildings;

(f) gloves, glasses, footwear, clothing, safety equipment and supplies;

(g) equipment, devices and supplies used for testing or inspecting the product;

(h) catalysts and solvents; and

(i) other materials used in production that are neither incorporated into the product nor intended to be incorporated into the final composition of the product.

ARTICLE 3.13

Fungible materials and accounting segregation

1. For the purposes of this Article, "fungible materials" means materials that:

(a) are of the same kind and commercial quality;

(b) have the same technical and physical characteristics; and

(c) cannot be distinguished from one another once they are incorporated into the finished product.

2. Originating and non-originating fungible materials shall be physically segregated during storage in order to maintain their originating and non-originating status, as the case may be. These materials may be used in the working or processing of a product without being physically segregated provided an accounting segregation method is used.

3. The accounting segregation method referred to in paragraph 2 shall be applied in conformity with a stock management method under accounting principles which are generally accepted in the Party where the accounting segregation method is used. The accounting segregation method shall ensure that, at any time, the number of materials which could be considered as originating in a Party is the same as the number that would have been obtained by physical segregation of the stocks.

4. A Party may require, under conditions set out in its laws or regulations, that the use of an accounting segregation method is subject to prior authorisation by the customs authority of that Party. The customs authority of the Party may withdraw the authorisation if the producer makes improper use of the accounting segregation or fails to fulfil any of the other conditions set out in this Chapter.

ARTICLE 3.14

Returned products

If an originating product of a Party exported from that Party to a third country returns to that Party, it shall be considered as non-originating unless the returned product:

(a) is the same product as that exported; and

(b) has not undergone any operation other than that necessary to preserve it in good condition while in that third country or while being exported.

ARTICLE 3.15

Non-alteration

1. An originating product declared for home use in the importing Party shall not have, after exportation from the exporting Party and prior to being declared for home use, been altered, transformed in any way or subjected to operations other than to preserve it in good condition or adding or affixing marks, labels, seals or any other documentation to ensure compliance with specific domestic requirements of the importing Party.

2. Originating products may be stored or exhibited in a third country, provided that those products are not cleared for home use in that third country.

3. A consignment of originating products may be split in a third country, provided that those originating products are not cleared for home use in that third country.

4. In case of doubt as to whether the requirements in paragraphs 1 to 3 are complied with, the customs authority of the importing Party may request the importer to provide evidence of compliance, which may be given by any means, including contractual transport documents, such as bills of lading, or evidence based on marking or numbering of packages or any evidence related to the product itself.

SECTION B

ORIGIN PROCEDURES

ARTICLE 3.16

Claim for preferential tariff treatment

1. The importing Party shall grant preferential tariff treatment to an originating product on the basis of a claim by an importer for preferential tariff treatment. The importer shall bear the

responsibility for the correctness of the claim for preferential tariff treatment and for compliance with the requirements provided for in this Chapter.

2. A claim for preferential tariff treatment shall be based on:

(a) a statement on origin that the product is originating, made out by the exporter; or

(b) the importer's knowledge that the product is originating.

3. A claim for preferential tariff treatment shall be included in the customs import declaration in accordance with the laws and regulations of the importing Party.

4. If the claim for preferential tariff treatment is based on a statement on origin, the importer shall keep the statement on origin and, when required by the customs authority of the importing Party, provide a copy thereof to that authority.

ARTICLE 3.17

Post-importation claim for preferential tariff treatment

1. If the importer did not make a claim for preferential tariff treatment at the time of importation, but subsequently makes such a claim in accordance with Article 3.16 (Claim for preferential tariff treatment), the importing Party shall grant preferential tariff treatment and repay, refund or remit any excess customs duty paid, provided that the product would have qualified for preferential tariff treatment when it was imported into that Party.

2. As a condition for granting preferential tariff treatment under paragraph 1, the importing Party may require that the importer makes a claim for preferential tariff treatment in accordance with Article 3.16 (Claim for preferential tariff treatment), no later than three years after the date of importation, or such longer time period as specified in the laws and regulations of that Party.

ARTICLE 3.18

Statement on origin

1. A statement on origin shall be made out by an exporter of a product on the basis of information demonstrating that the product is originating, including, if applicable, information on the originating status of materials used in the production of that product. The exporter shall bear the responsibility for the correctness of the statement on origin.

2. A statement on origin shall be made out in one of the linguistic versions included in Annex 3-D (Text of the statement on origin) on an invoice, on any other commercial document or on a document that refers to an accompanying commercial document provided that the originating product is described in sufficient detail to enable its identification.[2] The importing Party shall not require the importer to submit a translation of the statement on origin.[3]

3. A statement on origin shall be valid for one year from the date that it was made out.

4. A statement on origin may apply to:

(a) a single shipment of a product into a Party; or

(b) multiple shipments of identical products into a Party within the period specified in the statement on origin not exceeding 12 months.

5. The customs authority of the importing Party may, subject to its requirements, allow a single statement on origin to be used for unassembled or disassembled products within the meaning of point (a) of General Rule 2 of the General Rules for the Interpretation of the Harmonized System that are classified under Sections XV to XXI of the Harmonized System, when imported by instalments.

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[2] For greater certainty, there is no requirement regarding either the identity or the place of establishment of the person issuing the invoice or any other document, insofar as that document clearly identifies the exporter.

[3] For greater certainty, this limitation only applies to the text of the statement on origin.

ARTICLE 3.19

Discrepancies and minor errors

The customs authority of the importing Party shall not reject a claim for preferential tariff treatment solely on the ground of minor errors or discrepancies in the statement on origin.

ARTICLE 3.20

Importer's knowledge

An importer's knowledge that a product is originating shall be based on information available to the importer demonstrating that the product is originating and satisfies the requirements of this Chapter.

ARTICLE 3.21

Record-keeping requirements

1. An importer making a claim for preferential tariff treatment for a product imported into the importing Party shall, for a minimum of three years, or such longer period as required by the laws and regulations of the importing Party, after the date on which the claim for preferential tariff treatment was made, keep:

(a) if the claim was based on a statement on origin, the statement on origin made out by the exporter, the information mentioned in point (b) of Article 3.23(2) (Verification) if this was provided by the exporter and any other information as referred to in Article 3.23(4) (Verification); or

(b) if the claim was based on the importer's knowledge that the product is originating, all records demonstrating that the product satisfies the requirements to obtain originating status.

2. An exporter who has made out a statement on origin shall, for a minimum of four years, or such longer period as required by the laws and regulations of the exporting Party, after the date on which that statement on origin was made out by the exporter, keep a copy of the statement on origin and all other records demonstrating that the product satisfies the requirements to obtain originating status.

3. Records kept in accordance with this Article may be held in electronic form.

ARTICLE 3.22

Waiver of procedural requirements

1. By way of derogation from Articles 3.16 (Claim for preferential tariff treatment) to 3.20 (Importer's knowledge), the importing Party shall grant preferential tariff treatment to the originating products specified in paragraphs 2 and 4 if those products satisfy the requirements of this Chapter, provided that the customs authority of the importing Party has no doubts as to the veracity of such declaration under the conditions set out below.

2. For the Union, the derogation applies to a product the total value of which does not exceed:

(a) EUR 500 if sent in a small package from private persons to private persons; or

(b) EUR 1200 if forming part of a traveller’s personal luggage.

For the purposes of this paragraph, the amounts to be used in a given national currency shall be the equivalent in that currency of the amounts expressed in euro as at the first working day of October. The exchange rates shall be those published for that day by the European Central Bank, unless a different exchange rate is communicated to the European Commission by 15 October, and shall apply from 1 January the following year. The European Commission shall notify Australia of the relevant exchange rates.

3. Paragraph 2 does not apply to a product imported by way of trade. The Union shall not consider occasional imports consisting solely of products for the personal use of the recipients or

travellers or their families as imports by way of trade if it is evident from the nature and quantity of the products that they are not intended for commercial use.

4. For Australia, the derogation applies to:

(a) products where the customs value of the importation does not exceed AUD 1 000; or

(b) an importation of a product for which Australia has waived the requirement or does not require the importer to present documentary evidence of origin.

5. This Article does not apply to products whose importation forms part of a series of importations that may reasonably be considered to have been made separately for the purpose of avoiding the requirements of Article 3.16 (Claim for preferential tariff treatment).

6. The record-keeping requirements set out in Article 3.21 (Record-keeping requirements) shall not apply to the importer under this Article unless such records are otherwise required to be kept by the laws and regulations of the importing Party.

ARTICLE 3.23

Verification

1. The customs authority of the importing Party may conduct a verification[4] to determine whether a product is originating or other requirements of this Chapter are satisfied, based on risk assessment methods which may include random selection. Such verification may be conducted by means of a request for information to the importer who made the claim for preferential tariff treatment at the time the import declaration is submitted, either before or after the release of the products.

2. The information requested pursuant to paragraph 1 shall cover no more than the following elements:

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[4] This is without prejudice to the respective import verification procedures (including for post-importation transactions) of the Parties.

(a) if a statement on origin was the basis of the claim referred to in point (a) of Article 3.16(2) (Claim for preferential tariff treatment), that statement on origin; and

(b) if the origin criterion is:

(i) wholly obtained, the applicable category (such as harvesting, mining, fishing) and place of production;

(ii) based on a change in tariff classification, a list of all the non-originating materials including their tariff classification (in two, four or six digit format, depending on the origin criterion);

(iii) based on a value method, the value of the final product as well as the value of all the non-originating materials used in the production;

(iv) based on weight, the weight of the final product as well as the weight of the relevant non-originating materials used in the final product; and

(v) based on a specific production process, a description of that process.

3. If the claim for preferential tariff treatment is based on the importer's knowledge referred to in point (b) of Article 3.16(2) (Claim for preferential tariff treatment), the customs authority of the importing Party conducting the verification may send a request for information to the importer, including information pursuant to point (b) of paragraph 2 to verify the originating status of the product or whether the other requirements of this Chapter are met. The customs authority of the importing Party may request the importer for specific documentation and information, where appropriate.

4. When providing the requested information, the importer may include any other information that it considers relevant for the purposes of verification.

5. If the customs authority of the importing Party decides to suspend the granting of preferential tariff treatment to the products concerned while awaiting the results of the verification, release of the products shall be offered to the importer. As a condition for such release, the Party may require

the payment of the duty, a guarantee or other appropriate precautionary measure. Any suspension of preferential tariff treatment shall be terminated as soon as possible after the customs authority of the importing Party has ascertained the originating status of the products concerned, or the fulfilment of the other requirements of this Chapter. Where the products are determined to be originating, any guarantee shall be released or duties paid shall be refunded, repaid, or remitted to the importer.

ARTICLE 3.24

Administrative cooperation

1. In order to ensure the proper application of this Chapter, the Parties shall cooperate, through the customs authority of each Party, in verifying whether a product is originating and in compliance with the other requirements provided for in this Chapter.

2. If the claim for preferential tariff treatment is based on a statement on origin, the customs authority of the importing Party may, after requesting information in accordance with Article 3.23(1) and (2) (Verification), request additional information, including specific documentation, where appropriate, for the purposes of verification or for determining whether other requirements provided for in this Chapter are met, from the customs authority of the exporting Party within two years after the date on which the claim for preferential tariff treatment was made.

3. The customs authority of the importing Party shall include in the request referred to in paragraph 2:

(a) the statement on origin;

(b) the identity of the customs authority issuing the request;

(c) the name of the exporter;

(d) the subject and scope of the verification; and

(e) if appropriate, any relevant documentation.

4. The customs authority of the exporting Party may, in accordance with its laws and regulations, request documentation from the exporter, call for relevant evidence or visit the premises of the exporter to review records and observe the facilities used in the production of the product.

5. The customs authority of the exporting Party shall provide in response to the request referred to in paragraph 2:

(a) the requested documentation, if available;

(b) if it considers appropriate, an opinion on the originating status of the product;

(c) the description of the product subject to examination and the tariff classification relevant to the application of the rules of origin;

(d) a description and explanation of the production process to support the originating status of the product;

(e) information on the manner in which the examination was conducted; and

(f) supporting documentation, if appropriate.

6. The customs authority of the exporting Party shall not transmit information referred to in paragraph 5 to the customs authority of the importing Party without the consent of the exporter.

7. Each Party shall provide to the other Party the contact details of its customs authority. A Party shall notify the other Party of any change to those contact details within 30 days after such change.

8. The customs authorities of the Parties shall enter into discussions if there has been an unusual increase in cooperation requests, including consideration of respective workloads and operational priorities.

ARTICLE 3.25

Denial of preferential tariff treatment

1. Without prejudice to paragraph 3, the customs authority of the importing Party may deny preferential tariff treatment and recover unpaid customs duty in accordance with its laws and regulations if:

(a) for claims for preferential tariff treatment based on a statement on origin referred to in Article 3.16(2)(a), within three months after the date of a request for information referred to in Article 3.23(1) (Verification):

(i) no reply is provided by the importer; or

(ii) the statement on origin was not provided;

(b) for claims for preferential tariff treatment based on the importer's knowledge referred to in Article 3.16(2)(b), within three months after the date of a request for information referred to in Article 3.23(2)(b) (Verification) and Article 3.23(3) (Verification);

(i) no reply is provided by the importer; or

(ii) the information provided by the importer is inadequate to confirm that the product is originating; or

(c) within 10 months after the date of a request for information pursuant to Article 3.24(2) (Administrative cooperation):

(i) no reply is provided by the customs authority of the exporting Party; or

(ii) the information provided by the customs authority of the exporting Party is inadequate to confirm that the product is originating.

2. The customs authority of the importing Party may deny preferential tariff treatment to a product for which an importer claims preferential tariff treatment where the importer fails to comply with requirements of this Chapter.

3. If the customs authority of the importing Party has sufficient justification to deny preferential tariff treatment in accordance with paragraph 1, in cases where the customs authority of the exporting Party provided an opinion pursuant to point (b) of Article 3.24(5) (Administrative cooperation) asserting the originating status of the product, the customs authority of the importing Party shall notify the customs authority of the exporting Party of its intention to deny the preference within two months after the date of receiving the opinion.

4. In the circumstances referred to in paragraph 3, a Party may request consultations. Such consultations shall be held within a period of three months after the date of the notification referred to in paragraph 3. The period for consultations may be extended by mutual agreement between the customs authorities of the Parties. The consultations shall take place in accordance with the procedure decided by the Committee on Customs pursuant to point (b) of Article 3.29 (Committee on Customs).

5. Upon the expiry of the period for consultation, if the customs authority of the importing Party cannot confirm that the product is originating, it may deny the preferential tariff treatment if it has a sufficient justification for doing so and after having granted the importer the right to be heard.

6. The customs authority of the importing Party shall not deny preferential tariff treatment to a product on the sole ground that Article 3.24(5) has been applied.

ARTICLE 3.26

Confidentiality

1. Each Party shall maintain, in accordance with its laws and regulations, the confidentiality of information provided to it by the other Party, pursuant to this Chapter, and shall protect that information from disclosure.

2. Information obtained by the customs authority of the importing Party pursuant to this Chapter may only be used by such authority for the purposes of this Chapter. It may be used by the importing Party in administrative, judicial or quasi-judicial proceedings instituted for failure to comply with this Chapter. The importing Party shall notify the person or customs authority of the exporting Party who provided the information in advance of any such proceeding.

3. A Party shall ensure that confidential information collected under this Chapter shall not be used for purposes other than the administration and enforcement of decisions and determinations relating to origin and to customs matters, except with the permission of the other Party who provided the confidential information. If information obtained by the customs authority of the importing Party pursuant to this Chapter is required to be used or disclosed for other purposes to comply with a Party's laws and regulations, that Party shall take appropriate measures available to it to protect the confidentiality of the information and, if permitted by its laws and regulations, notify the other Party who provided it with the information, in advance of, or on the day of, using or disclosing such information. The notification shall include the legal grounds for the requirement of the importing Party to use or disclose the information for that other purpose.

ARTICLE 3.27

Administrative measures and sanctions

Each Party shall ensure the effective enforcement of this Chapter. Each Party shall ensure that its competent authorities are able to impose, in accordance with its law, administrative measures and, if appropriate, sanctions for violations of the obligations under this Chapter.

SECTION C

FINAL PROVISIONS

ARTICLE 3.28

Ceuta and Melilla

1. For the purpose of this Chapter, the term "Union" does not include Ceuta and Melilla.

2. Products originating in Australia, when imported into Ceuta and Melilla, shall in all respects be subject to the same customs regime, including preferential tariff treatment, as that which is

applied to products originating in the customs territory of the Union under Protocol 2 concerning the Canary Islands and Ceuta and Melilla of the 1985 Act of Accession.[5] Australia shall apply to imports of products covered by this Agreement and originating in Ceuta and Melilla the same customs regime, including preferential tariff treatment, as that which is applied to products imported from and originating in the Union.

3. The rules of origin applicable to Australia under this Chapter shall apply in determining the origin of products exported from Australia to Ceuta and Melilla. The rules of origin applicable to the Union under this Chapter shall apply in determining the origin of products exported from Ceuta and Melilla to Australia.

4. Ceuta and Melilla shall be considered as a single territory.

5. The Spanish customs authorities shall be responsible for the application of this Chapter in Ceuta and Melilla.

ARTICLE 3.29

Committee on Customs

1. The Committee on Customs is established pursuant to Article 22.5(1) (Specialised committees)

2. In addition to the functions specified in Article 22.6 (Functions of the specialised committees), the Committee on Customs shall, with respect to this Chapter, have the following functions:

(a) considering possible amendments to this Chapter and its Annexes, including those arising from the review of the Harmonized System;

(b) adopting, by decisions, explanatory notes to facilitate the implementation of this Chapter; and

[5] OJ EU L 302, 15.11.1985, p. 9.

(c) adopting a decision to establish the consultation procedure referred to in Article 3.25(4) (Denial of preferential tariff treatment).

ARTICLE 3.30

Transitional provisions for products in transit or storage

1. The Parties shall apply the provisions of this Agreement to an originating product that:

(a) on the date of entry into force of this Agreement:

(i) is in transit from the exporting Party to the importing Party; or

(ii) has not been cleared for home use in the importing Party; and

(b) otherwise complies with the provisions of this Chapter.

2. A product referred to in paragraph 1 is subject to an importer making a claim for preferential tariff treatment as referred to in Article 3.16 (Claim for preferential tariff treatment) within 12 months after the date of entry into force of this Agreement.