

ANNEX I

EXPLANATORY NOTES

Note 1 — Article 1

The terms 'the Community' or 'Norway' shall also cover the territorial waters of the Member States of the Community or of Norway respectively.

Vessels operating on the high seas, including factory ships, on which the fish caught is worked or processed shall be considered as part of the territory of the State to which they belong provided that they satisfy the conditions set out in Explanatory Note 5.

Note 2 — Articles 1, 2 and 3

In order to determine whether goods originate in the Community or in Norway or in one of the countries specified in Article 2, it shall not be necessary to establish whether the power and fuel, plant and equipment, and machines and tools used to obtain such goods originate in third countries or not.

Note 3 — Articles 2 and 5

For the purpose of implementing Article 2 paragraph 1 (A) (b) and (B) (b), the percentage rule must be observed by referring, for the added value acquired, to the provisions contained in Lists A and B. Where the products obtained appear in List A, the percentage rule therefore constitutes a criterion additional to that of change of tariff heading for any non-originating product used. Likewise the provisions ruling out the possibility of cumulating the percentages shown in Lists A and B for any one product obtained are applicable in each country for the added value acquired.

Note 4 — Articles 1, 2 and 3

Packing shall be considered as forming a whole with the goods contained therein. This provision, however, shall not apply to packing which is not of the normal type for the article packed and which has intrinsic utilization value and is of a durable nature, apart from its function as packing.

Note 5 — Article 4 (f)

The term 'their vessels' shall apply only to vessels:

- (a) which are registered or recorded in a Member State of the Community or in Norway;
- (b) which sail under the flag of a Member State of the Community or of Norway;
- (c) which are at least 50 % owned by nationals of Member States of the Community or of Norway or by a company with its head office in one of those States, of which the manager or managers, chairman of the board of directors or of the supervisory board, and the majority of the members of such boards are nationals of the Member States of the Community or of Norway, and of which, in addition, in the case of partnerships or limited companies, at least half the capital belongs to those States or to public bodies or nationals of the said States;
- (d) of which the captain and officers are all nationals of the Member States of the Community or of Norway; and
- (e) of which at least 75 % of the crew are nationals of the Member States of the Community or of Norway.

Note 6 — Article 6

'Ex-works price' shall mean the price paid to the manufacturer in whose undertaking the last working or processing is carried out, provided the price includes the value of all the products used in manufacture.

'Customs value' shall be understood as meaning the customs value laid down in the Convention concerning the Valuation of Goods for Customs Purposes signed in Brussels on 15 December 1950.