**ANNEX-1**

**INTRODUCTORY NOTES FOR THE LIST IN ANNEX-2**

**Note 1 :**

This Annex lays down the conditions pursuant to Article 7 of this Decree under which products shall be considered to originate in the beneficiary country concerned.

**Note 2 — The structure of the list**

1. Columns 1 and 2 describe the product obtained. Column 1 gives the chapter number, 4-digit heading or 6-digit sub-heading number used in the Harmonized System, as appropriate. Column 2 gives the description of goods used in that system for that heading or chapter. For each entry in columns 1 and 2, subject to Note 2.4, one or more rules (“qualifying operations”) are set out in column 3. These qualifying operations concern only non-originating materials. Where, in some cases, the entry in column 1 is preceded by “ex”, this signifies that the rule in column 3 applies only to the part of that heading as described in column 2.
2. Where several Harmonized System headings or sub-headings are grouped together in column 1 or a chapter number is given and the description of products in column 2 is therefore given in general terms, the adjacent rule in column 3 applies to all products which, under the Harmonized System, are classified in headings of the chapter or in any of the headings or sub-headings grouped together in column 1.
3. Where there are different rules in the list applying to different products within a heading, each indent contains the description of that part of the heading covered by the adjacent rule in column 3.
4. Where two alternative rules are set out in column 3, separated by “*or*”, it is at the choice of the exporter which one to use.
5. In most cases, the rule(s) set out in column 3 shall apply to all beneficiary countries (i.e. both those benefiting from the “Special arrangement for least developed countries” (LDCs) of GSP (also known as Everything But Arms or EBA), and those benefiting from the GSP general arrangement or the Special incentive arrangement for sustainable development and good governance, also known as “GSP Plus”. However, for some products a less stringent rule shall apply for products originating in LDCs. In these cases, column 3 is split into two sub-columns, (a) and (b), with sub-column (a) showing the rule applicable to LDCs and sub-column (b) showing the rule applicable to all other beneficiary countries.

**Note 3 — Examples of how to apply the rules**

1. Article 7 of this Decree, concerning products having acquired originating status which are used in the manufacture of other products, shall apply, regardless of whether this status has been acquired inside the factory where these products are used or in another factory in the beneficiary country or in Turkey.
2. The working or processing carried out must go beyond the list of operations mentioned in that Article. If it does not, the goods shall not qualify for the granting of the benefit of preferential tariff treatment, even if the conditions set out in the list below are met.

Subject to the provision referred to in the first sub-paragraph, the rules in the list represent the minimum amount of working or processing required, and the carrying-out of more working or processing also confers originating status; conversely, the carrying-out of less working or processing cannot confer originating status. Thus, if a rule provides that non-originating material, at a certain level of manufacture, may be used, the use of such material at an earlier stage of manufacture is allowed, and the use of such material at a later stage is not.

1. Without prejudice to Note 3.2, where a rule uses the expression “Manufacture from materials of any heading”, then materials of any heading(s) (even materials of the same description and heading as the product) may be used, subject, however, to any specific limitations which may also be contained in the rule.

However, the expression “Manufacture from materials of any heading, including other materials of heading …” or “Manufacture from materials of any heading, including other materials of the same heading as the product” means that materials of any heading(s) may be used, except those of the same description as the product as given in column 2 of the list.

1. When a rule in the list specifies that a product may be manufactured from more than one material, this means that one or more materials may be used. It does not require that all be used.
2. Where a rule in the list specifies that a product must be manufactured from a particular material, the rule does not prevent the use also of other materials which, because of their inherent nature, cannot satisfy this condition.

**Note 4 — General provisions concerning certain agricultural goods**

1. Agricultural goods falling within Chapters 6, 7, 8, 9, 10, 12 and heading 2401 which are grown or harvested in the territory of a beneficiary country shall be treated as originating in the territory of that country, even if grown from seeds, bulbs, rootstock, cuttings, grafts, shoots, buds, or other live parts of plants imported from another country.
2. In cases where the content of non originating sugar in a given product is subject to limitations, the weight of sugars of headings 1701 (sucrose) and 1702 (e.g., fructose, glucose, lactose, maltose, isoglucose or invert sugar) used in the manufacture of the final product and used in the manufacture of the non-originating products incorporated in the final product is taken into account for the calculation of such limitations.

**Note 5 — Terminology used in respect of certain textile products**

1. The term “natural fibres” is used in the list to refer to fibres other than artificial or synthetic fibres. It is restricted to the stages before spinning takes place, including waste, and, unless otherwise specified, includes fibres which have been carded, combed or otherwise processed, but not spun.
2. The term “natural fibres” includes horsehair of heading 0503, silk of headings 5002 and 5003, as well as wool-fibres and fine or coarse animal hair of headings 5101 to 5105, cotton fibres of headings 5201 to 5203, and other vegetable fibres of headings 5301 to 5305.
3. The terms “textile pulp”, “chemical materials” and “paper-making materials” are used in the list to describe the materials, not classified in Chapters 50 to 63, which can be used to manufacture artificial, synthetic or paper fibres or yarns.
4. The term “man-made staple fibres” is used in the list to refer to synthetic or artificial filament tow, staple fibres or waste, of headings 5501 to 5507.

**Note 6 — Tolerances applicable to products made of a mixture of textile materials**

1. Where, for a given product in the list, reference is made to this Note, the conditions set out in column 3 shall not be applied to any basic textile materials used in the manufacture of this product and which, taken together, represent 10 % or less of the total weight of all the basic textile materials used. (See also Notes 6.3 and 6.4)
2. However, the tolerance mentioned in Note 6.1 may be applied only to mixed products which have been made from two or more basic textile materials.

The following are the basic textile materials:

— silk,

— wool,

— coarse animal hair,

— fine animal hair,

— horsehair,

— cotton,

— paper-making materials and paper,

— flax,

— true hemp,

— jute and other textile bast fibres,

— sisal and other textile fibres of the genus Agave,

— coconut, abaca, ramie and other vegetable textile fibres,

— synthetic man-made filaments,

— artificial man-made filaments,

— current-conducting filaments,

— synthetic man-made staple fibres of polypropylene,

— synthetic man-made staple fibres of polyester,

— synthetic man-made staple fibres of polyamide,

— synthetic man-made staple fibres of polyacrylonitrile,

— synthetic man-made staple fibres of polyimide,

— synthetic man-made staple fibres of polytetrafluoroethylene,

— synthetic man-made staple fibres of poly(phenylene sulphide),

— synthetic man-made staple fibres of poly(vinyl chloride),

— other synthetic man-made staple fibres,

— artificial man-made staple fibres of viscose,

— other artificial man-made staple fibres,

— yarn made of polyurethane segmented with flexible segments of polyether, whether or not gimped,

— yarn made of polyurethane segmented with flexible segments of polyester, whether or not gimped,

— products of heading 5605 (metallised yarn) incorporating strip consisting of a core of aluminium foil or of a core of plastic film whether or not coated with aluminium powder, of a width not exceeding 5 mm, sandwiched by means of a transparent or coloured adhesive between two layers of plastic film,

— other products of heading 5605,

— glass fibres,

— metal fibres.

*Example:*

A yarn, of heading 5205, made from cotton fibres of heading 5203 and synthetic staple fibres of heading 5506, is a mixed yarn. Therefore, non-originating synthetic staple fibres which do not satisfy the origin rules may be used, provided that their total weight does not exceed 10 % of the weight of the yarn.

*Example:*

A woollen fabric, of heading 5112, made from woollen yarn of heading 5107 and synthetic yarn of staple fibres of heading 5509, is a mixed fabric. Therefore, synthetic yarn which does not satisfy the origin rules, or woollen yarn which does not satisfy the origin rules, or a combination of the two, may be used, provided that their total weight does not exceed 10 % of the weight of the fabric.

*Example:*

Tufted textile fabric, of heading 5802, made from cotton yarn of heading 5205 and cotton fabric of heading 5210, is only a mixed product if the cotton fabric is itself a mixed fabric made from yarns classified in two separate headings, or if the cotton yarns used are themselves mixtures.

*Example:*

If the tufted textile fabric concerned had been made from cotton yarn of heading 5205 and synthetic fabric of heading 5407, then, obviously, the yarns used are two separate basic textile materials and the tufted textile fabric is, accordingly, a mixed product.

1. In the case of products incorporating “yarn made of polyurethane segmented with flexible segments of polyether, whether or not gimped”, the tolerance is 20 % in respect of this yarn.
2. In the case of products incorporating “strip consisting of a core of aluminium foil or of a core of plastic film whether or not coated with aluminium powder, of a width not exceeding 5 mm, sandwiched by means of a transparent or coloured adhesive between two layers of plastic film”, the tolerance is 30 % in respect of this strip.

**Note 7 — Other tolerances applicable to certain textile products**

1. Where, in the list, reference is made to this Note, textile materials which do not satisfy the rule set out in the list in column 3 for the made-up product concerned, may be used, provided that they are classified in a heading other than that of the product and that their value does not exceed 8 % of the ex-works price of the product.
2. Without prejudice to Note 7.3, materials, which are not classified within Chapters 50 to 63, may be used freely in the manufacture of textile products, whether or not they contain textiles.

*Example:*

If a rule in the list provides that, for a particular textile item (such as trousers), yarn must be used, this does not prevent the use of metal items, such as buttons, because buttons are not classified within Chapters 50 to 63. For the same reason, it does not prevent the use of slide-fasteners, even though slide-fasteners normally contain textiles.

1. Where a percentage-rule applies, the value of materials which are not classified within Chapters 50 to 63 must be taken into account when calculating the value of the non-originating materials incorporated.

**Note 8 — Definition of specific processes and simple operations carried out in respect of certain products of Chapter 27**

8.1. For the purposes of headings ex 2707 and 2713, the “specific processes” are the following:

1. vacuum-distillation;
2. redistillation by a very thorough fractionation-process ( 1 );
3. cracking;
4. reforming;
5. extraction by means of selective solvents;
6. the process comprising all of the following operations: processing with concentrated sulphuric acid, oleum or sulphuric anhydride; neutralisation with alkaline agents; decolourisation and purification with naturally-active earth, activated earth, activated charcoal or bauxite;

( 1) See additional explanatory Note 4(b) to Chapter 27 of the Combined Nomenclature.

* 1. polymerisation;
	2. alkylation;
	3. isomerisation.
1. For the purposes of headings 2710, 2711 and 2712, the “specific processes” are the following:
	* 1. vacuum-distillation;
		2. redistillation by a very thorough fractionation-process (1 );
		3. cracking;
		4. reforming;
		5. extraction by means of selective solvents;
		6. the process comprising all of the following operations: processing with concentrated sulphuric acid, oleum or sulphuric anhydride; neutralisation with alkaline agents; decolourisation and purification with naturally-active earth, activated earth, activated charcoal or bauxite;
		7. polymerisation;
		8. alkylation;

(ij) isomerisation;

1. in respect of heavy oils of heading ex 2710 only, desulphurisation with hydrogen, resulting in a reduction of at least 85 % of the sulphur-content of the products processed (ASTM D 1266-59 T method);
2. in respect of products of heading 2710 only, deparaffining by a process other than filtering;
3. in respect of heavy oils of heading ex 2710 only, treatment with hydrogen, at a pressure of more than 20 bar and a temperature of more than 250 °C, with the use of a catalyst, other than to effect desulphurisation, when the hydrogen constitutes an active element in a chemical reaction. The further treatment, with hydrogen, of lubricating oils of heading ex 2710 (e.g. hydrofinishing or decolourisation), in order, more especially, to improve colour or stability shall not, however, be deemed to be a specific process;

(n) in respect of fuel oils of heading ex 2710 only, atmospheric distillation, on condition that less than 30 % of these products distils, by volume, including losses, at 300 °C, by the ASTM D 86 method;

1. in respect of heavy oils other than gas oils and fuel oils of heading ex 2710 only, treatment by means of a high-frequency electrical brush-discharge.
2. in respect of crude products (other than petroleum jelly, ozokerite, lignite wax or peat wax, paraffin wax

containing by weight less than 0,75 % of oil) of heading ex 2712 only, de-oiling by fractional crystallisation.

1. For the purposes of headings ex 2707 and 2713, simple operations, such as cleaning, decanting, desalting, water-separation, filtering, colouring, marking, obtaining a sulphur-content as a result of mixing products with different sulphur-contents, or any combination of these operations or like operations, do not confer origin.

( 1) See additional explanatory Note 4(b) to Chapter 27 of the Combined Nomenclature.