ARRANGEMENT REGARDING INTERNATIONAL TRADE IN TEXTILES

Notification under Article 4:4

Bilateral agreement between the EEC and Brazil

Note by the Chairman

Attached is a notification received from the EEC concerning a new bilateral agreement initialled with Brazil, negotiated under Article 4 of the Arrangement and in de facto application with effect from 1 January 1983.

1The previous agreement and subsequent modifications are contained in COM.TEX/SB/404, 482, 554, 604, 721 and 767

English only/Anglais seulement
Dear Ambassador,

Pursuant to Article 4:4 of the Arrangement as extended by the 1981 Protocol, I am notifying a new Agreement negotiated with Brazil, comprising the text of the Agreement with two annexes and three Protocols.

The Agreement came into de facto application on 1 January 1983 with a duration of four years and resembles closely the Agreement which it succeeds. Like its predecessors, the Agreement covers 114 product categories although some of these have been merged and categories have been regrouped. Unrestrained categories are subject to a consultation procedure under which the Community may, but need not, request consultations with a view to establishing a limit when certain trade levels have been exceeded. Re-exports are excluded. There are provisions for breaking down Community-wide limits into Member State shares, with the possibility for reallocation of portions of such shares between Member States, for the exchange of statistics, the management of problems which could arise in case of divergent opinions on classification and for the spacing out of exports. The administration of the Agreement is governed by Protocol A which is also closely modelled on its predecessor in the earlier Agreement.

Three new provisions have been established pursuant to particular Paragraphs in the 1981 Protocol of Extension. An Anti-Surge provision, based on Paragraph 10, is applicable to Group I products only. Under the terms of that provision the Community may, in certain clearly defined circumstances, request consultations with a view to suspending flexibility.
or modifying a given quantitative limit in cases where larger underuti-
lised quotas have become the subject of a significant increase in im-
ports. Any measures taken under this provision would provide for equitable
and quantifiable compensation.

An anti-circumvention clause is established in pursuance of paragraph 14.
This provision provides for the adjustment of quotas in cases where clear
evidence of circumvention of the Agreement has been provided in
consultation with Brazil by quantities equivalent to the circumvented
amounts.

In accordance with the special and different treatment to be given to
Outward Processing Goods (Paragraph 13), the Agreement provides that
re-imports of products after processing in Brazil may be agreed outside
the quantitative limits established under the Agreement under certain
conditions.

In the present Agreement, only 11 Community-wide and 4 regional restraint
limits concerning 3 categories have been maintained. The limits are based
on the restraint levels obtaining in the last year of the previous
Agreement, plus growth. Growth rates between 1983 and 1986 vary between
0,1% and 6% and reflect, for the products concerned, the acute and
exceptional difficulties in the Community's market.

The exceptionally difficult market conditions for textile and clothing
products in the Community have also been taken into account in establi-
shing the flexibility provisions in the Agreement. Thus, carry-over/-
carry-forward and inter-category transfers are -except for three cate-
gories- available at 5% each, save that transfer is not available into
Group I from Groups II and III and between Group I textile categories on
the one hand and Group I clothing categories on the other hand.

The Community has drawn attention on previous occasions to the sluggish
level of demand for textiles and clothing in the Community. During 1980
demand for textiles grew at 1.6%, and for clothing 1.4%; in 1981 textile
demand rose by only 0.5% and there was an actual decline of 0.5% in demand
for clothing.
Community production has inevitably suffered. Since 1979, as shown in COM/TEX/W.134, textile production has fallen by 8%, and clothing production by no less than 12%. In 1981 alone the decrease was 5.5% in textiles and 7.5% in clothing. By mid-1982 a further decline of 5% in both textiles and clothing had taken place.

The situation in employment reflects these trends. In addition to the loss of a quarter of all jobs in both textiles and clothing between 1973 and 1979, COM/TEX/W.134 shows that there has been a further decline of 13% in both industries between 1979 and 1981. Up to mid-1982 a further loss in both industries of 4% had taken place.

Copies of the Agreement and related documents are attached.

Yours sincerely,

J. KECK
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(1) Sub-ceiling nightdresses: D: 400,000 pieces
F: 25,000 pieces
AGREEMENT
BETWEEN THE EUROPEAN ECONOMIC COMMUNITY
AND
THE FEDERAL REPUBLIC OF BRAZIL
ON TRADE IN TEXTILE PRODUCTS

In force as of 24/11/81

[Signature]

[Signature]
THE COUNCIL OF THE EUROPEAN COMMUNITIES,

of the one part, and

THE GOVERNMENT OF THE FEDERAL REPUBLIC OF BRAZIL

of the other part,

DESIRING to promote, with a view to permanent cooperation and in conditions providing every security for trade, the orderly and equitable development of trade in textile products between the European Economic Community (hereinafter referred to as "the Community") and Brazil

RESOLVED to take the fullest possible account of the serious economic and social problems at present affecting the textile industry in both importing and exporting countries, and in particular, to eliminate real risks of market disruption on the market of the Community and real risks of disruption to the textile trade of Brazil

HAVING REGARD to the Arrangement regarding International Trade in Textiles (hereinafter referred to as "the Geneva Arrangement"), and in particular Article 4 thereof; and to the conditions set out in the Protocol extending the Arrangement together with the Conclusions adopted on 22 December 1981 by the Textiles Committee

HAVE DECIDED to conclude this Agreement and to this end have designated as their Plenipotentiaries:

THE COUNCIL OF THE EUROPEAN COMMUNITIES:

THE GOVERNMENT OF BRAZIL

WHO HAVE AGREED AS FOLLOWS:
SECTION I : TRADE ARRANGEMENTS

ARTICLE 1

1. The parties recognize and confirm that, subject to the provisions of this Agreement and without prejudice to their rights and obligations under the General Agreement on Tariffs and Trade, the conduct of their mutual trade in textile products shall be governed by the provisions of the Geneva Arrangement.

2. In respect of the products covered by this Agreement, the Community undertakes not to introduce quantitative restrictions under Article XIX of the General Agreement on Tariffs and Trade or Article 3 of the Geneva Arrangement.

3. Measures having equivalent effect to quantitative restrictions on the importation into the Community of the products covered by this Agreement shall be prohibited.
ARTICLE 2

1. This Agreement shall apply to trade in textile products of cotton, wool and man-made fibres originating in Brazil which are listed in Annex I.

2. The classification of the products covered by this Agreement is based on the nomenclature of the Common Customs Tariff and on the Nomenclature of Goods for the External Trade Statistics of the Community and the Statistics of Trade between Member States (NIMEXE).

3. The origin of the products covered by this Agreement shall be determined in accordance with the rules in force in the Community.

The procedures for control of the origin of the products referred to above are laid down in Protocol A.
ARTICLE 3

Brazil agrees for each Agreement year to restrain its exports to the Community of the products described in Annex II to the limits set out therein.

Exports of textile products set out in Annex II shall be subject to a double-checking system specified in Protocol A.
ARTICLE 4

Brazil and the Community recognise the special and differential character of re-imports of textile products into the Community after processing in

Such re-imports may be agreed outside the quantitative limits established under this Agreement provided that they are effected in accordance with the regulations on economic outward processing in force in the Community.
ARTICLE 5

1. Imports into the Community of textile products covered by this Agreement shall not be subject to the quantitative limits established in Annex II, provided that they are declared to be for re-export outside the Community in the same state or after processing, under the administrative system of control set up for this purpose within the Community.

However, the release for home use of products imported under the conditions referred to above shall be subject to the production of an export licence issued by the Brazilian authorities, and to proof of origin in accordance with the provisions of Protocol A.

2. Where the Community authorities have evidence that imports of textile products have been set off against a quantitative limit established under this Agreement, but that the products have subsequently been re-exported outside the Community, the authorities concerned shall inform the Brazilian authorities within four weeks of the quantities involved and authorize imports of identical quantities of the same products, which shall not be set off against the quantitative limit established under this Agreement for the current or the following year.
ARTICLE 6

In any Agreement year advance use of a portion of the quantitative limit established for the following Agreement year is authorized for each category of products except category 1, of up to 2.5% for category 2 and 5% for other categories of the quantitative limit for the current Agreement year.

Amounts delivered in advance shall be deducted from the corresponding quantitative limits established for the following Agreement year.

Carryover to the corresponding quantitative limit for the following Agreement year of amounts not used during any Agreement year is authorized for each category of products except category 1, of up to 2.5% for category 2 and 5% for other categories of the quantitative limit for the current Agreement year.

Transfers in respect of categories in Group I shall not be made from any category except as follows:

- Transfers between Categories 2 and 3 and from Category 1 to Categories 2 to 3 may be made up to 2.5% for Category 2 and 5% for Category 3 of the quantitative limits for the category to which the transfer is made.

- Transfers between Categories 4, 5, 6, 7 and 8 may be made up to 5% of the quantitative limit for the category to which the transfer is made.

Transfers into any category in Groups II and III may be made from any category or categories in Groups I, II and III up to 5% of the quantitative limit for the category to which the transfer is made.

The table of equivalence applicable to the transfers referred to above is given in Annex 2 to this Agreement.

The increase in any category of products resulting from the cumulative application of the provisions in paragraphs 1, 2 and 3 above during an Agreement year shall not exceed 15%.

Prior notification shall be given by the authorities of in the event of recourse to the provisions of paragraphs 1, 2 and 3 above.
ARTICLE 7

1. Exports of textile products not listed in Annex II to this Agreement may be made subject to quantitative limits by Brazil, on the conditions laid down in the following paragraphs.

2. Where the Community finds, under the system of administrative control set up, that the level of imports of products in a given category not listed in Annex II originating in Brazil exceeds, in relation to the preceding year's total imports into the Community from all sources of products in that category, the following rates:
   - for categories of products in Group I: 0.5%
   - for categories of products in Group II: 2.5%
   - for categories of products in Group III: 5%

   It may request the opening of consultations in accordance with the procedure described in Article 16 of this Agreement, with a view to reaching agreement on an appropriate restraint level for the products in such category.

   The Community shall authorise the importation of products of the said category shipped from Brazil before the date on which the request for consultations was submitted.

3. Pending a mutually satisfactory solution, Brazil undertakes to limit exports of the products in the category concerned to the Community or to the region or regions of the Community market specified by the Community for a provisional period of 3 months from the date on which the request for consultations is made. Such provisional limit shall be established at 25% of the level of imports reached during the calendar year preceding that in which imports exceeded the level resulting from the application of the formula set out in paragraph 2, and gave rise to the request for consultation or 25% of the level resulting from the application of the formula set out in paragraph 2, whichever is the higher.

4. Should the Parties be unable in the course of consultations to reach a satisfactory solution within the period specified in Article 16 of the Agreement, the Community shall have the right to introduce a definitive quantitative limit at an annual level not lower than the level resulting from the application of the formula set out in paragraph 2, or 106% of the level of imports reached during the calendar year preceding that in which imports exceeded the level resulting from the application of the formula set out in paragraph 2 and gave rise to the request for consultations,
The annual level so fixed shall be revised upwards after consultations in accordance with the procedure referred to in Article 16, with a view to fulfilling the conditions set out in paragraph 2, should the trend of total imports into the Community of the product in question make this necessary.

5. The limits introduced under paragraph 2 or paragraph 4 may in no case be lower than the level of imports of products in that category originating in Brazil in 1980.

6. Quantitative limits may also be established by the Community on a regional basis in accordance with the provisions of Protocol B.

7. The annual growth rate for the quantitative limits introduced under this Article shall be determined in accordance with the provisions of Protocol C.

8. The provisions of this Article shall not apply where the percentages specified in paragraph 2 have been reached as a result of fall in total imports into the Community, and not as a result of an increase in exports of products originating in Brazil.

9. In the event of the provisions of paragraph 2, 3 or 4 being applied, Brazil undertakes to issue export licences for products covered by contracts concluded before the introduction of the quantitative limit, up to the volume of the quantitative limit fixed.

10. Up to the date of communication of the statistics referred to in Article 9 paragraph 6, the provisions of paragraph 2 of this Article shall apply on the basis of the annual statistics previously communicated by the Community.

11. The provisions of this Agreement which concern exports of products subject to the quantitative limits established in Annex II shall also apply to products for which quantitative limits are introduced under this Article.
Where the Community ascertains that the level of imports in a given category of Group I subject to quantitative limits set out in Annex II exceeds in any Agreement year the level of imports in the preceding year by 10% of the level of the quantitative limit set out in Annex II for the current Agreement year, it may request, with a view to avoiding palpable damage to domestic industry, the opening of consultations in accordance with the provisions described in Article 16 of this Agreement with a view to reaching agreement on:

- the suspension, wholly or in part, of the provisions of Article 6, or

- a modification of the quantitative limit set out in Annex II by the establishment of an ad hoc limit below the existing quantitative limit as well as the corresponding equitable and quantifiable compensation which constitutes a mutually acceptable solution.

The Community shall authorize the importation of products of the said category shipped from Brazil before the date on which the request for consultations was submitted. Pending a mutually satisfactory solution, Brazil undertakes for a period of 1 month from the date of notification of the request for consultations to restrain exports of the products in the category concerned to the Community or to the region or regions of the Community market specified by the Community to one twelfth of the level of exports reached during the preceding calendar year.

A quantitative limit modified as a result of the application of paragraph 1 in any year preceding the final Agreement year shall be subject to a growth rate so as to ensure that the level of the quantitative limit set out in Annex II for the final Agreement year is regained in that year.

Should the Parties be unable in the course of consultations to reach a satisfactory solution within the period specified in Article 16 of this Agreement, Brazil undertakes, if so requested by the Community:

- to suspend wholly or in part, the provisions of Article 6 in respect of the Community or any of its regions for the category concerned.
to modify the quantitative limit set out in Annex II for the category concerned so as to restrain exports to the Community or any of its regions to 125% of imports attained during the preceding calendar year, or to the level of exports up to the date of the request for consultations plus the level of exports provided for during the consultation period under paragraph 2, whichever is the higher.

In the event that the provisions of this paragraph are applied the Community undertakes to maintain an offer of equitable and quantifiable compensation.

The application of the measures provided for in this paragraph is limited to the year in which the measures are taken.

5. The provisions of paragraph 1 shall not apply to a given category unless the quantitative limits established in Annex II for the Community for that category represent at least 2.5% of total Community imports during 1980.

6. The provisions of paragraph 1 shall not apply to a given category unless the level of imports originating in Brazil during the current agreement year represent at least 50% of the quantitative limit set out in Annex II for that category in the Community as a whole or in any region or regions of the Community concerned.

7. Any limit modified in accordance with the provisions of paragraphs 1 or 4 may in no case be lower than the level of imports of products in that category originating in Brazil in 1980.

8. The provisions of the article also apply where the level referred to in paragraph 1 is exceeded in any of the Community's regions. In such a case the compensation referred to in paragraphs 1 and 4 will concern the region or regions of the Community indicated in the Community's request for consultations.

9. With a view to limiting recourse to paragraph 1 of this article, Brazil undertakes to inform the Community of any sharp and substantial increase in the issue of export licences for any category which is likely to lead to the fulfilment of the conditions required for the application of the present article.
1. Brazil undertakes to supply the Community with precise statistical information on all export licences issued by the Brazilian authorities for all categories of textile products subject to the quantitative limits established under this Agreement.

The Community shall likewise transmit to the Brazilian authorities precise statistical information on import authorizations or documents issued by the Community authorities in respect of export licences and certificates issued by Brazil.

2. The information referred to in paragraph 1 shall, for all categories of products, be transmitted before the end of the second month following the quarter to which the statistics relate.

3. The Community shall transmit to Brazilian authorities import statistics for all products covered by the system of administrative control referred to in Article 7, Paragraph 2 and for products covered by Article 5 Paragraph 1.

4. The information referred to in paragraph 3 shall, for all categories of products, be transmitted before the end of the third month following the quarter to which the statistics relate.

5. Should it be found on analysis of the information exchanged that there are significant discrepancies between the returns for exports and those for imports, consultations may be initiated in accordance with the procedure specified in Article 16 of this Agreement.

6. For the purpose of applying the provisions of Article 7, and Article 8, the Community undertakes to provide Brazilian authorities before 15 April of each year with the preceding year's statistics on imports of all textile products covered by this Agreement, broken down by supplying country and Community Member State.

7. Brazil and the Community will exchange to the extent possible available statistical information on trade in textile products.
ARTICLE 10

1. In case of divergent opinions between Brazil and the competent Community authorities at the point of entry into the Community on the classification of products covered by the present Agreement, classification shall provisionally be based on indications provided by the Community, pending consultations in accordance with Article 16 with a view to reaching agreement on definitive classification of the product concerned.

2. If the above provisional classification results in provisional debit against a quantitative limit for a category of products other than the category indicated on the export documents issued by the competent Brazilian authorities, the Community shall inform Brazil of such provisional debit within 30 days.

3. The authorities of Brazil shall be informed of any amendment to the Common Customs Tariff or Nomenclature or any decision, made in accordance with the procedures in force in the Community, relating to the classification of products covered by this Agreement.

Any amendment to the Common Customs Tariff or Nomenclature or any decision which results in a modification of the classification of products covered by this Agreement shall not have the effect of reducing any quantitative limit established in Annex II.

The procedures for the application of this Paragraph are set out in Protocol A.
2. Brazil and the Community agree to cooperate fully in preventing the circumvention of the present Agreement by transshipment, rerouting or whatever other means.

2. Where information available to the Community as a result of the investigations carried out in accordance with the procedures set out in Protocol A constitutes evidence that products of Brazilian origin subject to quantitative limits established under this Agreement have been transshipped, rerouted or otherwise imported into the Community in circumvention of this Agreement, the Community may request the opening of consultations in accordance with the procedures described in Article 1 of this Agreement, with a view to reaching agreement on an equivalent adjustment of the corresponding quantitative limits established under the Agreement.

3. Pending the result of the consultations referred to in paragraph 2, Brazil shall as a precautionary measure, if so requested by the Community, make the necessary arrangements to ensure that adjustments of quantitative limits liable to be agreed following the consultations referred to in paragraph 2, may be carried out for the quota year in which the request to open consultations in accordance with paragraph 2 was made, or for the following year if the quota for the current year is exhausted, where clear evidence of circumvention is provided.

4. Should the parties be unable in the course of consultations to reach a satisfactory solution within the period specified in Article 16 of the Agreement, the Community shall have the right, where clear evidence of circumvention has been provided, to deduct from the quantitative limits established under this Agreement amounts equivalent to the products of Brazilian origin.
ARTICLE 12

1. Brazil shall endeavour to ensure that exports of textile products subject to quantitative limits are spaced out as evenly as possible over an agreement year, due account being taken, in particular, of seasonal factors.

2. Should there be an excessive concentration of imports on any product within a category subject to quantitative limits under this Agreement, the Community may request consultations in accordance with the procedure specified in Article 16 of this Agreement with a view to remedying this situation.
ARTICLE 13

Should recourse be had to the denunciation provisions of Article 18 paragraph 4, the quantitative limits established in Annex II shall be adapted on a pro rata basis.
ARTICLE 14

1. For the purpose of the administration of this Agreement, the limits referred to in Article 3 are broken down by the Community into shares for each of its Member States.

2. Portions of the quantitative limits established in Annex II not used in one Member State of the Community may be reallocated to another Member State in accordance with the procedures in force in the Community.

   The Community undertakes to examine with care and reply within four weeks to any request made for reallocation by Brazil. In the event of agreement on such reallocation, the flexibility provisions set out in Article 6 shall continue to be applicable to the levels of the original allocation.

   If, in the course of the application of the Agreement Brazil finds that the break-down of a limit established in Annex II causes particular difficulties, it may request the opening of consultations in accordance with the provisions of Article 16 with a view to reaching a mutually satisfactory solution.

3. Should it appear in any given region of the Community that additional supplies are required, the Community may, where measures taken pursuant to paragraph 1 above are inadequate to cover those requirements, authorize the importation of amounts greater than those stipulated in Annex II.
ARTICLE 15

1. Brazil and the Community undertake to refrain from discrimination in the allocation of export licenses and import authorizations of documents referred to in Protocol A.

2. In implementing this Agreement, the Contracting Parties shall take care to maintain the traditional commercial practices and trade flows between the Community and Brazil.

3. Should either Party find that the application of this Agreement is disturbing existing commercial relations between importers in the Community and suppliers in Brazil, consultations shall be started promptly, in accordance with the procedure specified in Article 16 of this Agreement, with a view to remedying this situation.
ARTICLE 16

1. The special consultation procedures referred to in this Agreement other than those referred to in paragraph 2 of this Article, shall be governed by the following rules:

- any request for consultations shall be notified in writing to the other Party;
- the request for consultations shall be followed within a reasonable period (and in any case not later than fifteen days following the notification) by a statement setting out the reasons and circumstances which, in the opinion of the requesting Party, justify the submission of such a request;
- the Parties shall enter into consultations within one month at the latest of notification of the request, with a view to reaching agreement or a mutually acceptable conclusion within one further month at the latest.

2. The special consultation procedures referred to in Article 8 of the Agreement shall be governed by the following rules:

- any request for consultations shall be notified in writing to the other Party, together with a statement setting out the reasons and circumstances which, in the opinion of the requesting Party, justify the submission of such a request;
- the Parties shall enter into consultations within 15 days at the latest of notification of the request, with a view to reaching agreement or a mutually acceptable conclusion within a further 15 days at the latest.

3. If necessary, at the request of either of the Parties and in conformity with the provisions of the Geneva Arrangement, consultations shall be held on any problems arising from the application of this Agreement. Any consultations held under this Article shall be approached by both Parties in a spirit of cooperation and with a desire to reconcile the difference between them.
ARTICLE 17

This Agreement shall apply to the territories within which the Treaty establishing the European Economic Community is applied and under the conditions laid down in that Treaty on the one hand, and to the territory of Brazil on the other hand.
ARTICLE 18

1. This Agreement shall enter into force on the first day of the month following the date on which the Contracting Parties notify each other of the completion of the procedures necessary for this purpose. It shall be applicable until 31 December 1986.

2. This Agreement shall apply with effect from 1 January 1983.

3. Either Party may at any time propose modifications to the Agreement.

4. Either Party may at any time denounce this Agreement provided that at least sixty days' notice is given. In that event the Agreement shall come to an end on the expiry of the period of notice.

5. The Annexes and Protocols to this Agreement, shall form an integral part thereof.
ARTICLE 19

This Agreement shall be drawn up in two copies in the Danish, Dutch, English, French, German, Greek, Italian and Portuguese languages, each of these texts being equally authentic.
ANNEX I

(List of Categories)
For practical reasons the product descriptions used in Annex I are given in the present Annex in abbreviated form.

### Community Limits

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<td></td>
<td>a) of which other than unbleached or bleached</td>
<td>Tonnes</td>
<td>1983</td>
<td>3.072</td>
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<td>3.087</td>
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<td>1985</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>1986</td>
<td>3.118</td>
</tr>
<tr>
<td>3</td>
<td>Woven fabrics of synthetic fibres</td>
<td>Tonnes</td>
<td>1983</td>
<td>1.350</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>1984</td>
<td>1.377</td>
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<td></td>
<td>1986</td>
<td>1.433</td>
</tr>
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<td>6</td>
<td>Men's and women's woven trousers and men's shorts and breeches.</td>
<td>1000p</td>
<td>1983</td>
<td>1.935</td>
</tr>
<tr>
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<td>1986</td>
<td>2.084</td>
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<td>9</td>
<td>Cotton terry fabrics; toilet and kitchen linen of cotton terry fabrics.</td>
<td>Tonnes</td>
<td>1983</td>
<td>4.304</td>
</tr>
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<td></td>
<td></td>
<td></td>
<td>1984</td>
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<td></td>
<td>1986</td>
<td>4.567</td>
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<td>13</td>
<td>Men's and boy's underpants and briefs, women's and girls knickers and briefs.</td>
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<td>1983</td>
<td>4.842</td>
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<td>1983</td>
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<td></td>
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<td>Units</td>
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<td>Quantitative limits EEC</td>
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<td>----------</td>
<td>-------------------------------------------------------</td>
<td>-------</td>
<td>------</td>
<td>-------------------------</td>
</tr>
<tr>
<td>24 &amp; 25</td>
<td>Pyjamas and nightdresses knitted or crocheted of cotton or synthetic fibres</td>
<td>1000p</td>
<td>1983</td>
<td>1.571</td>
</tr>
<tr>
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<td>1.767</td>
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<td>Brassières</td>
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<td>1983</td>
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<td>1986</td>
<td>2.486</td>
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<tr>
<td>39</td>
<td>Woven table linen, toilet and kitchen linen other than of cotton terry fabric</td>
<td>Tonnes</td>
<td>1983</td>
<td>1.738</td>
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<td>46</td>
<td>Carded or combed sheep's or lamb's-wool or other fine animal hair</td>
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<td>1983</td>
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<td>Units</td>
<td>Year</td>
<td>Quantitative limits £E</td>
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</tr>
<tr>
<td>4 F</td>
<td>Shirts, T-Shirts</td>
<td>1000p</td>
<td>1983</td>
<td>327</td>
</tr>
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<td></td>
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<td></td>
<td>1986</td>
<td>2,438</td>
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<td>7 UK</td>
<td>Blouses and shirt blouses, knitted or crocheted</td>
<td>1000p</td>
<td>1983</td>
<td>150</td>
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<tr>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>1986</td>
<td>156</td>
</tr>
<tr>
<td>24 &amp; 25</td>
<td>Pyjamas and nightdresses, knitted or crocheted of cotton or synthetic fibres</td>
<td>1000p</td>
<td>1983</td>
<td>400</td>
</tr>
<tr>
<td></td>
<td>- of which nightdresses</td>
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<td>1983</td>
<td>400</td>
</tr>
<tr>
<td>D</td>
<td></td>
<td></td>
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<td>F</td>
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<td>27</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>1986</td>
<td>28</td>
</tr>
<tr>
<td>80 BNL</td>
<td>Babies' woven garments</td>
<td>Tonnes</td>
<td>1983</td>
<td>96</td>
</tr>
<tr>
<td></td>
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<td></td>
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<td></td>
<td>1985</td>
<td>108</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>1986</td>
<td>114</td>
</tr>
</tbody>
</table>
Article 1

1. The competent authorities of the Community undertake to inform Brazil of any changes in the Common Customs Tariff or NIMEXE before the date of their entry into effect in the Community.

2. The competent authorities of the Community undertake to inform Brazil of any decisions relating to the classification of products subject to the present Agreement within one month of their adoption at the latest. Such communication shall include:

   a) a description of the products concerned
   b) the relevant category, tariff position or sub-position and the Nimeze code
   c) the reasons which have led to the decision.

3. Where a decision on classification results in a change of classification practice or a change of category of any product subject to the present Agreement, the competent authorities of the Community shall provide 30 days' notice, from the date of the Community's communication, before the decision enters into effect. Products shipped before the date of entry into effect of the decision shall remain subject to the earlier classification practice, provided that the goods in question are presented for importation into the Community within 60 days of that date.
TITLE II

ORIGIN

Article 2

1. Products originating in Brazil for export to the Community in accordance with the arrangements established by this Agreement shall be accompanied by a certificate of Brazilian origin conforming to the model annexed to this Protocol.

2. The certificate of origin shall be issued by the competent governmental authorities of Brazil if the products in question can be considered products originating in that country within the meaning of the relevant rules in force in the Community.

3. However, the products in Group III may be imported into the Community in accordance with the arrangements established by this Agreement on production of a declaration by the exporter on the invoice or other commercial document relating to the products to the effect that the products in question originate in Brazil within the meaning of the relevant rules in force in the Community.

4. The certificate of origin referred to in paragraph 1 shall not be required for import of goods covered by a certificate of origin Form A or form APR completed in accordance with the relevant Community rules in order to qualify for generalized tariff preferences.
Article 3

Where different criteria for determining origin are laid down for products falling within the same category, certificates or declarations of origin shall contain a sufficiently detailed description of the goods to enable the criterion to be determined on the basis of which the certificate was issued or the declaration drawn up.

Article 4

The discovery of slight discrepancies between the statements made in the certificate of origin and those made in the documents produced to the customs office for the purpose of carrying out the formalities for importing the product shall not ipso facto cast doubt upon the statements in the certificate.
TITLE III

DOUBLE CHECKING SYSTEM
FOR CATEGORIES OF PRODUCTS
WITH QUANTITATIVE LIMITS

Section I

Exportation

Article 5

The competent authorities of Brazil shall issue an export
licence in respect of all consignments from Brazil of textile products
referred to in Annex II, up to the relevant quantitative limits as may be
modified by Articles 6, 13 and 14 of the Agreement and of textile products
subject to any definitive or provisional quantitative limits established
as a result of the application of Articles 7 and 8 of the Agreement.

Article 6

1. The export licence shall conform to the model annexed
to this Protocol. It must certify Inter alia that the quantity of the
product in question has been set off against the quantitative limit
prescribed for the category of the product in question.

2. Each export licence shall only cover one of the
categories of products listed in Annex II of this Agreement. It may be
used for one or more consignments of the products in question.

Article 7

The competent Community authorities must be notified forthwith of the
withdrawal or alteration of any export licence already issued.
Article 8

1. Exports shall be set off against the quantitative limits established for the year in which shipment of the goods has been effected, even if the export certificate is issued after such shipment.

2. For the purposes of applying paragraph 1, shipment of the goods is considered to have taken place on the date of their loading on to the exporting aircraft, vehicle or vessel.

Article 9

The presentation of an export licence, in application of Article 12 below, shall be effected not later than 31 March of the year following that in which the goods covered by the licence have been shipped.

Section II

Importation

Article 10

Importation into the Community of textile products subject to quantitative limits shall be subject to the presentation of an import authorization or document.

Article 11

1. The competent Community authorities shall issue such import authorization or document automatically within five working days of the presentation by the importer of the original of the corresponding export licence.

The import authorization or document shall be valid for six months.
2. The competent Community authorities shall cancel the already issued import authorization or document if the corresponding export licence has been withdrawn.

However, if the competent Community authorities have not been notified about the withdrawal or cancellation of the export licence until after the product have been imported into the Community, the quantities involved shall be set off against the quantitative limits for the category and the quota year in question.

Article 12

1. If the competent Community authorities find that the total quantities covered by export certificates issued by Brazil for a particular category in any Agreement year exceed the quantitative limit established in Annex II for that category, as may be modified by Article 6, 13 and 14 of the Agreement, or any definitive or provisional limit established under Article 7 or 8 of the Agreement, the said authorities may suspend the further issue of import authorizations or documents. In this event, the competent Community authorities shall immediately inform the authorities of Brazil and the special consultation procedure set out in Article 16 of the Agreement shall be initiated forthwith.

2. Exports of Brazilian origin not covered by export licences issued in accordance with the provisions of this Protocol may be refused the issue of import authorizations or documents by the competent Community authorities.

However, if the import of such products are allowed into the Community by the competent Community authorities, the quantities involved shall not be set off against the appropriate quantitative limits set out in Annex II or established as a result of the application of Articles 7 or 8 of the Agreement, without the express Agreement of Brazil save as provided for in Article 11 of the Agreement.
TITLE IV

FORM AND PRODUCTION OF EXPORT CERTIFICATES AND CERTIFICATES OF ORIGIN, AND COMMON PROVISIONS

Article 14

1. The export licence and the certificate of origin may comprise additional copies duly indicated as such. They shall be made out in English or French. If they are completed by hand, entries must be in ink and in printscript.

These documents shall measure 210 x 297 mm. The paper used must be white writing paper, sized, not containing mechanical pulp and weighing not less than 25 g/m². Each part shall have a printed guilloche-pattern background making any falsification by mechanical or chemical means apparent to the eye.

If the documents have several copies only the top copy which is the original shall be printed with the guilloche pattern background. This copy shall be clearly marked as "original" and the other copies as "copies". Only the original shall be accepted by the competent authorities in the Community as being valid for the purposes of export to the Community in accordance with the arrangements established by this Agreement.

2. Each document shall bear a standardized serial number, whether or not printed, by which it can be identified.

This number shall be composed of the following elements:

- two letters identifying Brazil as follows: BR
- two letters identifying country of destination as follows:
  - BL = Benelux
  - DE = German Federal Republic
  - DK = Denmark
  - FR = France
  - GB = United Kingdom
  - GR = Greece
  - IE = Ireland
  - IT = Italy
- a one digit number identifying quota year, corresponding to the last figure in year e.g. 3 for 1983
- a two digit number running consecutively from 01 to 99 identifying issuing office
- a five digit number running consecutively from 00001 to 99999 allocated to the country of destination
Article 1

The export licence and certificate of origin may be issued after the shipment of the products to which they relate. In such cases they shall bear either the endorsement "délivrée a posteriori" or the endorsement "Issued retrospectively".

Article 15

1. In the event of theft, loss or destruction of an export licence or a certificate of origin, the exporter may apply to the competent governmental authority which issued the document for a duplicate to be made out on the basis of the export documents in his possession. The duplicate of any such certificate or licence so issued shall bear the endorsement "duplicata".

2. The duplicate must bear the date of the original export licence or certificate of origin.
TITLE V

ADMINISTRATIVE COOPERATION

Article 16

The Community and Brazil shall cooperate closely to implement the provisions of this Agreement. To this end, contacts and exchanges of views (including on technical matters) shall be facilitated by both parties.

Article 17

In order to ensure the proper application of this Agreement, the Community and Brazil shall assist each other in checking the authenticity and accuracy of all documentation required under the provisions of this Agreement.

Article 18

Brazil shall send the Commission of the European Communities the names and addresses of the governmental authorities competent for the issue and verification of export licences and certificates of origin together with specimens of the stamps used by these authorities. Brazil shall also notify the Commission of any change in this information.

Article 19

1. Subsequent verification of documentation required under this Agreement shall be carried out at random, or whenever the competent authorities of either party have reasonable doubt as to the authenticity or accuracy of such documentation.

2. In such cases the competent authorities shall make available relevant documentation or a copy thereof to the competent governmental authority in Brazil giving, where appropriate, the reasons of form or substance for an enquiry. If the invoice has been submitted, such invoice or a copy thereof shall be attached to the relevant document or its copy.
The authorities shall also forward any information that has been obtained suggesting that the particulars given on the said documents are inaccurate.

3. The results of the subsequent verifications carried out in accordance with paragraphs 1 and 2 above shall be communicated to the competent authorities of the other party within three months at the latest together with any other pertinent information.

Should such verifications reveal systematic irregularities in the use of declarations of origin, the Community may subject imports of the products in question to the provisions of Article 2 paragraph 1 of this Protocol.

4. For the purpose of subsequent verification of certificates of origin, copies of the certificates as well as any export documents referring to them shall be kept for at least period of three years by the competent governmental authority in Brazil.

5. Recourse to the random verification procedure specified in this Article must not constitute an obstacle to the release for home use of the products in question.

Article 20

1. Where the verification procedure referred to in Article 19 or where information available to the Community or to Brazil indicates or appears to indicate that the provisions of this Agreement are being contravened, both parties shall cooperate closely and with the appropriate urgency to prevent such contravention.

2. To this end, appropriate enquiries shall be carried out concerning operations which are or appear to be in contravention of this agreement. The results of these enquiries shall be communicated together with other pertinent information enabling the true origin of the goods to be determined.
3. In pursuance of the cooperation referred to in paragraph 1, Brazil and the Community shall exchange any information considered by either partner to be of use in preventing the contravention of the provisions of this Agreement.

4. Where it is established that the provisions of this Agreement have been contravened, Brazil and the Community may agree to take such measures as are necessary to prevent a recurrence of such contravention.
<table>
<thead>
<tr>
<th>ORIGIN</th>
<th>2 No</th>
</tr>
</thead>
<tbody>
<tr>
<td>3 Country of origin</td>
<td></td>
</tr>
<tr>
<td>4 Country of destination</td>
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</tbody>
</table>

**CERTIFICATE OF ORIGIN**

(Textile products)

**CERTIFICAT D'ORIGINE**

(Produits textiles)

<table>
<thead>
<tr>
<th>5 Place and date of shipment - Means of transport</th>
<th>6 Country of origin</th>
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<td>Pays d'origine</td>
</tr>
</tbody>
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<table>
<thead>
<tr>
<th>8 Supplementary details</th>
<th>7 Country of destination</th>
</tr>
</thead>
<tbody>
<tr>
<td>Données supplémentaires</td>
<td>Pays de destination</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>9 Goods and numbers - Nature and kind of package - DESCRIPTION OF GOODS</th>
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</thead>
<tbody>
<tr>
<td>Marques et numéros - Nature et nature des caisses - DÉSIGNATION DES MARCHANDISES</td>
</tr>
<tr>
<td>10 Quantity (ℓ)</td>
</tr>
<tr>
<td>11 Quantity (ℓ)</td>
</tr>
<tr>
<td>12 FCS Value (ℓ)</td>
</tr>
</tbody>
</table>

CERTIFICATION BY THE COMPETENT AUTHORITY - VISA DE L'AUTORITÉ COMPETENTE

We certify that the goods described above originated in the country shown in box No. 6 and that they are comprised in the European Economic Community.

Le vendeur certifie que les marchandises ci-dessus sont originales du pays figurant dans la case 6, conformément aux dispositions en vigueur dans la Communauté économique européenne.

Signature of competent authority (Name and address complete)

At: A
<table>
<thead>
<tr>
<th>3 Consignee (name and address country)</th>
<th>4 Country number</th>
<th>5 Consignee (name and address country)</th>
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</thead>
<tbody>
<tr>
<td>Description (name, address, country)</td>
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<td>Description (name, address, country)</td>
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**EXPORT LICENCE**
(Textile products)

<table>
<thead>
<tr>
<th>6 Country of origin (Produits textiles)</th>
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<tr>
<td>Pays d'origine</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>7 Country of destination (Produits textiles)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pays de destination</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>8 Place and date of shipment - Means of transport</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lieu et date d'embarquement - Moyen de transport</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>9 Supplementary details</th>
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<tbody>
<tr>
<td>Données supplémentaires</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>10 Marks and numbers - Number and kind of packages - DESCRIPTION OF GOODS</th>
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</thead>
<tbody>
<tr>
<td>Marques et nombres - Nombre et nature des colis</td>
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</table>

<table>
<thead>
<tr>
<th>11 Quantity (*)</th>
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<tbody>
<tr>
<td>Quantité (*)</td>
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<table>
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<th>12 FOB Value (*)</th>
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<tr>
<td>Valeur FOB (*)</td>
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</tbody>
</table>

**CERTIFICATION BY THE COMPETENT AUTHORITY**
VISA DE L'AUTORITÉ COMPETENTE

1. The undersigned certify that the goods described above have been charged against the quantitative limit established for the year shown in box No. 3 in respect of the country shown in box No. 4 by the authorities regulating trade in textile products with the European Economic Community.

2. The undersigned certify that the goods described above have been charged against the quantitative limit established for the year shown in box No. 3 in respect of the country shown in box No. 4 by the authorities regulating trade in textile products with the European Economic Community.

3. The consignee is authorized to import the goods described above into the country shown in box No. 4.

4. The consignee is authorized to import the goods described above into the country shown in box No. 4.

5. The undersigned certify that the goods described above have been charged against the quantitative limit established for the year shown in box No. 3 in respect of the country shown in box No. 4 by the authorities regulating trade in textile products with the European Economic Community.

6. The undersigned certify that the goods described above have been charged against the quantitative limit established for the year shown in box No. 3 in respect of the country shown in box No. 4 by the authorities regulating trade in textile products with the European Economic Community.
Under Article 7(6) of the Agreement, a quantitative limit may be fixed on a regional basis where imports of a given product into any region of the Community in relation to the amounts determined in accordance with paragraph 2 of the said Article 7, exceed the following regional percentage:

- Germany: 28.5%
- Benelux: 10.5%
- France: 18.5%
- Italy: 15%
- Denmark: 3%
- Ireland: 1%
- UK: 23.5%
- GREECE: 2%
The annual growth rate for the quantitative limits introduced under Article 7 of the Agreement shall be determined as follows:

For products in categories falling within Group I, II, III, the growth rate shall be fixed by agreement between the Parties in accordance with the consultation procedure established in Article 16 of the Agreement. Such growth rate may in no case be lower than the highest rate applied to corresponding products under bilateral agreements concluded under the Geneva Arrangement between the Community and other third countries having a level of trade equal to or comparable with that of Brazil.