Article 34 - Temporary withdrawal of preferences

1. The Parties agree that administrative cooperation and assistance is essential for the implementation and the control of preferential tariff treatment granted under this Chapter and underline their commitment to combat irregularities and fraud in customs and related matters.

2. Where a Party has made a finding, on the basis of objective information, of a failure of the other Party to provide administrative cooperation or assistance and/or of irregularities or fraud under this Chapter, the Party concerned may temporarily suspend the relevant preferential treatment of the product(s) concerned in accordance with this Article.

3. For the purposes of this Article, a failure to provide administrative cooperation or assistance shall mean, inter alia:

   (a) a repeated failure to respect the obligations to verify the originating status of the good(s) concerned;

   (b) a repeated refusal or undue delay in carrying out and/or communicating the results of subsequent verification of the proof of origin;

   (c) a repeated refusal or undue delay in obtaining authorisation to conduct enquiry visits to determine the authenticity of documents or accuracy of information relevant to the granting of the preferential treatment in question.

4. For the purposes of this Article, a finding of irregularities or fraud may be made, inter alia, where there is a rapid increase, without satisfactory explanation, in the volume of imports of goods exceeding the usual level of production and export capacity of the other Party that is linked to objective information concerning irregularities or fraud.

5. The application of a temporary suspension shall be subject to the following conditions:

   (a) the Party which has made a finding, on the basis of objective information, of a failure to provide administrative cooperation or assistance and/or of irregularities or fraud from the other Party, shall without undue delay notify the Association Committee in Trade configuration, as set out in Article 408(4) of this Agreement, of its finding together with the objective information and enter into consultations within that Committee, on the basis of all relevant information and objective findings, with a view to reaching a solution acceptable to both Parties;

   (b) where the Parties have entered into consultations within the Association Committee in Trade configuration and have failed to agree on an acceptable solution within three months following the notification, the Party concerned may temporarily suspend the relevant preferential treatment of the good(s) concerned. A temporary suspension shall be notified to the Association Committee in Trade configuration without undue delay;

   (c) temporary suspensions under this Article shall be limited to that necessary to protect the financial interests of the Party concerned. They shall not exceed a period of six months, which may be renewed, if at the date of expiry nothing has changed with respect to the condition that gave rise to the initial suspension. They shall be subject to periodic consultations within the Association Committee in
Trade configuration, in particular with a view to their termination as soon as the conditions for their application no longer apply.

6. Each Party shall publish in accordance with its internal procedures, notices to importers concerning any: notification referred to in paragraph 5(a); decision referred to in paragraph 5(b); and extension or termination referred to in paragraph 5(c).