Article 17 - Special provisions on administrative cooperation in customs matters

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

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

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

   (a) a repeated failure to respect the obligations to verify the originating status of the product(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 administrative cooperation missions to verify the authenticity of documents or accuracy of information relevant to the granting of the preferential treatment in question.

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

4. The application of a temporary suspension pursuant to paragraph 2 shall be subject to the following conditions:

   (a) The Party or Pacific State as the case may be which has made a finding, on the basis of objective information, of a failure to provide administrative cooperation and/or of irregularities or fraud shall without undue delay notify the Trade Committee of its finding together with the objective information and enter into consultations within the Trade Committee, on the basis of all relevant information and objective findings, with a view to reaching a solution acceptable to both the EC Party and the Pacific States or State as the case may be.

   (b) Where the Parties have entered into consultations within the Trade Committee as above and have failed to agree on an acceptable solution within three months following the notification, the Party or Pacific State concerned may temporarily suspend the relevant preferential treatment of the product(s) concerned. A temporary suspension shall be notified to the Trade Committee without undue delay.

   (c) Temporary suspensions under this Article shall be limited to that necessary to protect the financial interests of the Party or Pacific State concerned. They shall not exceed a period of six months, which may be renewed. Temporary suspensions shall be notified immediately after their adoption to the
affected Party or Pacific State and the Trade Committee. They shall be subject to periodic consultations within the Trade Committee in particular with a view to their termination as soon as the conditions for their application are no longer given.

5. At the same time as the notification to the Trade Committee under paragraph 4(a) of this Article, the Party or Pacific State concerned should publish a notice to importers in its official gazette or journal. The notice to importers should indicate for the product concerned and for the specific origin concerned that there is a finding, on the basis of objective information, of a failure to provide administrative cooperation and/or of irregularities or fraud.