

*Rule 10. Sanctions*

1. Member States undertake to introduce legislation, making such provision as may be necessary for penalties against persons who, in their territory, furnish or cause to be furnished a document which is untrue in a material particular in support of a claim in another Member State that goods should be accepted as eligible for Area tariff treatment. The penalties applicable shall be similar to those applicable in cases of untrue declarations in regard to payment of duty on imports.

2. A Member State may deal with the offence out of court if it can be more appropriately dealt with by a compromise penalty or similar administrative procedure.

3. A Member State shall be under no obligation to institute or continue court proceedings or action under paragraph 2 of this Rule

- (a) if it has not been requested to do so by the importing Member State to which the untrue claim was made; or
- (b) if, on the evidence available, the proceedings would not be justified.

**Schedule I**

*List of qualifying processes with alternative percentage criterion*

**Schedule II**

*List of qualifying processes with no alternative percentage criterion*

**Schedule III**

*Basic Materials List*

**Schedule IV**

*Forms of documentary evidence of origin*