Section 1
General Provisions

Article I
Definitions

For the purposes of this Annex,

(a) "chapter," "heading" and "subheading" of the Harmonized System respectively means a chapter (the first two-digit code in tariff classification number), a heading (the first four-digit code in tariff classification number) and a subheading (the six-digit code in tariff classification number) of the Harmonized System;

(b) "competent governmental authority" means the authority that, according to the legislation of each Party, is responsible for the issuance of a Certificate of Origin or for the designation of certification entities or bodies, for the authorisation of approved exporters referred to in Article XIX of this Annex and for the verification of proofs of origin referred to in Article XXV of this Annex. In the case of Japan, it shall be the Ministry of Economy, Trade and Industry, and in the case of Switzerland, the Federal Customs Administration;

(c) "customs authority" means the authority that, according to the legislation of each Party or non-Party, is responsible for the administration and enforcement of customs laws and regulations of the Party or the non-Party. In the case of Japan, it shall be the Ministry of Finance, and in the case of Switzerland, the Federal Customs Administration;

(d) "exporter" means a person located in the customs territory of an exporting Party who exports products from the customs territory of the exporting Party;

(e) "ex-works price" means the price paid for the product ex-works to the producer located in the customs territory of a Party in whose undertaking the last working or processing is carried out, provided that the price includes the value of all the materials used, wage and any other cost, and profit minus any internal taxes returned or repaid when the product obtained is exported;

(f) "factory ships of the Party" or "vessels of the Party" respectively means factory ships or vessels:

(i) which are registered in the customs territory of the Party;

(ii) which sail under the flag of the Party;

(iii) which are owned to an extent of at least 50 per cent by nationals of the Parties, or by a juridical person with its head office in the customs territory of either Party, of which the representatives, chairman of the board of directors, and the majority of the members of such board are nationals of the Parties, and of which at least 50 per cent of the equity interest is owned by nationals or juridical persons of the Parties;

(iv) of which the master and officers are all nationals of the Parties; and

(v) of which at least 75 per cent of the crew are nationals of the Parties;