No. 8235

IRELAND
and
UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND

Agreement establishing a Free Trade Area (with annexes and record of understandings) and the following related acts, all signed at London, on 14 December 1965:

Agreement on store animals and carcase meat;

Agreement relating to trade in certain agricultural and fishery products;

Agreement on trade in cotton textiles (with annex);

Exchange of letters constituting an agreement regarding imports of butter from Ireland into the United Kingdom;

Exchange of letters constituting an agreement regarding jute goods listed in Annex A to the Agreement establishing a Free Trade Area;

Exchange of letters (with schedule) constituting an agreement regarding paragraph (5) of article VI of the Agreement establishing a Free Trade Area;

Exchange of letters constituting an agreement regarding articles VIII and IX of the Agreement establishing a Free Trade Area

Exchange of letters constituting an agreement amending Annex C of the Agreement establishing a Free Trade Area. Dublin, 6 June 1966

Exchange of letters constituting an agreement amending the Agreement on trade in cotton textiles. Dublin, 6 June 1966

Official text: English.

Registered by Ireland on 1 July 1966.

No. 8235. AGREEMENT[1] BETWEEN THE GOVERNMENT OF IRELAND AND THE GOVERNMENT OF THE UNITED KINGDOM ESTABLISHING A FREE TRADE AREA. SIGNED AT LONDON, ON 14 DECEMBER 1965

Preamble

The Government of Ireland and the Government of the United Kingdom :

Bearing in mind the close economic links long existing between their two countries, the special trading relationship which has developed under the Trade Agreements concluded between them in 1938,[2] 1948[3] and 1960,[4] and the substantial measure of interdependence of the economies of the two countries ;

Determined to expand mutual trade and to that end to eliminate duties and other restrictive regulations of commerce on substantially all that trade ;

Having regard to the principles and objectives of the General Agreement on Tariffs and Trade[5] and to the application of the Government of Ireland to become a Contracting Party thereto ;

Resolved to establish between their two countries a Free Trade Area, on a basis of fair reciprocity and having regard to the provisions of Article XXIV of the General Agreement on Tariffs and Trade, with a view to the sustained development of all sectors of the economies of the two countries on terms of fair competition and to the promotion of increased productivity, the rational use of resources, full employment, financial stability and the continuous improvement of living standards in their respective countries, thus contributing to the further progress of European economic co-operation and to the harmonious expansion of world trade and the progressive removal of barriers to it ;

Recognising that the furtherance of their purpose requires a continuing development of trade in agricultural products as well as in industrial goods ;

Have agreed as follows :

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[1] Came into force on 1 July 1966 in accordance with article XXVII.

[2] United Kingdom : Cmnd. 5728.

[3] United Nations, *Treaty Series*, Vol. 86, p. 37, and Vol. 552, p. 362.

[4] United Kingdom : Cmnd. 1019.

[5] United Nations, *Treaty Series*, Vol. 55, p. 187 ; for subsequent actions relating to this Agreement, see references in Cumulative Indexes Nos. 1 to 6, as well as Annex A in volumes 501, 525, 543, and 551.

Article I

IMPORT DUTY

(1) On and after 1 July 1966 the Government of the United Kingdom shall not apply any import duty to goods which, in accordance with Article II, are regarded as originating in, and are consigned from, Ireland.

(2) Subject to the provisions of paragraph (5) of this Article—

(*a*) on and after each of the following dates the Government of Ireland shall not apply an import duty to goods which, in accordance with Article II, are regarded as originating in, and are consigned from, the United Kingdom (except in the case of goods of the descriptions listed in Annex A) at a level exceeding the percentage of the basic duty specified against that date—

1 July 1966	90 per cent.
1 July 1967	80 per cent.
1 July 1968	70 per cent.
1 July 1969	60 per cent.
1 July 1970	50 per cent.
1 July 1971	40 per cent.
1 July 1972	30 per cent.
1 July 1973	20 per cent.
1 July 1974	10 per cent.

(*b*) on and after 1 July 1975 the Government of Ireland shall not apply any import duty to goods to which sub-paragraph (*a*) of this paragraph applies.

(3) For the purposes of sub-paragraph (*a*) of paragraph (2) of this Article the basic duty shall be—

(*a*) in the case of a duty the operation of which has been suspended by statutory instrument, or remitted in full or in part by licensing, the most favourable rate of duty which would have been applied on 1 March 1966 to goods grown, produced or manufactured in the United Kingdom, if the duty had not been so suspended or remitted ;

(*b*) in the case of goods of the descriptions listed in columns 1 and 2 of Parts I and II of Annex B, the rate of duty correspondingly specified in column 3 of the said Parts ;

(*c*) in all other cases, the most favourable rate of duty actually applied on 1 March 1966 to goods grown, produced or manufactured in the United Kingdom.

(4) Nothing in this Article shall preclude the Government of Ireland from reducing an import duty below the appropriate level indicated in sub-paragraph (*a*) of paragraph (2) of this Article.

(5) During the year beginning 1 July 1970 the Government of Ireland may conduct a review on the question whether any difficulties analogous to those specified in paragraph (1) of Article XIX, but of a more permanent character, have been caused or are threatened as a result of the operation of this Article, Article IV or Article VI. If the Government of Ireland are satisfied in this review that such difficulties exist or are threatened, the parties shall jointly consider whether they can be dealt with by action in accordance with paragraph (3) of Article XIX. If the Government of Ireland then conclude that the difficulties are so exceptional that they cannot be dealt with by such action, they may exclude the goods in respect of which the difficulties exist or are threatened from the application of this Article, Article IV or Article VI, provided that the number of goods so excluded shall be few and shall not account for more than 3 per cent. by value of total imports into Ireland from the United Kingdom in the immediately preceding year.

(6) For the purposes of this Article "import duty" means any customs duty or other charge with equivalent effect (except a fiscal charge notified under paragraph (5) of Article IV) imposed on or in connection with the importation of goods.

Article II

Origin of goods

(1) For the purposes of Articles I, III and IV—

(*a*) goods shall be regarded as originating in the United Kingdom if they have been grown, produced or manufactured there in accordance with the rules in force in Ireland, on the date of the signature of this Agreement, for determining the application of the special preferential rates of duty shown in the Customs and Excise Tariff of Ireland to goods imported from the United Kingdom, save that—

(i) in the case of goods of the descriptions listed in Part I of Annex C, the percentages specified therein shall be substituted for the percentages prescribed in the said rules ; and

(ii) in the case of goods of the descriptions listed in Part II of Annex C, such goods shall be regarded as originating in the United Kingdom, if the last stage of their manufacture took place there, and they have been manufactured in the area to which this Agreement applies by the appropriate qualifying process specified in that Part ;

(*b*) goods of the descriptions listed in Parts III and IV of Annex C shall be regarded as originating in Ireland if—

(i) in the case of goods of the descriptions listed in Part III, they have been grown, produced or manufactured in Ireland and, in the case of manufactured goods, the appropriate proportion of their costs of manufacture as specified in that Part is attributable to expenditure within the area to which this Agreement applies ; and

(ii) in the case of goods of the descriptions listed in Part IV, the last stage of their manufacture took place in Ireland and they have been manufactured in the area to which this Agreement applies by the appropriate qualifying process specified in that Part ;

Provided that in the case of any goods of the descriptions listed in Parts III and IV of Annex C, where such goods when consigned from Ireland are entitled to the grant of Commonwealth preference in the United Kingdom, they shall continue to enjoy treatment no less favourable than that accorded by the United Kingdom to similar imports from other countries of the Commonwealth preference area ;

(*c*) goods of descriptions other than those listed in Parts III and IV of Annex C shall be regarded as originating in Ireland if they have been grown, produced or manufactured in accordance with the rules from time to time in force in the United Kingdom in relation to the grant of Commonwealth preference to goods imported into the United Kingdom.

(2) Nothing in paragraph (1) of this Article shall prevent either party from accepting, as originating in the territory of the other, any goods imported from that territory.

(3) At the request of either party the parties shall review all or any of the provisions of this Article and of Annex C, and may by mutual agreement amend any of those provisions. In the case of any goods referred to in sub-paragraph (*c*) of paragraph (1) of this Article, if at any time the Government of the United Kingdom intend to vary either the rates of duty chargeable under Commonwealth preference arrangements or the rules of origin governing such preferential rates of duty, the parties, having regard to paragraph (1) of Article I, shall jointly determine what origin rules shall thereafter apply to such goods when consigned from Ireland to the United Kingdom. Such rules shall take account of the need to prevent the circumvention of tariffs applied to the goods of third countries. When determining such rules the