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### **ANNEX III**

#### **REFERRED TO IN PARAGRAPH 1(b) OF ARTICLE 6**

#### **PROCESSED AGRICULTURAL PRODUCTS**

##### **Article 1**

1. In order to take account of differences in the cost of the agricultural raw materials incorporated into the products referred to in Article 2, this Agreement does not preclude:
  - (a) the levying, upon import, of a duty; and
  - (b) the application of measures adopted upon export.
2. The duty, levied upon import, shall be based on, but not exceed, the difference between the domestic price and the world market price of the agricultural raw materials incorporated into the products concerned.
3. Products covered by this Annex are listed in the Table to this Annex.

##### **Article 2**

1. Taking into account the provisions laid down in Article 1, the EFTA States shall accord for products originating in SACU treatment no less favourable than that accorded to the European Community, as indicated in the Table to this Annex.
2. For products listed in the Table to this Annex, originating in an EFTA State, SACU shall reduce its customs duties as specified in Table 2 of Annex VII.

##### **Article 3**

1. The EFTA States and SACU shall notify each other at an early stage, at least before the entry into force, of all measures applied under Article 1.
2. SACU and the EFTA States shall inform each other of all changes in the treatment accorded to the European Community.

##### **Article 4**

1. The Parties shall not apply export subsidies, as defined in Article 9 of the WTO Agreement on Agriculture, in their trade in products subject to tariff concessions in accordance with this Annex.
2. The Parties shall provide in a transparent and expeditious manner the necessary information to allow them to monitor compliance with paragraph 1.

##### **Article 5**

The EFTA States and SACU shall review periodically the development of their trade in products covered by this Annex. In the light of these reviews and taking into account the arrangements between the Parties and the European Community or in WTO, the EFTA States and SACU shall decide on possible changes to the product coverage of this Annex, as well as on a possible development of the measures applied under Article 1.

TABLE TO ANNEX III

HS Heading	Description of products	Iceland	Norway	Switzerland/ Liechtenstein
<b>0403</b>	Buttermilk, curdled milk and cream, yoghurt, kephir and other fermented or acidified milk and cream, whether or not concentrated or containing added sugar or other sweetening matter or flavoured or containing added fruit, nuts or cocoa:			
	- Yoghurt:			
ex 10	- - Flavoured or containing added fruit, nuts or cocoa	*	*	*
	- Other:			
ex 90	- - Flavoured or containing added fruits, nuts or cocoa	*	*	*
<b>0501</b>	Human hair, unworked, whether or not washed or scoured; waste of human hair.	FREE	FREE	FREE
<b>0502</b>	Pigs', hogs' or boars' bristles and hair; badger hair and other brush making hair; waste of such bristles or hair.	FREE	FREE	FREE
<b>0503</b>	Horsehair and horsehair waste, whether or not put up as a layer with or without supporting material.	FREE	FREE	FREE
<b>0505</b>	Skins and other parts of birds, with their feathers or down, feathers and parts of feathers (whether or not with trimmed edges) and down, not further worked than cleaned, disinfected or treated for preservation; powder and waste of feathers or parts of feathers.	FREE	FREE	FREE <sup>1)</sup>
<b>0507</b>	Ivory, tortoise-shell, whalebone and whalebone hair, horns, antlers, hooves, nails, claws and beaks, unworked or simply prepared but not cut to shape; powder and waste of these products.	FREE	FREE	FREE
<b>0508</b>	Coral and similar materials, unworked or simply prepared but not otherwise worked; shells of molluscs, crustaceans or echinoderms and cuttlebone, unworked or simply prepared but not cut to shape; powder and waste thereof.	FREE	FREE	FREE <sup>1)</sup>
<b>0510</b>	Ambergris, castoreum, civet and musk; cantharides; bile, whether or not dried; glands and other animal products used in the preparation of pharmaceutical products, fresh, chilled, frozen or otherwise provisionally preserved.	FREE	FREE	FREE
<b>0710</b>	Vegetables (uncooked or cooked by steaming or boiling in water), frozen:			

HS Heading	Description of products	Iceland	Norway	Switzerland/ Liechtenstein
40	- Sweet corn ( <i>Zea mays var. saccharata</i> )	FREE	FREE <sup>1)</sup>	FREE
<b>0711</b>	Vegetables provisionally preserved (for example, by sulphur dioxide gas, in brine, in sulphur water or in other preservative solutions), but unsuitable in that state for immediate consumption:			
ex 90	- Other vegetables; mixtures of vegetables:			
	- - Sweet corn ( <i>Zea mays var. saccharata</i> )	FREE	FREE <sup>1)</sup>	FREE
<b>0901</b>	Coffee, whether or not roasted or decaffeinated; coffee husks and skins; coffee substitutes containing coffee in any proportion.	FREE	FREE	FREE
<b>0902</b>	Tea, whether or not flavoured.	FREE	FREE	FREE
<b>1302</b>	Vegetable saps and extracts; pectic substances, pectinates and pectates; agar-agar and other mucilages and thickeners, whether or not modified, derived from vegetable products:			
	- Vegetable saps and extracts:			
12	- - Of liquorice	FREE	FREE	FREE
13	- - Of hops	FREE	FREE	FREE
14	- - Of pyrethrum or of the roots of plants containing rotenone	FREE	FREE	FREE
ex 19	- - Other:			
	- - - Intermixtures of vegetable extracts, for the manufacture of beverages or of food preparations	FREE	FREE	FREE
	- - - Other medicinal than intermixtures of vegetable extracts for the manufacture of beverages or of food preparations or of vanilla oleoresin	FREE	FREE	FREE
20	- Pectic substances, pectinates and pectates	FREE	FREE	FREE
	- Mucilages and thickeners, modified, derived from vegetable products:			
31	- - Agar-agar	FREE	FREE	FREE
32	- - Derived from locust beans, locust bean seeds or guar seeds	FREE	FREE	FREE
39	- - Other	FREE	FREE	FREE

HS Heading	Description of products	Iceland	Norway	Switzerland/ Liechtenstein
<b>1401</b>	Vegetable materials of a kind used primarily for plaiting (for example bamboos, rattans, reeds, rushes, osier, raffia, cleaned, bleached or dyed cereal straw, and of lime bark).	FREE	FREE	FREE
<b>1402</b>	Vegetable materials of a kind used primarily as stuffing or as padding (for example kapok, vegetable hair and eel-grass), whether or not put up as a layer with or without supporting material.	FREE	FREE	FREE
<b>1403</b>	Vegetable materials of a kind used primarily in brooms or in brushes (for example broomcorn piassava, couch-grass and istle), whether or not in hanks or bundles.	FREE	FREE	FREE
<b>1404</b>	Vegetable products not elsewhere specified or included.	FREE	FREE	FREE <sup>1)</sup>
<b>1516</b>	Animal or vegetable fats and oils and their fractions, partly or wholly hydrogenated, inter-esterified, re-esterified or elaidinised, whether or not refined, but not further prepared:			
ex 20	- Vegetable fats and oils and their fractions:			
	- - Hydrogenated castor oil, so called "opal-wax"	FREE	FREE	FREE
<b>1517</b>	Margarine; edible mixtures or preparations of animal or vegetable fats or oils or of fractions of different fats or oils of this Chapter, other than edible fats or oils or their fractions of heading No 1516:			
ex 10	- Margarine, excluding liquid margarine:			
	- - Containing more than 10 % but not more than 15 % by weight of milk fats	*	*	*
ex 90	- Other:			
	- - Containing more than 10 % but not more than 15 % by weight of milk fats	*	(*)	*
	- - Edible mixtures or preparations of a kind used as mould release preparations	FREE	FREE	FREE
<b>1518</b>	Animal or vegetable fats and oils and their fractions, boiled, oxidised, dehydrated, sulphurised, blown, polymerised by heat in vacuum or in inert gas otherwise chemically modified, excluding those of heading No 1516; inedible mixtures or preparations of animal or vegetable fats or oils or of fractions of different fats or oils of this Chapter, not elsewhere specified or included:			
ex 00	- Linosyn	FREE	FREE	FREE

HS Heading	Description of products	Iceland	Norway	Switzerland/ Liechtenstein
<b>1520</b>	Glycerol, crude; glycerol waters and glycerol lyes.	FREE	FREE <sup>1)</sup>	FREE
<b>1521</b>	Vegetable waxes (other than triglycerides), beeswax, other insect waxes and spermaceti, whether or not refined or coloured.	FREE	FREE	FREE
<b>1522</b>	Degras; residues resulting from the treatment of fatty substances or animal or vegetable waxes.	FREE	FREE <sup>1)</sup>	FREE
<b>1702</b>	Other sugars, including chemically pure lactose, maltose, glucose and fructose, in solid form; sugar syrups not containing added flavouring or colouring matter; artificial honey, whether or not mixed with natural honey; caramel:			
50	- Chemically pure fructose	FREE	FREE <sup>1)</sup>	FREE
ex 90	- Other, including invert sugar and other sugar and sugar syrup blends containing in the dry state 50% by weight of fructose:			
	- - Chemically pure maltose	FREE	FREE <sup>1)</sup>	FREE <sup>1)</sup>
<b>1704</b>	Sugar confectionery (including white chocolate), not containing cocoa.	FREE	*	*
<b>1803</b>	Cocoa paste, whether or not defatted.	FREE	FREE	FREE
<b>1804</b>	Cocoa butter, fat and oil.	FREE	FREE	FREE
<b>1805</b>	Cocoa powder, not containing added sugar or other sweetening matter.	FREE	FREE	FREE
<b>1806</b>	Chocolate and other food preparations containing cocoa:			
10	- Cocoa powder, containing added sugar or other sweetening matter	FREE	FREE	*
20	- Other preparations in blocks, slabs or bars weighing more than 2 kg or in liquid, paste, powder, granular or other bulk form in containers or immediate packings, of a content exceeding 2 kg	(*)	*	*
	- Other, in blocks, slabs or bars:			
31	- - Filled	*	*	*
32	- - Not filled	(*)	*	*
90	- Other	(*)	*	*

HS Heading	Description of products	Iceland	Norway	Switzerland/ Liechtenstein
<b>1901</b>	Malt extract; food preparations of flour, groats, meal, starch or malt extract, not containing cocoa or containing less than 40% by weight of cocoa calculated on a totally defatted basis, not elsewhere specified or included; food preparations of goods of headings Nos. 0401 to 0404, not containing cocoa or containing less than 5% by weight of cocoa calculated on a totally defatted basis, not elsewhere specified or included:			
10	- Preparations for infant use, put up for retail sale	FREE	*	*
20	- Mixes and doughs for the preparation of bakers' wares of heading 19.05	(*)	*	*
90	- Other	FREE	(*)	*
<b>1902</b>	Pasta, whether or not cooked or stuffed (with meat or other substances) or otherwise prepared, such as spaghetti, macaroni, noodles, lasagne, gnocchi, ravioli, cannelloni; couscous, whether or not prepared:			
	- Uncooked pasta, not stuffed or otherwise prepared:			
11	- - Containing eggs	*	*	*
19	- - Other	FREE	*	*
ex 20	- Stuffed pasta, whether or not cooked or otherwise prepared:			
	- - Other than products containing more than 20% by weight of sausage, meat, meat offal or blood, or any combination thereof	(*)	*	*
30	- Other pasta	(*)	*	*
40	- Couscous	(*)	*	*
<b>1903</b>	Tapioca and substitutes therefore prepared from starch, in the form of flakes, grains, pearls, siftings or in similar forms.	FREE	*	FREE
<b>1904</b>	Prepared foods obtained by the swelling or roasting of cereals or cereal products (for example, corn flakes); cereals (other than maize (corn)) in grain form or in the form of flakes or other worked grains (except flour, groats and meal), precooked, or otherwise prepared, not elsewhere specified or included:			
10	- Prepared foods obtained by the swelling or roasting of cereals or cereal products	FREE	FREE	*

HS Heading	Description of products	Iceland	Norway	Switzerland/ Liechtenstein
20	- Prepared foods obtained from unroasted cereal flakes or from mixtures of unroasted cereal flakes and roasted cereal flakes or swelled cereals	FREE	*	*
30	- Bulgur wheat	(*)	FREE	*
90	- Other	(*)	(*)	*
<b>1905</b>	Bread, pastry, cakes, biscuits and other bakers' wares, whether or not containing cocoa; communion wafers, empty cachets of a kind suitable for pharmaceutical use, sealing wafers, rice paper and similar products:			
10	- Crisp bread	FREE	*	*
20	- Gingerbread and the like	*	*	*
	- Sweet biscuits; waffles and wafers:			
31	- - Sweet biscuits	*	*	*
32	- - Waffles and wafers	*	*	*
40	- Rusks, toasted bread and similar toasted products	*	*	*
90	- Other	(*)	*	*
<b>2001</b>	Vegetables, fruit, nuts and other edible parts of plants, prepared or preserved by vinegar or acetic acid:			
ex 90	- Other:			
	- - Sweet corn ( <i>Zea mays var. saccharata</i> ); palm hearts; yams, sweet potatoes and similar edible parts of plants containing 5 % or more by weight of starch	FREE	(*)	FREE
<b>2002</b>	Tomatoes prepared or preserved otherwise than by vinegar or acetic acid:			
90	- Other	FREE	FREE	FREE
<b>2004</b>	Other vegetables prepared or preserved otherwise than by vinegar or acetic acid, frozen, other than products of heading No. 20.06:			
ex 10	- Potatoes:			
	- - In the form of flour, meal or flakes	FREE	*	*
ex 90	- Other vegetables and mixtures or vegetables:			



HS Heading	Description of products	Iceland	Norway	Switzerland/ Liechtenstein
2005	- - Sweet corn ( <i>Zea mays var. saccharata</i> )	FREE	FREE <sup>1)</sup>	FREE
	Other vegetables prepared or preserved otherwise than by vinegar or acetic acid, not frozen, other than products of heading No. 20.06:			
	ex 20 - Potatoes:			
	- - In the form of flour, meal or flakes	FREE	*	*
80	- Sweet corn ( <i>Zea mays var. saccharata</i> )	FREE	FREE <sup>1)</sup>	FREE
2006	Vegetables, fruit, nuts, fruit-peel and other parts of plants, preserved by sugar (drained, glacé or crystallised):			
ex 00	- Sweet corn ( <i>Zea mays var. saccharata</i> )	FREE	*	FREE
2007	Jams, fruit jellies, marmalades, fruit or nut purée and fruit or nut pastes, being cooked preparations, whether or not containing added sugar or other sweetening matter:			
10	- Homogenised preparations	FREE	*	*
	- Other:			
91	- - Citrus fruit	FREE	FREE	*
99	- - Other	FREE	(*)	*
2008	Fruit, nuts and other edible parts of plants, otherwise prepared or preserved, whether or not containing added sugar or other sweetening matter or spirit, not elsewhere specified or included:			
	- Nuts, ground-nuts and other seeds, whether or not mixed together:			
ex 11	- - Ground-nuts:			
	- - - Peanut butter	FREE	FREE	*
	- - - Ground nuts, roasted	FREE	*	FREE
	- Other, including mixtures other than those of subheading No. 2008.19:			
91	- - Palm hearts	FREE	FREE <sup>1)</sup>	FREE
ex 99	- - Other:			
	- - - Maize (corn) other than sweet corn ( <i>Zea mays var. saccharata</i> )	FREE	*	FREE

HS Heading	Description of products	Iceland	Norway	Switzerland/ Liechtenstein
<b>2101</b>	Extracts, essences and concentrates, of coffee, tea or maté and preparations with a basis of these products or with a basis of coffee, tea or maté; roasted chicory and other roasted coffee substitutes, and extracts, essences and concentrates thereof:  - Extracts, essences and concentrates, of coffee, and preparations with a basis of these extracts, essences or concentrates or with a basis of coffee:			
11	- - Extracts, essences and concentrates	FREE	FREE	FREE
12	- - Preparations with a basis of extracts, essences or concentrates or with a basis of coffee	FREE	FREE	*
20	- Extracts, essences and concentrates, of tea or maté, and preparations with a basis of these extracts, essences or concentrates or with a basis of tea or maté	FREE	FREE	*
30	- Roasted chicory and other roasted coffee substitutes, and extracts, essences and concentrates thereof	FREE	FREE	FREE
<b>2102</b>	Yeasts (active or inactive); other single-cell microorganisms, dead (but not including vaccines of heading No. 3002); prepared baking powders:			
10	- Active yeasts	FREE	FREE	FREE <sup>2)</sup>
20	- Inactive yeasts; other single-cell microorganisms, dead	FREE	FREE <sup>1)</sup>	FREE <sup>1)</sup>
30	- Prepared baking powders	FREE	FREE	FREE
<b>2103</b>	Sauces and preparations therefore; mixed Condiments and mixed seasonings; mustard Flour and meal and prepared mustard:			
10	- Soya sauce	FREE	FREE	FREE
20	- Tomato ketchup and other tomato sauces	FREE	(*)	*
30	- Mustard flour and meal and prepared mustard	FREE	FREE	FREE <sup>1)</sup>
90	- Other	(*)	(*)	*
<b>2104</b>	Soups and broths and preparations therefore; homogenised composite food preparations.	*	(*)	*
<b>2105</b>	Ice cream and other edible ice, whether or not containing cocoa.	Excluded	(*)	*

HS Heading	Description of products	Iceland	Norway	Switzerland/ Liechtenstein
<b>2106</b>	Food preparations not elsewhere specified or included:			
10	- Protein concentrates and textured protein substances	FREE	*	*
ex 90	- Other:			
	- - Other than flavoured or coloured sugar syrups	Excluded	(*)	*
<b>2201</b>	Waters, including natural or artificial mineral waters and aerated waters, not containing added sugar or other sweetening matter nor flavoured; ice and snow.	FREE	FREE	FREE
<b>2202</b>	Waters, including mineral waters and aerated waters, containing added sugar or other sweetening matter or flavoured, and other non-alcoholic beverages, not including fruit or vegetable juices of heading No. 2009:			
10	- Waters, including mineral waters and aerated waters, containing added sugar or other sweetening matter or flavoured	FREE	FREE	FREE
90	- Other	(*)	(*)	*
<b>2203</b>	Beer made from malt.	FREE	FREE	FREE
<b>2205</b>	Vermouth and other wine of fresh grapes flavoured with plants or aromatic substances.	FREE	FREE	FREE
<b>2207</b>	Undenatured ethyl alcohol of an alcoholic strength by volume of 80 % vol. or higher; ethyl alcohol and other spirits, denatured, of any strength spirits, liqueurs and other spirituous beverages:			
20	- Ethyl alcohol and other spirits, denatured, of any strength	FREE	FREE	FREE
<b>2208</b>	Undenatured ethyl alcohol of an alcoholic strength by volume of less than 80% vol; spirits, liqueurs and other spirituous beverages:			
20	- Spirits obtained by distilling grape wine or grape marc	FREE	FREE	FREE
30	- Whiskies	FREE	FREE	FREE
40	- Rum and tafia	FREE	FREE	FREE
50	- Gin and Geneva	FREE	FREE	FREE

HS Heading	Description of products	Iceland	Norway	Switzerland/ Liechtenstein
60	- Vodka	FREE	FREE	FREE
70	- Liqueurs and cordials	FREE	FREE	FREE
90	- Other	FREE	FREE	*
<b>2209</b>	Vinegar and substitutes for vinegar obtained from acetic acid.	FREE	FREE	FREE

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\* = Duty in accordance with paragraph 1(a) of Article 1 of this Annex.

FREE = No fixed duty in accordance with paragraph 1(a) of Article 1 applied.

(\*) = Contains also tariff lines which are "free".

<sup>1)</sup> = When for feed purpose: Norway: Partial concessions. Switzerland: No concessions.

<sup>2)</sup> = Concessions not granted for baker's yeast and when for feed purpose.