

August 7, 2009

The Honorable Rahul Khullar
Commerce Secretary
Ministry of Commerce and Industry
Republic of India

Dear Secretary Khullar,

I have the honour to confirm that the following understandings has been reached between the Republic of Korea and the Republic of India (hereinafter referred to as "Parties") regarding Chapter Three (Rules of Origin) of the Comprehensive Economic Partnership Agreement(CEPA).

Recognizing that the method of calculating the value of non-originating materials used in the production of intermediate materials has not been fully agreed, the Parties shall undertake consultations immediately after the date of entry into force of the CEPA with a view to arriving at mutually satisfactory solution on this issue through the Customs Committee established pursuant to Article 5.10. The Committee shall endeavour to reach an agreement no later than the second anniversary of the effective date of the Agreement. If an agreement is not reached within this timeframe to the mutual satisfaction of the Parties, the issue will be considered closed and the language of the Agreement text will continue to prevail.

The Parties confirm that in interpreting and applying the Agreement, it is not the normal practice of either Party to oblige exporters or producers to provide a proof of origin with a view to tracing the value of non-originating materials used in the production of intermediate materials unless there is a reasonable doubt.

I have the honour to propose that this letter and your letter in reply confirming that your Government shares these understandings shall constitute an integral part of the Comprehensive Economic Partnership Agreement.

Sincerely,

Hye-Min LEE
Deputy Minister for Trade &
Chief FTA negotiator

August 7, 2009

H.E. Mr. Hye-Min LEE,
Deputy Minister for Trade & Chief FTA negotiator,
Republic of Korea

Dear Mr. Hye-Min LEE,

I have the honour to acknowledge the receipt of your letter of this date, which reads as follows:

I have the honour to confirm that the following understanding has been reached between the Republic of Korea and the Republic of India (hereinafter referred to as "Parties") regarding Chapter Three (Rules of Origin) of the Comprehensive Economic Partnership Agreement(CEPA).

Recognizing that the method of calculating the value of non-originating materials used in the production of intermediate materials has not been fully agreed, the Parties shall undertake consultations immediately after the date of entry into force of the CEPA with a view to arriving at mutually satisfactory solution on this issue through the Customs Committee established pursuant to Article 5.10. The Committee shall endeavour to reach an agreement no later than the second anniversary of the effective date of the Agreement. If an agreement is not reached within this timeframe to the mutual satisfaction of the Parties, the issue will be considered closed and the language of the Agreement text will continue to prevail.

The Parties confirm that in interpreting and applying the Agreement, it is not the normal practice of either Party to oblige exporters or producers to provide a proof of origin with a view to tracing the value of non-originating materials used in the production of intermediate materials unless there is a reasonable doubt.

I have the honour to propose that this letter and your letter in reply confirming that your Government shares these understandings shall constitute an integral part of the Comprehensive Economic Partnership Agreement.

I have the further honour to confirm that my Government shares this understanding and that your letter and this letter in reply shall constitute an integral part of the Comprehensive Economic Partnership Agreement.

Sincerely,

Rahul Khullar
Commerce Secretary