

Preferential Trade

Guidance on the Rules of Origin

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General disclaimer

These guidance documents are of an explanatory and illustrative nature. Customs legislation takes precedence over the content of these documents and should always be consulted. The authentic texts of the EU legal acts are those published in the Official Journal of the European Union. There may also be national instructions.

Drafting procedure

These guidance documents have been drafted by the Customs Project Group "Guidance on preferential origin" (CPG 129) under Customs 2020. They have been endorsed by the Customs Expert Group – Origin Section (CEG-ORI).

Acronyms/Abbreviations:

ACP: Africa, the Caribbean and the Pacific

CARIFORUM: The Caribbean Forum of the African, Caribbean and Pacific Group of States

CETA: EU-Canada Comprehensive Economic and Trade Agreement

CTH: Change of Tariff Heading

CTSH: Change of Tariff Sub-heading

EFTA: European Free Trade Association

EPA: Economic Partnership Agreement

EU: European Union

EXW: Ex-works price

FOB: Free on Board

FTA: Free Trade Agreement

GSP: General System of Preferences

HS: Harmonized Commodity and Coding System of tariff nomenclature¹

MAR: Market Access Regulation No 2016/1076

MFN: Most Favoured Nation

OCT: Overseas Countries and Territories

OJ: Official Journal

PEM Convention: The Regional Convention on pan-Euro-Mediterranean preferential rules of origin

PSR: Product Specific Rule of Origin

REX: Registered Exporter System

SADC: Southern African Development Community

TCA: Trade and Cooperation Agreement

¹ Convention on the Harmonized Commodity Description and Coding System

A. Existing Tools

A.1. Websites

This document contains an overview of links to online information and tools on customs and preferential rules of origin provided by Member States of the EU, candidate countries and the European Commission.

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i) Member States and candidate countries

All Member States of the EU and candidate countries have their own dedicated webpages for customs. Access to their webpages can be found via the following link:

https://ec.europa.eu/taxation_customs/national-customs-websites_en

ii) European Commission guidance

General guidance on preferential origin and trade agreements can be found on the website of the European Commission. For certain specific topics or agreements, the European Commission has also provided separate guidance. The more relevant guidance is provided below.

1) DG TAXUD

General information

https://ec.europa.eu/taxation_customs/business/calculation-customs-duties/rules-origin/general-aspects-preferential-origin_en

E-learning

<https://customs-taxation.learning.europa.eu/course/view.php?id=221>

REX

<https://taxation-customs.ec.europa.eu/system/files/2022-05/Registered%20Exporter%20System%20%28REX%29%20-%20Guidance%20document.doc.pdf>

Approved Exporter

[guidance-on-approved-exporters.pdf \(europa.eu\)](#)

Supplier's Declaration

https://taxation-customs.ec.europa.eu/system/files/2020-01/suppliers-declaration-may-2018_en.pdf

Binding Origin Information (BOI)

https://taxation-customs.ec.europa.eu/system/files/2017-07/guidance_boi_en.pdf

Specific preferential arrangements

CETA

[ceta_guidance_en.pdf \(europa.eu\)](#)

GSP

https://ec.europa.eu/taxation_customs/system/files/2016-09/guide-contents_annex_1_en.pdf

SADC

https://taxation-customs.ec.europa.eu/system/files/2022-05/3883130_Guide-SADC-EU%20EPA_20220511.pdf

PanEuroMed (PEM) countries

https://ec.europa.eu/taxation_customs/system/files/2016-09/handbook_en_0.pdf

Transitional PEM guidance

https://taxation-customs.ec.europa.eu/document/download/f8214b8d-2179-4600-8692-a1aeb3ff9ab0_en?filename=PEM%20transitional%20RoO%20-%20Guidance%20V1_25.08.2021.pdf

UK guidance

https://ec.europa.eu/taxation_customs/customs-4/international-affairs/third-countries/united-kingdom_en

Vietnam guidance

https://ec.europa.eu/taxation_customs/system/files/2021-06/evfta_guide.pdf

Japan guidance

https://taxation-customs.ec.europa.eu/customs-4/international-affairs/third-countries/japan_en

2) DG TRADE

Trade Agreements

<http://ec.europa.eu/trade/policy/countries-and-regions/negotiations-and-agreements/>

Rules of Origin

<https://trade.ec.europa.eu/access-to-markets/en/content/rules-origin>

Access2Markets

<http://madb.europa.eu/madb/indexPubli.htm>

ROSA – RULES OF ORIGIN SELF-ASSESSMENT

<https://trade.ec.europa.eu/access-to-markets/en/content/presenting-rosa>

My Trade Assistant (including ROSA)

<https://trade.ec.europa.eu/access-to-markets/en/home>

A.2. International Organizations' Online Information and Tools on Origin

This document contains an overview of links to online information and tools on origin, provided by international organizations. The international organizations included are the WCO, WTO, OAS, UNCTAD, ITC and EFTA.

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i) WCO

- 'Origin' is one of the main topics on the website of the World Customs Organization (WCO):
<http://www.wcoomd.org/en/topics/origin.aspx>
- There is a Rules of Origin Handbook:
www.wcoomd.org/-/media/wco/public/global/pdf/topics/origin/overview/origin-handbook/rules-of-origin-handbook.pdf?db=web
- The WCO Origin Compendium is available here:
http://www.wcoomd.org/-/media/wco/public/global/pdf/topics/origin/instruments-and-tools/guidelines/origin_compendium.pdf?db=web
- Instruments and tools can be found here:
<http://www.wcoomd.org/en/topics/origin/instrument-and-tools.aspx>
- Comparative Study on Preferential Rules of Origin:
www.wcoomd.org/-/media/wco/public/global/pdf/topics/origin/instruments-and-tools/reference-material/170130-b_comparative-study-on-pref_roo_master-file_final-20_06_2017.pdf?db=web

The study is aiming at helping to enhance the overall understanding of the origin legislation. The study is comparing the EU, NAFTA, ASEAN and TPP preferential rules of origin². The study will be developed with more agreements and more modules as appropriate.

- Tools related to origin certification:
<http://www.wcoomd.org/en/topics/origin/instrument-and-tools/origin-certification-tools.aspx>

The WCO Guidelines on Certification of Origin are based on the studies on origin certification and offer practical explanations. The Guidelines aim to provide useful guidance for the Members to design, develop and achieve robust management of origin-related procedures.

² NAFTA (North American Free Trade Agreement), ASEAN (Association of South East Asian Nations), TPP (Trans-Pacific Partnership)

- Guidelines on certification of origin:
<http://www.wcoomd.org/-/media/wco/public/global/pdf/topics/key-issues/revenue-package/guidelines-on-certification.pdf?db=web>
- Origin irregularities:
<http://www.wcoomd.org/en/topics/origin/instrument-and-tools/origin-irregularities.aspx>
- Practical guide to the Nairobi Ministerial Decision on Rules of Origin for LDCs:
http://www.wcoomd.org/-/media/wco/public/global/pdf/topics/key-issues/revenue-package/practical-guide-to-the-nairobi-ministerial-decision-on-rules-of-origin-for-ldcs_en.pdf?la=en

ii) WTO

- On the website of the World Trade Organization (WTO) ‘Rules of Origin’ is listed as one of the trade topics:
https://www.wto.org/english/tratop_e/roi_e/roi_e.htm.

Preferential rules of origin are mainly discussed in relation to Least Developed Countries (LDCs).

- There is a database that contains information on the preferential trade arrangements (PTAs) that are being implemented by WTO Members:
<http://ptadb.wto.org/>.

Participation in Regional Trade Agreements

https://www.wto.org/english/tratop_e/region_e/rta_participation_map_e.htm

iii) OAS

- The Organization of American States (OAS) has a foreign trade information system:
<http://www.sice.oas.org/>.
- The website provides a list of trade agreements in force:
http://www.sice.oas.org/agreements_e.asp.

By clicking on one of the listed agreements, an index of that particular agreement will appear and then it is possible to select the part of the agreement concerning (preferential) origin.

iv) UNCTAD

- On the website of the United Nations Conference on Trade and Development (UNCTAD) ‘Rules of Origin’ are discussed in relation to the Generalized System of Preferences (GSP).

- About Rules of Origin:
<https://unctad.org/topic/trade-agreements/generalized-system-of-preferences>
- GSP handbook:
<https://unctad.org/publications-search?f%5B0%5D=product%3A498>
- The report ‘The Use of the EU’s Free Trade Agreements - Exporter and Importer Utilization of Preferential Tariffs’, prepared in collaboration between the National Board of Trade Sweden and UNCTAD, analysing the use of tariff preferences in free trade agreements, can be found here:
https://unctad.org/en/PublicationsLibrary/EU_2017d1_en.pdf.

v) **ITC**

The International Trade Centre (ITC) is the joint agency of the World Trade Organization and the United Nations. The ITC created a tool named the Rules of Origin Facilitator: <http://findrulesoforigin.org/>.

It contains information on e.g. free trade agreements and (preferential) rules of origin.

vi) **EFTA**

On the website of the European Free Trade Association (EFTA) they have Free Trade Agreements that are published for each partner country:

<https://www.efta.int/Free-Trade/Free-Trade-Agreements-510711>.

There are links to the parts of the agreements concerning the preferential rules of origin.

A.3. Explanatory notes

This document contains links to Explanatory Notes in relation to specific EU free trade agreements.

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In certain free trade agreements the EU has drawn up with the trading partner country Explanatory Notes to provide guidance on the interpretation and application of the rules of origin. These address practical aspects of the rules of origin.

i) Central America

<https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:22021D0046&rid=7>

ii) Chile

https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.C_.2003.321.01.0022.01.ENG&toc=OJ:C:2003:321:TOC

https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.C_.2005.056.01.0036.01.ENG&toc=OJ:C:2005:056:TOC

iii) Mexico

https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.C_.2001.128.01.0009.01.ENG&toc=OJ:C:2001:128:TOC

https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.C_.2004.040.01.0002.01.ENG&toc=OJ:C:2004:040:TOC

iv) PanEuroMed countries

https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.C_.2007.083.01.0001.01.ENG&toc=OJ:C:2007:083:TOC

v) South Korea

https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv%3AOJ.L_.2011.127.01.0001.01.ENG&toc=OJ%3AL%3A2011%3A127%3ATOC#L_2011127EN.01000601

(found at page L 127/1414 of 14 May 2011)

A.4. European Union Law Cases

This document contains an overview of the most important origin related law cases and provides websites and links to search (customs) law cases.

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i) List of law cases

A list of law cases concerning preferential origin matters can be found in Annex I. Law cases concerning non-preferential origin are included in Annex II. The lists contain dates, case numbers, and keywords (including names of the parties involved).

Only the most important law cases are included in the Annexes. To search for more law cases, the websites and links mentioned below can be used.

ii) Websites

General searches

EUR-Lex and Curia can be used to search and find law cases:

- <http://eur-lex.europa.eu/collection/eu-law/eu-case-law.html> (search in case law > text search: preferential origin)
- <http://curia.europa.eu/> (case law > search form > text: “preferential origin”)

Annex I

Preferential origin		
Date of decision	Case number	Keywords
29.07.2019	C-589/17	<p>Prenatal S.A. v Tribunal Económico Administrativo Regional de Cataluña (TEARC)</p> <p>Request for a preliminary ruling from the Tribunal Superior de Justicia de Cataluña</p> <p>Reference for a preliminary ruling – Imports of textile products incorrectly declared as originating in Jamaica – Post-clearance recovery of import duties – Request for remission of duties – Regulation (EEC) No 2913/92 – Common customs code – Article 220(2)(b) and Article 239 – Rejection decision of the European Commission in a special case – Validity</p>
25.07.2018	C-574/17	<p>European Commission v Combaro SA</p> <p>By its appeal, the European Commission asks the Court to set aside the judgment of the General Court of the European Union of 19 July 2017, <i>Combaro v Commission</i> (T-752/14, EU:T:2017:529) ('the judgment under appeal') by which that court annulled Commission Decision C(2014) 4908 final of 16 July 2014 finding that the remission of import duties is not justified in a particular case (REM 05/2013) ('the contested decision').</p> <p>Appeal — Customs union — Regulation (EEC) No 2913/92 — Article 239 — Remission of import duties — Import of linen fabrics from Latvia between 1999 and 2002 — Special situation — Supervision and monitoring obligations — Corruption alleged of the customs authorities — Inauthentic movement certificate — Mutual trust</p>
16.03.2017	C-47/16	<p>Valsts ieņēmumu dienests v «Veloserviss» SIA</p> <p>Request for a preliminary ruling under Article 267 TFEU from the Augstākās tiesas Administratīvo lietu departaments (Administrative Chamber of the Supreme Court, Latvia),</p>

		<p>made by decision of 20 January 2016, received at the Court on 27 January 2016, in the proceedings</p> <p>Reference for a preliminary ruling — Customs union — Community Customs Code — Article 220(2)(b) — Post-clearance recovery of import duties — Legitimate expectations — Conditions under which applicable — Error of the customs authorities — Obligation imposed on the importer to act in good faith and to verify the circumstances of the issue of the Form A certificate of origin — Means of proof — Report of the European Anti-Fraud Office (OLAF))</p>
07.04.2016	C-294/14	<p>ADM Hamburg AG v Hauptzollamt Hamburg-Stadt</p> <p>Request for a preliminary ruling from the Finanzgericht Hamburg</p> <p>Reference for a preliminary ruling — Customs Union and Common Customs Tariff — Community Customs Code — Tariff Preferences — Regulation (EEC) No 2454/93 — Article 74(1) — Products originating from a beneficiary country — Transport — Consignments composed of a mixture of crude palm kernel oil originating in several countries benefiting from the same preferential treatment</p>
23.10.2014	C-437/13	<p>Unitrading Ltd v Staatssecretaris van Financiën</p> <p>Reference for a preliminary ruling: Hoge Raad der Nederlanden - Netherlands.</p> <p>Reference for a preliminary ruling - Community Customs Code - Recovery of import duties - Origin of goods - Means of proof - Charter of Fundamental Rights of the European Union - Article 47 - Rights of the defence - Right to effective judicial protection - Procedural autonomy of the Member States.</p>
06.02.2014	C-613/12	<p>Helm Düngemittel GmbH v Hauptzollamt Krefeld</p> <p>Reference for a preliminary ruling: Finanzgericht Düsseldorf - Germany.</p> <p>Request for a preliminary ruling - Customs union and Common Customs Tariff - Euro-Mediterranean Agreement with Egypt - Article 20 of Protocol 4 - Proof of origin - Movement certificate EUR.1 - Replacement movement certificate EUR.1 issued at a time when the goods were no longer under the control of the issuing customs authority - Refusal to apply preferential treatment.</p>
24.10.2013	C-175/12	<p>Sandler AG v Hauptzollamt Regensburg</p> <p>Request for a preliminary ruling from the Finanzgericht München</p>

		<p>Customs union and Common Customs Tariff — Preferential arrangement for the import of products originating in the African, Caribbean and Pacific (ACP) States — Articles 16 and 32 of Protocol 1 to Annex V of the Cotonou Agreement — Import of synthetic fibres from Nigeria into the European Union — Irregularities in the movement certificate EUR.1 established by the competent authorities of the State of export — Stamp not matching the specimen notified to the Commission — Post-clearance and replacement certificates — Community Customs Code — Articles 220 and 236 — Possibility of retrospective application of a preferential customs duty no longer in effect on the date when the request for repayment is made — Conditions</p>
08.11.2012	C-438/11	<p>Lagura Vermögensverwaltung GmbH v Hauptzollamt Hamburg-Hafen Reference for a preliminary ruling: Finanzgericht Hamburg - Germany. Community customs code - Article 220(2)(b) - Post-clearance recovery of import duties - Legitimate expectations - Impossibility of verifying the accuracy of a certificate of origin - Notion of ‘certificate based on an incorrect account of the facts provided by the exporter’ - Burden of proof - Scheme of generalised tariff preferences.</p>
15.12.2011	C-409/10	<p>Hauptzollamt Hamburg Hafen v Afasia Knits Deutschland GmbH Reference for a preliminary ruling: Bundesfinanzhof - Germany. Common commercial policy - Preferential regime for the importation of products originating in the African, Caribbean and Pacific (ACP) States - Irregularities detected during an investigation carried out by the European Anti-Fraud Office (OLAF) in the exporting ACP State - Post-clearance recovery of the import duties.</p>
01.07.2010	C-442/08	<p>European Commission v Federal Republic of Germany Failure of a State to fulfil its obligations - EEC-Hungary Association Agreement - Subsequent verification - Failure to comply with rules on origin - Decision of the authorities of the exporting State - Appeal - Commission inspection mission - Customs duties - Post-clearance recovery - Own resources - Making available - Default interest.</p>
25.02.2010	C-386/08	<p>Brita GmbH v Hauptzollamt Hamburg-Hafen Reference for a preliminary ruling: Finanzgericht Hamburg - Germany.</p>

		<p>EC-Israel Association Agreement - Territorial scope - EC-PLO Association Agreement - Refusal to apply to products originating in the West Bank the preferential tariff arrangements granted for products originating in Israel - Doubts as to the origin of the products - Approved Exporter - Subsequent verification of invoice declarations by the customs authorities of the importing State - Vienna Convention on the Law of Treaties - Principle of the relative effect of treaties.</p>
09.03.2006	C-293/04	<p>Beemsterboer Coldstore Services BV v Inspecteur der Belastingdienst - Douanedistrict Arnhem Reference for a preliminary ruling: Gerechtshof te Amsterdam - Netherlands. Post-clearance recovery of import or export duties - Article 220(2)(b) of Regulation (EEC) No 2913/92 - Application ratione temporis - System of administrative cooperation involving the authorities of a non-member country - Meaning of 'incorrect certificate' - Burden of proof.</p>
09.02.2006	C-23/04 - C-25/04	<p>Sfakianakis A EVE v. Elliniko Dimosio Reference for a preliminary ruling: Dioikitiko Protodikeio Athinon - Greece. Association Agreement EEC-Hungary - Obligation of mutual assistance between customs authorities - Post-clearance recovery of import duties following revocation in the State of export of the movement certificates for the imported products.</p>

Annex II

Non-preferential Origin		
Date of decision	Case number	Keywords
11.02.2010	C-373/08	<p>Hoesch Metals and Alloys GmbH v Hauptzollamt Aachen Reference for a preliminary ruling: Finanzgericht Düsseldorf - Germany.</p> <p>Community Customs Code - Article 24 - Non-preferential origin of goods - Origin-conferring processing or working - Silicon blocks originating in China - Separation, crushing and purification of the blocks and the sieving, sorting by size and packaging of the grains in India - Dumping - Validity of Regulation (EC) No 398/2004.</p>
10.12.2009	C-260/08	<p>Bundesfinanzdirektion West v HEKO Industriearzeugnisse GmbH Reference for a preliminary ruling: Bundesfinanzhof - Germany.</p> <p>Community Customs Code - Article 24 - Non-preferential origin of goods - Definition of 'substantial processing or working' - Criterion for a change of tariff heading - Steel cables manufactured in North Korea using stranded steel wire originating in China.</p>
13.12.2007	C-372/06	<p>Asda Stores Ltd v Commissioners of Her Majesty's Revenue and Customs Reference for a preliminary ruling: VAT and Duties Tribunal, London - United Kingdom.</p> <p>Community Customs Code - Implementing measures - Regulation (EEC) No 2454/93 - Annex 11 - Non-preferential origin of goods - Television receivers - Concept of substantial processing or working - Added value test - Validity and interpretation - EEC-Turkey Association Agreement and Decision No 1/95 of the Association Council - Interpretation.</p>
13.12.1989	C-26/88	<p>Brother International GmbH v Hauptzollamt Gießen Reference for a preliminary ruling: Hessisches Finanzgericht - Germany.</p> <p>Origin of goods - Assembly of previously manufactured components.</p>

B. Common Topics

B.1 List Rules

This document contains an explanation of the list rules. These describe the working or processing that non-originating materials have to undergo for the final product to obtain preferential originating status.

Last update: June 2022

1) Introduction

The guidance on list rules (also known as Product Specific Rules of Origin – PSR) describes the working or processing that non-originating materials have to undergo for the final product to obtain preferential originating status. Each preferential arrangement contains list rules.

2) Definition of Concept

To obtain preferential originating status, two main criteria are defined in preferential arrangements.

- Wholly obtained products - where only **one** country is involved in the manufacture of both materials and products.

- Sufficiently worked or processed products obtained in a country incorporating materials which have not been wholly obtained there, provided that the materials used in the manufacture of these products have undergone sufficient working or processing. The sufficient “working or processing” that is needed to obtain preferential origin to the final product is determined by the list rules.

These list rules describe the working or processing that non-originating materials have to undergo to acquire preferential origin. Each preferential arrangement contains list rules.

Products that have been “produced exclusively from originating materials” will always be considered as originating products either by being wholly obtained, sufficiently worked or processed, or having used originating materials from a partner country through cumulation. This is mentioned in some preferential arrangements as a third criterion, like CETA.

3) General Overview

In preferential arrangements, list rules contain introductory notes which explain how to read them and cover requirements to be fulfilled for allocating preferential origin to a final product.

The list rules are presented using a table structured as follows:

EU-Colombia agreement

HS heading	Description of product	Working or processing, carried out on non-originating materials, that confers originating status	
(1)	(2)	(3)	or (4)
8417	Industrial or laboratory furnaces and ovens, including incinerators, non-electric	Manufacture from materials of any heading, except that of the product	Manufacture in which the value of all the materials used does not exceed 40% of the ex-works price of the product

However, the structure of list rules may be different from the above presented model in particular preferential arrangements. For instance, rules and even the alternative rules, may be gathered together in one column and the products described by the HS codes only.

CETA

Harmonized System classification	Products specific rule for sufficient production pursuant to Article 5
84.01 – 84.12	A change from any other heading; or A change from within any one of these headings, whether or not there is also a change from any other heading, provided that the value of non-originating materials classified in the same heading as the final product does not exceed 50 per cent of the transaction value or ex-works price of the product

In using the list rules it is important to establish which version of the HS is being applied. For example, CETA uses the HS 2012.

Meaning of the prefix “ex”

In some cases, a chapter, heading or sub-heading entry is preceded by "ex". This means that the specified origin rule applies only to that part of the chapter, heading or sub-heading for which the description of the product is provided.

Example

Sub-heading 0511 91 covers “Products of fish or crustaceans, molluscs or other aquatic invertebrates; dead animals of Chapter 3”. In the EU-Singapore Agreement, a specific rule applies for “Inedible fish eggs and roes”, which are only some of the goods classified within sub-heading 0511 91, and this is indicated by “ex”.

This means that the ex Chapter 5 rule applies to all the 0511 91 products, except for “Inedible fish eggs and roes” for which the ex 0511 91 product specific rule of origin is applicable.

EU-Singapore agreement

HS Heading	Description of products	Working or processing, carried out on non-originating materials, which confers originating status
ex Chapter 5	Products of animal origin, not elsewhere specified or included, except for:	Manufacture from materials of any heading
ex 0511 91	Inedible fish eggs and roes	All the eggs and roes are wholly obtained

The list rules confer originating status based on the following basic criteria:

- Wholly obtained requirement;
- Change in tariff classification;
- Value or weight limitation;
- Specific working or processing.

List rules sometimes combine these criteria and require manufacturers to satisfy two or more of them at the same time.

It may be that not all products in the list rules will benefit from preferential tariff treatment.

A) Wholly Obtained Requirement

Example A.1: EU-Singapore Agreement – rye flour

The rule for rye flour (HS heading 11.02) requires:

"Manufacture in which all the materials of Chapters 10 and 11, headings 0701 and 2303, and sub-heading 0710 10 used are wholly obtained"

The rye (HS heading 10.02) is wholly obtained in the EU (grown and harvested there) and is used in the manufacture of the rye flour in the EU. Therefore, the final product obtains EU preferential origin.

It does not matter whether the seeds are of EU origin or are imported from a third country.

Example A.2: PEM Transitional Rules – cheese

The rule for cheese (HS heading 04.06) requires:

"Manufacture in which all the materials of Chapter 4 used are wholly obtained"

The milk used in the manufacture in the EU of the cheese has to be wholly obtained in the EU (products i.e. milk, obtained from live animals raised there). Consequently, the cheese can be exported to Switzerland as originating in the EU.

B) Change in Tariff Classification

1) Change of Chapter (CC)

A product is considered to be sufficiently worked or processed when it is classified in a 2-digit level of the Harmonized System, i.e. chapter, which is different from those in which all the non-originating materials used in its manufacture are classified.

Example B.1: CETA – Linseed oil

The rule for the vegetable fats and oils and their fractions (HS sub-heading 1516.20) in CETA requires:

"A change from any other chapter"

The linseed (HS heading 12.04) is imported into the EU from Turkey and is used in the manufacture of linseed oil in the EU. Therefore, the final product obtains EU preferential origin when exported to Canada.

2) Change of Tariff Heading (CTH)

A product is considered to be sufficiently worked or processed when it is classified in a 4-digit level of the Harmonized System, i.e. heading, which is different from those in which all the non-originating materials used in its manufacture are classified.

Example B.2: PEM Transitional Rules – Seats

A rule for the seats (HS heading 94.01) requires:

"Manufacture from [non-originating] materials of any heading except that of the product"

The manufacturer uses the following non-originating materials:

- sawn wood (HS heading 44.07)*
- fabrics (HS heading 52.08)*
- foam/porolone (HS heading 39.03).*

The seats are exported to Norway as EU originating since the CTH rule is fulfilled, namely all non-originating materials used in the production of the final product are classified under tariff headings different from the tariff heading of the seats.

3) Change of Tariff Sub-Heading (CTSH)

A product is considered to be sufficiently worked or processed when it is classified in a 6-digit level of the Harmonized System, i.e. sub-heading, which is different from those in which all the non-originating materials used in its manufacture are classified.

Example B.3: CETA – Roasted coffee

The rule for roasted coffee (HS sub-heading 0901.21) requires:

"A change from any other subheading"

The manufacturer uses the following non-originating materials:

- coffee, not roasted (HS sub-heading 0901.11)

Coffee roasted in the EU is exported to Canada as EU originating since the CTS rule is fulfilled, namely all materials used in the production of the final product are classified under a tariff sub-heading different from the tariff sub-heading of the roasted coffee.

4) Manufacture from materials of any heading

A product is considered to be sufficiently worked or processed when the working or processing carried out is more than insufficient even if the non-originating materials used in the manufacture are classified under the same heading, even materials of the same description and heading as the product. Materials of any heading may be used, subject to any specific limitations which may also be contained in the rule.

Example B.4: PEM Transitional Rules – Mixtures of spices

The rule for mixtures of spices (curry HS heading 09.10) requires:

"Manufacture from materials of any heading"

The manufacturer uses the following non-originating materials:

- Black pepper (HS heading 09.04);*
- Chili pepper (HS heading 09.04);*
- Cinnamon (HS heading 09.06)*
- Cloves (HS heading 09.07)*
- Nutmeg (HS heading 09.08)*
- Cumin (HS heading 09.09);*
- Coriander (HS heading 09.09);*
- Turmeric (HS heading 09.10);*
- Fenugreek (HS heading 09.10);*
- Ginger (HS heading 09.10)*

Ingredients are mixed together as a deliberate and proportionally controlled operation that is more than minimal. Some materials are classified in the same heading as the product but the rule is met because it allows the use of non-originating materials from any heading even those of the same heading. Consequently, curry can be exported to Switzerland as a product originating in the EU.

5) Manufacture from materials of any heading, including other materials of the same heading

A product is considered to be sufficiently worked or processed when the working or processing carried out is more than insufficient even if the non-originating materials used in the manufacture are classified under the same heading, except those of the same description as the product as given in column “Description of product” in the List rules.

Example B.5: *EU–Peru Agreement - Dentists’ chair incorporating dental appliances or dentists’ spittoons*

A rule for dentists’ chair incorporating dental appliances or dentists’ spittoons (HS heading 90.18) requires:

"Manufacture from materials of any heading, including other materials of heading 9018"

A dentists’ chair incorporating dental appliances or dentists’ spittoons is produced from various non-originating materials, including materials that are classified under HS heading 90.18. The product has undergone processing that is more than insufficient, and the materials have a different description to that of the final product, therefore, the list rule is fulfilled and the dentists’ chair incorporating dental appliance or dentists’ spittoons is originating.

C) Value Limit for Non-Originating Materials

The value limitation principle for non-originating materials (NOM) means that the value of all or specific non-originating materials may not exceed a given percentage of the ex-works price of the final product.

Example C.1: *PEM Transitional Rules - Plastic jugs*

A rule for plastic jugs (HS heading 39.24) requires:

"Manufacture in which the value of all the [non-originating] materials used does not exceed 50% of the ex-works price of the product"

The manufacturer uses the following non-originating materials:

- Plastic granules (HS heading 39.03) (value 2 €)*
- Lid (HS heading 39.24) (value 0.50 €).*

A plastic jug (ex-works price 6 €) is exported to Switzerland as EU originating since the value of non-originating materials is less than 50% of the ex-works price.

Example C.2: *PEM Transitional Rules – Skid chains*

The rule for skid chains (HS heading 73.15) requires:

"Manufacture in which the value of all the [non-originating] materials of heading 7315 used does not exceed 50% of the ex-works price of the product"

The manufacturer uses the following non-originating materials:

- Chain (HS heading 73.15) (value 150 €)
- Wire of stainless steel (HS heading 72.23) (value 60 €).

A skid chain (ex-works price 350 €) for car tyres is manufactured in the EU. It is exported to Norway as EU originating since the value of non-originating materials of HS heading 73.15 is less than 50% of the ex-works price, even though the value of all non-originating materials exceeds the value limitation of 50% for non-originating materials.

Example C.3: PEM Transitional Rules – Woman’s training jacket

The rule for a woman’s embroidered jacket (HS heading 62.02) requires:

"Manufacture from unembroidered fabric, provided that the value of the unembroidered fabric used does not exceed 40 % of the ex-works price of the product"

The manufacturer uses the following materials to produce 1 000 training jackets:

- Unembroided shell fabric non-originating 1 000 m² (value EUR 4 000)
- Other textile and metal materials (lining, yarn, zip, buttons, labels) (value EUR 1 000)

A woman’s training jacket is manufactured, including embroidering, in the EU from non-originating unembroidered fabric. During the cutting of the fabric, 10% is disposed of as textile waste (100 m²). The value of non-originating fabric in the final product is EUR 4 000 and no account is taken of the cutting waste of 10% as all the fabric is used in the manufacturing process. The manufacturer sells the jackets to a retailer for export to Switzerland with an ex-works price of EUR 9 500. The training jackets are non-originating in the EU because the value of the non-originating unembroided fabric exceeds the value limitation of 40% for non-originating materials.

D) Specific Working or Processing

Specific operations in a manufacturing process are the minimum operations that have to be performed on the non-originating materials in order to confer preferential origin to the final product.

Example D.1: EU–Japan Agreement - Skirts

A rule for skirts (HS heading 62.04) requires:

"Weaving combined with making-up including cutting of fabric"

The manufacturer uses the following non-originating materials:

- Yarn (HS heading 52.05)

In the EU the yarn is woven into fabric from which the skirts are made-up. The skirts are exported to Japan as EU originating since they are manufactured by weaving of yarn into fabric, cutting of fabric and making-up into skirts in the EU.

Example D.2: *EU–Colombia Agreement - Marble in blocks not exceeding 25 cm in thickness*

The rule for marble in blocks not exceeding 25cm in thickness (HS heading 25.15) requires:

“Cutting, by sawing or otherwise, of marble (even if already sawn) of a thickness exceeding 25 cm”

A block of non-originating marble of 40 cm in thickness (greater than 25 cm in thickness) is cut into pieces of a thickness of 20 cm (less than 25 cm in thickness) in Colombia and then exported to the EU. As the cutting of marble is done in Colombia, the final product is originating there.

E) Combination of Several Rules

The specific list rules in the previous sections (A) to (D) may be combined to make a rule whereby all the listed conditions must be fulfilled.

Example E.1: *EU-UK TCA – Frozen Strawberries*

The rule for edible strawberries, frozen, cooked by steaming and containing added sugar (HS heading 08.11) requires (Wholly obtained and limit of non-originating materials):

"Production in which:

- all the materials of Chapter 8 used are wholly obtained, and*
- the total weight of non-originating materials of headings 17.01 and 17.02 does not exceed 20% of the weight of the product"*

The manufacturer in the EU uses the following materials:

- strawberries harvested in Italy;*
- non-originating sugar from Brazil (HS heading 17.01).*

The weight of sugar represents 17 % of the weight of the final product. The frozen cooked strawberries with added sugar are exported to the UK as originating in the EU since the wholly obtained rule is fulfilled for the strawberries and the weight of non-originating sugar is less than 20 % of the weight of the final product.

Example E.2: *EU-Ghana Agreement – Bulldozers*

A rule for bulldozers (HS heading 84.29) requires:

"Manufacture in which:

- the value of all the [non-originating] materials used does not exceed 40 % of the ex-works price of the product, and*
- where within the above limit, the value of all the [non-originating] materials of heading 8431 are only used up to a value of 10 % of the ex-works price of the product”*

The EU manufacturer uses the following non-originating materials:

- *Japanese metal sheets (HS heading 72.09) of the value of 29 % of the ex-works price of the final product;*
- *Chinese parts (HS heading 84.31) of the value of 9 % of the ex-works price of the final product.*

The bulldozer manufactured in the EU is exported to Ghana and is originating in the EU as the rule is fulfilled.

4) Particularities

Japan: The rule for the use of non-originating materials as a percentage of the price of the final product is based on two alternative calculations, ex-works price (EXW) or Free on Board (FOB), either of which may be used.

More details of the calculation methods can be found in Note 4 of the Introductory Notes to product specific rules of origin in Annex 3-A of the EU-Japan EPA.

B.2 Tolerance

This document contains an explanation of the use of tolerances. This allows the final product to obtain originating status by using non-originating materials when the list rule would not allow those non-originating materials to be used.

Last update: June 2022

1) Introduction

The tolerance rule allows for the departure from sufficient working or processing conditions set out in List Rules (also known as Product Specific Rules of Origin). It provides a certain level of relaxation by allowing the use of a small percentage of non-originating materials - which the list rule would not allow to be used - in the production process of the final product without affecting its originating status.

The following types of tolerances can be found in the provisions of preferential arrangements:

- general tolerance
- specific tolerance for textiles and textile articles

2) General Tolerance

The general tolerance rule permits producers to use non-originating materials (that cannot be used according to the list rules to obtain originating status) up to a specific percentage of:

- the value of the ex-works price of the final product, or
- the weight of the final product

3) Definition of concept

The general tolerance rule allows the final product to obtain originating status by using non-originating materials when the list rule would not allow those non-originating materials to be used based on the tariff classification or a specific manufacturing process.

Where the list rule stipulates that materials used in the production have to be wholly obtained, the tolerance applies to the sum of those materials. However, tolerance is not to be applied to wholly obtained products within the meaning of the article on 'Wholly obtained products' in the preferential arrangements.

Example: *EU-UK TCA (based on HS 16.01)*

Sausages falling within heading 16.01, uncooked, are made from pork meat originating in the EU.

The rule for sausages (1601.00-1604.18) is:

Production in which all the materials of Chapters 1, 2, 3 and 16 used are wholly obtained.

Sausages are made from wholly obtained minced meat of Chapter 2. Non-originating sausage lard of heading 02.09 is also added, followed by spices of heading 21.03, salt of heading 25.01 and garlic of heading 07.03. As the general tolerance allows the use of up to 15% by weight of the product for non-originating materials, the product will be of preferential origin when the weight of the lard of heading 02.09 does not exceed this threshold.

Example: *EU-Vietnam FTA (based on HS 22.04)*

Wine obtained in the EU from fresh grapes of heading 08.06 is exported to Vietnam. In the production process, for each litre of wine weighing 1 kg, 100 g of Serbian grapes and 150 g of Brazilian sugar are used.

The rule for wine (Chapter 22) is:

Manufacture from materials of any heading, except that of the product and headings 2207 and 2208, in which:

- all the materials of sub-headings 0806 10, 2009 61, 2009 69 used are wholly obtained; and*
- the individual weight of sugar and of the materials of Chapter 4 used does not exceed 20 % of the weight of the final product.*

Wine obtained in the EU is of preferential origin, as non-originating grapes correspond to a general tolerance of up to 10% by weight of the final product and the added non-originating sugar is below the 20% threshold allowed by the rule of origin.

This general tolerance is usually not applicable for products of HS Chapters 50 to 63. For goods of these Chapters section “Specific Tolerances for Textiles and Textile Articles” below provides more information.

4) General Overview

Respective provisions of preferential arrangements stipulate that non-originating materials which cannot be used in the manufacturing process of the product to obtain originating status may nevertheless be used to obtain such a status provided that their total value does not exceed a certain threshold (tolerance). In some preferential arrangements tolerances are expressed in weight for certain agricultural products (e.g. EU GSP, EU-Canada CETA, OCT Decision).

The percentage of the general tolerance allowed varies from one preferential arrangement to another and could be either 10 percent (e.g. PEM Convention, FTAs with South Korea or Ukraine) or 15 percent (e.g. EU-UK TCA, PEM Transitional Rules, EPA Agreements or the EU Generalised System of Preferences).

Should the list rule allow the use of a certain percentage of non-originating materials, the tolerance cannot be used to exceed this percentage specified in the list rule. It means that,

where there are percentages in the list rules for a maximum value/weight of non-originating materials, the maximum in the list rule cannot be exceeded by applying the tolerance. The maximum content of non-originating materials will always be the one in the list rule.

For instance, if the list rule requires a maximum use of 40 % of non-originating materials of the ex-works price of the product, this is the limit that applies and **not** 40% + 10% (tolerance).

Example: *EU-South Korea FTA (based on HS 20.07)*

A doll (HS heading 95.03) is produced in the EU from non-originating plastic pellets (HS chapter 39), baby's garments (HS chapter 62) and plastic eyes (HS heading 95.03).

The rule for the dolls (ex. chapter 95) is:

“Manufacture from [non-originating] materials of any heading except that of the product”

In the production of the doll non-originating materials of the same HS heading 95.03 (doll eyes) are used. Taking into consideration the tolerance rule the final product could obtain EU originating status if the value of the doll's eyes does not exceed 10 % of the ex-works price of the doll.

5) Specific Tolerances for Textiles and Textile Articles

Specific tolerance rules apply to textiles and textile articles of HS Chapters 50 to 63 instead of the general tolerance rule. Those rules are generally included in the introductory notes to the list rules.

a) Mixed Products

Non-originating basic textile materials which cannot be used in the manufacturing process of the final product to obtain originating status, may nevertheless be used to obtain such a status provided that their total weight represents 10 per cent or less of the total weight of the basic textile materials³ used. This type of tolerance is conditional as it is allowed only to mixed products which have been produced from two or more basic textile materials.

Example – *PEM Convention (based on HS 2012)*

A cotton fabric, of HS heading 52.09, made from cotton yarn of HS heading 52.05 and silk yarn of HS heading 50.04, is a mixed fabric.

The rule for cotton fabric (HS heading 52.09):

“Manufacture from [non-originating] natural fibres”

³ The list of basic textile materials is generally presented in the introductory notes to the list rules in preferential arrangements.

Therefore, non-originating cotton yarn or non-originating silk yarn or a mixture of both of them may still be used if the total weight of the non-originating yarn does not exceed 10 per cent of the weight of fabric.

The rules for HS heading 52.09 are different in PEM Transitional Rules and should be checked, as well as the guidance on PEM Transitional Rules:

https://ec.europa.eu/taxation_customs/customs-4/international-affairs/pan-euro-mediterranean-cumulation-and-pem-convention_en

In two specific cases,

- products incorporating “yarn made of polyurethane segments with flexible segments of polyether, whether or not gimped” – tolerance is 20 % in respect of this yarn.
- products incorporating a “strip consisting of a core of aluminium foil or of a core of plastic film whether or not coated with aluminium powder, of a width not exceeding 5 mm, sandwiched by means of a transparent or coloured adhesive between two layers of plastic film” - tolerance is 30 % in respect of this strip.

b) Clothing and Other Made-up Textile Articles

In cases of certain products of HS Chapters 61 to 63, non-originating textile materials which cannot be used in the manufacturing process of the final product to obtain originating status, may nevertheless be used to obtain such a status provided that their value does not exceed 8 per cent of the ex-works price of the final product and they are classified in a heading other than that of the product.

This type of tolerance does not apply to non-originating linings and interlinings.

Example – PEM Convention (based on HS 2012)

Shirts not embroidered of HS heading 62.06 made from non-originating materials: cotton yarn of HS heading 52.05 and lace of HS heading 58.08.

*Rule for shirts (HS heading 62.06):
“Manufacture from [non-originating] yarn.”*

The final product could obtain originating status if the value of lace used does not exceed 8 per cent of the ex-works price of the shirt.

The rules for HS heading 62.06 are different in PEM Transitional Rules and should be checked, as well as the guidance on PEM Transitional Rules:

https://ec.europa.eu/taxation_customs/customs-4/international-affairs/pan-euro-mediterranean-cumulation-and-pem-convention_en

6) Particularities

The annex contains a list of the tolerance rules for all preferential arrangements.

Principle of territoriality: If the final product obtains originating status by applying the general tolerance rule for non-originating materials, this tolerance cannot additionally be applied with the derogation from the principle of territoriality. Both cannot be applied together when determining the origin of the final product.

However, such a derogation from the principle of territoriality does not exist in all preferential arrangements (see chapter on the principle of territoriality).

CARIFORUM: The general tolerance rule may be applied for textiles and textile articles of HS Chapters 50 to 63 instead of the specific tolerances.

Mexico: There are two differences:

- mixed products - 8 % tolerance in weight is applicable (not 10 %),
- products incorporating “yarn made of polyurethane segments with flexible segments of polyether, whether or not gimped” – 8 % tolerance in weight in respect of this yarn (not 20 %).

Japan: The following differences apply:

- The general tolerance of 10 % and the tolerance for clothing and other made-up textile articles of 8 % may also be calculated on the basis of FOB price.
- A 10 % tolerance in weight for other basic textile materials may be used in combination with the specific 20 % and 30 % tolerances as mentioned above in the section Mixed Products.
- A 40 % tolerance in weight is applied in relation to non-originating man-made fibres used in the spinning process with natural fibres to obtain final products of HS headings 51.06 to 51.10 and 52.04 to 52.07.
- The general tolerance of 10 % by value may apply even when the list rule limits the use of non-originating materials by weight. This means the limits expressed by weight in the list rule may be exceeded by application of the general tolerance rule of 10% by value.

EU GSP, OCT: The 8 % tolerance in value, applicable to non-originating textile materials, includes linings and interlinings.

PEM Transitional rules: The PEM transitional set of rules, in contrast to the PEM Convention, sets a 15% tolerance for all products except those falling within Chapters 50 to 63 of the Harmonized System. This is an increase of 5% compared to the PEM Convention.

Depending on the products, a distinction is made as to the method of calculation. For agricultural products, the 15 % tolerance is applied to the net weight of the product, while for other products, excluding textiles, the percentage is applied to the ex-works price of the final product.

Likewise, compared to the PEM Convention, more flexibility is offered as regards the textile products. See Guidance on Transitional PEM rules and the following table for more details.

Annex 1 Tolerances – Legal basis

Preferential arrangements	Legal basis	OJ	Tolerances					
			General tolerance		Mixed products		Clothing	
			Legal basis	Comments	Legal basis	Comments	Legal basis	Comments
Algeria	Euro-Mediterranean Association Agreement - Protocol 6	OJ L297 of 15/11/2007, p.3	Art. 6(2)	10% in value (HS Chapters 50-63 excluded)	Notes 5 and 6 Annex I	10%, 20%, 30% in weight	Notes 5 and 6 Annex I	8% in value (exclusion for linings and interlinings)
Andean Countries	Trade Agreement - Annex II	OJ L354 of 21/12/2012, p. 2075	Art. 6(3)	10% in value (HS Chapters 50-63 excluded)	Notes 5 and 6 Appendix I	10%, 20%, 30% in weight	Notes 5 and 6 Appendix I	8% in value
Andorra (Agricultural products)	Appendix to the Agreement - Decision No 1/2015 of the EU-Andorra Joint Committee	OJ L344 of 30/12/2015, p. 15	Art. 5(2)	10% in value				
Cameroon (imports to Cameroon) For imports to EU, see Market Access Regulation decision below)	Decree No 2016/367 of 3 August 2016 of the Republic of Cameroon		Art. 5(4)	10% in value (HS Chapters 50-63 excluded)	Notes 5 and 6 Appendix I	10%, 20%, 30% in weight	Notes 5 and 6 Appendix I	10% in weight for textile trimmings and accessories (exclusion for linings and interlinings)

Canada	Comprehensive Economic and Trade Agreement (CETA) - Protocol	OJ L11 of 14/01/2017, p. 465	Art. 6	10% in value (HS Chapters 50-63 excluded)	Notes 3, 4, 5, 6 and 7 Annex I	10%, 20%, 30% in weight	Notes 3, 4, 5, 6 and 7 Annex I	8% in value (exclusion for linings and interlinings)
CARIFORUM	Economic Partnership Agreement - Protocol I	OJ L289 of 30/10/2008, p. 1805	Art. 7(3)	15% in value (including HS Chapters 50-63)	Notes 5 and 6 Annex I	10%, 20%, 30% in weight	Notes 5 and 6 Annex I	10% in weight for textile trimmings and accessories (exclusion for linings and interlinings)
Central America	Association Agreement - Annex II	OJ L346 of 15/12/2012, p. 1803	Art. 5(2)	10% in value (HS Chapters 50-63 excluded)	Notes 5 and 6 Appendix I	10%, 20%, 30% in weight	Notes 5 and 6 Appendix I	8% in value (exclusion for linings and interlinings)
Ceuta and Melilla	Council Regulation (EC) No 82/2001 of 5/12/2000	OJ L20 of 20/01/2001, p. 1	Art. 6(2)	10% in value (HS Chapters 50-63 excluded)	Notes 5 and 6 Annex A	10%, 20%, 30% in weight	Notes 5 and 6 Annex A	8% in value (exclusion for linings and interlinings)
Chile	Association Agreement - Annex III	OJ L352 of 30/12/2002, p. 935	Art. 5(3)	10% in value (HS Chapters 50-63 excluded)	Notes 5 and 6 Appendix I	10%, 20%, 30% in weight	Notes 5 and 6 Appendix I	8% in value (exclusion for linings and interlinings)
Côte d'Ivoire	Stepping stone Economic Partnership Agreement – Decision 2/2019 of the EPA Committee - Protocol 1	OJ L49 of 21/02/2020, p. 1	Art 4(5) and (6)	10% in value for EU products and 15 % in value for Ivorian products (HS Chapters 50-63 excluded)	Notes 5 and 6 Annex I	10%, 20%, 30% in weight	Notes 5 and 6 Annex I	10% in weight for textile trimmings and accessories (exclusion for linings and interlinings)
ESA	Interim Agreement establishing a framework for an Economic Partnership Agreement – Amended Protocol 1	OJ L93 of 27/03/2020, p. 1	Art. 7(4)	15% in value (HS Chapters 50-63 excluded)	Notes 5 and 6 Annex I	10%, 20%, 30% in weight	Notes 5 and 6 Annex I	10% in weight for textile trimmings and accessories (exclusion for linings and interlinings)
Generalised System of Preferences (GSP)	Commission Delegated Regulation (EU) 2015/2446 of 28/07/2015 (UCC - DA) - Commission Implementing Regulation (EU) 2015/2447 of 24/11/2015 (UCC-IA)	OJ L343 of 29/12/2015, p. 1 (UCC-DA) p. 558 (UCC-IA)	Art. 48 UCC-DA	a/ 15% in weight (HS Chapters 2 and 4 to 24, other than processed fishery products falling within HS Chapter 16) - b/ 15% in value (other products, except for products falling	Notes 6 and 7 Annex 22-03 UCC-DA	10%, 20%, 30% in weight	Notes 6 and 7 Annex 22-03 UCC-DA	8% in value

				within HS Chapters 50 to 63)				
Ghana	Stepping stone Economic Partnership Agreement - Decision 1/2020 of the EPA Committee	OJ L350 of 21/10/2020, p. 1	Art 4	15% in value (HS Chapters 50-63 excluded)	Notes 5 and 6 Annex I	10%, 20%, 30% in weight	Notes 5 and 6 Annex I	10% in weight for textile trimmings and accessories (exclusion for linings and interlinings)
Israel	Euro-Mediterranean Association Agreement - Protocol 4	OJ L20 of 24/01/2006, p. 1	Art. 6(2)	10% in value (HS Chapters 50-63 excluded)	Notes 5 and 6 Annex I	10%, 20%, 30% in weight	Notes 5 and 6 Annex I	8% in value (exclusion for linings and interlinings)
Japan	Economic Partnership Agreement - Annex 3A	OJ L330 of 27/12/2018, p. 23	Art. 3.6 Chapter 3	10% in value (HS Chapters 50-63 excluded)	Notes 7 and 8 Annex 3-A	10%, 20%, 30%, 40% in weight	Notes 7 and 8 Annex 3-A	8% in value (exclusion for linings and interlinings)
Jordan	Euro-Mediterranean Association Agreement - Protocol 3	OJ L209 of 31/07/2006, p. 31	Art. 6(2)	10% in value (HS Chapters 50-63 excluded)	Notes 5 and 6 Annex I	10%, 20%, 30% in weight	Notes 5 and 6 Annex I	8% in value (exclusion for linings and interlinings)
Korea	Free Trade Agreement - Protocol	OJ L127 of 14/05/2011, p. 1344	Art. 5(2)	10% in value (HS Chapters 50-63 excluded)	Notes 5 and 6 Annex I	10%, 20%, 30% in weight	Notes 5 and 6 Annex I	8% in value (exclusion for linings and interlinings)
Kosovo* - Autonomous measures	Commission Delegated Regulation (EU) 2015/2446 of 28/07/2015 (UCC - DA) - Commission Implementing Regulation (EU) 2015/2447 of 24/11/2015 (UCC-IA)	OJ L343 of 29/12/2015, p. 1 (UCC-DA) p. 558 (UCC-IA)	Art. 64 UCC-DA	10% in value (HS Chapters 50-63 excluded)	Notes 5 and 6 Annex 22-11 UCC-DA	10%, 20%, 30% in weight	Notes 5 and 6 Annex 22-11 UCC-DA	8% in value (exclusion for linings and interlinings)
Lebanon	Euro-Mediterranean Association Agreement - Protocol 4	OJ L143 of 30/05/2006, p. 73	Art. 6(3)	10% in value (HS Chapters 50-63 excluded)	Notes 5 and 6 Annex I	10%, 20%, 30% in weight	Notes 5 and 6 Annex I	8% in value (exclusion for linings and interlinings)

Market Access Regulation decision	Regulation (EU) 2016/1076 of the European Parliament and of the Council of 8/6/2016 - Annex II	OJ L185 of 08/07/2016, p. 16	Art. 4(2)	15% in value (HS Chapters 50-63 excluded)	Notes 5 and 6 Appendix I	10%, 20%, 30% in weight	Notes 5 and 6 Appendix I	10% in weight for textile trimmings and accessories (exclusion for linings and interlinings)
Mexico	Decision No 2/2000 of the EC-Mexico Joint Council - Annex III	OJ L245 of 29/09/2000, p. 954	Art. 5(3)	10% in value (HS Chapters 50-63 excluded)	Notes 5 and 6 Appendix 1	8%, 8%, 30% in weight	Notes 5 and 6 Appendix 1	8% in value (exclusion for linings and interlinings)
Morocco	Euro-Mediterranean Association Agreement - Protocol 4	OJ L336 of 21/12/2005, p. 1 (amended in OJ L248 of 22/09/2010 and OJ L17 of 26/01/2016)	Art. 6(2)	10% in value (HS Chapters 50-63 excluded)	Notes 5 and 6 Annex I	10%, 20%, 30% in weight	Notes 5 and 6 Annex I	8% in value (exclusion for linings and interlinings)
Overseas Countries and Territories (OCTs)	Council Decision EU/2021/1764 of 5/10/2021 - Annex II	OJ L355 of 7/10/2021, p.50	Art. 6	a/ 15% in weight for products of Chapter 2 and Chapters 4 to 24 other than processed fishery products of Chapter 16 b/ 15% in value (HS Chapters 50-63 excluded)	Notes 6 and 7 Appendix I	10%, 20%, 30% in weight	Notes 6 and 7 Appendix I	8% in value
Pacific States	Interim Partnership Agreement - Protocol II	OJ L272 of 16/10/2009, p.569	Art. 6(4)	15% in value (HS Chapters 50-63 excluded)	Notes 5 and 6 Annex I	10%, 20%, 30% in weight	Notes 5 and 6 Annex I	10 % in weight for trimmings and accessories (exclusion for linings and interlinings)
Pan-Euro-Mediterranean Convention (PEM)	Regional Convention on pan-Euro-Mediterranean preferential rules of origin - Appendix I	OJ L54 of 26/02/2013, p.8	Art. 5(2)	10% in value (HS Chapters 50-63 excluded)	Notes 5 and 6 Annex I	10%, 20%, 30% in weight	Notes 5 and 6 Annex I	8% in value (exclusion for linings and interlinings)

PEM Transitional rules	Appendix A of revised agreements between the EU and some PEM countries (see list below in footnote)	See footnote below under “PEM Transitional rules”	Art. 5(1)	a/ 15% in weight for products of Chapter 2 and Chapters 4 to 24 other than processed fishery products of Chapter 16 b/ 15% in value (HS Chapters 50-63 excluded)	Notes 6 and 7 Annex I	15%, 20%, 30% in weight	Notes 6 and 7 Annex I	15% in value (exclusion for linings and interlinings)
SADC	Economic Partnership Agreement - Protocol I	OJ L250 of 16/09/2016, p. 1924	Art. 8(4)	15% in value (HS Chapters 50-63 excluded)	Notes 5 and 6 Annex I	10%, 20%, 30% in weight	Notes 5 and 6 Annex I	8 % in weight for textile trimmings and accessories (exclusion for linings and interlinings)
Singapore	Free Trade Agreement – Protocol 1	OJ L294 of 14/11/2019, p. 659	Art. 5(3)	a/ 10% in weight for products of Chapter 2 and Chapters 4 to 24 other than processed fishery products of Chapter 16 b/ 10% in value (HS Chapters 50-63 excluded)	Notes 6 and 7 Annex A	10%, 20%, 30% in weight	Notes 6 and 7 Annex A	8% in value (exclusion for linings and interlinings)
Syria	Cooperation Agreement - Protocol 2	OJ L269 of 27/09/1978, p.22		No provision	Footnotes 1 and 2 of Annex II, List A	10%, 20%, 30% in weight	Footnotes 1 and 2 of Annex II, List A	10% in weight for textile trimmings and accessories (exclusion for linings and interlinings)
Tunisia	Euro-Mediterranean Association Agreement - Protocol 4	OJ L260 of 21/09/2006, p.3	Art. 6(2)	10% in value (HS Chapters 50-63 excluded)	Notes 5 and 6 Annex I	10%, 20%, 30% in weight	Notes 5 and 6 Annex I	8% in value (exclusion for linings and interlinings)
Turkey (ECSC products)	Decision No 1/2006 of the EC-Turkey Customs Cooperation Committee -Protocol 1	OJ L 143 of 06/06/2009, p.3	Art. 6(2)	10% in value				

Turkey (agricultural products)	Decision No 3/2006 of the EC-Turkey Association Council, of 19 December 2006, amending Protocol 3 to Decision No1/98 of the EC-Turkey Association Council of 25 February 1998 on the trade regime for agricultural products - Protocol 3		Art. 5(2)	10% in value				
United Kingdom (including the Channel Islands and the Isle of Man) (Excluded : Gibraltar and the UK OCTs)	Trade and Cooperation Agreement	OJ L 149 of 30/4/2021, p.10	Art. 42	a/ 15% in weight for products of Chapter 2 and Chapters 4 to 24 other than processed fishery products referred to in Chapter 16 of the HS b/ 10% in value (HS Chapters 50-63 excluded)	Notes 7 and 8 of Annex 2	10%, 20%, 30% in weight	Notes 7 and 8 of Annex 2	8 % in value (exclusion for linings and interlinings)
Vietnam	Free Trade Agreement – Protocol 1	OJ L 186 of 12/06 /2020, p. 1319	Art 5	a/ 10% in weight or ex-works price for products of Chapter 2 and Chapters 4 to 24 other than processed fishery products referred to in Chapter 16 of the HS b/ 10% in value (HS Chapters 50-63 excluded)	Notes 6 and 7 of Annex I	10%, 20%, 30% in weight	Notes 6 and 7 of Annex I	8 % in value.

* This designation is without prejudice to positions on status, and is in line with UNSCR 1244 and the ICJ Opinion on the Kosovo Declaration of Independence.

Andean Countries: Colombia, Ecuador and Peru

CARIFORUM: Antigua and Barbuda, Bahamas, Barbados, Belize, Dominica, Dominican Republic, Grenada, Guyana, Jamaica, St Kitts and Nevis, St Lucia, St Vincent and the Grenadines, Suriname, Trinidad and Tobago

Central America: Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama

ESA: Comoros, Madagascar, Mauritius, Seychelles and Zimbabwe

Market Access Regulation: Cameroon (importations from Cameroon to the EU) and Kenya

Overseas Countries and Territories: Greenland, New Caledonia and dependences, French Polynesia, French Southern and Antarctic Territories, Wallis and Futuna Islands, Saint Pierre and Miquelon, Saint-Barthelemy, Aruba and Netherlands Antilles

Pan-Euro-Mediterranean Convention (PEM): Albania, Bosnia and Herzegovina, Egypt, Faroe Islands, Georgia, Iceland, Kosovo*, Liechtenstein, Montenegro, North Macedonia, Norway, Palestine (this designation shall not be construed as recognition of a State of Palestine and is without prejudice to the individual positions of the Member States on this issue), Republic of Moldova, Serbia, Switzerland, Turkey and Ukraine

PEM Transitional Rules – Pan-Euro-Mediterranean countries: see https://ec.europa.eu/taxation_customs/customs-4/international-affairs/pan-euro-mediterranean-cumulation-and-pem-convention_en

SADC: Botswana, Lesotho, Mozambique, Namibia, South Africa and Swaziland

Pacific States: Fiji, Papua New Guinea, Samoa and Solomon Islands

B.3 Insufficient Operations

This document contains an explanation of the application of insufficient operations. These are operations which are of such a minor importance that they would not confer originating status even if the list rule is fulfilled.

Last update: June 2022

1) Introduction

A product can obtain originating status when sufficient working or processing is carried out on the non-originating materials used in the manufacturing, which is defined in the list rules (see Chapter B.1). To avoid that list rules are fulfilled by only relatively simple operations on non-originating materials, all preferential arrangements contain a provision listing the working or processing which is insufficient to confer origin. These insufficient operations are also referred to as minimal processing or minimal operations.

2) Definition of Concept

Insufficient operations are those that when carried out either individually or in combination are regarded as being of such minor importance that they never confer originating status when only non-originating materials are used in the production.

Insufficient operations are also important in the context of cumulation as they set the minimal level of processing that has to be carried out to apply cumulation. If the only operation undertaken on the originating materials of another Party, with which cumulation is applicable, is one or more of the listed insufficient operations, cumulation cannot in general be applied. (For more information and exceptions see guidance B.7 Cumulation)

3) General Overview

a) Use of non-originating materials

Even when the working or processing carried out on non-originating materials meets the list rule, the final product cannot obtain originating status if that working or processing is listed as an insufficient operation in the relevant provision.

Conversely, it must also be understood that if an operation is not listed as "insufficient", it does not automatically mean that it is "sufficient" to confer origin on the product. Operations can be more than insufficient, but at the same time not actually sufficient under the terms of the specific list rule which applies. The list rule in question must be consulted to see what conditions have to be met.

The following insufficient operations are those typically found in preferential arrangements. Each operation on its own, including a combination of two or more operations, is considered as an insufficient operation.

- a. preserving operations to ensure that the products remain in good condition during transport and storage;
- b. breaking-up and assembly of packages;
- c. washing, cleaning; removal of dust, oxide, oil, paint or other coverings;
- d. ironing or pressing of textiles;
- e. simple painting and polishing operations;
- f. husking, partial or total bleaching, polishing, and glazing of cereals and rice;
- g. operations to colour or flavour sugar or form sugar lumps; partial or total milling of crystal sugar;
- h. peeling, stoning and shelling, of fruits, nuts and vegetables;
- i. sharpening, simple grinding or simple cutting;
- j. sifting, screening, sorting, classifying, grading, matching; (including the making-up of sets of articles);
- k. simple placing in bottles, cans, flasks, bags, cases, boxes, fixing on cards or boards and all other simple packaging operations;
- l. affixing or printing marks, labels, logos and other like distinguishing signs on products or their packaging;
- m. simple mixing of products, whether or not of different kinds;
- n. mixing of sugar with any material;
- o. simple addition of water or dilution or dehydration or denaturation of products;
- p. simple assembly of parts of articles to constitute a complete article or disassembly of products into parts;
- q. slaughter of animals

Not all preferential arrangements contain the same list of insufficient operations, so the relevant list should be consulted.

The list of insufficient operations contained in each preferential arrangement is exhaustive. An operation which is not mentioned in the list of a particular preferential arrangement cannot be considered as an insufficient operation.

Interpretation of the term “simple”

Some of the listed operations can be clearly identified as insufficient operations, such as the affixing of a label on the product. However, there are also some operations that need to be assessed further as they contain the term “simple”, e.g. “simple assembly”.

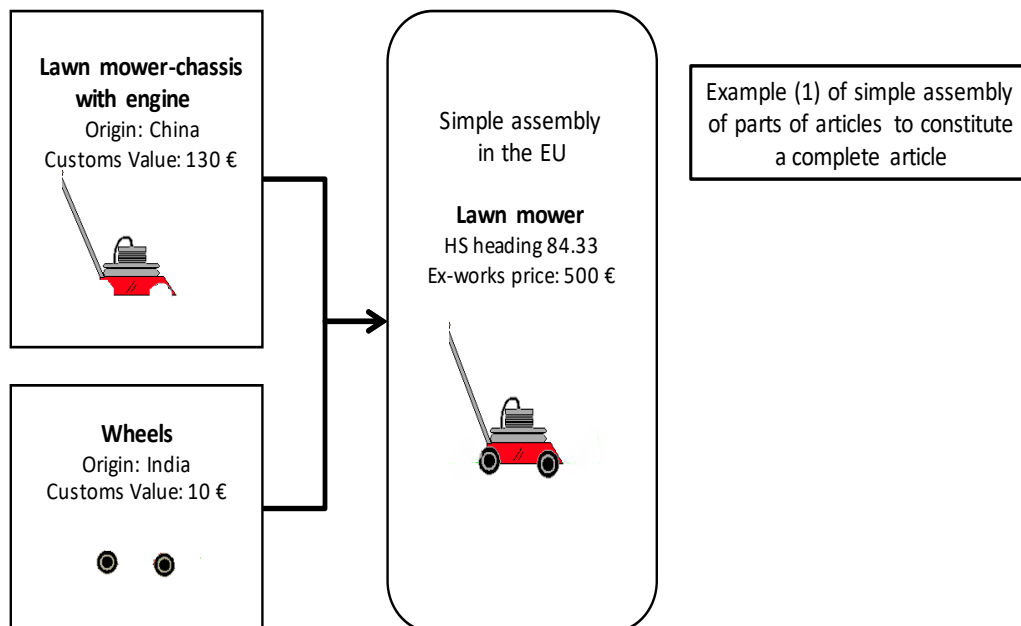
Some preferential arrangements contain a definition of “simple”:

“simple describes activities which need neither special skills, nor machines, apparatus, or equipment especially produced or installed for carrying out the activity”⁴.

Although the precise wording may be different in preferential arrangements the key elements, such as “special skills” or “machines” being necessary, are consistent in all cases where a definition is provided. It is important to note that, using special skills, machines, apparatus or tools are in themselves not enough for the operation to go beyond “simple” operations. An assessment needs to be made as to whether without those machines the product could be produced with similar characteristics or properties.

This definition may give guidance for the interpretation of the term “simple” in cases where such a definition is not contained in the relevant preferential arrangement.

Example: for “simple assembly” according to article 6(1)(n) of the Origin Protocol to the EU-Korea FTA:



- Simple assembly of parts of articles to constitute a complete article [e.g. Article 6 (1) n) of the Origin Protocol of the EU-Korea FTA].
- Product satisfies the list rule for HS heading 84.33 (column 4).
- Only non-originating materials are insufficiently worked or processed.
- Lawn mower is not originating in the EU.

List rule for HS heading 84.33 in the EU-Korea FTA – Manufacture in which the value of all [non-originating] materials used does not exceed 45 % of the ex-works price of the product.

In this example, non-originating materials represent 28 % of the ex-works price of the final product meeting the requirement of the list rule but the processing undertaken is insufficient to confer preferential origin on the final product.

⁴ EU-Korea FTA Explanatory Notes

b) Use of originating and non-originating materials

When determining the origin of a final product, all the steps in the manufacturing process should be taken into account.

Generally, under the provision on insufficient operations the text refers to:

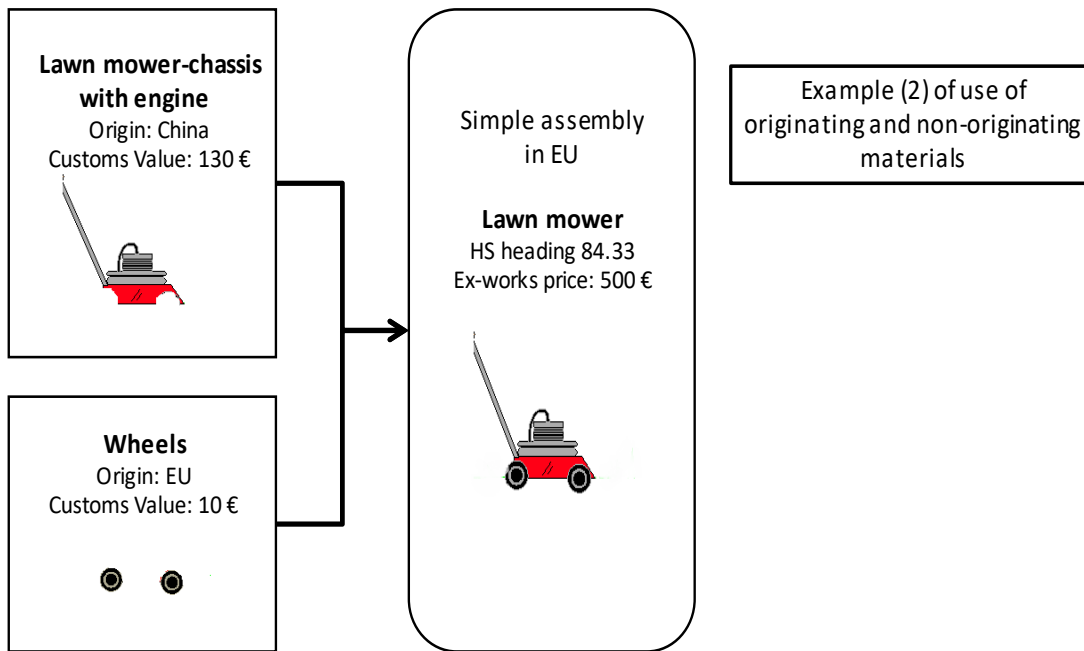
"All operations carried out in the exporting Party on a given product shall be considered together when determining whether the working or processing undergone by that product is to be regarded as insufficient within the meaning of paragraph [list of insufficient operations]".

Where the above text is not in the preferential arrangement (e.g. EU-Japan EPA) it is nevertheless stated that insufficient operations only apply if carried out on non-originating materials.

Irrespective of the wording used, it means that there is already more than an insufficient operation if at least one material is originating in the exporting Party and is used in the production of the final product (regardless of the value of that material).

The fact that more than an insufficient operation is carried out is not in itself sufficient to confer preferential originating status. The list rules (see Chapter B.1) must also be fulfilled for the final product to obtain originating status.

***Example:** use of originating and non-originating materials according to article 6(2) of the Origin Protocol to the EU-Korea FTA:*



- Simple assembly in the EU of originating and non-originating parts to constitute a complete article [e.g. Article 6 (1)(n) of the Origin Protocol of the EU-Korea FTA]
- Product satisfies the list rule for HS heading 84.33 (column 4)
- More than an insufficient operation because of the use of EU originating materials [Article 6 (2) of the Origin Protocol of the EU-Korea FTA]
- Lawn mower is originating in the EU.

4) Particularities

The definition of the term "simple" is provided in the following preferential arrangements:

- GSP
- EU-Korea FTA (Explanatory Notes)
- EU-Singapore FTA
- CETA
- EU-Japan EPA
- EU-Vietnam FTA
- EU-UK TCA

CETA: The definition of "simple" further requires that the skills, machines, apparatus, or tools used must also contribute to the product's essential characteristics or properties. For more information see the guidance on CETA.

https://ec.europa.eu/taxation_customs/sites/taxation/files/ceta_guidance_en.pdf

For the UK TCA, a specific guidance document is available clarifying the meaning of "insufficient production", including examples and guidance on the term "simple":

https://ec.europa.eu/taxation_customs/document/download/7181686a-10d5-4673-b3f4-90e08d5beb6d_en?filename=WEBSITE%20-%20EU-UK%20TCA%20-%20Draft%20Guidance%20on%20insufficient%20production.pdf

B.4 Approved Exporter

This document contains a brief description of Approved Exporter status and provides a link to the guidance on Approved Exporters

Last update: June 2022

1) Introduction

The Approved Exporter is a status allowing self-certification of preferential origin of goods by economic operators exporting under certain EU preferential arrangements.

2) General Overview

An Approved Exporter is an exporter who has met certain conditions imposed by the customs authorities and who is allowed to make out invoice or origin declarations. The Approved Exporter status simplifies export formalities by allowing the Approved Exporter to certify the preferential origin of goods himself by including a specific declaration on the invoice or another commercial document identifying the exported products. Thus, the Approved Exporter is not obliged to apply upon each export to the customs authorities for the issue of a movement certificate EUR.1 or EUR-MED. The application for the Approved Exporter status is a one-off formality, where the exporter provides the customs authorities with the necessary information. Once the authorisation is granted, it is valid for all exports of the covered originating goods during the period of the authorisation.

As the customs authorities can grant Approved Exporter status, they can also withdraw it if the exporter misuses or abuses the authorisation. The provisions on the Approved Exporter status are laid down in Articles 67 and 120 of Commission Implementing Regulation (EU) No 2015/2447 (UCC IA) and relevant provisions of the EU preferential arrangements.

For more information see the guidance on Approved Exporters:

https://ec.europa.eu/taxation_customs/system/files/2019-02/guidance-on-approved-exporters.pdf

B.5 Registered Exporter

This document contains a brief description of Registered Exporter System and provides a link to the guidance on Registered Exporter System.

Last update: June 2022

1) Introduction

The Registered Exporter System (the REX system) is the system of self-certification of preferential origin of goods that was first introduced in the Generalised System of Preference (GSP) of the European Union. Progressively, the REX system is being applied in the context of the EU's other preferential arrangements such as CETA, the EPA with Japan, the EU-UK TCA, EU-Vietnam FTA and OCT.

2) General Overview

The REX system is based on a principle of self-certification by economic operators who are making out documents on origin (statement on origin, or invoice or origin declaration). To be entitled to make out documents on origin, an economic operator has to be registered in a database by the competent authority. Once registered, the economic operator becomes a "Registered Exporter".

The REX system is not only the underlying IT system which is used for the registration of exporters but also the term used to designate a system of self-certification of preferential origin of goods as a whole,.

For more information see the guidance on Registered Exporter System:

https://ec.europa.eu/taxation_customs/sites/taxation/files/registered_exporter_system_rex_-_guidance_document_v1_en.pdf

B.6 Territorial Requirements

This document contains a description of the territorial requirements including returned goods, direct transport and exhibitions.

Last update: June 2022

i) Introduction

Goods with a preferential origin must be produced within the territory described in the relevant preferential arrangement. That territory will be composed of the EU territory and the territory of the country or countries covered by the arrangement⁵. There are certain exceptions that allow work on goods to take place outside of that territory.

The territorial requirements do not prevent originating goods transiting third countries and keeping their originating status. However, certain conditions may apply.

ii) Principle of territoriality and returned goods

Definition of concept

The principle of territoriality is enshrined in all preferential trade arrangements.

In order to obtain originating status the working or processing on a good must be carried out without interruption in the territory of the European Union or in the territory of the country or countries covered by the preferential arrangement. Originating goods leaving the territory of the European Union or the territory of the country or countries covered by the preferential arrangement lose their originating status.

However, there may be exceptions to this principle.

- a) Originating goods might be exported to a country that is outside the territory covered by a preferential arrangement and then returned to the exporting country.
- b) For various reasons, such as modern manufacturing processes or for economic purposes, it can be advantageous to undertake operations in third countries and therefore exceptions may be allowed to the principle of territoriality. Some preferential arrangements allow such external working or processing, provided it conforms to certain specified conditions. Failure to comply with the specific conditions will result in the final product being treated as non-originating.

General overview

Goods must acquire originating status without interruption in the territories of the countries of the preferential trade area. If originating goods exported to another country outside the preferential trade area are returned to the exporting country they will be considered as non-

⁵ See Annex on territorial scope.

originating should those goods be used, altered, worked or processed in another country outside the preferential trade area.

Example 1:

Tyres originating in the European Union (according to the origin rules in the Trade Agreement between the EU and the Andean countries – Colombia, Ecuador and Peru) are exported to the USA where they are processed into wheels. The wheels are later imported to the European Union from the USA. If the wheels are then exported to Colombia, they would not be considered as originating in the European Union as the tyres have been further processed outside the territory of the preferential trade area.

Returned goods

However, in all preferential arrangements, if it can be demonstrated to the satisfaction of the customs authorities that the goods returned to the exporting country are the same goods as those exported, and have not undergone any operation beyond that necessary to preserve them in good condition while in the third country or while being exported, the goods concerned would keep their originating status.

The exporter requesting the issue of a preferential proof of origin or making out a preferential proof of origin must be able to prove using supporting documents that the returned goods are the same as those exported (e.g. non-manipulation certificate issued by a third country's customs authorities).

Example 2:

Goods originating in the European Union (according to the origin rules in the Pan-Euro-Mediterranean Convention) are exported to Kazakhstan. They are later imported to the European Union from Kazakhstan without any processing or transformation. If these returning goods are then exported to Serbia, they would still be considered as originating in the European Union as they are the same as those which were previously exported to Kazakhstan and they have not undergone any operation beyond that necessary to preserve them in good condition in Kazakhstan or while being exported. It is up to the exporter in the EU to demonstrate that the goods are the same as those exported to Kazakhstan.

Example 3:

A tunnelling machine originating in the EU in the context of the EU-Chile Free Trade Agreement is exported to Ecuador from the EU for construction of a metro line in Quito. After 2 years the machine, after being first imported back to the EU, is then exported to Chile but now it has lost its originating status as it has been used in Ecuador.

Goods re-imported after working or processing outside the territory of partner countries

By exception to the principle of territoriality, some preferential agreements (see annex – Legal basis) make it possible for goods originating in a partner country and exported to a third country to keep their originating status if reimported in the partner country of export after working or processing in the territory of the third country.

The conditions required are:

- the materials are wholly obtained or have undergone working or processing beyond insufficient operations in a partner country prior to export (see Chapter B.3 on Insufficient Operations);
- it is shown that the re-imported goods are the result of working or processing carried out in the third country on the previously exported materials;
- the total added value acquired outside the territory of the partner countries does not exceed 10% of the ex-works price of the final product for which preference is being sought;
- the working or processing done outside the exporting partner country shall be done under the outward processing arrangements or similar arrangements.
- the products are not classified under Chapters 50 to 63 of the HS.

If any of the above conditions cannot be complied with the re-imported goods will be treated as non-originating.

Example 4:

Shoes (classified in HS chapter 64 and value of EUR 100/pair) originating in the European Union are exported under the outward processing procedure to Azerbaijan for finishing operations. The shoes are re-imported in the EU where the outward processing procedure is discharged. The value of the shoes is EUR 108/pair. The European Union exporter intends to send the shoes to Switzerland. A proof of preferential origin may be issued or made out in the European Union for these goods in accordance with the provisions of the Pan-European Mediterranean Convention, as the added value in Azerbaijan is less than 10%.

If the final product obtains originating status by applying the general tolerance rule for non-originating materials, the territorial tolerance permitted under this provision cannot additionally be applied. Both tolerance rules cannot be applied together when determining the origin of the final product.

When determining the origin of the final product, working or processing performed outside the territory of the partner countries generally should not be taken into account. Nevertheless, the value-added product list rule applies to the final product and the total value of the working or processing done outside the territory of the partner countries must be taken together with the value of the non-originating materials incorporated in the territory of the partner country concerned. The combined values (the value added outside the territory and the value of the non-originating materials) should not exceed the percentages stated in the list rule set out in the product list rule.

Example 5: SADC - Electric toothbrushes (HS heading 85.09)

A rule for electric toothbrushes (HS heading 85.09) requires:

"Manufacture in which the value of all the [non-originating] materials used does not exceed 30% of the ex-works price of the product"

Packed electric toothbrushes are to be exported from the EU to South Africa. The unpacked electric toothbrushes of EUR 50 have been manufactured in the EU using non-originating materials of EUR 14. They are originating in the EU as the list rule is met.

They are then exported under the outward processing procedure to Armenia for packaging operations.

The ex-works price of the packed electric toothbrushes returning to the EU from Armenia is EUR 54. They are not originating as the value of the non-originating materials incorporated in the EU (EUR 14) and the value added in Armenia (EUR 4) exceeds the maximum value limit of the list rule (30 % of the ex-work-price) ⁶.

iii) Direct transport, “non-alteration” and “non-manipulation” rules

Definition of concept

Goods must be transported directly from one party’s territory to another. The purpose of this rule is to ensure that the goods arriving in the country of import are the same as those which left the country of export.

General overview

a) Direct transport

To benefit from the preference, originating goods must be transported directly from the exporting partner country’s territory to the territory of the European Union (and conversely) without passing through the territory of any third country.

However, goods may be transported through third country’s territories with, should the occasion arise, trans-shipment or temporary warehousing, without losing their originating status, provided they remain under surveillance of the customs authorities in the country of transit or warehousing and do not undergo operations other than unloading, reloading or any operation designed to preserve them in good condition.

The importer must be able to prove that this condition is fulfilled, otherwise preferential treatment is denied by the customs authorities irrespective of the originating status of the goods.

Depending on the trade preference arrangement concerned, evidence that the direct transport conditions are complied with can be given by the following:

- a single transport document covering the passage from the exporting country to the importing country through the country of transit⁷;
- a certificate (known as a certificate of non-manipulation) issued by the customs authorities of the country of transit:
 - (i) giving an exact description of the products;

⁶ EUR 54 x 30% = EUR 16.20 is less than EUR 4 + EUR 14 = EUR 18

⁷ Customs documents authorising the trans-shipment or temporary storage can also be presented according to the trade agreement with the Andean countries (Colombia, Ecuador and Peru).

- (ii) stating the dates of unloading and reloading of the products and, where applicable, the names of the ships, or the other means of transport used; and
- (iii) certifying the conditions under which the products remained in the transit country;
- any substantiating documents to the satisfaction of the customs authorities of the importing country⁸.

b) “Non-manipulation” or “non-alteration” rule

In certain preferential arrangements the direct transport rule is defined as a “non-manipulation” or “non-alteration” rule. Under this less cumbersome variation, the splitting of consignments and operations for the adding or affixing marks, labels, seals or any other documentation to ensure compliance with specific domestic requirements are allowed in addition to those of direct transport (unloading, reloading or any operation designed to preserve goods in good condition).

The requirements are deemed to have been met unless the customs authorities have reasons to believe the contrary. In such cases importers may be required to provide evidence of compliance, which can be those documents mentioned for direct transport.

Additionally, other factual or concrete evidence based on marking or numbering of packages or any evidence related to the goods themselves may also be presented.

Under the “non-manipulation” or “non-alteration” rule, the splitting of consignments may take place in a third country where carried out by the exporter or under his responsibility, provided that the goods remain under customs supervision in the country of transit.

If the goods were transported from a feeder vessel and then consolidated with other consignments in a seaport in passage to the European Union, then there should be a transport document (e.g. bill of lading) for each leg of the journey. A document that similarly covers the leg from the consolidating port to the European Union will not be sufficient because the country of export from where the originating goods have left is not known.

Particularities

Direct Transport in an area where cumulation applies (e.g. PEM Convention)

The reason for the direct transport rule is to ensure that in principle all working or processing is carried out in partner countries of the cumulation zone and to prevent goods which are in breach of that condition from benefiting from preferential origin. Transportation between two countries of the zone through the territory of other countries of the zone with which cumulation is applicable should not present any difficulties as the transportation is carried out between countries among which cumulation is applicable.

Example 6: cumulation applicable

8 This possibility is not provided for in the Free Trade Agreement between the European Union and Republic of Korea.

Goods originating in North Macedonia are transported by road to Croatia via Serbia. As North Macedonia, Serbia and Croatia (EU) are part of the same Stabilisation and Association Process (SAP) cumulation zone the conditions for direct transport are considered to be met, and preferential treatment can be claimed.

Example 7: cumulation not applicable

Goods originating in Tunisia are transported to Poland via Algeria. As cumulation is not applicable between Algeria, Tunisia and the EU, the conditions for direct transport must be met for preferential treatment to be claimed.

The relevant PEM matrix should be checked for the conditions on cumulation and, therefore, whether the conditions of direct transport must be met.

https://ec.europa.eu/taxation_customs/customs-4/international-affairs/pan-euro-mediterranean-cumulation-and-pem-convention_en

iv) Exhibitions

Definition of concept

Special provisions are made for originating products which are sent for exhibition in a country outside the territory covered by the relevant preferential arrangement and sold during or after the exhibition for importation into the European Union or into the territory of the other party of the preferential arrangement.

General overview

In most preferential arrangements, exhibited products that are sold at or after the exhibition in a third country may benefit from preferential treatment provided that it is shown to the satisfaction of the customs authorities that:

- the goods were consigned by an exporter from the European Union or from another partner country to the country of exhibition and were exhibited in that third country;
- they were sold by the exporter to an economic operator in the European Union or another partner country;
- they are consigned during exhibition or immediately after exhibition in the same state as they were sent for exhibition;
- they have not since they were consigned for exhibition been used for any other purpose other than demonstration at the exhibition.

A proof of origin must be submitted to the customs authorities of the importing country. The name and address of the exhibition must be indicated. Where necessary, additional documentary evidence of the conditions under which they were exhibited may be required. Preferential treatment will apply to any trade, industrial, agricultural or crafts exhibition, fair or similar public show, provided it is not organised for private purposes and during which the products remain under customs control.

Example 8:

Goods originating in the European Union are exported to Mexico for an exhibition. They are under a temporary admission procedure in Mexico. These goods are bought by an economic operator from the CARIFORUM area during the exhibition and sent to him at the end of the exhibition. A proof of preferential origin may be issued or made out in the European Union for these goods in accordance with the provisions of the EU-CARIFORUM EPA.

Annex Territorial Requirements - Legal basis

Preferential arrangements	Legal basis	OJ	Territorial requirements				
			Principle of territoriality	Direct transport		Exhibitions	Goods reimported after working or processing
			Legal basis	Legal basis	Comments	Legal basis	Legal basis
Algeria	Euro-Mediterranean Association Agreement - Protocol 6	OJ L297 of 15/11/2007, p.3	Art 12	Art 13		Art 14	Art 12
Andean Countries	Trade Agreement - Annex II	OJ L354 of 21/12/2012, p. 2075	Art 12	Art 13		Art 14	No provision
Andorra (Agricultural products)	Appendix to the Agreement - Decision No 1/2015 of the EU-Andorra Joint Committee	OJ L344 of 30/12/2015, p. 15	Art 10	Art 11		Art 12	Art 10
Cameroon (imports to Cameroon) For imports to EU, see Market Access Regulation decision below)	Decree No 2016/367 of 3 August 2016 of the Republic of Cameroon		Art 12	Art 13		Art 14	No provision

Canada	Comprehensive Economic and Trade Agreement (CETA) - Protocol	OJ L11 of 14/01/2017, p. 465	Art 15	Art 14 + 22		No provision	No provision
CARIFORUM	Economic Partnership Agreement - Protocol I	OJ L289 of 30/10/2008, p. 1805	Art 13	Art 14		Art 15	No provision
Central America	Association Agreement - Annex II	OJ L346 of 15/12/2012, p. 1803	Art 11	Art 12		Art 13	Art 11
Ceuta and Melilla	Council Regulation (EC) No 82/2001 of 5/12/2000	OJ L20 of 20/01/2001, p. 1	Art 12	Art 13		Art 14	No provision
Chile	Association Agreement - Annex III	OJ L352 of 30/12/2002, p. 935	Art 11	Art 12		Art 13	No provision
Côte d'Ivoire	Stepping stone Economic Partnership Agreement – Decision 2/2019 of the EPA Committee - Protocol 1	OJ L49 of 21/02/2020, p. 1	Art 14	Art 15	Use of the concept of non-alteration	Art 16	Art 14
ESA	Interim Agreement establishing a framework for an Economic Partnership Agreement – Amended Protocol 1	OJ L93 of 27/03/2020, p. 1	Art 13	Art 14		Art 15	No provision
Generalised System of Preferences (GSP)	Commission Delegated Regulation (EU) 2015/2446 of 28/07/2015 (UCC - DA) - Commission Implementing Regulation (EU) 2015/2447 of 24/11/2015 (UCC-IA)	OJ L343 of 29/12/2015, p. 1 (UCC-DA) p. 558 (UCC-IA)	Art 42	Art 43	Use of the concept of non-manipulation	No provision	No provision

Ghana	Stepping stone Economic Partnership Agreement – Decision 1/2020 of the EPA Committee – Protocol 1	OJ L350 of 21/10/2020, p.1	Art 14	Art 15	Use of the concept of non-alteration	Art 16	Art 14
Israel	Euro-Mediterranean Association Agreement - Protocol 4	OJ L20 of 24/01/2006, p. 1	Art 12	Art 13		Art 14	Art 12
Japan	Economic Partnership Agreement (chapter 3) + Annex 3A	OJ L330 of 27/12/2018, p. 23	Art 3.2 and 3.11	Art 3.10	Use of the concept of non-alteration	No provision	No provision
Jordan	Euro-Mediterranean Association Agreement - Protocol 3	OJ L209 of 31/07/2006, p. 31	Art 12	Art 13		Art 14	No provision
Korea	Free Trade Agreement - Protocol	OJ L127 of 14/05/2011, p. 1344	Art 12	Art 13		No provision	No provision
Kosovo* - Autonomous measures	Commission Delegated Regulation (EU) 2015/2446 of 28/07/2015 (UCC - DA) - Commission Implementing Regulation (EU) 2015/2447 of 24/11/2015 (UCC-IA)	OJ L343 of 29/12/2015, p. 1 (UCC-DA) p. 558 (UCC-IA)	Art 68	Art 69		Art 70	No provision
Lebanon	Euro-Mediterranean Association Agreement - Protocol 4	OJ L143 of 30/05/2006, p. 73	Art 12	Art 13		Art 14	No provision
Market Access Regulation decision	Regulation (EU) 2016/1076 of the European Parliament and of the Council of 8/6/2016 - Annex II	OJ L185 of 08/07/2016, p. 16	Art 11	Art 12		Art 13	No provision
Mexico	Decision No 2/2000 of the EC-Mexico Joint Council - Annex III	OJ L245 of 29/09/2000, p. 954	Art 12	Art 13		No provision	No provision

Morocco	Euro-Mediterranean Association Agreement - Protocol 4	OJ L336 of 21/12/2005, p. 1 (amended in OJ L248 of 22/09/2010 and OJ L17 of 26/01/2016)	Art 12	Art 13		Art 14	Art 12
Overseas Countries and Territories (OCTs)	Council Decision (EU) 2021/1764 of 05/10/2021 - Annex II	OJ L355 of 07/10/2021, p.50	Art 17	Art 18	Use of the concept of non-manipulation	Art 19	No provision
Pacific States	Interim Partnership Agreement - Protocol II	OJ L272 of 16/10/2009, p.569	Art 12	Art 13		Art 14	No provision
Pan-Euro-Mediterranean Convention (PEM)	Regional Convention on pan-Euro-Mediterranean preferential rules of origin - Appendix I	OJ L54 of 26/02/2013, p.8	Art 11	Art 12		Art 13	Art 11
PEM Transitional Rules	Appendix A of revised agreements between the EU and some PEM countries (see list below in footnote)	See footnote below under "PEM Transitional rules"	Art 13	Art 14	Use of the concept of non-alteration	Art 15	Art 13
SADC	Economic Partnership Agreement - Protocol I	OJ L250 of 16/09/2016, p. 1924	Article 14	Art 15	Use of the concept of non-alteration	Art 18	Art 14
Singapore	Free Trade Agreement – Protocol 1	OJ L294 of 14/11/2019, p. 659	Art 12	Art 13	Use of the concept of non-alteration	Art 14	No provision
Syria	Cooperation Agreement - Protocol 2	OJ L269 of 27/09/1978, p.22	No provision	Art 5		Art 18	No provision
Tunisia	Euro-Mediterranean Association Agreement - Protocol 4	OJ L260 of 21/09/2006, p.3	Art 12	Art 13		Art 14	Art 12
Turkey (ECSC products)	Decision No 1/2006 of the EC-Turkey Customs Cooperation Committee - Protocol 1	OJ L 143 of 06/06/2009, p.3	Art 12	Art 13		Art 14	Art 12

Turkey (agricultural products)	Decision No 3/2006 of the EC-Turkey Association Council, of 19 December 2006, amending Protocol 3 to Decision No1/98 of the EC-Turkey Association Council of 25 February 1998 on the trade regime for agricultural products - Protocol 3		Art 10	Art 11		Art 12	
United Kingdom (including the Channel Islands and the Isle of Man) (Excluded : Gibraltar and the UK OCTs)	Trade and Cooperation Agreement	OJ L149 of 30/04/2021, p 10	Art 39.3	Art 52	Use of the concept of non-alteration	Art 52.3	No provision
Vietnam	Free Trade Agreement – Protocol 1	OJ L186/3 of 12/6/2020, p 1319	Art 12	Art 13	Use of the concept of non-alteration	Art 14	No provision

* This designation is without prejudice to positions on status, and is in line with UNSCR 1244 and the ICJ Opinion on the Kosovo Declaration of Independence.

Andean Countries: Colombia, Ecuador and Peru

CARIFORUM: Antigua and Barbuda, Bahamas, Barbados, Belize, Dominica, Dominican Republic, Grenada, Guyana, Jamaica, St Kitts and Nevis, St Lucia, St Vincent and the Grenadines, Suriname, Trinidad and Tobago

Central America: Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama

ESA: Comoros, Madagascar, Mauritius, Seychelles and Zimbabwe

Market Access Regulation: Cameroon (importations from Cameroon to the EU) and Kenya

Overseas Countries and Territories: Greenland, New Caledonia and dependences, French Polynesia, French Southern and Antarctic Territories, Wallis and Futuna Islands, Saint Pierre and Miquelon, Saint-Barthelemy, Aruba and Netherlands Antilles

Pan-Euro-Mediterranean Convention (PEM): Pan-Euro-Mediterranean Convention (PEM): Albania, Bosnia and Herzegovina, Egypt, Faroe Islands, Georgia, Iceland, Kosovo*, Liechtenstein, Montenegro, North Macedonia, Norway, Palestine (this designation shall not be construed as recognition of a State of Palestine and is without prejudice to the individual positions of the Member States on this issue), Republic of Moldova, Serbia, Switzerland, Turkey and Ukraine.

PEM Transitional Rules – Pan-Euro-Mediterranean countries: see https://ec.europa.eu/taxation_customs/customs-4/international-affairs/pan-euro-mediterranean-cumulation-and-pem-convention_en

SADC: Botswana, Lesotho, Mozambique, Namibia, South Africa and Swaziland

Pacific States: Fiji, Papua New Guinea, Samoa and Solomon Islands

B.7 Cumulation

This document contains a description of cumulation in which materials originating in one country may be treated as originating in another partner country or region.

Last update: June 2022

1) Introduction

The practice of manufacturing may involve two or more countries and therefore materials originating in other countries could be used in a manufacturing process. In such cases, cumulation makes it easier for economic operators to satisfy the rules of origin.

In this context, cumulation is a facilitation that allows materials originating in one country that is party to a preferential arrangement to be used in the subsequent production in another country that is a party to such a preferential arrangement. In this case the originating materials of the first country can be treated as if they were originating in the latter country for the purposes of determining the origin of the final product.

2) Definition of concept

The basic rules of origin specify that only products which are wholly obtained, produced exclusively from originating materials, or are sufficiently worked or processed according to the relevant rules of origin (list rules) may be regarded as originating in that country.

- i) Cumulation does not apply to the basic rule of **wholly obtained products**. However, where the list rule requires the manufacture from wholly obtained products cumulation may apply (for example, olive oil produced in the EU from wholly obtained EU and partner country olives would be originating in the EU when exported to that partner country).
- ii) Where goods are **produced exclusively from originating materials** (EU and/or partner country), cumulation applies to those originating materials of the partner country.
- iii) The **list rules** (see guidance B.1 List rules) specify the working or processing required to be carried out on non-originating materials in order that products produced can be considered as originating. In the case of cumulation, the working or processing carried out in each partner country on originating materials does not need to fulfill the list rule, it is enough that these operations go beyond insufficient working or processing (See guidance B.3 Insufficient operations).

Where non-originating and originating materials are used in the production of the final product, the non-originating materials have to be sufficiently worked or processed according to the list rules regardless of the application of cumulation.

3) General overview

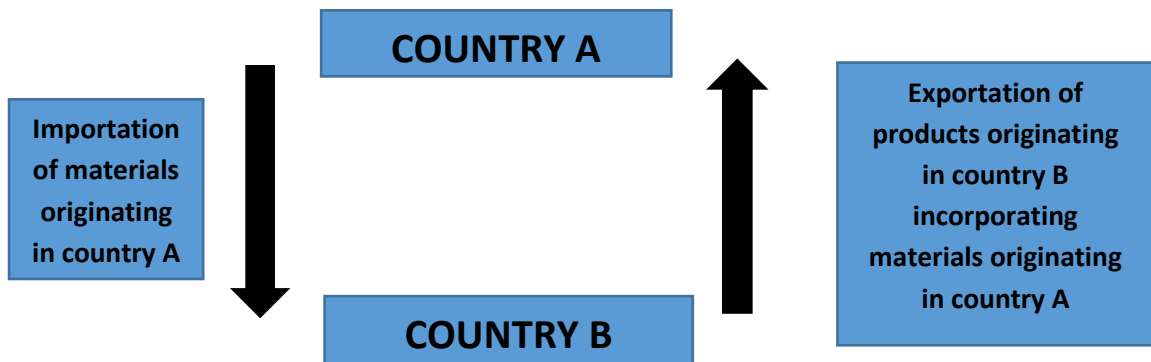
There are three basic types of cumulation in the EU preferential arrangements: bilateral cumulation, diagonal cumulation and full cumulation.

A. Bilateral Cumulation

Bilateral cumulation is common to most preferential arrangements because they generally contain a provision allowing cumulation of origin. It means that producers in either partner country can use materials originating in the other partner country as if they were originating in their own country.

In order to benefit from bilateral cumulation the working or processing must be carried out on originating materials from the partner country. The working or processing must go beyond insufficient operations in the country of last production to be originating there⁹.

Bilateral cumulation can be explained as follows:



Example 1 (EU-Montenegro - PEM Convention - OJ L54 26/02/2013):

A musical instrument classified under HS chapter 92 originating in the EU is sent to Montenegro where it undergoes further working or processing (through varnishing) which goes beyond the minimal operations as set out in Article 3 of Appendix I of the PEM Convention. The final product is originating in Montenegro when exported back to the EU because the working and processing goes beyond insufficient working or processing. Therefore preference can be claimed.

Example 2 (EU-Bosnia and Herzegovina - PEM Convention - OJ L54 26/02/2013):

⁹ For CETA it is not necessary to go beyond insufficient operation (see guidance on CETA).

A pullover classified under HS chapter 61 is manufactured in Bosnia and Herzegovina by sewing together knitted fabrics originating in the EU. According to Appendix I of the PEM Convention between them, the specific rule of origin for pullovers requires manufacturing from yarn in order that origin is conferred to the pullover. If there was no cumulation in the agreement, the manufacturing process of sewing together knitted fabrics in Bosnia and Herzegovina would not confer origin and the pullover would have to be considered as non-originating when exported to the EU. Nonetheless, the pullover is considered to be originating in Bosnia and Herzegovina since it was manufactured from fabrics originating in the EU according to the bilateral cumulation provision in Article 3 of Appendix I of the PEM Convention.

Example 3 (EU-Chile Association Agreement – OJ L352 30/12/2002):

Cleaning cloths classified under HS sub-heading 6307.10 are manufactured in the EU using fabric originating in Chile and non-originating sewing thread from China. The imported fabric from Chile constitutes 45% of the value of the ex-works-price of the cloth, while the sewing thread accounts for 10%. The list rules of origin require the value of non-originating materials must not exceed 40% of the ex-works-price. EU originating status for the cloth exported to Chile can thus only be achieved in this case through bilateral cumulation with the originating fabric from Chile in accordance with Article 3 of Annex III of the Agreement.

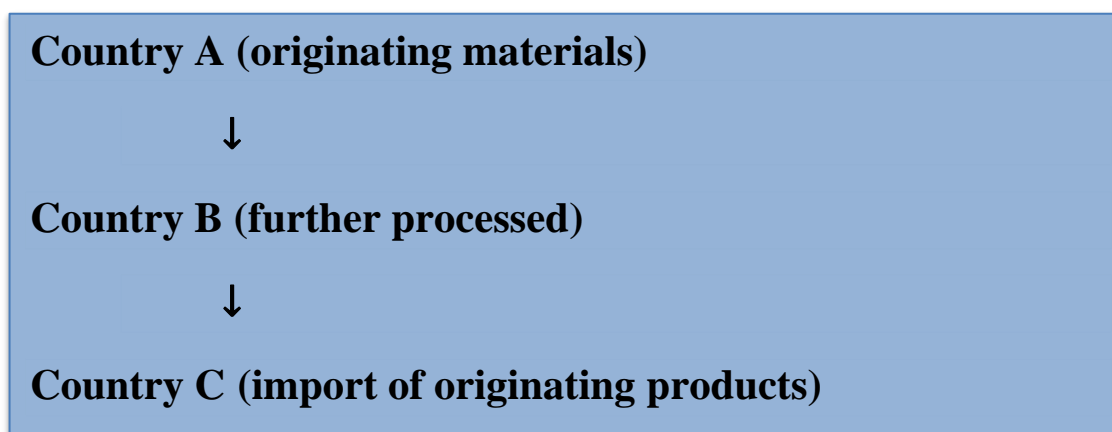
B. Diagonal Cumulation

Diagonal cumulation operates between more than two countries which have preferential arrangements with each other where provisions exist for such cumulation. Some arrangements, like the PEM Convention, require notices indicating the fulfillment of the necessary requirements to apply cumulation.

In order to benefit from diagonal cumulation the materials must be originating from the countries participating in diagonal cumulation.

The origin of the goods is retained when they only move between countries belonging to the same system of diagonal cumulation without any further working or processing. There are some exceptions to this principle in specific types of diagonal cumulation.

Diagonal cumulation can be demonstrated as follows:



All three countries, countries A, B and C apply diagonal cumulation within their preferential arrangements. Only originating materials from country A are used to produce an originating product in country B for further export to country C. Only more than insufficient operations in country B is enough that the final product obtains origin of country B.

Example 1 (EU-Switzerland-Albania – PEM Convention – OJ L54 26/02/2013)

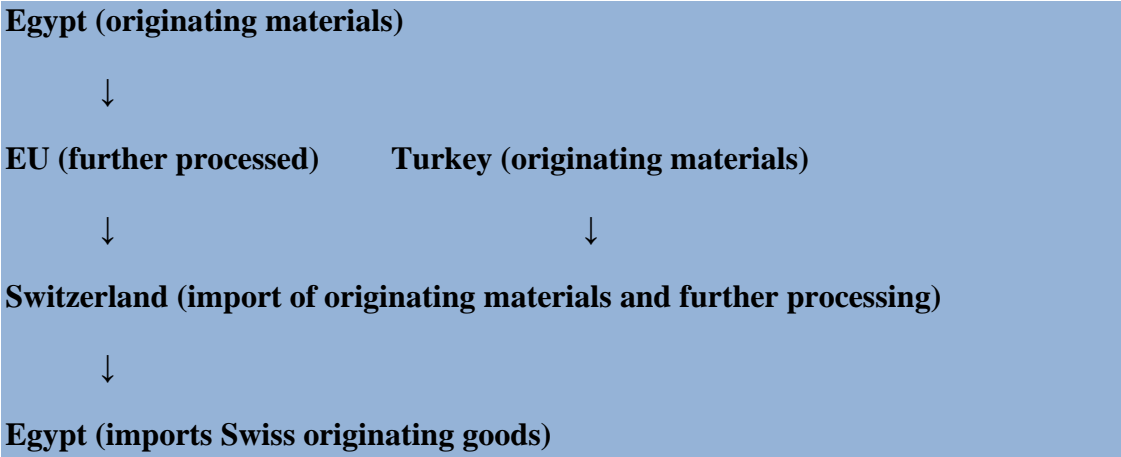
An operator in Switzerland produces a machine using materials of EU origin and exports the final product to Albania. The final product will have Swiss origin as all necessary preconditions for diagonal cumulation have been met (agreements containing identical rules of origin between EU, CH and AL as well as publication of relevant matrix) and the materials used to produce the machine are already originating in the zone and have undergone more than insufficient operations.

Example 2 (EU-Turkey-Switzerland-Egypt – PEM Convention – OJ L54 26/02/2013)

An operator in the EU produces a product using materials of Egyptian origin for export to Switzerland. As the necessary preconditions are met (agreements containing identical rules of origin between EG, CH and EU as well as publication of relevant matrix) and the materials used to produce the finished product are already originating in the zone and have undergone more than insufficient operations the product obtains EU origin. In Switzerland the product is incorporated into a machine that also contains components with Turkish origin and is then exported to Egypt.

The machine produced in Switzerland has Swiss origin because all the components used to produce it are already originating in the zone and the materials originating in the EU and Turkey have undergone more than insufficient operations. All other preconditions have also been met.

If there were no free trade agreement between Egypt and Turkey, Turkish materials would be non-originating.



Example 3 (South Africa-EU – Protocol 1 to the SADC Economic Partnership Agreement – OJ L250 19/06/2016)

An operator in South Africa manufactures car parts (HS heading 8708) that are exported to the EU. For being more competitive the operator decides to import aluminium. Aluminium is a main element of the car part and represents more than 50% of the ex-works price of the final product. In case aluminium is originating from India (third country), the value-added criteria of the list rule would not be met because the operator would not bring enough added value in South Africa (40% maximum non-originating materials). However, under cumulation, the economic operator could decide to source aluminium from (and originating in) Mozambique, a partner under the SADC EPA. Aluminium would be considered as originating in South Africa¹⁰ and since the processing carried out there would go beyond insufficient operations, the finished product would obtain South African preferential origin when exported to the EU.

Regional cumulation

Regional cumulation is a form of diagonal cumulation, which exists under the Generalised System of Preferences (GSP) and under certain Economic Partnership Agreements with ACP countries (e.g. EU-SADC, EU-ESA, EU-Pacific) and operates between members of a regional group of beneficiary countries (e.g. ASEAN, SADC, etc.).

Extended cumulation

Under certain conditions, goods originating in a country with which the EU has a free-trade agreement in force in accordance with Article XXIV of the GATT may be used in the manufacture of a product in the beneficiary country, provided more than a minimum amount of processing is done there - this is known as extended cumulation. This form of cumulation only exists on request under the GSP and within the association of the OCTs with the EU (see under point D in Particularities).

C. Full Cumulation

Whereas bilateral and diagonal cumulations only apply to originating materials, full cumulation applies to working and processing on non-originating materials. Full cumulation means that all operations carried out in the partner countries where full cumulation applies are taken into account when assessing the origin of the final product.

Provisions on full cumulation can be found in the PEM cumulation area, but also in other preferential arrangements, for example within Economic Partnership Agreements, CETA and UK.

Example 1 (Tunisia-Morocco-EU – PEM rules in Protocol 4 to the Euro-Mediterranean Agreement)

Chinese yarns are imported into Tunisia where they are manufactured into fabric. The fabric does not qualify for preferential origin if exported to the EU as the rules of origin for fabric require manufacture from fibre (double transformation). The non-originating fabric is exported from Tunisia to Morocco based on a supplier's declaration (for goods which have undergone

¹⁰ Subject to the fulfilment of relevant administrative requirements.

working in Tunisia without having obtained preferential originating status) where it is manufactured into garments. In Morocco, the finished garments obtain preferential origin status because the work carried out in Morocco is combined to the work carried out in Tunisia to produce originating garments. The double transformation requirement is then fulfilled in the territory of the countries benefiting from full cumulation. The final product obtains Moroccan origin and can be exported to the EU under preference.

Example 2 (Lesotho-Botswana-EU - EU-SADC Economic Partnership Agreement – OJ L250 16/09/2016)

Woven fabric of cotton (HS heading 52.08) is valued at 100 EUR. It is prepared and printed in Botswana and Lesotho from non-originating unbleached and unprinted cotton fabric originating in China and valued at 45 EUR.

The applicable product specific rule is:

”Printing accompanied by at least two preparatory or finishing operations (such as scouring, bleaching, mercerizing, heat setting, raising, calendaring, shrink resistance processing, permanentfinishing, decatizing, impregnating, mending and burling) where the value of the unprinted fabric used does not exceed 47,5 % of the ex-works price of the product”

The material imported from China is scoured and bleached in Lesotho, (value of operations = 25 EUR), and afterwards printed in Botswana (value of operation = 30 EUR). The value of non-originating materials represents 45% of the ex-works price of the product being exported to the EU and, since the processing goes beyond insufficient operations, the final product is originating in Botswana (not Lesotho). The final product gets originating status because the processing carried out in Lesotho is combined with the processing carried out in Botswana to produce the originating woven fabric of cotton.

4) Particularities

A. PEM System

Detailed information on cumulation within the PEM system can be found in the following documents:

- i) User's Handbook to the rules of Preferential Origin used in the trade between the EU, other European countries and the countries participating to the Euro-Mediterranean Partnership:

https://ec.europa.eu/taxation_customs/system/files/2016-09/handbook_en_0.pdf

- ii) Explanatory Notes:

<https://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:C:2007:083:0001:0019:EN:PDF>

B. Transitional PEM Rules of Origin

These are a set of rules of origin based on the revised rules of origin of the PEM Convention that are applicable on a bilateral basis in parallel with the current rules of the PEM Convention. These rules are transitional pending the adoption and entry into force of the revised PEM Convention.

Diagonal cumulation for all products is maintained on the condition that identical rules of origin are applied between the partners involved in the cumulation. Additionally, full cumulation is provided for all products except those in HS Chapters 50-63. For those products, the transitional rules provide for bilateral full cumulation.

For products in HS Chapters 50-63, the transitional PEM rules of origin provide an extension of territoriality for the Stabilisation and Association Process (SAP) states and Moldova. Here, the Republic of Moldova and the participants of the EU SAP states applying the transitional rules are considered as a single contracting party (PEM transitional rules Article 7(4)).

Detailed information on all items of transitional PEM rules of origin and the countries for which the possibility to apply the PEM transitional rules of origin are permitted can be found at:

https://ec.europa.eu/taxation_customs/customs-4/international-affairs/pan-euro-mediterranean-cumulation-and-pem-convention_en

C. GSP

Detailed information on cumulation within GSP can be found in A Guide for users on GSP rules of origin.

https://ec.europa.eu/taxation_customs/sites/taxation/files/resources/documents/customs/customs_duties/rules_origin/preferential/guide-contents_annex_1_en.pdf

D. ACP States

1. Economic Partnership Agreements (EPAs)

The EU has concluded Economic Partnership Agreements (EPAs) as well as Interim Economic Partnership Agreements with ACP States. These provide for bilateral, diagonal and full cumulation.

Consequently, for the purposes of defining the concept of originating products, the territories of the ACP States are considered as one territory. This means that if a manufacturer in an ACP State uses materials from one or more other ACP States, the materials are treated no differently from those obtained in the ACP State in which the manufacture takes place.

Additionally, the EPAs allow for different kinds of cumulation. They provide for;

- Cumulation with materials from Overseas Countries or Territories (OCT)
- Cumulation with materials benefitting from MFN duty free treatment in the EU
- Cumulation with materials benefitting from preferential duty-free and quota-free access to the EU

Cumulation with materials from OCT

Materials originating in OCT shall be considered as materials originating in the ACP States when the working or processing carried out in the ACP State exceeds insufficient operations (Diagonal cumulation).

Working and processing operations carried out in OCT shall be considered as having been carried out in the ACP States when the materials undergo subsequent working or processing in the ACP States beyond insufficient operations (Full cumulation).

Cumulation with materials benefitting from MFN duty free treatment in the EU

Cumulation with materials subject to MFN duty-free treatment¹¹ in the EU is a particular form of cumulation with materials regardless of their origin. Those materials need only to have undergone working or processing going beyond insufficient operations for the materials to be treated as originating.

Example 1 (EU-SADC Economic Partnership Agreement – OJ L250 16/09/2016)

A manufacturer in South Africa imports frozen swine liver (HS sub-heading 0206.41) from the USA, which is MFN zero in the EU. This offal is used as an ingredient to make dog food (HS heading 23.09) for which the rule of origin requires the materials of Chapter 2 to be wholly obtained. All other materials used are originating in South Africa. Through cumulation the offal is treated as an originating material. Therefore, the list rule is fulfilled and the dog food is originating in South Africa under the SADC EPA.

Cumulation with materials benefitting from preferential duty-free and quota-free access to the EU

This type of diagonal cumulation in general applies for materials originating in GSP beneficiary countries, excluding GSP+ countries, that benefit from preferential duty-free and quota-free access to the EU.

For materials benefitting from preferential duty-free and quota-free access to the EU that originate in partner countries with EU preferential arrangements the use of this cumulation, which is subject to certain conditions, requires a request from the ACP State and a favourable decision of the Commission¹².

In all cases the materials need to be worked or processed beyond insufficient operations.

2. Market Access Regulation (MAR)

Besides the EPAs, the MAR applies in the arrangements for products originating in certain countries which are part of the ACP States for which there is no EPA in force or the EPA has no provisions on the rules of origin.

Cumulation with neighbouring developing countries

Subject to certain conditions and a request from an ACP state, cumulation with materials originating in "neighbouring developing countries, other than an ACP state, belonging to a

¹¹ Excluding materials subject to EU anti-dumping or countervailing measures and other conditions.

¹² No request has been made by an ACP State.

coherent geographical entity" is allowed. The cumulation can only be applied if the working or processing carried out in the ACP State goes beyond insufficient operations.

E. Other preferential arrangements

Overseas Countries and Territories (OCTs)

For the purpose of defining the concept of origin, OCTs are considered as one territory. This means that if a manufacturer in an OCT uses materials from one or more other OCTs, the materials are treated no differently from those obtained in the OCT in which the manufacture takes place.

Additionally, the OCT allow for different kinds of cumulation as follows:

Cumulation with the EU and Economic Partnership Agreement (EPA) States

In general bilateral cumulation, diagonal cumulation and full cumulation are applicable.

Cumulation with GSP countries

In general cumulation with countries benefitting from duty-free and quota-free access to the European Union is applicable under the EU GSP (excluding GSP+ countries).

Extended cumulation

The Commission may grant, at the request of an OCT, cumulation of origin with a country with which the EU has a free trade agreement in force.

Annex: Cumulation applicable in preferential arrangements

Preferential arrangements	Legal basis	OJ	Cumulation				
			Legal basis				
			Bilateral cumulation	Diagonal cumulation	Full cumulation	Regional cumulation	Extended cumulation
Algeria	Euro-Mediterranean Association Agreement - Protocol 6	OJ L297 of 15/11/2007, p.3	Art 3 and 4	Art 3 and 4	Art 3 and 4	No	No
Andean Countries	Trade Agreement - Annex II	OJ L354 of 21/12/2012, p. 2075	Art 3	Art 3 and 4	No	No	No
Andorra (Agricultural products)	Appendix to the Agreement - Decision No 1/2015 of the EU-Andorra Joint Committee	OJ L344 of 30/12/2015, p. 15	Art 3	No	No	No	No
Cameroon (imports to Cameroon) For imports to EU, see Market Access Regulation decision below)	Decree No 2016/367 of 3 August 2016 of the Republic of Cameroon						
Canada	Comprehensive Economic and Trade Agreement (CETA) - Protocol	OJ L11 of 14/01/2017, p. 465	Art 3	no	Art 3	No	No
CARIFORUM	Economic Partnership Agreement - Protocol I	OJ L289 of 30/10/2008, p. 1805	Art 3 and 4	Art 3, 4 and 5	Art 3 and 4	No	No

Central America	Association Agreement - Annex II	OJ L346 of 15/12/2012, p. 1803	Art 3	Art 3	No	No	No
Ceuta and Melilla	Council Regulation (EC) No 82/2001 of 5/12/2000	OJ L20 of 20/01/2001, p. 1	Art 3 and 4	Art 3 and 4	No	No	No
Chile	Association Agreement - Annex III	OJ L352 of 30/12/2002, p. 935	Art 3	No	No	No	No
Côte d'Ivoire	Stepping stone Economic Partnership Agreement – Decision 2/2019 of the EPA Committee - Protocol 1	OJ L49 of 21/02/2020, p.1	Art 7	Art 7 and 8	Art 7 and 8	No	No
ESA	Interim Agreement establishing a framework for an Economic Partnership Agreement – Amended Protocol 1	OJ L93 of 27/03/2020, p.1	Art 3 and 4	Art 3, 4 and 5	Art 3 and 4	No	No
Generalised System of Preferences (GSP)	Commission Delegated Regulation (EU) 2015/2446 of 28/07/2015 (UCC - DA) - Commission Implementing Regulation (EU) 2015/2447 of 24/11/2015 (UCC-IA)	OJ L343 of 29/12/2015, p. 1 (UCC-DA) p. 558 (UCC-IA)	Art 53 UCC-DA	Art 54 UCC-DA	No	Art 55 UCC-DA	Art 56 UCC-DA

Ghana	Stepping stone Economic Partnership Agreement – Decision 1/2020 of the EPA Committee - Protocol 1	OJ L350 of 21/10/2020, p.1	Art 7	Art 7 and 8	Art 7 and 8	No	No
Israel	Euro-Mediterranean Association Agreement - Protocol 4	OJ L20 of 24/01/2006, p. 1	Art 3 and 4	Art 3 and 4	No	No	No
Japan	Economic Partnership Agreement - Annex 3A	OJ L330 of 27/12/2018, p. 23	Chapter 3 - Art 3.5	No	Chapter 3 - Art 3.5	No	No
Jordan	Euro-Mediterranean Association Agreement - Protocol 3	OJ L209 of 31/07/2006, p. 31	Art 3 and 4	Art 3 and 4	No	No	No
Korea	Free Trade Agreement - Protocol	OJ L127 of 14/05/2011, p. 1344	Art 3	No	No	No	No
Kosovo* - Autonomous measures	Commission Delegated Regulation (EU) 2015/2446 of 28/07/2015 (UCC - DA) - Commission Implementing Regulation (EU) 2015/2447 of 24/11/2015 (UCC-IA)	OJ L343 of 29/12/2015, p. 1 (UCC-DA) p. 558 (UCC-IA)	Art 59 UCC-DA	No	No	No	No
Lebanon	Euro-Mediterranean Association Agreement - Protocol 4	OJ L143 of 30/05/2006, p. 73	Art 3	Art 4	No	No	No

Market Access Regulation decision	Regulation (EU) 2016/1076 of the European Parliament and of the Council of 8/6/2016 - Annex II	OJ L185 of 08/07/2016, p. 16	Art 6	Art 6	Art 6	No	No
Mexico	Decision No 2/2000 of the EC-Mexico Joint Council - Annex III	OJ L245 of 29/09/2000, p. 954	Art 3	No	No	No	No
Morocco	Euro-Mediterranean Association Agreement - Protocol 4	OJ L336 of 21/12/2005, p. 1 (amended in OJ L248 of 22/09/2010 and OJ L17 of 26/01/2016)	Art 3 and 4	Art 3 and 4	Art 3 and 4	No	No
Overseas Countries and Territories (OCTs)	Council Decision EU/2021/1764 of 5/10/2021 - Annex II	OJ L355 of 7/10/2021, p. 50	Art 7	Art 8 and 9	Art 8 and 9	No	Art 10
Pacific States	Interim Partnership Agreement - Protocol II	OJ L272 of 16/10/2009, p.569	Art 3 and 4	Art 3, 4 and 4bis	Art 3 and 4	No	No
Pan-Euro-Mediterranean Convention (PEM)	Regional Convention on pan-Euro-Mediterranean preferential rules of origin - Appendix I	OJ L54 of 26/02/2013, p.8	Art 3	Art 3	Appendix II - Annexes II, III, IV, IX, X and XI	No	No
PEM Transitional Rules	Appendix A of revised agreements between the EU and some PEM countries (see list below in footnote)	See footnote below under "PEM Transitional rules"	Art. 7	Not finished yet- check matrix	Art. 7 (3) – except chap. 50-63 Art. 7 (4)	no	no

SADC	Economic Partnership Agreement - Protocol I	OJ L250 of 16/09/2016, p. 1924	Art 3	Art 4, 5 and 6	Art 3 and 4	No	No
Singapore	Free Trade Agreement – Protocol 1	OJ L294 of 14/11/2019, p. 659	Art 3	Art 3	Art 3	No	No
Syria	Cooperation Agreement - Protocol 2	OJ L269 of 27/09/1978, p.22	Art 1	No	No	No	No
Tunisia	Euro-Mediterranean Association Agreement - Protocol 4	OJ L260 of 21/09/2006, p.3	Art 3 and 4	Art 3 and 4	Art 3 and 4	No	No
Turkey (ECSC products)	Decision No 1/2006 of the EC-Turkey Customs Cooperation Committee - Protocol 1	OJ L 143 of 06/06/2009, p.3	Art 3 and 4	Art 3 and 4	No	No	No
Turkey (agricultural products)	Decision No 3/2006 of the EC-Turkey Association Council, of 19 December 2006, amending Protocol 3 to Decision No1/98 of the EC-Turkey Association Council of 25 February 1998 on the trade regime for agricultural products - Protocol 3		Art 3 and 4	Art 3 and 4	No	No	No
United Kingdom (including Channel Islands and the Isle of Man)	Trade and Cooperation Agreement	OJ L149 of 30/04/2021, p.10	Chapter 2, Section 1 – Art. 40 (1)	no	Chapter 2, Section 1 – Art. 40 (2)	no	no

(Excluded : Gibraltar and the UK OCTs)							
Vietnam	Free Trade Agreement – Protocol 1	OJ L 186 of 12/6/2020, p. 1319	Art 3	No	No	No	No

* This designation is without prejudice to positions on status, and is in line with UNSCR 1244 and the ICJ Opinion on the Kosovo Declaration of Independence.

Andean Countries: Colombia, Ecuador and Peru

CARIFORUM: Antigua and Barbuda, Bahamas, Barbados, Belize, Dominica, Dominican Republic, Grenada, Guyana, Jamaica, St Kitts and Nevis, St Lucia, St Vincent and the Grenadines, Suriname, Trinidad and Tobago

Central America: Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama

ESA: Comoros, Madagascar, Mauritius, Seychelles and Zimbabwe

Market Access Regulation: Cameroon (importations from Cameroon to the EU) and Kenya

Overseas Countries and Territories: Greenland, New Caledonia and dependences, French Polynesia, French Southern and Antarctic Territories, Wallis and Futuna Islands, Saint Pierre and Miquelon, Saint-Barthelemy, Aruba and Netherlands Antilles

Pan-Euro-Mediterranean Convention (PEM): Pan-Euro-Mediterranean Convention (PEM): Albania, Bosnia and Herzegovina, Egypt, Faroe Islands, Georgia, Iceland, Kosovo*, Liechtenstein, Montenegro, North Macedonia, Norway, Palestine (this designation shall not be construed as recognition of a State of Palestine and is without prejudice to the individual positions of the Member States on this issue), Republic of Moldova, Serbia, Switzerland, Turkey and Ukraine.

PEM Transitional Rules – Pan-Euro-Mediterranean countries: see https://ec.europa.eu/taxation_customs/customs-4/international-affairs/pan-euro-mediterranean-cumulation-and-pem-convention_en

SADC: Botswana, Lesotho, Mozambique, Namibia, South Africa and Swaziland

Pacific States: Fiji, Papua New Guinea, Samoa and Solomon Islands

B.8 Documents on origin

This section contains an explanation of the documents on origin, which covers claims for preferential tariff treatment based on government certificates, self-certification and importer's knowledge.

Last update: June 2022

1. Introduction

All preferential arrangements contain provisions on how to prove and certify that a product qualifies for preferential treatment. In general, a claim for preferential tariff treatment is required to be supported by a document on origin, which must be presented to the customs authority of the importing country upon request.

2. Definition of the concept

The different preferential arrangements require specific documents on origin. Economic operators are recommended to check which particular document on origin is required to substantiate their claims to preferential origin.

The different types of documents on origin for claiming preferential treatment at import can be divided into:

- government certificates that are issued by the competent authority of the concerned exporting country
- documents that are made out by the exporters by self-certification (for a single consignment and one document on origin to cover multiple consignments of identical products),
- importer's knowledge on the originating status of the concerned goods.

In each preferential arrangement it is defined which documents on origin can be used. Annex I of this Guidance document provides an overview about the possible documents on origin in the different preferential arrangements.

Documents on origin, with the exception of importers knowledge, have a limited life span according to each preferential arrangement. The period starts from the day the document on origin is issued or is made out. There can be circumstances in which the presentation of the document on origin may be accepted after the time period ends.

In some cases documents on origin can be issued retrospectively. In cases of loss, theft or destruction the exporter can apply for a duplicate of the governmental certificate. In all cases exporters must fulfill the record keeping requirements in the preferential arrangement and comply with national regulations.

Administrative cooperation is common to all preferential arrangements. It allows the competent authorities of partner countries to verify the documents on origin. However, the verification of

preferential claims of origin based on importers knowledge is done directly in the country of import.

Insofar as the preferential arrangement provides the possibility for the issuance of governmental certificates, the partner countries must provide each other with the specimen impressions of the stamps they use to authenticate certificates of origin. This allows customs administrations to make checks on the authenticity of government certificates.

There are exemptions from the requirement for a document on origin, for example, small packages sent from one private person to another up to a specified maximum value. Travelers' personal luggage also benefits from a similar treatment up to a specified maximum value.

As regards the EU's custom unions (Andorra, San Marino and Turkey), the preferential treatment of goods is not based on their originating status but on the fact that the goods comply with provisions on free circulation. This means, that the goods must be either produced in the territory of the customs union or put in free circulation after their importation.

As a result, for the granting of preferential treatment within the customs union a document on origin is not necessary, but a proof of the status of free circulation. These proofs are called "custom union documents". Since these custom union documents are not documents on origin, they are not covered by this section.

3. General Overview

i) Types of documents on origin

Annex I of this Guidance provides an overview on the possible documents on origin in the different preferential arrangements. Therefore, it is recommended to consult this annex to find out which document on origin is needed. Some preferential arrangements allow the use of different documents on origin.

In general, documents on origin can be classified in three categories. There are those endorsed by the competent authorities, government certificates, those issued by the exporter on commercial documents, self-certification, and importer's knowledge (no document but a claim on the import declaration).

1) Government certificates

a) EUR.1 movement certificates

Legal references – examples

- Article 15 of Appendix I of the PEM Convention (Specimen of EUR.1: Annex IIIa of Appendix I of the PEM Convention)
- PEM transitional rules (e.g. Article 17 of Appendix A of Protocol No 3 EU-Switzerland)
- Article 15 of Annex III of EU-Chile Agreement (Specimen of EUR.1: Appendix III of Annex III)

A movement certificate EUR.1 is a governmental certificate that can be used in preferential trade between the EU and most partner countries with which the EU has signed a Free Trade Agreement. In addition, there is also the possibility to apply for a movement certificate EUR.1 for imports into the European Union from:

- some of the African, Caribbean and Pacific States based on the Market Access Regulation (EU) No 2016/1076
- within the framework of the rules of origin unilaterally adopted by the Union for certain countries or territories according to Article 113 et seqq. UCC-IA (autonomous trade measures).

Furthermore, in trade with PEM countries the movement certificate EUR-MED must be used in particular cases. Under III.A.1.b) of this section it is explained in which cases a movement certificate EUR.1 or a movement certificate EUR-MED shall be applied for. However, in trade with PEM countries according to the PEM transitional rules the only governmental certificate that can be used is the movement certificate EUR.1.

b) EUR-MED movement certificates

Legal reference

- Article 15 of Appendix I of the PEM Convention (Specimen of EUR-MED: Annex IIIb of Appendix I of the Regional Convention), or
- In agreements of the PEM-Zone that do not have the link to the PEM Convention, but have the respective Article in the Free Trade Agreement (e.g. Article 16 of Protocol No. 4 of the EU-Morocco Agreement).

Like the movement certificate EUR.1, the movement certificate EUR-MED is also a governmental certificate. However, this form is solely used in the framework of the Regional Convention on pan-Euro-Mediterranean preferential rules of origin and in the case of pan-Euro-Mediterranean cumulation.

It is important to distinguish between movement certificates EUR.1 and EUR-MED.

Goods that acquired their originating status by applying pan-euro-med-cumulation shall, in principle, be marked in the EUR-MED certificate accordingly. This is in order to identify all the countries involved in cumulation within the production process, and whether the importing country can grant preferential treatment on the basis of cumulation. Therefore, the EUR-MED certificate must contain either the statement “CUMULATION APPLIED WITH... (name of the country/countries)” or “NO CUMULATION APPLIED”.

In trade with PEM countries according to the PEM transitional rules the only governmental certificate that can be used is the movement certificate EUR.1.

When to apply for an EUR.1 and when to apply for an EUR-MED

Legal reference

- Article 16(4) and (5) of Appendix I of the PEM Convention, or

- Article 16(4) and (5) of Protocol No. 4 on rules on origin of Decision No. 71/2015 of the EEA Joint Committee, or
- In agreements of the PEM-Zone that do not have the link to the PEM Convention, but have the respective Article in the Free Trade Agreement (e.g. Article 17 of Protocol No. 4 of the EU-Morocco Agreement).

The use of the movement certificate EUR.1 or the EUR-MED depends on whether:

- Mediterranean countries, excluding Turkey, are involved.
- diagonal cumulation is applied.
- full cumulation is applied.
- duty drawback is granted.

The PanEuroMed Handbook provides further details on whether the movement certificate EUR.1 or the EUR-MED can be used.

c) Form A

As from 31 December 2020, GSP beneficiary countries may no longer issue Form A certificates of origin for export to the EU.

2) Self-certification documents on origin

Unlike government certificates, which are completed by the exporter on pre-printed forms and endorsed and signed by the competent authorities, self-certification is a declaration by the exporter on a commercial document¹³. These self-certifications can be statements on origin, origin declarations or invoice declarations. Depending on the relevant preferential arrangement and the value of the originating products in the consignment, the EU exporter will usually be required to be authorised or registered (Approved Exporter number or Registered Exporter (REX) number).

Annex I to this Guidance provides an overview on which document on origin can be used in the framework of which preferential arrangement.

a) Statement on origin – Registered Exporter (REX)

A statement on origin is a declaration made out by the exporter on the originating status of products on a commercial document¹⁴. It can be used as a document on origin in the framework of certain Free Trade Agreements (e.g. EU-UK TCA) or within the GSP and trade with relation to the OCTs. To be entitled to make out statements on origin, an economic operator needs to be registered in the REX system (see [Guidance “Registered Exporter System”](#)) and to have a valid registration. A REX number can be used for all preferential arrangements under which the REX system applies.

¹³ EU-UK TCA: Any document that describes the originating product in sufficient detail to enable the identification of that product can be used.

¹⁴ See footnote 12

However, unregistered exporters (without a REX number) may make out statements on origin for consignments of originating products having a value which does not exceed 6 000 EUR and in the case of trade with the OCTs the value does not exceed 10 000 EUR.

In the framework of Preferential Agreements

Legal reference - examples

- Article 3.16 of the EU-Japan EPA (text of statement on origin: Annex 3-D of EU-Japan EPA)
- Article 54 of the EU-UK TCA (text of statement on origin: Annex 7 of EU-UK TCA)

In some bilateral preferential agreements a statement on origin can be used as a document on origin to claim preferential tariff treatment. Guidance on the statement on origin can be found at:

Japan:

https://ec.europa.eu/taxation_customs/system/files/2019-12/eu-japan-epa-guidance-statements-on-origin.pdf

https://ec.europa.eu/taxation_customs/system/files/2020-01/eu_japan_epa_guidance_statement_on_origin_for_multiple_shipments_of_identical_products_en.pdf

United Kingdom:

Guidance on TCA Section II: origin procedures:

https://ec.europa.eu/taxation_customs/customs-4/international-affairs/third-countries/united-kingdom_en

General System of Preferences (GSP)

Legal reference

- Article 92 UCC-IA (text of statement on origin: Annex 22-07 of UCC-IA)

Since 1 January 2018 only statements on origin can be made out by EU exporters for products exported to a GSP beneficiary country for cumulation purposes.

Furthermore, since 1 January 2021 all exporters from GSP beneficiary countries wanting to export under GSP are also required to use a statement on origin as the only document on origin. The Form A can no longer be issued. In this way, GSP has completely switched from governmental certificates (Form A) to documents on origin by the way of self-certification (REX-system).

More information about the REX-system is available on the website of the European Commission (REX - Registered Exporter system “Application of the REX system in the GSP scheme of the EU”) at the following link:

https://ec.europa.eu/taxation_customs/online-services/online-services-and-databases-customs/rex-registered-exporter-system_en

Overseas Countries and Territories (OCT)

Legal reference

- Article 28 of the annex of the EU Council Decision 2021/1764 of 5 October 2021 (text of statement on origin: Appendix IV)

Since 1 January 2020 only statements on origin can be made out by OCT exporters for products exported to the EU under preference. Equally, EU exporters for products exported to OCTs under bilateral cumulation need to make out a statement on origin. In certain cases, OCTs may reciprocate and provide preference for EU products. For those OCTs providing preference to EU products (see Annex), the EU exporter needs to make out a statement on origin.

b) Invoice or origin declaration (including EUR-MED)

Invoice or origin declarations may be made out by either Approved Exporters or by Registered Exporters (REX) depending on the preferential arrangement. Details of preferential arrangements in which an invoice or origin declaration can be made out by an Approved Exporter or by a REX exporter can be found in the Annex.

However, exporters without an Approved Exporter or REX number may make out invoice or declarations for consignments in which the total value (ex-works price) of originating products does not exceed EUR 6 000.

(a) Approved Exporter

Legal reference – examples

- Article 15 of Appendix I of the PEM Convention (text of the origin declaration: Annex IVa and IVb of Appendix I of the PEM Convention)
- PEM transitional rules (e. g. Article 17 of Appendix A of Protocol No 3 EU-Switzerland)
- Article 15 of Annex III of the EU-Chile Agreement (text of the invoice declaration: Appendix IV of Annex III)
- Article 15 of the origin protocol of the EU-Korea Free Trade Agreement (text of the origin declaration: Annex III of the origin protocol)

An invoice or origin declaration is a declaration made out by the exporter on the originating status of products on a commercial document. It may be used as an alternative to government certificates. Exceptions are the EU - Korea Agreement and the EU-Singapore Agreement where only the origin declaration can be used as a document on origin.

To make out an invoice or origin declaration, an economic operator needs an authorisation by the customs administration granting the status of an Approved Exporter e.g. Article 22 of Appendix I of the PEM Convention. For more information on Approved Exporters see,

https://ec.europa.eu/taxation_customs/system/files/2019-02/guidance-on-approved-exporters.pdf

In trade with countries of the Pan-euro-med-Zone (PEM countries), under the same circumstances in which the movement certificate EUR-MED or EUR.1 is used, the invoice or origin declaration EUR-MED may be required instead of the invoice or origin declaration.

The PanEuroMed Handbook provides further details on whether the invoice or origin declaration and the invoice or origin declaration EUR-MED can be used. However, in trade with PEM countries according to the PEM transitional rules only an invoice or origin declaration can be used.

(b) Registered Exporter

Legal reference - examples

- Article 18 of the EU-Canada CETA origin protocol - (text of the origin declaration: Annex 2 of the CETA origin protocol)
- Article 17 of Protocol No 1 of the EU-Ghana EPA - (text of the origin declaration for the export to Ghana: Annex IV to Protocol No 1)
- Article 23 of Protocol 1 of the Interim EPA between the EU and ESA states as amended by Decision No 1/2020 of the EPA Committee of 14 January 2020¹⁵

Certain preferential arrangements e.g. EU-Ghana EPA, specify the use of REX for making out invoice or origin declarations. However, for EU exporters intending to make out invoice or origin declarations, where the preferential arrangement does not specify the status of the exporter, Article 68(1) UCC-IA provides for the use of the Registered Exporter System (REX). For more information about the REX-System, please see the link,

https://ec.europa.eu/taxation_customs/online-services/online-services-and-databases-customs/rex-registered-exporter-system_en

Exporters without a REX number may, nevertheless, make out an invoice or origin declaration for a consignment of originating products of a value not exceeding EUR 6 000 (ex-works). This is either specified in the preferential arrangement, or where it is not specified, Article 68 (4) UCC-IA would apply.

c) Multiple shipments of identical products

Legal reference

- Article 3.17 (5) of EU-Japan EPA (text for statement on origin: Annex 3-D of EU-Japan EPA)
- Article 56 (4) of the EU-UK TCA (text for statement on origin: Annex 7 of EU-UK TCA)
- Article 19 (5) of the EU-Canada CETA origin protocol (text of the origin declaration: Annex 2 of the CETA origin protocol)

In most preferential arrangements a document on origin is valid for one single shipment of products. However, in some agreements e.g. EU-Japan EPA, there is the possibility for the

¹⁵ Zimbabwe: Notification on REX OJ 27.9.2021 C 390 p. 3
EU : Notification on REX OJ 26.5.2020 C176 p. 3

exporter to make out a document on origin that is valid for multiple shipments of identical originating products within a defined period of time not exceeding 12 months.

A document on origin for multiple shipments of identical products provides a facilitation for exporters sending identical products as, within the given time period, only one document on origin is needed covering all products, instead of separate documents on origin for each individual consignment.

The wording of the documents on origin for multiple shipments of identical products is the same as the single documents on origin, set out in the preferential agreement, with the addition of a defined period.

The preferential agreements refer to the internal legislation of the Parties as regards the conditions that must be fulfilled by an exporter completing a document on origin for multiple shipments of identical products. In the EU, the Registered Exporter System (REX) applies according to Article 68 UCC-IA.

For more information about the REX-System please see the Guidance on the Registered Exporter System (REX).

https://ec.europa.eu/taxation_customs/system/files/2017-09/registered_exporter_system_rex_-_guidance_document_v1_en.pdf

An exporter to which a REX-number has not been assigned cannot make out a document on origin for multiple shipments of identical products unless the value of originating products in each consignment is below the threshold required to use a REX number.

Furthermore, there is an EU-Japan EPA Guidance: Statement on Origin for multiple shipments of identical products. This provides guidance as well on what is meant by "identical products".

https://ec.europa.eu/taxation_customs/system/files/2020-01/eu_japan_epa_guidance_statement_on_origin_for_multiple_shipments_of_identical_products_en.pdf

In addition, there is also a "Guidance on TCA Section II: origin procedures" with explanations on the statement on origin for multiple shipments of identical products under point 4, which can be found at the following link:

https://ec.europa.eu/taxation_customs/customs-4/international-affairs/third-countries/united-kingdom_en

Particularity for CETA:

In the framework of CETA, only EU exporters may make out an origin declaration for multiple shipments of identical products. The option is not available for Canadian exporters.

Where the origin declaration is completed by a Canadian exporter with the dates mentioned in field 1 of Annex 2 of the CETA Origin Protocol, customs authorities in the EU will accept the origin declaration but only for the first consignment.

3) Importer's knowledge

Legal reference

- Article 3.18 of the EU- Japan EPA
- Article 58 of the EU-UK TCA

“Importer's knowledge” allows the importer to claim preferential tariff treatment based on its own knowledge about the originating status of imported products. This possibility exists in the context of preferential trade between Japan and the European Union as well as between the United Kingdom and the European Union.

Importer's knowledge is based on information in the form of supporting documents or records provided by the exporter or manufacturer of the product, which are in the importer's possession. This information must provide valid evidence that the product qualifies as originating. As the importer is making a claim using his own knowledge, no document on origin from the exporter is required at import and no action pertaining to the preferential origin of goods in the exporting Party will be undertaken.

The importer using “importer's knowledge” does not need to be registered in the REX database. For more information, please consult the "EU-Japan EPA Guidance: Importer's knowledge" which is available at the following link:

https://ec.europa.eu/taxation_customs/system/files/2019-01/eu_japan_epa_guidance_importers_knowledge_en.pdf

or the EU-UK-TCA "Guidance on TCA Section II: origin procedures" which is available at:

https://ec.europa.eu/taxation_customs/customs-4/international-affairs/third-countries/united-kingdom_en

ii) Application/Issuance of movement certificates (EUR.1 / EUR-MED)

Legal references – examples

- Article 16 of Appendix I of the Regional Convention on pan-Euro-Mediterranean preferential rules of origin
- PEM Transitional Rules (e. g. Article 20 of Appendix A of Protocol No 3 EU-Switzerland)
- Article 16 of Annex III of EU-Chile Agreement

Explanatory notes:

- **PEM-Zone:** Explanatory Notes concerning the Pan-Euro-Mediterranean protocols on rules of origin (OJ 2007/C 83/01 and OJ 2007/C 231/04)
- **Chile:** Explanatory Notes concerning Annex III – Definition of the concept of originating products and methods of administrative cooperation – to the Agreement establishing an Association between the European Community and its Member States, of the one part, and the Republic of Chile, of the other part (OJ 2003/C 321/06 and OJ 2005/C 56/05)

- **Mexico:** Explanatory notes concerning Annex III of the EC-Mexico Agreement – Decision 2/2000 of the EC-Mexico Joint Council (OJ 2001/C 128/10 and OJ 2004/ C 40/02)
- **Central America:** Explanatory Notes to Article 15, 16, 19, 20 and 30 of Annex II (Concerning Definition of the Concept of ‘Originating Products’ and Methods of Administrative Cooperation) of the Agreement regarding the Movement Certificate EUR.1, invoice declaration, Approved Exporters and verification of proofs of origin (OJ L25 of 26.01.2021)

A movement certificate EUR.1 or EUR-MED is issued by the competent authorities of the exporting country based on an application having been made in writing by the exporter or, under the exporter’s responsibility, by his authorised representative.

In principle, only one document on origin shall be issued for one consignment of goods.

Particularity with Pan-Euro-Med

More than one document on origin may be issued for one consignment if it consists of:

- goods from different countries of origin, or*
- goods some of which acquired originating status with cumulation and others without, or*
- cumulation with different countries is applied, or*

The exporter or his authorised representative must fill in both the movement certificate and the application form. The application form is found on the second sheet of the movement certificate. The customs authorities of the exporting country will retain this part when they stamp the movement certificate.

If the exporter is using an authorised representative, this representation shall be apparent from the movement certificate or at least from the application form.

The original and the application of the movement certificate must be signed in writing. If the application is being filled-in by hand, it must be completed in ink. The reverse side of the movement certificate is for official purposes only and is not to be completed by the exporter.

The exporter applying for the issue of a movement certificate has to be prepared to submit at any time at the request of the customs authorities of the exporting country where the movement certificate is issued, all appropriate documents proving the originating status of the products concerned as well as the fulfilment of other requirements of the preferential agreement. For preferential purposes, any natural or legal person who is able to prove the originating status of the goods can be the exporter.

The application form must be supported¹⁶ by all the documents that are necessary to prove the origin of the goods (e.g. supplier’s declarations, calculations, lists of parts used, purchase invoices, sales invoices, import documentation).

Particularity with Pan-Euro-Med

¹⁶ In certain Member States the supporting documents must be attached to the application form and in other Member States provided upon request.

In case the goods acquired their originating status by applying the PEM Transitional Rules exporters have to include the statement in English “TRANSITIONAL RULES” in box 7 of the movement certificate EUR.1. For more information, please consult the general guidance on PEM and the "Guidance: Transitional PEM Rules of Origin" at the links below:

https://ec.europa.eu/taxation_customs/customs-4/international-affairs/third-countries/united-kingdom_en

https://ec.europa.eu/taxation_customs/document/download/f8214b8d-2179-4600-8692-a1aeb3ff9ab0_en?filename=PEM%20transitional%20RoO%20-%20Guidance%20V1_25.08.2021.pdf

The competent authorities issuing movement certificates must take any steps necessary to verify the originating status of the products and the fulfilment of the other requirements of the preferential arrangement. For this purpose, they have the right to call for any evidence and to carry out any inspection of the exporter's accounts or any other check considered appropriate.

The competent authorities will also ensure that the forms are duly completed. In particular, they will check whether the space reserved for the description of the products has been completed in such a manner as to exclude the possibility of fraudulent additions. Erasures not certified or words written over are not allowed. Any other modifications on the form are only permitted if they are confirmed by the competent authority by an official stamp.

A movement certificate will be issued by the competent authorities and made available to the exporter as soon as actual exportation has been effected or ensured. This is the case when the corresponding export declaration has been made.

iii) Making out of documents on origin by way of self-certification (including multiple shipments of identical products)

Documents on origin by self-certification are made out under the responsibility of the exporter without any involvement of the customs authorities. Annex I to this Guidance provides an overview about which document on origin can be used depending on the preferential arrangement.

1) Statement on origin

Legal references – examples

- Article 3.17 of the EU-Japan EPA (text of the statement on origin: Annex 3-D EU-Japan EPA)
- Article 92 UCC-IA (in case of cumulation with GSP countries in conjunction with Article 93 UCC-IA)
- Article 26 of Council Decision (EU) 2019/2196 of 19 December 2019 for OCTs
- Article 15(1)(c) of the EU-Vietnam FTA origin protocol (only for exports from the EU)

To be entitled to make out statements on origin, an economic operator needs to be registered in the REX system, see guidance:

https://ec.europa.eu/taxation_customs/online-services/online-services-and-databases-customs/rex-registered-exporter-system_en

Once registered, the registration number must be indicated on the statement of origin.

However, it is allowed that any exporter may make out statements on origin for consignments of originating goods having a value (ex-works price) which does not exceed EUR 6 000 (in the case of OCTs it is EUR 10 000).

The statement on origin shall be provided by the exporter to its customer and shall contain the particulars specified in the concerned preferential arrangement, e.g. Annex 22-07 UCC-IA for the GSP or Annex 3-D of EU-Japan EPA or Annex VI to protocol 1 of the EU-Vietnam FTA.

Within the GSP it shall be made out in English, French or Spanish and within the OCTs only English or French may be used. In the framework of other preferential arrangements the languages of the concerned partner countries can be used as well as all official EU languages.

Statements on origin can be made out-by typing, printing, handwriting or stamping the text on the invoice or any other commercial document (including a photocopy of the document). The document should show the name and full address of the exporter and consignee as well as a detailed description of the products, to enable their identification, and the date of making out if it is different to the date of the invoice or commercial document.

Other commercial documents can be for example an accompanying delivery note, a pro-forma invoice or a packing list.

A statement on origin can be made out on a separate piece of paper, with or without a letterhead. If it is made out on a separate sheet of paper this separate sheet must be part of the commercial document by having a reference from the commercial document to the separate sheet of paper or vice versa (see EU-Japan guidance on Statement on Origin, at the link below).

https://ec.europa.eu/taxation_customs/system/files/2019-12/eu-japan-epa-guidance-statements-on-origin.pdf

If the commercial document contains several pages, each page should be numbered with the total number of pages mentioned. A separate sheet with the statement of origin can make reference to this commercial document.

The statement on origin on a label that is permanently affixed to a commercial document is permitted if there is no doubt that the label has been affixed by the registered exporter.

Particularity of UK

In the EU-UK TCA the statement on origin can be made out on any document that describes the originating product in sufficient detail to enable the identification of that product. It is not necessary that the statement on origin is made out on a commercial document. For more information see the guidance EU-UK TCA Guidance on “Section 2: Origin procedures:

https://ec.europa.eu/taxation_customs/document/download/ae9cbcf-c-a773-4709-b0a2-534c165b00ef_en?filename=WEBSITE%20-%20EU-UK%20TCA%20-%20Draft%20Guidance%20-%20Section%202 Origin%20procedures.pdf

Statements on origin do not have to be signed in writing.

The specific country of origin or territory must be specified. If the product is originating in the EU then the wording “European Union” shall be entered on the declaration. The exclusive indication of a particular Member State e.g. France, Austria or Greece is not acceptable. If the country of origin is abbreviated for products originating outside the EU, Implementing Regulation (EU) 2020/1470 of 12.10.2020 may be applied. The abbreviation “EU” (or “UE”) may be used for products originating in the European Union.

The invoice, the delivery note or other commercial document which contains the statement on origin may contain both originating and non-originating products. The text of the statement on origin allows this by mentioning “... except where otherwise clearly indicated ...”. In this case, non-originating products must be clearly identified separately.

There is no set way to identify separately the non-originating products, however, examples of how to do this may include:

- Indicating whether the goods are originating or not in brackets behind every item of goods on the commercial document.
- Two headings on the invoice, namely originating goods and non–originating goods with the type of goods under the corresponding heading.
- Attribute a number to the goods and indicate which of the numbers relate to originating goods and which are non–originating.

Particularity within GSP

If the goods listed in the invoice or another commercial document have their preferential origin in different countries or territories (which can happen in a case of regional cumulation in the context of the GSP), the names or the official abbreviations of the countries or territories should be indicated. This can be done in the same way as described above so long as the country or territory of origin is clearly identified.

The origin criteria used shall be indicated as a part of the statement on origin when required by the preferential arrangement e.g. EU-Japan EPA. If the origin criterion to be mentioned is not the same for all goods on the commercial document, this should also be clearly indicated. One possibility is to indicate the origin criterion used next to each good on the commercial document and to make a reference to this on the statement on origin, e.g. "as indicated next to each item of the commercial document".

In most preferential arrangements e.g. GSP or Vietnam, a statement on origin may be made out at the time of exportation or when the exportation is ensured. Retrospective issuance is possible.

Regarding Japan and the UK, there is no limitation with respect to the point in time of making out a statement on origin, however, for imports under preference in Japan the importer must hold the statement on origin at the time of import (see EU-Japan EPA Guidance Statement on Origin, at the link below)

https://ec.europa.eu/taxation_customs/system/files/2019-12/eu-japan-epa-guidance-statements-on-origin.pdf

2) Invoice or origin declaration (including EUR-MED)

The invoice or origin declaration may be made out by an economic operator in certain preferential arrangements, which may include trade in the Pan-euro-med-Zone (PEM countries). However, depending on the applicable conditions the exporter may be required to complete an invoice or origin declaration EUR-MED in trade with the Pan-euro-med-Zone (PEM countries).

a) Invoice or origin declaration (not EUR-MED) – Approved Exporter

Legal reference - examples:

- Article 21 of Appendix I of the PEM Convention
- If a country of the PEM-Zone has not made the link to the PEM Convention yet, the concerned Article of the Free Trade Agreement e.g. Article 22 of Protocol No. 4 between the EU and Morocco,.
- Article 20 of Annex III of EU-Chile Agreement

To be entitled to make out invoice or origin declarations, an economic operator needs to be an Approved Exporter, e.g. Article 22 of Appendix I of the PEM Convention. Guidance on Approved Exporter's can be found at:

https://ec.europa.eu/taxation_customs/system/files/2019-02/guidance-on-approved-exporters.pdf

The authorization number must be indicated in the invoice or origin declaration.

Exporters without an authorisation number may make out invoice or origin declarations for consignments of originating goods with a value (ex-works price) which does not exceed EUR 6 000.

The wording of the invoice or origin declaration must conform to the wording set out in the respective preferential arrangement using one of the official EU languages or any one of the other languages indicated in the preferential arrangement e.g. language(s) of the partner country.

Invoice or origin declarations can be made out by typing, printing, handwriting or stamping the text on the invoice or any other commercial document (including a photocopy of the document). The document should show the name and full address of the exporter and consignee as well as a detailed description of the products, to enable their identification, and the date of making out if it is different to the date of the invoice or commercial document.

Other commercial documents can be for example an accompanying delivery note, a pro-forma invoice or a packing list.

Invoice or origin declarations can be made out on a separate piece of paper, with or without a letterhead. If it is made out on a separate sheet of paper, this separate sheet must be part of the commercial document by having a reference from the commercial document to the separate sheet of paper or vice versa (see EU-Japan guidance on Statement on Origin, at the link below).

https://ec.europa.eu/taxation_customs/system/files/2019-12/eu-japan-epa-guidance-statements-on-origin.pdf

If the commercial document contains several pages, each page should be numbered with the total number of pages mentioned. A separate sheet with the invoice or origin declaration can make reference to this commercial document.

The invoice or origin declaration on a label that is permanently affixed to a commercial document is permitted if there is no doubt that the label has been affixed by the registered exporter.

Normally these declarations must bear the original hand written signature of the exporter and additionally the name of the person signing the declaration. However, if the Approved Exporter has given the customs authority of the exporting Party a written undertaking accepting full responsibility for any declaration which identifies him then, no signature is required. This exemption of the signature also implies the exemption of the name of the signatory.

Where the exporter is not an Approved Exporter a signature is required.

The specific country of origin or territory must be specified. If the product is originating in the EU then the wording “European Union” shall be entered on the declaration. The exclusive indication of a particular Member State e.g. France, Austria or Greece is not acceptable. If the country of origin is abbreviated for products originating outside the EU, Implementing Regulation (EU) 2020/1470 of 12.10.2020 may be applied. The abbreviation “EU” (or “UE”) may be used for products originating in the European Union.

The invoice, the delivery note or other commercial document which contains the invoice or origin declaration may contain both originating and non-originating products. The text of the statement on origin allows this by mentioning “... except where otherwise clearly indicated ...”. In this case, non-originating products must be clearly identified separately.

There is no set way to identify separately the non-originating products, however, examples of how to do this may include:

- Indicating whether the goods are originating or not in brackets behind every item of goods on the commercial document.
- Two headings on the invoice, namely originating goods and non–originating goods with the type of goods under the corresponding heading.

- Attribute a number to the goods and indicate which of the numbers relate to originating goods and which are non-originating.

An invoice or origin declaration may be made out at the time of exportation or when the exportation is ensured. Retrospective issuance is possible.

b) Invoice or origin declaration EUR-MED – Approved Exporter

Legal reference:

- Article 21 of Appendix I of the PEM Convention
- If a country of the PEM-Zone has not made the link to the PEM Convention yet, the concerned Article of the Free Trade Agreement e.g. Article 22 of Protocol No. 4 between the EU and Morocco

The PanEuroMed Handbook provides details on whether the invoice or origin declaration, or the invoice or origin declaration EUR-MED, should be used.

In general, for the making out of invoice or origin declarations EUR-MED the same principles apply for the making out of invoice or origin declarations (not EUR-MED).

Additionally, in case of an invoice or origin declaration EUR-MED the necessary statement: 'Cumulation applied with (name of the country/countries)' or 'No cumulation applied' has to be made out in English.

When the product obtained its originating status on the basis of cumulation, the countries with which cumulation has been applied have to be listed in the text of the declaration.

Provided the originating product is wholly obtained or the materials used in the manufacture were sufficiently processed without cumulation “No cumulation applied” has to be mentioned in the text of the declaration.

3) Invoice or origin declarations – Registered Exporter (REX)

Legal reference - examples

- Article 19 of the CETA origin protocol in connection with the relevant European Union legislation for exports to Canada (in particular Article 68 UCC-IA)
- Article 21 of Protocol No 1 implementing Decision 1/2020 of the EU-Ghana EPA

To be entitled to make out an invoice or declaration, an economic operator needs to be registered in the REX system, see Guidance “Registered Exporter System”).

https://ec.europa.eu/taxation_customs/system/files/2017-09/registered_exporter_system_rex_-_guidance_document_v1_en.pdf

Once registered, the registration number must be indicated on the invoice or origin declaration.

However, it is allowed that any exporter may make out invoice or origin declarations for consignments of originating goods having a value (ex-works price) which does not exceed EUR 6 000.

The wording of the invoice or origin declaration must conform to the wording set out in the relevant provisions of the preferential arrangement e.g. annex 2 of the CETA Origin Protocol or Annex IV to Protocol No 1 for the EU-Ghana. The text must be in any one of the official languages of the EU.

Invoice or origin declarations can be made out-by typing, printing, handwriting or stamping the text on the invoice or any other commercial document (including a photocopy of the document). The document should show the name and full address of the exporter and consignee as well as a detailed description of the products, to enable their identification, and the date of making out if it is different to the date of the invoice or commercial document.

Other commercial documents can be for example an accompanying delivery note, a pro-forma invoice or a packing list.

Invoice or origin declarations can be made out on a separate piece of paper, with or without a letterhead. If it is made out on a separate sheet of paper, this separate sheet must be part of the commercial document by having a reference from the commercial document to the separate sheet of paper or vice versa (see EU-Japan guidance on Statement on Origin, at the link below).

https://ec.europa.eu/taxation_customs/system/files/2019-12/eu-japan-epa-guidance-statements-on-origin.pdf

If the commercial document contains several pages, each page should be numbered with the total number of pages mentioned. A separate sheet with the invoice or origin declaration can make reference to this commercial document.

The invoice or origin declaration on a label that is permanently affixed to a commercial document is permitted if there is no doubt that the label has been affixed by the registered exporter.

If the REX number is indicated in the invoice or origin declaration no signature is required. In accordance with Article 19 (3) CETA in connection with Article 68 (7) UCC-IA an origin declaration does not have to be signed neither by a registered exporter nor by a non-registered exporter for consignments up to EUR 6 000.

The invoice, the delivery note or other commercial document which contains the invoice or origin declaration may contain both originating and non-originating products. The text of the statement on origin allows this by mentioning "... except where otherwise clearly indicated ...". In this case, non-originating products must be clearly identified separately.

There is no set way to identify separately the non-originating products, however, examples of how to do this may include:

- Indicating whether the goods are originating or not in brackets behind every item of goods on the commercial document.

- Two headings on the invoice, namely originating goods and non–originating goods with the type of goods under the corresponding heading.
- Attribute a number to the goods and indicate which of the numbers relate to originating goods and which are non–originating.

The invoice or origin declaration may be made out at the time of exportation or when the exportation is ensured. Retrospective issuance is possible.

4) Statements on origin or origin declarations for multiple shipments of identical products

Legal references

- Article 3.17 of the EU-Japan EPA (text of the statement on origin: Annex 3-D of the EU-Japan EPA)
- Article 19 of the CETA Origin Protocol– (exports to Canada only)
- Article 56(4b) of EU-UK TCA

A statement on origin for multiple shipments of identical originating products is a statement valid for consignments of identical originating products over a period up to a maximum of 12 months.

To be entitled to make out statements on origin or origin declarations for multiple shipments of identical products, an economic operator needs to be registered in the REX system (see Guidance “Registered Exporter System”).

https://ec.europa.eu/taxation_customs/system/files/2017-09/registered_exporter_system_rex_-_guidance_document_v1_en.pdf

However, an exporter to which a REX-number has not been assigned can make out a statement on origin or origin declaration for multiple shipments of identical products so long as each shipment of originating products does not exceed EUR 6 000.

In general, the same principles apply for making out statements on origin or origin declarations for multiple shipments of identical products as for making out a statement on origin or origin declaration for a single shipment (see points 1 and 3 in this section of the Guidance).

For more information in trade with Japan see “EU-Japan EPA Guidance: Statement on Origin for multiple shipments of identical products”

https://ec.europa.eu/taxation_customs/system/files/2020-01/eu_japan_epa_guidance_statement_on_origin_for_multiple_shipments_of_identical_products_en.pdf

For trade with Canada see “CETA Guidance”

https://ec.europa.eu/taxation_customs/system/files/2020-10/ceta_guidance_en.pdf

In trade with the United Kingdom see “Guidance on TCA section II: origin procedures”.

[file:///C:/Users/wilkiga/Downloads/WEBSITE%20-%20EU-UK%20TCA%20-%20Draft%20Guidance%20-%20Section%202_Origin%20procedures%20\(3\).pdf](file:///C:/Users/wilkiga/Downloads/WEBSITE%20-%20EU-UK%20TCA%20-%20Draft%20Guidance%20-%20Section%202_Origin%20procedures%20(3).pdf)

Particularity for CETA:

Making out of long-term origin declarations according to Article 19 (5) CETA is not allowed for claiming preference in the EU because there is no provision in the UCC-IA giving effect to this possibility.

iv) Claim for preferential treatment based on importer’s knowledge

Legal reference:

- Article 3.16 of the EU-Japan EPA
- Article 58 of the EU-UK TCA

A claim for preferential tariff treatment can be based on the importer’s knowledge that a product is originating. In the EU the claim for preferential tariff treatment and its legal basis are included in the customs declaration for release for free circulation of the products concerned.

For products for which preferential tariff treatment is claimed on the basis of “importer’s knowledge”, specific information shall be included on the import declaration under **Data Element 2/3** (Documents produced, certificates and authorisations, additional references), as an ‘additional reference’.

Information on importer’s knowledge can be found at the following links:

Japan

https://ec.europa.eu/taxation_customs/system/files/2019-01/eu_japan_eпа_guidance_importers_knowledge_en.pdf

United Kingdom

Point 5 of Guidance on TCA Section II: origin procedures:

https://ec.europa.eu/taxation_customs/customs-4/international-affairs/third-countries/united-kingdom_en

v) Validity period

Legal reference – examples

- Article 23 (1) of Appendix I of the PEM Convention
- Article 20 (1) of the origin protocol of CETA
- Article 3.17 (4) of the EU-Japan EPA
- Article 99 (2) UCC-IA (GSP: statements on origin)

- Article 56 (3) of the EU UK TCA

Documents on origin have a limited life span according to each preferential arrangement. This limit varies among different EU preferential arrangements. The Annex provides information on the different validity periods.

The period starts running as from the day the document on origin is issued or made out in the exporting country. The document on origin must be valid at the time the claim for preference is made.

For replacement documents on origin the date of issuing/making out of the replacement document on origin is the date from which the validity period begins.

In the case of duplicate certificates the period of validity will take effect from the date of the initial certificate.

Documents on origin for multiple shipments of identical products are valid within the period indicated on it. All importations of the product must occur within the period indicated (see B8 3(i)2(d)).

Documents on origin which are submitted to the customs authorities of the importing country after the final date for presentation specified above, may be accepted (except for CETA, EU-UK TCA and EU-Japan EPA) for the purpose of applying preferential treatment where:

- the failure to submit these documents by the final date set is due to exceptional circumstances according to the specific preferential arrangement.

Exceptional circumstances in this context means circumstances which are outside the control of the importer or his representative, which occur rarely and which do not compromise the ability of the importing customs authorities to verify the origin of the goods (e.g. natural catastrophes),

or

- the products have been submitted to the customs authority of the importing country before the expiry of the document and the date of issuance/making out the document on origin was not more than 2 years ago.

A document on origin can be considered as being 'submitted' only if it is presented to the customs authorities according to the Union provisions in force, in relation with a declaration for release for free circulation of the goods concerned, on the basis of which a preference is or may be claimed provided that the importer has presented the goods to customs and has indicated that the goods are goods of preferential origin.

For more information see guidance at the following link:

https://taxation-customs.ec.europa.eu/system/files/2016-09/2267-final_en.pdf

vi) Preservation of documents on origin and supporting documents

Legal references – examples

- Article 28 of Appendix I of PEM Convention
- Article 26 of the CETA origin protocol
- Article 3.19 of the EU-Japan EPA
- Article 91 UCC-IA in the framework of GSP
- Article 27 of Annex III of EU-Chile Agreement

The exporter, irrespective of whether he is a producer or trader, making out a document on origin or applying for a government certificate must have in his possession all the necessary documents e.g. supplier's declarations, or calculations showing the goods are originating, which allows him to prove the origin of the goods and to reply to a request for verification.

The exporter / re-consignor should be aware that in most preferential arrangements of the EU, the period of record keeping for documents on origin and supporting documents is at least 3 years from the date of issue/making out of the document on origin. However, some legal frameworks may provide a different period (e.g. 5 years in the EU – Korea FTA). Where national provisions provide for a longer period this will apply

The importer shall keep all records related to the importation in accordance with laws and regulations of the importing Party. This includes the documents on origin, which would otherwise be kept by the customs authorities of the importing country as required in some preferential arrangements.

The customs authorities of the exporting country issuing a movement certificate EUR.1 or EUR-MED shall keep the application form for at least three years

Particularity of documents on origin for multiple shipments of identical products:

In respect of the record keeping requirements, the time limits for keeping the document on origin for multiple shipments of identical products shall start from the end date of the validity period mentioned on the document on origin.

vii) Duplicate certificates

Legal references – examples

- Article 18 of Appendix I of the PEM Convention
- Article 18 of Annex III of EU-Chile Agreement
- Article 18 of EU-Vietnam FTA

In the event of theft, loss or destruction of a governmental certificate, the exporter may apply to the customs authority, which issued the initial certificate, for a duplicate. In practice this means, that a new origin examination will not be carried out, but only a matching between the original application held by the customs authority and the new application made by the exporter.

In the application, the exporter must indicate the place and date of the exportation of the products to which the initial governmental certificate relates and the reasons for the request.

Only the customs office that made out the initial certificate may issue the duplicate certificate. The duplicate, which shall bear the date of issue of the initial certificate, shall take effect as from that date. In box 7 of the duplicate certificate the endorsement shall use the wording in the applicable preferential arrangement. Generally, it shall be endorsed with the word “DUPLICATE”.

viii) Exemptions from a document on origin

Legal reference - examples:

- Article 26 of Appendix I of the PEM Convention
- Article 25 of Annex III of EU-Chile Agreement
- Article 24 of the CETA origin protocol in conjunction with Article 68 UCC-IA
- Article 3.20 of the EU-Japan EPA
- Article 60 of the EU-UK TCA

Every preferential arrangement defines exemptions from the requirement to present a document on origin provided that the goods are not imported by way of trade. Small packages sent from one private person to another up to a specified maximum value are permitted to benefit from preferential treatment without the submission of a document on origin. Traveller’s personal luggage also benefits from a similar concession up to a specified maximum value.

Normally these value thresholds are stipulated in the relevant preferential arrangement. However, if the preferential arrangement contains only a legal basis for setting value limits e.g. Article 24 of CETA, Article 68 (6) UCC-IA in conjunction with Article 103 UCC-IA applies.

Small packages from private persons

Goods sent in small packages can be considered as eligible for preferential treatment without submission of a document on origin, if:

- the total value of the consignment does not exceed the value limit of the concerned preferential arrangement. This value limit is normally set at EUR 500.
- the consignment was sent from a private person to a private person.
- the imports are not imports by the way of trade. This is the case if the imports are occasional and consist solely of products for the personal use of the recipients or their families and if it is evident from the nature and quantity of the products that it is not for a commercial purpose.
- it is declared, that products imported are eligible for preferential treatment and there is no doubt as to the veracity of such a declaration. This declaration shall be made on the customs declaration CN22/CN23 or on a sheet of paper annexed to that document by a corresponding indication of the country of origin.

Goods forming part of travellers' personal luggage

In passenger traffic, goods shall be admitted as originating products without requiring the submission of a document on origin, provided that:

- the products are part of a traveler's personal luggage the total value (price paid) of these products does not exceed the value limit of the concerned preferential arrangement. The value limit is normally EUR 1 200.
- the imports are occasional and consist solely of products for the personal use of travelers, their families or are intended to be a present and if it is evident from the nature and quantity of the products that it is not for commercial purposes.
- the traveler declares orally, that the products are eligible for preferential treatment and there is no doubt as to the veracity of such a declaration.

At the following link the value limits expressed in EURO and the corresponding amounts in national currencies are published:

http://ec.europa.eu/taxation_customs/business/calculation-customs-duties/rules-origin/general-aspects-preferential-origin/common-provisions_en

Annex – Proof of Origin – legal basis

Preferential arrangements	Proof of Origin									
	KIND OF PROOF		SYSTEM OF SELF CERTIFICATION USED IN THE EU		PERIOD OF VALIDITY		EXCEPTIONS FROM PROOF OF ORIGIN			
	Comments	Legal basis	Comments	Legal basis	N° months	Legal basis	Small packages		Personal luggage	
							Amount (EUR)	Legal basis	Amount (EUR)	Legal basis
Algeria (DZ)	<ul style="list-style-type: none"> • Movement certificate EUR.1 • Invoice declaration • Movement certificate EUR-MED • Invoice declaration EUR-MED 	Art. 16	<ul style="list-style-type: none"> • Approved exporter (over 6.000 EUR) 	Art. 23	4	Art. 24	500	Art. 27	1200	Art. 27
Andean Countries	<ul style="list-style-type: none"> • Movement certificate EUR.1 • Invoice declaration 	Art. 15	<ul style="list-style-type: none"> • Approved exporter (over 6.000 EUR) 	Art. 21	12	Art. 22	<u>Import to EU:</u> 500 EUR <u>Import to Andean:</u> 2000 USD	Art. 25	<u>Import to EU:</u> 1200 EUR <u>Import to Andean:</u> 1000 USD	Art. 25
Andorra (AD) [Agricultural products]	<ul style="list-style-type: none"> • Movement certificate EUR.1 • Origin declaration 	Art. 14	<ul style="list-style-type: none"> • Approved exporter (over 6.000 EUR) 	Art. 21	4	Art. 22	500	Art. 24	1200	Art. 24
Cameroon (imports to Cameroon) For imports to EU, see Market Access Regulation decision below)	<ul style="list-style-type: none"> • Movement certificate EUR.1-CMR • Origin declaration 		<ul style="list-style-type: none"> • Approved exporter (over 6.000 EUR) 	DECREE 2016/367/0 3-08-2016	10		500		1200	
Canada (CA)	<ul style="list-style-type: none"> • Single origin declaration • Long-term origin declaration (currently only for imports to CA) 	Art. 18	<ul style="list-style-type: none"> • Registered exporter (over 6.000 EUR) 	Art. 19 CETA & Art. 68 UCC-IA	12	Art. 20	<u>Import to EU:</u> 500 EUR <u>Import to CA:</u> 1600 CAD	Art. 24 CETA & Art. 68 UCC-IA & Art. 103 UCC-IA	<u>Import to EU:</u> 1200 EUR <u>Import to CA:</u> No Limit	Art. 24 CETA & Art. 68 UCC-IA & Art. 103 UCC-IA

CARIFORUM	<ul style="list-style-type: none"> • Movement certificate EUR.1 • Invoice declaration 	Art. 16	Approved exporter (over 6.000 EUR)	Art. 22	10	Art. 23	500	Art. 26	1200	Art. 26
Central America	<ul style="list-style-type: none"> • Movement certificate EUR.1 • Invoice declaration 	Art. 14	Approved exporter (over 6.000 EUR)	Art. 20	12	Art. 21	500	Art. 24	1200	Art. 24
Ceuta (XC) and Melilla (XL)	<ul style="list-style-type: none"> • Movement certificate EUR.1 • Invoice declaration 	Art. 16	Approved exporter (over 6.000 EUR)	Art. 22	4	Art. 23	500	Art. 26	1200	Art. 26
Chile (CL)	<ul style="list-style-type: none"> • Movement certificate EUR.1 • Invoice declaration 	Art. 15	Approved exporter (over 6.000 EUR)	Art. 21	10	Art. 22	500	Art. 25	1200	Art. 25
Côte d'Ivoire	<p>Imports into the EU from Côte d'Ivoire (till end 2022)</p> <ul style="list-style-type: none"> • Movement certificate EUR.1 • Origin declaration <p>Imports into Côte d'Ivoire from the EU</p> <ul style="list-style-type: none"> * Origin declaration 	Art 17	Approved exporter (over 6.000 EUR)	Art 21	10	Art 23	500	Art 26	1200	Art 26
ESA	<p>Imports into the EU from ESA (except Zimbabwe)</p> <ul style="list-style-type: none"> • Movement certificate EUR.1 • Invoice declaration <p>Imports into the EU from Zimbabwe</p> <ul style="list-style-type: none"> • Invoice declaration <p>Imports into ESA from the EU</p> <ul style="list-style-type: none"> • Invoice declaration 	Art. 18	Approved exporter (over 6.000 EUR)	Art. 18(3), 23 and 24	10	Art. 25	500	Art. 29	1200	Art. 29
Generalised System of Preferences (GSP) [exports from EU for the purpose of cumulation]	<ul style="list-style-type: none"> • Statement on origin 	Art. 92 UCC-IA	Registered exporter (over 6.000 EUR)	Art. 78 UCC-IA	12	Art. 99 UCC-IA	500	Art. 103 UCC-IA	1200	Art. 103 UCC-IA

Generalised System of Preferences (GSP) [Imports into the EU]	• Statement on origin	Art. 92 UCC-IA	Registered exporter (over 6.000 EUR)	Art. 78 UCC-IA	12	Art. 99 UCC-IA	500	Art. 103 UCC-IA	1200	Art. 103 UCC-IA
Ghana	Imports into the EU from Ghana • Movement certificates EUR1 (until 20/8/2023) • Origin declaration	Art. 17	Until 20/8/2023 Approved exporter (over 6.000 EUR)	Art. 21	10	Art. 23	500	Art. 26	1200	Art. 26
	Imports into Ghana from the EU • Origin declaration		As from 21/8/2023 Registered exporter (over 6.000 EUR)							
Israel (IL)	• Movement certificate EUR.1 • Invoice declaration • Movement certificate EUR-MED • Invoice declaration EUR-MED	Art. 16	Approved exporter (over 6.000 EUR)	Art. 23	4	Art. 24	500	Art. 27	1200	Art. 27
Japan (JP)	• Single statement on origin • Long-term statement on origin • Importer's knowledge	Art. 3.16 & Art. 3.17	Registered exporter (over 6.000 EUR)	Art. 3.17 & Annex 3-D & Art. 68 UCC-IA	12	Art 3.17	<u>Import to EU:</u> 500 EUR	Art. 3.20	<u>Import to EU:</u> 1200 EUR	Art. 3.20
							<u>Import to Japan:</u> 100,000 YEN		<u>Import to Japan:</u> 100,000 YEN	
Jordan (JO)	• Movement certificate EUR.1 • Invoice declaration • Movement certificate EUR-MED • Invoice declaration EUR-MED	Art. 16	Approved exporter (over 6.000 EUR)	Art. 23	4	Art. 24	500	Art. 27	1200	Art. 27
Korea (KR)	• Origin declaration	Art. 15	Approved exporter (over 6.000 EUR)	Art. 17	12	Art. 18	<u>Import to EU:</u> 500 EUR	Art. 21	<u>Import to EU:</u> 1200 EUR	Art. 21
							<u>Import to KR:</u> 1000 USD		<u>Import to KR:</u> 1000 USD	

Kosovo (XK)* - Autonomous measures	<ul style="list-style-type: none"> • Movement certificate EUR.1 • Invoice declaration 	Art. 113 UCC-IA	Approved exporter (over 6.000 EUR)	Art. 120 UCC-IA	4	Art. 121 UCC-IA	500	Art. 122 UCC-IA	1200	Art. 122 UCC-IA
Lebanon (LB)	<ul style="list-style-type: none"> • Movement certificate EUR.1 • Invoice declaration 	Art. 16	Approved exporter (over 6.000 EUR)	Art. 22	4	Art. 23	500	Art. 26	1200	Art. 26
Market Access Regulation decision	<ul style="list-style-type: none"> • Movement certificate EUR.1 • Invoice declaration 	Art. 14	Approved exporter (over 6.000 EUR)	Art. 20	10	Art. 21	500	Art. 25	1200	Art. 25
Mexico (MX)	<ul style="list-style-type: none"> • Movement certificate EUR.1 • Invoice declaration 	Art. 15	Approved exporter (over 6.000 EUR)	Art. 21	10	Art. 22	500	Art. 25	1200	Art. 25
Morocco (MA)	<ul style="list-style-type: none"> • Movement certificate EUR.1 • Invoice declaration • Movement certificate EUR-MED • Invoice declaration EUR-MED 	Art. 16	Approved exporter (over 6.000 EUR)	Art. 23	4	Art. 24	500	Art. 27	1200	Art. 27
Overseas Countries and Territories (OCTs)	<ul style="list-style-type: none"> • Statement on origin 	Art. 21	Registered exporter (over 10.000 EUR)	Art. 21	12	Art. 28	500	Art. 30	1200	Art. 30
Pacific States	<ul style="list-style-type: none"> • Movement certificate EUR.1 • Invoice declaration 	Art. 15	Approved exporter (over 6.000 EUR)	Art. 21	10	Art. 22	500	Art. 25	1200	Art. 25
Pan-Euro-Mediterranean Convention (PEM)	<ul style="list-style-type: none"> • Movement certificate EUR.1 • Origin declaration • Movement certificate EUR-MED • Origin declaration EUR-MED 	Art. 15	Approved exporter (over 6.000 EUR)	Art. 22	4	Art. 23	500	Art. 26	1200	Art. 26
PEM Transitional Rules	<ul style="list-style-type: none"> • Movement certificate EUR.1 • Origin declaration 	Art. 17 of Appendix A of the revised agreements	Approved exporter (over 6.000 EUR)	Art. 19 of Appendix A of the revised agreements	10	Art. 23 of Appendix A of the revised agreements	500	Art. 27 of Appendix A of the revised agreements	1200	Art. 27 of Appendix A of the revised agreements
SADC	<ul style="list-style-type: none"> • Movement certificate EUR.1 • Origin declaration 	Art. 19	Approved exporter (over 6.000 EUR)	Art. 25	10	Art. 26	500	Art. 29	1200	Art. 29

Singapore	• Origin declaration	Art. 16	Approved exporter (over 6.000 EUR)	Art. 17	12	Art. 19	500	Art. 22	1200	Art. 22
Syria (SY)	• Movement certificate EUR.1 • Form EUR 2 (postal consignments < 1000 units of account)	Art. 6	None	None	5 (EUR.1)	Art. 11	60 units of account	Art. 17	200 units of account	Art. 17
Tunisia (TN)	• Movement certificate EUR.1 • Invoice declaration • Movement certificate EUR-MED • Invoice declaration EUR-MED	Art. 16	Approved exporter (over 6.000 EUR)	Art. 23	4	Art. 24	500	Art. 27	1200	Art. 27
Turkey (TR) [ECSC products]	• Movement certificate EUR.1 • Invoice declaration • Movement certificate EUR-MED • Invoice declaration EUR-MED	Art. 16	Approved exporter (over 6.000 EUR)	Art. 23	4	Art. 24	500	Art. 27	1200	Art. 27
Turkey (TR) [agricultural products]	• Movement certificate EUR.1 • Invoice declaration • Movement certificate EUR-MED • Invoice declaration EUR-MED	Art. 16	Approved exporter (over 6.000 EUR)	Art. 23	4	Art. 24	500	Art. 27	1200	Art. 27
United Kingdom (including the Channel Islands and the Isle of Man) (Excluded : Gibraltar and the UK OCTs)	• Statement on origin (single shipment) • Statement on origin (multiple shipments- identical products) • Importer's knowledge	Art. 54, 56 & Art.58	In the EU : Registered exporter (over 6.000 EUR) In the UK : Registered exporter (EORI number)	Art. 56 & Annex 7 & Art. 68 UCC-IA	Imports into the EU 12 Imports into the UK 24	Art. 56	Imports into the EU: 500 Imports into the UK: 1000 GBP (limits set under the UK domestic law)	Art 60	Imports into the EU: 1200 Imports into the UK:: 1000 GBP (limits set under the UK domestic law)	Art 60
							UK: Additional exception from proof of origin : Imports into the UK other low value consignments 1.000 GBP (Art. 60)			
Vietnam	Imports into the EU from Vietnam •Certificate of origin EUR.1 •Origin declaration Imports into Vietnam from the EU Statement of origin	Art 15	In Vietnam : Approved Exporter (over 6000 EUR) In the EU : Registered exporter (over 6.000 EUR)	Art 15 & Art 68 UCC-DA	12	Art 21	Imports into the EU: 500 Imports into Vietnam 200 USD	Art 24	Imports into the EU: 1200 Imports into Vietnam 200 USD	Art 24

* This designation is without prejudice to positions on status, and is in line with UNSCR 1244 and the ICJ Opinion on the Kosovo Declaration of Independence.

Andean Countries: Colombia, Ecuador and Peru

CARIFORUM: Antigua and Barbuda, Bahamas, Barbados, Belize, Dominica, Dominican Republic, Grenada, Guyana, Jamaica, St Kitts and Nevis, St Lucia, St Vincent and the Grenadines, Suriname, Trinidad and Tobago

Central America: Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama

ESA: Comoros, Madagascar, Mauritius, Seychelles and Zimbabwe

Market Access Regulation: Cameroon (importations from Cameroon to the EU) and Kenya

Overseas Countries and Territories: Greenland, New Caledonia and dependences*, French Polynesia*, French Southern and Antarctic Territories, Wallis and Futuna Islands, Saint Pierre and Miquelon*, Saint-Barthelemy, Aruba and Netherlands Antilles

- OCTs that provide preference to the EU

Pan-Euro-Mediterranean Convention (PEM): Albania, Bosnia and Herzegovina, Egypt, Faroe Islands, Georgia, Iceland, Kosovo*, Liechtenstein, Montenegro, North Macedonia, Norway, Palestine (this designation shall not be construed as recognition of a State of Palestine and is without prejudice to the individual positions of the Member States on this issue), Republic of Moldova, Serbia, Switzerland, Turkey and Ukraine.

PEM Transitional Rules – Pan-Euro-Mediterranean countries: see https://ec.europa.eu/taxation_customs/customs-4/international-affairs/pan-euro-mediterranean-cumulation-and-pem-convention_en

SADC: Botswana, Lesotho, Mozambique, Namibia, South Africa and Swaziland

Pacific States: Fiji, Papua New Guinea, Samoa and Solomon Islands

B.9 Supplier's declaration

This document contains a brief description of the concept of supplier's declarations and provides a link to the guidance on Supplier's Declaration.

Last update: November 2019

1. Introduction

Preferential origin documents can be issued or made out for goods on the basis of information and documents proving their originating status. One such document is a supplier's declaration where suppliers provide buyers with information necessary to determine the originating status of goods for the purposes of preferential trade between the EU and certain countries.

2. General Overview

A supplier's declaration is a declaration by which a supplier provides information to his customer concerning the originating status of goods with regard to the specific preferential rules of origin. Notwithstanding the invoicing, the supplier is the person who has control and the knowledge of the originating status over the delivered goods.

By making out a supplier's declaration, the supplier declares the originating status of the goods he provides to his customer who needs this information to certify the preferential origin of the goods he exports. The exported goods are either the finished product from the supplier or a product incorporating the delivered material.

Where the supplier's declaration has been provided and is required by the exporter, it shall be kept for use in the following cases:

1. Applications for the issue of movement certificates EUR.1 or EUR-MED.
2. The making out of an invoice or origin declaration, an invoice or origin declaration EUR-MED or a statement on origin.

The supplier's declaration can also support the making out of a subsequent supplier's declaration when the goods are sold, delivered or transferred between suppliers.

Suppliers' declarations are mainly used for deliveries of goods within the European Union. However, suppliers' declarations in trade with some partner countries of the European Union are also possible.

A supplier's declaration may never be used as a document on origin for claiming preferential treatment at importation.

For more information see the guidance on supplier's declarations at:

https://taxation-customs.ec.europa.eu/system/files/2020-01/suppliers-declaration-may-2018_en.pdf

B.10 Accounting Segregation

This section explains the principles of accounting segregation and its application.

Last update: June 2022

1. Introduction

The purpose of the accounting segregation method is to provide a facilitation to producers allowing them to physically store together in the same place originating and non-originating materials. This may help minimise the cost or difficulties faced by these producers that would otherwise have to physically segregate their stocks.

The accounting segregation method can only be used in those preferential arrangements which provide for such a possibility. Moreover, the materials stored need to be “fungible”, i.e. identical, and depending on the preferential arrangement an authorisation by customs may be required (see Annex).

2. Definition

When using both originating and non-originating materials in the production of products, the producer must ensure their physical segregation otherwise all materials stored together would be considered as non-originating. However, the loss of originating status for materials only has relevance when the list rules would consequently not be fulfilled.

However, under the accounting segregation method fungible originating and non-originating materials (some preferential arrangements allow also some fungible products) may be stored together without those originating materials losing their originating status. This method must ensure that the quantity of finished products obtained, which are originating, is no more than that which would have been obtained if there had been a physical segregation of the materials used.

Under accounting segregation, the origin of the materials that will be physically used in the production process does not matter. However, at the date of determining the origin of the product, the economic operator must hold sufficient quantities of originating materials, as reflected in the stock records, to produce that originating product.

3. General Overview

1. Legal scope of the accounting segregation method

Provisions on accounting segregation are in some, but not all, preferential arrangements (See list in Annex 2).

It is, therefore, strongly recommended to always refer to the applicable legal basis in order to verify that the accounting segregation method is allowed and, if so, under which conditions.

2. Conditions for using the accounting segregation method

The conditions for using accounting segregation are that the economic operator must:

- a) hold an authorisation (required in certain preferential arrangements);
- b) demonstrate that keeping a physical segregation of its stocks of originating and non-originating materials would be costly or difficult (required in certain preferential arrangements);
- c) produce a product from originating and non-originating fungible materials stored together;
- d) apply for or make out a document on origin or make out a supplier's declaration for that product;
- e) keep stock records sufficient to ensure that no more originating products are produced than would have been the case if the materials were stored separately.

Where an authorisation is required certain other conditions must also be fulfilled (see point 4).

In all cases the economic operator must commit to the following requirements:

- accept full responsibility for the management of the accounting segregation method and for the consequences of incorrect documents on origin or other misuses of the method
- make available to the customs authorities, when requested to do so, all documents, records and accounts for any relevant period
- maintain at all times an appropriate stock record for the purposes of accounting segregation

3. Fungible materials

Originating and non-originating fungible materials must be identical and interchangeable. This means they must be of the same kind and commercial quality, with the same technical and physical characteristics. It should not be possible to distinguish them from one another once they have been incorporated into the product.

Products cannot benefit from accounting segregation. However, in some preferential agreements the use of accounting segregation for some types of fungible products is also allowed (see Particularities).

4. Issuing and monitoring of the accounting segregation authorisation

Whether an authorisation is needed to use accounting segregation depends on the preferential arrangement. Annex 2 shows the preferential arrangements where an authorisation is needed.

In cases where an authorisation is not needed to use the accounting segregation method, it is nevertheless advisable to ask the customs authorities for support before using this method. This is because a suitable stock management system is needed to apply accounting segregation correctly and in the case of a subsequent verification the evidence of origin of the products needs to be reproduced. The provision of information by the customs authorities to any person requesting the application of customs legislation is governed by Article 14 of the UCC.

Where an authorisation for accounting segregation is required the following general procedures should apply.

A - Application for the accounting segregation authorisation

The application should be submitted to the competent customs authorities and processed by them in accordance with the conditions laid down in Article 22 UCC on decisions taken on request.

The authorisation to use accounting segregation shall be granted to any producer who submits to the customs authorities a written request and who satisfies all the conditions for the granting of the authorisation.

For the information elements the applicant needs to provide, see below (Annex 1).

B - Relevant Customs authorities for issuing the accounting segregation authorisation

The relevant Customs authority for issuing the authorisation is the one that is capable of checking the application and the correct use of the authorisation. It shall be the place where the applicant's main accounts for customs purposes are held or accessible and where at least part of the activities to be covered by the decision are to be carried out (Article 22(1) UCC). Therefore, the place of storage of fungible originating and non-originating materials must be taken into account in determining the Member State in which the authorisation can be issued.

C - Time limit for issuing the accounting segregation authorisation

The time limit for granting an accounting segregation authorisation is in the relevant provisions of the Union Customs Code (Article 22 UCC). In principle, decisions to grant an accounting segregation authorisation (or refusing an authorisation) should be taken as soon as possible and no longer than 120 days after the date of acceptance of a fully complete application in accordance with Article 11 UCC-DA. The customs authorities have 30 days to accept the application.

The time limit can be extended for:

- i) acceptance of the application - 30 days more by Article 12(2) of UCC-IA
- ii) reaching a decision to grant an accounting segregation authorisation, such as
 - 30 days more by Article 13(1) of UCC-DA for more information
 - 30 days more by Article 22(3) second subparagraph of UCC when customs are unable to comply with the time limit e.g. complex case
 - 30 days to exercise the right to be heard (Article 13(2) UCC-DA).

More information on time limits and the right to be heard for customs decisions can be found at:

[13_taxud_ucc_customs_decisions_quick_info_en.pdf \(europa.eu\)](#)

D - Validity of the authorisation

According to article 22(5) UCC, authorisations are issued for an unlimited time, as long as the conditions provided for in the authorisation continue to be met.

E - Monitoring of the authorisation

Monitoring of the correct use of the authorisation can be initiated by the competent customs authorities (Article 23(5) UCC).

In any event, in the case of a subsequent verification of a document on origin at the request of a partner country, the competent customs authority needs to check that the conditions provided for the authorisation of accounting segregation have been respected.

The customs authorities may revoke or modify an authorisation at any time. They must do so whenever the conditions for taking that decision were or are no longer fulfilled (Article 28 UCC).

When the authorisation was issued on the basis of incorrect or incomplete information, the authorisation is annulled in accordance with Article 27 UCC.

The economic operator has the right to be heard (Article 22(6) UCC) when the customs authority intends to take a decision for an amendment, revocation or annulment of the accounting segregation authorisation that adversely affects this economic operator.

5. Stock management system

The accounting segregation method must ensure that the number of originating products is no more than the number which would have been obtained if the materials had been stored separately.

Accordingly, a document on origin or a supplier's declaration cannot be made out or issued if there are not sufficient quantities of originating materials according to the stock management system of the economic operator at the time of determining origin (see below). In other words, it is not possible to anticipate a future supply of originating materials which would replace a quantity of non-originating materials already used in the production of the product.

Therefore, stock records must list originating and non-originating materials. These records should contain at least the following information:

- The stock balance between originating and non-originating materials on the date of the authorisation
- The stock balance between originating and non-originating products on the date of the authorisation
- Date of storage, the quantity and value (if needed) of the originating and non-originating materials
- The daily stock, by quantity and value (if needed), of originating and non-originating materials

- The quantity and value (if needed) of the used originating and non-originating materials at the time of the determination of origin.
- The quantity of the products (originating and non-originating)
- The date of delivery of products (originating and non-originating)
- If needed, the date of production or the date of issue or making out of the document on origin or supplier's declaration

Additionally, the rate of yield is an important factor in the production process.

The rate of yield (quantity of materials used to make the final product)

The rate of yield indicates the quantity of materials which must be used to obtain a unit of the product. Depending on the criteria for obtaining the preferential origin e.g. a maximum 40% or 50% of non-originating materials used as a percentage of the ex-works price of the product, it also allows to know the quantity of originating materials that must be available in the stock management system to issue or make out a document on origin or a supplier's declaration for a unit of the product.

If this rate of yield is not linear, it should be mentioned in the stock management system.

The time at which the determination of origin is made

This can be,

- At the moment the product is manufactured, or
- When the document on origin (or supplier's declaration) is issued or made out, or
- At the time of delivery of the product.

This is necessary because at the time the determination of origin is made, there must be sufficient stocks of originating materials to allow the products to fulfil the preferential rule of origin. This data must be kept in the stock management system.

It is advisable that the time at which the determination of origin is made is agreed with the customs authorities of the Member State concerned.

Where a document on origin or a supplier's declaration is made out or issued retrospectively, the products may be required to have been originating at the date of delivery or manufacture, as appropriate.

Long-term supplier's declarations may only be made out if at the time of delivery of every single consignment, or manufacture of the product, there will be a sufficient quantity of originating materials. If there is not a sufficient quantity of originating materials available at the time of the delivery of the product, or manufacture, the long-term supplier's declaration shall be withdrawn by the economic operator.

The approach applied to long-term supplier's declarations would apply equally to a document on origin made out for multiple shipments of identical products.

Provided non-originating products are supplied, the economic operator is advised to deduct non-originating materials from the stock records. If stocks of non-originating materials are not

available, the materials for these non-originating products must be deducted from the stock of the originating materials.

3. Particularities

1. CETA and EU-UK TCA

Accounting segregation is not only possible for materials but also for fungible products of Chapters 10, 15, 27, 28, 29 and headings 3201-3207 and headings 3901-3914.

For CETA see CETA guidance published on the Europa website at the following address:

https://ec.europa.eu/taxation_customs/business/calculation-customs-duties/rules-origin/general-aspects-preferential-origin/canada_en

2. PEM Transitional rules

Accounting segregation is possible for fungible products of heading 1701.

3. GHANA

Accounting segregation can be used for raw sugar of subheadings 1701.12, 1701.13 and 1701.14.

4. Accounting segregation for sugar and ethylene

Additionally, where originating and non-originating sugar or ethylene is stored together under accounting segregation the quantity of originating sugar or ethylene may be sold within the EU and keep its originating status provided that this product is further processed before being exported under preference. The originating product will not keep its originating status if it is delivered to a trader in the EU as the trader will not be further processing the sugar or ethylene.

The reason for this treatment for sugar is the specificities of the sugar market, and the storage difficulties of ethylene.

Annex 1 - Accounting segregation authorisation

Application

1. Information elements the applicant needs to provide

When applying for authorisation for accounting segregation, the economic operator needs to provide the necessary information. Each Member State may prescribe a special application form. The following elements could be requested, inter alia:

a) Data relating to the applicant:

Company:

- corporate name
- EORI number
- address of the company - if different additionally the administration or establishment which holds the accounting records e.g. stock records, documents on origin, information on production process, etc.
- if held REX number, Approved Exporter number, Authorised Economic Operator (AEO)
- Contact person: first name and surname, e-mail address, phone number, position in the company;

b) Data relating to production and storage

- Address(es) of manufacturing location
- Address(es) of storage location

c) Reasons for the need to set up the accounting segregation method

According to certain preferential arrangements (see annex 2), the economic operator must demonstrate that keeping a physical segregation of its stocks of originating and non-originating materials would be costly or difficult.

The economic operator must also indicate that the materials which will be stored together are fungible i.e. are identical.

d) Data on the fungible materials

Non-originating materials:

- HS heading
- Description
- Commercial description
- Technical and physical characteristics

Originating materials

- HS heading
- Description
- Commercial description

- Technical and physical characteristics
- The preferential origin (EU or country/territory of cumulation) for the preferential arrangement(s) concerned. If available, supporting documents, proving that the materials are originating should be indicated.

e) Data on finished products for which the document on origin or supplier's declaration will be issued or made out

- HS heading
- Description
- Commercial description
- Technical and physical characteristics
- Country(ies)/territory(ies) exported to and reference to the preferential arrangement(s) concerned
- List rule used for obtaining the preferential origin in the preferential arrangement(s) concerned

2. Decision of the accounting segregation authorisation

The authorisation should consist of a customs decision, which may contain in an annex the application form completed and the model of the stock records.

The time of the determination of origin should be recorded in the authorisation.

Annex 2: Accounting segregation – legal basis

Preferential arrangements	Legal basis	OJ	Legal basis	Materials or products	Authorisation required	Requirement of considerable cost of logistics or material difficulties
Algeria	Euro-Mediterranean Association Agreement - Protocol 6 –	OJ L297 of 15/11/2007, p.3	Art 21	materials	Yes	Yes
Andean Countries	Trade Agreement - Annex II	OJ L354 of 21/12/2012, p. 2075	No	—	—	—
Andorra (Agricultural products)	Appendix to the Agreement - Decision No 1/2015 of the EU-Andorra Joint Committee	OJ L344 of 30/12/2015, p. 15	Art 19	materials	Yes	Yes
339993333 Cameroon (imports to Cameroon) For imports to EU, see Market Access Regulation decision below)	Decree No 2016/367 of 3 August 2016 of the Republic of Cameroon		No	—	—	—
Canada	Comprehensive Economic and Trade Agreement (CETA) - Protocol	OJ L11 of 14/01/2017, p. 465	Art 10	- Materials - Products of chapter 10, 15, 27, 28, 29, heading 32.01 through 32.07, or heading 39.01 through 39.14 of the HS	-may be required/ the requirements are less strict - the EU operators should preferably ask his custom authorities for support before applying this system	No
CARIFORUM	Economic Partnership Agreement - Protocol I	OJ L289 of 30/10/2008, p. 1805	No	—	—	—
Central America	Association Agreement - Annex II	OJ L346 of 15/12/2012, p. 1803	No	—	—	—
Ceuta and Melilla	Council Regulation (EC) No 82/2001 of 5/12/2000	OJ L20 of 20/01/2001, p. 1	No	—	—	—
Chile	Association Agreement - Annex III	OJ L352 of 30/12/2002, p. 935	No	—	—	—
Côte d'Ivoire	Stepping stone Economic Partnership Agreement – Decision 2/2019 of	OJ L49 of 21/02/2020, p. 1	Art 13	materials	Yes	Yes

	the EPA Committee - Protocol 1					
ESA	Interim Agreement establishing a framework for an Economic Partnership Agreement – Amended Protocol 1	OJ L93 of 27/03/2020, p. 1	Art 13	Materials Raw sugar not containing added flavouring or colouring matter and destined for further refining, of subheadings 1701 12, 1701 13 and 1701 14 of the HS	Yes —	Yes —
Ghana	Stepping stone Economic Partnership Agreement – Decision 1/2020 of the EPA Committee – Protocol 1	OJ L350 of 21/10/2020, p.1	Art 13	Materials Raw sugar not containing added flavouring or colouring matter and destined for further refining, of subheadings 1701 12, 1701 13 and 1701 14 of the HS	Yes	Yes
Generalised System of Preferences (GSP)	Commission Delegated Regulation (EU) 2015/2446 of 28/07/2015 (UCC - DA) - Commission Implementing Regulation (EU) 2015/2447 of 24/11/2015 (UCC-IA)	OJ L343 of 29/12/2015, p. 1 (UCC-DA) p. 558 (UCC-IA)	Art 58 ONLY FOR EU OPERATORS	materials	Yes	No
Israel	Euro-Mediterranean Association Agreement - Protocol 4	OJ L20 of 24/01/2006, p. 1	Art 21	materials	Yes	Yes
Japan	Economic Partnership Agreement - Annex 3A	OJ L330 of 27/12/2018, p. 23	Art 3.8	materials	may be required	No
Jordan	Euro-Mediterranean Association Agreement - Protocol 3	OJ L209 of 31/07/2006, p. 31	Art 21	materials	Yes	Yes
Korea	Free Trade Agreement - Protocol	OJ L127 of 14/05/2011, p. 1344	Art 11	materials	Yes	Yes
Kosovo* - Autonomous measures	Commission Delegated Regulation (EU) 2015/2446 of 28/07/2015 (UCC - DA) - Commission Implementing Regulation (EU) 2015/2447 of	OJ L343 of 29/12/2015, p. 1 (UCC-DA) p. 558 (UCC-IA)	Art 20 PEM	materials	Yes	Yes

	24/11/2015 (UCC-IA)					
Lebanon	Euro-Mediterranean Association Agreement - Protocol 4	OJ L143 of 30/05/2006, p. 73	No	—	—	—
Market Access Regulation decision	Regulation (EU) 2016/1076 of the European Parliament and of the Council of 8/6/2016 - Annex II	OJ L185 of 08/07/2016, p. 16	No	—	—	—
Mexico	Decision No 2/2000 of the EC-Mexico Joint Council - Annex III	OJ L245 of 29/09/2000, p. 954	Art 8	materials	Yes	Yes
Morocco	Euro-Mediterranean Association Agreement - Protocol 4	OJ L336 of 21/12/2005, p. 1 (amended in OJ L248 of 22/09/2010 and OJ L17 of 26/01/2016)	Art 21	materials	Yes	Yes
Overseas Countries and Territories (OCTs)	Council Decision EU/2021/1764 of 5/10/2021/19/12/2019 - Annex II	OJ L355 of 7/10/2021, p. 50	Art 15	materials	Yes	No
Pacific States	Interim Partnership Agreement - Protocol II	OJ L272 of 16/10/2009, p.569	No	—	—	—
Pan-Euro-Mediterranean Convention (PEM)	Regional Convention on pan-Euro-Mediterranean preferential rules of origin - Appendix I	OJ L54 of 26/02/2013, p.8	Art 20	materials	Yes	Yes
PEM Transitional Rules	Appendix A of revised agreements between the EU and some PEM countries (see list below in footnote)	See footnote below under “PEM Transitional rules”	Art 12	Materials Products of heading 1701	May be required	No
SADC	Economic Partnership Agreement - Protocol I	OJ L250 of 16/09/2016, p. 1924	Art 16	materials	Yes	Yes
Singapore	Free Trade Agreement – Protocol I	OJ L294 of 14/11/2019, p. 1924	Art 11	materials	Yes	No

Syria	Cooperation Agreement - Protocol 2	OJ L269 of 27/09/1978, p.22	No	—	—	—
Tunisia	Euro-Mediterranean Association Agreement - Protocol 4	OJ L260 of 21/09/2006, p.3	Art 21	materials	Yes	Yes
Turkey (ECSC products)	Decision No 1/2006 of the EC-Turkey Customs Cooperation Committee - Protocol 1	OJ L 143 of 06/06/2009, p.3	Art 21	materials	Yes	Yes
Turkey (agricultural products)	Decision No 3/2006 of the EC-Turkey Association Council, of 19 December 2006, amending Protocol 3 to Decision No1/98 of the EC-Turkey Association Council of 25 February 1998 on the trade regime for agricultural products - Protocol 3		No	—	—	—
United Kingdom (including the Channel Islands and the Isle of Man) (Excluded : Gibraltar and the UK OCTs)	Trade and Cooperation Agreement	OJ L149 of 30/04/2021, p. 73	Art 50	- Materials - Products of chapter 10, 15, 27, 28, 29, heading 32.01 through 32.07, or heading 39.01 through 39.14 of the HS	No ("may be required" according to Art. 50 TCA) ??	No
Vietnam	Free Trade Agreement, Protocol 1	OJ L186 of 12/6/2020 , p. 1325	Art 11	materials	Yes	No

* This designation is without prejudice to positions on status, and is in line with UNSCR 1244 and the ICJ Opinion on the Kosovo Declaration of Independence.

Andean Countries: Colombia, Ecuador and Peru

CARIFORUM: Antigua and Barbuda, Bahamas, Barbados, Belize, Dominica, Dominican Republic, Grenada, Guyana, Jamaica, St Kitts and Nevis, St Lucia, St Vincent and the Grenadines, Suriname, Trinidad and Tobago

Central America: Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama

ESA: Comoros, Madagascar, Mauritius, Seychelles and Zimbabwe

Market Access Regulation: Cameroon (importations from Cameroon to the EU) and Kenya

Overseas Countries and Territories: Greenland, New Caledonia and dependences, French Polynesia, French Southern and Antarctic Territories, Wallis and Futuna Islands, Saint Pierre and Miquelon, Saint-Barthelemy, Aruba and Netherlands Antilles

Pan-Euro-Mediterranean Convention (PEM): Pan-Euro-Mediterranean Convention (PEM): Albania, Bosnia and Herzegovina, Egypt, Faroe Islands, Georgia, Iceland, Kosovo*, Liechtenstein, Montenegro, North Macedonia, Norway, Palestine (this designation shall not be construed as recognition of a State of Palestine and is without prejudice to the individual positions of the Member States on this issue), Republic of Moldova, Serbia, Switzerland, Turkey and Ukraine.

PEM Transitional Rules – Pan-Euro-Mediterranean countries: see https://ec.europa.eu/taxation_customs/customs-4/international-affairs/pan-euro-mediterranean-cumulation-and-pem-convention_en

SADC: Botswana, Lesotho, Mozambique, Namibia, South Africa and Swaziland

Pacific States: Fiji, Papua New Guinea, Samoa and Solomon Islands

B.11 Customs Union Documents

This section contains an explanation of the customs union documents used for proving the status of goods within the EU customs union with Turkey, Andorra and San Marino.

Last update: January 2020

1. Introduction

The EU has a customs union with Turkey, Andorra and San Marino. Goods may move within the customs union without duties subject to those goods complying with the rules for free circulation. However, not all goods fall within the customs union.

2. Definition

Although the EU has customs' unions with Turkey, Andorra and San Marino, preferential treatment within the customs unions is not based on the originating status of the concerned goods but on the fact that those goods comply with the provisions on free circulation.

However, some products in trade with these countries do not fall within the scope of the respective customs union but remain subject to a preferential treatment based on origin, except for San Marino.

Turkey

- **Customs Union:** goods except certain agricultural goods¹⁷ and certain European Coal and Steel Community (ECSC) goods¹⁸
- **Preferential trade based on origin:** certain ECSC goods and certain agricultural goods¹⁹

Andorra

- **Customs Union:** industrial goods (Chapters 25 to 97 of the Harmonised System)
- **Preferential trade based on origin:** goods originating in Andorra covered by Chapters 1 to 24 of the Harmonised System

¹⁷ Defined in Annex I of the TFEU. Check TARIC for up to date information.

¹⁸ Defined in Annex 1 of the Agreement between the European Coal and Steel Community and the Republic of Turkey on trade in products covered by the Treaty establishing the European Coal and Steel Community - Protocol 1 on rules of origin (Official Journal L 227, 07/09/1996 P. 0003 – 0034). Check TARIC for up to date information.

¹⁹ Defined in Council Decision No 2/2006 of the EU-Turkey Association Council of 17 October 2006 amending Protocols 1 and 2 to Decision No 1/98 on the trade regime for agricultural products (2006/999/EC) – Official Journal L 367, 22.12.2006, p. 68-76). Check TARIC for up to date information.

- Tobacco products (Headings 24.02 and 24.03 of the Harmonised System): unilateral preference treatment given by Andorra.

San Marino

- **Customs Union:** all goods except ECSC products
- **Preferential trade based on origin:** there is no preferential arrangement based on origin.

Preferential treatment in a customs union is granted for goods which are:

- covered by the relevant Customs Union (e.g. agricultural products from Andorra are excluded).
- in free circulation in the partner country of the customs union. transported directly from the partner country.
- accompanied by a document on the proof of the customs status.

Free circulation covers goods produced in the territory of the customs union including those wholly or partially obtained or produced from products coming from third countries which are in free circulation in the territory of the customs union. It also covers goods coming from third countries and in free circulation in the territory of the customs union. Goods which are placed under a special customs procedure (customs warehousing procedure, inward processing, temporary admission) are not in free circulation and cannot benefit from a preferential treatment.

Where the goods are not released for free circulation, customs duty shall be paid for duty unpaid goods and duty unpaid raw materials for processed goods. Any trade measures e.g. anti-dumping duties, shall also be applied where goods are exported within the territory of the customs union.

Example:

The EU applies anti-dumping duties to bicycles originating in China. Those goods are imported to the EU and placed under a customs warehouse procedure in the EU. When they are exported from the EU to Turkey accompanied with an A.TR movement certificate, anti-dumping duties must be paid in the EU.

Even where the goods are in free circulation in the customs union partner country, trade measures will apply when those goods are imported within the territory of the customs union.

Example:

The EU applies anti-dumping duties to ironing boards originating in China, a measure which is not applied in Turkey. Those goods are imported to Turkey and put into free circulation in Turkey. When those ironing boards are imported to the EU from Turkey anti-dumping duties must be paid in the EU.

As a result, for the granting of preferential treatment within the customs union a document on origin is not necessary, but a document proving the status of free circulation is required. These documents are so called “custom union documents”.

The customs status of “goods in free circulation” is established by different documents to those in preferential arrangements.

3. Types of customs union documents

i) Customs union documents in trade with Turkey

Legal reference

- Article 6 of [Decision No 1/2006](#) of the EC-Turkey Customs Cooperation Committee of 26.07.2006 (Specimen of a movement certificate A.TR.: Annex I of Decision No 1/2006)

The document proving the status “goods in free circulation” is a movement certificate A.TR., which is a governmental certificate issued by the customs authorities of Turkey or a Member State of the EU.

A movement certificate A.TR. shall be issued at the exporter’s request by the customs authorities in Turkey or in the EU only when the relevant conditions are met (free circulation and goods covered by the Customs Union). Doubts as to whether the goods are in free circulation may arise from the export declaration (code of the export declaration is not “10 00” or “10 40”). In such cases, the exporter shall submit appropriate documents (e.g. customs clearance documents) proving the customs status of the goods

As soon as actual exportation has been effected or ensured the movement certificate A.TR. shall be made available to the exporter. The exportation is ensured when the exporter has submitted his export declaration.

However, there is a simplified procedure for the issue of A.TR. movement certificates. Pursuant to Article 11 of Decision No 1/2006 an exporter may be authorised as an [Approved Exporter](#) if he makes frequent shipments for which A.TR. movement certificates are issued and he offers, to the satisfaction of the customs authorities, all guarantees necessary to verify the status of the goods. In this authorisation the customs authorities may grant that the box reserved for endorsement by customs can either:

- (a) be endorsed beforehand with the stamp of the customs office of the exporting country and the signature, which may be a facsimile, of an official of that office, or
- (b) be endorsed by the Approved Exporter with a special stamp which has been approved by the customs authorities of the exporting country and corresponds to the specimen in Annex III of Decision No 1/2006. Such a stamp may be pre-printed on the A.TR.

In the case referred to in (a), a reference to this simplified procedure must be entered in box 8 “Remarks” of the A.TR. movement certificate using one of the official languages of the EU or in Turkish (see Article 11 of Decision No 1/2006).

1. Validity period of A.TR. movement certificates

Legal reference

- Article 8 of [Decision No 1/2006](#) of the EC-Turkey Customs Cooperation Committee of 26.07.2006

An A.TR. movement certificate must be submitted to the customs authority of the importing country within four months of the date of issue by the customs authorities of the exporting country. A.TR. movement certificates submitted to the customs authorities of the importing country after the final date may be accepted if the failure to submit these documents by the final date set is due to exceptional circumstances. In other cases of [belated presentation](#), the customs authorities shall accept A.TR. movement certificates where the goods were submitted before the final date.

2. Duplicate issue of A.TR. movement certificates

Legal reference

- Article 10 of [Decision No 1/2006](#) of the EC-Turkey Customs Cooperation Committee of 26.07.2006

In the event of the theft, loss or destruction of an A.TR. movement certificate, the exporter may apply to the customs authority which issued the original A.TR. movement certificate for a duplicate to be made out on the basis of the export documents in the exporter's possession. The duplicate A.TR. movement certificate issued in this way must be endorsed in box 8 "Remarks" stating that the movement certificate is a duplicate [to be entered in one of the official languages of the EU or in Turkish (see Article 10 of Decision No 1/2006) together with the date of issue and the serial number of the original certificate].

3. Retrospective issue of A.TR. movement certificates

Legal reference

- Article 15 of [Decision No 1/2006](#) of the EC-Turkey Customs Cooperation Committee of 26.07.2006

An A.TR. movement certificate may exceptionally be issued after exportation of the goods to which it relates if:

- it was not issued at the time of exportation because of errors or involuntary omissions or special circumstances; or
- it is demonstrated to the satisfaction of the customs authorities that an A.TR. movement certificate was issued but was not accepted at importation for technical reasons.

A.TR. movement certificates issued retrospectively must be marked in box 8 "Remarks" with the appropriate mention "ISSUED RETROSPECTIVELY" in one of the official languages of the EU or in Turkish.

4. Replacement of A.TR. movement certificates

Legal reference

- Article 13 of [Decision No 1/2006](#) of the EC-Turkey Customs Cooperation Committee of 26.07.2006

The customs authority under whose control the goods are placed, may replace the original A.TR. movement certificate by one or more replacement A.TR. movement certificates. This may, for example, arise where goods are imported from Turkey, some of which are customs cleared in Greece, and others are reconsigned to Italy.

See guidance of [replacement certificates](#) for further details.

5. Document on origin required in commercial policy measures and for “risky” goods

The new Turkish Regulation of 24 May 2019, No 30783, clarified by Decree of the Ministry of Commerce of 27 May 2019, No 20117910-163.08, refers to all goods exported from the EU to Turkey with an A.TR. movement certificate and potentially subject to commercial policy measures in Turkey (such as antidumping duty, countervailing duty or additional duty). These are so-called “risk goods”. In the case of these “risky goods” a certificate of origin (non-preferential origin) is required.

Whenever the good is deemed risky, a certificate of origin (non-preferential origin) is necessary to avoid the application of the commercial policy measure. For this purpose, the importer²⁰ has to submit a certificate of origin (non-preferential origin) with the A.TR. movement certificate.

If the product originates in the PEM zone, a supplier's declaration for goods having preferential origin should be submitted. In this case, the certificate of origin (non-preferential origin) is not required.

ii) Customs union documents in trade with Andorra

Legal references:

- Agreement with Andorra and Articles 28 and 29 of Decision No 1/2003 of the EC-Andorra Joint Committee of 03.09.2003.
- Furthermore, the rules of the transit procedure laid down in the UCC and its implementing provisions (UCC-IA und UCC-DA) apply in accordance with the Agreement with Andorra and Article 27 Decision No 1/2003 mutatis mutandis.
- Agreement with Andorra and Article 2 of Council Regulation (EC) No 2302/2001 of 15 November 2001 (OJ 200 L 310 page 1).

Within the customs union with Andorra, the proof of the customs status “goods in free circulation” is a transit accompanying document (accompanies the goods from the customs office of departure to the customs office of destination), proof of customs status of union goods or a document having equivalent effect e.g. or a stamp on an invoice (under certain conditions for consignments below EUR 15 000 - Article 201 UCC-IA).

²⁰ This excludes an Authorised Economic Operator (AEO) in Turkey.

Information on the transit documents for Andorra (T1, T2 and T2F) and proof of customs status of union goods (T2L and T2LF) can be found in the Transit Manual on DG TAXUD's website at:

https://ec.europa.eu/taxation_customs/sites/taxation/files/transit_manual_en.pdf

For tobacco products of HS headings 24.02 and 24.03, according to article 12(2) of the Agreement with Andorra preferential tariffs apply to the EU. These EU products have to be manufactured in the EU from raw tobacco in free circulation and be accompanied by a certificate as per the Annex of Council Regulation (EC) No 2302/2001 of 15 November 2001.

iii) Customs union documents in trade with San Marino

Legal reference:

- Interim agreement on trade and customs union between the European Economic Community and the Republic of San Marino, [OJ L 359, 9.12.1992](#)
- Articles 1, 3 and 4 of Decision no. 4/92 of the EEC-San Marino Co-operation Committee of 22 December 1992 concerning certain methods of administrative co-operation for implementation of the Interim Agreement and the procedure for forwarding goods to the Republic of San Marino, [OJ L 42, 19.2.1993](#)
- Agreement on cooperation and customs union between the European Economic Community and the Republic of San Marino, [OJ L 84, 28.3.2002](#)
- The rules of the transit procedure laid down in the UCC and its implementing provisions (UCC-IA und UCC-DA) apply in accordance with Article 3 Decision No 4/92 mutatis mutandis.

Within the customs union with San Marino the proof of the customs status “goods in free circulation” is a transit accompanying document (accompanies the goods from the customs office of departure to the customs office of destination), proof of customs status of union goods or a document having equivalent effect e.g. a stamp on an invoice (under certain conditions for consignments below EUR 15 000 - Article 201 UCC-IA).

Information on the transit documents for San Marino (T2, T2F or T2 SM) and proof of customs status of union goods (T2L, T2LF, and T2L SM) can be found in the Transit Manual on DG TAXUD's website at:

https://ec.europa.eu/taxation_customs/sites/taxation/files/transit_manual_en.pdf

COUNTRY	TYPES OF CUSTOMS UNION DOCUMENTS	VALIDITY PERIOD (Months)	EXEMPTIONS FROM DOCUMENTATION		LEGAL BASIS
			Small Packages (€)	Personal Luggage (€)	
Turkey (TR) HS-Chapters 1 to 97 except ECSC products and agricultural products, as defined in Annex I of the Amsterdam Treaty	A.TR Movement Certificate (proof of the customs status “free circulation”)*)	4	NO LIMIT	NO LIMIT	L 265/26-09-2006
Andorra (AD) HS Chapters 25 to 97	Transit declarations T1, T2, T2F or a document having equivalent effect; Proof of customs status of union goods T2L or T2LF		-	-	L 374/31-12-1990 L 253/07-10-2003
San Marino (SM) Chapters 1 to 97 except ECSC products	Transit declarations T2, T2F, T2SM or a document having equivalent effect; Proof of customs status of union goods T2L, T2LF or T2LSM		-	-	L 84/28-03-2002 L 42/19-02-1993 L 359/09-12-1992

*) **EU -Turkey Customs Union:** Postal consignments (including postal packages) shall benefit from the provisions on free circulation without being the subject of the certificate, provided there is no indication on the packing or on the accompanying documents that the goods contained therein do not comply with the conditions of free circulation. This indication consists of a specific yellow label, affixed in all cases of this kind by the competent authorities of the exporting State.