

# EXPORT PROMOTION SEMINAR

*customs issues*



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- free trade models
  - customs union
  - free trade agreement
  
- use of rules of origin



- rules of origin (protocols)
  - buildup
  - origin criteria
    - wholly obtained
    - sufficiently worked (list rules)
    - cumulation
    - principle of territoriality
    - direct transport
  - administrative co-operation



- EuroMed
- questions



# free trade models

## **customs union**

- common trade policy
- common customs tariff
- no origin rules
- free circulation of goods

## **free trade agreement**

- no common trade policy
- no common customs tariff
- defined origin rules
- free circulation of originating goods only



## use of origin rules

- markings
- statistics
- import restrictions
- antidumping measures
- other trade policy measures
- **preferential treatment on import**



# rules of origin

"Protocol concerning the definition of the concept of originating products and methods of administrative co-operation,,

## table of contents

- Title I General Provisions
- Title II Definition of the concept of "originating products"
- Title III Territorial requirements
- Title IV Proof of origin
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- Title VI Final Provisions





# rules of origin

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- Appendix 2 List of working and processing
- Appendix 3 Specimens of Movement Certificate EUR.1



## origin criteria

- autonomous origin
  - wholly obtained
  - sufficiently worked or processed
- origin by means of cumulation
  - bilateral cumulation
  - *diagonal cumulation*
  - *full cumulation*

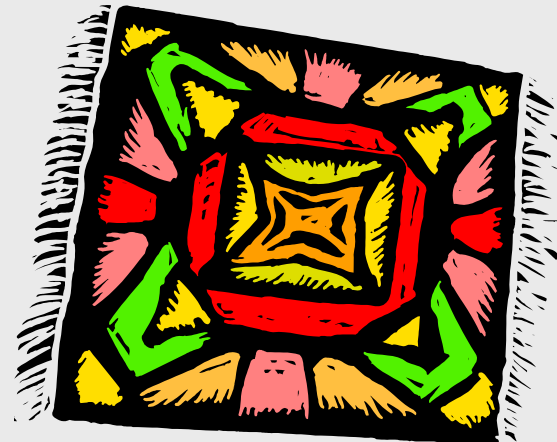


wholly obtained

wool  
from SACU  
(Botswana)



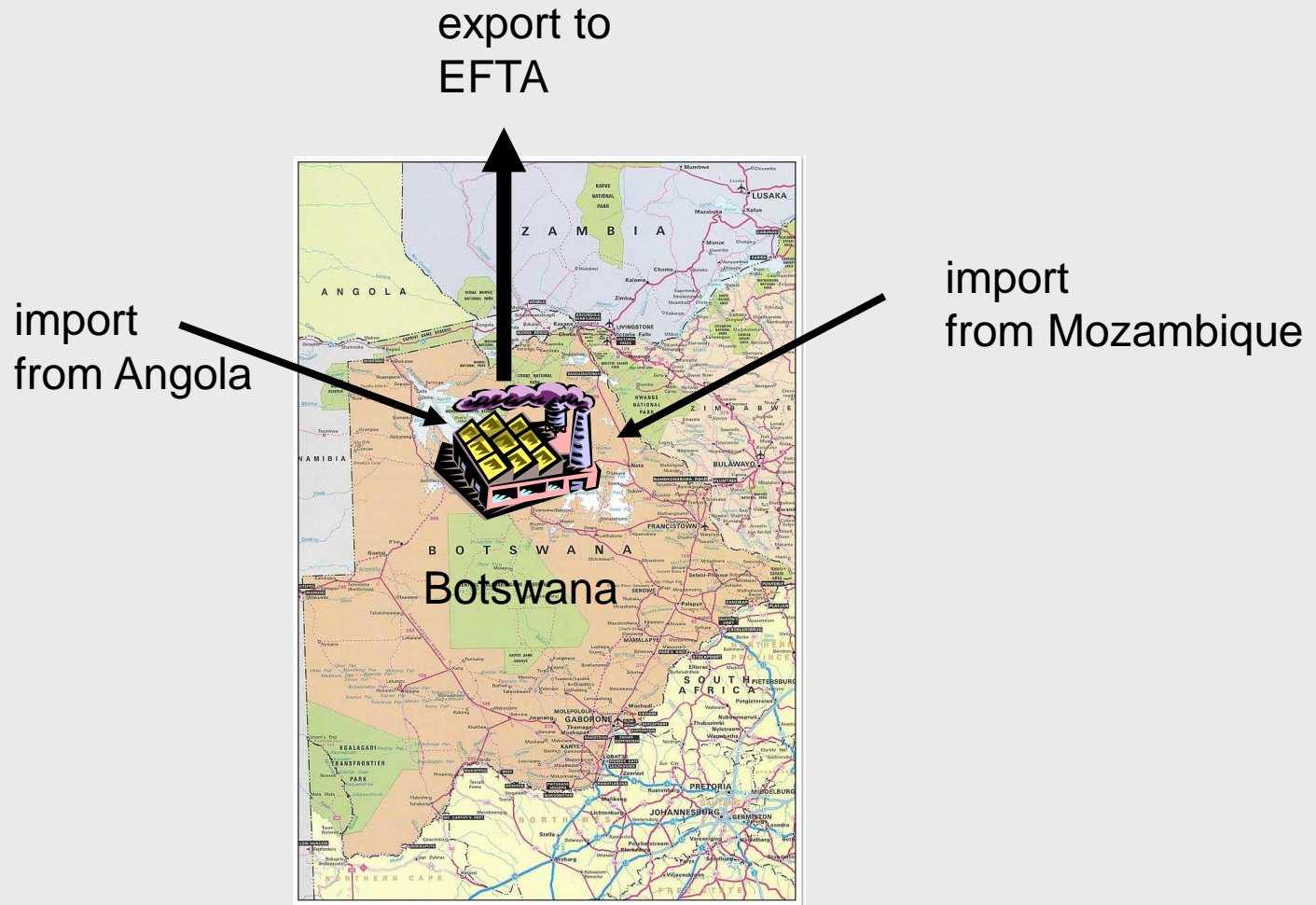
dye  
from SACU  
(South Africa)



carpet



sufficiently worked and processed





# sufficiently worked and processed

- conditions in the List (Appendix 2)
- general tolerance rule of 15%
- minimal operations



# list of working and processing

definition of the product obtained

- first column: tariff-heading or chapter
- second column: product description

rules to apply

- third and fourth column
- rules in column four are applicable as an alternative to the rule in column three

please consult the Introductory Notes (Appendix 2)



# list of working and processing

HS classification	product description	applicable rule	
↓	↓	↙	↘
HS heading	Description of product	Working or processing, carried out on non-originating materials, which confers originating status	
(1)	(2)	(3)	(4)
84.25 to 84.30	Lifting, handling loading or unloading machinery, bulldozers and excavating machinery	Manufacture from materials of any heading, except that of the product and that of heading 84.31	Manufacture in which the value of all the materials used does not exceed 50 % of the ex-works price of the product



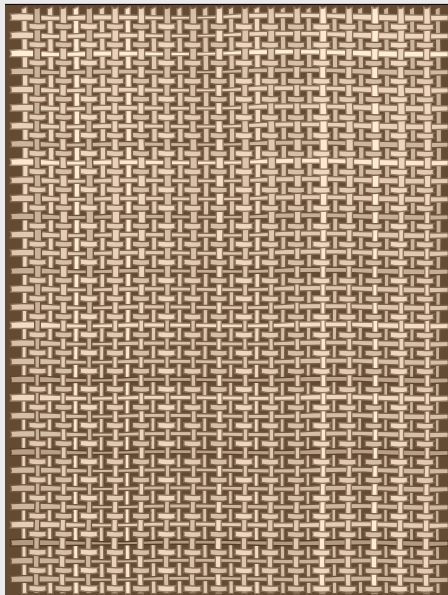
# cumulation

- bilateral cumulation
- *diagonal cumulation*
- *full cumulation*





# bilateral cumulation



fabrics of flax (53.09)  
woven in Switzerland  
from flax yarn imported  
from Lesotho

list rule: manufacture from yarn



# principle of territoriality

originating status must be fulfilled in one party without interruption

exceptions:

- returned originating products from third countries
- added value outside the contracting parties of 10 %

# direct transport



conditions regarding transport through third countries:

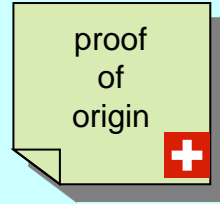
- under customs surveillance
- only operations
  - unloading and reloading
  - to preserve them in good condition
  - splitting up of consignments
- evidence shall be supplied to customs on import



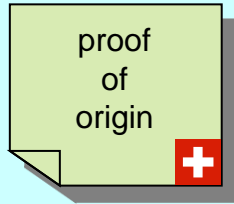
# arrangements for administrative co-operation

verification procedure

Customs Administration  
importing country



Customs Administration  
exporting country



Customs Administration  
exporting country



check at the  
exporter's site





# EuroMed-cumulation



- Barcelona Declaration (27.-28.11.1995)
- EU (15 Countries), Algeria, Cyprus, Egypt, Israel, Jordan, Lebanon, Malta, Morocco, Syria, Tunisia, Turkey and the Palestinian National Authorities
- turning the Euro-Mediterranean basin into an area of dialogue, exchange and co-operation, guaranteeing peace, stability and prosperity
- creation of a free trade zone



- endorsement of the new Protocol on rules of origin at the EuroMed Ministerial Conference of 7.7.2003 in Palermo
- extension of the PanEuro-Cumulation zone to the Mediterranean basin
- PanEuroMed Working Group → group of experts from Customs Administrations (Brussels)





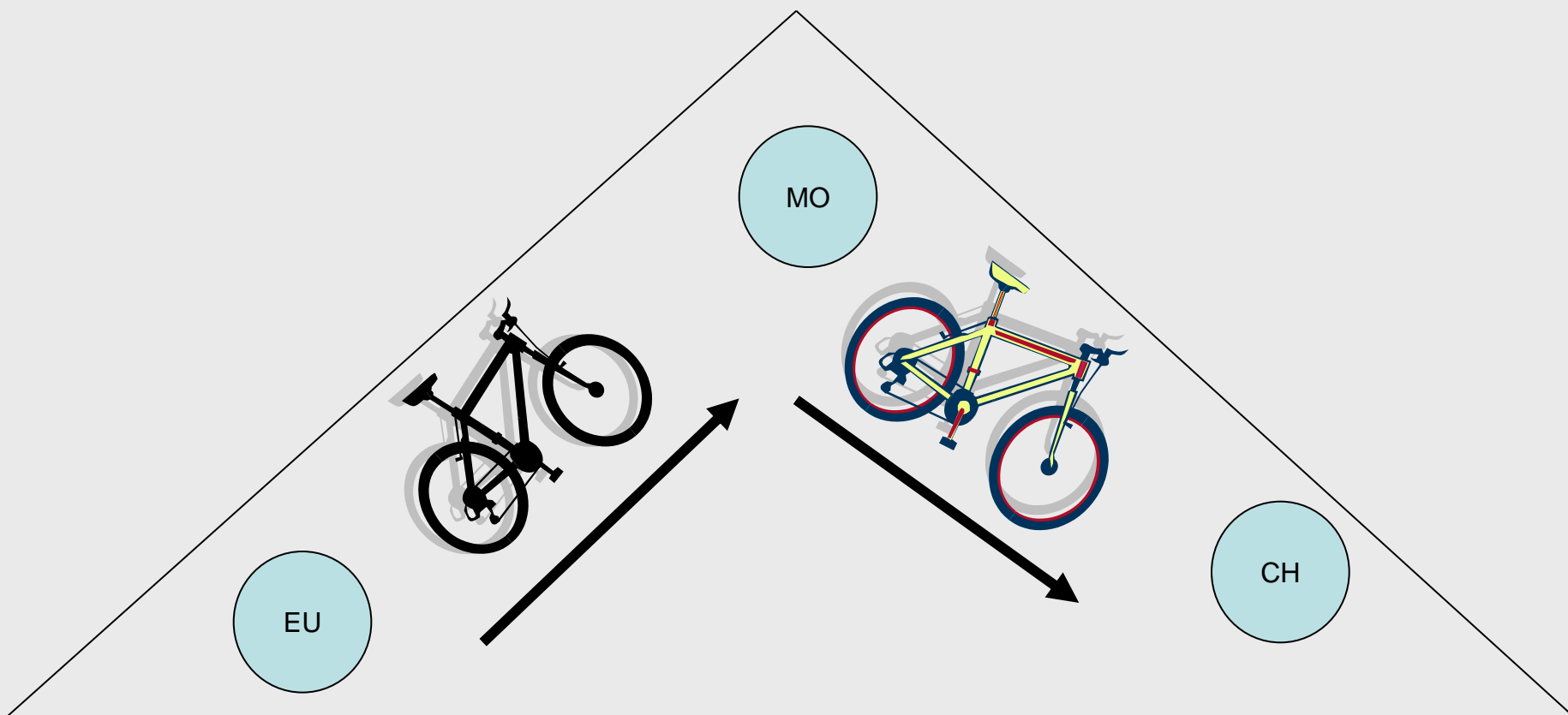
# Requirements for Pan-Euro-Med Cumulation (Diagonal cumulation)

– three conditions

- **FTA according to article XXIV GATT is applicable**
- **same rules of origin**
- **publishing in the relevant gazettes**



the EuroMed-Cumulation allows the  
**"diagonal cumulation"**





## EuroMed proof of origin

- Certificate EUR-MED (like EUR.1 export procedure, size)
  - Box 7:
  - NO CUMULATION APPLIED
  - CUMULATION APPLIED WITH .....(*name of the country/countries*)
- Invoice declaration EUR-MED (like "normal" invoice declaration)
  - NO CUMULATION APPLIED
  - CUMULATION APPLIED WITH .....(*name of the country/countries*)



## which proof of origin?

EUR.1 / "normal" invoice declaration (*e.g. in the scope of the EFTA-MO FTA*)

- produced in the partner states (EFTA and MO) without application of cumulation with materials from MED-Countries

*MO → EFTA (origin MO or EFTA)*

- produced without application of cumulation in a MED-Country

*MO → EFTA (origin TU)*



QUESTIONS?