

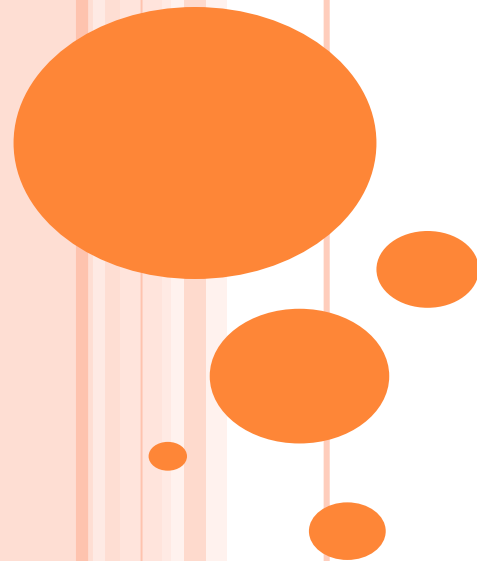
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ASEAN Rules of Origin

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AGENDA

- Role and Concepts of Rules of Origin in FTA
- Rules of Origin in ATIGA
- Application of Rules of Origin

ROLE OF RULES OF ORIGIN IN FTAs

- Why do we need Rules of Origin in an FTA?

They allow authorities in importing countries to ensure that:

1. products originating in other Parties to the FTA are provided with the preferential access they are entitled to, in accordance with the FTA's tariff commitments,
2. goods originating outside the FTA are not given this same preferential access.

- Key Concepts in FTA Rules of Origin

Goods that satisfy rules of origin requirements are known as

“originating goods” and enjoy preferential tariff as set in FTA.

1. “Wholly obtained or wholly produced goods”
2. “Not wholly obtained or wholly produced goods”

KEY CONCEPTS IN FTA RULES OF ORIGIN (CONT'D)

1. “Wholly obtained or wholly produced goods” (WO)
2. “Not wholly obtained or wholly produced goods”
 - Regional Value Content (RVC)
 - Change in Tariff Classification (CTC)
 - Product-Specific Rules (PSR)

RULES OF ORIGIN IN ATIGA

CHAPTER 3, ARTICLES 25 TO 39

Products considered as originating from ASEAN

1. Wholly obtained goods or produced **(enumerated in Article 27)**
2. Not wholly obtained or produced goods **(Article 28)**
 - goods shall be deemed to be originating in the Member State where working or processing of the goods has taken place:
 - i. if the goods have a regional value content (hereinafter referred to as “ASEAN Value Content” or the “Regional Value Content (RVC)”) of not less than forty percent (40%) calculated using the formula set out in Article 29; or
 - ii. if all non-originating materials used in the production of the goods have undergone a change in tariff classification (hereinafter referred to as “CTC”) at four-digit level (i.e. a change in tariff heading) of the Harmonized System.

FORMULA FOR CALCULATING REGIONAL VALUE CONTENT (ARTICLE 29)

Direct Method

$$\text{RVC} = \frac{\text{ASEAN Material Cost} + \text{Direct Labor Cost} + \text{Direct Overhead Cost} + \text{Other Cost} + \text{Profit}}{\text{FOB Price}} \times 100\%$$

Indirect Method

$$\text{RVC} = \frac{\text{FOB} - \text{Value of Non-originating Materials, Parts or Goods}}{\text{FOB}} \times 100\%$$

CTC AND PRODUCT-SPECIFIC RULES

- Besides RVC 40%, ATIGA General Rules for Rules of Origin is the Change of Tariff Classification at 4 digit level. This rule applies across the line except for the goods that are listed in the Product Specific Rules (Annex 3).
- Under the Product Specific Rules, the goods are classified under the ASEAN Harmonized Tariff Nomenclature (AHTN) Code up to 6 digit level.

... EXAMPLE FROM ANNEX 3, PRODUCT-SPECIFIC RULES

Chapter 50 Silk

HS 2007			Product Description	Origin Criteria
Chapter	Heading	Sub-Heading		
50	5001	5001.00	Silk-worm cocoons suitable for reeling.	A regional value content of not less than 40 percent; or A change to subheading 5001.00 from any other chapter
50	5002	5002.00	Raw silk (not thrown).	A regional value content of not less than 40 percent; or A change to subheading 5002.00 from any other chapter
50	5003	5003.00	Silk waste (including cocoons unsuitable for reeling, yarn waste and garneted stock).	A regional value content of not less than 40 percent; or A change to subheading 5003.00 from any other chapter
50	5004	5004.00	Silk yarn (other than yarn spun from silk waste) not put up for retail sale.	A regional value content of not less than 40 percent; or A change to subheading 5004.00 from any other heading; or Process Rules for Textile and Textile Products as set out in Attachment 1
50	5005	5005.00	Yarn spun from silk waste, not put up for retail sale.	A regional value content of not less than 40 percent; or A change to subheading 5005.00 from any other heading; or Process Rules for Textile and Textile Products as set out in Attachment 1

Issuance of Certificate of Origin (Form D) Article 38

**Step 1:
APPLICATION
FOR PRE-EXPORT
VERIFICATION**

MANUFACTURER / EXPORTER
Applies for the pre-export verification of the origin of goods

**Step 2:
PRE-EXPORT
VERIFICATION**

ISSUING AUTHORITY / BODY
Conducts the pre-export examination.

**Step 3:
CO APPLICATION**

MANUFACTURER / EXPORTER
Applies for a CO. Submits the result of pre-export verification and appropriate requirements.

**Step 4:
EXAMINATION &
ISSUANCE OF CO**

ISSUING AUTHORITY / BODY
Issues the CO. Retains duplicate copy of the CO.

MANUFACTURER / EXPORTER
Sends original CO to the IMPORTER. Retains the triplicate copy of the CO.

**Step 5:
PRESENTATION
OF THE CO**

IMPORTER
Submits the CO to CUSTOMS at the time of import declaration to claim preferential treatment.

ORIGINAL

1. Goods consigned from (Exporter's business name, address, country)		Reference No.			
2. Goods consigned to (Consignee's name, address, country)		ASEAN TRADE IN GOODS AGREEMENT/ ASEAN INDUSTRIAL COOPERATION SCHEME CERTIFICATE OF ORIGIN (Combined Declaration and Certificate) FORM D Issued in _____ (Country) (See Overleaf Notes)			
3. Means of transport and route (as far as known) Departure Date: Vessel's Name/Aircraft, etc.: Port of Discharge:		4. For official use <input type="checkbox"/> Preferential Treatment Given Under ASEAN Trade in Goods Agreement <input type="checkbox"/> Preferential Treatment Given Under ASEAN Industrial Cooperation Scheme <input type="checkbox"/> Preferential Treatment Not Given (Please state reason/s) _____ Signature of Authorised Signatory of the Importing Country			
5. Item number	6. Marks and numbers on packages	7. Number and type of packages, description of goods (including quantity where appropriate and HS number of the importing country)	8. Origin criterion (see Overleaf Notes)	9. Gross weight or other quantity and value (FOB)	10. Number and date of invoices
11. Declaration by the exporter The undersigned hereby declares that the above details and statement are correct; that all the goods were produced in _____ (Country) and that they comply with the origin requirements specified for these goods in the ASEAN Trade in Goods Agreement for the goods exported to _____ (Importing Country) _____ Place and date, signature of authorised signatory		12. Certification It is hereby certified, on the basis of control carried out, that the declaration by the exporter is correct. _____ Place and date, signature and stamp of certifying authority			
13. <input type="checkbox"/> Third-Country Invoicing <input type="checkbox"/> Exhibition <input type="checkbox"/> Accumulation <input type="checkbox"/> De Minimis <input type="checkbox"/> Back-to-Back CO <input type="checkbox"/> Issued Retroactively <input type="checkbox"/> Partial Cumulation					

Thank You !