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# NTM classification Rules of Origin Chapter

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# NTM classification: Current ROO chapter

## O RULES OF ORIGIN

Rules of origin cover laws, regulations and administrative determinations of general application applied by government of importing countries to determine the country of origin of goods. Rules of origin are important in implementing such trade policy instruments as anti-dumping and countervailing duties, origin marking, and safeguard measures.

***Example:** Machinery products produced in a country is difficult to fulfil the rules of origin to qualify for the reduced tariff rate of the importing country, as the parts and materials originate in different countries. ...*

# The proposed new ROO chapter

- Distinguishes between **preferential** and **non-preferential rules**
  - O1 Preferential
  - O2 Non-preferential
- Distinguishes between the **rule** itself and the **requirement to prove origin** (certification)
  - O11 Origin criterion
  - O12 Proof of Origin
  - O13 Proof of direct shipment
- Distinguishes between different types of **origin criteria**
  - Wholly Obtained (O111)
  - Substantial transformation:
    - Ad valorem percentage criterion as **value addition** (O112) or **value of materials** (O113)
    - Change in tariff classification **without exception** (O114) or with **exception** (O115)
    - Technical requirement (O116)
  - Alternative requirements (“or”) (O117)
  - Other (O119)
- Highlights which type of **cumulation** applies
  - Bilateral (O1121) / Diagonal (O1122) / Full (O1123) / Other (O1129)
- Indicates the **type of certification**
  - Issued by authority (O121) / issued by exporter (O122) / importer declaration (O123) / Other (O129)

# Other observations

- Mixed criteria:

Many rules use different types of origin criteria jointly (“and”) → classify and count as 2 separate requirements

- Data collection

ITC has been testing the classification, processing more than 20 agreements texts (preferential ROOs)

Once the classification is adopted ITC will process the information for all trade agreements

For more information:

