

Certification of Origin

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Reference : RKC Specific Annex K

- Chapter 2 on Documentary evidence of origin
 - 2. Recommended Practice
 - Documentary evidence of origin should be required **only when it is necessary** for the application of preferential Customs duties, of economic or trade measures adopted unilaterally or under bilateral or multilateral agreements or of measures adopted for reasons of health or public order.
 - 5. Recommended Practice
 - Documentary evidence from the competent authorities of the country of origin should be required only in cases where the Customs of the country of importation have reasons to suspect fraud.

Study on Certification of Origin

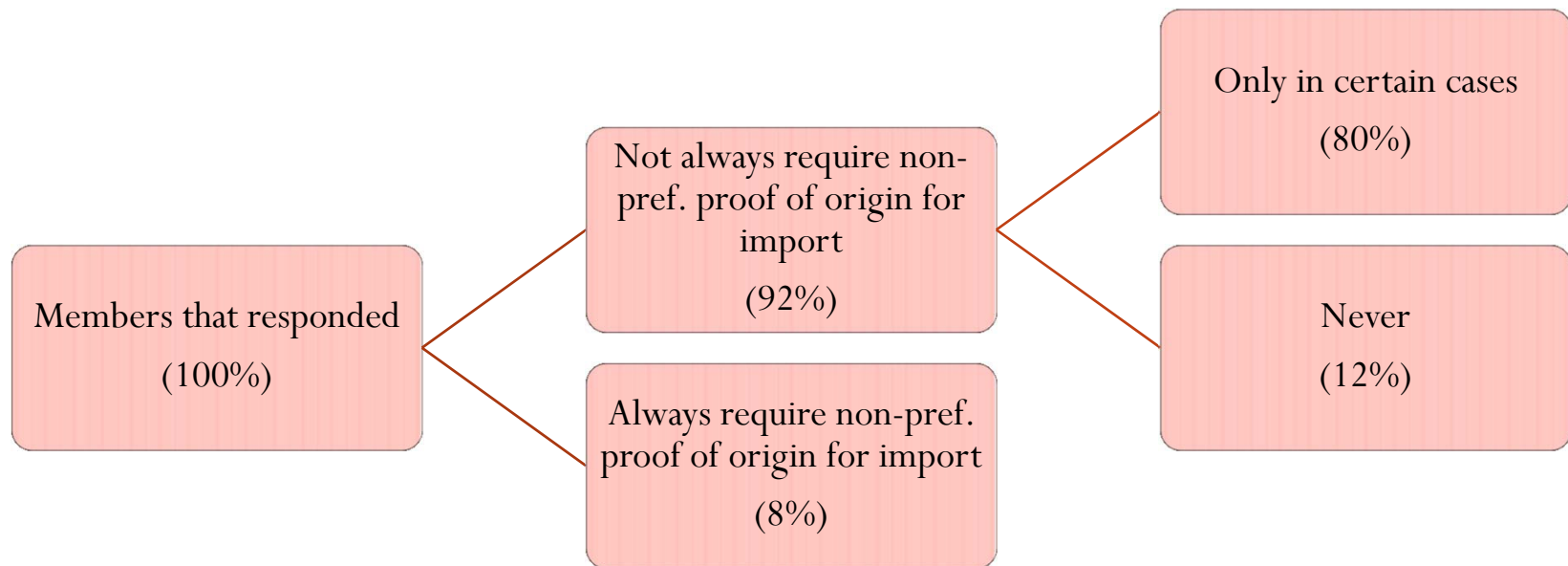
Proof of origin for non-preferential purposes

- Method: survey by questionnaire
- Questionnaire sent to all WCO Members in 2013
- Response received from 66 Members

Key findings on the use of proofs of origin for non-preferential purposes

- The vast majority of responding Members do not require any non-preferential proof of origin for import.
- Some Members use non-preferential certificate of origin for Customs Valuation purpose, which is not supported under WTO Agreement on Customs Valuation. This approach appears to imply inconsistency with international standards.
- Certificates of origin appear to be causing some extra costs in doing business with certain countries. The average of the issuing fees charged by the Chamber of Commerce was over 30 US dollars.

Survey result: requirement of non-preferential proof of origin for import



Always require a proof of origin for non-preferential import – REASONS raised...

- Some Members responded that they always require a proof of origin for all non-preferential imports, for the following reasons:
 - Customs valuation purposes
 - Duty purposes in general
 - Consumer protection
 - Intellectual property rights protection
 - Risk management profiling
 - Application of quotas

... consistency with RKC ???

Survey result: cost of issuance of a certificate of origin

- Customs or other government agencies
 - Cost range: 0 to 9 USD
- Chamber of Commerce
 - Cost range: 1.50 USD to 50.00 USD
 - Average: 34.23 USD

Certification of origin in FTAs

- Compared the provisions on certification of origin in 149 FTAs entered into force in 1994-2013
- Source: WCO Origin Database

Types of preferential origin certification systems

Type of system	Key features
1. Authority issued certification, incl. e-certificates	Government authorities or delegated bodies issue the certificate of origin in a prescribed form
2. Approved Exporter system	Exporters with prior approval may make origin declaration on commercial documents
3. Fully exporter-based certification	Any exporters can sign and issue a certificate of origin of a prescribed form
4. Importer-based certification	Importers certify the origin of goods

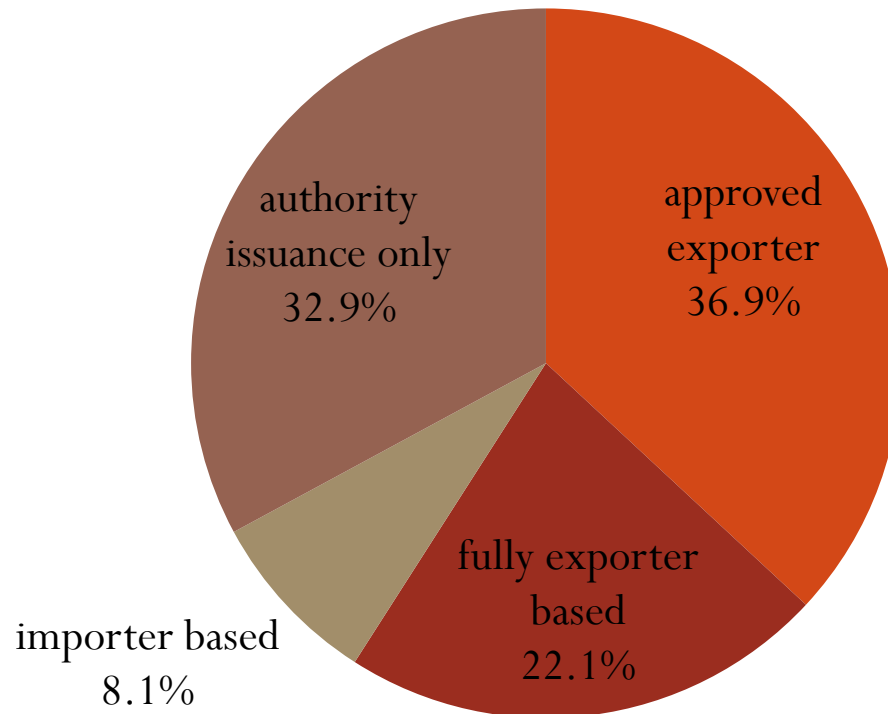
Self-certification = issuing authorities not involved in every single issuance of proof of origin

Key findings on the certification of origin in FTAs

- More than half of the FTAs studied introduce a kind of self-certification of origin, i.e. approved exporter, fully exporter-based certification, or importer-based system.
- The authorized exporter system is mainly used in the FTAs involving one or more European countries, while the fully exporter-based certification system is typically utilized in the FTAs by countries in the Americas.
- Intra-African and intra-Asian agreements appear to prefer the certification of origin by competent authorities.

Proportion of certification systems around the world

PROPORTION OF CERTIFICATION SYSTEMS



WCO Guidelines on Certification of Origin

Objective and coverage

- Guidelines provide practical explanations
 - To be used as guidance for the Members to design, develop and achieve robust management of origin-related procedures
- Cover both preferential and non-preferential origin
- Non-binding

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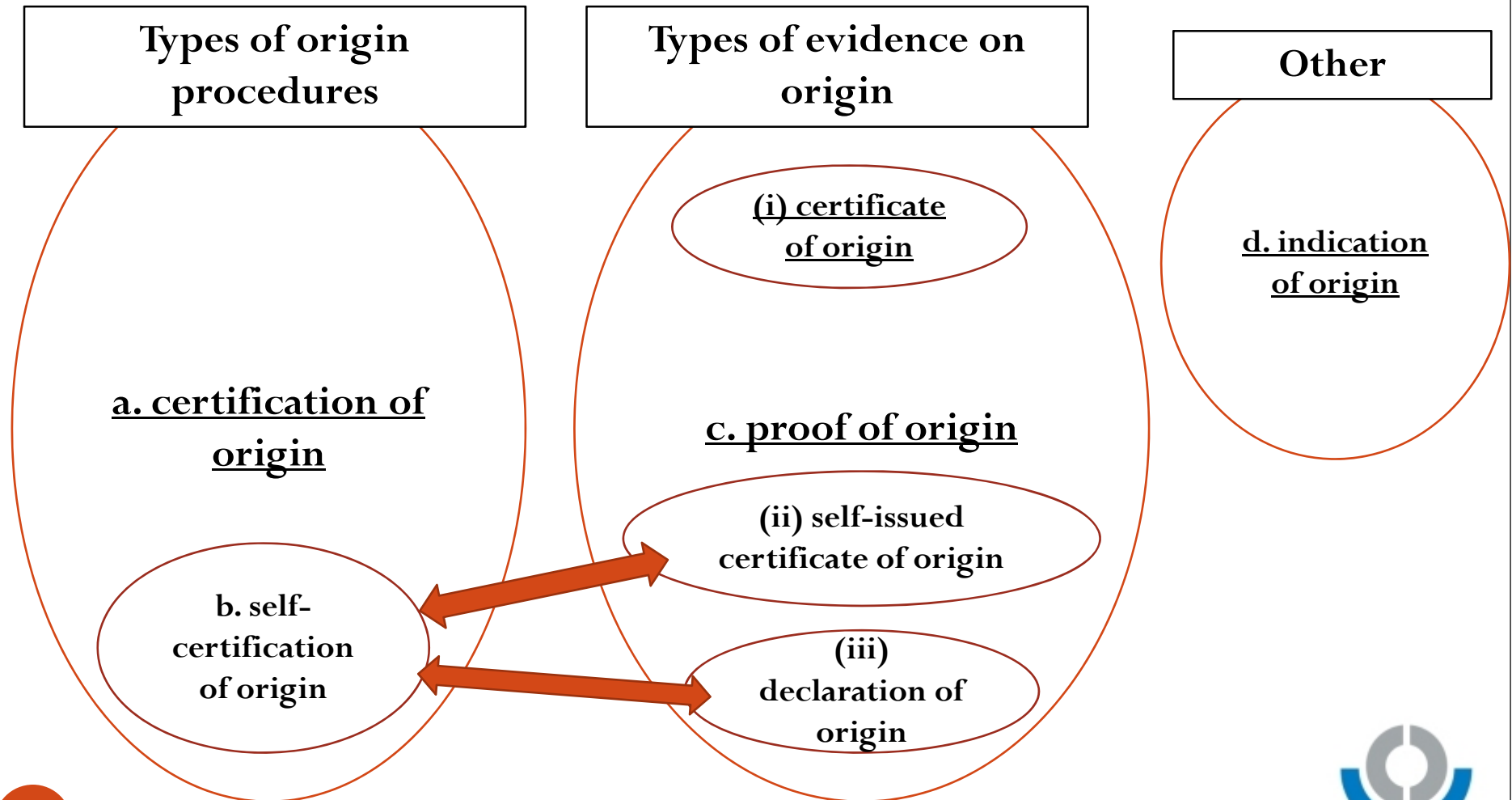
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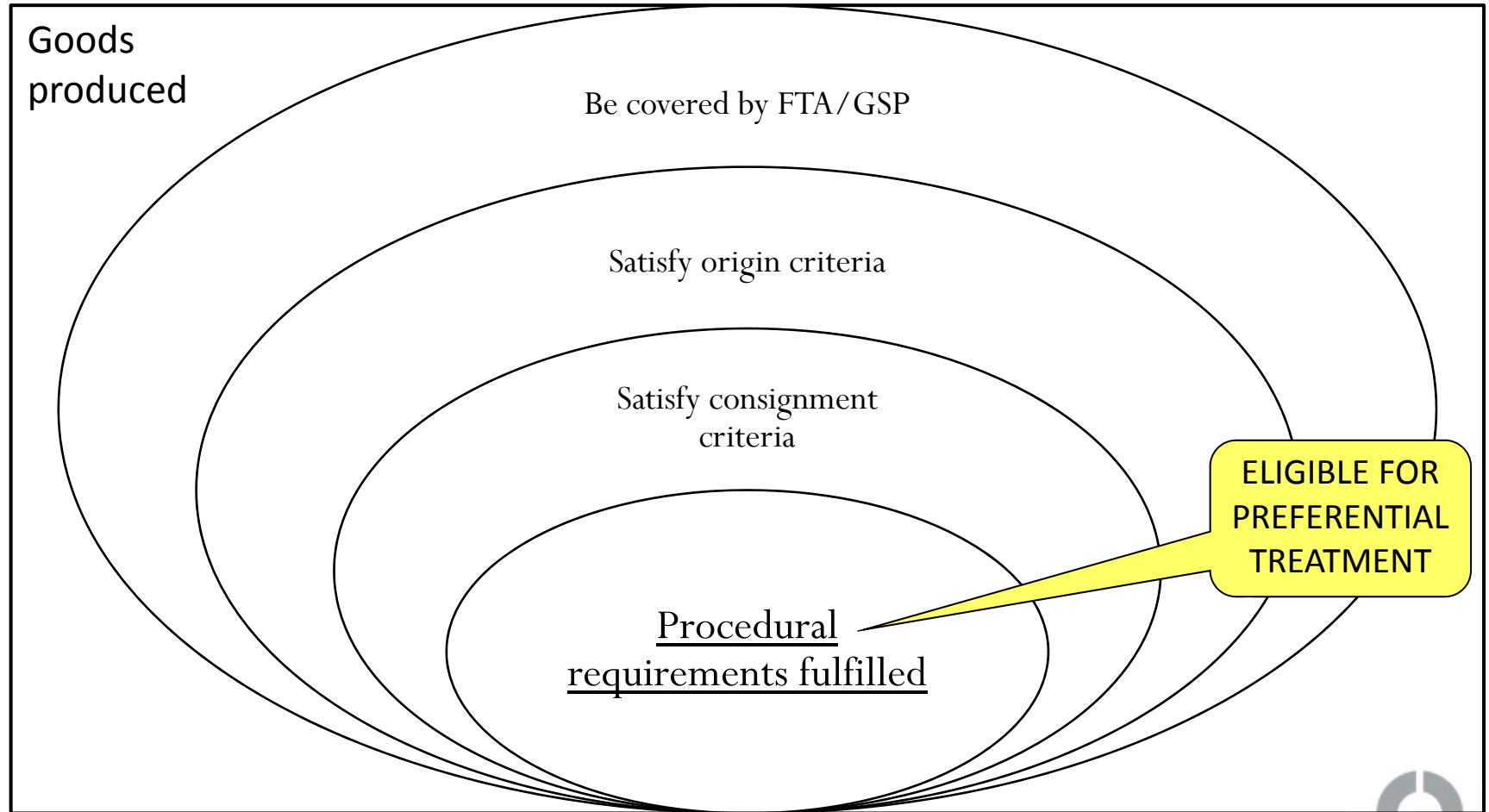
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Definitions : concepts at a glance



When is a proof of origin needed for preferential purpose?



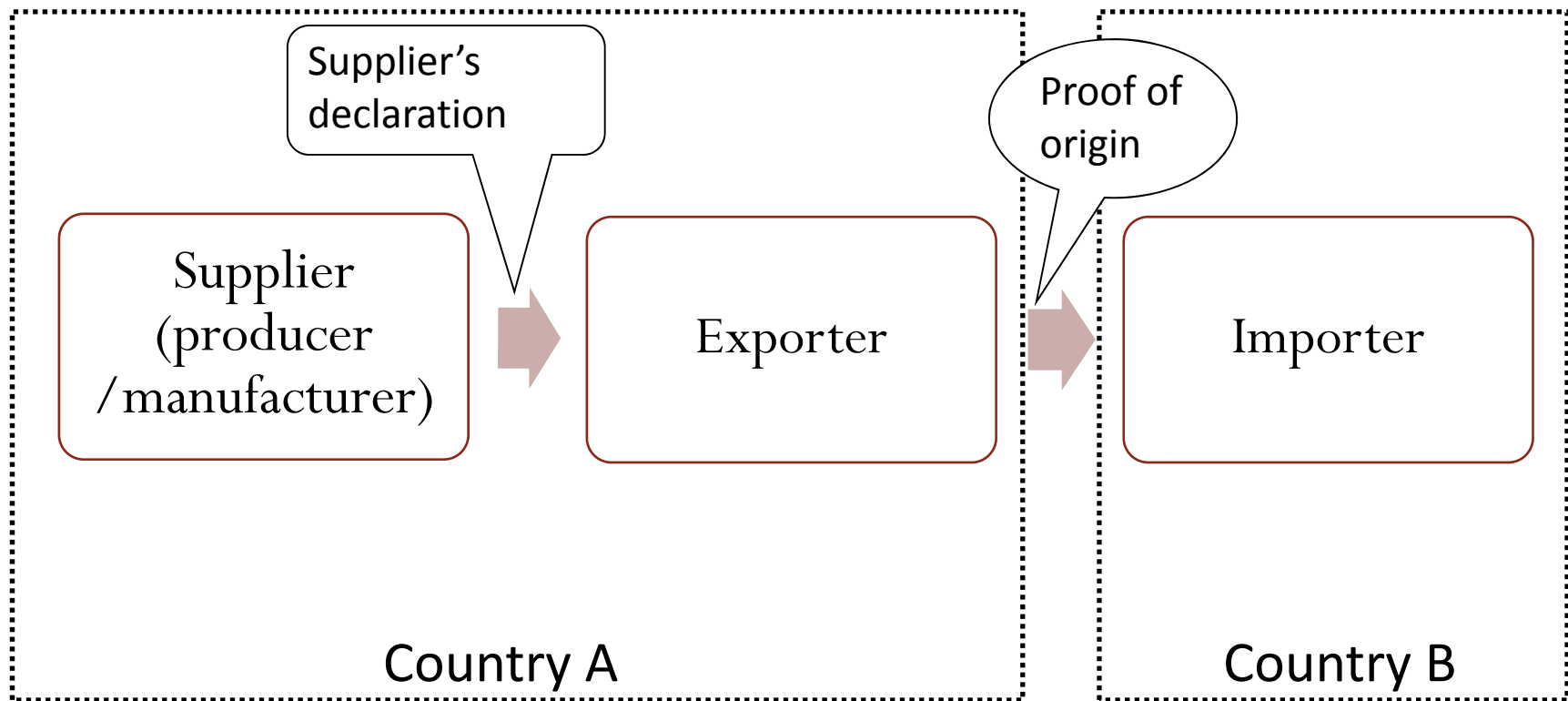
Certification of origin involving the competent authority of the exporting country

- Scrutiny by the competent authority in issuing a preferential certificate of origin
 - Guideline 2 : The competent authority in the exporting country **shall appropriately examine the originating status of the goods** before issuing a preferential certificate of origin. This includes collecting necessary information from the producer, manufacturer or exporter in order to examine whether the applicable origin criteria is satisfied, such as the list of materials with HS codes, calculation of value-added percentage and/or the specific production process of the goods in question.

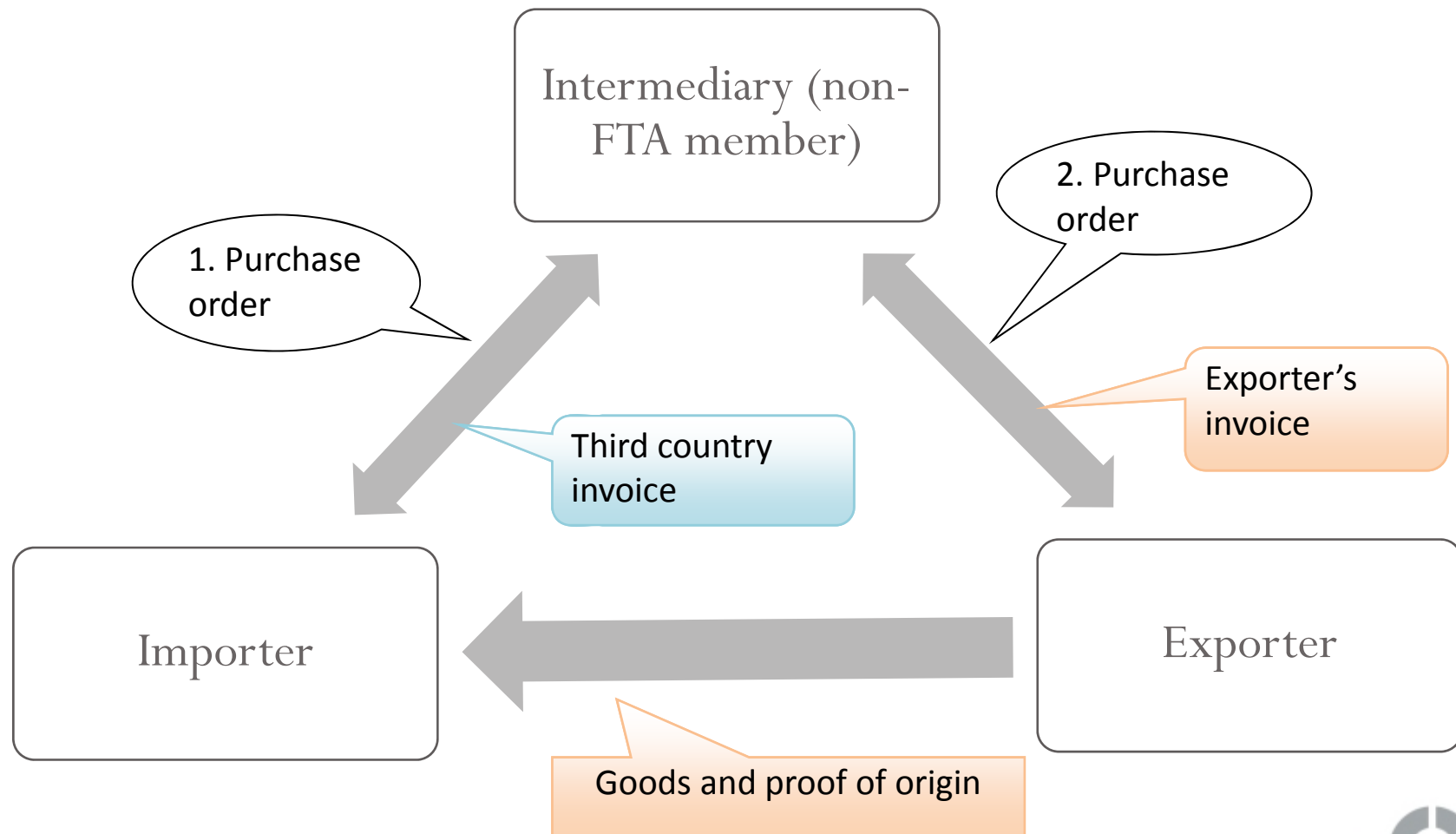
Self-certification

- Fostering the use of self-certification of origin
 - Guideline 4 : Considering the increasing volume of preferential trade and recognizing the need for the facilitation of origin-related procedures, self-certification of origin by a producer, manufacturer, exporter and/or importer shall be utilized to the maximum extent possible while recognizing the specificities of domestic business environment.

Supplier's declaration



Third country invoice / intermediary trade

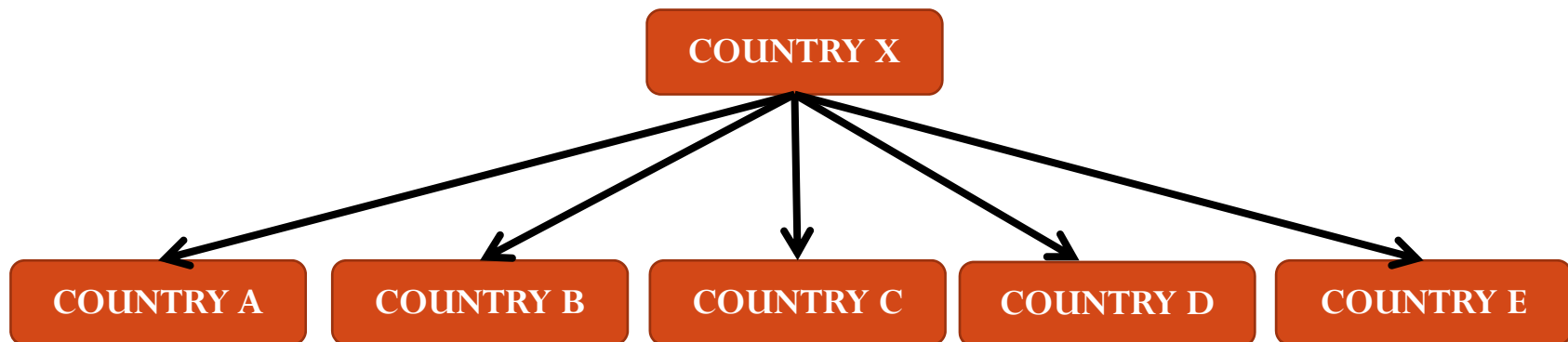


Requirement of proof of origin for non-preferential purposes

- Guideline 14 : As a general rule, non-preferential proofs of origin **should not be required** for the importation of goods on which no specific trade policy measures are applicable.
- Guideline 15 : A non-preferential proof of origin may be required **only for the measures provided for in Article 1(2)** of the WTO Agreement on Rules of Origin.

Requirement to issue non-preferential proofs of origin

- Until the HWP is completed, the non-preferential rules of origin in the exporting country and the destination country may vary. This means that there is asymmetry between the exporting and importing sides in the determination of country of origin.



Each destination country has different non-preferential rules of origin stipulated in domestic law!