



The REX system

Executive training on negotiating and drafting rules of origin

Firenze, Italy

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DG TAXUD

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Agenda

- Legal framework
- Registration process
- Data publication, consultation and management
- Origin certification
- Transitional period
- Testing phase with beneficiary countries



Legal framework (Until 30 April 2016)

- **Basic act:** Council Regulation (EEC) No 2913/92 establishing the Community Customs Code
- **Customs Code Implementing Provisions (CCIP):** Commission Regulation (EEC) No 2454/93



The reform of GSP rules of origin

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- 2005: Commission Communication COM(2005)100 "The rules of origin in preferential trade arrangements - Orientations for the future"
 - 3 pillars:
 - Simplification / development friendliness (LDCs)
 - Move to self-certification
 - Measures to ensure compliance by public authorities with their obligations (monitoring)



The reform of GSP rules of origin

- 2010: Regulation (EU) No 1063/2010 amending Regulation (EEC) No 2454/93

Applicable from 1 January 2011:

- Relaxation of rules of origin, notably for LDCs
- Simplification of procedures (direct transport > non-alteration)

Applicable from 1 January 2017:

- New procedure for making out proofs of origin which relies more on the exporter (REX, system of Registered Exporters)



The reform of GSP rules of origin

- 2013: Regulation (EU) No 530/2013 amending Regulation (EEC) No 2454/93
 - ↳ Amendments stemming from new GSP scheme introduced with Regulation (EU) No 978/2012
- 2015: Regulation (EU) No 2015/428 amending Regulation (EEC) No 2454/93
 - ↳ Amendments to fine-tune the REX system (phasing-in approach, data protection...)



The reform of GSP rules of origin

- 2015: Regulation (EU) No 2015/428 amending Regulation (EEC) No 2454/93
 - ↳ Published: OJ L 70, 14.3.2015, p. 12
 - ↳ Enters into force on 21 March 2015
At the exception of amended articles 74 and 97I which are applicable as of 1 January 2015



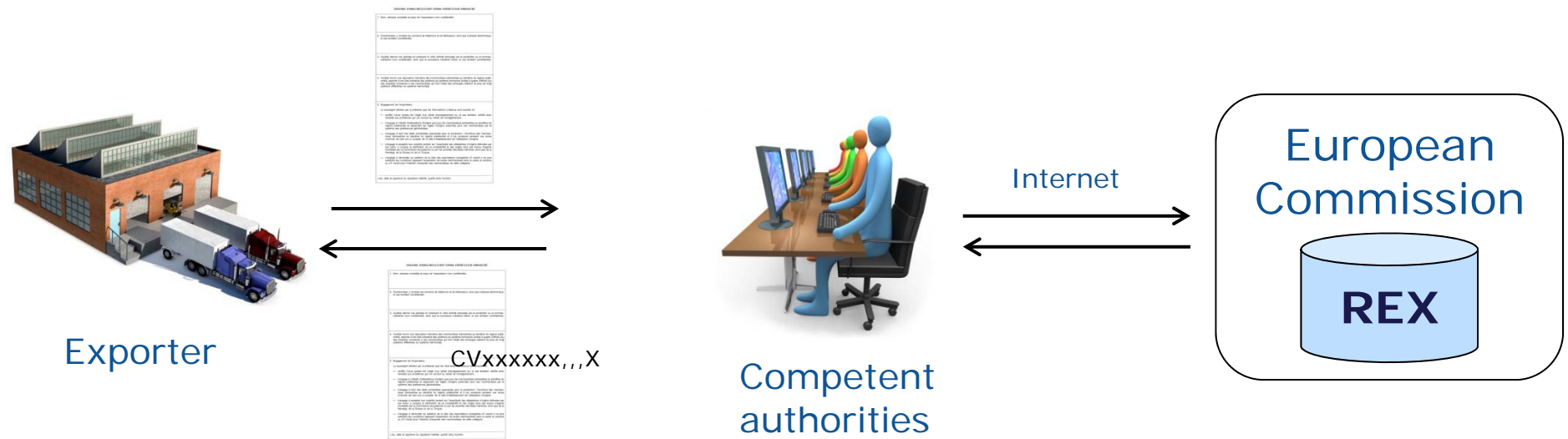
Legal framework (As from 1 May 2016)

- **Basic Act:** Regulation (EU) No 952/2013 Of the European Parliament and of the Council laying down the Union Customs Code
- **UCC Delegated and Implementing Acts:** Commission proposal adopted on 28 July 2015 (entry into application on 1 May 2016)

Registration process



Registration of exporters - Process



1. The exporter submits his application to the competent authorities
2. If it is complete, the competent authorities encode the application in the REX system and assign a REX number
3. The competent authorities inform the exporter of the registration



Registration of exporters - Remarks

- Registration of an exporter is a **one-time operation**
- Internet connection is **only needed for registration**
- Registration is **valid from the moment a complete application is submitted** by the exporter
 - No impact on the exporter if there is a technical problem for the registration
 - No impact on the exporter if the competent authorities have organizational difficulties to register the exporters immediately

Registration process



European
Commission

Application for registration (Annex 13c)

- Simple and short
- Easy to fill in
- The only administrative procedure for the exporters

| |
|--|
| 1. Exporter's name, full address and country, EORI or TIN ⁽²⁾ . |
| 2. Contact details including telephone and fax number as well as e-mail address where available. |
| 3. Specify whether the main activity is producing or trading. |
| 4. Indicative description of goods which qualify for preferential treatment, including indicative list of Harmonised System headings (or chapters where goods traded fall within more than 20 Harmonised System headings). |
| 5. Undertakings to be given by an exporter The undersigned hereby: <ul style="list-style-type: none">— declares that the above details are correct,— certifies that no previous registration has been revoked; conversely, certifies that the situation which led to any such revocation has been remedied,— undertakes to make out statements on origin only for goods which qualify for preferential treatment and comply with the origin rules specified for those goods in the Generalised System of Preferences,— undertakes to maintain appropriate commercial accounting records for production/supply of goods qualifying for preferential treatment and to keep them for at least three years from the end of the calendar year in which the statement on origin was made out,— undertakes to immediately notify the competent authority of changes as they arise to his registration data since acquiring the number of registered exporter,— undertakes to cooperate with the competent authority;— undertakes to accept any checks on the accuracy of his statements on origin, including verification of accounting records and visits to his premises by the European Commission or Member States' authorities, as well as the authorities of Norway, Switzerland and Turkey (applicable only to exporters in beneficiary countries), |

Registration process



Application for registration (Annex 13c)

- Section 7 to be filled in by the competent authorities
- Short and easy to fill in
- The only administrative procedure of the competent authorities

— undertakes to request his removal from the system, should he no longer meet the conditions for exporting any goods under the scheme,

— undertakes to request his removal from the system, should he no longer intend to export such goods under the scheme.

.....

Place, date, signature of authorised signatory, name and job title

6. Prior specific and informed consent of exporter to the publication of his data on the public website

The undersigned is hereby informed that the information supplied in this application may be disclosed to the public via the public website. The undersigned accepts the publication and disclosure of this information via the public website. The undersigned may withdraw his consent to the publication of this information via the public website by sending a request to the competent authorities responsible for the registration.

.....

Place, date, signature of authorised signatory, name and job title

7. Box for official use by competent authority

The applicant is registered under the following number:

Registration Number:

Date of registration

Date from which the registration is valid

Signature and stamp



DATA PUBLICATION, CONSULTATION AND MANAGEMENT





Introduction of the data

Processed by the competent authorities (BC) and customs authorities (MS)

- ➔ Controllers with respect to the processing of the data they have entered
- ➔ Responsible for entering, modifying and deleting data





European Commission:

- Joint controller on all data of the REX system
- May consult the data of the REX system for monitoring and statistical purposes
- Controls and manages the REX system (technical infrastructures but not the data)





Automated/Manual operations

Legal basis: Articles 93 and 93a CCIP

Data entered and modified manually in the REX system

Possibility of pre-entering data by the exporter -> the authorities retrieve the data for finalization and validation of the registration.

Revocation:

- individual: manual deletion by the controller after the data retention period (10 years)
- General (removal of a country from the GSP scheme): data kept 10 years; deletion after 10 years EXCEPT reintroduction of the country in the GSP or presence in CH/NO GSP schemes





Storage

Paper-based application form (signed) -> registration
Kept as long enough as required by the EU-BC
administrative cooperation

In the future, exporters in MS will encode themselves
and electronically sign their data in the system.

Personal data stored in a central Relational Data Base
Management System operated by the European
Commission





Common management of the REX system with Switzerland and Norway

Legal basis: Article 85 Regulation 2454/93 (CCIP) -> Agreement under the form of an Exchange of Letters + Memorandum of Understanding

Differences between the CH, NO and EU GSP schemes

- BCs in 3 schemes: EU responsible
- BCs in 1 or 2 schemes: donor country responsible (CH, NO or EU)
- EU always responsible if its scheme is involved.



Consequences on competent authorities

More responsibility given to economic operators in the registration phase, and the making out of statements on origin (Self-certification system)

The competent authorities have a simple role of administration of the data but should develop larger controls of the proofs of origin ex-post and the process of acquisition of the origin. In case of infringement to the rules of origin, revocation may be applied.





Origin certification Proofs of origin (pre REX)

- Form A certificate
 - Requested by the exporter
 - Issued (and stamped) by **competent authorities** in BCs
 - Stamps of BCs communicated to MSs (repository of stamps managed by TAXUD)
 - Value > 6k€



Proofs of origin (pre REX)

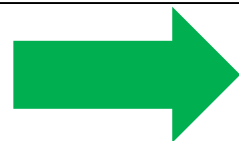
- EUR-1 certificate
 - Requested by the exporter in the MS
 - Issued by **customs authorities** in MS (bi-lateral cumulation)
 - Value > 6k€
- Invoice declaration
 - Made out by any **exporters** in BCs if value < 6k€
 - Made out by any **exporters** in MSs (bi-lateral cumulation) if value < 6k€
 - Made out by **approved exporters** in MSs (bi-lateral cumulation) if value > 6k€



Proof of origin (post REX)

- Statement on origin
 - Made out by **exporters** in BCs
 - Made out by **exporters** in MSs (bi-lateral cumulation)
 - On any commercial documents
 - Registered exporters: value > 6k€
 - All exporters: value < 6k€

The exporter ... (Number of Registered Exporter (2), (3), (4)) of the products covered by this document declares that, except where otherwise clearly indicated, these products are of ... preferential origin (5) according to rules of origin of the Generalised System of Preferences of the European Union and that the origin criterion met is ... (6).



Simplification



Statement on origin (Annex 13d)

The exporter ... (Number of Registered Exporter (2), (3), (4)) of the products covered by this document declares that, except where otherwise clearly indicated, these products are of ... preferential origin (5) according to rules of origin of the Generalised System of Preferences of the European Union and that the origin criterion met is ... (6).

- Statement on origin is easy to fill in (3 fields)
- Statement on origin is made out:
 - By the exporter himself
 - **Without intervention** of the competent authorities
 - **Without connexion** to the REX system
- No need to be registered < 6k€





Statement on origin (Annex 13d)

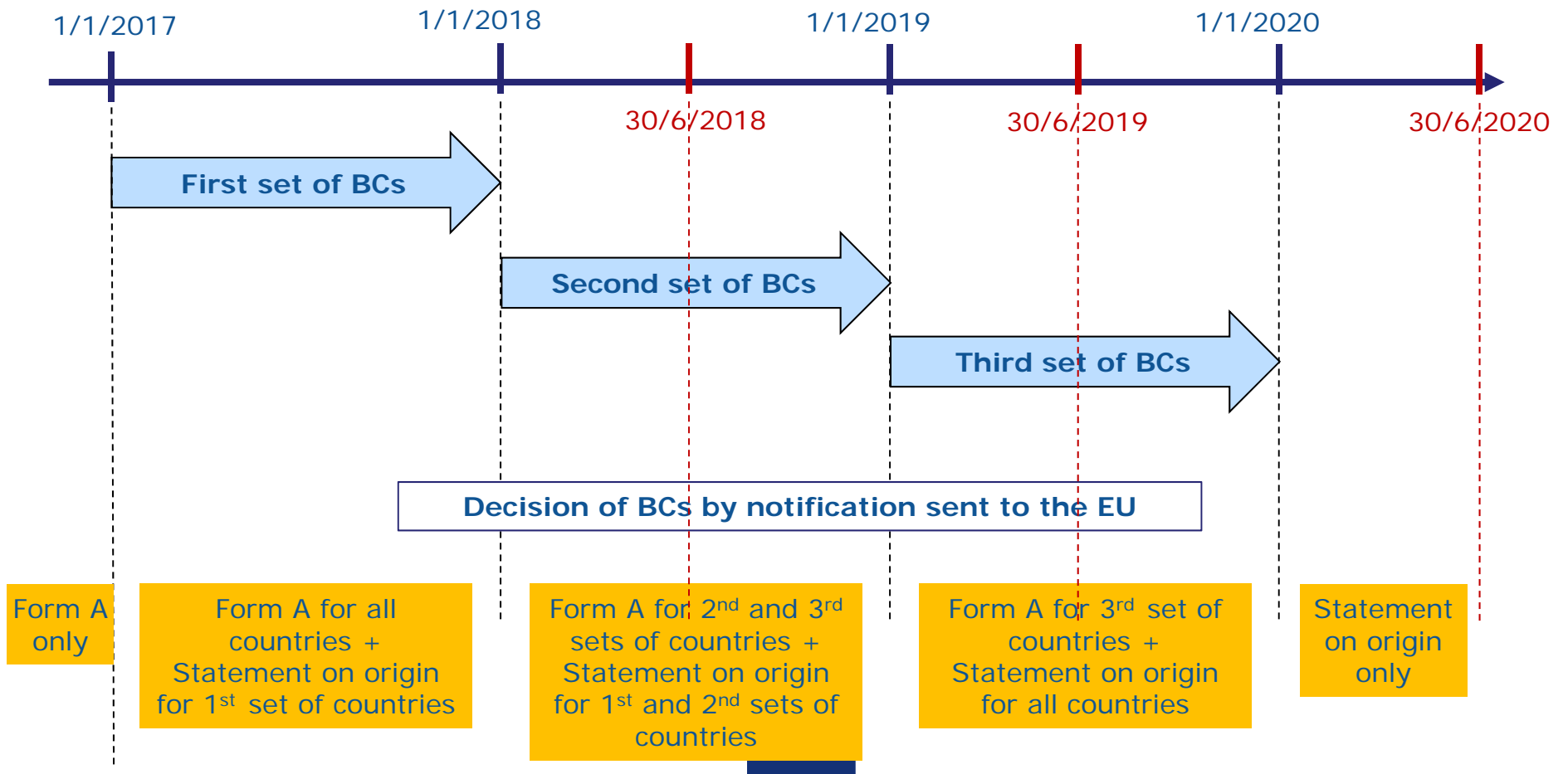
- According to Art 95(2): a statement on origin may be made out after exportation and it will be admitted in the EU if presented at the latest two years after the importation
- No impact on the exporter if the SoO cannot be made out at the time of exportation because of either the competent authorities or the exporter



Phasing-in approach



Transitional period – 3 x 1 year





Possible extension: Article 91 (2)

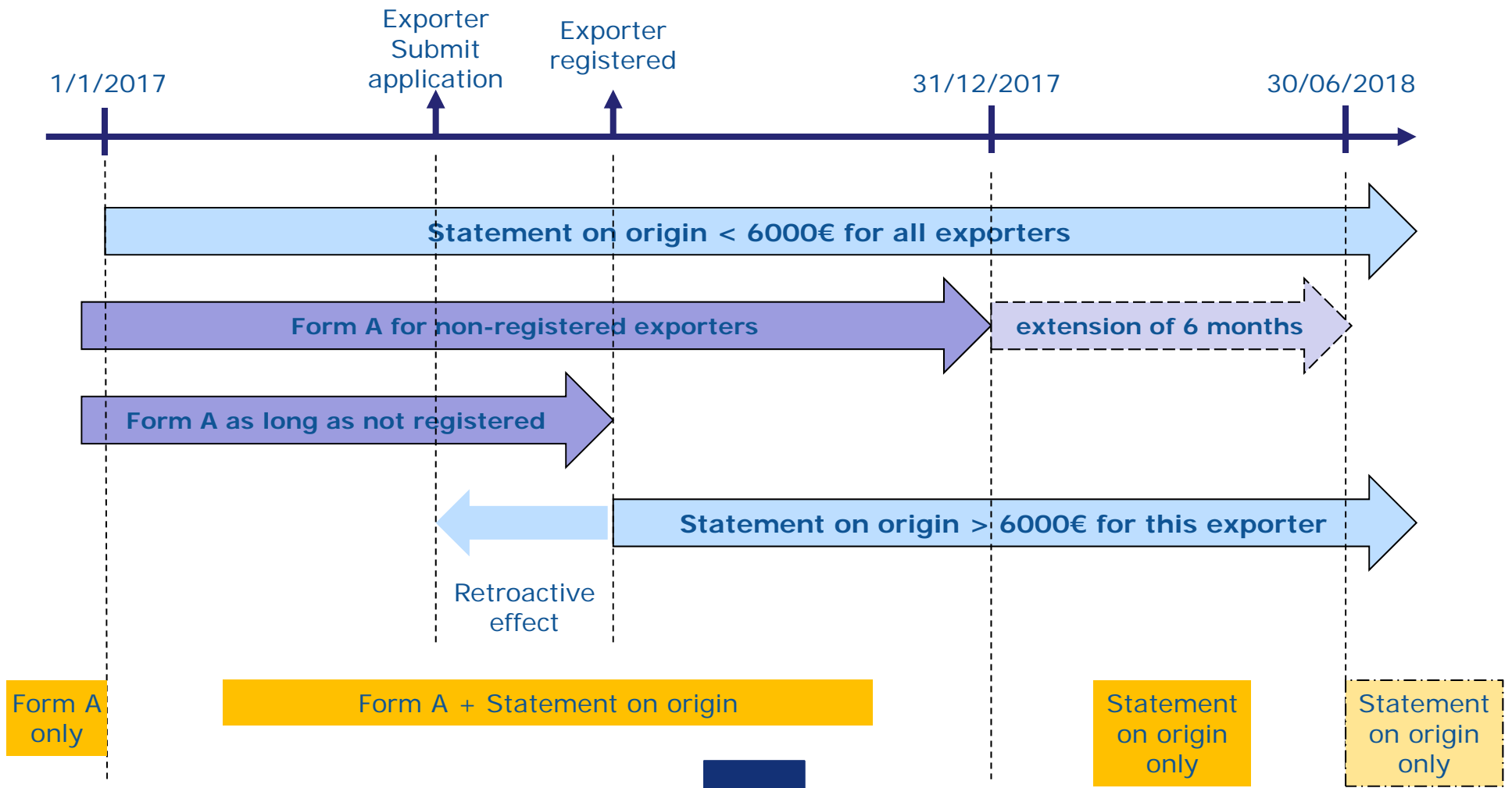
- *"... The competent authorities of a beneficiary country experiencing difficulties in completing the registration process within the above 12-month period may request its extension to the Commission. Such extensions shall not exceed six months."*
- After 30 June 2020, no Form A anymore



Phasing-in approach



Transitional period – Inside 1 year





Training

- e-Learning
- Training sessions in Brussels: in Q3 and Q4 2016
- Will be a prerequisite for providing access to the customs and competent authorities





Testing phase with BCs

- Some BCs will be involved in a pilot phase for testing the system (8 – 10 countries)
- Positive answers: Bolivia, Cambodia, Congo, India, Kenya, Laos, Myanmar, Zambia
- On voluntary basis





Thank you!

