

# IDB Work on Preferential Rules of Origin

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All opinions expressed are mine and do not reflect any official position of the IDB or its members.



**INTrade** bid  
Information System on Trade and Integration

[www.iadb.org/INTradeBID](http://www.iadb.org/INTradeBID)

# IDB Work on Rules of Origin

- **Backstory on RoO Analysis for Negotiation Support**
  - Language challenges – Have to know if the substance is the same
- **Codification allows comparison, interpretation, and analysis**
  - The HS is big – automation is key
- **Tools for the next challenges in RoO**
  - Public and Private Navigation of the SB
  - Negotiation of convergence





**INTrade** bid

Information System on Trade and Integration

## **An online gateway for information on integration and trade in Latin America and the Caribbean**

- In-depth data on trade agreements
- Detailed statistics on imports and exports
- Indicators of trade structure and performance
- Sophisticated tools for searching and using these data

The scope of the databases and their level of detail make INTradeBID a unique resource for the region.

# Organization of the System

**Data by Topic** – Access to the core databases for direct queries

**Tools for Users** – Specialized options focused on specific needs

The screenshot displays the INTrade bid website interface. At the top, the logo features a globe icon and the text "INTrade bid" in a bold, sans-serif font, with "Information System on Trade and Integration" written below it. A link for "About this Website" is visible on the left. The main content area is organized into two primary sections: "Data by Topic" and "Data and Tools".

**Data by Topic** section includes:

- Legal Framework**: Represented by a blue circular icon with a white gavel.
- Market Access**: Represented by a blue circular icon with a white compass rose.
- Statistics and Indicators**: Represented by a blue circular icon with a white bar chart.

**Data and Tools** section includes:

- for Business**: Represented by a green circular icon with a white laptop.
- for Negotiators**: Represented by a green circular icon with a white briefcase.
- for Analysts**: Represented by a green circular icon with a white calculator.

On the left side of the interface, there is a vertical banner with the text "ONLINE GATEWAY FOR LATIN AMERICAN AND CARIBBEAN TRADE" in a large, white, sans-serif font, with "AND" in a smaller size between "AMERICAN" and "CARIBBEAN". The banner also includes the INTrade bid logo and the text "Information System on Trade and Integration" at the top.



# Legal Framework



- **Trade Agreements:**  
Basic facts, detailed timelines, and official texts
- **Indexed Texts of Trade Agreements:**  
Indexation of agreement texts by keyword
- **Double Taxation Agreements:**  
Official texts of agreements



# Indexed Texts of FTAs

Easily build custom comparative matrices of trade agreement texts















The screenshots illustrate the workflow of the INTradeBID platform:

- Indexed Texts:** The main interface where users can search through over 500 topics identified in trade agreements.
- Refine your search:** A sidebar menu with categories:
  - Countries:** Bolivia, Brazil, Canada, Chile, Colombia, Costa Rica, Dominica, Dominican Republic, Ecuador, El Salvador, Grenada.
  - Agreements:** CANCRI - Canada-Costa Rica, CANDINA - Andean Community, CHLMCCA - Chile-Central America, CAFTA-RD - Dominican Republic, PANCRI - Panamá-Costa Rica, MEXCRI - Mexico-Costa Rica, PANMCCA - Panama - MCCA, CHLECU-ACE32 - Chile-Ecuador, MERCOSUR-INDIA - Mercosur-India, MERCOSURCAN-ACE59 - Mercosur-Canada.
  - Chapters:** AM - MARKET ACCESS, CE - ELECTRONIC COMMERCE, CI - INSTITUTIONAL CHAPTERS, CO - COOPERATION, CP - GOVERNMENT PROCUREMENT, DC - COMPETITION POLICY, DG - GENERAL PROVISIONS, FT - FACILITATION, **IN - INVESTMENT**, LC - FAIR TRADE.
- Comparative Matrix:** A tool to compare specific text queries across different agreements.
  - Text Query:** INVESTMENT
  - Search by Word:**
    - INVESTMENT
    - Investment
    - Investor-State dispute settlement
    - Application and/or non-application of other investment-related provisions in the agreement to individuals and activities pro...
  - Run:** Button to execute the comparison.
  - Export:** Button to download the results.
- Comparative Matrix Table:**

DOMINICAN REPUBLIC-CENTRAL AMERICAN FREE TRADE AGREEMENT CAFTA-RD	PANAMA - MCCA PANMCCA	COMMON MARKET OF THE SOUTH-INDIA MERCOSUR-INDIA
Investment	Investment	Investment
<b>Scope of application</b> Article 10.1: Scope and Coverage  1. This Chapter applies to measures adopted or maintained by a Party relating to:  (a) investors of another Party;	<b>Scope of aplicación</b> AMBITO DE APLICACIÓN. Incluye los tipos de prestación abarcados por las medidas. (Véase también el capítulo sobre COMERCIO ELECTRÓNICO, descriptor A.2 de dicha indexación). Centroamérica- Panamá; Art. 10.01 párrafos 1, 3, 4 y 5; Art. 10.13 párrafo 1; Art. 10.40 (definiciones). Artículo 10.01.	<b>Scope of application</b>

# RoO Chapter Index

- ▾  RULES OF ORIGIN AND CUSTOMS PROCEDURES
  -   ORIGIN CLASSIFICATION CRITERIA
  -   REFUND OR EXEMPTION OF IMPORT DUTIES
  -   TREATMENT OF ACCUMULATION
    -   Treatment of originating and processing goods in the territory of a country not a Party to the agreement
  -   CLASSIFICATION OF SPECIFIC TYPES OF GOODS AND MATERIALS
  -   OPERATIONS THAT DO NOT CONFER ORIGIN
  -   DIRECT SHIPMENT, TRANSIT AND TRANSSHIPMENT
  -   INVOICING CARRIED OUT BY THIRD PARTIES
  -   DIFFERENTIAL TREATMENT
  -   DECLARATION AND CERTIFICATION
  -   VERIFICATION AND CONTROL OF ORIGIN
  -   PENALTIES
  -   ADMINISTRATION OF RULES OF ORIGIN
    -   DEFINITIONS
    -   GENERAL PROVISIONS
  -   PUBLICATION
  -   CUSTOMS CLEARANCE OF GOODS
  -   USE OF INFORMATION TECHNOLOGY
  -   RISK ASSESSMENT
  -   EXPRESS SHIPMENT

✓ Allows analysis of texts across over 60 agreements

# Market Access

- **Most Favored Nation Tariffs:**  
Non-preferential customs
- **Tariff Phase-Out Schedules and  
Tariff Rate Quotas:**  
Product-level preferences and quantitative limits
- **Rules of Origin:**  
Eligibility criteria for preferential access
- **Sanitary and Phytosanitary Measures:**  
Border rejections and private standards







# Rules of Origin

Preferential tariffs apply only to originating goods.

The Rules of Origin (RoO) define which goods may be considered originating.

**The INTrade database contains over 1 million rules of origin, including:**

- For every product, the text of the rule as defined in FTA annexes
- Detailed presentation of agreement notes that affect the application of the specific requirements
- Indexed, searchable RoO chapter texts.

The screenshot shows the INTrade Rules of Origin database interface. The header includes the title "Rules of Origin" and a description: "This module gives access to the database of rules of origin, including both the product-specific rules and the chapter texts. The tools available allow you to identify and analyze the rules." The interface features a search bar with the text "Enter Chapter, Heading or SubHeading: 150100" and a "Run" button. Below the search bar is an "Export" button. The main content area displays a table with three columns: "AGREEMENT", "POSITION", and "OFFICIAL TEXT". The table shows results for heading 15.01.00, including rules from CAFTA-RD, MCCA-RD (CAFTA), and COLTN.

AGREEMENT	POSITION	OFFICIAL TEXT
15.01.00		
CAFTA-RD HS.2002	Pig fat (including lard) and poultry fat, other than that of heading No 0209 or 1503	A change to heading 15.01 through 15.18 from any other chapter.
MCCA-RD (CAFTA) HS.2002	Pig fat (including lard) and poultry fat, other than that of heading No 0209 or 1503	A change to this heading from any other chapter, except from heading 0209.
COLTN HS.2002	Pig fat (including lard) and poultry fat, other than that of heading No 0209 or 1503	Un cambio a la partida 15.01 a 15.06 desde cualquier otro capitulo, excepto de la partida 02.09.

# Data and Tools for Business



With a single tool, exporters and importers can identify the market shares, preferential tariffs, TRQs, rules of origin, and SPS and other standards related to any specific product.

- Step by Step Export Information
- Rules of Origin Tools
- TRQ Fill Rates
- SPS Regulations, Border Rejections, Requirements



# Step-by-Step Export Information



You only need:

- Where are you?
- Where do you export?
- What is your product?

You get:

- Trade Market Share
- MFN Tariffs
- Preferential Tariffs
- Tariff Rate Quotas
- Rules of Origin



**Export Information Step by Step**

## Select countries

Exporting country

Chile

Importing country

United States\*

Show only countries with agreement.

HS Subheading: 210690

Run



# Strategic Market Analysis

Placement in the destination market of the exporting country's exports

## Tariff-Line Level Indicators

- Market share
- Export History
- Competitor Countries

Exports of **210690 - Other** from Chile to United States [New Query](#)

[Chile-USA \(CHLUSA\)](#)

1. **Trade**   2. MFN Tariff   3. Preferential Tariff   4. Tariff Rate Quota   5. Rules of Origin

**For all Tariff Lines in 210690**

Total United States imports from Chile (Avg. 2010-2012): 5,200  
 Total United States imports from other countries (Avg. 2010-2012): 1,136,718  
 Chile share %: 0.46 %

**Product selection**

[Select](#)

**Imports (values are in thousands)**

Tariff Items: **21069003** - FOOD PREPS, NESOI,<5.5% BUTTERFAT MIXED WITH OTH INGREDIENTS INCL SUGA; **2106900300** - FOOD PREPS, NESOI,<5.5% BUTTERFAT MIXED WITH OTH INGREDIENTS INCL SUGAR IF >16% MILK SOLIDS CAPABLE OF BEING FURTHER PROCESSED/ETC,SEE GENERAL NOTE 15; **21069009** - Food preps, nesoi, n/o 5.5% b'fat, mixed w/other ingredi., if o/16% milk solids by wt, capable of being further proc, bulk, nesoi, not GN15; **2106909100** - NO DESCRIPTION AVAILABLE; **21069094** - Food preps, nesoi, n/o 10% milk solids, o/65% sugar, descr. in add US note 2 to Ch.17, not subject to add US note 7 to Ch. 17, not GN15; **2106909997** - FOOD PREPARATIONS NESOI CONTAINING SUGAR DERIVED FROM SUGAR CANE AND/OR SUGAR BEETS, NOT CANNED OR FROZEN; **2106909998** - FOOD PREPARATIONS NOT ELSEWHERE SPECIFIED OR INCLUDED, NOT CANNED OR FROZEN;

Country	2008	2009	2010	2011	2012	Average 2010 - 2012	Share %
CHILE	2,346	0	2,721	3,894	0	2,205	0.36 %

Country	Average 2010 - 2012	Share %
CANADA	150,896	24.60 %
UNITED KINGDOM	50,614	8.25 %
THAILAND	47,351	7.72 %
CHINA	44,239	7.21 %
GERMANY	41,686	6.80 %

Total United States imports from World (Avg. 2010-2012): 51

[PDF](#) [Next](#)





# MFN Tariffs and Preferential Access

Exports of **210690 - Other** from Chile to United States

[Chile-USA \(CHLUSA\)](#) New Query

1. Trade   **2. MFN Tariff**   3. Preferential Tariff   4. Tariff Rate Quota   5. Rules of Origin

Product selection

**NFN Tariff**

Tariff Item: 21069095 - Described in additional U.S. note 8 to chapter 17 and entered pursuant to its provisions

2009	2010	2011	2012	2013
10	10	10	10	10

PDF Previous Next

Identifies the applied tariff, without preferences, for recent years

Identifies the preferential tariff available under FTA, and its future evolution

Exports of **210690 - Other** from Chile to United States

[Chile-USA \(CHLUSA\)](#) New Query

1. Trade   2. MFN Tariff   **3. Preferential Tariff**   4. Tariff Rate Quota   5. Rules of Origin

Product selection

**Preferential Tariff**

Tariff Item: 21069089 - Blended syrups, neosi, n/o 10% milk solids, descr. in add US note 4 to Ch 17: su Basket: A - 2005

Initial Year 2004	Current Year	Next Year
0.00	0.00	0.00

Source: INTradeBID – Inter-American Development Bank

PDF Previous Next



# Tariff Rate Quotas

In some cases preferential access is limited to a fixed quantity of imports. INTrade presents this information in a simple summary table.

## Annual evolution of the TRQs

- TRQ Quantity
- In-Quota rate
- Out-of-Quota rate
- Other products in the TRQ

Exports of **210690 - Other** from Chile to United States [New Query](#)

[Chile-USA \(CHLUSA\)](#)

1. Trade   2. MFN Tariff   3. Preferential Tariff   **4. Tariff Rate Quota**   5. Rules of Origin

Product selection

**Tariff Rate Quota: Detail**

Schedule: United States - Chile   Quota: Butter   Periods: 11   Final Treatment of Quota: Disappears

		Initial Year 2005	2006	2007			
Tariff Quota (Metric Tons)		300.00	321.00	343.00			
Basket and Year end (out of quota)	Base Tariff	Out of quota tariff	In Quota Tariff	Out of quota tariff	In Quota Tariff	Out of quota tariff	In Quota Tariff
J - 2015	35.74 c/kg	32.76 Cents/kg	0.00	29.78 Cents/kg	0.00	26.80 Cents/kg	0.00

The following products are included in this Tariff Rate Quota. The volume of imports of these products in United States from Chile count towards the limit applicable to 21069036 - Butter substitutes n/o 10% by wt of milk solids, o/45% butterfat, not subject to \$1.996/kg See Annex 1, note 6.

Tariff Item (These items share the volume limit above)
04013075 - Milk and cream, not concentrated, not sweetened, fat content o/45%, not subject \$1.646/kg See Annex 1, note 6.
04022190 - Milk & cream, concen, not sweetened, in powder, granules or other solid forms, w \$1.556/kg See Annex 1, note 6.
04039065 - Sour cream, dried, o/35% but n/o 45% by wt. butterfat, not subject to gen nte 15 \$1.556/kg See Annex 1, note 6.
04039078 - Sour cream, o/45% by wt. butterfat, not subject to gen nte 15 or add. US note 6 \$1.646/kg See Annex 1, note 6.

Source: INTradeBID – Inter-American Development Bank

# Origin Criteria Explained in Detail



Text of the rule and interpretations that identify sourcing constraints, processing requirements, and flexibilities.

Exports of **210690 - Other** from Chile to European Union New Query

[Chile-European Union \(UECHL\)](#)

1. Trade   2. MFN Tariff   3. Preferential Tariff   4. Tariff Rate Quota   **5. Rules of Origin**

### Rules of Origin

Agreement and Origin Requirement	Non-permitted Non-Originating Inputs	Flexibilities
<p><b>Agreement:</b> UECHL(Chile-European Union), HS.2002</p> <p><b>Rule:</b> Manufacture:                      - from materials of any heading, except that of the product, and                      - in which the value of all the materials of Chapter 17 used does not exceed 30 % of the ex-works price of the product</p>	21.06 Food preparations not elsewhere specified or included	<b>Value tolerance:</b> Applies 10% of . View guide.

Agreement	Rule	Product
UECHL	1	21.06.90 Other

[See Graphic Representation of the Rule of Origin](#)

Manufacture:  
 - from materials of any heading, except that of the product, and  
 - in which the value of all the materials of Chapter 17 used does not exceed 30 % of the ex-works price of the product

Note that in order to be eligible for the preferential tariff established in the agreement, the goods of 210690 meet these conditions, then the MFN tariff must be paid.

[PDF](#)



**DE MINIMIS**

10%



**NON-PERMITTED NON-ORIGINATING INPUTS**

21.06 Food preparations not elsewhere specified or included



# Sophisticated Rules of Origin Tools

- Rule of Origin Query – provides official text and detailed interpretation of sourcing restrictions and processing requirements
- Origin Calculator – Interactive tool that allows the user to enter detailed sourcing information and returns an evaluation of compliance with RoO requirements

## Rule of Origin Query

Select Exporting Country:

Select Importing Country:

BRACOL-ACE59 (Brazil-Colombia-ACE59)

### Product Selection

Harmonized system:   
By position:

Search by description:

Rules of origin to export from Brazil to Colombia  
Included [Agreements](#): BRACOL-ACE59  
Tariff positions included: 21.06.90  
[Subheading](#): 21.06.90 -Other

Agreement and Origin Requirement	Non-permitted Non-Originating Inputs	Flexibilities
----------------------------------	--------------------------------------	---------------

Agreement: BRACOL-ACE59(Brazil-Colombia-ACE59), **07 EDIBLE VEGETABLES AND CERTAIN ROOTS AND TUBERS** Value tolerance:  
[HS.1996](#)

**Rule:** Cambio de capítulo excepto del capítulo 07  
[\(Calculator\)](#)



According to the information provided, the product:  
"[15.01.00](#)-Pig fat (including lard) and poultry fat, other than that of heading No. 02.09 or 15.03", when exporting it from **Brazil** to **Colombia**

**\*\* COMPLIES \*\***

with the selected rule of origin in the agreement BRACOL-ACE59

[Click here to view report](#)



# Data and Tools for Negotiators



Government officials can research the treatment of specific products across different trade regimes.

Specific tools for the preparation of negotiation texts and allow interpretation of the rules of origin:

- Trade Agreement Profiles and Documents
- Indexed FTA Texts and Proposal Preparation
- Detailed Market Access Data
- Sanitary and Phytosanitary Provisions in FTAs
- Double Taxation Agreements



# Preparation of Negotiating Text Proposals



Proposal Creation Module

## Proposal Creation Module

MARKET ACCESS

- MARKET ACCESS
  - Tariff classification of goods (Nomenclature)
    - Obligation not to change or increase tariffs
      - General exception
        - Tariff elimination mechanism
          - System to incorporate already negotiated preferences
            - Taxes, quotas and charges
              - Procedure to complete or a
                -

Based on indexed texts of over 30 FTAs, for 22 chapters.

Copy, paste, combine, edit, and export texts to assemble proposals.

<p><b>Obligation not to change or increase tariffs</b></p> <p><a href="#">Edit</a></p> <p>1. Except as otherwise provided in this Agreement, no Party may increase any existing customs duty, or adopt any customs duty, on an originating good</p>	<p><b>Obligation not to change or increase tariffs</b></p> <p><b>Article 3.3: Tariff Elimination</b></p> <p>1. Except as otherwise provided in this Agreement, neither Party may increase any existing customs duty, or adopt any customs duty, on an originating good.</p>	<p><b>Obligation not to change or increase tariffs</b></p> <p><b>2. OBLIGATION NOT TO CHANGE OR INCREASE TARIFFS NAFTA: Article 302 Paragraph 1; Article 304 and Annex 304.2</b></p> <p><b>Article 302: Tariff Elimination</b></p> <p>1. Except as otherwise provided in this Agreement, no Party may increase any existing customs duty, or adopt any customs duty, on an originating good.</p> <p><b>Article 304: Waiver of Customs Duties</b></p> <p>1. Except as set out in Annex 304.1, no Party may adopt any new waiver of customs duties, or expand with respect to existing recipients or extend to any new recipient the application of an existing waiver of customs duties, where the waiver is conditioned, explicitly or implicitly, on the fulfillment of a performance requirement.</p> <p>2. Except as set out in Annex 304.2, no Party may, explicitly or implicitly, condition on the fulfillment of a performance requirement the continuation of any existing waiver of customs duties.</p> <p>3. If a waiver or a combination of waivers of customs duties granted by a Party with respect to goods for commercial use by a designated person can be shown</p>	<p><b>Obligation not to change or increase tariffs</b></p> <p>Art. 3.4 párrafo 1. Artículo 3.4: Eliminación Arancelaria 1. Salvo que se disponga otra cosa en este Acuerdo, ninguna Parte podrá incrementar ningún arancel aduanero existente o adoptar ningún nuevo arancel aduanero, sobre una mercancía originaria.</p>
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# Analysis of Rules of Origin



Compare specific rules across agreements

### Analysis Of Convergence

Rule Description

**Analysis Of Convergence**

Consult Notes

Chapter Text

- Comparison with Pivot
- Differences with Pivot
- Inputs 'permitted by the Pivot'/'prohibited by the Pivot'
- Analysis of minimum production structure

Select pivot agreement

**CHLCAN-Chile - Canada**

Select the agreements to be compared

- All
- CHLCAN-Chile - Canada
- CANDINA-Andean Community
- CHLMCCA-Chile-Central American Common Market

Enter Chapter, Heading or Subheading:

For any reference agreement identifies whether other agreements specify identical rules, and the nature of any differences

PIVOT AGREEMENT	AGREEMENTS TO BE COMPARED		
Rule: CHLCAN HS.2002	Rule: CANDINA HS.2002	Rule: CHLCAN HS.2002	Rule: CHLMCCA HS.1996
<b>840110 - Nuclear reactors (Euratom)</b>			
A change to subheading 8401.10 through 8401.30 from any other subheading outside that group {840110-840130}.	Cambio de partida; o Que el valor CIF de los materiales no originarios no exceda el 50 por ciento del valor FOB de exportación del producto.	=	Un cambio a la subpartida 8401.10 a 8401.30 desde cualquier otra partida; o un cambio a la subpartida 8401.10 a 8401.30 desde cualquier otra subpartida cumpliendo con un valor de contenido regional no menor a 30%.
<b>840120 - Machinery and apparatus for isotopic separation, and parts thereof (Euratom)</b>			
A change to subheading 8401.10 through 8401.30 from any other subheading outside that group {840110-840130}.	Cambio de partida; o Que el valor CIF de los materiales no originarios no exceda el 50 por ciento del valor FOB de exportación del producto.	=	Un cambio a la subpartida 8401.10 a 8401.30 desde cualquier otra partida; o un cambio a la subpartida 8401.10 a 8401.30 desde cualquier otra subpartida cumpliendo con un valor de contenido regional no menor a 30%.
<b>840130 - Fuel elements (cartridges), non-irradiated (Euratom)</b>			
A change to subheading 8401.10 through 8401.30 from any other subheading outside that group {840110-840130}.	Cambio de partida; o Que el valor CIF de los materiales no originarios no exceda el 50 por ciento del valor FOB de exportación del producto.	=	Un cambio a la subpartida 8401.10 a 8401.30 desde cualquier otra partida; o un cambio a la subpartida 8401.10 a 8401.30 desde cualquier otra subpartida cumpliendo con un valor de contenido regional no menor a 30%.
<b>840140 - Parts of nuclear reactors (Euratom)</b>			
A change to subheading 8401.40 from any other heading.	Cambio de partida; o Que el valor CIF de los materiales no originarios no exceda el 50 por ciento del valor FOB de exportación del producto.	=	=

# Rules of Origin Statistics

In addition to simple queries of RoO, INTrade includes tools for detailed analysis of origin qualification criteria:

Analysis of RoO for specific sectors or ad hoc groups of products

Global Analysis by:

- Tariff Shift
- Exceptions
- Value content criteria
- Processing requirements

Rule Description

Qualification Criteria

**Codification Statistics**

Chapter Text

### Codification Statistics

Select By:  Tariff Item  Section

Enter code range of tariff: From:  To:

Type of Query:  Detailed statistical analysis  Global statistical analysis

Run

Select Rule: **Rule 1**

Export

CRITERIA USED IN THE DEFINITION OF THE RULE	CHLMCCA		CAFTA-RD		MCCA-RD (CAFTA)	
	PERCENTAGE	QUANTITY	PERCENTAGE	QUANTITY	PERCENTAGE	QUANTITY
Tariff Classification Change	39.55	70	100	220	7.59	
Exception to the Tariff Change			18.64	41		
Other Requirements	30.51	54			1.79	
Total Obtained	29.94	53			90.62	
<b>Total</b>		177		220		

For the total tariff items informed, the share of each element of the rules is detailed. As a rule may include more than one element, the sum of these shares may exceed 100%.

**CHLMCCA**

Criteria	Percentage (%)
Tariff Classification Change	39.55%
Other Requirements	30.51%
Total Obtained	29.94%





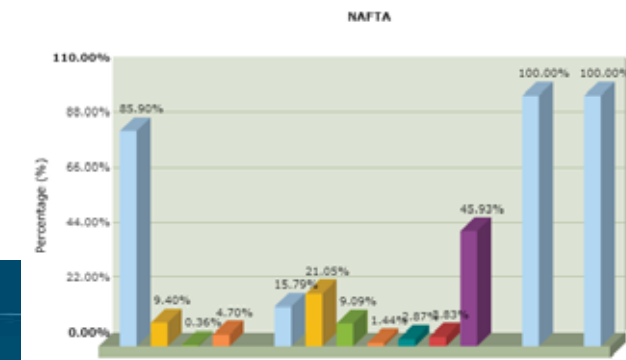
# Rules of Origin Statistics

Detailed analysis by:

- Tariff Shift Level
  - Chapter, Heading, Subheading, Tariff Line
- Specific Exceptions
- Value content criteria
  - Calculation method and % threshold
- Specific Processing requirements

CRITERIA USED IN THE DEFINITION OF THE RULE	NAFTA	
	PERCENTAGE	QUANTITY
Change of heading	85.74	475
Change of subheading	9.39	52
Change from specific items	0.36	2
Exception of one heading	5.96	33
Exception of multiple headings	7.94	44
Exception of one subheading	3.43	19
Exception of multiple subheadings	0.54	3
Exception of one item	1.08	6
Exception of multiple items	1.44	8
Exception of multiple tariff openings	17.33	96
Regional Value Content as a share of the Adjusted Value of the good not less than [%*%]	1.99	11
Input requirement	0.18	1
<b>Total of Rules in Rule '1', that use the criteria</b>	<b>100</b>	<b>554</b>

For the total tariff items informed, the share of each element of the rules is detailed. As a rule may include more than one element, the sum of these shares may exceed 100%.



# Other Activities

- Support to ad hoc groups analyzing convergence
  - Support to ARCO
    - Cross-analysis of TES and RoO
      - Identify low hanging fruit and difficult sectors
  - Canadian FTA Partners
- Capacity Building
  - Online Course on Fundamentals
  - Advanced Course (under development)



# Support for “ARCO del Pacífico”

**Distribution of the Subheadings by HS Sector and degree of convergence**

**However, the ARCO was not successful.**

Seccion		Porcentaje de Subpartidas**			
Numero	Descripcion	Convergente	Liberado Divergente	Protegido Convergente	Divergente
1	Animales Vivos/Productos	50.9%	10.5%	4.1%	21.8%
2	Productos Vegetales	72.1%	7.8%	9.3%	0.0%
3	Grasas Animales/Vegetales	21.7%	19.6%	28.3%	17.4%
4	Alimentos Procesados/Tabaco	36.1%	30.4%	6.7%	15.5%
5	Productos Minerales	89.5%	2.0%	0.7%	0.0%
6	Prod. Químicos/Industriales	53.8%	32.2%	0.4%	0.1%
7	Plástico/Caucho	73.1%	11.3%	3.8%	0.0%
8	Pieles/Peletería	17.6%	29.7%	5.4%	0.0%
9	Madera/Artículos de Madera	56.0%	13.1%	1.2%	0.0%
10	Papel/ Materia Celulosa	42.0%	12.0%	0.0%	2.0%
11	Textiles	6.1%	88.1%	0.0%	0.6%
12	Calzado/Artículos Misc.	52.7%	47.3%	0.0%	0.0%
13	Piedra/Cerámicos/Vidrios	85.7%	10.7%	2.1%	0.0%
14	Materias Preciosas/Semiprec.	92.5%	0.0%	0.0%	0.0%
15	Metales Comunes	77.7%	16.4%	0.9%	0.0%
16	Maquinaria y Aparatos	59.4%	37.4%	0.0%	0.6%
17	Vehículos de Transporte	67.2%	17.2%	2.2%	10.4%
18	Instrumentos de Precisión	89.1%	5.9%	0.8%	0.4%
19	Armas/Municiones	61.9%	0.0%	9.5%	0.0%
20	Productos Manuf. Diversos	36.9%	59.2%	0.0%	0.0%
21	Arte/Antiguedades	0.0%	100.0%	0.0%	0.0%
Total		53.2%	33.6%	1.8%	2.2%

\*\*Porcentaje calculado sobre 5,224 subpartidas del SA 2002.



# Canada-Colombia-Peru

- Recent FTAs signed by Canada with partners in the Americas include a cumulation clause:

Article 306: Cumulation

3. Subject to paragraph 4, where each Party has a trade agreement that, as contemplated by the WTO Agreement, concerns the establishment of a free trade area with the same non-Party, the territory of that non-Party shall be deemed to form part of the territory of the free trade area established by this Agreement, for purposes of determining whether a good is an originating good under this Agreement.

4. A Party shall apply paragraph 3 only once provisions with effect equivalent to those of paragraph 3 are in force between each Party and the non-Party with which each Party has separately concluded a free trade agreement. Where such provisions in force between a Party and the non-Party apply to only certain goods or under certain conditions, the other Party may limit the application of paragraph 3 to those goods and under those conditions and as otherwise set out in this Agreement.

## Extended Cumulation

- This idea of extended cumulation can, in theory, greatly reduce the burdens of RoO compliance and promote greater use of the FTAs, but this particular text leaves many details to be defined.
- The IDB is consulting with the countries to explore ways to solve these issues.

# Capacity Building

- Fundamentals Course
  - 6 modules, 9 weeks, online, tutored
  - 400+ trained in the past 3 years
  - Purpose of RoO and WO; Change of Classification; RVC; General Criteria; Certification and Verification; Future Issues (e.g. convergence and extended cumulation)
- Advanced Course (under development)
  - Change of Classification and extra requirements (Textiles and Apparel); RVC Accounting; Verification Procedures

Thank You

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