



## Provisions of direct consignment and their implementation

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# Definitions

## From «Direct transport»...

### Regional Convention on pan-Euro-Mediterranean preferential rules of origin

#### Article 12 Direct transport



1. *The preferential treatment provided for under the relevant Agreement shall **apply only to products** satisfying the requirements of this Convention which are **transported directly between or through the territories of the Contracting Parties** with which cumulation is applicable in accordance with Article 3. However, products constituting one single consignment may be transported through other territories with, should the occasion arise, trans-shipment or temporary warehousing in such territories, provided that they remain under the surveillance of the customs authorities in the country of transit or warehousing and do not undergo operations other than unloading, reloading or any operation designed to preserve them in good condition. Originating products may be transported by pipeline across territory other than that of the Contracting Parties acting as exporting and importing parties.*
2. ***Evidence** that the conditions set out in paragraph 1 have been fulfilled shall be supplied to the customs authorities of the importing Contracting Party by the production of:*
  - (a) *a single **transport document** covering the passage from the exporting Contracting Party through the country of transit; or*
  - (b) *a **certificate** issued by the customs authorities of the country of transit: (i) giving an exact description of the products; (ii) stating the dates of unloading and reloading of the products and, where applicable, the names of the ships, or the other means of transport used; and (iii) certifying the conditions under which the products remained in the transit country; or*
  - (c) *failing these, **any substantiating documents**.*

# Definitions

...to «Non-manipulation»...

## Delegated Regulation (EU) 2015/2446

### Article 43 Non-manipulation



1. *The products declared for release for free circulation in the Union shall be **the same products** as exported from the beneficiary country in which they are considered to originate. **They shall not have been altered, transformed in any way or subjected to operations other than operations to preserve them in good condition or the adding or affixing of marks, labels, seals or any other documentation to ensure compliance with specific domestic requirements applicable in the Union, prior to being declared for release for free circulation.***
2. *The products imported into a beneficiary country for the purpose of cumulation under Articles 53, 54, 55 or 56 shall be the same products as exported from the country in which they are considered to originate. They shall not have been altered, transformed in any way or subjected to operations other than operations to preserve them in good condition, prior to being declared for the relevant customs procedure in the country of imports. 3. Storage of products may take place provided they remain under customs supervision in the country or countries of transit.*
3. *The splitting of consignments may take place where carried out by the exporter or under his responsibility, provided that the goods concerned remain under customs supervision in the country or countries of transit.*
4. *Paragraphs 1 to 4 shall be considered to be complied with unless the customs authorities have reason to believe the contrary; in such cases, the customs authorities may request the declarant to **provide evidence of compliance**, which may be given by any means, including contractual transport documents such as **bills of lading or factual or concrete evidence based on marking or numbering of packages or any evidence related to the goods themselves.***

# Definitions

... or «Non-alteration»

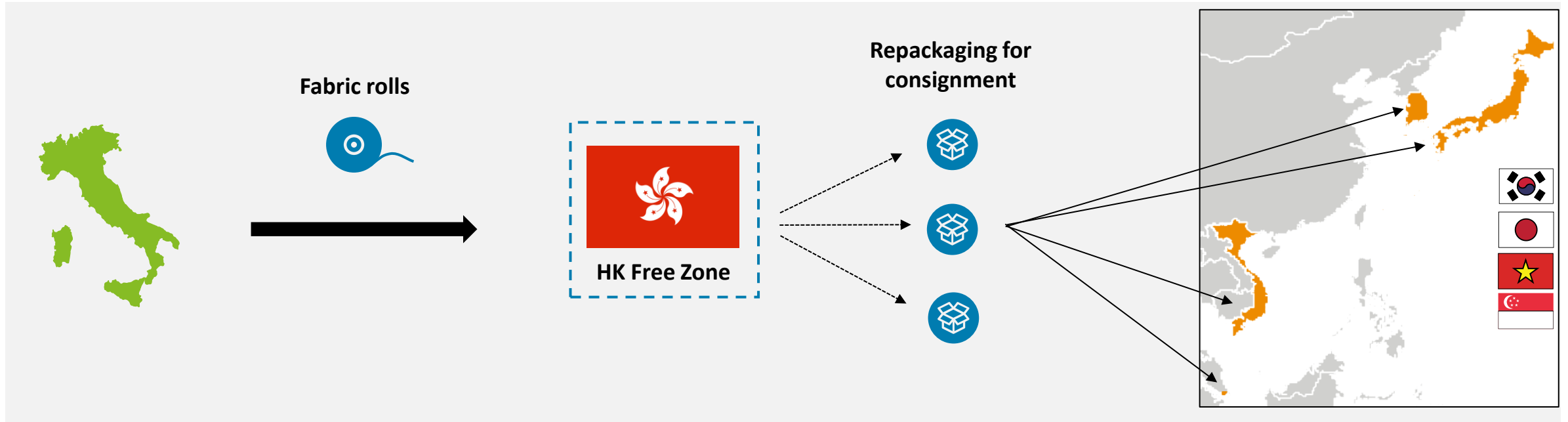
## EU – Vietnam FTA

### Article 13 Non-alteration



1. *The products declared for home use in a Party shall be **the same products** as exported from the other Party in which they are considered to originate. **They shall not have been altered, transformed in any way or subjected to operations other than operations to preserve them in good condition or other than adding or affixing marks, labels, seals or any other documentation to ensure compliance with specific domestic requirements of the importing Party carried out under customs supervision in the country or countries of transit or splitting prior to being declared for home use.***
2. *Storage of products or consignments may take place provided they remain under customs supervision in the country or countries of transit.*
3. *Without prejudice to Section D (Proof of Origin), the splitting of consignments may take place where carried out by the exporter or under his responsibility, provided they remain under customs supervision in the country or countries of splitting.*
4. *In case of doubt, the importing Party may request the declarant to **provide evidence of compliance**, which may be given by any means, including:*
  - (a) contractual transport documents such as **bills of lading**;*
  - (b) **factual or concrete evidence based on marking or numbering of packages**;*
  - (c) **any evidence related to the goods themselves**;*
  - (d) a **certificate of non-manipulation** provided by the customs authorities of the country or countries of transit or splitting, or any other documents demonstrating that the goods remained under customs supervision in the country or countries of transit or splitting.*

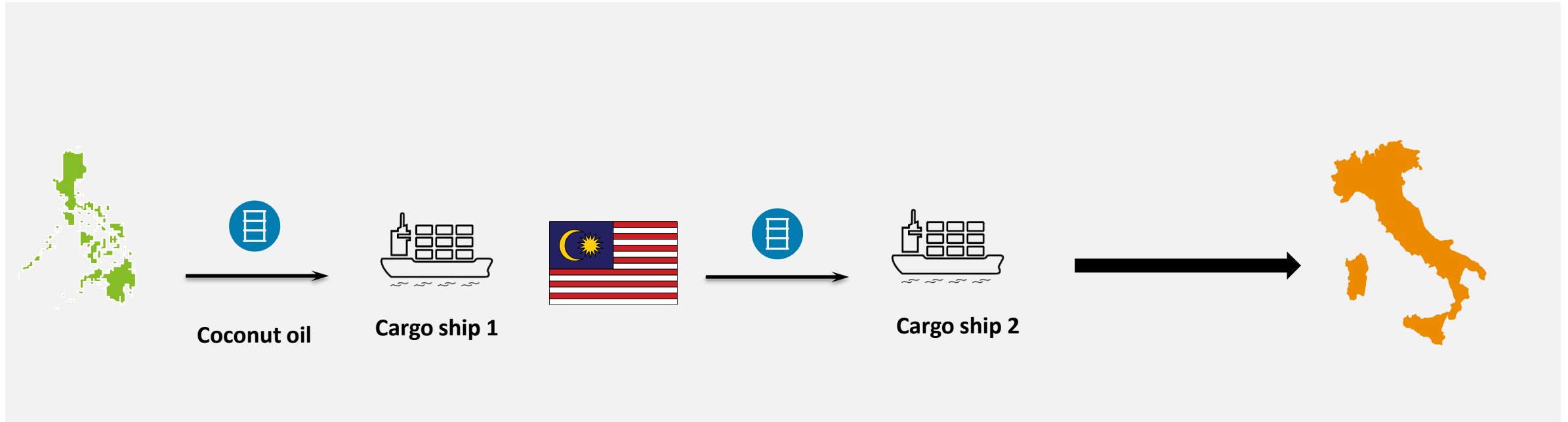
## Case study: export from the EU



### The flow is structured as follows:

- the company ships fabric rolls to **Hong Kong** in a **free zone** retaining the ownership of the goods;
- upon receiving orders from customers, the fabric rolls are repackaged for consignment within the *free zone* and subsequently **exported to the destination countries**;
- destination countries can be: **Japan, South Korea, Vietnam and Singapore**;
- clients in destination countries can **benefit from duty free import thanks to proof of EU preferential** origin issued by the Italian supplier;
- clients in destination countries should collect and **archive proofs of non-manipulation** such as documents stating that goods were stored in a free zone without any manipulation/alteration.

## Case study: import in the EU



### The flow is structured as follows:

- the Italian company purchases coconut oil from the Philippines;
- coconut oil is **transshipped offshore** in Malaysia from cargo ship 1 departed from the Philippines to cargo ship 2 **without having been altered, transformed in any way or subjected to operations** other than operations to preserve it in its condition;
- cargo ship 2 arrives in Italy from Malaysia;
- the Italian company benefits from duty free import **thanks to the proof of PH preferential origin** issued by the Philippines supplier;
- the Italian company should collect and **archive proofs of non-manipulation** such as: **bill of lading** of the second ship stating that goods were transferred without manipulation and **certificate of non-manipulation** issued by ship masters of both cargo ships.

# Studio Tributario e Societario



## RELEVANT EXPERIENCE

Pier Paolo Ghetti is a tax partner with the Global Trade Advisory service line in Italy. He joined Deloitte in 2014.

## PROFESSIONAL EXPERIENCE

Pier advises clients on a wide range of customs and international trade topics covering import, customs procedures and export compliance. His experience includes traditional topics such as customs valuation, tariff classification and origin as well as customs processes reviews and optimization, including automation of origin and classification, trade procedures and processes.

## PROFESSIONAL QUALIFICATIONS

Pier Paolo holds a Master's degree in International Economics and a postgraduate Master in International Trade Techniques. Pier is a chartered customs advisor.

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