

# **RULES OF ORIGIN IN THE CARIFORUM – EC Economic Partnership Agreement**





# **ECONOMIC PARTNERSHIP AGREEMENT**



## **□ Objective:**

**To raise awareness and build capacity in the area of Rules of Origin in accordance with the treaty establishing the Cariforum-EC Economic Partnership Agreement;**



# **ECONOMIC PARTNERSHIP AGREEMENT**



## **Enabling Objective:**

- 1. To facilitate the implementation of EPA rules of origin in Cariforum Countries;**



# **ECONOMIC PARTNERSHIP AGREEMENT**



## **❖ How to determine origin in the EPA:**

### **Outline**

- 1. Introduction**
- 2. Qualifying Conditions for goods of Cariforum / EC origin**
- 3. Certification and Verification of Cariforum/EU market origin**



# EPA RULES OF ORIGIN



## □ Outline Con't:

**4. Application and Review of EPA Case Studies**

**5. Conclusion**



## **EPA RULES OF ORIGIN**



**The Cariforum-EU EPA provides for reciprocal trading arrangements among member states**



## **EPA RULES OF ORIGIN**



**For the purpose of the  
Cariforum/EC EPA, the  
following products shall be  
considered as originating in  
the regions:**



# **ECONOMIC PARTNERSHIP AGREEMENT**



## **1. Products wholly obtained (art 6)**

- from the ground**
- from the sea**
- animals**



# **ECONOMIC PARTNERSHIP AGREEMENT**



## **2. Products Substantially transformed**

**i.e).....products obtained in the Cariforum/EC regions incorporating materials which have not been wholly obtained there, provided that such materials have undergone sufficient working or processing in the regions (art 7)**



# **ECONOMIC PARTNERSHIP AGREEMENT**



**For the purpose of origin, the  
Cariforum States shall be  
considered as being one territory;**



# **ECONOMIC PARTNERSHIP AGREEMENT**



**Originating products made up of materials wholly obtained or sufficiently worked or processed in two or more Cariforum states shall be considered as products originating in the Cariforum state where the last working or processing took place; (art 8)**



## **EPA RULES OF ORIGIN**



**The following shall be considered as wholly obtained in the territory of the Cariforum / EC:-**

- A. Mineral products from their soil or from their seabed**
- B. Fruit and vegetable products harvested there**
- C. Live Animals born and raised there**



## **EPA RULES OF ORIGIN**



**The following shall be considered as wholly obtained:-**

- D. Products from live animals raised there**
- E. a) Products from hunting or fishing conducted there**
  - b) Products of aquaculture, including mariculture, where the fish are born and raised there**



## **EPA RULES OF ORIGIN**



**The following shall be considered as wholly obtained:-**

- F. Products of sea fishing and other products taken from sea outside their territorial waters by their vessels**
- G. Products made aboard their factory ships exclusively from products referred to in (F)**



## **EPA RULES OF ORIGIN**



**The following shall be considered as wholly obtained:-**

- H. Used articles collected there fit only for the recovery of raw materials including used tires fit only for retreading or for use as waste**
- I. Waste and scrap resulting from manufacturing operations conducted there**



## **EPA RULES OF ORIGIN**



### **Wholly Produced con't :-**

- J. Products extracted from marine soil or subsoil outside their territorial waters provided that they have sole rights to work that soil or subsoil**
- K. Goods produced there exclusively from the products specified in (A) to (J)**



## EPA RULES OF ORIGIN



**The terms “their vessels” and “their factory ships” apply only to the vessels and factory ships:**

- A. Which are registered in a member state of the EU or Cariforum**
- B. Which sail under the flag of a member state of the EU or of a Cariforum State**



## **EPA RULES OF ORIGIN**



**C. Which meet one of the following conditions-**

**(I) They are at least 50% owned by nationals of a member state of the EU or Cariforum**



## **EPA RULES OF ORIGIN**



**C. Which meet one of the following conditions-**

**(II) They have their head office and their main place of business in a member state of the EU or in a Cariforum State and**



## **EPA RULES OF ORIGIN**



**C. Which meet one of the following conditions-**

**(III) They are at least 50% owned by a Member State of the EU or by a Cariforum State, public entities or nationals of that State**



## **EPA RULES OF ORIGIN**



**Products which are not wholly obtained are considered to be sufficiently worked or processed when the conditions set out in the “list” are fulfilled; (art 2)**



## **EPA RULES OF ORIGIN**



**The “list” to protocol I in the Cariforum/EU Economic Partnership Agreement contains all the HS Tariff headings from chapters 1 – 97, with the only exception being chapter 93**



## **EPA RULES OF ORIGIN**



**The “list” specifies the working or processing required to be carried out on non-originating materials in order that the products manufactured can obtain originating status**



## **EPA RULES OF ORIGIN**



**If a product which has acquired originating status by fulfilling the conditions set out in the list is used in the manufacture of another product, the conditions applicable to the product in which it is incorporated do not apply to it, and no account shall be taken of the non-originating materials which has been used in its manufacture**



## EPA RULES OF ORIGIN



**NB:**

**non-originating materials which, according to the conditions set out in the list should not be used in the manufacture of a given product may nevertheless be used provided that:**

- **Their total value does not exceed 15% of the ex-works price of the product**



## EPA RULES OF ORIGIN



**NB:**

- **Any of the percentages given in the “List” for the maximum value of non-originating materials are not exceeded through the application of this rule**



## **EPA RULES OF ORIGIN**



**The following operations shall be considered as insufficient working or processing to confer the status of originating products:**

- a) Operations to ensure the preservation of products in good condition during transport and storage**



## **EPA RULES OF ORIGIN**



- b) Breaking up and assembly of packages**
  
- c) Washing, cleaning; removal of dust, oxide, oil, paint or other coverings**
  
- d) Ironing and pressing of textiles**



## **EPA RULES OF ORIGIN**



- e) Painting and polishing operations**
  
- f) Husking, partial or total bleaching, polishing, and glazing of cereals and rice**
  
- g) Operations to color sugar or form sugar lumps, partial or total milling of crystal sugar**



## **EPA RULES OF ORIGIN**



- h) Peeling, stoning and shelling, of fruits, nuts and vegetables**
  
- i) Sifting, screening, sorting, classifying, grading, matching (including the making up of sets of articles)**



## **EPA RULES OF ORIGIN**



- j) Sharpening, simple grinding or simple cutting**
  
- k) Simple placing in bottles, cans, flasks, bags, cases, boxes, fixing on cards or boards and all other simple packing operations**



## **EPA RULES OF ORIGIN**



- l) Affixing or printing marks, labels, logos and other like distinguishing signs on products or their packaging**
  
- m) Simple mixing of products, whether or not of different kinds; mixing of sugar with any other material**



## **EPA RULES OF ORIGIN**



- n) Simple assembly of parts of articles to constitute a complete article or disassembly of products into parts**
  
- o) A combination of two or more operations specified in (a) to (n)**
  
- g) Slaughter of animals**



## **EPA RULES OF ORIGIN**



- n) Simple assembly of parts of articles to constitute a complete article or disassembly of products into parts**
  
- o) A combination of two or more operations specified in (a) to (n)**
  
- g) Slaughter of animals**



## **EPA RULES OF ORIGIN**



**All operations carried out in the EU or Cariforum States on a given product shall be considered together when determining whether the working or processing undergone by that product is to be regarded as insufficient**



## **EPA RULES OF ORIGIN**



**The unit of qualification for the application of the provisions shall be the particular product which is considered as the basic unit when determining classification using the nomenclature of the HS**



## **EPA RULES OF ORIGIN**



**When a product composed of a group or assembly of articles is classified under the terms of the Harmonised System in a single heading, the whole constitutes the unit of qualification**



## **EPA RULES OF ORIGIN**



**When a consignment consists of a number of identical products classified under the same heading of the Harmonised System, each product must be taken individually when applying the provisions of this protocol**



## **EPA RULES OF ORIGIN**



**Where under General Rule 5 of the Harmonised System, packaging is included with the product for classification purposes, it shall be included for the purposes of determining origin.**



## **EPA RULES OF ORIGIN**



**Accessories , spare parts and tools  
dispatched with a piece of  
equipment, machine, apparatus or  
vehicle which are part of the normal  
equipment and included in the price  
thereof or which are not separately  
invoiced, shall be regarded as one**



## **EPA RULES OF ORIGIN**



**Sets as defined in rule 3 of the HS, shall be regarded as originating when all component products are originating**

**When a set is composed of originating and non-originating products, the set shall be regarded as originating if the value of the non-originating products does not exceed 15% of the ex-works price of the set**



## **EPA RULES OF ORIGIN**



**In order to determine whether a product is originating, it shall not be necessary to determine the origin of the following which might be used in its manufacture**

**a) Energy and fuel**

**b) Plant and equipment**



# **EPA RULES OF ORIGIN**



**c) Machines and tools**

**d) Goods which do not enter and which are not intended to enter into the final composition of the product.**



# EPA RULES OF ORIGIN



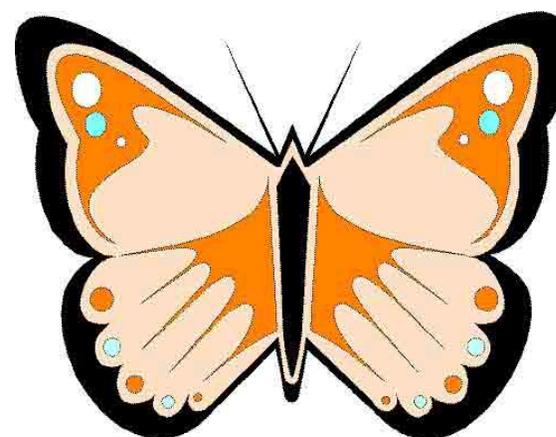
## Substantial Transformation as specified within the "List"

From:-

Caterpillar

to

Butterfly





## EPA RULES OF ORIGIN



### **Substantial Transformation as specified within the “List”**

- Manufacture in which all the raw materials used are classified within a heading other than that of the finished product
- (HS Jump)



# EPA RULES OF ORIGIN



## e.g. Substantial Transformation

**Chair.....HS 9401**

Raw materials used:

Wood.....HS 4409

Fabric.....HS 5208

Glue.....HS 3506

Screws.....HS 7318

Paint.....HS 3208



# EPA RULES OF ORIGIN



## Would this chair qualify?

**Chair.....HS 9401**

Raw materials used:

Wood Backs[cut to shape]...HS 9401.90.00

Fabric.....HS 5208.21.00

Glue.....HS 3506.10.00

Rivets.....HS 7318.23.00

Aluminum Tubes.....HS 7608.20.00

Rubber Strips.....HS 4008.11.00



## **EPA RULES OF ORIGIN**



- In accordance with conditions specified within the “List”**

**e.g. Fruit Drinks.....HS 2202**

List condition - “ any fruit juice used (with the exception of orange, grape, grapefruit, pineapple and lime juices) must already be originating”



## EPA RULES OF ORIGIN



**- In accordance with % Value Added conditions specified within the “List”**

**e.g. HS 8504 – power supply units for automatic data processing units**

“manufacture in which the value of all the materials used does not exceed 40% of the ex-works price of the product”



## **EPA RULES OF ORIGIN**



To enable their customers in the country of destination to benefit from the terms of the EPA, exporters must furnish a certificate of origin for the products which qualify for preference under the agreement



## **EPA RULES OF ORIGIN**



Products originating in a Cariforum State on importation into the EU, and products originating in the EU on importation into a Cariforum State, benefit from the provisions of the EPA upon submission of a “movement Certificate EUR 1”



## **EPA RULES OF ORIGIN**



The Customs Authorities in the Cariforum States and the Member States of the EU are responsible for issuing and verifying the Movement Certificates (EUR 1), and invoice declarations or suppliers declarations



## **EPA RULES OF ORIGIN**



The Cariforum / EU States shall provide each other with the addresses of the customs authorities responsible for issuing and verifying, and with specimen impressions of the stamps used in their customs offices for the issue of these certificates;



## EPA RULES OF ORIGIN



In Dominica the addresses and stamps of five Customs Offices were submitted:

**DMROS** – Customs Roseau (DWH, Ferry)

**DMCAN** – Customs Canefield

**DMPOR** – Customs Portsmouth

**DMADM** – Customs Anse de Mai

**DMMVH** – Customs Melville Hall



# EPA RULES OF ORIGIN



**Specimen impression of the stamps to  
be used in Dominica:**

**e.g. Anse de Mai**



