



**Asia-Pacific
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Cooperation and Partnership – Competent Authorities and End Users

Submitted by: New Zealand



**Self-Certification Pathfinder Phase 2:
Capacity Building Workshop 2
Manila, Philippines
10–11 February 2011**

Cooperation and Partnership – Competent Authorities & End Users

**APEC Workshop:
Self Certification of Origin
Manila 10-11 February 2011**



NEW ZEALAND
CUSTOMS SERVICE
TE MANA ARAI O AOTEAROA

PROTECTING NEW ZEALAND'S BORDER

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Slight changes to roles happen with a shift to self-certification – these are not major, more a shift in focus.

Self-certification does not use a third-party certifier

However, there may be a role for existing Issuing Bodies – advising exporters

Transition to self-certification

And exporters / manufacturers will have increased responsibilities

Whilst self-certification does not use a third-party certifier, there may still be a role for existing Issuing Bodies.

In the transition to self-certification, competent Issuing Bodies may be in a position to advise exporters / manufacturers on the rules of origin for their products.

Exporters / manufacturers will also have increased responsibilities – as they will be the direct providers of evidence to the importer.

Issuing Body / Competent Authority

Educating exporters to self-certify – a possible role for Issuing Bodies:

- » **General education**
- » **Consultancy**
- » **Liaison with Competent Processing Authority (Customs)**

In their current role, issuing bodies / competent authorities have a wealth of experience in interpreting FTA rules of origin.

In transitioning to self-certification, there may be a role for issuing bodies to:

- Educate exporters to self-certify
- General education – for prospective traders
- Consultancy with major traders (e.g. – those with a wide variety of products or products with complex rules)
- Liaison with Customs – as an intermediary for traders on rules of origin matters.

Requirements & Responsibilities of Exporters / Manufacturers

Exporters / Manufacturers now take direct responsibility for:

- » Declaring preference qualification
- » Retaining records to substantiate preference
- » Being available for audit

A shift to self-certification places the burden on exporters / manufacturers to now take direct responsibility for:

- Declaring preference qualification
- Retaining records to substantiate preference
- Being available for audit

Exporters / manufacturers may therefore need to become more aware of the rules of origin and whether or not their goods meet those rules.

In a number of cases, exporters / manufacturers will already have that familiarity – and have simply been using the certificate issuing body as formal confirmation of the goods eligibility for preference. For those traders, the shift to self-certification will not be too demanding.

However, for exporters / manufacturers who have relied heavily on the certificate issuing body to research and identify qualification, transition assistance may be needed.

Removing the issuing body role will also require traders to be more thorough in retaining records. Should the importing Customs undertake an audit of any claim of preference, the exporter / manufacturer will need to be able to demonstrate that their goods meet the rule of origin.

Any such an audit could be done from a distance (by email, etc) or through an actual visit – with or without the exporting Customs, depending of the FTA. This may be a variation from existing practice where an intermediate step may have been first approaching the third-party certifier.

Competent / Processing Authority

Customs' roles – tariff preference:

- » Imports – ensuring preference is only allowed for qualifying imports
- » Exports – assisting exporters to interpret preference entitlement on their trade (to the other Party / Parties)

Shifting to self-certification will not dramatically affect Customs role in the border administration of rules of origin.

Customs' principle role on imports is ensuring that tariff preference is only allowed for qualifying imports.

Using a risk managed approach (to identify high risk trade), self-certified qualification is seen as presenting a higher integrity than third-party certification. After all, the manufacturer / exporter is best placed to know its products and their qualification to the relevant origin rule.

Looking at the other end of the supply chain, Customs also has a role in assisting its exporters to interpret preference entitlement on their trade (to the other Party / Parties).

With their role in interpreting the rules of origin on imports and through origin ruling systems that are often a feature of FTAs, Customs is well placed to assist exporters in this process – thereby growing their economy through facilitating exports.