

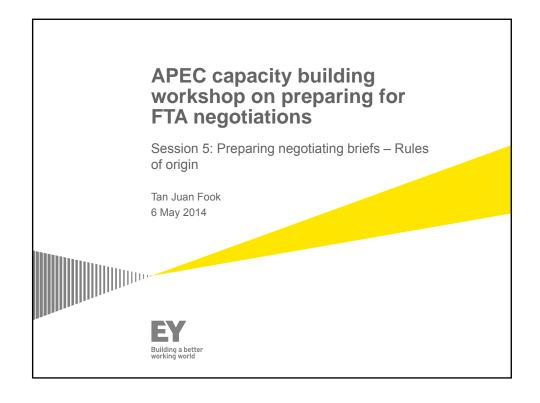
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Preparing Negotiating Briefs – Rules of Origin

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Recap on session 2

- Initial research and obtaining industry feedback
- Typical elements of rules of origin (ROO) chapter
- ▶ Template on ROO elements

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Preparing negotiation text

- Research on counterpart's FTA with other countries to obtain a gauge on what ROO elements are likely to be stumbling blocks
- ▶ Prepare arguments on why you want to include certain ROO elements, e.g., third party invoicing, regional value content ex works price or FOB price, outward processing, cross cumulation, general rule of origin criteria or product specific rules of origin criteria
- ► Equip yourself and be prepared to explain texts of your implemented FTAs especially if the texts are different because your FTA counterpart will always ask you to explain the deviation taken in those instances
- Lastly, determine what ROO elements need to be included in proposed text

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Preparing product specific rules of origin

- Preparation will be done on each tariff line. Some points for consideration:
 - Import sensitivity or export interest this will determine if you are offensive or defensive on the origin criteria
 - Value of imports and domestic exports How much revenue will be lost for imports and how much tariff savings achieved for exports
 - Obtain data on the domestic exports for the last three to five years. Infer from past FTAs of counterpart country to determine whether products are offered tariff concessions. Rank them in importance based on estimated tariff concession savings

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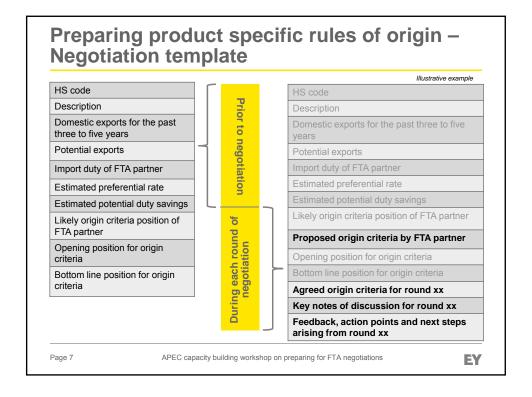
Preparing product specific rules of origin

- Potential exports equate to future tariff savings. This should be taken into account when determining estimated tariff savings
- For each tariff line, state the minimum acceptable level for each of the positions (maximum and minimum positions) of RVC threshold; CTC; process rules. This will facilitate the negotiation
- Prepare talking points to explain why a certain position is taken with regard to the proposed origin criteria
- The negotiation template can be prepared in excel sheet so that you can track the status of agreed rules. It should be a "living" document i.e. information and discussion points are updated during the various rounds of negotiation

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General preparation

- ► Good understanding and insights of the domestic industry are extremely important. It is always good to engage industry experts and involve them in negotiation
- Conduct regular outreach to obtain feedback from domestic industry
- Basket of unresolved issues These will be brought to the attention of the chief negotiators for resolution. As negotiators, this basket of issues should be kept to the minimum

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End of session 5: Preparing negotiation briefs APEC capacity building workshop on preparing for FTA negotiations EY