



Asia-Pacific  
Economic Cooperation

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## **Rules of Origin Process**

Purpose: Information  
Submitted by: Chile



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Meeting  
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APEC  
2014  
CHILE

**SCCP**  
SUB COMMITTEE ON CUSTOMS PROCEDURES

CHILEAN CUSTOMS SERVICE

**RULES OF ORIGIN PROCESS**

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## BACKGROUND

The SCCP agreed to elaborate a matrix which would reflect the regulations of the various APEC Economies on Rules of Origin and Customs Procedures related to Preferential Rules of Origin.

The aim of this initiative was to obtain a broad vision of rules of origin, but especially of the customs procedures related to the origin, in order to certify and verify, included in the bilateral and multilateral agreements of the members economies.

This issue gains even more relevance today considering the Statement of the Ministers Responsible for Trade, (2-3 June 2003, Khon Kaen, Thailand) who recognize the importance of discussions and information shared on regional trade arrangements and free trade agreements.

## Present Situation

1. Chilean Customs has kept in touch with the member of economies in order to gather their answers in the questionnaire. The current situation can be summarized as follows:

Australia, Canada, China, Hong Kong China, Japan, Korea, Malaysia, Mexico, New Zealand, The Philippines, Singapore, Thailand, The United States of America and Chile (14) have answered the matrix.

A chart that summarizes the overall situation is attached.

## CONTENTS OF MATRIX

- I Rules of Origin.
- II Certificate of origin.
- III Origin Verifications.
- IV Penalties.
- V Advance Rulings.
- VI Review and Appeal of Origin Decisions and Advance Rulings.
- VII Final Comments.
- VIII Matrix.

## I. Rules of Origin

- a) There are specific rules of origin for the goods produced with originating and not originating materials, for each good or generic principles capable of being applied to all kinds of goods.

According to the question on which was the most used rules of origin for goods of origin, two tendencies can be distinguished in general terms. Certain economies (5) consider both rules for their trade agreements, while the other five economies consider the generic rules of origin and the last four ones establish specific rules of origin.

## I. Rules of Origin

- b) **Indicate whether there are provisions which set out a "tariff classification change "criteria for origin".**

According to the question whether the criteria of origin Tariff Classification Change is included in their trade agreements, eight economies answered positively, while the other six answered negatively.

- c) **Indicate whether there are provisions which set out a "Regional Value Content" criteria for origin.**

As for the regional content value, eleven out of thirteen economies have adopted it. It is the most used criteria.

## I. Rules of Origin

- d) **For the regional value content criteria, indicate if there is a transaction value or a net cost method.**

As for calculating the regional content value, in terms of transaction or net cost value, six economies establish both possibilities, generally leaving the chance of choosing to the exporter.

Another three economies consider the only method for calculating the regional content value as the net cost value, while the other three only consider the transaction value.

## II. Certificate of Origin

- a) **Indicate whether the certificate is issued by the exporter or producer of the goods or by any other government agency or by a private organization authorised by the government.**

According to whom issues the certificate of origin, two tendencies can be distinguished in general terms. On one hand the certificate is issued by the exporter or producer and on the other hand the certificate is issued by a governmental agency.

- 5 Economies consider both possibilities.
- 5 Economies only consider the possibility that the exporter or producer of goods issues the certificate of origin.
- 4 Economies provide that the certificate be issued by a governmental agency.

## II. Certificate of Origin

- b) **Indicate duration of the certificate of origin, that is to say, the time allowed to finalize the goods importation under this certificate from the date of issuance (1 year, 2 years, 3 years, 4 years and others.)**

The answers establish a wide range of possibilities.

Certain economies consider one year,  
Other economies consider four years, and  
Most of the economies consider different periods of time for the certificate,  
1,2, 3 and 4 years.



## II. Certificate of Origin

### c) Exceptions.

Note in which instances the certificate of origin is not required for an importation subject to a preferential treatment:

1. Imports under a specific value. Specify amount.
  2. Imports excluded by the authority.
  3. No provisions.
- 7 Economies do not consider standards on this subject.
  - 6 Economies provide the possibility that up to a certain amount the certificate is not required or that the governmental authority does not demand the certificate.
  - Only 1 considers the possibility that up to a certain amount the certificate is not required.

## II. Certificate of Origin

### d) Maintaining records.

Indicate the time limit during which exporters, producers or importers should keep documents or background information related to the origin of the goods or their importation, respectively:

1. 1 year
2. Other
3. No provisions

Time limit during which exporters, producers or importers should keep documents or background information related to the origin of the goods or if their importation is of major importance, since it allows customs to check and control documents for a specific period of time. Most of the economies are required to keep records for a variable period of time, usually from three to five years.

## II. Certificate of Origin

### e) Certificate of origin error amendment.

**Indicate if the certificate of origin could be changed in case of no substantial errors, such numbers, names, addresses, etc.**

- 9 Economies establish standards providing the change of a certificate of origin containing formal errors.
- 4 Economies do not accept such possibility.
- 1 Economy does not have standards on this issue.

Certain economies consider the issuance of a new certificate of origin in case of errors that invalidate the certificate of origin.

## II. Certificate of Origin

### f) Electronic certification.

**The certificate of origin could be issued and submitted to customs in an electronic way.**

Only four economies provide the possibility of certificate issuance by electronic means.



### III. Origin Verification

a) **Competent authority.**

Indicate the competent authority in charge of carrying out origin verifications of the goods.

1. **Importing country customs authority.**
2. **Exporting country customs authority.**
3. **Any other different importing country authority. Please specify.**
4. **Other different exporting country authority.**

Eleven economies answered that the customs authority of the importing Party carried out the verification of origin.

Three economies established that the competent authority is different from that of the importing Party. Two of them identified themselves as the verifying authority of the exporting Party.

### III. Origin Verification

b) **Questionnaires.**

Indicate whether or not your competent authority could send questionnaires to exporters and/or procedures in order to verify origin.

Most economies (10) consider questionnaires as a method of control and verification of origin.

c) **Visits.**

Indicate whether or not your competent authority could visit the premises of exporters and/or producers in order to verify origin.

Most economies (10) consider visits as a method of control and verification of origin.

### III. Origin Verification

- d) **Indicate if there are any other means of verification that could be used by your administration.**

Five economies consider other means of control and verification of the origin applied in the importation, such as the revision and examination of trade documents. A different means provided by certain economies is the request made by the importing Party to the exporting Party, in order to assist verification of origin. Some economies consider the Mutual Administrative Assistance Agreement by means of verification.

- e) **Confidentiality.**

Please indicate those instances where information obtained from exporters or producers may be disclosed during an origin verification process. (Judicial procedures, Administrative Authorities, Other).

6 Economies consider, during a verification process, the administrative authority can obtain information confidentially from the exporter or producer.

4 Economies provide that such information can be disclosed by a judicial or administrative order.

### IV. Penalties

- a) **Are there any penalties applied to exporters or producers who provide false certificates of origin of the goods?**

1. **Administrative**
2. **Criminal**
3. **Other**
4. **No provisions.**

- 6 Economies provide criminal and administrative penalties.
- 3 Economies provide only administrative penalties.
- 2 Economies establish only criminal penalties.
- 2 Economies do not consider penalties.

## V. ADVANCE RULINGS

- a) Do you have advance rulings system in place?
1. For origin
  2. Other matter
  3. No provisions.

Ten economies consider a system of advance rulings of origin. Six out ten provide advance rulings on others matters. Customs is responsible of issuing advance rulings.

## VI. REVIEW AND APPEAL OF ORIGIN DECISIONS AND ADVANCE RULINGS.

- a) Please indicate whether there are any administrative or judicial remedies or the right to appeal administrative origin decisions or advance rulings.

Seven economies consider a double system of revision or appeal, i.e. it is possible to appeal to the administrative or judicial authority.

Five economies provide the right to appeal to the administrative authority.

One economy does not consider the system.

VII. FINAL COMMENTS



VIII. MATRIX (1)

	I. Rules of origin			
	Specific or Generic	Tariff classification change	Regional value content	Transaction value or net cost method
Australia	1	2	2	N/A
Brunei Darussalam				
Canada	1+2	1	1	1+2
PR China	1	1	1	1
Hong Kong China	2	2	1	2
Indonesia				
Japan	2	1	1	1
Korea	1	1	1	1
Malaysia	2	2	2	N/A
Mexico	1+2	1	1	1+2
New Zealand	1	2	1	2
PNG				
Perú				
Philippines	1+2	1	1	1+2
Russia				
Singapore	1	2	1	1+2
Chinese Taipei				
Thailand		2	1	2
USA	1+2	1	1	1+2
Viet Nam				
Chile	1+2	1	1	1+2

**RULES OF ORIGIN PROCESS**

**VIII. MATRIX (2)**

	II. Certificate or origin					
	Issued by	Duration	Exceptions	Maintaining of records	Certification of origin error amendment	Electronic Certification
Australia	1	5	3	2	2	2
Brunei Darussalam						
Canada	1	1+4	1+2	2	1	2
PR China	2	1	3	2	2	2
Hong Kong China	2+3	N/A	N/A	2	1	1
Indonesia						
Japan	2+3	1	1+2	2	2	2
Korea	2 or 3	5	1	2	1	2
Malaysia	3	N/A	3	3	1	2
Mexico	1+2+3	1+2+4+5	1+2	3	1	2
New Zealand	1	N/A	3	2	N/A	1
PNG						
Perú						
Philippines	2	1	3	2	2	2
Russia						
Singapore	1+2+3	5	1	2	1	1
Chinese Taipei						
Thailand	2+3	5	3	3	1	2
USA	1	4	1+2	2=5 years	1	1
Viet Nam						
Chile	1+2+3	5	1+2	2=5 years	1	2

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**VIII. MATRIX (3)**

	III. Origin verifications							
	Competent authority	Questionnaires	Visits	Others means	Confidentiality	Penalties	Advance rulings	Review and appeal of origin determinations and advanced rulings
Australia	1	1	1	*	1+2	1	3	3
Brunei Darussalam								
Canada	1+2	1+2	1+2	*	1+2	1+2	1+2	3
PR China	4	1	1		1+2	1	3	1
Hong Kong China	2	1	1	None	1+2	1+2	1	1
Indonesia								
Japan	1	2	2	Others	N/A	1+2	1+2	4
Korea	1	1	1		3	4	1	3
Malaysia	4	1	1	N/A	2	2	2	1
Mexico	1	1	1	N/A	2	1+2+3	1+2	3
New Zealand	1	1	1		1	4	1	3
PNG								
Perú								
Philippines	1	1	1	Others		2		
Russia								
Singapore	1	1	1	N/A	2	3	1,2	1
Chinese Taipei								
Thailand	1	1	1		2	1	3	1
USA	1	1	1		2	1+2+3	1+2	3
Viet Nam								
Chile	1+4	1	1	1	2	1+2+3	1+2	3

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	I. Rules of origin				II. Certificate or origin							III. Origin verifications							
	Specific or Generic	Tariff classification change	Regional value content	Transaction value or net cost method	Issued by	Duration	Exceptions	Maintaining of records	Certification of origin error amendment	Electronic Certification	Competent authority	Questionnaires	Visits	Others means	Confidentiality	Penalties	Advance rulings	Review and appeal of origin determinations and advanced rulings	
Australia	1	2	2	N/A	1	5	3	2	2	2	1	1	1	*	1+2	1	3	3	
Brunei Darussalam																			
Canada	1+2	1	1	1+2	1	1+4	1+2	2	1	2	1+2	1+2	1+2	*	1+2	1+2	1+2	3	
PR China	1	1	1	1	2	1	3	2	2	2	4	1	1		1+2	1	3	1	
Hong Kong China	2	2	1	2	2+3	N/A	N/A	2	1	1	2	1	1	None	1+2	1+2	1	1	
Indonesia																			
Japan	2	1	1	1	2+3	1	1+2	2	2	2	1	2	2	Others	N/A	1+2	1+2	4	
Korea	1	1	1	1	2 or 3	5	1	2	1	2	1	1	1		3	4	1	3	
Malaysia	2	2	2	N/A	3	N/A	3	3	1	2	4	1	1	N/A	2	2	2	1	
Mexico	1+2	1	1	1+2	1+2+3	1+2+4+5	1+2	3	1	2	1	1	1	N/A	2	1+2+3	1+2	3	
New Zealand	1	2	1	2	1	N/A	3	2	N/A	1	1	1	1		1	4	1	3	
PNG																			
Perú																			
Philippines	1+2	1	1	1+2	2	1	3	2	2	2	1	1	1	Others		2			
Russia																			
Singapore	1	2	1	1+2	1+2+3	5	1	2	1	1	1	1	1	N/A	2	3	1.2	1	
Chinese Taipei																			
Thailand		2	1	2	2+3	5	3	3	1	2	1	1	1		2	1	3	1	
USA	1+2	1	1	1+2	1	4	1+2	2=5 years	1	1	1	1	1		2	1+2+3	1+2	3	
Viet Nam																			
Chile	1+2	1	1	1+2	1+2+3	5	1+2	2=5 years	1	2	1+4	1	1	1	2	1+2+3	1+2	3	