



# Preferential Rules of Origin **What's new from China?**

Liu Ping  
Head, Origin Division  
General Administration of Customs, China  
27 January, 2009



WORLD CUSTOMS ORGANIZATION  
ORGANISATION MONDIALE DES DOUANES



- I. Overview**
- II. Latest Developments**
- III. Issues to reflect**





# Overview

## China's Preferential Rules of Origin Regime

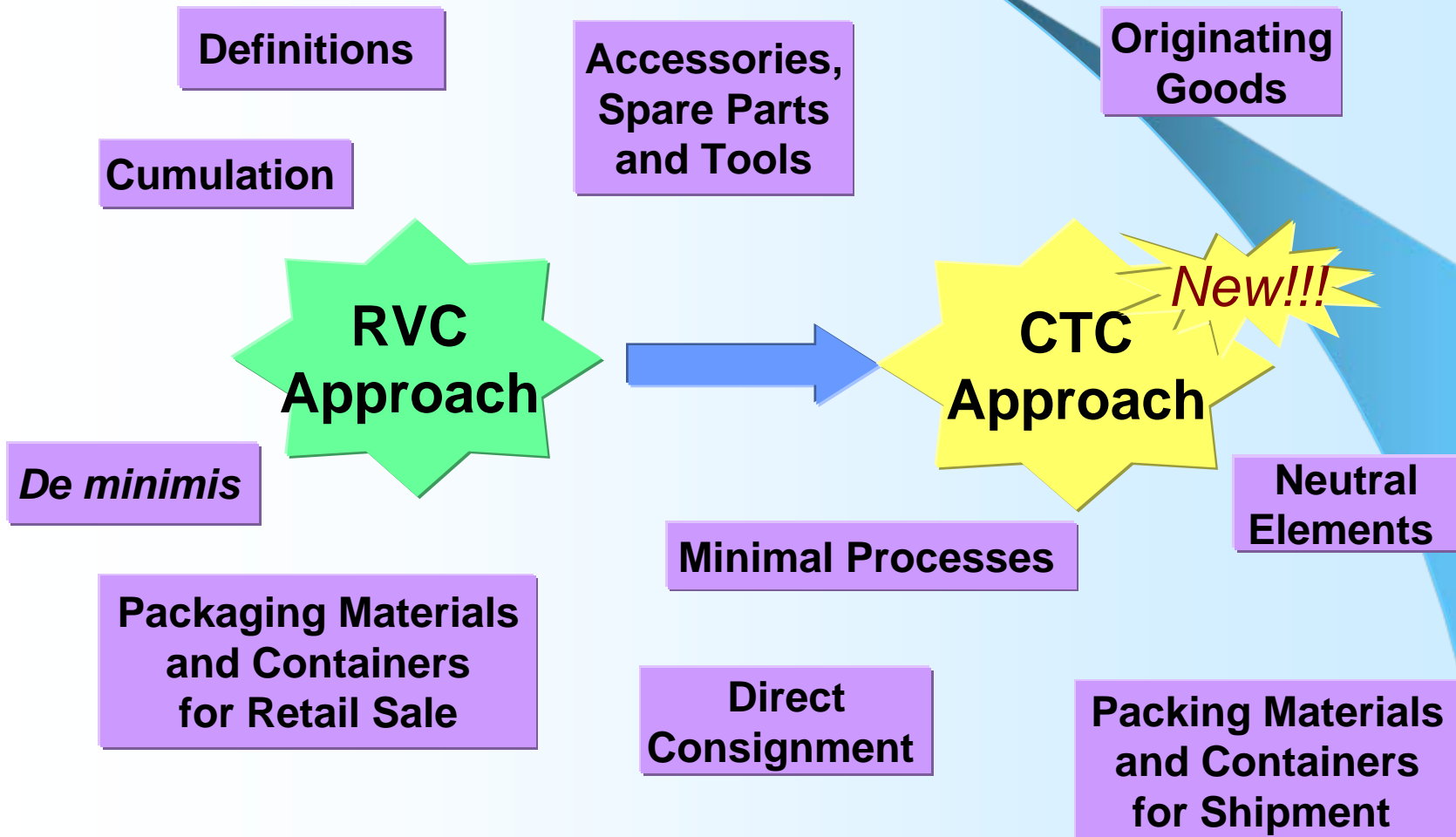
- *Domestic Regulations promulgated by GACC implementing the ROO Chapters in PTAs*
- *Bilateral and Regional (FTA, RTA)*
- *Unilateral (SPT for LDCs)*





# Overview

## Main Content of Rules of Origin



# Overview



## PTA Implemented or Negotiated by China

	Implemented	Negotiating	Feasibility Study
ASIA	China-ASEAN FTA China-Pakistan FTA <b>China-Singapore FTA</b> APTA HK / Macao CEPA	China-GCC FTA	China-India FTA China-Republic of Korea FTA
LATIN AMERICA	China-Chile FTA	<b>China-Peru FTA (concluded Nov 07)</b> China-Costa Rica FTA	
OCEANIA	<b>China-New Zealand FTA</b>	China-Australia FTA	
EUROPE		China-Iceland FTA China-Norway FTA	
AFRICA	<b>SPT for LDCs (duty-free and quota-free)</b>	China-SACU FTA	



# Latest Development

FTAs

China-New Zealand FTA

China-Singapore FTA

China-Peru FTA

Model ROO for PTA Negotiations

Provisions for the Administration of Preferential ROO

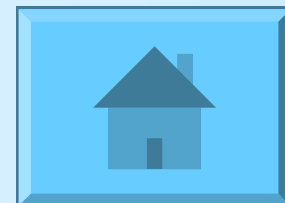


# China-New Zealand FTA

(Oct. 1, 2008)



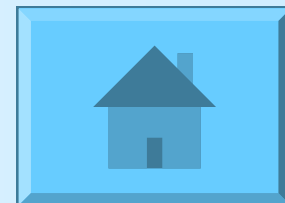
- *First FTA China signed with a developed country*
- *No general rule for substantial transformation*
- **PSR:**
  - *whole HS-Nomenclature based,*
  - *mainly CTC-based ( at 6-digit HS level)*
- **Plural criteria:**
  - *change in tariff classification;*
  - *regional value content;*
  - *process requirement, etc.*





# China-Singapore FTA (Jan. 1, 2009)

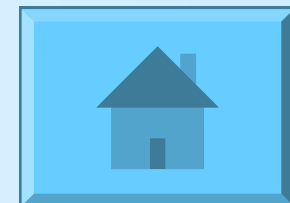
- *“FTA inside FTA”* → **China-ASEAN FTA**
- *Substantial Transformation*  
*Main Criteria:* **RVC (40%)** consistency
- *PSR:*
  - *A list of limited number of products*
  - *plural criteria: CTC, RVC, process, alternative rules*



# China-Peru FTA



- *Talk concluded Nov. 2008*
- *To be signed and implemented in 2009*
- **PSR:**
  - *whole HS-nomenclature based, mainly CTC*
  - *plural criteria, alternative criteria*
- **Fresh elements:**
  - *Verification visit*





# Model ROO for PTA Negotiations

*Standardization  
consistency*

Exploration on the  
Optimization of ROO

Formulation

Standard Articles

Alternative Elements for Standard Articles

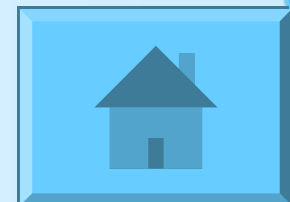
Recommended Articles

References

PTAs implemented by China

Domestic Consultation

PTAs implemented by other  
countries (NAFTA, Pan-EU, etc)





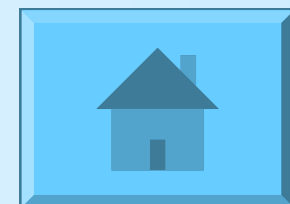
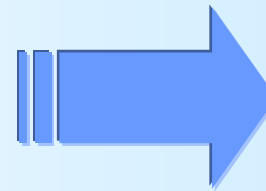
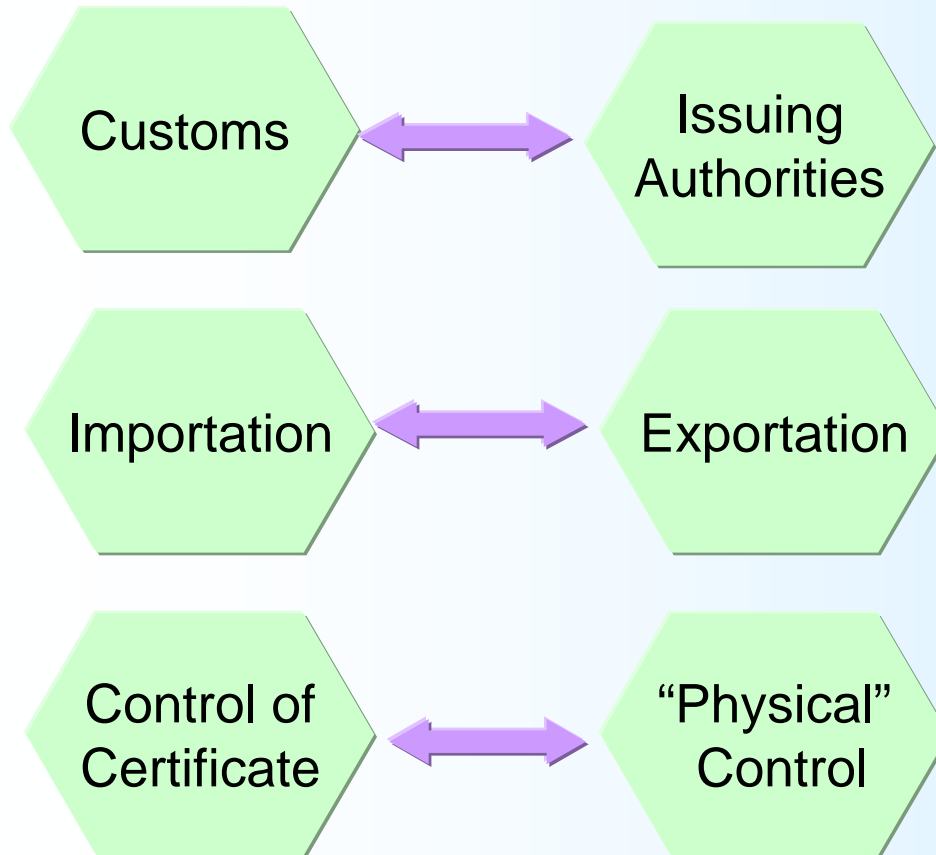
# GACC Decree 181

- *Provisions of GACC on the Administration of Preferential Rules of Origin for Import and Export Goods*
- *To enter into force as of March 1, 2009*
- *A set of common rules applicable to all PTAs to enhance uniformity, consistency and efficiency in origin administration*



# GACC Decree 181 (Cont.)

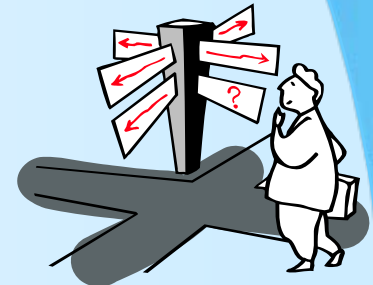
## Interaction between





# Issues to reflect

- Simplicity vs practicality (e.g., calculation of RVC, “simple” in minimal processes)
- Verification (verification visit, etc.)
- Proof for direct consignment
- Origin fraud
- Interconnected network for verification
- Which model for origin?





# Thanks!

## Questions or Comments?

