



Further facilitation in proof of origin: Registered Exporter

WCO Origin Conference
21 January 2014

Pierre-Jacques LARRIEU
European Commission
DG Taxation and Customs Union



Scope and context

- **Proofs of *preferential origin*** in FTAs and unilateral preferential arrangements
 - **Worldwide trend:**
 - **Certification by authority is declining while self-certification by exporters , often including electronic transmission of proofs, is increasingly used;** both systems may operate in parallel; importers may also be entitled to declare preferential origin without a formal proof.
 - **Why?** Computerisation of declarations; dematerialisation of supporting documentation; local clearance procedures etc.
- => growing demand for simplification and trade facilitation**



Current situation in the EU

- **For FTAs:**

- Proofs of origin are either issued by authorities or made out by exporters themselves (generally called '**origin declarations**' – made out on invoice or any other commercial document);
- If value of originating products consigned exceeds **€ 6,000** exporters must be '**approved**' for making out origin declarations.

Exception: Origin declarations are the only proof of origin foreseen in the EU-KOREA FTA



Current situation in the EU

- **For GSP:**

- Standard proof = **Form A** certificate.
- Exporters from beneficiary countries may make out origin declarations on invoice themselves for consignments of **maximum € 6,000**
- No self-certification foreseen beyond this threshold, (except in the case of EU approved exporter supplying materials within framework of bilateral cumulation)



Future: GSP

- Move towards full self-certification foreseen as of 1/1/2017: the Registered exporter (REX) system
- Under the REX system exporters will make out **statements on origin** themselves for consignments of any value provided they are registered with the competent authorities of their countries
- For consignments not exceeding the current threshold of maximum € 6,000 = any exporter will be entitled to make out statements on origin



How does it work?

- Exporter lodge **application** with competent authorities
- Authorities check whether application is **complete**
- Authorities accept application and **register** exporter in the system
- European Commission receives information on registration of exporter and maintains **central database** of registered exporters
- Information about exporter is **published on the internet**, with exception of 'confidential' data



Obligations

- **Of Beneficiary Countries:**
 - Submit **comprehensive undertakings**
 - Notify EU Commission of names and addresses of authorities empowered to:
 - * register exporters
 - * provide administrative cooperation
- **Of EU Commission:**

Publish list of beneficiary countries **considered to meet the conditions**



A progressive approach

- Introduction of REX will take account of beneficiary countries' **capacity** to set up and manage the registration system. An additional **three year** period may be provided for countries which cannot meet the deadline of 1 January 2017.
- On 1/7/2016 (and 1/7/2019) at the latest: examination of **state of preparation** of beneficiary countries for application of REX and proposal for necessary adjustments.



Expected benefits

- Registration of exporters will:
 - **facilitate** business on both export and import sides
 - **facilitate** targeted post-export controls
 - **increase** information of all interested parties
- Registration is **simple** and a one-off act
- Enable operators to **check before** declaring goods that supplier is a 'REX' in the beneficiary country concerned
- European Union operators making exports for purpose of **bilateral cumulation** of origin will also be registered with competent authorities in EU Member States



Approval Vs. registration of exporters

- Compared to current system of 'approval', registration is **simpler** and does not imply a mandatory **prior assessment** of exporters' knowledge of rules of origin
- For ensuring compliance, this flexibility is re-balanced by obligation put on authorities of exporting country to carry out, **on their own initiative, regular controls on exporters** in addition to any ad hoc subsequent verifications they conduct at the request of importing Member States

=> Move from a system based on routinely issued certificates to a risk-oriented audit approach



Way forward in FTAs

- Both in on-going negotiations of FTAs and in existing FTAs, EU wishes to **promote self-certification** of origin and wherever possible the flexible and transparent system of registered exporters (first extension foreseen: in relations with Overseas Countries and Territories – OCTs)
- Current 'approved' exporters should of course automatically become 'REX'
- Database covering all MS' exporters will become available



Thank you very much for your attention!