



Pan-Euro-Med Convention & Transitional rules of origin

Certification and cumulation – upgrade of the rules of origin in the PanEuroMed region

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Content

- 1) Introduction:
The rules of origin in the pan-Euro-Mediterranean area
- 2) New rules of origin including the procedural aspect
- 3) Content of the « Transitional rules of origin »

1. Introduction

1. Introduction

1. What the rules of origin are about?

To link a product with a country....

Rules of origin define the criteria to establish that a product is *sufficiently linked* with a country

Why?? Because we want to grant a **trade treatment** to the products of a country that we do not want to extend to the products of other countries





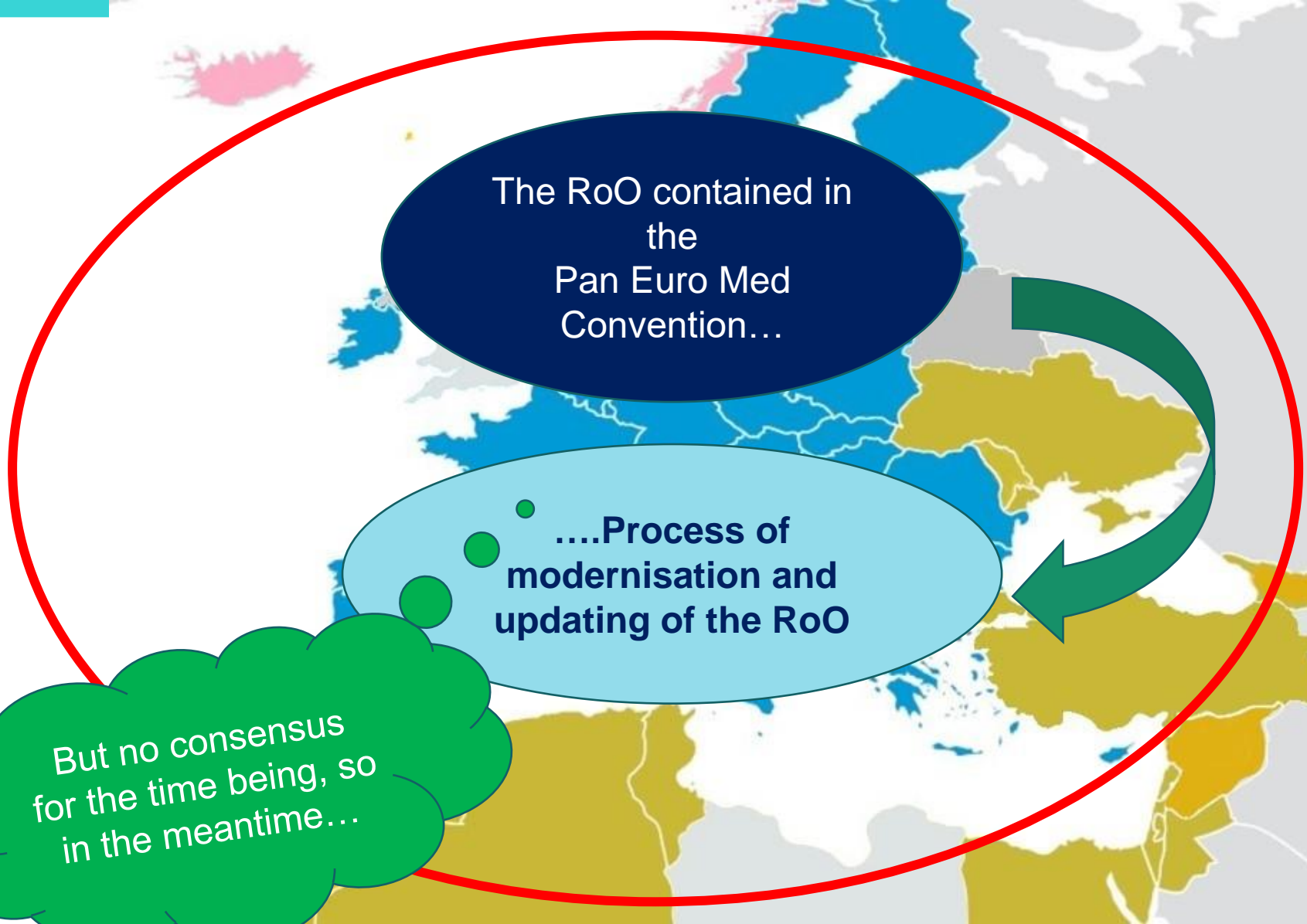
PEM Convention – concept and benefits + Transitional rules of origin

- 2 sets of rules of origin
- Choice of economic operators (per consignment)
- [Guidance for the transitional rules of origin](#)

https://ec.europa.eu/taxation_customs/customs-4/international-affairs/pan-euro-mediterranean-cumulation-and-pem-convention_en

2. New rules of origin for the PEM Convention

2. The PEM Convention



EU

EFTA countries

Türkiye

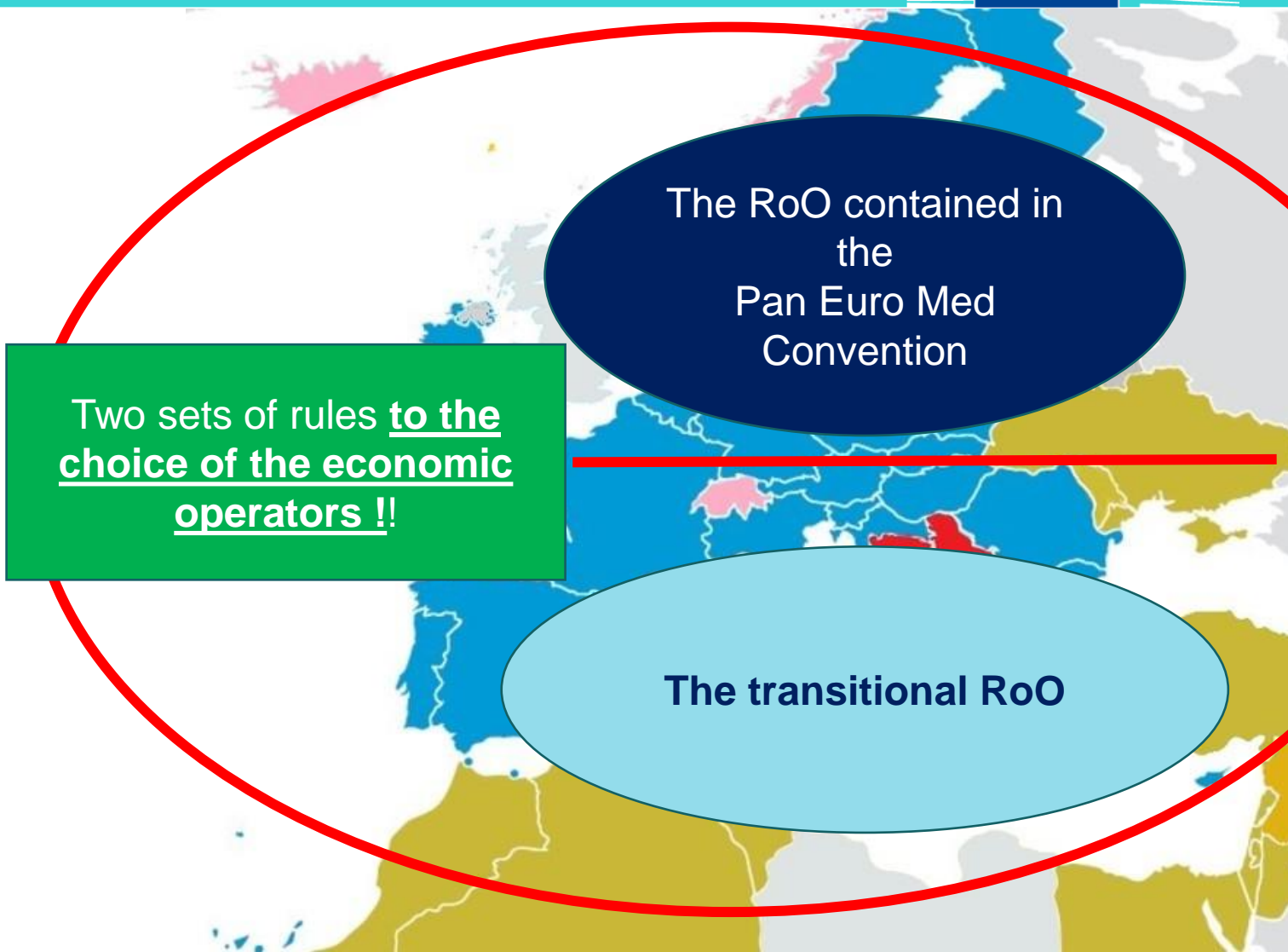
Western Balkans

Faroe Islands

Barcelona Process countries

Eastern Partnership countries

2. The PEM Convention/ Transitional



Pan Euro Med Convention	Transitional rules	Transitional rules February 2023
EU	EU	EU
EFTA countries	EFTA countries	Iceland Liechtenstein Norway Switzerland
Türkiye	Türkiye	
Western Balkans	Western Balkans	Albania North Macedonia Serbia Montenegro Kosovo*
Eastern partnership countries	Eastern partnership countries	Georgia Rep. of Moldova
Faroe Islands	Faroe Islands	Faroe Islands
Barcelona Process countries	Barcelona Process countries	Jordan Palestine**
	Maghreb	

*This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence.

**This designation shall not be construed as recognition of a State of Palestine and is without prejudice to the individual positions of the Member States on this issue.

3. What is in the Transitional Rules on Origin ?



Main changes

- **3.1 List rules (or product specific rules)**
- 3.2 Sufficient working or processing – Average basis
- 3.3 Tolerances (relaxation of threshold)
- 3.4 Waiver to the territoriality principle
- 3.5 Duty drawback
- **3.6 Cumulation**
- 3.7 Non-alteration rule / direct transport
- **3.8 Proof of origin**

3. The Transitional Rules



3.1 Updating the product specific rules (PSR)

Drafting style

Simplification or alternative rule

Evolution of the double transformation rule

PEM Convention

PEM Transitional rules

Non-originating materials that may be used

Processing operations



Concepts of cumulation of origin

➤ Basic principle:

- Cumulation of materials “What is yours is mine and what is mine is yours”
- Cumulation of process “What is made by you is considered to have been made by me”

➤ Goal:

- Economic integration and industrial cooperation

➤ Prerequisite:

- 3 criteria to respect
 - FTA among all partners participate in the cumulation
 - Identical set of rules of origin
 - Publication of cumulation possibilities by the Commission (OJ C Series)

Matrix

3. The Transitional Rules



3.6 Table of cumulation possibilities ('Matrix')

For the PEM Convention
last Commission notice published in
[OJ C418 of 15/10/2021](#)

Specific Matrix published for the
« transitional rules »
[OJ C405 of 21/10/2022](#)

Simplified overview of diagonal cumulation possibilities in the pan-Euro-Med zone on 26 March 2020

	EFTA states				Participants in the Barcelona Process										Participants in the EU's Stabilisation and Association Process										
	EU	CH (+LI)	IS	NO	FO	DZ	EG	IL	JO	LB	MA	PS	SY	TN	TR	AL	BA	KO	ME	MK	RS	MD	GE	UA	
EU	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
CH (+LI)	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
IS	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
NO	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
FO	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
DZ	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
EG	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
IL	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
JO	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
LB	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
MA	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
PS	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
SY	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
TN	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
TR	X (*)	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X (*)	X (*)	X (*)	X (*)	X (*)	X (*)	X (*)	X (*)	X (*)	X (*)

Table 1

Simplified overview of diagonal cumulation possibilities under the transitional rules of origin in the pan-Euro-Med zone on 15 October 2022

	EU	CH (+LI)	IS	NO	FO	JO	PS	AL	KO	MK	RS	ME	GE	MD
EU	X	X	X	X	X	X	X	X	X	X	X	X	X	X
CH (+LI)	X	X	X	X	X	X	X	X	X	X	X	X	X	X
IS	X	X	X	X	X	X	X	X	X	X	X	X	X	X
NO	X	X	X	X	X	X	X	X	X	X	X	X	X	X
FO	X	X	X	X	X	X	X	X	X	X	X	X	X	X
JO	X	X	X	X	X	X	X	X	X	X	X	X	X	X
PS	X	X	X	X	X	X	X	X	X	X	X	X	X	X
AL	X	X	X	X	X	X	X	X	X	X	X	X	X	X
KO	X	X	X	X	X	X	X	X	X	X	X	X	X	X
MK	X	X	X	X	X	X	X	X	X	X	X	X	X	X
RS	X	X	X	X	X	X	X	X	X	X	X	X	X	X
ME	X	X	X	X	X	X	X	X	X	X	X	X	X	X
GE	X	X	X	X	X	X	X	X	X	X	X	X	X	X
MD	X	X	X	X	X	X	X	X	X	X	X	X	X	X

2020

EN

Official Journal of the European Union



3.6 Cumulation

- Existing diagonal cumulation remains in place
- Full diagonal cumulation is introduced (on bilateral basis for textile products)
 - Exists today only as a derogation for trade between certain Parties
- Option to apply a generalised full cumulation also for textiles
 - Decision to make use of the option is taken by the importing Party
 - Information in the Matrix for the « transitional rules » OJ C405 of 21/10/2022

3. The Transitional Rules



3.6 Cumulation possibilities

Table 1

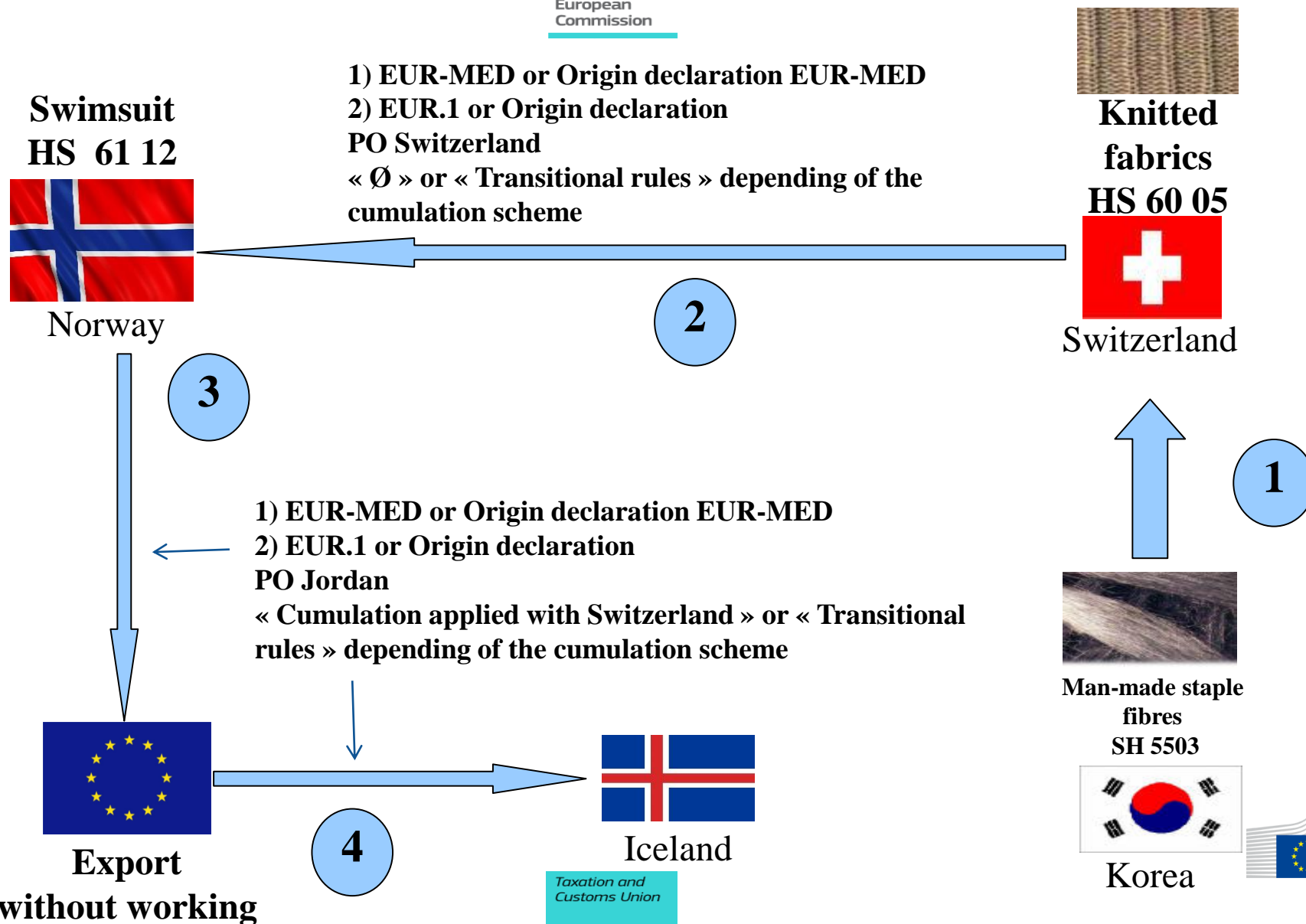
Simplified overview of diagonal cumulation possibilities under the transitional rules of origin in the pan-Euro-Med zone on 15 October 2022

	EU	CH (+LI)	IS	NO	FO	JO	PS	AL	KO	MK	RS	ME	GE	MD
EU		X	X	X	X	X	X	X	X	X	X	X	X	X
CH (+LI)	X		X	X				X		X	X	X		
IS	X	X		X				X		X	X	X		
NO	X	X	X					X		X	X	X		
FO	X													
JO	X													
PS	X													
AL	X	X	X	X										
KO	X													
MK	X	X	X	X										
RS	X	X	X	X										
ME	X	X	X	X										
GE	X													
MD	X													

Specific Matrix published for the « transitional rules » [OJ C405 of 21/10/2022](https://eur-lex.europa.eu/eli/oj/2022/2022/C0405/01)

3. The Transitional Rules

Example of cumulation of materials



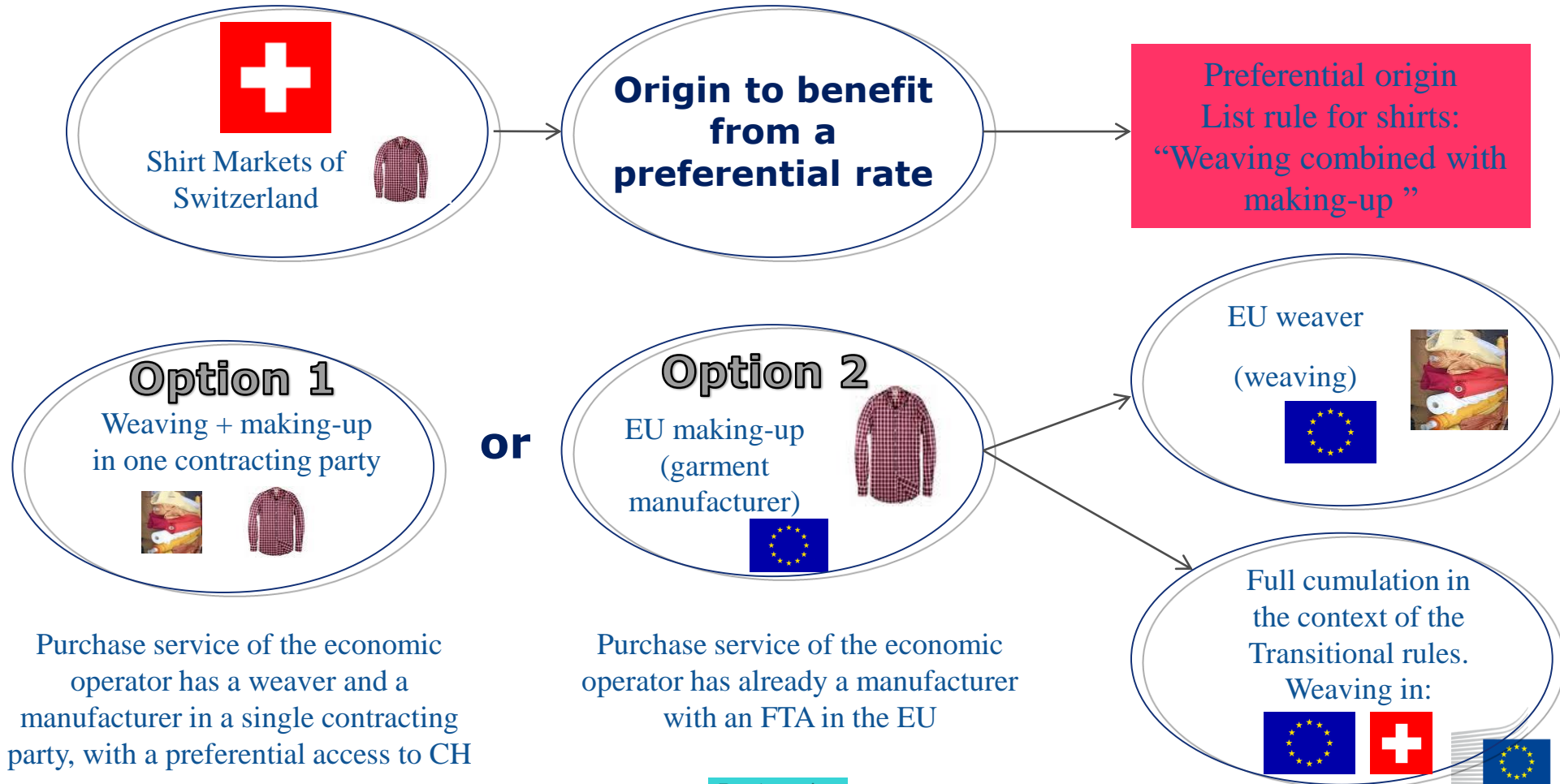
3. The Transitional Rules

Example of cumulation of working



Full cumulation :

As seen by economic operators – strategy through customs tool

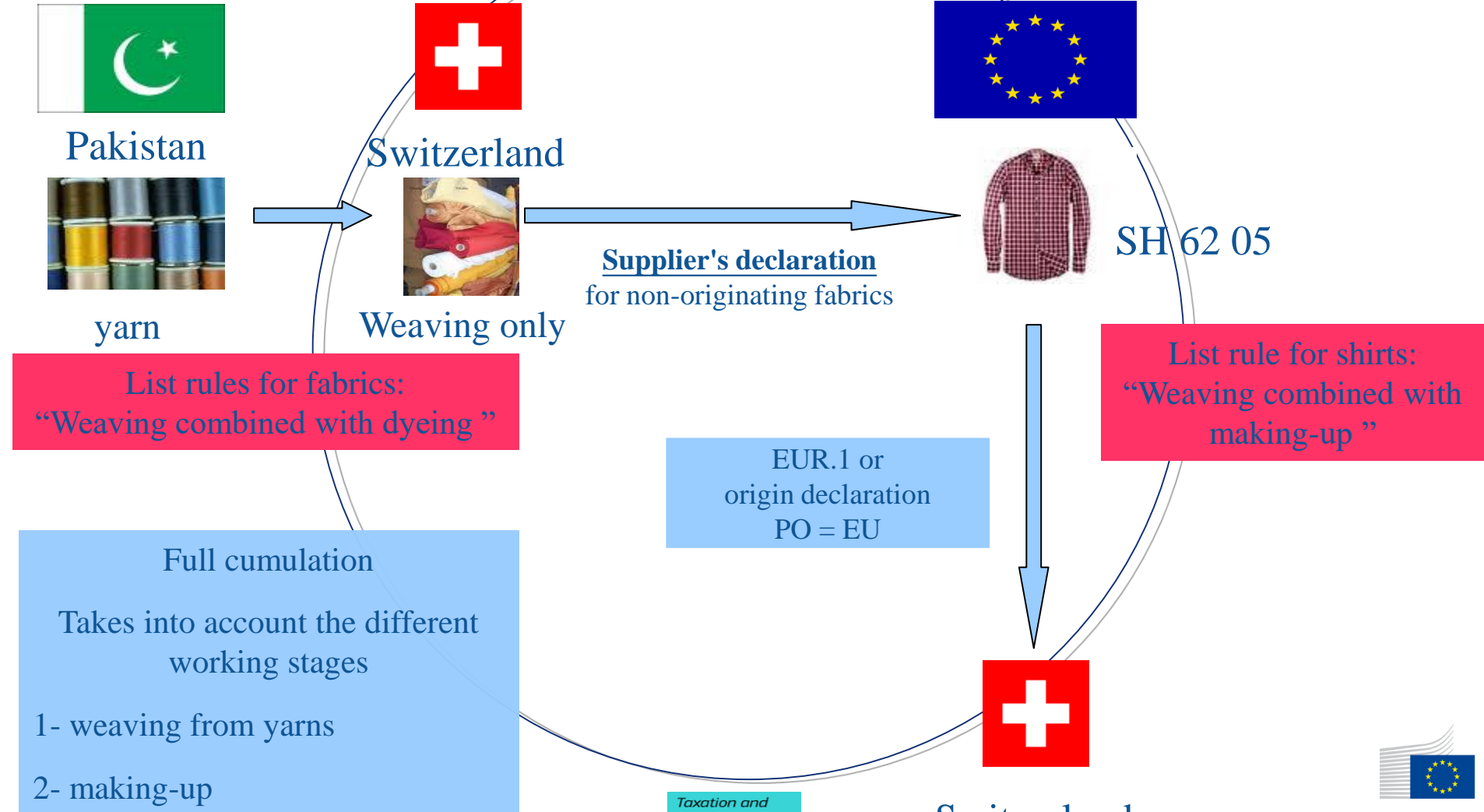


3. The Transitional Rules

Example of cumulation of working



Full cumulation





Full cumulation – Supplier's declaration

- 2 types of Supplier's declaration for full cumulation
 - For one consignment
 - Or long term (valid for a period of up to two years)
- For textile, indication of the process is necessary
 - The indications on process or added-value should only be given if they are necessary
 - **Example:** <https://data.consilium.europa.eu/doc/document/ST-10245-2020-INIT/en/pdf> (p. 195)

3. The Transitional Rules



3.8. Proofs of origin

Enabling modernisation

The importer claiming a preferential treatment needs to proof that the product is indeed originating



Certificates issued by governmental authorities upon application by the exporter

EUR1

~~EUR-MED~~

Origin declaration made out by :

- approved exporter or
- any exporter for small consignments (less than 6000 Euros)

Enabling clause to move to REX system

Enabling clause to apply electronic certificates

3. The Transitional Rules



3.8. Proof of origin

The exporter of the products covered by this document (customs authorization No(1)) declares that, except where otherwise clearly indicated, these products are of(2) preferential origin **according to the transitional rules of origin.**

..... (Place and date) (3)

.....

(Signature of the exporter, in addition the name of the person signing the declaration has to be indicated in clear script) (4)

WARENVERKEHRSBESCHEINIGUNG

1. Ausfuhrer/Exporteur (Name, vollständige Anschrift, Staat)		EUR. 1 Nr. L 771085	
Vor dem Ausfüllen Anmerkungen auf der Rückseite beachten			
3. Empfänger (Name, vollständige Anschrift, Staat (Ausfuhrer/Exporteur))		2. Bescheinigung für den Präferenzverkehr zwischen	
und			
<small>(Angabe von Warenbezeichnung, Staatengruppe oder Gütern)</small>			
4. Staat, Staatsgruppe oder Gebiet, die dessen bzw. deren Ursprungswaren die Waren gelten		5. Bestimmungsland, -staatsgruppe oder -gebiete	
6. Angaben über die Beförderung (Ausfuhr, Transit)		TRANSITIONAL RULES	
7. Laufende Nr.; Zeichen, Nummern, Anzahl und Art der Packstücke ¹⁾ ; Warenbezeichnung		8. Nettogewicht (kg) oder andere Maße (l, m ³ , usw.)	9. Packungen (Anzahl und Art)
11. SICHTVERMERK DER ZOLLBEHÖRDE Die Richtigkeit der Erklärung wird bescheinigt. Ausfuhrpapier 7) Art/Muster: Nr. vom Zollbehörde Ausstellungsort: Bundesrepublik Deutschland (St. und Ort)		12. ERKLÄRUNG DES AUSFUHRERS/EXPORTEURS Der Unterzeichner erklärt, dass die vorstehenden Waren die Voraussetzungen erfüllen, um diese Bescheinigung zu empfangen.	
Rückseite III		Rückseite III	

1) Bei unregelmäßig geformten Waren ist die Anzahl der einzelnen Stücke oder die Anzahl der Stücke anzugeben.

2) In der Bundesrepublik Deutschland vom Ausfuhrer/Exporteur auszuführen.

3) Bei der Einfuhr in die Bundesrepublik Deutschland vom Ausfuhrer/Exporteur auszuführen.

new

New initiative launched: e-PoC

Digitalisation of proofs of origin and verification process

Conclusion

- 2 sets of rules of origin cover the Pan-Euro-Med area (*see matrix - slide 12*)
- The implementation phase of « Transitional rules » starts in September 2021
- Tools to remember:
 - Binding Origin Information/advanced ruling (contact [National Customs authorities](#))
 - Rules of Origin Self-assessment tool of [Access2Markets](#)
 - Matrix (for the [PEM current system](#) and the [new transitional system](#))
 - Accurate supplier's declarations