
WCO Workshop on Rules of Origin
10 February 2023

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Alexandru Marinescu
The Pan-Euro-Med zone: 25 partners

- EU
- EFTA States (CH, IS, LI, NO)
- Faroe Islands (FO)
- Western Balkans (AL, BA, MK, ME, RS, Kosovo*)
- Participants in the Barcelona Process (DZ, EG, IL, JO, LB, MA, PS, TN, TR, SY)
- Eastern partnership (MD, UA, GE)

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

➢ bases cumulation of origin on a single legal instrument. No more separate protocols on Rules of origin.

➢ includes entire Western Balkans region into the pan-Euro-Mediterranean zone of cumulation.

➢ allows accession of neighbouring countries and their inclusion in the pan-Euro-Mediterranean zone of cumulation.

➢ allows easier *revision* and *update* of Rules of origin.
Timeline

1995 – Barcelona process

2005 – creation of the PEM cumulation system

2012 – entry into force of the Convention replacing all the bilateral protocols of origin in one single legal instrument

2013-2017 – discussions in PEM WG

PEM Secretariat compromise proposal of June 2017

Declaration of trade ministers of Union for Mediterranean in March 2018

Finalisation in 2018 at technical level
Improvements of the revised PEM Convention

✓ General tolerance
✓ Duty drawback
✓ Cumulation
2 sets of rules of origin applicable in parallel

- Regional Convention on pan-Euro-Mediterranean preferential rules of origin
  - Multilateral international instrument containing the PEM rules
  - Protocols on rules of origin introduced a reference to the PEM Convention
- Second set of rules of origin implemented as of September 2021
  - Transitional rules of origin based on the revised PEM Convention
  - Implemented via the bilateral agreements between the Contracting Parties to the PEM Convention
Partners considering using new (transitional) PEM rules of origin

Partners using at least one agreement with new (transitional) PEM rules of origin

*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.
Legal basis = Free Trade Agreements (Protocol on rules of origin)

Condition for cumulation: Identical Rules of origin (RoO) + FTA

PEM CONVENTION
Area: Contracting Parties to the PEM Convention
(or partners with PEM model rules)

Decisions of Joint bodies
- Sets of Rules of origin

Application in parallel

PERMEABILITY

TRANSITIONAL RULES OF ORIGIN
Area: Applying Contracting Parties
Permeability: working with 2 sets of rules of origin

- Focus on the PEM partners using 2 sets of origin

EU, EFTA, JO, PS, FO, GE, AL, MK, RS, MD.

In case of **cumulation**:

A proof of origin issued under the transitional RoO set is only possible if based on another « Transitional » proof.
Permeability: working with 2 sets of rules of origin

**Existing condition**

1st stage of permeability: Restrospective issuance of a PEM transitional proof
Art. 21(d)

- EU
- Switzerland
- Norway

Transitional proof

Request to substitute PEM proof by a "Transitional" proof

PEM transitional proof

PEM Convention proof

Permeability: working with 2 sets of rules of origin
Permeability: working with 2 sets of rules of origin

Request to introduce more flexibility

Permeability:  
Equivalence of PEM proof (under certain conditions)

=> Possibility to introduce permeability in all the Rules of origin protocols
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)
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

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**Simplified overview of diagonal cumulation possibilities in the pan-Euro-Med zone on 30 March 2020**

| PTA state | EU | CH (CH) | IS | NO | FO | DE | BG | IL | JO | LS | MA | PI | SY | TN | TR | AL | BA | RO | ME | MK | RS | 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  |
| CH (CH)   |    | X       |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |
| IS        | X  | X       |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |
| NO        | X  | X       | X  | X  |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |
| FO        | X  | X       | X  | X  |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |
| DE        | X  | X       |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |
| BG        | X  | X       | X  | X  |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |
| IL        | X  | X       | X  | X  |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |
| JO        | X  | X       | X  | X  |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |
| LS        | X  | X       | X  | X  |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |
| MA        | X  | X       | X  | X  |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |
| PI        | X  | X       | X  | X  |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |
| SY        | X  | X       | X  | X  |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |
| TN        | X  | X       | X  | X  |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |
| TR        | X  | X       | X  | X  |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |

**Simplified overview of diagonal cumulation possibilities under the transitional rules of origin in the pan-Euro-Med zone on 30 October 2022**

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Adoption of the revised rules of origin

=> The adoption of the revised rules of origin of the PEM Convention will be possible once unanimity of the Contracting Parties is reached

⇒ The process consists in adoption of the Transitional rules of origin

⇒ The transitional rules of origin will be substituted by the revised rules of the PEM Convention once it is adopted

• Future modernization:

=> Electronic certification as valid proof of origin
Thank you