

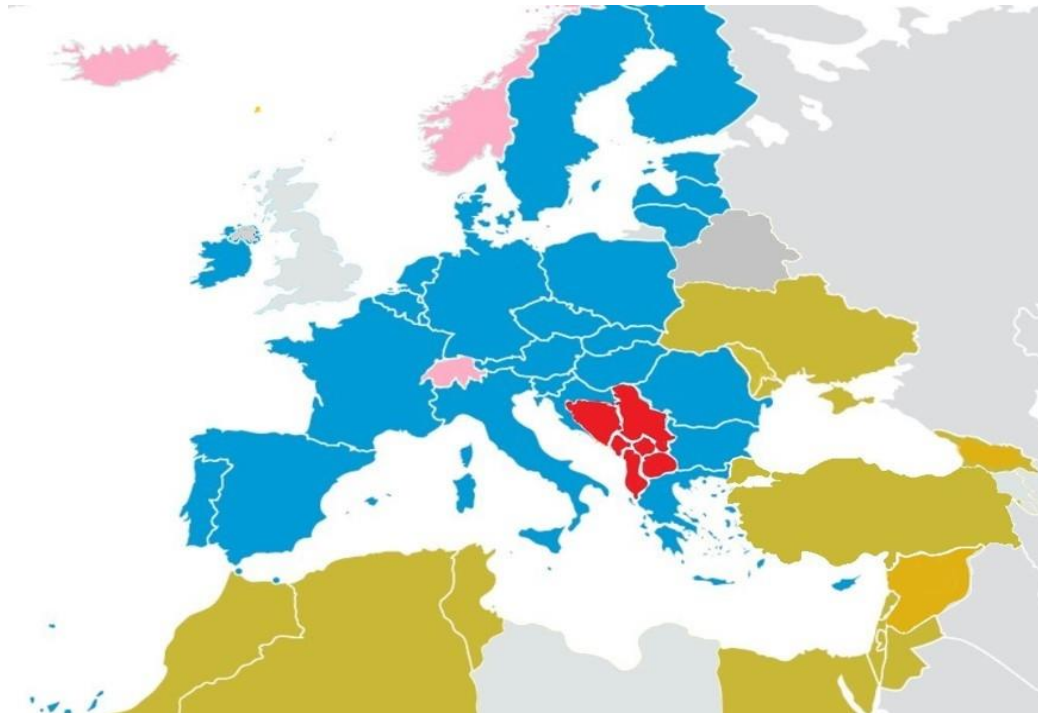


Pan-Euro-Med Convention & Modernization Process of the Rules of Origin

WCO Workshop on Rules of Origin
10 February 2023

*DG TAXUD, Unit A.5
Guillaume Dorey
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 in 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

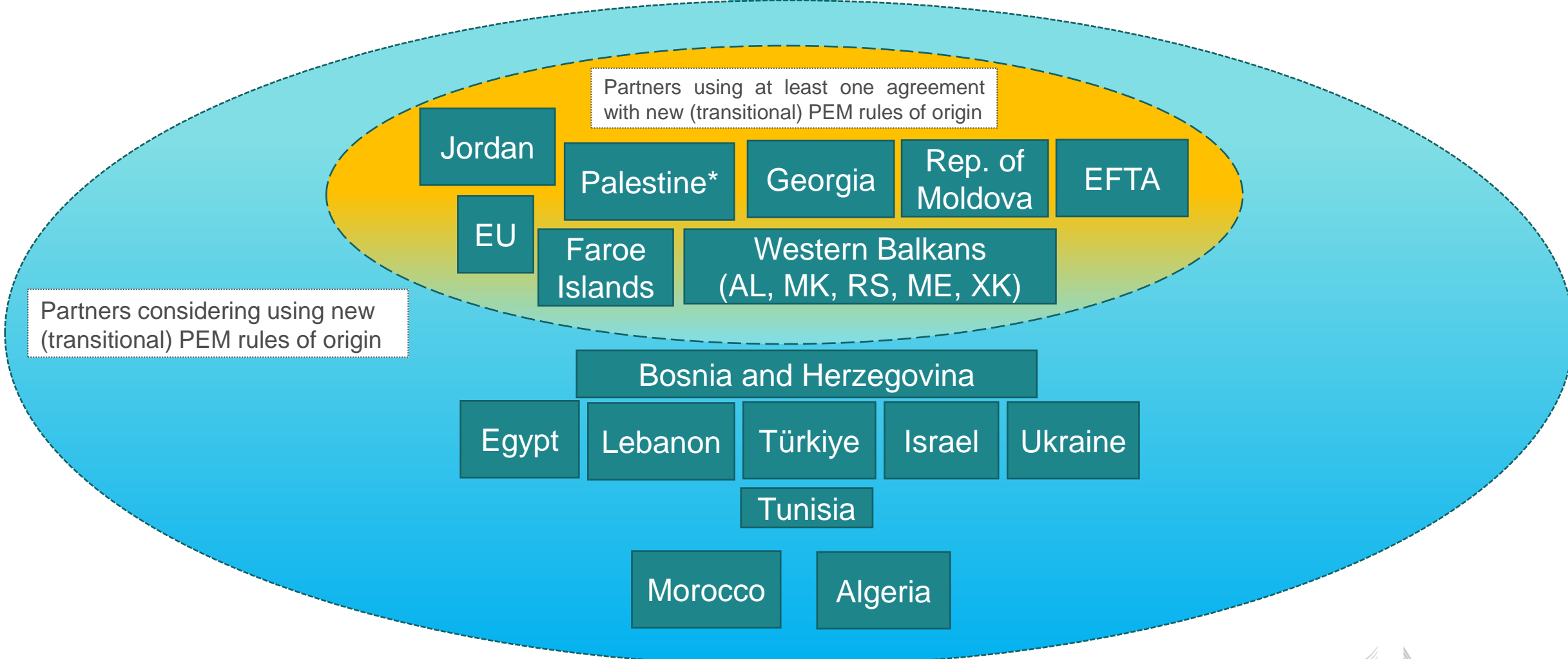
- ✓ General tolerance
- ✓ Duty drawback
- ✓ Cumulation



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

State of play – Implementation



*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)

Decisions of Joint bodies
-
Sets of Rules of origin

PEM CONVENTION

Area:
Contracting Parties
to the
PEM Convention

(or partners with
PEM model rules)

Application
in
parallel

TRANSITIONAL RULES OF ORIGIN

Area:
Applying
Contracting Parties

Permeability

Permeability: working with 2 sets of rules of origin

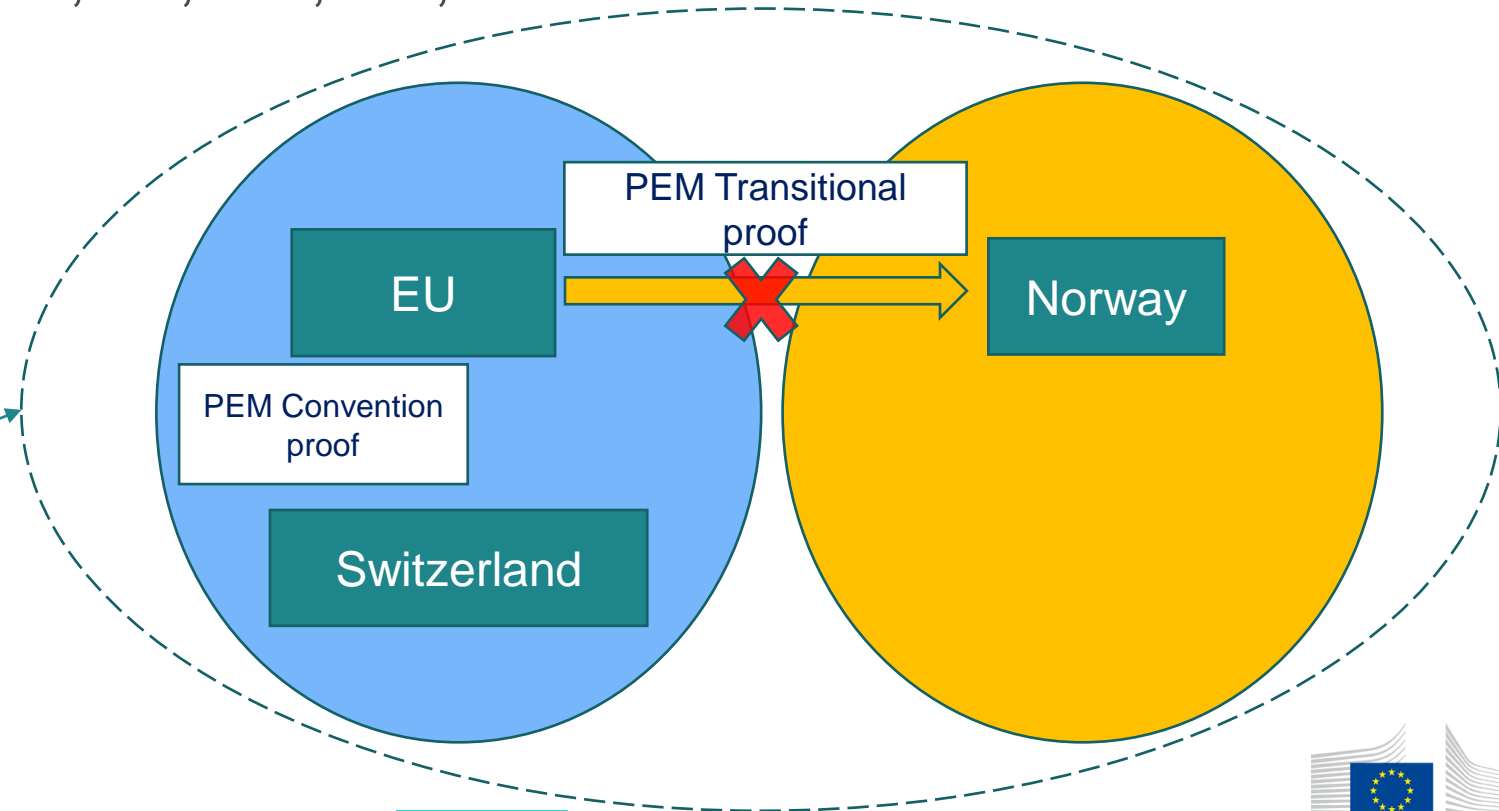


- Focus on the PEM partners using 2 sets of origin

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.

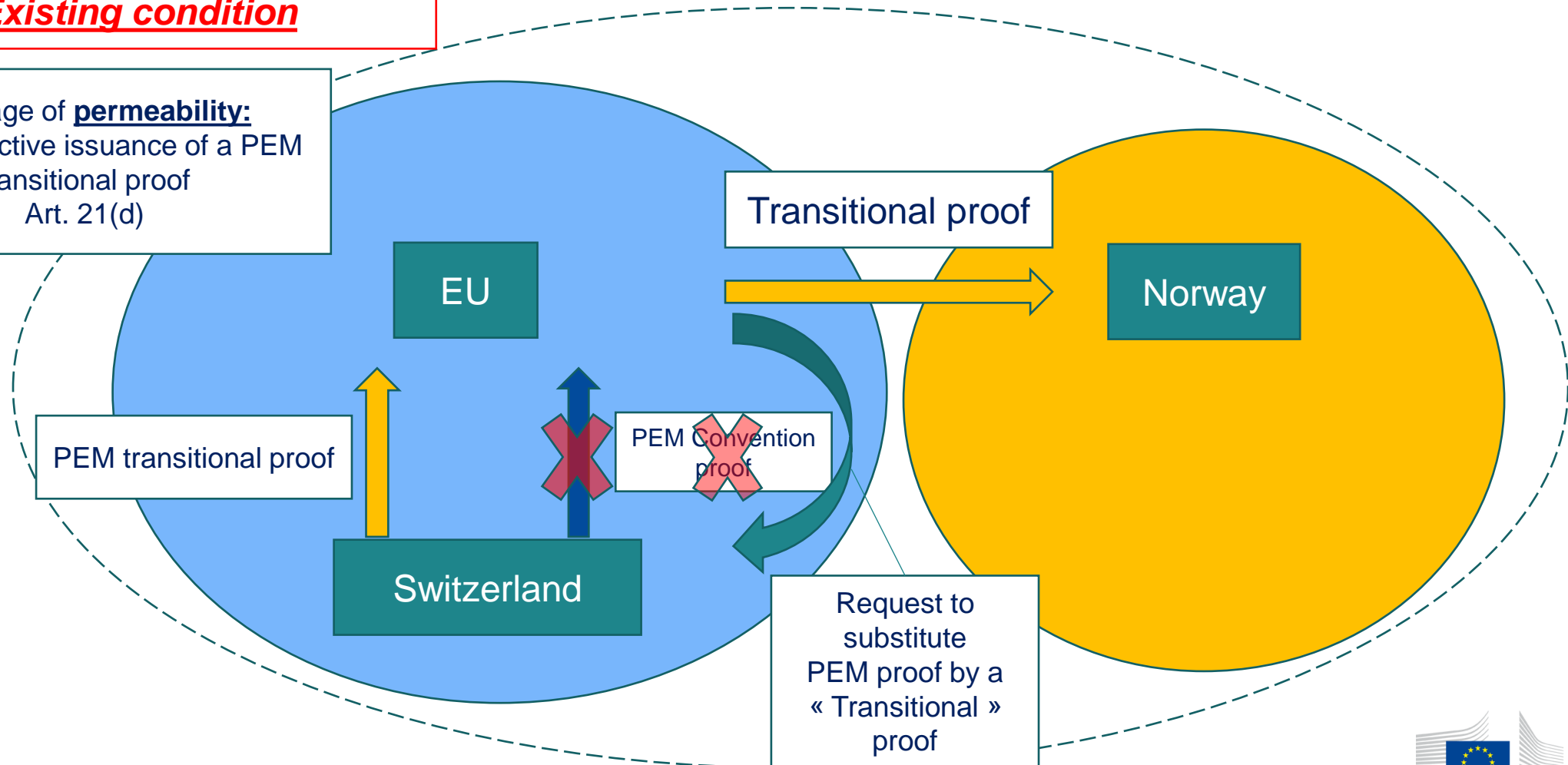


Permeability: working with 2 sets of rules of origin



Existing condition

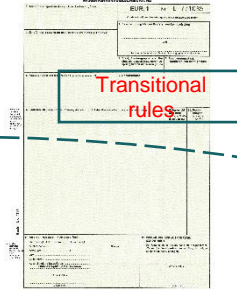
1st stage of **permeability**:
Restrospective issuance of a PEM
transitional proof
Art. 21(d)



Permeability: working with 2 sets of rules of origin

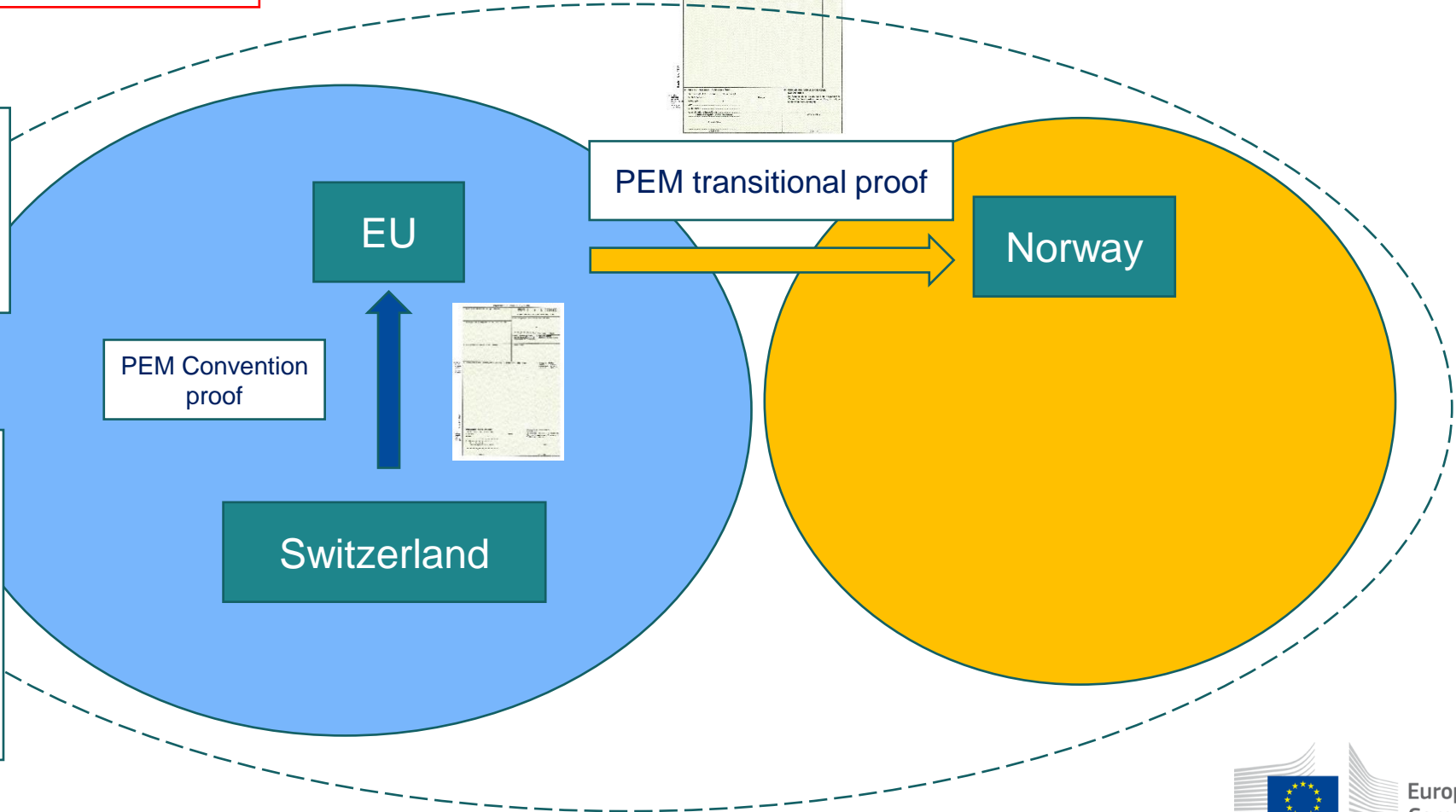


Request to introduce more flexibility



Permeability:
Equivalence of PEM proof
(under certain conditions)

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



Proof of origin



WARENVERKEHRSBESCHEINIGUNG

1. Ausführer/Exporteur (Name, vollständige Anschrift, Staat)		EUR. 1 Nr. L 771085	
Vor dem Ausfüllen Anmerkungen auf der Rückseite beachten			
2. Bescheinigung für den Präferenzverkehr zwischen			
und			
<small>(Angabe der öffentlichen Stelle, Steuerzonen oder Gebiete)</small>			
3. Empfänger (Name, vollständige Anschrift, Staat (Ausfuhrgebiet))		4. Staat, Staatsgruppe oder Gebiet, als dessen bzw. deren Ursprungswaren die Waren gelten	
		5. Bestimmungsstaat, -staatsgruppe oder -gebiete	
6. Angaben über die Beförderung (Ausfuhrgebiet)		7. Bemerkungen	
		TRANSITIONAL RULES	
8. Laufende Nr.; Zeichen, Nummern, Anzahl und Art der Packstücke (1); Warenbezeichnung		9. Rohgewicht (kg) oder andere Maße (l, m ³ , usw.)	10. Rachen- mengen (Ausfuhr- Folgebild)
11. SICHTVERMERK DER ZOLLBEHÖRDE Die Richtigkeit der Erklärung wird bescheinigt. Ausfuhrpapier (2) Ausfuhrort: Nr. vom Zollbehörde Ausfuhrortens Staat/Gebiet Bundesrepublik Deutschland (Ort und Datum) (Unterschrift)		12. ERKLÄRUNG DES AUSFÜHRERS/ EXPORTEURS Der Unterzeichner erklärt, dass die vorgenannten Waren die Voraussetzungen erfüllen, um diese Bescheinigung zu erlangen. (Ort und Datum) (Unterschrift)	

1) Es sollen
nicht
mehr als
zwei
Ziffern
oder
zwei
Buchstaben
angegeben.

Beschein.-Nr.: 10743

2) In der
Bundes-
republik
Deutschland
vom
Ausfuhr-
ort aus.

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](#)

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
AT	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

2020

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



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

© European Union 2020



Unless otherwise noted the reuse of this presentation is authorised under the [CC BY 4.0](https://creativecommons.org/licenses/by/4.0/) license. For any use or reproduction of elements that are not owned by the EU, permission may need to be sought directly from the respective right holders.