

7 October 2019

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(19-6447)

Committee on Rules of Origin

TWENTY FIFTH ANNUAL REVIEW OF THE IMPLEMENTATION AND OPERATION OF THE AGREEMENT ON RULES OF ORIGIN

NOTE BY THE SECRETARIAT¹

1 INTRODUCTION

1.1 This note was prepared by the Secretariat to assist Members in conducting the 25th Annual Review of the implementation and operation of the Agreement. The review is to be conducted under Article 6.1 of the Agreement on Rules of Origin which provides that: "the Committee shall review annually the implementation and operation of Parts II and III of this Agreement having regard to its objectives". The outcome of such a review will be incorporated to the Committee's Annual report to the Council for Trade in Goods on the implementation and operation of the Agreement on Rules of Origin.

2 MEMBERS AND OBSERVERS OF THE COMMITTEE ON RULES OF ORIGIN

2.1 Government representatives of all WTO Members and Observers are also Members and Observers to the CRO. In addition, the following international organizations also have observer status at the Committee on Rules of Origin (CRO): ACP, EFTA, IADB, IMF, OECD, UNCTAD, WCO and World Bank.

3 RULES OF PROCEDURE OF THE COMMITTEE ON RULES OF ORIGIN

3.1 The rules of procedure for meetings of the CRO were adopted by the Committee in February 1997 (G/L/149 and WT/L/161).

4 OFFICERS OF THE COMMITTEE ON RULES OF ORIGIN

4.1 Ms Uma MUNIANDY (Singapore) was elected Chairperson of the Committee in June 2019. She followed Mrs Thembekile MLANGENI (South Africa) as Chairperson of the Committee.

5 MEETINGS OF THE COMMITTEE ON RULES OF ORIGIN

5.1 The CRO held two formal meetings in 2019: on 15-16 May and on 17-18 October. The minutes of these meetings are contained in documents G/RO/M/72 and [G/RO/M/73] respectively. In addition, the Committee held informal meetings as well as several small-group and bilateral consultations on several matters, in particular on the proposal on enhancing transparency on non-preferential rules of origin (G/RO/W/182/Rev.1).

6 NOTIFICATIONS UNDER ARTICLE 5 (NON-PREFERENTIAL RULES OF ORIGIN)

6.1 Two new notifications under Article 5 of the Agreement were received in 2019. First, one concerning revised non-preferential rules of origin adopted by the Russian Federation in the context of the Euro-Asian Economic Union (G/RO/W/179). Second, the first notification from Ecuador

¹ This document has been prepared under the Secretariat's own responsibility and is without prejudice to the positions of Members or to their rights and obligations under the WTO.

informing Members that Ecuador does not apply non-preferential rules of origin nor non-preferential origin requirements.

6.2 Following these notifications, 50 WTO Members have notified the Secretariat that they apply non-preferential rules of origin (counting the EU and its member states as one). Sixty WTO Members have informed the Secretariat that they do not apply any non-preferential rules of origin. The remaining 27 WTO Members have not yet submitted any notification under Article 5. The full list of Members under each of these categories as well as the relevant information notified to the WTO Secretariat is listed in 3 tables in Annex 1 to this note. All notifications and the related legislation or references can, in addition, be accessed through the section "Notifications" of the Rules of Origin webpage of the WTO website (https://www.wto.org/english/tratop_e/roi_e.htm).

7 NOTIFICATIONS UNDER ANNEX II (PREFERENTIAL RULES OF ORIGIN)

7.1 As agreed by the Committee (G/RO/M/59), notifications made to the Committee on Regional Trade Agreements (CRTA) or to the Committee on Trade and Development (CTD) are deemed to discharge Members' notification obligations under the Agreement on Rules of Origin. The Committee therefore agreed that notifications which had initially been received by the CRTA or the CTD should be circulated by the Secretariat to the CRO. The information contained in such notifications, including information about preferential rules of origin, can be accessed through the WTO database of regional trade agreements (<u>http://rtais.wto.org</u>) and the WTO database of preferential trade agreements (<u>http://ptadb.wto.org</u>).

7.2 In addition, it should be noted that the Committee adopted a specific template for notifications of preferential rules of origin applied to least-developed countries in the context of non-reciprocal preferences (G/RO/84). All WTO preference-granting Members agreed to submit detailed information about their preferential rules of origin using the template. To date, 20 preference-granting Members submitted such notifications. These were circulated under the G/RO/LDC/N/ document series. A detailed overview of these notifications is available in document G/RO/W/163/Rev.6.

8 WORK OF THE COMMITTEE RELATED TO PARTS I, II AND III OF THE AGREEMENT

8.1. Part II of the Agreement relates to the multilateral disciplines which govern the application of non-preferential rules of origin by WTO Members during the "transitional period". This period refers to the time before the implementation of fully harmonized non-preferential rules of origin (Article 2). Since no harmonized non-preferential rules of origin have been adopted yet, these are the disciplines which currently apply to WTO Members.

8.2 As had been noted in the Committee's 2013 Annual Report to the CTG (G/L/1047), the implementation and operation of the Agreement is not satisfactory as the stalemate in the Harmonization Work Programme (HWP) compromises the attainment of the core objectives of the Agreement (i.e. the facilitation of global trade through the international harmonization of non-preferential rules of origin). The draft results of the HWP are contained in documents G/RO/W/111/Rev.6 (in HS96); JOB/RO/5/Rev.1 and JOB/RO/5/Rev.1/Corr.1 (rectified to reflect the 2002, 2007, and 2012 versions of the HS nomenclature).

8.3 In the period of this annual review, the Committee did not consider any item specifically related to the HWP.

8.4 Pending the continuation of the HWP, the Committee agreed, in 2015, to engage in an "educational exercise" to exchange information about non-preferential rules of origin and better understand the impact that existing rules have on international trade. No such information sessions were held in 2019. However, Members have engaged actively in a discussion about ways to enhance transparency of non-preferential rules of origin and non-preferential origin requirements. In particular, Members have been considering a proposal to adopt a template that would standardize and update notifications on non-preferential rules of origin and related requirements (G/RO/W/182/Rev.1).

9 AMENDMENTS, INTERPRETATIONS AND RECTIFICATIONS TO THE AGREEMENT

9.1 During the year under review the Committee has not dealt with any of these matters.

10 CONSULTATION AND DISPUTE SETTLEMENT

10.1. The Secretariat is not aware of any Member that has requested consultations under Article 7 of the Agreement on Rules of Origin. Similarly, there are currently no disputes with respect to the Agreement on Rules of Origin (Article 8 of the Agreement).

11 OTHER AREAS OF WORK OF THE CRO

11.1. In 2019, the CRO continued to work extensively on additional areas of work, namely preferential rules of origin applicable to LDCs under non-reciprocal preferential trade arrangements (PTA). This is a result of the implementation of the 2013 and 2015 Ministerial Decisions on preferential rules of origin for LDCs (WT/L/917 and WT/L/917/Add.1 respectively). According to the requirements of these Decisions, a separate report of recent developments in this area was prepared for the General Council (G/RO/W/188).

12 REPORT TO THE COUNCIL FOR TRADE IN GOODS

12.1. During its meeting on 17 and 18 October 2019, the CRO adopted its annual report to the CTG (G/RO/W/190).

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ANNEX 1

A. List of Members that have notified to the Secretariat that they apply non-preferential rules of origin¹

	Member	Document symbol	Date	Link to the legislation/ scanned copy of the legislation
1.	Afghanistan	G/RO/N/143	05.08.2016	http://customs.mof.gov.af/en
2.	Albania	G/RO/N/47	06.07.2005	Scanned copy available
		G/RO/N/53	18.09.2007	Scanned copy available
3.	Argentina	G/RO/N/2	22.06.1995	Scanned copy available
		G/RO/N/10	16.08.1996	Scanned copy available
		G/RO/N/16	05.03.1997	Scanned copy available
4.	Armenia	G/RO/N/41	21.08.2003	Scanned copy available
5.	Australia	G/RO/N/1	09.05.1995	n/a
		G/RO/N/1/Add.1	22.06.1995	Scanned copy available
6.	Brazil	G/RO/N/14	02.12.1996	Formerly notified of non-application of NPROO
		G/RO/N/78	16.04.2012	http://www.planalto.gov.br/ccivil 03/ Ato20 11-2014/2011/Lei/L12546.htm
7.	Burkina Faso	G/RO/N/19	23.01.1998	n/a
8.	Canada	G/RO/N/1	09.05.1995	n/a
-		G/RO/N/1/Add.1	22.06.1995	Scanned copy available
9.	China	G/RO/N/37	03.06.2002	n/a
		G/RO/N/37/Rev.1	02.08.2002	Scanned copy available
		G/RO/N/132	07.09.2015	Electronic copy available
10.	Colombia	G/RO/N/1	09.05.1995	n/a
		G/RO/N/1/Add.1	22.06.1995	Scanned copy available
		G/RO/N/172	05.07.2018	http://www.mincit.gov.co/loader.php?lServici
				o=Documentos&lFuncion=verPdf&id=5263&n
				ame=DECRETO 637 DEL 11 DE ABRIL DE _2018.pdf
11.	Cuba	G/RO/N/3	27.07.1995	Scanned copy available
		G/RO/N/125	13.01.2015	Scanned copy available
12.	European	G/RO/N/1	09.05.1995	n/a
	Union ²	G/RO/N/1/Add.1	22.06.1995	Scanned copy available
13.	Georgia	G/RO/N/37	03.06.2002	n/a
		G/RO/N/37 Rev.1	02.08.2002	Scanned copy available
14.	Hong Kong,	G/RO/N/1	09.05.1995	n/a
	China	G/RO/N/1/Add.1	22.06.1995	Scanned copy available
		G/RO/N/10	16.08.1996	Scanned copy available
		G/RO/N/24	15.01.1999	Scanned copy available
		G/RO/N/30	21.11.2000	n/a
		G/RO/N/37	03.06.2002	n/a
		G/RO/N/37 Rev.1	02.08.2002	Scanned copy available
		G/RO/N/46	15.02.2005	Scanned copy available
		G/RO/N/59	23.09.2008	Scanned copy available
		G/RO/N/67	02.12.2010	Scanned copy available
		G/RO/N/73	15.09.2011	Scanned copy available
		G/RO/N/86	01.10.2012	n/a
15.	Japan	G/RO/N/1	09.05.1995	n/a
L		G/RO/N/1/Add.1	22.06.1995	Scanned copy available
	Jordan	G/RO/N/30	21.11.2000	Scanned copy available
17.	Kazakhstan	G/RO/N/148	12.09.2016	Unofficial translation available
		G/RO/N/148/Rev.1	27.10.2016	Unofficial translation available
		G/RO/N/175	15.11.2018	http://www.eurasiancommission.org/en/act/t
				rade/dotp/prav_proish/Pages/default.aspx
18.	Kyrgyz	G/RO/N/177	28.11.2018	http://www.eurasiancommission.org/en/act/t
1	Republic			rade/dotp/prav_proish/Pages/default.aspx

 ¹ All documents notified to the Secretariat and the relevant Internet links are available for consultation through the "Notifications" section of the rules of origin page of the WTO website: <u>https://www.wto.org/english/tratop_e/roi_e/roi_e.htm</u>.
² All notifications received from countries prior to joining the EU do not appear in the table.

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	Member	Document symbol	Date	Link to the legislation/ scanned copy of the legislation
19.	Korea, Rep. of	G/RO/N/1	09.05.1995	n/a
	norea, nepr or	G/RO/N/1/Add.1	22.06.1995	Scanned copy available
		G/RO/N/63	18.09.2009	Scanned copy available
20.	Lao People's	G/RO/N/96	24.07.2013	Scanned copy available
	Dem. Rep.			.,
21.	Lesotho	G/RO/N/56	27.05.2008	n/a
22.	Liechtenstein	G/RO/N/60/Rev.1	08.04.2009	http://www.admin.ch/opc/fr/classified-
				compilation/19820160/index.html
				http://www.admin.ch/opc/fr/classified-
				compilation/20072514/index.html
				http://www.admin.ch/opc/fr/classified-
				compilation/20072515/index.html
	Madagascar	G/RO/N/11	10.09.1996	Scanned copy available
	Mexico	G/RO/N/12	01.10.1996	n/a
25.	Moldova, Rep.	G/RO/N/36	12.03.2002	Scanned copy available
	of	G/RO/N/110	14.02.2014	Scanned copy available
		G/RO/N/110/Add.1	10.10.2014	Scanned copy available
26.	Mongolia	G/RO/N/164	03.04.2018	http://www.customs.gov.mn/en/images/publ
				ishers/Customs law and Customs Tariff an
				<u>d Tax law.pdf</u>
				http://customs.gov.mn/2012-03-14-03-12-
				<u>51/2017-12-12-03-51-09</u>
27	Montonoaro	G/RO/N/126	20.02.2015	www.legalinfo.mn/law/details/208 Electronic copy available
	Montenegro Morocco	G/RO/N/126 G/RO/N/2	22.06.1995	n/a
	New Zealand	G/RO/N/1	09.05.1995	n/a
29.		G/RO/N/1/Add.1	22.06.1995	n/a
30	Niger	G/RO/N/1/Add.1	23.01.1998	n/a
	North	G/RO/N/45	09.11.2004	Scanned copy available
51.	Macedonia	G/RO/N/45	09.11.2004	Scallieu copy available
32	Norway	G/RO/N/8	05.03.1996	Scanned copy available
52.	Norway	G/RO/N/62	26.05.2009	Scanned copy available
		G/RO/N/149	22.09.2016	http://www.toll.no/PageFiles/4684/Regulatio
		0,100,10,115	2210512010	ns to the act on customs duties and mov
				ement of goods july2016.pdf
33.	Peru	G/RO/N/4	07.08.1995	Formerly notified of non-application of
				NPROO
		G/RO/N/5	01.11.1995	Scanned copy available
		G/RO/N/49	02.03.2007	Scanned copy available
		G/RO/N/50	10.05.2007	Scanned copy available
		G/RO/N/52	01.06.2007	Scanned copy available
		G/RO/N/77	12.03.2012	Scanned copy available
	Qatar	G/RO/N/25	13.04.1999	n/a
35.	Russian	G/RO/N/84	27.09.2012	
	Federation	G/RO/N/84/Corr.1	13.12.2012	Electronic and scanned copy available
		G/RO/N/179	22.01.2019	http://www.eurasiancommission.org/en/act/t
26	<u> </u>			rade/dotp/prav_proish/Pages/default.aspx
36.	Rwanda	G/RO/N/75	24.02.2012	http://www.comesa.int/attachments/article/
				28/COMESA Treaty.pdf
				http://www.eac.int/customs/index.php?optio
				<u>n=com_content&view=article&id=3:rules-of-</u>
27	Canadal		16.00.1006	origin&catid=3:key-documents
	Senegal Sovchollos	G/RO/N/10 G/RO/N/141	16.08.1996 02.05.2016	n/a Description of obligations available in the
50.	Seychelles	G/RU/N/141	02.03.2010	notification & scanned copy available
39	South Africa	G/RO/N/3	27.07.1995	Scanned copy available
	Suriname	G/RO/N/24	15.01.1999	Formerly notified of non-application of
	Carmanic		10.01.1999	NPROO
		G/RO/N/43	15.03.2004	Scanned copy available
41.	Switzerland	G/RO/N/4	07.08.1995	Scanned copy available
	-	G/RO/N/60	26.01.2009	http://www.admin.ch/ch/f/rs/c946_201.html
		G/RO/N/60/Rev.1	08.04.2009	http://www.admin.ch/ch/f/rs/c946_31.html
		. , , -, -		http://www.admin.ch/ch/f/rs/c946_311.html
		G/RO/N/37	03.06.2002	n/a
42.	Chinese Taipei	G/RU/N/S/	05.00.2002	n/a
	Chinese Taipei	G/RO/N/37 G/RO/N/37 Rev.1 G/RO/N/70	02.08.2002	Scanned copy available

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Member	Document symbol	Date	Link to the legislation/ scanned copy of the legislation
44. Tunisia	G/RO/N/7	12.02.1996	Scanned copy available
	G/RO/N/61	19.02.2009	Scanned copy available
45. Turkey	G/RO/N/8	05.03.1996	Scanned copy available
	G/RO/N/28	30.05.2000	Scanned copy available
46. Ukraine	G/RO/N/57	07.07.2008	n/a
	G/RO/N/81	10.08.2012	Scanned copy available
47. United States	G/RO/N/1	09.05.1995	n/a
	G/RO/N/1/Add.1	22.06.1995	Scanned copy available
	G/RO/N/6	19.12.1995	Scanned copy available
	G/RO/N/12	01.10.1996	n/a
48. Venezuela,	G/RO/N/1	09.05.1995	Formerly notified of non-application of
Bolivarian Rep.	G/RO/N/1/Add.1	22.06.1995	NPROO
of			Formerly notified of non-application of NPROO
	G/RO/N/10	16.08.1996	Scanned copy available
	G/RO/N/14	02.12.1996	Scanned copy available
49. Yemen	G/RO/N/140	08.04.2016	Original available
50. Zimbabwe	G/RO/N/80	18.07.2012	Scanned copy available

B. List of Members that have notified to the Secretariat that they do <u>NOT</u> apply nonpreferential rules of origin

	Member	Document Symbol	Date
1.	Angola	G/RO/N/176	27.11.2018
2.	Belize	G/RO/N/147	01.09.2016
3.	Benin	G/RO/N/150	10.11.2016
4.	Bolivia, Plurinational State of	G/RO/N/9	19.04.1996
5.	Brunei Darussalam	G/RO/N/5	01.11.1995
6.	Burundi	G/RO/N/33	02.05.2001
7.	Cameroon	G/RO/N/99	22.08.2013
8.	Chad	G/RO/N/22	16.09.1998
9.	Chile	G/RO/N/6	19.12.1995
	Congo	G/RO/N/118	18.09.2014
	Costa Rica	G/RO/N/1	09.05.1995
		G/RO/N/1/Add.1	22.06.1995
12.	Côte d'Ivoire	G/NO/N/117	25.08.2014
	Dominica	G/RO/N/24	15.01.1999
14.	Dominican Republic	G/RO/N/9	19.04.1996
	Ecuador	G/RO/N/180	18.03.2019
16.	El Salvador	G/RO/N/10	16.08.1996
	Eswatini	G/RO/N/128	24.04.2015
	Fili	G/RO/N/17	10.04.1997
19.	The Gambia	G/RO/N/109	31.01.2014
	Ghana	G/RO/N/44	06.05.2004
	Guatemala	G/RO/N/21	20.07.1998
22.	Guyana	G/RO/N/42	10.12.2003
	,	G/RO/N/42/Rev.1	12.09.2016
23.	Haiti	G/RO/N/20/	14.05.1998
		G/RO/N/20/Rev.1	27.07 1998
24.	Honduras	G/RO/N/3	27.07.1995
25.	Iceland	G/RO/N/5	01.11.1995
26.	India	G/RO/N/1	09.05.1995
		G/RO/N/1/Add.1	22.06.1995
27.	Indonesia	G/RO/N/16	05.03.1997
28.	Israel	G/RO/N/13	19.11.1996
		G/RO/N/163	15.02.2018
29.	Jamaica	G/RO/N/4	07.08.1995
30.	Kenya	G/RO/N/9	19.04.1996
31.	Kuwait, the State of	G/RO/N/100	19.09.2013
32.	Liberia	G/RO/N/173	05.07.2018
33.	Macao, China	G/RO/N/21	20.07.1998
	Malawi	G/RO/N/129	04.06.2015
35.	Malaysia	G/RO/N/6	19.12.1995
	Maldives	G/RO/N/22	16.09.1998

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Member	Decument Symbol	Date
	Document Symbol	
37. Mali	G/RO/N/116	11.07.2014
20 M 11	G/RO/N/146	12.09.2016
38. Mauritius	G/RO/N/1	09.05.1995
	G/RO/N/1/Add.1	22.06.1995
39. Mongolia	G/RO/N/20/	14.05.1998
	G/RO/N/20/Rev.1	27.07 1998
40. Myanmar	G/RO/N/151	23.05.2017
41. Namibia	G/RO/N/26	02.09.1999
42. Nepal	G/RO/N/165	03.04.2018
43. Nicaragua	G/RO/N/10	16.08.1996
44. Oman	G/RO/N/32	30.04.2001
45. Pakistan	G/RO/N/16	05.03.1997
46. Panama	G/RO/N/23	05.10.1998
47. Papua New Guinea	G/RO/N/32	30.04.2001
48. Paraguay	G/RO/N/21	20.07.1998
49. Philippines	G/RO/N/6	19.12.1995
50. Samoa	G/RO/N/97	02.08.2013
51. Saudi Arabia, Kingdom of	G/RO/N/48	08.11.2006
52. Singapore	G/RO/N/3	27.07.1995
53. Sri Lanka	G/RO/N/178	28.11.2018
54. Thailand	G/RO/N/1	09.05.1995
	G/RO/N/1/Add.1	22.06.1995
55. Trinidad and Tobago	G/RO/N/7	12.02.1996
56. Uganda	G/RO/N/13	19.01.1996
57. United Arab Emirates	G/RO/N/13	19.11.1996
	G/RO/N/17	10.04.1997
58. Uruguay	G/RO/N/12	01.10.1996
59. Viet Nam	G/RO/N/68	22.02.2011
	G/RO/N/79	01.06.2012
60. Zambia	G/RO/N/142	17.06.2016

C. Members that have not yet submitted a notification under Article 5 of the Agreement on Rules of Origin

1.	Antigua and Barbuda	11.	Egypt	22.	Sierra Leone
2.	Bahrain, Kingdom of	12.	Gabon	23.	Solomon Islands
3.	Bangladesh	13.	Grenada	24.	Tajikistan
4.	Barbados	14.	Guinea	25.	Tanzania
5.	Botswana	15.	Guinea Bissau	26.	Tonga
6.	Cabo Verde	16.	Mauritania	27.	Vanuatu
7.	Cambodia	17.	Mozambique		
8.	Central African Rep.	18.	Nigeria		
9.	Democratic Rep. of the	19.	Saint Kitts and Nevis		
	Congo	20.	Saint Lucia		
10.	Djibouti	21.	Saint Vincent and the		
	-		Grenadines		