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Committee on Rules of Origin

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**NOTIFICATION OF PREFERENTIAL RULES OF ORIGIN FOR
LEAST DEVELOPED COUNTRIES**

CHINA

The following communication, dated 6 July 2017, is being circulated at the request of the delegation of China.

Paragraph 4.3 of the 2015 Ministerial Decision on preferential rules of origin for least developed countries (WT/L/917/Add.1) requires preference-granting Members to notify preferential rules of origin as per the established procedures¹. In addition, as mandated by the Ministerial Decision, the Committee on Rules of Origin agreed, at its meeting of 2 March 2017, to a template for such notifications (G/RO/84).

Following such requirements, the following notification has been received from: China.

A. BASIC INFORMATION

1)	Notifying member	China
2)	Date of entering into force of Rules of origin and any substantive modification thereof	1 April 2017 (for the revised rules of origin and related procedures)
3)	Date of expiration of Rules of origin if applicable	N/A.
4)	Title of the preferential scheme for which legislation on Rules of origin is applicable	Special Preference Treatment to imports from LDCs.
5)	Authority(ies) granting the preferential treatment	Tariff Commission of the State Council.
6)	National authorities in charge of Rules of origin administration	The General Administration of Customs of China.

¹ The relevant notification requirements are contained in Paragraph 2(d) of Annex 1 of the Transparency Mechanism for Preferential Trade Arrangements (WT/L/806) and in Paragraph 4 of Annex II of the Agreement on Rules of Origin.

B. INFORMATION ON RULES OF ORIGIN**I. BENEFICIARIES**

1)	List of Beneficiaries	Bangladesh; Niger; Somalia; Ethiopia; Benin; Burundi; Eritrea; Djibouti; Congo; Guinea; Guinea-Bissau; Comoros; Liberia; Madagascar; Mali; Malawi; Mauritania; Mozambique; Sierra Leone; Sudan; The Republic of South Sudan; Tanzania; Togo; Uganda; Zambia; Lesotho; Chad; The Central African Republic; Afghanistan; Nepal; Timor-Leste; Yemen; Vanuatu; Equatorial Guinea; Angola; Senegal; Myanmar; and Cambodia.
2)	Eligibility	Decree of the General Administration of Customs of the People's Republic of China No. 231.

II. CRITERIA FOR DETERMINING SUBSTANTIAL TRANSFORMATION

1) General criteria, if applicable for all products		
	(a) Definition of wholly obtained products	<p>The following goods shall be considered as wholly obtained or produced entirely in a beneficiary country:</p> <ul style="list-style-type: none"> (a) live animals born and raised in a beneficiary country; (b) goods obtained in a beneficiary country from the animals specified in sub-paragraph (a) above; (c) plants and plant products harvested, picked or collected in a beneficiary country; (d) goods obtained by hunting, aquaculture, trapping or fishing in a beneficiary country; (e) fish, shellfish and other marine life taken from the high seas by vessels registered or recorded in a beneficiary country and entitled to fly the flag of that country; (f) goods obtained from the processing of goods listed in sub-paragraph (e) above on board factory ships registered or recorded in a beneficiary country and entitled to fly the flag of that country; (g) minerals and other naturally occurring substances extracted in the beneficiary country or goods, exclusive of fish, shellfish and other marine life, taken or extracted from the waters, seabed or subsoil beneath the seabed outside the territorial waters of a beneficiary country, provided that the beneficiary country has the right to exploit such waters, seabed or subsoil beneath the seabed. (h) used goods collected in a beneficiary country which are consumed in that country and fit only for the recovery of raw materials; (i) waste and scrap derived from processing or manufacturing operations in a beneficiary country and fit only for the recovery of raw materials; (j) goods obtained through processing in a beneficiary country exclusively from goods referred to in sub-paragraphs (a) to (i) above.
	(b) Describe the criteria for not-wholly produced products	<p>The determining criteria for "substantial transformation" shall be "Regional Value Content" (RVC) or "Change in Tariff Classification" (CTC). Whereas the goods listed in the "Product Specific Rules" (PSR) are not subject to the said criteria.</p> <p>The criterion of RVC means that the regional value content of goods, expressed as a percentage, is no less than 40%.</p> <p>The criterion of Change in Tariff Classification means that the heading of all non-originating materials used in the production or manufacture of goods in the territory of beneficiary country is different from that of the goods.</p>
	(c) Insert the formula for calculating <i>ad valorem</i> percentage	<p>The Regional Value Content shall be calculated as follows:</p> $RVC = \frac{V - VNM}{V} \times 100\%$ <p>V is the transaction value of the goods adjusted on a F.O.B.</p>

		<p>basis in accordance with Customs Valuation Agreement.</p> <p>VNM is the value of the non-originating materials. VNM shall be the cost of importation, the freight and insurance for transportation to the destination port or place, including the value of materials of undetermined origin. When the producer of goods acquires non-originating materials in the territory of the beneficiary country, the transaction value of such materials, in accordance with Customs Valuation Agreement, shall not include freight, insurance, packing costs and any other costs incurred in transporting the materials from the supplier's warehouse to the producer's location.</p>
2)	Product specific rules of origin, where applicable	The PSR is to be otherwise promulgated after the negotiation between the General Administration of Customs of China and the delegates of the group of the least developed countries.
	(a) Insert the link where the complete list of product specific rules of origin can be found.	
	(b) Insert the formula for calculating <i>ad valorem</i> percentage, when applied for product specific rule	
3)	Definition of non-originating material and originating material, if any	<p>"Originating goods" or "Originating Materials" means goods or materials which qualify as originating in accordance with the provisions of the rules of origin in this regulation.</p> <p>"Non-Originating goods" or "Non-Originating Materials" means goods or materials which do not qualify as originating in accordance with the provisions of the rules of origin in this regulation, including materials of undetermined origin.</p>
4)	List of insufficient working process, if any	<p>Goods shall not be considered as originating goods, only be reason of undergoing one or more of the following operations or processes, without any other operations or processes:</p> <ul style="list-style-type: none"> (a) operations or processes to ensure preservation of goods in good condition for the purpose of transport or storage; (b) simple assembly of parts of articles to constitute a complete article or disassembly of products into parts; (c) changing package, unpacking or combining package (d) washing, cleansing, removal of dust, oxide, oil, paint or other cover; (e) ironing or pressing of textiles or textile products (f) simple painting or polishing; (g) husking, partial or total bleaching, polishing, and glazing of cereals and rice; (h) operations to colour sugar, to add flavour, or to form sugar lumps; partial or total powdering crystallized sugar; (i) peeling and removal of stones and shells from fruits, nuts and vegetables; (j) sharpening, simple grinding or simple cutting; (k) sifting, screening, sorting, classifying, grading, matching (including combining set goods), rip cutting, curving, winding, unfolding; (l) simple placing in bottles, cans, flasks, bags, cases, boxes; fixing on cards or boards; and all other simple packaging operations; (m) affixing or printing marks, labels, logos, and other like distinguishing signs on products or their packaging; (n) simple mixing of products, whether or not of different kinds; mixing sugar with other materials; (o) testing or calibrating; (p) mere dilution with water or other substances, which does not materially alter the characteristics of the goods; (q) drying, salting (or keeping in brine), refrigeration or freezing; (r) slaughter of animals; (s) combination of two or more operations specified in sub-paragraphs (a) through (r).

5)	Rules for application of cumulation and related procedures if any	<p>Goods or materials originating in China used in the production of another good in a beneficiary country shall be considered as originating goods or materials of that beneficiary country.</p> <p>When a beneficiary country is a member state of a regional group, originating materials of any other beneficiary countries of the regional group used in the production of another good in this beneficiary country shall be considered as originating goods or materials of this beneficiary country. The list of regional groups is part of this regulation and to be otherwise promulgated by the General Administration of Customs of China.</p> <p>For implementation of the paragraph 2, GACC has published an announcement (No. 11, 2017) which lists the list of the groups. There are 2 groups fulfil the above requirements, one is ASEAN including 2 LDCs, Myanmar and Cambodia, the second one is ECWAS including 7 LDCs, Guinea-Bissau, Benin, Sierra Leone, Togo, Mali, Liberia and Senegal.</p>
6)	Any other information that member deems necessary	N/A.

III. DOCUMENTARY REQUIREMENTS

1) Certificate of origin and other proofs of origin		
	(a) Requirement for certificate of origin and/or any other proof of origin, if any	<p>The Certificate of Origin shall:</p> <ol style="list-style-type: none"> 1. be issued by the bodies authorized by the beneficiary country before exportation, at the time of exportation or within 5 days after exportation of the goods; 2. be completed in English; 3. contain security features, such as stamps of issuing bodies conforming to the specimen notified by the beneficiary country to China Customs; 4. contain a unique certificate number; 5. state the basis on which the goods are deemed to qualify as originating goods; 6. be valid for 1 year from the date of issuance; 7. be signed or stamped by customs or related port competent authorities of the beneficiary country in column 15 at the time of exportation. 8. cover one or more goods under one consignment. <p>The Declaration of Origin shall:</p> <ol style="list-style-type: none"> 1. be completed in Chinese; 2. be printed, then completed and correctly signed by importer; 3. be valid for 1 year from the date of issuance; 4. cover one or more goods under one consignment.
	(b) Authority to be designated for issuance of certificate of origin	Issued by the bodies authorized by the beneficiary country.
	(c) Prescribed form of Certificate of origin and/or any other proof of origin	See Annexes 1 and 2.
	(d) Any other procedures applied for certificate of origin and/or any other proof of origin, if any	<p>The importers may submit a Declaration of Origin to customs to claim the goods under the ruling to be applicable to the Special Preference Treatment, provided that:</p> <ol style="list-style-type: none"> 1. upon the request of importer, China Customs has made an ruling, which determined the origin of the imported goods to be a beneficiary country; and 2. the ruling is in a valid state, and the facts and situations, based on which the ruling was made do not change.

2) Direct shipment		
	(a) Rules applicable for direct shipment, if any	<p>Direct consignment in the regulation means that the originating goods are transported directly from the beneficiary country to ports of entry in China without going into any other countries or regions other than China or the beneficiary country.</p> <p>Originating goods of the beneficiary country which are transported to China through other countries or regions, with or without trans-shipment or temporary storage shall be determined as direct consignment, provided that the following requirements are satisfied at the same time:</p> <ol style="list-style-type: none"> 1. the goods do not enter into trade or consumption there; 2. the goods do not undergo any operation there other than unloading, reloading or any other operations required to keep them in good condition; 3. the goods shall be subject to the control of customs or related government competent authorities in such countries or regions; 4. the goods which enter other countries or regions shall stay no longer than 6 months.
	(b) Documentary requirement for proof of direct shipment including when the transport of consignment involves transit through one or more intermediate countries, if any	<ol style="list-style-type: none"> 1. A valid Certificate of Origin. If Customs has received the electronic data information of a Certificate of Origin of a beneficiary country via electronic data exchange system, it is not compulsory for importers to submit a Certificate of Origin for goods of that beneficiary country. For advance ruling goods, importers may submit a Declaration of Origin rather than a Certificate of Origin; 2. Commercial invoice of the goods; 3. Transport documents covered the whole route from the beneficiary country to ports of entry in China; 4. For goods transported into the territory of China through other countries or regions, importers shall submit certified documents issued by customs of that country or region or other documents accepted by China customs. Those certified documents mentioned above are not compulsory when customs has obtained electronic data information of certified documents via related electronic data system for transshipment. <p>If the transport documents are determined by China customs to be sufficient to fulfil the requirement of the Direct Consignment, importers are not required to submit certified documents.</p> <p>Supporting documents required when the transport of consignment involves transit:</p> <ul style="list-style-type: none"> - Customs Announcement No. 57, promulgated in 2015; and - Customs Announcement No. 52, promulgated in 2016.

IV. VERIFICATION AND PENALTIES

1)	Procedure for verification of proofs of origin	<p>Article 18, Customs Decree No. 231</p> <p>Whereas suspicion arises as to the authenticity or the originating status of related goods, the General Administration of Customs of China or its authorized offices may initiate a request for verification either by themselves or through the Economic and Commercial Counsellor's Office of the Embassy of China in the beneficiary country, to the competent department or authorized issuing bodies, who shall collaborate by responding to China Customs within 180 days from the date such a request is received.</p> <p>Whereas doubt arises about the information of the Declaration of Origin, customs may initiate a request for verification on the importer, who produced the Declaration of Origin. The importer, who is obliged to be verified, shall collaborate by responding to China Customs with a written reply within 180 days from the date such a request is received.</p>
2)	Penalties for fraud and false declarations	
3)	Authorities and procedures for appeal in the case of dispute on verification	
4)	Requirement for preserving the documents related to issuance of certificate of origin	
5)	Any other relevant information	

V. REFERENCE TEXTS

(a)	The legislative texts in one of the official WTO languages containing the preferential rules of origin applicable under a PTA granted under the Decision on Measures in Favour of Least-Developed Countries (Annex F of the Hong Kong Ministerial Declaration)	http://www.customs.gov.cn/publish/portal0/tab515/info841489.htm
(b)	The full text of the administrative regulations concerning modalities for issuance, acceptance, retrospective issuance and replacement of certificates of origin or any equivalent declarations to be made, including any requirements related to stamps to be used along with notification of stamps	
(c)	The full text and related administrative regulations of the modalities for the proof of movement of the consignment of the goods from the beneficiary countries to preference-giving countries including transit through third countries	
(d)	The full texts of the modalities of the verification procedures and related penalties	

ANNEX 1

ORIGINAL

1. Exporter's name and address :				Certificate No.: CERTIFICATE OF ORIGIN Form for the Special Preference Treatment (Combination of Declaration and Certificate of Origin) Issued in _____ (see Overleaf Instruction)		
2. Producer's name and address:						
3. Consignee's name and address:						
4. Means of transport and route Departure Date: Vessel/Flight/Train/Vehicle No.: Port of loading: Port of discharge:				Official use only:		
				5. Remarks:		
6. Item number	7. Marks and packages NO.	8. Number and kind of packages; description of goods	9. HS code(Six-digit code)	10. Origin criterion	11. Net weight, quantity (Quantity Unit) or other measures (litres, m ³ , etc.)	12. Number, date and value of invoice
13. Declaration by the Exporter: The undersigned hereby declares that the above details and statements are correct, that all the goods were produced in (country) and that they comply with the origin requirements specified in the Special Preference Treatment for the goods exported to China. Place and date, signature of authorized signatory			14. Certification: On the basis of control carried out, it is hereby certified that the declaration the exporter made is authentic. Place and date, stamp of authorized body		15. Verification of Customs or Port Competent Department: It is certified that the goods declaring export are the same as described on the Certificate. Place and date, stamp or signature of the Customs or Port Competent Department of export country	

Overleaf Instruction

Certificate No.: Serial number of Certificate of Origin assigned by the authorized issuing body.

- Box 1: State the full legal name and address (including country) of the exporter in a beneficiary country.
- Box 2: State the full legal name and address (including country) of the producer in a beneficiary country. If goods from more than one producer are included in the certificate, list the additional producers, including their full legal name and address (including country). If the exporter or the producer wishes to maintain this information as confidential, it is acceptable to state "AVAILABLE UPON REQUEST." If the producer and the exporter are the same, please complete field with "SAME."
- Box 3: State the full legal name and address of the consignee in the customs territory of China.
- Box 4: Complete the means of transport and route and specify the departure date, transport vehicle No., port of loading, and port of discharge.
- Box 5: State the order number, number of LC or other information.
- Box 6: State the item number, 50 is the maximum.
- Box 7: State the shipping marks and numbers on packages.
- Box 8: The name of goods and the number and kind of packages shall be specified. If the goods are not packed, state "IN BULK". In the end of the description of goods, add "****" or "\".
- Box 9: Identify the HS tariff classification to six-digit corresponding to the goods.
- Box 10: If the goods satisfy the requirement of the Rules of Origin, the exporter shall indicate in Box 10 the origin criteria on the basis of which he claims that his goods qualify for the Special Preference Treatment, in the manner shown in the following table:

origin criteria	to be filled in box 10
The goods are wholly obtained or produced in the territory of the beneficiary country as set out and defined in Article 4.	WO
The goods are produced used entirely by the originating materials in the territory of the beneficiary country.	WP
When the goods are subject to RVC criteria, RVC40% or CTH.	CTH or RVC40%
When the goods are subject to a requirement stipulated in PSR, the specified criteria shall be indicated.	Criterion as specified in PSR.

- Box 11: Net weight shall be shown in kilograms here. Quantity shall be shown in quantity unit. Volume may be filled in the unit of litres or m³.
- Box 12: Invoice number, date of invoices and invoiced value shall be shown here.
- Box 13: The field shall be completed, signed and dated by the exporter of the beneficiary country.
- Box 14: The field shall be completed with place, issuing date and stamped by the officer of the issuing body.
- Box 15: The field shall be completed with place, issuing date by the officer of the customs or port competent authority in the beneficiary country. Meanwhile, the field shall be stamped or signed by the officers said above.

In case where there is not enough space on the first page of a Certificate of Origin for multiple lines of goods, additional pages can be used. The Certificate number will be the same as that shown on the first page. Box 6 to box 15 shall be presented in the additional pages, together with the stamp of issuing body and the stamp or signature of the customs or the port competent authority.

Certificate No.

6. Item number	7. Marks and packages NO.	8. Number and kind of packages; description of goods	9. HS code (Six-digit code)	10. Origin criterion	11. Net weight, quantity (Quantity Unit) or other measures (litres, m ³ , etc.)	12. Number, date and value of invoice
13. Declaration by the Exporter: The undersigned hereby declares that the above details and statements are correct, that all the goods were produced in (country) and that they comply with the origin requirements specified in the Special Preference Treatment for the goods exported to China. Place and date, signature of authorized signatory		14. Certification: On the basis of control carried out, it is hereby certified that the declaration the exporter made is authentic. Place and date, stamp of authorized body			15. Verification of Customs or Port Competent Department: It is certified that the goods declaring export are the same as described on the Certificate. Place and date, stamp or signature of the Customs or Port Competent Department of export country	

ANNEX 2

原产地声明

谨代表

_____ (工整填写进口人名称和地址)

本人特此声明下述货物的原产地为_____ (具体受惠国名称)

符合《中华人民共和国海关最不发达国家特别优惠关税待遇
进口货物原产地管理办法》关于货物原产地的相关规定
本人对本声明内容的真实性承担法律责任

商品 项号	商品描述	HS编码 (6位)	发票 (编号和日期)	预裁定 (预确定) 编号	原产地 标准

签名 : _____

日期 : _____

注意事项 : 本声明必须工整填写 , 并作为一份独立文件与商业发票一并提交

English translation for reference only:

DECLARATION OF ORIGIN

I _____

(print name, position and address)

being the IMPORTER hereby declare that the goods described below are originating from

(the name of the Beneficiary Country)

in that they comply with the rules of origin requirements of the DUTY-FREE TREATMENT granted by China.

I am legally responsible for the truthfulness and authenticity of what is declared above.

Item No.	Description of goods	Harmonised system code six (6) digits	Number and date of invoice	Reference number of Advance ruling	Origin-conferring criteria

Signed: _____

Date: _____

Note: This declaration shall be printed and presented as a separate document accompanying the commercial invoice. The maximum number of items covered by this declaration should not exceed 50.
