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Committee on Rules of Origin

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

UNITED KINGDOM

The following communication, dated 5 February 2021, is being circulated at the request of the delegation of the United Kingdom.

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 revised notification has been received from: the United Kingdom.

A. BASIC INFORMATION

1)	Notifying member	United Kingdom of Great Britain and Northern Ireland
2)	Date of entering into force of Rules of origin and any substantive modification thereof	<p>23:00 GMT 31 December 2020</p> <p>The UK provides for specific rules of origin for Least Developed Countries within the framework of its Generalised Scheme of Preferences (GSP), namely under the least developed countries framework (LDCF). The Trade Preference Scheme (EU Exit) Regulations 2020 establish the GSP.</p> <p>The Customs (Origin of Chargeable Goods: Trade Preference Scheme) (EU Exit) Regulations 2020 contains the rules concerning how the origin of goods is determined and the rules concerning the cumulation of origin, as well as the table of operations which constitute an important stage of manufacture.</p> <p>The Customs (Origin of Chargeable Goods: Trade Preference Scheme) (EU Exit) Regulations 2020</p> <p>The procedural rules, i.e. the rules concerning issue or making out of proofs of origin are specified in a notice ("Proof of Origin Notice") available on the website at https://www.gov.uk/government/publications/notices-to-be-made-under-the-customs-origin-of-chargeable-goods-trade-preference-scheme-eu-exit-regulations-2020.</p>

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.

		The conditions on beneficiary countries with respect to verification of proofs of origin are specified in the Customs co-operation requirements for the UK Generalised Scheme of Preferences notice "Customs Cooperation Notice" available on the website at https://www.gov.uk/government/publications/uk-generalised-scheme-of-preferences-customs-co-operation-requirements/customs-co-operation-requirements-for-the-uk-generalised-scheme-of-preferences
3)	Date of expiration of Rules of origin if applicable	Not Applicable. The applicable rules for LDCs are not limited in time.
4)	Title of the preferential scheme for which legislation on Rules of origin is applicable	Generalised Scheme of Preferences which consists of a least developed countries framework (LDCF).
5)	Authority(ies) granting the preferential treatment	Her Majesty's Treasury Her Majesty's Revenue and Customs (HMRC) Department for International Trade
6)	National authorities in charge of Rules of origin administration	Her Majesty's Revenue and Customs (HMRC) Department for International Trade

B. INFORMATION ON RULES OF ORIGIN

I. BENEFICIARIES

1)	List of Beneficiaries	47 least developed countries listed in Part 2 of Schedule 3 to the Taxation (Cross-border Trade) Act 2018 https://www.legislation.gov.uk/ukpga/2018/22/schedule/3
2)	Eligibility	See regulation 6 of the Trade Preference Scheme (EU Exit) Regulations 2020. The Trade Preference Scheme (EU Exit) Regulations 2020.

II. CRITERIA FOR DETERMINING SUBSTANTIAL TRANSFORMATION

This information is laid down in The Customs (Origin of Chargeable Goods: Trade Preference Scheme) (EU Exit) Regulations 2020. The references to regulations and schedules given below concern these Regulations. [The Customs \(Origin of Chargeable Goods: Trade Preference Scheme\) \(EU Exit\) Regulations 2020](#)

1) General criteria, if applicable for all products		The general criteria are set out in regulation 3.
	(a) Definition of wholly obtained products	See regulation 6.
	(b) Describe the criteria for not-wholly produced products	See regulation 3(b) and regulation 7.
	(c) Insert the formula for calculating <i>ad valorem</i> percentage	See regulation 8. The rules are expressed as a maximum percentage of non-originating materials in the ex-works price of the good.
2) Product specific rules of origin where applicable:		
	(a) Insert the link where the complete list of product specific rules of origin can be found.	The rules specific to goods are set out in Schedule 1.
	(b) Insert the formula for calculating <i>ad valorem</i> percentage, when applied for product specific rule	See regulation 8.

3)	Definition of non-originating material and originating material, if any	Non-originating material and originating material are defined in regulation 2. The conditions for goods to be regarded as originating from a beneficiary country are set out in regulation 3.
4)	List of insufficient working process, if any	See regulation 7(2).
5)	Rules for application of cumulation and related procedures if any	<p>See regulations 15 to 18.</p> <p>The UK GSP provides for the following types of cumulation:</p> <ul style="list-style-type: none"> – Bilateral cumulation: cumulation with materials originating from the British Islands (the UK, the Bailiwick of Jersey, the Bailiwick of Guernsey, the Isle of Man) and British Overseas Territories (except Gibraltar and the Sovereign Base Areas of Akrotiri and Dhekelia), the EU, Norway or Switzerland. – Intra-regional cumulation: cumulation with materials originating from another beneficiary country of the same regional group. The GSP rules of origin define two regional cumulation groups in Schedule 3. – Inter-regional cumulation between Group 1 and Group 2 is possible subject to certain conditions. – Extended cumulation: cumulation with materials originating from a country with which the UK has a preferential trade agreement subject to certain conditions. <p>Under cumulation, the materials originating from the UK or another qualifying country only have to undergo an important stage of manufacture in the last beneficiary country for the final good to be regarded as originating from the beneficiary country.</p>
6)	Any other information that member deems necessary	N/A.

III. DOCUMENTARY REQUIREMENTS

This information is specified in the below public notices:

- Proof of Origin Notice: <https://www.gov.uk/government/publications/notices-to-be-made-under-the-customs-origin-of-chargeable-goods-trade-preference-scheme-eu-exit-regulations-2020>
- Customs Cooperation Notice: <https://www.gov.uk/government/publications/uk-generalised-scheme-of-preferences-customs-co-operation-requirements>

1) Certificate of origin and other proofs of origin		
	(a) Requirement for certificate of origin of origin, if any and/or any other proof	<p>The procedure for making out an origin declaration is set out in the Proof of Origin Notice. An origin declaration must take the form of either:</p> <ul style="list-style-type: none"> – a GSP certificate Form A; or – a statement on origin
	(b) Authority to be designated for issuance of certificate of origin	Not applicable. The exporter completes the GSP certificate Form A or the statement on origin
	(c) Prescribed form of Certificate of origin and/or any other proof of origin	<p>The form of the certificate of origin Form A is set out on the webpage: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/940371/Certificate_of_origin_-_FORM_A.pdf</p> <p>The text of an invoice declaration is specified in Annex B of the Proof of Origin Notice: https://www.gov.uk/government/publications/notices-to-be-made-under-the-customs-origin-of-chargeable-goods-trade-preference-scheme-eu-exit-regulations-2020</p>

	(d) Any other procedures applied for certificate of origin and/or any other proof of origin, if any	N/A.
2) Direct Shipment		
	(a) Rules applicable for direct shipment, if any	Non-manipulation rule, see regulation 20 of The Customs (Origin of Chargeable Goods: Trade Preference Scheme) (EU Exit) Regulations 2020. The Customs (Origin of Chargeable Goods: Trade Preference Scheme) (EU Exit) Regulations 2020 Storage and splitting of consignments in a country of transit is possible under certain conditions.
	(b) Documentary requirement for proof of direct shipment including when the transport of consignment involves transit through one or more intermediate countries, if any	See regulation 20(4). The Customs (Origin of Chargeable Goods: Trade Preference Scheme) (EU Exit) Regulations 2020

IV. VERIFICATION AND PENALTIES

This information is specified in the below public notices:

- Proof of Origin Notice: <https://www.gov.uk/government/publications/notices-to-be-made-under-the-customs-origin-of-chargeable-goods-trade-preference-scheme-eu-exit-regulations-2020>
- Customs Cooperation Notice: <https://www.gov.uk/government/publications/uk-generalised-scheme-of-preferences-customs-co-operation-requirements>

1)	Procedure for verification of proofs of origin	The Customs Cooperation Notice sets out the rules concerning subsequent verification of a GSP certificate Form A or a statement on origin
2)	Penalties for fraud and false declarations	See the Customs Cooperation Notice and regulation 20(1) and 21(2)(g) of the Trade Preference Scheme (EU Exit) Regulations 2020 concerning the suspension of GSP preferences in cases of serious and systematic failures in relation to customs cooperation. Also see Section 170 of the Customs and Excise Management Act 1979 https://www.legislation.gov.uk/ukpga/1979/2/section/170 .
3)	Authorities and procedures for appeal in the case of dispute on verification	The decision of HMRC on the originating status of the goods prevails over the opinion given by the competent authorities in the exporting beneficiary country. A person concerned can appeal against a customs decision in the UK. Guidance on the right of appeal can be found Gov.UK and in the below 'HMRC1' leaflet. https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/877291/HMRC1.pdf
4)	Requirement for preserving the documents related to issuance of certificate of origin	The appropriate documents must be kept for at least 3 years from the end of the year in which the origin declaration was made out. See the "Record Keeping Requirements" section of the Customs Cooperation Notice.
5)	Any other relevant information	N/A.

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)	As indicated in the relevant sections above, the full legislative texts and their respective internet links are as follows: The Customs (Origin of Chargeable Goods: Trade Preference Scheme) (EU Exit) Regulations 2020 contain the rules concerning the meaning of the concept of originating goods, the rules concerning the cumulation of origin and specific conditions concerning the possible derogations. The Customs (Origin of Chargeable Goods: Trade Preference Scheme) (EU Exit) Regulations 2020
(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	The Proof of Origin Notice sets out procedural rules, i.e. the rules concerning issue or making out of proofs of origin. https://www.gov.uk/government/publications/notices-to-be-made-under-the-customs-origin-of-chargeable-goods-trade-preference-scheme-eu-exit-regulations-2020 The Customs Cooperation Notice sets out the rules on customs cooperation and verification of proofs of origin. https://www.gov.uk/government/publications/uk-generalised-scheme-of-preferences-customs-co-operation-requirements
(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	Specific arrangements may apply in Northern Ireland including by virtue of the Protocol on Ireland/Northern Ireland. The full text of the Protocol on Ireland/Northern Ireland can be accessed via: https://www.gov.uk/government/publications/new-withdrawal-agreement-and-political-declaration
(d)	The full texts of the modalities of the verification procedures and related penalties	Further details on the operation of the Protocol on Ireland/Northern Ireland can be found at: https://www.gov.uk/government/publications/the-northern-ireland-protocol .