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Committee on Rules of Origin

Original: English

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

UNITED KINGDOM

Revision

The following communication, dated 3 October 2023, 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
2)	Date of entering into force of rules of origin	<p>The Developing Countries Trading Scheme (DCTS) entered into force on 19 June 2023.</p> <p>The Trade Preferences Scheme (Developing Countries Trading Scheme) Regulations 2023 http://www.legislation.gov.uk/id/uksi/2023/561 establish the Developing Countries Trading Scheme.</p> <p>The Customs (Origin of Chargeable Goods: Developing Countries Trading Scheme) Regulations 2023 (legislation.gov.uk) 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. This legislation provides for specific rules of origin for Least Developed Countries (LDCs) within the Comprehensive Preferences framework.</p> <p>These Regulations revoke, respectively, the Trade Preference Scheme (EU Exit) Regulations 2020 (S.I. 2020/1438) and the Customs (Origin of Chargeable Goods: Trade Preference Scheme) (EU Exit) Regulations (S.I. 2020/1436).</p>
3)	Date of expiry of rules of origin (DCTS):	Not Applicable. The applicable rules are not limited in time.

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.

4)	Title of the preferential scheme for which legislation on rules of origin is applicable	Developing Countries Trading Scheme
5)	Authority(ies) granting the beneficial treatment:	Secretary of State for Business and Trade. Link: The Trade Preference Scheme (Developing Countries Trading Scheme) Regulations 2023 (legislation.gov.uk)
6)	National authorities in charge of rules of origin administration:	His Majesty's Revenue and Customs (HMRC), Tariff Preference Team, 3 rd Floor, 7 & 8 Wellington Place, Leeds, LS1 4AP dutyliability.policy@hmrc.gov.uk DCTSenquiries@fcdof.gov.uk

B. INFORMATION ON RULES OF ORIGIN

I. BENEFICIARIES

This information is laid down in the Trade Preferences Scheme (Developing Countries Trading Scheme) Regulations 2023 [The Trade Preference Scheme \(Developing Countries Trading Scheme\) Regulations 2023 \(legislation.gov.uk\)](#). The references to regulations and schedules in this section concern these regulations.

1) List of Beneficiaries and eligibility:	See: https://www.gov.uk/guidance/preference-tiers-under-the-developing-countries-trading-scheme#find-out-your-country-preference-tier
2) Eligibility:	As above see: https://www.gov.uk/guidance/preference-tiers-under-the-developing-countries-trading-scheme#find-out-your-country-preference-tier

II. CRITERIA FOR DETERMINING SUBSTANTIAL TRANSFORMATION

This information is laid down in [The Customs \(Origin of Chargeable Goods: Developing Countries Trading Scheme\) Regulations 2023 \(legislation.gov.uk\)](#). The references to regulations and schedules in this section concern these regulations.

1) General criteria, if applicable, for all products		General criteria are set out in Regulation 4
(a)	Definition of wholly obtained products	See Regulation 7
(b)	Describe the criteria for not-wholly produced products	See Regulation 4(c) as well as Regulation 8.
(c)	Insert the formula for calculating ad valorem percentage	See Regulation 10. 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.	A list of product specific rules can be found in Part 2 (least developed countries) and Part 3 (other qualifying DCTS countries) of Schedule 1. Product specific rules can also be found at this link: Check your goods meet the Developing Countries Trading Scheme rules of origin - GOV.UK (www.gov.uk)
(b)	Insert the formula for calculating ad valorem percentage, when applied for product specific rules.	See Regulation 10. The rules are expressed as a maximum percentage of non-originating materials in the ex-works price of the good. The ex-works price is defined in Regulation 2. Freight and insurance costs are excluded from the cost of production.
3) Definition of non-originating material and originating material, if any		See Regulation 2 for a definition.

	<p>Goods listed in Columns 1 and 2 of the tables in Part 2 and Part 3 of Schedule 1 are to be regarded as originating from a qualifying DCTS country if:</p> <ul style="list-style-type: none"> - Regulation 4 (c) where the goods are obtained in two or more countries or territories, that qualifying DCTS country is the last country or territory in which processing of the goods which constitutes an important stage of manufacture has taken place in accordance with Regulation 8.
4) List of insufficient working process, if any	See Regulation 8
5) Rules for application for cumulation and related procedures if any	<p>See Regulations 17- 21</p> <p>The DCTS 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 Balliwick of Jersey, the Balliwick 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. Bilateral cumulation does not apply to goods listed in Chapters 1 to 24 that originate from Norway or Switzerland. - Intra-regional cumulation: cumulation with materials originating from another beneficiary country of the same regional group. The DCTS rules of origin define two regional groups in Schedule 3. Goods originating from a UK FTA partner in the same regional group as a cumulating DCTS country are subject to additional conditions. - 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. - Extended cumulation for Least Developed Countries: cumulation with materials originating from a qualifying DCTS country and a territory listed in Schedule 4 (Economic Partnership Agreements) 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	Not applicable

III. DOCUMENTARY REQUIREMENTS

This information is specified in the below public notices:

- Proof of Origin Notice: [Notices made under The Customs \(Origin of Chargeable Goods: Developing Countries Trading Scheme\) Regulations 2023 - GOV.UK \(www.gov.uk\)](#)
- Customs Cooperation Notice: [UK Developing Countries Trading Scheme: customs co-operation requirements - GOV.UK \(www.gov.uk\)](#)

1) Certificate of origin and other proofs of origin	
(a) Requirement for certificate of origin, if any and/or any other proof	See Section 4 of Notices made under The Customs (Origin of Chargeable Goods: Developing Countries Trading Scheme) Regulations 2023 - GOV.UK (www.gov.uk)

	(b) Authority to be designated for issuance of certificate of origin	Not applicable as the DCTS does not require the proof of origin to be endorsed by the customs authority of the exporting country.
	(c) Prescribed form of certificate of origin and/or any other proof of origin	See Annexes A and B of Notices made under The Customs (Origin of Chargeable Goods: Developing Countries Trading Scheme) Regulations 2023 - GOV.UK (www.gov.uk) . Link to Form A - Generalized System of Preferences - Certificate of Origin (publishing.service.gov.uk)
	(d) Any other procedures applied for certificate of origin and/or any other proof of origin, if any	See Section 5 of Notices made under The Customs (Origin of Chargeable Goods: Developing Countries Trading Scheme) Regulations 2023 - GOV.UK (www.gov.uk) which sets out the conditions for issuing a proof of origin.
2) Direct shipment		
	(a) Rules applicable for direct shipment, if any	While there are no direct shipment rules, there are non-manipulation requirements set out in Regulation 24 of The Customs (Origin of Chargeable Goods: Developing Countries Trading Scheme) Regulations 2023 (legislation.gov.uk)
	(b) Documentary requirement for proof of direct shipment including when the transport of consignment involves transit through one or more intermediate countries, if any	Not Applicable

IV. VERIFICATION AND PENALTIES

This information is specified in the below public notices:

- Proof of Origin Notice: [Notices made under The Customs \(Origin of Chargeable Goods: Developing Countries Trading Scheme\) Regulations 2023 - GOV.UK \(www.gov.uk\)](#)
- Customs Cooperation Notice: [UK Developing Countries Trading Scheme: customs co-operation requirements - GOV.UK \(www.gov.uk\)](#)

1)	Procedure for verification of proofs of origin	Section 5 of Notices made under The Customs (Origin of Chargeable Goods: Developing Countries Trading Scheme) Regulations 2023 - GOV.UK (www.gov.uk) sets out the requirement for a proof of origin to claim preferential tariff treatment. The scheme requires that the proofs of origin, an Origin declaration and a Form A (does not need to be an original or stamped by the customs authority of the exporting country), are completed by the exporter or producer in the beneficiary country.
2)	Penalties for fraud and false declarations	Regulation 16 of the Trade Preferences Scheme (Developing Countries Trading Scheme) Regulations 2023 http://www.legislation.gov.uk/id/uksi/2023/561 provides that the UK government may specify customs cooperation and verification of proof of origin conditions for qualifying DCTS countries in a published notice. Serious and systematic failures to comply with conditions of such a notice may result in suspension of a country or the suspension or variation of the DCTS rate. The penalties for fraud and false declarations can be found in section 4 of Customs: schedule of contraventions from 1 January 2021 - GOV.UK (www.gov.uk) 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	<p>Tariff Preference Team, email address: tariffpreference@hmrc.gov.uk</p> <p>His Majesty's Revenue and Customs (HMRC), Tariff Preference Team, 3rd Floor, 7 & 8 Wellington Place, Leeds, LS1 4AP</p> <p>Details are published in Notices made under The Customs (Origin of Chargeable Goods: Developing Countries Trading Scheme) Regulations 2023 - GOV.UK (www.gov.uk)</p> <p>The Appeals process is published in Regulation 33 of the Finance Act 2003: Finance Act 2003 (legislation.gov.uk)</p>
4)	Requirement for preserving the documents related to issuance of certificate of origin	See section 5: Notices made under The Customs (Origin of Chargeable Goods: Developing Countries Trading Scheme) Regulations 2023 - GOV.UK (www.gov.uk)
5)	Any other relevant information	Not applicable

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)	<p>As indicated in the relevant sections above, the full legislative texts and their respective internet links are as follows:</p> <p>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.</p> <p>The Customs (Origin of Chargeable Goods: Trade Preference Scheme) (EU Exit) Regulations 2020</p>
(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	<p>The Proof of Origin Notice sets out procedural rules, i.e. the rules concerning issue or making out of proofs of origin.</p> <p>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> <p>The Customs Cooperation Notice sets out the rules on customs cooperation and verification of proofs of origin.</p> <p>https://www.gov.uk/government/publications/uk-generalised-scheme-of-preferences-customs-co-operation-requirements</p>
(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	<p>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:</p> <p>https://www.gov.uk/government/publications/new-withdrawal-agreement-and-political-declaration</p>
(d)	The full texts of the modalities of the verification procedures and related penalties	<p>Further details on the operation of the Protocol on Ireland/Northern Ireland can be found at:</p> <p>https://www.gov.uk/government/publications/the-northern-ireland-protocol.</p>