



30 June 2017

(17-3544)

Page: 1/7

Committee on Rules of Origin

Original: English

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

NORWAY

The following communication, dated 29 June 2017, is being circulated at the request of the delegation of the Norway.

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: Norway.

A. BASIC INFORMATION

1)	Notifying member	Norway.
2)	Date of entering into force of Rules of origin and any substantive modification thereof	1971 - 1999 - 2009 - 2017 http://www.toll.no/en/corporate/import/free-trade/gsp---generalized-system-of-preference/.
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	GSP - Generalized System of Preference.
5)	Authority(ies) granting the preferential treatment	Norwegian Customs - postmottak@toll.no Tel.: +47 22 86 03 00.
6)	National authorities in charge of Rules of origin administration	Directorate of Norwegian Customs - postmottak@toll.no Tel.: +47 22 86 03 00.

B. INFORMATION ON RULES OF ORIGIN

I. BENEFICIARIES

1)	List of Beneficiaries	The list of beneficiaries are available at: http://www.toll.no/en/corporate/import/free-trade/gsp---generalized-system-of-preference/countries-that-are-a-part-of-the-norwegian-gsp-system/.
----	------------------------------	---

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.

2)	Eligibility	The eligibility criteria can be found at: http://www.toll.no/en/corporate/import/free-trade/gsp---generalized-system-of-preference/countries-that-are-a-part-of-the-norwegian-gsp-system/ .
----	--------------------	--

II. CRITERIA FOR DETERMINING SUBSTANTIAL TRANSFORMATION

1) General criteria, if applicable for all products		
	(a) Definition of wholly obtained products	The products which are considered to be "wholly obtained" in an GSP-country are mainly products from agriculture, hunting and fishing, mineral products extracted from the soil or seabed of the country concerned and products from sea fishing etc. The products are defined in the Customs Regulations § 8-4-32.
	(b) Describe the criteria for not-wholly produced products	<p>As a main rule, a product is considered to be sufficiently worked or processed when all the non-originating materials used in the production in the GSP-country concerned are classified in a HS tariff heading (first four digits) different from the tariff heading of the product to be exported. The input materials have changed position in the HS, and hence their tariff classification.</p> <p>However, if the product obtained is referred to in columns 1 and 2 of the "List of working and processing operations," (product-specific rules or "list-rules"), the specific rules laid down for the individual product in the list shall apply when determining the level of processing instead of the general rule of change in tariff classification. A product mentioned here is thus considered as being sufficiently worked or processed when all the conditions laid down for the product concerned in column(s) 3 and/or 4 are fulfilled. The list of processing operations also includes a set of Introductory Notes.</p> <p>There are however exceptions to the main rule. These are outlined below.</p> <p>Exception I: the tolerance rule</p> <p>From the main requirements outlined above, i.e. change in tariff classification and terms laid down in processing operations, exceptions are made for small quantities of non-originating materials for which the value does not exceed 10% (or 15 %) of the ex-works price of the product.</p> <p>Please note: the tolerance rule does not apply however for textile products of HS-chapters 50-63. Also, the rule is not applicable in such a manner that a maximum limitation of the value of non-originating materials allowed, as laid down for a product in the list of product-specific rules, is exceeded.</p> <p>Exception II: insufficient working or processing</p> <p>A number of simple operations, referred to as "minimal operations," are considered to be insufficient working or processing. A product which has been subjected to only one or more of these insufficient processes will not – single or added together – obtain originating status even if it satisfies the change of tariff classification rule or any percentage rule for the product in the List of product-specific rules.</p> <p>Exception III: cumulation</p> <p>Cumulation of origin allows an exporter in a GSP-country to make use of materials with originating status imported from another GSP-approved country in a production process, contrary to the main requirements regarding change in tariff classification or possible "list rules" outlined above.</p> <p>In the Norwegian GSP-scheme, the four following types of cumulation are provided for:</p> <ul style="list-style-type: none"> • Regional cumulation • Bilateral cumulation • Diagonal cumulation • LDC cumulation

		<p>Regional cumulation</p> <p>This refers to the possibility of cumulation of origin between developing countries forming regional economic groups. This provision makes it possible for a GSP-country to cumulate with originating materials from another country within the same regional economic group.</p> <p>As of October 2012, regional cumulation is implemented for the ASEAN economic group, allowing cumulation of origin between Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam. Regional cumulation is also implemented for the SAARC economic group, allowing cumulation between Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka.</p> <p>Please note: a precondition for the use of regional cumulation that is that the trade in such materials between the countries concerned is governed by rules of origin identical to those laid down in the Norwegian GSP-scheme. Further, it is a requirement that GSP-countries wishing to benefit from such regional cumulation have been authorised by the Norwegian authorities in advance.</p> <p>LDC cumulation</p> <p>This refers to the possibility of cumulation of origin between LDCs. This provision makes it possible for a LDC to cumulate with originating materials from another LDC. A LDC in ASEAN or SAARC cannot combine regional and LDC cumulation for a dispatchment.</p> <p>Qualifying units</p> <p>When considering the originating status of a product, each product unit must be assessed individually. Concerning a shipment of goods, the rules of origin requirements must be fulfilled for each individual product. It is thus not allowed to consider the whole shipment as a single unit, except in cases where the HS nomenclature classifies a group, set or an assembly of products as one unit under a single tariff heading.</p> <ul style="list-style-type: none"> • Packing materials, which are included together with the product for classification purposes, shall be included (as in cases of other materials and parts) when determining the originating status of a product. • Accessories, spare parts and tools, constituting standard equipment dispatched with the product and included in the price, shall form an integral part of the product concerned (the main product). • Sets, as defined in the General Interpretative Rules of the HS-nomenclature, are considered to be originating in a GSP-country if all the components of the set are originating products. Alternatively, a set is also considered as originating in a GSP-country if the value of all non-originating materials (components) used do not exceed 15% of the ex-works price of the set. • "Neutral elements", such as energy, fuel, machinery and tools, used during the production, or materials/ingredients which are not entering or incorporated in the final product and which are not intended to be so, shall not be taken into consideration when assessing the originating status of a product.
	(c) Insert the formula for calculating <i>ad valorem</i> percentage	N/A
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.	http://www.toll.no/contentassets/b24f017ca1ba4a239753302278450112/processlist.pdf

	<p>(b) Insert the formula for calculating <i>ad valorem</i> percentage, when applied for product specific rule</p>	<p>Formula for calculating <i>ad valorem</i> percentage when applied for product specific rule indicates the maximum percentage of non-original material (VNM) allowed in relation to the ex-works price of a product:</p> $\text{VNM \%} = \frac{\text{VNM}}{\text{ex-works price}} \times 100$ <p>VNM shall be determined on the basis of the customs value (CIF) at the time of importation of the non-original materials. If such value is unknown or cannot be ascertained, the first ascertainable price paid or payable for the materials shall be applied.</p>
3)	<p>Definition of non-originating material and originating material, if any</p>	<p>The list describes the working or processing required to be carried out on non-originating materials in order that the product manufactured can obtain origin status. The first two columns in the list describe the product obtained. The working or processing required by a rule in column 3 needs to be carried out only in relation to the non-originating materials used.</p>
4)	<p>List of insufficient working process, if any</p>	<p>A number of simple operations, referred to as "minimal operations," are considered to be insufficient working or processing. A product which has been subjected to only one or more of these insufficient processes will not – single or added together – obtain originating status even if it satisfies the change of tariff classification rule or any percentage rule for the product in the List of product-specific rules.</p>
5)	<p>Rules for application of cumulation and related procedures if any</p>	<p>1) Bilateral cumulation makes it possible to use, without restrictions, Norwegian originating materials and input-products in the production process in a GSP-country, in the same manner as materials from the GSP-country itself, when the finished product is exported to Norway. This means, in practical terms, that the materials used in the production in a GSP-country having "originating status" from the GSP-country concerned or from Norway, may be used without restrictions with regards to production criteria that may apply for the finished product or any specific requirements laid down for the product in the List of product-specific rules.</p> <p>2) Please note: when making use of Norwegian materials in the production in a GSP-country for cumulation purposes, originating status must be documented by a statement of origin issued by the Norwegian exporter in question in order to obtain preferential treatment.</p> <p>Diagonal cumulation</p> <p>Diagonal cumulation (with the European Union and Switzerland) makes it possible to use materials and input-products originating in Norway, the European Union or Switzerland in addition to the GSP-country itself, in goods produced in a GSP-country, when the final product is exported to either Norway, the European Union or Switzerland. As with bilateral cumulation, restrictions with regards to production criteria that may apply for finished products or any specific requirements laid down for the product in the List of product-specific rules do not apply. The final product may be exported as a GSP-originating product to Norway, the European Union or Switzerland.</p> <p>Please note: all commodities classified under chapters 1-24 in the HS nomenclature are excluded from this cumulation arrangement. As with bilateral cumulation, originating status must be documented by a statement of origin issued by the Norwegian exporter in question in order to obtain preferential treatment.</p>
6)	<p>Any other information that member deems necessary</p>	<p>N/A</p>

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	The requirement for certificate of origin is in the process of being replaced by the REX-system. For detailed information about the REX system, see the link below: http://www.toll.no/en/corporate/import/free-trade/gsp---generalized-system-of-preference/the-registered-exporter-system-the-rex-system-/
(b) Authority to be designated for issuance of certificate of origin	For beneficiary countries that have not joined the REX system, government authorities have been designated for issuance of certificates of origin until 30 June 2020. After that date only the REX self-certification system will be accepted as proof of origin.
(c) Prescribed form of Certificate of origin and/or any other proof of origin	Form A.
(d) Any other procedures applied for certificate of origin and/or any other proof of origin, if any	A statement on origin given by the producer/exporter on the invoice or any other commercial document if the value of the originating goods does not exceed NOK 60,000.
2) Direct shipment	
(a) Rules applicable for direct shipment, if any	As a rule, goods shall be transported directly from the GSP-country in question to Norway upon request by an identified Norwegian importer (a Norwegian consignee). However, goods may be transported through one or more other countries on the condition that they have remained under customs surveillance during transit or storage. They must not undergo other operations than those designed to keep them from deterioration. Further, when shipping GSP-products through the European Community or Switzerland, re-exportation of GSP-products, either as a whole or split consignment, is also allowed. As such, in order to save transport costs, whole shipments may be shipped from a GSP-country to a central store in the European Community for later distribution to other consignees in Europe.
(b) Documentary requirement for proof of direct shipment including when the transport of consignment involves transit through one or more intermediate countries, if any	In case of splitting of consignments, a replacement proof of origin is required.

IV. VERIFICATION AND PENALTIES

1) Procedure for verification of proofs of origin	Customs Regulation Section 8-5-13 (1) The customs authorities may make it a condition for preferential tariff treatment that the competent authorities of the country of export verify that the product covered by the proof of origin is an originating product and that the proof of origin is genuine. (2) If the customs authorities have not received a reply to their enquiry to the competent authorities of the country of export within six months or the reply does not contain sufficient information to determine the product's origin or that the proof of origin is genuine, a new enquiry shall be sent. If a reply to the new enquiry has not been received within four months, preferential tariff treatment will not be granted unless the customs authorities do not find cause to doubt the origin. (3) While awaiting the verification results pursuant to sub-section (2), the customs authorities may postpone the decision to permit preferential tariff treatment if there are
--	--

		indications that the conditions for preferential tariff treatment have not been met. If the customs authorities decide to postpone, they shall, upon specific conditions if the conditions in the regulation are in place, offer to place the product at the free disposal of the importer.
2)	Penalties for fraud and false declarations	<p>a. Customs Act Section 16-5 Any person who makes an incorrect statement or gives incorrect information, or who presents incorrect or misleading identification documents, or who in any other manner attempts to mislead the customs authorities is liable to penalties.</p> <p>b. Customs Regulation Section 16-10 Additional customs duty - Section 16-10-1 Assessment of additional customs duty</p> <p>(1) Additional customs duty is assessed after a concrete overall assessment in which account is taken of the degree of culpability, the size of the evasion and other circumstances. The basis for the assessment is the customs duty that the perpetrator has evaded, or has attempted to evade, on the goods to which the customs duty violation relates.</p> <p>(2) As a rule additional customs duty shall range from 0 to a maximum of 30% in the case of negligent violations and from 30 to a maximum of 60% in the case of grossly negligent or wilful violations.</p> <p>c. Customs Act Section 16-17 Violation Fines The customs authorities may impose administrative violation fines against any person who violates obligations pursuant to Sections 3-1 to 3-7, 4-1, 4-10 to 4-12, 4-20 to 4-25 and 4-30.</p>
3)	Authorities and procedures for appeal in the case of dispute on verification	A first appeal shall be submitted to the Customs House making the first determination. A second appeal may be submitted to the Directorate of Norwegian Customs.
4)	Requirement for preserving the documents related to issuance of certificate of origin	The requirement for preservation of documents related to issuance of proof of origin is minimum three years.
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)	<p>1. The legislative text of the Norwegian preferential rules of origin for the Least-Developed Countries is available and may be downloaded from:</p> <p>(a) Customs Act http://www.toll.no/contentassets/71f70c1b980a45b8b57098ded3069fd9/act_on_customs_duties_and_movement_of_goods_jan2017.pdf.</p> <p>(b) Customs Regulation http://www.toll.no/contentassets/eb096d765fd3460c9415b6a3d158aec1/regulations_to_the_act_on_customs_duties_and_movement_of_goods_april17.pdf</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>2. The full text of the administrative regulations concerning rules of origin for the Least-Developed Countries is available and may be downloaded from: http://www.toll.no/en/corporate/import/free-trade/gsp---generalized-system-of-preference/</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	<p>3. The details of the preferential rules of origin for Least-Developed Countries are available and may be downloaded from: http://www.toll.no/en/corporate/import/free-trade/this-is-how-you-obtain-preferential-treatment/.</p>

	countries including transit through third countries	
(d)	The full texts of the modalities of the verification procedures and related penalties	
