RULES OF ORIGIN

Note by the Secretariat

I. Introduction

1. At its thirteenth meeting, held on 30-31 October 1980, the Group agreed that the secretariat should prepare a factual note on rules of origin currently applied in international trade, as a basis for further discussion of the need for future work on this subject (CG.18/13, paragraph 39).

2. The present note provides a brief description of the concept and main criteria of rules of origin which form part of trade agreements and arrangements where it is essential to establish the preferential (or non-preferential) origin of goods. The Annex to the note contains a brief description of the origin rules in existence in the context of a number of preferential arrangements, of the Commonwealth Preferences and the Generalized System of Preferences (GSP). Only very limited information is presently available in the secretariat on purely national rules of origin introduced for administrative or trade policy purposes, e.g. for the administration of m.f.n. rules, for the establishment of external trade statistics etc.

II. Relevant GATT provisions

3. The GATT deals only to a limited extent with the question of the origin of goods. Article VIII:1(c), dealing with fees and formalities connected with importation and exportation states that "the contracting parties also recognize the need for minimizing the incidence and complexity of import and export formalities and for decreasing and simplifying import and export documentation requirements", and Interpretative Note number 2 to this Article states that "it would be consistent with paragraph 1 if, on the importation of products from the territory of a contracting party into the territory of another contracting party, the production of certificates of origin should only be required to the extent that is strictly indispensable". Paragraph 4 of Article VIII furthermore states that the provisions of this Article shall extend to fees, charges, formalities and requirements imposed by governmental authorities in connexion with importation and exportation, including those relating to documents, documentation and certification.

III. The concept of origin rules

4. Most legal instruments establishing trade arrangements which distinguish between the origin of goods contain provisions designed to ensure that these arrangements are properly administered. For instance, it has been generally considered that the process of eliminating tariffs on the trade between the member States of an economic grouping, whether a customs union, free-trade area or other similar trade arrangement, requires the existence of criteria and definitions of the conditions under which goods can be traded between the member States duty free or at reduced duty level.
5. Under the concept of origin in such arrangements one can basically distinguish three groups of goods: (a) those which have been wholly obtained or produced inside the economic area concerned, i.e. materials indigenous to that group of countries; (b) those which have been produced inside the area from imported goods or a mixture of indigenous materials and imported goods; and (c) those which have been produced entirely outside the area.

6. In the context of preferential arrangements, rules of origin are applied with a view to assuring that preferential benefits are limited to products originating in, or at least partially processed in, the beneficiary countries.

7. The question of the origin of goods is particularly important in the context of free-trade areas and similar arrangements where the participating countries continue to operate their own tariff structure in trade with countries outside the area. In such cases imported goods meet different tariff levels according to the country of import. Only goods which qualify as originating in one of the member States can circulate duty free or at reduced duty rates within the area. The origin rules are a means of ensuring that the benefits which the countries adhering to a particular economic group have accorded each other do not accrue to countries outside the area which have not given corresponding benefits in return. These latter countries would, in the absence of such rules, export their goods into the free-trade area through the country having the lowest tariff for the product in question. The precise criteria for determining origin determines the extent to which goods may incorporate processes or materials from outside the area and remain eligible for area treatment.

8. In a customs union the problem of origin of goods presents itself to a lesser degree than in free-trade agreements. Since there exists a common external customs tariff, the import duty paid will be the same, irrespective of the country of entry, and the goods, once entered into the economic area, can generally circulate freely among its member States. It is therefore only during the transitional period, when the common tariff is being gradually established, that the problem of origin is acute.

IV. Criteria generally applied in origin systems

9. Rules of origin are usually based on the following three main criteria for the determination of the origin of imported goods: the "wholly produced" or "wholly obtained" criterion, the "added value" or "percentage" criterion, and the criterion of "sufficient working or processing".

10. The first criterion mentioned forms part of most origin systems. It applies, however, only to a limited number of goods, mainly basic materials, like agricultural products and minerals, and to waste and waste products and handicrafts. It very rarely applies to manufactures, since even a very small percentage of non-originating materials make its application impossible. The other two criteria are related to the main problem of determination of origin, i.e. the principles and methods to be adopted for determining eligibility for preferential treatment of goods which incorporate materials, components etc. from countries outside the preferential area. They are often used in
combination, whereby either one of these two criteria may be applied as the main one, while the other one is applied as additional criterion in order to define the origin of specific products. In a majority of recent origin systems the criterion of "sufficient working or processing" is the main one.

"Wholly obtained" or "wholly produced" criterion

11. This criterion applies if no material from third countries is used in the manufacture of a given product, i.e. if it has been produced exclusively with the natural resources and labour of the exporting country. A list like the following one, which is illustrative of the kind of goods deemed to be "wholly obtained" or "wholly produced", is included in most origin rules:

(a) mineral products extracted from its soil or from its seabed;
(b) vegetable products harvested there;
(c) live animals born and raised there;
(d) products from live animals raised there;
(e) products obtained by hunting or fishing conducted there;
(f) products of sea fishing and other products taken from the sea by its vessels;
(g) products made aboard its factory ships exclusively from products referred to in sub-paragraph (f);
(h) used articles collected there fit only for the recovery of raw materials;
(i) waste and scrap resulting from manufacturing operations conducted there;
(j) goods produced there exclusively from products specified in sub-paragraphs (a) to (i).

Difficulties in determining the origin of such goods can arise in the case of fisheries products and of seabed mining.

"Added value" or "percentage" criterion

12. This criterion amounts to a quantity rule, which normally lays down that in order to qualify as originating the products concerned must incorporate not less than a specified percentage of value added in the exporting member country of a preferential arrangement, or in other words, that only a specified maximum percentage (often 50 per cent) of the value of materials or other input from outside the area to which the preferential arrangement applies can be used in the production of goods in order to make them eligible for area treatment.
13. A great merit of this criterion is simplicity in its formulation and the universal range of its possible application. It does, however, often create difficulties in its operation, in particular as to the determination and verification of the cost of non-area input and the value added. In calculating the percentage of value added very much depends on whether taxes, profits, depreciation etc. are included in the basis of calculation.

Criterion of "sufficient working or processing"

14. Most of the recently adopted rules of origin employ this criterion. According to it, most industrial products qualify as originating if, as a result of the working or processing within the preferential area the goods so produced receive a classification under a different tariff heading of the CCCN than that applying to each of the products worked or processed ("change of tariff heading"). The idea is that non-originating products and materials have to be processed to such a degree that a substantial transformation has been effected in the country of manufacture.

15. In many instances a change in the tariff heading in itself is not regarded as conferring origin status on the goods in question. For this reason, the criterion of "sufficient working or processing" is generally qualified by lists describing certain qualifying processes. One list usually contains goods explicitly excluded from origin treatment even though the transformation process did result in a change of tariff heading (negative exceptions). In such cases certain further processing must take place, or a percentage rule concerning the added value be met, in order to confer on the goods, under certain conditions, originating status. The elements to be used for the calculation of the added value are usually clearly stated. Another list contains products for which a particular manufacturing process, while not resulting in a change of tariff heading, nevertheless confers originating status (positive exceptions). It should be noted that where there are added value requirements in such lists they may be prescribed as additional or as alternative means of qualifying for origin.

The negative exceptions lists used for different preferential arrangements are not identical and may differ considerably from each other, sometimes affecting the value of the relevant tariff concessions. The establishment of this list involves difficult technical problems. There are a limited number of prima facie cases where a change in the CCCN headings does not involve substantial transformation (e.g. CCCN headings, covering agricultural products, dried, salted, frozen, provisionally preserved, concentrated or sweetened). However, it would not appear feasible to establish such cases exhaustively on an objective basis, given the variety of products entering into international trade. A further factor to be borne in mind is that countries having these lists may find it necessary to modify them periodically in order to keep them abreast of technical developments and economic conditions. Despite these imperfections, however, there is a fairly wide view that the process criterion has certain advantages over other origin criteria.
16. In addition to the main criteria mentioned just above, origin rules may contain provisions concerning cumulative origin, minimum processing, direct consignment, and documentation.

Cumulation

17. There are two kinds of cumulative origin, one bilateral, the other one multilateral. Bilateral cumulation involves only two participating countries and means that a product originating in one of the two customs territories can be further processed in the second customs territory and thereafter re-exported to the first territory. Multilateral or diagonal cumulation involves all or several countries of a preferential area. It means that processing of a product can take place in more than two area countries and it is possible to use in the processing also materials originating in other area countries than the one to which the final product is to be exported.

Minimum processing

18. Origin rules may define certain simple operations which are considered inadequate to confer origin status. Such operations performed on non-originating products may consist e.g. in actions to preserve merchandise in good condition during transport and storage, in sorting, splitting, washing, packaging, marking, labelling, simple mixing or simple assembling or a combination of such actions, or slaughter of animals.

Direct consignment

19. Most origin rules require the direct consignment of goods, meaning that for a product to be eligible for origin treatment its transport must be effected directly from the place of production to its preferential destination. The purpose of such a rule is primarily to ensure that the imported goods, in particular bulk cargo etc., whose identity is difficult to establish, are identical with the goods that left the exporting country. Provision is, however, made in most origin rules that goods may be transported through territory other than that of their origin or final destination, or that of an area country in case of preferential arrangements, if this is justified, e.g. for geographical reasons and if the goods in question have remained under customs surveillance and have not entered into the commerce of the transit country.

Documentation

20. Most origin systems require documentary proof of the origin of the imported products. It is usually up to the exporter to prove that the origin requirements have been fulfilled. Documentation requirements may take the form of certificates of origin which are usually issued or endorsed by the competent governmental or semi-governmental authorities; some rules have less strict provisions and require only a declaration of origin by the exporter without further certification by customs authorities.
As can be seen from the following description, the main criteria of origin used under the different trade arrangements, whether they have been concluded among developed countries or between developing and developed countries, are rather similar and often identical. This is particularly the case with the various agreements concluded by the EEC, one reason for this being that it would be burdensome for the customs administrations of the EEC member States to administer a system where the main origin criteria differ depending on the country with which the arrangement was concluded.

I. Rules of origin in trade arrangements among developed countries

1. European Free Trade Association (EFTA)
   - Association between the Member States of the European Free Trade Association and Finland (FINEFTA)
   - Free Trade Agreements (FTAs) between the EEC and Austria, Finland, Iceland, Norway, Portugal, Sweden and Switzerland
   - Agreement between the EFTA Countries and Spain

These arrangements are taken together since the main features of the origin rules contained therein are practically identical.

The rules of origin are based on two criteria:

(a) the "wholly produced" criterion;
(b) the criterion of "sufficient working or processing".

The criterion of "sufficient working or processing" of a product is the principal one. Products qualify as originating if, as a result of the working or processing within the area, a "change of tariff heading" takes place. In order to take account of cases where the strict application of this criterion would be too rigid, provision is made for "negative" and "positive" exceptions which are contained in Lists A and B respectively.

List A contains four columns, giving the tariff headings, the product description, the working or processing that does not confer the status of originating products, and the working or processing that confers originating status when certain conditions are met (e.g. the latest stage at which third country material may be used in the production, which materials must themselves be originating products, which production process must have taken place, or an additional percentage criterion). In certain cases, mainly
in the engineering sector, percentage criteria are prescribed which have to
be met. There is no independent percentage criterion as alternative to the
general processing criterion.

List B contains, besides the columns giving the tariff headings and the
product description, a third column enumerating the working or processing
that confers the status of originating products. The list contains also
percentage rules for certain products. There is a special provision stating
that the incorporation of non-originating material and parts in certain
products in the engineering sector does not make such products lose their
originating status, provided the value of these products, parts and pieces
does not exceed 5 per cent of the value of the finished products. For
certain products (falling under Chapters 28-39) the value of non-originating
products used must not exceed 20 per cent of the value of the finished
products.

The rules of origin contain provisions for cumulative origin, allowing
for bilateral cumulation as well as multilateral or diagonal cumulation. In
order to allow a product to benefit from cumulation, i.e. to allow its being
processed without loss of its originating status, the first condition to be
met is that the products must already have originating status when imported
into the country where the processing is taking place.

For the purpose of proof or origin the origin rules provide for a common
movement certificate, which has to accompany the shipped goods. Usually
this is the form EUR.1 on which the customs authorities of the exporting
State have to certify that there is satisfactory proof of the origin of the
goods. For consignments of up to a maximum value of 2,400 units of account
the simpler form EUR.2 is used, which is a declaration made by the exporter
and requires no customs certification.

The rules require the direct consignment of goods. This is not
expressly mentioned but implicit in the provision which concerns the
transport of goods through territories other than those of area countries.
Such transport is authorized when it is justified for geographical reasons,
e.g. if the shortest transport route necessitates the crossing of third
countries. The goods must remain under customs surveillance in the transit
country and must not be traded or put into circulation there.

- Since the main features of the origin rules of various arrangements
described below are basically the same as in the agreements covered in
this Chapter they are not treated in detail, as above. Only where
there are specific different criteria is a more detailed description
given.

2. Agreement between the EEC and Spain

The following criteria have to be met by goods in order to obtain
originating status:

(a) wholly obtained either in the EEC or Spain;
(b) sufficient working or processing of goods resulting in a different tariff heading for the new goods than that applying to each of the products worked or processed. In addition to the positive and negative exceptions (Lists A and B) there is a List C enumerating products temporarily excluded from the application of the provisions of the origin rules system. The rules prescribe specific movement certificates and require direct consignment of the goods.

3. **Agreements between Finland and Bulgaria, Czechoslovakia, German Democratic Republic, Hungary and Poland**

The main features of the rules of origin are very similar to the ones described in (1) above. In order to qualify as originating, products have to meet either the wholly obtained criterion or the criterion of sufficient working or processing. There are also Lists A and B enumerating negative or positive exceptions. However, there is no provision for cumulation of origin among the countries concerned, and instead of movement certificates provision is made for a declaration by the exporter which may be given either on the invoice of the goods or on a special declaration form.

4. **Co-operation Agreement between the EEC and Yugoslavia**

The main features of the rules of origin are very similar to the ones described in (1) above. In addition to Lists A and B there is a List C setting out products which are temporarily excluded from the application of the origin provisions. The form EUR.2 can only be used for postal consignments of up to a maximum value of 1,000 units of account.

5. **Agreement concerning automotive products between the United States and Canada**

The Agreement does not contain an elaborate system of origin rules. Goods falling under the duty-free provisions are set out in Annexes A (for imports into Canada) and B (for imports into the United States. Annex A—apart from listing the products—requires also that the products in question must be imported by a manufacturer of certain automotive products or be used as original equipment in the production of such products. Annex B states that the Agreement does not cover goods produced with the use of materials not originating in Canada or the United States if the value of those materials was more than 50 per cent of the customs value of the product.

II. **Rules of origin in trade arrangements among developed and developing countries**

1. **Agreements between the EEC countries and Maghreb countries (Algeria, Morocco, Tunisia)**

The main features of the origin rules are very similar to the ones described in II(1) above. In order to qualify as originating, products have to meet either the wholly obtained criterion, or the criterion of sufficient
working or processing resulting in a change of tariff heading. There are
Lists A and B enumerating negative or positive exceptions to the general
working or processing rule, and List C enumerating products temporarily
excluded from the application of the provisions of the origin system.

The rules provide also for multilateral cumulation between the three
Maghreb countries and the EEC. The direct consignment rule covers also
all three countries and the EEC. The movement certificates are the same
(EUR.1 and EUR.2) as the ones described in I.1. above, except that the form
EUR.2 can be used only for postal consignments of up to a maximum value of
1,000 units of account.

2. Agreements between the EEC and the Mashrek countries
   (Egypt, Jordan, Lebanon, Syria):

   The main features of the origin rules are practically the same as the
   ones described in the Agreements in II.1. above, except that there is no
   provision for multilateral cumulation of origin among the four countries and
   the EEC, but only for bilateral cumulation between each of the countries in
   question and the EEC.

3. - Association Agreement between the EEC and Cyprus
   - Agreement between the EEC and Israel
   - Association Agreement between the EEC and Malta

   The main features of the origin rules are the same as in the
   Agreements mentioned in II(2) above.

4. Association Agreement between the EEC and Turkey

   While the Agreement itself does not contain any origin rules, the
   Additional Protocol has provisions for the free movement of goods ("libre
   pratique"). Preferential treatment is accorded to goods produced in the EEC
   or Turkey (including those manufactured wholly or partly from products
   coming from third countries) as well as to goods coming from third countries
   which had previously been given "libre pratique" in the EEC or Turkey. The
   latter category of goods are those for which the necessary import formalities
   have been completed and the customs duties and charges with equivalent
   effect have been levied in one of the contracting parties, and where no draw-
   back has been given. Goods from third countries which were not given "libre
   pratique" can also enjoy free movement; they are, however, subject to a
   compensatory levy in the exporting State.
5. **ACP-EEC Convention of Lomé**

Origin rules similar to those of the EEC for the purpose of the GSP are applied. The products included in Lists A and B are somewhat different. Full cumulative treatment has been granted for any EEC or ACP materials used.

6. **Australia/Papua New Guinea Trade and Commercial Relations Agreement**

The following goods are considered originating products:

(a) the unmanufactured raw products of a member State; or

(b) manufactured goods in relation to which

(i) the process last performed in the manufacture was performed in a member State; and

(ii) the expenditure on material of member State origin and/or labour, factory overheads and inner containers of member State origin is not less than one half of the factory or works costs at the time of exportation.

Notwithstanding the above provisions, the member States may agree to treat particular goods or classes of goods as originating in a member State provided that, in the case of manufactured goods, the process last performed in the manufacture was performed in the territory of the exporting member State.

**III. General System of Preferences (GSP)**

In order to qualify for preferential treatment, goods must satisfy the direct consignment rule and comply with the origin criteria specified in the respective national schemes. In general, goods are considered to have originated in a preference-receiving country if they have been wholly produced or have undergone substantial transformation in that country. Western European preference-giving countries (including the EEC) and Japan base their requirement for substantial transformation on the process criterion, i.e. the transformation must be such as to result in a change of tariff heading. Negative and positive exceptions to this rule are enumerated in Lists A and B, which may differ from country to country. A number of preference-giving countries define substantial transformation as taking place if the value of imported materials does not exceed a specified percentage of the value of the finished product, or if the value of originating material and certain domestic costs of processing are equal or exceed a specified percentage. The method of calculation and the minimum percentage requirement for the domestic content or non-originating content vary from scheme to scheme.
Since the introduction of the GSP, various forms of cumulative origin have been adopted under the rules of preference-giving countries. Some of them grant full and global cumulation in that all processes and value added in any of the preference-receiving countries may be added up or cumulated in order to determine whether the percentage requirement has been satisfied. Other countries permit only partial cumulation related to certain economic groupings. Certain countries apply a system of partial regional cumulation. Under the GSP certain documentary evidence is required, generally in the form of a certificate of origin to be issued by defined governmental certifying authorities.

IV. Rules of origin in trade arrangements among developing countries

1. GATT Protocol Relating to Trade Negotiations Among Developing Countries

No common origin rules have been established for the purpose of the Protocol. Under existing arrangements, countries using primarily a value-added criterion or a process criterion, normally involving a change in tariff classification, for the purpose of certifying the origin of products other than those wholly produced in the exporting country may continue to apply such rules with necessary adaptations as may have been notified. Those not employing rules of origin based on the above criteria are required to establish such rules. Accordingly, eleven countries apply to their concessions under the Protocol, the rules of origin they had maintained prior to the acceptance of the Protocol, and five others have introduced new origin rules for the purpose of the Protocol or for general purposes.

Under certain provisions of the Protocol, the Committee of Participating Countries (CPC) may, at the request of a member, examine any instances of a lack of uniformity in the application of rules of origin as regards particular products or groups of products, or any other problems related to rules of origin, that may affect substantively the conditions of importation of products covered by the concessions under the arrangements or that may affect the equitable operation thereof. No country has so far invoked this provision.

At its meeting in October 1974, the Committee of Participating Countries undertook a review of rules of origin as provided for in the Protocol, and noted that no problems had been reported in the implementation of the requirements relating to this matter. In the light of comments made concerning possible harmonization, the Committee agreed that it would revert to the subject at a later date.

2. Tripartite Agreement - Egypt, India and Yugoslavia

The following goods are considered originating products:

(a) goods falling within the definition of wholly-produced goods;
(b) goods produced using non-national materials, provided the expenditure on materials produced and labour performed within the territory of the exporting country in the manufacture of the goods is not less than 50 per cent (originally 40 per cent) of their factory or works cost. "Expenditure on materials" means the cost of the material to the manufacturer of the goods at the factory or works, including containers.

Goods subject to minimal processing are not conferred the status of originating goods. The direct consignment rule is applied.

V. Rules of origin in regional or sub-regional trade arrangements among developing countries

1. Association of South East Asian Nations (ASEAN) - Indonesia, Malaysia, Philippines, Singapore and Thailand

   (a) Goods falling within the definition of wholly-produced products are considered originating products.

   (b) With regard to products not wholly produced, a 50 per cent value-added criterion based on f.o.b. value of the product is employed. In respect of imports into Indonesia a 60 per cent value-added criterion is generally used, though a 50 per cent value-added criterion could be used with respect to certain categories of manufactures to be agreed upon. In respect of ASEAN industrial projects, the percentage criterion may be waived.

   (c) Other rules include those on cumulative treatment, direct consignment and treatment of packing.

2. Bangkok Agreement - Bangladesh, India, Lao People's Democratic Republic, Republic of Korea and Sri Lanka

   Common origin rules have not yet been adopted: each country applies its own rules.

3. Central American Common Market (CACM) - Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua

   Natural products, and also products manufactured in their territories, are considered products of Common Market origin, with the exception of those produced in third countries and obtained by simple assembly, packing, splitting, cutting or diluting in any territory of the Common Market. Cumulative treatment is also permitted.
4. Caribbean Community (CARICOM) - Antigua, Barbados, Belize, Dominica, Grenada, Guyana, Jamaica, Montserrat, St. Kitts' Nevis' Anguilla, St. Lucia, St. Vincent, Trinidad and Tobago.

The following goods are treated as being of Common Market origin if they are consigned from a member State to a consignee in another member State:

(a) goods wholly produced within the Common Market;

(b) goods falling within a description of goods listed in a Process List to be established by a decision of the Council and produced within the Common Market by the appropriate qualifying process described in that List; or

(c) goods produced within the Common Market and the value of any materials imported from outside the Common Market or of undetermined origin which have been used at any stage of the production of the goods that does not exceed:

(i) in a less-developed member country 60 per cent of the export price of the goods;

(ii) in any other member State 50 per cent of the export price of the goods.

For the purpose of these origin rules, materials listed in the Basic Materials List are deemed to contain no element from outside the Common Market. The Process List and the Basic Materials List are under continuous review and may be amended.

A new origin system approved recently by the Common Market Council is based on the process criterion normally utilizing the CCCC Nomenclature, supplemented by a list of exceptions.

5. Latin American Free-Trade Area (LAFTA)\(^1\) - Argentina, Bolivia, Brazil, Colombia, Chile, Ecuador, Mexico, Paraguay, Peru, Uruguay and Venezuela

(a) Goods falling within the definition of wholly produced products are considered originating products.

\(^1\) In August 1980, member States of LAFTA signed a new Treaty, the Latin American Integration Association to continue the process of regional integration for the harmonious and balanced economic and social development of the region and the gradual and progressive establishment of a Latin American common market.
(b) For certain goods (for example, natural products, waste and scrap, handicrafts, art products) the only condition established is that they should be produced in the exporting member country.

(c) Goods using extra-regional materials are regarded as of LAFTA origin when produced by a process of transformation which leads a product to be classified under a different CCN heading than that of the extra-regional materials used.

(d) Goods obtained from processes of assembly are considered as of LAFTA origin when the c.i.f. value of the extra-regional materials used does not exceed 50 per cent of the f.a.s. value of goods exported.

(e) There is a list of minimal processes that do not confer the status of originating products.

(f) The Executive Committee of LAFTA can establish specific requirements for any product on the application of any member State.

(g) Cumulative treatment has been granted in LAFTA.

6. **Andean Group** - Bolivia, Colombia, Ecuador, Peru and Venezuela.

LAFTA origin criteria are generally applied. In addition, specific requirements have been established by the Andean Group for a number of products, supplementing or replacing some LAFTA criteria on an ad hoc basis whenever necessary, by means of resolutions, rules or administrative action. Some of the resolutions provide for less stringent origin requirements for less-developed countries (i.e. Bolivia and Ecuador). Furthermore, application of the requirement stipulated for these countries can be postponed or suspended. Cumulative treatment is provided for goods produced in the Group.

VI. **Commonwealth preferences**

Under the system of Commonwealth preferences, the value added criterion based on the cost of manufacture (factory cost) has normally been used. The minimum value-added percentage required for origin qualification varied from country to country and from product to product, generally ranging between 25 and 50 per cent. While in most other origin systems a certification by governmental or similar authorities is required, in the framework of the Commonwealth preferences a certificate of origin issued by the manufacturer or supplier has been regarded as sufficient evidence of origin. The rules of origin of most Commonwealth countries appear to be based on arrangements originally agreed within the framework of the Commonwealth system of preferences. However Commonwealth preferences apply now only to a very small portion of world trade.