NATIONALITY OF IMPORTED GOODS

Statements received from the contracting parties

Each contracting party was asked, in document L/71, to submit by 30 April 1953 a statement of its present principles and practices in determining the nationality of imported goods. The statements received to date are reproduced herewith:

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A U S T R A L I A

Statement of principles and practices in Australia

Australian practices are based on the consideration that the value of an imported product is often the sum of material, labour and other costs incurred in two or more countries and that frequently the origin of a product cannot be attributed to a single country. In practice evidence or proof of origin is required only to the extent that the evidence or proof is necessary to administer measures which provide for the singular treatment of a product or the products of a particular country or a particular group of countries.

In Australia the question of origin arises chiefly in connection with:

(a) admission at preferential and differential rates of duty;

(b) admission under quantitative restrictions which discriminate as between countries;

(c) compilation of trade statistics;

(d) merchandise marks.

As regards the admission of goods at preferential and differential rates of duty, Australian practices are based on the consideration that in Australia like goods are subject to different rates of duty depending upon whether they are the produce or manufacture of countries to which the British Preferential Tariff, the Intermediate Tariff, the General Tariff, the Canadian Preferential Tariff or the New Zealand Preferential Tariff applies.

Basically the various Australian tariffs specify the duties applicable to "goods the produce or manufacture" of specified countries. Where these tariffs enact duties lower than the General Tariff admission at the lower rates is dependent upon the goods complying with prescribed conditions governing their entry at the lower rates. The prescribed conditions vary.

For reasons which will be appreciated the conditions tend to be more stringent in the case of goods the produce or manufacture of countries accorded the benefits of the lowest tariffs.

The principles governing entry at rates lower than the General Tariff are set forth in Sections 151A. and 151B. of the Customs Act which are quoted in full in the succeeding paragraphs.
Conditions relating to the application of preferential tariffs

Section 151A.- (1) For the purposes of any Customs Tariff (whether passed before or after the commencement of this section) which specifies in respect of any goods rates of duties of customs lower than the Intermediate Tariff in respect of those goods, the following goods shall, subject to this section, be deemed to be the produce or manufacture of the United Kingdom:

(a) Goods which are wholly produced or wholly manufactured in the United Kingdom from materials in one or more of the following classes:

(i) materials wholly produced or wholly manufactured in the United Kingdom or in Australia;

(ii) imported unmanufactured raw materials;

(iii) imported manufactured raw materials as determined by the Minister,

(b) Goods of the factory or works cost of which not less than seventy-five per cent is represented:

(i) by labour or material of the United Kingdom; or

(ii) by labour or material of the United Kingdom and labour or material of Australia,

(c) Goods of a class or kind not commercially produced or manufactured in Australia and of the factory or works cost of which not less than twenty-five per cent is represented:

(i) by labour or material of the United Kingdom; or

(ii) by labour or material of the United Kingdom and labour or material of Australia.

(2) Where in relation to any class or kind of goods to which paragraph (c) of the last preceding subsection applies the Minister is satisfied that it is desirable that fifty per cent should be substituted for the percentage specified in that paragraph, the Minister may so determine and thereupon that paragraph shall apply to that class or kind of goods as if fifty per cent were so substituted accordingly.
(3) No goods shall be deemed to be the produce or manufacture of the United Kingdom unless the final process of their production or manufacture was performed in the United Kingdom.

(4) The provisions of this section shall apply, mutatis mutandis, in relation to goods which are imported from any country in respect of which a Customs Tariff within the meaning of subsection (1) of this section applies, in like manner as they apply in relation to goods imported from the United Kingdom.

(5) For the purposes of the last four preceding sections the Minister may, from time to time, determine:

(a) What shall be deemed to be manufactured raw materials;

(b) the method of determining factory or works cost and the value of labour or material; and

(c) whether any goods are of a class or kind not commercially produced or manufactured in Australia.

(6) Any determination of the Minister in pursuance of subsection (2) or (5) of this section shall be notified in the Gazette.

(7) In this section "unmanufactured raw materials" means natural and primary products which have not been subjected to any industrial processes except the ordinary processes of primary production, as, for example, animals (including parts obtained in the killing thereof, for instance, bones, hides and skins, raw or sun dried), minerals in their natural state, ores, plants (including parts of plants as, for example, barks, fruits, nuts, grain or seeds, in their natural state), unworked logs, crude petroleum, greasy wool, raw cotton and other natural and primary products.

(8) Where, in the application of this section, any question arises:

(a) as to whether a material is an unmanufactured raw material; or

(b) as to the country of production or manufacture of any goods,

the question shall be determined by the Minister and his decision thereon shall be final.

(9) Notwithstanding anything contained in this section, the Minister may admit, as the produce or manufacture of the United Kingdom, any cinematograph film which is, under any law of the
United Kingdom relating to the registration of cinematograph films, certified by the Board of Trade of the United Kingdom to be registered as a British film.

**Conditions relating to the application of the Intermediate Tariff**

Section 151B.- (1) Where the Governor-General, in pursuance of any power conferred by an other Act, by proclamation declares that the Intermediate Tariff shall apply to such goods specified in the proclamation as are the produce or manufacture of the country specified in the proclamation, those goods shall be deemed to be the produce or manufacture of that country if they are produced or manufactured as prescribed or if such conditions as are prescribed are complied with in respect of those goods, and they are not goods to which, by reason of their compliance with the conditions prescribed by this Act or otherwise for the application of rates of duty lower than the Intermediate Tariff, such lower rates of duty apply.

The relevant regulations made under Section 151B, merely prescribe that in the case of goods for which the benefit of the Intermediate Tariff is claimed the invoice shall have a declaration written, type-written or printed thereon and duly signed and witnessed that each article on the invoice is bona fide the produce or manufacture of the country specified on the invoice as its country of origin.

In substance the quoted sections of the Customs Act provide:

(a) That goods the produce or manufacture of a country subject to a Preferential Tariff shall not be regarded as a product of that country for customs tariff purposes unless:

(i) the finished factory cost is represented by a specified minimum percentage of labour or material of that country or, alternatively, the goods have been wholly manufactured in that country from imported raw materials; and

(ii) the final process of manufacture was performed in that country.

(b) That in the case of goods for which the benefit of the Intermediate Tariff is claimed a signed declaration that each article on the invoice is bona fide the produce or manufacture of the country specified on the invoice as its country of origin is accepted as determining the country of origin for customs tariff purposes.

As regards the admission of goods subject to quantitative restrictions the relevant measures assume that the declaration required for customs tariff purposes will suffice to establish the country of origin for import licensing purposes.
For the latter purpose goods are deemed, in practice, to be the produce or manufacture of the country named in the declared invoice required for customs tariff purposes unless the Collector of Customs has reason to doubt the correctness of the declaration. In the absence of the declared invoice the stated country of origin is accepted at the discretion of the Collector of Customs where the nature of the goods establishes their origin or where they are accompanied either by a certificate of origin required for other purposes or by other trustworthy documents evidencing origin.

To avoid difficulties that may be expected to arise in situations where goods the produce of specified countries are excepted from import licensing or quantitative restriction measures which continue to apply to like products the produce or manufacture of other countries, Australia usually follows the practice of limiting the specified exceptions to products consigned to Australia from the excepted countries. The importation of the products of an excepted country from a third country is not necessarily precluded by this limitation which is designed to retain indirect importations of the products of excepted countries under the general powers of control so that cases may be decided in the light of monetary or other considerations pertinent in the particular case.

As regards trade statistics, the country declared to be the country of origin for customs tariff purposes is normally regarded as the country of origin for purposes of trade statistics. However situations occur in which products:

(a) failing to qualify for entry as a product of the country to which Preferential Tariff applies are nevertheless regarded as products of that country for trade statistical purposes, or

(b) the country of production cannot be ascertained and the country from which the goods have been imported is regarded as the country of origin for trade statistical purposes although it is known that the product has not been produced in that country.

As regards merchandise marks, Australia requires that the country of origin be shown on several categories of imports. The country named as the country of origin is normally accepted unless there is reason to doubt the correctness of the marking. Goods wrongly marked may be prohibited from importation but the law leaves the customs administration with discretionary power to require application of correct marking in such cases.

Definition of origin

Australian practices do not require a definition of the term "country of origin". Natural produce; goods manufactured in one country from national raw materials; and goods manufactured in one country imported raw materials are
regarded as the produce or manufacture of the country in which the natural produce or the manufactured goods were produced. In the case of goods which have been partly manufactured in more than one country the goods are regarded as the manufacture of the country in which the last process of manufacture occurred provided the process or processes performed there are such that the goods are regarded commercially as being manufactured in that country or can be certified as bona fide the manufacture of that country.

Treatment of goods which have passed through one or more countries on the way to the country of importation

The passage of goods through one or more countries on their way to Australia as the country of importation does not affect the origin of the goods for customs tariff purposes. The same situation obtains for other purposes where Australia was the intended destination of the goods when originally shipped. However the usual statutory requirement with respect to the application of preferential rates of duty is that the goods shall have been shipped direct to Australia without transhipment or if transhipped it is proved to the satisfaction of the Collector of Customs that the intended destination of the goods when originally shipped was Australia.

Proof of origin

Australia requires a certificate on the invoice duly signed and witnessed to the effect that the goods are bona fide the produce or manufacture of the country named, but the Collector of Customs is empowered to require the production of additional evidence in cases of doubt.
AUSTRIA

1. Purposes for which origin is required to be established

In Austria certificates of origin are required for the purpose of the clearance of imported goods at the contractual or general customs rate, furthermore in connection with the licensing procedure applicable to the import of items to be licensed (quantitative restrictions). In addition, the country of origin, be it that of trading or manufacture has to be furnished in the documents used for statistical purposes.

2. Definition of origin

These questions are fully dealt with under point 2 and 3 of paragraph 55 of the executive ordinance to the customs law. Under these regulations the products of a contracting party are understood to be the natural products of that country and the goods manufactured therefrom as well as goods manufactured by preparation of or admixture with a smaller quantity of goods from any third country. Goods other than those mentioned above are considered products of the contracting party, if such goods have substantially gained in value by processing in that country. In its present meaning processing presupposes a substantial alteration of substance, shape or surface. Thus processing as such is recognised as determination of origin. According to Austrian law, however, the meaning of processing is both more limited and more strictly defined than would appear from its definition contained in the report of the permanent Tariff Bureau of 31 August 1949, to the Tariff Committee. The definition emphasises the last economically justified manufacturing process. The moment when a considerable increase of value has been achieved cannot be universally determined. In some instances this might already be the case at increases of 25-30 per cent.

3. Treatment of goods which have passed through one or more countries on the way to the country of importation

Equally, in the case of goods imported after transit through one or more countries, the distinction between country of origin or dispatch will be made mainly for the criteria enumerated under 1.

4. Proof of origin

As proof of origin Austria generally accepts freight documents, shipping papers, invoices, commercial letters, etc. A special order determines, whether, in any particular case the application of a favoured customs rate requires the production of a certificate of origin. Certificates of origin must contain the proof that the produce in question is a natural or manufactured product
of the contracting party. Documents of origin can be issued by the customs office nearest to the place of origin, the competent chamber of commerce or by the municipal board. If an Austrian Consulate is established at the place of dispatch, such certificates may be issued by the Consulate.

5. Proposals for international action

It would be appreciated by Austria if the function of the processing procedure determining the origin would be recognised and universal regulations be introduced, and furthermore, if the formalities for the proof of origin would be simplified along the lines applied in Austria. It would also be appreciated if the statistics of imports would distinguish between country of trade and country of factual origin.
1. Purposes for which the origin is required to be established

(a) The common tariff applied by the Netherlands, Belgium and Luxemburg include inter alia, a preferential rate for importation of certain goods originating in the overseas territories of the Netherlands, Indonesia, the Belgian Congo, and the territories administered by the Belgian State in Africa.

Importation of these goods into Belgium, the Netherlands and Luxemburg is subject to the production of a certificate of origin issued in one of the above-mentioned territories, as proof of nationality.

The preferential rate is applicable only when the goods concerned are shipped direct from the territories in question to the Netherlands or the Belgo-Luxemburg Economic Union.

N.B. Although no use is made of that right, it should be noted that both the Belgo-Luxemburg Economic Union and the Netherlands are entitled to establish differential duties.

This is the case with regard to goods originating in or coming from countries granting to the Netherlands and the B.L.E.U. less favourable treatment than to others or which is considered contrary to the vital interests of the Netherlands and the B.L.E.U.

If the maximum tariff were applied, the benefit of importation under the lower tariff would be linked to the production of a certificate of origin.

(b) Both in the B.L.E.U. and in the Netherlands, import quotas in certain cases are under controls according to which importation of goods under quota is authorized only if such goods originate from a specific country. In such cases the nationality of the goods to be imported may be controlled by requiring compulsory production of a certificate of origin.

This applies likewise to goods imported within the scope of a tariff quota.

(c) Neither in the B.L.E.U. nor in the Netherlands does the concept of nationality of goods play any part in the drawing up of trade statistics.
As regards statistics, Belgium, the Netherlands and Luxemburg apply the principles of "country of shipment" and "country of destination". This is consistent with the recommendation in the Report by a Statistics Commission of the U.N.O. (Report E/61/32/142 of 6 October 1952).

(d) Both in the B.L.E.U. and in the Netherlands in certain cases, and with a view to distinguishing national from foreign goods, the foreign good to be imported are required to bear a stipulated mark, or, again, the use of markings belonging specifically to the B.L.E.U. and the Netherlands are prohibited on imported goods.

(e) Both in the B.L.E.U. and in the Netherlands, the proof of nationality in certain cases is of importance in carrying out currency control. In addition, the proof of nationality plays a part in the control of imports in the veterinary and phytopathological fields.

2. Definition of origin

Both in the B.L.E.U. and in the Netherlands, the certificate of nationality issued in the country of origin is accepted in principle for imports, provided such a certificate is supplied in an acceptable form (see Point 4(b), (ii) to (iv)). This means in practice that the Benelux countries are satisfied, as regards imports, with the definitions of nationality which are in force in the countries where the goods to be imported into the Benelux countries originate.

That principle applies, however, only when definitions of nationality in force in the supplier countries are not appreciably more elastic than those applied by the Benelux countries with regard to their own exports. If that condition does not exist, the Benelux countries apply for imports the definition of nationality used by them for exports.

The definition of nationality in force in the Benelux countries for exports is as follows:

I. National origin is automatically conferred on:

(1) Products extracted from the national soil, products of vegetable origin produced in the country, livestock having been raised in the country, and animal products and by-products procured in the country, products from hunting and fishing in the country and from national deep-sea fisheries.

(2) Products obtained from raw materials or other goods manufactured or processed in the country and nationalized on the basis of the principles set forth under I and II,
(3) By-products and waste material obtained from raw materials manufactured or processed in the country, insofar as the basic products are of national origin.

(4) Salvaged material and waste collected in the country.

II. The following are considered of national origin:

(1) Goods of foreign nationality having undergone complete processing, after having been manufactured or processed in the country. By complete processing is meant the production of an entirely new product through manufacture or processing.

(2) Goods of foreign nationality having undergone only partial processing after manufacture or processing in the country, insofar as such manufacture or processing meets the three following requirements:

(a) The operation must be economically justifiable. An operation is considered economically justifiable if it contributes to bringing the product nearer to its final stage of processing. Operations undertaken merely to confer on a product national origin are not economically justifiable in the sense of this provision.

(b) The operation must be carried out in an undertaking equipped for the purpose, and in addition, should come within the normal activities of the undertaking. The latter is considered to have met this requirement when it is adequately and permanently equipped for the carrying out of such an operation. The undertaking does not fulfil this requirement if the equipment was set up for the sole purpose of conferring national origin on the products in question.

(c) The operation must entail an increase in value of at least 50 per cent. To assess such an increase in value, a comparison should be made between:

(1) The buying price - on a c.i.f. basis - or free to the frontier, augmented by fees and duty paid on entering (c.i.f. or free to frontier cleared by customs) - or goods of foreign and of foreign raw materials semi-manufactured.

(ii) The selling price of the last industrial manufacturer who has processed the goods in the country.

III. For certain classes of goods, such as books not on sale in the open market, and second-hand machinery, special provisions may be laid down.

IV. It is possible, taking into account special considerations connected with industrial structure, exceptionally to confer national origin on goods which do not meet the above regulations.
3. **Treatment of goods which have passed through one or more countries on the way to the country of importation**

In accordance with the Barcelona Convention, the B.L.E.U. and the Netherlands consider that transit through a country, or warehousing therein, without additional processing, can in no case confer the nationality of that country on the goods.

(a) Cf. Point 1(a), sub-paragraph 3, of this memorandum.

(b) Belgium, the Netherlands and Luxemburg consider as countries of origin countries where the last processing has taken place and which alters the nationality of the goods, according to the definition of origin in force in the Benelux countries.

In practice, this is tantamount to accepting the certificates of origin of the other countries, subject to conditions under Point 2.

(c) Cf. Point 1(c) of this memorandum.

(d) Cf. sub-paragraph 1, Point 3(b) of this memorandum.

(e) Cf. Point 3(b) of this memorandum.

4. **Proof of origin**

(a) Belgium, the Netherlands and Luxemburg accept as proof of origin:

(i) certificates of origin of other countries, insofar as they meet the requirements listed under paragraph 4(b);

(ii) importers' declarations which, in the view of the authorities concerned, appear sufficient to determine the nationality of the goods to be imported.

(b) Belgium, the Netherlands and Luxemburg accept foreign certificates of origin as proof of origin only when:

(i) they are issued in a country where the definition of origin in force is not appreciably more elastic than the definition used by the Benelux countries for their exports. This rule may be waived, if the Benelux countries agree with a specific country automatically to accept the certificates of that country;

(ii) they are issued by a government authority or by an agency or person empowered by the government to issue such certificates;
(iii) declarations are drawn up on official paper and duly stamped;
(iv) they contain a suitable description of the goods, type of packing, etc., ...

(c) In Belgium, the Netherlands and Luxemburg, an investigation is made by the competent services, should the customs be in doubt as to the accuracy of the certificate, or there is discrepancy between the goods and their description, as given in the certificate.

5. Proposals for international action

The Belgian, Netherlands and Luxemburg Governments consider it desirable that within the scope of the GATT and at any other international level concerned, an effort be made to establish co-operation between the countries and standardization of the requirements laid down in the matter of nationality. The three Governments feel that present practice in this field, where a large number of countries mutually apply differing stipulations for the proof of origin, is a serious hindrance to international trade. In the view of the three Governments, international action might be developed preferably along the following lines:

(a) Consideration of the reasons why the various countries demand a certificate of origin for imports.

Establishment of the only reasons which could be considered legitimate to control the nationality of imports.

(b) Formulation of a definition of nationality. The certificate of countries which contractually agree to apply this or a stricter definition, should be automatically accepted for imports.

(c) Determination of the language in which certificates of nationality shall be drawn up, and the minimum data which they should contain.

(d) Exchange of data on the authorities who are competent to issue certificates of nationality, and on the official form in which certificates of origin are issued.
Belgian Congo and Ruanda-Urundi

(Translation)

The Colonial customs authorities do not draw any distinction in regard to nationality of imported goods. Under the international conventions any differential treatment of imported goods is prohibited.

1-2. Reasons for establishing the origin of goods

Definition of origin

The importer is not required to declare or submit proof of the country of origin of goods imported by him into the Colony, as the Colony does not apply any differential treatment. The customs office merely requires an indication of the country of provenance for the purposes of trade statistics.

3. Treatment of goods which have passed through one or more countries on the way to the country of importation

(a) No differential treatment is applied to such goods in the Colony.

(b) Admission within the limits of the licences granted, as in the case of direct imports.

(c) The customs office requires a statement of the country of provenance, for the purpose of trade statistics. This is the country where the first stage of transport takes place, irrespective of whether such transport is direct or through the territory of one or more countries.

In the latter case, a change in the mode of transport may take place even in a third country, but the goods may not undergo in that country any commercial transaction or warehousing.

No account is taken of the fact that the invoice was made out in a third country or that payment had to be made in a third country.

The indication of the country of provenance has actually no effect as regards the requirement to pay customs duties.

4. Proof of origin

(a) Nil

(b) Nil

(c) Verification on sight of the invoice and transport documents.

5. Proposals for international action

None.
1. Purposes for which origin is required to be established

(a) for trade statistics;

(b) for control of the foreign exchange position.

Although in New Guinea there are no fixed quotas as regards certain countries a permit is required for the import of goods so as to ensure a balanced import, e.g. in connection with the availability of foreign exchange.

There are no differential rates of duty and no provisions have been made as regards merchandise marks as far as an obligatory indication of the country of origin is concerned.

2. Definition of origin

For purposes of the compilation of trade statistics under "country of origin", to be mentioned on the import declaration, is understood:

(a) the country where the goods have been produced or manufactured on the understanding that if several countries have been involved in the processing or production, the country where the products or articles have passed the final stage of processing (including the packing for retail trade) is considered to be the country of origin;

(b) if the country where the goods have been manufactured is not known, the country out of whose commercial stock the goods originate.

3. Treatment of goods which have passed through one or more countries on the way to the country of importation

There are no special provisions in New Guinea.

4. Proof of origin

As no certificates of origin are required for the import of goods in New Guinea, no formalities have to be fulfilled by suppliers or importers concerned.

Certificates of origin, when required for export products, are issued on request. They are made out by the exporter and contain:

(a) name and address of the exporter;

(b) quantity and kind of goods, and eventually the kind of packing material used, according to invoice or bordereal;

(c) a declaration that the goods have been manufactured in or are a product of New Guinea.

This declaration has to be legalized by the customs officer.
Surinam

(Translation)

1. Purposes for which origin is required to be established

Neither the import, nor the foreign exchange control regulations have a bearing as to the specific meaning of "origin"; the regulations concerned have reference to "the country or place from which goods have been brought", i.e. provenance, or country or place of shipment.

By virtue of Article 11 of the "Scheepvaartverordening" - Shipping Decree - (Gouvernementsblad - Government Publication - 1908 No.63 of which the text at present in force has been included in Gouvernements Blad 1939 No. 30) in the import declaration amongst others should be mentioned "the place or the country from which the goods have been brought".

From these import declarations, amongst others data are obtained for the compilation of trade statistics.

Also, in connection with the necessary consideration of foreign exchange in which payments of imported goods have to be effected, this information regarding the country or place of provenance, i.e. from which the goods have been brought - is required.

Otherwise, at present there are no quantitative restrictions as regards certain countries.

In Surinam there are no differential rates of duty, whilst as regards "merchandise marks" no regulations or prescriptions have been issued to the effect that these marks must bear an indication as to the country of origin.

2. Definition of origin

There is no specific definition (see under 1).

In practice, the issue of certificates of origin for goods to be exported is subject to the following considerations as to the article concerned, i.e.:

(a) whether it is a national product;

(b) whether it has been manufactured from national raw materials;

(c) whether it has been manufactured in the country from imported raw materials (raw or otherwise).

As regards goods processed or manufactured in more than one country, Surinam has not yet established a definitive point of view.
3. **Treatment of goods which have passed through one or more countries on the way to the country of importation**

No special provisions have been included in the Surinam import regulations so far.

4. **Proof of origin**

When submitted, certificates of origin are accepted which have been issued by offices as such charged by the Authority of the country of origin. These submitted documents of evidence are verified by the customs officers concerned, if necessary.

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**Netherlands Antilles**

*(Translation)*

In the import regulations of the Netherlands Antilles there are no provisions - and there are none under consideration - to ascertain the nationality of goods destined for import.

As regards the declaration for the import of goods from which, amongst others, data for the compilation of trade statistics are obtained, it is *inter alia* prescribed in Article 54 of the "Algemene Verordening In-, Uit- en Doorvoer 1908" - General Decree Import, Export and Transit 1908 - (last published in Publicatie Blad - Official Publication - Sheet - 1949 No. 62) that the declaration should mention: "the place or country from which the goods have been brought".

This Article also contains the provision that the inspector of customs may demand submission of invoices or other documents of evidence.
1. **Purposes for which origin is required to be established**

(a) Qualification for customs entry at most-favoured-nation tariff rates.

(b) No quantitative import restrictions apply in Canada.

(c) Trade statistics are compiled as imports from the country whence the merchandise was exported directly to Canada.

(d) The marking requirements of the merchandise specified as requiring to be marked with the country of origin, apply to all such merchandise from whatever source imported.

(e) None.

2. **Definition of origin**

(a) Natural produce is entitled to entry under most-favoured-nation tariff when the produce of a country entitled to such tariff treatment.

(b) Goods manufactured in a country entitled to most-favoured-nation tariff from national raw materials qualify for such tariff treatment.

(c) Goods manufactured in a country entitled to most-favoured-nation tariff from imported raw materials qualify for such tariff treatment when the goods have been finished in such country, and not less than one-half of the cost of production of each article was produced through the industry of one or more countries entitled to the benefits of treaty or convention tariff rates or the British Preferential Tariff.

(d) Goods manufactured in more than one country are entitled to entry under most-favoured-nation tariff when finished in the country specified as the country of origin, and not less than one-half the cost of production of each article was produced through the industry of one or more countries entitled to the benefits of treaty or convention tariff rates or the British Preferential Tariff.

3. **Treatment of goods which have passed through one or more countries on the way to the country of importation**

(a) All goods which qualify as outlined under Question 2 (definition of origin) for entry under the most-favoured-nation tariff are
accorded this tariff treatment. Shipments require to be direct to Canada from the country specified as the country of origin, with transit or transhipment only through or at a port in a country also entitled to most-favoured-nation tariff treatment. Valuation for duty purposes is the fair market value of such or the like goods when sold for home consumption at the place in the country of export from whence the goods are exported directly to Canada. Where goods pass through intermediate countries, valuation for duty purposes may be on the basis of values obtaining in the specified country of origin where it is established by shipping documents that the goods, when shipped from such country, were destined to a specified port in Canada without contingency of diversion, and did not remain in any intermediate country for any purpose other than transhipment.

(b) No quantitative import restrictions apply in Canada.

(c) Trade statistics are compiled as imports from the country from which shipped directly to Canada.

(d) The marking requirements of the merchandise specified as requiring to be marked with the country of origin, apply to all such merchandise from whatever source imported.

(e) No other reasons.

4. **Proof of origin**

(a) Certificate as to compliance of exported goods with requirements, signed by the exporter in the country from whence the goods are exported directly to Canada.

(b) The certificates as to value and origin are in a combined form, required to be shown on approved invoice forms prescribed to be furnished for customs entry purposes. Where goods have been sold to a purchaser in Canada prior to shipment, the signature of the exporter is sufficient. Where goods are shipped on consignment without sale prior to shipment the certificates of value and origin require to be declared before a British or other Consul, Notary Public or other official authorised to administer oaths.

(c) Further documentary evidence as to origin and qualification as specified in the certificate may be required which, if inconclusive, may be further verified by examination of exporters' records.
1. **Purposes for which origin is required to be established**

Country of origin is required for:

(a) admission at differential rates of duty;

(b) admission under quantitative restrictions;

(c) trade statistics;

(d) merchandise marks.

2. **Definition of origin**

Goods are not deemed to have been manufactured in the British Empire unless such proportion of their value as may be from time to time prescribed by the Principal Collector of Customs is the result of labour within the British Empire. As from 1 March 1936, the prescribed proportion is fixed at 50 per cent subject to the exceptions:

(a) of cigarettes and cinema films specified by notice dated 25 July 1933, published in Gazette No. 7,995 of 4 August 1933;

(b) on and after 1 July 1936, of lubricating oils, hams and bacon, for which the proportion will thereafter be 25 per cent;

(c) on and after 1 August 1936, of sulphur dust for spraying on rubber trees, for which the proportion will thereafter be 25 per cent.

The tariff contains special rates applicable to cigarettes according to their proportion of Empire leaf content. Cinema films are entitled to be admitted at preferential rates only if they are wholly produced in an Empire studio and are registered as British or Imperial Films.

Each article is to be considered separately in applying the percentage test. The total value of an article shall be its cost to the manufacturer at the factory or works and shall include the value of containers and other forms of interior packing ordinarily sold with the article when it is sold retail, but shall not include the manufacturer's or exporter's profit or the cost of exterior packing, carriage to port and other charges incidental to the export of goods subsequent to their manufacture.
In calculating the proportion of value which is the result of labour within the British Empire, there may be included under the head of labour the cost to the manufacturer of any materials of purely Empire origin entering into the composition of the article (including the interior packing specified above), the cost of manufacture including wages, factory overhead charges, and the cost of the labour of packing for retail sale.

The following may not be included in the proportion of value which is the result of Empire labour, namely, any materials or inferior packing not entirely of Empire origin, manufacturer's profit or the profit of remuneration of any trader, agent, broker or other person dealing in the article in its finished condition, the expenses of placing the goods in outside packages for export and the cost of such packages, transportation charges, insurance and any other charges for services after the goods leave the place of production or manufacture.

The fact that goods manufactured outside the British Empire have been imported in bond into some place within the British Empire and exported thence will give them no title to preference.

National produce grown or produced in Commonwealth countries is entitled to preference subject to conditions in the immediately following paragraph.

3. Treatment of goods which have passed through one or more countries

Where Empire goods consigned to Ceylon have been transhipped en route, or have been shipped from a foreign port after overland transit from the Empire country of origin, the importer at the time of making entry will be required to produce the through bill of lading or railway consignment note from the country of production to Ceylon in support of the certificate of origin. When a through bill of lading or consignment note is not available, the invoice, local bill of lading or consignment note from the original point of origin and a certificate of arrival or landing at, and exportation from, the port of transhipment will be required. Such certificates are to be signed by the proper Customs Officer at the port of transhipment, and in the case of the signature of a foreign Customs Officer this must be visaed by the British Consular Authority. It is essential to prove that the goods were consigned from a part of the Empire to Ceylon and not to a foreign country from which they were subsequently reconsigned to Ceylon.

4. Proof of origin

A copy of the certificate of origin appears in the annexed notice entitled "Notice to importers in Ceylon and to Exporters in other parts of the British Empire".*

* This annex is not reproduced in this document, but the original is available in the office of the secretariat.
If the Collector is satisfied by the production of the certificate, he will forthwith admit the goods to entry as entitled to preference. The Collector may, in any case of doubt or of an incomplete or informal certificate call for the production of invoices, bills of lading, or any such further evidence as he may require but pending the production of such evidence he may, unless he has reason to suspect an attempted fraud, allow delivery of the goods on payment of the full rate of duty, subject to adjustment, provided that satisfactory evidence of the title to preference is produced without undue delay. In the case of goods entered to be warehoused the Collector may allow the goods to be deposited in warehouse pending settlement of the rate of duty to which they may be decided to be liable.

The Collector may, on production of other satisfactory evidence, dispense with the requirement as to certificates of origin in the prescribed form until such time as may reasonably be needed for local importers to arrange for procuring such certificates of origin.

The preferential rates apply in the case of dutiable goods entered for warehousing, or already in bond before midnight of 31 January/1 February 1933, and the particulars of consignment and origin as recorded in the official accounts will usually be accepted. It must be understood that where the official records are not sufficient to establish Empire consignment and origin the onus of proof rests on the importer.
CZECHOSLOVAKIA

1. Purposes for which origin is required to be established

Under Czechoslovak law the determination of the nationality of goods is decisive for the application of either general or conventional customs duties. If a party proposes the clearance of goods, for which lower conventional duties have been stipulated instead of general customs duties, or with respect to which duty-free treatment has been conventionally granted, it must produce a certificate of the country of origin of the goods in question. Moreover, the nationality of goods is also determined for purposes of commercial statistics.

2. Definition of origin

The following are considered as products of a specific country: its primary commodities, agricultural and industrial products and goods which have been processed to such an extent in that country as to considerably change their nature and value.

Exceptions to this principle may be stipulated by international treaties.

3. Treatment of goods which have passed through one or more countries on the way to the country of importation

The fact that the products have passed through one or more countries is not decisive with respect to their treatment.

4. Proof of origin

According to Czechoslovak customs regulations shipping documents are generally considered sufficient to determine the nationality of any goods.

If their nationality is not sufficiently proved by this means, the customs authorities may require the importer to prove the accuracy of his declaration in an appropriate manner as for instance by commercial invoices or other commercial documents. Only in specific cases has the granting of a certain customs duty concession been made subject by an international treaty to the presentation of a formal certificate of origin. In the case of statistics no formal certificate is required. In Czechoslovakia it is the Czechoslovak Chamber of Commerce which issues the certificates of origin.

5. Proposals for international action

With a view to facilitating the exchange of goods between countries we suggest that the formalities with respect to the determination of the nationality
of goods be as simple as possible, i.e. that in principle the usual commercial and shipping documents be considered sufficient for such determination and that the requirement of normal certificates of origin be limited only to cases of exceptional and special tariff concessions, for instance to customs preferences.
DENMARK

1. **Purposes for which origin is required to be established**

(a) The customs tariff of Denmark has no differentiation of tariff rates: for each item of the tariff only one tariff rate applies to all goods classified under that category. The country of purchase or origin is therefore immaterial with respect to the calculation of the duty to be paid on imported goods and information as to the country of purchase or origin is not required for tariff reasons.

However, s.4 of the Tariff Act contains provision for the levying of an additional 75 per cent ad valorem duty on goods imported from countries which, formally or de facto, treat Danish ships or Danish export commodities less favourably than the ships or export commodities of other countries or, formally or de facto, treat Danish citizens less favourably than the citizens of other countries with respect to the access to carry on business activities. This provision has never been applied.

(b) According to the regulations currently in force in Denmark, the country of origin must be disclosed for the importation of goods subject to quantitative restrictions.

This requirement for the importer or exporter to disclose the country of origin of imported, respectively exported, commodities should be viewed in the light of the prevailing inconvertibility of the various currencies. The required information about the country of origin enables the import control authorities to take measures against potential attempts at contravening the existing foreign exchange regulations and to prevent undesirable conversions of foreign currency. Since the introduction of the liberalisation of imports adopted by the OEEC, the information about the country of origin has acquired a special significance. Thus, free importation of goods under the Danish open general licence assumes that the country of origin is a country or area whose currency is convertible within the European Payments Union.

(c) The Tariff Act (s.45) imposes on the consignee the obligation to disclose to the customs authorities the value, description, quantity of imported goods and the country from which they have been bought. This information is required for statistical reasons and must be submitted on forms which the customs authorities forward to the National Statistical Department.
(e) For the purpose of ascertaining the sound condition and quality of foodstuffs and to prevent the spreading of plant diseases, certificates of origin must be submitted for imports of grape wine, alcoholic beverages, certain plants and parts of plants and a number of other foodstuffs.

2. Definition of origin

(a) In the case of potatoes and other plants and parts of plants for which, as a precaution against the introduction of plant diseases, certificates of origin are required, the country of origin shall be understood to mean the country in which such plants were grown.

(b) For the purposes of the administration of imports and exports the Danish regulations on the importation and exportation of goods define the country of origin as the country in which goods have been produced or manufactured into the form in which they appear at the time of importation into Denmark. Re-packing, sorting and mixing are not defined as manufacturing unless, after such handling, the goods can no longer be referred to any country of origin.

(d) Reference is made to the information supplied under item 2(b).

3. Treatment of goods which have passed through one or more countries on the way to the country of importation

(a) No special rules, see reply to item 1(a).

(b) The definition of "country of origin" used for the purpose of administering the import and export regulations applies whether or not a commodity reaches this country via one or more intermediaries in one or more other countries.

4. Proof or origin

(a) Specimens of the forms used for certificates of origin for potatoes and other plants or parts of plants, are enclosed.

For the purpose of administration of quantitative restrictions, a declaration from the Danish importer, respectively exporter, on the country of origin of a commodity, will generally be acceptable as sufficient evidence. A regular certificate of origin will be required only in exceptional cases for the sake of the foreign exporter or in view of the existing possibilities of conversion.
5. **Proposals for international action**

The Danish authorities feel that there is a need for an international standardisation of the definition of "country of origin". It is suggested that the definition proposed by The International Chamber of Commerce, supplemented by the principles concerning "provenance" (stated in Part II of the same organisation's publication No.153 "International Trade and Governmental Regulations") might be used by the contracting parties as a basis for the intended discussions of the question. In this connection it is pointed out, however, that in the establishment of such a definition regard should be had to commodities whose country of origin is difficult to ascertain in practice, e.g. casings, used articles of packing, paper waste, scrap iron, scrap metals, rubber waste, rags and certain chemical compounds.

In the opinion of the Danish authorities, the requirement for certificates of origin places an unnecessary burden on international trade and should be abandoned wherever possible. In the exceptional cases where certificates of origin cannot be dispensed with, the certificates of origin issued in the exporting country for goods imported directly from the country of origin should be acceptable as evidence which could not normally be challenged. On the other hand, in cases where goods are not imported directly from the country of origin, the importing country should be allowed - also in the interest of the exporting country - a somewhat wider authority to challenge the accuracy of the certificates issued in the exporting country.
1. Purposes for which the origin is required to be established

The Customs Act (of 8 September 1939, No. 271/39, Article 86) provides that, where customs duties levied on certain goods on importation into the customs territory vary according to the country of origin, the holder of the goods must supply the requisite proof of origin, if he claims the application of a duty other than the highest provided for.

According to this provision, the origin of the goods must be proved when they come from a country which is entitled under international agreements to customs duties lower than the normal Finnish duties, and if the importer wishes to benefit by that provision.

(c) Under Section 150, paragraph 2, of the Customs Regulations (8 September 1939, No. 275/39), the holder of the goods is required, at the time of clearance of goods of foreign origin, whether clearance is effected immediately on entering or leaving a customs warehouse, a bonded warehouse or a free port, to make a declaration indicating, inter alia, the country of purchase and the country of origin of the goods.

(d) It is not compulsory to prove the origin of trade marks, but, if the packing of an article intended for sale, or the article itself bears a mark likely to give rise to an error in regard to the origin or quality of the article, the latter shall be confiscated by the customs authorities (Act of 8 February 1924, No. 40/24). If the mark borne by the goods or their packing contains an inscription in a language other than that of the country of origin, or an illustration relating to a country or place other than the country of origin, this fact alone shall not be considered as evidence that the goods originated in the country of the language employed or from which the subject of the illustration was drawn.

(e) The Act on the compulsory indication of the origin of imported goods (10 January 1934, No. 13/34) empowers the Government to prescribe that certain goods imported from abroad for re-sale in Finland, or their packing must, before being released from customs supervision, be provided with a mark showing their country of origin or manufacture. The Decree on the compulsory indication of the origin of imported goods (16 November 1934, No. 400/34) contains detailed regulations for such indication. In particular, it is provided that if the goods subject to the Decree do not at the time of their importation bear the proper mark of origin, this mark must be placed thereon by the holder of the goods at his own expense,
under the supervision of the customs authorities. In such a case, the customs authority is entitled to require that an authentic certificate of origin be submitted before the goods are provided with a mark of origin. Declaration of origin is compulsory at present for the following goods:

(i) fresh apples, the customs clearance of which takes place during the period 1 August to 9 December; live fruit trees;

(ii) unbleached and undyed cotton textiles, the same bleached, dyed or printed, weighing more than 100 but not more than 250 grammes per sq. metre;

(iii) textiles for suits and overcoats, of wool or other animal hair, underwear, stockings and gloves, knitted, netted or crocheted, of pure silk, part silk, wool or other animal hair, cotton or other vegetable textile materials;

(iv) summer or sports shoes, with rubber soles and fabric uppers, likewise with rubber uppers;

(v) rubber or soft rubber shoe heels and soles, incandescent lamps, except those with a glass bulb less than 25 mm. in diameter.

The manner in which the mark of origin should be applied is described in detail in the Decision of the Ministry of Commerce and Industry, dated 30 December 1938, No. 471/38.

2. Definition of origin

(a) Under Article 150, paragraph 2 of the Customs Regulations (8 September 1939, No. 275) the country indicated as country of origin of a natural product, must be the country where the latter was produced.

(b, c and d) According to the same rule, the country of origin of an industrial product must be indicated as the country where that product was submitted to a process giving it the form in which it is imported. Re-packing, sorting or mixing of the goods are not considered to constitute processing, unless as a result thereof the goods must be entered under another heading in the customs tariff.

In determining the origin of industrial products, no account is taken of whether these products were prepared with raw materials from the country of origin (b), or imported into the country of origin (c), or with material previously processed in several countries (d). When an article has been manufactured in several
countries, it is generally considered that in determining its origin, the processing must be considered in the first instance. As it is sometimes difficult to decide whether, as a result of processing undergone by the goods in a country, its form has been altered, the rule has been laid down, for statistical purposes, that re-packing, sorting or mixing of the goods shall not be taken into consideration, unless as a result of such processes a different item in the customs tariff has to be applied to the goods. The origin of the goods thus remains the same as regards, for example, flour, dried fruit, salt, spices and refined sugar when these goods have been made up in small packages in one country or another. If, for example, wool of Australian origin is washed in France, it shall still be considered as originating in Australia, because the customs tariff applied to the goods remains the same. However, if cotton cloth originating in Great Britain is dyed in Western Germany, for example, its country of origin shall be considered to be Western Germany, since the dying process results in its being entered under another tariff item.

3. Treatment of goods which have passed through one or more countries on the way to the country of importation

The treatment of goods which have crossed one or more countries on their way to the country of importation is the same as that of goods directly imported from the country of origin unless they have undergone the processing described in paragraph 2.

4. Proof of origin

(a) Goods for which customs exemption or reduction of customs duties is claimed under trade agreements, once the holder of the goods has indicated their country of origin in his customs entry, are cleared duty-free or on payment of a reduced duty on presentation of an official certificate of origin from the country of origin. The validity of such certificates is recognized if they have been issued by public authorities in the country concerned or by an institution which those authorities have authorised to issue certificates of this kind. On this point, Finland observes the procedure laid down in Article 11, paragraph 2, sub-paragraph 2 of the International Convention relating to the Simplification of Customs Formalities, concluded at Geneva on 3 November 1923. No special form is required for certificates of origin, unless this has been specifically decided by agreement with another state.

In the following cases, when there is no special reason to suspect that the origin of goods is other than that declared, a certificate of origin is not required:
(i) where the goods are directly imported from the country of origin, or a country enjoying the same advantages as the country of origin, or, on a through bill of lading, via a third country as goods in transit;

(ii) where either the nature of the goods, or the trade mark, or the mark defining the quality, itself indicates the origin in an unmistakable manner;

(iii) where the goods are authorised to bear a regional designation indicating their origin, certified by a competent agency and recognized by the Finnish authorities;

(iv) where the consignments are not of a commercial nature;

(v) where the value of the goods at the place of importation, exclusive of customs duties is not more than 200 marks;

(vi) where, in cases other than those enumerated above, written proof, other than a certificate of origin, is presented testifying to the origin of the goods and recognized by the Directorate General of Customs.

If there are particular reasons for believing that the goods are of a different origin than that which has been declared, the customs authorities are entitled to verify their origin and also to demand, notwithstanding the proofs submitted, a certificate of origin recognized by the Directorate General of Customs.
I. This statement follows the lines indicated in document L/71.

II. Attached* are copies of laws and regulations relating to origin, as follows:

- **Annex I:** Excerpts from the customs code.
- **Annex II:** Decree of 6 October 1926 establishing the rate of duties applicable to goods produced in a third country.
- **Annex III:** Schedule of goods processed in a third country whose origin is determined according to special rules.

1. **Purposes for which origin is required to be established**

   (a) The origin is one of the factors considered in the taxation of goods (the others being the nature, value and sometimes the destination or provenance, etc.). Under Article 34 of the Customs Code, customs duties are levied on importation according to the origin of the goods.

   The French tariff comprises the following:

   (i) a minimum tariff, applicable to all the countries enjoying general and unconditional most-favoured-nation treatment. This is the customary tariff, and is applied in particular to all Member States of the GATT;

   (ii) a general tariff equal to three times the minimum tariff, applicable to all or part of goods originating in countries not enjoying such favourable treatment; few countries are at present subject to the general tariff for all their goods (Afghanistan, Bolivia, Honduras, Japan, etc.); this tariff is applied to various countries for a more or less considerable portion of their production (Albania, Bulgaria, Spain, Hungary, Poland, Switzerland, etc.);

* These annexes are not reproduced in this document, but the original is on file in the Secretariat, and is available for consultation by contracting parties.
(iii) a preferential tariff (duty-free or at reduced rates), which is applied only to goods imported from the territories of the French Union and territories for which France has the conduct of foreign affairs (Morocco, Tunisia).

In order to apply the above tariffs, duties and surtaxes, it is essential to know the precise origin of the goods imported. For this reason, the origin of goods must always be declared.

(b) For the purpose of applying quantitative restrictions, quotas are assigned to various countries by trade agreements, the application of which must be supervised.

Consequently, the origin of goods must be declared, not only in customs declarations, but also in import permits (licences, or other documents in lieu thereof).

Even in the case of liberalised trade under decisions taken by the OEEC, it is necessary to know and consequently to declare the origin of goods, so that measures for liberalisation of trading may be confined only to OEEC countries.

(c) With a view to providing the public authorities with information closely related to economic problems – conclusion of trade agreements, institution of differential tariffs, establishment of direct relations with producer countries – foreign trade statistics are compiled according to the origin of imported goods as declared, recognised or accepted as valid by the customs.

(d) France is a party to various international or bilateral conventions which contain clauses relating to the protection of manufacturing or trade marks and of designation of origin. To carry out these obligations the origin of imported goods must be ascertained and verified.

Article 39 of the Customs Code prohibits the importation and excludes from warehousing, transit or circulation any foreign goods, whether natural or manufactured, if on these goods, or in the packing, crates or bales, any manufacturing or trade mark, name or sign is likely to suggest they are of French origin.

In addition, a certain number of articles must, in principle, bear an indication of origin.

(e) The origin of imported goods must be verified in enforcing regulations on the inspection of hunting and fishing, and the sanitary inspection of animals and plants, goods from certain areas, whether contaminated or not, being liable to prohibition either temporarily or permanently.
Finally, the application of special systems to certain operations (the system of the free zone in the Pays de Gex and Upper Savoie, and the system of frontier property) is based on a control of the origin of goods.

2. Definition of origin

The Customs Code and the regulations for its enforcement define the origin to be assigned to imported goods.

In the case referred to under Point 2 of the questionnaire (document L/71/Add.1), identical rules are applied; this is also true for cases (c) and (d).

(a) and (b) The origin of natural produce, i.e., produce of the soil and subsoil, and of goods manufactured in a country from national raw materials, is defined as follows by Article 34 (paragraph 2) of the Customs Code:

"The country of origin of a product is the country where that product has been harvested, extracted from the soil or manufactured."

(c) and (d) The Customs Code does not define the origin of goods treated in a third country. Article 34 of the Code merely states that the rules to be observed shall be established by government decrees. Since no such decree has yet been issued, the stipulations of the Decree of 6 October 1926 are still provisionally applicable (see Annex II).

These rules are as follows:

(1) Goods having undergone any sort of processing in a third foreign country which enjoys a less favourable tariff than the country of origin: such goods are considered to originate in the third country and are subject to the tariff duties in force for that country, according to their degree of finish on importation and subject, of course, to waivers stipulated in the treaties.

(2) Goods treated in a third country which enjoys a more favourable tariff than the country of origin:

   (i) Goods having undergone complete processing, losing as a result their original characteristics (example: spinning or weaving of textiles, milling of grains, tanning of hides, etc.): these goods are considered to originate in the third country and are subject to tariff duties applied to that country according to their degree of finish.
(ii) Goods having undergone partial processing or supplementary processing (bleaching, dyeing or mercerizing of yarn or textiles, painting or varnishing of iron, planing of wood, etc.) resulting in the application to the imported goods of a higher tariff rate than that applicable to the raw material. Such products are also considered to originate in the third country and are subject to the tariff duties applied to the third country where they have been processed, according to their degree of finish.

(iii) Goods having undergone a partial processing or supplementary processing which does not result in the application to the imported goods of a tariff rate higher than that applicable to the raw material itself: such goods processed in third countries retain their initial origin and are still subject to the tariff duties applied to the country of initial origin, according to the state in which they are imported.

(3) Special cases
Notwithstanding the above rules, certain decisions and trade agreements have established the origin to be assigned to certain goods which have undergone processing in a third country (see Annex III).

Thus, for example, refined sugar is regarded as originating in the country where the refining process takes place; cryolite, natural or pulverized, is regarded as originating in the country where the process of pulverization or refining took place; crude mineral oils are considered to originate in the country where those oils were extracted, etc.

3. Treatment of goods which have passed through one or more countries on their way to the country of importation

The country of provenance, i.e. the country whence the goods were conveyed direct to the French Customs territory, must be declared.

In principle, goods which have been trans-shipped, warehoused or delivered for consumption in an intermediary country, cannot be regarded as transported direct from the original place of shipment.

However, goods of foreign origin trans-shipped in an intermediary country are considered to be imported direct from the first country of shipment if the time spent in the intermediary country does not exceed the time normally required for trans-shipment.
Certain conventions provide that the provenance of imported goods is not affected by the following processes carried out in intermediary countries, if they have taken place under the supervision of the customs authorities of those countries:

Modification of the external conditioning of goods;
Division into several batches;
Assertment.

(ef., in particular, Franco-Swiss Convention of 31 March 1937, Article 13; Trade Agreement between France, Belgium and Luxembourg, 23 February 1928, Article 17)

(a) Goods of foreign origin are not subject, on importation, to discriminatory tariff treatment because of their provenance. Customs duties are charged, solely on the basis of the origin of the goods (Article 34, paragraph 1, of the Customs Code).

However, the granting of preferential tariffs reserved for goods originating in the different parts of the French Union and the other territories for which France assumes conduct of foreign affairs, is subject to proof of the origin of the goods and of their direct provenance (Articles 303, 305, 318 and 321 of the Customs Code).

(b) The transit of goods across one or more countries does not, in principle, affect the application of quantitative restrictions. Waivers to these restrictions are granted in the form of quotas allocated to the countries of origin of the goods.

However, the liberalization measures decided under OEEC only apply to goods originating in or coming from the Member Countries of that Organization. That being so, provenance constitutes one of the requirements for waiving the restrictions in force.

This also applies to the general waiver of import restrictions provided for by the Treaty of the European Coal and Steel Community; the waiver is granted only to the products of the common market.

(c) The provenance of goods is shown in foreign trade statistics.

In the case of re-exported goods for which the country of provenance differs from the country of origin, both these countries are indicated in the statistics.

In addition to this, an annual report is published, "List by Provenance of Goods imported directly for Warehousing" (Relevé par Provenance des Marchandises importées directement pour l'entrepôt) which enumerates only those articles for which the country of provenance and the country of origin are not the same.
(d) In accordance with the multilateral or bilateral conventions signed by France, the importation of goods bearing a false indication of origin is forbidden whatever the source of such goods.

(e) In applying measures of sanitary inspection, account is taken not only of the origin of imported goods but also of their provenance. The provenance is also one of the factors considered in calculating shipping charges.

4. Proof of origin

The rule that proof of the origin of imported goods must be supplied is laid down in Articles 34, 303, 305, 318 and 321 of the Customs Code.

Article 34, paragraph 4, provides as follows:

"Imported goods shall benefit by favourable treatment by reason of their origin only if satisfactory vouchers of their origin are produced. The manner in which proof of origin shall be supplied and the cases where such proof is not required shall be indicated in Decrees by the Minister of Finance and the Minister responsible for Economic Affairs."

Article 303 of the Code refers more particularly to trade between the different parts of French Customs territory (Metropolitan France, Algeria, Guadeloupe, Guiana, Martinique and Reunion).

The obligation to supply proof of origin is also stipulated in Article 305 of the Code in the case of imports from territories of the French Union not included in the Customs territory.

Sections 318 and 321 of the Customs Code requires proof of origin for goods coming from Tunisia and Morocco.

Proof of origin is also required by legal texts or special agreements for the application of health prohibitions, quantitative restrictions, measures to protect designations of origin, etc.

Proof of origin which, in principle, is compulsory in all cases is, however, only demanded in certain circumstances.

Proof of origin must be supplied in the case of the following goods:

Products having undergone treatment or processing in a third country.

Natural mineral waters.
Liqueur wines, mistelas or wines, in which complete fermentation has been prevented by the addition of spirit, exclusively obtained from the fermentation of fresh grapes or fresh grape juice, originating in Cyprus, Hungary or Portugal.

Vermouth, and aperitives made from wine.

Woollen carpets of all kinds, woven with knotted or lock-stitch.

Produce originating in the territories of the French Union or the territories for which France assumes the conduct of foreign affairs, admitted to favourable treatment.

For the following goods a certificate of origin is not required under any circumstances:

goods delivered by post;
postal packets;
parcels imported by air;
commercial travellers' samples;
imports of negligible importance, not of a commercial nature;
duty-free goods or on which duty has been temporarily suspended.

(a) The origin of goods is generally established by certificates of origin. The wording and form of these certificates are not rigidly standardized, but they must contain a declaration of the country of origin and supply all information necessary to permit identification of the goods to which they refer: number, nature, marks and numbers of packages, gross and net weight and, where necessary, the value of the goods, name of the shipping undertaking, etc.

For manufactured goods, the vouchers must state whether the goods were obtained from national raw materials; if not, they must define the initial origin of the goods processed and the nature of the process they underwent in the third processing country.

Certain documents submitted for other reasons may be employed as certificates of origin for the purpose of applying favourable tariffs. In such cases, these documents must comply with the rules for that type of document and the rules for certificates of origin. The following are the only documents accepted in place of certificates of origin:
(i) consular invoices submitted to confirm the value of goods subject to ad valorem import duty;

(ii) special documents submitted under laws or regulations which the customs authorities are responsible for applying, such as documents required for the purpose of health inspection or for the protection of regional designations of origin, etc.

Where a certificate of origin is drawn up in a foreign language, the customs authorities are empowered, in case of doubt as to the tenor of the document, to demand an authentic translation.

Collective certificates of origin are accepted subject to certain conditions.

This also applies when different batches of the same goods to which the documents refer are part of the same shipment, that is, they have been imported by the same boat or train.

In the case of importation by land, collective certificates of origin are also accepted referring to goods which are part of one or more shipments, even shipments effected on different dates, provided that the certificates contain all the information required and that they refer without any doubt to the goods submitted.

When collective certificates are presented, the import office prepares on stamped paper a number of copies equal to the number of declarations.

Certificates intended only to confirm the origin declared are exempt from the requirement of consular legalization.

Certificates of origin submitted for the application of the tariff are subject to a stamp duty (the size of the stamp varies according to the size of the paper employed).

(b) Origin must be proved on the basis of certificates of origin issued by one of the following authorities:

Chamber of Commerce (including French chambers of commerce abroad);

local authority situated at the place of shipment: mayor, police commissioner, president of the trade tribunal, judge, notary;

customs authorities at the place of export;

French diplomatic agents, consuls or consular agents at the place of dispatch or port of embarkation.
Agreements concluded with certain foreign countries designate the authorities qualified to issue certificates of origin for all products or for certain goods only. In the case of Spain, for example, the recognized certificates of origin are those issued by the Ministries of Commerce and Agriculture; for the Belgo-Luxembourg Economic Union, the certificates issued by the Ministry of Agriculture in the case of agricultural and horticultural products, etc.; in the case of imports through a third country, the certificates of origin issued by the qualified authorities in that country are considered valid.

(c) In no case are the customs authorities bound to accept certificates of origin as proof.

This principle is not waived by any of the agreements concluded by France.

Certificates of origin are thus only accepted as items of information. They do not deprive the customs authorities of their right to carry out any verification required, or, in case of a dispute, to bring the case before the arbitration court specified by the customs law.

In practice, however, when an examination of the goods has not brought to light any evidence which would suggest that the declarations are inaccurate, the statements made in the certificate of origin are recognised as valid.

In the case of a dispute in regard to the declared origin of the goods, the origin is determined by the Superior Customs Tariff Committee (Comité supérieur du tarif des douanes), whose decision is final. The Committee is also competent in disputes relating to the nature and the value of the goods.

This Committee is an independent administrative body having as its president a Counsellor of State and including two representatives of the Chambers of Commerce and two experts, one of whom is chosen by the importer and the other by the customs authorities. Officials from the customs office and from the ministries concerned participate in the meetings of the Committee but only in an advisory capacity. False statements of origin are punished more or less severely as they affect the application of duties or of prohibitions and according to the circumstances of the case; the employment of invoices and certificates or other documents which are false, inaccurate, or inapplicable constitutes an aggravating circumstance.
If the certificate of origin is found not to be applicable to the goods it accompanies, owing to the fact that it does not agree with the number, the description, contents and real weight of the packages, the goods are, in principle, excluded from the favourable treatment requested.

However, in the case of trifling mistakes, or discrepancies that are obviously due to a material error, or an accidental cause, the customs authorities may, as an exception, refrain from taking action in regard to these irregularities.

If a certificate of origin is not produced, where its production is compulsory, the goods must be excluded from the favourable treatment requested.

However, the production of the required certificate of origin after the clearance of the goods is admitted; in the absence of such documents, the customs authorities may, at the request of the importer, postpone the application of the highest rate during the time required by the interested parties to obtain the missing documents. If the importers wish to take possession immediately of goods not accompanied by a certificate of origin, the removal of such goods is subject to the depositing of a sum of money, or to the signing of an undertaking in which the rights of the Treasury are guaranteed if a valid document of origin is not produced within two months; this period may be extended.

In the case of a certificate of origin being lost, the customs authorities may accept a notice from the consular authorities stating that a certificate of origin has been issued.

5. Proposals for international action

At the Brussels Council for Customs Co-operation (Conseil de Coopération douanière de Bruxelles), which had already studied the problem of nationality of goods, France recommended various measures of simplification and harmonization of regulations concerning the origin of goods; these measures are concerned with:

- determination of the origin of goods processed in a third country;
- proof of origin;
- verification of origin.

An international solution to these problems seems desirable.
(a) **Determination of origin**

The definition of the origin of goods produced in one country entails little difficulty.

On the other hand, there are many possible standards for determining the origin of goods treated in a third country.

It would be to the advantage of businessmen and customs authorities alike to obtain uniform regulations on this point by establishing an international definition of the origin of goods which have been treated or transformed in one or more countries.

The criteria of a fiscal nature according to which an article is considered to originate in a third country because that country is subject to a higher duty than the country of origin or because, owing to the treatment received, whatever its importance, the article must be placed in a more heavily taxed category, cannot, in our opinion, be entertained.

Nor, in our opinion, should the criterion based on the value of the treatment received in a particular country be adopted.

It would be possible, of course, to assign to an article the nationality of another country which has participated to the extent of 50 per cent at least in its manufacture.

This principle, although economically unassailable, encounters considerable obstacles in practice, especially in view of previous experiences. It makes verification a very complicated matter, gives rise to numerous disputes and to investigations in manufacturing countries which those countries may refuse to admit.

In the same way, the country of origin of goods treated in a third country cannot be defined as a country where the last economically justifiable industrial process took place, even if it is understood that no account would be taken of processes intended merely to avoid the payment of higher duties.

It would be necessary, in the first place, to define the phrase "economically justifiable industrial process". Again, although certain industrial treatment may be economically justifiable, it could not be argued that such treatment alters the origin of the goods.

Would it be correct, for example, to state that crude "okoume" wood originating in Africa, which was sawn or sold in a European country, originates in the latter country, when it is quite obvious that that country does not produce a wood essence of this kind.
Again, it does not seem possible for silk tissues originating in Far Eastern countries and dyed in a European country to be regarded as originating in the latter country.

Automobiles or machines imported as component parts from a country A to a country B where they are assembled, even with the assistance of other component parts obtained from the market of the latter country, are still to be considered as originating in the country A. This argument is strengthened by the fact that cars or machines assembled in the third country are generally sold with trade marks referring to the country A.

Now, in the previous cases, it is quite clear that the industrial processes in question are economically justifiable and are not designed to evade the payment of higher duties. It is nevertheless true that such goods cannot be considered as originating in the countries where such processes took place.

The criterion of "the last economically justifiable industrial process" would also enable countries subject to a discriminatory tariff or to quantitative restrictions to evade the payment of higher duties or prohibitive measures.

It would be sufficient for them to despatch their goods through a third country enjoying more favourable treatment where the goods, usually under a system where customs duties are suspended (bond, temporary admission, free zone) would be subject to a treatment process of slight importance or merely an additional process (bleaching or dyeing of yarns and tissues, painting, tin plating of iron articles, planing of wood, etc.).

This rule might also induce a State to claim unlawfully to be the chief supplier of goods which it did not produce in fact or which it manufactured in small quantities.

For this reason, France has suggested to the Customs Co-operation Council the adoption of a definition which corresponds more closely to the facts.

Goods subject to treatment in a third country would be regarded as originating in that country, if they have undergone a complete transformation there with the result that they lose their individual character. In other words, the process of treatment should involve a change in the very nature of the article and in its general description; the mere assembly of component parts should in no case be regarded as a complete transformation.
Thus if wool in bulk originating in a country A is converted into yarn in a country B, the yarn would then originate in B. If this yarn was woven in a country C, the tissue would then originate in C. In other words, each of these processes gives rise to a new article obtained from the material so transformed. On the other hand, if the yarn were merely bleached or dyed in the country C, it would merely undergo an additional process of treatment. It would still be a yarn and thus would be considered to originate in B.

In the same way, timber originating in A, which is sawn or dressed in B, still remains timber, and thus retains its origin. However, if it is converted into casks or furniture in the country B, the new articles would be regarded as originating in the latter country.

There are, of course, border-line cases, where the question arises whether the treatment applied has altered the nature of the goods. Cases giving rise to dispute would have to be settled by the countries concerned or by a qualified international body.

Finally, on the basis of the above considerations, the French Government proposes the following rule for determining the origin of goods which have been treated in a third country:

"Goods which have undergone treatment in a third country shall be considered to originate in the country where they acquired their individual characteristics as a result of a transformation of the products of which they are composed involving a fundamental change in the nature of these products and a change in the general description of the goods. The assembly of component parts shall not be regarded as a complete transformation".

(b) **Proof of origin**

It is desirable that effective application be given to the recommendations contained in Article 11 of the Geneva Convention of 3 November 1923 relating to the Simplification of Customs Formalities.

As regards regulations, we think it possible, through concerted action by the countries concerned, to simplify and standardize the formalities required of traders for supplying proof of origin.

The following points in particular could be studied: the compilation of a list of operations for which no proof of origin would be required. It would be simpler at present to draw up a negative list than to enumerate operations for which a certificate of origin is required, as certain countries may not wish to abolish such requirements in all cases.
Form of certificates or origin: consideration could be given to the desirability of establishing an international model for certificates of origin which could take the place of an invoice or other proof required for the application of sanitary or other regulations, on the basis of the uniform rules concerning documents required in connection with the importation of goods, adopted in November 1952.

Weight of evidence of certificates of origin: This question is closely linked to that of the authorities qualified to supply proof of origin. It is certain that if customs authorities could give each other mutual assistance in this matter (see Section (c) below), disputes concerning the probative value of certificates of origin could be reduced if not entirely abolished.

(o) Verification of the origin of goods

Customs authorities could be of material assistance to each other in determining the origin of goods especially if they originate in a third country and were subject, in the country of shipment, to a system whereby the import duty is suspended, or were under drawback. It is important that such goods should not be declared as originating in the country of shipment if they have not undergone any manufacturing process there or have merely received additional treatment.

Nobody is in a better position than the customs authority of the country of shipment to indicate the customs status, and hence the origin, of the goods in question. In order that traders should not be involved in lengthy and expensive formalities, the customs authority of the country of shipment could indicate on the invoice or any other document required by the customs of the country of importation, and which accompanies the goods, the origin and customs status of the goods by inserting a brief note with their visa and official stamp.

In the case of goods obtained in the home market of the country of shipment, the following note could be added "Goods declared on export to originate from ...".

In the case of goods in transit, or which have been released from bond (entrepôt), customs detention (dépôt) or free zone, or trans-shipped or exported under drawback, the note would merely state the following:

"Goods originating in .......... and having been:

transit
in bond (entrepôt)
in customs detention (dépôt)
in a free zone
trans-shipped",

or "Goods originating in .......... exported under drawback".
In the case of goods exported after temporary admission the note would indicate the nature of the process applied in the third country. This note could, for example, be drafted as follows:

"Goods exported after temporary admission obtained from:

- raw cotton originating in ......
- cotton yarn originating ......"]
- etc. ......

Notes of this description would assist the customs authorities of the importing countries to determine the real origin of the goods having regard to its own internal legislation or to the common rules adopted by several countries.

The customs authority of the importing country would have to satisfy itself that the annotated document submitted was the same as that presented to the customs of the country of shipment. It would therefore be necessary that the latter customs authority should initial the documents referring to the exported goods.
1. **Purposes for which origin is required to be established**

Reasons why establishment of the nationality of goods is at present compulsory in the Federal Republic of Germany are as follows:

Knowledge as to the nationality of products imported into the Federal Republic of Germany is important for fiscal, exchange, statistical and other reasons. Regulations, therefore, make it compulsory to declare and prove the nationality of imported goods.

(a) (i) Through treaties, it is possible to fix rates at lower tariffs than those of the contractual rate, and to declare certain products, which pay import duties, as being duty-free (Article 54, sub-paragraph 1 of the Customs Code of 20 March 1939 – Reichsgesetzbl. (Official Bulletin of the Reich) Part I, p.529). This provision has been applied on several occasions.

The granting of contractual tariffs and exemptions is subject to indicating on the declaration the producer country (country of origin) of the goods; in certain instances, regulations require that the producer country (country of origin) be proved by submitting a special voucher. When the trader is unable to fulfill the conditions required to benefit by the contractual tariff, the goods come under the least favourable customs rate (Article 162 of the General Customs Regulations of 21 March 1939 – "Reichsministerialblatt", p.313).

(ii) With regard to states with whom the Federal Republic has not concluded trade agreements, or who extend to German products less favourable treatment than those from other countries, the maximum tariff may be applied to them in full or in part, in lieu of the normal tariff (Article 33, sub-paragraph 1, of the Customs Code of 20 March 1939). The law provides, in addition, for the application of anti-dumping and countervailing duties (Article 17 of the Tariffs Act of 16 August 1951 – Bundesgesetzblatt, Part I, p.527). (cf. Appendix 1.)*

The two provisions may also permit of application of a differential customs tariff according to the nationality of the goods. At present, the Federal Republic applies neither the maximum tariff, nor anti-dumping and countervailing duties.

* The appendices mentioned in this document have not been reproduced, but are available in the office of the secretariat.
(b) According to present exchange control regulations in the Federal Republic, the licences required (purchasing permits, import licences and exchange permits) both for imports under quantitative restrictions (quota imports), and imports not subject to quantitative restrictions (liberalised imports) are issued only for goods originating from countries in groups of states for which currency has been made available.

With regard to imports under the system of quantitative restrictions, the establishment of the nationality of goods imported was to ensure that the quota fixed with a given country would be applied only for the benefit of imported goods originating in that country.

Regarding liberalised imports, establishment of nationality is designed to prevent any abuse of liberalisation for the benefit of imported goods coming from a third country which is not a beneficiary of the clauses and provisions on liberalisation of imports.

For this reason, the declaration as to the producer country (country of origin) is required on all applications for purchasing permits, which are issued only subject to the granting of import licences and exchange permits (sub-paragraph 9 of the Decree "Aussenwirtschaft" No. 56/51 embodying re-organisation of importation procedure (imports of goods against payment in currency) of 15 December 1951 - Bundesanzeiger No.244 of 18 December 1951). Proof of nationality may be required in individual cases or in general (sub-paragraph 18 of the above mentioned Decree "Aussenwirtschaft"). This provision is reproduced in Appendix 2. There are special provisions regulating the question of origin in the case of liberalised imports (cf. sub-paragraph (d)) of the remarks to the schedule of products which may be imported without quantitative restrictions from the member countries of the Organization for European Economic Cooperation (OEEC) and from their dependent overseas territories (Schedule at 15 March 1953). That schedule is an appendix to the Notice of 14 March 1953 embodying the abolition of quantitative restrictions on importation of goods originating from the member countries of the Organization for European Economic Cooperation and their dependent overseas territories (cf. Bundesanzeiger No.52 of 17 March 1953). These provisions are reproduced in Appendix 3 of this statement.

(c) In the foreign trade statistics of the Federal Republic, imports are classified according to producer countries (countries of origin). It is with a view to drawing up these statistics that declaration as to the origin of imported goods is compulsory. The importer is required to make out a declaration for each consignment on an ad hoc
form, on which he gives, in addition to other information, the name of the producer country (country of origin). (cf. sub-paragraph 20 of the Decree "Aussenwirtschaft" No. 56/51; cf. Appendix 1.)

(d) The legislation of the Federal Republic contains no provision stipulating that markings indicating the country of origin shall be placed on imported goods.

But goods imported into the Federal Republic under cover of a false declaration from the country of origin are liable to be confiscated by the customs (Article 2 of the Act on the accession of the Reich on 21 March 1925 – Reichsgesetzblatt 1925, Part II, p. 115 to the "Agreement of Madrid for the Prevention of False Indications of Origin of Goods").

(e) In the interest of public health and the protection of human lives and animals, and the preservation of the vegetable species, proof of origin of certain imports (i.e. animals, foodstuffs and plants) is required by the Federal Republic under many legal provisions.

2. **Definition of origin**

(a) - (c) Under existing legislation, it is customary in the Federal Republic to consider as:

(i) the country of origin of natural products, the country where they were cultivated, harvested, extracted or obtained in any other fashion;

(ii) as regards goods manufactured in a single country from national raw materials, that country shall be considered the producer country (country of origin); and

(iii) as regards goods manufactured in a single country from imported raw materials, that country shall likewise be considered the producer country (country of origin). (cf. Official comments on Article 56 of the Customs Code, 20 March 1939).

(d) For customs purposes, the country of production of a product in the production of which several countries have shared, is taken to be the country where the product underwent its final processing, economically justifiable, and entailing a fundamental change in its character. (cf. Article 56, sub-paragraph 1 of the Customs Code of 20 March 1939). It should be emphasized that the two conditions mentioned above: "the final processing which is economically justifiable" and "the processing entailing a fundamental change in the character of the product" must
co-exist, and be cumulative, the percentage of increase in value resulting from processing of the product in one or other country being negligible.

The term "economically justifiable" applies to any processing carried out not only for the purpose of simulating manufacture (for instance, a so-called cleansing of a product already cleansed). Thus, the re-packing of goods, in particular, their retail packing (used for instance with spices), and sorting should be considered economically justifiable.

The term "fundamental change" in the nature of the product shall be interpreted to mean an essential modification, as a result of processing, in the structure or character of the product. This is the case when processing completely transforms goods, such as the milling of grain, spinning of cotton, and tanning of hides. As regards secondary processing, it is the degree of transformation of the product which counts. For instance, important processings are the transformations taking place in polishing rice, roasting coffee beans, dyeing, bleaching, printing or mercerizing textiles, and planing wood; on the other hand, processing which takes place when rice is glossed, cloth is singed or washed, and pulse-foods are cleansed, is not considered fundamental.

The practice in regard to blending goods is as follows:

A distinction should be drawn between the mixing of different products (such as cotton and discontinuous synthetic fibres), and the blending of products of the same kind but of different qualities and origins (for instance, coffee, tea). As a rule, no difficulty should be experienced in determining whether the mixture is one of different products, and if such a mixture has caused an appreciable change in the nature of the products.

In the case of blending products of the same nature, it is as a rule impossible to ascertain whether there has been an appreciable change in the nature of the products. Therefore, on principle, the blending of products of a similar nature is not considered a factor for establishing nationality. But the importer may submit to the customs authorities samples of the basic products, to prove whether there has been an appreciable change in their nature.

Operations resulting from trade practice, such as changing the conditioning or pecking, sorting goods while being processed, which is economically legitimate, as mentioned above, are not liable to change the original nationality of a product, since no change in the essence of the product has taken place.
Regarding goods which do not fall under the heading of natural or industrial products (such as antiques, paintings, engravings, sculpture), the producer country is considered as the country of origin (Article 56, sub-paragraph 2 of the Customs Code of 20 March 1939). When in doubt, investigation should be directed towards deciding whether the value of the article as a museum piece or its commercial value is predominant.

These definitions determined by the Customs Code apply to all the cases mentioned under sub-paragraph 1, and likewise to matters connected with regulations on foreign exchange and statistics.

The question of foreign exchange and statistics is dealt with under sub-paragraph 9 of the above-mentioned Decree "Aussenwirtschaft" No. 56/51 (Appendix 2).

3. Treatment of goods which have passed through one or more countries on the way to the country of importation

(a) The question of country of origin (country of shipment) is negligible from the standpoint of customs legislation.

Therefore, the indication of the country of origin (country of shipment) is not stipulated. As referred to under 1(a), only the declaration as to the country of production (country of origin) is compulsory.

It is irrelevant whether on their way to the Federal Republic of Germany, the goods have been transhipped, re-packed or warehoused in a third country (transit country), or whether they have been re-sold.

(b) and (c) The transiting of goods which are not re-sold in the transit countries has no legal effect on prohibitions or restrictions on imports, and does not affect trade statistics.

(d) and (e) As a rule, the fact that goods have transited through third countries on their way to the Federal Republic is of no importance.

4. Proof of origin

(a) (i) Article 164 of the "Allgemeine Zollordnung" (General Customs Regulations) runs as follows:

"(1) The following are considered vouchers in support of the accuracy of declaration of the producer country (proof of origin); certificates of origin, consignment notes, bills of lading, invoices, commercial correspondence etc., and, in addition, the certificate accompanying the imported goods, issued by a competent foreign agency, recognized by
the Federal Republic, and certifying that the goods in
question are legally entitled to bear a national designation.
In cases when the customs tariff or the stipulation for its
application requires the production of specific documents
as proof of origin, only these documents are recognized.

"(2) When the documents require attestation by a
consular agent of proof of origin, they have to be visaed
by the German Consul whose competence covers the country
of domicile of the foreign traders, or a neighbouring terri-
tory.

"(3) The documents to be produced as proof of origin
must be drafted, either in German or in the language of the
producer country or country of shipment. Should there be
doubt as to the contents of the documents of origin drawn
up in a foreign language, the customs office is entitled
to require from the trader a duly attested translation of
the document in question.

"(4) The customs office shall be empowered to refuse
a document produced as proof of origin, on grounds of the
remote date on which it was issued, only when the period
between the date of issuance and that of production of the
said document exceeds one month, in the case of imports
originating from neighbouring countries, and two months for
those from other countries."

There are no other stipulations on the form of certificate of
origin. Therefore, certificates of origin from the various
countries are accepted irrespective of their form, provided they
have been issued by agencies or departments which have been
notified to the Government of the Federal Republic as being
empowered to issue certificates of origin. There is a list,
which is regularly kept up to date, of the agencies and depart-
ments abroad empowered to issue these documents.

To be recognized, it is unnecessary for the certificate of origin
to have been issued in the country of origin of the goods. In
the case of goods imported through a third country (country of
origin or shipment) it is sufficient to produce a certificate
of origin drawn up by an agency which is duly empowered in the
country of origin or shipment. This method follows from the
accession of the former Reich to the International Convention
relating to the Simplification of Customs Formalities, signed in
Geneva on 3 November 1923, and to the related Protocols of the
same date (Act of the "International Convention relating to the
Simplification of Customs Formalities" of 23 July 1925 - Reichsgesetzblatt, Part II, p.672). Consular attestation of the documents produced as proof of origin is not required.

(ii) Stipulations of customs legislation also regulate the question of foreign exchange. In addition, for certain goods imported from certain countries, it is permissible to accept as proof of origin a specific criterion of the goods or a definite type of packing in lieu of a certificate or other document of origin.

(b) The following are empowered to issue certificates of origin:
Customs Offices, Chambers of Commerce and Industry, and, in so far as they are operative, Chambers of Agriculture.

Issuance of certificates of origin by the customs offices is regulated by the following Decree of the Ministry of Finance of the Reich, dated 11 June 1926, II B 210132, published in the "Reichszollblatt" (Customs Bulletin), 1926, p.123:

"Certificates of origin issued by the Customs:

"In addition to Chambers of Commerce and Industry, under No.8, l.c., Customs offices are also included in the list sent to the secretariat of the League of Nations, giving the agencies which are empowered to issue certificates of origin (cf. Article 11, sub-paragraph 2, No.2 of the Customs Convention of Geneva of 3 November 1923, Reichszollblatt 1925, p.89).

"Issuance of certificates of origin by customs offices is, of course, subject to the previous condition that indisputable evidence of the origin of German goods has been supplied in Germany, and that of the origin of foreign goods in the foreign country concerned. Except for contrary regulations resulting from commercial treaties or provisions in force in the foreign country and notified to the customs offices, certificates of origin shall comply with the appended model and shall be duly signed by the Chief Customs Officer or his substitute; the origin shall be filed in the customs office which issued the certificate. Ad hoc forms are obtained through the Supply Department of the Finance Administration of the Reich (Reichsfinanzzweugamt).

"Until further notice, no customs fee shall be charged for certificates of origin issued by the customs."

(c) (i) Customs offices are empowered to verify the facts. They shall demand proof of the accuracy of a declaration as to producer country (country of origin) only when:
a) the goods imported are admitted at differential customs rates, according to the producer country (country of origin) or are subject to quantitative import restrictions, and

b) the customs office is in doubt as to the accuracy of the country given as producer (or country of origin), or

c) proof as to the producer country (country of origin) or that of the goods declared is compulsory (Article 163, sub-paragraph (1) of the General Customs Regulations).

The choice of vouchers to be produced is left to the discretion of the customs office concerned. If a certificate of origin is submitted as proof, the customs office shall make sure that:

a) the said certificate was drawn up according to regulations, and

b) that it corresponds to facts in the declaration it makes.

The customs office is authorized, if need be, to require additional proofs.

(ii) The above provisions apply likewise to foreign exchange formalities. Boards issuing licences and foreign trade banks are authorized and obligated to proceed to a verification of the facts.

5. **Proposals for international action**

(a) Standard regulations for the definition of a producer country (country or origin):

Standard regulations at international level to define the concept of origin is highly desirable to facilitate international trade. It would be an advantage to select as a criterion the definitions drawn up in 1949 by the European Customs Union Study Group of Brussels, based on the formula drawn up in 1933 by the Economic Committee of the League of Nations.

The Study Group proposed the following definition: by country of origin of imported goods is meant the country where such goods were cultivated, harvested, extracted or procured in some other way.
When goods undergo processing or refinement in a third country, their country of origin shall be considered to be the country where the imported goods underwent the last processing which is economically justifiable. Exception shall be made for insignificant operations, the only purpose of which is to avoid payment of a higher duty. (Report of the Customs Committee, to the European Customs Union Study Group, of 10 November 1949 - Doc.CD/V - 9 sub-paragraph 15).

The criterion of "the last processing which is economically justifiable" is, however, considered insufficient, because such a processing may be a relatively insignificant phase of the manufacture of the product concerned. It is, therefore, considered necessary to link with that criterion the condition that only processing economically justifiable which essentially modifies the nature of the goods presented may be recognized as determinative of their origin.

(b) Creation of a standard model for the certificate of origin.

Standardization at international level as stipulated under Article 11 of the International Convention relating to the Simplification of Customs Formalities, dated 3 November 1923, and the aforementioned Report of the Customs Committee of the European Customs Union Study Group of Brussels would likewise be desirable to simplify the proof of origin and its related formalities.

The future standard form for the certificate of origin should provide, in particular, for attestation of the origin of the goods concerned by an official agency. At all events, it would be advisable to agree that declaration of origin drawn up by the sender of the goods, in which only his signature is certified, cannot be recognized as certificates of origin. The new form ought to provide, in addition, for details on the nature of the last processing undergone by the product when several countries have shared in its production.

(c) Standard obligation to verify the facts by the departments in charge of issuance of certificates of origin:

To avoid misunderstandings, the department authorized to issue certificates of origin should be obligated to verify the facts before issuing such documents.
1. **Purposes for which origin is required to be established**

Certificates of origin were originally required in Greece following the adoption of a tariff which distinguished between goods entitled, because of their origin, to conventional rates and goods not so entitled. After the last war, goods emanating from almost all sources were subject to conventional rates and certificates of origin, although their initial purpose had in most cases been changed, had to be maintained in force in order to apply quantitative restrictions and to supervise the application of bilateral clearing agreements. For this reason, as well as for statistical purposes, it was essential to maintain the system of certificates of origin.

2. **Definition of origin**

The place where the goods are produced naturally or industrially is considered to be their place of origin, without taking into account the source of the raw material constituting the goods.

3. **Treatment of goods which have passed through one or more countries on the way to the country of importation**

For goods which are not conveyed to Greece directly from their country of origin, but from another country, a stricter procedure is required. The certificates of origin are not issued, as is usually the case, by the Chambers of Commerce, but - in the case of goods in transit - by the customs authorities from the country of transit or by the Greek consular authorities in the intermediary country. If the goods have not been imported or cleared by the customs of another country, they are subject to the same treatment, as regards tariffs and restrictions, as the products of the country from which they originate. If, on the other hand, they have been cleared by the customs in another country, they are considered as emanating from that country and hence as equivalent to products of that country.

4. **Proof of origin**

Recognized Chambers of Commerce are, generally speaking, the competent authorities for issuing certificates of origin; it is, of course, evident that certificates issued by the customs authorities or other government services are also valid. The certificates must be lodged at the time the goods are declared to the customs; in case of delay, additional time for submitting the goods is granted on a security being deposited to cover possible difference between the tariffs. In principle, the validity of certificates legally issued by the customs authorities of the country of importation, cannot be disputed, except in the case of an obvious falsification or false statement, in which case the penal law is applied.
5. **Proposals for international action**

The only request which the Greek authorities have to make is that the formalities to establish proof of origin should be uniform and simple, that they should not constitute grounds or a pretext for preventing a rapid clearance of the goods, or grounds for a distinction leading to unfavourable treatment.

The principles set forth above are established by Ministerial Orders and Decrees which are sometimes difficult to translate. However, general rules are to be found in the old bilateral trade agreements (Great Britain, France, etc.), which were renewed after the war; they do not differ in any respect from the statements made above.
1. **Purposes for which origin is required to be established**

   (a) Admission at differential rates of duty is one of the purposes for which it is necessary in Haiti at present to establish the origin of imported goods. Under Article 2 (amended) of the Law of 26 July 1926 (Page 3 of the International Customs Bulletin, No. 108), imported goods may be subject to a minimum or maximum tariff as the case may be.

   (b) No.

   (c) The foreign trade statistics of Haiti are drawn up according to the country of "provenance" rather than the country of origin in the strict sense of the word.

   (d) In the terms of Article 8 of the Trade Agreement between Haiti and France of 12 July 1952, the High Contracting Parties undertook to "take all necessary steps to effectively safeguard natural or manufactured products originating in the other contracting party against unfair competition in commercial transactions".

   Each party undertook, in particular, to "take all necessary steps to suppress, on its territory, the improper use of geographic designations of origin of the other Party provided that these designations are duly protected by the latter and have been notified by the other party. Such notification should indicate in particular the documents which are issued by the competent authorities of the country of origin to certify the right to designations of origin".

   "No designation of origin can be considered as having a generic character."

2. **Definition of origin**

   (a) Yes.

   (b) Yes.

   (c) Country of manufacture.

   (d) The country where the last manufacturing operation took place. Before being repealed by Decree No. 433 of 15 September 1944, Article 38, paragraph 5 of the Law of 1 September 1905 stated that: "In the case of any of the operations mentioned, those of spinning or finishing,
being carried out in a country which has not been granted minimum rates, the maximum tariff shall be applied to the imported goods, and these may not be marked as being the produce of a country enjoying a minimum tariff).

3. Treatment of goods which have passed through one or more countries on the way to the country of importation

(a) Yes,
(b) No.
(c) Statistics are established chiefly according to the country of provenance.
(d) There is nothing particular to note, except what is explained in the reply to Question 1 (d).

4. Proof of origin

(a) The requirements in regard to proof of origin were established in Article 1 of the Order of 22 May 1935:

"Goods, articles or produce exported, to which the minimum import duty tariff applies, must have clearly displayed directly on them or, if that is not possible, on their interior or immediate packing, the indication of the country of origin in French, English or Spanish. This indication may be marked, printed, engraved, made in pyrogravure, stamped or labelled, and must be as indelible as possible.

"The country of origin shall be deemed to be indicated if the geographic name of a particular country - state, dominion, colony, possession, protectorate or trust territory - is expressly and directly displayed on the article itself or indirectly on any trade mark, label, lid, envelope, wrapping, etc., provided that the aforesaid geographic name is the basis of the wording used.

"Only the following exceptions to the above stipulations shall be permitted, subject to conditions and rules to be determined by the customs administration:

(i) articles lodged with the customs for immediate exportation or in transit to a foreign country;
(ii) articles of trifling value or for the personal use of the importer, not intended to be sold, or otherwise transferred;
(iii) crude substances and produce and their containers."
This Order, after being amended by the Orders of 20 August 1935 and 14 December 1935 and 7 May 1936 was repealed by the Order of 10 December 1942. Since that date, the origin of goods imported into Haiti is established by documents, consular and other.

(b) (i) The Commercial Convention concluded between Haiti and Italy on 3 January 1927 and renewed on 19 October 1950 provides the following under Article 3:

"In order that the favourable conditions specified in Articles 1 and 2 shall apply to natural products or products manufactured in the two countries, those products must be accompanied by certificates of origin which shall be issued in Haiti or in Italy by the competent authorities, previously approved by each of the States concerned. A consular visa may be required for the said certificates, but in that case, it shall be understood that if one Contracting Party grants a visa free of charge, the other Party shall, by way of reciprocity, be bound to make the same concession."

(ii) The tariff concessions granted by the Haitian Government to the French Government under the General Agreement on Tariffs and Trade and the Commercial Agreement between Haiti and France of 12 July 1922 provide, among the rules of application in paragraphs 12303, 12304, 12312, 12314, 12315, that the wines to which they refer must come from a country of origin, and must be authorized in that country to bear an approved designation of origin and be accompanied by a certificate of origin approved by the Haitian customs authorities. The documents approved at present are the certificates of origin issued by the "Comités Interprofessionnels du Cognac et du Vin de Champagne", and the removal permits (acquits-d-caution) of the "Administration des Contributions Indirectes."

(c) The verification of facts is carried out by the usual methods.

5. Proposals for international action

The Haitian Government has no particular suggestion to make on this matter.
### Question

1. **Purposes for which origin is required to be established**

   - Certain goods of the following countries are accorded preferential rates of duty on their importation into India:
     - (i) United Kingdom and Colonies
     - (ii) Pakistan
     - (iii) Burma.

   - **(a) Admission at differential rates of duty:** The procedure for admission of the goods at preferential rates is explained in this statement against item 2.

   - **(b) Admission under quantitative restrictions:** Import licences are granted in terms of currency area (that is, soft currency and dollar areas) without specifying the individual country in which the goods are manufactured and from which they are imported. In other words, against licences granted for import from soft currency area, importers are at liberty to get the goods from any country in that currency area.

   - **(c) Trade Statistics:** There is no recognized definition of origin for the purpose of registration of imported goods in the Trade Statistics of India.

   - **(d) Merchandise Marks:** The purpose for which the origin is required to be established in this case is to prevent importation of merchandise bearing false indication of country of origin.

   - **(e) Other reasons:** No marks.

2. **Definition of origin:**

   - **(a) Natural produce**
     - The indication of origin should show the country in which the goods are produced as "Produced in .......".

   - **(b) Goods manufactured in one country from national raw materials**
     - The indication of origin should show the country of manufacture of goods as "Made in .......".

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**INDIA**
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<td>(c) Goods manufactured in one country from imported raw materials.</td>
<td>The indication of origin should show as &quot;manufacture of different countries&quot;.</td>
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<td>(d) Goods manufactured in more than one country.</td>
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Note (A): Section 12A of the Indian Merchandise Marks Act, 1889, empowers the Government to notify, among other things, the descriptions of imported goods which should bear indications of origin and the manner in which such indications should be shown. A copy of Indian Merchandise Marks Act, 1889, and a copy of notification issued under Section 12A, thereof are enclosed.*

Note (B): For admission of goods at preferential rates of duty, the origin of goods should be established as follows:

I. No article shall be deemed to be the produce or manufacture of the United Kingdom or a British Colony unless the Customs Collector is satisfied -

(1) subject to the provisions of paragraph II below, that the article has been consigned from such country; and

(ii) (a) where the article is unmanufactured, that it has been grown or produced in such country, and

(b) where the article is manufactured -

(1) that it has been wholly manufactured in such country from material produced in such country; or

(2) that it has been wholly manufactured in such country from unmanufactured materials; or

* This annex is not reproduced in this document, but the original is available in the office of the secretariat.
Question | Reply
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(3) that it has been partially manufactured in such country and that the final process of manufacture has been performed in such country, and that the expenditure on material produced and labour performed in such country in the manufacture of the article is not less in the case of an article specified in the Second Schedule to the U.K.-India Trade Agreement of 1939 than one-half and in the case of other articles than one-quarter of the factory or works cost of the article in its finished state.

Provided that where the goods are consigned from a British Colony the material produced and labour performed in any other British Colony may be reckoned as though it were material produced or labour performed in the Colony from which the goods were consigned.

II. Articles of a description specified in the first column of the Third Schedule to the U.K.-India Trade Agreement of 1939 which have been consigned from the United Kingdom but are in other respects eligible under paragraph I above to be deemed to be the produce or manufacture of a country specified in the corresponding entry in the Second Column thereof, shall be deemed to be the produce or manufacture of that country notwithstanding the fact that they were not consigned therefrom.

(Note: Copy of relevant regulations and copy of the prescribed form of Certificate of origin are attached.)*

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### Question

| III. Goods imported from Pakistan and Burma, which are eligible to be assessed to duty at preferential rates, will be admitted at such rates provided the Customs Collector is satisfied that they are the produce or manufacture of Pakistan or Burma. |

| 3. Treatment of goods which have passed through one or more countries on the way to the country of importation as regards: |

| (a) Admission at differential rates of duty: | The importer of certain goods claiming their admission at preferential rates of duty has to satisfy the Customs Collector concerned that the goods satisfy the conditions enabling them to be assessed at preferential rates of duty. |

| (b) Admission under quantitative restrictions: | Goods imported from a country in a soft currency area when passing through one or more countries en route are treated as belonging to soft currency area provided the countries en route are in the soft currency area and that the goods in question are not manipulated en route. |

| (c) Trade statistics: | In the Trade Statistics of India, imports are classified with reference to the countries whence they were consigned to India and not with reference to the countries whence they were shipped direct to India. The country of consignment is defined as that from which the goods have come whether by land and sea or by sea only or by air, without interruption of transit save in the course of transhipment or transfer from one means of conveyance to another. Thus the countries whence goods are consigned are not in all cases the countries of actual origin of the goods, since goods produced in one country may be purchased by a firm in another country and then despatched after a longer or shorter interval to India. In such a case, the second country would be the country of consignment to which the goods would be credited in these accounts. |
(d) Merchandise marks

Goods are treated on the basis of the indication of origin shown on them. The transiting of different countries on the way by the goods cannot make a difference in regard to the indication of origin shown on the goods.

(e) Other reasons:

No remarks.

4. Proof of origin:

(a) Form of certificates or other proof:

For admission of goods at preferential rates of duty, the Customs Collector has to be satisfied that the goods in question are eligible to be assessed at preferential rates. The importer has to give documentary evidence in this behalf. [Prescribed forms of certificate of origin attached.]

(b) Issuance of certificate:

For purposes of the Merchandise Marks Law, the indication of origin should be applied to the goods. Where due to the smallness of the size of the goods or otherwise, it is impracticable to mark the country of origin on the goods themselves or where it is not possible to do so without adversely affecting the quality of the goods or without undue expenditure, the indication may be applied on the wrapper, container or label attached.
1. Purposes for which origin is required to be established

   Trade statistics only.

2. Definition of origin

   By "the country of origin" of imported goods is understood:

   (a) The country where the goods were produced, on the understanding that
       in case different countries have been involved in the production, as
       country of origin is considered the country where the goods underwent
       their last process (included packing for retail trade).

   (b) If the country, where the goods were produced is not known, the country
       from which stock the goods originate.

3. Treatment of goods which have passed through one or more countries
   on the way to the country of importation

   (a) No differential rates of duty exist in Indonesia.

   (b) Indonesia does not apply discriminatory import restrictions.

   (c) See Question No.2.

   (d) For custom purposes there are no rules in connection with merchandise
       marks.

   (e) There are no other reasons why such goods should be treated
       differently.

4. Proof of origin

   (a) In general the mentioned origin is controlled by the customs from
       the invoice and other usual papers. For goods originating from
       Singapore a proforma invoice is required, signed by the consul-general
       of Indonesia in Singapore. This document is required as an extra
       control on the needed foreign currency for these transactions and the
       declarable value for custom purposes.

       No other special proof or certificate is required.
(b) See (a).
(c) See (a).

5. Proposals for international action

To Indonesia it seems in accordance with the general idea of the GATT that special certificates should be done away with as soon and as far as possible.

Enclosed you will find a copy of the articles of the relevant law and regulations.*

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* This annex is not reproduced in this document, but the original is available in the office of the secretariat.
1. Purposes for which origin is required to be established

It is necessary to ascertain the origin of imported goods in order to meet two requirements which are of equal importance to the Italian authorities:

(a) One of these is a fiscal requirement. Since Italy applies a multiple tariff (general tariff and conventional tariff), the tariff to which the imported goods are subject, on account of their origin, must be determined by taking into account the tariff conventions and agreements concluded by Italy.

(b) The other is an economic requirement. Only if the origin is known is it possible to apply the rules laid down in trade agreements and the resultant currency regulations, as well as to apply measures for quantitative restrictions to imported goods coming from certain countries.

Further, determination of origin is important for the purpose of compiling foreign trade statistics, and of implementing health regulations and various other measures of control.

The determination of the origin of imported goods is compulsory under Article 161 of the Customs Regulations (R.D. 13 II 1896 No. 65): "For the purpose of applying conventional duties to goods which are granted more favourable treatment if they come from countries with which trade agreements have been concluded, the declaration of the goods must, in principle, accompanied by documents issued by the Ministry of Finance to confirm the origin of the goods or to confirm the observation of the other conditions to which special treatment is subject".

The laws and regulations pertaining to the origin of goods are contained in Appendix II "Certificates of Origin". These laws and regulations are based, in particular, on the principles of the International Convention relating to the Simplification of Customs Formalities (Geneva, 3/XI/1923), which was ratified by Italy in R.D. 4/V/1924, No. 1097.

The same provisions are applied in all other cases (determination of the origin for the purpose of controlling foreign trade and currency, etc.).

2. Definition of origin

In Italian legislation, the country of origin is that in which the goods were produced or underwent the last process of industrial transformation, whatever might be, in the latter case, the origin of the raw materials employed.
"Industrial transformation" does not of course refer to every process applied to the materials, but only to treatment through which they are substantially modified, acquiring new and distinct properties.

It will be noted that in the question of origin, Italian law does not discriminate between natural produce and manufactured goods, nor, as regards goods manufactured in one country, between those in which national and imported raw materials are used. Finally, as to goods manufactured in more than one country, Italian law considers the country of origin to be that in which the goods underwent their last industrial transformation.

3. Treatment of goods which have passed through one or more countries on the way to the country of importation

Goods originating in a certain country, which are shipped directly from that country to Italy are, in principle, considered to be originating in that same country even if they have passed through one or more other countries.

Goods, on the other hand, which are not imported directly into Italy from the country of origin, but in "indirect transit" (through one or more other countries) may be regarded as originating in the first country only if they have not been made available for consumption in the country or countries of transit and provided they have always remained under the supervision of the customs authorities. This facility applies only to countries which enjoy most-favoured-nation treatment and which have ratified the above-mentioned Geneva Convention.

Finally, other more extensive measures of simplification are employed in the determination of origin for the purposes of controlling foreign trade and currency.

4. Proof of origin

Proof of origin is supplied by submitting a certificate of origin to the customs authorities. These documents may, in certain cases, or where particular agreements so prescribe, be replaced by consular invoices, certificates of analysis by authorised institutions or bodies, health certificates, certificates stating the right to certain geographical designations of origin, etc.

Special more favourable provisions exist in connection with the determination of origin of goods coming from certain extra-European countries.

In doubtful cases, the customs are entitled to demand any other appropriate document. It is, in any case, a normal practice to require, in addition to the certificate of origin, an original "customs declaration" for goods arriving by rail, and a bill of lading for sea-borne goods.
(a) To be valid, certificates of origin must contain the following indications:

Name, surname and place of residence of the shipper.

Name, surname and place of residence of the consignee.

Quantity, marks and numbers of packages.

Quality of goods, according to normal trade descriptions.

Gross weight of packages or other information sufficient to show the quantity of the goods.

Means of transport by which shipment is made.

Date of issuance of certificate.

The quality and quantity of goods may be omitted in the certificate if an invoice is attached, containing the shipper's stamp, duly authenticated by the stamp of the authority issuing the certificate.

Where certain certificates are required in connection with the application of certain reduced customs duties or for the granting of certain exemptions or facilities under particular agreements, these certificates must be added to the usual indications specified above.

In addition, the certificates should contain the personal signature of the issuing authority, authenticated by an official stamp. The signature and the stamp must be placed immediately after the description of the goods.

The form of the certificates must in any case be such that the declaration of the origin of the goods is made by the authority issuing the certificate and not by the shipper or any other interested party.

As a general rule, certificates should be made out in the Italian language, but certificates in a foreign language are also considered valid. However, where the language is not French, the customs authorities are entitled, in doubtful cases, to demand an official translation of the document.

(b) To be considered valid, certificates of origin must be issued by one of the following bodies:

Italian consular offices.

Italian Chambers of Commerce abroad.
Foreign Chamber of Commerce, excluding joint chambers of commerce.

Foreign customs authorities.

Apart from these bodies, certificates of origin may also be issued by any body specially designated for the purpose by the trade agreements in force, as well as those which have the requisite competence and offer the necessary guarantees, have been authorised by their respective governments and are recognised by the Italian Government.

In general, subject to the provisions of particular international agreements, certificates of origin issued by the Italian consular offices must be legalised by the Italian consul having jurisdiction in the place where the goods have been produced. However, the application of this rule was suspended in 1950, and, in certain cases, even earlier.

In case of doubt, the customs may always require a visa from the consular authorities.

(c) Certificates must not have alterations or erasures suggesting that the document has not been issued by the competent authorities for the goods with which it is presented; in general, the certificates must be issued on a date earlier than that of the arrival of the goods. Certificates issued at a later date than the arrival of the goods can also be accepted provided there is no doubt as to their veracity, that the date of departure of the goods from the place of origin is indicated thereon, and that they correspond exactly to the goods described in the certificates.

There should be one certificate for each batch of merchandise or each shipment of the latter, addressed from the place of origin to each consignee. Cumulative certificates, that is certificates including several batches of merchandise consigned from the place of origin to several consignees, are not valid even if the batches arrive at the same time. Equally void are certificates for several shipments arriving at different times. An exception to that rule is where the goods may have been imported as component parts and in a number of different shipments and, at the discretion of the customs authorities, where packages from the same batch have been unable, owing to duly proved force majeur, to be shipped from the port of departure.

The certificate is valid even if the import declaration is submitted by a person other than that indicated by the certificate as the consignee of the goods.
In general, certificates of origin are not considered to be valid if, although issued by authorised bodies, they certify to the origin of goods in a country other than that in which the issuing authority resides. Nevertheless, in the case of goods imported into Italy, not directly from their country of origin, but in indirect transit across a third country, customs authorities may accept as valid certificates of origin relating to goods issued by the competent authorities of this country provided that these certificates contain a statement that the goods have always remained under customs supervision. This facility can only be granted for goods from countries which not only benefit by most-favoured-nation treatment but have also ratified the Geneva Convention of 1923.

A certificate referring to goods originating in a country which has been granted certain tariff advantages, and which have crossed in transit a country not covered by the agreements and have been shipped from that country to arrive in Italy by the sea route, is not valid if the route which the merchandise should take is not indicated on the certificate. A similar indication is necessary even in the case where the goods are shipped from the country of origin by sea to a port in a state not covered by the agreement, to be conveyed over land to their destination in Italy after crossing the said state in transit.

Certificates accompanying goods are not considered valid if although originating in a country which has been granted most-favoured-nation treatment, they have been declared available for consumption and placed in public or customs warehouses in a country receiving such treatment.

5. Proposals for international action

For the purpose of simplifying customs formalities as much as possible, in view of the diverging standards applied by the different countries for determining the origin of imported goods, it is felt that a multilateral agreement on the widest possible basis should be adopted, to deal with the following points:

(a) Adoption of a single definition for the origin of goods and, on that basis, uniform rules for determining the nationality of imported goods in different cases. This definition should be introduced in the legislation of each country.

(b) List of operations for which proof of origin should not be required (dispatch of goods not of a commercial nature; dispatch by parcel post, etc.).
(c) Adoption of a single international form of certificate of origin for all types of goods. However, provision could be made for special declarations stipulated in certain cases by particular agreements between countries.

(d) Authorities qualified to issue certificates of origin.

(e) To establish, between the customs authorities of the different countries, close co-operation and mutual assistance for the purpose of facilitating the determination of the origin of goods and in order to eliminate fraud resulting from false statements of origin.
NEW ZEALAND

1. Purposes for which origin is required to be established

(a) The basic structure of the New Zealand Customs Tariff provides for a British Preferential Tariff and a General Tariff. In addition, maximum rates of duty on certain products of Australia and Canada are established by trade agreements with those countries, and certain rates of duty on South African products are bound in terms of the GATT agreement with that country.

The rates of duty negotiated under GATT (other than those under the British Preferential Tariff or separately bound to South Africa), and also certain unbound rates established pursuant to the margin of preference provisions of GATT, constitute what is generally referred to for convenience as the Most-Favoured-Nation Tariff.

The MFN rates established as a result of GATT negotiations are also extended, in terms of arrangements with such countries, to the products of various non-GATT countries. In the case of Switzerland the arrangement covers only some of the products for which MFN rates exist.

The British Preferential Tariff applies, with the exceptions noted above, to "all goods being the produce or manufacture of some part of the British dominions" (Customs Acts Amendment Act 1934 section 5) and the British dominions are defined as meaning "..... the British Commonwealth of Nations; and includes every territory for whose international relations the government of any country of the Commonwealth is responsible" (ibid., section 3, as amended by Customs Acts Amendment Act 1951 section 3).

The MFN rates established pursuant to the General Agreement are applied to "..... goods ..... being the produce or manufacture of such countries not forming part of the British dominions as may be specified .....(by) ..... Proclamation ....." (General Agreement on Tariffs and Trade Act 1948, section 4(2)(a)).

(b) The Import Control Regulations 1938 provide that "the Minister (of Customs) may grant any (import) licence subject to such conditions as he thinks fit to impose" and the prescribed form of application requires the applicant to state the country of origin of the goods.

Most goods are now exempted from quantitative control if the produce or manufacture of "non-scheduled" countries, but virtually all products of "scheduled" countries are still subject to control.
Where goods are still under control, even if the product of "non-scheduled" countries, licences in respect of imports from such countries do not specify a country of origin but are simply endorsed "OTSC" (other than scheduled countries). Licences for imports from "scheduled" countries specify the particular country of origin.

(c) New Zealand trade statistics are compiled on both a country of origin and a country of purchase basis. The prescribed form of customs entry (from which statistics are compiled) requires the importer to state both.

(d) New Zealand has no Merchandise Marks Act and there is no legislation requiring the marking of the country of origin on all imported goods. Under the Patents Designs and Trade-marks Act, however, there is (apart from provisions relating to forged trade-marks or false descriptions) a section prohibiting the importation of goods bearing any words or other markings which would give a false impression as to the country in which they were made or produced.

(e) Although these are in a sense quantitative restrictions it is thought desirable to mention separately the fact that origin is an important element in applying certain sanitary regulations, e.g. those aimed at preventing the introduction of foot-and-mouth disease, where it is necessary to distinguish between countries or areas in which the disease exists and those free from it. "Origin" in this sense is of necessity a less precisely defined term than it is for purposes of determining the qualification for preferential duties, and it is possible that it is not properly within the scope of the present survey.

Certificates as to the areas in which material originates are in some cases required from competent authorities in the exporting country.

2. Definition of origin

The comments which follow relate to the definition for admission at differential rates of duty. Origin for quantitative restriction and statistical purposes is determined by the origin for duty purposes, as also, in general, would be the case with misleading wording under the Patents, Designs and Trade-marks Act.

(a) Goods are deemed to be the produce of a country if they are wholly the produce of that country.
(b) and (c) If the goods are wholly manufactured in one country from unmanufactured raw materials (whether imported or domestic) they qualify as the manufacture of that country.

(d) British Preferential Tariff and Canadian Agreement

The following conditions must be fulfilled in order that goods in this category may be deemed the produce or manufacture of any country forming part of the British dominions:

(i) that they are partially manufactured in that country; and

(ii) that the final process of manufacture has been performed in that country; and

(iii) that the expenditure in material and/or labour of the British dominions is not less than one-half the factory or works cost of the finished article.

Australian Agreement

The determination of the legal origin of goods partially manufactured in Australia is on a different basis, and it is required that:

(i) the goods are partially manufactured in Australia; and

(ii) the final process of manufacture is performed in that country; and

(iii) that the expenditure in Australian labour and/or material is not less than one-half the factory or works cost; or that the expenditure in Australian, New Zealand and United Kingdom labour and/or material is not less than seventy-five per cent of the factory or works cost.

MFN Tariff

For admission as the produce or manufacture of a country entitled to MFN concessional rates the conditions are:

(i) that the goods are partially manufactured in that country; and

(ii) that the final process of manufacture has been performed in that country or in a country forming part of the British dominions; and
(iii) that the expenditure in material and/or labour of that country is not less than one-half the factory or works cost of the finished article.

3. Treatment of goods which have passed through one or more countries on the way to the country of importation

(a) The process of mere "passing through" does not change the origin of goods. The concept used in New Zealand is "entry into the commerce" of another country.

This is covered by the general rule that goods lose their original status if they enter into the commerce of another country en route to New Zealand, but to this rule there are important exceptions, and in the undermentioned circumstances goods do not lose such status:

(i) Goods, being the produce or manufacture of a country whose products are entitled to entry under the British Preferential Tariff, which after shipment from that country enter into the commerce of another country in the same category.

(ii) Goods, being the produce of a country whose products are entitled to entry under the MFN tariff which after shipment from that country enter into the commerce of a country forming part of the British dominions.

(iii) Goods being the manufacture of a country whose products are entitled to entry under the MFN Tariff:

(a) in respect of which the final process of manufacture has been performed in that country, and which after shipment from that country have entered into the commerce of a country forming part of the British dominions; or

(b) in respect of which the final process of manufacture has been performed in a country forming part of the British dominions and which after shipment from such country have entered into the commerce of another country forming part of the British dominions.

The case of goods which, being the product of a country whose products are entitled to entry under the MFN tariff, enter the commerce of another such country, is not covered by the regulations, but in practice this does not mean that such goods lose their MFN status. These circumstances rarely apply in New Zealand's import trade, but where they do, and provided satisfactory evidence of the facts is available the provisions of the General Agreement are considered to require that MFN treatment be accorded.
(b) The question of change in status for admission under the import control regulations can arise in three ways:

(i) Goods the produce or manufacture of a scheduled (hard currency) country which enter into the commerce of a non-scheduled country.

(ii) Goods the produce or manufacture of a non-scheduled country which enter into the commerce of a scheduled country.

In both these cases it is primarily the terms of payment in foreign exchange which govern the issue. If in case (i) it is established that no payment of the hard currency by New Zealand is involved the goods will probably be admitted, for import control purposes, on the same basis as if they were the product of the non-scheduled country.

In case (ii) payment would almost certainly be required in the currency of the scheduled country and the goods would in that event be treated as though they were the product of that country.

(iii) Goods the produce or manufacture of one scheduled country which enter into the commerce of another scheduled country.

As previously indicated licences issued for imports of goods from scheduled countries specify the country of origin, and if such goods entered the commerce of another scheduled country the case would have to be determined on its merits. There is no possibility of establishing a fixed rule in this case.

(c) The determination of origin for goods entering into the commerce of another country en route to New Zealand follows the determination for tariff purposes. In addition trade statistics record the country of purchase, which would be normally the intermediate country into whose commerce the goods had entered.

(d) The question does not seem to arise in connection with the above-quoted provisions of the Patents Designs and Trade-marks Act, which are concerned with the country of produce or manufacture.

(e) The question does not normally arise, but it is apparent that, for example, products from a country free of foot-and-mouth disease even by merely passing through an infected country might lose their status.
4. Proof of origin

(a) The legislation under which proof of origin is required is contained mainly in section 7 of the Customs Acts Amendment Act 1934, which reads as follows:

"7. (1) Notwithstanding anything in section five or section six of this Act or elsewhere in the Customs Acts, the duty (if any) payable under the General Tariff shall be paid on all goods imported into New Zealand or entered therein for home consumption unless the following provisions of this section are complied with.

"(2) Where it is claimed in respect of any goods that they are entitled to be entered under the British Preferential Tariff they shall not be so entered unless there is produced to the Collector an invoice of the goods having printed or written thereon a certificate signed by the supplier or consignor, in such form as may be prescribed, stating that those goods are bona fide the produce or manufacture of a country named in the certificate, being a country the produce or manufactures of which are entitled to be entered for duty under the British Preferential Tariff.

"(3) Where it is claimed in respect of any goods (not being goods entitled to be entered under the British Preferential Tariff) that they are entitled under any Act or other authority to be entered free of duty or at a lower rate of duty than that set forth in the General Tariff, such goods shall not be so entered unless there is produced to the Collector an invoice of the goods having printed or written thereon a certificate signed by the supplier or consignor, in such form as may be prescribed, stating that those goods are bona fide the produce or manufacture of a country named in the certificate, being a country the produce or manufactures of which (in so far as goods of the kind or class included in the invoice are concerned) are entitled to be so entered free of duty or at a lower rate of duty than that set forth in the General Tariff.

"(4) No such invoice as is referred to in sub-section two or sub-section three hereof shall relate to any goods other than those to which the certificate mentioned therein refers.

"(5) The certificate referred to in sub-section two or sub-section three hereof in respect of any goods shall be produced to the Collector at the time of making entry for those goods, or within such period thereafter as the Collector may allow,
"(6) An extension of time under the last preceding sub-
section shall be granted on such conditions as to security for pay-
ment of duty, or as to payment of penalties, or otherwise, as may
be prescribed by regulations in that behalf, and such further
conditions (if any) as the Minister may in any case direct.

"(7) In the case of goods sent by post or through a for-
warding agency, or in such cases (if any) as may be prescribed, or
with the consent of the Minister in any other case, the Collector
may dispense with any certificate required by this section if eviden-
satisfactory to him, is produced that the goods, if entered for
duty under the British Preferential Tariff, are entitled to be so
entered, or, if entered (otherwise than under the British Prefer-
ential Tariff) free of duty or at a lower rate of duty than
that set forth in the General Tariff, are entitled to be so entered
pursuant to any Act or other authority referred to in sub-
section three hereof.

"(8) Nothing in sub-section one of this section shall be so
construed as to affect the liability of any goods to duty in
accordance with a tariff adopted under section seven of the Customs
Amendment Act 1921.

"(9) This section is in substitution for section sixteen
of the Customs Amendment Act, 1921, and that section is hereby
accordingly repealed."

The forms of certificate are prescribed in the Customs (Tariff Pre-
ference and General) Regulations 1936, of which copies are attached.*

NOTE: Since 1948, when New Zealand became a contracting party to
GATT, a certificate of origin (Form 4 in the Second Schedule to the
regulations) has not been required for goods the produce or manufacture
of a country whose products are entitled to MFN Tariff treatment provided
the customs authorities are otherwise satisfied that such goods are in
fact the product of that country.

(b) Certificates of origin are required to be furnished by the exporters
of the goods. New Zealand does not require consular or similar
certificates, visas or fees.

(c) Verification in New Zealand is mainly by scrutiny of documents and
examination of the goods. In addition investigations are made in
the exporting countries by officers of the customs department or
other New Zealand officials.

* This annex is not reproduced in this document, but the original is
available in the office of the secretariat.
5. Proposals for international action

It is the opinion of the New Zealand authorities that the objective of a common definition of nationality is unlikely to be attained. The various national methods of determining it are in many cases so bound up with the tariff structure that changes would involve radical tariff alterations and create considerable difficulty in relation to trade agreements (including the General Agreement). This is not to say that such a common definition could not be agreed upon within a limited area such as the European Customs Union group. A very useful purpose would, however, be served by the compilation of an authentic description of the definitions and procedures applied by all the contracting parties.

Attached are copies of the Customs (Tariff Preference and General) Regulations 1936 and of Amendment No.1 thereto.*

* This annex is not reproduced in this document, but the original is available in the office of the secretariat.
1. **Purposes for which origin is required to be established**

Information on the nationality of goods imported into Norway is required for the following purposes:

(a) In order to enable the authorities to implement the control with quantitative import regulations.

(b) For the completion of trade statistics.

2. **Definition of origin**

The definition of the origin of goods has not been determined by law, but the following definition is being used by the administration:

"As far as raw materials are concerned the country of origin is the country where the goods have been produced and as far as manufactured goods (including refined goods) are concerned the country where the goods have received their present form. Goods which have been subject to repacking, sorting or mixing are not considered to be manufactured goods."

3. **Treatment of goods which have passed through one or more countries on the way to the country of importation**

Such goods are not subject to special treatment. The country of origin is determined in accordance with the above definition.

4. **Proof of origin**

The importer has to give information as to which country is the country of origin in his application for an import licence or foreign exchange licence. The name of the country of origin is reproduced in the licences. Special certificates of origin from the country where the commodity has been produced or manufactured are not required. The customs authorities verify that the import documents and the documents accompanying the goods in question correspond and that the description of the goods in the various documents is correct.
The purpose for which origin is required to be established on imports in Pakistan, is in regard to applying the lower rate of duty wherever applicable to goods of United Kingdom, Ceylon and British Colonies origin. The form of certificate of origin is prescribed. The definition of origin is also laid down in the rules. In Pakistan, no certificate of origin is required to be produced for admission under quantitative restrictions, trade statistics, merchandise marks or any other reasons insofar as the customs relations are concerned.
1. **Purposes for which origin is required to be established**

   It is necessary to determine the origin of imported goods for the following reasons:

   (a) For the application of Imperial Preference and preferences accorded under trade and customs agreements.

   (b) For the purpose of import control based on currency availability.

   (c) For the current compilation of trade statistics.

   (d) For the purpose of the Merchandise Marks Act, which prohibits the importation of goods bearing a false trade description (as to the place or country in which any goods were made or produced).

2. **Definition of origin**

   The origin of goods is determined as follows:

   (a) Natural produce takes the origin of the country in which it was grown or produced.

   (b) Goods manufactured in one country from raw materials produced in that country assume the origin of that country.

   (c) Goods manufactured in one country from imported raw materials and goods manufactured in more than one country take the origin of the country in which the last genuine process of manufacture was performed.

   In this connection, however, the following points should be noted:

   (i) For the purpose of Imperial Preference generally, not less than 25% of the factory cost of the goods must be represented by the material and/or labour of the country of origin (the Empire country in which the last process of manufacture was performed) and any other part of the British Empire.

   (ii) For the purpose of preferences granted to the Union of South Africa, not less than 25% of the factory cost of the goods must be represented by the products and labour of the Union of South Africa; or not less than 50% of the factory cost of the goods must be represented by the combined products and labour of the Union of South Africa and any other country in the British Empire.
3. **Treatment of goods which have passed through one or more countries on the way to the country of importation**

The origin of goods for preferential purposes is not affected if the goods are consigned to Southern Rhodesia from their country of production or manufacture and pass through other countries in the process of transportation. If, however, goods produced or manufactured in one country are consigned to Southern Rhodesia from another country (other than a customs union territory) preference is disallowed unless:

(a) The goods are of such a nature that it is possible, by physical examination to establish origin beyond reasonable doubt.

(b) The goods are in unopened packages as originally exported from their country of origin and can be identified with the records (invoices) of the exporter in the country of origin.

In the case of goods reconsign from customs union territories, however, the origin originally accepted by the customs authorities in the territory of first importation is accepted for preference purposes when the goods are finally removed to Southern Rhodesia.

The fact that goods may have passed through one or more countries before their arrival in Southern Rhodesia does not in itself affect import control (currency), statistical classification or the requirements of the Merchandise Marks Act.

The importation of certain commodities from certain Eastern countries is prohibited for health reasons, however, whether the goods originated in those countries or not.

4. **Proof of origin**

Proof of origin is normally furnished by certificates of origin in the form prescribed in the Schedule to Government Notice No. 228 of 1939, but the evidence of these certificates is subject to confirmation, if such is considered necessary, by physical examination of the goods and, in the case of manufactured goods by analyses of their costs of manufacture prepared and certified by chartered accountants.

In the case of goods purporting to be of Hong Kong origin normal certificates of origin must be supplemented by accountants' certificates and certificates by the Director of Commerce and Industry, Hong Kong.
1. Purposes for which origin is required to be established

In the case of all imported commodities, details must be given of the country of origin of the goods for the purpose of the trade statistics. To a certain extent the determination of the country of origin may also be required for the application of quantitative restrictions and the regulations regarding marks of origin on imported commodities. On the other hand the country of origin is of little importance for determining customs duties, as the Swedish customs tariff is a single tariff and thus applies the same rate of duty regardless of the origin of the goods.

2. Definition of origin

For the purposes of trade statistics the following instructions issued by the statistical section of the Royal Customs Board apply regarding the meaning of the term "country of origin":

"In regard to a raw material the country of origin is the country where the material was produced, and in regard to a manufactured article the country where the article, through a process of manufacture of substantial extent, acquired the form and character which it had when it entered the country. The term "process of manufacture" also includes the roasting of coffee, the grinding of spices and grains, the refining of sugar, fats and oils, the combing and dyeing (not cleaning) of textile fibres, the treatment of hides and furs and the like."

With regard to the application of quantitative restrictions and regulations concerning marks of origin, no special provisions are in force concerning the meaning of the term "country of origin". If any doubt arises in this respect, the definition given above in relation to trade statistical purposes could probably serve as a guide also in the cases now referred to.

3. Treatment of goods which have passed through one or more countries on the way to the country of importation

The fact that a commodity has passed through a third country on its way from the country of origin to Sweden (but has not undergone any processing in that third country or at any rate such a small amount of processing that the determination of the country of origin is not affected thereby) is in itself of no significance for the treatment of the commodity. It is, however, true that in certain cases this circumstance may give rise to doubt regarding the country of origin and a possible need of special evidence in this respect (cf. below under Point 4).
4. **Proof of Origin**

The statements of the importers regarding the country of origin of imported goods are generally accepted without its being necessary to furnish evidence in the form of a certificate of origin or the like. Evidence regarding origin is only requested if there is some special reason to doubt the accuracy of the statements made. There are no special provisions regarding the nature of the evidence which may be required in such cases.

5. **Proposals for international action**

In principle it would, of course, be desirable to have a uniform international definition of the term "country of origin". In practice, however, this question seems to be of little importance as far as Sweden is concerned, and it may be said that on the Swedish side there are no definite desires regarding the framing of such definition. Exporting circles, however, have suggested that a definition in general terms, i.e. of the type represented by the Swedish definition, is preferable to the principle, applied in certain countries, according to which the country of origin is decided on the basis of a fixed percentage of the value of the commodity.
1. Purposes for which origin is required to be established

As can be seen from the documents attached, the customs authorities are responsible under Turkish law for establishing and, if necessary, verifying the origin of imported goods. There are several reasons why the customs authorities are entrusted with this task.

(a) The necessity for determining the nationality of imported goods is due mainly to the existence of contractual rates. Although the system of dual rates or of preferential rates is not applied in Turkey, owing to the existence of contractual rates, imported goods are nevertheless subject to different rates according to their origin. Apart from the contractual rates shown on the schedule for Turkey attached to the General Agreement, other rates stipulated by conventions are applied under bilateral trade agreements concluded with countries which are not members of GATT.

Produce originating in a country which, under the General Agreement, or in virtue of a bilateral trade agreement, enjoys most-favoured-nation treatment, are subject to conventional rates, while goods coming from other countries are subject to legal rates. Consequently, the nationality of the goods imported has to be established for the purpose of determining the rate applied.

(b) The situation of Turkish foreign trade and of her balance of payments obliges Turkey to apply quantitative restrictions to imports. In applying these restrictions which are dictated only by the economic interests of the country, no distinction as to origin is drawn in the case of countries belonging to the same monetary area. Nevertheless, the existence of such restrictions makes it necessary to determine the nationality of imported goods.

(c) For the purpose of following developments in foreign trade in its various aspects, foreign trade statistics are compiled, as in all other countries. Cwing to the importance to a country of knowing, at any given moment, the position as regards trade exchanges with each country with which it entertains commercial relations, trade statistics always include information on the origin of goods. It is also necessary, for the purpose of obtaining such information, to ascertain the origin of goods.

(d) Turkish legislation contains certain provisions which are designed to avoid the use of trade marks in a manner likely to give a wrong impression as to the true origin of the goods. Article 10 of the Customs Law expressly forbids the importation, warehousing and
transport of any foreign product bearing marks likely to suggest that they are of Turkish origin. The protection of trade marks is thus one of the reasons why it is necessary to establish the nationality of goods.

(e) The Customs Law (Articles 13 - 14) as well as the trade agreements concluded by Turkey in particular the General Agreement, containing provisions which authorize governments, where the situation so requires, to apply measures of reprisal or anti-dumping measures. The application of such measures also calls for a verification of the nationality of the goods imported.

In addition, in applying the new income tax law, the determination of nationality of imported goods assists in checking the value of taxable goods and in determining the basis of the tax.

The establishment of the nationality of the goods is also useful in determining and verifying the customs value of goods subject to ad valorem rates.

2. Definition of origin

The text of Turkish legislation relating to the definition of origin is attached.*

Under this legislation the origin of different products, classified along the lines indicated in document L/71 is defined as follows:

(a) The natural produce of a country is considered to originate in that country provided it has not undergone any change or treatment in another country so as to increase its value by 50 per cent or more.

Note: The proportion of 50 per cent is reduced by agreement to one-third in the case of countries enjoying most-favoured-nation treatment in their trade with Turkey. If produce originating in any country whatsoever has undergone any change or treatment in a third country subject to the most-favoured-nation clause, it will be sufficient for its value to have increased by one-third to be regarded as originating in that third country.

(b) The origin of goods manufactured in one country from national raw materials is determined in an identical manner to that of natural produce.

*This annex is not reproduced in this document, but the original is available in the office of the secretariat.
(c) The standard adopted for deciding the nationality of goods manufactured in one country from imported raw materials are the same as those employed for determining the nationality of natural produce. If the imported raw materials, by the process of conversion into manufactured goods, show an increase in value equal or greater to a given percentage or proportion (50 per cent for goods manufactured in countries not enjoying most-favoured-nation treatment, and one-third for goods manufactured in countries enjoying such treatment) of their initial value, the manufactured goods obtained from these materials are regarded as originating in the country where they were manufactured.

(d) The nationality of goods manufactured in more than one country is determined according to the same considerations.

3. Treatment of goods which have passed through one or more countries on the way to the country of importation

The movement of imported goods in transit across one or more countries is not a case specially treated in Turkish legislation with reference to the nationality of the goods.

As long as the goods, through a process of change or treatment in the countries through which they have passed, do not show an increase in value equal to or greater than a given percentage of their initial value, transit operations have no effect on their nationality. Where goods undergo this increase in value in the course of their journey, the country where they were changed or treated is no longer regarded as the country of transit and the nationality of the goods is determined according to the general rules applied to goods manufactured in a third country.

However, one reason for ascertaining the real origin of imported goods is to avoid re-exportation. As regards nationality, the treatment given to imported goods does not vary according to whether they have passed through one or more countries before reaching their final destination. For this reason it was not considered advisable, to enter into a fresh consideration of the different cases dealt with in Point 1.

4. Proof of origin

The text is attached of Turkish legal provisions pertaining to the form, manner of issuance and of verification of the documents required for determining the origin of imported goods.

These provisions which are brief and sufficiently clear, do not seem to call for any further comment.
5. Proposals for international action

The principles held and the practice in force in Turkey as regards the determination of the nationality of imported goods do not appear likely to cause difficulty to importing countries or to businessmen dealing with imports. Besides, these principles and practices do not, in general, differ very much from those applied in other countries where the establishment of the nationality of imported goods is considered necessary. Consequently, it is presumed that the principles which eventually may be adopted by the CONTRACTING PARTIES for a common definition of the nationality of imported goods will be based on considerations which do not differ from those applied in Turkish legislation. However, as to suggesting concrete proposals for international action leading to a common definition of the nationality of goods, it seems preferable to await the study which the Secretariat proposes to undertake on the relevant laws and regulations of the different countries.
UNITED KINGDOM

1. There are four respects in which the origin of goods imported into the United Kingdom comes into question, viz:

(A) Admissibility of goods to preferential rates of duty.

(B) Admissibility of goods under import licensing regulations.

(C) Allocation of imports for statistical purposes.

(D) Conformity with Merchandise Marking regulations.

It is noted that in the United Kingdom there is no differentiation in the tariff treatment of goods according to country of origin, apart from the special case of Imperial Preference.

(A) Admissibility of goods to preferential rates of duty

2. Title to preference. Certain goods are charged on importation into the United Kingdom with customs duty at reduced rates or are admitted free of duty, provided that the goods are shown to the satisfaction of the Commissioners of Customs Excise to have been (i) grown, produced or manufactured in the Commonwealth preferential area and (ii) consigned from the Commonwealth preferential area.

3. Natural produce. To qualify for preference goods grown or produced must be entirely of Commonwealth preferential area origin and not a mixture of Commonwealth preferential area and other goods.

4. Manufactured goods. Goods are not deemed to have been manufactured in the Commonwealth preferential area unless a "prescribed proportion" of their "value" is derived from "prescribed expenditure" which has been incurred within the Commonwealth preferential area (or the United Kingdom) in respect of materials grown or produced or work done in the Commonwealth preferential area (or the United Kingdom). For this purpose:

"prescribed proportion" means the percentage, as fixed by statutory regulations of the value which is represented by "prescribed expenditure" (see below) and varies between 5 per cent and 75 per cent according to the description of the goods. 25 per cent is the figure applicable to most descriptions. Full details are given in the Appendix.
"value" means the cost to the manufacturer at the factory or works, including:

(a) the cost to the manufacturer of materials as received into the factory, not including any Customs or Excise or other duty paid or payable in respect of such materials which is subsequently refunded on the exportation of the finished goods;

(b) manufacturing wages;

(c) factory overhead expenses, that is to say; expenses in respect of rent, rates and taxes, motive power, gas, fuel, water, lighting and heating of factory; factory supervision, including wages and salaries of manager, foremen, timekeepers, and watchmen; repairs, renewals and depreciation of plant, machinery and tools; interest on capital outlay on plant, machinery, tools and factory buildings;

(d) the cost to the manufacturer of containers or other forms of internal packing ordinarily sold with the goods when they are sold retail; but not including:

(i) cost of exterior packing;

(ii) manufacturers' or exporters' profit or the profit or remuneration of any trader, broker or other person dealing in the goods in their finished manufactured condition;

(iii) royalties;

(iv) cost of carriage and insurance from place of production or manufacture to the port of shipment;

(v) any other charges incurred subsequent to the manufacture of the goods.

"prescribed expenditure" means the cost to the manufacturer of any materials grown or produced in the Commonwealth preferential area (or the United Kingdom) entering into the composition of the goods and of the interior packing thereof (less any duty paid or payable in respect of such materials which is subsequently refunded on the exportation of the finished goods) plus manufacturing wages and factory overhead expenses as defined above incurred in the Commonwealth preferential area.
5. Treatment of goods which have passed through one or more countries on the way to the country of importation. As indicated in paragraph 2, goods must have been consigned to the United Kingdom from the Commonwealth if they are to be admitted to preference. Passage through one or more Commonwealth countries en route to the United Kingdom would not affect entitlement; but if the goods pass overland, or by way of transhipment, through a non-Commonwealth country, it would be necessary for the customs to be satisfied that the goods were in fact consigned to the United Kingdom from the Commonwealth and not to a non-Commonwealth country from which they were subsequently re-consigned to the United Kingdom (see also paragraph 7).

6. Proof of origin. The importer is normally required to produce a certificate from the overseas grower or producer (or exceptionally supplier) in the country of origin (in the case of growth or produce) or the manufacturer (in the case of manufactured goods), together with a linking certificate given by the exporter. If there is no preferential rate of duty in force (for example, if the goods are free of duty from all sources) or the importer does not wish to or cannot claim preference, there is no need to produce a certificate for such Commonwealth goods.

7. Evidence of consignment. In addition to establishing the Commonwealth preferential area origin of the goods, any importer claiming preference must be prepared to substantiate his declaration that the goods were consigned from the Commonwealth preferential area by the production of the bill of lading, supplier's invoice, buyer's order, or in any other way if called upon to do so. If Commonwealth preferential area goods have been transhipped en route to the United Kingdom or have been shipped from a foreign port after overland transit from the Commonwealth country of origin, the importer is required to produce the through bill of lading or consignment note from the country of production to the United Kingdom. Where a through bill of lading or consignment note is not available, the buyer's order, the invoice, local bill of lading or consignment note from the original point of origin, and a certificate of arrival or landing at, and exportation from, the port of transhipment will be required. Such certificates are to be signed by the Customs Officer at the port of transhipment, and in cases where the latter is foreign the signature must be vised by the British Consular authority. (The latter requirement is under review.)

The condition as to consignment from the Commonwealth preferential area is not fulfilled if goods are consigned from a foreign country through the Commonwealth preferential area to the United Kingdom.

8. Form of certificates of origin. Certificates of origin are only required in respect of goods for which preferential duty treatment is claimed. Official forms for these certificates are printed and sold, but privately printed forms are accepted provided that they conform to the official prints.
Four types of form are in use, D, E, F and FF. Certificate D is for goods grown or produced in the Commonwealth preferential area and is for signature by the grower, producer or supplier. Certificates E and F are for manufactured goods, the latter for manufactured tobacco, cigars, cigarettes, refined sugar, molasses and extracts from sugar and the former for all other classes of manufactured goods; both certificates are for completion by the manufacturer. Certificate FF is for manufactured goods which contain ingredients which are themselves dutiable. Certificate FF, which has to be completed by the manufacturer, must be supported by Certificates on form D, E or F in respect of the dutiable component.

All four forms incorporate a certificate which must be filled in by the actual exporter of the goods, if different from the person who gives the certificate regarding the origin of the goods.

Copies of the four types of certificate are included in the Appendix.

9. Issuance of certificates of origin. The general principle followed in regard to certificates of origin is that the certificate must be given by some responsible person having knowledge of the actual facts of growth, production or manufacture of the goods, and of their consignment. Accordingly, in the case of natural produce the certificate (Certificate D) must be given by the grower, producer or supplier and in the case of manufactured goods the certificate (Certificate E, F or FF) must be given by the manufacturer. As a general rule there is no requirement that these certificates should be countersigned by any governmental authority, Chamber of Commerce etc., the declaration of the person giving the certificate generally being accepted without attestation. There are, however, certain exceptions, particularly in the case of produce, when the nature of the goods necessitates official confirmation of the declarant's statement.

10. Verification of facts by customs authorities. Certificates of origin furnished by manufacturers carry an undertaking that the latter will, if so requested, produce his books or adequate cost records for inspection by the United Kingdom Customs. This provision is invoked from time to time and the certificates are checked by reference to the manufacturer's books or to his costings. These checks may be supplemented by visits of customs representatives to the manufacturer's place of business. Alternatively, the governmental authorities of the Commonwealth country may be requested to report on the validity of the certificates furnished by manufacturers in their territory. It is also possible to verify certificates by reference to the specialised knowledge which has been built up over a period of years in relation to particular trades located in particular countries.
In this way, it is sometimes established that particular traders or particular areas present greater risks of non-Commonwealth goods being passed off as Commonwealth and, in these cases, special measures of control are introduced. The latter might include a requirement that all certificates be supported by a chartered accountant's statement. The representations of aggrieved competitors are also an effective source of information bearing on the validity of traders' certificates.

11. **Proposals for international action.** It will be apparent from the above that the United Kingdom does not, for the purpose of charging duty, require to know the "country of origin" or nationality of goods. If goods fulfil the statutory conditions for the grant of Imperial Preference they are admitted at the preferential rates of duty; otherwise they pay the MFN duty. The question of determining the "country of origin" does not arise. This is only a reflection of the fact that, for reasons of commercial policy, the United Kingdom accords more favourable treatment, so far as the levying of duty is concerned, to goods from the Commonwealth preferential area. The definition of origin and the procedure in regard to admission at preferential duties are a direct consequence of this aspect of commercial policy and are applicable only to that aspect. It follows, in the United Kingdom view, that the principles and practice followed in the United Kingdom in regard to the origin of goods could not be generalised unless the motives for which account is taken of the origin of goods were the same as those which lie behind the United Kingdom's laws in regard to origin, and not necessarily even if this condition were fulfilled. It is considered that the same reason would preclude the general international acceptance of any other system of determining origin. Such systems are only the chosen instruments for the execution and furtherance of given economic or commercial policies and are apt for those given policies and no others. Accordingly, any attempt to secure international agreement on a standard definition of origin for the purposes of the application of tariffs is, in the opinion of the United Kingdom, bound to be fruitless. This is confirmed, in the United Kingdom view, by the result of the deliberations of the European Customs Union Study Group on the subject. The definition drawn up by that body was on much the same lines as that proposed by the International Chamber of Commerce. The United Kingdom does not wish to comment on the merits of either of those definitions; neither would be acceptable to the United Kingdom because neither would serve as an effective instrument for the execution of United Kingdom policy.

**(B) Admissibility of goods under import licensing arrangements**

12. **Admission under import licensing regulations.** Import Licensing and Exchange Control are in force in the United Kingdom for the purpose of safeguarding the balance of payments. United Kingdom import licensing control is maintained by Orders made under the Import Export and Customs
Powers (Defence) Act, 1939, and applies to all goods imported into the United Kingdom by private traders. The control is operated by the issue of import licences of which there are three main categories; open general, open individual and specific.

(a) **Open general licences**

This form of licence authorises the import by any trader of certain listed goods consigned from and originating in any country, or any country other than certain specified countries, or particular specified countries or groups of countries. Individual licences are not required by traders importing under an open general licence.

(b) **Open individual licences**

These licences differ from open general licences in that they are issued to individual importers but they are similar in many other respects, e.g. they are often valid for any country or groups of countries and they authorise the import of specified goods without restriction as to quantity or value.

(c) **Specific licences**

These licences are issued to individual importers and permit the import of a specified quantity or value of a specified class of goods from a specified country or countries.

The grant of an import licence implies, generally speaking, that the foreign currency will be made available for the purpose.

13. **Definition of origin.** As indicated above one of the conditions attached to the issue of import licences is that they must, inter alia, originate in a particular country or group of countries. There is no statutory definition of the expression "originating in", and in practice cases are dealt with on their merits. Special watch is kept for misdeclaration of the country in which goods are claimed to have originated and wide powers, not infrequently exercised, exist for the seizure of goods which are the subject of an untrue declaration and for penalty proceedings in the courts in respect of such untrue declarations.

14. **Treatment of goods which have passed through one or more countries on the way to the country of importation.** Goods which originate in a country other than that from which they are consigned are admitted only if they are covered by a licence which authorises imports from both the country of consignment and the country of origin. As indicated in paragraph 16 below it is the responsibility of the importer to make a correct declaration of both the country of origin and the country of consignment, and
penalties exist for wrongful declaration. For the purposes of making the necessary declaration, the country of consignment is the country from which the goods were originally despatched to the United Kingdom with or without breaking bulk in the course of transport, but without any commercial transaction in any intermediate country.

15. Proof of origin. Neither the importer nor the supplier is required to obtain or supply certificates of origin in respect of goods subject to import licensing regulations. Enforcement of the conditions attaching to the issue of import licences is carried out in the manner described in paragraph 16 below.

16. Verification of facts by customs authorities. In the matter of declaration of the origin of goods subject to import licensing control, as in case of all customs declarations, the importer is responsible for the accuracy of his statements and heavy penalties exist for untrue declarations. These include refusal to allow delivery of the goods, seizure of the goods and legal proceedings for the penalties prescribed in the customs laws. General powers exist for demanding the production of documents and information in connection with imported goods and for the inspection of importers' books and records. These powers are exercised in all cases in which there is reason to suspect that the country of origin (or consignment) is not as declared. Importers who apply for open individual or specific licences are also liable to penalties for giving false information on the import licence application form concerning country of origin or other matters relevant to the issue of the licence.

17. Proposals for international action. United Kingdom experience in the administration of import licensing regulations has shown the necessity for allowing a considerable degree of flexibility in the interpretation of the definition of origin of goods; for example, it has been found impracticable to lay down precise rules for determining whether or not particular finishing processes on manufactured goods are such as to alter the origin of the goods concerned when carried out in a country other than that in which the basic processes of manufacture were performed. In the light of this experience, the United Kingdom take the view that it would be impossible to devise any precise definition of origin which would be acceptable internationally for all commodities in all circumstances. The United Kingdom do not require certificates of origin for import licensing purposes, and think it undesirable that they should be required. The adoption of a detailed standard definition of origin for import licensing purposes would inevitably lead to increased demands that traders should produce some form of documentary proof of origin; this would be particularly undesirable in connection with temporary measures such as import restrictions.
(C) Allocation of imports for statistical purposes

18. Allocation of imports. For the purposes of the national trade statistics, importers are required to declare on customs entries the country whence the imported goods were consigned. This is not necessarily the country of origin, manufacture or shipment. For a short list of goods (wheat, maize, eggs, tea, coffee, cocoa, refined sugar, leaf tobacco, copra, hides and raw silk) it is also necessary to declare the country of origin if it differs from the country of consignment. This latter information has been required since 1936, in connection with a League of Nations request and will not necessarily be continued when the definitions referred to in paragraph 22 are settled.

19. Definition of origin. It will be observed that it is only in the case of a few goods (mostly produce) that the country of origin must be declared. For this limited purpose country of origin is defined as "the country in which the goods were produced in the condition in which they were imported into the United Kingdom".

20. Treatment of goods which have passed through one or more countries on the way to the country of importation. The determining factor is the country of consignment. The country of consignment is the country from which the goods were originally despatched to the United Kingdom, with or without breaking bulk in the course of transport, but without any commercial transaction in any intermediate country.

21. Proof of origin. As far as statistics are concerned, origin is only required to be declared on customs entries for a limited range of goods (see paragraph 18 above), most of which are natural products for which the country of origin will not normally be different from the country of consignment. In any case, since origin for statistical purposes does not carry with it any differential tariff treatment, there is no reason why the importer making the declaration should on that account give information at variance with the obvious facts. Accordingly, no proof of origin is required for statistical purposes. The declaration of the country of consignment is of course open to check by reference to the particulars of the importing ship's or aircraft's voyage (which are declared to customs) and by reference to bills of lading, transport documents etc.

22. Proposals for international action. The international agreement of a definition for origin for statistical purposes is a question for the Statistical Commission of the United Nations which has recently been examining this when discussing definitions for trade statistics generally. The final report of the Seventh Session of the Commission is not available at the date of this note; but it will probably bring to the notice of members the conclusion of its group of experts that country of consignment was to be preferred to either country of purchase/sale or of production/
consumption for recording external trade. The report of the group also
discusses the difficulty of defining and recording the country of origin.
For the time being, members who do not use the consignment system will
probably be asked by the United Nations to make investigation as to how far
their figures differ on this system from those based on the other two.
The United Kingdom supports the action of the Statistical Commission on this
question, and could not be committed to pursuing any separate investigations
as far as the recording of imports for statistical purposes is concerned.

(D) Conformity with merchandise marking regulations

23. Merchandise marking regulations. Under the merchandise marks law
goods imported bearing marks suggestive of British origin require also
to bear in order to legalise their importation, a counteracting qualifi-
cation in the form of a definite indication of the country in which the
goods were manufactured or produced or, at the option of the person
applying the indication, the word "Foreign" (for goods manufactured in a
foreign country) or "Empire" (for goods manufactured in a part of Her
Majesty's Dominions outside the United Kingdom). Certain limited classes
of goods require such marking even if no other marks are present, but for
the most part goods may be imported unmarked as to the country of origin.

24. Treatment of indirect imports. These questions are inapplicable.

25. Proof of origin. Except for wine to which the description "port"
is applied documentary evidence of the country of origin or nationality
is not required. Imported port must be accompanied by a certificate issued
by the Portuguese authorities to the effect that it is wine to which by
Portuguese law the description "port" may be applied.

26. Proposals for international action. No international action appears
to be called for.
"Prescribed Proportion". Under regulations made by the Board of Trade the "prescribed proportion" has been fixed at 5 per cent, 25 per cent, 50 per cent, or 75 per cent, according to the nature of the goods, viz. 25 per cent of the "value" for all manufactured articles except -

(a) manufactured tobacco, refined sugar, molasses, and extracts from sugar, for which the proportion is fixed at 5 per cent;

(b) goods of any class or description set out in Part I of the Schedule to the Import Duties (Imperial Preference) No.2 Regulations, 1933, or in the Schedule to the Import Duties (Imperial Preference) No.3 Regulations, 1933. The proportion for any such goods is fixed at 50 per cent;

(c) optical glass and optical elements whether finished or not, microscopes, field and opera glasses, theodolites, sextants, spectrosopes and other optical instruments and component parts thereof set out in Part II of the Schedule to the Import Duties (Imperial Preference) No.2 Regulations, 1933. The proportion for these goods is fixed at 75 per cent except when they form components of other articles.
UNITED STATES

1. Purposes for which origin is required to be established

(a) Assessing the applicable rate of duty.

(b) Fixing the quotas status.

(c) Marking to indicate the country of origin.

(d) For statistical compilations.

2. Definition of origin

(a) Whether a product of nature or an article manufactured or produced from other materials or merchandise, the country in which the article was grown or manufactured or produced.

(b) Further labour, work, or material added to an article in another country must effect a substantial transformation in order to render such other country the "country of origin". (U.S. Customs Regulations, 1943, Section 11.8 (c)). Such substantial transformations, as described in regulations for reporting for statistical purposes, include: smelting of ores; milling or refining of crude products; tanning of hides; weaving of yarns; bleaching, printing, or dyeing of textile fabrics; conversion of metal into a machine or appliance; cutting of stones; and the like. The country of origin is not changed when the merchandise is subjected in another country merely to minor manipulations, such as sorting, grading, screening, cleaning, packaging, re-packaging, and the like.


3. Treatment of goods which have passed through one or more countries on the way to the country of importation

The country of origin is not changed by reason of its mere passage through one or more countries with no addition of work or material effecting a substantial transformation during such passage.

*These annexes are not reproduced in this document, but the originals are available in the office of the secretariat.
4. Proof of origin

(a) For customs purposes:

Proof of origin is established or verified by customs officers by the means appropriate to the individual transaction. It is not generally established by means of a system of certificates of origin or other formal proof. In certain limited situations, such as shipments from the Republic of the Philippines, where special duty treatment dependent on origin is provided, certificates of origin are required. (See: Annex C - U.S. Customs Regulations, 1943, Section 16.26.) *

(b) For statistical purposes:

The country of origin is to be shown on all invoices filed with import entries. The country of origin shown on the invoice is checked against the country of origin shown on the import entry (Annex D). *

Annexes: 4

A. Regulations for the Collection of Customs Statistics.
D. Customs Form 7501: Consumption Entry.

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