



24 October 2024

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**Committee on Rules of Origin**

Original: English/anglais/inglés

**UNOFFICIAL ROOM DOCUMENT<sup>1</sup>**

FORMAL MEETING OF THE COMMITTEE ON RULES OF ORIGIN – 21-22 NOVEMBER 2024  
PRESENTATION ON BEHALF OF THE LDC GROUP BY NEPAL AND BURKINA FASO

*Best practices concerning documentary evidence of direct consignment*

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**Comité des règles d'origine****DOCUMENT DE SÉANCE NON OFFICIEL<sup>1</sup>**

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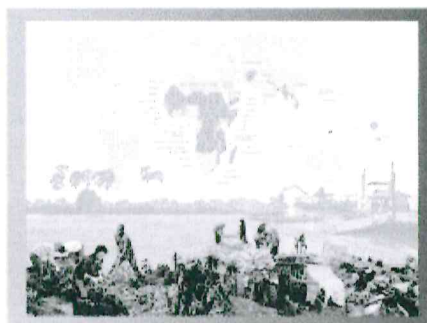


World Trade Organization  
Least Developed Countries Group

## Best practices concerning Documentary evidence of direct consignment

WTO Committee on Rules of Origin  
21-22 November 2024

Delegation (Presenter): Nepal-Burkina Faso



### Former LDC Documents:

- [GIROW/191](#) and [RD/RO/82](#) (presentation): Direct consignment rules and low utilization of trade preferences, October 2019

## Recalling Paragraph 3.1 of Nairobi Decision and 1.8 of Bali Decision

### 3.1 of Nairobi Decision:

*"3.1. With a view to reducing the administrative burden related to documentary and procedural requirements related to origin, Preference-granting Members shall:*

*a) As a general principle, refrain from requiring a certificate of non-manipulation for products originating in a LDC but shipped across other countries unless there are concerns regarding transshipment, manipulation, or fraudulent documentation"*

### 1.8 of Bali Decision:

*"The documentary requirements regarding compliance with the rules of origin should be simple and transparent. For instance, requirement to provide proof of non-manipulation or any other prescribed form for a certification of origin for products shipped from LDCs across other Members may be avoided."*

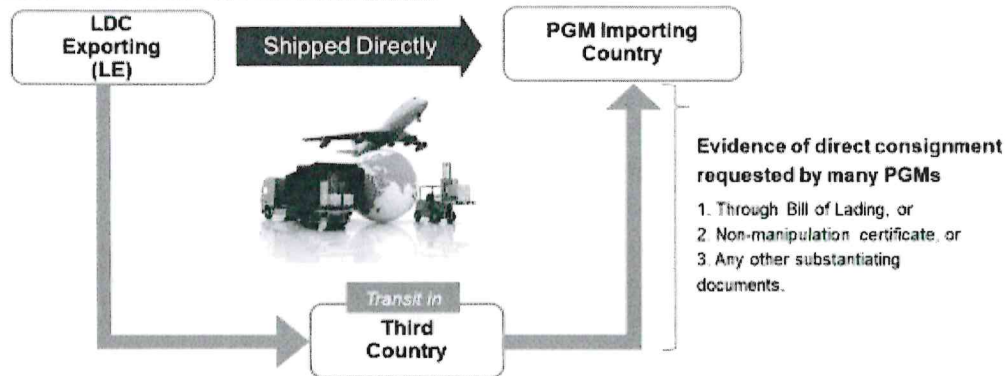
## **Best practices identified**

- The LDC WTO group has observed the positive evolution of EU requirements in terms of documentary evidence related to direct shipment.
- From a previous requirement of TBL, or non-manipulation certificate or any “*substantiating document*” to the “*non alteration principle*”.
- According to the “*non alteration*” principle the proof of compliance with the direct consignment “*shall be considered as satisfied a priori unless the customs authorities have reasons to believe the contrary; in such cases, the customs authorities may request the declarant to provide evidence of compliance, which may be given by any means*”.

## **Direct consignment requirements - Objectives**

- In this technically complex area, it is important to clarify the issue at stake and what action is required to simplify the requirements of documentary evidence related to direct consignment.
- Direct consignment requirements are provisions inserted in almost every Preferential Trade Agreement (PTAs), either of unilateral or reciprocal nature.
- Such requirements aims at ensuring that the originating goods exported from country A are the same as those imported in country B and that they have not been manipulated or further processed during transportation through third countries.
- The critical issue is the documentary evidence required by PGM to demonstrate that direct consignment requirements are met.

## Transit through third country



Goods shall be kept under customs control, and shall not undergo any operation other than unloading, reloading, or any other operation necessary to preserve the goods in good condition.

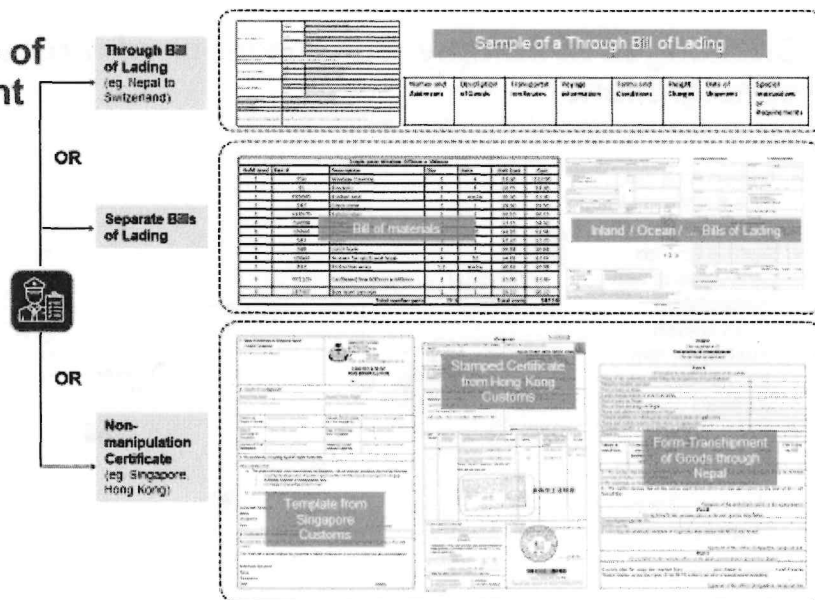
## The issue at stake: Documentary evidence of direct consignment

- Almost every PTA recognizes that due to geographical or logistic reasons the originating goods from country A may have to transit through a third country in order to be delivered to country B.
- However, practices differ widely on the documentary evidence to be provided at the time of importation in country B.
- The majority of preference granting members are requiring documentary evidence that the goods have not entered the customs territory of the third country.
- Such documentary in the majority of preference granting members is,
  1. a through bill of lading covering the transit through the third country;
  2. a certificate of non-manipulation provided by the customs authority of the country of transit stating that the goods have remained under customs control;
  3. Some preference granting members provides as a third alternative the submission of substantiating documents, but it is not clear what these document could be... leaving it to the discretion of the importing customs. This creates uncertainty in business transactions.

## Challenges to comply with documentary evidence requirement of direct consignment

- Documentary evidence related to direct consignment is often required as a through bill of lading (TBL) covering the passage through the third country,
- Or a statement by the customs of the third country of transit that the goods have not been manipulated during transit besides unloading, loading, and/or other operations necessary to preserve them in good conditions,
- None of these documents are easy to obtain. Indeed, a TBL or a certificate of non-manipulation may be impossible to produce because of the following reasons:
  - Geographical or commercial reasons: in the case of some landlocked or island countries it may not be commercially convenient or possible to issue a TBL and/or it may be too expensive or not convenient
  - The goods may be sold by the LDC exporter or producer to an intermediary or to a hub and from that intermediary or hub are subsequently shipped to the country of final destination. In this case it is not possible to show a TBL.
  - Customs authorities of the transit country have no obligation or legal reason to issue a certificate of non-manipulation because they play no role in the transaction-there is no WCO best practice or provision in this regard.

### Example of document required

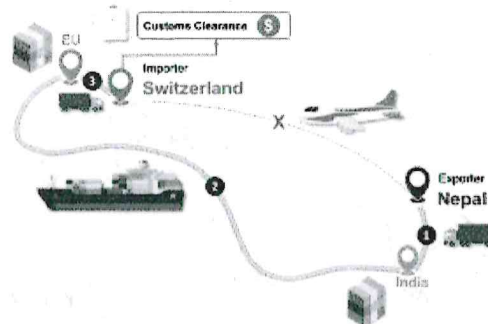


## Example of document required: Sample of Through Bill of Lading

<b>Names and Addresses:</b>	<b>Supplier:</b>	Noble Textiles Pvt. Ltd., Birgunj, Nepal Phone: (Shipper Phone), Email: (Shipper Email)
	<b>Carrier:</b>	Maersk Line Phone: (Shipper Phone), Email: (Shipper Email)
	<b>Retailer:</b>	H&M Geneva, Switzerland Phone: (Shipper Phone), Email: (Shipper Email)
<b>Description of Goods:</b>	500 units of carpets, with detailed specifications.	
<b>Transportation Routes:</b>	<b>Truck:</b>	Birgunj, Nepal to Port of Kolkata, India
	<b>Vessel:</b>	Kolkata to Rotterdam, Netherlands
	<b>Truck:</b>	Rotterdam to Geneva, Switzerland
<b>Voyage Information:</b>	<b>Vessel:</b>	MSC Atlantic
	<b>Voyage:</b>	AE202004
	<b>Ports:</b>	Birgunj (Loading) – Kolkata (Transshipment) – Rotterdam (Transshipment) – Geneva (Final Destination)
<b>Terms and Conditions:</b>	Incoterms 2020, CF (Cost, Insurance, Freight)	
<b>Freight Charges:</b>	Comprehensive freight cost covering all transportation modes	
<b>Date of Shipment:</b>	May 23, 20XX	
<b>Special Instructions or Requirements</b>	Temperature-sensitive goods; insurance coverage for the entire journey	

## Challenges to comply with evidence of direct consignment

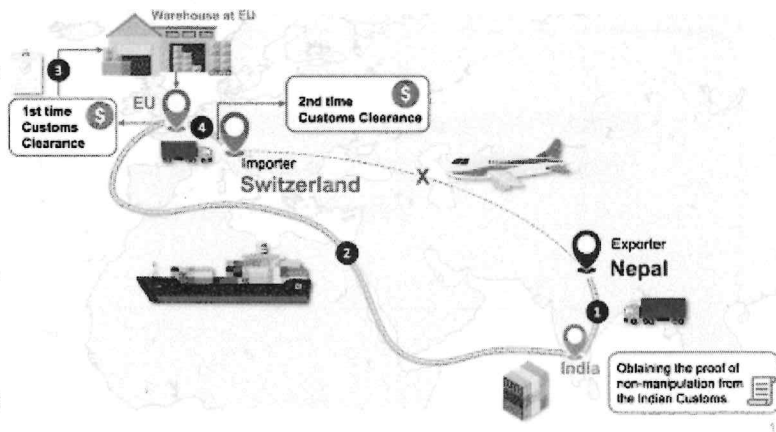
- Option A: A TBL from Katmandu to Geneva
- Option B: Two certificates of non-manipulation
  - 1) From **Indian customs** (from Katmandu to Kolkata)
  - 2) From **Dutch Customs** (from Rotterdam to Geneva +2/3 bill of lading)



- 1 Certificate of non-manipulation in **India**
- 2 Certificate of non-manipulation in **Rotterdam**
- 3 Bills of Lading
  1. **Katmandu-Kolkata**
  2. **Kolkata-Rotterdam**
  3. **Rotterdam-Geneva**

## Challenges to comply with evidence of direct consignment: The Swiss scenario

- The large retailer based in EU customs clear goods in Rotterdam that are stored in the warehouse.
- Goods lose Nepal originating status as they are customs cleared.
- When re-exported to Switzerland, customs clearance (2) and payment of duties are required even if they have not been manipulated



## Why Swiss URs are lower when PSROs are the same? Impact of direct consignment on Exported from Nepal to Switzerland

Rank	Reporter	Partner	Tariff Line	Product Description (English from Nepal Customs)	Product Description	Dutiable (US Dollar)	GSP Received	MFN Received	GSP Utilization Rate
1	Switzerland	Nepal	57010000	- Of wool or fine animal hair	- De laine ou de poils fins	1575499.02	475189.59	475189.59	28%
2	Switzerland	Nepal	62142000	- Of wool or fine animal hair	- De laine ou de poils fins	1526632.55	770577.23	770577.23	50%
3	Switzerland	Nepal	57019000	- Of other textile materials	- D'autres matières textiles	1403669.58	1045800.70	1045800.70	77%
4	Switzerland	Nepal	61101200	- Of Kashmir (Cashmere) goats	- De chevres de Cachemire	474253.41	227092.89	227092.89	48%
5	Switzerland	Nepal	61171000	- other textile materials	- d'autres matières textiles	373190.88	273210.54	273210.54	73%
6	Switzerland	Nepal	63012000	- Blankets (other than electric blankets) and travelling rugs, of wool or fine animal hair	- Couvertures (autres que les couvertures chauffantes électriques) de laine ou de poils fins	282113.44	54904.32	54904.32	19%
7	Switzerland	Nepal	92060000	- Percussion musical instruments (for example drums, xylophones, cymbals, castanets, maracas)	- Instruments de musique à percussion (tambours, casses, xylophones, cymbales, castagnettes, maracas, par exemple)	210361.37	75173.01	0.00	36%
8	Switzerland	Nepal	64041900	- Other	- Autres	184750.22	166155.16	0.00	91%
9	Switzerland	Nepal	71162090	- Other	- autres	165881.57	0.00	0.00	0%
10	Switzerland	Nepal	63079099	- Other	- autres	155753.54	6148.88	6148.88	4%
11	Switzerland	Nepal	93061000	- Bells, gongs and the like	- Cloches, sonnettes, gongs et articles similaires	121067.60	103007.37	0.00	85%
12	Switzerland	Nepal	93062900	- Other	- Autres	120102.14	97434.43	0.00	81%
13	Switzerland	Nepal	65050090	- other textile materials	- d'autres matières textiles	119280.23	62285.70	0.00	52%
14	Switzerland	Nepal	62141000	- Of silk or silk waste	- De soie ou de déchets de soie	114685.22	97111.90	97111.90	85%
15	Switzerland	Nepal	62034000	- Synthetic or artificial fibers	- De fibres synthétiques ou artificielles	108556.24	0.00	0.00	0%
16	Switzerland	Nepal	61101100	- Of wool	- De laine	92344.24	56557.77	56557.77	61%
17	Switzerland	Nepal	94049000	- Other	- Autres	89101.14	37877.61	0.00	43%
18	Switzerland	Nepal	99109900	- Other	- Autres	80679.45	3045.12	0.00	4%
19	Switzerland	Nepal	61102000	- Of cotton	- De coton	75288.76	33820.42	33820.42	44%
20	Switzerland	Nepal	62061090	- Other	- autres	74532.15	70939.37	70939.37	95%

## How best practices are applied?

*Which PGMs are refraining from requiring a certificate of non-manipulation for products originating in a LDC but shipped across other countries?*

## QUAD+ UK proof of Non-manipulation (i)

*Are PGMs avoiding to require proof of non-manipulation for products shipped from LDCs across other Members?*

PGM	Administrative Requirements	Other requirements	Compliance with best practices
<b>European Union (EBA)</b>	<b>Non alteration principle</b> documentary evidence of direct consignment is not required unless EU customs have doubts	In case of doubt EC customs authorities may request evidence and importer may provide evidence of non alteration by "any means"	Most liberal since reform of EBA RoO in 2011 In this best practice compliance is considered as satisfied a priori i.e the proof of compliance is reversed
<b>United States (GSP)</b>	<ol style="list-style-type: none"> <li>Remained under customs control in the country of transit</li> <li>the US Port director is satisfied that the importation results from the original commercial transaction and</li> <li>Were not subjected to operations other than loading and unloading. (Source: 19 CFR 10.173)</li> </ol>	Shipping and other documents must show US as the final destination	First there is the requirement that the US is shown as final destination and for goods not showing US as country of final destination a number of requirements apply. the Port Director has to be satisfied that requirements are met. Not clear what evidence need to be shown to the port director to be satisfied. Compliance is NOT considered as satisfied a priori
<b>United States (AGOA)</b>	Same as above	Same as above	Unclear documentary evidence is required. Compliance is NOT considered as satisfied a priori
<b>Japan</b>	<ol style="list-style-type: none"> <li>a through bill of lading</li> <li>a certification by the customs authorities or other government authorities of the transit countries; or</li> <li>any other substantiating document deemed sufficient.</li> </ol>	No clear definition of what any "other substantiating document deemed sufficient" may be.	Unclear documentary evidence is required. Compliance is NOT considered as satisfied a priori



## QUAD+ UK proof of Non-manipulation (ii)

### Are PGMs avoiding to require proof of non-manipulation for products shipped from LDCs across other Members?

PGM	Administrative Requirements	Other requirements	Compliance with best practices
Canada	<ul style="list-style-type: none"> <li>• in the case where they are shipped without shipment through another country,</li> <li>(i) they are shipped on a through bill of lading, or</li> <li>(ii) they are shipped without a through bill of lading and the importer provides, when requested by an officer, documentary evidence that indicates the shipping route and all points of shipment and transshipment prior to the importation of the goods, or</li> <li>• in the case where they are shipped through another country, the importer provides, when requested by an officer,</li> <li>(i) documentary evidence that indicates the shipping route and all points of shipment and transshipment prior to the importation of the goods, and</li> <li>(ii) a copy of the customs control documents that establish that the goods remained under customs control while in that other country</li> </ul> <p>WTICOMTD/N/15/Add.4 – 19 June 2024</p>	Goods coming from Mexico has been repealed however, special waiver exists for goods coming from Haiti and Hong Kong China, where the documentary evidence is substantially relaxed.	Evidence is required and non-manipulation certificate is required. Compliance is NOT considered as satisfied a priori.
United Kingdom	To enable an HMRC officer to verify that the requirements set out in paragraphs (1) to (3) have been met, the declarant must, if required, provide relevant evidence including any contractual transport documents (including bills of lading), evidence based on the marking or numbering of packages and other evidence related to the goods themselves.	If the goods were transported from a feeder vessel and then consolidated with other consignments in a seaport, then there should be a transport document (for example, a bill of lading) for each leg of the journey.	Compliance is NOT considered as satisfied "a priori".

## Other PGMs proof of Non-manipulation (i)

### Are PGMs avoiding to require proof of non-manipulation for products shipped from LDCs across other Members?

PGM	Administrative Requirements	Compliance / comments
Norway	The WTO notification appears not updated. The latest Customs legislation available in internet provides for non-alteration rule.	According to latest legislation.
Switzerland	Pour vérifier si les conditions énoncées aux al. 1 à 4 sont remplies, les autorités douanières suisses peuvent exiger la présentation de documents de transport, de preuves effectives ou concrètes, ou d'une attestation délivrée par les autorités douanières du pays de transit.*	Compliance is NOT considered as satisfied a priori.
New Zealand	Not required at point of import. Any normal transaction/commercial documents on request.	
Australia	There are no direct shipment requirements for LDC preferences.	
Eurasian CU	Goods must be directly purchased by the importer. Goods must be delivered directly. Not clear in official documents if documentary evidence of direct delivery is required.	Direct purchase is a unique requirement.
China	If the goods are transported to China through other countries or regions, <b>certificates issued by the Customs of other countries or regions or other certificates recognized by the Customs shall also be submitted.</b>	Evidence is required.
India	Requirement of direct shipment. The following shall be produced to the customs authority of India at the time of importation: a) a through Bill of Lading issued in the exporting country; b) a certificate of origin issued by the Issuing Authority of the exporting beneficiary country; c) a copy of the original commercial invoice in respect of the product; and d) supporting documents in evidence that other requirements of rule 7 (direct shipment) have been complied with.	Evidence is required.

\*货物经过其他国家或地区运输至中国境内的，还应当提交其他国家或地区海关出具的证明文件或者海关认可的其他证明文件。

## Other PGMs proof of Non-manipulation (ii)

**Are PGMs avoiding to require proof of non-manipulation for products shipped from LDCs across other Members?**

PGM	Administrative Requirements	Compliance / comments
South Korea	With respect to the goods which are not imported directly from the country of origin, but via a third country, if the relevant Customs office, the institution authorized to issue certificates, or the chamber of commerce and industry of the third country confirms the country of origin of the relevant goods or issues a certificate to that effect, the country of origin and a certificate to that effect shall be confirmed based on the certificate of origin issued by the country of origin for the relevant goods.	Evidence is required
Chinese Taipei	Except from notified text "The exporters from LDCs could present the self-proof documentary of direct shipment to Customs"	Compliance is NOT considered as satisfied a priori
Thailand	<p>a) An Air Waybill, a through Air Waybill, a Bill of Lading, a through Bill of Lading or a multimodal or combined transportation document, that certifies the transport from the exporting DFQF beneficiary country to the Kingdom of Thailand, as the case may be. In the case of not having a through Air Waybill or through Bill of Lading, supporting documents issued by the customs authority or other competent entity of other DFQF beneficiary country(s) or non-beneficiary country(s) that authorized this operation, according to its domestic legislation, are required.</p> <p>b) An original Certificate of Origin (Form DFQF) issued by the issuing authorities of exporting DFQF beneficiary country, and</p> <p>c) A commercial invoice in respect of the goods.</p>	<p>Documentary evidence in the form of TBL or non-manipulation certificate is required</p> <p>Compliance is NOT considered as satisfied a priori.</p>

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## Summary: PGMs proof of Non-manipulation

**Are PGMs avoiding to require proof of non-manipulation for products shipped from LDCs across other Members?**

Compliance	PGM
YES	European Union (EBA), Norway, New Zealand, Australia
NO	United States (GSP), United States (AGOA), Japan, Canada, United Kingdom, Switzerland, Eurasian CU, China, India, South Korea, Chinese Taipei, Thailand

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## Linking direct consignment to Low utilization

- The LDC presentation of 17 October 2018<sup>1</sup> and the submission of 9 October 2019<sup>2</sup> first quoted direct consignment as one of the possible cause for low utilization of trade preferences - example of the EU-South Korea FTAs
- The WTO Secretariat notes of 2019 and 2020<sup>3</sup> identified the following:
  - Country-products pairs where low utilization of trade preferences was recorded: Direct consignment requirements were indicated as possible reasons for such low utilization.
  - Products identified, mainly fruits, vegetables and mineral products: subject to a wholly obtained origin criterion usually easily complied with.
  - Documentary evidence related to direct consignment requirement could explain the reason for such low utilization.

<sup>1</sup> RD/RO/73 - 17 October 2018 - Identifying Low Utilization of Trade Preferences due to the Stringency of Rules of Origin: New Evidence

<sup>2</sup> GIROW/191 - 9 October 2019 - Direct consignment rules and low utilization of trade preferences

<sup>3</sup> GIROW/187 of October 2019, GIROW/187/Rev.1 of February 2020 and RD/RO/81 (presentation), Impact of direct consignment requirements on preference utilization by least developed countries, October 2019

## Conclusion and recommendations for further CRO work

### The LDC WTO group:

- Believes that the non-alteration principle, provision introduced by the EU or similar arrangements such those adopted by Australia and New Zealand constitute a best practice that should be progressively adopted by other preference granting members.
- Brings to the attention of the PGM that adopting such practices is consistent with spirit of the WTO TFA.
- Requests other PGM to start considering the move to a similar approach abandoning requirements for a through bill of lading and certificate of non-manipulation that do not adhere to business realities and trade facilitation practices.
- Calls on the EU, Australia, New Zealand to share the experience gained from adopting the non-alteration principle, along with the potential benefits of adopting similar best trade facilitating practices.
- Invites all other PGM to adhere to Paragraph 3.1 of the Nairobi decision and introduce the necessary reforms in their preferential schemes adopting of best practices.





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## Best practices regarding Proof of Origin and small consignments

WTO Committee on Rules of Origin  
21-22 November 2024

Delegation (Presenter): Guinea-Senegal



### References:

- [RD/RO/057](#): Developments regarding documentary requirements (Paragraph 3 of the Nairobi Decision and Item 6 of Document GROW/109), Presentation by Nepal, October 2017
- [GROW/211](#): Examination of existing origin-related documentary requirements (paragraph 1.8 of the Bali Decision and paragraph 3.1 of the Nairobi Decision), Submission of the Least-Developed Countries, April 2022

## Recalling Paragraph 1.8 of Bali Decision and 3 of Nairobi Decision

### 1.8 of the Bali Decision:

- *"The documentary requirements regarding compliance with the rules of origin should be simple and transparent."*
- *"With regard to certification of rules of origin, whenever possible, self-certification may be recognized."*
- *"Mutual customs cooperation and monitoring could complement compliance and risk-management measures."*

### 3 of Nairobi Decision:

*"3.1. With a view to reducing the administrative burden related to documentary and procedural requirements related to origin, Preference-granting Members shall:*

*a) As a general principle, refrain from requiring a certificate of non-manipulation for products originating in a LDC but shipped across other countries unless there are concerns regarding transshipment, manipulation, or fraudulent documentation;*

*b) Consider other measures to further streamline customs procedures, such as minimizing documentation requirements for small consignments or allowing for self-certification."*

## Best practices identified

**01**

- LDCs identified self-certification as the best practice for proof of origin.

**02**

- Minimize documentation requirements for small consignments i.e. exempt from proof of origin or allow self-certification.

Questions about best practices that have been identified:

1. Which PGMs are providing for self-certification of origin?
2. Have PGMs minimized documentary requirements for small consignments?

## Are PGMs providing for self-certification of origin? (i)

PGM	Administrative Requirements	Meets the benchmarks of best practices
European Community (EBA), Norway Switzerland	<ul style="list-style-type: none"> <li>• Self-certification allowed (REX)</li> <li>• Self-certification by any exporter allowed up to shipment of €6,000</li> </ul>	Yes, introduction of a new system (REX) since 2017.
Japan	<ul style="list-style-type: none"> <li>• Form A required.</li> <li>• No documentary evidence for a number of products.</li> <li>• Self-declaration up to JPY 200,000 (approximately USD 1,400).</li> </ul>	Partially since Form A stamped by CAs in LDC still required.
Canada	<ul style="list-style-type: none"> <li>• Self-certification allowed with specifications of the rules of origin criteria used.</li> <li>• Special certificate for Textile and clothing products.</li> </ul>	Yes, possible improvement extending self-certification for textile and clothing.
United States(GSP)	<ul style="list-style-type: none"> <li>• The declaration is made by the importer on the basis, when requested of a statement of origin by an exporter</li> </ul>	Yes
AGOA	<ul style="list-style-type: none"> <li>• As above</li> <li>• Special visa requirements apply for textiles and clothing.</li> </ul>	Yes, possible improvement extending self-certification for textile and clothing.
UK	<ul style="list-style-type: none"> <li>• Form A certification is no longer required to be certified by a designated authority in the exporting DCTS country.</li> <li>• Self certification by exporter is allowed.</li> </ul>	Yes

## Are PGMs providing for self-certification of origin? (ii)

PGM	Administrative Requirements	Meets the benchmarks of best practices
China	<ul style="list-style-type: none"> <li>Self-certification is not available as CO issued by certifying authorities is required</li> <li>Introduction of self certification upon Binding Origin information is not self certification</li> </ul>	No
India	<ul style="list-style-type: none"> <li>Self-certification is not available as CO issued by certifying authorities is required</li> </ul>	No
Russian Federation	<ul style="list-style-type: none"> <li>Self-certification is not available as Form A issued by certifying authorities is required</li> </ul>	No
Chile	<ul style="list-style-type: none"> <li>Self-certification is not available as CO issued by certifying authorities is required</li> </ul>	No
Chinese Taipei	<ul style="list-style-type: none"> <li>Self-certification is not available as CO issued by certifying authorities is required</li> </ul>	No
South Korea	<ul style="list-style-type: none"> <li>Self-certification is not available as CO issued by certifying authorities is required</li> </ul>	No
Thailand	<ul style="list-style-type: none"> <li>Self-certification is not available as CO issued by certifying authorities is required</li> </ul>	No

## QUAD+UK and other PGMs Small Consignments (i)

*Are PGM minimizing documentation requirements for small consignments?*

PGM	Yes/No	Comments
European Union (EBA)	Yes	Up to 6000 Euro (approximately 6,700 USD) exporter declaration
United States (GSP)	De minimis 800 USD. To be clarified at CRO	US is applying a <i>de minimis</i> of 800 USD across the board with no specific provision for GSP or AGOA
United States (AGOA)	As above	Certificate of origin required
Japan	Yes	Up to 200,000 Yen (approximately 1,400 USD) no CO required
Canada	Yes	Exemption from proof of origin
Norway	Similar to EU	Up to NOK 70,500 (6,000 Euro/6,700 USD) exporter declaration
Switzerland	Similar to EU	Up to CHF 5,644 (6,000 Euro/6,700 USD) exporter declaration
United Kingdom	Yes	Up to £1,000 (approximately 1,340 USD) no proof of origin required



## QUAD+UK and other PGMs Small Consignments (ii)

### *Are PGM minimizing documentation requirements for small consignments?*

PGM	Yes/No	Comments
New Zealand	Yes	Up to NZD\$1000 (approximately 635 USD)
Australia	Yes	Up to AUD\$1000 (approximately 692 USD) Certificate of origin not required
Eurasian CU	Yes	Up to 5000 USD no certificate of origin required
China	No	N/A
India	No	N/A
South Korea	No	N/A
Chinese Taipei	No	N/A
Thailand	No	N/A

## Conclusions and recommendations for future CRO work

- The EU, Norway, and Switzerland have adopted self-certification by establishing the REX procedure. Under the Canadian GSP, the US GSP and AGOA self-certification is also adopted by importer/exporter in most cases. Japan authorizes self-certification only in some cases.
- UK has adopted self-certification by exporter while FORM A signed by exporter may still be used.
- All remaining Preference-granting Members should make efforts to introduce self-certification.
- Many PGM have not introduced trade facilitation provisions to minimize proof of origin for small consignments.

### Further work in the CROs

- All Preference-granting Members should allow a form of self-certification and provision for exemption of proof of origin for small consignments.
- Those PGM that have not introduced self-certification or trade facilitation for small consignments are invited to state the reasons.
- Self-certification should be recognized as a primary concept for facilitating the origin related procedures (WCO guidelines) and should be accompanied by TA to LDCs for customs and private sector.





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**Committee on Rules of Origin**

Original: English/anglais/inglés

**UNOFFICIAL ROOM DOCUMENT<sup>1</sup>**

FORMAL MEETING OF THE COMMITTEE ON RULES OF ORIGIN – 21-22 NOVEMBER 2024  
PRESENTATION ON BEHALF OF THE LDC GROUP BY MADAGASCAR AND SENEGAL

*Identifying best practices on cumulation provisions*

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**Comité des règles d'origine**

**DOCUMENT DE SÉANCE NON OFFICIEL<sup>1</sup>**

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## Identifying best practices on Cumulation Provisions

WTO Committee on Rules of Origin  
21-22 November 2024

Delegation (Presenter): Madagascar-Senegal



### References:

- [RD/RO/158](#), Developments regarding cumulation provisions (Paragraphs 2.1 and 2.2 of the Nairobi Decision and Item 5 of Document G/ROW/169), October 2017
- [G/ROW/220](#), The impact of GSP graduation on LDCs and cumulation – The case of Cambodia, June 2023
- [G/ROW/219](#), Preliminary examination of proposed new rules of origin under the UK Developing Countries Trading Scheme (DCTS), October 2022

## Recalling Paragraph 2 of Nairobi Decision

- "2.1. Recognizing that the development of cumulation possibilities should be considered in relation to the rules applied to determine sufficient or substantial transformation, Preference-granting Members are encouraged to expand cumulation to facilitate compliance with origin requirements by LDC producers using the following possibilities:
  - a) cumulation with the respective Preference-granting Member;
  - b) cumulation with other LDCs;
  - c) cumulation with GSP beneficiaries of the respective Preference-granting Member; and
  - d) cumulation with developing countries forming part of a regional group to which the LDC is a party, as defined by the Preference-granting Member.
- 2.2 Preference-granting Members remain open to consider requests from LDCs for particular cumulation possibilities in the case of specific products or sectors."

## Cumulation (i)

**Table 1: Compliance with paragraph 2 of Nairobi decision**

Cumulation with...	EU	US	JPN	CAN	NOR	CHE	NZL	AU	UK
a) the respective Preference-granting Member;	Yes	No (Yes – AGOA)	Yes, but limited	Yes	Yes	Yes	Yes	Yes	Yes
b) other LDCs;	No	No	No	Yes	Yes	No	Yes	Yes	Yes
c) GSP beneficiaries of the respective Preference-granting Member; and	No	No	No	Yes	No	No	No	Yes	Yes
d) developing countries forming part of a regional group to which the LDC is a party, as defined by the Preference-granting Member.	Yes	Yes	Yes	No	Yes	Yes	No	No	Yes

## Cumulation (ii)

Preference-granting Members are encouraged to expand cumulation to facilitate compliance with origin requirements by LDC producers using the following possibilities.

Cumulation with...	RUS	CHN	IND	KOR	Chinese Taipei	THA
a) the respective Preference-granting Member;	Yes	Yes	Yes	Yes	No	No
b) other LDCs;	Yes	No	No	No	No	No
c) GSP beneficiaries of the respective Preference-granting Member; and	Yes	No	No	No	No	No
d) developing countries forming part of a regional group to which the LDC is a party, as defined by the Preference-granting Member.	No	Yes	No	No	No	No


## Which are the PGMs providing cumulation and what kind of cumulation are they providing? (i)

PGM	Scope of cumulation Full or Diagonal	Global or Regional	Donor country content	Documentation	Additional requirements/ Information	Other conditions	Possible derogation to RoO
European Union (EBA)	Partial/Diagonal	Regional	Yes	Reqs. needed to indicate use of regional cumulation	Coordinating body of regional grouping undertakes to comply with rules. At present 4 groups ASEAN, ANDEAN, CACM, MERCOSUR, SAARC with several exceptions	a) Regional groups must make application and possess central organization capable of ensuring administrative cooperation b) Graduation issue c) Cumulation with Norway, Switzerland and Turkey	Yes, only for LDCs
USA (GSP)	Full	Regional	No	Not specified	At present, ASEAN, CARICOM, SADC, WAEMU, SAARC are granted regional cumulation	BDCs and LOBDCs in a regional association may jointly produce an article otherwise eligible for duty-free treatment only from LOBDCs, as long as the article is shipped directly to the United States from the LOBDC	No
USA (AGOA)	Full	All sub-Saharan beneficiaries and 15% US content	Yes	Not specified	Not applicable		No
Japan	Full	Regional	Yes	Same as above	Only 5 ASEAN countries can cumulate. NO ASEAN LDCs	Regional groups must make an application	No
Canada	Full	All beneficiaries	Yes	Not specified	Cumulation takes different forms additional 20% from other GPT beneficiaries and special rules apply to textile and clothing	Special CO for textile and clothing	No
UK	Partial/Diagonal	Bilateral, Intra-regional, Inter-regional, Extended	Yes	Form A or the invoice or other commercial document need to indicate the type of cumulation	Regional groups can cumulate with other members. <b>The two groups</b> for intra-regional cumulation are: 1. Cambodia, Indonesia, Laos, Myanmar, Philippines, (Vietnam) 2. Bangladesh, Bhutan, India, Nepal, Pakistan, Sri Lanka	Under extended cumulation LDCs can automatically cumulate with DCTS beneficiaries and UK-EPA countries for goods that are duty free and quota free	Yes

## Which are the PGMs providing cumulation and what kind of cumulation are they providing? (ii)


PGM	Kind of cumulation	Full or diagonal	Comments/additional requirements
Norway	As the EU	Diagonal	In addition, cumulation among LDCs and Switzerland
Switzerland	As the EU	Diagonal	Cumulation with Norway, Turkey and EU
New Zealand	All LDC	Full	
Australia	All Beneficiaries	Full	25% from LDC, Forum island and PNG +Max 25 from other beneficiaries
Eurasian CU	All beneficiaries	Full	None
China	Bilateral / Regional cumulation	Unclear	ASEAN and ECOWAS
India	Bilateral cumulation		None
South Korea	Bilateral cumulation		None
Chinese Taipei	None		None
Thailand	No cumulation	No cumulation	None

## **Best practices in Cumulation**



- Table 1 and 2 provides indications of the wide disparities existing among PGMs on the kind of cumulation provided and, at times the absence of operational details on how cumulation works in practice.
- Some kinds of cumulation provisions are not sufficiently clear or have not been properly notified to WTO.
- This is an issue that should be further discussed in the CRO and LDC WTO group will submit a note to the Chairman listing the clarifications that the WTO LDC group is seeking from PGMs.

## **Identifying best practices in Cumulation**




### **Point 1**

- The main principle retained by LDC is that a PSRO should be sufficiently liberal to allow sourcing from the most competitive supplier.
- LDC recognize and welcome cumulation as device to foster bilateral trade with PGM, regional cooperation and south-south trade.
- The best practices in cumulation allow for a wide range of countries with whom LDC may cumulate (quantitative aspects) and the kind of cumulation provided (Full more generous than diagonal).

### **Point 2**

- It has to be recognized that business realities may make cumulation not commercially viable for a variety of reasons such as: geographical reasons or industrial considerations.
- Geographical: The cost of transport of inputs from the PGM to the LDCs and re-export of the finished product may make the product not competitive.
- Industrial: The input that is needed from the regional partners is not available in the region since there is no production or is not competitive pricewise or available in commercial quantities in predictable deliverable terms.

### **Point 3**

- Canada is applying one of the most liberal form of cumulation in this regard as it provides for cumulation with a wide range of beneficiary countries of its GSP preferences and has maintained the possibility to cumulate with former beneficiaries of GSP of Canada that have graduated i.e. China.
- 

## **Identifying best practices in Cumulation**

- One of the difficulty in identifying best practices of cumulation is that there are few known concrete examples of cumulation generated by best practices.
- The case of Cambodia bicycle under the EU ASEAN cumulation and under the Canadian cumulation for clothing provides for a number of considerations and best practices in cumulation.
- The LDC with the assistance of UNCTAD and funding from UK is conducting an initial study to identify further concrete cases of cumulation or obstacle to cumulation that may serve as best practice.

## **A concrete issue on cumulation is the effect of Graduation from LDC status and of a regional partner from GSP and/or FTAs**

- LDC are granted special rules of origin provisions and cumulation possibilities. Once graduated from LDC status such cumulation possibilities may be lost.
- Most importantly, what happens when a cumulating partner country graduates from the GSP or enters into a FTA with the preference-granting member?
- Different practices: EU and Canada – further research is needed.
- EU excludes the graduated/FTA countries from the scope of cumulation.
- Canada maintains the use of inputs from the Graduated/FTAs countries.



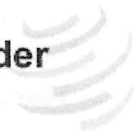
## **An example: The case of Cambodia under the EU regional cumulation**



- Once the FTAs with the EU are concluded, ASEAN countries will no longer be eligible under the GSP scheme, and their inputs may no longer be used by Cambodia under ASEAN cumulation.
- Malaysia and Thailand graduated under GNP provisions.
- With EU-Vietnam FTA in force, Cambodia lost cumulation with Vietnam and Vietnam may request ASEAN Cumulation and progressively Duty Free in the EU in 3-4 years.
- As a result, Cambodia can no longer cumulate with Malaysia and Thailand and had to request for extended cumulation to the EU to continue to cumulate with Vietnam for parts of bicycles.
- It took two years and the hiring of a lawyer to get extended cumulation approved.

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## **Another example: Africa LDCs and cumulation under EU-EPAs**



- Former ACP-EU trade relation under Cotonou Partnership Agreement (CPA) provided for full cumulation among ACP countries with bilateral cumulation with EU.
- Upon the end of CPA and transitional period ACP countries that are signatories of an Economic Partnership Agreement (EPA) may cumulate among themselves and with other ACP and GSP beneficiaries if:
  - signing of an agreement on administrative cooperation;
  - notification of the details of the agreements to the EU;
  - official publication of the entry into force of cumulation.
- Other LDCs that have not signed EPAs can no longer cumulate with other ACP countries unless they take action activating EPA signatories to request cumulation i.e. Zambia and SACU request cumulation to EU or Senegal request cumulation with Cote d'Ivoire.
- The impact that loss of cumulation or its potential may have had or is having on ACP African or Pacific LDCs in terms of missed opportunities remain to be assessed.
- This not only in the context of trade with EU as neither US (except WAEMU), China, Japan, India offers valuable cumulation possibilities to the African continent or its RECs with some limited exceptions.
- One possibility may be to recognize cumulation to AfCFTA partners provided some conditions are fulfilled.

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## **Best practices on cumulation**

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1. Canada has set up a best practice by providing that products originating in beneficiaries and former beneficiaries of GPT can continue to be considered as originating by LDCs.
2. The Extended cumulation provision inserted in the EU rules of origin providing that a beneficiary country may request to cumulate with other countries that have signed FTAs with EU is valuable.
3. However, such Extended cumulation contains a number of limitations since it is not automatic and limited to a list of products.
4. However, if amended and simplified, extended cumulation may provide some response to specific situation such Cambodia situation as well as to other LDCs that may be left behind by more active partners that are graduating or entering Mega-regionals.
5. The LDC group would continue the work to identify best practices and would welcome the presentation by PGM to provide further example.

## **Recommendations and work ahead for the CRO**

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- 01** ▪ LDCs will further analyse the best practices of cumulation to bring additional evidence to the CRO.
- 02** ▪ LDCs would enter into consultations with PGM to explore improvements and expansion of cumulation possibilities opening concrete GVCs opportunities.
- 03** ▪ Further studies may be conducted on the documentary evidence related to cumulation.



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**Committee on Rules of Origin**

Original: English/anglais/inglés

**UNOFFICIAL ROOM DOCUMENT<sup>1</sup>**

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*What future for US trade preferences (GSP and AGOA)*

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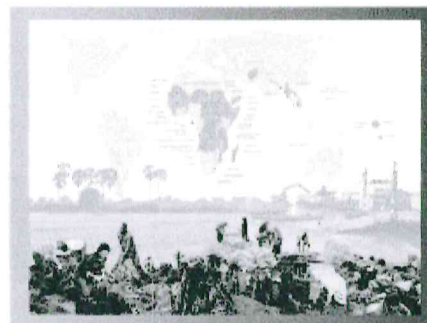
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## What future for US Trade Preferences (GSP & AGOA)?

WTO Committee on Rules of Origin  
21-22 November 2024

Delegation (Presenter): Niger-Togo-Madagascar



### US GSP and AGOA

- This presentation focuses on RoO aspect of GSP and AGOA.
- Another presentation may be delivered in future at CTD on issues related to AGOA and GSP renewal.
- US GSP lapsed late 2020 and has not been renewed since. The longest interruption ever.
- Proposals for GSP renewal for 3 years with a series of limitations concerning country eligibility and stricter RoO.
- AGOA is set to expire in 2025.
- A number of studies and a major report has been produced<sup>1</sup> by the US International Trade Commission (ITC).

<sup>1</sup>African Growth and Opportunity Act (AGOA): Program Usage, Trends, and Sectoral Highlights: <https://www.usitc.gov/publications/332/pub5418.pdf>

## Issue of Concern: US GSP Rules of origin proposal – Increasing the requirement of value added

The LDC WTO group wish to express concern over a proposal to increase the value-added requirement in GSP.

**PERCENTAGE DESCRIBED.**—The percentage described in this subparagraph is—

*"(i) in the case of articles entered before January 1, 2027, 35 percent;*

*"(ii) in the case of articles entered on or after January 1, 2027, and before January 1, 2029, 40 percent;*

*"(iii) in the case of articles entered on or after January 1, 2029, and before January 1, 2031, 45 percent; and*

*"(iv) in the case of articles entered on or after January 1, 2031, 50 percent."*

**Source:** "Generalized System of Preferences Reform Act", sponsored by trade subcommittee Chair Adrian Smith (R-NE).

## The case for AGOA renewal

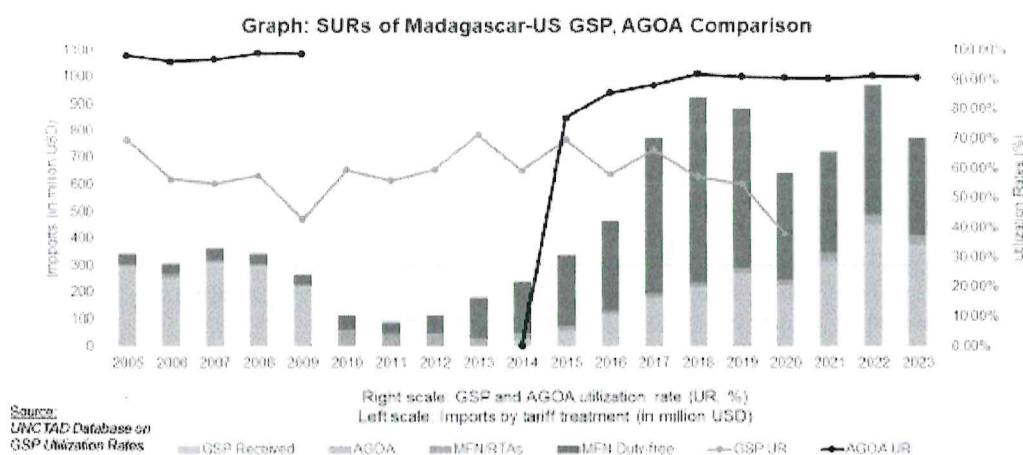
- The USITC report found that while AGOA may have not achieved a substantial impact on overall African sub-Saharan region, its impact can be substantial depending on the sector, especially apparel.
- *Moreover,.... interviews by Commission staff, fieldwork, and some academic literature indicate that AGOA may have had a positive impact in key areas such as poverty reduction and job growth in some countries. The effect was found to be particularly important in the apparel sector and among underserved groups, such as women.*
- *Anecdotal evidence indicated that while meeting AGOA eligibility requirements created a positive impact on workers and poverty reduction, the loss of program eligibility due to failure to meet program requirements had a negative impact on beneficiary economies and regional integration.*
- The LDC WTO group states the success of AGOA in apparel is due to a combination of high preference margin and lenient rules of origin (third country fabric).
- The non extension of AGOA may dramatically disrupt the recognized achievements of the program.
- Further success stories may arise from an extension of AGOA with favorable rules of origin as argued in the present submission.

## Prospects arising from AGOA: Example of Togo and Benin


- Arise IIP's industrial park in Togo, Adétikopé Industrial Platform (PIA) has a planned capacity to transform all Togolese cotton (56,000 tons in 2021) into garments.
- In 2022, about 150 hectares of the industrial park's expected 400 hectares were completed. Togo is a nascent apparel industry with few apparel exports. It became an AGOA beneficiary in 2008 but did not receive apparel benefits until 2017. The country's largest asset is its production of cotton.
- Africa Textile Manufacturing Services expects to have fully vertical operations in the zone. Investors, however, have the option to move in production of any part of the supply chain, including spinning, weaving, knitting, fabric processing, and apparel manufacturing.
- Arise IIP provides infrastructure and services, including factory sheds, land leases for manufacturers, solar energy, technical support, and trade facilitation through a single window clearance process.
- Arise IIP also offers dormitories for workers near the zone, a training institute (which trains workers 8–10 months in advance of factory production), and an on-site hospital. At full capacity, PIA expects to employ about 35,000 workers.
- Another Arise IIP industrial park, Glo-Djigbé Industrial Zone (GDIZ) in Benin, is under construction. GDIZ will be more than four times larger than PIA, at 1,700 hectares. Construction is expected to take five–seven years until it is fully developed, when it is expected to reach significant employment levels and contribute to Benin's GDP.
- Excerpts from ITC report *African Growth and Opportunity Act (AGOA): Program Usage, Trends, and Sectoral Highlights*<sup>1</sup>.

<sup>1</sup>chrome-extension://efaidhbmnnmc0kccpajocjkleindmkaajhttps://www.usitc.gov/publications/302/pub5419.pdf

## AGOA Non trade related conditionalities and the importance of transparency of separate URs: The example of Madagascar



## **AGOA Non-trade related conditionalities and the importance of transparency of separate URs**



- After the 2010 termination of AGOA benefits, industry reports indicate that many companies had to close Malagasy factories as U.S. orders fell.
- Upon regaining AGOA apparel benefits in late 2014, Madagascar did not experience an immediate return of U.S. orders, despite the industry's idle apparel production capacity.
- In fact, about one-third of U.S. apparel companies waited at least three years to restart orders from Malagasy factories after Madagascar regained AGOA eligibility.

Excerpts from ITC report: African Growth and Opportunity Act (AGOA): Program Usage, Trends, and Sectoral Highlights  
[chrome-extension://efaidhhdmnnhpcapcbkfelehdhkihaifho/www.usitc.gov/publications/332/pub5419.pdf](https://www.usitc.gov/publications/332/pub5419.pdf)

## **The scope for increasing AGOA cumulation to AfCFTA**



- The USITC report found several examples of regional integration within the apparel industry in East Africa such as:
  - a) *Firms based in Kenya have invested in ginning operations in Uganda.*
  - b) *Cut-and-sew operations based in Kenya are working to vertically integrate and are sourcing fabrics, zippers, and other components from Tanzania and Eswatini.*
- A South African food manufacturer with more than \$500 million in sales and exports to the United States under AGOA sourced inputs from suppliers in Lesotho and Mozambique.
- Several South African AGOA-exporting firms and industries each source at least 40 percent of their inputs from within Africa.
- AfCFTA cumulation may provide further trading opportunities.

## **The LDC position: Extend AGOA and increase the scope of cumulation**

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- The USITC report found that *“SSA exporters and U.S. importers experienced difficulty in certifying that 35 percent of the content is sourced from AGOA beneficiary countries”*.
  - The LDC WTO group is of the view that this finding calls for adopting best practices under AGOA and GSP to:
    - a) *lower the content of value added for LDCs in both arrangements.*
    - b) *Allow AfCFTA and bilateral cumulation under AGOA with no limitation of actual 15% value added.*
    - c) *Adopt for certain sector a CTC requirement or a specific working or processing as under the third country fabric.*
-



23 October 2024

(24-7538)

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**Committee on Rules of Origin**

**STATUS OF NOTIFICATIONS OF PREFERENTIAL RULES OF ORIGIN FOR  
LDCS AND PREFERENTIAL IMPORT DATA**

*Note by the Secretariat<sup>1</sup>*

*Revision*

**1 INTRODUCTION**

1.1. Paragraph 4.3 of the 2015 (Nairobi) Ministerial Decision on preferential rules of origin for least developed countries (LDCs) reiterates Members' commitment to notify their preferential rules of origin for LDCs as well as data concerning their preferential imports from LDCs. This note summarizes the legal requirements concerning such notifications and provides an overview of the notifications submitted to date.

**2 NOTIFICATION OF PREFERENTIAL RULES OF ORIGIN AND PREFERENTIAL IMPORTS**

2.1. The following WTO instruments require Members to notify their preferential rules of origin for LDCs under non-reciprocal trade preferences as well as their preferential imports from LDCs:

- Paragraph 4 of Annex II of the Agreement on Rules of Origin requires Members to notify "promptly" "to the Secretariat" any preferential rules of origin. Notifications are circulated under the G/RO/N/ document series and are examined by the Committee on Rules of Origin (CRO);
- The Transparency Mechanism for Preferential Trade Arrangements (WT/L/806 of 14 December 2010) requires Members to provide detailed and product-specific rules of origin "to the Secretariat". Annex 1 of the Decision enumerates the specific information which should be submitted. The Decision also requires Members to notify, at the tariff line level, import data under their PTAs. Notifications of PTAs under the Transparency Mechanism are circulated as documents of the Committee on Trade and Development (CTD). Notifications are considered by the CTD in Dedicated Session (CTD-DS), on the basis of a "factual presentation" prepared by the Secretariat. Only PTAs notified after the adoption of the Decision in 2010 have been examined under these procedures. In addition, a "guide" for each PTA is prepared in consultation with the Member implementing the PTA, and is placed in the Database on PTAs (<http://ptadb.wto.org>) after its approval by the implementing Member. Annex 2 of document G/MA/367 contains the format that Members have agreed to be used in the preparation of their notifications of tariffs and import data;
- The 2013 (Bali) Ministerial Decision on Preferential Rules of Origin for LDCs (WT/L/917) and the 2015 (Nairobi) Decision (WT/L/917/Add.1) reiterate these obligations. In addition, the CRO agreed on a template to be used by all WTO preference-granting Members (G/RO/84) when notifying their preferential rules of origin. These notifications are circulated under the G/RO/LDC/N/ document series.

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<sup>1</sup> This document has been prepared under the Secretariat's own responsibility and is without prejudice to the positions of Members or to their rights and obligations under the WTO.

### 3 STATUS OF NOTIFICATIONS CONCERNING THE NON-RECIPROCAL PREFERENCES AVAILABLE AND THE APPLICABLE RULES OF ORIGIN

3.1. The following table enumerates, for each preference-granting Member, the latest information available concerning preferential trade arrangements in favour of LDCs, namely:

- The references of the latest notifications submitted to the CTD describing the coverage of preferential schemes, their date of entry into force, edibility criteria and list of beneficiary countries;
- The references of the latest notifications submitted to the CRO describing the preferential rules of origin and origin requirements applicable to LDCs as required under the notification template adopted by the Committee (G/RO/84) and;

**Table 1 – Notifications of Rules of Origin**

Preference-granting Member(i)	Notifications (CTD)	Notifications (CRO)
1. Armenia	-	-
2. Australia	<a href="#">WT/COMTD/N/18</a> 21 January 2004	<a href="#">G/RO/LDC/N/AUS/1/Rev.1</a> 16 September 2019
3. Canada	<a href="#">WT/COMTD/N/15/Add.4</a> 19 June 2024	<a href="#">G/RO/LDC/N/CAN/2/Rev.1</a> 17 April 2024
4. Chile	<a href="#">WT/COMTD/N/44/Add.1/Rev.2</a> 4 December 2020	<a href="#">G/RO/LDC/N/CHL/1/Rev.1</a> 27 October 2020
5. China	<a href="#">WT/COMTD/N/39/Add.2</a> 21 November 2016	<a href="#">G/RO/LDC/N/CHN/1</a> 10 July 2017
6. European Union (ii)	<a href="#">WT/COMTD/N/4/Add.7</a> 1 July 2015	<a href="#">G/RO/LDC/N/EU/1</a> 30 June 2017
7. Iceland	<a href="#">WT/COMTD/N/17</a> – 10 October 2003 and <a href="#">Corr.1</a> – 20 January 2004	-
8. India	<a href="#">WT/COMTD/N/38/Add.1</a> 18 November 2015	<a href="#">G/RO/LDC/N/IND/1</a> 27 June 2017
9. Japan	<a href="#">WT/COMTD/N/2/Add.19</a> 17 May 2023	<a href="#">G/RO/LDC/N/JPN/1/Rev.1</a> 12 July 2012, <a href="#">Corr.1</a> – 14 July 2022 and <a href="#">Corr.2</a> -11 November 2022
10. Kazakhstan	<a href="#">WT/COMTD/PTA3/N/1/Add.1</a> 14 June 2021	<a href="#">G/RO/LDC/N/KAZ/2</a> 15 November 2018
11. Korea, Republic of	<a href="#">WT/COMTD/N/12/Rev.1/Add.1</a> 20 March 2012	<a href="#">G/RO/LDC/N/KOR/1</a> 27 September 2017
12. Kyrgyz Rep.	-	<a href="#">G/RO/LDC/N/KGZ/1</a> 28 November 2018
13. Montenegro	<a href="#">WT/COMTD/PTA2/N/1</a> 17 February 2020	<a href="#">G/RO/LDC/N/MNE/1</a> 16 September 2019
14. Morocco	-	-
15. New Zealand	<a href="#">WT/COMTD/27</a> – 20 November 2000 and <a href="#">WT/COMTD/N/5/Add.2</a> 10 November 1997	<a href="#">G/RO/LDC/N/NZL/1</a> 5 September 2017
16. Norway	<a href="#">WT/COMTD/N/6/Add.8</a> – 16 February 2022	<a href="#">G/RO/LDC/N/NOR/1</a> 30 June 2017
17. Russian Federation	<a href="#">WT/COMTD/PTA1/N/1</a> 16 July 2019	<a href="#">G/RO/LDC/N/RUS/2</a> 22 January 2019
18. Switzerland	<a href="#">WT/COMTD/N/7/Add.5</a> 26 September 2012	<a href="#">G/RO/LDC/N/CHE/1</a> – 27 June 2017 and <a href="#">Corr.1</a> – 6 July 2017
19. Chinese Taipei	<a href="#">WT/COMTD/N/40</a> – 28 October 2011 and <a href="#">Corr.1</a> – 28 February 2012	<a href="#">G/RO/LDC/N/TPKM/1/Rev.1</a> 22 July 2020
20. Tajikistan	-	<a href="#">G/RO/LDC/N/TJK/1</a> 20 May 2019
21. Thailand	<a href="#">WT/COMTD/PTA5/N/1</a> 15 July 2021	<a href="#">G/RO/LDC/N/THA/1</a> 7 August 2017
22. Türkiye	-	<a href="#">G/RO/LDC/N/TUR/1</a> 18 September 2019

Preference-granting Member(i)	Notifications (CTD)	Notifications (CRO)
<b>23. United Kingdom</b>	<u>WT/COMTD/PTA6/N/1</u> 6 October 2023	<u>G/RO/LDC/N/GBR/1/Rev.1</u> 5 October 2023
<b>24. USA - GSP</b>	<u>WT/COMTD/N/1/Add.12</u> 4 February 2022	<u>G/RO/LDC/N/USA/1</u> 11 July 2017
<b>USA - CBERA/ Haiti</b>	<u>WT/L/1115</u> 16 September 2021	<u>G/RO/LDC/N/USA/2</u> 11 July 2017
<b>USA - AGOA</b>	<u>WT/L/1117</u> 22 October 2021	<u>G/RO/LDC/N/USA/3</u> 11 July 2017
<b>USA - Nepal</b>	<u>WT/COMTD/N/52</u> 23 January 2017	<u>G/RO/LDC/N/USA/4</u> 30 November 2017

#### 4 STATUS OF NOTIFICATIONS CONCERNING PREFERENTIAL IMPORT DATA AND PREFERENTIAL TARIFFS

4.1. The following table enumerates, for each preference-granting Member, the availability of tariff and import statistics for each scheme:

- A full listing of preferential duties under the PTA per beneficiary partner and other data, where applicable (e.g., tariff-rate quotas, seasonal restrictions, special safeguards and, if available, *ad valorem* equivalents for non-*ad valorem* duties); and
- Import data at the tariff line level from each beneficiary Member, in value for total imports, imports under MFN rates and imports under PTA benefits.

4.2. It should be noted that some of the data received most recently may still be subject to review, correction and validation by the WTO Secretariat.



Preference-granting Member(i)	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
20. Tajikistan	Tariffs	n.a.	n.a.	Yes	Yes	Yes	Yes	Yes	-	Yes	-	-	-	-	-
	Imports	n.a.	n.a.	-	-	-	-	-	-	-	-	-	-	-	-
21. Thailand	Tariffs	n.a.	n.a.	n.a.	n.a.	Yes	Yes	Yes	Yes	Yes	Yes	-	Yes	Yes	Yes
	Imports	n.a.	n.a.	n.a.	n.a.	Yes	Yes	Yes	Yes	Yes	Yes	Yes*	Yes	Yes	-
22. Türkiye	Tariffs	Yes	Yes	Yes*	Yes	Yes*	Yes	Yes*	Yes*	Yes	Yes	Yes	Yes	Yes	-
	Imports	Yes*	Yes*	Yes*	Yes*	Yes*	Yes*	Yes*	Yes*	Yes	Yes	Yes	Yes	Yes	-
23. United Kingdom	Tariffs	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	Yes	Yes	Yes	Yes
	Imports	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	Yes	Yes	Yes	-
24. USA - GSP	Tariffs	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Imports	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes*	Yes
USA - CBERA/ Haiti	Tariffs	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Imports	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes*	Yes
USA - AGOA	Tariffs	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Imports	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes*	Yes
USA - Nepal	Tariffs	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Imports	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	Yes	Yes	Yes	Yes	Yes	Yes	Yes*	Yes

Note: (i) Some Members joined the WTO and/or PTA schemes entered into force after the adoption of the PTA transparency mechanism, i.e., Armenia; Chile; Kazakhstan; Montenegro; Tajikistan; Thailand; and the United States' Trade Preferences for Nepal.

(ii) Information provided by the European Union on the period since 1 January 2021 covers its current 27 Member States. For the period until 31 December 2020, tariff information provided by the European Union also covers the United Kingdom.

- Yes submission received and disseminated;  
 Yes\* submission received but not yet disseminated;  
 - no submission received;  
 n.a. PTA not yet in force.

Status of submissions: 15 October 2024.



23 October 2024

(24-7537)

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**Committee on Rules of Origin**

**MODALITIES FOR THE CALCULATION OF "PREFERENCE UTILIZATION"**

NOTE BY THE SECRETARIAT<sup>1</sup>

*Revision*

The 2015 Nairobi Ministerial Decision ([WT/L/917/Add.1](#)) on rules of origin for least developed countries (LDCs) mandated the Committee on Rules of Origin (CRO) to agree on modalities for the calculation of utilization rates (Paragraph 4.3). Members agreed to such modalities in 2016-2017 (item 3.3 in [G/RO/M/67](#) and item 4.4 in [G/RO/M/68](#)). This note updates a previous one prepared by the Secretariat which assisted Members in these discussions. It reflects on additional methodologies and data requirements.

**1 WHAT IS PREFERENCE UTILIZATION?**

1.1. "Preference utilization" may be defined in different ways. For example, utilization of trade preferences can be understood more generally as the ability of beneficiary countries to increase exports, attract productive investments, create jobs and raise income. According to this wider understanding, successful preference beneficiaries would be those that "actively use preferences" to leverage economic development<sup>2</sup>. Under this definition, factors that impede preferences from fully deploying their benefits include for example the absence of trade-related infrastructure, lack of resources, the lack of a clear export strategy, or also lack of knowledge at the firm level, among other reasons.<sup>3</sup>

1.2. This definition is of course useful. However, this definition is not specific enough to guide the work of WTO Members in the Committee on Rules of Origin (CRO). This wider definition seeks to answer the question: "to what extent are strategies in place to actively utilize trade preferences available and to promote economic development?". However, the work of the CRO seeks to answer the narrower question "to what extent are the applicable rules of origin and origin requirements facilitating or hindering the utilization of existing non-reciprocal trade preferences?".

**2 PREFERENCE UTILIZATION IN THE CONTEXT OF THE WORK OF THE CRO**

2.1. For this reason, in the context of the work of the CRO, a more specific definition is needed. "Preference utilization" can be described simply as the extent to which imports which are eligible for trade preferences are in practice imported under these preferences rather than under Most Favoured Nation (MFN) conditions. In more technical terms, the preference utilization rate is the amount of imports which are granted preferential tariff treatment on entry, as a proportion of the total value of imports which would be eligible for a preferential tariff. Utilization rates therefore speak to the

<sup>1</sup> This document has been prepared under the Secretariat's own responsibility and is without prejudice to the positions of Members or to their rights and obligations under the WTO. This second revision reflects comments received from Members in the formal meeting of 12 October 2023 (see document [G/RO/M/81](#)).

<sup>2</sup> This is the understanding taken in articles such as "AGOA Utilization 101", Mwangi S. Kimenyi, 23 March 2015. <https://www.brookings.edu/articles/agoa-utilization-101/> (accessed 28 July 2023) or "African Growth and Opportunity Act: Program usage, trends, and sectoral highlights", Landry Signé, 1 August 2022. <https://www.brookings.edu/articles/african-growth-and-opportunity-act-program-usage-trends-and-sectoral-highlights/> (accessed 28 July 2023).

<sup>3</sup> Here's why US-Africa trade under AGOA has been successful for some countries but not others, Landry Signé, 11 July 2023. <https://www.brookings.edu/articles/heres-why-us-africa-trade-under-agoa-has-been-successful-for-some-countries-but-not-others/> (accessed 28 July 2023)

capacity of economic operators to seize market access opportunities which are available to them through reciprocal or non-reciprocal preferences.

2.2. This definition enables the identification of trends in trade flows and hence offers an indicator about the impact that rules of origin and origin requirements have on the ability of businesses to tap into preference programmes.

### 3 UTILIZATION RATES AS A TOOL TO EXAMINE RULES OF ORIGIN

3.1. When, on the one hand, statistics show that imports receive preferential tariff treatment, it is *necessarily* a sign that imported goods complied with all three components of rules origin:

- (i) origin criteria: imported goods were either wholly obtained in the beneficiary country or comply with the minimum substantial transformation (or sufficient transformation) requirements (that is, satisfy general or product-specific rules of origin);
- (ii) proof of origin: imported goods were accompanied by the prescribed proof of origin (namely, a certificate of origin delivered by a designated competent authority or certifying body, or a self-declaration of origin); and
- (iii) consignment requirements: imported goods were directly consigned from the beneficiary Member to the preference granting Member or could prove that there was no manipulation or processing of the goods in third or transit countries (documentary evidence about non-manipulation or non-alteration in transit).

3.2. When, on the other hand, statistics show that imported goods pay MFN tariffs despite being eligible for trade preferences, it is a sign that some factor or factors could be hindering the use of the preference. Rules of origin are one possible factor. It is for this reason that utilization rates have been proposed as a useful indicator to examine preferential rules of origin<sup>4</sup>.

3.3. It should be noted, nonetheless, that there are also limitations to the use of utilization rates as a tool to examine the impact of rules of origin. In fact, other factors – not related to rules of origin – could influence preference utilization rates. Common explanations include that the economic operator was not aware that a preference was available or that the operator preferred to pay MFN duties because the preferential margin was not sufficiently attractive (that is, the preferential margin does not work as an incentive to use the preferences) to cover the costs related to fulfil origin requirements.

3.4. Another possible explanation for low utilization rates is that imports are receiving tariff preferences under other preferential schemes. If multiple preferences are available, economic operators may opt for the scheme that offers equivalent or greater preferential advantages. For example, they might prefer to use a reciprocal regional trade agreement (RTA) instead of a non-reciprocal preferential trade agreement (PTA) due to better knowledge about the requirements, or a more attractive preferential margin or less restrictive rules of origin. The same reasoning applies when other tariff concessions are available, such as temporary tariff concessions or duty drawback schemes.

3.5. It is for this reason that the WTO Secretariat has proposed to complement the analysis of utilization rates with that of "non-utilization" or "underutilization".<sup>5</sup> Non-utilization rates demonstrate the extent to which trade occurs under MFN conditions, even though imports would be eligible for preferences. Therefore, "non-utilization" or "underutilization" rates offer a complementary tool to identify areas in which origin requirements could have a restrictive impact.

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<sup>4</sup> For instance, a communication of the LDC Group reported the utilization for preferential exports from LDCs to Canada; the EU; Japan; and the US and examined how rules of origin could be impacting utilization rates (document [G/RO/W/148](#)).

<sup>5</sup> See as well [G/RO/W/185](#), [G/RO/W/187](#), [G/RO/W/187/Rev.1](#), [G/RO/W/203](#), [G/RO/W/204](#), [G/RO/W/212](#).



#### 4 MODALITY FOR THE CALCULATION OF UTILIZATION RATES ADOPTED BY THE CRO

4.1. Members agreed to modalities for the calculation of utilization rates after discussions held in 2016 and 2017 (item 3.3 in G/RO/M/67 and item 4.4 in G/RO/M/68). The agreed modality is as follows:

$$pur_i^{value} = \frac{\sum_j \sum_p PTA_{i,j,p}^{reported}}{\sum_j \sum_p PTA_{i,j,p}^{eligible}}$$

$pur_i^{value}$ : PREFERENCE UTILIZATION RATE (%) based on import value (or quantity) by preference granting Member

where:  $i$  = preference granting Member  
 $j$  = preference receiving Member  
 $p$  = product  
 $PTA^{reported}$  = imports reported to have taken place under the PTA preferential duty scheme  
 $PTA^{eligible}$  = imports under any eligible tariff line, i.e. preferential duty < MFN duty rate.

4.2. Under this modality, preference utilization rate ( $pur^{value}$ ) is based on the "reported value" of preferential imports: that is, the value of those imports that have reportedly benefited from a preferential duty scheme as a proportion of imports that would be eligible for preferential duty treatment. This method sheds light on the utilization of individual preference programmes.

4.3. Tariff lines with a zero MFN duty rate are excluded from the calculations because there can be no "preference" offered for these tariff lines. Imports under tariff lines that are not eligible for trade preferences are also excluded from calculations for the same reason.

#### 5 OTHER POSSIBLE CALCULATION METHODOLOGIES

5.1. There are different possible methodologies to calculate preference utilization rates. Below is a description of two<sup>6</sup>:

- (a) One alternative option could be to base preference utilization rates ( $pur^{value}$ ) on the sum of "reported value" of imports under both PTA and other preferential schemes (either Regional Trade Agreements (RTAs) or other temporary or special tariff concessions). This methodology compares the amount of imports that have benefited from a tariff preference with the amount of imports that would be eligible for preferences under any existing scheme. This methodology takes into account the existence of any preferential tariff opportunity and does not focus on a single scheme. Tariff lines with a zero MFN duty rate are excluded from calculations, as a preferential scheme does not offer any additional advantage for these lines.

This formula has the advantage of considering tariff preferences received under any preferential scheme available. It offers a more comprehensive view of the benefits being received by LDCs. However, it could lead to wrong assumptions about the utilization of individual preference programmes.

$$pur_{i,p}^{value} = \frac{\sum_j \sum_p PTA_{i,j,p}^{reported} + Others_{i,j,p}^{reported}}{\sum_j \sum_p Preference_{i,j,p}^{eligible}}$$

$pur_{i,p}^{value}$ : PREFERENCE UTILIZATION RATE (%) based on import value (or quantity) by preference granting Member

where:  $i$  = preference granting Member  
 $j$  = preference receiving Member  
 $p$  = product  
 $PTA^{reported}$  = imports reported to have taken place under the PTA preferential duty scheme  
 $Others^{reported}$  = imports reported to have taken place under other preferential duty scheme  
 $Preference^{eligible}$  = imports under any eligible tariff line, i.e. preferential duty < MFN duty rate.

<sup>6</sup> Other methodologies are possible, including, for instance, one based on customs duties paid (described in paragraph 3.2(b) of G/RO/W/161). For a more general discussion, see A. Keck, and A. Lendle, (2012) "New evidence on preference utilization", WTO Staff Working Paper ERSD-2012-12, revised for the Journal of International Economics.

- (b) Another approach is one which focuses on "non-utilization" or "under-utilization" instead of utilization. The underutilization rate corresponds to eligible imports entering under the MFN status despite being eligible for preferential treatment under any available scheme:

$$puur_{i,p}^{value} = \frac{\sum_j \sum_p MFN_{i,j,p}^{pref\ eligible}}{\sum_j \sum_p Preference_{i,j,p}^{eligible}} = 1 - \frac{\sum_j \sum_p PTA_{i,j,p}^{reported} + Others_{i,j,p}^{reported}}{\sum_j \sum_p Preference_{i,j,p}^{eligible}}$$

$puur_{i,p}^{value}$ : PREFERENCE UNDERUTILIZATION RATE (%) based on import value by preference granting Member

where:

- $i$  = preference granting Member
- $j$  = preference receiving Member
- $p$  = product
- $PTA_{i,j,p}^{reported}$  = imports reported to have taken place under the PTA preferential duty scheme
- $Others_{i,j,p}^{reported}$  = imports reported to have taken place under other preferential duty schemes.
- $MFN_{i,j,p}^{pref\ eligible}$  = imports under any eligible tariff line, i.e., preferential duty < MFN duty rate that are reported to have taken place under the Most Favored Nation (MFN) status.
- $Preference_{i,j,p}^{eligible}$  = imports under any eligible tariff line, i.e. preferential duty < MFN duty rate.

5.2. Using both the rates of utilization of individual preferential schemes (the modality agreed by the CRO) and the rates of "non-utilization" of any available scheme offer advantages and disadvantages. As a result, both methods of calculation are complementary and can be usefully combined to identify schemes, sectors or products for which rules of origin could be hindering preferential market access for LDCs.

5.3. It should also be noted that the mandate, derived from the Bali and Nairobi Ministerial Decisions, is to focus on the simplification of preferential rules of origin used in the context of non-reciprocal trade preferences. As a result, the availability of and rules of origin applicable in "other preferences" (RTAs or special tariff concessions) are relevant context, but the main focus of work of the CRO must be on LDC non-reciprocal preferential rules of origin.

## 6 DATA NEEDS AND LIMITATIONS

6.1. A corollary for the calculation of utilization rates (irrespective of the method chosen) is the availability of complete data sets describing trade between preference-granting Members and beneficiary LDCs. Data available with the WTO Secretariat is based on Members' annual notification of tariff and trade data (imports) in compliance with the Transparency Mechanism for Preferential Trade Agreements (PTA), established by General Council Decision on 14 December 2010 (WT/L/806). Members shall notify, on an annual basis<sup>7</sup>:

- (a) Applied MFN import tariffs at the national customs tariff nomenclature (at the most detailed level, for example HS codes with 8, 9, or 10 digits, as normally applied by the Member's customs administration);
- (b) Import statistics in the same national tariff nomenclature as the corresponding MFN applied tariffs for the same year (i.e. same HS version and with the same level of disaggregation), including value (in USD or national currency) and volume (quantity and unit), by country of origin and by tariff line;
- (c) Data elements required by the Transparency Mechanism for Preferential Trade Arrangements<sup>8</sup>, which include:
  - (i) Preferential applied tariffs and import statistics, for preferences by developed countries to developing and least-developed countries in accordance with the Generalized System of Preferences (GSP)<sup>9</sup>, including the list of countries or separate customs territories on which they apply.
  - (ii) Preferential applied tariffs and import statistics, in case of preferential treatment accorded by any Member to products of least-developed countries, including the list of countries or separate customs territories on which they apply.

<sup>7</sup> See G/MA/367, paragraph 1.1.

<sup>8</sup> See WT/L/806, Section D, paragraphs 15-17, and Annex 1.

<sup>9</sup> Paragraph 2(a) of the Enabling Clause.

- (iii) Preferential applied tariffs and import statistics, in case of non-reciprocal preferential arrangements authorised under the WTO Agreement, including the list of countries or separate customs territories on which they apply.

6.2. In addition, Members are *encouraged*<sup>10</sup> to submit comprehensive applied tariff and import information, to the extent possible and particularly when the information is already publicly available in a national website, by notifying the following information: Paragraph 1.2 of G/MA/367:

"(a) *Applied non-MFN tariffs, including:*

- (i) *Preferential tariffs applied in the context of regional trade agreements (for example free trade agreements or customs unions), including arrangements under Article XXIV of the GATT 1994 and Paragraph 2(c) of the Decision on "Differential and More Favourable Treatment Reciprocity and Fuller participation of Developing countries" (Enabling Clause)*<sup>11</sup>. *The submission should include list of countries or separate customs territories covered by each of these agreements; and*
- (ii) *Other applied non-MFN tariffs, for example tariffs applied on imports originating in non-WTO Members, if applicable, including the list of countries or separate customs territories on which they apply.*

(b) *Preferential import statistics under regional trade agreements (for example free trade agreements or customs unions), including arrangements under Article XXIV of the GATT 1994 and Paragraph 2(c) of the Enabling Clause. They should include the value (in USD or national currency) and volume (i.e. quantity and unit), disaggregated by country of origin, by tariff line, and by the duty regime under which each product was imported. The statistics should distinguish at the tariff line level, and for each of the beneficiary partners, the imports entered under MFN conditions from the imports entered under preferential conditions.*

(c) *Ad valorem equivalents (AVEs) of non-ad valorem (NAV) duties, as calculated by the Member.*

(d) *Applied internal taxes and other duties and charges (ODCs), when available at the tariff line level.*

(e) *Imports or proportion of imports (value and volume) under tariff rate quotas (TRQs) for each identified tariff line associated with the relevant TRQ, in particular in case the in-quota and out-of-quota imports are recorded under the same tariff line code. In case the data corresponds to a bound TRQ, the TRQ identification (TQ ID) as contained in the CTS."*

6.3. This information should include a list of countries or separate customs territories covered by each agreement and preferential import statistics, such as value and volume (quantity and unit) of imports, disaggregated by country of origin, tariff line, and duty regime. It is crucial to distinguish imports entered under MFN from those under preferential schemes at the tariff line level for each beneficiary partner. While the practice is not compulsory, Members are encouraged to submit comprehensive data, including tariff lines entering under "other preferences (e.g. RTAs), to avoid any potential inconsistencies in calculating preference utilization rates (see calculation methodologies above).

6.4. Second, the preference regime notified to the WTO by some Members might be the duty scheme as "requested" or "claimed" by economic operators (e.g. importers), not necessarily the scheme actually applied after customs clearance. As a result, figures for preferential trade may be somewhat overestimated.

<sup>10</sup> Not all the contents from G/MA/367 are relevant for the calculation of utilization rates but the paragraph of the Decision is reproduced in its entirety here. Information on additional duty schemes that offer preferential tariffs, such as regional trade agreements, is what is most relevant in the citation.

<sup>11</sup> Decision of 28 November 1979, GATT document L/4903. Paragraph 2(c) provides that: "Regional or global arrangements entered into amongst [developing Members] for the mutual reduction or elimination of tariffs and, in accordance with criteria or conditions which may be prescribed by the CONTRACTING PARTIES, for the mutual reduction or elimination of non-tariff measures, on products imported from one another".

6.5. Third, data may also be impacted by variations of duty rates during the year. In fact, Members' import data notifications to WTO IDB are annual and would not capture temporary variations. This may be particularly important if seasonal duties or tariff rate quotas are applied.

6.6. Lastly, the comparison between preferential and MFN duties may also be affected if a non-*ad valorem* duty is used. In such cases, the conversion into *ad valorem* equivalents is necessary.<sup>12</sup>

6.7. Preference granting Members hold the most detailed data with respect to their imports from LDCs and hence preference utilization. As a result, their own analyses and sharing of information in the Committee are of key importance to better understanding patterns of and factors that influence preference utilization.

## **7 ACCESSING UTILIZATION RATES THROUGH WTO TOOLS**

7.1. The WTO Secretariat provides access to preferential import data to Members and authorized users through its Tariff Analysis Online portal (<http://tao.wto.org>). The enhanced functionality of the tariff line report allows to consult import data for preferential trade arrangements (as notified to the Secretariat following the adoption of the PTA Transparency Mechanism outlined in document [WT/L/806](#)). Aggregated summary statistics can be consulted on the PTA online database (<http://ptadb.wto.org>). Both online resources provide access to preferential import data in accordance with the "Decision on the Modalities and Operation of the Integrated Database" adopted by the Committee on Market Access (see document [G/MA/367](#)).

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<sup>12</sup> A detailed explanation of non-*ad valorem* duties and their conversion can be found in the WTO Secretariat Note in document [TN/MA/20](#).

1 November 2024

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## Committee on Rules of Origin

### DRAFT REPORT (2024) OF THE COMMITTEE ON RULES OF ORIGIN TO THE GENERAL COUNCIL ON PREFERENTIAL RULES OF ORIGIN FOR LEAST DEVELOPED COUNTRIES

1. This report is being submitted by the Committee on Rules of Origin (CRO) to the General Council as required by the 2013 (Bali) and the 2015 (Nairobi) Ministerial Decisions on preferential rules of origin for Least-developed Countries ([WT/L/917](#) and [WT/L/917/Add.1](#) respectively). According to the provisions of these Decisions, the Committee on Rules of Origin (CRO) "shall annually review the developments in preferential rules of origin applicable to imports from LDCs" and report to the General Council.
2. Topics related to preferential rules of origin for LDCs constituted a significant part of the agenda of the CRO during the two formal meetings of the Committee in 2024. The minutes of these meetings are contained in documents [G/RO/M/82](#) (meeting of 29 April) and [G/RO/M/83](#)<sup>1</sup> (meeting of 21-22 November).

#### 1 TRANSPARENCY (NOTIFICATIONS)

- Three Members have not yet submitted to the CRO the preferential rules of origin applied in their non-reciprocal trade preferences for LDCs: Armenia, Iceland and Morocco.<sup>2</sup> In addition, the following delegations have submitted updated notifications on preferential rules of origin for LDCs: Canada ([G/RO/LDC/N/CAN/2/Rev.1](#)) and the United Kingdom ([G/RO/LDC/N/GBR/1/Rev.1](#)). Document [G/RO/W/163/Rev.13](#) provides an overview of the notifications received.
- Based on these notifications, product specific rules of origin and other preferential origin requirements can be accessed, at the tariff-line level, through the WTO, ITC and WCO "Origin Facilitator" ([www.findrulesoforigin.org](http://www.findrulesoforigin.org)).
- As far as preferential tariffs and import statistics are concerned, Members took note of the fact that data availability has considerably improved over the past few years (document [G/RO/W/163/Rev.13](#) contains a comprehensive overview of such notifications). However, certain Members have yet to notify the required data series, which affects the availability of complete import statistics in the Secretariat's records.
- These notifications, including preferential import statistics, can be accessed through the WTO Preferential Trade Arrangements (PTA) database (<http://ptadb.wto.org>).

#### 2 RECENT DEVELOPMENTS AND UTILIZATION OF PREFERENCES BY LDCS

- European Union: The Committee heard a presentation about the EU's three preferential trade schemes and their utilization ([RD/RO/111](#)). It was noted that the majority of imports into the EU under LDC specific schemes fell into the category of clothing and footwear (83%). Recent drops in overall trade using LDC schemes could be attributed to the fact that, following the signing of a free trade agreement, Viet Nam was no longer eligible under the EU GSP. Overall utilization of preferences in the EU stood at 91.6%, with significant variations across sectors. According to the EU, low utilization in some sectors was counterintuitive because European regulations allowed for the use of up to 70% of foreign content. In this regard, the EU questioned if one possible explanation was that the most favoured nation (MFN) rate was too

<sup>1</sup> To be issued.

<sup>2</sup> As agreed by the CRO, these notifications need to be prepared using an agreed template ([G/RO/74](#)).

low, and the related compliance costs, for instance to proofs of origin, were relatively high, such that importers preferred to use the MFN rate. Furthermore, it was reported that the EU Commission had not received bilateral requests for any relaxation of the EU's product specific rules, nor bilateral requests for an extension of cumulation. The EU would soon be reviewing its cumulation flexibilities and was still analysing the possibility of introducing the deduction of freight and insurance from local content requirements. Finally, the EU noted that it allowed for self-certification.

- United States: Members also heard a report about the utilization of the US' trade preferences. The representative of the United States outlined that five preferential programmes were available with overlapping beneficiaries, different product coverage, different expiration dates, and different rules of origin ([RD/RO/109](#)). The rules of origin for non-textile products required at least 35% of originating content, while textile products could benefit from more lenient fabric sourcing rules under programmes like the AGOA. It was noted that the utilization of the US programmes was generally high, but that preferences were not used at times, including for products and sectors for which origin was straightforward, such as some mineral products. This could relate to compliance costs outweighing tariff benefits. At the same time, the US noted that studies had shown that the limited uptake and utilization of preferences could be explained by relatively low trade values, and hence little incentive to gain knowledge about the preferential rule of origin. Another possible answer related to the small export base of certain LDCs. Finally, it had also been found that LDCs that had implemented a national trade and export strategy had been better able to seize preferential opportunities than those that had not done so.
- Canada: Members also considered updates made to the Canadian preferential rules of origin ([G/RO/W/220](#)). Despite the fact that 70% of Canada's tariff lines were duty free on an MFN basis, preferences were available under specific programmes, such as the General Preferential Tariff (GPT) and Least Developed Country Tariff (LDCT) programmes, which had been comprehensively reviewed and renewed until 2034. In the apparel sector, for example, new rules had been adopted which would allow greater flexibility in sourcing non-originating materials, significantly liberalizing the requirements. In addition, from 2025, the process rules for apparel would require only cutting and sewing in the LDC, removing the origin requirements for fabric and yarn, meaning that the materials could then be sourced from any other country. Furthermore, Canada's direct shipment requirements were also flexible: despite calling it "direct shipment", the regulations did allow for transshipment through non beneficiary countries and supporting documents only had to be presented upon request, not systematically. In this connection, it was reported that, from 2025, a wider array of documents would be added to prove non manipulation.
- United Kingdom: The representative of Niger, on behalf of the LDC Group, provided an overview of the United Kingdom's preferential rules of origin, including trends concerning the utilization of trade preferences from 2021 to 2023 ([G/RO/W/228](#)). The LDC Group noted that, despite a slight drop in import values, the UK had remained a significant import market for LDCs (mainly Asian LDCs, such as Bangladesh and Cambodia). At the same time, it was noted that utilization rates remained generally high (86.7% of all imports originating in LDCs received tariff preferences in 2023). However, a few products showed lower utilization (almost USD 1 billion of LDC exports were paying MFN duties, despite being eligible for preferences, mainly in the garments sector). In this regard, the LDC Group recommended a wider dissemination of information about preferential opportunities under the Aid for Trade umbrella to foster the fuller utilization of trade preferences granted to LDCs.
- [To be completed in light of the discussions held during the formal meeting of 21 and 22 November.]

### 3 IMPLEMENTATION OF THE BALI AND NAIROBI MINISTERIAL DECISIONS

- Members considered section 7 "Conclusion and Next Steps" of the 2023 Report of the CRO to the General Council ([G/RO/99](#)) and discussed how to take forward the work of the Committee in the coming years. Among the ideas proposed, several Members expressed the desire to have greater involvement by the private sector in the Committee's discussions. Several delegations thought that the input from businesses could help illustrate more specifically possible

bottlenecks related to the utilization of trade preferences and rules of origin. The LDC Group also proposed that preference-granting Members shared their experiences related to rules of origin with a view to discussing and identifying possible best practices.

- In connection with next steps, Members also considered a work programme prepared by the LDC Group enumerating topics for discussion in 2024-2025 ([JOB/RO/118](#)). Following consultations on the matters, Members agreed to structure discussions around a series of topics as proposed by the Chairperson ([ICN/RO/7](#)).

#### **4 OTHER ISSUES CONSIDERED**

- Convergence of preferential rules of origin: Members heard a presentation by Senegal on behalf of the LDC Group on a paper ([G/RO/W/229/Rev.1](#)) about the gradual convergence of preferential rules of origin for LDCs and the potential it carried to accelerate the diffusion of trade facilitating practices, reducing the variety of origin-related requirements and, therefore, reducing trade costs for LDCs ([RD/RO/116](#)). He explained that convergence could be sought in relation to both the format of the rule (how the rule was drafted) and the content of the rule (what substantive requirements it contained). The presentation noted that several useful trends could already be observed in regional trade agreements of preference granting Members (for instance, the use of a method of calculation based on the value of non-originating materials; the application of the non-manipulation principle instead of the direct consignment requirement; and the deduction of freight and insurance costs from value calculations).
- [To be completed in light of the discussions held during the formal meeting of 21 and 22 November.]

#### **5 ANNUAL REVIEW OF IMPLEMENTATION**

- [A draft of this report was considered by the CRO on 21-22 November 2024. The draft was subsequently completed, amended and adopted through written procedures.]
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23 October 2024

(24-7536)

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**Committee on Rules of Origin**

**THIRTIETH ANNUAL REVIEW OF THE IMPLEMENTATION AND  
OPERATION OF THE AGREEMENT ON RULES OF ORIGIN**

NOTE BY THE SECRETARIAT<sup>1</sup>

**1 INTRODUCTION**

1.1. The purpose of this note is to assist Members in undertaking the 30<sup>th</sup> Annual Review of the implementation and operation of the Agreement on Rules of Origin. It was prepared by the Secretariat to assist Members' during their discussions about the implementation of the Agreement. According to Article 6.1 of the Agreement, "*the Committee shall review annually the implementation and operation of Parts II and III of this Agreement having regard to its objectives*". The Committee's Annual Report to the Council for Trade in Goods on the Implementation and Operation of the Agreement on Rules of Origin will incorporate the outcomes of this review.

**2 MEMBERS AND OBSERVERS OF THE COMMITTEE ON RULES OF ORIGIN**

2.1. Government representatives of all WTO Members and Observers are also Members and Observers to the Committee on Rules of Origin (CRO). Additionally, the following international organizations have observer status at the CRO: ACP, EFTA, IADB, IMF, ITC, OECD, UNCTAD, WCO and World Bank.

**3 RULES OF PROCEDURE OF THE COMMITTEE ON RULES OF ORIGIN**

3.1. The rules of procedure for meetings of the CRO were adopted by the Committee in February 1997 ([G/L/149](#) and [WT/L/161](#)).

**4 OFFICERS OF THE COMMITTEE ON RULES OF ORIGIN**

4.1. On 10 June 2024, Mr. Guna Seelan BALAKRISHNAN (Malaysia) was elected as the Chairperson of the CRO for the period 2024-2025.

**5 MEETINGS OF THE COMMITTEE ON RULES OF ORIGIN**

5.1. In 2024, the CRO held two formal meetings: on 29 April and 21-22 November. Documents [G/RO/M/82](#) and [G/RO/M/81](#) (to be prepared), respectively, contain the minutes of these meetings.

**6 NOTIFICATIONS UNDER ARTICLE 5 (NON-PREFERENTIAL RULES OF ORIGIN)**

6.1. Two Members, who had never submitted a notification under Article 5 of the Agreement, submitted their notifications in 2024: Cambodia ([G/RO/N/266](#)) and Cabo Verde ([G/RO/N/281](#)).

6.2. As a result of these notifications, 57 WTO Members have notified the Secretariat that they apply non-preferential rules of origin (counting the EU and its member states as one). Sixty WTO Members have informed the Secretariat that they do not apply any non-preferential rules of origin. The remaining 22 WTO Members had not yet notified any information to the WTO under Article 5.

<sup>1</sup> This document has been prepared under the Secretariat's own responsibility and is without prejudice to the positions of Members or to their rights and obligations under the WTO.

6.3. The full list of Members under each of these categories as well as the relevant information notified to the WTO Secretariat is listed in three tables in Annex 1 to this note.

6.4. All notifications and the related legislation or references provided can be accessed through the section "Non-preferential origin/Notifications" of the Rules of Origin webpage of the WTO website ([https://www.wto.org/english/tratop\\_e/roi\\_e/roi\\_e.htm](https://www.wto.org/english/tratop_e/roi_e/roi_e.htm)).

## **7 NOTIFICATIONS UNDER ANNEX II (PREFERENTIAL RULES OF ORIGIN)**

7.1. As agreed by the Committee in 2012 ([G/RO/M/59](#)), notifications about reciprocal trade agreements made to the Committee on Regional Trade Agreements (CRTA) or to the Committee on Trade and Development (CTD) are deemed to discharge Members' notification obligations under the Agreement on Rules of Origin. The Committee therefore agreed that notifications which had initially been received by the CRTA or the CTD should be circulated by the Secretariat to the CRO. The information contained in such notifications, including information about preferential rules of origin, can be accessed through the WTO database of regional trade agreements (<https://rtais.wto.org>) and the WTO database of preferential trade agreements (<http://ptadb.wto.org>).

7.2. In addition, it should be noted that the Committee adopted a specific template for notifications of non-reciprocal preferential rules of origin applied to least-developed countries ([G/RO/84](#)). All WTO preference-granting Members agreed to submit detailed information about their preferential rules of origin using that template. To date, 22 preference-granting Members submitted such notifications, and three Members still have to inform the Committee about their practices. Notifications were circulated under the [G/RO/LDC/N/](#) document series. A complete overview of these notifications is available in document [G/RO/W/163/Rev.13](#).

## **8 ORIGIN FACILITATOR**

8.1. The Origin Facilitator is a publicly available, online database containing tariff-level data about rules of origin and origin-related procedural requirements. It is the result of a collaboration between the WTO Secretariat and the International Trade Centre (ITC) and the World Customs Organization (WCO). It is a user-friendly tool that allow users to retrieve rules of origin information, including rules of origin notified to the WTO (for instance, concerning preferential rules of origin applied to LDCs under non-reciprocal trade arrangements). The Facilitator is available at: <https://findrulesoforigin.org>.

## **9 WORK OF THE COMMITTEE RELATED TO PARTS I, II AND III OF THE AGREEMENT**

9.1. Part II of the Agreement relates to the multilateral disciplines which govern the application of non-preferential rules of origin by WTO Members during the "*transitional period*". This period refers to the time before the implementation of fully harmonized non-preferential rules of origin (Article 2). Since the Work Programme for the Harmonization of non-preferential rules of origin (HWP) has not yet been finalized, Members have not adopted and do not implement harmonized non-preferential rules of origin. Hence, Article 2 of the Agreement contains the disciplines which currently apply to WTO Members. The Committee did not hold discussions specifically related to these disciplines.

9.2. As had been noted in the Committee's 2013 Annual Report to the CTG ([G/L/1047](#)), the implementation and operation of the Agreement is not satisfactory as the stalemate in the HWP compromises the attainment of the core objectives of the Agreement (i.e., the facilitation of global trade through the international harmonization of non-preferential rules of origin). The draft results of the HWP are contained in documents [G/RO/W/111/Rev.6](#) (in HS96); [JOB/RO/5/Rev.1](#) and [JOB/RO/5/Rev.1/Corr.1](#) (rectified to reflect the 2002, 2007, and 2012 versions of the HS nomenclature). In the period of this annual review, the Committee did not consider any item specifically related to the HWP.

9.3. In 2024, Members continued to discuss ways to enhance transparency on non-preferential rules of origin following a proposal by a group of Members in 2019 ([G/RO/W/182/Rev.4](#)). At the request of Members, the Chairperson of the Committee held consultations which led to different versions of a draft decision to be adopted by the CRO. The decision would encourage Members to update their notifications and to use a new notification format (template) for the preparation of such notifications

(documents [JOB/RO/8](#); [JOB/RO/8/Rev.1](#) and [JOB/RO/8/Rev.2](#)). Informal consultations were held on 17 May 2024. Despite wide support, the Chairperson reported that some concerns had been raised, and, as a result, the decision could not be adopted. He therefore suggested that the Committee should simply take note of the template and use it on an entirely voluntary basis ([JOB/RO/8/Rev.3](#)).

9.4. [Complement in light of the discussions during the formal CRO meeting of 21 and 22 November.]

## 10 AMENDMENTS, INTERPRETATIONS AND RECTIFICATIONS TO THE AGREEMENT

10.1. The Committee has not dealt with any of these matters during the year under review.

## 11 CONSULTATION AND DISPUTE SETTLEMENT

11.1. Since 1995, the Agreement on Rules of Origin has been cited in the context of the following [dispute settlement proceedings](#).

**Table 1 - List of Disputes citing the Agreement on Rules of Origin**

	Title	Date (request for consultations)	Articles cited
DS597	United States - Origin Marking Requirement - Communication from Hong Kong, China	2 February 2023	Articles 2(c), 2(d) and 2(e)
DS384	United States - Certain Country of Origin Labelling (COOL) Requirements - Communication from the European Union	21 December 2015	Article 2
DS386	United States - Certain Country of Origin Labelling (COOL) Requirements - Communication from the European Union	11 December 15	Article 2
DS342	China - Measures Affecting Imports of Automobile Parts - Agreement under Article 21.3(b) of the DSU	3 March 2009	Article 2(b), 2(c) and 2(d)
DS243	United States - Rules of Origin for Textiles and Apparel Products - Panel Report - Action by the Dispute Settlement Body	28 July 2003	Articles 2(b), 2(c) and 2(d)
DS151	United States - Measures Affecting Textiles and Apparel Products (II) - Notification of Mutually Agreed Solution	24 July 2000	Article 2
DS85	United States - Measures Affecting Textiles Apparel Products - Notification of Mutually Agreed Solution	11 February 1998	Article 4.2
DS111	United States - Tariff Rate Quota for Imports of Groundnuts - Request to Join Consultations - Communication from Canada	19 December 1997	Article 2

## 12 OTHER AREAS OF WORK OF THE CRO

### 12.1 WTO Reform and improvements to the functioning of the CRO

12.1. At the request of the Council for Trade in Goods (CTG) ([JOB/CTG/29](#) and [JOB/CTG/33](#)), Members had adopted a report on discussions related to measures taken to improve the functioning of the CRO ([G/RO/W/217](#) and [G/RO/W/224](#)). In 2024, the Secretariat reported that all measures had been implemented and made presentations specifically on the functioning of e-Registration; eAgenda; "Introduction to the Committee on Rules of Origin" (resources for new delegates in the Webpage); and the Rules of Origin Gateway ([WTO Rules of Origin Webpage](#)).

### 12.2 Preferential rules of origin for Least Developed Countries (LDCs)

12.2. Members continued to engage in the implementation of the 2013 and 2015 Ministerial Decisions ([WT/L/917](#) and [WT/L/917/Add.1](#) respectively) and of the 2022 Committee Decision on preferential rules of origin for LDCs ([G/RO/95](#)). The Committee also considered possible next steps to its 2023 report to the General Council ([G/RO/99](#)) and agreed to follow a programme of work covering different issues ([ICN/RO/7](#)).

12.3. [Based on inputs from the delegations and the Secretariat, a draft report of work (G/RO/W/XXX) was adopted and forwarded to the General Council. *Complement in light of the discussions during the formal CRO meeting of 21 and 22 November.*]

### **13 REPORT TO THE COUNCIL FOR TRADE IN GOODS**

13.1. On 12 October 2023, the CRO's draft annual report to the Council for Trade in Goods (G/RO/W/XXX) was considered and adopted through written procedures.

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## ANNEX 1

A. List of Members that have notified to the Secretariat that they apply non-preferential rules of origin<sup>1</sup>

Member	HAVE NP RO	Date	Link to the legislation / scanned copy of the legislation
	Document Symbol		
1. Afghanistan	<a href="#">G/RO/N/143</a>	05.08.2016	<a href="http://customs.mof.gov.af">http://customs.mof.gov.af</a>
2. Albania	<a href="#">G/RO/N/47</a>	06.07.2005	Scanned copy available
	<a href="#">G/RO/N/53</a>	18.09.2007	Scanned copy available
	<a href="#">G/RO/N/209</a>	11.01.2021	<a href="http://www.dogana.gov.al/dokument/3019/origjina-jo-preferenciale-kd">http://www.dogana.gov.al/dokument/3019/origjina-jo-preferenciale-kd</a>
			<a href="http://www.dogana.gov.al/dokument/3018/origjina-jo-preferenciale-dz">http://www.dogana.gov.al/dokument/3018/origjina-jo-preferenciale-dz</a>
			<a href="http://www.dogana.gov.al/dokument/3023/anksi-22-14-shtojca-b">http://www.dogana.gov.al/dokument/3023/anksi-22-14-shtojca-b</a>
			<a href="http://www.dogana.gov.al/dokument/3022/anksi-22-09-shtojca-b">http://www.dogana.gov.al/dokument/3022/anksi-22-09-shtojca-b</a>
3. Argentina	<a href="#">G/RO/N/2</a>	22.06.1995	Scanned copy available
	<a href="#">G/RO/N/10</a>	16.08.1996	Scanned copy available
	<a href="#">G/RO/N/16</a>	05.03.1997	Scanned copy available
4. Armenia	<a href="#">G/RO/N/41</a>	21.08.2003	Scanned copy available
	<a href="#">G/RO/N/240</a>	18.08.2022	<a href="https://eec.eaeunion.org/en/comission/department/dotp/rules_of_origin/default.php">https://eec.eaeunion.org/en/comission/department/dotp/rules_of_origin/default.php</a>
	<a href="#">G/RO/N/282</a>	29.08.2024	<a href="https://eec.eaeunion.org/en/comission/department/dotp/rules_of_origin/default.php">https://eec.eaeunion.org/en/comission/department/dotp/rules_of_origin/default.php</a>
5. Australia	<a href="#">G/RO/N/1</a>	09.05.1995	n/a
	<a href="#">G/RO/N/1/Add.1</a>	22.06.1995	Scanned copy available
6. Brazil	<a href="#">G/RO/N/14</a>	02.12.1996	Formerly notified of non-application of NPROO
	<a href="#">G/RO/N/78</a>	16.04.2012	<a href="http://www.planalto.gov.br/ccivil_03/ Ato2011-2014/2011/Lei/L12546.htm">http://www.planalto.gov.br/ccivil_03/ Ato2011-2014/2011/Lei/L12546.htm</a>
7. Burkina Faso	<a href="#">G/RO/N/19</a>	23.01.1998	n/a
8. Botswana	<a href="#">G/RO/N/227</a>	12.07.2021	Sections 309-311 annexed in document
9. Cabo Verde	<a href="#">G/RO/N/281</a>	23.05.2024	<a href="https://kiosk.incv.cv/2.1.21.2350/">https://kiosk.incv.cv/2.1.21.2350/</a> ; and <a href="http://kiosk.incv.cv/2.1.23.1835/">http://kiosk.incv.cv/2.1.23.1835/</a> .
10. Cambodia	<a href="#">G/RO/N/198</a>	01.07.2020	Previous notified that did not apply
	<a href="#">G/RO/N/166</a>	07.02.2024	Text of the law attached
11. Canada	<a href="#">G/RO/N/1</a>	09.05.1995	n/a
	<a href="#">G/RO/N/1/Add.1</a>	22.06.1995	Scanned copy available
12. China	<a href="#">G/RO/N/37</a>	03.06.2002	n/a
	<a href="#">G/RO/N/37/Rev.1</a>	02.08.2002	Scanned copy available
	<a href="#">G/RO/N/132</a>	07.09.2015	Electronic copy available
13. Colombia	<a href="#">G/RO/N/1</a>	09.05.1995	n/a
	<a href="#">G/RO/N/1/Add.1</a>	22.06.1995	Scanned copy available
	<a href="#">G/RO/N/172</a>	05.07.2018	<a href="http://www.mincit.gov.co/loader.php?Servicio=Documentos&amp;Funcion=verPdf&amp;id=5263&amp;nombre=DECRETO 637 DEL 11 DE ABRIL DE 2018.pdf">http://www.mincit.gov.co/loader.php?Servicio=Documentos&amp;Funcion=verPdf&amp;id=5263&amp;nombre=DECRETO 637 DEL 11 DE ABRIL DE 2018.pdf</a>
14. Cuba	<a href="#">G/RO/N/3</a>	27.07.1995	Scanned copy available
	<a href="#">G/RO/N/125</a>	13.01.2015	Scanned copy available
15. European Union <sup>2</sup>	<a href="#">G/RO/N/1</a>	09.05.1995	n/a
	<a href="#">G/RO/N/1/Add.1</a>	22.06.1995	Scanned copy available
16. Georgia	<a href="#">G/RO/N/37</a>	03.06.2002	n/a
	<a href="#">G/RO/N/37/Rev.1</a>	02.08.2002	Scanned copy available

<sup>1</sup> All documents notified to the Secretariat and the relevant Internet links are available for consultation through the "Notifications" section of the rules of origin page of the WTO website: [https://www.wto.org/english/tratop\\_e/roi\\_e/roi\\_e.htm](https://www.wto.org/english/tratop_e/roi_e/roi_e.htm).

<sup>2</sup> All notifications received from countries prior to joining the EU do not appear in the table.

Member	HAVE NP RO	Date	Link to the legislation / scanned copy of the legislation
	Document Symbol		
17. Hong Kong, China	G/RO/N/1	09.05.1995	n/a
	G/RO/N/1/Add.1	22.06.1995	Scanned copy available
	G/RO/N/10	16.08.1996	Scanned copy available
	G/RO/N/24	15.01.1999	Scanned copy available
	G/RO/N/30	21.11.2000	n/a
	G/RO/N/37	03.06.2002	n/a
	G/RO/N/37/Rev.1	02.08.2002	Scanned copy available
	G/RO/N/46	15.02.2005	Scanned copy available
	G/RO/N/59	23.09.2008	Scanned copy available
	G/RO/N/67	02.12.2010	Scanned copy available
18. Indonesia	G/RO/N/73	15.09.2011	Scanned copy available
	G/RO/N/86	01.10.2012	Scanned copy available
19. Japan	G/RO/N/16	05.03.1997	Formerly notified of non-application of NPROO
	G/RO/N/196	16.04.2020	<a href="http://jdih.kemendag.go.id/peraturan/detail/888/3">http://jdih.kemendag.go.id/peraturan/detail/888/3</a>
20. Jordan	G/RO/N/1	09.05.1995	n/a
	G/RO/N/1/Add.1	22.06.1995	Scanned copy available
21. Kazakhstan	G/RO/N/30	21.11.2000	Scanned copy available
	G/RO/N/148	12.09.2016	Unofficial translation available
22. Kyrgyz Republic	G/RO/N/148/Rev.1	27.10.2016	Unofficial translation available
	G/RO/N/175	15.11.2018	<a href="http://www.eurasiancommission.org/en/act/trade/dotp/prav_proish/Pages/default.aspx">http://www.eurasiancommission.org/en/act/trade/dotp/prav_proish/Pages/default.aspx</a>
	G/RO/N/246	12.01.2023	<a href="http://www.eurasiancommission.org/en/act/trade/dotp/prav_proish/Pages/default.aspx">http://www.eurasiancommission.org/en/act/trade/dotp/prav_proish/Pages/default.aspx</a>
23. Korea, Rep. of	G/RO/N/177	28.11.2018	<a href="http://www.eurasiancommission.org/en/act/trade/dotp/prav_proish/Pages/default.aspx">http://www.eurasiancommission.org/en/act/trade/dotp/prav_proish/Pages/default.aspx</a>
	G/RO/N/205	27.10.2020	<a href="http://www.eurasiancommission.org/en/act/trade/dotp/prav_proish/Pages/default.aspx">http://www.eurasiancommission.org/en/act/trade/dotp/prav_proish/Pages/default.aspx</a>
	G/RO/N/267	07.02.2024	<a href="https://eec.eaeunion.org/en/commission/department/dotp/rules_of_origin/default.php">https://eec.eaeunion.org/en/commission/department/dotp/rules_of_origin/default.php</a>
24. Lao People's Dem. Rep.	G/RO/N/1	09.05.1995	n/a
	G/RO/N/1/Add.1	22.06.1995	Scanned copy available
	G/RO/N/63	18.09.2009	Scanned copy available
25. Lesotho	G/RO/N/96	24.07.2013	Scanned copy available
26. Liechtenstein	G/RO/N/56	27.05.2008	n/a
	G/RO/N/60/Rev.1	08.04.2009	<a href="http://www.admin.ch/opc/fr/classified-compilation/19820160/index.html">http://www.admin.ch/opc/fr/classified-compilation/19820160/index.html</a>
			<a href="http://www.admin.ch/opc/fr/classified-compilation/20072514/index.html">http://www.admin.ch/opc/fr/classified-compilation/20072514/index.html</a> <a href="http://www.admin.ch/opc/fr/classified-compilation/20072515/index.html">http://www.admin.ch/opc/fr/classified-compilation/20072515/index.html</a>
27. Madagascar	G/RO/N/11	10.09.1996	Scanned copy available
28. Mexico	G/RO/N/12	01.10.1996	n/a
29. Moldova, Rep. of	G/RO/N/36	12.03.2002	Scanned copy available
	G/RO/N/110	14.02.2014	Scanned copy available
	G/RO/N/110/Add.1	10.10.2014	Scanned copy available
30. Mongolia	G/RO/N/20	14.05.1998	Formerly notified of non-application of NPROO
	G/RO/N/20/Rev.1	27.07.1998	
	G/RO/N/164	03.04.2018	<a href="http://www.customs.gov.mn/en/images/publications/Customs%20law%20and%20Customs%20Tariff%20and%20Tax%20law.pdf">http://www.customs.gov.mn/en/images/publications/Customs law and Customs Tariff and Tax law.pdf</a> <a href="http://customs.gov.mn/2012-03-14-03-12-51/2017-12-12-03-51-09">http://customs.gov.mn/2012-03-14-03-12-51/2017-12-12-03-51-09</a> <a href="http://www.legalinfo.mn/law/details/208">www.legalinfo.mn/law/details/208</a>

Member	HAVE NP RO	Date	Link to the legislation / scanned copy of the legislation
	Document Symbol		
31. Montenegro	<a href="#">G/RO/N/126</a>	20.02.2015	Electronic copy available
	<a href="#">G/RO/N/203</a>	22.07.2020	Scanned copy available – website in Montenegrin only <a href="https://www.paragraf.me/propisi-crnegore/carinski-zakon.html">https://www.paragraf.me/propisi-crnegore/carinski-zakon.html</a> ;  <a href="http://www.upravacarina.gov.me/ResourceManager/FileDownload.aspx?rid=230824&amp;rType=2&amp;file=Uredba%20o%20izmjenama%20Uredbe%20za%20sprov.%20Carinskog%20zakona%20(SICG%2011-2016)%20.pdf">http://www.upravacarina.gov.me/ResourceManager/FileDownload.aspx?rid=230824&amp;rType=2&amp;file=Uredba%20o%20izmjenama%20Uredbe%20za%20sprov.%20Carinskog%20zakona%20(SICG%2011-2016)%20.pdf</a> ;  <a href="http://www.upravacarina.gov.me/ResourceManager/FileDownload.aspx?rid=385912&amp;rType=2&amp;file=Uredba%20za%20sprovodjenje%20car.%20zakona%202019.pdf">http://www.upravacarina.gov.me/ResourceManager/FileDownload.aspx?rid=385912&amp;rType=2&amp;file=Uredba%20za%20sprovodjenje%20car.%20zakona%202019.pdf</a>
32. Morocco	<a href="#">G/RO/N/2</a>	22.06.1995	n/a
33. New Zealand	<a href="#">G/RO/N/1</a>	09.05.1995	n/a
	<a href="#">G/RO/N/1/Add.1</a>	22.06.1995	n/a
34. Niger	<a href="#">G/RO/N/19</a>	23.01.1998	n/a
35. North Macedonia	<a href="#">G/RO/N/45</a>	09.11.2004	Scanned copy available
	<a href="#">G/RO/N/197</a>	16.04.2020	<a href="http://www.customs.gov.mk/index.php/en/about-us-en/customs-regulations/customs-law">http://www.customs.gov.mk/index.php/en/about-us-en/customs-regulations/customs-law</a>  <a href="http://www.customs.gov.mk/index.php/en/about-us-en/customs-regulations/customs-law">http://www.customs.gov.mk/index.php/en/about-us-en/customs-regulations/customs-law</a>
36. Norway	<a href="#">G/RO/N/8</a>	05.03.1996	Scanned copy available
	<a href="#">G/RO/N/62</a>	26.05.2009	Scanned copy available
	<a href="#">G/RO/N/149</a>	22.09.2016	<a href="http://www.toll.no/PageFiles/4684/Regulations_to_the_act_on_customs_duties_and_movement_of_goods_july2016.pdf">http://www.toll.no/PageFiles/4684/Regulations_to_the_act_on_customs_duties_and_movement_of_goods_july2016.pdf</a>
	<a href="#">G/RO/N/206</a>	28.10.2020	<a href="https://www.toll.no/en/services/regulations/law-and-regulations/the-act-on-customs-duties-and-movement-of-goods/">https://www.toll.no/en/services/regulations/law-and-regulations/the-act-on-customs-duties-and-movement-of-goods/</a>  <a href="https://www.toll.no/en/services/regulations/law-and-regulations/regulations-to-the-act-on-customs-duties-and-movement-of-goods-customs-regulations/">https://www.toll.no/en/services/regulations/law-and-regulations/regulations-to-the-act-on-customs-duties-and-movement-of-goods-customs-regulations/</a>
	<a href="#">G/RO/N/232/Rev.1</a>	23.02.2022	<a href="https://www.toll.no/en/services/regulations/law-and-regulations/the-act-on-customs-duties-and-movement-of-goods">https://www.toll.no/en/services/regulations/law-and-regulations/the-act-on-customs-duties-and-movement-of-goods</a>  <a href="https://www.toll.no/en/services/regulations/law-and-regulations/regulations-to-the-act-on-customs-duties-and-movement-of-goods-customs-regulations">https://www.toll.no/en/services/regulations/law-and-regulations/regulations-to-the-act-on-customs-duties-and-movement-of-goods-customs-regulations</a>
	<a href="#">G/RO/W/232/Rev.2</a>	18.04.2023	<a href="https://lovdata.no/dokument/NLE/lov/2022-03-11-8">https://lovdata.no/dokument/NLE/lov/2022-03-11-8</a>  <a href="https://lovdata.no/dokument/NLE/lov/2022-03-11-9">https://lovdata.no/dokument/NLE/lov/2022-03-11-9</a>  <a href="https://lovdata.no/dokument/SFE/forskrift/2022-10-27-1938">https://lovdata.no/dokument/SFE/forskrift/2022-10-27-1938</a>  <a href="https://lovdata.no/dokument/SFE/forskrift/2022-10-27-1901">https://lovdata.no/dokument/SFE/forskrift/2022-10-27-1901</a>  <a href="https://www.toll.no/en/corporate/import/free-trade/">https://www.toll.no/en/corporate/import/free-trade/</a>  <a href="https://www.toll.no/en/corporate/export/duty-free-status-or-lower-duties-when-exporting-to-other-countries/">https://www.toll.no/en/corporate/export/duty-free-status-or-lower-duties-when-exporting-to-other-countries/</a>  <a href="https://www.toll.no/en/services/regulations/parliamentary-decree-on-customs-duties/">https://www.toll.no/en/services/regulations/parliamentary-decree-on-customs-duties/</a>  <a href="https://lovdata.no/dokument/SFE/forskrift/2008-03-07-228">https://lovdata.no/dokument/SFE/forskrift/2008-03-07-228</a>

Member	HAVE NP RO	Date	Link to the legislation / scanned copy of the legislation
	Document Symbol		
37. Paraguay	<a href="#">G/RO/N/21</a>	20.07.1998	Formerly notified no NPROO
	<a href="#">G/RO/N/254</a>	06.06.2023	<a href="http://www.vue.org.py/resoluciones/mic/comercio-exterior/Resolucion%20N%C2%B0%20464-2023.pdf">http://www.vue.org.py/resoluciones/mic/comercio-exterior/Resolucion%20N%C2%B0%20464-2023.pdf</a>
38. Peru	<a href="#">G/RO/N/4</a>	07.08.1995	Formerly notified no NPROO
	<a href="#">G/RO/N/5</a>	01.11.1995	Scanned copy available
	<a href="#">G/RO/N/49</a>	02.03.2007	Scanned copy available
	<a href="#">G/RO/N/50</a>	10.05.2007	Scanned copy available
	<a href="#">G/RO/N/52</a>	01.06.2007	Scanned copy available
	<a href="#">G/RO/N/77</a>	12.03.2012	Scanned copy available
39. Qatar	<a href="#">G/RO/N/25</a>	13.04.1999	n/a
40. Russian Federation	<a href="#">G/RO/N/84</a>	27.09.2012	Electronic and scanned copy available
	<a href="#">G/RO/N/84/Corr.1</a>	13.12.2012	
	<a href="#">G/RO/N/179</a>	22.01.2019	<a href="http://www.eurasiancommission.org/en/act/trade/dotp/prav_proish/Pages/default.aspx">http://www.eurasiancommission.org/en/act/trade/dotp/prav_proish/Pages/default.aspx</a>
	<a href="#">G/RO/N/207</a>	02.11.2020	<a href="http://www.eurasiancommission.org/en/act/trade/dotp/prav_proish/Pages/default.aspx">http://www.eurasiancommission.org/en/act/trade/dotp/prav_proish/Pages/default.aspx</a>
	<a href="#">G/RO/N/255</a>	14.07.2023	<a href="https://eec.eaunion.org/en/comission/departament/dotp/prav_proish/default.php">https://eec.eaunion.org/en/comission/departament/dotp/prav_proish/default.php</a>
41. Rwanda	<a href="#">G/RO/N/75</a>	24.02.2012	<a href="http://www.comesa.int/attachments/article/28/COMESA_Treaty.pdf">http://www.comesa.int/attachments/article/28/COMESA_Treaty.pdf</a>
			<a href="http://www.eac.int/customs/index.php?option=com_content&amp;view=article&amp;id=3:rules-of-origin&amp;catid=3:key-documents">http://www.eac.int/customs/index.php?option=com_content&amp;view=article&amp;id=3:rules-of-origin&amp;catid=3:key-documents</a>
42. Senegal	<a href="#">G/RO/N/10</a>	16.08.1996	n/a
	<a href="#">G/RO/N/195</a>	28.02.2020	<a href="http://www.douanes.sn/sites/default/files/fichiers/Code_Des_Douanes.pdf">http://www.douanes.sn/sites/default/files/fichiers/Code_Des_Douanes.pdf</a>
43. Seychelles	<a href="#">G/RO/N/141</a>	02.05.2016	Description of obligations available in the notification & scanned copy available
44. South Africa	<a href="#">G/RO/N/3</a>	27.07.1995	Scanned copy available
45. Suriname	<a href="#">G/RO/N/24</a>	15.01.1999	Formerly notified of non-application of NPROO
	<a href="#">G/RO/N/43</a>	15.03.2004	Scanned copy available
46. Switzerland	<a href="#">G/RO/N/4</a>	07.08.1995	Scanned copy available
	<a href="#">G/RO/N/60</a>	26.01.2009	<a href="http://www.admin.ch/ch/f/rs/c946_201.html">http://www.admin.ch/ch/f/rs/c946_201.html</a>
	<a href="#">G/RO/N/60/Rev.1</a>	08.04.2009	<a href="http://www.admin.ch/ch/f/rs/c946_31.html">http://www.admin.ch/ch/f/rs/c946_31.html</a>
			<a href="http://www.admin.ch/ch/f/rs/c946_311.html">http://www.admin.ch/ch/f/rs/c946_311.html</a>
47. Chinese Taipei	<a href="#">G/RO/N/37</a>	03.06.2002	n/a
	<a href="#">G/RO/N/37/Rev.1</a>	02.08.2002	Scanned copy available
48. Togo	<a href="#">G/RO/N/70</a>	16.06.2011	n/a
49. Tunisia	<a href="#">G/RO/N/7</a>	12.02.1996	Scanned copy available
	<a href="#">G/RO/N/61</a>	19.02.2009	Scanned copy available
50. Türkiye	<a href="#">G/RO/N/8</a>	05.03.1996	Scanned copy available
	<a href="#">G/RO/N/28</a>	30.05.2000	Scanned copy available
51. Ukraine	<a href="#">G/RO/N/57</a>	07.07.2008	n/a
	<a href="#">G/RO/N/81</a>	10.08.2012	Scanned copy available
	<a href="#">G/RO/N/265</a>	23.11.2023	Law of Ukraine of 14 July 2023 No. 3261-IX "On Amendments to the Customs Code of Ukraine on the Procedure for Determining the Country of Origin of Goods in accordance with the Union Customs Code and Ensuring the Implementation of Ukraine's Free Trade Agreements"
52. United Arab Emirates	<a href="#">G/RO/N/231</a>	18.01.2022	Federal Law ON THE RULES AND CERTIFICATES OF ORIGIN, Federal Law No. 11, Issued on 19 December 2019
53. United Kingdom	<a href="#">G/RO/N/214</a>	23.02.2021	See notification
54. United States	<a href="#">G/RO/N/1</a>	09.05.1995	n/a
	<a href="#">G/RO/N/1/Add.1</a>	22.06.1995	Scanned copy available
	<a href="#">G/RO/N/6</a>	19.12.1995	Scanned copy available
	<a href="#">G/RO/N/12</a>	01.10.1996	n/a
55. Venezuela, Bolivarian Rep. of	<a href="#">G/RO/N/1</a>	09.05.1995	Formerly notified of non-application of NPROO
	<a href="#">G/RO/N/1/Add.1</a>	22.06.1995	Formerly notified of non-application of NPROO
	<a href="#">G/RO/N/10</a>	16.08.1996	Scanned copy available
	<a href="#">G/RO/N/14</a>	02.12.1996	Scanned copy available
56. Yemen	<a href="#">G/RO/N/140</a>	08.04.2016	Original available
57. Zimbabwe	<a href="#">G/RO/N/80</a>	18.07.2012	Scanned copy available



**B. List of Members that Have Notified to the Secretariat that they DO NOT Apply Non-Preferential Rules of Origin**

Member	Do NOT apply NPRO	Date
	Document Symbol	
1. Angola	G/RO/N/176	27.11.2018
2. Belize	G/RO/N/147	01.09.2016
3. Benin	G/RO/N/150	10.11.2016
4. Bolivia, Plurinational State of	G/RO/N/9	19.04.1996
5. Brunei Darussalam	G/RO/N/5	01.11.1995
6. Burundi	G/RO/N/33	02.05.2001
7. Cameroon	G/RO/N/99	22.08.2013
8. Chad	G/RO/N/22	16.09.1998
9. Chile	G/RO/N/6	19.12.1995
10. Congo	G/RO/N/118	18.09.2014
11. Costa Rica	G/RO/N/1 G/RO/N/1/Add.1	09.05.1995 22.06.1995
12. Côte d'Ivoire	G/NO/N/117	25.08.2014
13. Djibouti	G/RO/N/239	10.05.2022
14. Dominica	G/RO/N/24	15.01.1999
15. Dominican Republic	G/RO/N/9	19.04.1996
16. Ecuador	G/RO/N/180	18.03.2019
17. El Salvador	G/RO/N/10	16.08.1996
18. Eswatini	G/RO/N/128	24.04.2015
19. Fiji	G/RO/N/17	10.04.1997
20. The Gambia	G/RO/N/109	31.01.2014
21. Ghana	G/RO/N/44	06.05.2004
22. Guatemala	G/RO/N/21	20.07.1998
23. Guyana	G/RO/N/42 G/RO/N/42/Rev.1	10.12.2003 12.09.2016
24. Haiti	G/RO/N/20/ G/RO/N/20/Rev.1	14.05.1998 27.07.1998
25. Honduras	G/RO/N/3	27.07.1995
26. Iceland	G/RO/N/5	01.11.1995
27. India	G/RO/N/1 G/RO/N/1/Add.1	09.05.1995 22.06.1995
28. Israel	G/RO/N/13 G/RO/N/163	19.11.1996 15.02.2018
29. Jamaica	G/RO/N/4	07.08.1995
30. Kenya	G/RO/N/9	19.04.1996
31. Kuwait, the State of	G/RO/N/100	19.09.2013
32. Liberia	G/RO/N/173	05.07.2018
33. Macao, China	G/RO/N/21	20.07.1998
34. Malawi	G/RO/N/129	04.06.2015
35. Malaysia	G/RO/N/6	19.12.1995
36. Maldives	G/RO/N/22	16.09.1998
37. Mali	G/RO/N/116 G/RO/N/146	11.07.2014 12.09.2016
38. Mauritius	G/RO/N/1 G/RO/N/1/Add.1	09.05.1995 22.06.1995
39. Myanmar	G/RO/N/151	23.05.2017
40. Namibia	G/RO/N/26	02.09.1999
41. Nepal	G/RO/N/165	03.04.2018
42. Nicaragua	G/RO/N/10	16.08.1996
43. Oman	G/RO/N/32	30.04.2001
44. Pakistan	G/RO/N/16	05.03.1997
45. Panama	G/RO/N/23	05.10.1998
46. Papua New Guinea	G/RO/N/32	30.04.2001
47. Philippines	G/RO/N/6	19.12.1995
48. Saint Kitts and Nevis	G/RO/N/213	04.03.2021
49. Samoa	G/RO/N/97	02.08.2013
50. Saudi Arabia, Kingdom of	G/RO/N/48	08.11.2006
51. Singapore	G/RO/N/3	27.07.1995
52. Sri Lanka	G/RO/N/178	28.11.2018
53. Thailand	G/RO/N/1 G/RO/N/1/Add.1	09.05.1995 22.06.1995

Member	Do NOT apply NPRO	Date
	Document Symbol	
54. Tonga	G/RO/N/213	04.02.2021
55. Trinidad and Tobago	G/RO/N/7	12.02.1996
56. Uganda	G/RO/N/13	19.01.1996
57. Uruguay	G/RO/N/12	01.10.1996
58. Vanuatu	G/RO/N/189	13.12.2019
59. Viet Nam	G/RO/N/68	22.02.2011
	G/RO/N/79	01.06.2012
60. Zambia	G/RO/N/142	17.06.2016

**C. Members that have not yet submitted a notification under Article 5 of the Agreement on Rules of Origin**

1. Antigua and Barbuda
2. Bahrain, Kingdom of
3. Bangladesh
4. Barbados
5. Central African Republic
6. Comoros
7. Democratic Republic of the Congo
8. Egypt
9. Gabon
10. Grenada
11. Guinea
12. Guinea Bissau
13. Mauritania
14. Mozambique
15. Nigeria
16. Saint Lucia
17. Saint Vincent and the Grenadines
18. Sierra Leone
19. Solomon Islands
20. Tajikistan
21. Tanzania
22. Timor-Leste

15 October 2024

(24-7205)

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Committee on Rules of Origin

Original: English

**NOTIFICATION OF NON-PREFERENTIAL RULES OF ORIGIN**

REPORT BY THE CHAIRPERSON

*Revision*

1. During discussions in the Committee on Rules of Origin related to non-preferential rules of origin, Members have noted that notifications submitted under Article 5 of the Agreement on Rules of Origin were often out of date or incomplete. In fact, Article 5 of the Agreement requires Members to notify their practices related to non-preferential rules of origin only once and most notifications have been submitted in 1995 and 1996. Against that background, some Members noted that this lack of information limited Members' full understanding of current practices related to non-preferential rules of origin and diminished the ability of the Committee to fully perform its functions as foreseen in the Agreement.
2. As a result, the Committee has been considering tools to improve the procedures regarding the notification of non-preferential rules of origin for many years. One option proposed in 2019 by some Members is the adoption of a format for the notification of non-preferential rules of origin. Different revisions of this proposal have been considered by the Committee.<sup>1</sup> In October 2022, Members instructed the Chairperson to hold consultations to explore options and finalize the "Draft Transparency Decision on non-preferential rules of origin". As a result of consultations, different revisions of the draft decision and template were circulated.<sup>2</sup>
3. In this regard, I have also called for consultations this year and, taking into account concerns and requests for clarification raised by a few Members, prepared and circulated responses with the assistance of the Secretariat.<sup>3</sup> I have also held a series of bilateral consultations.
4. Following these efforts and consultations, I would like to report that, despite my best efforts, I could not identify consensual language allowing the Committee to formally adopt a transparency decision containing a template for the notification of non-preferential rules of origin. I note, however, that the concerns raised related mainly to the cover page of the draft decision.
5. I believe the Committee should stop negotiating a formal decision and focus, instead, on a pragmatic way to move forward and on the more important issue of encouraging and considering updated notifications.
6. As a result, it would be desirable that Members keep their notifications complete, up to date and accurate in case of modifications to the applicable legislation, as necessary.
7. In doing so, Members are encouraged to use the notification template set out in Annexes 1 and 2 below on a trial and entirely voluntary basis. A format, or template, would have the advantage of facilitating the preparation of notifications, standardizing the information submitted, and allowing for a more thorough examination and comparison of Members' practices. The Committee may wish to review this template in the future and, if necessary, discuss any adjustments that could improve its uptake and functioning.

<sup>1</sup> Documents [G/RO/W/182](#); [G/RO/W/182/Rev.1](#); [G/RO/W/182/Rev.2](#); [G/RO/W/182/Rev.3](#); and [G/RO/W/182/Rev.4](#).

<sup>2</sup> Documents [JOB/RO/8](#); [JOB/RO/8/Rev.1](#) and [JOB/RO/8/Rev.2](#).

<sup>3</sup> Document [ICN/RO/6/Add.1](#).

8. In filling in this notification template, technical assistance and capacity building by the WTO Secretariat shall be provided upon request to help developing and least-developed country Members.

9. Any new or additional information notified using this template shall be made publicly available by the WTO Secretariat.

## ANNEX 1

## NOTIFICATION OF NON-PREFERENTIAL RULES OF ORIGIN

## NOTIFICATION TEMPLATE

*Annex 1 may be duplicated as many times as the Member deems necessary.*

## I. BASIC INFORMATION

1)	<b>Notifying Member:</b>	
2)	<b>Contact point:</b> <b>(If possible, provide the following contact details: name, telephone, e-mail, website)</b>	
3)	<b>Are non-preferential rules of origin ("non-preferential RO") in force?</b>	<input type="checkbox"/> Yes <input type="checkbox"/> No*
<i>* If your answer in question 3 is 'No', the subsequent questions of this Annex do not need to be completed</i>		
4)	<b>Please indicate which commercial policy instruments use these non-preferential RO (refer to Article 1.2 of the Agreement on Rules of Origin):</b>	
5)	<b>Date of entry into force or any substantive modification thereof:</b>	
6)	<b>Date of expiration, if applicable:</b>	
7)	<b>Governmental or non-governmental authorities in charge of administration:</b>	
8)	<b>Internet link to legislation, title and date of adoption of the legislation, and for any explanatory documents, if applicable:</b>	
9)	<b>Comments, if any:</b>	

## II. APPLICATION OF NON-PREFERENTIAL RULES OF ORIGIN

10)	<b>Do non-preferential RO apply to imports?</b>	<input type="checkbox"/> Yes <input type="checkbox"/> No
11)	<b>Do non-preferential RO apply to exports?</b>	<input type="checkbox"/> Yes <input type="checkbox"/> No
12)	<b>Is there a <i>de minimis</i> rule for the application of non-preferential RO?</b>	<input type="checkbox"/> Yes <input type="checkbox"/> No
	<b>If "Yes", please specify the <i>de minimis</i> threshold and provide the relevant legal references applicable to questions 10 to 12:</b>	

### III. CRITERIA FOR DETERMINING SUBSTANTIAL TRANSFORMATION FOR ASSESSING THE ORIGIN OF THE GOOD

13)	General criteria, if applicable for all products:	
14)	Product specific rules of origin where applicable:	
15)	Definition of non-originating material and originating material, if any:	
16)	List of minimal operations not conferring origin, if any:	
17)	Residual rules, if any:	
18)	Any other information the Member deems necessary (provide an Internet link, if appropriate)	

### IV. ADVANCE RULINGS

19)	Are advance rulings on the origin of a good issued? <sup>1</sup>	<input type="checkbox"/> Yes	<input type="checkbox"/> No
20)	Authority in charge of issuing advance rulings on origin:		
21)	Instructions for the application for an advance ruling on origin:		
22)	Internet link to legislation and any other relevant legal references:		

<sup>1</sup> As defined in Article 2(h) of the Agreement on Rules of Origin and Article 3 of the Trade Facilitation Agreement.

**ANNEX 2**

NOTIFICATION TEMPLATE FOR DOCUMENTARY REQUIREMENTS RELATED TO  
NON-PREFERENTIAL RULES OF ORIGIN

1)	<b>For imports, are there mandatory requirements for certificate and/or any other documentary proof of origin for non-preferential purposes?</b>	<input type="checkbox"/> Yes <input type="checkbox"/> No**
2)	<b>For exports, are there mandatory requirements for certificate and/or any other documentary proof of origin for non-preferential purposes?</b>	<input type="checkbox"/> Yes <input type="checkbox"/> No**
<i>** If answers to questions 1 and 2 are 'No', the subsequent questions of this Annex do not need to be completed</i>		
3)	<b>Is there a standardized or prescribed format and/or content of certificate and/or any other mandatory documentary proof of origin?</b>  <b>If "Yes", please attach a copy or provide relevant details in the Appendix of this Annex</b>	<input type="checkbox"/> Yes <input type="checkbox"/> No
4)	<b>If only requested in specific circumstances, please describe the cases for which a certificate (or other mandatory documentary proof of origin) is requested and the respective format (prescribed form or other):</b>	
5)	<b>If mandatory requirements for certificate and/or any other documentary proof of origin for non-preferential purposes are limited to certain products, please specify for which HS Chapters and the respective format (prescribed form or other):</b>	
6)	<b>Exemptions to the mandatory requirements for certificate and/or any other documentary proof of origin for non-preferential purposes (e.g. low value consignments, postal consignments, ...):</b>	
7)	<b>Governmental or non-governmental authorities designated for issuance of certificate and/or any other mandatory documentary proof of origin, if any:</b>	
8)	<b>Please provide the relevant legal references applicable to Questions 1 to 7:</b>	

**ANNEX 2 – APPENDIX**

Please attach the prescribed form and/or Internet link to the prescribed form of Certificate of origin (or other mandatory documentary proof of origin), if applicable.





**Committee on Rules of Origin****DRAFT REPORT (2024) OF THE COMMITTEE ON RULES OF ORIGIN  
TO THE COUNCIL FOR TRADE IN GOODS**

1. This document reports on the work conducted by the Committee on Rules of Origin (CRO) in 2024 as required by Article 6.1 of the Agreement on Rules of Origin:

*"The Committee shall review annually the implementation and operation of Parts II and III of this Agreement having regard to its objectives" and "inform the Council for Trade in Goods of developments during the period covered by such reviews."*

2. The CRO held two formal meetings in 2024: on 29 April and on 21-22 November. The minutes of these meetings are contained in documents [G/RO/M/82](#) and [G/RO/M/83](#)<sup>1</sup> respectively. Both meetings were chaired by Mr Guna SEELAN BALAKRISHNAN (Malaysia), who was elected interim Chairperson and then regular Chairperson of the CRO in June 2024. Several bilateral and small-group consultations and one informal meeting were also held during the year. In addition, Members also attended an "information session" on the "Work of the World Customs Organization related to rules of origin and the work of the Technical Committee on Rules of Origin" held in October 2024.

3. The work of the Committee continued to be structured around two broad themes: (1) non-preferential rules of origin; and (2) preferential rules of origin for LDCs.

4. On non-preferential rules of origin, the Committee did not hold specific discussions related to the Harmonization Work Programme (HWP) (Article 9.2(a) of the Agreement on Rules of Origin). Members have expressed diverging views regarding the implications of harmonizing non-preferential rules of origin, so this area of work has not seen much development since 2007 (see the Committee's 2013 Annual Report, [G/L/1047](#), for further details).

5. Since then, Members have been focusing on improving their understanding and knowledge about national practices related to non-preferential rules of origin. The Secretariat reported that, at present, the information available concerning non-preferential rules of origin was outdated and inconsistent. It also noted that the number of Members applying non-preferential rules of origin had gone from 15 (in 1995) to 57 (in 2024).

6. In this regard, the Committee has been discussing, since 2019, a draft decision aimed at "Enhancing the transparency in non-preferential rules of origin" ([G/RO/W/182/Rev.4](#)). As a result of these discussions, Members subsequently asked the Chairperson to hold consultations with a view to preparing a Chairperson's text containing the draft decision ([JOB/RO/8](#); [JOB/RO/8/Rev.1](#) and [JOB/RO/8/Rev.2](#)). Following an informal meeting and bilateral consultations on these texts ([ICN/RO/6](#); [ICN/RO/6/Add.1](#)), the Chairperson reported that the proposal is unlikely to garner consensus to be adopted as a formal decision by the CRO ([JOB/RO/8/Rev.3](#)). Instead, the Chairperson encouraged Members to keep their notifications up to date and, in so doing, use the notification template in Annexes 1 and 2 of [JOB/RO/8/Rev.3](#) on an entirely voluntary basis. All Members and private sector operators would benefit from having access to up-to-date and standardized information concerning non-preferential rules of origin. [Members took note of the Chair's report].

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<sup>1</sup> To be issued.

7. On other matters, Members took note of the implementation of the measures adopted to improve the functioning of the Committee ([G/RO/W/217](#) and [G/RO/W/224](#)). The Secretariat updated Members on the operation of the following tools:

- a) [e-Delegate \(e-Registration\)](#);
- b) [e-Agenda](#);
- c) new guide on the work and functioning of the CRO: "[Introduction to the Committee on Rules of Origin](#)"; and
- d) new features of the [Rules of Origin Gateway \(WTO Rules of Origin webpage\)](#).

8. [The Committee completed the mandated annual review of the implementation and operation of the Agreement ([G/RO/W/230](#)).]

9. With respect to preferential rules of origin, the Committee continued to oversee the implementation of the Bali and the Nairobi Ministerial Decisions on preferential rules of origin for least developed countries (LDCs) ([WT/L/917](#) and [WT/L/917/Add.1](#)) as well as the April 2022 "[Decision on Preferential Rules of Origin and the Implementation of the Nairobi Ministerial Decision](#)" ([G/RO/95](#)). [The Committee adopted a separate report on this work and forwarded it to the General Council ([G/RO/W/231](#)).]

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**Item 1.B(ii): Best practices of the methodology to calculate ad valorem percentages and the use of ad valorem percentages in origin****determinations** [原則不發言，有特定針對時才說明]

Thank you, Chair, for giving me the floor. First, I really appreciate the LDC group for this research with plentiful information regarding percentage criterion.

We would like to address the current situation regarding the deduction of cost of insurance and freight in the calculation of our ad valorem percentages. The deduction of these costs is permitted for our FTAs, reflecting the specific frameworks and negotiated terms within those agreements. However, under our GSP scheme, there is no established precedent for such deductions. Given their distinct objectives and operational context, this issue requires further exploration and consensus-building before any steps can be taken.

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**Item 1.B(iv): Best practices concerning Documentary evidence of direct consignment**

Thank you, Chair, for giving me the floor. And, thanks to the LDC group for providing such meaningful study.

We would like to clarify our practice regarding documentary evidence for direct consignment.

In line with the principle of non-alteration and with a view to reducing the administrative burden related to documentary and procedural requirements related to origin, we do not systematically require a certificate of non-manipulation for products originating in an LDC but shipped across other members. However, this requirement may be applied in cases where there are concerns about transshipment, manipulation, or fraudulent documentation.

In summary, evidence of direct consignment is only requested when there are specific concerns raised by Customs. We believe our approach to direct consignment is simple and aligned with the benchmarks set forth in the Ministerial Decisions.

Thank you.

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**Item 1.B(vi): Identifying best practices on Cumulation Provision**

Thank you, Chair, for giving me the floor. We appreciate the LDC Group's efforts in preparing and

presenting this work.

We would like to provide clarification regarding our cumulation provision as referenced in the data on page 3 of the presentation. In line with the Nairobi Decision encouraging members to expand cumulation to facilitate compliance with origin requirements by LDC producers, our regulations governing the determination of origin have already been updated to support LDC producers.

Specifically, when calculating the ratio of added value, the price of materials originating from us and used in production can be excluded from the price of non-originating materials. Further details are available in our notification document, G/RO/LDC/N/TPKM/1.

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#### **4. DRAFT TRANSPARENCY DECISION AND NOTIFICATION TEMPLATE ON NON-PREFERENTIAL RULES OF ORIGIN**

We would like to reaffirm our support for this proposal. As we have previously emphasized, non-preferential rules of origin govern a substantial portion of global trade. Ensuring access to accurate and up-to-date information is crucial for closing information gaps, particularly for businesses in developing and least developed countries. The proposed notification template will enhance transparency and contribute to a more predictable trading environment. We appreciate the continued efforts of members to address the issue of transparency in non-preferential rules of origin.



