



Preferential Certificates of Origin



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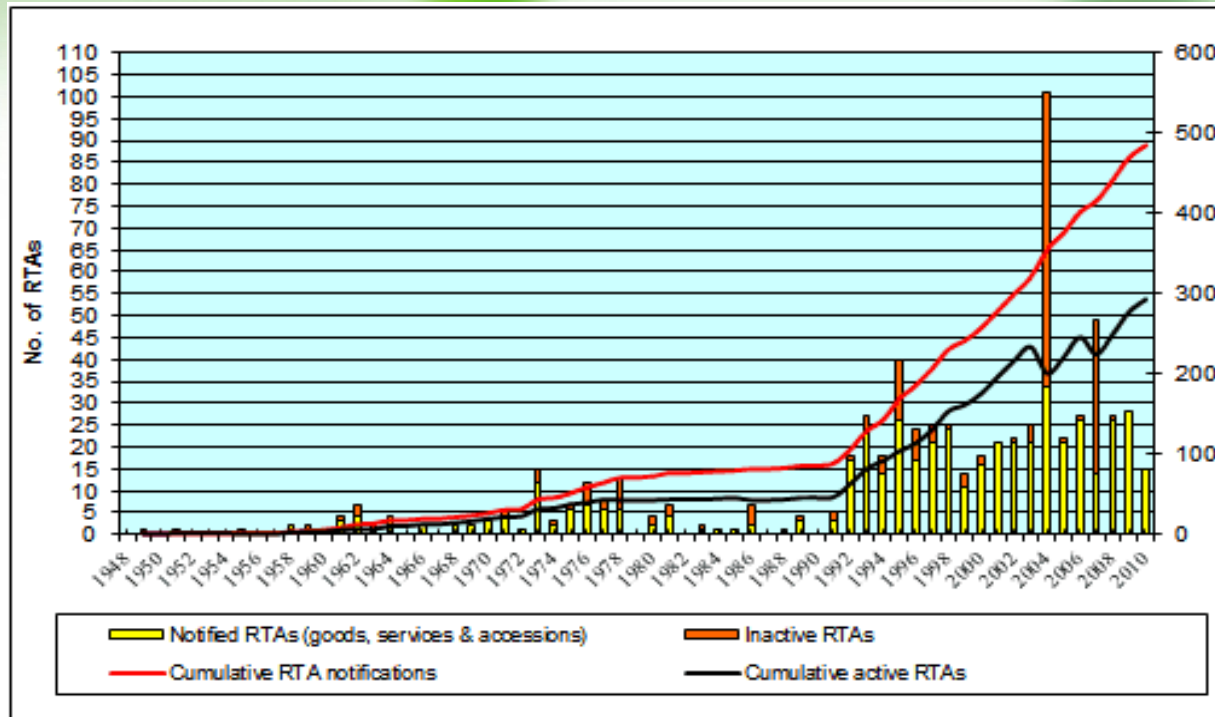
❖ **What's new on RTAs in China?**

❖ **New development in proof of origin**

❖ **Utilization rate of RTAs and certificate of origin**



RTAs in the World



- ❖ 546 notifications to WTO as of 10.1.2013 (354 in force); 511 as of 15.1.2012 (319 in force)
- ❖ 489 as of 15.5.2011, 324 as of 12.2008

RTAs Implemented or Negotiated by China

	Implemented	Negotiating	Feasibility Study
ASIA	China-ASEAN FTA China-Pakistan FTA China-Singapore FTA APTA HK / Macao CEPA ECFA	China-GCC FTA China- Korea FTA China-Japan-Korea FTA RCEP(10+6)	China-India FTA
LATIN AMERICA	China-Chile FTA China-Peru FTA <i>China-Costa Rica FTA</i>	China-Colombia	
OCEANIA	China-New Zealand FTA	China-Australia FTA	
EUROPE		China-Switzerland FTA China-Iceland FTA China-Norway FTA	
AFRICA	SPT for LDCs (duty-free and quota-free)	China-SACU FTA	



Issuance of Pref. COO by CCPIT

- ❖ Issuing bodies:
 - AQSIQ (governmental body)
 - CCPIT/Chamber of Commerce (non- governmental body, since 1. 8. 2009)
- ❖ CCPIT as one of the long-standing issuing bodies of COO
- ❖ Within terms of FTAs and national legislation
- ❖ In line with goal of government's administrative reform – shift of functions
- ❖ Assurance of quality and cooperation
- ❖ Choice for the trading community
- ❖ International trend





New Development in Proof of Origin under RTAs

- ❖ **More pressure for origin declaration for granting preference**
- ❖ **Origin declaration: variations**
 - Origin declaration for all: no more COO
 - Origin declaration by approved exporters only (Other exporters: certificate of origin)
 - Dual track: A-B certificate of origin
B-A origin declaration





Origin Declaration Analysis and Evaluation

- ❖ International trend V.S. national situation
- ❖ Facilitation V.S. compliance
- ❖ Compliance environment (import and export)
- ❖ Economic operators' ability to apply preferential rules of origin
- ❖ Administrative functions, resource and capacity to deal with origin declaration (import and export)
- ❖ Customs cooperation (import and export)
- ❖ COO and origin declaration: to co-exist



Utilization Rate of RTA and COO



- ❖ **Multiple factors affecting utilization rate**
 - **Attractiveness of tariff concessions: difference btn RTA rate and MFN rate**
 - **Economic operations' awareness of preference and required procedures**
 - **ROO, procedures for providing proof of origin, customs clearance and cost**





Utilization Rate of RTAs and COO



❖ ROO and proof of origin

- prerequisite for granting preference
- Serving goal of RTAs
- Warning: origin fraud on the rise!

❖ COO: room for improvement

- Verification: cost for both trade and government
- Wide range of discrepancies in COO
 - certificate format, issuing body, seal, tariff classification
 - spelling, font type, ink color, paper color, overleaf instructions or language used
- Re-enforced standard and quality for issuance of COO
- Closer cooperation btn customs and issuing bodies regarding verification



Measuring Utilization Rate of RTAs

- ❖ UR= share of total imports actually granted preference
in
total dutiable imports entitled to be granted preference
- ❖ Need for exchange of data on
 - COO issued by issuing bodies
 - actual FTA exports by country of exportation
 - actual FTA imports by country of importation
 - analysis of actual utilization rate of FTAs based on complete data set
- ❖ Current situation: data hard to get or huge discrepancy





**THANK YOU
FOR YOUR ATTENTION**

