



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, **11.12.2003**

GREEN PAPER

**ON THE FUTURE OF RULES OF ORIGIN IN PREFERENTIAL TRADE
ARRANGEMENTS**

QUESTIONNAIRE

to be used for providing contributions in the consultation process

YOUR IDENTIFICATION

I. YOUR IDENTITY

Organisation/Company	
Department	
Address	
Country	
Web-page address	
Contact person	
Name	
Position held in the organisation/company	
Telephone	
Fax	
E-mail address	

II. YOUR STATUS AND DOMAIN OF ACTIVITY

1. Your status

1	Private Company	
2	Trade/Business National/Local Organisation	
3	Trade/Business European Organisation	
4	Trade/Business International Organisation	
5	Consultant	
6	Public Administration	
7	International/Regional Organisation	
8	University/Research Center	
9	Other:	

2. Your domain(s) of activity

1	Agriculture:	
2	Fishery:	
3	Processed agricultural products:	
4	Industry:	
5	International Trade:	
6	Development:	
7	International/Community Law:	
8	Customs:	
9	Other:	

IMPORTANT NOTICE	
<p>DG TAXUD intends to make your replies to this questionnaire available to the public, on its Website, after having removed your personal data (See Section I: 'Your identity').</p> <p>Do you agree?</p>	
YES	NO

YOUR REPLIES TO THE QUESTIONNAIRE

Note: This questionnaire is mainly based on the questions raised in the Green paper, following their structure and numbering. **It is therefore essential to read the Green paper before filling out the questionnaire.**

Complementary questions are added *in italics*. 'Free boxes' can be used at the end of each section or chapter, to tackle aspects not raised in the questionnaire.

As far as possible, please use English language for the comments

1. DIAGNOSIS: "PREFERENTIAL ORIGIN AT A CROSSROADS"

The Green paper opens by taking stock of the economic, legal and financial context of rules of origin in preferential trade arrangements and includes an inventory of the difficulties and of constraints more specifically associated with the diversity, complexity and proper application of those rules and procedures related thereto.

Your opinion is expected on this analysis of the current context of preferential rules of origin and the challenges they have to face.

1.1. The preferential origin rules in the context of international trade and the common policies

A. Impact of preferential rules of origin

1	Assuming the DDA negotiations result in a substantial cut in duties, will preferential duties continue to be attractive to traders, in view of the costs and formalities, if current origin rules and procedures are maintained?		
	YES		NO
Comments			

1a	<i>What is according to your knowledge and/or experience the average cost, expressed as a percentage of the ex-works price of the exported product, of the formalities an exporter has to comply with, in relation with preferential origin? Indicate, where appropriate, the preferential arrangements and/or the economic sectors concerned.</i>											
Community preferential arrangement(s) concerned (see Annex II GP)	Free trade agreements	Pan-Euro system	EFTA EEA	CEEC (BG-RO)	Turkey	Euro-MED	Faroe					
		W. Balkan (HR-MK)	Andorra	ACP	South Africa	Mexico	Chile					
	Autonomous arrangements	OCT	GSP	GSP-EBA	W. Balkan ATMs	Ceuta & Melilla	ALL					
Sectors concerned	HS Sections											ALL

(see Appendix of Annex I GP)	HS Chapters											ALL
Comments												

1b	<i>What is according to your knowledge and/or experience the average cost, expressed as a percentage of the customs value of the imported product, of the formalities an importer has to comply with, in relation with preferential treatment? Indicate, where appropriate, the preferential arrangements and economic sectors concerned.</i>											
Community preferential arrangement(s) concerned (see Annex II GP)	Free trade agreements	Pan-Euro system	EFTA EEA	CEEC (BG-RO)	Turkey	Euro-MED	Faroe					
		W. Balkan (HR-MK)	Andorra	ACP	South Africa	Mexico	Chile					
	Autonomous arrangements	OCT	GSP	GSP-EBA	W. Balkan ATMs	Ceuta & Melilla	ALL					
Sectors concerned (see Appendix of Annex I GP)	HS Sections											
	HS Chapters											
Comments												

2a	Do the preferential origin rules fit the current objectives of the Community's commercial, industrial, agricultural and development policies - as a whole?											
(i)	Commercial policy?											
	YES				NO							
Comments												
(ii)	Industrial policy?											
	YES				NO							
Comments												
(iii)	Agricultural policy (<i>incl. fishery policy</i>)?											
	YES				NO							
Comments												
(iv)	Development policy?											
	YES				NO							
Comments												
(v)	<i>Other policies? If YES, what policies (regional, environmental, ...)?</i>											

	YES			NO	
Policies	1. Regional	2. Environmental	3. Social	4. Other	
Comments					

2b	Do the preferential origin rules fit the current objectives of the Community's commercial, industrial, agricultural and development policies – <i>insofar as specific economic sector, country or group of beneficiary countries are concerned?</i>										
	YES					NO					
Community preferential arrangement(s) concerned (see Annex II GP)	Free trade agreements	Pan-Euro system	EFTA EEA	CEEC (BG-RO)	Turkey	Euro-MED	Faroe				
		W. Balkan (HR-MK)	Andorra	ACP	South Africa	Mexico	Chile				
	Autonomous arrangements	OCT	GSP	GSP-EBA	W. Balkan ATMs	Ceuta & Melilla	ALL				
Sectors concerned (see Appendix of Annex I GP)	HS Sections										
	HS Chapters										
Policies	1. Commercial	2. Industrial	3. Agricultural (incl. fishery)		4. Development	5. Other					
Comments											

2c	<i>According to your knowledge and/or experience, what are the main problems encountered in applying/complying with the rules of origin, that prevent both the exporter and the importer to draw the benefits from tariff preferences? Indicate the preferential arrangement and/or economic sectors concerned</i>										
Community preferential arrangement(s) concerned (see Annex II GP)	Free trade agreements	Pan-Euro system	EFTA EEA	CEEC (BG-RO)	Turkey	Euro-MED	Faroe				
		W. Balkan (HR-MK)	Andorra	ACP	South Africa	Mexico	Chile				
	Autonomous arrangements	OCT	GSP	GSP-EBA	W. Balkan ATMs	Ceuta & Melilla	ALL				
Sectors concerned (see Appendix of Annex I GP)	HS Sections										
	HS Chapters										
Problems with ...	1. 'Wholly obtained' criterion	2. 'Change of tariff heading' criterion	3. 'Value percentage' criterion	4. 'Specific process' criterion	5. 'Minimal' Operations	6. Tolerance rules					
	7. Cumulation	8. No drawback	9. Territoriality	10. Direct transport	11. Regular proof of origin: certificate	12. Simplified proof of origin: invoice declaration					

	13. Authorised exporter	14. Accounting segregation	15. Customs controls	18. Recovery of duties	19. Access to information and rules	20. Others:
Comments						

3a	Are there any reasons (e.g. failure to invest in manufacturing, internal administrative structures and procedures, human or plant health regulations) other than the complexity and rigour of the origin rules to explain why certain beneficiary countries or groups of countries make so little use of the preference made available? <i>If YES, what reasons?</i>				
	YES		NO		
Reasons	1. Production constraints	2. Investment opportunities	3. Administrative organisation and procedures	4. Health requirements	5. Others:
Comments					

B. Role of cumulation of origin

3b	Why is cumulation of origin not used more, particularly by certain groups of developing countries? <i>Indicate what preferential arrangements and/or economic sectors are, according to your knowledge, more particularly concerned</i>									
Community preferential arrangement(s) concerned (see Annex II GP)	Free trade agreements	Pan-Euro system	EFTA EEA	CEEC (BG-RO)	Turkey	Euro-MED	Faroe			
		W. Balkan (HR-MK)	Andorra	ACP	South Africa	Mexico	Chile			
	Autonomous arrangements	OCT	GSP	GSP-EBA	W. Balkan ATMs	Ceuta & Melilla	ALL			
Sectors concerned (see Appendix of Annex I GP)	HS Sections									
	HS Chapters									
Comments										

3c	<i>Is (should be) cumulation of origin:</i>									
(i)	<i>- an instrument for enhanced economic integration in a region, favouring sourcing of materials or intermediate products within that region?</i>									
	YES					NO				
Comments										
(ii)	<i>- an appropriate alternative to a direct relaxation of the list rules for the preferential arrangement(s) concerned, allowing a wider choice in sourcing materials and intermediate products from third countries?</i>									
	YES					NO				

Comments			
(iii)	- <i>an appropriate substitute to the conclusion of extended preferential agreements?</i>		
	YES		NO
Comments			

C. Compliance with preferential rules of origin

4	Does failure to obey the origin rules stem mainly:		
(i)	- from the complexity and/or ignorance of the rules?		
	YES		NO
Comments			
(ii)	- from the impossibility of obeying them if one wants to export goods?		
	YES		NO
Comments			
(iii)	- from deliberate intent to commit fraud?		
	YES		NO
Comments			
(iv)	Is this failure made easier by the limited possibilities to monitor the proper application of preferential rules of origin?		
	YES		NO
Comments			

D. Suitability of preferential rules of origin

5	Given the current number and range of preferential arrangements, can the relevant origin rules contribute appropriately and flexibly to achieving the objectives of the arrangements?		
	YES		NO
Comments			

5a	<i>Are (should be) preferential rules of origin:</i>		
(i)	- <i>'neutral' instruments of Community policies?</i>		
	YES		NO
Comments			

(ii)	- active (offensive or defensive) instruments of Community policies?		
	YES		NO
Comments			

5b	Is a full harmonisation of preferential rules of origin in different arrangements appropriate/feasible?		
	YES		NO
Comments			

5c	Would a more tailor-made approach (by arrangement, region and/or sector) be favoured in order to fit in with the various situations and objectives at stake?		
	YES		NO
Comments			

Free box on section 1.1

FB 1.1	Issue:		
Comments			

1.2. Managing and monitoring compliance with the preferential origin rules

6a	Is round-the-clock supervision of our trading partners' implementation of preferential arrangements really conceivable?		
	YES		NO
Comments			

6b	Is it possible to increase/redirect our monitoring capacity in this field to ensure the arrangements are used properly, partly in the interests of Community traders themselves, and if so how?		
	YES		NO
Comments			

7	Do you agree with all or part of the analysis of the limitations of the current system of administrative cooperation on preferential origin?		
----------	--	--	--

	YES		NO
Comments			

Free Box on section 1.2

FB 1.2	Issue:		
Comments			

1.3. The economic and financial consequences of fraud and administrative failures to meet the obligations imposed by preferential arrangements

8a	Do you agree with <i>the analysis made under GP, section 1.3?</i>		
	YES		NO
Comments			

8b	Are the consequences inherent in the system, and should the taxpayer bear the costs?		
	YES		NO
Comments			

9	Irrespective of the scale of the problem, does it damage the credibility of the preferential arrangements to grant the benefit of preferential tariffs for goods which do not in fact fulfil the conditions, even to an importer acting "in good faith" on grounds of equity and the protection of legitimate expectations?		
	YES		NO
Comments			

Free Box on section 1.3

FB 1.3	Issue:		
Comments			

2. REMEDIES: “SEEKING NEW EQUILIBRIA IN PREFERENTIAL TRADE”

The Green paper then looks at different ways of adapting the origin rules better to their intended purpose and the implementing procedures better to the origin rules, then finding new balances.

Your opinion is expected on various aspects of possible lines to follow to achieve these objectives.

2.1. Defining and establishing a management framework for rules of origin geared to the objectives of the preferential arrangements and their international environment

A. Determination of the preferential originating status of products ('list rules')

10	Against the backdrop of the trend towards lower customs duties, would gearing the rules of preferential origin primarily to access by Community products to third country markets and access by developing countries' products to the Community market seem to be compatible with maintaining sufficient Community production and export capacity to ensure growth and employment?		
	YES		NO
Comments			

11	What conditions could the origin rules for a given product or sector be designed to suit, particularly under reciprocal agreements, <u>in order to facilitate Community exports</u> , without jeopardising Community production or Community suppliers of the raw materials used? <i>Indicate the preferential arrangements and sectors concerned</i>											
Community preferential arrangement(s) concerned (see Annex II GP)	Free trade agreements	Pan-Euro system		EFTA EEA		CEEC (BG-RO)		Turkey		Euro-MED		Faroe
		W. Balkan (HR-MK)		Andorra		ACP		South Africa		Mexico		Chile
	Autonomous arrangements	OCT		GSP		GSP-EBA		W. Balkan ATMs		Ceuta & Melilla		ALL
Sectors concerned (see Appendix of Annex I GP)	HS Sections											
	HS Chapters											
Comments												

12a	What conditions could the origin rules for a given product or sector be designed to suit <u>in order to contribute to development in the country of export</u> , without jeopardising Community production? <i>Indicate the preferential arrangements and sectors concerned</i>
------------	---

Community preferential arrangement(s) concerned (see Annex II GP)	Free trade agreements	Pan-Euro system	EFTA EEA	CEEC (BG-RO)	Turkey	Euro-MED	Faroe
		W. Balkan (HR-MK)	Andorra	ACP	South Africa	Mexico	Chile
	Autonomous arrangements	OCT	GSP	GSP-EBA	W. Balkan ATMs	Ceuta & Melilla	ALL
Sectors concerned (see Appendix of Annex I GP)	HS Sections						
	HS Chapters						
Comments							

12b	What type of development and what types of economic activity in the beneficiary countries should origin rules promote in this way?			
Economic activity	1. Production of primary products	2. Investment in local industry	3. Trade activities	4. Increase in GDP
	5. Rate of employment	6. Protection of environment	7. Welfare of population	9. Others:
Comments				

13a	Does the approach need to be refined according to the industrial or agricultural sector in question, and if so, in what way?		
	YES		NO
Comments			

13b	Do the interests of large businesses and SMEs differ in this respect?		
	YES		NO
Comments			

13c	<i>According to your specific problems and needs, what are your suggestions, by preferential arrangement and/or economic sector, regarding the determination of the preferential originating status of products ('list rules')?</i>						
Community preferential arrangement(s) concerned (see Annex II GP)	Free trade agreements	Pan-Euro system	EFTA EEA	CEEC (BG-RO)	Turkey	Euro-MED	Faroe
		W. Balkan (HR-MK)	Andorra	ACP	South Africa	Mexico	Chile
	Autonomous arrangements	OCT	GSP	GSP-EBA	W. Balkan ATMs	Ceuta & Melilla	ALL

Sectors concerned (see Appendix of Annex I GP)	HS Sections											
	HS Chapters											
Comments												

B. Determination of the preferential originating status of products (cumulation of origin)

13d	<i>Should relaxation of conditions for cumulation be envisaged in various preferential arrangements? In what preferential arrangement and/or economic sector, for what purpose and how?</i>											
	YES						NO					
Community preferential arrangement(s) concerned (see Annex II GP)	Free trade agreements	Pan-Euro system	EFTA EEA	CEEC (BG-RO)	Turkey	Euro-MED	Faroe					
		W. Balkan (HR-MK)	Andorra	ACP	South Africa	Mexico	Chile					
	Autonomous arrangements	OCT	GSP	GSP-EBA	W. Balkan ATMs	Ceuta & Melilla	ALL					
Sectors concerned (see Appendix of Annex I GP)	HS Sections											
	HS Chapters											
Comments												

13e	<i>Should an extension of the scope of cumulation be envisaged in various preferential arrangements? In what preferential arrangement and/or economic sector, for what purpose, to what extent, and how?</i>											
	YES						NO					
Community preferential arrangement(s) concerned (see Annex II GP)	Free trade agreements	Pan-Euro system	EFTA EEA	CEEC (BG-RO)	Turkey	Euro-MED	Faroe					
		W. Balkan (HR-MK)	Andorra	ACP	South Africa	Mexico	Chile					
	Autonomous arrangements	OCT	GSP	GSP-EBA	W. Balkan ATMs	Ceuta & Melilla	ALL					
Sectors concerned (see Appendix of Annex I GP)	HS Sections											
	HS Chapters											
Comments												

13f	<i>According to your specific problems and needs, what are your suggestions, by preferential arrangement and/or economic sector, regarding the rules for cumulation of origin?</i>										
Community preferential arrangement(s) concerned (see Annex II GP)	Free trade agreements	Pan-Euro system	EFTA EEA	CEEC (BG-RO)	Turkey	Euro-MED	Faroe				
		W. Balkan (HR-MK)	Andorra	ACP	South Africa	Mexico	Chile				
	Autonomous arrangements	OCT	GSP	GSP-EBA	W. Balkan ATMs	Ceuta & Melilla	ALL				
Sectors concerned (see Appendix of Annex I GP)	HS Sections										
	HS Chapters										
Comments											

C. Technical assistance

14a	How can a strategy of internationally funded technical assistance primarily geared to development be reconciled with partnerships between the Community and given countries or groups of countries?										
Comments											

14b	Could the Community conceivably organise technical assistance on demand?										
	YES					NO					
Comments											

14c	How can (existing or new) programmes and financing tools for technical assistance be best used?										
Comments											

14d	How can we ensure technical assistance is programmed precisely where and when it is most needed?										
Comments											

D. Regional conventions on origin

15	Would regrouping origin rules and their management into fewer legal instruments (for example covering large regional groups of countries applying identical rules and cumulation of origin) make them more transparent for all those involved and more likely to be applied correctly?										
	YES					NO					

Comments	
-----------------	--

Free Box on section 2.1

FB 2.1	Issue:
Comments	

2.2. Improving protection against the economic and financial injury resulting from poor application of the agreements

16	How can we ensure, in the current legal situation, that problems of fraud and poor application of preferential arrangements are tackled quickly so as to protect both the economic and financial interests involved?
Comments	

17a	How can introducing clauses on the suspension of preferences and financial liability into preferential agreements enhance the protection of the interests at stake?			
	<table border="1"> <tr> <td>YES</td> <td></td> <td>NO</td> </tr> </table>	YES		NO
YES		NO		
Comments				

17b	Can their scope be anything other than financial?			
	<table border="1"> <tr> <td>YES</td> <td></td> <td>NO</td> </tr> </table>	YES		NO
YES		NO		
Comments				

Free Box on section 2.2

FB 2.2	Issue:
Comments	

2.3. Better division of responsibility for granting and monitoring preferences

18a	If a tariff preference exists for a product (affecting the price), how is it incorporated into the conditions of an international trade transaction?
Comments	

18b	How does the buyer/importer insure himself against the risk that preference may ultimately be withheld on import or later, if checks reveal that the product did not qualify for preference or was non-originating?
Comments	

19	Which of the people involved in preferential arrangement are best placed to establish the origin of a product?
Comments	

20	Should the authorities' main role be to establish the originating status of products or to check that it has been correctly established?		
	YES		NO
Comments			

20a	<i>As public authorities, what would you expect from the <u>exporters</u> as a counterpart of the benefits they draw from preferential arrangements based on the originating status of products?</i>
Comments	

20b	<i>As public authorities, what would you expect from the <u>importers</u> as a counterpart of the benefits they draw from preferential arrangements based on the originating status of products?</i>
Comments	

20c	<i>As an <u>exporter</u>, what would you expect from the <u>public authorities</u> as a counterpart of your responsibility in certifying the origin of the exported products?</i>
Comments	

20d	<i>As an <u>importer</u>, what would you expect from the <u>public authorities</u> as a counterpart of your responsibility in declaring the origin of the imported products?</i>
Comments	

Free Box on section 2.3

FB 2.3	Issue:
Comments	

3. PROCEDURES: “POSSIBLE OPTIONS FOR CERTIFICATION, DECLARATION AND CONTROL OF PREFERENTIAL ORIGIN RULES”

Under this chapter, the Green paper presents a number of possible options aiming at translating in procedures the objective, announced under section 2.3, to find a ‘better division of responsibility for granting and monitoring preferences’.

You opinion is expected on the various options identified and on what could be the optimal combination of them with a view to achieving the objective to ensure a proper mangament and control of the preferential rules of origin.

21	<p>What do you think of the various options presented for the procedure's three components and of the analysis of their advantages and limitations?</p> <p><i>What option would you favour?</i></p>
-----------	---

21a	- regarding certification of origin:		
(i)	<i>Improving the current system for establishing proof of origin?</i>		
	YES		NO
Comments			
(ii)	<i>Introducing certification by the exporter only?</i>		
	YES		NO
Comments			
(iii)	<i>Introducing an intermediate system of ‘approved’ or ‘registered’ exporters?</i>		
	YES		NO
Comments			

21b	- regarding declaration of origin:		
(i)	<i>Acting on debt and debt recovery?</i>		
	YES		NO
Comments			
(ii)	<i>Acting on the importer’s responsibility and the definition of commercial risk?</i>		
	YES		NO
Comments			

21c	- regarding control of origin:		
(i)	<i>Stepping up checks on the importer?</i>		
	YES		NO
Comments			
(ii)	<i>Stepping up checks on the exporter, assuming the authorities of the country of export remain responsible for certifying origin?</i>		
	YES		NO
Comments			
(iii)	<i>Stepping up checks on the exporter, assuming the exporter (whether or not he is registered or approved) bears sole responsibility for certifying origin and the importing country carries out checks directly?</i>		
	YES		NO
Comments			
(iv)	<i>Stepping up checks on the exporter, assuming the exporter (whether or not he is registered or approved) bears sole responsibility for certifying origin and the exporting country provides importing country with assistance?</i>		
	YES		NO
Comments			

22	What combination of options would, in your opinion, offer the most balanced and coherent procedure for establishing a product's preferential origin, checking the truth and protecting the economic and financial interests at stake?
Comments	

23	Are any other options and combinations conceivable?
Comments	

Free Box on chapter 3

FB 3	Issue:
Comments	