

1 GENERAL..... **1**
1.1 2013 Ministerial Decision on Preferential Rules of Origin for Least-Developing Countries..... 1

1.1. With a view to facilitating market access for LDCs provided under non-reciprocal preferential trade arrangements for LDCs, Members should endeavour to develop or build on their individual rules of origin arrangements applicable to imports from LDCs in accordance with the following guidelines. These guidelines do not stipulate a single set of rules of origin criteria. Rather, they provide elements upon which Members may wish to draw for preferential rules of origin applicable to imports from LDCs under such arrangements.

A. ELEMENTS FOR PREFERENTIAL RULES OF ORIGIN

1.2. Preferential rules of origin should be as transparent, simple and objective as possible. It is recognized that other than wholly obtained products, origin may be conferred by substantial or sufficient transformation, which can be defined in a number of ways, including through: (a) ad valorem percentage criterion; (b) change of tariff classification; and (c) specific manufacturing or processing operation. It is also recognized that these methods in certain cases may be used in combination.¹

(footnote original) ¹ For example, an across-the-board rule does not preclude having some product specific rules of origin for specific sectors whenever they are more appropriate or when they could offer better market access opportunities for LDCs.

1.3. In the case of rules based on the ad valorem percentage criterion

other LDCs. Other possibilities include cumulation among GSP beneficiaries of a given preference-granting country and/or among developing country Members forming part of a

1.5. Preference-granting Members are encouraged to offer alternative rules for the same product. In such cases, the above-mentioned provisions will be applicable to only one of the alternative rules.

2 CUMULATION

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

- (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.

3 DOCUMENTARY REQUIREMENTS

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.

4 IMPLEMENTATION, FLEXIBILITIES AND TRANSPARENCY

4.1. Developing country Members declaring themselves in a position to do so should, with appropriate flexibility, undertake the commitments set out in the above provisions.

4.2. No later than 31 December 2016 each developed Preference-granting Member, and each developing Preference-granting Member undertaking the commitments in accordance with paragraph 4.1 up to that date or thereafter, shall inform the Committee on Rules of Origin (CRO) of the measures being taken to implement the above provisions.

4.3. Preferential rules of origin shall be notified as per the established procedures.² In this regard, Members reaffirm their commitment to annually provide import data to the Secretariat as referred to Annex 1 of the PTA Transparency Mechanism, on the basis of which the Secretariat can calculate utilization rates, in accordance with modalities to be agreed upon by the CRO. Furthermore, the CRO shall develop a template for the notification of preferential rules of origin, to enhance transparency and promote a better understanding of the rules of origin applicable to imports from LDCs.

