

# Rules of Determination of Origin of Goods under the Agreement on South Asian Free Trade Area (SAFTA)

## **Rule 1: Short title and commencement. -**

(1) These rules may be called the Rules of Determination of Origin of Goods under the Agreement on South Asian Free Trade Area (SAFTA), hereinafter referred to as the "Agreement", between the Governments of SAARC (South Asian Association for Regional Cooperation) Member States comprising the People's Republic of Bangladesh, the Kingdom of Bhutan, the Republic of India, the Republic of Maldives, the Kingdom of Nepal, the Islamic Republic of Pakistan and the Democratic Socialist Republic of Sri Lanka.

(2) They shall come into force on the 1st day of July 2006.

## **Rule 2: Application**

These Rules shall apply to products eligible for preferential treatment under SAFTA.

## **Rule 3: Determination of Origin**

No product shall be deemed to be the produce or manufacture of any Contracting State unless the conditions specified in these rules are complied with in relation to such products, to the satisfaction of the designated Authority.

## **Rule 4: Originating products**

Products covered by the Agreement imported into the territory of a Contracting State from another Contracting State which are consigned directly within the meaning of Rule 12 hereof, shall be eligible for preferential treatment if they conform to the origin requirement under any one of the following conditions:

(a) Products wholly produced or obtained in the territory of the exporting Contracting State as defined in Rule 5; or

(b) Products not wholly produced or obtained in the territory of the exporting Contracting State provided that the said products are eligible under Rule 6.

## **Rule 5: Wholly produced or obtained**

Within the meaning of Rule 4(a), the following shall be considered as wholly produced or obtained in the territory of the exporting Contracting State

(a) raw or mineral products<sup>1</sup> extracted from its soil, its water extending upto its Exclusive Economic Zone (EEZ), or its sea bed extending upto its seabed or continental shelf;

(b) Agriculture, vegetable and forestry products harvested there;

(c) animals born and raised there;

(d) products obtained from animals referred to in clause (c) above;

(e) products obtained by hunting or fishing conducted there,

(f) products of sea fishing and other marine products from the high seas by its vessels<sup>2,3</sup>;

(g) products processed and/or made on board its factory ships exclusively from products referred to in clause (f) above<sup>3,4</sup>;

(h) raw materials recovered from used articles collected there;

(i) waste and scrap resulting from manufacturing operations conducted there;

(j) products taken from the seabed, ocean floor or subsoil thereof beyond the limits of national jurisdiction, provided it has the exclusive rights to exploit that sea bed, ocean floor or subsoil thereof;

(k) goods produced there exclusively from the products referred to in clauses (a) to (j) above.

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<sup>1</sup> Includes mineral fuels, lubricants and related materials as well as mineral or metal ores.

<sup>2</sup> "Vessels" shall refer to fishing vessels engaged in commercial fishing, registered in the country of the Contracting State and operated by a citizen or citizens of the Contracting State or partnership, corporation or association, duly registered in such country, at least 60 per cent of equity of which is owned by a citizen or citizens and/or Government of such Contracting State or 75 per cent by citizens and/or Governments of the Contracting States. However, the products taken from vessels, engaged in commercial fishing under Bilateral Agreements which provide for chartering/leasing of such vessels and/or sharing of catch between Contracting State will also be eligible for preferential treatment.

<sup>3</sup> In respect of vessels or factory ships operated by Government agencies, the requirements of flying the flag of the Contracting State do not apply.

<sup>4</sup> For the purpose of this Agreement, the term "factory ship" means any vessel, as defined used for processing and/or making on board products exclusively from those products referred to in clause (f) of Rule 6.

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## **Rule 6: Not wholly produced or obtained**

Within the meaning of Rule 4 (b), products not wholly produced or obtained shall be subject to Rule 7 and any of the conditions prescribed under Rule 8, Rule 9 or Rule 10.

## **Rule 7: Non-qualifying Operations**

The following shall in any event be considered as insufficient working or processing to confer the status of originating products, whether or not there is a change of heading:

1) operations to ensure the preservation of products in good condition during transport and storage (ventilation, spreading out, drying, chilling, placing in salt, Sulphur dioxide or other aqueous solutions, removal of damaged parts, and like operations).

2) simple operations consisting of removal of dust, sifting or screening, sorting, classifying, matching (including the making-up of sets of articles), washing, painting, cutting up;

3) (i) changes of packing and breaking up and assembly of consignments,

(ii) simple slicing, cutting and repacking or placing in bottles, flasks, bags, boxes, fixing on cards or boards, etc., and all other simple packing operations.

4) the affixing of marks, labels or other like distinguishing signs on products of their packaging;

5) simple mixing of products, whether or not of different kinds, where one or more components of the mixture do not meet the conditions laid down in these rules to enable them to be considered as originating products; and mere dilution with water or another substance that does not materially alter the characteristics of the product;

6) simple assembly of parts of products to constitute a complete product;

7) a combination of two or more operations specified in (1) to (6);

### **Rule 8: Single Contracting State Content**

(a) Products originating in the exporting Contracting State shall be considered to be sufficiently worked or processed for the purposes of granting originating status if they fulfill the following conditions:

(i) The final product is classified in a heading at the four digit level of the Harmonized Commodity Description and Coding System differently from those in which all the non-originating materials<sup>5</sup> used in its manufacture are classified and

(ii) Products worked on or processed as a result of which the total value of the materials, parts or produce originating from other countries or of undetermined origin used does not exceed 60% of the FOB value of the products produced or obtained and the final process of manufacture is performed within the territory of the exporting Contracting State.

(b) Notwithstanding the condition laid down in paragraph (a) of this Rule, the products listed in Annex-A shall be eligible for preferential treatment if they comply with Rule 8 (a) or they fulfill the condition corresponding to those products as mentioned in the Annex-A.

### **Rule 9: Regional Cumulation**

Unless otherwise provided for, products worked on or processed in a Contracting State using the inputs originating in any Contracting States within the meaning of Rule 4 shall be eligible for preferential treatment provided that

(a) the aggregate content (value of such inputs plus domestic value addition in further manufacture) is not less than 50 percent of the FOB value;

(b) the domestic value content (value of inputs originating in the exporting Contracting State plus domestic value addition in further manufacture in the exporting Contracting State), is not less than 20 percent of the FOB value; and

(c) the final product satisfies the condition of

i) change in classification at the four digit level (CTH) as provided under Rule 8 (a) (i); or

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<sup>5</sup> Non-originating material means material originating from countries other than Contracting States and material of undetermined origin.

(ii) change in classification at the six-digit level (CTSH) as agreed upon in the Product Specific Rules reflected in Rule 8 (b).

### **Rule 10: Special Treatment to Least Developed Contracting States**

The products originating in the Least Developed Contracting States shall be allowed a favourable 10 percentage points applied to the percentage applied in Rule 8. The products originating in Sri Lanka shall be allowed a favourable 5 percentage points applied to the percentage applied in Rule 8.

### **Rule 11: Method for Valuation of non-originating materials**

(a) The value of the non-originating materials, parts or produce shall be:

(i) The CIF value at the time of importation of the materials, parts or produce where this can be proven or

(ii) The earliest ascertainable price paid for the materials, parts or produce of undetermined origin in the territory of the Contracting States where the working or processing takes place.

(b) In order to determine whether or not a product originated in the territory of a Contracting State it shall not be necessary to establish whether the power and fuel, plant and equipment, and machines and tools used to obtain such products, originate in third countries.

### **Rule 12: Direct consignment**

The following shall be considered as directly consigned from the exporting Contracting State to the importing Contracting State:

(a) if the products are transported without passing through the territory of any non-Contracting State:

(b) the products whose transport involves transit through one or more intermediate non-Contracting States with or without transshipment or temporary storage in such countries, provided that:

(i) the transit entry is justified for geographical reason or by considerations related exclusively to transport requirements;

(ii) the products have not entered into trade or consumption there;

(iii) the products have not undergone any operation there other than unloading and reloading or any operation required to keep them in good condition;

(iv) the products have remained under the customs control in the country of transit.

### **Rule 13: Treatment of packing**

When determining the origin of products, packing should be considered as forming a whole with the product it contains. However, packing may be treated separately if the national legislation so requires.

### **Rule 14: Procedures for Issuance and Verification of Certificate of origin**

Detailed Operational Certification Procedures for implementation of these Rules of Origin are at Annex-B.

### **Rule 15: Prohibitions**

Any Contracting State may prohibit importation of products containing any inputs originating from States with which it does not have economic and commercial relations.

## Rule 16: Consultation and Co-operation between Contracting States

- (a) The Contracting States will do their best to co-operate in order to specify origin of inputs in the Certificate of origin.
- (b) The Contracting States will take measures necessary to address, to investigate and, where appropriate, to take legal and/or administrative action to prevent circumvention to these Rules through false declaration concerning country of origin or falsification of original documents.
- (c) The Contracting States will co-operate fully, consistent with their domestic laws and procedures, in instances of circumvention or alleged circumvention of these Rules to address problems arising from circumvention including facilitation of joint plant visits, inspection and contacts by representatives of Contracting States upon request and on a case-by-case basis.
- (d) If any Contracting State believes that the rules of origin are being circumvented, it may request consultation to address the matter or matters concerned with a view to seeking a mutually satisfactory solution. Each State will hold such consultations promptly.

## Rule 17: Review

These rules may be reviewed as and when necessary upon request of any Contracting State and may be open to such modifications as may be agreed upon by the SAFTA Ministerial Council.

F.No.467/30/2003-Cus.V/ICD

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Annex -A

### PRODUCT SPECIFIC RULES UNDER SAFTA RULES OF ORIGIN

#### Explanatory Notes:

1. For the purposes of Rule 8 (b) of the SAFTA Rules of Origin, the products listed under column (3) and corresponding to heading mentioned under column (2) would be subject to Rule specified under column (4) in the following Table.
2. The term "CTH" in column (4) below shall mean that the final product is classified in a heading at the four-digit level of the Harmonised Commodity Description and Coding System differently from those in which all the non-originating materials used in its manufacture are classified.
3. The term "CTSH" in column (4) below shall mean that the final product is classified in a heading at the six-digit level of the Harmonised Commodity Description and Coding System differently from those in which all the non-originating materials used in its manufacture are classified.
4. The DVA mentioned in percentage in column (4) below shall mean the minimum value addition in the Exporting Contracting State, calculated as per the following formula:

$$\text{DVA} = \text{FOB value of the export product} - \text{value of non-originating materials}$$

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FOB value of the export product

S.No.	HS Heading /Chapter	Harmonised Description	Product Specific Rules
(1)	(2)	(3)	(4)
1.	060499	Other	CTSH & 30% DVA
2.	080132	Shelled Cashew nuts	CTSH & 60% DVA
3.	081350	Mixtures of dried fruits of this Chapter	CTSH & 60% DVA
4.	150790	-Other	CTSH & 30% DVA
5.	150890	-Other	CTSH & 30% DVA
6.	150990	-Other	CTSH & 30% DVA
7.	151190	-Other	CTSH & 30% DVA
8.	151219	--Other	CTSH & 30% DVA
9.	151229	--Other	CTSH & 30% DVA
10.	151319	--Other	CTSH & 30% DVA
11.	151329	--Other	CTSH & 30% DVA
12.	160249	Other, including mixtures	CTSH & 30% DVA
13.	210112	Preparations with a basis of extracts, essences, concentrates or with a basis of coffee	CTSH & 30% DVA

14.	210120	Extracts, essences and concentrates, of tea or ate, and preparations with a basis of these extracts, essences or concentrates or with a basis of tea or mate	CTSH & 30% DVA
15.	210390	Other	CTSH & 30% DVA
16.	252321	White cement, whether or not artificially coloured	CTSH & 30% DVA
17.	252329	Other:	CTSH & 30% DVA
18.	252330	Aluminous cement :	CTSH & 30% DVA
19.	283523	Of trisodium	CTSH & 30% DVA
20.	441029	--Other	CTSH & 30% DVA
21.	441032	--Surface-covered with melamine-impregnated paper	CTSH & 30% DVA
22.	441033	--Surface-covered with decorative laminates of plastics	CTSH & 30% DVA
23.	441039	--Other	CTSH & 30% DVA
24.	441119	Other	CTSH & 30% DVA
25.	441129	Other of fire board of a density exceeding 0.5g/cm <sup>3</sup>	CTSH & 30% DVA
26.	450190	Other	CTSH & 30% DVA
27.	481820	Handkerchiefs, cleansing or facial tissues	Only CTH
28.	481840	Sanitary towels	Only CTH

29.	701990	Other	CTSH & 30% DVA
30.	720221	Ferro-silicon containing by weight more than 55 % of silicon	CTSH & 30% DVA
31.	830110	Padlocks	CTSH & 30% DVA
32.	841011	--Of a power not exceeding 1,000 kW	CTSH & 30% DVA
33.	841311	Pumps for dispensing fuel or lubricants, of the type used in filling-stations or in garages	CTSH & 30% DVA
34.	841319	Other pumps fitted or designed to be fitted with a measuring device	CTSH & 30% DVA
35.	841320	Hand pumps, other than those of subheading 8413.11 or 8413.19	CTSH & 30% DVA
36.	841330	Fuel, lubricating or cooling medium pumps for internal combustion piston engines	CTSH & 30% DVA
37.	841340	Concrete pumps	CTSH & 30% DVA
38.	841350	Other reciprocating positive displacement pumps	CTSH & 30% DVA
39.	841360	Other rotary positive displacement pumps	CTSH & 30% DVA
40.	841370	Other centrifugal pumps	CTSH & 30% DVA
41.	841381	Pumps	CTSH & 30% DVA
42.	841382	Liquid elevators	CTSH & 30% DVA
43.	841410	Vacuum pumps	CTSH & 30% DVA



44.	841420	Hand or foot-operated air pumps:	CTSH & 30% DVA
45.	841430	Compressors of a kind used in refrigerating equipment	CTSH & 30% DVA
46.	841440	Air compressors mounted on a wheeled chassis for towing:	CTSH & 30% DVA
47.	841451	-- Table, floor, wall, window, ceiling or roof fans, with a self-contained electric motor of an output not exceeding 125W	CTSH & 30% DVA
48.	841459	Other:	CTSH & 30% DVA
49.	841460	Hoods having a maximum horizontal side not exceeding 120 cm	CTSH & 30% DVA
50.	841480	Other	CTSH & 30% DVA
51.	841510	-Window or wall types, self contained or "Split-system".	CTSH & 30% DVA
52.	841520	Of a kind used for persons, in motor vehicles	CTSH & 30% DVA
53.	841581	Incorporating a refrigerating unit and a valve for reversal of the cooling/heat cycle (reversible heat pumps)	CTSH & 30% DVA
54.	841583	Not incorporating a refrigerating unit	CTSH & 30% DVA
55.	841710	Furnaces and ovens for the roasting, melting or other heat-treatment of ores, pyrites or of metals	CTSH & 30% DVA
56.	841810	Combined refrigerator-freezers, fitted Refrigerators, household type:	CTSH & 30% DVA
57.	841821	Compression-type	CTSH & 30% DVA
58.	841822	Absorption-type, electrical	CTSH & 30% DVA

59.	841829	Other	CTSH & 30% DVA
60.	841830	Freezers of the chest type, not exceeding 800 l capacity	CTSH & 30% DVA
61.	841840	Freezers of the upright type, not exceeding 900 L capacity:	CTSH & 30% DVA
62.	841850	Other refrigerating or freezing chests, cabinets, display counters, showcases and similar refrigerating or freezing furniture	CTSH & 30% DVA
63.	841861	Compression type units whose condensers are heat exchangers	CTSH & 30% DVA
64.	841869	Other	CTSH & 30% DVA
65.	841911	Instantaneous gas water heaters:	CTSH & 30% DVA
66.	841919	Other:	CTSH & 30% DVA
67.	841931	For agricultural products	CTSH & 30% DVA
68.	841932	For wood, paper pulp, paper or paperboard	CTSH & 30% DVA
69.	841939	Other	CTSH & 30% DVA
70.	841940	Distilling or rectifying plant:	CTSH & 30% DVA
71.	841950	Heat exchange units	CTSH & 30% DVA
72.	841960	Machinery for liquifying air or other gases, Other machinery, plant and equipment:	CTSH & 30% DVA
73.	841981	For making hot drinks or for cooking or heating food:	CTSH & 30% DVA

74.	841989	Other:	CTSH & 30% DVA
75.	842010	Calendering or other rolling machines	CTSH & 30% DVA
76.	842111	Cream separators	CTSH & 30% DVA
77.	842121	For filtering or purifying water	CTSH & 30% DVA
78.	842122	For filtering or purifying beverages other than water	CTSH & 30% DVA
79.	842129	Other	CTSH & 30% DVA
80.	842211	Of the household type	CTSH & 30% DVA
81.	842219	Other	CTSH & 30% DVA
82.	842220	Machinery for cleaning or drying bottles or other containers	CTSH & 30% DVA
83.	842230	Machinery for filling, closing, sealing, or labelling bottles, cans, boxes, bags or other containers; machinery for capsuling bottles, jars, tubes and similar containers; machinery for aerating beverages	CTSH & 30% DVA
84.	842240	Other packing or wrapping machinery (including heat-shrink wrapping machinery)	CTSH & 30% DVA
85.	842310	Personal weighing machines, including baby scales; Household scales	CTSH & 30% DVA
86.	842320	Scales for continuous weighing of goods on conveyors	CTSH & 30% DVA
87.	842330	Constant weight scales and scales for discharging a predetermined weight of material into a bag or container, including hopper scales Other weighing machinery:	CTSH & 30% DVA

88.	842381	Having a maximum weighing capacity not exceeding 30 kg	CTSH & 30% DVA
89.	842382	Having maximum weighing capacity exceeding 30 kg but not exceeding 5,000 kg.	CTSH & 30% DVA
90.	842389	Other	CTSH & 30% DVA
91.	842390	Weighing machine weights of all kinds; parts of weighing machinery	CTSH & 30% DVA
92.	842410	Fire extinguishers, whether or not charged	CTSH & 30% DVA
93.	842420	Spray guns and similar appliances	CTSH & 30% DVA
94.	842430	Steam or sand blasting machines and similar jet projecting machines	CTSH & 30% DVA
95.	842481	Agricultural or horticultural	CTSH & 30% DVA
96.	842489	Other	CTSH & 30% DVA
97.	843229	--Other	CTSH & 30% DVA
98.	843311	--Powered, with the cutting device rotating in a horizontal plane	CTSH & 30% DVA
99.	843319	--Other	CTSH & 30% DVA
100.	843780	-Other machinery	CTSH & 30% DVA
101.	843880	Other machinery:	CTSH & 30% DVA
102.	844010	Machinery	CTSH & 30% DVA

103.	844110	Cutting machines	CTSH & 30% DVA
104.	844180	Other machinery	CTSH & 30% DVA
105.	844329	Other	CTSH & 30% DVA
106.	844340	Gravure printing machinery	CTSH & 30% DVA
107.	845210	Sewing machines of the household type:	CTSH & 30% DVA
108.	845221	Automatic units:	CTSH & 30% DVA
109.	845229	Other	CTSH & 30% DVA
110.	847110	Analogue or hybrid automatic data processing machines	CTSH & 30% DVA
111.	847130	Portable digital automatic data processing machines, weighing not more than 10 kg, consisting of at least a central processing unit, a keyboard and a display	CTSH & 30% DVA
112.	84714110	Micro computer	CTSH & 30% DVA
113.	847149	Other, presented in the form Of systems	CTSH & 30% DVA
114.	847150	Digital processing units other than those Of sub-headings 8471 41 or 8471 49, whether or not containing in the same housing one or two Of the following types Of unit: storage units, input units, output units	CTSH & 30% DVA
115.	847780	Other machinery	CTSH & 30% DVA
116.	848180	Other appliances: Taps and Cocks of Tariff heading 8481.80	CTSH & 30% DVA

117.	850410	-Ballasts for discharge lamps or tubes	CTSH & 30% DVA
118.	850421	Having a power handling capacity not exceeding 650 kVA	CTSH & 30% DVA
119.	850422	--Having a power handling capacity exceeding 650 kVA but not exceeding 10,000 kVA	CTSH & 30% DVA
120.	850423	--Having a power handling capacity exceeding 10,000 kVA	CTSH & 30% DVA
121.	850431	Having a power handling capacity not exceeding 1 kVA	CTSH & 30% DVA
122.	850432	--Having a power handling capacity exceeding 1 kVA but not exceeding 16 kVA	CTSH & 30% DVA
123.	850433	Having a power handling capacity exceeding 16 kVA but not exceeding 500 kVA	CTSH & 30% DVA
124.	850434	--Having a power handling capacity exceeding 500 kVA	CTSH & 30% DVA
125.	850440	Static converters	CTSH & 30% DVA
126.	850450	-Other inductors	CTSH & 30% DVA
127.	850610	Manganese dioxide	CTSH & 30% DVA
128.	850630	Mercuric oxide	CTSH & 30% DVA
129.	850640	Silver oxide	CTSH & 30% DVA
130.	850650	Lithium	CTSH & 30% DVA
131.	850660	Air-zinc	CTSH & 30% DVA

132.	850680	Other primary cells and primary batteries	CTSH & 30% DVA
133.	850710	Lead-acid, of a kind used for starting piston engines	CTSH & 30% DVA
134.	850720	Other lead-acid accumulators	CTSH & 30% DVA
135.	850730	Nickel-cadmium	CTSH & 30% DVA
136.	850740	Nickel-iron	CTSH & 30% DVA
137.	850780	Other accumulators	CTSH & 30% DVA
138.	851010	Shavers	CTSH & 30% DVA
139.	851020	hair clippers	CTSH & 30% DVA
140.	851030	hair removing appliances	CTSH & 30% DVA
141.	851310	Lamps	CTSH & 30% DVA
142.	851640	Electric smoothing irons	CTSH & 40% DVA
143.	851650	Microwave oven	CTSH & 40% DVA
144.	851711	-- Line telephone sets with cordless handsets	CTSH & 40% DVA
145.	851721	Facsimile machines	CTSH & 40% DVA
146.	851730	telephonic aparatus	CTSH & 40% DVA

147.	851750	Other apparatus, for carrier current line systems or for digital line systems	CTSH & 40% DVA
148.	851780	other apparatus	CTSH & 40% DVA
149.	853921	Tungsten halogen	CTSH & 40% DVA
150.	853922	Other, of a power not exceeding 200 W and for a voltage exceeding 100 V	CTSH & 40% DVA
151.	853929	Other	CTSH & 40% DVA
152.	853931	Fluorescent, hot cathode	CTSH & 40% DVA
153.	853932	Mercury or sodium vapour lamps; metal halide lamps	CTSH & 40% DVA
154.	853939	Other of discharged lamps, other than ultra-violet lamps	CTSH & 40% DVA
155.	854011	-- Cathode-ray television picture tubes, including video monitor cathode-ray tubes; colour	CTSH & 40% DVA
156.	854210	Cards incorporating an electronic integrated circuits ("smart" cards)	CTSH & 30% DVA
157.	854221	Monolithic digital integrated circuits obtained by bipolar technology	CTSH & 30% DVA
158.	854229	Other	CTSH & 30% DVA
159.	854260	Hybrid integrated circuits	CTSH & 30% DVA
160.	854270	Electronic microassemblies	CTSH & 30% DVA
161.	8903	Yachts and other vessels for pleasure	CTSH & 25% DVA



162.	900311	Of plastics	CTSH & 30% DVA
163.	900319	Of other materials	CTSH & 30% DVA
164.	900911	Operating by reproducing the original image directly on to copy (direct process)	CTSH & 40% DVA
165.	900921	other photocopying apparatus	CTSH & 40% DVA
166.	901720	Other drawing, markingout or mathematical calculating instruments	CTSH & 30% DVA
167.	901780	Other instruments	CTSH & 30% DVA
168.	901831	Syringes, with or without needles	CTSH & 30% DVA
169.	901890	Other instruments and appliances	CTSH & 30% DVA
170.	902830	Electricity meters:	CTSH & 30% DVA
171.	903210	Thermostats	CTSH & 30% DVA
172.	911110	Cases of precious metal or of metal clad with precious metal	CTSH & 30% DVA
173.	911120	Cases of base metal, whether or not gold or silver-plated	CTSH & 30% DVA
174.	940330	Wooden furniture of a kind used in offices	CTSH & 30% DVA
175.	940340	Wooden furniture of a kind used in the kitchen	CTSH & 30% DVA
176.	940350	Wooden furniture of a kind used in the bedroom	CTSH & 30% DVA

177.	940360	Other Wooden furniture	CTSH & 30% DVA
178.	940540	Other electric lamps and lighting fittings	CTSH & 30% DVA
179.	950210	-Dolls, whether or not dressed	CTSH & 30% DVA
180.	960810	-Ball point pens	CTSH & 30% DVA

Annex-B

OPERATIONAL CERTIFICATION PROCEDURES FOR SOUTH ASIAN FREE TRADE AREA (SAFTA) RULES OF ORIGIN

For the purposes of implementing the Rules of Origin as provided for in Rule 14 of SAFTA Rules of Origin, the following operational certification procedures shall be followed:

AUTHORITY

ARTICLE 1

The Certificate of Origin shall be issued by authority designated by the Government of the exporting Contracting State (hereinafter referred to as Issuing Authority) and notified to the other Contracting States.

ARTICLE 2

(a) Each Contracting State shall inform the other Contracting States of the names and addresses of the officials authorized to issue the Certificate of Origin and shall provide their specimen signatures and official seals.

(b) Any change in their names, addresses, or official seals shall be promptly notified to the other Contracting States.

ARTICLE 3

For the purpose of verifying the conditions for preferential treatment, the Issuing Authority shall have right to call for any supporting documentary evidence or to carry out any check considered appropriate.

PRE-EXPORTATION VERIFICATION

ARTICLE 4

The Issuing Authority, upon a written request by the manufacturer and/or exporter of the products desirous for availing preferential treatment, shall conduct pre- exportation verification of the manufacturing premise(s). The result of the verification, subject to review periodically or whenever appropriate, shall be accepted as the supporting evidence in verifying the origin of the said products to be exported thereafter. Pre -exportation verification may not apply to the products, origin of which, by their nature, can be easily verified.

## REQUEST FOR ISSUANCE OF CERTIFICATE OF ORIGIN

### ARTICLE 5

At the time of carrying out the formalities for exporting the products under preferential treatment, the exporter or his authorized representative shall submit the Certificate of Origin duly filled together with appropriate documents supporting that the products to be exported qualify for the issuance of a Certificate of Origin.

## PRE-EXPORTATION EXAMINATION

### ARTICLE 6

The Issuing Authority shall, to the best of their competence and ability, carry out proper examination upon each application for the Certificate of Origin to ensure that:

- (a) The Certificate of Origin is duly completed and signed by the authorized signatory;
- (b) The origin of the product is in conformity with the Rules of Origin of this Agreement;
- (c) The other statements /entries of the Certificate of Origin correspond to supporting documentary evidence submitted;
- (d) HS Code, f.o.b. value, description, quantity and weight of goods, marks, number and kinds of packages, as specified, conform to the consignment to be exported.

## ISSUANCE OF CERTIFICATE OF ORIGIN

### ARTICLE 7

- (a) The validity of the Certificate of Origin shall be 12 months from the date of its issuance.
- (b) The Certificate of Origin must be on ISO A4 size paper in conformity to the specimen shown in Appendix-1. It shall be in English.
- (c) The Certificate of Origin shall comprise one original and one duplicate in the following colours:

Original - light orange  
Duplicate - white

(d) Each Certificate of Origin shall bear a reference number given separately by each office of issuance at different places.

(e) The original shall be forwarded by the exporter to the importer for submission to the Customs Authority at the port or place of importation. The duplicate shall be retained by the Issuing Authority of the exporting Contracting State.

(f) After issuance of the Certificate of Origin, the Issuing Authority of the exporting Contracting State shall electronically send the information on issuance of certificate of origin on a weekly basis as per format provided in Appendix -2 to the Issuing Authority of respective importing Contracting State.

## ARTICLE 8

The Certificate of Origin issued by the Issuing Authority shall indicate the applicable Rules of Origin and the value of non-originating material expressed as a percentage of the f.o.b. value of the products, or the sum of the aggregate content originating in the territory of the exporting Contracting State expressed as a percentage of the f.o.b. value of the exported product; where applicable, in Box 8.

## ARTICLE 9

Neither erasures nor superimpositions shall be allowed on the Certificate of Origin. Any alteration shall be made by striking out the erroneous entries and making any addition required. Such alterations shall be approved by an authorized signatory of the applicant and certified by the Issuing Authority. Unused spaces shall be crossed out to prevent any subsequent addition.

## ARTICLE 10

(a) The Certificate of Origin shall be issued by the relevant Issuing Authority of the exporting Contracting State at the time of exportation, or within 3 working days from the date of shipment whenever the products to be exported can be considered originating in that Contracting State within the meaning of the Rules of Origin of this Agreement.

(b) In exceptional cases where a Certificate of Origin has not been issued at the time of exportation or within 3 working days from the date of shipment due to involuntary errors or omissions or other valid causes, the Certificate of Origin may be issued retrospectively but no longer than 45 days from the date of shipment, bearing the word "ISSUED RETROSPECTIVELY" in Box 4.

## ARTICLE 11

In the event of theft, loss, damage or destruction of a Certificate of Origin, the exporter may apply in writing to the Issuing Authority, which issued it, for the certified true copy of the original to be made on the basis of the export documents in their possession bearing the endorsement "CERTIFIED TRUE COPY" (in lieu of the Original Certificate) in Box 13. This copy shall bear the date of the original Certificate of Origin. The certified true copy of a Certificate of Origin shall be issued within the validity period of the original Certificate of Origin.

## PRESENTATION

## ARTICLE 12

The Original Certificate of Origin shall be submitted to the Customs Authority at the time of lodging the import entry for the products concerned.

## ARTICLE 13

The following time limit for the presentation of the Certificate of Origin shall be observed:

- (a) Certificate of Origin shall be submitted to the Customs Authority of the importing Contracting State within its validity period;
- (b) Where the Certificate of Origin is submitted to the Customs Authority of the importing Contracting State after the expiration of the validity of the Certificate of Origin, such Certificate is still to be accepted when failure to observe the time-limit results from force majeure or other valid causes beyond the control of the exporter; and
- (c) In all cases, the relevant Government authority in the importing Contracting State may accept such Certificate of Origin provided that the products have been imported before the expiration of the validity of the Certificate of Origin.

## ARTICLE 14

The discovery of minor discrepancies between the statements made in the Certificate of Origin and those made in the documents submitted to the Customs Authority of the importing Contracting State for the purpose of carrying out the formalities for importing the products shall not ipso-facto invalidate the Certificate of Origin, if it does, in fact, correspond to the said products.

## ARTICLE 15

- (a) The importing Contracting State may request to the Issuing Authority of the exporting Contracting State for a retrospective check at random and/or when it has reasonable doubt as to the authenticity of the document or as to the accuracy of the information regarding the true origin of the products in question or of certain parts thereof.
- (b) The request shall be accompanied with the Certificate of Origin concerned and shall specify the reasons and any additional information suggesting that the particulars given on the said Certificate of Origin may be inaccurate, unless the retroactive check is requested on a random basis.
- (c) The Customs Authority of the importing Contracting State may suspend the provisions on preferential treatment while awaiting the result of verification. However, without prejudice to the national legislations the competent authority of the importing Contracting State shall not suspend the customs clearance of the consignment subject to a guarantee in any of its modalities in order to preserve fiscal interests, as a pre-condition for completion of customs clearance.
- (d) The Issuing Authority receiving a request for retrospective check shall respond within three (3) months after the receipt of the request.

## ARTICLE 16

(a) The application for Certificates of Origin and all documents related to such application shall be retained by the Issuing Authority for not less than two (2) years from the date of issuance.

(b) Information relating to the validity of the Certificate of Origin shall be furnished upon request of the importing Contracting State.

(c) Any information communicated among the government authorities shall be treated as confidential and shall be used only for the validation purposes of Certificates of Origin.

## SPECIAL CASES

### ARTICLE 17

When destination of all or parts of the products exported to specified port is changed, before or after their arrival in the importing Contracting State, the following procedures shall be observed:

(a) If the products have already been submitted to the Customs Authority in the specified importing port, the Certificate of Origin shall, by a written application of the importer, be endorsed to this effect for all or parts of products by the said authority and the original returned to the importer.

(b) If the changing of destination occurs during transportation to the importing Contracting State as specified in the Certificate of Origin, the exporter shall apply in writing, accompanied with the issued Certificate of Origin, for the issuance of new Certificate/s of Origin for all or parts of products.

### ARTICLE 18

For the purpose of implementing Rule 12 of SAFTA Rules of Origin where transportation is effected through the territory of one or more non-Contracting States, the following shall be produced to the Government authorities of the importing Contracting State:

(a) A through Bill of Lading/ Airway bill or corresponding transport document issued in the exporting Contracting State ;

(b) A Certificate of Origin issued by the Issuing Authority of the exporting Contracting State;

(c) A copy of the original commercial invoice in respect of the product; and

(d) Supporting documents in evidence that the requirements of Rule 12 of SAFTA Rules of Origin are being complied with.

### ARTICLE 19

(a) Products sent from one Contracting State for exhibition in another Contracting State and sold during or after the exhibition shall benefit from the preferential tariff treatment provided in this Agreement, on the condition that the products meet the requirements of Rule 4 of the SAFTA Rules of Origin and provided it is shown to the satisfaction of the relevant Government authorities of the importing Contracting State that:

(i) An exporter has dispatched those products from the territory of the exporting Contracting State to the importing Contracting State where the

exhibition is held and has exhibited them there,

(ii) The exporter has sold the goods or transferred them to a consignee in the importing Contracting State; and

(iii) The products have been sold during the exhibition or immediately hereafter to the importing Contracting State in the state in which they were sent for the exhibition.

(b) For the purpose of implementing the above provisions, the Certificate of Origin must be produced to the relevant Government authorities of the importing Contracting State.

(c) Paragraph (a) shall apply to exhibitions, fairs or similar shows or displays where the products remain under Customs control during these events.

## ACTION AGAINST FRAUDULENT ACTS

### ARTICLE 20

(a) When it is suspected that fraudulent acts in connection with the Certificate of Origin have been committed, the Issuing Authorities concerned shall cooperate in the action to be taken in the territory of each Contracting State against the persons involved.

(b) Each Contracting State shall be responsible for providing legal sanctions for fraudulent acts related to the Certificate of Origin.

### ARTICLE 21

In the case of a dispute concerning origin determination, classification of products or other matters, the Government authorities concerned in the importing and exporting Contracting States shall consult each other with a view to resolving the dispute.

Appendix-I

#### CERTIFICATE OF ORIGIN (SOUTH ASIAN FREE TRADE AREA)

1. Goods consigned from (exporter's business name, address, country)	Reference No. SOUTH ASIAN FREE TRADE AREA(SAFTA) (combined declaration and certificate) Issued in .....(country) see notes overleaf
2. Goods consigned to (Consignee's name, address, country)	
3. Means of Transport and route (as far as known)	4. For Official use

5. HS Code	6. Marks and numbers of packages	7. Number and kind of packages: description of goods	8. Origin criterion (see notes overleaf)	9. Gross weight of other quantity	10. Number and date of invoices	11. f.o.b. value in US \$
<p>12. Declaration by the exporter:</p> <p>The undersigned hereby declares that the above details and statements are correct: that all the goods were produced in.....</p> <p>(country)</p> <p>and that they comply with the origin requirements specified for those goods in SAFTA for goods exported to .....</p> <p>(importing country)</p> <p>.....</p> <p>Place and date, signature of authorized signatory</p>			<p>13. Certificate It is hereby certified on the basis of control carried out, that the declaration by the exporter is correct</p> <p>.....</p> <p>Place and date, signature and Stamp of Certifying authority</p>			

I General Conditions

To qualify for preference, products must:

- a) fall within a description of products eligible for preference in the schedule of concessions of SAFTA country of destination;
- b) comply with SAFTA Rules of Origin. Each article in a consignment must qualify separately in its own right; and
- c) comply with the consignment conditions specified by the SAFTA Rules of Origin. In general, products must be consigned directly within the meaning of Rule 12 hereof from the country of exportation to the country of destination.

II. Entries to be made in Box 8



Preference products must be wholly produced or obtained in the exporting Contracting State in accordance with Rule 5 of the SAFTA Rules of Origin, or where not wholly produced or obtained in the exporting Contracting States must be eligible under Rule 6.

a) Products wholly produced or obtained; enter the letter "A" in Box 8.

b) Products not wholly produced or obtained: the entry in Box 8 should be as follows:

1. Enter letter "B" in Box 8, for products which meet the origin criteria according to Rule 8. Entry of letter would be followed by the value of non-originating material expressed as a percentage of the f.o.b. value of the products; (example "B" 50 per cent);

2. Enter letter "C" in Box 8 for products which meet the origin criteria according to Rule 9. Entry of letter "C" would be followed by the sum of the aggregate content originating in the territory of the exporting Contracting State expressed as a percentage of the f.o.b. value of the exported product; (example "C" 60 per cent);

3. Enter letter "D" in Box 8 for products which meet the special origin criteria according to Rule 10. Entry of letter would be followed by the value of non-originating material expressed as a percentage of the f.o.b. value of the products; (example "D" 40 per cent);

### III. Entries to be made in Box 4

In case of issuance of certificates retrospectively Box 4 should bear the words "ISSUED RETROSPECTIVELY".

### IV. Entries to be made in Box 13

In case of issuance of certified true copies Box 13 should bear the words "CERTIFIED TRUE COPY".

Format for Exchange of Information on Issuance of SAFTA Certificate of Origin

S. No.	Ref No.of CO	Date of Issue	HS Code	Description	f.o.b. value in US \$	Remarks,if any



Notifications of Customs  
Notifications of Central Excise