

Origin Certification, Rules of Origin, and Origin Criteria

Origin determines “economic nationality” of goods traded across borders (exports/ imports). Goods exported from Pakistan to the EU are eligible for preferential tariffs (waiver/ reduction) under the EU-GSP/ GSP Plus scheme only if they meet the originating criteria for those goods laid down under the preferential Rules of Origin (ROO) of the EU-GSP scheme. In such a condition the goods are said to be of Pakistan origin (or originating in Pakistan).

Statement on Origin (SOO) issued by a REX registered Pakistani exporters is a declaration/ confirmation by him that his product(s) being exported to the EU is of Pakistan origin and duly meets ROO of the EU-GSP laid down for the product.

Products exported from Pakistan can meet the EU-GSP product specific ROO if they are:

- I. Wholly obtained in Pakistan: These are the goods that are exclusively (i.e. totally or 100%) produced/ processed in Pakistan. For “wholly obtained” goods the Origin Criteria entered on the Statement on Origin is “P”.
- II. Goods sufficiently worked or processed in Pakistan: Goods not wholly obtained in Pakistan can still qualify as of Pakistan origin if made from imported raw/ semi-finished materials that undergo sufficient working or processing (i.e. transformation) in Pakistan to meet relevant rules laid down in the ROO. For “sufficiently worked or processed” goods the Origin Criteria entered in the Statement of Origin is “W+HS heading”. Product specific rules for this category of goods can be read from the document “Working or Processing Operations Conferring Origin” placed at Sr.5 under “Downloads” on TDAP’s REX page.

It is important to remember that irrespective of the Origin Criteria (“P” or “W”) met by a product to qualify Pakistan origin, once declared Pakistani/ originating it will be eligible for the full preference available to the product under the GSP/ GSP Plus scheme. In other words, once a product qualifies as of Pakistan origin it is eligible for the full preference irrespective of the Origin Criteria met.

It also needs to be remembered that Origin Criteria (“P” or “W”) should be carefully and correctly stated on the Statement on Origin furnished by the exporter under REX. Stating wrong Origin Criteria on the SOO is a serious mistake that could lead to initiation of a “verification request” by the importing customs.

Even if the product is originating and meets the ROO, it is still necessary that the product exported from Pakistan arrive to the EU without being manipulated in another country, apart from the mere operations needed for keeping the product in good conditions.

Further details on Rules of Origin can be referred from the following link:

<http://trade.ec.europa.eu/tradehelp/basic-rules>