

## ANNEX C

### RULES OF ORIGIN

In determining the origin of products eligible for the preferential tariff concession pursuant to the Preferential Trade Agreement between the Islamic Republic of Pakistan and the Republic of Mauritius the following Rules shall be applied.

#### **1. Application:**

These Rules shall apply to products consigned from the territory of either of the Contracting Parties.

#### **2. Definitions:**

In this Annex, unless the context otherwise requires-

“Agreement” means Pakistan-Mauritius Preferential Trade Agreement;

“CIF value” means the value of the good imported, and includes the cost of freight and insurance up to the port of clearance into the country of importation;

“cumulation” means the process through which products which have acquired originating status in the territory of one Contracting Party may be taken into account when used as inputs for a finished product eligible for preferential treatment in the territory of the other Contracting Party;

“FOB value” means the free-on-board value of exported goods;

“Harmonized System” means the Harmonized Commodity Description and Coding System agreed to under the World Customs Organization, as amended and in force in the territory of the respective contracting party;

“materials” include ingredients, parts, components, subassemblies and/or goods that were physically incorporated into another good or were subject to a process in the production of another good;

“originating product” means a product that qualifies as originating product from a Contracting Party in accordance with Rule 4;

“product specific rules” are rules specified in Schedule C, and which specify that the materials have undergone a change in tariff classification or a specific manufacturing or processing operation, or satisfy an *ad valorem* criterion or a combination of any of these criteria.

### **3. Claim at the time of importation**

Where an importer of a product is claiming preferential treatment under the Agreement, he shall, at the time of importation-

- (a) declare that such product is eligible for preferential treatment under the Agreement; and
- (b) produce the Certificate of Origin as specified in Schedule B.

### **4. Originating products:**

Where a product covered by the Agreement is imported into the territory of a Contracting Party from the other Contracting Party and is directly consigned in accordance with Rule 10, it shall be eligible for preferential treatment where it conforms to the origin requirement under any of the following conditions-

- (a) products wholly produced or obtained in the territory of the exporting Contracting Party as defined in Rule 5; or
- (b) products not wholly produced or obtained in the territory of the exporting Contracting Party, provided that the said products are eligible under Rule 6 ,7 ,8 or 9.

### **5. Wholly produced or obtained;**

The following shall be considered as wholly produced or obtained in the territory of the exporting Contracting Party, within the meaning of Rule 4(a)-

- (a) minerals and other naturally occurring substances, extracted or taken from its soil, waters, seabed or beneath their seabed;
- (b) vegetable products harvested, picked and gathered there ("vegetable products" include agricultural and forest products);
- (c) live animals born and raised there;
- (d) goods obtained or produced solely from products referred to in paragraphs (a) to (c) above;
- (e) products obtained from hunting, trapping, fishing, aquaculture, gathering or capturing conducted in the territory of the Contracting Party;
- (f) products taken from the waters, seabed or beneath the seabed outside the territorial waters of a contracting party, provided that the contracting party has the

rights to exploit such waters, seabed and beneath the seabed in accordance with international law;

(g) products of sea fishing and other marine products taken from the high seas by vessels registered with a contracting party or entitled to fly the flag of that Contracting Party;

(h) products processed or made on board factory ships registered with a contracting party or entitled to fly the flag of that Contracting Part, exclusively from products referred to in paragraph (g) above;

(i) articles collected there which can no longer perform their original purpose nor are capable of being restored or repaired and which are fit only for disposal or for the recovery of parts or raw materials, or for recycling purposes.

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

(1) Subject to Rule 7, a product shall be deemed to be originating if the total value of the materials, parts or produce originating from outside the territory of a Contracting Party does not exceed 65% of the FOB value of the product so produced or obtained, provided that the final process of manufacturing is performed within the territory of the Contracting Party and the product has undergone sufficient processing.

(2) Non originating materials shall be considered to be sufficiently worked or processed when the product obtained is classified in a heading at the six digit level of the harmonized commodity description and coding system, different from those in which all the non-originating materials used in its manufactures are classified.

(3) In order to determine whether a product originates in the territory of a Contracting Party, 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 or not.

#### **7. Minimal Operations and Processes**

Operations or processes undertaken, by themselves or in combination with each other for the purposes listed below, are considered to be minimal and shall not be taken into account as sufficient processing in terms of the provisions of Rule 6-

(a) ensuring preservation of goods in good condition for the purposes of transport or storage;

(b) facilitating shipment or transportation;

- (c) packaging or presenting goods for sale;
- (d) changes of packing;
- (e) simple slicing, cutting and repacking or placing in bottles, flasks, bags, and boxes;
- (f) affixing of marks, labels or other like distinguishing signs on products or their packaging;
- (g) simple assembly of parts of products to constitute a complete product.

## **8. Cumulative Rules of Origin**

Where a product, which complies with the origin requirements provided in Rule 4(b), is exported by any Contracting Party and which has used material, parts or products originating in the territory of the other Contracting Party, the value addition in the territory of the exporting Contracting Party shall not be less than 25 percent of the F.O.B value of the product under export, subject to the condition that the aggregate value addition in the territories of the Contracting Parties is not less than 35 per cent of the F.O.B value of the product under export.

## **9. Product Specific Criteria**

Products which satisfy the product specific rules provided for in Schedule C shall be considered as originating in terms of the provision of Rule 4(b)

## **10. Direct consignment:**

The following shall be considered to be directly consigned from the territory of the exporting Contracting Party to the territory of importing Contracting Party-

- (a) where the products are transported without passing through the territory of any country other than the Contracting Parties;
- (b) the products whose transport involves transit through one or more country other than the Contracting Parties, with or without transshipment or temporary storage in such countries, provided that, the-
  - (i) transit entry is justified for geographical reason or by consideration related exclusively to transport requirements;
  - (ii) products have not entered into trade or consumption there; and

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

(c) Goods shall not be considered to be originating if they undergo subsequent production or any other operation outside the territories of the Contracting Parties, other than operations necessary to preserve them in good condition or to transport them to the territory of the other Contracting Party, provided that the goods are not traded or used outside the territories of the Contracting Parties.

## **12. Treatment of packing**

For the purpose of determining origin, packing is deemed to have the same origin as goods they contain.

## **13. Certificate of Origin**

Products eligible for preferential treatment shall be supported by a Certificate of Origin in the prescribed Form at Schedule B issued by an authority designated by the Government of the exporting Contracting Party and notified to the other Contracting Party, in accordance with certification procedures as provided in the Schedule A.

## **14. Prohibitions**

(1) Any Contracting Party may prohibit the importation of product containing any inputs originating from any third country not covered by its diplomatic recognition or trade policy.

(2) Where a Contracting Party has prohibited the importation of a product under this Rule, it shall forthwith notify the other Contracting Party of its decision.

## **15. Co-operation between Contracting Parties**

(1) The Contracting Parties will-

(a) do their best to co-operate in order to specify origin of inputs in the Certificate of Origin;

(b) take measures necessary to address, to investigate and, where appropriate to take legal and/or administrative action to prevent circumvention of this agreement through false declaration concerning country or origin or falsification of original documents;

(c) co-operate fully, consistent with their domestic laws and procedures, in instances of circumvention or alleged circumvention of the Agreement to address problems arising from circumvention including facilitation of joint

plant visits and contacts by representative of both Contracting Parties upon request and on a case-by-case basis.

(2) Where either Party 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 party will hold such consultations promptly where the situation so requires.

## **16. Review**

These Rules may be reviewed as and when necessary upon the request of either Contracting Party and may be open to such modifications as may be mutually agreed upon.

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## **SCHEDULE A (RULE 13)**

### **OPERATIONAL PROCEDURES FOR THE RULES OF ORIGIN**

For the purpose of implementing the Rules of Origin (Annex C to the PTA), the following operational procedures on the issuance and verification of the Certificate of Origin shall be followed:

#### **I. Authorities**

The Certificate of Origin shall be issued by the Authority designated by the Government (designated Authority) of the exporting Contracting Party.

#### **II. Exchange of Names of Authorities**

(a) A Contracting Party shall inform the other Contracting Party of the name and address of its respective designated authority issuing the Certificate of Origin and shall provide specimen signatures and specimen of official seals.

(b) Any change in names, addresses, or official seals shall be promptly informed in the same manner.

#### **III. Call for Supporting Documents**

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

## **APPLICATIONS**

#### **IV. Application**

The exporter or the manufacturer or his authorized representative at the time of carrying out the formalities for exporting the products under preferential treatment shall submit a written application for the Certificate of Origin together with appropriate supporting documents proving that the products to be exported qualify for the issuance of a Certificate of Origin.

#### **PRE-EXPORTATION EXAMINATION**

#### **V. Examination**

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

- (a) application and the Certificate of Origin are duly completed, signed by the authorized person and which bears the original impression of the stamp of the exporter;
- (b) origin of the product is in conformity with provisions of the Rules of Origin (Annex C to the PTA);
- (c) other statements of the Certificate of Origin correspond to supporting documentary evidence submitted; and
- (d) description, quantity and weight of goods, marks and number of packages, number and kinds of packages, as specified, conform to the products to be exported and entries are correctly entered in each box of the Certificate of Origin.

#### **VI. Issuance of Certificate of Origin**

- (a) The Certificate of Origin shall be in English and in ISO A4 size paper in conformity to the specimen as shown in Schedule B.
- (b) The Certificate of Origin shall comprise one original and three (3) copies of the following colours-

Original-	Yellow
Duplicate-	Light Blue
Triplicate-	Light Blue
Quadruplicate	Light Blue

- (c) Each Certificate of Origin shall bear a reference number and the original impression of the designated Authority.

(d) The original copy shall be forwarded, together with the triplicate, 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 designated Authority in the exporting Party. The quadruplicate shall be retained by the exporter. After the importation of the products, the triplicate shall be marked accordingly in Box 4 of the certificate and retained by the Customs Authority of importing Contracting Party.

## **VII Alterations**

Neither erasures nor super-imposition 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 the person who made them and certified by the designated Authority which issued the certificate. Unused spaces shall be crossed out to prevent any subsequent addition.

## **VIII. Time of Issuance of the Certificate**

(a) The Certificate of Origin shall be issued by the designated Authority of the exporting Party at the time of exportation or soon thereafter whenever the products to be exported can be considered originating in that Party within the meaning of Annex C to the PTA.

(b) In exceptional cases where a Certificate of Origin has not been issued at the time of exportation or soon thereafter due to involuntary errors or omissions or other valid causes, the Certificate of Origin may be issued retrospectively but no longer than one year from the date of shipment, bearing the words "ISSUED RETROSPECTIVELY".

## **IX. Copy of the Certificate**

In the event of theft, loss or destruction of a Certificate of Origin, the exporter may apply in writing to the relevant designated Authority which issued it for the certified true copy of the original and the triplicate to be made on the basis of the export documents in their possession bearing the endorsement of the words "CERTIFIED TRUE COPY" in Box 12. This copy shall bear the date of the original Certificate of Origin. The certified true copy of a Certificate of Origin shall be issued not longer than one year from the date of issuance of the original Certificate of Origin and on condition that the exporter provides to the relevant issuing authority with the fourth copy.

## **X. Presentation**

The original Certificate of Origin shall be submitted together with the triplicate to the Customs Authorities at the time of lodging the import declaration for the products concerned.



## **XI. Time Limit for Presentation**

Where the time frame provided for in paragraph X has not be complied with, the following time limit for the presentation of the Certificate of Origin shall be observed-

- (a) the Certificate of Origin shall be submitted to the Customs Authorities of the importing Party within twelve (12) months from the date of endorsement by the designated Authorities of the exporting Contracting Party;
- (c) where the Certificate of Origin is submitted to the relevant authorities of the importing Party after the expiration of the time limit for its submission, 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
- (d) in all cases, the relevant Government authorities in the importing Party may accept such Certificate of Origin provided that the products have been imported before the expiration of the time limit of the said Certificate of Origin.

## **XII. Exemptions**

In the case of consignments of products originating in the exporting Contracting Party and not exceeding US\$200.00 FOB, the requirement of production of a Certificate of Origin shall be waived and the use of simplified declaration by the exporter that the products in question have originated in the exporting Party will be accepted. Products sent through the post not exceeding US\$200.00 FOB shall also be similarly treated.

## **XIII. Minor Discrepancies**

The discovery of minor discrepancies between the statements made in the Certificate of Origin and those made in the documents submitted to the Customs Authorities of the importing Party 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 products submitted.

## **XIV. Suspicion as to the Authenticity of the Certificate**

(a)The importing Contracting Party may request a 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 check is requested on a random basis.

(c) The Customs Authorities of the importing Contracting Party may suspend the provisions on preferential treatment while awaiting the result of verification. However, it may release the products to the importer subject to any administrative measures deemed necessary, provided that they are not held to be subject to import prohibition or restriction and there is no suspicion of fraud.

(d) The issuing designated Authority receiving a request for check shall respond to the request promptly and reply not later than six (6) months after the receipt of the request.

### **XV. Retention of Documents**

The application for Certificates of Origin and all documents related to such application shall be retained by the issuing authorities for at least two (2) years from the date of issuance.

### **XVI. Information Sharing**

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

(b) Any information communicated between the Contracting Parties concerned shall be treated as confidential and shall be used for the validation of Certificates of Origin purposes only.

### **XVII. Products for Exhibition**

Products sent from an exporting Contracting Party for exhibition in the other Contracting Party and sold during or after the said exhibition shall benefit from the preferential tariff treatment on the condition that the products meet the requirements of Annex C of the PTA, provided it is shown to the satisfaction of the relevant Government authorities of the importing Party that-

(a) an exporter has dispatched those products from the territory of the exporting Contracting Party to the importing Contracting Party where the exhibition is held and has exhibited them there;

(b) the exporter has sold the goods or transferred them to a consignee in the importing Contracting Party; and

(c) the products have been consigned during the exhibition or immediately thereafter to the importing Contracting Party in the state in which they were sent for exhibition.

## XVIII. Action Against Fraudulent Acts

(a) Where it is suspected that fraudulent acts in connection with the Certificate of Origin have been committed, the Government authorities concerned shall cooperate in the action to be taken in the territory of the respective Contracting Party against the persons involved.

(b) Each Contracting Party shall be responsible for providing legal sanctions for fraudulent acts related to the Certificate of Origin, in accordance with their domestic legislation.

## XIX. Dispute Resolution

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

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### SCHEDULE B (Rule 3)

#### CERTIFICATE OF ORIGIN (PAKISTAN-MAURITIUS)

1. Goods consigned from (Exporter's business name, address, country)		Reference No. PAKISTAN-MAURITIUS PREFERENTIAL TRADE AGREEMENT PREFERENTIAL TARIFF CERTIFICATE OF ORIGIN (Combined Declaration and Certificate)			
2. Goods consigned to (Consignee's name, address, country)		FORM PMPTA Issued in _____ (Country) See Notes Overleaf			
3. Means of transport and route (as far as known)  Departure date  Vessel's name/Aircraft etc.  Port of Discharge		4. For Official Use  <input type="checkbox"/> Preferential Treatment Given Under Pakistan-Mauritius <b>Preferential</b> Trade Agreement Preferential Tariff  <input type="checkbox"/> Preferential Treatment Not Given (Please state reason/s)  ..... Signature of Authorised Signatory of the Importing Country			
5. Item number	6. Marks and numbers on	7. Number and type of packages, description of	8. Origin criterion (see Notes)	9. Gross weight or	10. Number and date of

	packages	goods (including quantity where appropriate and HS number of the importing country)	overleaf)	other quantity and value (FOB)	invoices
<p>11. Declaration by the exporter</p> <p>The undersigned hereby declares that the above details and statement are correct; that all the goods were produced in</p> <p>.....</p> <p>(Country)</p> <p>and that they comply with the origin requirements specified for these goods in the Pakistan-Mauritius <b>Preferential</b> Trade Area Preferential Tariff for the goods exported to</p> <p>.....</p> <p>(Importing Country)</p> <p>.....</p> <p>Place and date, signature of authorised signatory</p>			<p>12. Certification</p> <p>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>		

**OVERLEAF NOTES**

1. Countries which accept this form for the purpose of preferential treatment under the Pakistan-Mauritius Preferential Trade Area Preferential Tariff are MAURITIUS and PAKISTAN (hereinafter individually referred to as a Contracting Party).
2. **CONDITIONS:** The main conditions for admission to the preferential treatment under the Pakistan-Mauritius Preferential Trade Area Preferential Tariff are that goods sent to any party listed above:
  - (i) must fall within a description of products eligible for concessions in the country of destination;
  - (ii) must comply with the consignment conditions that the goods must be consigned directly from one Contracting Party to the other Contracting Party but transport that involves passing through one or more intermediate non-parties, is also accepted provided that any intermediate transit, transshipment or temporary storage arises only for geographic reasons or transportation requirements; and
  - (iii) must comply with the origin criteria given in the next paragraph.
3. **ORIGIN CRITERIA:** For exports to the above mentioned countries to be eligible for preferential treatment, the requirement is that either:
  - (i) The products wholly obtained in the exporting Contracting Party as defined in Rule 4(a) of the Pakistan-Mauritius Preferential Trade Area Rules of Origin;
  - (ii) A product shall, subject to provisions of Rule 6, be deemed to be originating if the total value of the materials, parts or produce originating from outside the territory of a Contracting Party does not exceed 65% of the FOB value of the product so produced or obtained provided that the final process of manufacturing is performed within the territory of the Contracting Party and the product has undergone sufficient processing
  - (iii) In respect of a product which complies with the origin requirements provided in Rule 8 and is exported by any Contracting Party and which has used material, parts or products originating in the territory of the other Contracting Party, the value addition in the territory of the exporting Contracting Party shall not be less than 25 percent of the F.O.B value of the product under export subject to the condition that the aggregate value addition in the territories of the Contracting Parties is not less than 35 per cent of the F.O.B value of the product under export
  - (iv) Products which satisfy the Product Specific Rules provided for in Schedule C of the Pakistan-Mauritius Preferential Trade Agreement Rules of Origin shall be considered as goods to which sufficient transformation has been carried out in a Party.

If the goods qualify under the above criteria, the exporter must indicate in Box 8 of this form the origin criteria on the basis of which he claims that his goods qualify for preferential treatment, in the manner shown in the following table:

Circumstances of production or manufacture in the first country named in Box 11 of this form	Insert in Box 8
(a) Products wholly produced in the country of exportation (see paragraph 3 (i) above)	"X"
(b) Products worked upon but not wholly produced in the exporting Party which were produced in conformity with the provisions of paragraph 3 (ii) above	Percentage of single country content, example <b>35%</b>
(c) Products worked upon but not wholly produced in the exporting Party which were produced in conformity with the provisions of paragraph 3 (iii) above	Percentage of Pakistan-Mauritius <b>PTA</b> cumulative content, example <b>35%</b>
(d) Products satisfied the Products Specific Rules	"Products Specific Rules"

4. **EACH ARTICLE MUST QUALIFY:** It should be noted that all the products in a consignment must qualify separately in their own right. This is of particular relevance when similar articles of different sizes or spare parts are sent.
5. **DESCRIPTION OF PRODUCTS:** The description of products must be sufficiently detailed to enable the products to be identified by the Customs Officers examining them. Name of manufacturer, any trade mark shall also be specified.
6. The Harmonised System number shall be that of the importing Party.
7. The term "Exporter" in Box 11 may include the manufacturer or the producer.
8. **FOR OFFICIAL USE:** The Customs Authority of the importing Party must indicate ( ✓ ) in the relevant boxes in column 4 whether or not preferential treatment is accorded.

**SCHEDULE C**

**PRODUCT SPECIFIC RULES  
(Rules 2 & 9)**

[To be defined at a later stage]