

## **DCTS (or GSP Scheme) of the UK as Applicable to Pakistan**

The UK-GSP scheme became effective from January 1, 2021 upon expiry of the Brexit transition period on December 31, 2020. With effect from June 19, 2023 the UK redesignated its GSP Scheme for the developing countries as "Developing Countries Trading Scheme (DCTS)". Main aspects of the DCTS as applicable to exports from Pakistan are as follows:

1. Pakistan has been placed in the "Enhanced Preferences" tier under the DCTS which is same as the GSP Plus category of the EU-GSP scheme. Enhanced Preferences entitle exporters in eligible countries to 0% import tariffs on 92% of their product lines under the DCTS. Accordingly, under the DCTS Pakistan is:
  - a. Eligible for almost the same level of market access (preferential tariffs) for exports to the UK as were available to it under the GSP Plus scheme of the EU.
  - b. Subjected to almost the same eligibility criteria and obligations as were applicable to it under the GSP Plus scheme of the EU.
2. Rules of Origin for the DCTS are identical to those of the EU-GSP, as laid out under Annex 22-03 of the EU Delegated Regulation 2015/2446. Specific aspects to be noted with respect to the Rules of Origin for the DCTS are:
  - a. The DCTS allows cumulation with the EU for all materials, while for cumulation with Norway and Switzerland; materials from HS Chapters 1 to 24 are excluded. Furthermore, cumulation with Turkey is not permissible.
  - b. The non-manipulation rule of the EU-GSP scheme (Article 43 of the EU Delegated Regulation 2015/2446) is equally applicable under the UK-GSP scheme. Hence, goods entering the UK via the EU (or any other country), while in transit, would remain eligible for GSP preferences.
3. Under the DCTS, the origin certification for exports to the UK is being done as follows:
  - a. Certificates of Origin (COOs) for exports to the UK issued till December 31, 2020 using the REX system will remain valid for 12 months after December 31, 2020.
  - b. From January 1, 2021, REX system is no more valid for the UK and COOs for exports to the UK should be issued using the GSP "Form-A" which:
    - i. Does not need to be stamped and signed by the TDAP.
    - ii. May be prepared on a copy of the Form-A (Annexed). Hence there is no need at all of obtaining an original Form-A from the TDAP.
    - iii. Must bear a serial number, printed or otherwise, or, where there is no serial number, a reference to the commercial invoice by which it can be identified.

*(Details regarding procedure for completion of the Form-A are available on the UK-Government website at: <https://www.gov.uk/guidance/completing-generalised-scheme-of-preferences-form-a>)*

4. The UK will provide a graduation period of at least three years before removing a country from the relevant GSP framework, which implies that the "Enhanced Preferences" facility will likely remain available to Pakistan at least till the end 2023.

**Note:** The above information has been derived from UK Government's webpage "Developing Countries Trading Scheme (DCTS) - GOV.UK" at <https://www.gov.uk/government/collections/trading-with-developing-nations#guidance> and will be updated if any subsequent changes are made by the UK Government. Any further clarifications from TDAP can be sought by writing to [kamalshahryar@tdap.gov.pk](mailto:kamalshahryar@tdap.gov.pk).

1. Goods consigned from (Exporter's business name, address, country)		Reference No <b>GENERALIZED SYSTEM OF PREFERENCES</b> <b>CERTIFICATE OF ORIGIN</b> <b>(Combined declaration and certificate)</b> <b>FORM A</b> 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. Item number	6. Marks and numbers of packages	7. Number and kind of packages, description of goods	8. Origin criterion (see Notes overleaf)	9. Gross weight or other quantity	10. Number and date of invoices
<b>11. Certification</b> It is hereby certified, on the basis of control carried out, that the declaration by the exporter is correct.  ..... Place and date, signature and stamp of certifying authority			<b>12. Declaration by the exporter</b> The undersigned hereby declares that the above details and statements are correct; that all the goods were produced in ..... (country) and that they comply with the origin requirements specified for those goods in the Generalized System of Preferences for goods exported to ..... (importing country) ..... Place and date, signature of authorized signatory		

## NOTES (2013)

### I. Countries which accept Form A for the purposes of the Generalized System of Preferences (GSP):

Australia*	European Union:	France	Netherlands
Belarus	Austria	Germany	Poland
Canada	Belgium	Greece	Portugal
Iceland	Bulgaria	Hungary	Romania
Japan	Croatia	Ireland	Slovakia
New Zealand**	Cyprus	Italy	Slovenia
Norway	Czech Republic	Latvia	Spain
Russian Federation	Denmark	Lithuania	Sweden
Switzerland including Liechtenstein***	Estonia	Luxembourg	United Kingdom
Turkey	Finland	Malta	
United States of America****			

Full details of the conditions covering admission to the GSP in these countries are obtainable from the designated authorities in the exporting preference-receiving countries or from the customs authorities of the preference-giving countries listed above. An information note is also obtainable from the UNCTAD secretariat.

### II. General conditions

To qualify for preference, products must:

- fall within a description of products eligible for preference in the country of destination. The description entered on the form must be sufficiently detailed to enable the products to be identified by the customs officer examining them;
- comply with the rules of origin of the country of destination. Each article in a consignment must qualify separately in its own right; and,
- comply with the consignment conditions specified by the country of destination. In general, products must be consigned direct from the country of exportation to the country of destination but most preference-giving countries accept passage through intermediate countries subject to certain conditions. (For Australia, direct consignment is not necessary).

### III. Entries to be made in Box 8

Preference products must either be wholly obtained in accordance with the rules of the country of destination or sufficiently worked or processed to fulfil the requirements of that country's origin rules.

- Products wholly obtained: for export to all countries listed in Section I, enter the letter "P" in Box 8 (for Australia and New Zealand Box 8 may be left blank).
- Products sufficiently worked or processed: for export to the countries specified below, the entry in Box 8 should be as follows:
  - United States of America: for single country shipments, enter the letter "Y" in Box 8, for shipments from recognized associations of counties, enter the letter "Z", followed by the sum of the cost or value of the domestic materials and the direct cost of processing, expressed as a percentage of the ex-factory price of the exported products; (example "Y" 35% or "Z" 35%).
  - Canada: for products which meet origin criteria from working or processing in more than one eligible least developed country, enter letter "G" in Box 8; otherwise "F".
  - Iceland, the European Union, Japan, Norway, Switzerland including Liechtenstein, and Turkey; enter the letter "W" in Box 8 followed by the Harmonized Commodity Description and coding system (Harmonized System) heading at the 4-digit level of the exported product (example "W" 96.18).
  - Russian Federation: for products which include value added in the exporting preference-receiving country, enter the letter "Y" in Box 8 followed by the value of imported materials and components expressed as a percentage of the fob price of the exported products (example "Y" 45%); for products obtained in a preference-receiving country and worked or processed in one or more other such countries, enter "Pk".
  - Australia and New Zealand: completion of Box 8 is not required. It is sufficient that a declaration be properly made in Box 12.

\* For Australia, the main requirement is the exporter's declaration on the normal commercial invoice. Form A, accompanied by the normal commercial invoice, is an acceptable alternative, but official certification is not required.

\*\* Official certification is not required.

\*\*\* The Principality of Liechtenstein forms, pursuant to the Treaty of 29 March 1923, a customs union with Switzerland.

\*\*\*\* The United States does not require GSP Form A. A declaration setting forth all pertinent detailed information concerning the production or manufacture of the merchandise is considered sufficient only if requested by the district collector of Customs.