



How to proof the origin of my handicraft under the EPAs?

The Economic Partnership Agreements (EPAs) are trade and development arrangements involving the EU and 76 African, Caribbean and Pacific (ACP) countries. They are designed to facilitate the ACP's integration into the world economy through gradual trade liberalisation and improved trade-related cooperation. If your country benefits from an EPA, you will pay **lower duties on some or all of what they sell** to the EU. But, to benefit from this, you will have proof that your product "originates" in your country.

What is "origin" and what are the Rules of Origin for?

Origin is the 'economic' nationality of goods traded in commerce.

It must be determined in order to know which duties, charges, restrictions or requirements apply to your product when it enters the EU market.

The **rules of origin** are the instruments used to determine if a product exported from a country may be considered as sufficiently linked to that country and therefore originating in this country.

If you want to export to the EU benefitting from an EPA preferential tariff, it is not enough that your handicraft is exported from your country. It needs to be originating in your country. The rules of origin will tell you if indeed your handicraft may be considered originating in your country and therefore receive the preference.

Be aware that the rules of origin applied to each country are not identical in all cases.

Basic concepts of Rules of origin

Goods wholly obtained in your country

Goods, whose production does not relate to any other country than your country.

For instance wooden handicraft or basketwork is originating in your country when the wood is coming from a tree which has been planted and cut there.

Goods sufficiently transformed in your country

Goods, whose production involves more than your country.

For instance handicraft may not be originating in your country if the processing realized there is not enough.

The EU rules of origin define for each product the needed processing to be carried out in your country to consider the product as originating. There are three basic criteria to determine if a product was sufficiently transformed in your country:

- **value added rule**: you need to compare the customs value of all the non-originating materials used in the production of your good (i.e. the value declared in the your country's customs for those materials when imported there) with the ex-work price of your good (i.e. the value of your good when going out of the facility where it was produced). If the value of the materials does not exceed the threshold fixed by the rule, then the rule is succeeded.

- **change of tariff classification**: In this case you need to compare the product's code (4 digits tariff classification) of the non-originating materials used with the product's code of your good. If indeed the code of both does not the same then the rule is succeeded.

- **single/double transformation**: In these case you can use the quoted non-originating material, i.e. you may import the material in a previous state of production but you may not import a material in a later state of production

Be aware that in some cases the rule may be a combination of criteria a), b) and/or c).

Cumulation

Cumulation is a mechanism that permits you to consider non-originating materials used as originating in your country.

Under the EPAs the following types of cumulation are possible:

- **Bilateral cumulation**: Materials originating in the EU can be integrated in your handicraft and then considered as originating in your country, as long as the processing done locally go beyond minimal ones
- **diagonal** and **full cumulation**: Materials originating in the EU Overseas Countries and Territories (OCTs) or ACP countries can be integrated in your handicraft and then considered as originating in your country, as long as the processing done locally go beyond minimal ones. Different criteria apply to each EPA. Please check the one applying to your case at the Export Helpdesk. In most of the implemented EPAs, cumulation with all the ACP countries will apply only if:

- the countries involved in the acquisition of the originating status have concluded agreements of administrative cooperation;
- the inputs and the final products have acquire originating status by application of the same rules of origin as the ones included in the EPA.

Direct transport or non-manipulation rule

Even if your handicraft is originating, you still need to verify that the product which was sent from your country arrived to the EU without being altered or transformed in another country, apart from the mere operations needed for keeping the product in good conditions. Evidence of the direct transport will have to be brought to the EU customs authorities.

Duty drawback

Under EPAs it is authorized to use duty drawback systems on the materials imported in your country that are used in the production of a good intended to receive preferential treatment into the EU.

Duty drawback systems are all those procedures permitting the producer not to pay at import or to recover the duties paid at import on the materials that are used for further processing and included in a final product due to be exported.

Minimal operations

You will always need to verify that the operation that was carried out in your country goes beyond the minimal operations listed in each EPA. For example, only painting or packaging is never enough, in itself, to confer origin. If the production carried out in your country is one of those listed and nothing else was made there (i.e. no material was produced or transformed) then the final product cannot be considered as originating in your country.

Specific rules applicable to handicraft

Please note that all products have specific rules of origin. For most of the handicraft the process realized in your country must either to constitute a change of tariff heading or to bring at least 30% of value added. However, we advise you to do a "search" at the

Export Helpdesk on "My Export" to find out the specific rules of origin applying to your product & country and to refer to the EPA Regulation.

Tolerance

If the above mentioned rules applicable to your handicraft don't allow the use of some targeted non-originating inputs, they may nevertheless be used provided that their total value does not exceed 15% of the price of the final product

Proofs of origin

Even if your handicraft is originating and it fulfils all the conditions, you need to proof that it is originating in your country before your reach the EU customs in order to claim the tariff preference. For that, you would need either:

- a [Movement Certificate EUR.1](#) - issued by your country's customs authorities. You (or your authorised representative) should be prepared to submit documents proving the originating status of your handicraft.
- an [invoice declaration – issued by any exporter](#), for consignments valued €6 000 or less, or by **approved exporters**, for consignments of any value. You should also be prepared to submit documents proving the originating status of your handicraft. To make an invoice declaration, you should **type, stamp or print the following declaration** (in the appropriate language) on the invoice, delivery note or other commercial document: "*The exporter of the products covered by this document (customs authorisation No ...) declares that, except where otherwise clearly indicated, these products are of ... preferential origin*". You can find the different language versions together with explanatory notes in the [second page of the invoice declaration](#). If you write the declaration by hand, you must do so in ink using printed characters. **You must sign your invoice declaration by hand.**

If you are an approved exporter, you are exempt from this requirement provided you give your customs authorities a written undertaking that you accept full responsibility for any invoice declaration identifying you. **To become an approved exporter**, you must be able to satisfy your customs authorities that you are able to prove the originating status of your products, as well as any other requirements they may impose. The customs authorities can withdraw your approved exporter status if you abuse it in any way. To find out more about the procedures, contact your customs authorities.



How to export to the EU?

Check it at www.exporthelp.europa.eu

