

Brussels, 18 November 2010

New customs rules allow developing countries more benefits from trade with the EU

Today the European Commission adopted a regulation revising rules of origin for products imported under the generalised system of preferences (GSP). This regulation relaxes and simplifies rules and procedures for developing countries wishing to access the EU's preferential trade arrangements, while ensuring the necessary controls are in place to prevent fraud.

Algirdas Šemeta, Commissioner for Taxation, Customs, Anti-Fraud and Audit said:

"By updating the EU's rules of origin, we will help to ensure that developing countries really benefit from the trade preferences on offer to them, and that the world's poorest don't lose out due to unnecessary complexities in our systems."

Rules of origin are used to determine whether imported goods really originate in countries covered by the EU's preferential trade arrangements, thereby making them eligible for a preferential customs tariff. The current rules of origin, which date back to the 1970s, have been criticised for being too complex, too stringent and out-of-date.

The Regulation adopted by the Commission today will considerably simplify the rules of origin so that they are easier for developing countries to understand and to comply with. The new rules take into account the specificities of different sectors of production and particular processing requirements, amongst other things. In addition, special provisions are included for Least Developed Countries (LDCs) which would allow them to claim origin for many more goods which are processed in their territories, even if the primary materials do not originate there. For instance, an operator in Zambia that produces and exports plastics to the EU will benefit from the new rules of origin, because even with up to 70% of foreign input the exported plastics can still be considered as originating from Zambia. These new rules should greatly benefit the industries and economies of the world's poorest countries.

The proposal also puts forward a new procedure for demonstrating proof of origin, which places more responsibility on the operators. From 2017, the current system of certification of origin carried out by the third country authorities will be replaced by statements of origin made out directly by exporters registered via an electronic system. This will allow the authorities of the exporting country to re-focus their resources on better controls against fraud and abuse, while reducing red-tape for businesses.

The new rules of origin will apply from 1 January 2011.

The frequently asked question: [MEMO/10/588](#)

For more information on the new proposal please check:

http://ec.europa.eu/taxation_customs/customs/customs_duties/rules_origin/preferential/article_777_en.htm