



## **INCUBaku Regional Office Lecture Series**

### **“Tariff Classification and Non-preferential/Preferential Rules of Origin from the Industry Perspective” Short Course**

**19-20 January 2016**

This showcase has the aim to demonstrate as this short course can introduce participants to the issues associated with Tariff Classification and non-preferential and preferential rules of origin from the Industry perspective.

The tariff classification and the non-preferential and preferential origin determination methods are strictly interconnected and together, they represent the heart of businesses’ customs assessment activities specially related to the management of business administration, sales and supply chain management. The correct classification of the goods and the attribution of origin (non-preferential and preferential) are nowadays core activities in the management of business operations and supply chain. The Tariff Classification, based on the Harmonised System and further declined in the EU Combined Nomenclature – or in other systems depending upon the legislation of the single Countries – has to be considered as a mean to apply tariffs and non-tariffs barriers. The classification of the goods is also strictly related to other classification systems (i.e. “dual use” and embargo): even though the HS tariff classification does not always match the systems used to classify “dual use” goods or items subject to embargo, it is an important starting point that allows many businesses to understand whether the imported/exported good is subject to restrictions and to commercial policy measures.

Goods’ classification systems seem to be quite flexible, but this apparent flexibility can easily mislead companies in their daily operations, causing major consequences (i.e. sanctions, penalties etc.). From their side, economic operators can use different tools in order to avoid incurring in penalties and to know when a good is subject to any commercial policy measure: Binding Tariff Information (BTI) in the EU, Advance Rulings in the U.S.A. and Advanced Ruling in other countries, are “essential solutions” for the classification issue. It is important for the companies to keep track and implement all the goods related information in their IT systems. When the IT systems are accessed by customs authorities (as it happens for the AEO certification/authorization process), the enterprises can rely on the accuracy of the tariff classification.

This course will also be covering the main non-preferential and preferential rules of origin issues. The attribution of non-preferential origin to goods is fundamental to determine the effective origin of the product (i.e. in the case of labelling required by many countries) and to identify the commercial policy measures to which the products could be subject.

The rules fixed by the WTO for the assessment of non-preferential origin, do not always seem to be exhaustive, especially when it comes to those goods with a particularly complex production process that takes place in different countries, as it happens in the nowadays global value chain configuration.

We will provide during the showcase some practical example to show how it is possible to assign non-preferential origin using the rules of the Union Customs Code (UCC) and the ones that can be found in the List Rules proposed by the EU in the Harmonization working programme.

It is equally important that participants have in mind the difference between non-preferential and preferential rules of origin, as defined in the different and sometimes complex Agreements. For the enterprises it is important the correct application of the preferential rules of origin, in order to enjoy duty-free treatment and to boost their competitiveness. Of course, also the preferential and non-preferential origin attributes must be managed in the IT systems, so to avoid mistakes with huge consequences.

Finally, this short showcase will demonstrate how the systematic approach to the classification of the goods and to the attribution of non-preferential and preferential origin of the goods, ends up being a unique process, the latter depending on the former.

Topics covered in this course include:

Topics covered in the Tariff Classification course include:	
1.	Historical evolution of the methods for the classification of the goods
2.	The Harmonized System and its declinations (Combined Nomenclature in EU)
3.	Other methods for the classification of the goods for different purposes (dual-use, embargo)
4.	Implementation of classification methods in companies' IT systems
5.	Tools to assist economic operators in the classification of the goods: Binding Tariff Information, Classification decisions, Advanced Rulings etc.

Topics covered in the non-preferential and preferential rules of origin course include:	
1.	Non-preferential Rules of Origin: labelling, consumers information and Tariffs and non tariffs barriers
2.	GATT principles and substantial processing of goods
3.	Non-preferential Rules of Origin in the EU: UCC methods and List Rules of the Harmonization working programme
4.	Preferential Rules of Origin: EPA and FTA
5.	Build down and build up rules
6.	Proofs of Origin: statements on origin and Approved Exporter
7.	Implementation of the methods for the attribution of origin in the companies' IT systems

The short course of the showcase was developed by ANIMA – the industrial organisation which represents all major companies of the mechanical and engineering industry within the Italian Confederation of the Industry - in association with its technical partner Easyfrontier and it is intended for all the operators, technicians, project managers and administrators of the SMEs in order to enrich and develop their skills. ANIMA plays an important coordination role in the sharing of information, knowledge and standards related to customs matters in the mechanical industry. Today Easyfrontier is actively cooperating with Confindustria and the Italian Customs Agency in a training project for the enterprises, that has the aim to spread the knowledge and the awareness on the AEO certification/authorization.

# **“Tariff Classification and Non-preferential and Preferential Rules of Origin from the Industry Perspective”**

## **Course Schedule**

DAY 1 – 19 January 2016	
09:30-11:00	Tariff Classification: evolution of the methods for the classification of the goods
11:00-11:15	<i>Coffee Break</i>
11:15-12:30	Other methods for the classification of the goods for different purposes
12:30-14:00	<i>Lunch Break</i>
14:00-15:15	Implementation of classification methods in companies’ IT systems
15:15-15:30	<i>Coffee Break</i>
15:30-16:15	Practical application of Tariff Classification
DAY 2 – 20 January 2016	
09:30-11:00	Non-preferential Rules of Origin, focus on the EU
11:00-11:15	<i>Coffee Break</i>
11:30-12:30	Example of application of a Non-preferential Rules of Origin in the EU
12:30-14:00	<i>Lunch Break</i>
14:00-15:15	Preferential Rules of Origin and practical application of it
15:15-15:30	<i>Coffee Break</i>
15:30-16:15	Implementation of origin attribution methods in companies’ IT systems
16:15-16:30	Course Review