

Annex-B

**OPERATIONAL CERTIFICATION PROCEDURES
FOR SOUTH ASIAN FREE TRADE AREA (SAFTA)
RULES OF ORIGIN**

For the purposes of implementing the Rules of Origin as provided for in Rule 14 of SAFTA Rules of Origin, the following operational certification procedures shall be followed:

AUTHORITY

ARTICLE 1

The Certificate of Origin shall be issued by authority designated by the Government of the exporting Contracting State (hereinafter referred to as Issuing Authority) and notified to the other Contracting States.

ARTICLE 2

- (a) Each Contracting State shall inform the other Contracting States of the names and addresses of the officials authorised to issue the Certificate of Origin and shall provide their specimen signatures and official seals.
- (b) Any change in their names, addresses, or official seals shall be promptly notified to the other Contracting States.

ARTICLE 3

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

PRE-EXPORTATION VERIFICATION

ARTICLE 4

The Issuing Authority, upon a written request by the manufacturer and/or exporter of the products desirous for availing preferential treatment, shall conduct pre-exportation verification of the manufacturing premise(s). The result of the verification, subject to review periodically or whenever appropriate, shall be

accepted as the supporting evidence in verifying the origin of the said products to be exported thereafter. Pre-exportation verification may not apply to the products, origin of which, by their nature, can be easily verified.

REQUEST FOR ISSUANCE OF CERTIFICATE OF ORIGIN

ARTICLE 5

At the time of carrying out the formalities for exporting the products under preferential treatment, the exporter or his authorized representative shall submit the Certificate of Origin duly filled together with appropriate documents supporting that the products to be exported qualify for the issuance of a Certificate of Origin.

PRE-EXPORTATION EXAMINATION

ARTICLE 6

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

- (a) The Certificate of Origin is duly completed and signed by the authorized signatory;
- (b) The origin of the product is in conformity with the Rules of Origin of this Agreement;
- (c) The other statements/entries of the Certificate of Origin correspond to supporting documentary evidence submitted;
- (d) HS Code, f.o.b. value, description, quantity and weight of goods, marks, number and kinds of packages, as specified, conform to the consignment to be exported.

ISSUANCE OF CERTIFICATE OF ORIGIN

ARTICLE 7

- (a) The validity of the Certificate of Origin shall be 12 months from the date of its issuance.

- (b) The Certificate of Origin must be on ISO A4 size paper in conformity to the specimen shown in Appendix-1. It shall be in English.
- (c) The Certificate of Origin shall comprise one original and one duplicate in the following colours:
 - Original - light orange
 - Duplicate - white
- (d) Each Certificate of Origin shall bear a reference number given separately by each office of issuance at different places.
- (e) The original shall be forwarded 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 Issuing Authority of the exporting Contracting State.
- (f) After issuance of the Certificate of Origin, the Issuing Authority of the exporting Contracting State shall electronically send the information on issuance of certificate of origin on a weekly basis as per format provided in Appendix -2 to the Issuing Authority of respective importing Contracting State.

ARTICLE 8

The Certificate of Origin issued by the Issuing Authority shall indicate the applicable Rules of Origin and the value of non-originating material expressed as a percentage of the f.o.b. value of the products, or the sum of the aggregate content originating in the territory of the exporting Contracting State expressed as a percentage of the f.o.b. value of the exported product; where applicable, in Box 8.

ARTICLE 9

Neither erasures nor superimpositions 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 an authorized signatory of the applicant and certified by the Issuing Authority. Unused spaces shall be crossed out to prevent any subsequent addition.

ARTICLE 10

- (a) The Certificate of Origin shall be issued by the relevant Issuing Authority of the exporting Contracting State at the time of exportation, or within 3

working days from the date of shipment whenever the products to be exported can be considered originating in that Contracting State within the meaning of the Rules of Origin of this Agreement.

- (b) In exceptional cases where a Certificate of Origin has not been issued at the time of exportation or within 3 working days from the date of shipment due to involuntary errors or omissions or other valid causes, the Certificate of Origin may be issued retrospectively but no longer than 45 days from the date of shipment, bearing the word "ISSUED RETROSPECTIVELY" in Box 4.

ARTICLE 11

In the event of theft, loss, damage or destruction of a Certificate of Origin, the exporter may apply in writing to the Issuing Authority, which issued it, for the certified true copy of the original to be made on the basis of the export documents in their possession bearing the endorsement "CERTIFIED TRUE COPY" (in lieu of the Original Certificate) in Box 13. This copy shall bear the date of the original Certificate of Origin. The certified true copy of a Certificate of Origin shall be issued within the validity period of the original Certificate of Origin.

PRESENTATION

ARTICLE 12

The Original Certificate of Origin shall be submitted to the Customs Authority at the time of lodging the import entry for the products concerned.

ARTICLE 13

The following time limit for the presentation of the Certificate of Origin shall be observed:

- (a) Certificate of Origin shall be submitted to the Customs Authority of the importing Contracting State within its validity period;
- (b) Where the Certificate of Origin is submitted to the Customs Authority of the importing Contracting State after the expiration of the validity of the Certificate of Origin, 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
- (c) In all cases, the relevant Government authority in the importing Contracting State may accept such Certificate of Origin provided that the products have been imported before the expiration of the validity of the Certificate of Origin.

ARTICLE 14

The discovery of minor discrepancies between the statements made in the Certificate of Origin and those made in the documents submitted to the Customs Authority of the importing Contracting State 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 said products.

ARTICLE 15

(a) The importing Contracting State may request to the Issuing Authority of the exporting Contracting State for a retrospective 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 retroactive check is requested on a random basis.

(c) The Customs Authority of the importing Contracting State may suspend the provisions on preferential treatment while awaiting the result of verification. However, without prejudice to the national legislations the competent authority of the importing Contracting State shall not suspend the customs clearance of the consignment subject to a guarantee in any of its modalities in order to preserve fiscal interests, as a pre-condition for completion of customs clearance.

(d) The Issuing Authority receiving a request for retrospective check shall respond within three (3) months after the receipt of the request.

ARTICLE 16

(a) The application for Certificates of Origin and all documents related to such application shall be retained by the Issuing Authority for not less than two (2) years from the date of issuance.

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

(c) Any information communicated among the government authorities shall be treated as confidential and shall be used only for the validation purposes of Certificates of Origin.

SPECIAL CASES

ARTICLE 17

When destination of all or parts of the products exported to specified port is changed, before or after their arrival in the importing Contracting State, the following procedures shall be observed:

- (a) If the products have already been submitted to the Customs Authority in the specified importing port, the Certificate of Origin shall, by a written application of the importer, be endorsed to this effect for all or parts of products by the said authority and the original returned to the importer.
- (b) If the changing of destination occurs during transportation to the importing Contracting State as specified in the Certificate of Origin, the exporter shall apply in writing, accompanied with the issued Certificate of Origin, for the issuance of new Certificate/s of Origin for all or parts of products.

ARTICLE 18

For the purpose of implementing Rule 12 of SAFTA Rules of Origin where transportation is effected through the territory of one or more non-Contracting States, the following shall be produced to the Government authorities of the importing Contracting State:

- (a) A through Bill of Lading/ Airway bill or corresponding transport document issued in the exporting Contracting State;
- (b) A Certificate of Origin issued by the Issuing Authority of the exporting Contracting State;
- (c) A copy of the original commercial invoice in respect of the product; and
- (d) Supporting documents in evidence that the requirements of Rule 12 of SAFTA Rules of Origin are being complied with.

ARTICLE 19

(a) Products sent from one Contracting State for exhibition in another Contracting State and sold during or after the exhibition shall benefit from the preferential tariff treatment provided in this Agreement, on the condition that the products meet the requirements of Rule 4 of the SAFTA Rules of Origin and provided it is shown to the satisfaction of the relevant Government authorities of the importing Contracting State that:

- (i) An exporter has dispatched those products from the territory of the exporting Contracting State to the importing Contracting State where the exhibition is held and has exhibited them there,
 - (ii) The exporter has sold the goods or transferred them to a consignee in the importing Contracting State; and
 - (iii) The products have been sold during the exhibition or immediately thereafter to the importing Contracting State in the state in which they were sent for the exhibition.
- (b) For the purpose of implementing the above provisions, the Certificate of Origin must be produced to the relevant Government authorities of the importing Contracting State.
- (c) Paragraph (a) shall apply to exhibitions, fairs or similar shows or displays where the products remain under Customs control during these events.

ACTION AGAINST FRAUDULENT ACTS

ARTICLE 20

- (a) When it is suspected that fraudulent acts in connection with the Certificate of Origin have been committed, the Issuing Authorities concerned shall cooperate in the action to be taken in the territory of each Contracting State against the persons involved.
- (b) Each Contracting State shall be responsible for providing legal sanctions for fraudulent acts related to the Certificate of Origin.

ARTICLE 21

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

Appendix-I

**CERTIFICATE OF ORIGIN
(SOUTH ASIAN FREE TRADE AREA)**

1. Goods consigned from (exporter's business name, address, country)			Reference No. SOUTH ASIAN FREE TRADE AREA (SAFTA) (combined declaration and certificate) 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. HS Code	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	11. f.o.b. value in US \$
<p>12. Declaration by the exporter: The undersigned hereby declares that the above details and statements are correct: that all the goods were produced in</p> <p>..... (country) and that they comply with the origin requirements specified for those goods in SAFTA for goods exported to</p> <p>..... (importing country)</p> <p>..... Place and date, signature of authorized signatory</p>			<p>13. Certificate It is hereby certified on the basis of control carried out, that the declaration by the exporter is correct</p> <p>..... Place and date, signature and Stamp of Certifying authority</p>			

I. General Conditions

To qualify for preference, products must:

- a) fall within a description of products eligible for preference in the schedule of concessions of SAFTA country of destination;
- b) comply with SAFTA Rules of Origin. Each article in a consignment must qualify separately in its own right; and
- c) comply with the consignment conditions specified by the SAFTA Rules of Origin. In general, products must be consigned directly within the meaning of Rule 12 hereof from the country of exportation to the country of destination.

II. Entries to be made in Box 8

Preference products must be wholly produced or obtained in the exporting Contracting State in accordance with Rule 5 of the SAFTA Rules of Origin, or where not wholly produced or obtained in the exporting Contracting States must be eligible under Rule 6.

- a) Products wholly produced or obtained; enter the letter "A" in Box 8.
- b) Products not wholly produced or obtained: the entry in Box 8 should be as follows:
 1. Enter letter "B" in Box 8, for products which meet the origin criteria according to Rule 8. Entry of letter would be followed by the value of non-originating material expressed as a percentage of the f.o.b. value of the products; (example "B" 50 per cent);
 2. Enter letter "C" in Box 8 for products which meet the origin criteria according to Rule 9. Entry of letter "C" would be followed by the sum of the aggregate content originating in the territory of the exporting Contracting State expressed as a percentage of the f.o.b. value of the exported product; (example "C" 60 per cent);
 3. Enter letter "D" in Box 8 for products which meet the special origin criteria according to Rule 10. Entry of letter would be followed by the value of non-originating material expressed as a percentage of the f.o.b. value of the products; (example "D" 40 per cent);

III. Entries to be made in Box 4

In case of issuance of certificates retrospectively Box 13 should bear the words "ISSUED RETROSPECTIVELY".

IV. Entries to be made in Box 13

In case of issuance of certified true copies Box 13 should bear the words "CERTIFIED TRUE COPY".

Appendix-II

**Format for Exchange of Information on
Issuance of SAFTA Certificate of Origin**

<u>S. No.</u>	<u>Ref No. of CO</u>	<u>Date of Issue</u>	<u>HS Code</u>	<u>Description</u>	<u>f.o.b. value in US \$</u>	<u>Remarks, if any</u>