

Defra Origin Procedures

You will need to prove to HMRC that your product meets the Rules of Origin so you can claim preference (zero tariff) for the products you are importing from the EU, or give the customer receiving your product in the EU evidence that the product meet the Rules of Origin so they can claim preference (zero tariff) through their relevant custom authority. You will need to state that your products are originating, by meeting the Rules of Origin criteria, and be able to prove your products are originating.

The table below is an overview of the origin procedure process.

A **proof of origin** is used to demonstrate that the products meet the Rules of Origin and qualifies as originating. It is, therefore, eligible to claim preference.

For exports from the UK to the EU, products must be UK-originating in accordance with the Trade and Cooperation Agreement (TCA) and its Product Specific Rules (PSRs) for them to be eligible for preference. The same applies to products imported from the EU to the UK which must be EU-originating.

In the TCA, this proof that the good is originating (**proof of origin**) can take the form of:

- statement on origin completed by the exporter on a commercial document, or
- importers knowledge which is knowledge obtained and held by the importer that the goods are originating.

Importers	Exporters
<p>You must:</p> <ul style="list-style-type: none"> • have proof of the originating status of the product before claiming preference. This may be: <ul style="list-style-type: none"> ○ a <u>statement on origin</u> provided by the exporter on a commercial invoice or other commercial document that describes the goods. The text of the statement is set out in the agreement; ○ supporting documentation if you are claiming preference using <u>importer's knowledge</u>. If using <u>importer's knowledge</u>, you must obtain sufficient evidence that the goods qualify as originating. This may involve the exporter providing a range of supporting documentation, e.g. records. If you cannot obtain that evidence, then the exporter may be able to provide a <u>statement on origin</u> instead; • claim for preference by completing the relevant part on your custom import declaration and declaring the proof of origin; • provide the proof of origin if requested by the customs authorities; • maintain records for at least 4 years. 	<p>You must:</p> <ul style="list-style-type: none"> • hold evidence that the goods meet the relevant Rules of Origin before issuing proof of origin. This evidence is obtained through suppliers' declarations which are needed at the point of export. See here for further information; • provide your customer, the importer, with one of the following as proof of origin: <ul style="list-style-type: none"> ○ a <u>statement on origin</u> on a commercial invoice or other commercial document that describes the goods. The text of the statement is set out in the agreement; ○ supporting documents, e.g. records, if your customer is claiming preference using their <u>importer's knowledge</u>; • maintain records for at least 4 years.

To reduce the administration burdens for UK importers and exporters, there are two easements in place for the first year:

- **Importers** moving goods from the EU to the UK have until the end of this year to submit a full customs declaration and pay any necessary tariffs. This also includes declaring any proof of origin.
- Until 31 December 2021, businesses do not need **suppliers' declarations** from suppliers in place at the time the goods are exported. As they are usually needed at the point of export and will be needed at the point of export from 2022 onwards.

For more information on the above procedures: <https://www.gov.uk/guidance/claiming-preferential-rates-of-duty-between-the-uk-and-eu>

Suppliers' declarations

Suppliers' declarations are required at export but not as part of the customs declaration. They are used to provide evidence of the originating status of goods. They are made out by the business supplying goods, or materials that will be incorporated into goods, that are then exported, to illustrate their originating status. Suppliers' declarations are required by an exporter when determining whether the goods qualify for preference to subsequently provide a Statement on Origin or information for Importer's Knowledge. Suppliers' Declarations can be verified by the customs authorities as part of their checks to ensure the goods met the Rules of Origin.

They can also be issued to accompany non-originating materials or goods exported from the UK to evidence any production that has been applied to those goods in the UK. Even though the goods are non-originating, the EU importer may count the UK production towards making an originating product for return to the UK under preference in accordance with the provisions on full bilateral cumulation. The same can be applied to materials or goods imported from the EU.

When is a suppliers' declaration required?

If a PSR requires materials or ingredients to be **wholly obtained**, you will need evidence from suppliers that you have met the criteria.

These requirements are set out in the [PSRs](#) (pg.423) in the agreement.

In the event of verification activity, you would need evidence from suppliers (a suppliers' declaration) that these materials or ingredients have been domestically produced.

E.g.

Product
Cheese (HS 0406)
Rule
Production in which: - all the materials of Chapter 4 used are wholly obtained; and - the total weight of non-originating materials of headings 17.01 and 17.02 does not exceed 20 % of the weight of the product
Explanation
A cheese manufacturer would need a suppliers' declaration to provide supporting evidence that the milk (HS 04 ingredients) used was Wholly Obtained (obtained from an animal raised in the UK). You only need suppliers' declarations for ingredients that influence the originating status of the final product. If a non-originating fruit (HS 08) was used in the cheese, you would not need a suppliers' declaration for this ingredient as its use is not restricted by the PSR. The origin of the fruit is irrelevant for the purposes of accessing tariff preferences.

The use of non-originating sugar and syrups is also restricted to 20% of the weight of the final product. If your product exceeds this sugar weight content you would need to evidence the originating sugar used that enabled the threshold to be met. A suppliers' declaration would be needed for this sugar.

For example, if your product contained 30% sugar by weight, at least a third of sugar used would need to be originating. A suppliers' declaration would be needed for this sugar. You would not need to meet the threshold for each product but instead could use an [accounting segregation](#) method. Records from accounting segregation could be used to prove that non-originating sugar was below the threshold. Whilst the suppliers' declaration would be used to prove that some of the sugar was originating.

If you use non-originating sugar, but its use does not exceed the threshold, you will not need a suppliers' declaration for the sugar as its origin is irrelevant. Instead, you would need to keep ordinary records, for examples recipes, lists of ingredients, information on nutrition marking, that would prove you were within in the threshold.

Any verification activity would be on a risk basis only.

Product
Flour (HS 1101)
Rule
Production in which all materials of Chapters 10 and 11, headings 07.01, 07.14, 23.02 to 23.03 or subheading 0710.10 used are wholly obtained.
Explanation
A miller would need a suppliers' declaration to provide supporting evidence that the restricted materials e.g. (wheat – HS 10) were wholly obtained (grown and harvested in the UK).

In the above examples, you would use the format for **suppliers' declarations for products having preferential origin status**. This may be part of a domestic transaction from farm to manufacturer or exporter in the UK.

Each consignment of goods can have a separate suppliers' declaration, or a long-term supplier declaration can be used.

The format for both can be found here: <https://www.gov.uk/guidance/using-a-suppliers-declaration-to-support-a-proof-of-origin> and is also included in annex A below.

When is a suppliers' declaration not required?

If the processing undertaken meets the PSR regardless of the origin of the input materials or ingredients, you will not need information from your suppliers.

If a PSR requires a Change of Chapter (CC) / Heading (CTH) / Subheading (CTSH) and your non-originating ingredients come from a different chapter (2 digit code) / heading (4 digit code) / subheading (six digit code) to your final product, you will not require suppliers' declarations. The origin of those ingredients is not relevant as you have met the processing requirement.

Product
Oil seeds and oleaginous fruits; miscellaneous grains, seeds and fruit; industrial or medicinal plants; straw and fodder (HS 12)
Rule
CTH

Explanation
<p>If your non-originating ingredients are classified under a different heading (4 digit code) to your final good, you will not need any suppliers' declaration for those ingredients. You have met the processing requirement in the PSR and the origin of those ingredients is irrelevant.</p> <p>Instead, records showing ingredients used or purchased and their HS classification would be sufficient.</p>

Suppliers' declarations and bilateral cumulation

If you are importing an EU originating good under preference and use this good in your final product in the UK through bilateral cumulation, you will **not** need a suppliers' declaration for this product.

Instead, the supporting evidence would be the statement on origin or information that you received from your EU exporter (importers knowledge) when you imported the materials under preference from the EU to the UK.

If you did not import the ingredients under preference, you would need ask your supplier to complete the template for **suppliers' declarations for products having preferential origin status**.

Product
Sweetened cocoa powder (HS 1806.10)
Rule
<p>CTH, provided that:</p> <ul style="list-style-type: none"> - all the materials of Chapter 4 used are wholly obtained; and - the total weight of non-originating materials of headings 17.01 and 17.02 used does not exceed 40 % of the weight of the product.
Explanation
<p>You would not need a suppliers' declaration for any materials classified in a different heading (4 digit code) to the final product except for ingredients in Chapter 4, which are restricted and must be wholly obtained and ingredients in heading 17.01 and 17.02, to ensure that the 40% weight limit is not exceeded.</p> <p>If you were sourcing Chapter 4 ingredients domestically, you would need a suppliers' declaration for products having preferential origin status from your supplier in the UK (see above).</p> <p>If you were using bilateral cumulation, you would not need a suppliers' declaration from your supplier in the EU. Your supporting evidence would be the information that your exporter provided you when you imported the goods under preference. (e.g. the <u>statement of origin</u> or information that you received about the product using <u>importers knowledge</u>).</p> <p>The use of non-originating sugar and syrups is also restricted to 40% of the weight of the final product. If your product exceeds this sugar weight content you would need a certain proportion of originating sugar to meet the threshold. A suppliers' declaration would be needed in this instance to provide evidence of the originating status of this sugar.</p> <p>For example, if your product contained 60% sugar by weight, at least a third of this sugar would need to be originating. A suppliers' declaration would be needed for this sugar. You would not need to meet the threshold for each product but instead could use an accounting segregation method. Records from accounting segregation could be used to prove that non-originating sugar was below the threshold. Whilst the suppliers' declaration would be used to prove that some of the sugar was originating.</p>

If you use non-originating sugar, but its use does not exceed the threshold, you will not need a suppliers' declaration for the sugar as its origin is irrelevant. Instead, you would need to keep ordinary records, for examples recipes, lists of ingredients, information on nutrition marking, that would prove you were within in the threshold.

Any verification activity would be on a risk basis only.

Suppliers' declarations for goods that do not have preferential origin status (format in the TCA annex, pg.479)

In the agri-food and fisheries chapters (HS 1 to 24), the rules are largely based on Wholly Obtained or CTC (Change on tariff classification) rules and therefore the suppliers' declarations for goods that have preferential origin status (see above) are most relevant.

The format of the suppliers' declaration in the TCA (a) is more associated with value rules, which do not predominantly feature in the agri-food chapters.

For example, to allow for full bilateral cumulation where you might consider the combined processing (UK and EU) undertaken on non-originating goods to meet a product specific rule.

E.g. a product specific rule restricts non-originating materials to 50% of the ex-works price of the final product. EU supplier adds 25% value and exports a good not under preference to the UK. UK manufacturer adds a further 25% value. Considering the processing in EU and UK, the final good would be eligible for preferential treatment. The suppliers' declarations are needed to prove that 25% value had indeed been added in the EU as no other evidence exists, given that the good was not imported under preference.

The one main exception in agri-food is the **value rule for chocolate** (1704 and 1806).

Product
1806.20-1806.90
Rule
CTH, provided that: (a) all the materials of Chapter 4 used are wholly obtained; and (b) (i) the total weight of non-originating materials of headings 17.01 and 17.02 used does not exceed 40 % of the weight of the product; or (ii) the value of non-originating materials of headings 17.01 and 17.02 used does not exceed 30 % of the ex-works price of the product.
Explanation
In this example, you would not need a suppliers' declaration for any materials classified in a different heading (4 digit code) to the final product. Instead, records showing ingredients used or purchased and their HS classification would be sufficient. Chapter 4 ingredients are, however, restricted and must be wholly obtained. If you were sourcing these ingredients domestically, you would need a suppliers' declaration for products having preferential origin status from your supplier in the UK (see above). If you were using bilateral cumulation, you would not need a suppliers' declaration from your supplier in the EU. Your supporting evidence would be the information that your exporter provided you when you imported the goods under preference (e.g. the <u>statement of origin</u> or information that you received about the product using <u>importers knowledge</u>).

The use of sugar and syrups is also restricted to 40% of the weight of the final product or 30% of the ex-works price of the product.

Only one of these criteria needs to be met.

A chocolate manufacturer wishing to use the value criteria to prove they had met the threshold will need evidence of the value of the non-originating sugar from their suppliers. To get this evidence, you would use the suppliers' declaration for **supplying non-originating materials**, the text of which is set out in the agreement. ([TCA annex, pg.479](#), or annex B).

Value of non-originating materials is defined on pg.417 of the [TCA](#).

Annex A: Suppliers' declarations for products having preferential origin status

Suppliers' declarations for products having preferential origin status

I, the undersigned, declare that the goods listed on this document.....(1) originate in.....(2) and satisfy the rules of origin governing preferential trade with.....(3):

I declare that (4):

- Cumulation applied with.....(name of the country/countries)
- No cumulation applied

I undertake to make available to the Customs authorities any further supporting documents they require:

.....(5)

.....(6)

.....(7)

Number	What to include
1	If only some of the goods listed on the document are concerned, they shall be clearly indicated or marked and this marking entered in the declaration as follows: '..... listed on this invoice and marked originate in'
2	The UK, EU, country, group of countries or territory, from which the goods originate.
3	Country, group of countries or territory concerned
4	To be completed only where goods are being exported to a country in the Pan-Euro-Med zone. Delete as appropriate.
5	Place and date.
6	Name and position in the company.
7	Signature.

Long-term suppliers' declarations for products having preferential origin status

I, the undersigned, declare that the goods described below:

..... (1)

..... (2)

which are regularly supplied to(3), originate in.....(4) and satisfy the rules of origin governing preferential trade with.....(5).

I declare that (6):

- Cumulation applied with(name of the country/countries)
- No cumulation applied

This declaration is valid for all shipments of these products dispatched from:..... to(7).

I undertake to inform.....(3) immediately if this declaration is no longer valid.

I undertake to make available to the Customs authorities any further supporting documents they require.

.....(8)

.....(9)

.....(10)

Number	What to include
1	Description.
2	Commercial designation as used on the invoices (for example, model number).
3	Name of company to which goods are supplied.
4	The EU, country, group of countries or territory, from which the goods originate.
5	Country, group of countries or territory concerned.
6	To be completed, where necessary, only for goods having preferential origin status in the context of preferential trade relations with one of the countries with which pan-Euro-Mediterranean cumulation of origin is applicable. Delete as appropriate.
7	Give the dates. The period shall not exceed 24 months or 12 months if the declaration was issued retrospectively.
8	Place and date.
9	Name and position, name and address of company.
10	Signature.

Annex B: Suppliers' declarations for goods not having preferential origin status

Suppliers' declarations for goods not having preferential origin status

I, the undersigned, the supplier of the products covered by the annexed document, declare that:

1. The following materials which do not originate in [indicate the name of the relevant Party] have been used in [indicate the name of the relevant Party] to produce these products:

Description of the products supplied (1)	Description of non-originating materials used	HS heading of non-originating materials used (2)	Value of non-originating materials used (2,3)
			Total value

2. All the other materials used in [indicate the name of the relevant Party] to produce those products originate in [indicate the name of the relevant Party]

I undertake to make available any further supporting documents required.

.....
 ... (Place and Date)(Name and position of the undersigned, name and address of company)

..... (Signature)(6)

Number	What to include
1	When the invoice, delivery note or other commercial document to which the declaration is annexed relates to a variety of goods, or goods not incorporating the same proportion of non-originating materials, the supplier must clearly differentiate between them. Example the document covers different models of electric motor of heading 8501 to be used in the manufacture of washing machines of heading 8450. the nature and value of the non-originating materials used in the manufacture of the motors carry from one model to another. The models must be listed separately in the 'Description of the goods supplied' column and the information in the other columns must be given for each, so that the manufacturer of the washing machines can correctly assess the originating status of each of their products depending on the type of motor it incorporates.
2	To be completed only when relevant. Example The rule for garments of ex Chapter 62

	allows the use of non-originating yarn. this if s French garment manufacturer uses fabric woven in Portugal from no-originating yarn, the Portuguese supplier and only enter 'yarn' as non-originating materials in the 'Description of non-originating materials used' column of their declaration - the HS heading and value of the yarn are irrelevant. A firm manufacturing wire of HS heading 7217 from non-originating iron bars must enter 'iron bars' in the 'Description of non-originating materials used' column. If the wire is to be incorporated in a machine for which the rule of origin sets a percentage limit on the value of non-originating materials used, the value of the bars must be entered in the 'Value of non-originating materials used' column.
3	Value means the customs value of the materials at the time of import or, if this is not known and cannot be ascertained, the first ascertainable price paid for the materials in the UK or EU. For each type of non-originating material used, specify the exact value per unit of the goods shown in the 'Description of the goods supplied' column.
4	The UK, EU, country, group of countries or territory, from which the goods originate.
5	Country, group of countries or territory concerned.
6	To be completed, where necessary, only for goods having preferential origin status in the context of preferential trade relations with one of the countries with which pan-Euro-Mediterranean cumulation of origin is applicable. Delete as appropriate.
7	Place and date.
8	Name and function, name and address of company.
9	Signature.

Long term suppliers' declarations for goods not having preferential origin status

I, the undersigned, supplier of the goods covered by the annexed document, which are regularly sent to(1) declare that:

(1) the following materials which do not have a preferential originating status have been used in the UK or EU to produce these goods:

Description of the goods supplied (2)	Description of non-originating materials used	HS heading of non-originating materials used (3)	Value of non-originating materials used (4)
.....
.....
.....	Total

(2) All the other materials used in the UK or EU to produce these goods originate in(5) and satisfy the rules of origin governing preferential trade with.....(6), and:

I declare that (7):

- Cumulation applied with(name of the country/countries)
- No cumulation applied

This declaration is valid for all further shipments of these products dispatched from:..... to(8).

I undertake to inform..... immediately if this declaration is no longer valid.

I undertake to make available to the Customs authorities any further supporting documents they require.

.....(9)

.....(10)

.....(11)

Number	What to include
1	Customer's name and address.
2	When the invoice, delivery note or other commercial document to which the declaration is annexed relates to a variety of goods, or goods not incorporating the same proportion of non-originating materials, the supplier must clearly differentiate between them.
	Example The document covers different models of

	<p>electric motor of heading 8501 to be used in the manufacture of washing machines of heading 8450. the nature and value of the non-originating materials used in the manufacture of the motors carry from one model to another. The models must be listed separately in the 'Description of the goods supplied' column and the information in the other columns must be given for each, so that the manufacturer of the washing machines can correctly assess the originating status of each of their products depending on the type of motor it incorporates.</p>
3	<p>To be completed only when relevant.</p> <p>Example</p> <p>The rule for garments of ex Chapter 62 allows the use of non-originating yarn. this if s French garment manufacturer uses fabric woven in Portugal from no-originating yarn, the Portuguese supplier and only enter 'yarn' as non-originating materials in the 'Description of non-originating materials used' column of their declaration - the HS heading and value of the yarn are irrelevant. A firm manufacturing wire of HS heading 7217 from non-originating iron bars must enter 'iron bars' in the 'Description of non-originating materials used' column. If the wire is to be incorporated in a machine for which the rule of origin sets a percentage limit on the value of non-originating materials used, the value of the bars must be entered in the 'Value of non-originating materials used' column.</p>
4	<p>'Value' means the customs value of the materials at the time of import or, if this is not known and cannot be ascertained, the first ascertainable price paid for the materials in the UK or EU. For each type of non-originating material used, specify the exact value per unit of the goods shown in the 'Description of the goods supplied' column.</p>
5	<p>The UK, EU, country, group of countries or territory, from which the goods originate.</p>
6	<p>Country, group of countries or territory concerned.</p>
7	<p>To be completed, where necessary, only for goods having preferential origin status in the context of preferential trade relations with one of the countries with which pan-Euro-Mediterranean cumulation of origin is applicable. Delete as appropriate.</p>
8	<p>Give the dates. The period should not exceed 24 months.</p>

9	Place and date.
10	Name and function, name and address of company.
11	Signature.
