

## **CHAMBER OF COMMERCE**

### **NON-PREFERENTIAL CERTIFICATE OF ORIGIN OF THE EUROPEAN UNION**

Chambers of Commerce issue enterprises on request non-preferential Certificates of Origin taking into account the rules of the Kyoto Convention adopted by the World Customs Organization and the guidelines of the International Chamber of Commerce (ICC) and Eurochambres to determine the origin of goods.

The purpose of the Certificate of Origin is solely to state the origin of the goods in order to act in accordance with customs and commercial requirements (for example for opening of the Letter of Credit).

A Certificate of Origin is a document, which is used in trade relations between the European Union and third countries. Non-preferential Certificates of Origin are never subject to reduced tariffs, or so called preferential tariff treatment.

More detailed information on Certificates of Origin required in different countries can be found in Laivauskirja (Export and Shipping Manual) published by Finpro. Customs authorities provide further information on Certificates of Origin.

The rules of origin applicable in the Union can be divided into two categories relating to rules of

- non-preferential tariff treatment and
- preferential tariff treatment of goods.

### **RULES OF NON-PREFERENTIAL TREATMENT OF GOODS**

Rules for non-preferential tariff treatment of goods are used to determine the origin of goods when the origin of goods is not related to granting of preferential tariff treatment, for example application of general customs levels on imports, the management of quantitative restrictions on imports, anti-dumping measures, customs statistics and other commercial reasons. Goods that are imported are required to have a country of origin marking in the import-declaration.

#### **Rules for non-preferential origin from 1st of May 2016:**

The rules for non-preferential tariff treatment applicable from the 1st of May 2016 are governed by Article 60 Paragraph 2 of the Customs Code of the European Union, which includes a principle for determination of the non-preferential origin of goods in the Union in the case where goods are produced in more than one single country.

“Goods the production of which involves more than one country or territory shall be deemed to originate in the country or territory where they underwent their last, substantial, economically-justified processing or working, in an undertaking equipped for that purpose, resulting in the manufacture of a new product or representing an important stage of manufacture.”

## PROVING THE ORIGIN OF GOODS FROM THE 1<sup>st</sup> JANUARY 2019 ONWARDS

The Finnish Chambers of Commerce will join the Certificates of Origins (CO) Accreditation Chain of the International Chamber of Commerce (ICC) on the 1<sup>st</sup> January 2019. The companies should take into account the following changes when applying for non-preferential Certificates of Origin:

1. Exporter's invoice should be presented with the application. A proforma invoice will be exceptionally accepted, if the exporter's invoice is not available.
2. If the goods are not the company's own production, a supplier's invoice or a Certificate of Origin issued in the country where the goods were purchased, is needed.
3. Instead a supplier's invoice a supply chain declaration can be used to prove the origin of goods, when the company has several items (product names) or suppliers for its goods. The declaration can be also downloaded on the e-vientiasiakirjat website (on the right lower corner). The company assures with this declaration that the given information is correct and commits to provide the Chamber of Commerce with a new declaration, if there will be changes in the given information. The company provides information on goods (product name), suppliers and countries of origin in this declaration or attach an extract including the same information to it. The declaration should be signed (by the administrator) and combined into a single pdf document and sent to the Chamber of Commerce which issues the Certificate of Origin. The Chamber of Commerce will save it in the e-vientiasiakirjat -service.
4. If the company cannot prove the origin of goods in the ways mentioned above, the company should give a reason for that and a written explanation of the origin. This is used only in exceptional cases.

The Chamber of Commerce has the right not to issue a Certificate of Origin, if the Chamber of Commerce states that the evidence of origin is insufficient. The issuing Chamber of Commerce has always the right to check and verify the documents and their validity. A member of the Chamber of Commerce may, if necessary, check the goods that are on the CO application.

Certificates of Origin with a wet stamp can be still applied through the e-vientiasiakirjat service. If these kinds of Certificates of Origin are needed the applicant should mention it in the field where additional information can be given. Certificates of Origin can also be applied manually after the 1<sup>st</sup> January 2019, but it is recommended only in exceptional cases. The Rules of the Certificates of Origins (CO) Accreditation Chain of the International Chamber of Commerce (ICC) applies all applications of Certificates of Origin.

The authenticity of the Certificates of Origin, issued from the 1<sup>st</sup> January 2019 onwards, can be checked through the ICC Verification website: <https://certificates.iccwbo.org/>. It should also be noted that only the name of the company, registered in the e-vientiasiakirjat -service, will be transferred to the ICC Verification site. In other words, if a company applies for a Certificate of Origin using the "On behalf of -structure" or if the company applies for Certificate of Origin in the name of another company A, the name of the other company A will not be transferred to the ICC site.

## **CERTIFICATE OF ORIGIN, APPLYING, ISSUING, VALIDITY AND RETENTION TIME**

### **Certificate of Origin Form**

The Certificate of Origin issued by the Chamber of Commerce has a definite form.

#### **The form consists of**

- a tawny original with pattern printing (wavy background pattern)
- a yellow copy without pattern with the mark "copy"

#### **Additional copies**

The applicant should store the copy of the original Certificate of Origin in archive for the time prescribed for the Certificate of Origin. If the applicant needs additional copies, they must be ordered separately.

As a rule, only one copy of the Certificate of Origin can be issued. More copies can be issued if trade requires it. If more than one copy is needed, yellow copies can be used. These copies should have the same number as the original Certificate of Origin. Numbering of the copies takes place in the e-Vientiasiakirjat -service automatically.

Copies correspond to the originals. The evidence on the original and copy should correspond to each other.

### **Application**

Chambers of Commerce in Finland issue non-preferential Certificates of Origin for enterprises and individuals. Contact details of the Chambers of Commerce can be found on the website:

<http://kauppakamari.fi/k2/kauppakamarit/etsi-oma-kauppakamarisi>

Applying an electronic Certificate of Origin takes place through the e-Vientiasiakirjat online service <https://www.e-vientiasiakirjat.fi/> or by fulfilling the application on the website of the Finland Chamber of Commerce and contacting the Chamber of Commerce in the region where the enterprise is situated.

<https://kauppakamari.fi/kansainvaliset%20asiat/asiakirjat/ulkomaankaupan-asiakirjat-2/alkuperatodistus/>

The applicant registers as a user of the e-Vientiasiakirjat service and receives the passwords to his/her disposal. The applicant must fulfill an Authorization Document which will be attached to the e-Vientiasiakirjat service system during the registration.

The application for the Certificate of Origin should be sent to a chosen Chamber of Commerce where it will be issued and electronically stamped. At the Chamber of Commerce, the Certificate of Origin is issued by a person who has the required authorization. The applicant can print the Certificate of Origin on the special form after it has been issued by the Chamber of Commerce. Forms can be ordered from the issuing Chamber of Commerce.

### **Errors in the Certificate of Origin**

The applicant should immediately contact the Chamber of Commerce when he/she notices an error on the Certificate of Origin.

## **Replacement of an original Certificate of Origin with a new one**

The issuing Chamber of Commerce does not have any right to issue an identical Certificate of Origin covering the same shipment. However, should the documents become lost in transit or are stolen or destroyed or there is an error in the certificate, a replacement Certificate may be issued. The applicant understands that the Chamber of Commerce is not responsible for any liability which may arise from the issuance of another Certificate of Origin for the same shipment.

A) If a Certificate of Origin is lost in transit or stolen or destroyed, the applicant must provide the Chamber of Commerce with the following information/documents:

- The number of the Certificate of Origin (and date of issuance)
- A copy of a signed Bill of Lading or Airway Bill
- A police report on the loss (if possible to provide)
- The applicant must mark on the application on the field 5. Remarks "This is a Replacement Certificate of Origin to replace the original Certificate of Origin No...issued on ...."
- A replacement is issued with a new number and current date of issuance.

B) If errors are noticed in a Certificate of Origin after the issuance (when a Certificate of Origin is already abroad), a replacement can be issued under the following rules:

- The original (plus copies) Certificate of Origin must be returned to the issuing Chamber of Commerce.
- The applicant must mark on the application on the field 5. Remarks "This is a Replacement Certificate of Origin to replace the original Certificate of Origin No...issued on ...."
- Also, in the e-vientiasiakirjat service the applicant states why a replacement is needed (error on weight, goods description etc.)
- A replacement is issued with a new number and current date of issuance.

REMARK: The issuing Chamber of Commerce, however, shall have the right to reject a request for a Replacement Certificate if it is made after 6 months from the date of issue of the original Certificate of Origin.

## **Issuance of a Certificate of Origin after the delivery/shipment**

The Certificate of Origin should be applied in connection with the delivery/shipment, but it can also be issued afterwards:

- The Chamber of Commerce can issue a Certificate of Origin after three weeks but not later than three months from the date of shipment of goods.
- A Certificate of Origin can also be issued after this period of time if there is a good reason for that and the needed documents/evidence can be presented.
- In addition to the needed documents a copy of the signed Bill of Lading or Airway Bill is needed to be attached to the application.

## Validity of the Certificate of Origin

The Certificate of Origin is valid from the day it was issued. In principle, its validity is unlimited assuming that all information given remains unchanged and there is no change in the requirements for origin and/or in the packing of the goods. In case that the time between the date of issuance of the Certificate and the date of departure of the goods is considered to be too long, it might cause problems in the country where the goods are imported and where the Certificate should be presented.

N.B. Certificate EUR 1 is valid from the date it was issued 4, 10 or 12 months depending on the agreement.

## Archiving period for the Certificate of Origin

The exporter shall keep and store the export documents in archive six years from the end of the calendar year when the decision to hand over the goods to the export procedure was taken.

<http://tulli.fi/yritysiasiakkaat/tuonti/arkistointi#> and

[http://tulli.fi/artikkeli/-/asset\\_publisher/tullin-maarays-asiakirjojen-arkistoinnista-annettaessa-ilmoitukset-sahkoisesti](http://tulli.fi/artikkeli/-/asset_publisher/tullin-maarays-asiakirjojen-arkistoinnista-annettaessa-ilmoitukset-sahkoisesti)

## FILLING THE APPLICATION

### Information requested on the form

#### Box 1      Consignor

Full name and address of the exporter.

Consignor means an enterprise or a person, who draws up an invoice for the sale of the goods and / or who has the ultimate responsibility for the export of the goods and who himself/herself carries out this procedure or who entrusts it to a third party.

## Special causes

*An exporter requires his/her supplier to raise the Certificate.*

Box 1 should show the supplier's name and address and the phrase "on behalf of" followed by the exporter's name and address. A copy invoice from the supplier to the exporter showing the ultimate country of destination of the goods, or, if known to the supplier, the ultimate consignee must be produced as supporting evidence.

*A subsidiary of a multi-national company is exporting goods from the issuing country but the multi-national has a centralized invoicing system based outside the issuing country.*

The name and address of the subsidiary should be entered in box 1 together with the phrase "on behalf of" followed by the name and address of the parent company. The parent company's export invoice to the consignee endorsed by the subsidiary showing that the goods are being shipped from the issuing country should be produced as supporting evidence.

*A multi-national company carries out all its export administration in the issuing country regardless of the country from which the goods are exported.*

Provided that it can be positively shown that the company in the issuing country is wholly responsible for the documentation pertaining to the exporter's business, it is permissible for box 1 of Certificate of Origin to refer only to the exporting company, but only if that company is within the European Union.

## **Box 2      Consignee**

Name and address of the overseas receiver of the goods shipped.

### **Special cases**

*The name and address of the overseas receiver is not known, and the goods are delivered to a nominated port or airport on the instructions of a buyer who is consolidating several consignments into one shipment; or the goods will only be consigned to a named receiver once they are in transit or have arrived in the country of destination.*

Box 2 should be completed by insertion "To order" followed by the name of the country of destination. Supporting evidence is provided by the consignor's invoice to the buyer subject to its containing a clear declaration as to the ultimate country of destination.

*The goods are to be shipped to someone other than the buyer but for contractual reasons a reference to the buyer is required.*

Box 2 should be completed "To the order of" followed by the buyer's name and address and "For Despatch to" followed by the name and address of the receiver of the goods overseas. If the overseas receiver is unknown, the name and address of the overseas country should be inserted following "For Despatch to". Supporting evidence is provided by the consignor's invoice to the buyer subject to its containing a clear statement as to the overseas receiver of the ultimate country of destination as appropriate.

## **Box 3      Country of Origin**

This is most important, as the origin description is the prime function of the Certificate.

The EU rules provide that goods that originate in the Union should be designated as of "European Union" origin.

- a) The rules also provide that where the needs of the trade require, this statement can be amplified to indicate the individual state of the EU e.g. "European Union - Finland". When the goods are manufactured or produced by processes performed in two or more Member States of the EU the rules specify that the goods must be designated simply as of "European Union" origin without further amplification.
- b) For goods of non-Union origin, the correct designation is the name of the country origin concerned. Reference to an economic grouping of countries e.g. EFTA, or a vague geographical region, e.g. Western Europe, is not acceptable.
- c) Abbreviations are not acceptable. Use of "EU-UK" is not permitted because such abbreviations do not translate effectively. Similarly, combination of abbreviations and full entries are not acceptable i.e. "EU-United Kingdom" or "European Union-

UK". In all cases the origin must be clearly stated in full. In non-EU environment, certain abbreviation may be used e.g. US, UK.

For goods or multiple origin, if there is insufficient space in Box 3, the wording in Box 3 should read "As shown in Box 6". The origin designation is then completed by showing the appropriate origin against each item in Box 6.

## Transport details

This optional box may be left blank by the applicant if so desired. In normal practice it is usual to show the mode of transport used e.g. sea freight, airfreight, road or rail. Information on the chosen mode of transportation is important in case it is difficult to identify the goods. Unpacked goods or goods without identifying information such as marks or numbers can be mentioned as examples.

However, in non-EU certification environment, this is not an optional box and applicants are obliged to provide details on: Departure Date, Vessel's Name/Flight Number, as these information forms part of the vital particulars in the verification process by the issuing body.

**Problem A:** *The consignment is carried out by different or multi-modal methods of transport.*

The entry "Mixed Transport" should be used.

**Problem B:** *The method of transport is unknown.*

The entry "Earliest Available Transport" should be inserted.

**Problems C:** *The name of the carrying vessel may be required instead of a reference to "sea freight".*

This is perfectly acceptable provided that the applicant understands that any substitution of the named vessel by another will involve resubmitting the Certificate of Origin for alteration approval.

## Box 5 – Remarks

Although no entry is required in this box there is no objection to issuing bodies allowing use of this box.

- a) When the issuing body needs to endorse the Certificate in some way. The most frequent endorsement relates to a Certificate that is issued to cancel and replace a previously issued Certificate.
- b) When the applicant is required to include in the Certificate information that is additional to the normal requirements of the form, but which is relevant to the exportation concerned. One of the most common is a reference to a Letter of Credit number and name of the issuing bank. Another common entry is a

reference to an import license number granted by the country of destination. However, such information can be included in Box 5 only where the issuing body is satisfied as to the accuracy of such additional details because such entries become part of the certification for which the issuer is responsible.

This Box is not used for entries concerning exceptions or restrictions on certain countries.

## **Box 6 – Description of Goods**

Description of goods is obligatory. It refers to the normal commercial denomination of goods. The technical terms relating to the products may be marked in this box.

This space is meant for all entries of one shipment.

This information takes the form of marks and numbers, number and type of packing used, description of the goods and, where appropriate, item numbers.

**A. Marks and Numbers:** This refers to the actual marks and numbers stencilled or otherwise affixed to the packages being shipped. Usual practice is for such marks to be a combination of:

- i. lead marks which serve to identify either consignor or consignee;
- ii. port marks which identify port, airport or other place of destination, e.g. inland clearance depot;
- iii. any reference or order number required by the contract, usually a combination of letters and numbers;
- iv. the actual package numbers; e.g. 1 of 1, 1-10, 1/15, 1 – 13 of 13.

**Problem A:** *Goods are shipped without marks.*

The Certificate of Origin should show the word “Unmarked”.

**Problem B:** *The packages are merely addressed to the consignee.*

The Certificate of Origin should show the phrase “Fully addressed”.

### **B. Number and Type of Packing Used.**

This relates to number of cartons, crates, boxes, pallets, bales, rolls etc. that comprise the consignment. With increasing use of containerization rather than conventional cargo the entry may merely refer to a container number of a series of container numbers. Often details of containerized consignments are supplemented by reference to the seal numbers used when such containers are finally sealed after loading. For conventional cargo type of packing used must be specified. The number of packages should in all cases agree with the numbers shown on the marks and numbers (A).

**Problem:** *Goods are shipped in bulk or unpacked.*

The Certificate of Origin should be marked “Unpacked” or “Loose” or “In Bulk”.

### **C. Description of the Goods.**



The goods must be described by their usual trade description. This should be in sufficient detail to clearly indicate the nature of the goods and should not be vague or general, e.g. spare parts, nor should it solely be given by reference to a trademark or brand name.

**Problem A:** *The exporter uses a description for commercial reasons, which does not meet these requirements.*

Such descriptions are permissible in addition to the normal trade description provided that the issuing body is satisfied that both descriptions used are capable of the same meaning.

The issuing body must ensure that the description used is fully consistent with the invoice details submitted with the application e.g. if the price of the goods is shown on the Certificate of Origin this must be checked with the supporting invoice to ensure agreement. The EU requires that all statements on the Certificate of Origin be made in positive terms rather than negative terms. Applicants must therefore declare what the goods are rather than what they are not. Statements that detract from such positive declarations are not permissible.

**Problem B:** *The Certificate of Origin contains political boycott declarations that goods do not originate from blacklisted countries or sources.*

These are forbidden. The Certificate of Origin should be refused until the political boycott declarations are removed either by deleting them from the Certificate of Origin and approving the alteration or by submission of a new Certificate of Origin omitting the offending declarations.

**Problem C:** *An agent submits an application which incorporates the qualifying phrase "said to contain" or its abbreviation "stc".*

This is prohibited because it denies positive knowledge of the goods shipped. The exporter's agent must possess such knowledge in order to complete the application correctly. The phrase must be deleted from the Certificate of Origin or a new Certificate of Origin prepared.

**D.** To ensure that nothing can be added to the Certificate of Origin after it has been issued, all unused space in Box 6 should be crossed through. This is done with a horizontal line under the last entry in the box with a further diagonal line through all remaining space. In e-Vientiasiakirjat.fi -service this is done automatically. In other cases, this is done by the applicant or the Chamber of Commerce.

**E.** Occasionally the space in Box 6 is insufficient to include the extensive descriptive detail required. This usually occurs when the Certificate of Origin covers consignments of multiple goods that need to be specified individually. In this case, the applicant can describe the goods with one collective name and write, for example: According to the attached list and attach the document to the application.

**F.** When Certificates are presented for multiple goods and there is sufficient space in Box 6 to complete the entry, each different description must be clearly itemized and numbered Item 1, Item 2, etc. as part of the description in Box 6. Where multiple goods are of varying origins, the origin in Box 3 should be related to the individual items e.g. Item 1 European Union – United Kingdom; Item 2 United States of America etc. If the entry "As shown in Box 6" is used in Box 3, the itemized description of the goods in Box 6 must also include the country of origin.

## **Box 7 - Quantity**

Quantities can be declared in different means of measurement (weight, cubic dimensions etc.) depending on export goods.

Weight should be clearly stated whether it is a net or gross weight.

This serves as another means of linking the consignment with the Certificate. The vast majority of Certificates of Origin include net or gross weights or both. If only one weight is given it should be clearly stated whether it is a net or gross weight. Weight is not the only means of measurement that can be inserted in Box 7 and in certain trades other units of measurement are more appropriate e.g. litres, metres, cubic dimensions or simple quantity. Issuing bodies should ensure that such entries agree with the supporting documents and that all such entries are given using the metric system.

## **Box 8 – Confirmation / Issuing**

This space is reserved for the stamp(s) and signature of the issuing Chamber of Commerce.

The Certificate of Origin issued by the Chamber of Commerce is given in electronic form with stamp(s) and signature or with so called “wet stamp”.

## **GUIDELINES FOR NON-PREFERENTIAL CERTIFICATES OF ORIGIN SINCE 1<sup>st</sup> MAY 2016**

Article 60 Paragraph 2 of the Customs Code of the European Union includes a fundamental principle to define non-preferential origin in the European Union when the goods are produced in more than one country or territory.

“Goods the production of which involves more than one country or territory shall be deemed to originate in the country or territory where they underwent their last, substantial, economically-justified processing or working, in an undertaking equipped for that purpose, resulting in the manufacture of a new product or representing an important stage of manufacture.”

This definition applies to the determination of non-referential origin wherever there is no specific rule in Annex 22-01 of the Delegated Regulation for a product that has been produced in more than one country.

## **DEFINITION OF ORIGIN (NON-PREFERENTIAL ORIGIN)**

### **A. Rules of Origin**

Country's original products are those which are wholly produced in that country or products which underwent their last substantial transformation in that country.

#### **1.) Wholly obtained**

- a) mineral products extracted from its soil, from its territorial waters or from its seabed;
- b) vegetable products harvested or gathered in that country;
- c) live animals born and raised in that country;
- d) products obtained from live animals in that country;
- e) products obtained from hunting or fishing conducted in that country;

- f) products obtained by maritime fishing and other products taken from the sea by a vessel of that country; (The country of the vessel is determined either by the country in which the vessel is registered in, or the country under whose flag the vessel sails)
- g) products obtained aboard a factory ship of that country solely from products of the kind covered by paragraph (f) above;
- h) products extracted from marine soil or subsoil outside that country's territorial waters, provided that the country has sole rights to work that soil or subsoil;
- i) scrap and waste from manufacturing and processing operations, and used articles, collected in that country and fit only for the recovery or raw materials;
- j) goods produced in that country solely from the products referred to in paragraphs (a) to (i) above.

## **2.) Last substantial transformation**

"Goods whose production involved more than one country shall be deemed to originate in the country where they underwent their last, substantial, economically justified processing or working in an undertaking equipped for that purpose and resulting in the manufacture of a new product or representing an important stage of manufacture."

## **3.) Minimal operations**

Operations which do not contribute, or which contribute to only a small extent to the essential characteristics or properties of the goods, and in particular operations confined to one or more of those listed below, should not be regarded as constituting substantial manufacturing or processing:

- a.) operations necessary for the preservation of goods during transportation or storage;
- b.) operations to improve the packaging or marketable quality of the goods or to prepare them for shipment, such as breaking bulk, grouping of packages, sorting and grading, repacking;
- c.) simple assembly operations;
- d.) mixing of goods of different origin, provided that the characteristics of the resulting product are not essentially different from the characteristics of the goods which have been mixed;
- e.) putting up goods in sets or ensembles or putting up for sale;
- f.) affixing of marks, labels or other similar distinguishing signs on products or their packing;
- g.) disassembly or change of use;
- h.) a combination of two or more operations specified in points (a) to (g). (The here enumerated minimal operations should be regarded as a limitative list.)

## **4.) Special cases of qualification for origin**

- a.) Spare parts, accessories and tools

Accessories, spare parts and tools for use with a machine, appliance, apparatus or vehicle may be deemed to have the same origin as the machine, appliance, apparatus or vehicle, provided that they are exported and normally sold therewith and correspond, in kind and number, to the normal equipment thereof.

- b.) Disassembled articles covered by different consignments

A disassembled article which is exported in more than one consignment because it is not feasible, for transport or production reasons, to export it in a single consignment should, if the exporter so requests, be treated as one article for the purpose of determining origin.

c.) Packings

For the purpose of determining origin, packings should be deemed to have the same origin as the goods they contain unless the national legislation of the country of importation requires them to be declared separately for tariff purposes, in which case their origin should be determined separately from that of the goods.

d.) Neutral elements

For the purpose of determining the origin of goods, no account shall be taken of the origin of the energy, plant, machinery and tools used in the manufacturing or processing of the goods.

e.) Major portion rule

Where the country of origin cannot be determined by application of the general or special rules of origin, the country of origin of the goods shall be the country in which the major portion (value based on price) of the material originated.

f.) Completely knocked down

On the exporter's demand, an unassembled good which is exported in one or more consignments and will be assembled in the country of import may for the purpose of determining the origin be treated as one article assembled in the country of exportation.

If the applicant requests that the Certificate of Origin should be issued in the Union in accordance with the rules of origin in force in the country or territory of destination it is the applicant who should supply on his own expense both the original and translated text of the rule of origin to the issuing body. If the latter has any doubt on the rule of origin he should refuse to issue the Certificate of Origin.

**UPDATED 14<sup>th</sup> January 2019**

**CHAMBER OF COMMERCE**