



EUROPEAN COMMISSION

LIMITED

Directorate-General for Taxation and
Customs Union
Directorate B - Security and Safety,
Trade facilitation and International
coordination

Directorate-General for Trade
Directorate F - WTO, Legal Affairs and
Trade in Goods
Unit F3 - Tariff and Non-Tariff Negotiations,
Rules of Origin

Brussels, 29 July 2013

TRANSATLANTIC TRADE AND INVESTMENT PARTNERSHIP CONSULTATION ON RULES OF ORIGIN

The Commission has recently started the negotiation on a Transatlantic Trade and Investment Partnership (TTIP) agreement between the EU and the U.S.

While this negotiation is still at a very early stage, it would be useful for the Commission to obtain specific information from industry on provisions on rules of origin that it would be appropriate to discuss with the U.S. authorities during the negotiation.

In particular, the Commission would be interested in obtaining specific suggestions for product-specific rules of origin (PSROs) that would serve the EU economic interests on the export and the import side as well as in relation to investment flows.

It would be useful to describe the rules you would wish to be applied for your products/sector from the perspective of achieving free trade between the EU and the U.S.

For ease of reference, you may wish to consider the rules included in the EU Generalised System of Preferences (GSP)

(<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2010:307:0001:0081:EN:PDF>), or other rules more recently adopted or being negotiated by the EU, such as the rules proposed by the European Union for the Pan-Euro-Mediterranean Area, which we will be most willing to share with you.

For additional information you may find a model of rules normally applied by US in:

- The Korea-U.S. Free Trade Agreement (http://www.ustr.gov/sites/default/files/uploads/agreements/fta/korus/asset_upload_file680_12704.pdf), specifically for textiles: (http://www.ustr.gov/sites/default/files/uploads/agreements/fta/korus/asset_upload_file751_12702.pdf).

You are invited to indicate from these sets of rules, which rule would be the preferred one for your products/sector, as appropriate with any adjustments you consider appropriate. If your choice does not refer to any of the above, please indicate the alternative rule which you consider most appropriate.

In justifying your reply please consider the following more specific questions from the perspective of the products/sector of your interest:

- What is the expected impact of your preferred choice on transatlantic trade (exports and imports) and on investment flows relating to your products/sector? Please be as precise as possible and include relevant quantifications.
- Which are the essential elements/characteristics of the product-specific rule of origin for the product(s) of your interest? (e.g., do you prefer a rule based on a change of tariff classification, a value added rule or a rule which describes a specific processing operation?; would like to keep alternative rules, e.g. two rules may apply at the choice of the producer, a change of tariff classification rule of value and added rule?).
- Is there any specific change that could usefully further simplify the relevant rule?
- What could be a fair balance (e.g. threshold) given the specific defensive/offensive interests at play?
- Are there possible solutions which could accommodate differences between EU and U.S. product-specific rules for your products/sector?
- What extent of cumulation of origin with third countries with which both the EU and the U.S. have free trade or customs union agreements would be of interest to your products/sector? Which countries would be relevant for your sector? Would you prefer to exclude countries?
- Where would the balance of interests lie for your sector with respect to prohibiting, restricting or allowing duty drawback?
- Are there any other rules of origin issues which are of particular importance for your sector (e.g. accounting segregation, ex-works price vs. regional value content, net cost, insufficient operations...)?
- Would you consider the proposed rule applicable and manageable by customs? Have you encountered any problem with the management by custom of the rule of your preference?
- Would there be an effect of precedent for other Free Trade Agreements?

Your replies and comments will be taken into account by the Commission together with other relevant considerations. The Commission may continue to seek your advice, where appropriate, on relevant sector-specific provisions being explored during the negotiation – on which we plan to submit some questions shortly - as well as on more general questions that may arise in the negotiation.

You are invited to address your reply **by 30 September 2013 at the latest by e-mail** to the co-leads for T-TIP Rules of Origin negotiations antonis.kastrissianakis@ec.europa.eu and fernando.perreau-de-pinninck@ec.europa.eu with reference in Subject: 'consultation Rules of origin T-TIP'.

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