



# **The REX system**

## **Legal and business aspects**

**Project Group Kick-off meeting**  
**16-18 February 2016**

# Agenda

1. Legal framework of the REX system
2. Registration of exporters
3. Modification / revocation of registrations
4. Origin certification
5. Publication of data
6. Administrative Cooperation
7. Obligations of notifications
8. Obligations of exporters
9. Application of the REX system, transition
10. Pilot project



# *Legal framework of the ReX system*





## Legal framework (Until 30 April 2016)

- **Basic act:** Council Regulation (EEC) No 2913/92 establishing the Community Customs Code
- **Customs Code Implementing Provisions (CCIP):** Commission Regulation (EEC) No 2454/93



## The reform of GSP rules of origin

- 2005: Commission Communication COM(2005)100 "The rules of origin in preferential trade arrangements - Orientations for the future"

### Put in evidence:

- Preferences were under-used in some sectors
- Rules too complicated and too restrictive:
  - substance: conditions for goods to be considered as originating in the beneficiary country (BC)
  - procedures: the system of administrative cooperation for the management and control of origin, including certification system.



## The reform of GSP rules of origin

- 2005: Commission Communication COM(2005)100 "The rules of origin in preferential trade arrangements - Orientations for the future"
  - > **3 pillars**
    - Simplification / development friendliness (LDCs)
    - Move to self-certification
    - Measures to ensure compliance by public authorities with their obligations (monitoring)



## The reform of GSP rules of origin

- 2010: Regulation (EU) No 1063/2010 amending Regulation (EEC) No 2454/93

Applicable from 1 January 2011:

- Relaxation of rules of origin, notably for LDCs
- Simplification of procedures (direct transport > non-alteration)

Applicable from 1 January 2017:

- New procedure for making out proofs of origin which relies more on the exporter (REX, system of Registered Exporters)



## The reform of GSP rules of origin

- 2013: Regulation (EU) No 530/2013 amending Regulation (EEC) No 2454/93
  - ↳ Amendments stemming from new GSP scheme introduced with Regulation (EU) No 978/2012
- 2015: **Regulation (EU) No 2015/428** amending Regulation (EEC) No 2454/93
  - ↳ Amendments to fine-tune the REX system (phasing-in approach, data protection...)





## The reform of GSP rules of origin

- 2015: Regulation (EU) No 2015/428 amending Regulation (EEC) No 2454/93
  - ↳ Published: OJ L 70, 14.3.2015, p. 12
  - ↳ Entered into force on 21 March 2015



## Legal framework (As from 1 May 2016)

- **Basic Act:** Regulation (EU) No 952/2013 Of the European Parliament and of the Council laying down the Union Customs Code
- Commission **Delegated Regulation** (EU) 2015/2446
  - OJ L343, 29.12.2015, p. 1
  - Shall apply from 1 May 2016
  - Lay down the rules concerning
    - the definition of the concept of **originating products**
    - **cumulation** of origin



## Legal framework (As from 1 May 2016)

- Commission **Implementing Regulation (EU) 2015/2447**
  - OJ L343, 29.12.2015, p. 558
  - Shall apply from 1 May 2016
  - Lay down the rules concerning procedures of
    - Certification of origin
    - administrative cooperation
    - Verification of proofs of origin

**This is the Regulation where the rules concerning the REX system are laid down**

(References given later in this presentation are references of this Regulation)



## *In a Nutshell*

- The Registered Exporter system:
  - A system of **self-certification** of origin by exporters with **Statements on origin** (replacing certificates)
  - Exporters are **registered** in a database **by Competent Authorities** to be entitled to apply the system
  - **No change** on rules for determining the Origin

## Key messages



The legal basis of the EU GSP rules of origin will change on 1 May 2016



After 1 May 2016, the Regulation laying down the rules for the REX system is Commission **Implementing Regulation (EU) 2015/2447**



Application of the REX system starts from 1 January 2017

# *Registration of exporters in beneficiary countries*

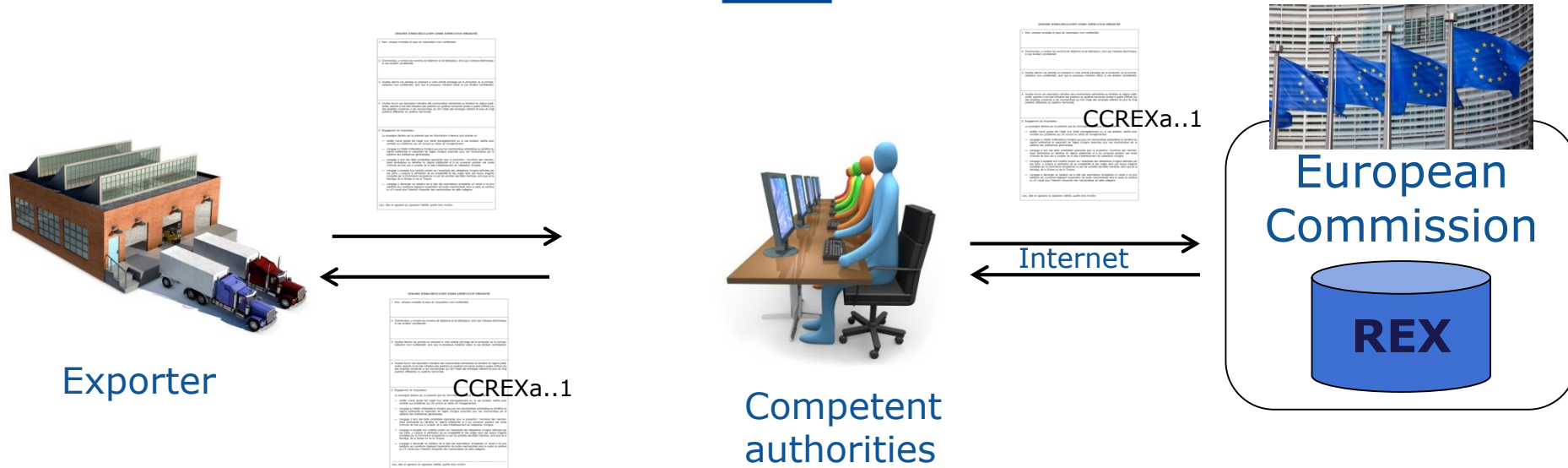




## Legal basis

- ***Article 80 - Registered exporter database: obligations of the authorities of the UCC IA***
- ***Article 86 - Application to become a registered exporter***
- ***Annex 22-06 - Application to become a registered exporter for the purpose of schemes of generalised tariff preferences of the European Union, Norway, Switzerland and Turkey***

# Registration of exporters



1. The exporter fills in (electronically/on paper) an application and submits it signed to his competent authorities (Art 86)
2. If the application is **complete**, competent authorities encode it in the REX system, assign a REX number, a registration date and a validity date (Art 80(2))
3. Competent authorities inform the exporter of the registration (Art 80(2)) or non-registration (Art 80(3))





## Application for registration (Annex 22-06)

- **Simple and easy** to fill in by exporters
- TIN number (box 1):  
Trader Identification  
Number

1. Exporter's name, full address and country, EORI or TIN <sup>(2)</sup>.

2. Contact details including telephone and fax number as well as e-mail address where available.

3. Specify whether the main activity is producing or trading.

4. Indicative description of goods which qualify for preferential treatment, including indicative list of Harmonised System headings (or chapters where goods traded fall within more than 20 Harmonised System headings).

5. Undertakings to be given by an exporter

The undersigned hereby:

- declares that the above details are correct,
- certifies that no previous registration has been revoked; conversely, certifies that the situation which led to any such revocation has been remedied,
- undertakes to make out statements on origin only for goods which qualify for preferential treatment and comply with the origin rules specified for those goods in the Generalised System of Preferences,
- undertakes to maintain appropriate commercial accounting records for production/supply of goods qualifying for preferential treatment and to keep them for at least three years from the end of the calendar year in which the statement on origin was made out,
- undertakes to immediately notify the competent authority of changes as they arise to his registration data since acquiring the number of registered exporter,
- undertakes to cooperate with the competent authority;
- undertakes to accept any checks on the accuracy of his statements on origin, including verification of accounting records and visits to his premises by the European Commission or Member States' authorities, as well as the authorities of Norway, Switzerland and Turkey (applicable only to exporters in beneficiary countries),



## Application for registration (Annex 22-06)

- Section 7 to be filled in by Competent Authorities
- Short and easy to fill in
- Registration to be done **once** (not as Form A certificates for each export)

- undertakes to request his removal from the system, should he no longer meet the conditions for exporting any goods under the scheme,
- undertakes to request his removal from the system, should he no longer intend to export such goods under the scheme.

.....  
Place, date, signature of authorised signatory, name and job title

6. Prior specific and informed consent of exporter to the publication of his data on the public website

The undersigned is hereby informed that the information supplied in this application may be disclosed to the public via the public website. The undersigned accepts the publication and disclosure of this information via the public website. The undersigned may withdraw his consent to the publication of this information via the public website by sending a request to the competent authorities responsible for the registration.

.....  
Place, date, signature of authorised signatory, name and job title

7. Box for official use by competent authority

The applicant is registered under the following number:

Registration Number: .....

Date of registration .....

Date from which the registration is valid .....

Signature and stamp .....

# Registration of exporters



- Before performing the registration, competent authorities have to verify that:
  - the application submitted by the exporter is **complete**
  - the **data** provided in the application form is **correct** (company exists, the address is correct,...)
  - applicants is **established** and **functional manufacturer or trader** (not just customs or tax representatives)
  - The applicant is **not subject to bankruptcy** proceedings

# Registration of exporters



- Registration of an exporter is a **one-time operation**
- Internet connection **only needed for registration**
- Registration should be **free of charge**

# Registration of exporters



## Registration Number (REX)

- starts with country code (2 letters)
- Assigned by Competent Authorities
- Should be unique in the beneficiary country
- The same number should not be assigned to several exporters

### 7. Box for official use by competent authority

The applicant is registered under the following number:

Registration Number: \_\_\_\_\_

Date of registration \_\_\_\_\_

Date from which the registration is valid \_\_\_\_\_

Signature and stamp \_\_\_\_\_

- Date of registration is **when the registration is done** by Competent Authorities
- Registration is valid from the date when the **complete application** of the exporter is **received** (Art 86(4))



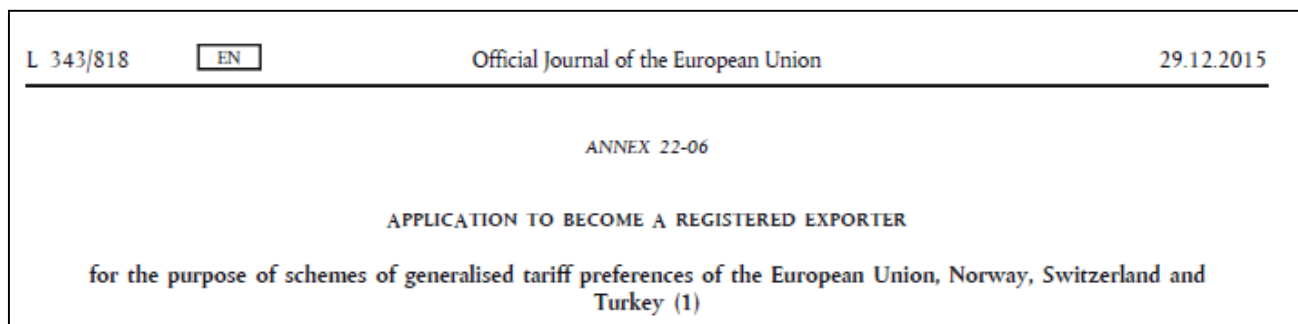
## Pre-application

- Exporters will have the possibility to pre-encode their application
- Exporters always need to send a paper copy of the application with hand-written signature (Annex 22-06)
- Competent Authorities can retrieve pre-application without having to re-encode the data



## Norway and Switzerland

- Non-EU countries
- Apply same GSP RoO as the EU: **collaboration**



- Only one registration required per exporters. An exporter is automatically registered for the GSP schemes of the EU, Norway and Switzerland if the country is in those GSP schemes (Art 86(3))

# *Modification of registration, revocation of register exporters*







## Legal basis

***Article 80 - Registered exporter database: obligations of the authorities***

***Article 89 - Withdrawal from the record of registered exporters***



## Modification of registration (Art 80(4))

- Competent authorities shall keep the data registered by them **up to date**
- Competent authorities shall **without delay** encode the requests for **modifications** submitted by exporters
- Competent authorities have to **inform** the registered exporter when the modification is done
- Modification of registration data should be **free of charge**



## Revocation of a registered exporter (Art 89)

- Competent authorities shall revoke a registered exporter if
  1. He no longer exists
  2. He no longer meets the conditions for exporting goods under the GSP scheme
  3. He informed them that he will not export goods under the GSP scheme
  4. He committed fraud



## Revocation of a registered exporter (Art 89)

- It is expected that part of the time freed for not stamping Form A certificates will be devoted to monitor the registered exporters and **keep the register up to date**
- Revocation of a registered exporter **cannot take effect in the past**
- Competent authorities have to **inform** the registered exporter of his revocation



## Revocation of a registered exporter (Art 89)

- A revoked exporter may only be re-registered if the competent authorities have checked that the situation which led to the revocation has been remedied

## Key messages



Competent authorities have to encode without delay requests for modification of data submitted by registered exporters



Competent authorities shall keep the register of registered exporters up to date and revoke exporters from the register if needed



Modification or revocation of data should be free of charge

# *Origin certification, Proofs of origin*





## Legal basis

***Article 92 - General provisions on the statement on origin***

***Article 93 - Statement on origin in the case of cumulation***

***Annex 22-07 – Statement on Origin***





## Origin certification Proofs of origin (pre REX)

- Form A certificate
  - Requested by the exporter
  - Issued (and stamped) by **Competent Authorities** in BCs
  - Stamps communicated by BCs to the European Commission
  - Value > 6000€

A sample of Form A, the Generalized System of Preferences Certificate of Origin. The form is a grid with 11 numbered sections. A large diagonal watermark reading "SAMPLE" is overlaid on the form. The sections are: 1. Goods consigned from (exporter's business name, address, country); 2. Goods consigned to (consignee's name, address, country); 3. Means of transport and route (as far as known); 4. For official use; 5. Item name; 6. Marks and numbers of packages; 7. Number and kind of packages, description of goods; 8. Origin criterion (see notes overhead); 9. Gross weight or other quantity; 10. Number and date of invoice; 11. Certification. The form also includes a declaration by the exporter and a reference to the Generalized System of Preferences.



## Proofs of origin (pre REX)

- EUR-1 certificate
  - Requested by the exporter in the EU
  - Issued by **customs authorities** in EU (bi-lateral cumulation)
  - Value > 6000€
- Invoice declaration
  - Made out by any **exporters** in BCs if value < 6000€
  - Made out by any **exporters** in EU (bi-lateral cumulation) if value < 6000€
  - Made out by **approved exporters** in EU (bi-lateral cumulation) if value > 6000€

MOVEMENT CERTIFICATE  
EUR1 No. S [REDACTED]

See notes overleaf before completing this form.

2. Certificate used in preferential trade between  
**THE EUROPEAN COMMUNITY**  
and  
[REDACTED]

4. Country, group of countries or territory in which the products are considered as originating EC

5. Country, group of countries or territory of destination EC

6. Transport details (Optional)

7. Remarks

8. Item number, marks and numbers | Number and kind of packages | Description of goods | 9. Gross weight (kg) or other measure (litres, m<sup>3</sup>, etc.) | 10. Invoiced (Optional)

11. Customs Endorsement  
Declaration certified  
Export document (2)  
Form No. \_\_\_\_\_ Number \_\_\_\_\_  
Customs office \_\_\_\_\_  
Issuing country or territory:  
**UNITED KINGDOM**  
Date \_\_\_\_\_  
Signature \_\_\_\_\_

12. Declaration by the Exporter  
I, the undersigned, declare that the goods described above meet the conditions required for the issue of this certificate.  
Place and date: \_\_\_\_\_  
Signature: \_\_\_\_\_

C1293 Printed by HM Revenue & Customs



## Proof of origin (post REX)

- Statement on origin
  - Made out by **exporters** in BCs
  - Made out by **exporters** in EU (bi-lateral cumulation)
  - On any commercial documents
  - Registered exporters: value > 6000€
  - All exporters: value < 6000€

The exporter ... (Number of Registered Exporter (2), (3), (4)) of the products covered by this document declares that, except where otherwise clearly indicated, these products are of ... preferential origin (5) according to rules of origin of the Generalised System of Preferences of the European Union and that the origin criterion met is ... (6).



**Simplification, trade facilitation**



## Statement on origin (Annex 22-07)

The exporter ... (Number of Registered Exporter (2), (3), (4)) of the products covered by this document declares that, except where otherwise clearly indicated, these products are of ... preferential origin (5) according to rules of origin of the Generalised System of Preferences of the European Union and that the origin criterion met is ... (6).

- Statement on origin is easy to fill in (3 fields)
- Statement on origin is made out:
  - By the exporter himself
  - **Without intervention** of the competent authorities
  - **Without connexion** to the REX system
- No need to be registered < 6000€



## Statement on origin (Annex 22-07)

- A statement on origin may be made out after exportation and it will be admitted in the EU if presented at the latest two years after the importation (Art 92(2))
- French, English or Spanish (Art 92(3))
- On any commercial document allowing identification of the exporter concerned and the goods involved (Art 92(3))



## Statement on origin (Annex 22-07)

- The Statement on Origin should indicate if bi-lateral cumulation (with the EU, Norway, Switzerland or Turkey) or regional cumulation apply (Art 93(1) and Art 93(2))

## Key messages



The REX system is a system of self-certification by exporters themselves



The proof of origin under the REX system is called a statement on origin



Making out a statement on origin doesn't require interaction with the competent authorities or with the REX system

# *Publication of data*







## Legal basis

***Article 82 - Registered exporter database:  
access rights to the database***

***Annex 22-06 - Application to become a  
registered exporter for the purpose of schemes  
of generalised tariff preferences of the  
European Union, Norway, Switzerland and  
Turkey***



- If the exporter gives his consent (box 6 of Application form signed), the following data are made public on Internet (Art 82(7))
  - Trader identification number (TIN) of the registered exporter
  - Name of the registered exporter
  - Address of the place where the registered exporter is established
  - Contact details of the registered exporter
  - Indicative description of the goods which qualify for preferential treatment



- If the exporter doesn't give his consent (box 6 of Application form not signed), the following data are always made public on Internet (Art 82(8))
  - REX number of the registered exporter
  - Date from which the registration is valid
  - Date of the revocation of the registration where applicable
  - Information whether the registration applies also to exports to Norway or Switzerland
  - Address of the place where the registered exporter is established

## Key messages



Data of the REX system will be publically available on a Commission website



If the exporter doesn't give his consent for publication, only a subset of anonymous data will be published

# *Obligations of competent authorities, administrative cooperation*





## Legal basis

***Article 70 - Obligation to provide administrative cooperation within the framework of the REX system***

***Article 108 - Obligations of the competent authorities relating to the control of origin after the date of application of the registered exporter system***



- Beneficiary countries shall **undertake**
  1. to put in place and to maintain the necessary administrative structures and systems required for the implementation and management of the GSP rules of origin (including rules on cumulation) (Art 70(1))



2. that their competent authorities will cooperate with the Commission and the customs authorities of the Member States (Art 70(1) and Art 70(2)):
  - Providing all necessary support in case of monitoring of the proper management of the GSP scheme
  - Verifying the originating status of products





- The undertaking should be send to the Commission **at least 3 months before** applying the REX system (i.e. before 30 September 2016) (Art 70(3))
- Template of Undertaking proposed to all GSP beneficiary countries as attachment of a letter sent during Summer 2015



- Competent authorities shall carry out (Art 108):
  - 1. verifications of the originating status** of products at the request of the customs authorities of the Member States
  - 2. regular controls** on exporters:
    - Call for any evidence, inspections of accounts, inspections at premises, any other checks considered appropriate
    - on their **own initiative**
    - to **ensure the continued compliance** of exporters with their obligations
    - at intervals determined on the basis of appropriate risk analysis criteria

## Key messages



Undertaking to ensure proper implementation and management of the GSP rules of origin



Undertaking to provide administrative cooperation for verification of proofs of origin and for monitoring visits in the beneficiary country



Obligation of competent authorities to control regularly the registered exporters

# *Obligations of notifications*

## *Competent Authorities*





## Legal basis

***Article 72 - Notification obligations applicable after the date of application of the registered exporter (REX) system***



- Beneficiary Countries shall **notify** the Commission of the names, addresses and contact details of Competent Authorities (Art 72(1)) of types:
  - REG:
    - Registration of exporters
    - Modification of registrations
    - Revocation of exporters
  - ADC:
    - In charge of administrative cooperation with the EU



- Notification at least **3 months before** applying the REX system (Art 72(2))
- **No automatic reuse** of the data you communicated under the current system!
- Any **modification** on the communicated information should be notified to the Commission (Art 72(3))
  - Change in Competent Authority details (addresses, contact details...)
  - New Competent Authority
  - Closure of a Competent Authority
    - Competent Authority taking over



- Notification **simpler than today's notifications** of addresses of competent authorities and stamps for Form A certificates
- Beneficiary Countries should **inform their operators** of the Competent Authorities to which they should submit their application for registration
- Competent Authorities should be organized to allow a registration **without delay** of the received applications (Art 80(2))





- To improve data quality, we are analysing the possibility of proposing a tool to standardize the receiving of information
- !! During the **transition period**, certificates of origin Form A and Statements on Origin will be used. Obligations of notifications falling under current rules remain applicable (stamps...)

## Key messages



Internal organisation ("Competent Authorities") should be decided in each Beneficiary Country



Notification of list of Competent Authorities (+ addresses and contact details) to the EU at least 3 months before the application of the REX system (i.e. before 30 September 2016)



Exporters in Beneficiary Countries should be informed

# *Obligations of exporters*





## Legal basis

### **Article 91 - *Obligations of exporters***

# Obligations of Exporters



- Exporters shall maintain appropriate commercial accounting records concerning the production and supply of goods qualifying for preferential treatment (Art 91(1))



- Exporters shall keep available:
  - all evidence relating to the materials used in the manufacture
  - all customs documentation relating to the materials used in the manufacture
  - records of:
    - (i) the statements on origin they made out
    - (ii) their originating and non-originating materials, production and stock accounts

(for at least 3 years from the end of the calendar year in which the statement on origin was made out, or longer if required by national law)

# *Application of the REX system*

## *Transition period*





## Legal basis

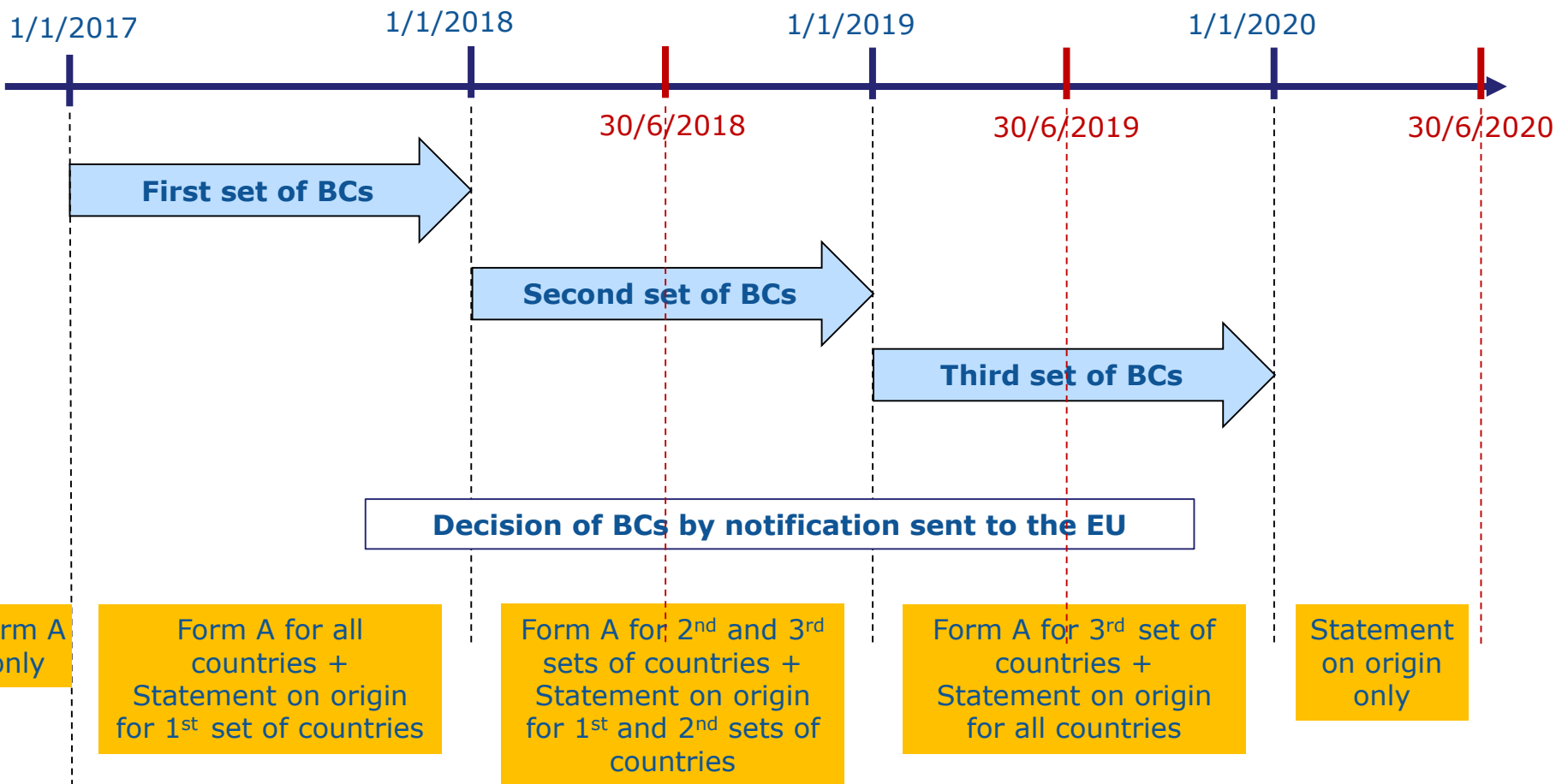
- ***Article 79 - Registration procedure in the beneficiary countries and procedures at export applicable during the transition period to the application of the registered exporter system***



# Phasing-in approach



## Transitional period – 3 x 1 year



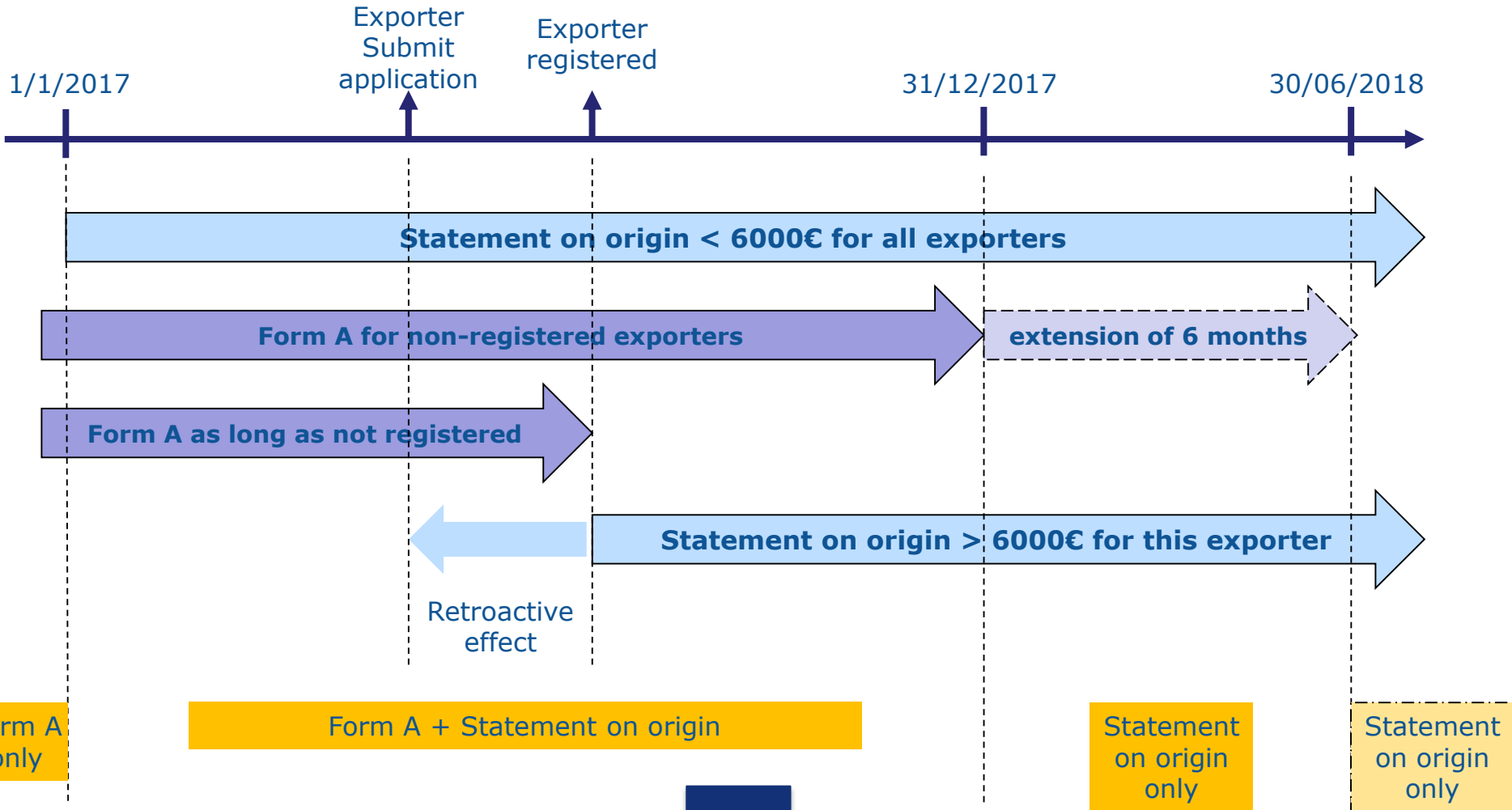


- **Possible extension:** *"... The competent authorities of a beneficiary country experiencing difficulties in completing the registration process within the above 12-month period may request its extension to the Commission. Such extensions shall not exceed six months." (Art 79(2))*
- After 30 June 2020, **no Form A** anymore

# Phasing-in approach



## Transitional period – Inside 1 year



# *Pilot project with a group of beneficiary countries*



# 'Pilot project' of the REX system

- Call for interest to beneficiary countries (BCs) during the summer
- Participating countries: (Bolivia), Cambodia, India, Kenya, Laos, Myanmar, Paraguay and Zambia
- Project Group created under the C2020 programme.  
Official action title: Registered Exporters (REX) project group for GSP Beneficiary Countries  
Duration: from October 2015 to December 2020
- Main objectives:
  - Get input of BCs, understand their concerns or difficulties
  - Involve BCs in testing
  - Ask contribution for REX manual and "entry checklist"
- Kick-off meeting on 16-18 February in Brussels
- Max 4 meetings per year



European  
Commission

**Questions?**