

ANNEX I

Decision on Rules of Determining a Country of Origin of Goods
(in the wording of the Decision as of 15 April 1994 and the Decision as of 18 October 1996)

The Council of the Heads of the Governments of the Community of Independent States (CIS) with a view to develop foreign economic activity of Member States of the CIS decided:

- to approve the Rules of Determining a Country of Origin of Goods (attached).

Done in the city of Moscow on 24 September 1993, in one original in the Russian language. The original is kept with the Archive of the Government of the Republic of Belarus that will send its certified copy to the States which signed this Decision.

(Signatures)

ATTACHMENT

Approved by the Decision of the Council of the Heads of the Governments of the
Community of Independent States on Rules of Determining a
Country of Origin of Goods, as of 24 September 1993

Rules of determining a country of origin of goods

1. These Rules are effective with respect to goods originating in the CIS States and circulating in the trade between these States.

For the purposes of these Rules:

- (a) the term "CIS States" shall mean States of the Community of Independent States that signed the Agreement on Cooperation in the Area of Foreign Economic Activity (15 May 1992, Tashkent);
- (b) the term "country of origin of goods" shall mean a CIS State where a product was fully produced or subject to sufficient processing. For using the criterion of sufficient processing, a cumulative principle of origin can be used, i.e. in sufficient processing of a product in the CIS States, these States shall, for purposes of determining origin, be considered as one whole;
- (c) the term "criterion of sufficient processing" shall mean a criterion according to which a product, in the production of which two or more countries participate, is considered originating in the country in which it was subject to the last considerable processing that is enough to give the product its characteristics;
- (d) the term "customs control" shall mean the whole complex of measures carried out by national customs bodies with a view to provide the observance of the national customs business legislation, as well as national legislation and international agreements the implementation of which is controlled by the customs bodies;

- (e) the term "goods" shall mean any movable property, as well as thermal, electric and other kinds of power transferred through customs border;
- (f) the term "goods nomenclature" shall mean Goods Nomenclature of Foreign Economic Activity (GN FEA) applied in the CIS Member States on the basis of the Harmonized Commodity Description and Coding System and the Combined Tariff Statistical Nomenclature of the EC.

The procedure of determining a country of origin of goods imported to customs territory of the CIS Member States from third countries and exported from these States shall be regulated by national legislation of the CIS Member States.

2. A country of origin of a product is considered a State where the product was fully produced or subject to sufficient processing.

3. The following goods shall be considered fully produced in this country:

- (a) natural resources mined on its territory or in its territorial waters, on its continental shelf and in sea insides if the country has exclusive rights to the development of these insides;
- (b) vegetable products grown and gathered on its territory;
- (c) alive animals born and raised in it;
- (d) products got in this country, of animals raised in it;
- (e) products of hunting, fishery and sea business produced in it;
- (f) products of sea business mined and/or produced in the World Ocean by vessels of this country or vessels that it rents (freights);
- (g) secondary raw material and wastes which are the result of performed and other operations being carried out in this country;
- (h) products of high technologies got in open space on space vessels which belong to this country or this country rents them;
- (i) goods produced in this country using exclusively the products mentioned in sub-paragraphs "a"-"h" of paragraph 2.

4. Where two or more countries participate in the production of a product, its origin shall be determined in compliance with the criterion of "sufficient processing".

5. The criterion of "sufficient processing" may be manifested by:

- (a) Rule that requires changes of tariff lines of the relevant goods nomenclature with a list of exceptions;¹
- (b) Schedule of production or technological processes sufficient or insufficient for the product to be considered originating in that country where these processes took place;
- (c) Rule of "*ad valorem* portion" when an interest part of value of the materials used or added value reaches a fixed limit of ex-mill price of the delivered product;

¹List of exceptions can contain:

- (a) the schedule of production or technological operations which, though cause a change of tariff line, are not considered a sign of sufficient processing or are considered such only if certain conditions are followed;
- (b) the schedule of production or technological operations which, though do not cause a change in tariff line, are considered a sign of sufficient processing if certain conditions are followed.

The conditions mentioned in sub-paragraphs "a" and "b" may relate to both operations performed with a product and to the rule of "*ad valorem* portion".

6. In the event that for specific goods or a specific country (countries) the criteria of origin of goods are not specially specified, a general rule shall be applied, in compliance with which a product is considered to be subject to sufficient processing if its heading (the classification code of the product) according to the Goods Nomenclature on the level of any of the first four digits changed.

The following is not considered to meet the criterion of "sufficient processing":

- (a) operations on providing safety of goods during storage or transportation;
- (b) operations on preparing goods for sale and transportation (dividing a shipment, forming shipments, sorting, re-packing);
- (c) simple assembling operations;
- (d) mixing goods (components) without giving to the obtained product characteristics essentially different from its initial constituents;
- (e) combination of two or the greater number of the afore-mentioned operations;
- (f) slaughter of cattle.

7. Where the criterion of "sufficient processing" is manifested through the *ad valorem* portion, cost indexes are calculated:

- (a) for imported materials – on the basis of customs value, i.e. a value subject to customs taxation during importation (on the basis of CIF) or, in the event that origin is unknown – on the basis of fixed price of the first sale on the territory of the country where production is carried out;
- (b) for final products – on the basis of ex-mill price or the seller's export price.

8. Articles disassembled or unassembled and delivered in several lots, when due to production or transport conditions their shipment in one lot is impossible,² must be considered in accordance with importer's desire as a single article for determining origin.³

9. For purposes of determining origin of goods, origin of thermal and electric power, machinery, equipment and tools used for their production shall not be taken into account.

10. A product is considered originating in customs territory of a Member State of the Agreement on the Creation of a Free Trade Zone, as of 15 April 1994, if it corresponds to the criteria of origin established by these Rules and is exported by a resident of a Member State of this Agreement and imported by a resident of one of the Member States of this Agreement from customs territory of another Member State of this Agreement. A resident shall mean an organization created on the territory of this State, or a natural person who permanently lives on the territory of this State.

²This rule shall also be applied in those cases where a shipment is divided to several shipments by mistake or by virtue of incorrect addressing.

³The conditions for applying this rule shall be:

- a preliminary notification of Customs for Importation about the dividing of a disassembled or unassembled product to several shipments, indicating the reasons for such dividing and a detailed specification of each shipment in addition to the GN FEA, cost and country of origin of goods which are part of each shipment;
- delivery of all lots from one country, by one exporter;
- importation of all lots through one Customs;
- delivery of all lots of goods within the term not exceeding six months from the date of the first shipment.

11. To prove origin of a product in customs territory of a Member State of the Agreement on the Creation of a Free Trade Zone, it is necessary to submit to the customs bodies of the State of Importation a declaration-certificate of origin of the product (the form ST-1 is attached) granted by the authorized body of the country of origin – a Member of the Agreement on the Creation of a Free-Trade Zone.

12. In the exportation of goods from member States of the CIS a certificate of origin shall be granted by the body of the country of origin of the product which is authorized in compliance with national legislation.

The CIS Member States shall exchange specimens of seals/stamps of the bodies and signatures of persons authorized to certify certificates. If the mentioned specimens are not provided, certificates shall be considered invalid, and the preferences provided by agreements on trade regime shall not apply to goods.

13. The certificate should contain the following necessary information concerning the product for which it is granted:

- (a) name and address of the exporter;
- (b) name and address of the importer;
- (c) vehicles and route (as far as it is known);
- (d) number of places and type of packing, description of the product that contains all information necessary for the identification of the product;
- (e) gross weight and net.⁴

14. Certificate of origin should simply testify that this product originates in the relevant country, i.e. it should contain:

- (a) a written declaration of the exporter that shows that the product meets the relevant criterion of origin;
- (b) a written certificate of the competent body that has granted a certificate that says information in the certificate provided by the exporter corresponds to reality.

15. Certificate of origin shall be submitted to the customs bodies in the typed form, with no corrections and in Russian.

16. Certificate of origin shall be submitted together with cargo customs declaration and other documents necessary during customs clearance.

17. In the event of losing the certificate of origin, its officially certified duplicate (copy) shall be accepted.

18. To prove the origin of small shipments of goods (cost of which is up to US\$5,000), the exporter may declare the country of origin of the goods on invoice or other accompanying documents attached to the goods.

19. In the event of doubts concerning the irreproachability of the certificate of origin or information in it, the customs bodies may refer to the authorized organizations that certified the

⁴The indexes may be replaced by other ones, such as a number of units or volume when weight of the product considerably changes during transportation or these units are applied in a unified manner to this kind of the product.

certificate or to other competent bodies of the country, specified as the country of origin of goods, with a motivated request to inform them of further or specifying information.

20. A product shall not be considered originating in this country until due confirmation of origin or the requested information are provided.

21. As a general rule, non-submission of a duly prepared certificate of origin shall not be the ground for not passing through the shipment.

Customs may refuse to pass through only if there are sufficient grounds to suppose that the cargo originates in the country whose goods are not to be passed through to the country of importation in compliance with international agreements effective for this State and/or its national legislation.

Taking into account the provisions of the second paragraph of this item, goods whose origin is not determined for sure shall be passed through to the country of importation, paying customs duties at maximum customs tariff rates of the country of importation.

22. The most-favoured-nation treatment or the preferential regime may be applied (restored) to the goods mentioned in the third paragraph of item 20, provided that a proper certificate on their origin is received no later than in a year after delivery (release) of the product.