



ASEAN Proof of Origin: Challenges for implementation

Phan Manh Ha

International Consultant on ASEAN
ROO

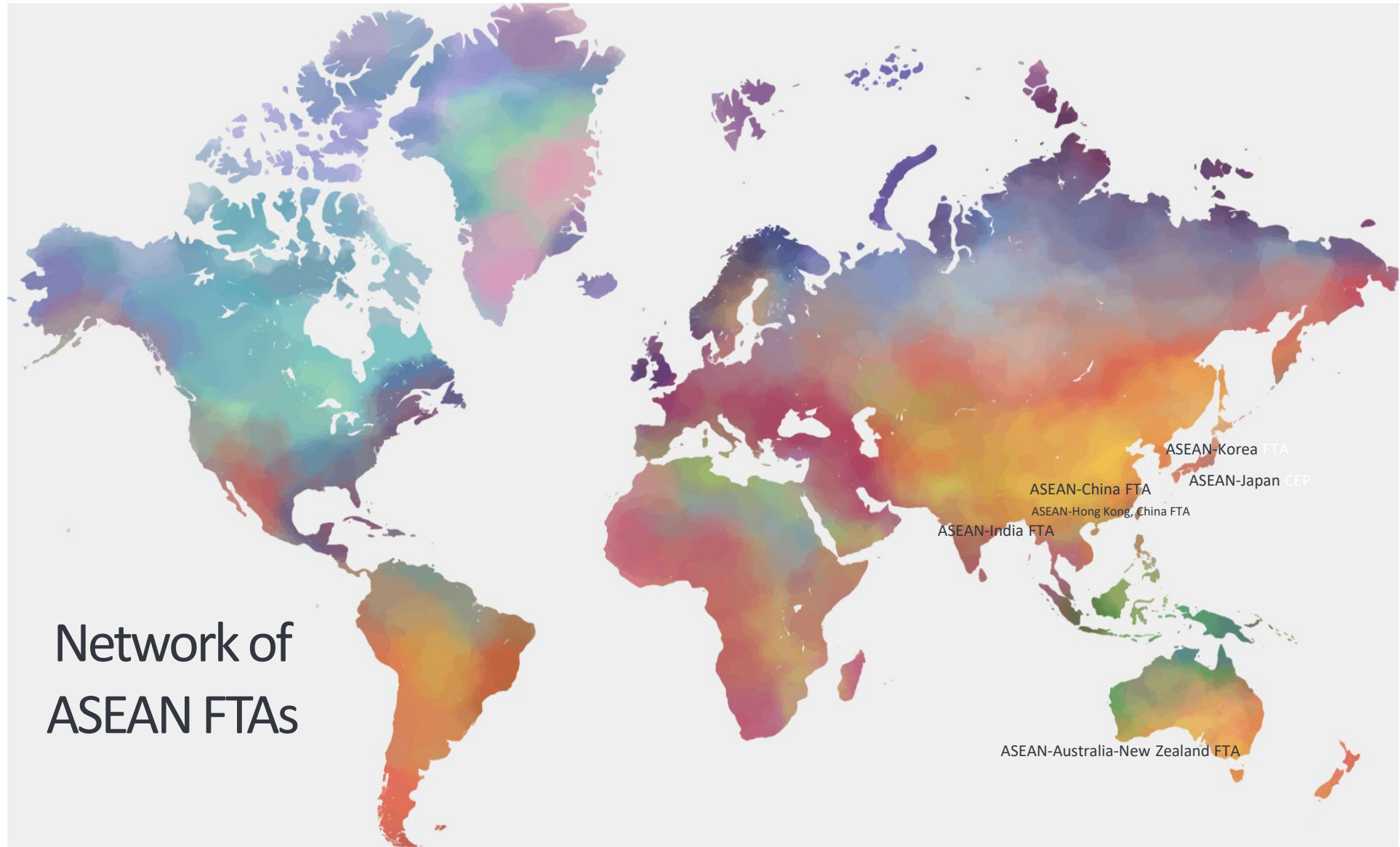
10th Asia-Pacific Trade Facilitation Forum
1 September 2022



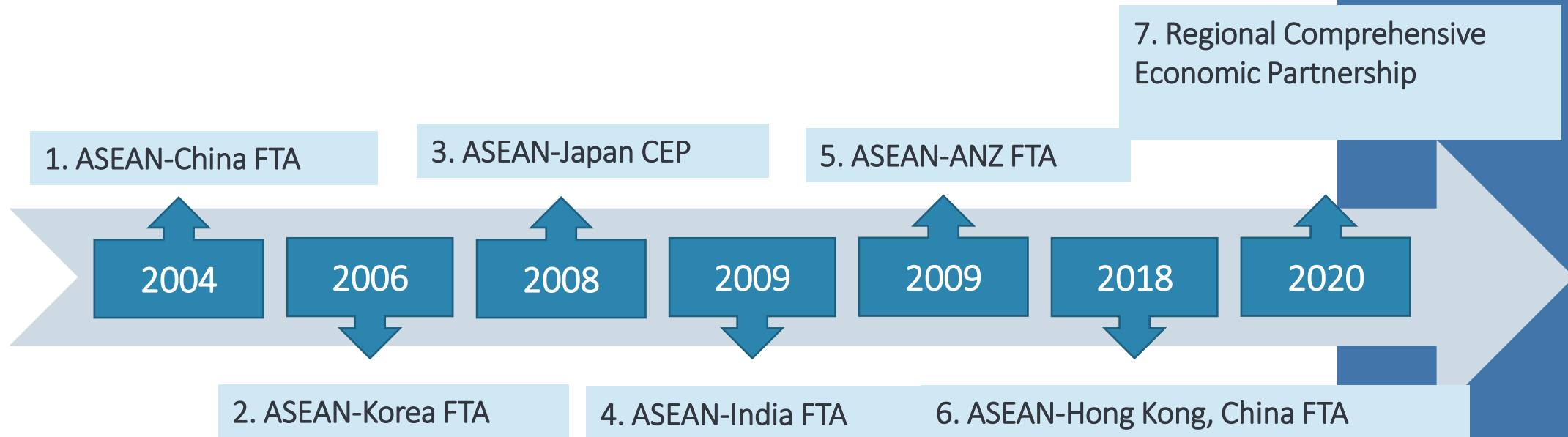
Outline

- ASEAN FTA in brief
- Complication of ASEAN's Proof of Origin
- Implementation challenges
- e-Form D: Future of ASEAN's PoO
- RCEP Proof of Origin: Way forward

Network of ASEAN FTAs



ASEAN Free Trade Agreements: Signings



Entry into Force:

- ❖ AANZFTA, AKFTA, ACFTA, AIFTA: 1 January 2010
- ❖ AHKFTA: 1 June 2019
- ❖ RCEP: 1 January 2022

ASEAN's PoO Overview

| FTA | Proof of Origin |
|---|---|
| ATIGA | <ul style="list-style-type: none">✓ CO; e-CO;✓ Declaration of Origin (DO) by approved exporters/manufacturers; |
| ACFTA, AKFTA, ACFTA, AHKFTA, AIFTA, AANZFTA | Only CO |
| RCEP | <ul style="list-style-type: none">✓ CO;✓ DO made by approved exporters/manufacturers;✓ PoO made by any exporters/manufacturers;✓ PoO made by importer. |

Implementation of ASEAN + 1 FTA CO: Challenges

-
- ❖ Under ASEAN +1 FTA, only 1 type of Proof of Origin: CO;
 - ❖ These COs have different format + criteria + guidance to fill in;
 - ❖ Systematic issues:
 - ✓ Produced Exclusively vs RVC 100%;
 - ✓ Third Party Invoicing vs Third Country Invoicing;
 - ✓ Indication of Box 8- Origin Criteria
 - ✓ Day vs working day;
 - ✓ FOB value;
-

Implementation of ASEAN + 1 FTA CO: Challenges

❖ Other ASEAN's ROO implementation issues:

- ✓ Box 13: ticked box vs "x";
- ✓ Authorised signatures and stamp
- ✓ Discrepancies of tariff classification of importing countries vs exporting countries;
- ✓ Additional documentary requirement;

.....and many other implementation issues

ASEAN Wide Self-Certification Scheme

- **1st Self-Certification Pilot Project (SCPP):**
BN, MY, SG, TH, KH and MM;
2nd SCPP: ID, LA, PH, VN and TH;
- **September 2019, ASEAN merged SCPPs to create the ASEAN Wide Self-Certification (AWSC) Scheme;**
- **AWSC allows certified exporters (CEs) in all AMS to self- certify the origin of their goods exported under ATIGA;**

- ❖ **To be CEs, an enterprise needs to meet 7 conditions:**
 - registered in an AMS;
 - know and understand the ATIGA ROO;
 - experienced exporter;
 - have no record of any ROO fraud;
 - good compliance measured by the risk management rules;
 - have a “manufacture’s declaration” and be ready for a retroactive check and verification; and
 - have a sound bookkeeping and record-keeping system.

ASEAN Wide Self-Certification Scheme: Limitations

- i. Tough conditions
- ii. Not much outreach on AWSC;
- iii. Number of CEs is limited.

Outcomes:

| No | ASEAN Member States | Number of Active CEs |
|--------------|----------------------------|-----------------------------|
| 1 | Brunei Darussalam | 2 |
| 2 | Cambodia | 4 |
| 3 | Indonesia | 131 |
| 4 | Lao PDR | 20 |
| 5 | Malaysia | 193 |
| 6 | Myanmar | 19 |
| 7 | Philippines | 12 |
| 8 | Singapore | 75 |
| 9 | Thailand | 197 |
| 10 | Viet Nam | 9 |
| Total | | 662 |

ATIGA e-CO Form D: future of ASEAN's Proof of Origin?

-
- ❖ **December 2019, all AMS joined the ASEAN Single Window (ASW) Live Operation => ATIGA e-CO Form D;**
 - ❖ **Information of CO sent from Issuing Authority to Customs;**
 - ❖ **Streamlining trade procedures and documentation processes => reducing cost and time;**
 - ❖ **In 2021, 880,000 e-Form D exchanged;**
 - ❖ **In July 2022, Indonesia, Malaysia, Thailand, and Viet Nam, are fully issuing e-Form D. No more hard copy Form D;**
 - ❖ **Discussing Sunset Clause to stop using hard copy Form D.**
-

ATIGA e-CO Form D: Challenges

- ❖ Only CO Form D and ACDD can be exchanged electronically, other supporting docs: hard-copy

❖ Why only 4 AMS fully issue e-CO Form D?

- ✓ Heavy IT infrastructure investment;
- ✓ Technical disparity, especially LDCs customs;
- ✓ SME's request to use hard copy;

❖ Solutions?

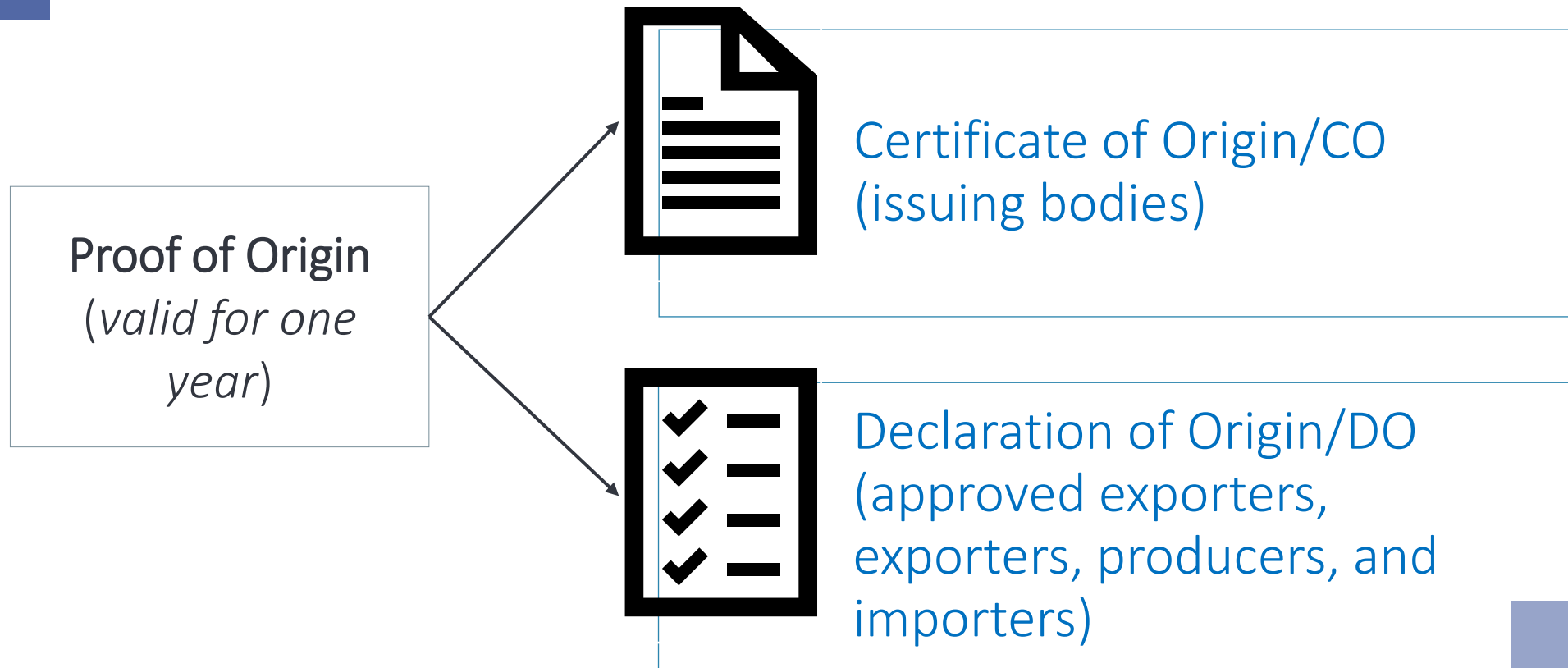
- Policy determination from AEM;
- WB/ADB/Developed Countries' assistance especially for LDCs;
- Outreach programme for SMEs;
- Capacity building/training for issuing and receiving authorities

Less effort to harmonise ASEAN + 1 FTA ROO

- ❖ **Some upgrade/review ASEAN + 1 FTA ROO: ACFTA Upgrade, AANZFTA First Protocol, AKFTA 3 Protocols, AJCEP First Protocol.**

- ❖ **ASEAN recognize the need of harmonization of its ASEAN +1 FTA, especially after EIF of RCEP:**
 - i. Ongoing negotiations:*
 1. ASEAN-Australia-New Zealand FTA upgrade
 - ii. Possible future negotiations*
 3. ASEAN-China FTA
 - iii. Review*
 4. ASEAN-Korea FTA
 5. ASEAN-India Trade in Goods Agreement (AITIGA).

RCEP ROO Novelties: Proof of Origin



RCEP: Proof of Origin

1

Declaration of Origin (OD) by Approved Exporters

- Self-certification by an Approved Exporter
- Pre-registration through the Competent Authority is required
- Allows exporters to self-certify the origin of their goods

2

Declaration of Origin (OD) by Exporters or Producers

- Self-certification by any Exporter or Producer.
- Pre-registration through the Competent Authority is not required
- Upon Entry into Force, Australia, Brunei Darussalam, China, Indonesia, Japan, Korea, Malaysia, New Zealand, the Philippines, Singapore, Thailand, and Viet Nam shall implement no later than 10 years.
- While for Cambodia, Lao PDR, and Myanmar, they will implement no later than 20 years after their respective dates of entry into force of the RCEP Agreement.

3

Declaration of Origin (OD) by Importers

- Self-certification by Importers
- Only allowed for Japanese importers

RCEP Proof of Origin: Implementation Status

- ❖ **CO:** All countries;
 - ❖ **Declaration of Origin (OD) by Approved Exporters:** SG TH AU CN JP KR;
 - ❖ **Declaration of Origin (OD) by any Exporters:** AU, JP, NZ;
 - ❖ **Declaration of Origin (OD) by Importers:** JP
-

ASEAN Proof of Origin: Challenges for implementation

Thank You

Phan Manh Ha: phanmha@gmail.com
