



Trade Agreement Experiences

ASIAN DEVELOPMENT BANK September, 2022



Trade Agreements

Policy

Support growth, competition, innovation and productivity

Assist trade recovery

Balance defensive & offensive interests

Eligible goods = improved market access

Operational

Eligibility assurance

Revenue assurance

Its about the Goods

What are the goods

The inputs – originating / non-originating

Define substantial transformation

Where did it happen

Preferential access



Operational Certification Procedures

It's about paperwork

Documentation 'correct' & familiar

Certification & verification - export country or import country

Your 'Correct' or My 'Correct'

3rd Party Invoicing

1. When goods are invoiced other than in the exporting or importing country*
2. An invoice issued by another company located in a third country or located in the same country where the COO and declaration of origin are issued*
3. The definition can differ between agreements

How does this work?

* AANZFTA

Indirect consignment



Certificate of Non-Manipulation
Through Bill of Lading

Discrepancies (Examples)

HS interpretation (export vs import)

Dates and supply chain events

Documentary Options for Assurance

- Government / Authorised Body issued COO
- Self issued COO/declaration
- The customs import entry

Government or Authorised Body Issued COO

Original (Duplicate/Triplicate/Quadruplicate)

For Customs

1. Goods consigned from (Exporter's business name, address, country)		Reference No. ASEAN-CHINA FREE TRADE AREA PREFERENTIAL TARIFF CERTIFICATE OF ORIGIN (Combined Declaration and Certificate) FORM E Issued in _____ (Country) See Notes Overleaf			
2. Goods consigned to (Consignee's name, address, country)					
3. Means of transport and route (as far as known) Departure date Vessel's name/Aircraft etc. Port of Discharge		4. For Official Use <input type="checkbox"/> Preferential Treatment Given Under ASEAN-CHINA Free Trade Area Preferential Tariff <input type="checkbox"/> Preferential Treatment Not Given (Please state reason/s) Signature of Authorised Signatory of the Importing Country			
5. Item number	6. Marks and numbers on packages	7. Number and type of packages, description of goods (including quantity where appropriate and HG number of the importing country)	8. Origin criterion (see Notes overleaf)	9. Gross weight or other quantity and value (FOB)	10. Number and date of invoices
11. Declaration by the exporter The undersigned hereby declares that the above details and statement are correct; that all the goods were produced in (Country) and that they comply with the origin requirements specified for these goods in the ASEAN-CHINA Free Trade Area Preferential Tariff for the goods exported to (Importing Country) Place and date, signature of authorised signatory		12. Certification It is hereby certified, on the basis of control carried out, that the declaration by the exporter is correct. Place and date, signature and stamp of certifying authority			

- Perception of 'arms length' assurance

- Familiar

But

- Has resource implications

- Assumption that data has been verified (not always the case)

- Complicates audit trail – 3rd party involvement

For Business

- Adds to the document set & duplicates data

- Requires systems/process changes or manual operations

- Has cost & resource implications, e.g. courier

- Often not e-doc friendly

Self Certified COO

DEPARTMENT OF HOMELAND SECURITY
U.S. Customs and Border Protection

**NORTH AMERICAN FREE TRADE AGREEMENT
CERTIFICATE OF ORIGIN**
19 CFR 181.11, 181.22

OMB No. 1551-0098
Exp. 03-31-2012
See back of form for Paperwork Reduction Act Notice.

Please print or type

1. EXPORTER NAME AND ADDRESS		2. BLANKET PERIOD			
		FROM _____			
TAX IDENTIFICATION NUMBER: _____		TO _____			
3. PRODUCER NAME AND ADDRESS		4. IMPORTER NAME AND ADDRESS			
TAX IDENTIFICATION NUMBER: _____		TAX IDENTIFICATION NUMBER: _____			
5. DESCRIPTION OF GOOD(S)	6. HS TARIFF CLASSIFICATION NUMBER	7. PREFERENCE CRITERION	8. PRODUCER	9. NET COST	10. COUNTRY OF ORIGIN

CERTIFY THAT:

- THE INFORMATION ON THIS DOCUMENT IS TRUE AND ACCURATE AND I ASSUME THE RESPONSIBILITY FOR PROVING SUCH REPRESENTATIONS. I UNDERSTAND THAT I AM LIABLE FOR ANY FALSE STATEMENTS OR MATERIAL OMISSIONS MADE ON OR IN CONNECTION WITH THIS DOCUMENT;
- I AGREE TO MAINTAIN AND PRESENT UPON REQUEST, DOCUMENTATION NECESSARY TO SUPPORT THIS CERTIFICATE, AND TO INFORM, IN WRITING, ALL PERSONS TO WHOM THE CERTIFICATE WAS GIVEN OF ANY CHANGES THAT COULD AFFECT THE ACCURACY OR VALIDITY OF THIS CERTIFICATE;
- THE GOODS ORIGINATED IN THE TERRITORY OF ONE OR MORE OF THE PARTIES, AND COMPLY WITH THE ORIGIN REQUIREMENTS SPECIFIED FOR THOSE GOODS IN THE NORTH AMERICAN FREE TRADE AGREEMENT AND UNLESS SPECIFICALLY EXEMPTED IN ARTICLE 411 OR ANNEX 401, THERE HAS BEEN NO FURTHER PRODUCTION OR ANY OTHER OPERATION OUTSIDE THE TERRITORIES OF THE PARTIES; AND
- THIS CERTIFICATE CONSISTS OF _____ PAGES, INCLUDING ALL ATTACHMENTS.

11a. AUTHORIZED SIGNATURE		11b. COMPANY	
11c. NAME (Print or Type)		11d. TITLE	
11.			
11e. DATE (MM/DD/YYYY)	11f. TELEPHONE NUMBER	(Voice)	(Facsimile)

CBP Form 434 (04/97)


For Customs

- Perception of 'conflict of interest'
- No independent verification
- Simplifies verification – no 3rd party involved
- Can be difficult to negotiate

For Business

- Adds to the document set & duplicates data
- Cost less than 3rd party/government issued COO

Commercial Invoice

Seller (name, address, tax reference) FONTERRA BRANDS (SINGAPORE) PTE LTD 1 PICKERING STREET #06-01 GREAT EASTERN CENTRE SINGAPORE 048659 SINGAPORE Tel: 6714 204570 Fax: 6714 2045705		Invoice number 500245312		Seller's reference 81919118	
Invoice date 30 June 2010		Buyer's reference 100611MP		Other reference	
Consignee (name, address, tax reference) FONTERRA BRANDS (THAILAND) LTD 75 WHITE GROUP TOWER 2, 12TH FLOOR SOI SANGCHAN-RUBIA, SUKHUMVIT 42 ROAD PRAKANONG, KLONGTOEY BANGKOK 10110 THAILAND			Buyer (name, address, tax reference) FONTERRA BRANDS (THAILAND) LTD 75 WHITE GROUP TOWER 2, 12TH FLOOR SOI SANGCHAN-RUBIA, SUKHUMVIT 42 ROAD PRAKANONG, KLONGTOEY BANGKOK 10110 THAILAND		
Freight Forwarder (name, address, tax reference)			Country of destination THAILAND		ISO Code TH
Terms of delivery CIF Cost, Insurance and Freight			Relevant location LAT KRABANG PORT		
Transport mode and means MAERSK DENTON 023N		Port/airport of loading AUCKLAND, NEW ZEALAND		UNLOCODE NZAKL	
Port/airport of discharge LAEM CHABANG, THAILAND		Final place of delivery LAT KRABANG, THAILAND		UNLOCODE THLKR	
Shipping marks, Transport unit ID		No. and kind of packages		Shipping description of goods	
MSKU7851965 FONTERRAA62865		736		CARTONS OF PRODUCT	
				Total gross wt(kg) 6731.640 KG	
				Total net wt (kg) 5662.800 KG	
FOB: USD 40502.95 FREIGHT: USD 1424.40 INSURANCE PREMIUM: USD 101.72 TAX INVOICE GST Reg No: MR-8500041-6 TYPE OF SUPPLY = OUT OF SCOPE					
This CIF LAT KRABANG Port is full and final payment to FONTERRA BRANDS (SINGAPORE) PTE LTD. FONTERRA BRANDS (SINGAPORE) PTE LTD hereby declares that the goods enumerated on this invoice originate in New Zealand and satisfy the requirements of Article 4.2.1(b) and Annex 2 of the NZTCEPA.					
				Total amount (gross) USD 42029.07	
				Discount	
				Delivery charges	
				Tax	
				Total Amount Due USD 42029.07	
Name of signatory Ana Vakautamasi Documentation Officer					
Place (ISO code) and date of issue Auckland (NZ) 2010.06.16					
Signature 					
PAYMENT INSTRUCTIONS Payable To: Fonterra Brands (Singapore) Pte Ltd Wire (Bank/Code/Account No/Swift): CITIBANK N.A. 021000089 30781506 CITIUS33 1110225 600245312 Quote Reference Number: In the absence of other arrangements for charging interest the Seller reserves the right to charge interest on any amounts outstanding after the due date for payment of this account.					

Invoice Declaration

For Customs

- Part of existing audit trail/required document
- Collates all relevant data on one document
- Identifies company officer & signature
- Simplifies verification – no 3rd party
- Links goods & money

But

- Perception of 'conflict of interest'

For Business

- No additional documents
- No duplication of data
- No change to process
- No ongoing additional cost

Most Effective & Efficient Assurance – The Import Entry

For Customs

- Integral to specific entry/declaration
- Part of existing risk & audit trail
- Has no resource implications
- Importer is local and reachable

Prove it or Lose it

- Onus on importer/beneficiary
- IT/e-process neutral

For Business

- Existing process
- No additional documents
- No changes to systems
- No fiscal impact
- Requires good broker management

DETAIL LINE INFORMATION					
Detail Line No. 1	Description of Goods		Tariff Item	Concession Code	
			Relationship Indicator YES / NO		Preference Indicator Q / N
Country of Export	Country of Origin	Supplier Code	Supplier Name		
Statistical Unit	Statistical Quantity		Supplementary Unit	Supplementary Quantity	
VFD (Foreign)	Currency Code	VFD (Whole NZ\$)	Exchange Rate		
Insurance (Whole NZ\$)	Freight (Whole NZ\$)	Misc. Reason Code	Misc. Amount NZ\$		
Duty Payable NZ\$	GST Payable NZ\$		Total Payable NZ\$		

Post Entry Audits

Cumulative risk = large assessments

Time & resource intensive

Penalties have become core revenue

The goods have long gone

THANK YOU

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