



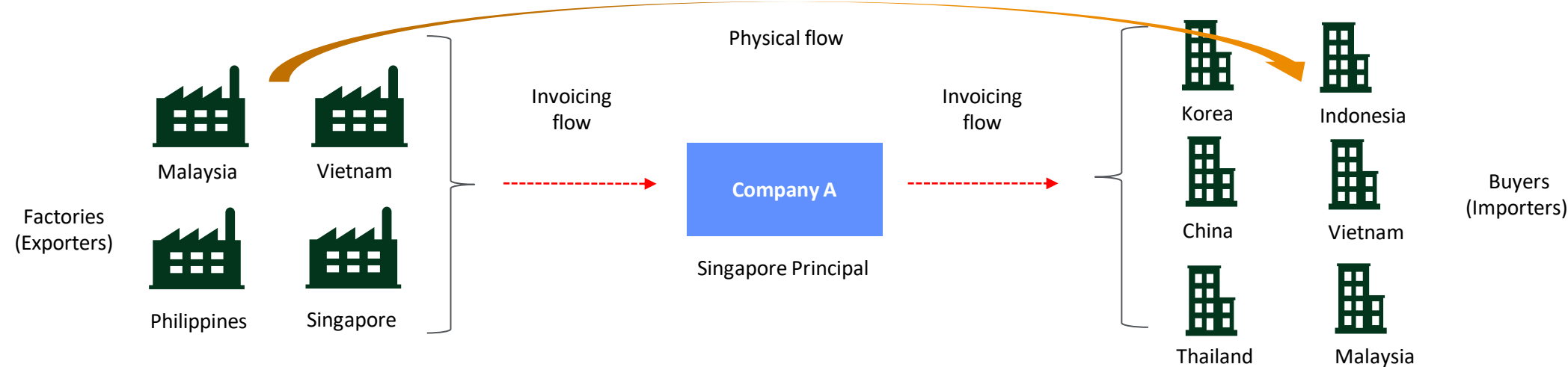
# RCEP – A New Paradigm in Asia's Trading Architecture

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# Case Study 1







## Electrical appliance company



### Free Trade Agreements (FTAs) available – APAC supply point

Countries/FTAs	ATIGA	RCEP	UK	EU	CPTPP
Malaysia 	✓	✓	✗	✗	✓
Vietnam 	✓	✓	✓	✓	✓
Philippines 	✓	✓	✗	✗	✗
Singapore 	✓	✓	✓	✓	✓

### FTA - Duty Reduction Opportunities - ATIGA/RCEP/CPTPP comparison

Import country	HS code	MFN Rate	Preferential Rate (Year 1)		
Vietnam 	Vacuum Cleaner (8508.11/19)	25%	ATIGA – 0%	RCEP – 25%	CPTPP – 15% (B4)
	Fans (8414.51)	30%	ATIGA – 0%	RCEP – 30%	CPTPP – 23.2% (B4)
Thailand 	Vacuum Cleaner (8508.11/19)	30%	ATIGA – 0%	RCEP – 28%	
	Fans (8414.51)	20%	ATIGA – 0%	RCEP – 20%	
Malaysia 	Vacuum Cleaner (8508.11/19)	20%	ATIGA – 0%	RCEP – 20%	CPTPP – 16.6% (B6)
	Fans (8414.51)	30%	ATIGA – 0%	RCEP – 27%	CPTPP – 25% (B6)
Indonesia 	Vacuum Cleaner (8508.11/19)	10%	ATIGA – 0%	RCEP – 10%	
	Fans (8414.51)	10%	ATIGA – 0%	RCEP – 10%	
China 	Vacuum Cleaner (8508.11/19)	10%	ACFTA – 0%	RCEP – 0%	
	Fans (8414.51)	8%	ACFTA – 0%	RCEP – 0%	
Korea 	Vacuum Cleaner ((8508.11/19)	8%	AKFTA - 0%	RCEP – 7.5%	
	Fans (8414.51)	8%	AKFTA - 0%	RCEP – 0%	

# Case Study 1 (cont'd)

## Comparison of FTA rules

### Free Trade Agreements (FTAs) available – APAC supply point

	ATIGA	RCEP	AKFTA	ACFTA	CPTPP
Rules of Origin	<ul style="list-style-type: none"> <li>Regional Value Content 40%</li> <li>Change in Tariff Heading</li> </ul>	<ul style="list-style-type: none"> <li>Regional Value Content 40%</li> <li>Change in Tariff Heading</li> </ul>	<ul style="list-style-type: none"> <li>Regional Value Content 40%</li> <li>Change in Tariff Heading</li> </ul>	<ul style="list-style-type: none"> <li>Regional Value Content 40%</li> <li>Change in Tariff Heading</li> </ul>	<ul style="list-style-type: none"> <li>Change in Tariff Heading</li> <li>RVC not less than 30% (build-up method)</li> <li>RVC not less than 40% (build-down method)</li> </ul>
Third Country Invoicing	<ul style="list-style-type: none"> <li>Yes</li> </ul>	<ul style="list-style-type: none"> <li>Yes</li> </ul>	<ul style="list-style-type: none"> <li>Yes</li> </ul>	<ul style="list-style-type: none"> <li>Yes</li> </ul>	<ul style="list-style-type: none"> <li>Yes</li> </ul> <p><b>[Note:</b> If invoice issued by non-party, origin statement to be issued separately from invoice]</p>
Cumulation	<ul style="list-style-type: none"> <li>Yes</li> <li><i>De minimis</i> rule available</li> </ul>	<ul style="list-style-type: none"> <li>Yes</li> <li><i>De minimis</i> rule available</li> </ul>	<ul style="list-style-type: none"> <li>Yes</li> <li><i>De minimis</i> rule available</li> </ul>	<ul style="list-style-type: none"> <li>Yes</li> <li><i>De minimis</i> rule available</li> </ul>	<ul style="list-style-type: none"> <li>Yes</li> <li><i>De minimis</i> rule available</li> </ul>
CO requirement	<ul style="list-style-type: none"> <li>Form D</li> <li>e-Form D</li> <li>AWSC (registered exporter)</li> </ul>	<ul style="list-style-type: none"> <li>Certificate of Origin</li> <li>Declaration of Origin by Approved Exporter</li> <li>Declaration of Origin by Producer/Exporter (only selected countries have gone “live”)</li> </ul>	<ul style="list-style-type: none"> <li>Form AK</li> </ul>	<ul style="list-style-type: none"> <li>Form E</li> </ul>	<ul style="list-style-type: none"> <li>No prescribed format</li> <li>Self-certification</li> </ul> <p><b>[Note:</b> importer certification within 5 years of implementation for Brunei, Malaysia, Mexico, Peru, Vietnam)</p>

# Case Study 2

## Plastics manufacturer

### Producer/Exporter

Malaysia

### Warehousing/Intermediate Country

Singapore

### Importing Countries

China

Japan

Korea

Australia

India

ASEAN

### China – Duty Reduction

Classification (6 digit level)	MFN rate	Preferential rates under ACFTA	Preferential rates under RCEP										
3901.10	6.5%	For 39011000.10: Interim rate in 2021 is 3%	From Year 1 onwards: U*										
3901.20	6.5%	For 39012000.11 and 39012000.91: Interim rate in 2021 is 3%	From Year 1 onwards: U*										
3901.40	6.5%	0%	Not applicable										
3902.10	6.5%	For 39021000.10: Interim rate in 2021 is 3%	From Year 1 onwards: 0%										
3902.30	6.5%	0%	From Year 1 onwards: 0%										
3907.20	6.5%	For 3907.2010: Interim rate in 2021 is 3%	From Year 1 onwards: 0%										
3907.20.90	6.5%	Interim rate in 2021 is 3%	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10	
			5.9 %	5.2 %	4.6 %	3.9 %	3.3 %	2.6 %	2.0 %	1.3 %	0.7 %	0%	

### Japan – Duty Reduction

Classification (6 digit level)	MFN rate (as of 2021)	Preferential rates under MY-JP (MJEPA) (as of 2021)	Preferential rates under AJFTA (as of 2021)	Preferential rates under RCEP (Year 1)
3901.10	3901.10.021: 6.5% (Temporary(*): 0%) 3901.10.029: 6.5% 3901.10.061: 6.5% (Temporary: 0%) 3901.10.069: 6.5% 3901.10.091: 2.8% (Temporary: 0%) 3901.10.099: 2.8%	0%	0%	0%
3901.20	3901.20.011: 6.5% (Temporary: 0%) 3901.20.019: 6.5% 3901.20.091: 6.5% (Temporary: 0%) 3901.20.099: 6.5%	0%	0%	0%
3901.40	3901.40.011: 2.8% (Temporary: 0%) 3901.40.019: 2.8% 3901.40.091: 2.8% (Temporary: 0%) 3901.40.099: 2.8%	0%	0%	3901.40.011: 0% 3901.40.019: 0% 3901.40.091: 2.6% * 3901.40.099: 2.6% *
3902.10	6.5%	0%	0%	0%
3902.30	2.8%	0%	0%	0%
3907.20	3907.20.100: 0% 3907.20.910: 2.8% 3907.20.990: 2.8%	0%	0%	0%

Australia – Duty Reduction

Classificati on (6 digit level)	MFN rate	Preferential rates under MY-AU (MAFTA)	Preferential rates under AANZFTA (as of 2020)	Preferential rates under RCEP					
3901.10	5%	0%	0%	<u>Yr 1- 10</u>	<u>Yr 11-12</u>	<u>Yr 13-15</u>	<u>Yr 16-17</u>	<u>Yr 18-19</u>	<u>Yr 20</u>
				5%	4%	3%	2%	1%	0%
3901.20	5%	0%	0%	<u>Yr 1- 10</u>	<u>Yr 11-12</u>	<u>Yr 13-15</u>	<u>Yr 16-17</u>	<u>Yr 18-19</u>	<u>Yr 20</u>
				5%	4%	3%	2%	1%	0%
3901.40	5%	Not in schedule of tariff commitments	Not in schedule of tariff commitments	Not in schedule of tariff commitments					
3902.10	5%	0%	0%	<u>Yr 1- 10</u>	<u>Yr 11-12</u>	<u>Yr 13-15</u>	<u>Yr 16-17</u>	<u>Yr 18-19</u>	<u>Yr 20</u>
				5%	4%	3%	2%	1%	0%
3902.30	5%	0%	0%	<u>Yr 1-2</u>	<u>Yr 3-4</u>	<u>Yr 5-6</u>	<u>Yr 7</u>		
				4%	3%	2%	0%		
3907.20	5%	0%	0%	<u>Yr 1- 10</u>	<u>Yr 11-12</u>	<u>Yr 13-15</u>	<u>Yr 16-17</u>	<u>Yr 18-19</u>	<u>Yr 20</u>
				5%	4%	3%	2%	1%	0%

Korea – Duty Reduction

Classification (6 digit level)	MFN rate	Preferential rates under AKFTA	Preferential rates under RCEP									
3901.10	6.5%	5%	Yr 2	Yr 4	<u>Yr 6</u>	<u>Yr 8</u>	Yr 10	Yr 12	Yr 14	Yr 16	Yr 18	<u>Yr 20+</u>
			6.2%	5.9%	5.5%	5.2%	4.9%	4.6%	4.2%	3.9%	3.6%	3.3%
3901.20												
3901.20.10.00	6.5%	5%	Yr 2	<u>Yr 4</u>	<u>Yr 6</u>	<u>Yr 8</u>	Yr 10	Yr 12	Yr 14	Yr 16	Yr 18	Yr 20+
			6.2%	5.9%	5.5%	5.2%	4.9%	4.6%	4.2%	3.9%	3.6%	3.3%
3901.20.90.00	6.5%	5%	Yr 2	<u>Yr 4</u>	<u>Yr 6</u>	<u>Yr 8</u>	Yr 10	Yr 12	Yr 14	<u>Yr 15</u>		
			5.6%	4.8%	3.9%	3.0%	2.2%	1.3%	0.4%	0%		
3901.40	6.5%	5%	No information in the tariff commitments schedule table.									
3902.10	6.5%	5%	Yr 2	Yr 4	<u>Yr 6</u>	<u>Yr 8</u>	<u>Yr 10</u>	Yr 12	Yr 14	Yr 16	Yr 18	Yr 20+
			5.9%	5.2%	4.6%	3.9%	3.3%	2.6%	2.0%	1.3%	0.7%	0%
3902.30	6.5%	0%	<u>Yr 1</u>	<u>Yr 2</u>	<u>Yr 3</u>	<u>Yr 4</u>	<u>Yr 5</u>	<u>Yr 6</u>	<u>Yr 7</u>	<u>Yr 8</u>	<u>Yr 9</u>	<u>Yr 10</u>
			5.9%	5.2%	4.6%	3.9%	3.3%	2.6%	2.0%	1.3%	0.7%	0%
3907.20	6.5%	0%	<u>Yr 1</u>	<u>Yr 2</u>	<u>Yr 3</u>	<u>Yr 4</u>	<u>Yr 5</u>	<u>Yr 6</u>	<u>Yr 7</u>	<u>Yr 8</u>	<u>Yr 9</u>	<u>Yr 10</u>
			5.9%	5.2%	4.6%	3.9%	3.3%	2.6%	2.0%	1.3%	0.7%	0%
3907.20.20.00	6.5%	5%	From Year 1 onwards: U*									

Indonesia – Duty Reduction

Classification (6 digit level)	MFN rate	Preferential rates under ATIGA	Preferential rates under RCEP									
3901.10	10%	0%	From Year 1 onwards: U (*refer to note)									
3901.10.99.10	10%	0%	<u>Yr 1</u>	<u>Yr 2</u>	<u>Yr 3</u>	<u>Yr 4</u>	<u>Yr 5</u>	<u>Yr 6</u>	<u>Yr 7</u>	<u>Yr 8</u>	<u>Yr 9</u>	<u>Yr 10</u>
			10%	9%	8%	7%	6%	5%	4%	3%	2%	0%
3901.20	15%	0%	From Year 1 onwards: U (*refer to note)									
3901.40	5%	0%	0%									
3902.10	10%	0%	From Year 1 onwards: U (*refer to note)									
3902.30	5%	0%	From Year 1 onwards: U (*refer to note)									
3902.30.90	10%	5%	<u>Yr 1-9</u>	<u>Yr 10</u>	<u>Yr 12</u>	<u>Yr 14</u>	<u>Yr 16</u>	<u>Yr 18</u>	<u>Yr 20</u>	Yr 22	Yr 23 +	
			10%	9.9%	9.2%	8.4%	7.7%	6.9%	6.1%	5.4%	5%	
3907.20	5%	0%	From Year 1 onwards: 0%									
3907.20.90	5%	0%	<u>Yr 1</u>	<u>Yr 3</u>	<u>Yr 5</u>	<u>Yr 7</u>	<u>Yr 9</u>	<u>Yr 11</u>	<u>Yr 13</u>	<u>Yr 15 onwards</u>		
			4.6%	4.0%	3.3%	2.6%	2.0%	1.3%	0.7%	0%		

India – Duty Reduction

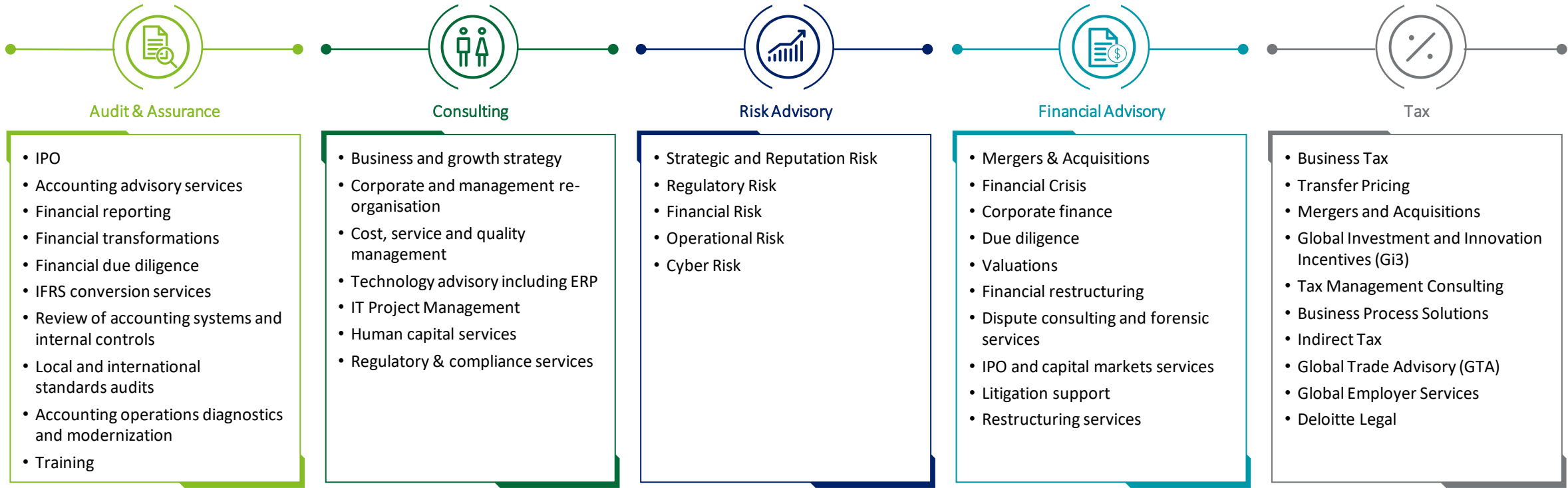
Classification (6 digit level)	MFN rate	Preferential rates under MY-IN*	Preferential rates under AIFTA**
3901.10	10%	5%	5%
3901.20	10%	5%	5%
3901.40	10%	5%	5%
3902.10	10%	5%	5%
3902.30	10%	5%	5%
3907.20	10%	0%	0%

Thank You!



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