

AGREEMENT ESTABLISHING THE ASEAN-AUSTRALIA-NEW ZEALAND FREE TRADE AREA (AANZFTA)

Making Use of AANZFTA to Export or Import Goods

Revised Arrangements from 1 September 2019 following the
entry into force of the First Protocol to Amend the AANZFTA

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Users should also read *Guide for Business: Using the First Protocol*.

1. Introduction

1. The Agreement Establishing the ASEAN-Australia-New Zealand Free Trade Area (AANZFTA) was signed in Thailand in February 2009 by Australia, New Zealand and the 10 member countries of ASEAN. The Agreement entered into force on 1 January 2010 for 8 of the 12 countries that signed the Agreement: Australia, New Zealand, Brunei, Burma (Myanmar), Malaysia, the Philippines, Singapore and Vietnam. The Agreement entered into force on 12 March 2010 for Thailand, on 1 January 2011 for Laos, on 4 January 2011 for Cambodia and on 10 January 2012 for Indonesia.

2. The First Protocol to Amend the AANZFTA ('the First Protocol') was signed by Ministers on 26 August 2014. The amendments only apply to a country once it has been implemented for that country. The First Protocol has now entered into force for all AANZFTA parties. This booklet sets out the requirements for making use of AANZFTA to export and import goods following the entry into force of the First Protocol, including in relation to revised provisions on rules of origin and a new certificate of origin form.
3. AANZFTA provides for the progressive reduction or, for most products, elimination, of tariffs facing Australian goods exported to ASEAN countries, and the progressive elimination of all Australian tariffs on imports from AANZFTA Parties. These tariff commitments only apply to those goods exported or imported from an AANZFTA Party that meet the Agreement's Rules of Origin (ROO).
4. AANZFTA's tariff commitments apply to goods traded between the 12 Parties to the Agreement:
 - Australia
 - Brunei
 - Burma (Myanmar)
 - Cambodia
 - Indonesia
 - Laos
 - Malaysia
 - New Zealand
 - Philippines
 - Singapore
 - Thailand
 - Vietnam
5. This pamphlet provides a guide to help business understand AANZFTA's provisions governing the exportation and importation of originating goods. It:
 - provides an overview of the tariff commitments contained in AANZFTA;
 - explains where to find details of the tariff commitments for individual products;
 - describes the ROO provisions of the Agreement;
 - explains where to find the ROO for individual products;
 - outlines the Agreement's requirements on the use of Certificates of Origin (COO) in order to make use of tariff preferences when a good is imported into an AANZFTA Party; and
 - notes the Agreement's provisions on verification, including its requirements on retention of records demonstrating that a good meets AANZFTA's ROO.

6. Authoritative and full details of AANZFTA's provisions is to be found in the Agreement and its Annexes, which are available at the DFAT website: www.dfat.gov.au/fta/aanzfta

2. AANZFTA's Tariff Commitments

2.1 Overview of the Tariff Commitments

7. AANZFTA provides for extensive commitments on the reduction and elimination of tariffs. Key features of the tariff outcomes are:
- Tariffs will be eliminated on a high percentage of tariff lines in all AANZFTA Parties. Most tariffs will be progressively phased down until they are eliminated. This phasing generally commences on entry into force of the Agreement, including immediate tariff elimination for some products in individual countries. The phasing uses as a starting point, the most-favoured-nation (MFN) tariffs that applied in 2005.
 - Many tariffs currently at very high levels will be reduced to levels that should allow trade to flow within a few years.
 - Exclusions from tariff commitments in individual ASEAN countries have been kept to a minimum, and generally do not exceed 1% of a country's national tariff lines.
 - For goods where tariffs are neither eliminated nor excluded from commitments, tariffs are either bound at the 2005 base rate, or are subject to tariff reductions.
 - The tariff commitments in the Agreement only apply to those goods exported by an AANZFTA Party which meet the applicable ROO.
 - The tariff outcomes provide for longer transition periods, and lower tariff elimination outcomes, for Vietnam and the three least developed countries Burma (Myanmar), Cambodia and Laos), in recognition of their status as newer ASEAN members with less developed economies.

8. A snapshot of the tariff elimination outcomes is provided in Table 1, which shows, for each Party, the percentage of tariff lines with applied MFN tariff-free treatment in the base year of 2005, and with bound tariff-free treatment in AANZFTA in 2010, in 2013, and at the end of the transition period for each country. The Table demonstrates:
- the high levels of tariff elimination that will be achieved by AANZFTA; and
 - that high levels of tariff-free treatment - generally around 90% - were achieved as early as 2013 for the more developed ASEAN markets.

Table 1
Percentage of Tariff Lines with Tariff-Free Treatment

Country	2005 Base Tariffs (%)	2010 (%)	2013 (%)	Final Tariff Elimination (%)	Year Achieved
Australia	47.6	96.4	96.5	100	2020
Brunei	68	75.7	90	98.9	2020
Burma	3.7	3.6	3.6	85.2	2024
Cambodia	4.7	4.7	4.7	88	2024
Indonesia	21.2	58	85	93.2	2025
Laos	0	0	0	88	2023
Malaysia	57.7	67.7	90.9	96.3	2020
New Zealand	58.6	84.7	90.3	100	2020
Philippines	3.9	60.3	91	94.6	2020
Singapore	99.9	100	100	100	2009
Thailand	7.1	73	87.2	99	2020
Vietnam	29.3	29	29	89.8	2020

An additional perspective on the significance of AANZFTA's tariff commitments is provided in Table 2 which shows the percentage of each country's tariff lines in the 0-5% range (i.e. tariffs that are zero or at such a low level they should not restrict trade) in the 2005 base period, in 2012, 2014, 2017, 2020 and 2025.

Table 2
Percentage of Tariff Lines with Tariffs in the 0-5% Range

Country	2005 Base Tariffs(%)	2012(%)	2014(%)	2017(%)	2020(%)	2025(%)
Australia	86.2	96.8	96.8	97.6	100	100
Brunei	76.2	93	93.3	95.8	99	99
Burma	68.6	68.6	68.6	89	89.1	96.9
Cambodia	4.7	4.7	4.7	35.4	71.4	95
Indonesia	59.4	91.9	92.8	95.6	96.2	96.7
Laos	49.6	49.4	49.4	84.8	88.3	95.8
Malaysia	66.2	91	91.9	97	97.2	97.2
New Zealand	65.4	93.1	94.6	98.3	100	100
Philippines	57.2	94.5	94.5	95.7	96.5	96.5
Singapore	99.9	100	100	100	100	100
Thailand	56.5	91.4	91.4	92.3	99	99
Vietnam	46.7	46.3	55	90.8	90.8	95

- More detailed summaries of the tariff outcomes, including for individual product sectors, can be found on the DFAT website in a set of Fact Sheets on AANZFTA's outcomes. AANZFTA applies in parallel with Australia's existing bilateral free trade agreements (FTAs) with four of the countries that are also signatories to AANZFTA (Malaysia (MAFTA), New Zealand (ANZCERTA), Singapore (SAFTA) and Thailand (TAFTA)). These four FTAs have their own tariff commitments, which apply to goods meeting the relevant ROO provisions under each of the agreements. Businesses are free to decide whether to make use of AANZFTA or the bilateral FTA when trading with these countries, but need to remember that the tariff commitments contained in each agreement are only applicable to goods that meet the relevant ROO in that agreement.

2.2. How to Find the Tariff Commitments for Individual Products

- The tariff schedules included in Annex 1 to the Agreement, and which are also available on the DFAT website (<https://dfat.gov.au/trade/agreements/in-force/aanzfta/official-documents/Pages/annex-1-schedules-of-tariff-commitments.aspx>), are in a tariff classification format that is known as Harmonized Commodity Description and Coding System (HS) 2002. When AANZFTA entered into force, the tariff commitments were implemented using the HS 2007 tariff schedules (rather than the HS 2002 tariff schedules). This is because the HS is periodically updated by the World Customs Organization – usually every five years – to simplify it where possible and to take account of changes in technology, the appearance of new products, and changes in the patterns of international trade.

11. The tariff schedules have now been converted to HS 2012 for all AANZFTA Parties
12. The tariff commitments of each of AANZFTA's 12 Parties are set out in the 12 individual country tariff schedules which are contained in Annex 1 to the Agreement. The schedules in HS 2007 and HS 2012 can be found on the DFAT website (<https://dfat.gov.au/trade/agreements/in-force/aanzfta/official-documents/Pages/annex-1-schedules-of-tariff-commitments.aspx>). These schedules contain several columns setting out the following information:
- HS Code: this is the national tariff number for each product. The HS is harmonized internationally up to the six digit level. The HS is used by all AANZFTA Parties as the basis for classifying and differentiating between goods for the purposes of levying tariffs, applying other trade measures and collecting trade statistics. However, the national tariff of most countries is at the 7, 8 or 9 digit level (or higher), with the additional digits allowing countries to make their own distinctions between different categories of goods. Most ASEAN countries use the ASEAN Harmonized Tariff Nomenclature (AHTN), which is based on the HS but which further harmonizes the tariff numbers up to the eight digit level. Like the HS, the AHTN also allows individual ASEAN countries to have additional digits in their national tariffs to make national-level product distinctions.
 - Description: this is the description of the good covered by the corresponding national tariff number. Like the tariff numbers, this is harmonized internationally in the HS up to the six digit level, but can differ between countries at higher levels.
 - Columns for 2012, 2013 etc: these columns set out AANZFTA's tariff commitments for each year. The column headed '2012' sets out the tariff applied under AANZFTA for each tariff line in calendar year 2012. The tariff rates implemented in subsequent years are set out in the columns headed '2013', '2014' etc, and these rates were implemented on 1 January of each year. The final column in most countries' schedules is headed '2020 and subsequent years' and sets out the final tariff rate that will apply from 2020 onwards.

3. AANZFTA Rules of Origin (ROO) Provisions

3.1 Overview of the ROO Provisions

13. The tariff commitments in AANZFTA only apply to goods which comply with its ROO provisions and are therefore eligible to be considered to be AANZFTA originating goods, and which are supported by a COO issued by an Issuing Authority/Body in the exporting Party (see Part 3.3 below).
14. Under these provisions a good will be considered an AANZFTA originating good if:
- It is wholly produced or obtained in a Party (as provided in Article 3 of Chapter 3 (Rules of Origin) of the Agreement); or
 - It makes use of non-originating materials but these are substantially transformed; or
 - It is produced in a Party exclusively from originating materials from one or more of the Parties.

15. Many agricultural, fishery and mineral goods will meet the requirements for being wholly produced or obtained. However, manufactured goods typically make use of components and inputs from a range of countries and will therefore generally involve at least some use of non-originating materials. This means that most manufactured goods will need to comply with AANZFTA's rules on substantial transformation of these non-originating materials in order to be deemed an AANZFTA originating good.

AANZFTA's Substantial Transformation Requirements

16. AANZFTA's ROO make use of a number of internationally recognized tests for determining substantial transformation:

- Change in Tariff Classification (CTC): non-originating materials must undergo the required change in their tariff classification under the HS within the specified AANZFTA Party. The required CTC change might be at one of three levels: a change in tariff chapter, at the 2-digit level of the HS; a change in tariff heading, at the 4-digit level of the HS; or a change in tariff sub-heading, at the 6-digit level of the HS.
- Regional Value Content (RVC): the proportion of the value of the exported good added within the AANZFTA Parties must reach a specified threshold (i.e. this puts a limit on the proportion of the value of the exported good represented by non-originating materials).
- Specified processing: non-originating materials must undergo specified processing within AANZFTA Parties.

Many Products have Co-Equal CTC or RVC Rules

17. An important feature of AANZFTA's ROO is that for many goods they allow manufacturers the choice of using either a CTC rule or an RVC rule in order to determine the origin of the good. AANZFTA's ROO fall into the following general categories:

- The "co-equal" rules – the choice of either a CTC rule or an RVC rule – apply to products covered by about 83 per cent of HS sub-headings.
- For about 10 per cent of HS sub-headings there is only a CTC rule (mainly textiles and some clothing).
- For about 1.3 per cent of HS sub-headings there is only an RVC rule (mainly motor vehicles and some motor vehicle parts).
- A requirement that a specified process is met is generally applied in combination with either a CTC or an RVC rule (e.g. textile finishing processes).
- For about two-thirds of chemical products, there is a chemical reaction rule. This provides that in the event the chemical product does not meet the applicable CTC and RVC rules, it would still be considered an AANZFTA originating good if it has been produced as the result of a chemical reaction that occurred in an AANZFTA Party.

- For about 4.5 per cent of HS sub-headings the good must meet AANZFTA's wholly obtained rules in order to be considered AANZFTA originating.

18. *Attachment 1* provides an overview of where to find the ROO provisions in AANZFTA.

Cumulation

19. A key feature of AANZFTA's ROO is that it allows for cumulation. This means that a good that complies with the AANZFTA ROO (i.e. it is an AANZFTA originating good), and which is exported to another AANZFTA Party where it is used as a material in the production of another good, is considered to originate in the Party where the working or processing of the finished good has taken place. As a result, the use of originating goods as inputs or components in the production of another good can be counted towards that other good meeting AANZFTA's ROO requirements. For example:

- If a CTC test is applicable to the finished good, AANZFTA originating materials used in the production of that good do not have to comply with this test because the test only applies to non-originating materials used in the production of the finished good.
- If an RVC test is applicable to the finished good, AANZFTA originating materials used in the production of that good can be counted towards meeting the specified RVC requirement.

20. The fact that a good has been sourced from an AANZFTA Party does not necessarily mean it can be used for the purposes of the cumulation provisions. The good must be an AANZFTA-originating good in accordance with the Agreement's ROO provisions for it to be used for the purposes of the cumulation provisions.

Transportation of Goods and ROO Requirements

21. An AANZFTA originating good retains its originating status if it is transported from the exporting Party to the importing Party:

- without passing through any non-Party; or
- through a non-Party and certain conditions are met (see below).

22. Transportation to the importing Party through another AANZFTA Party does not affect the originating status of the good. Furthermore, if the good is imported into another AANZFTA Party and then re-exported it may be eligible for a "back-to-back certificate" to enable it to retain originating status on the basis of the original COO. See the discussion of back-to-back certificates in Part 3.3 below. A back-to-back certificate is not required in a case of simple transshipment of the good through an AANZFTA Party, i.e. where it is not imported into that Party.

23. Under AANZFTA (Article 14 of the ROO Chapter), a good that transits through a non-Party will retain its originating status provided that:

- The good has not undergone subsequent production or any other operation outside the territories of the Parties other than unloading, reloading, storing or any other operations necessary to preserve it in good condition or to transport it to the importing Party;
- The good has not entered the commerce of the non-Party; and
- The transit entry is justified for geographical, economic, or logistical reasons.

24. Rule 21 of the Operational Certification Procedures (OCP) specify the documentation required to be provided to the Customs Authority of the importing Party to implement these provisions on goods that transit through a non-Party.

25. Other important elements of the ROO provisions are outlined in *Attachment 2*.

3.2 How to Find the ROO Requirements for Individual Products

26. To find the AANZFTA ROO for a particular good, these steps should be followed:

Step 1: Check whether the good meets AANZFTA requirements for a wholly obtained or produced good as set out in Article 3 of the ROO Chapter, or is produced in a Party exclusively from originating materials from one or more of the Parties in accordance with Article 2.1(c). If the good meets these requirements then it is deemed to be an AANZFTA originating good. If the good does not meet these requirements, proceed to Step 2.

Step 2: Check the Product Specific Rule (PSR) that applies to the relevant good set out in Annex 2 of the Agreement. The good needs to meet the PSR set out in Column 4 of this Annex to be deemed to be an AANZFTA originating good.

27. These two steps will identify whether the wholly obtained rule, the rule that a good be produced in an AANZFTA Party exclusively from originating materials, or a PSR applies to a particular good. In addition, other relevant provisions of AANZFTA's ROO (see the summary above) need to be complied with for a good to be considered an AANZFTA originating good.

3.3 Obtaining and Using a Certificate of Origin, and Verification Procedures

28. AANZFTA's ROO are supported by a requirement that exports be accompanied by a COO issued by a designated authority (an Issuing Authority/Body). The detailed requirements for obtaining and using COO are set out in the OCP in the Annex to Chapter 3. Key features of the COO requirements:

- A COO is required to claim preferential tariff treatment. A COO is needed for each shipment of goods for which preferential tariff treatment under AANZFTA is claimed. An importer, if requested to, must submit the COO to the Customs Authority of the importing Party at the time of import declaration in order to claim preferential tariff treatment. (OCP Rule 12).
 - However, a COO is not required for originating goods not exceeding US\$200 FOB value or such higher amount specified in an importing Party's domestic laws. (OCP Rule 14).
 - Note that in the case of imports into Australia this FOB value amount is A\$1,000.
- The COO form. The Parties have agreed on the format for the COO (see sample COO in *Attachment 3*). Important features to note:
 - The origin conferring criteria has to be specified in Box 8 using the acronyms listed in the Overleaf Notes. There is also a five page guideline (see *Attachment 4*) to assist in filling out Box 8. Table 1 in the Guidelines applies to goods exported from an AANZFTA party - including Australia - where the First Protocol has entered into force. Table 2 of the Guidelines apply to goods exported from parties where the First Protocol has not entered into force (ie. Indonesia and Cambodia).
 - The quantity of the goods have to be specified in Box 9. The FOB value of the goods also needs to be specified in Box 9 if the good is claiming preference on the basis of an

RVC rule. Exporters from Australia and New Zealand have the option of not including the FOB value in Box 9 and instead providing this information in a separate Exporter Declaration (see *Attachment 5*). The Exporter Declaration would not be provided to the Issuing Authority/Body that issues the COO, but would need to be presented with the COO to the Customs Authority of the importing Party at the time of import declaration.

- The name of the company issuing a third-party invoice has to be specified in Box 7 or if there is insufficient space on a continuation sheet. (OCP Rule 22) A third-party invoice refers to the situation where the sales invoice is issued either by a company located in a third country (whether that country is an AANZFTA party or is a non-party) or by an exporter for the account of that company. It is important that this information is included in Box 7 (or on a continuation sheet) even though the Overleaf Notes do not specifically mention it.
- No erasures or superimpositions are allowed on the COO. Alterations should be made by striking out the erroneous material and making additions, with such alterations being approved by a person authorised to sign the COO and certified by the Issuing Authority/Body. Unused spaces should be crossed out to prevent subsequent additions. (OCP Rule 9)
- Issuing Authorities/Bodies. Details of the Issuing Authorities/Bodies have been provided by each Party before AANZFTA's entry-into-force. The Issuing Authorities/Bodies have provided the names, addresses, specimen signatures and specimens of the impressions of official seals, to the other Parties. These notifications, which may be updated from time to time, take place through the ASEAN Secretariat. (OCP Rules 1 and 2).
 - Where a Customs Authority queries the authenticity of an Issuing Authorities/Bodies signature or seal on a COO, Customs officials are able to access a secure website in order to review up to date signatures and seals.
- Application for a COO. The manufacturer, producer, or exporter of the good or an authorised representative should apply to the Issuing Authority/Body for a COO. They must provide appropriate supporting documents and other relevant information to the Issuing Authority to prove that the good to be exported qualifies as originating. (OCP Rule 6)
- The COO consists of an original and two copies. The original of the COO, bearing the signature and official seal of the Issuing Authority/Body, must be forwarded by the exporter to the importer for submission, if requested, to the Customs Authority in the importing Party. A copy of the COO must be retained by the exporter and the Issuing Authority/Body, respectively. (OCP Rule 7)
- Issuing of the COO. The COO has to be issued as near as possible to, but no later than three working days after, the date of exportation. Where this is not possible, due to involuntary errors or omissions or other valid causes, the COO may be issued retroactively, but no longer than twelve months from the date of exportation, bearing the words "ISSUED RETROACTIVELY". (OCP Rule 10).

- Period of validity of COO. The COO will be valid for a period of twelve months from the date of issue and must be submitted to the Customs Authority of the importing Party within that period. (OCP Rule 13).
- Back-to-back certificate. If an AANZFTA originating good has been imported into an AANZFTA Party but is then re-exported to another AANZFTA Party, the exporter in the “intermediate AANZFTA Party” may make an application to the Issuing Authority/Body in that Party to issue a “back-to-back certificate” to ensure that the good will be eligible for preferential tariff treatment in the AANZFTA Party that is the final destination. A number of conditions must be met for the issuing of a back-to-back certificate (e.g. a valid COO for the first export or its certified true copy must be presented, and the consignment to be re-exported must not undergo further processing in the intermediate Party, except for packing or logistics activities or other operations necessary to preserve them in good condition or to transport them to the final destination). (OCP Rule 10). Back-to-back certificates are not required for transshipment between AANZFTA Parties where the goods are not imported into any of the Parties through which the goods are transhipped.
- Record keeping. The Issuing Authority/Body, manufacturer, producer, exporter, importer and their authorised representative are required to maintain all records relating to the exportation or importation that are necessary to demonstrate that the good qualifies for preferential tariff treatment for a period of not less than three years after the date of exportation or importation. (OCP Rule 16). In the case of Australian traders, records must be kept for at least five years.
- Verification. The OCP also provides detailed provisions on the approach to be followed by the Customs Authority of the importing Party if it sees a need to verify the eligibility of a good for preferential tariff treatment. Verification activities may involve requests for information from the Issuing Authority/Body, the importer, the exporter or the producer of the goods, or a request to undertake a verification visit to the premises or factory of the exporter or producer. Communication between the Customs Authority of the importing Party and the exporter or producer is to be channelled through the Issuing Authority/Body of the exporting Party. If the exporter or producer refuses the request, then preferential tariff treatment may be denied. (OCP Rules 17, 18, 19).

3.4 Requirement to Declare the Free-on-Board (FOB) Value of Goods

29. The FOB value is only required to be disclosed on the COO in cases where the origin claim is based on a RVC rule.
30. One of the aims of the First Protocol is to address the concerns of intermediary companies that including the FOB value on the COO would reveal confidential information. In the first instance, such companies should investigate whether they can apply for an AANZFTA COO on the basis of a PSR that does not include an RVC requirement.

31. However, if this is not possible, there are two options available that may assist intermediary companies from disclosing their profit margins to importers if the importer wishes to claim preferential tariff treatment:

- The first option is for the intermediary company to also be the importer into Australia. This would mean that the COO would not need to be given to the Australian company purchasing the goods.
- The second option is for the intermediary company to have representation located in the exporting Party (including where this representation takes the form of another company being authorised to act on its behalf). The representative of the intermediary company can export the goods and apply for the COO using the intermediary company's sale price for the FOB value provided this representative had sufficient information from the manufacturer to demonstrate that the goods were AANZFTA originating.

3.5 The Issuing Authorities/Bodies

32. In Australia and New Zealand the Issuing Authorities/Bodies can be non-government bodies. In the ASEAN countries, the Issuing Authorities/Bodies are generally government agencies.

33. The Australian Chamber of Commerce and Industry (ACCI), the Australian Industry Group (Ai Group), Ozdocs International Pty Ltd and TradeWindow Origin (TWO) are Australia's 13 authorized Issuing Authorities/Bodies under AANZFTA.

34. Contact details for ACCI, Ai Group, Ozdocs and TWO are:

<p>ACCI Australian Chamber of Commerce and Industry Telephone: 02 6270 8000 Email: info@australianchamber.com.au Web: www.australianchamber.com.au</p>	<p>Ai Group Australian Industry Group Telephone: 1300 776063 Email: tradedocs@aigroup.com.au Web: https://www.aigroup.com.au/</p>
<p>Ozdocs International Pty Ltd (trading as International Export Certification Services) Telephone: 02 9899 2000 Web: www.ozdocs.com.au</p>	<p>TWO TradeWindow Origin Phone: 02 9098 5969 Email: originsupport@tradewindow.io Web: https://tradewindow.io/origin/</p>

35. The Australian Government has an established domestic accreditation framework, the FTA COO Accreditation Scheme, to accredit bodies to issue COOs under Australia's FTAs that require the use of COO issued by an authorised body. The Joint Accreditation System of Australia and New Zealand (JAS-ANZ) administers the accreditation process. Details of these arrangements, and contact details, were announced on 19 July 2010. (<https://dfat.gov.au/news/media/Pages/scheme-for-the-recognition-of-bodies-to-issue-certificates-of-origin-for-free-trade-agreements.aspx>).

36. Bodies interested in being an Issuing Authority/Body for the purpose of issuing COO under AANZFTA (and other relevant FTAs) should apply to JAS-ANZ for accreditation. It is expected that completion of the accreditation process will take several months, and JAS-ANZ can provide assistance regarding the procedures and documentation requirements for accreditation. When a body has been successful in achieving accreditation, JAS-ANZ will notify DFAT, which will undertake any necessary approval or notification requirements under AANZFTA (and other relevant FTAs) and advise the body when it can begin issuing COOs for AANZFTA (and other particular FTAs).

4. Checklist of Key Points for Successfully Using AANZFTA to Export or Import Goods

37. Some of the key points to follow when using AANZFTA to export or import goods are set out below. But remember that authoritative and full details of AANZFTA's requirements are set out in the Agreement and its Annexes.

- Check the tariff commitments applying to products of interest to you, and in countries of interest, in the AANZFTA tariff schedules.
- Check the rule of origin applying to your product following the steps outlined in this pamphlet.
- If you are exporting a good to an AANZFTA Party:
 - apply to an Issuing Authority/Body for a COO for each shipment;
 - ensure that the importer has the COO so they can submit it to the Customs Authority at the time of import declaration for the shipment;
 - if you have not specified the FOB value in Box 9 of the COO, and are claiming preference on the basis of an RVC rule, ensure that a completed Exporter Declaration containing this information accompanies the COO;
 - The FOB value will only be the required for goods where origin is claimed on the basis of RVC value.
- If you are importing a good from an AANZFTA Party:
 - ensure that that you have a COO issued by an Issuing Authority in the exporting Party at the time of import declaration for the shipment.
- Ensure you maintain necessary records for at least three years (in the case of Australian traders, five years).

Attachment 1

Where to Find the ROO Provisions in AANZFTA

1. The ROO provisions in AANZFTA are set out in the following parts of the Agreement:
 - Chapter 3 of the Agreement is titled “Rules of Origin” and contains the key provisions on ROO. Article 1 of the Chapter contains definitions of many of the key terms used in the rules.
 - An Annex to Chapter 3 is titled “Operational Certification Procedures” (OCP) and sets out the procedures for the issuing and use of certificates of origin (COO) and for verifying that origin requirements have been met.
 - Appendix 3 to the First Protocol is titled “List of Data Requirements” and sets out, as a transitional measure, the list of data requirements for Certificates of Origin.
 - Annex 2 to the Agreement is titled “Product Specific Rules” (PSR) and includes:
 - A Headnote to the Annex which sets out rules for interpreting the PSR.
 - The body of the PSR is arranged according to sub-heading in the HS 2012 format. In some cases, important provisions are contained in Chapter Notes (e.g. the chemical reaction rule in the Chapter Notes to Chapters 28, 29 and 32).
 - An Appendix containing an Indicative List of Textile Finishing Processes.

The Formulas for Calculating RVC

2. In calculating the RVC either of the following formulas can be used:

(a) Direct Formula

$$\text{RVC} = \frac{\text{AANZFTA Material Cost} + \text{Labour Cost} + \text{Overhead Cost} + \text{Profit} + \text{Other Costs}}{\text{FOB}} \times 100\%$$

(b) Indirect/Build-Down Formula

$$\text{RVC} = \frac{\text{FOB} - \text{Value of Non-Originating Materials}}{\text{FOB}} \times 100\%$$

3. Article 5 of the ROO Chapter provides further detail on the formulas for calculating RVC, including definitions of the terms used.

Attachment 2

Other Important Elements of the ROO Provisions

1. Other important elements of AANZFTA's ROO provisions that business needs to be familiar with:
 - Chemical reaction rule. For about two-thirds of the tariff sub-headings covering chemical products, if the good fails to meet the applicable RVC and CTC rules it would still be an originating good if it was produced as a result of a chemical reaction that occurred in an AANZFTA Party. The Chemical reaction rule is set out in the Chapter Notes in Annex 2 PSR for Chapters 28, 29 and 32 of the HS.
 - Minimal operations and processes. These provisions only apply in cases where the claim for origin is based solely on an RVC requirement. In these cases certain operations or processes listed in Article 7 of the ROO Chapter shall not be taken into account in determining whether or not a good is originating.
 - De minimis provisions. These provisions in Article 8 of the ROO Chapter only apply in cases where the claim for origin is based on a CTC requirement. If the good does not meet the CTC rule it will still be considered an originating good on condition that the value of all non-originating materials used in its production that do not undergo the required CTC do not exceed 10 per cent of the FOB value of the exported good. In the case of textile and apparel products covered by Chapters 50 to 63 of the tariff, the *de minimis* provision also applies if the weight of all non-originating materials that do not undergo the required CTC does not exceed 10 per cent of the total weight of the exported good.
 - Accessories, spare parts and tools. Article 9 of the ROO Chapter provides that accessories, spare parts and tools will not be considered in origin determinations where a CTC rule is used, provided that the accessories are customarily supplied with the finished goods and are not separately invoiced. The value of accessories, spare parts and tools will be considered in origin determinations where an RVC rule is used.
 - Identical and interchangeable materials. These are materials that are fungible as a result of being of the same kind and commercial quality, possessing the same technical and physical characteristics, and once incorporated into a finished product cannot be distinguished on the basis of any markings or visual examination. Article 10 of the ROO Chapter sets out rules for determining whether they are originating materials.
 - Treatment of packing materials and containers. Article 11 of the ROO Chapter provides that packing materials for shipping and transport are not considered in origin determinations. The value of retail packaging materials is considered in the value of the good where an RVC rule is used. However, retail packing materials, when classified together with the good concerned, will not be taken into account where a CTC rule is used.

- Indirect materials. Article 12 of the ROO Chapter provides that indirect materials (e.g. costs such as fuel and energy, lubricants and tools used in producing a good but not physically incorporated into it) are treated as originating materials without regard to where they are produced. Article 1 contains the definition of indirect materials.

CERTIFICATE OF ORIGIN

(SAMPLE ONLY – ORIGINAL TO BE SUPPLIED BY AUTHORISED BODY)

1. Goods Consigned from (Exporter's name, address and country)			Certificate No. _____ Form AANZ		
2. Goods Consigned to (Importer's/ Consignee's name, address, country)			AGREEMENT ESTABLISHING THE ASEAN – AUSTRALIA–NEW ZEALAND FREE TRADE AREA (AANZFTA) CERTIFICATE OF ORIGIN (Combined Declaration and Certificate) Issued in (Country) (see Overleaf Notes)		
3. Means of transport and route (if known) Shipment Date: Vessel's name/Aircraft etc.: Port of Discharge:			4. For Official Use <input type="checkbox"/> Preferential Treatment Given Under AANZFTA <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 kind of packages; description of goods including HS Code (6 digits) and brand name (if applicable). Name of company issuing third party invoice (if applicable)	8. Origin Conferring Criterion (see Overleaf Notes)	9. Quantity (Gross weight or other measurement), and value (FOB) where RVC is applied (see Overleaf Notes)	10. Invoice number(s) and date of invoice(s)
11. Declaration by the exporter The undersigned hereby declares that the above details and statements are correct; that all the goods were produced in (country) and that they comply with the rules of origin, as provided in Chapter 3 of the Agreement Establishing the ASEAN-Australia-New Zealand Free Trade Area for the goods exported to (importing country) Place and date, name, signature and company of authorised signatory			12. Certification On the basis of control carried out, it is hereby certified that the information herein is correct and that the goods described comply with the origin requirements specified in the Agreement Establishing the ASEAN-Australia-New Zealand Free Trade Area. Place and date, signature and stamp of Authorised Issuing Authority/ Body		
13. <input type="checkbox"/> Back-to-back Certificate of Origin <input type="checkbox"/> Subject of third-party invoice <input type="checkbox"/> Issued retroactively <input type="checkbox"/> De Minimis <input type="checkbox"/> Accumulation					

OVERLEAF NOTES

1. Countries which accept this form for the purpose of preferential treatment under the Agreement Establishing the ASEAN-Australia-New Zealand Free Trade Area (the Agreement):
- | | | | | | |
|-----------|-------------------|-------------|-----------|----------|----------|
| Australia | Brunei Darussalam | Cambodia | Indonesia | Lao PDR | Malaysia |
| Myanmar | New Zealand | Philippines | Singapore | Thailand | Viet Nam |
- (herein after individually referred to as a Party)

2. **CONDITIONS:** To be eligible for the preferential treatment under the AANZFTA, goods must:
- Fall within a description of products eligible for concessions in the importing Party;
 - Comply with all relevant provisions of Chapter 3 (Rules of Origin) of the Agreement.
3. **EXPORTER AND CONSIGNEE:** Details of the exporter of the goods (including name, address and country) and consignee (name and address) must be provided in Box 1 and Box 2, respectively.
4. **DESCRIPTION OF GOODS:** The description of each good in Box 7 must include the Harmonized Commodity Description and Coding System (HS) subheading at the 6-digit level of the exported product, and if applicable, product name and brand name. This information should be sufficiently detailed to enable the products to be identified by the customs officer examining them.
5. **ORIGIN CRITERIA:** For the goods that meet the origin criteria, the exporter should indicate in Box 8 of this Form, the origin criteria met, in the manner shown in the following table:

Circumstances of production or manufacture in the country named in Box 1 of this form:	Insert in Box 8
(a) Goods wholly produced or obtained satisfying Article 2.1(a) of Chapter 3 of the Agreement	WO
(b) Goods produced entirely satisfying Article 2.1(c) of Chapter 3 of the Agreement	PE
(c) Not wholly produced or obtained in a Party, provided that the goods satisfy Article 4 of Chapter 3 of the Agreement as amended by the First Protocol i.e., if the good is specified in Annex 2, all the product specific requirements listed have been met: <ul style="list-style-type: none"> - Change in Tariff Classification - Regional Value Content - Regional Value Content + Change in Tariff Classification - Other, including a Specific Manufacturing or Processing Operation 	CTC RVC "e.g. CTSH + RVC 35%" Other

6. **EACH GOOD CLAIMING PREFERENTIAL TARIFF TREATMENT MUST QUALIFY IN ITS OWN RIGHT:** It should be noted that all the goods in a consignment must qualify separately in their own right. This is of particular relevance when similar articles of different sizes or spare parts are exported.
7. **FOB VALUE:** For Consignments to all Parties where the origin criteria includes a Regional Value Content requirement:
- An exporter from an ASEAN Member State must provide in Box 9 the FOB value of the goods
 - An exporter from Australia or New Zealand can complete either Box 9 or provide a separate "Exporter Declaration" stating the FOB value of the goods.
- The FOB value is not required for consignments where the origin criteria does not include a Regional Value Content requirement. In the case of goods exported from and imported by Cambodia and Myanmar, the FOB value shall be included in the Certificate of Origin or the back-to-back Certificate of Origin for all goods, irrespective of the origin criteria used, for two (2) years from the date of entry into force of the First Protocol or an earlier date as endorsed by the Committee on Trade in Goods.
9. **INVOICES:** Indicate the invoice number and date for each item. The invoice should be the one issued for the importation of the good into the importing Party.
10. **SUBJECT OF THIRD PARTY INVOICE:** In cases where invoices used for the importation are issued in a third country, in accordance with Rule 22 of the Operational Certification Procedures, the "SUBJECT OF THIRD-PARTY INVOICE" box in Box 13 should be ticked (✓) and the name of the company issuing the invoice should be provided in Box 7 or, if there is insufficient space, on a continuation sheet. The number of the invoices issued by the manufacturers or the exporters and the number of the invoices issued by the trader (if known) for the importation of goods into the importing Party should be indicated in Box 10.
11. **BACK-TO-BACK CERTIFICATE OF ORIGIN:** In the case of a back-to-back certificate of origin issued in accordance with paragraph 3 of Rule 10 of the Operational Certification Procedures, the back-to-back certificate of origin in Box 13 should be ticked (✓).
12. **CERTIFIED TRUE COPY:** In case of a certified true copy, the words "CERTIFIED TRUE COPY" should be written or stamped on Box 12 of the Certificate with the date of issuance of the copy in accordance with Rule 11 of the Operational Certification Procedures.
13. **FOR OFFICIAL USE:** The Customs Authority of the Importing Party must indicate (✓) in the relevant boxes in Box 4 whether or not preferential tariff treatment is accorded.

BOX 13: The items in Box 13 should be ticked (✓), as appropriate, in those cases where such items are relevant to the goods covered by the Certificate.

Continuation Sheet

ORIGINAL

Certificate No.

Form AANZ

5. Item number	6. Marks and numbers on packages	7. Number and kind of packages; description of goods including HS Code (6 digits) and brand name (if applicable)	8. Origin Conferring Criterion (see Overleaf Notes)	9. Quantity (Gross weight or other measurement), and value (FOB) where RVC is applied (see Overleaf Notes)	10. Invoice number(s) and date of invoice(s)
11. Declaration by the exporter The undersigned hereby declares that the above details and statements are correct; that all the goods were produced in (country) and that they comply with the rules of origin, as provided in Chapter 3 of the Agreement Establishing the ASEAN-Australia-New Zealand Free Trade Area for the goods exported to (importing country) Place and date, name, signature and company of authorised signatory			12. Certification On the basis of control carried out, it is hereby certified that the information herein is correct and that the goods described comply with the origin requirements specified in the Agreement Establishing the ASEAN-Australia-New Zealand Free Trade Area. Place and date, signature and stamp of Authorised Issuing Authority/ Body		

GOODS EXPORTED FROM AN AANZFTA PARTY UNDER THE FIRST PROTOCOL

The Certificate of Origin must be issued on the Form AANZ Template (page 19), unless otherwise agreed between the Parties. The HS Codes to be used to identify the products must be in HS 2012.

Circumstances of production or manufacture in the country named in Box 11 of this form:	Insert in Box 8
(a) Goods wholly produced or obtained satisfying Article 2.1(a) of the Agreement	<p>WO</p> <p>Understanding: “WO” should be placed in Box 8 if the good is wholly produced or obtained in a Party.</p>
(b) Goods produced entirely satisfying Article 2.1(c) of the Agreement	<p>PE</p> <p>Understanding: “PE” should be placed in Box 8 if the good is produced entirely in a Party exclusively from originating materials from one or more of the Parties.</p>
<p>(c) Not wholly produced or obtained in a Party, provided that the goods satisfy Article 4.1, i.e., all the product specific requirements listed have been met:</p> <ul style="list-style-type: none"> - Change in Tariff Classification - Regional Value Content 	<p>CTC</p> <p>Understanding: “CTC” should be placed in Box 8 if the applicable origin criterion in Annex 2 is a Change in Tariff Classification, whether at the level of the chapter (“CC”), the level of a heading (“CTH”) or the level of a subheading (“CTSH”). There is no need to place the actual tariff shift.</p> <p>RVC</p> <p>Understanding: “RVC” should be placed in Box 8 if the applicable origin criterion in Annex 2 is an RVC.</p> <p>e.g. “RVC35% + CTSH”</p>

Circumstances of production or manufacture in the country named in Box 11 of this form:	Insert in Box 8
<ul style="list-style-type: none"> - Regional Value Content + Change in Tariff Classification 	<p>Understanding: where there is a combined RVC and CTC criterion (e.g. “RVC 35% + CTSH”) the actual PSR should be placed in Box 8.</p>
<ul style="list-style-type: none"> - Other, including a Specific Manufacturing or Processing Operation 	<p style="text-align: center;">Other</p> <p>Understanding: “Other” should be placed in Box 8 if the applicable origin criterion in Annex 2 is either a manufacturing or process rule or a CTC combined with an additional requirement. Below are some of the examples:</p> <ul style="list-style-type: none"> (i) No change in tariff classification is required provided that the good is cooked in the territory of the parties; (ii) No change in tariff classification is required provided that the good is produced by refining; (iii) CTSH, except from 2523.29 through 2523.90; (iv) Origin shall be conferred to a good of this subheading that is derived from production or consumption in a Party; (v) If the good is a result of a “chemical reaction”.

EXPORTER DECLARATION

ASEAN-AUSTRALIA-NEW ZEALAND FREE TRADE AREA

FREE-ON-BOARD VALUE OF GOODS

“I.....(*name of exporter representative*)
of.....(*name of exporter company*) declare
that the Free-on-Board (FOB) value of the goods included on Certificate of Origin Number
.....(*insert CoO number*) exported from [Australia / New Zealand] to
..... (*name of importing country*) is as below.

NOTE: The FOB value should be separately stated for each line of goods listed on the Certificate of Origin.

CERTIFICATE LINE NUMBER	FOB VALUE	DESCRIPTION OF GOODS AS STATED IN THE CERTIFICATE OF ORIGIN

(*insert additional lines as necessary*)

.....
(Signature of exporter representative)

.....
(Name of exporter representative)

.....
(Name of exporter)

.....
(Date)