

**Guide to using A-HKFTA to**

**Export and import goods**



More information on the Australia-Hong Kong Free Trade Agreement is available at [www.dfat.gov.au/A-HKFTA](http://www.dfat.gov.au/A-HKFTA)

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# **Contents**

[Step 1: Identify the tariff classification of your goods 2](#_Toc29220641)

* [Classification 2](#_Toc29220642)
* [The FTA Portal – online help for traders 2](file:///\\TITAN\CHCH\Clients\tsenadee\Docs\Guide%20to%20using%20A-HKFTA%20-%20DRAFT%20060120.docx#_Toc29220643)
* [Further information 2](#_Toc29220644)

[Step 2: Determine whether your goods meet Rules of Origin (ROO) requirements 3](#_Toc29220645)

* [What is an originating good? 3](#_Toc29220646)
* [What is a non-originating good or material? 3](#_Toc29220647)
* [Wholly obtained or produced goods (WO) 3](#_Toc29220648)
* [Goods produced exclusively from originating materials (PE) 3](#_Toc29220649)
* [Product Specific Rules of Origin (PSRs) – for goods containing inputs from outside A-HKFTA Parties 3](#_Toc29220650)
* [Change in tariff classification (CTC) 4](#_Toc29220651)
* [Regional value content 4](#_Toc29220652)
* [Production Process Rules 5](#_Toc29220653)
* [Other factors to determine origin 6](#_Toc29220654)
* [How to find the PSR applicable to your product 6](file:///\\TITAN\CHCH\Clients\tsenadee\Docs\Guide%20to%20using%20A-HKFTA%20-%20DRAFT%20060120.docx#_Toc29220655)

[Step 3: Prepare a Declaration of Origin for your goods 10](#_Toc29220656)

* [Declaration of Origin 10](#_Toc29220657)
* [Record keeping 10](#_Toc29220658)
* [Waiver of Declaration of Origin 10](#_Toc29220659)
* [Verification 10](#_Toc29220660)
* [Refunds and claims for preferential tariff treatment after importation 10](#_Toc29220661)

[Contacts for further information 11](#_Toc29220662)

* [Department of Foreign Affairs and Trade (DFAT) 11](#_Toc29220663)
* [Australian Border Force (ABF) 11](#_Toc29220664)
* [Department of Agriculture 11](#_Toc29220665)

[Declaration of Origin 12](#_Toc29220666)

* [Minimum Data Requirements 12](#_Toc29220667)
* [Attachment B - Declaration of Origin on an invoice or company letterhead 13](#_Toc29220668)
* [Attachment C - Declaration of Origin Using a Template 16](#_Toc29220669)
* [Guidance to completing the Declaration of Origin 17](#_Toc29220670)

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| Users of this guide should note that where reference is made to the DFAT website and FTA text and schedules, they should visit the following webpage and navigate to the relevant part of the text on the electronic version of the guide here: [www.dfat.gov.au/A-HKFTA](http://www.dfat.gov.au/A-HKFTA) |

**The australia-HONG KONG FREE TRADE AGREEMENT (A-HKFTA) entered into force on 17 JANUARY 2020.** A-HKFTA marks a significant milestone in Australia’s already substantial trade and investment relationship with hong kong.

Hong Kong is a Special Administrative Region of the People’s Republic of China, and it is an attractive export destination for Australia. Under its Basic Law, Hong Kong is a separate customs territory, which means it can enter into its own trade agreements with foreign states and relevant international organisations, such as the WTO.

The A-HKFTA provides ambitious commitments between like-minded trading partners to eliminate barriers to trade in goods, services and investment, between them. It complements Australia’s successful Free Trade Agreement with China, which does not cover Hong Kong.

Tariffs imposed by Australia and Hong Kong will be eliminated on entry-into-force of A-HKFTA, for qualifying goods. While Hong Kong is already a tariff-free destination for Australian exports, the A-HKFTA guarantees Hong Kong will not apply tariffs on Australian products into the future.

**This step‑by‑step guide** principally aims to assist Australian importers to take advantage of preferential tariff treatment under the A-HKFTA, by assisting them to understand and apply goods classification and the Rules of Origin (ROO) under the agreement. Australian exporters are also able to use A-HKFTA. However, there is no need for them to do so while Hong Kong continues its practice of not imposing tariffs on any Australian goods, regardless of whether they are originating under the agreement.

The information for importers and exporters contained in this guide is based on the A-HKFTA legal text, but is of a general nature. The guide is not a substitute for the text of the agreement and should be read in conjunction with Chapter 3 and Chapter 4 of A-HKFTA and associated documents, which are available at https://dfat.gov.au/trade/agreements/in-force/a-hkfta/full-text/Pages/fta-text-and-associated-documents.aspx.

For specific information on claiming preferential tariff treatment for A-HKFTA originating goods imported into Australia, the Australian Border Force publishes a guide and other information materials to assist importers. These are available from <https://www.abf.gov.au/importing-exporting-and-manufacturing/free-trade-agreements>.

This guide **will help you address three key issues**:

Step 1: What goods am I exporting or importing? (p. 2)

Step 2: Where are my goods produced (are they ‘originating’ goods that will qualify for tariff free treatment under A-HKFTA)? (pp. 3-7)

Step 3: DECLARE the origin of your goods to ensure you get tariff free treatment (p. 10)

## Step 1: Identify the tariff classification of your goods

In A-HKFTA, goods are identified by reference to an internationally recognised system known as the *Harmonized Commodity Description and Coding System*, commonly referred to as the **Harmonized System (HS)**. The HS is a common goods classification system of more than 5200 six‑digit product categories. It is arranged into 97 chapters covering all tradeable products. Each Chapter is divided into Headings, which can be divided into Subheadings.

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| **HS Chapter, Heading, Subheading example**  Chapter 62: Articles of apparel and clothing accessories, not knitted or crocheted  Heading 6205: Men’s or boys’ shirts  Subheading 6205.20: Of cotton |

### Classification

To find out the HS code applicable to your product, visit the FTA Portal at www.ftaportal.dfat.gov.au, type in your product name, and click through to the HS code that best fits your product.

### 

### The FTA Portal – online help for traders

To help apply this guide to your specific product, a useful online portal is available to assist you to make the most of the A-HKFTA. It is recommended you read this guide first and then visit the portal here: <https://ftaportal.dfat.gov.au/>

For Australian exporters, to be certain you have identified the correct HS code for your good, we recommend you consult either:

* the Hong Kong Customs and Excise Department: https://www.customs.gov.hk/; or
* a professional customs broker or freight forwarder.

### Further information

If, after reviewing this guide, you are still unsure how your product will be treated under the A-HKFTA, you can seek advice or information on certain specified topics from the appropriate customs administration. Under the A-HKFTA, Australian importers, exporters or producers may request advice or information on matters including:

* tariff classification;
* customs valuation; and
* whether a good is originating in accordance with A-HKFTA, Chapter 3 (*Rules of Origin and Origin Procedures*).

Requests for advice or information are to be responded to within 60 days.

#### Exports from Australia

Australian exporters and producers may seek such advice or information from the [Hong Kong Customs and Excise Department](https://www.customs.gov.hk/). Your importer in Hong Kong or your customs broker may be able to assist you with this process.

#### Imports to Australia

If you are importing goods into Australia and would like advice or information on these topics, please contact the Australian Border Force (ABF). More information can be found at:

<https://www.abf.gov.au/importing-exporting-and-manufacturing/free-trade-agreements>

* **Application for Advance Ruling (Tariff Classification)** <https://www.abf.gov.au/form-listing/forms/b102.pdf>
* **Application for Advance Ruling (Origin)** <https://www.abf.gov.au/form-listing/forms/b659.pdf>
* **Application for Advance Ruling (Valuation)** <https://www.abf.gov.au/form-listing/forms/b174.pdf>

## Step 2: Determine whether your goods meet Rules of Origin (ROO) requirements

Under A-HKFTA, Australia and Hong Kong have agreed to eliminate all customs duties on originating goods of the other Party. These goods are free of any customs duty from the date of entry into force of the agreement. A-HKFTA ROO are agreed criteria used to ensure that only the goods intended to be covered by A-HKFTA receive preferential treatment.

Imports into Australia or Hong Kong that do not comply with the ROO as set out in [Chapter 3](http://dfat.gov.au/trade/agreements/chafta/official-documents/Documents/chafta-chapter-3-rules-of-origin-and-implementation-procedures.docx) (*Rules of Origin and Origin Procedures*) and Annex 3‑B (*Product-Specific Rules of Origin*) may be subject to the applied most favoured nation (MFN) rate of duty. For Australian goods imported into Hong Kong, the applied MFN rate of duty is currently zero. Accordingly, A-HKFTA ROO will generally only be relevant for imports from Hong Kong to Australia that would, but for A-HKFTA, be subject to Australian tariffs. The Rules of Origin chapter can be found at <https://dfat.gov.au/trade/agreements/in-force/a-hkfta/full-text/Pages/chapter-3-rules-of-origin-and-origin-procedures.aspx>

### What is an originating good?

A good may be considered to be A-HKFTA originating if it is:

* wholly obtained or produced entirely in the Area of one or both of the Parties by one or more producers as established in Article 3.3 (*Wholly obtained or produced goods*); or
* produced entirely in the Area of one or both of the Parties by one or more producers, exclusively from originating materials; or
* produced entirely in the Area of one or both of the Parties by one or more producers using non‑originating materials provided the good satisfies all applicable requirements of Annex 3‑B.

Goods must also meet all other applicable requirements of Chapter 3. For example, goods transiting through countries other than Australia or Hong Kong must comply with Article 3.15, which covers transport through non-Parties.

### What is a non-originating good or material?

A non-originating good or material is a good or material that does not qualify as originating in accordance with Chapter 3 of the A-HKFTA.

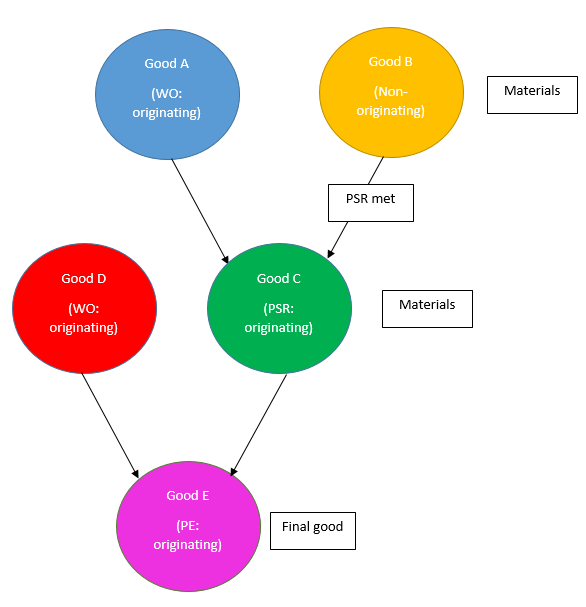
### Wholly obtained or produced goods (WO)

Wholly obtained or produced goods are typically agricultural goods and natural resources. Box 1 in the table on page 9 sets out the categories of goods that are treated as wholly obtained or produced under A-HKFTA.

Goods made in Australia and Hong Kong exclusively from goods that are wholly obtained or produced in the Areas of one or both Parties are also considered wholly obtained or produced.

### Goods produced exclusively from originating materials (PE)

This covers goods produced exclusively from originating materials, whether those materials qualify as originating because they are wholly obtained or produced, or because they meet other origin criteria (e.g. Product Specific Rules of Origin - see below). Production must take place entirely in the Area of one or both of the Parties.



For example, a Hong Kong business can import superfine Australian merino wool of 5101.11 from Australia and produce wool jackets (of 6103.31 and 6104.31) or wool dresses (of 6104.41).

These clothing products, if exported back to Australia, will qualify as originating under PE criterion, and traders can access tariff free treatment under A-HKFTA.

### Product Specific Rules of Origin (PSRs) – for goods containing inputs from outside A-HKFTA Parties

Goods that include non-originating materials may still qualify as A-HKFTA originating, as long as the non‑originating materials have undergone a ‘substantial transformation’ in the Area of Hong Kong or Australia (or both).

For situations like this, Product-Specific Rules (PSRs) are set out in Annex 3‑B Product-Specific Rules of Origin. These enable Australia’s and Hong Kong’s customs administrations to determine whether a good has undergone sufficient transformation for it to become an ‘originating’ good.

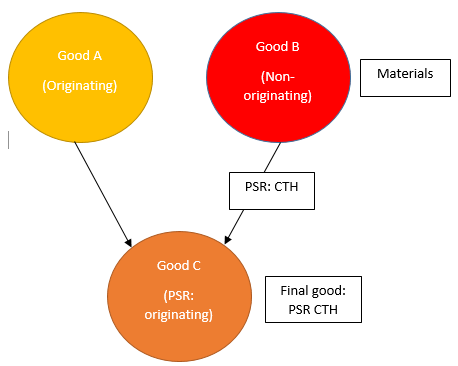
If your product contains materials from outside Australia or Hong Kong, you will need to check the applicable PSR to determine whether your good qualifies as A-HKFTA originating. See table on page 6 for examples of how to find your PSR.

The PSR methods used to measure substantial transformation under A-HKFTA are:

* Change in Tariff Classification (CTC);
* Regional Value Content (RVC); or,
* Product specific process rules.

These and other approaches are explained in more detail below. Some PSRs provide the option of a RVC rule or a process rule as an alternative to a CTC rule, while others require a RVC or a process rule in addition to a CTC rule.

### Change in tariff classification (CTC)

Most PSRs in A-HKFTA apply a Change in Tariff Classification approach. A CTC rule requires that any non‑originating materials incorporated into a final good undergo a Change in Tariff Classification (HS code) in a A-HKFTA Party in the process of being incorporated into the final good. 

**For example**, non-originating pure gold (HS 7108) is processed in Hong Kong to make gold jewellery which has a different HS Heading (7113).

The PSR for HS Heading 7113-7114 is:

* a change to a good of heading 7113 through 7114 from any other heading; or
* a regional value content of 40 per cent (for 7113 only).

In turning the gold into jewellery, the tariff classification changes from HS Heading 7108 for pure gold to HS Heading 7113 for jewellery. This good would meet the A-HKFTA PSR because the gold jewellery was manufactured in Hong Kong from imported pure gold, regardless of where the gold came from.

Different products may be subject to different CTC rules, which can be applied at three levels of the HS:

* Change in Chapter (CC) – The non-originating material and the finished product have to be classified under different HS chapters (first two digits of the HS code). E.g. importing waterproof glazes of HS Chapter 32 for use in making ceramic roofing tiles of HS Chapter 69.
* Change in Tariff Heading (CTH) – The non-originating material and the finished product have to be classified under different HS headings (first four digits of the HS code). E.g. manufacturing gold jewellery of HS Heading 7113 from imported gold of HS Heading 7108.
* Change in Tariff Subheading (CTSH) – The non-originating material and the finished product have to be classified under different HS subheadings (six digits of the HS code). E.g. importing fresh ginger of HS Subheading 0910.11 and using it to produce a crushed ginger of HS Subheading 0910.12.

Some CTC rules specifically exclude the possibility of applying a CTC rule to certain inputs. This is done by excluding specific HS Chapters, Headings or Subheadings.

**For Example:**

A wire of stainless steel of HS 7223.00 has a PSR of ‘CTH except from 7221’. Heading 7221 includes *Other bars and rods of stainless steel; angles, shapes and sections of stainless steel*.

This rule means that if you import non‑originating bars and rods of stainless steel and use this to make wire of stainless steel in Hong Kong, the final product would not be considered originating under A-HKFTA, and would not be eligible for preferential tariff treatment under the agreement, when subsequently imported into Australia.

### Regional value content

Some PSRs require a product to have undergone a specific amount of value‑add in one or both Parties, measured by the Regional Value Content (RVC) of the good. Some PSRs provide the option of a RVC rule as an alternative to a CTC rule, others require a RVC in addition to a CTC rule.

An RVC approach stipulates that originating materials and processes must represent a specific proportion of the product’s final value. More information about calculating RVC is provided on page 9.

For example, a manufacturer in Australia makes radiators for vehicles (classified as HS 8708.91) from cooling fins, core tubes and transmission oil coolers (also 8708.91) that are imported from China (a non-party to A-HKFTA) and Australian manufactured radiator engine outlets. The radiators are sold to a Hong Kong importer for AU $200.00 each (excluding international shipment costs).

The cooling fins, core tubes and transmission oil coolers costs the manufacturer AU $90 per each radiator manufactured. The value of originating materials used in production is AU $110 per radiator.

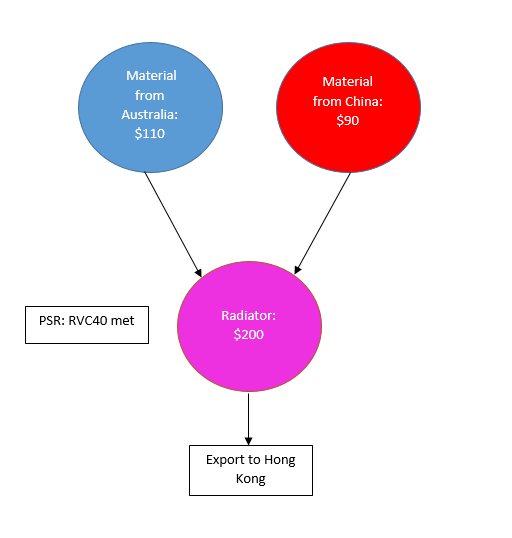
The PSR for HS Heading 8708.91 is:

* CTSH or a regional value content of 40 per cent (RVC40).

To determine whether the radiators meet the A-HKFTA RVC 40 PSR, a trader calculates the Regional Value Content of the good through the following method:

**The Build Down Method:**

Using this methodology the Regional Value Content for the radiators is 55 per cent. This is equal to or above the RVC40 (40 per cent) threshold for HS 8708.91, therefore the radiators meet the A-HKFTA PSR and are considered originating goods under A-HKFTA, if all other relevant requirements under the Chapter are met. (See diagram over page.)



### Production Process Rules

Some PSRs allow for a good to become originating if the non‑originating materials undergo a specific manufacturing or production process that fundamentally changes the nature of the input materials, for example:

* processes that involve non‑originating chemicals undergoing various chemical reactions may confer origin on the resulting new chemicals; and
* for certain aquaculture products, smoking of non‑originating fresh produce may confer origin.

Note: It is important to remember that ROO requirements do not replace any other import requirements such as import licences and biosecurity approvals. If you would like more detailed information on process rules, please see the ABF – guide to claiming preferential tariff treatment for A-HKFTA [www.abf.gov.au/importing-exporting-and-manufacturing/free-trade-agreements](http://www.abf.gov.au/importing-exporting-and-manufacturing/free-trade-agreements).

**Example 1:**

A manufacturer in Australia makes the chemical compound, diethylamine hydrochloride (classified as HS 2921.11), for use as a corrosion inhibitor and exports the product to Hong Kong.

The diethylamine hydrochloride is manufactured through the reaction of diethylamine that is also classified in HS 2921.11 with hydrochloric acid that is classified in HS 2806.10. This process transforms the input substances into a new molecule with a new structure by breaking intramolecular bonds and fomenting new bonds.

[C4H11N](https://pubchem.ncbi.nlm.nih.gov/#query=C4H11N)  +  HCl  →  [C4H12ClN](https://pubchem.ncbi.nlm.nih.gov/#query=C4H12ClN)

This process meets the Chemical Reaction Rule specified in Section B, paragraph 9, of the A-HKFTA PSR schedule.

*Section B: Chemical Chapter Origin Rules*

*9. Chemical Reaction Origin Rule:*

*Notwithstanding the applicable product-specific rules of origin, a good of Chapters 28 through 40, heading 2707 or heading 2710 that is the product of a chemical reaction shall be considered to be an originating good if the chemical reaction occurred in the Area of a Party.*

*For the purposes of the chemical reaction origin rule, a “chemical reaction” is a process (including a biochemical process) which results in a molecule with a new structure by breaking intramolecular bonds and by forming new intramolecular bonds, or by altering the spatial arrangement of atoms in a molecule.*

*The following are not considered to be chemical reactions for the purposes of determining whether a good is an originating good:*

*(a) dissolving in water or other solvents;*

*(b) the elimination of solvents including solvent water; or*

*(c) the addition or elimination of water of crystallisation.*

The diethylamine hydrochloride is considered an originating good under A-HKFTA, if all other relevant requirements under the Chapter are met.

**Example 2:**

Non-originating saffron threads are imported and processed in Hong Kong to make saffron powder (0910.20). The PSR for 0910.20 is “*CC or No change in tariff classification required, provided that the good is crushed or ground from a good that is not crushed or ground, in the Area of one or both of the Parties*”

As both saffron threads and saffron powder are classified under 0910.20, the end product would not meet the CC requirement. However, since the grinding process occurs in Hong Kong, the end product would still meet the PSR requirement and be regarding as originating.

### Other factors to determine origin

### How to find the PSR applicable to your product

Using the tariff classification from step 1, you can check Chapter 3, Annex 3-B: Product Specific Rules of Origin. [www.dfat.gov.au/a-hkfta](http://www.dfat.gov.au/a-hkfta)

Using your goods tariff code, you can identify the relevant entry in the schedule. Note that PSRs are listed at the chapter (two digit), heading (four digit) or subheading (six-digit) level. It is only necessary to use the first six digits of the HS Code – the subheading - when identifying goods in the PSR, as this is the level at which they are internationally standardised. Where a rule is listed at the chapter or heading level, that rule applies to all subheadings that fall under that particular chapter or heading. Once you have found the relevant entry, the third column will identify the PSR for that product. For example:

|  |  |
| --- | --- |
| **HS Classification (HS2017)** | **Product Specific Rule** |
| **HS 2002.10** (Tomatoes, prepared or preserved otherwise than by vinegar or acetic acid) | CC - A change to a good of subheading 2002.10 from any other chapter. |
| **HS 1806.32** (Chocolate - Other, in blocks, slabs or bars: not filled) | CTH - A change to a good of subheading 1806.32 from any other heading. |
| **HS 4106.22** (Tanned or crust hides and skins of other animals – of goats or kids: in the dry state (Crust)) | CTSH - A change to a good of subheading 4106.22 from any other subheading. |

In the above example, non-originating materials into prepared tomatoes, must undergo a change in chapter (change in the first two digits of the HS classification).

Chocolate, on the other hand, must have all non-originating materials used in production undergo a change in tariff classification at the 4-digit level.

Tanned Hides, must have all non-originating materials used in production undergo a change in tariff classification at the 6-digit level.

Further information can be found in the headnotes Annex 3‑D Product Specific Rules or by contacting your customs broker/freight forwarder.

There are other important factors to take into account when determining whether your good qualifies as A-HKFTA originating.

#### *De Minimis*

Where a good fails to meet the PSR requirements, it may still be considered A-HKFTA originating if the non-originating materials make up only a small amount of the total material inputs. If the value of all non‑originating materials does not exceed 10 per cent of the adjusted value of the good, the product will qualify under the *de minimis* rule.

In the case of goods classified in Chapters 50 through 63 of the HS, the product will also qualify under the *de minimis* rule if the total weight of all non-originating materials does not exceed 10 per cent of the total weight of the good.

Further information on calculating the adjusted value can be found in Box 3 of the table on page 9.

#### Accumulation

The rule of accumulation under A-HKFTA provides that an originating good used in the production of a good in the Area of the other Party, is to be treated as an originating material in the Area of that other Party. Production that occurs in the Area of one or both of the Parties by one or more producers also contributes to the originating content of a good.

For example, a product is manufactured in Australia from Hong Kong originating inputs, along with non-originating inputs from China:

* the Hong Kong inputs would be treated as if they originated in Australia; and
* the final product would be accepted as originating from Australia, as long as the Chinese input meets the relevant PSR. If the PSR included an RVC40 rule, the production that occurred in Australia will also contribute to the originating content of the good.

This would allow the final Australian product to be exported back to Hong Kong and take advantage of the preferential tariff treatment.

The good still needs to satisfy the requirements in Article 3.2 (*Originating Goods*) and all other applicable requirements of the Chapter. More information can be found in A-HKFTA Chapter 3, Article 3.8.

#### Fungible materials

Fungible materials are goods or materials that are interchangeable for commercial purposes and whose properties are essentially identical. Examples include natural gas, grains, or simple parts (e.g. rivets). Specific accounting rules apply to exporters wishing to demonstrate that fungible goods are originating under A-HKFTA. More information is available in A-HKFTA Chapter 3, Article. 3.10.

#### Accessories, spare parts, tools and instructional or other material

The origin of accessories, spare parts, tools and instructional materials is not taken into account when determining if a good is wholly obtained, produced entirely from originating materials, or satisfies a process requirement or change in tariff classification, provided they are customarily supplied with those finished goods and are not invoiced separately. The value of accessories, spare parts, tools and instructional materials is considered, however, in assessing a good for the purposes of a RVC rule.

#### Packaging materials and containers for retail sale

Packaging materials and containers in which a good is packaged for retail sale, are disregarded in determining whether all the non-originating materials used in the production of the good have satisfied the applicable process or change in tariff classification requirement set out in the PSR.

For example, in the case of wine bottled in non‑originating bottles for retail sale, the bottles would not be taken into account in assessing whether the wine itself was originating. However, retail‑packaging materials are considered in assessing the value of non‑originating materials in a good for the purposes of an RVC rule.

#### Packing materials and containers for shipment

Packing materials and containers for shipment are disregarded in determining whether a good is originating.

#### Indirect materials

An indirect material is considered to be originating without regard to where it is produced. Indirect materials are those used in the production, testing or inspection of a good but not physically incorporated into the good; or a material used in the maintenance of buildings or the operation of equipment, associated with the production of a good, including:

1. fuel, energy, catalysts and solvents;
2. equipment, devices and supplies used to test or inspect the good;
3. gloves, glasses, footwear, clothing, safety equipment and supplies;
4. tools, dies and moulds;
5. spare parts and materials used in the maintenance of equipment and buildings;
6. lubricants, greases, compounding materials and other materials used in production or used to operate equipment and buildings; and
7. any other material that is not incorporated into the good but the use of which in the production of the good can reasonably be demonstrated to be a part of that production;

#### Consignment

A-HKFTA is designed to reflect modern trading practices, including the use of transport and distribution hubs in non‑Parties for consignments of goods. A good will retain its originating status, despite being transported through a non‑Party, if the good does not undergo any operation there other than: unloading; reloading; separation from a bulk shipment; repacking; storing; labelling or marking required by the importing Party; or any other operation necessary to preserve it in good condition or to transport the good to the Area of the importing Party.

**Does the product contain the required RVC?**

**See Box 3 (page 9)**

NO

It is unlikely the good is an originating good for the purposes of A-HKFTA.

Provided you have complied with all other requirements of the Agreement’s ROO, it is likely the product is an originating good for the purposes of A-HKFTA.

**Have the non-originating materials undergone the required CTC?**

**See Box 2 (page 9)**

Is there an additional RVC rule (and RVC (40))?

**Do non-originating materials constitute less than 10 per cent of the goods’ value?**

**See *De Minimis***

**(Page 6)**

NO

YES

NO

YES

NO

YES

YES

**Do the non-originating materials used in producing the good comply with the relevant PSR?**

**Is the good produced exclusively from originating materials?**

YES

**Is the good wholly obtained?**

**See Box 1 (page 9)**

NO

YES

**Are the goods (including all inputs) wholly obtained or produced?**

**Can the goods benefit from the *de minimis* rule?**

NO

**Does the good meet the relevant PSR?**

*Choose the applicable rule. If there are alternate rules (CTC or RVC(40)), you may select one or the other. Some products may only meet the CTC rule, others only the RVC requirement.*

Use an alternate CTC / RVC rule if possible

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| **Box 1. Is the good wholly obtained or produced?** | **Box 2. Does the good meet the relevant Change in Tariff Classification (CTC) requirement?** | **Box 3. Does the good comply with the Regional Value Content requirement?** |
| **Wholly obtained or produced goods from the Area of one or both of the Parties (see Article 3.3):** Note – Article 1.2 provides a definition of the term ‘Area’. | **Check the CTC rule applicable to the tariff classification for your goods at** [**Annex 3‑B: Product Specific Rules of Origin, for example:**](http://www.dfat.gov.au/fta/kafta/html/kafta-schedule-product-specific-rules.html) | **Working out the Regional Value Content** |
| 1. a plant or plant good, grown, cultivated, harvested, picked or gathered there; | **CC** – do the non‑originating materials used in the production of the good now come under a different chapter as part of the finished product (change in any of the first two digits of the tariff classification)?  **CTH** – do the non‑originating materials used in the production of the good now come under a different tariff heading as part of the finished product (change in any of the first four digits of the tariff classification)?  **CTSH**— do the non‑originating materials used in the production of the good now come under a different tariff subheading as part of the finished product (change in any of the six digits of the tariff classification)?  Where any of the non-originating inputs do not satisfy the applicable change in tariff classification, consider the *de minimis* provision: goods containing non-originating materials not exceeding 10 per cent of the adjusted value of the final good (or 10 per cent of total weight of the final good, in the case of goods classified in HS Chapters 50-63) are regarded as originating.  The good still needs to meet all other applicable provisions of the Rules of Origin and Origin Procedures Chapter. | Depending on the Product Specific Rules of Origin the Regional Value Content of a good can be assessed using the following method (acronyms described in detail below): *Build-Down Method: Based on Value of Non-Originating Materials -*  **RVC** is the regional value content of a good, expressed as a percentage;  **VNM** is the value of non‑originating materials, including materials of undetermined origin, used in the production of the good; and  **Adjusted Value** is:   * + - * 1. the FOB value [defined in Article 3.1] which is the value of the good free on board, inclusive of the cost of transport to the port or site of final shipment abroad; or         2. if there is no FOB value or it is unknown or cannot be ascertained, the “customs value of imported goods” determined in accordance with the Customs Valuation Agreement   All costs considered in the calculation must be recorded and maintained in conformity with the generally accepted accounting principles.  Further information is available in Article 3.4. |
| 1. a live animal born and raised there; |
| 1. a good obtained from a live animal there; |
| 1. an animal obtained by hunting, trapping, fishing, gathering or capturing there; |
| 1. a good obtained from aquaculture there; |
| 1. a mineral or other naturally occurring substance, not included in subparagraphs (a) through (e), extracted or taken from there; |
| 1. a good of sea-fishing and other marine goods, taken from the high seas, by vessels that are entitled to fly the flag of that Party; |
| 1. a good produced from goods referred to in subparagraph (g) on board a factory ship that is registered, listed or recorded with a Party and entitled to fly the flag of that Party; |
| 1. a good other than fish, shellfish and other marine life taken by a Party or a person of a Party from the seabed or subsoil outside the Areas of the Parties, and beyond territories over which non-Parties exercise jurisdiction provided that Party or person of that Party has the right to exploit that seabed or subsoil in accordance with international law; |
| 1. a good that is:   i. waste or scrap derived from production and consumption there provided that it is fit only for the recovery of raw materials; or  ii. waste or scrap derived from used goods collected there, provided that those goods are fit only for the recovery of raw materials; and |
| 1. a good produced there, exclusively from goods referred to in subparagraphs (a) through (j), or from their derivatives. |

## Step 3: Prepare a Declaration of Origin for your goods

Once you have gone through the first three steps and determined that your good will qualify for preferential tariff treatment under A-HKFTA, you will need to complete the appropriate documentation to demonstrate this to the importing customs administration. This is done by completing a Declaration of Origin.

### Declaration of Origin

Under the A-HKFTA, an importer may make a claim for preferential tariff treatment based on a Declaration of Origin completed by:

* the importer;
* the exporter;
* the producer; or
* an authorised representative (of the importer, exporter or producer).

There is no requirement for third party certification under A-HKFTA. However, as noted above, exporters, producers and importers may choose to have an authorised representative complete a Declaration of Origin. A Declaration of Origin under A-HKFTA does not need to follow a prescribed format. However, it must be in writing (electronic format is acceptable) in English and satisfy the minimum data requirements set out in A-HKFTA Chapter 3, Annex 3‑A. (See **Attachment A**).

The minimum data requirements include the Declaration of Origin being signed, dated and accompanied by a written statement. This written statement could be included on a company letterhead or an invoice, or it could be part of a standalone declaration document. **Attachment B** sets out a series of examples of Declarations of Origin using an invoice or company letterhead – the examples cover situations where the declaration is completed by the exporter, producer, importer or an authorised representative. **Attachment C** provides a sample template for a standalone Declaration of Origin, including guidance on how to complete it to meet the minimum data requirements.

A Declaration of Origin is valid for one year after the date it was issued or for such longer period specified by the laws and regulations of the Importing Party. A Declaration of Origin can apply to a single shipment or multiple shipments of identical goods (within the period of validity of the declaration).

### Record keeping

Under A-HKFTA, an importer, exporter or producer who completes a Declaration of Origin must maintain all records necessary to demonstrate that the good is originating, for a period of no less than five years from the date of importation of the good. Importers claiming preferential tariff treatment must also maintain for 5 years documentation related to the importation, including the Declaration of Origin.

Records can be retained in any format, provided they can be promptly retrieved if required. A-HKFTA Chapter 3, [Article 3.22](https://dfat.gov.au/trade/agreements/not-yet-in-force/tpp-11/official-documents/Documents/3-rules-of-origin-and-origin-procedures.pdf) provides details on record keeping requirements.

### Waiver of Declaration of Origin

A Declaration of Origin is not required when the customs value of the importation does not exceed AU$1000 (or Hong Kong equivalent) or any higher amount as the importing Party may establish. A party can also unilaterally waive the requirement for a Certificate of Origin

### Verification

The Customs administration of the importing Party may need to verify the information contained in a Declaration of Origin. The approach they follow for such verification is outlined in A-HKFTA Chapter 3, Article 3.23. Verification activities may involve:

* written requests for information from the importer of the good;
* written requests for information from the exporter or producer of the exporting Party;
* requests that the customs administration of the exporting Party assist in verifying the origin of the good;
* verification visits to the premises of the exporter or producer of the good.

### Refunds and claims for preferential tariff treatment after importation

Under A-HKFTA, importers may apply for preferential tariff treatment after the import has taken place. In that case, importers can seek a refund of any excess duties already paid, provided the good would have qualified for preferential tariff treatment at the time of importation. Importers have at least one year to apply for a refund.

As a condition for claiming preferential tariff treatment after import, the importing Party may require that the importer:

(a) has paid the non-preferential rate of duty on the good;

(b) make a claim for preferential tariff treatment;

(c) provide a statement that the good was originating at the time of importation;

(d) provide a copy of the declaration of origin; and

(e) provide such other documentation relating to the importation of the good as the importing Party may require.

## Contacts for further information

### Department of Foreign Affairs and Trade (DFAT)

For general enquiries

Email: [a-hkfta@dfat.gov.au](mailto:tpp@dfat.gov.au)

Web: [www.dfat.gov.au/A-HKFTA](http://www.dfat.gov.au/A-HKFTA)

FTA Portal: [www.ftaportal.dfat.gov.au](http://www.ftaportal.dfat.gov.au)

### Australian Border Force (ABF)

For specific enquiries on ROO and customs procedures

Email: [origin@abf.gov.au](mailto:origin@abf.gov.au)

Website: <http://www.abf.gov.au/importing-exporting-and-manufacturing/free-trade-agreements>

### Department of Agriculture

For specific information on sanitary and phytosanitary certification requirements for agricultural products

Website: <https://www.agriculture.gov.au>

Declaration of Origin

### Minimum Data Requirements

A Declaration of Origin under A-HKFTA must include the following elements:

#### 1. Importer, Exporter or Producer or Authorised Representative of the Exporter, Producer or Importer as Declarer of the Declaration of Origin

Indicate whether the declaration is made by the exporter, producer or importer or an authorised representative of the importer, exporter or producer in accordance with Article 3.16.1.

#### 2. Authorised Representative

If the authorised representative of the importer, exporter or producer is making the declaration, provide the authorised representative’s name, address (including country or place), email address and telephone number.

#### 3. Exporter

Provide the exporter’s name, address (including country or place), email address and telephone number, if different from the declarer. This information is not required if the producer is completing the declaration of origin and does not know the identity of the exporter.

#### 4. Producer

Provide the producer’s name, address (including country or place), email address and telephone number, if different from the declarer or exporter or, if there are multiple producers, state “Various” or provide a list of producers. A person that wishes for this information to remain confidential may state “Available upon request by the importing authorities”.

#### 5. Importer

Provide, if known, the importer’s name, address, email address and telephone number.

#### 6. Description and HS Tariff Classification of the Good

(a)Provide a description of the good and the HS tariff classification of the good to the 6‑digit level. The description should be sufficient to relate it to the good covered by the declaration; and

(b) If the Declaration of Origin covers a single shipment of a good, indicate the invoice number related to the exportation (if known).

#### 7. Origin Criterion

Specify the rule of origin under which the good qualifies.

| Declaration Criteria |  |
| --- | --- |
| The good is ‘wholly obtained or produced’ entirely in the Area of one or both Parties by one or more producers as established in Article 3.3 (Wholly Obtained or Produced Goods). | WO |
| The good is produced entirely in the Area of one or more Parties by one or more producers, exclusively from originating materials in accordance with Article 3.2(b) (Originating Goods). | PE |
| The good is produced entirely in the Area of one or both Parties by one or more producers using non‑originating materials provided the good satisfies all applicable requirements of Annex 3-B in accordance with Article 3.2(c) (Originating Goods). | PSR |

#### 8. Blanket Period

Include the period if the declaration of origin covers multiple shipments of identical goods for a specified period of up to 12 months as set out in Article 3.16.4 (Claims for Preferential Treatment).

#### 9. Authorised Signature and Date

The declaration of origin must be signed and dated by the declarer and accompanied by the following statement:

*I declare that the goods described in this document qualify as originating in [insert country or place] and the information contained in this document is true and accurate. I assume responsibility for proving such representations and agree to maintain and present upon request or to make available during a verification visit, documentation necessary to support this declaration of origin.*

### Attachment B - Declaration of Origin on an invoice or company letterhead

In the case of a Declaration of Origin provided on an invoice or company letterhead, the majority of the information required would normally already be contained in the document. It is important to provide the HS Code, a description of the goods and the origin criteria as well as the name, address (country or place), email address and telephone number.

Below are examples of different Declarations of Origin that can be used on an invoice or company letterhead. Be sure to check that the completed Declaration of Origin on the invoice or company letterhead contains all the Data Requirements at a minimum.

Nothing in the A-HKFTA prevents an importer from making a Declaration of Origin on an invoice, or an exporter or producer creating a Declaration of Origin on an invoice where the importer is unknown, as long as it contains the Data Requirements.

For each sample Declaration of Origin below, you will also need to check that the following details also appear on the invoice or company letterhead:

* Details of importer, exporter, producer or authorised representative of importer, exporter, producer as specified in Attachment A
* HS Code of the goods (6-digit level)
* Description of the goods
* Origin criteria of goods (WO, PE or PSR)
* If it is a Declaration of Origin covering a blanket period for multiple shipments of identical goods, state the period covered by the declaration (maximum 12 months from the date of declaration)
* If the Declaration of Origin covers a single shipment of goods, indicate the invoice number related to the exportation (if known).

If these details are not already included on the invoice or company letterhead, you will need to add them.

#### Attachment B.1 - Declaration of Origin by the exporter who is also the producer

| I declare that the good described in this document qualifies as originating in [insert country or place] and the information contained in this document is true and accurate. I assume responsibility for proving such representations and agree to maintain and present upon request or to make available during a verification visit, documentation necessary to support this declaration of origin.  **Authorised Signature of Declarer (Producer and Exporter) Date of Signature**  **Declarer Name:**  **Declarer Address (including country or place):**  **Declarer Telephone Number:**  **Declarer Email Address:** |
| --- |

\*Check the additional details described above also appear on the on the invoice or company letterhead

#### Attachment B.2 - Declaration of Origin by the exporter who is not the producer (and where the producer details are not specified)

| I declare that the good described in this document qualifies as originating in [insert country or place] and the information contained in this document is true and accurate. I assume responsibility for proving such representations and agree to maintain and present upon request or to make available during a verification visit, documentation necessary to support this declaration of origin.  **Authorised Signature of Declarer (Exporter) Date of Signature**  **Declarer Name:**  **Declarer Address (including country or place):**  **Declarer Telephone Number:**  **Declarer Email Address:**  **Producer’s details available upon request by the importing authorities.** |
| --- |

\*Check the additional details described above also appear on the on the invoice or company letterhead

#### Attachment B.3 - Declaration of Origin by the exporter who is not the producer (and where the producer details are specified)

| I declare that the good described in this document qualifies as originating in [insert country or place] and the information contained in this document is true and accurate. I assume responsibility for proving such representations and agree to maintain and present upon request or to make available during a verification visit, documentation necessary to support this declaration of origin.  **Authorised Signature of Declarer (Exporter) Date of Signature**  **Declarer Name:**  **Declarer Address (including country or place):**  **Declarer Telephone Number:**  **Declarer Email Address:**  **Producer Name:**  **Producer Address (including country or place):**  **Producer Telephone: Number:**  **Producer Email Address:** |
| --- |

\*Check the additional details described above also appear on the on the invoice or company letterhead

#### Attachment B.4 - Declaration of Origin by the producer

| I declare that the good described in this document qualifies as originating in [insert country or place] and the information contained in this document is true and accurate. I assume responsibility for proving such representations and agree to maintain and present upon request or to make available during a verification visit, documentation necessary to support this declaration of origin.  **Signature of Declarer (Producer) Date of Signature**  **Declarer Name:**  **Declarer Address (including country):**  **Declarer Telephone Number:**  **Declarer E-mail Address:** |
| --- |

\*Check the additional details described above also appear on the on the invoice or company letterhead

#### Attachment B.5 - Declaration of Origin by the importer

| I declare that the good described in this document qualifies as originating in [insert country or place] and the information contained in this document is true and accurate. I assume responsibility for proving such representations and agree to maintain and present upon request or to make available during a verification visit, documentation necessary to support this declaration of origin.  **Signature of Declarer (Importer) Date of Signature**  **Declarer Name:**  **Declarer Address (including country or place):**  **Declarer Telephone Number:**  **Declarer Email Address:** |
| --- |

\*Check the additional details described above also appear on the on the invoice or company letterhead

#### Attachment B.6 - Declaration of Origin by the authorised representative

| I declare that the good described in this document qualifies as originating in [insert country or place] and the information contained in this document is true and accurate. I assume responsibility for proving such representations and agree to maintain and present upon request or to make available during a verification visit, documentation necessary to support this declaration of origin.  **Signature of Declarer (Authorise Representative) Date of Signature**  **Declarer Name:**  **Declarer Address (including country or place):**  **Declarer Telephone Number:**  **Declarer Email Address:**  **Acting on behalf of:**  **Importer**  **Exporter**  **Producer or**  **Both Exporter and Producer** **(tick one)**  **Complete applicable:**  **Importer Name:**  **Producer Address (including country):**  **Producer Telephone: Number:**  **Producer E-mail Address:**  **Producer Name:**  **Producer Address (including country):**  **Producer Telephone: Number:**  **Producer E-mail Address:**  **Exporter Name:**  **Exporter Address (including country):**  **Exporter Telephone: Number:**  **Exporter E-mail Address:** |
| --- |

\*Check the additional details described above also appear on the on the invoice or company letterhead

### Attachment C - Declaration of Origin Using a Template

(EXAMPLE ONLY)

The following is an example of a Declaration of Origin template that would meet the A-HKFTA Minimum Data Requirements.

This template could be modified to suit the needs of the importer, exporter or producer or authorised representative of the importer, exporter or producer, as long as it continues to meet the Minimum Data Requirements.

Guidance on completing the template is set out on the following page.

| 1. **Declarer**   Importer  Exporter  Producer  Authorised representative of the Importer  Authorised representative of the Exporter  Authorised representative of the Producer | | **DECLARATION OF ORIGIN**  **Australia-Hong Kong Free Trade Agreement** | |
| --- | --- | --- | --- |
| 1. **Declarer’s details:**   Name:  Address:  Telephone Number:  Email Address: | | 1. **Exporter details (if different from the declarer):**   Name:  Address:  Telephone Number:  Email Address: | |
| 1. **Producer details (if different from the declarer or exporter):**   Name:  Address:  Telephone Number:  Email Address: | | 1. **Importer details (if known):**   Name:  Address:  Telephone Number:  Email Address: | |
| 1. **HS Tariff Classification**   **(6-digit level)** | 1. **Description of the Good** | | 1. **Origin criterion:**   **WO, PE, PSR** |
|  |  | |  |
| 1. Period covered by declaration (if applicable) or invoice number (if relevant and if known) |  | | |
| 1. **Declaration (signed by the declarer listed above):**   I declare that the good described in this document qualifies as originating in [insert country or place] and the information contained in this document is true and accurate. I assume responsibility for proving such representations and agree to maintain and present upon request or to make available during a verification visit, documentation necessary to support this declaration of origin.  **Signature:** **Date:** | | | |

### Guidance to completing the Declaration of Origin

**DO NOT ATTACH TO COMPLETED DECLARATION OF ORIGIN TEMPLATE**

**Box** Error! Reference source not found.**:** Tick the appropriate box indicating whether the declarer is the importer, exporter or producer (or exporter and producer), or authorised representative of the exporter, producer, or importer.

**Box 2:** State the declarer ’s name, address (including country or place), email address and telephone number.

**Box 3:** Provide the exporter’s name, address (including country), email address and telephone number if different from the declarer. This information is not required if the producer is completing the declaration of origin and does not know the identity of the exporter.

**Box 4:** Provide the producer’s name, address (including country), email address and telephone number, if different from the declarer or exporter. If there are multiple producers, state “Various” or provide a list of producers. A person that wants this information to remain confidential may state “Available upon request by the importing authorities”.

**Box 5:** Provide, if known, the importer’s name, address, email address and telephone number. The address of the importer shall be in the importing Party. If the importer is not known, write “Not known”.

**Box 6:** Provide the HS tariff classification of the good to the 6-digit level.

**Box 7**: Provide a description of the good. The description should be sufficient to identify the good covered by the declaration.

**Box 8:** Specify the origin criteria under which the good qualifies (see table below)**.**

| Origin Criteria | Insert in Box 8 |
| --- | --- |
| The good is ‘wholly obtained or produced’ entirely in the Area of one or both Parties by one or more producers as established in Article 3.3 (Wholly Obtained or Produced Goods). | WO |
| The good is produced entirely in the Area of one or both Parties by one or more producers, exclusively from originating materials in accordance with Article 3.2(b) (Originating Goods) | PE |
| The good is produced entirely in the Area of one or more of the Parties by one or more producers using non‑originating materials provided the good satisfies all applicable requirements of Annex 3-B in accordance with Article 3.2(c) (Originating Goods). | PSR |

**Box 9:** If it is a Declaration of Origin covering a blanket period for multiple shipments of identical goods, state the period covered by the declaration. If the Declaration of Origin covers a single shipment of goods, indicate the invoice number related to the exportation (if known).

**Box 10** The declarer must sign and date the declaration.

**DO NOT ATTACH TO COMPLETED DECLARATION OF ORIGIN TEMPLATE**