



THE COTTON TEXTILES EXPORT PROMOTION COUNCIL

(Sponsored By Government of India)

Engineering Centre, 5th Floor, 9, Mathew Road, Mumbai - 400 004. Maharashtra State, INDIA

Web.: www.texprocil.org | E-mail: info@texprocil.org | Tel.: +91-22-49444000, 23632910-12

E-Serve No.: 227 of 2022 | Date: December 26, 2022

Sub : CBIC Notifies Rules of Origin of Goods under the India-Australia (Economic Cooperation and Trade Agreement), 2022.

Dear Member,

This is in continuation to Texprocil's Circular No.E-Serve No.226 of 2022 dated 23rd December, 2022, notifying the facility for issuance of Electronic filing of Preferential Certificate of Origin (CoO) under India-Australia Economic Cooperation and Trade Agreement (Ind-Aus ECTA) w.e.f. 29.12.2022.

It is important to note that each FTA has its own Rules & Origin and to enable the implementation of ECTA, the CBIC has rolled out the Rules of Origin (RoO) vide Notification No. 112/2022-Customs (N.T.) dated 22.12.2022 ([click here](#)), outlining the eligibility requirement to claim the preferential customs duty on trade in goods under the ECTA. Major labour-intensive sectors in India including textiles will benefit from the Agreement.

What are the Rules of Origin and how do they serve the purpose?

Rules of Origin serve a very important purpose of ensuring that only goods of the FTA partner country are given preferential tariff treatment.

Key features of the Rules of Origin are as follows:

- The product is wholly obtained or produced in the territory of one or both of the contracting parties.
- It is produced entirely in the territory of one or both of the parties using non-originating materials, provided the good so produced satisfies all applicable requirements:
 - The non-originating material has undergone a change at the six-digit level (CTSH i.e."Change of Tariff SubHeading").
 - The qualifying value content (QVC) is not less than 35% of the free-on-board (FOB) value as per the build-up formula or 45% of the FOB value as per the build-down formula computed in the prescribed manner or as per the Product Specific RoO (PSR).
- QVC is to be computed using either of the two methods listed below, with the final manufacture before export to be undertaken by the party of export:

o The build-down formula is based on the value of the non-originating materials:
($CV = CV_{NM} - CV_{NM} \times \frac{V_{NM}}{V_{NM} + V_{OM}} \times 100$)

- The build-up formula is based on the value of the originating materials: ($CV = CV_{OM} \times \frac{V_{OM}}{V_{OM} + V_{NM}} \times 100$)

· Certificate of Origin –

- On establishing the origin criteria, it will be issued by an issuing body or authority as notified, of an exporting party, upon an application by an exporter, producer or their authorised representative.
- The CoO will be in written or electronic format, duly carrying a unique number signed and sealed by the issuing authority manually or electronically in English language, specifying that the good is originating and meets the requirements of the specified origin criteria, contains information in the format prescribed as per the minimum information requirements.
- The CoO is to be valid for 12 months from the date on which it is completed or issued, covering single or multiple goods including two or more invoices issued for single importation.

· Certification Procedures –

- The CoO to be issued within five working days of the date of exportation and can be issued retrospectively as well, marked as 'ISSUED RETROSPECTIVELY' with the reasons for issuing retrospectively recorded in writing. However, the CoO cannot be issued retrospectively beyond 12 months from the date of shipment.
- Application for Certificate of Origin.-
- For filing an application electronically, the importer has to furnish the minimum information required in the prescribed format, along with other documents and details as prescribed for the issuance of a CoO, including but not limited to, the breakup of costs and any other relevant elements such as profits. The same is to be retained for a period of five years from the date of issue.
- For claiming the preferential customs duty benefit, the importer needs to: -
- make a declaration confirming the origin of the goods;
- have a valid CoO while making the declaration
- provide a copy of the CoO to the importing party, if required; and
- demonstrate, if required, that the goods satisfy the consignment guidelines of the rules.

The minimum information requirements filed by the exporter or producer can be subject of pre-export verification in terms of the risk management system as may be adopted by each party.

Preferential customs duty benefit to be extended to the originating goods which, on the date of enforcement of the Rules, are in the process of being transported from the exporting party to importing party or have not been released from customs control, including such goods stored in a bonded warehouse regulated by the customs administration of the importing party subject to conditions.

The importer must retain records relating to importation under the ECTA in terms of the importing party's local laws or at least for five years from the date of importation.

Any exporter or producer who incorrectly represents any material information relevant to the origin determination is liable to be penalised under the laws and regulations of the exporting party.

For companies looking to take advantage of the Indian- Australia FTA, may please refer to the FAQs on India Australia ECTA ([click here](#)) issued by the Ministry of Commerce & Industry.

Members may please take a note of the above.

Regards,

Dr. Siddhartha Rajagopal
Executive Director

::TEXPROCIL::

TEXPROCIL respects your privacy. You are receiving this email because of your membership with TEXPROCIL.

To ensure that you continue receiving our emails, please add us to your address book or safe list.



वसुधैव कुटुम्बकम्
ONE EARTH • ONE FAMILY • ONE FUTURE



Subscribe us on WhatsApp +91-9152009163



© TEXPROCIL | 2022

Engineering Centre, 5th Floor 9 Mathew Road, Mumbai 400 004, INDIA

[Unsubscribe](#)