



Rules of origin

Determination of the origin (preferential or non-preferential) of goods is important because it represents the basis for ascertaining:

- The application of a preferential tariff treatment (reduced or zero customs duty rates);
- The application of duties for products covered by the Common Agricultural Policy (CAP);
- The application of anti-dumping duties or certain tariff quotas;
- In some cases, whether the said goods may or may not be imported, or if they are subject to other tariff or non-tariff barriers or trade measures.

Preferential origin determines whether reduced or zero rate duty applies within preferential arrangements enforced in European Union ("EU").

Non-preferential origin confers an "economic nationality" to goods. It is necessary for determining the origin of products subject to certain commercial policy measures or tariff quotas, as well as import restrictions or prohibitions.

We recommend that you analyse the rules of origin applicable to imported or exported goods and assess whether such goods could be considered as to have originated in a specific country and whether they could benefit from a preferential tariff treatment or if specific restrictions / prohibitions or other commercial measures apply.

Customs unions / Customs status

The EU has established customs unions with three countries: Turkey (for all industrial products, except coal and steel), Andorra (for all industrial and agricultural products) and San Marino (for all industrial products, except coal and steel).

Customs union implies zero customs duty rates provided that the customs status upon importation into EU of goods from the other part of the customs union can be proved. Therefore, if you are trading in goods from these countries, you may benefit from the elimination of customs duties if certain conditions are met.

Moreover, if you are trading with Turkey, Andorra or San Marino, in goods originating in third countries, we recommend that you analyse the level of the customs duties applicable upon importation of goods into the EU and compare these with those applicable in countries within customs unions, so as to determine the extent to which it is possible to optimise customs duty costs.

- Planning, according to the origin or customs status, to benefit from the most favourable tariff treatment by applying preferential agreements / customs unions and by the optimal selection of suppliers;
- Obtaining the approved exporter authorisation;
- Customs and solving disputes with the customs authorities over origin / customs status

PwC could provide you with assistance in:

- Analysing imported / exported goods with a view to granting preferential / non-preferential origin, or, as appropriate, of granting the customs status;
- Determining the origin / customs status and obtaining proof of preferential / non-preferential origin or proof of customs status;

For more information please do not hesitate to contact us.
Our specialists in the Indirect Tax Department are available to assist you.

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