

# **APEC Workshops for Capacity Building in Self-Declaration of Origin for FTAs/RTAs**

## **Workshop Series Report**

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**APEC Sub-Committee on Customs Procedures**

**May 2024**



**Asia-Pacific  
Economic Cooperation**





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**APEC Sub-Committee on Customs Procedures**

**May 2024**

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Produced by

Washington CORE, L.L.C.  
4500 East-West Highway, Suite 730,  
Bethesda, Maryland 20814 USA  
Takahiro Nakamura, James Tetlow, and Riku Kawakami  
Tel: (1) 301 654 2915  
Fax: (1) 301 654 4054  
Email: [takan@wcore.com](mailto:takan@wcore.com)  
Website: [www.wcore.com](http://www.wcore.com)

For  
Asia-Pacific Economic Cooperation Secretariat  
35 Heng Mui Keng Terrace  
Singapore 119616  
Tel: (65) 68919 600  
Fax: (65) 68919 690  
Email: [info@apec.org](mailto:info@apec.org)  
Website: [www.apec.org](http://www.apec.org)

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### **Acknowledgement**

The views expressed and the conclusions reached are those of the author and not necessarily the consensus view of APEC member economies or of the individual economies addressed.

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## Key Acronyms

Acronym	Full Term
ABAC	APEC Business Advisory Council
AI	artificial intelligence
APEC	Asia-Pacific Economic Cooperation
ASEAN	Association of Southeast Asian Nations
ATIGA	ASEAN Trade in Goods Agreement
AWSC	ASEAN Wide Self-Certification
COO (or CO)	certification/certificate of origin
CPTPP	Comprehensive and Progressive Trans-Pacific Partnership
CTI	Committee on Trade and Investment (APEC)
FTAs	Free Trade Agreements
HS	Harmonized System
METI	Ministry of Economy, Trade and Industry (Japan)
RCEP	Regional Comprehensive Economic Partnership
ROO	Rules of Origin
RTAs	Regional Trade Agreements
SCCP	Sub-Committee on Customs Procedures
SMEs	small and medium enterprises
WCO	World Customs Organization
WTO	World Trade Organization

## 1 Executive Summary

A growing number of FTAs and RTAs involving APEC economies require the participating economies to adopt the principle of self-declaration. Under this principle, the economies must implement policies to allow the traders (e.g., exporters, producers, and importers) to certify or declare the origin of their goods themselves, based on the information that they possess, in order to claim the preferential rate of duty under a given trade agreement.

However, several APEC economies have not yet implemented the principle of self-declaration. These economies may need to make several changes to their domestic trading policies, such as changing their institutional and regulatory mechanisms, training the relevant officials in the new procedures, and educating traders about the upcoming trade policy changes. Since adopting these changes may involve various challenges, which have already been overcome by the economies that have implemented self-declaration, many APEC economies will benefit from exchanging their best practices and lessons learned to date from the implementation of self-declaration systems.

This project has executed two workshops. The first was a hybrid in-person and virtual workshop on 31 July 2023 in Seattle, Washington, USA, on the margins of the APEC SCCP. It was focused on institutional and regulatory arrangements from customs official's perspectives. The second was held virtually on 31 January 2024 and focused on the hands-on experiences and perspectives of private traders. The workshop series was attended by 118 unique individuals (including speakers). Among the 101 participants (audience members), 54 (53.5%) were women, and among the 17 expert speakers, 8 (47.1%) were women. The average number of attendees per workshop was 73. Attendees hailed from 12 of APEC's 21 economies, as well as the members of the APEC Business Advisory Council (ABAC). Most attendees were representatives of government agencies, while those representing private companies also attended the workshops, either as audience members or speakers.

This report summarizes the contents and key findings from the two workshops. In both workshops, the speakers either delivered presentations and/or engaged in a lively panel discussion, during which they answered questions from the audience members. Attendees were also invited to complete post-event surveys to submit feedback on the workshops. The findings from these surveys are discussed later in the report. Throughout the series, both speakers and participants emphasized the significant benefits that can come with implementing self-declaration of origin for traders. Some also identified the challenges to be overcome in implementing such schemes. Best practices were shared among participants from both the public and private sectors, in the common goal of realizing the more efficient and effective utilization of trade agreements.

Chapter 4 of this report includes the opinions and views that have been gathered from the two workshops, including the Section 0



**Key Workshop Takeaways.** Please refer to Chapter 0 of this report for the Appendices Preliminary Research Report

that was composed ahead of the two workshops, based on a combination of literature research and a survey of customs officials from APEC economies. The Preliminary Research Report was distributed to the pre-registered participants of the two workshops. Links to all speaker biographies and workshop agendas are available in the Appendices of this report.

## 2 First Workshop

### 2.1 Summary

This first workshop, designed mainly for customs officials, was held in a hybrid format on 31 July 2023, in Seattle, Washington, in the United States, on the margin of the APEC SCCP. The workshop was designed as a capacity building opportunity for officials from the member economies and relevant stakeholders.

After a brief introductory session, two panel discussions were held with distinctive themes: 1) domestic procedures and requirements for self-declaration of origin and capacity-building and educational activities for customs officials and traders; and 2) sharing best practices of customs operation to deal with various challenges to implementing self-declaration of origin. In each of these two panel discussions, the speakers delivered four presentations. These presentations were then followed by a robust Q&A panel during which both in-person and online audience members asked ranging questions.

The workshop was attended by 64 people hailing from 13 APEC member economies and an international organization. The speakers joined from Japan; Malaysia; New Zealand; Singapore; Thailand; the United States; Viet Nam. Their details are as follows:

- Customs and Tariff Bureau, Ministry of Finance, Japan
  - Mr SAKAMOTO Kenichi, Director of the Office of Rules of Origin
- Royal Malaysian Customs Department
  - Mr Muhammad Firdaus bin Baharudin, Assistant Director of Customs
- New Zealand Customs Service
  - Ms Shani LIM, Acting Regional Manager – Asia, International and Governance
  - Ms Christine MULLINDER, Principal Policy Analyst, Trade Policy Unit
- Singapore Customs
  - Ms Julvian TAN, Senior Trade Officer, Tariffs & Trade Services Branch
  - Mr Gregory LEONG, Deputy Head, Tariffs & Trade Services Branch
- Customs Department, Thailand
  - Ms Sasikanya PONIEN, Customs Technical Officer, Senior Professional Level at Rules of Origin Section, Customs Tariff Policy and Appeal Division
- United States Customs and Border Protection
  - Ms Margaret GRAY, Branch Chief of the Trade Agreements Branch, Textiles and Trade Agreements Division (TTAD), Office of Trade
- Office of the United States Trade Representative
  - Mr Kent SHIGETOMI, Director for Multilateral Non-Tariff Barriers
- General Department of Viet Nam Customs
  - Mrs DANG Thi Hai Binh, Deputy Head, Origin of Goods and IPR Division, Control and Supervision Department,

## 2.2 Introductory Session

### 2.2.1 Opening Remarks

The opening remarks were delivered by Ms TANI Saeko, Deputy Director for the Economic Partnership Division at Japan's METI's Trade Policy Bureau.

Ms Tani welcomed the participants having gathered in Seattle, while thanking others joining online despite the time differences. She also expressed her gratitude towards the host economy, the United States, as well as the APEC and SCCP Secretariat, including the Project Director Ms Piang-or Wacharaprapapong.

She then explained the context of the workshop, pointing out that APEC economies that have not implemented self-declaration by exporters, producers and importers, must be prepared to fully operationalize these mechanisms within a certain timeframe. This pose significant challenges to the customs authorities who are at the center of this dynamism. She also mentioned the benefit of allowing self-declaration, such as reduced administrative costs of origin certification and wider options for traders to utilize FTAs/RTAs. Ms Tani noted that the workshop series provides an important opportunity to share experiences and best practices about self-declaration systems.

Ms Tani concluded her remarks by encouraging the audience to actively participate with questions and insights.

### 2.2.2 Introductory Presentation

The introductory presentation was delivered by Mr Takahiro NAKAMURA, Project Manager at Washington CORE, a consultancy supporting the workshop. His presentation was designed to brief the workshop participants with the background of the project, as well as some of the major findings from the literature research and limited survey of SCCP member economies. The results of the research and survey, both conducted by Washington CORE, were also shared with the audience members ahead of the workshop through a Preliminary Research Report.

In describing the current situation, Mr Nakamura explained how an increasing number of FTAs and RTAs, involving APEC economies, require the participating economies to adopt the provisions of self-declaration of origin. He also mentioned that such provisions come in various forms, further complicating the challenges for customs authorities.

Regarding the findings from the literature research, Mr Nakamura spoke about capacity building initiatives implemented in the region, showcasing three examples workshop programs, by WCO, the Economic Research Institute for ASEAN and East Asia (ERIA), and the AANZFTA Economic Cooperation Support Programme (AECSP). He also mentioned some common challenges faced by economies in implementing self-declaration principles.

From the survey responses, Mr Nakamura introduced various example measures and practices that may be useful for other economies. For example, he introduced regulatory measures to implement self-declaration; example timeframes (actions and time needed) for adoption of self-declaration; and approaches to encourage traders' compliance, as well as some cases of capacity building efforts in practice.

To close his presentation, Mr Nakamura listed challenges faced by the survey respondents and topics left to discussion, providing a segue into the following discussions by expert speakers.

### 2.2.3 Q&A Session

Before moving onto the next segment of the workshop, Mr Nakamura was joined by his colleague at Washington CORE, serving as the workshop moderator, Mr James TETLOW, to further discuss some of the measures, challenges, and lessons mentioned in the presentation. Mr Tetlow led the

preliminary research conducted by Washington CORE and added his perspectives to Mr Nakamura's presentation as well. Mr Tetlow also invited the audience members to ask questions and make comments, to which three participants responded.

One of the participants described the difficulty that both the customs officials and traders face in dealing with the varying formats of documentation required. She expressed the frustration felt by the customs officials and asked those involved in formulating trade agreements to take this into consideration. Mr Tetlow agreed that it is a significant challenge and suggested that the universalization of self-declaration /certification documents can certainly be the topic for future discussions and negotiations.

Another participant pointed out that the customs authorities may need to increase and improve their human resources in order to realize "a higher level of trust and audit processes" mentioned as a condition required in exchange for allowing self-declaration of origin. He noted his concerns that this may pose a significant challenge for both public agencies in developing economies and SMEs, and that he hoped the workshop would provide ideas to help manage this challenge.

The third participant raised the issue that different economies may implement different systems, namely self-certification issued by competent authorities as opposed to self-declaration made by traders themselves. She asked whether there is any global data on how many percentages of economies implement either. Mr Tetlow invited Ms Chunxiao Xu, joining online from WCO, to respond to the question, and Ms Xu replied by introducing a recent WCO study<sup>1</sup>, as well as its "WCO Trade Tools" database<sup>2</sup>, and encouraged the audience members to utilize the database.

## 2.3 Panel Discussion 1

### **Domestic procedures and requirements for self-declaration of origin and capacity-building and educational activities for customs officials and traders**

#### **2.3.1 Presentation by Ms Julvian TAN**

##### **SGP Sharing**

Ms Tan of Singapore Customs began the presentation by sharing that Singapore has a very open economy with an extensive network of over 25 free trade agreements in force. Singapore is unique in that it operates three different systems for proof of origin: 1) Certificate of Origin issued by Competent Authorities, 2) Origin declaration by Approved/Certified Exporter, and 3) Origin declaration by any exporter, producer or importer. The system used depends on the free trade agreement in question. The third system, self-declaration by any exporter, producer or importer, was first introduced to Singapore in 2001 through the Agreement between New Zealand and Singapore on a Closer Economic Partnership (ANZSCEP) and is today practiced in several free trade agreements, including the agreement between the European Free Trade Association and Singapore (ESFTA) and the agreement between the United States and Singapore (USSFTA).

The next part of the presentation highlights the process by which Singapore Customs handles the process of implementing the self-declaration regime under a new free trade agreement. Following ratification of a new free trade agreement and at least three months prior to entry into the agreement, Singapore Customs conducts joint outreach with Singapore's Ministry of Trade and Industry to raise local firms' awareness of the trade agreement's implications. Then, laws are amended to reflect provisions (such as preferential tariff treatment) of the trade agreement and to specify procedures for preferential certificates of origin for relevant importers and exporters. At least two weeks prior to the implementation of the trade agreement, Singapore Customs will issue a circular that explains the rules of origin requirements and the correct procedure for the use of self-declaration. Singapore's government also publishes these rules and procedures on their Free Trade Agreement website.

Ms Tan went on to discuss the resources made available by the Singapore government to help the issuing entity (i.e., the firm) understand the rules of origin requirements to self-certify that their

goods meet the criteria specified under the free trade agreement. The Singapore Customs website provides direct links to the circulars that outline the rules of origin requirements and procedures for the use of self-declaration for each free trade agreement under the self-declaration regime. The Ministry of Trade and Industry Singapore website also provides detailed information on each trade agreement's provisions. The website of Enterprise Singapore, another economic agency, provides useful information on the product rule of origin requirements and procedures. The website also has a "Tariff Finder" tool that generates the duties, taxes and charges, rules of origin, and other requirements according to three inputs: the originating economy, destination economy, and product code or keyword. These resources are reviewed and updated regularly to maintain relevance.

Singapore Customs actively conducts industry outreach in order to ensure that the trading community is up to date on its self-declaration competencies, compliance best-practices, and trade agreement awareness. Singapore Customs also invests heavily in training its officers to ensure the successful implementation of the self-declaration regime. For instance, prior to free trade agreement implementations, officers receive training on how the new agreement will affect self-declaration practices and how to handle the relevant documentation and data requirements. The consistent trainings on self-declaration regimes ensure that officers are more effective in auditing and assessing the accuracy of self-declarations.

Ms Tan concluded by sharing the benefits of self-declaration regime. By eliminating the need for third-party certification, the self-declaration regime provides cost savings for businesses. Self-declaration regime also increases the efficiency of commerce since companies do not need to apply and wait for origin certification by the issuing authorities. The self-declaration regime also solidifies industry knowledge of rules of origin and declaration procedures. Finally, with growth in trade, self-declaration of origin system helps to balance trade facilitation and customs control requirements.

### 2.3.2 Presentation by Mr SAKAMOTO Kenichi

#### **Japan Customs' approaches and initiatives to ensure sound Self-Declaration of origin**

Mr Sakamoto of the Customs and Tariff Bureau (CTB) at Japan's Ministry of Finance presented on various aspects of Japan's experience with self-declaration, including 1) the benefits of self-declaration for Japan's economy, 2) administrative procedures for implementing self-declaration, 3) the challenges of implementing self-declaration, and 4) the operational customs system.

The first part of Mr Sakamoto's presentation focused on the Economic Partnership Agreement (EPA). Japan currently has 21 EPAs, of which some use third party certification systems. However, many recently issued EPAs have adopted self-declaration systems to manage declaration of exports and imports. Such agreements include ones with Australia; the European Union; the United States; the United Kingdom, as well as CPTPP and RCEP.

In the next section of the presentation, Mr Sakamoto compared the COO system with self-declaration and outlined the advantages and disadvantages of self-declaration. The central difference between the two systems is whether the examination of origin is conducted by the exporting party. Self-declaration can save importers time and money since they are not required to obtain a certificate of origin or a declaration of origin. However, the importer bears the responsibility of proof, and an importer who cannot obtain information on origin from an exporter cannot make a self-declaration. Exporters can also save time and money from self-declaration but bear the burden of proof. Self-declaration is also more efficient for customs because a thorough self-declaration only requires verification. However, in cases where the self-declaration is not thorough, customs will need to carry out a more extensive examination and verification. The three main challenges for customs are: 1) understanding compliance levels for each party involved, 2) the need to more thoroughly vet documents, and 3) verifying self-declarations effectively. In summation, if conducted correctly and thoroughly, self-declaration can enhance efficiency for all parties involved. However, the main challenge is creating a system in which importers and exporters thoroughly, truthfully, and concisely prepare declarations of origin.

Next, Mr Sakamoto discussed Japan's approaches and initiatives for successfully implementing a self-declaration regime. Mr Sakamoto mentioned three main approaches used to support successful origin determination and examination: 1) encouraging advance rulings, 2) checking origin status of goods with supplementary documents at the time of import clearance, and 3) risk management and verification. According to Mr Sakamoto, these procedures contribute to the proper use of EPA. Furthermore, Mr Sakamoto identified three procedures that are used in Japan to build and enhance the capacity for the use of EPAs: 1) internal trainings and platform improvements for customs officials, 2) improving access to customs websites, and 3) publishing reference materials and information session for traders.

Japanese Customs conducts origin examinations in the following three stages. In the first stage (the pre-clearance stage) regional customs officials in Japan examine the origin status of goods to make an advance ruling. Advance ruling is a tool used to confirm the originating location of a good ahead of its importation. Advance ruling leads to greater predictability for traders when they calculate the cost of importing goods. In the second stage (the import clearance stage), documents submitted at the time of import declaration are examined. In the third stage (the post-clearance stage), an origin examination is conducted through certain verification procedures.

Next, Mr Sakamoto outlined the roles of different Japanese customs organizations. The CTB ROO office makes policy, handles administrative matters, and conducts EPA negotiations. The ROO section of regional customs is responsible for issuing advance ruling, conducting verifications, and responding to inquiries about ROO from traders and other custom branches. The EPA ROO Center conducts trainings in accordance with each of its sections. For instance, officials in ROO sections are trained so that they can conduct verifications and advance rulings. Moreover, the customs agencies are actively supporting customs officials and traders through seminars and workshops.

This is done to support Japan's self-declaration regime by providing businesses with the necessary tools to effectively prepare declarations of origin.

### **2.3.3 Presentation by Mr Muhammad Firdaus bin Baharudin**

#### **Malaysia's experience in the implementation of self-certification and its challenges**

Representing the Royal Malaysian Customs Department (RMCD), Mr Muhammad Firdaus delivered his presentation focused on the implementation of self-certification and the challenges of doing so. To start his presentation, Mr Muhammad Firdaus presented the findings of a free trade agreement study, conducted by the WCO, which found that trade agreements are increasingly moving towards self-certification across the globe.

In the next stage of his presentation, Mr Muhammad Firdaus described how Malaysia handles the issuance and regulation of rules of origin. When an FTA is ratified by the Government of Malaysia, RMCD ensures that customs regulations are implemented in accordance with the rules of the agreement. The Ministry of Investment, Trade and Industry (MITI) is the Issuing Authority responsible for the issuance of certificates of origin, which can be further categorized into the Preferential Certificate of Origin (PCO) and the Non-preferential Certificates of Origin (NPCO). In the case of PCO, it will be issued by the MITI and for NPCO, it will be issued by Business Chambers appointed by MITI. Whereas, for the validation of certificate of origin brought by importers will be validate by Royal Malaysian Customs Department as the Receiving Authority of Malaysia.

Next, Mr Muhammad Firdaus discussed the ASEAN Wide Self-Certification (AWSC). Effectively, AWSC is a trade facilitation initiative that allows exporters who have demonstrated competence to comply with ATIGA ROO requirements, known as Certified Exporter (CE), to self-certify the origin status of their products. The primary purpose of the AWSC is to allow for expedited shipments while simultaneously ensuring the integrity of self-certification and this is done by trusting the companies that have been certified by MITI. To be considered as certified exporter under AWSC, a company shown a substantial amount of experience in export procedures and good track record of exporting at least 20 shipments within 2 years to ASEAN Member States using ATIGA PCO. The self-certification can be made on commercial documents such as invoice, bill of lading, delivery order or packing list. If the certified exporter unable to make the self-certification on invoice, the following commercial document could also be used such as billing statement, a delivery order, or a packing list. AWSC origin declarations also require a detailed description of the goods, including the products name, the country of origin, item quantities, and price.

In the next section of the presentation, Mr Muhammad Firdaus described self-declaration procedures for three free trade agreements: Malaysia-Turkey Free Trade Agreement (MTFTA), Malaysia-Australia Free Trade Agreement (MAFTA), and Malaysia-New Zealand Free Trade Agreement (MNZFTA). Each trade agreement has a unique set of minimum requirements for self-declaration. The MTFTA requires a detailed description of the goods, a ten-digit tariff code, name and address of exported and importer, invoice date, and the number of packages and gross weight. While the requirements for the MAFTA are somewhat more lenient, as a detailed description of the goods is not needed, the requirements for the MNZFTA are largely like those of the MTFTA.

Mr Muhammad Firdaus proceeded to discuss the self-declaration procedures outlined under RCEP and CPTPP. The RCEP and CPTPP each contain nine elements that make up the minimum data requirements for self-declaration: exporter name and address, producer's name and address, importer's name and address, description of goods and six-digit HS code, identification code, unique reference number, origin conferring criterion, certification that meet relevant rules of origin, RCEP country of origin for RCEP form, price of goods, quantity of goods, and original Proof of Origin reference.

Next, Mr Muhammad Firdaus described the verification procedure for declarations of origin. Requirements are typically checked by the Malaysia customs authorities, who are responsible for form checking, identity checking, and certifying the origin criteria. If the importer request for

preferential tariff treatment when declaring the Import and the good or product is categorized as non-originating from the exporting economy, the importers will need to pay the MFN (most-favored-nation) rates and the assessment officer conducts a further investigation. The primary methods of verification are administrative cooperation, direct inquiry, on-site visits, and importer-based inquiries.

Mr Muhammad Firdaus concluded by outlining the benefits and disadvantages of self-certification. The main benefits are the simplification of export procedures for domestic companies and a reduction in the workload of customs officials. A disadvantage is that self-declaration is more prone to fraudulent customs claims. Moreover, some customs officials are not well-versed in self-declaration.

### **2.3.4 Presentation by Mr Kent SHIGETOMI**

#### **Use of Self-Certification in the Asia-Pacific Region**

Mr Shigetomi of the Office of the United States Trade Representative participated in the current workshop as the Chair of APEC CTI Sub-Committee on Standards and Conformance (SCSC) and as the author of the APEC Pathfinder report on self-certification of origin for the APEC Market Access Group. His presentation focused primarily on some of the challenges associated with self-declaration regimes. Moreover, Mr Shigetomi focused on aspects that add complexity to the implementation and administration of self-certification, including differences between specific types of goods and the challenges that SMEs face when seeking to practice self-declaration.

Prior to discussing some of the complexities of self-declaration, Mr Shigetomi outlined the findings of a 2022 study on the 2007 APEC Pathfinder to assess the prevalence of self-declaration in the FTAs concluded by APEC economies. The research study found that, among 88 FTAs and RTAs, only two did not allow for self-certification. These two agreements are the Australia-China agreement and the Malaysia-Chile agreement. Each of these economies had concluded other FTAs that allowed self-certification. The research concluded the self-certification is a widespread practice among APEC economies. Moreover, more recent agreements were found to be more likely to allow for self-certification.

Next, Mr Shigetomi discussed how the category or type of a good/product influences the complexity of the rules of origin. The origin of some goods, like agricultural products, can be easily determined. Chemical goods are generally more complicated because the origin of a chemical is determined by where the chemical reaction that created the chemical took place. In some cases, determining the location of the chemical reaction requires specific subject-matter knowledge, meaning that it may be difficult to determine the origin of a chemical. In addition, trade agreements can specify different rules of origins for similar products. These nuances can make it very difficult for businesses to seek approval from government agencies, because the government agency in question would require market expertise for a wide range of goods. Moreover, since rules of origin differ by trade agreement, an exporter may need to obtain different certifications for the same product depending on where the product is being shipped.

In the next and final part of the presentation, Mr Shigetomi outlined three points of consideration. First, he pointed out that the issues around self-certification and declaration do not only concern FTAs and RTAs signed between more than two economies but also extends to preferential trade arrangements (PTAs). To make this point, he drew from the 2015 decision by WTO on “Preferential Rules of Origin for Least Developed Countries,” which was designed to facilitate exports from less developed economies by reducing the administrative burden through measures such as self-certification.

Second, as an area for further exploration, Mr Shigetomi questioned whether some economies’ reluctance to implement self-declaration correlates with their reliance on tariff collections as a source of revenue. Mr Shigetomi asked:



- To what extent do tariff collections comprise an important share of government revenue?
- Is the share of government revenue that tariffs make up associated with an economy's willingness to apply self-certification of origin?

Thirdly, in regard to SMEs, Mr Shigetomi suggested that SMEs may be less familiar with customs procedures than larger firms, as smaller firms tend to be more intimately focused on their daily business operation (such as manufacturing their products). This raises the important question of whether SMEs are able to take advantage of trade agreements, as doing so requires knowledge of origin rules and customs procedures.

Mr Shigetomi concluded by highlighting some of the documents and websites that provide useful information of self-certification. The first source is a report on the APEC Pathfinder on Self Certification of Origin that was written for APEC CTI's Market Access Group (MAG). The second source is a website "Rules of Origin Facilitator"<sup>3</sup> created by the International Trade Commission, the WCO, and WTO. The website allows the user to enter the economy of export, economy of import, and the good in question to search for all applicable agreements and their rules of origin. The final source is a WTO trade preference database<sup>4</sup>, which contains concise information on rules of origin applicable to exports from LDCs.

### 2.3.5 Q&A Session

After the four presentations were delivered, the panel moderator, Mr James Tetlow from Washington CORE, invited all four panelists back on the stage. Mr Gregory LEONG of Singapore Customs joined the panel virtually in place of his colleague Ms Julvian TAN.

The first question, asked by Mr Tetlow and directed at Mr Leong, asked about Singapore's risk management strategy and whether Singapore has made any changes to their risk management procedures following the implementation of self-certification. Responding to the first part of the question, Mr Leong shared that Singapore has adopted the WCO risk management techniques. Furthermore, he stated that Singapore Customs uses analytics to evaluate risk profiles of companies and importers to target high-risk shipments for checks. Mr Leong added that compliance officers collaborate with branches in Customs to strengthen risk assessment and pre-clearance capabilities.

Mr Tetlow also asked Mr Muhammad Firdaus to provide insight into risk management and verification procedures. Mr Muhammad Firdaus used two agreements, CPTPP and ATIGA, as examples to explain how Malaysian customs officers conduct verification. First, under CPTPP, which does not specify document format but only minimum data requirement, officials will have to determine, within short period of time, whether to grant preferential treatment or not. This is done by ensuring the origin declaration meets the data requirement, and then checking if the information actually matches with the origin criteria. On the other hand, under ATIGA, which has a specific format for information, a certified exporter would submit its origin information through a designated system. In this case, Malaysian customs officials have an option to directly contact exporters for more information, if needed.

The next set of questions, asked by a participant, were addressed to Mr Sakamoto. She first asked whether Japan has an approach to minimize risk from self-certification as the economy increasingly signs agreements that allow traders to declare goods' origin. Mr Sakamoto, while acknowledging that there is always some risk of mistakes in declarations of origin, emphasized that the most effective tool is education for traders. If traders have sufficient knowledge, they can effectively declare the origin of their goods. With this belief, Japan's Customs hosts over 100 seminars every year for traders so they can learn about the rules of origin system. The next question, which was a follow up, asked Mr Sakamoto whether Japan Customs offers any tools that assist companies in understanding rules of origin. Mr Sakamoto noted that Japan Customs has a "PSR research system" that allows traders to easily compare Product-Specific Rules (PSRs) between economies in order to identify the most beneficial PSR for their businesses.

The next question, asked by another participant, was also directed at Mr Sakamoto and asked whether Japan has implemented specific controls and enforcement measures for self-declaration. Mr Sakamoto stated that he could not answer the question in detail for security reasons but suggested that Japan does use a risk-based procedure for verification.

The other participant asked Mr Shigetomi how the importer party checks whether the rules of origin or the origin criteria are correct. Mr Shigetomi noted that different economies apply different enforcement approaches. Enforcement may, for instance, vary according to how much a type of good is traded or whether a certain type of goods has high tariffs.

The next question, asked by yet another participant, was addressed to Mr Leong. The question asked whether advance ruling is prevalently used and what happens when it is discovered that an importer provided a fraudulent declaration of origin. Mr Leong stated that Singapore Customs does not require advance ruling for every shipment on which an importer had made a preferential tariff claim. In Singapore, after seven days from the release of the goods from Customs checkpoint, a Proof of Origin (e.g., origin declaration) will need to be submitted for Customs' verification. If the Proof of Origin is not submitted within the stipulated period, Customs will proceed with duty recovery. When fraudulent information is found, Singapore Customs has operational procedures for its officials to follow. The incident's severity is weighed against a matrix of conditions (e.g., intention of fraud; degree of offence; etc.) and matching enforcement/compliance actions are taken.

The last audience member asked three speakers, Mr Muhammad Firdaus, Mr Sakamoto, and Mr Shigetomi, to share their thoughts on different aspects of the transition from a system dependent on competent authorities to one where traders themselves can declare the origin of goods.

She first asked Mr Muhammad Firdaus how Malaysia dealt with its 17 FTAs with varying rules when opening the origin declaration to private traders. Mr Muhammad Firdaus responded by explaining the rigorous review process that Malaysian customs officials employ. He agreed that some agreements are more rigid than others in terms of the documents that are required. When trades are made under more flexible agreements, such as CPTPP and RCEP, Malaysian customs officials depend on multiple sources of information to make the final decision whether to give preferential treatment. For example, there may be multiple documents that can be reviewed about a good. In other cases, officials will inspect goods to ensure they match with accompanying documents or request for additional verification.

To answer one of the questions regarding different procedures needed to deal with competent-authority-issued certifications and trader-issued declarations, Mr Sakamoto spoke from Japan's experience. He explained that, for competent-authority-issued certifications, Japan Customs is primarily focused on the examination at the time of importation. However, when it comes to self-declaration made by traders, Japan Customs is focused more on the verification stage because there is no government involvement when goods are exported. He also added that the economy's customs authority aims to facilitate efficient trade, while enforcing clauses of trade agreements, by eagerly promoting the use of the advance ruling procedures for traders who wish to declare their goods origins themselves.

The participant was also interested in knowing whether economies should first allow authorized exporters to self-declare and gradually move to allow other traders (e.g., producers and importers) or immediately allow self-declaration by all parties at once. She asked Mr Shigetomi to give advice drawing from the APEC Pathfinder research. Mr Shigetomi, after acknowledging that each party can submit information to substantiate the origin of goods, offered a piece of advice to economies to eventually focus on importers as those responsible for submitting information. This is because they are the ultimate beneficiary of the preferential tariff treatment.

Lastly, Mr Tetlow asked Mr Shigetomi to discuss what role APEC can play in capacity building efforts. Mr Shigetomi proposed to first collect the concerns from all member economies regarding

the introduction of self-certification of origin in their economies. This will help to identify the causes for hesitation in some economies to allow self-certification, and then APEC can focus its capacity building efforts to get rid of these root causes. Mr Shigetomi also pointed out that APEC member economies may think of their trade negotiation strategies more collectively, as many APEC member economies are negotiating trade agreements with major non-APEC economies that are not inclined to allow self-certification.

## 2.4 Panel Discussion 2

### **Sharing best practices of customs operation to deal with various challenges to implementing self-declaration of origin**

#### **2.4.1 Presentation by Ms Shani LIM**

##### **New Zealand Customs Service: Supporting Exporters with a Modern Self-Declaration of Origin System**

Ms Lim of New Zealand Customs Service presented on the ways in which New Zealand supports exporters with its modern self-declaration environment. Ms Lim began the presentation by outlining trading environment. International trade makes up 60% of New Zealand's economic activity. Moreover, the economy annually imports roughly NZD80 billion and exports roughly NZD72 billion in goods. Thus, New Zealand's economy, which is composed mainly of small and medium-sized businesses, relies heavily on trade. Because New Zealand is so reliant on trade, it is important for the economy to have efficient systems that traders can easily navigate.

Ms Lim then proceeded to discuss how New Zealand's free trade agreements necessitate an effective proof of origin system. New Zealand has signed 15 free trade agreements. Many of these agreements provide preferential tariff treatment. Proof of origin is, therefore, essential for traders who are seeking to take advantage of the preferential treatment. Under New Zealand's self-declaration regime, the producers, exporters, suppliers, or importers are responsible for establishing is responsible for assuring the compliance with custom requirements. Moreover, the self-declaration system allows for quick clearance of goods.

The next stage of the presentation focused on the self-declaration procedure. Importantly, self-declaration documents are not proof in themselves. Rather, proof of origin lies in the supporting commercial production and transportation documents that are used to validate that assurance. To validate self-declaration documents, customs officials need information on supply-chain participants, which includes the name, address, contact details of the certifier, exporter, producer and importer. Customs officials also need information on the goods themselves, including a description and the tariff classification. In the simplest form, self-declaration can be an origin statement attesting to the origin of a good. In some cases, the origin statement will be expanded to include more specific information about the good. A more detailed origin statement says that the trader assumes responsibility for proving the declared information and agrees to provide additional documents if they are requested by customs. Since self-declaration can sometimes be complex, New Zealand Customs provides a guidance template for CPTPP. This template is useful because it prevents small businesses from making mistakes when declaring the origin of a good.

In the next stage of the presentation, Ms Lim discussed the reasons for implementing self-declaration. New Zealand Customs supports self-declaration reduces costs and complexity for exporters. This is particularly important for small and medium-sized businesses who often lack the expertise and resources to deal with complex custom systems. Self-declaration also put the responsibility of assurance into the hands of the parties that have the closest knowledge of the product in question. In general, when an importer claims preferential tariff treatment under a free trade agreement, they are signaling that they can verify the origin of their products. If there are concerns over compliance and authenticity of the claim, the customs can always follow up by requesting additional information. Moreover, if an error is discovered, traders are not penalized if they correct an error upon discovery. However, if consistent errors are ignored, New Zealand Customs will penalize traders.

## **2.4.2 Presentation by Ms Sasikanya PONIEN**

### **Sharing best practices of customs operation to deal with various challenges to implementing self-declaration of origin**

Ms Ponien represented Thailand's Customs Department, and her presentation focused on 1) the self-certification system and the preferential tariff treatment in Thailand, 2) Thailand's self-certification system, and 3) challenges of self-certification and how they can be overcome. Thailand currently has three free trade agreements that use self-certification: ATIGA, RCEP, and Thailand-New Zealand FTA. In Thailand, the origin declaration must be made by a certified exporter, needs to contain the data requirements, should be based on the commercial invoice, billing statement, delivery order, or packing list, and contains the name of signature of authorized signatories.

Ms Ponien noted that the self-certification requirements differ slightly according to the trade agreement in question. For instance, the Thailand-New Zealand free trade agreement uses self-certification by the exporter, so the exporter does not need to register with the issuing authority. There are currently two types of origin declarations under Thailand-New Zealand free trade agreement. The first is a normal declaration, which only requires a statement on the invoice. Third economy invoicing, on the other hand, requires the trader to have a statement on the third economy invoice.

The next section outlines the self-declaration procedure under the ATIGA. Under ATIGA, customs officers can check lists of certified/approved exporters on an AWSC database website which the username and password will be generated by ASEAN Secretariat to all ASEAN Member States. This website is only for authorized personal (i.e., the customs officers). The website allows the customs officer to check the registration status of an exporter by economy and date and also the HS code of the goods which is allowed to export. The website also provides a historical list of all approved exporters. The Competent Authorities of all economies in ASEAN update lists of approved exporters. Then, the username and password will be circulated to frontline customs officer to check accordingly.

Ms Ponien then proceeded to discuss the challenges of self-declaration and how to overcome them. The first challenge is lack of knowledge of self-certification. Changes to self-certification procedures can exacerbate this problem when there is no example of how to properly administer the changes. The lack of knowledge can be addressed through virtual seminars and virtual outreach seminars. In Thailand, these seminars have been well attended by private sector parties. Another challenge is implementation. Implementation issues can be overcome with matrix of decisions on ROO implementation issues, customs notifications, matrix of minor discrepancy issues, and a customs help line. For instance, minor discrepancy issues are published on the customs website, and a help line staffed by customs officers assist businesses have their goods certified.

## **2.4.3 Presentation by Ms Margaret GRAY**

### **Self-Certification U.S. Customs Best Practices**

Ms Gray of the United States Customs and Border Protection (CBP) presented on several aspects of self-certification best practices in the United States, including the knowledge-based self-certification, shared responsibility, informed compliance, reasonable care, enforcement, customs cooperation and penalties.

Ms Gray began by discussing the knowledge-based aspect of self-certification. She noted that to allow self-certification of origin is to reply to the knowledge that an importer has on the product being imported, such as the production process that was used to make the good. It is an approach different from certifications verified by a government or third-party agency, and Ms Gray sympathized with the legitimacy concern that were raised earlier in the workshop.

Nevertheless, Ms Gray noted that self-certification systems rely on trust between officials and importers and the capability of customs to handle enforcement issues. In the United States, CBP has gained considerable experience in the self-certification process, which has increased their confidence in the process over time. The US self-certification system relies on shared responsibility that is clearly defined between the trade community and customs. Moreover, self-certification procedures are clearly outlined in the provisions of free trade agreements. By sharing responsibility for proper self-certification, the American system ensures accountability.

Ms Gray proceeded to discuss some of the details of the American self-certification system. Under the US law, the importer is responsible “for exercising reasonable care in entering, classifying, determining the value of the imported goods and providing any information necessary to enable customs to properly assess the duties, collect accurate statistics, determine whether their legal (or any other) requirements are met.” Customs is responsible for verifying the information provided by the importer. If the verification picks up faulty information, then the importer may be subject to penalties. Therefore, communication of requirements by customs is very important for the system to operate smoothly.

In the next phase of the presentation, Ms Gray outlined the tools that the US customs uses to communicate self-certification requirements to industry. The US customs produces informed compliance publications and videos on new and revised requirements, regulations, procedures, and verification issues. These sources provide guidance and information to the trade community. Moreover, these sources are provided at no cost through the CBP website ([cbp.gov](http://cbp.gov)). Traders can also use the website to search for regulations, summaries of relevant laws, customs bulletins, regulations, and directives. Using these sources, an importer is expected to exercise “reasonable care” when classifying their products and providing information to customs. To make sure that traders are adequately informed and able to exercise reasonable care, the US customs publishes a questionnaire that helps determine whether a trader understands the necessary requirement. These questions include 1) whether an individual within the organization has reviewed the appropriate customs documentation to ensure accuracy, and 2) whether documentation was prepared outside the organization and is there a system for ensuring the accuracy.

Ms Gray concluded by discussing enforcement. Enforcement primarily focuses on the importer’s claims for preferential treatment. Furthermore, record keeping requirements, which are key to the self-certification process, are also a central focus of enforcement. Importers can request advance rulings to get more accurate information that allows them to make better claims. Cooperation between trading partners (i.e., other economies) support the enforcement process and, in some case, customs will need to visit factories or other sites to make verifications. In the case of fraud, penalties are levied against the importer, who is typically the most knowledgeable party concerning a good’s origin.

#### **2.4.4 Presentation by Mrs DANG Thi Hai Binh**

##### **Self-Declaration on origin of goods**

Mrs Dang of the General Department of Viet Nam Customs presented about the economy’s self-declaration system. Viet Nam’s customs office belongs to the Ministry of Finance and is comprised of multiple administrative units and subordinate units. In addition to these units, currently, Viet Nam has 35 provincial customs. Moreover, Viet Nam Customs oversees negotiating and implementing free trade agreements. Today, Viet Nam has signed a variety of free trade agreements, including ones signed by ASEAN, of which Viet Nam is a member.

Mrs Dang proceeded to discuss Viet Nam’s COO system. Viet Nam currently accepts COOs issued by competent authorities, as well as self-declarations made by exporters (both ones with and without registration) and importers. However, the kind of documents accepted varies by free trade agreement. Under ATIGA, certificates of origin, electronic certificates of origin, and origin declarations are used to certify the origin of goods. For ASEAN-signed FTAs and RCEP, for an exporter to make self-declaration, they must be authorized and designated as a certified exporter (CE) by the competent authority of the exporting economy, an ATIGA member, who specifies all

requisite conditions. Under the EU-Viet Nam and UK-Viet Nam free trade agreements (EVFTA and UKVFTA), both certificates of origin issued by competent authorities and declarations of origin made by registered exporters are accepted. As explained in Washington CORE's preliminary research report, Mrs Dang noted, to register themselves, exporters only need to submit required information and do not need to go through a strict evaluation, like the one required to become CEs under ATIGA. And, lastly, Mrs Dang spoke about documents accepted by Viet Nam Customs under CPTPP. Viet Nam is currently in a transition phase to start accepting self-declaration made by importers next year. Thus, for now, other than COOs issued by competent authorities, only exporters can declare origin of goods to Viet Nam customs. And for goods exported from Viet Nam, competent authorities, not exporters themselves, are issuing COOs. Furthermore, Mrs Dang briefly mentioned the format of required documents. In general, particularly under the context of RCEP, Viet Nam customs requests no prescribed format and only require certain set of data requirements.

In the last section of her presentation, Mrs Dang went on to discuss the challenges faced by Viet Nam's COO system. It is generally challenging for both customs and enterprises to determine origins of goods. This is exacerbated by the fact that Viet Nam has 16 free trade agreements with different provisions. Furthermore, as the volume of trade by Viet Nam increases, so is the pressure on customs officials to make origin determination in an efficient manner. Lastly, Mrs Dang raised concerns about inadequate compliance caused by the gap in importers' knowledge about the imported goods.

To conclude her presentation, Mrs Dang made several recommendations for Viet Nam and other economies. First, she spoke about needs for educating traders of various rules of origin in applied FTAs. Second, she also spoke of capacity building for customs officers, so they can apply these rules accurately, while responding to the needs for shortened release time. Thirdly, she agreed with Mr Sakamoto of Japan that it is important to improve the utilization of advance ruling to add efficacy to the self-declarations made by traders. And lastly, she concluded that if customs authorities of exporting and importing economies develop close working relationships, they can work together to reduce the risk.

#### **2.4.5 Q&A Session**

After the four presentations were delivered, the panel moderator, Mr Tetlow, invited all four panelists back on the stage. Ms Christine MULLINDER of New Zealand Customs Service also joined the panel virtually.

Mr Tetlow opened the Q&A session by asking the presenters to discuss their experiences with making (or planning for the future) technical upgrades that allowed their respective economies to adopt self-declaration procedures. Ms Lim of New Zealand spoke of the economy's experience upgrading their electronic data sharing system that were already used for trades with China, called the Joint Electronic Verification System (JEVS). Businesses in New Zealand can enter data necessary for self-declaration of origin in JEVS and the data is almost immediately shared with the customs authority of China. With RCEP's coming into effect, two economies agreed to update the system to allow more options for businesses with varying needs (i.e., making it more affordable and accessible for companies with less resources such as SMEs) while making it more secure, resilient, and applicable for future FTAs.

Ms Gray added that the United States does not currently rely heavily on digitalization because most of FTAs signed by the economy only require data elements and does not have specific forms to be filled out. So, businesses are allowed to upload their forms in any format of their liking as a PDF file, and determinations are made on case-by-case bases. Nevertheless, her agency provides a sample PDF form which auto-populates data needed from the agency website (cbp.gov). Then, Ms Ponien also answered that the primary form of digitalization used in Thailand is the website that customs officers can use to check exporters' prior authorizations.

In the next question, a participant asked the panelists from New Zealand the justification for customs to request additional information to verify preferential tariff treatment and whether such

requests are supported in domestic legislation. Ms Mullinder answered noting that free trade agreements tend to have clauses that allow customs to request additional documentation, if needed, to verify the origin of goods. To make this possible, economies can require businesses to keep records. In the case of New Zealand, almost all goods are cleared at the border, so any follow up questions come in a post-clearance audit situation. In an audit case, customs ask the importer to provide additional information, which may require additional documentation in some scenario.

The next question, asked by another participant, had two parts, both directed at presenters from the United States and New Zealand. The first part asked whether there are internal laws or regulations that need to be modified to establish penalties or sanctions for inaccurately made self-declaration. Ms Gray answered by stating that in cases where documentation does not match the declaration claim then importers could lose preferential treatment, which in itself is a penalty. Then, in the United States, depending on the seriousness of the violation, other penalties could come into play. Ms Mullinder added that New Zealand has administrative penalties that are written into legislation. These can be applied to importer or exporter. If an importer wrongly declares goods on purpose to get preferential treatment, it is a fraud that is heavily penalized. This domestic law is naturally more heavily enforced on importers operating in New Zealand than exporters and producers in other economies.

The second part of the question asked about the human resources required to move from an exporter-based system to a system that is also importer-based. Ms Gray and Ms Mullinder agreed that there shouldn't be any human resource differences at the customs agencies in dealing with importer-based and exporter-based declarations because the customs agency is looking for the same information in either case. Ms Gray added that, for businesses, however, if an importer was to formulate a declaration of origin, it would have to collect required information from an exporter and/or producer who may be reluctant to give away confidential information to their importing partners (e.g., identity of the producer), which may add additional burden on the importers' part.

In the next question, Mr Tetlow, the moderator, asked the panelists to discuss how APEC might serve as a useful forum to discussions or explore next steps for collaboration between customs officials. Mrs Dang noted that close cooperations between customs members is useful for sharing experiences, especially in learning best practices from early adopters of a new system. Ms Ponien agreed and added that the customs authorities often hear questions from the private sector and that it's helpful to hear from other economies for advice. Ms Gray noted that it would be useful to look into strategies or procedures for standardizing data elements in the certification process and to use collected data for risk filtering to reduce burdens for customs officers. Ms Lim noted that the APEC region would benefit from a clear vision of how to handle origin declaration of goods and strong commitment and actions to achieving the vision. APEC may also be able to help customs agencies develop stronger partnerships with the private sector and other key stakeholders.

## 2.5 Closing Session

### 2.5.1 Workshop Summary

Following the two panel discussions, Mr James Tetlow, the moderator, provided a brief summary of the workshop. He highlighted the main points from each segment of the workshop, particularly the speaker presentations, audience questions and discussions.

Some of the common themes highlighted from speaker presentations are as follows:

- First Panel
  - The internal systems or processes that needed to be modified to adopt self-declaration of origin
  - How each economy spreads awareness about the new policies to traders
- Second Panel
  - Some of the on-the-ground challenges for implementing self-declaration
  - Suggested resolutions for those challenges

Mr Tetlow also mentioned that the audience members asked various questions, as summarized in this report. One of the common items of consensus observed in both discussions is the role APEC can play – many agreed that APEC provides a venue for exchange between member economies, both to identify common challenges for future cooperative work and to learn from each economy's experiences.

He also mentioned that the experiences and insights shared during the workshop will be reflected to the Final Report to be composed and published in the year 2024. He then thanked the organizers of the workshop, APEC and METI, as well as all the speakers, audience members, and the host economy and venue staff.

### **2.5.2 Announcement of the Second Workshop**

The current project is composed of two workshops, in addition to research, and the second workshop is planned to be held online in the fall 2023. At the end of the first workshop, Ms YOICHI Ayumi of METI Japan made a brief announcement about the second workshop. In the introduction, she noted that the main focus of the second workshop will be the benefit of self-declaration systems, as opposed to the procedures and operations of such systems discussed in the first workshop. She also mentioned that private traders (i.e., exporters, importers, and producers of goods), in addition to public officials from customs and other government agencies, are invited as speakers and audience members to the second workshop.

She expressed her hope that the second workshop will be a good opportunity for attendees to learn how to maximize the benefits of self-declaration. She then encouraged the audience members to watch out for the General Information Circular about the second workshop to be circulated in coming months.

### **2.5.3 Closing Remarks**

The closing remarks were delivered by Mr MATSUZAKI Takahiro, Deputy Director of International Cooperation Division at the Customs and Tariff Bureau of Japan's Ministry of Finance.

Mr Matsuzaki opened his remarks by thanking all the speakers and participants, as well as the organizers and the host economy, the United States.

He noted that the workshop highlighted the important role that customs authorities play in implementing self-certification of origin. As part of efforts made by customs authorities, he mentioned activities such as education, cooperation, and outreach, as well as procedures including risk management and advance ruling. It was also beneficial to rediscover APEC activities outside of SCCP, like the 2009 APEC Pathfinder initiative on Self-Certification of Origin, through the workshop, Mr Matsuzaki said.

It became evident through the panel discussions that each APEC member economy has its own concerns and interest, and Mr Matsuzaki concluded his remarks by emphasizing the importance for each economy to continue its effort to effectively implement self-certification, while learning from each other.



## 3 Second Workshop

### 3.1 Summary

This second workshop was held virtually on 31 January 2024, and was designed to introduce the participants to the hands-on experiences and perspectives of traders and relevant stakeholders, in order to help audience members from member economies to achieve the smooth implementation of self-declaration of origin in practice.

After a brief introductory session by Japan's METI, the three distinguished speakers delivered presentations on self-declaration of origin from business perspectives. Each presentation was followed by a Q&A session, during which audience members were encouraged to submit questions. The Q&A sessions ran for approximately 10 minutes, and the experts offered their insights on the topic, based on their experiences. The first presentation was about experience in using self-declaration of origin and benefit of utilizing some technologies from the perspective of a North American consultant; the second presentation was delivered by Japanese automobile parts manufacturers on their efforts and pros and cons of self-declaration systems; and the final presentation delivered by a New Zealand dairy producer comparing various certification models.

The workshop was attended by 82 people hailing from 12 APEC member economies. The speakers joined from Canada; Japan; and New Zealand. Their details are as follows:

- Trade Facilitation Services
  - Mr Brian Rankin STAPLES, CEO
- DENSO CORPORATION
  - Ms Hisano YAMASHITA, Manager, Global Production Control Department, Production Control Division
- AISIN CORPORATION (AISIN Corp.)  
Sales & Marketing Management Department
  - Ms Chieko IMAI, Manager of FTA Group,
  - Mr Toshiaki UCHIDA, Assistant Manager of FTA Group
- Fonterra Cooperative Group
  - Mr Kit HICKEY, Customs Manager
    - Chair of the Regional Private Sector Group - Asia Pacific at WCO

## 3.2 Introductory Session

### 3.2.1 Opening Remarks

The opening remarks were delivered by Ms TANI Saeko, Deputy Director for the Economic Partnership Division, Trade Policy Bureau, at Japan's METI.

Ms TANI thanked the speakers and welcomed the audience, thanking them for joining online from across many economies despite the time differences.

Since FTAs and RTAs are increasingly requiring signatories to adopt self-declaration by exporters, producers, and importers, those actors in APEC economies need to prepare for the full operationalization of the system in the foreseeable future. Ms Tani noted that sharing experiences and best practices among APEC economies will help maximize their benefits in each economy.

This project has executed two workshops. The first workshop, which was held as a hybrid meeting, with in-person and virtual attendees, in July 2023 in Seattle, United States, focused on institutional and regulatory arrangements, training programs, and outreach activities from customs officials' perspectives. This second workshop, which was held virtually on 31 January 2024, was designed to introduce the hands-on experience and perspectives of traders, users, and relevant stakeholders that should be helpful for the participants in implementing self-declaration of origin in practice.

Ms Tani concluded her remarks by encouraging the audience members to actively participate in the Q&A Session to share and gain more information.

### 3.2.2 Introductory Presentation

The introductory presentation was delivered by Mr NAKAMURA Takahiro, Project Manager at Washington CORE, a consultancy supporting the workshop. His brief presentation on the Preliminary Research Report provided the audience with the major findings from literature research and the survey, which were both conducted by Washington CORE. Mr Nakamura noted that the presentation would deliver background information to pave the way for the upcoming speaker presentations, and that it would be a helpful recap for those who attended the first workshop in the United States.

Recently, in APEC economies, a growing number of FTAs and RTAs have been signed, and these require those participating economies to adopt the provisions of self-declaration or self-certification of origin. Whereas it benefits businesses as it offers flexibility and convenience, it requires a higher level of trust, an audit process, and several actions, including changing institutional and regulatory mechanisms and updating electronic trade systems. Considering this situation, the research team, with Japan's METI as a project overseer, has conducted literature research, a survey, and workshops. All of the findings will be listed in the Final Report. The project aims to help APEC economies overcome challenges and achieve smooth implementation.

Mr Nakamura then touched upon the findings from the literature research. He listed several capacity-building activities, as illustrated by several workshop programs in the past years. The literature review also identified common challenges for custom authorities, including the variation of formats, criteria, and documents, risks of relying on the importer's knowledge alone, and the intricate balance between proper application and trade facilitation.

Based on the survey responses returned from 14 economies in May 2023, Mr Nakamura spoke about regulatory measures and changes in Australia; Japan; Mexico; and New Zealand, which have taken or are preparing to implement them. Additionally, he shared that to assist traders, many economies execute guidance and measures, and have meetings, workshops, or seminars to train people in the private sector as well as customs officials. After presenting several challenges in administering the self-declaration, Mr Nakamura mentioned some of the example discussion topics

raised by the survey responders for upcoming workshops, such as how to build awareness among traders, how to address existing challenges, and sharing best practices of fraud detection or self-declaration for importers. These topics were discussed in the first workshop in July, and Mr Nakamura briefly summarized the discussion that took place in Seattle.

At the end of the presentation, Mr Nakamura noted that this second workshop will enrich the discussion by adding perspectives of private companies in addition to the public officials' perspectives that were collected in the rest of the project.

### 3.3 Expert Presentation 1

#### 3.3.1 Presentation by Mr Brian Rankin STAPLES

##### **Self-Declaration of Preferential Origins**

Mr Brian Rankin STAPLES of Trade Facilitation Services (TFS)<sup>5</sup>, a consultancy in Canada, first discussed the definition of self-declaration of origin and noted that self-declaration/certification of preferential origin is any type of certifying origin other than the types in which component authorities get involved. There are four different systems, and Mr Staples highlighted each system.

First, the “approved exporter based” system, which is a legacy of the EU, has an extra layer, as it requires both public and private sector approval and administrative practices. The next one is the “registered exporter based” system, used in the Canada-EU REX (Registered Exporter System) agreement. He is skeptical of the usefulness of this system, as it does not improve the quality of the origin declaration and just requires registration.

The “fully exporter/producer based” system, used in North America, works as the private sector is certifying and the public sector is verifying. The last is the “importer based” system, which benefits importers because their duty at the point of import would be reduced, but it does not benefit exporters. In his opinion, an “importer” self-declaration is something of a misnomer as in his experience no importer self-certifies without having full supporting origin documentation from the producer or exporter.

Mr Staples cautioned about the term “proof of origin,” as the declarations of origin are not proof of origin, but an undertaking. Self-declaration of preferential origin brings some benefits. First, it puts less burden on the private sector because producers and exporters know how things are made, but customs authorities do not possess such information. Second, self-declaration eliminates unnecessary layers. That is because that component authority certification is based on a declaration provided by the manufacturers anyway, and self-declaration helps them to get to the point.

Mr Staples then focused on the words “the specificities of domestic business environment” in the WCO Guidelines. He pointed out several assumptions that are part of the practice of self-declaration. Traders need origin literacy, especially for the private sector, as they might be unfamiliar with complex origin agreements. In addition, since the HS comprises a great portion of origin terms, literacy in the HS system is also a must-have to submit any type of self-declaration of origin. In this regard, manufacturers can rely on internal resources and other advisors, such as customs brokers, lawyers, and global trade managers, to retain accurate information about self-declaration and submit it.

Next, Mr Staples discussed the technological aspects of self-declaration of origin. The increasing number of AI solutions carries benefits and dangers as more entities introduce those e-origin solutions. The study conducted by Dr Andrew Grainger categorizes the advantages and disadvantages of three major systems. First, keyword engines are the least trusted method, as they entail the dangers of presenting thousands of possible solutions and difficulties in selecting the right one. Then, machine learning tools, the second method, are also problematic, as they just collect information, give probabilistic types of information, and are based on unreliable data. One

study reveals that machine learning suffers from a high error rate of classification, reaching 30%, due to their reliance on real-world data, which is frequently incorrect. Lastly, expert systems are better, because those kinds of AI-enabled systems do not make “educated guesses”, like human personnels, providing the automated support to self-declaration of origin.

Mr Staples emphasized that importers always take a risk as they cannot outsource their liability. To reduce risk, he recommended intensifying the buyer-supplier relationship. From the importer’s side, the importer has an obligation to notify the supplier about the rules and provide necessary documentation since they know how FTA is administered in their economy. From the exporter’s perspective, they need to ask importers about their classification of products, rules, and documents. These exchanges can be done on a company-to-company basis. The International Chamber of Commerce (ICC) is implementing the Genesis program<sup>6</sup>, which works on quality control and has been expanding their targeted economies as in the second stage.

Mr Staples pointed out that we are seeing an increased number of self-declarations of origin in trade agreements. Currently, every free trade agreement has a defined format and different data requirements, some of which are complex. Mr Staples concluded his presentation by expressing his hope that, like the WCO, it will be feasible for trade agreements to establish a standardized form of self-declaration as a guideline, whilst keeping each requirement in each FTA. That is because standardization efforts would benefit private enterprises worldwide.

### **3.3.2 Q&A Session**

The Q&A session throughout this workshop was moderated by Mr James TETLOW with Washington CORE.

The first question by Mr James Tetlow was about the issue of origin literacy and HS literacy, regarding the ways that customs authority can best help traders to improve their literacy or find better ways to work with suppliers. Mr Staples responded that enforcement, not just training, would be helpful. Preferential origin can be seen as a traceability obligation, and we are seeing the increasing demand for the need to know where everything comes from. Standardizing the data elements and format is also helpful. In this regard, international or regional organizations can play a role in encouraging the concept of a standardized bill of materials. This semi-standardized way also facilitates the verification process.

Mr Tetlow asked a follow-up question about whether APEC could be an appropriate forum to tackle the bill of materials, such as through conducting a pilot project that then expands to the WCO or elsewhere. Mr Staples agreed that any organization could work on standardization, and some kinds of standardization help not only exporters and producers but also customs in importing economies and importers, as we see the increased demands for clarifying where products are from, as discussed above.

Mr Staples was then asked a question from an Indonesian audience member about the ways that customs officials can conduct in-depth audits and record-keeping to make it more efficient if the exporter keeps all the evidence of origin. Mr Staples said that imposing the FTA/administrative coordination and compliance urges the exporters to supply the necessary information. When the information is confidential or price sensitive, downstream manufacturers could supply that information to local customs authorities or verification authorities via more direct communication exchanges, bypassing the manufacturer.

## **3.4 Expert Presentation 2**

### **3.4.1 Presentation by Ms Hisano YAMASHITA and Ms Chieko IMAI**

#### **Benefits, Issues and Requests for Introduction of Self-Certification System - Based on the Experience of the Auto Parts Industry -**

Ms Hisano YAMASHITA briefly introduced DENSO Corporation, which manufactures products

related to automotive parts and beyond, including factory automation and food value chain on a global scale. Ms Chieko IMAI then explained about AISIN Corporation, which provides automotive parts, including transmission, body parts, and safety systems worldwide.

Ms Yamashita of DENSO Corporation first addressed the FTA status in the Japanese automobile industry. She outlined the situation in the industry five years ago. Since automotive companies build their products with many components, they needed to ask suppliers these components to complete the origin investigations. These investigations were conducted back and forth between the Tier 1, Tier 2, and OEM companies some of which are members of JAMA (Japan Automobile Manufacturers Association, Inc.) and others of JAPIA (Japan Auto Parts Industries Association, Inc.). Some issues arose, mainly faced by suppliers, such as non-standardized and complicated rules without supporting tools, excessive workloads, the lack of experience in export businesses, and unfamiliarity with FTA and HS codes.

To resolve these issues and achieve a more efficient way to operate, the JAMA and JAPIA developed three items, including the guidelines, a standardized process, and an IT system called Japan Automotive FTA System (JAFTAS)<sup>7</sup>, launched in 2020, that connects OEMs, customers, and suppliers through a common platform. The system is expanding to include all actors in the industry, support and visualize the FTA process, encourage communication, and tackle the potential problems in advance. These measures have had a tremendous impact, especially since 20% of Japan's exports from the automobile industry in 2022 went to diverse destinations, including Asia, Europe, Mexico, and economies without an FTA with Japan. Ms Yamashita noted that the further utilization of FTAs and flexibility in the documentation process is critical.

In the next section of the presentation, the speakers discussed the pros and cons of the self-certification system. On the one hand, according to Ms Yamashita, the benefits of self-certification are a reduction of transportation lead times by enabling issuing a CO in a short timeframe, workload reduction by abolishing all necessary paperwork, and cost reductions because each company no longer needs to pay certificate issuance fee to a third party.

Ms Imai of AISIN Corporation then took over the presentation and continued the discussion about the drawbacks of the self-declaration system. First, she raised the challenge that it is a significant hurdle for exporters to verify the contents of the certification submitted by other companies, especially when certificates have confidential information that they do not want to disclose to others. Given that, Ms Imai expects external experts to intervene to support this process. She requested two measures: introducing an optional choice of a third-company certification system to ensure the certification quality and introducing a checking system for certification contents so that the company can ask external experts to increase the reliability.

Another issue that Ms Imai raised is that, due to differences in language, culture, experience, complicated supply chains, and existing confidential information, communications between suppliers are stressful for all parties. To resolve this issue, she proposed two measures: asking and gaining support from customs authorities of exporting economy like the one in CPTPP and clarifying the required contents of verification and standardizing the process.

Ms Imai then shared a risk case example in which the importers do not understand the certification process of the FTA, which might create the risk of discrepancies between the HS code and the products. Hence, she suggested that education and enlightenment of the FTA system for both exporters and importers, as well as creating guidelines for appropriate information sharing to avoid miscommunication between them, are the solutions to resolve that issue.

At the end of their presentation, Ms Imai summarized their requests for further utilization of the self-certification system and concluded by saying that the new options for the self-certification system will advance the further utilization of FTAs and free and borderless trade on a global scale.

### **3.4.2 Q&A Session with Mr Toshiaki UCHIDA**

In addition to Ms Yamashita and Ms Imai, Mr Toshiaki UCHIDA of AISIN Corporation also joined the Q&A session, which was moderated by Mr James Tetlow of Washington CORE.

The first question was about JAPIA's experiences in the development of the guidelines, standardization, and IT solutions, and whether there were some lessons learned from the experiences that could be useful for other industries that face similar challenges. Ms Yamashita responded that one of the challenges was standardizing the operations and coming up with one single idea agreed across the huge industry group, since each member company has its own way. A representative from each OEM and supplier side discussed the solution as a form of collaboration. The meetings were held once or twice a week for a year, so the members had very frequent communications in a short period.

Mr Tetlow then asked about the JAFTAS system and whether it uses machine learning, keywords, or another approach. Ms Yamashita noted that the system does not use machine learning or artificial intelligence, but instead registers the component information, automated calculation, each company's bill materials, and the outcomes of the investigation.

Mr Tetlow asked a final question about whether APEC could be an ideal forum to host workshops, for instance, with traders and customs officials, to discuss some of the challenges raised in the presentation. Ms Yamashita responded that FTAs and RTAs are distinctive in rules and requirements in each APEC economy, so discussions on standardization would be a huge step for the users of FTAs. Simplifying the rules would also be helpful.

## **3.5 Expert Presentation 3**

### **3.5.1 Presentation by Mr Kit HICKEY**

#### **Certifying Preferential Origin**

Mr Kit HICKEY of Fonterra started his presentation by noting the increase in the number of trade agreements over the last 20 years to the point where they represent a sizable percentage of global trade. Certification of origin has evolved to cater for changes in how these agreements work and are administered, e.g., increased use of tariff shift rules of origin, new business models such as e-commerce, paperless processes, and intelligence-based risk assessment. Events like this workshop provide an invaluable forum for government and business to share experiences with the aim to make management of these agreements more efficient and effective.

Prior to discussing the topic, he briefly introduced Fonterra, which is a globally significant manufacturer and exporter of dairy goods. Although its farms are in Australia and New Zealand, the company has manufacturing capability in many economies, and much of the goods produced are exported/imported under trade agreements. Increasingly there are multiple agreements for a single market, for example, trade between New Zealand and Malaysia has four different preferential options, each with its own distinctive certification requirements, and traders need to fully understand the rules specific to each.

Traditionally there has been entrenched views on how best to certify the origin of goods - certificates or no certificates and government or no government involvement in the process. However, there is a move away from certificates of origin and government involvement in the process; not due to any ideological change of heart, but rather because of the increasing use by government and business of electronic and paperless processes, as well as business models such as e-commerce which have short order to delivery cycles and reviewing data and issuing certificates/paper documents in a timely manner is simply not possible.

Mr Hickey then shared his thoughts and experiences of the three common certification models and provided an alternative method to certify and verify origin.

1. "Government Issued/Authorized Body CO". This is a traditional paper-based method and is not compatible with e-commerce & paperless border processes. It is also costly and complex, often requires accounting data even though Change tariff Classification rules are being used which can deny the applicant the choice of rules that agreements often allow (some ASEAN Member States). These certificates also duplicate data found on the commercial documents presented at the entry point.
2. "Self-Issued CO" are preferable to government/authorized body CO. They provide the same level of data for risk assessment purposes but have the advantage of being able to be issued quickly, at less cost, and are increasingly 'format free' which is friendly to business document systems. However, they still duplicate data printed on the other commercial documents. Minimum data elements are a feature of these COO and there needs to be better consultation between government and business on what constitutes relevant data elements.

NOTE: Certificates of Origin, regardless of who issues them, tend to become the subject of verification rather than the goods. If the font, margins, stamp, signature, etc. is 'as expected' the origin of the goods themselves is rarely questioned. This undermines the purpose of a CO, indeed of the ROOs themselves and is a revenue risk for the importing economy.

3. "Declaration on Document" where a statement of origin is added to one of the existing commercial documents. This model is the 'tipping point' in terms of reducing paper, removing duplication, lowering costs, and simplifying the process of certification. The best document for this is the *packing list* as it is provided by the person/company who packs the goods into the container. Invoices are less suitable, particularly where 3<sup>rd</sup> party invoicing is involved, and the export invoice will not be available at the time of importation.
4. Both CO and document declarations are reflective of a mindset where separate certification of some kind is perceived to add value. In fact, it is unnecessary, when there is an existing declaration process (including for origin) which is required for all importations of goods regardless of whether they are entered under preference or not. The Customs Import Declaration is the place where government identifies risk and manages revenue. It is also a legal declaration with penalties made by the person benefiting from an origin-based tariff preference – the importer. Most customs import entry processes have drop down boxes for preferential origin, and which an importer selects is a deliberate action. Specific certification is not required for other revenue risks such as classification and valuation – nor should it be for origin. Another advantage for government is the person making the declaration is within 'arms-reach' of customs where any offence may have been committed.

After that, Mr Hickey summarized his presentation. Origin certification should provide assurance, focus accountability, and facilitate legitimate goods. Since CO are reflective of the time when paper documents were used, they are not simple, efficient, future-proof, or environmentally friendly. Improvements thus should be made to achieve minimal costs, be compatible with government & business systems including paperless. From his experience as both a customs officer and a trader, the most effective and efficient way to manage origin and preferential is not certification but to hold the beneficiary responsible with a "Prove it or lose it" approach. Using recognized risk assessment tools, if Customs has doubt about a preferential origin claim, the importer is asked to provide sufficient evidence to support the claim within a set timeframe (say 20 working days). If they can't, the preference is denied.

Mr Hickey added several comments on contents from previous presentations and discussions. Appropriate capacity building on rules of origin and certification for both government and business is essential. FTA text can be ambiguous which opens the door for interpretive differences, and when local regulations are drafted the intent of the negotiators can be lost resulting in a conflict between what was agreed and what is being enforced. This is compounded when the agreement and regulations are translated into a language other than that used for the negotiation.

### **3.5.2 Q&A Session**

Mr James Tetlow from Washington CORE moderated the Q&A session. Mr Tetlow asked about the likely impacts of new technologies on customs officials and traders in 5-10 years. Mr Hickey responded that technology brings benefits, not problems. He noted that APEC is an interesting organization to discuss adopting technology with diverse participating economies, and that it would be interesting to have a discussion without thinking about the issue in traditional ways, because often the traditional ways are no longer relevant.

Mr Tetlow then asked whether there is a way to shape those technologies to meet the current needs. Mr Hickey responded that physical papers will be eliminated soon, and that the government and private sector need to cooperate, have meetings, and express what is on their minds to overcome the traditional approaches.

Mr Tetlow then asked about the biggest barriers to adopting self-declaration of origin that need to be addressed, to overcome tradition. Mr Hickey pointed out that a core challenge is that older generations like himself are less likely to change from what they are familiar with and embrace the benefits of newly developed technologies. Business models tend to adopt technological development fast, but legislative change requires time, and lags exist. It is challenging to find effective ways to accelerate legislative change.

Mr Tetlow concluded by asking about whether anything struck Mr Hickey from the other presentations that would be helpful to discuss in the future at APEC. Mr Hickey pointed out that the HS system is a problem. Different economies can have different interpretations and when the exporting and importing HS code is different it can be problematic for origin & preference. The WCO is currently reviewing the system, and they released their first draft a few weeks ago. The HS's role in origin certification needs to be discussed as it is a problem regardless of type of certification.

## **3.6 Closing Session**

### **3.6.1 Closing Comment**

Mr NAKAMURA Takahiro thanked all the speakers, audience members, and the moderator. He then encouraged audiences to fill out and submit the post-workshop survey, which is available both online and in a Word document format. He expressed his hope that the two workshops and the research conducted under this project will further facilitate trade among APEC economies through more efficient customs procedures. He explained that the workshop's discussion will be reflected and incorporated into the final report that will be published later this year.



## 4 Observations & Analysis

### 4.1 Survey Responses

After each of the two workshops, both the in-person and the virtual attendees were invited to complete a post-workshop survey to provide their feedback on the event, along with their personal and demographic information. The surveys are designed to support APEC in making future improvements, through suggestions on possible topics for the future workshops and other measures.

The first half of the survey consisted of a series of multiple-choice (required) and free-form (optional response) sections that asked respondents to evaluate the workshops. The results from the multiple-choice suggest that the attendees of two workshops were satisfied with the overall outcomes. The responses to the free-form prompts are also summarized below.

#### Survey Response Summary

	Response	
	Number	Rate
Workshop 1	28	43.8%
Workshop 2	28	39.4%

#### Survey Prompt: Workshop helped deepen my understanding of the topic

	Strongly Agree	Agree	Disagree	Strongly Disagree
Workshop 1	50.0%	50.0%	0.0%	0.0%
Workshop 2	57.1%	39.3%	3.6%	0.0%

#### Survey Prompt: Using the technologies discussed will be useful for my economy

	Strongly Agree	Agree	Disagree	Strongly Disagree
Workshop 1	53.6%	46.4%	0.0%	0.0%
Workshop 2	50.0%	42.9%	7.1%	0.0%

#### Survey Prompt: Best practices discussed could be useful for my economy and/or organization

	Strongly Agree	Agree	Disagree	Strongly Disagree
Workshop 1	35.7%	64.3%	0.0%	0.0%
Workshop 2	39.3%	60.7%	0.0%	0.0%

#### Survey Prompt: Workshops helped me understand relevant challenges

	Strongly Agree	Agree	Disagree	Strongly Disagree
Workshop 1	39.3%	60.7%	0.0%	0.0%
Workshop 2	70.4%	25.9%	3.7%	0.0%

#### Survey Prompt: Presentations provided valuable insights on how challenges can be addressed

	Strongly Agree	Agree	Disagree	Strongly Disagree
Workshop 1	42.9%	53.6%	3.6%	0.0%
Workshop 2	53.6%	42.9%	3.6%	0.0%

In the free-form survey sections, audience members were asked about the most beneficial insights that were gained from the workshop. Throughout the two workshops, many audience members were satisfied with the contents, as they were able to learn about the best practices, recommendations, advantages, and disadvantages of self-declaration of origin. Several attendees

said that they understood that the implementation of self-declaration would benefit customs, although there are some risks.

In the first workshop, which focused on government officials' perspectives, respondents provided feedback stating that the variety in requirements and experiences among economies, methodologies for risk management, and the importance of advanced rulings were the key takeaways. In the second workshop, audience members' feedback indicated that they were satisfied with the workshop's aim to showcase the private sector perspectives. Respondents appreciated learning about the benefits and challenges of using self-declaration of origin in practice. In addition, several respondents noted that the second workshop was a good opportunity for them to realize the importance of coordinating work between the private and public sectors. Further, one respondent answered that the second workshop was a great opportunity to think about technological tools, because the processes and legislation at the economy level tend not to consider their introduction.

The survey also invited comments on additional topics that could be covered in future workshops. Many attendees across the two workshops stated that they would be interested in hearing the perspectives and opinions of traders (producers, exporters, and importers). In addition, some attendees expressed interest in learning more about the problems/frauds/challenges that may arise during the implementation of the self-declaration system. From the government officials' perspectives, mainly discussed at the first workshop, some showed interest in learning about controls, risks, legislation, and regulations to implement self-declaration of origin in other economies in more detail. Likewise, some respondents were eager to hear about the detailed experiences of exemplary adopters of self-declaration of origin. Some respondents to the second workshop's survey expressed their interest in hearing more about the specific steps and practical guidance on implementing self-declaration of origin in practice. Additionally, one attendee noted that it would be useful to know more about how to utilize IT systems that could assist the trading process.

In the last section of the post-workshop surveys, the attendees were asked about the further steps that APEC can take to address the concerns among APEC economies on self-declaration of origin. Many respondents, from both workshops, requested APEC to host similar events like workshops or seminars to discuss case studies. Another common request was for more opportunities to have interactive discussions, with more time for Q&A sessions. Especially after the first workshop, attendees expressed their interest in attending a lecture provided by experts from an international organization, in order to learn about some actual cases of implementation of self-declaration of origin and to exchange opinions and experiences between APEC economies. After the second workshop, some respondents hoped that APEC will next host discussions between the public and private sectors, as well as more sessions presenting practical case studies. Some respondents also expressed their interest in hearing from economies that were not covered in the two workshops, which could include economies at various levels of economic development, as well as a broader range of regional representation.

## 4.2 Key Workshop Takeaways

The two workshops presented a wide range of insightful and informative panel discussions and presentations on the benefits, challenges, best practices, and prospects of self-declaration of origin systems. Audience members from various economies, attending both in-person and virtually, asked numerous questions and enjoyed the fruitful discussions among the participants.

The workshops are summarized in detail in the previous chapters. This section provides a list of the key takeaways from the presentations and discussions, including Q&A, across the two workshops. It should be noted that these takeaways supplement the recommendations listed in Chapter 5, as well as the more technical Key Findings from the Preliminary Research Report, which was composed and distributed among the pre-registered participants ahead of the workshops. The Preliminary Research Report can be found in Appendix A of the current report.

### **Benefits of Self-declaration of Origin**

Throughout the two workshops, the speakers shared some notable benefits of self-declaration systems. Many speakers explained that self-declaration of origin facilitates trade in an efficient manner that benefits private traders (i.e., exporters, importers, and producers). For example, self-declaration systems typically simplify the certification process, since the traders do not have to apply, pay fees, wait for third-party-issued certificates, and rely on them to declare the origin of goods. In addition, since traders typically have more knowledge about their own products than third-party issuing authorities, self-declaration systems transfer the key activities to the stakeholders with the most knowledge. By placing the responsibility on traders, the systems also solidify industry knowledge of rules of origin and declaration procedures. In particular, small and medium enterprises (SMEs) may benefit greatly from relatively simple self-declaration systems. Such systems are preferred over complex traditional certification approaches with varying formats of documentation, as SMEs tend to lack the expertise and resources to deal with the latter. For customs authorities, self-declaration reduces costs, workloads, and processing times by simplifying the trading process. However, customs officials will only receive these benefits if the declaration is accurate and thorough. These benefits may have contributed to an increasing number of recently signed trade agreements that require the participating economies to allow self-declaration of origin.

### **Obstacles for Both Government Officials and the Private Sector**

Despite the advantages described above, there are several challenges that economies must overcome in preparing, implementing, and facilitating the utilization of a self-declaration system. Some examples of the roadblocks noted during the two workshops include the lack of information about the new system among private sector personnel, and the need to train the relevant government officials in the new regulations. For government officials, there is a gap in knowledge of the various activities that are necessary to allow self-declaration for goods traded into and out of their economies, such as revising regulations, customs operations, and software systems. Likewise, private traders may encounter difficulties since they also often lack knowledge of how the self-declaration system works and/or the resources to effectively take advantage of it. The issue is particularly prevalent amongst SMEs. Furthermore, even if importers are allowed to declare origins of their products, they may face difficulties in obtaining the necessary pieces of information if that information is deemed confidential by their exporting counterparts. In addition, concerns about potential fraud were raised during the series of workshops, showing some doubts among customs officials in economies that have not yet begun accepting self-declaration of origin. These officials would need to be trained in how to monitor for any new risks of fraud, and how to process self-declarations of origin in an effective manner.

## 5 Recommendations from the Research and Workshops

### **Best Practices: Efforts to Overcome Obstacles**

Respondents to the survey research and the participants in the workshops from several economies shared their efforts to proactively address the challenges that they have faced while implementing

self-declaration of origin. For instance, government officials in these economies have hosted a series of seminars or workshops to disseminate information on the process, rules, and guidance of the self-declaration system to both their customs officials and private sector traders. Other capacity building efforts, mentioned by several speakers, include setting up a website that provides detailed information on self-declaration and/or connects readers with useful resources. In addition, one workshop speaker noted that their economy had set up a hotline to customs officers to assist businesses in filing out their self-declaration forms.

The risk of fraudulent declarations remains a significant concern, especially among economies that do not allow self-declaration. In early-adopter economies, in cases when customs officers find faulty or inaccurate information or errors in self-declaration claims, they can follow up with private enterprises and request additional information as evidence to support their claims. If clear violations such as fraud or repeated errors are detected and/or if the request for information is ignored, the traders in question may be subject to penalties.

### **International Organizations as Knowledge Portals and Venues for Cross-Economy Exchanges and for Public-Private Discussions**

In order to expand the successful adoption of self-declaration of origin, international organizations such as APEC, WTO and WCO should continue disseminating useful and necessary information and guidance on self-declaration. They should also host more workshops inviting subject matter experts to share best practices. These activities will help to foster an environment that encourages stronger ties and more frequent exchanges of views between customs authorities across borders. These cross-border discussions can also be opened to private traders, facilitating public-private discussions and collaborations. Of course, in order to be successful, these efforts will also require stakeholders (both public and private) to take advantage of the opportunities to learn from one another.

### **Expectations for APEC and APEC economies**

The variation among trade agreements and the relevant paperwork, including certification/declaration of origin, is a significant bottleneck in current customs procedures. Workshop participants expressed their hopes and expectations that APEC will function as a forum for greater standardization of practices and requirements. In the future, APEC could also consider going further, such as issuing guidelines/recommendations on ways to standardize forms for self-declaration of origin. This would be immensely helpful for both customs officials and the private sector, especially given the growing need for clarity regarding product origins.

In addition, in order for APEC economies to implement the self-declaration processes smoothly, the participants shared some ideas, such as the introduction of a system to checking the contents of certifications of origin, standardization and simplification of the verification process, education on FTAs for both exporters and importers, and the creation of guidelines to appropriately share information- between exporters and importers.

Workshop participants also noted that APEC could continue to serve as a meeting-place for stakeholders and subject matter experts. For instance, APEC may host additional workshops, like the ones hosted through the current project, providing practical information and guidance, while encouraging member economies to share best practices and advice.

## Appendices

### A. Preliminary Research Report

Ahead of the two workshops, the contractor, Washington CORE, conducted a literature review of relevant publications and a survey of APEC member economy officials. The results of this preliminary research were summarized into a report (copied below) and were distributed among the registered participants of the two workshops beforehand.

#### A.1. Introduction

A growing number of Free Trade Agreements (FTAs) and Regional Trade Agreements (RTAs) involving APEC economies require the participating economies to adopt the provisions of self-declaration (or certification) of origin by exporter/producer/ importer.<sup>8</sup> Under these provisions, the economies must implement policies to allow the approved trader to self-certify the origin of their goods, based on the information that they possess, in order to claim the preferential tariff treatment under the trade agreement.

However, several APEC economies have not yet implemented the provisions of self-declaration. These economies may need to make several changes, such as changing their institutional and regulatory mechanisms, training the relevant officials in the new procedures, and educating traders about the upcoming introduction of self-declaration.

Since adopting these changes may involve various challenges, the APEC Sub-Committee on Customs Procedures (SCCP) plans to host two workshops, on 31 July 2023 and in November 2023. These workshops will provide opportunities for workshop participants, respectively, to exchange the views and experiences of Customs and other relevant authorities of APEC economies, focusing on the institutional and regulatory requirements for the introduction of self-declaration, and also to learn from the hands-on experiences of policymakers and traders, focusing on the benefits and opportunities conferred by introducing and implementing self-declaration by traders.

This preliminary research report is intended to provide readers with the necessary information to prepare for the two workshops. The report covers the following key topics:

- An overview of the policy of self-declaration of origin in APEC, providing the relevant definitions, notable APEC statements and activities, examples of current implementation, and future priorities;
- Key topics for possible discussion in the workshops, such as the necessary institutional and regulatory arrangements for implementation, examples of capacity-building activities, and notable challenges and benefits;
- The findings from a small-scale survey of policy officials from economies participating in the SCCP;
- A list of references on institutional and/or regulatory arrangements that were identified through literature research.

Following the two workshops, the contents of this preliminary research report will be combined with the workshop findings in a final report that will provide recommendations for public policy officials on the measures and solutions to contribute to the proliferation of self-declaration of origin in the APEC region.

#### A.2. Overview of Self-Declaration in APEC Economies

##### A.2.1. Introduction to Self-Declaration of Origin in FTAs/RTAs

Rules of origin is a set of rules to determine the economies of origin of goods and seek to prevent third Parties from benefiting from preferential market access through an FTA/RTA that they are not

part of, by requiring Proof of Origin for goods claiming the benefits of an FTA/RTA. However, divergence across various agreements can increase complicated trade procedures, affecting the traders. Harmonizing the rules of origin across trade agreements can facilitate and expand trade.

According to a guideline document published in 2014 and updated in 2018 by the World Customs Organization (WCO), the Certification of Origin is “a series of procedures to establish the originating status of the goods through the presentation of a Proof of Origin.” Furthermore, “Proof of Origin” is defined as “a document or statement (either in paper or electronic format) which serves as prima facie evidence to support that the goods to which it relates satisfy the origin criteria under applicable rules of origin. It includes a certificate of origin, a self-issued certificate of origin, or a declaration of origin.”<sup>9</sup>

While there is significant inconsistency in the nomenclature for Certification of Origin mechanisms among different trade agreements, the key types of these mechanisms are described in the table below.

Table 1: Definitions of Certification of Origin mechanisms

Type	Definition
Certification of Origin involving the competent authority of the exporting economy	In order to obtain certification of origin by a competent authority, the exporter submits an application for the issuance of a certificate of origin along with the necessary information to present proof of origin. The competent authority then verifies the information to check if the goods satisfy the criteria based on the rules of origin. The verification process may include a visit to the production premises. Certification of origin involving a competent authority has been the most traditional and commonly utilized type of proof of origin.
Self-certification of origin	<p>Self-certification of origin utilizes a declaration of origin or a self-issued certificate of origin as a means to declare or affirm the originating status of goods.</p> <p>Self-certification of origin grew out of consideration of the increased volume of preferential trade and recognition of the need for the facilitation of origin-related procedures. Self-certification of origin can be carried out by a producer, manufacturer, exporter and/or importer, and can take several different forms, such as:</p> <ul style="list-style-type: none"> <li>a. <i>Approved exporter system:</i> An exporter approved by the competent authority will be able to make out a declaration of origin on an invoice or other commercial document. The approved exporter status is provided as a special privilege for an exporter that has gone through an approval process with the competent authority. In a vast majority of the FTAs utilizing the system, the principal proof of origin is a certificate of origin issued by the competent authority of the exporting economy.</li> <li>b. <i>Registered exporter system:</i> To become a registered exporter, an exporter would only be required to provide certain prescribed information, and there is no evaluation of the information at the time of registration. The information on the registered exporter is shared with the Customs of the importing economy who uses the information for risk assessment. This system goes a step further in facilitation compared to the approved exporter system.</li> <li>c. <i>Fully exporter-based system:</i> Certain FTAs allow a proof of origin to be issued by the exporter/producer. Authorities are not at all involved in the issuance or supervision of proofs of origin under such a system. This system is usually coupled with a verification system which allows for a direct enquiry by the Customs authority of the importing economy to the exporter/producer who</li> </ul>

Type	Definition
	<p>issued the proof of origin.</p> <p>d. <i>Importer-based system</i>: Under this system, importers are allowed to make origin declarations or give an indication of the origin based on their own knowledge about the imported goods. It is the most liberalized procedure for certification of origin.</p>

Source: World Customs Organization<sup>10</sup>

Approved exporter systems provide greater convenience to businesses by eliminating the need to obtain a CO through an issuing body, while still employing a level of oversight by issuing authorities over the submission of Proof of Origin. The other type of self-certification of origin provides maximum flexibility and convenience to businesses, but it requires a higher level of trust and audit processes from customs authorities, as well as strong record-keeping to demonstrate that the product satisfies the requirements to obtain the originating status by the trader.

FTAs/RTAs may incorporate one or more of the above schemes, as shown in the following chapter. The rules may apply to broad categories of goods, or to specific products. Individual FTAs/RTAs may also choose to waive the requirements for low value importations. For example, under the CPTPP, imports whose value does not exceed USD1,000 are exempted from this requirement.

### **A.2.2. Examples of Current Implementation in APEC Economies**

Below are three illustrative examples of FTAs/RTAs that have been implemented in APEC economies, which demonstrate the wide range of ways that these policies have been implemented across different agreements. The examples were selected to demonstrate some recent multi-economy and bilateral agreements which include self-certification of origin, either as the primary provision or as one option among several.

Each example briefly describes the trade agreement and their key features, such as the participating economies, types of proof of origin permitted in the agreements, and features of note about the implementation of self-declaration of origin.

#### **A.2.2.1. Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)**

The Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) is a free trade agreement between 11 economies in the Asia-Pacific region: Australia; Brunei Darussalam; Canada; Chile; Japan; Malaysia; Mexico; New Zealand; Peru; Singapore; and Viet Nam. In addition, the CPTPP Commission agreed to formally commence accession negotiations with the United Kingdom.

The CPTPP, except for transitional measures, does not stipulate the third-party certification, or certification by authorized exporters, but allows the importer, the exporter or the producer to self-declare through completing the certification of origin. The Parties are obligated to allow the certification of origin to be provided electronically and in no prescribed format, but it must be in writing (which can include electronic format) and contain the minimum data requirements set out in the origin procedures. The trader may also choose to complete a single certification of origin for multiple shipments of identical goods for a period of up to one year. For imports into Brunei Darussalam; Malaysia; Mexico; Peru; and Viet Nam, a Certification of Origin completed by the importer shall be implemented no later than five years after their respective dates of entry into force of the CPTPP.

The Parties have agreed to waive the requirement for the certification of origin where the customs value of the importation is under USD1,000 or its equivalent in the importing Party's currency.

When the importing Party conducts verification of origin, it will acquire information directory from importer, exporter, or producer. In case of a written request for the exporter or producer, it will be informed to the exporting Party who have requested to do so. In case of a verification visit, exporting Party is informed, and given opportunity to accompany the visit by the importing economy.

#### **A.2.2.2. Regional Comprehensive Economic Partnership (RCEP)**

The Regional Comprehensive Economic Partnership (RCEP) is a free trade agreement among the Asia-Pacific economies of Australia; Brunei Darussalam; Cambodia; China; Indonesia; Japan; Korea; Laos; Malaysia; Myanmar; New Zealand; the Philippines; Singapore; Thailand; and Viet Nam. It was signed in November 2020 and entered into effect in January 2022 for 10 economies (Australia; Brunei Darussalam; Cambodia; China; Japan; Laos; New Zealand; Singapore; Thailand; and Viet Nam), and for Korea; Malaysia; Indonesia; and the Philippines by June 2023.

Claiming preferential tariff rates under the RCEP Agreement requires Proof of Origin, which is valid for one year, and can be obtained through multiple channels, as shown in the following table. Compared with the CPTPP, the RCEP allows more flexibility to the Parties in embracing self-declaration of origin, and it has opted to incorporate some more traditional Proof of Origin programs while providing participating economies the time to implement their programs for Declaration of Origin by any exporters and producers.

A Proof of Origin can be in writing or any other medium, including electronic format as notified by an importing Party. The minimum data requirements are set out in the Annex of the Agreement.

An importing Party can send a verification request either directly to the traders (importers, exporters or producers) or to the issuing body or competent authority of the exporting Party. If an importing Party sends a request to the exporters or producers directly, the same request will be sent to the exporting Party. For a verification visit, the importing Party should acquire written consent both from the exporter or producer, and the exporting Party.

Table 2: RCEP Proof of Origin<sup>11</sup>

<b>Type</b>	<b>Description</b>	<b>Implemented in</b>
Certificate of Origin (CO)	Provided by issuing bodies	All participating economies
Declaration of Origin (DO) by Approved Exporters	a) Self-certification by an Approved Exporter b) Pre-approval of its status through the Competent Authority is required	Australia; China; Japan; Korea; Singapore; Thailand
Declaration of Origin (DO) by any exporters or producers	a) Self-certification by any exporter or producer. b) Pre-approval is not required	Implemented by Australia; Japan; and New Zealand as of May 2023.  Brunei Darussalam; China; Indonesia; Korea; Malaysia; the Philippines; Singapore; Thailand; and Viet Nam shall implement no later than 10 years after the entry into force of the RCEP Agreement.  Cambodia; Lao PDR; and Myanmar will implement no later than 20 years after their respective dates of entry into force of the RCEP Agreement.



Type	Description	Implemented in
Declaration of Origin (DO) by importers	A review with regards to consideration of the introduction for the self-certification by importers will be started on the date of entry into force of the ACEP Agreement for all signatories.	Only Japan has implemented this from the date of the entry into force of RCEP Agreement.

### **A.2.2.3. China-Australia Free Trade Agreement (ChAFTA)**

The China–Australia Free Trade Agreement (ChAFTA) is a bilateral FTA between the governments of Australia and China that came into force in December 2015.

Similar to the RCEP, the ChAFTA incorporates a combination of traditional Rules of Origin approaches, such as the ChAFTA Certificate of Origin (COO), and more recent best practices incorporating self-certification provisions, such as the Declaration of Origin (DOO).

The COO must be issued by an authorized body in the economy of origin, while the DOO may be completed by exporter or producer, for a specific set of goods covered by an advance ruling<sup>12</sup> on ChAFTA origin. Both COOs and DOOs apply to a single shipment, may cover up to 20 items, and remain valid for one year.

## **A.3. Implementing Self-Declaration**

### **A.3.1. Relevant Arrangements for Implementation**

*Note: Domestic arrangement in APEC economies will be described in the section 4 of this report.*

#### **A.3.1.1. Implementation Committees**

##### Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)

Ministers and Senior Officials representing the CPTPP members convene regularly for CPTPP Commission Meetings. Since the first CPTPP Commission Meeting was held in Tokyo on 19 January 2019, there has been a total of six Commission Meetings held to date. The latest meeting was held in Singapore on 8 October 2022, and the next meeting is scheduled to be held in New Zealand in 2023.<sup>13</sup>

The CPTPP Commission’s Committee on Rules of Origin (ROO) and Origin Procedures has held four meetings to date. According to the Committee Reports for the 3<sup>rd</sup> meeting held in June 2021<sup>14</sup> and 4<sup>th</sup> meeting held in July 2022<sup>15</sup>, the committee spends significant time exchanging views and experiences in the implementation of the ROO chapter of CPTPP. Some of the topics covered in these two recent meeting included:

- Variances in the application of the “origin criterion”
- Common understanding and approach on Minimum Data Requirements
- Administration of electronic CO
- Verification of origin

The committee also discussed examples of claims denials experienced in member economies and exchange views to build common understanding. In both the 2021 and 2022 meetings, members agreed on the importance of promoting understanding of the CPTPP for all relevant officers administering the Agreement.

##### United States-Mexico-Canada Agreement (USMCA)

The USMCA has established 24 trilateral committees, working groups, and other subsidiary bodies between the three economies with mandates to implement the Agreement and resolve issues that arise. All committees report their activities to the Free Trade Commission (“Commission”).<sup>16</sup>

The Committee on Rules of Origin and Origin Procedures oversees considering any matters under Chapter 4 (Rules of Origin) or Chapter 5 (Origin Procedures). This includes discussing possible amendments or modifications to these chapters.

Two formal meetings have been held so far: on 12 May 2021 to discuss rules of origin, and on 14 May 2021 to discuss origin procedures. Representatives from the Origin Committee from all three economies have also been in regular contact to discuss issues of interest as they have arisen.

Within the Origin Committee, there is a Sub-Committee on Origin Verification which holds focused discussions on the topic of verification of origin, develops technical papers and shares technical advice. This sub-committee provides a forum for the Parties to consult and endeavor to resolve any issues that arise relating to origin verification. The Sub-Committee meets at least once a year, and the most recent meeting was held on 7 July 2022.<sup>17</sup>

#### Regional Comprehensive Economic Partnership (RCEP)

The Parties of the RCEP have established an RCEP Joint Committee consisting of senior officials representing each of the parties. The Joint Committee considers matters relating to the implementation and operation of RCEP, considers any proposals to amend the Agreement, and discuss any differences regarding the interpretation or application of the Agreement, among other things.

The RCEP Joint Committee established four subcommittees (Goods, Services and Investments, Sustainable Growth, Business Environment) at its first meeting held on 26 and 27 April 2022.<sup>18</sup> Issues relating to rules of origin, customs procedures and trade facilitation fall under the purview of the Committee on Goods.<sup>19</sup>

The third RCEP Joint Committee was held on 20-22 February via videoconferencing; however, a press release published by the Korean government indicates that the four subcommittees have not yet been launched.<sup>20</sup>

### **A.3.1.2. Guidance Documents and Resources**

#### United States-Mexico-Canada Agreement (USMCA)

In July 2020, the United States Customs and Border Protection (CBP) issued a Fact Sheet on Origin Certification Requirements<sup>21</sup> for the USMCA, which highlights the significant differences between CO requirements in the USMCA and the North American Free Trade Agreement (NAFTA), which required a uniform Certificate of Origin. The CBP also offers a fillable Certification of Origin Template<sup>22</sup> that users can elect to use to declare the imported product's originating status.

The Canada Border Services Agency has a webpage that details what importers need to know to certify the origin of goods under the USMCA. In addition to explanatory notes on each of the minimum data elements, the page offers sample COs for two different scenarios (producer and exporter as certifier & importer as certifier), along with explanatory remarks.<sup>23</sup>

#### Agreement between the EU and Japan for an Economic Partnership

The introduction of self-certification by the importer is an innovative feature in EU FTAs that previously used “approved exporters” as self-certification mechanisms. Under the “approved exporters” system, only exporters pre-approved by an EU customs administration or an equivalent authority in the partner economy were allowed to self-certify their goods. This new scheme encountered a series of initial implementation obstacles which led to a number of guidance notes

and handbooks<sup>24</sup> being released from both Parties. These resources are intended to help traders by:

- Clarifying key concepts, such as “a statement on origin by exporter (producer)” and “importer’s knowledge”
- Providing example scenarios involving different types of exporters.
- Clarifying potential verification measures.

### **A.3.2. Examples of Capacity Building Activities**

#### **A.3.2.1. *Regional Comprehensive Economic Partnership (RCEP) ERIA Capacity Building Programme***

In late February 2022, the Economic Research Institute for ASEAN and East Asia (ERIA), with support from the Department of Foreign Affairs and Trade of Australia, held a 4-day capacity building training on Rules of Origin for Cambodian officials. The workshops were attended by over 30 officials from the Ministry of Commerce (MOC), Ministry of Economy and Finance, Customs Department, and representatives from the Special Economic Zone.

The trainings were made up of 13 modules covering all articles of the ROO Chapter and helped officials deepen their understanding on Rules of Origin and how the rules work. It combined live webinar sessions and individual learning.<sup>25</sup>

#### **A.3.2.2. *AANZFTA Economic Cooperation Support Programme (AECSP)***

The ASEAN-Australia-New Zealand Free Trade Area (AANZFTA) Economic Cooperation Support Programme (AECSP) provides technical support to AANZFTA Parties and the ASEAN Secretariat to operationalize and implement the AANZFTA Agreement. In particular, the AECSP has addressed the AANZFTA implementation gaps amongst Parties, with priorities on and the most benefits for the less-developed members.

The AECSP has overseen a number of projects covering the topic of rules of origin and origin certification/declaration, such as:

- 1) Workshop on AANZFTA Self-Certification of Origin (June 2011 – January 2013)
- 2) Development of Training Modules and Training for Trainers on AANZFTA Rules of Origin (June 2011 – March 2019)
- 3) Capacity Building to Support the Negotiation of a Pilot Program for a Declaration of Origin under AANZFTA (May 2018 – July 2019)
- 4) Capacity Building to Support the Negotiation of a Pilot Program on Full Cumulation for AANZFTA Rules of Origin (May 2018 – July 2019)<sup>26</sup>

The capacity building workshop series on declaration of origin conducted in 2019 (example 3 above) were facilitated by the Australian Customs and Border Protection Service and the ASEAN Secretariat. The workshops provided an opportunity for participants to deliberate on key issues related to the declaration of origin, including eligibility for an issuing a declaration of origin; required documents; and declaring formats. The workshops reached more than 650 representatives from trade and customs agencies and private sectors from all ASEAN Member States.<sup>27</sup>

#### **A.3.2.3. *WCO Sub-regional Workshop on Advance Rulings and Origin Certification***

The World Customs Organization (WCO)’s Sub-regional Workshop on Advance Rulings and Origin Certification for ASEAN Member Customs administrations was conducted from 20 to 24 March 2017. It was hosted at the WCO Regional Training Centre of Malaysia, in close cooperation with Malaysian Customs, and funded by the Customs Cooperation Fund (CCF) of Japan.

The objective of this Workshop was to support the capacity building of ASEAN Member Customs administrations in carrying out their origin work, including self-certification, and in developing an advance ruling system for origin as required under the WTO Trade Facilitation Agreement (TFA). The sessions were facilitated by the WCO Secretariat and WCO Accredited Experts from New Zealand. Customs officers from Cambodia; Indonesia; Malaysia; Myanmar; the Philippines; Thailand; and Viet Nam participated in this Workshop.<sup>28</sup>

#### **A.3.2.4. Rules of Origin Facilitator Initiative<sup>29</sup>**

The Rules of Origin Facilitator<sup>30</sup> is a comprehensive global online resource on tariffs, trade agreements and rules of origin jointly administered by the WTO, International Trade Centre (ITC) and World Customs Organization. It was launched on 28 June 2018.

The free searchable database provides user-friendly access to ITC's database of rules of origin and origin provisions in trade agreements. This is combined with ITC's tariff and trade agreements databases, providing data and intelligence that allow companies around the world to benefit from trade agreements. The rules of origin database currently contains data for more than 350 trade agreements in more than 190 economies, and it is continuously expanding with the goal to cover all FTAs and preferential schemes that are active in the world (more than 450).

The Rules of Origin Facilitator was built especially with small and medium enterprises (SMEs) in mind. The tool enables SMEs to conduct comprehensive market research without having to read through complicated and dense legal texts to decipher applicable rules; rather, it enables them to obtain key information about the available FTAs, tariff benefits, rules of origin, other conditions and required documents through a simple search function. The tool ultimately aims to expand SMEs' trade involvement by helping them reduce customs duties and make their products more affordable.<sup>31</sup>

### **A.4. Challenges for Self-Declaration of Origin**

The following are some notable challenges for self-declaration of origin which have been identified through literature research.

*Note: Several additional challenges that were identified during the survey component of the research are described in the following chapter.*

#### **A. Dealing with the differences among Proof of Origin requirements in different FTA/RTA**

One of the issues that has been noted by ASEAN is that the Proof of Origin across different ASEAN FTAs have different formats, criteria, and/or guidance to fill in. There are also sometimes differences between the print versions and electronic versions of the documentation within the same trade agreement, further complicating compliance for traders.<sup>32</sup>

It would be worthwhile to identify the differences in the requirement in each Agreement, including in terms and formats, and how to overcome the complexity in the implementation of the self-declaration of origin.

#### **B. Assisting traders with proper documentation processes for self-declaration**

While self-certification reduces the administrative burden on companies, relying on the importer's knowledge (such as a 'Declaration of Origin by importer' in the RCEP) tends to carry a high level of risk for those companies, since many companies lack the documentation needed to support their claims. Traders can reduce their risk by implementing thorough record-keeping systems and

performing self-audits to ensure that they can produce the robust paper trail needed to withstand a potential customs audit.<sup>33</sup>

It would be worthwhile to identify how educational or capacity-building programs could help traders to understand their risks and implement effective record-keeping practices.

### **Approaches and challenges to ensure the proper use of self-declaration**

Self-declaration programs need to balance ensuring proper application of the preferential tariff treatment and contribution to proper implementation for traders.

It would be worthwhile to identify how to promote the participation in self-declaration programs, such as through ensuring sufficient outreach to traders, clearly communicating the benefits of the programs, and implementing manageable requirements for participants.

## **A.5. Findings from Survey of SCCP Participants**

### **A.5.1. Overview**

In early May 2023, the Program Director of APEC Sub-Committee on Customs Procedures (SCCP) shared a brief survey with the economies participating in the SCCP. The survey form is listed in the Annex of this report. The survey was designed to support the preparation of the workshops, and to capture trends concerning:

- The current situation of FTAs/RTAs/EPA involving APEC economies that require the adoption of the provisions of self-declaration.
- A comparison of the relevant institutional and regulatory arrangements that economies have adopted to implement self-declaration into their domestic regulatory framework.
- The capacity building activities that economies have implemented as part of establishing their domestic regulatory framework for self-declaration.
- Any challenges or barriers that economies faced in implementing the necessary regulatory and institutional changes.
- Any new measures or practices that are being considered for the future.

The survey received responses from a total of fourteen economies by 8 June 2023. Responses were submitted by customs officials from Australia; Hong Kong, China; Indonesia; Japan; Korea; Malaysia; Mexico; New Zealand; Peru; Singapore; Chinese Taipei; Thailand; the United States, and Viet Nam. The following section describes the key findings from the fourteen survey responses.

### **A.5.2. Key Findings**

#### **A.5.2.1. *Regulatory measures to implement self-declaration***

Several of the responding economies provided cases of their regulatory measures that have enabled the implementation of self-declaration.

For example, Australia's *Customs (Information Technology Requirements) Determination 2021* allows the Australian Border Force to accept the submission of all documentation types in an electronic format (such as PDF or jpeg) wherever presentation is requested. Further, under the Australian Trusted Trader program, Australia provides an origin waiver benefit that waives the requirements for FTA origin documents, including both COO and DOO for FTAs, with some exceptions.<sup>34</sup>

In Japan, new legislation and amendments to legislation to allow for self-declaration have been introduced, in preparation for the entry into force of the Japan-Australia EPA in 2015. These provide rulings regarding (a) the documents to be submitted to Japan Customs at the time of import

declaration, (b) the record-keeping requirements for importers, producers and exporters in Japan who have made out a self-declaration of origin, and (c) the requirements for the verification of originating goods under an EPA.

Similarly, in Mexico, the obligations for exporters or producers agreed to in the FTA becomes part of the legislation. Mexico also typically publishes some internal rules to clarify the rules for exporters and producers. Mexico is currently in the process of implementing the self-certification of origin by importers, and the economy is now evaluating which operational changes are needed and also whether any modifications in the economy-level legislation are required.

In some cases, there may be technical system changes required as well. For example, New Zealand must upgrade its joint electronic verification system (JEVS) and Approved Exporter and Approved Assessor registers when implementing provisions related to self-declaration.

#### **A.5.2.2. Timeframes for adoption**

The estimated timeframes necessary to adopt the relevant documentation of an agreement was estimated to be as short as 1-2 months for some exporting economies, in order to hold meetings with traders, and/or issue trade circulars to inform the traders of the new arrangements.

Most importing and exporting economies estimated a timeframe of about 6-7 months to a year, in order to adopt new regulations, update the information for traders (such as through explanatory seminars), and implementing new institutional rules or guidelines. For example, Peru provided the following breakdown of activities required from a customs' perspective:

- 1) The provisions on self-declaration established in the agreement (application of preferential tariff treatment) that need to be implemented by computer are defined (1 month)
- 2) Development and computerized implementation of the aforementioned provisions (3 months)
- 3) At the same time, work is being done on the preparation of the customs procedure (administrative rules) that contains the provisions for the application of preferential tariff treatment, including the provisions on self-declaration in accordance with the agreement (3 months)
- 4) The computerized implementation and the customs procedure are put into effect according to the date of entry into force of the agreement, if there are no exceptions (1 month)
- 5) Training is provided to internal and external users on the application of preferential tariff treatment under the agreement, including the provisions related to self-declaration (1 month)

In some economies, such as Australia, their existing requirements among multiple trade agreements means that there are often no major steps or changes required.

#### **A.5.2.3. Approaches to encourage and/or ensure the proper use of self-declaration**

Some of the measures described by survey respondents included the following:

- Establishing a regime that focuses on ensuring importers are compliant, aware of their obligations and undertake a self-assessment of documentation when making a claim for preferential rates of customs duty. This includes measures such as publishing comprehensive guidance for traders, setting out the forms of documentation required under each Agreement and how importers can meet that requirement. This work also includes regularly updating older guidance to reflect more recent guides' style and structure.<sup>35</sup>
- Respondents also noted publishing related information, including trade circulars, FAQ, and training materials, on the official government websites, for the trader's reference. For example, customs circulars to exporters will outline (i) the method by which companies seeking to export

their products to the FTA economies can benefit from the Free Trade Agreement, (ii) Rules Of Origin (ROO) requirements, and (iii) the corresponding documentation procedures, while Customs circulars to importers describe the ROO requirements and the documentation procedures for making preferential tariff treatment claims on imports into the economy. The websites may include special tools for traders, such as Tariff Finder, a free tool for Singapore companies to enquire on the preferential tariffs rates, goods' rules of origin and import requirements at the importing FTA economy.

- Publishing advance rulings<sup>36</sup> and related materials on the government website.
- Holding meetings/seminars for traders to acquaint them with the self-declaration mechanism or promoting the utilization of advance rulings on origin, in order to ensure that the mechanisms are implemented correctly and effectively.
- Engaging in internal capacity-building exercises, such as training programs for customs officers, or improving the internal intranet bulletin board to share information that all customs officers can review. Some economies also conduct training courses for customs brokers, and customs and tax courses aimed at customs officials. Several respondents noted that they conduct capacity building or educational activities for customs officers at least once a year.
- Some economies also conduct seminars or workshops for partner governments' personnel and industry.

#### **A.5.2.4. Challenges for the implementation of self-declaration**

The respondents noted the following challenges that they face in managing self-declaration policies:

- There have been some cases where the traders' goods unintentionally do not meet the applicable rules of origin.
- Sometimes the exporter/producer/importer still prefers to use the Certificate of Origin instead of self-declaration, so it is necessary to provide further awareness to importers to encourage the usage of self-declaration.
- It sometimes takes time (such as the first three months) for some traders or customs officers to become aware of the new scheme.
- Origin declarations do not contain all minimum data requirements as specified in the ROO text.
- Upgrading internal electronic trade systems.
- Clarifying different understandings about some provisions with FTA partners.
- Addressing human resources restraints, such as capacity building, applying techniques to reduce the risk of fraud, and building up experience in implementing the policies.
- The legal text of the trade agreements can be technical or difficult to understand for traders.
- From time to time, the customs authority of the importing economies delays the import clearance of the goods because they had doubts on the authenticity of the self-declarations and the origin of the goods stated on them and need time to conduct additional checks.

#### **A.5.2.5. Recommendations on topics for discussion**

Some of the recommendations for topics to discuss during the workshops included:

- How to promote awareness among exporters/producers/importers to encourage the adoption of self-declaration.
- For self-certification by non-approved exporter or importer, how to ensure that those traders are knowledgeable to certify the origin requirement, which can involve quite complicated issues. For example, what are some of the self-help tools that can assist companies in understanding the ROO and documentation procedures of the FTAs under a self-declaration regime?
- Sharing the approaches and initiatives on capacity-building and educational activities at Customs and other relevant authorities.
- Discussing the challenges that economies have encountered, and some of the best practices to address significant challenges or barriers to implementing self-declaration of origin by exporter/producer/importer.
- A sharing session regarding best practices on the implementation of self-certification, and the methods of verification and customs control among APEC economies. Some suggested topics include: Discussing the specific implementations documents or other information that customs requires from the exporter/importer; the conditions that the customs authority establishes for the exporter/importers to satisfy to apply for self-certification; how economy-level legislation and regulations implement self-certification schemes; and experiences with fraud detection.
- Considering the benefits of self-declaration regimes for Customs agencies, such as allowing for more rapid amendments where issues are identified, such as when the importer has changed, or if shipment details need to be rectified. Since issues of classification can occur, a declaration regime allows this to be resolved as the traders are able to make use of the classification of the importing party whereas third party issuers may be constrained to rely on the domestic application of their tariff regime.
- How to address cases where the goods do not meet the applicable rules of origin, due to unintentional mistakes by traders, and considering the concept of the replacement of self-declaration documents which have been wrongly issued or declared.
- Discussing the risk management issues for each kind of self-certification. For example, ways to create risk assessments or targets involving self-declaration.
- Considering how self-declaration can be used with customs rulings on origin.
- Sharing experiences and best practices specifically on the application of self-certification by importers, such as internal regulations, experiences with traders, the proper fulfilment of proof of origin on customs clearance, and specific procedures on origin verifications, such as how to determine the origin of goods in case the certification of origin is completed by an importer that doesn't produce the goods by itself.



## A.6. References to the Preliminary Research Report

The following is a partial list of references on institutional and/or regulatory arrangements relevant to the self-declaration of origin that were identified through literature research.

Title	Organization	Description
ASEAN Proof of Origin: Challenges for Implementation/2022 <sup>37</sup>	Asian Development Bank (ADB)	The ASEAN Wide Self-Certification Scheme (AWSC) allows certified exporters (CEs) in all ASEAN Member States to self-certify the origin of their goods exported under ATIGA (ASEAN Trade in Goods Agreement) to enjoy preferential tariffs. This presentation briefly discusses the limitations associated with the AWSC, including difficult conditions, the lack of active outreach on the AWSC, and the limited number of CEs in ASEAN Member States.
Examination of Existing Origin-related Documentary Requirements/ 2022 <sup>38</sup>	WTO	The report includes an analysis of best practices by economies on self-certification and recommends that members should work to introduce self-certification as an option for certain goods, and to simplify the related procedures.
ASEAN-wide Self-Certification (AWSC) Guidebook/2021 <sup>39</sup>	ASEAN	An overview of the AWSC as part of a guide to becoming a certified exporter.
Comparative Study on Certification of Origin/ 2020 <sup>40</sup>	WCO	This study of 209 FTAs found that 141 introduce a type of self-certification. The report suggests the use of blockchain technology to support the origin certification procedures.
Trends and Developments in Provisions and Outcomes of RTA/FTAs Implemented in 2018 by APEC Economies/2020 <sup>41</sup>	APEC Policy Support Unit (PSU)	The APEC PSU composes an annual report on RTAs and FTAs recently signed by APEC economies. The latest report reviews the agreements signed in 2018 and compares their Rules of Origin that require (or do not require) self-certifications/declarations.
Trade Facilitation Measures on Rules of Origin in Japan Customs/2018 <sup>42</sup>	Ministry of Finance, Japan	An overview of Japan's trade facilitation measures on rules of origin, including self-certification.
Evaluation of the Implementation of the Free Trade Agreement between the EU and its Member States and the Republic of Korea/2016 <sup>43</sup>	Civic Consulting, on behalf of the European Commission	The EU-Korea FTA is the first EU FTA where only self-certification (the origin declaration) is relied on for exporting goods. This report analyzes the lessons learned that could help improve the design of other FTAs that are currently being negotiated.
Singapore's Experience in Self-Certification of Origin/2011 <sup>44</sup>	APEC	An overview of Singapore's experience in self-certification presented during the third capacity building workshop for the Self-Certification Pathfinder Phase 2, held in Brunei Darussalam, on 4 and 5 April 2011.

## A.7. Annex to the Preliminary Research Report

### A.7.1. Survey Questionnaire

The following questionnaire was distributed to SCCP members in early May 2023.

1	Has your economy already implemented self-declaration of origin by exporter/producer/importer and relevant policies? (Yes/No)		
2	<i>(If 'Yes' to #1)</i> Please specify the types of self-declaration of origin your economy has implemented:		
	<b>Type of self-declaration</b>	<b>YES</b>	<b>NO</b>
	Exporter based (excluding those by approved exporters)		
	Producer based		
	Importer based		
	Other (please specify)		
3	Please list any trade arrangements (FTAs, RTAs, EPAs, etc.) that your economy is participating in which require the adoption of the principle of self-declaration of origin by exporter/producer/importer. Please note the year that the agreement went into effect, and the year by which economies are required to implement self-declaration of origin by exporter/producer/importer.		
4	<i>(If 'Yes' to #1)</i> What were the key regulatory, institutional or operational changes that were necessary to implement self-declaration of origin by exporter/producer/importer? <i>(If 'No' to #1)</i> What were the key regulatory, institutional or operational changes that would be necessary to implement self-declaration of origin by exporter/producer/importer?		
5	<i>(If 'Yes' to #1)</i> What was the timeframe for the adoption of self-declaration of origin by exporter/producer/importer? Could you describe the major steps (i.e., adopting new regulations, implementing new institutional rules or guidelines, updating information for traders, etc.) and the approximate range of time that was necessary to implement each step?		
6	<i>(If 'No' to #1)</i> Have private traders expressed any interest about the recent adoption of self-declaration of origin by exporter/producer/importer by other economies? What do they expect regarding future adoption by your economy, if any?		
7	<i>(If 'Yes' to #1)</i> -What approaches and initiatives are Customs and other relevant authorities taking towards traders to encourage and/or ensure the proper use of self-declaration? (e.g., Advance ruling, publishing training materials on the website, and webinar/seminar) -What capacity-building or educational activities for customs officers and/or traders were useful to prepare for the implementation of self-declaration of origin by exporter/producer/importer? -If possible, please provide the URL of the webpage for the procedures and guidance material for self-declaration.		
	<i>(If 'No' to #1)</i> What capacity-building activities for customs officers and/or traders would help your economy to prepare for a trade agreement requiring self-declaration of origin by exporter/producer/importer?		
8	<i>(If 'Yes' to #1)</i> Did you face any significant challenges or barriers to implementing self-declaration of origin by exporter/producer/importer? If you did, how did you address them?		
9	Do you have any recommendations on topics to discuss at the upcoming workshops on self-declaration of origin by exporter/producer/importer that will be held in July-August and November 2023?		

## B. Workshop Agendas

All documents can be accessed through the APEC Meeting Document Database at the following links:

- **Workshop 1:**  
[https://mddb.apec.org/Documents/2023/SCCP/WKSP3/23\\_sccp\\_wksp3\\_001.pdf](https://mddb.apec.org/Documents/2023/SCCP/WKSP3/23_sccp_wksp3_001.pdf)
- **Workshop 2:**  
[https://mddb.apec.org/Documents/2024/SCCP/WKSP1/24\\_sccp\\_wksp1\\_001.pdf](https://mddb.apec.org/Documents/2024/SCCP/WKSP1/24_sccp_wksp1_001.pdf)

## C. Speaker Biographies

All documents can be accessed through the APEC Meeting Document Database at the following links:

- **Workshop 1:**  
[https://mddb.apec.org/Documents/2023/SCCP/WKSP3/23\\_sccp\\_wksp3\\_001a.pdf](https://mddb.apec.org/Documents/2023/SCCP/WKSP3/23_sccp_wksp3_001a.pdf)
- **Workshop 2:**  
[https://mddb.apec.org/Documents/2024/SCCP/WKSP1/24\\_sccp\\_wksp1\\_001a.pdf](https://mddb.apec.org/Documents/2024/SCCP/WKSP1/24_sccp_wksp1_001a.pdf)

## D. Presentation Materials

All documents can be accessed through the APEC Meeting Document Database at the following links:

- **Workshop 1:**  
<https://mddb.apec.org/Pages/search.aspx?setting=ListMeetingGroup&DateRange=2023/07/01%2C2023/07/end&Name=First%20Workshop%20for%20Capacity%20Building%20in%20Self-Declaration%20of%20Origin%20for%20Free%20Trade%20Agreements%20and%20Regional%20Trade%20Agreements%202023>
- **Workshop 2:**  
<https://mddb.apec.org/Pages/search.aspx?setting=ListMeetingGroup&DateRange=2024/01/01%2C2024/01/end&Name=Second%20Workshop%20for%20Capacity%20Building%20in%20Self-Declaration%20of%20Origin%20for%20Free%20Trade%20Agreements%20and%20Regional%20Trade%20Agreements%202024>

## E. Workshop Survey Sheets

### Workshop 1

#### Information learned from the workshop

**Instructions:** Please indicate your level of agreement with the statements listed in the table below by circling the number that applies. Please feel free to leave comments to supplement your responses.

The workshop helped me understand better the principle of self-declaration of origin in FTAs/RTAs.

1. Strongly Disagree      2. Disagree      3. Agree      4. Strongly Agree

Comment:

Adopting and implementing self-declaration of origin will be beneficial for my economy.

1. Strongly Disagree      2. Disagree      3. Agree      4. Strongly Agree

Comment:

The best practices and recommendations discussed during the workshop could be effective for my economy and/or organization.

1. Strongly Disagree      2. Disagree      3. Agree      4. Strongly Agree

Comment:

The presentations helped me understand the challenges to implementing the principle of self-declaration in practice.

1. Strongly Disagree      2. Disagree      3. Agree      4. Strongly Agree

Comment:

The presentations provided valuable insights on how these challenges can be addressed.

1. Strongly Disagree      2. Disagree      3. Agree      4. Strongly Agree

Comment:

#### Findings and suggestions

What were the most useful insights that you learned from today's workshop?

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Are there any additional topics that were not covered in this workshop that you would like to see addressed in future workshops, in this series and beyond?

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What further steps should APEC take to address member economy concerns on this subject?

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#### Participant information

(Same for all two surveys. Please see page 34 **Error! Reference source not found.**)

## Workshop 2

### Information learned from the workshop

**Instructions:** Please indicate your level of agreement with the statements listed in the table below by circling the number that applies. Please feel free to leave comments to supplement your responses.

The workshop helped me understand better the benefit of self-declaration of origin in FTAs/RTAs for private traders.

1. Strongly Disagree      2. Disagree      3. Agree      4. Strongly Agree

Comment:

Adopting and implementing self-declaration of origin will be beneficial for businesses in my economy.

1. Strongly Disagree      2. Disagree      3. Agree      4. Strongly Agree

Comment:

The best practices and recommendations discussed during the workshop could be effective for my economy and/or organization.

1. Strongly Disagree      2. Disagree      3. Agree      4. Strongly Agree

Comment:

The presentations helped me understand the challenges faced by private businesses, utilizing self-declaration in practice.

1. Strongly Disagree      2. Disagree      3. Agree      4. Strongly Agree

Comment:

The presentations provided valuable insights on how these challenges can be addressed.

1. Strongly Disagree      2. Disagree      3. Agree      4. Strongly Agree

Comment:

### Findings and suggestions

What were the most useful insights that you learned from today's workshop?

---

---

Are there any additional topics that were not covered in this workshop that you would like to see addressed in future workshops?

---

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What further steps should APEC take to address member economy concerns on this subject?

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### Participant information

(Same for all two surveys. Please see page 34 **Error! Reference source not found.**)

**Section that is the same for all four surveys**

**Participant information**

Delegation: \_\_\_\_\_

Organization type: (Please select one that applies from below)

Government Agency	International Organization (APEC, etc.)	Private Company or Industry Organization	Educational / Research Institution	Other
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If "Other", please specify.

\_\_\_\_\_

*The following information is optional.*

Name/position:

\_\_\_\_\_

Organization: \_\_\_\_\_

Email Address:

\_\_\_\_\_

Gender: Male / Female / Other



## F. End Notes

- <sup>1</sup> WCO (2020) Comparative Study on Certification of Origin/ 2020 [https://www.wcoomd.org/-/media/wco/public/global/pdf/topics/origin/instruments-and-tools/comparative-study/related-documents/comparative-study-on-certification-of-origin\\_2020.pdf](https://www.wcoomd.org/-/media/wco/public/global/pdf/topics/origin/instruments-and-tools/comparative-study/related-documents/comparative-study-on-certification-of-origin_2020.pdf)
- <sup>2</sup> <https://www.wcotradetools.org/en/origin>
- <sup>3</sup> [www.findrulesoforigin.org](http://www.findrulesoforigin.org)
- <sup>4</sup> [ptadb.wto.org](http://ptadb.wto.org)
- <sup>5</sup> [www.tradefacilitation.ca](http://www.tradefacilitation.ca)
- <sup>6</sup> The Genesis program, launched in 2020 by International Chamber of Commerce (ICC), offers an origin quality control process to assist exporters and importers with the complexities of preferential origin. In practice, an exporter applies online to the ICC to obtain the certification, that makes the declaration more trustworthy, and an importer who receives such a document also recognizes the document as certified by the Chamber of Commerce (<https://iccwbo.org/world-chambers-federation/chamber-services/genesis/>).
- <sup>7</sup> <https://www.japia.or.jp/en/activities/trade/fta/>
- <sup>8</sup> Self-declaration of origin by exporter/producer/importer should be distinguished from self-certification by authorized exporter, which has been more widely introduced.
- <sup>9</sup> <https://www.wcoomd.org/-/media/wco/public/global/pdf/topics/key-issues/revenue-package/guidelines-on-certification.pdf?db=web>
- <sup>10</sup> <https://www.wcoomd.org/-/media/wco/public/global/pdf/topics/key-issues/revenue-package/guidelines-on-certification.pdf?db=web>
- <sup>11</sup> Data as of September 2022. See: “ASEAN Proof of Origin: Challenges for Implementation.” Asian Development Bank, 2022. [https://aric.adb.org/experts/docs/proof-of-origin/Session2\\_ASEAN-Proof-of-Origin\\_PHM\\_PhanManhHa.pdf](https://aric.adb.org/experts/docs/proof-of-origin/Session2_ASEAN-Proof-of-Origin_PHM_PhanManhHa.pdf)
- <sup>12</sup> Under ChAFTA, traders can ask for an advance ruling from the importing customs authority. Advance rulings can cover the HS classification applicable to the goods and/or whether the goods are considered 'originating' for the purposes of ChAFTA. Advance rulings are binding and provide traders with certainty when they export or import. See: “Guide to using ChAFTA to export or import,” Australian Government – Department of Foreign Affairs and Trade, web: <https://www.dfat.gov.au/trade/agreements/in-force/chafta/doing-business-with-china/guide-to-using-chafta-to-export-or-import>
- <sup>13</sup> [https://www.international.gc.ca/trade-commerce/trade-agreements-accords-commerciaux/agr-acc/cptpp-ptpgp/backgrounder\\_commission-document\\_information\\_commission.aspx?lang=eng](https://www.international.gc.ca/trade-commerce/trade-agreements-accords-commerciaux/agr-acc/cptpp-ptpgp/backgrounder_commission-document_information_commission.aspx?lang=eng); <https://www.dfat.gov.au/trade/agreements/in-force/cptpp/commission-meetings>
- <sup>14</sup> [https://www.cas.go.jp/jp/tpp/tppinfo/2021/session/pdf/210901\\_en\\_07.pdf](https://www.cas.go.jp/jp/tpp/tppinfo/2021/session/pdf/210901_en_07.pdf)
- <sup>15</sup> <https://www.mti.gov.sg/-/media/MTI/Microsites/CPTPP/CPTPP-2022-Consolidated-Subsidiary-Bodies-Meeting-Reports/Rules-of-Origin-and-Origin-Procedures-Committee.pdf>
- <sup>16</sup> <https://www.international.gc.ca/trade-commerce/trade-agreements-accords-commerciaux/agr-acc/cusma-aceum/gouvernance-comitee-comites.aspx?lang=eng>
- <sup>17</sup> <https://www.international.gc.ca/trade-commerce/trade-agreements-accords-commerciaux/agr-acc/cusma-aceum/comitees-comites.aspx?lang=eng#a4>
- <sup>18</sup> [https://www.meti.go.jp/english/press/2022/0427\\_001.html](https://www.meti.go.jp/english/press/2022/0427_001.html)
- <sup>19</sup> [http://fta.mofcom.gov.cn/rcep/rceppdf/d18z\\_en.pdf](http://fta.mofcom.gov.cn/rcep/rceppdf/d18z_en.pdf)
- <sup>20</sup> [https://english.motie.go.kr/en/pc/pressreleases/bbs/bbsView.do?bbs\\_cd\\_n=2&bbs\\_seq\\_n=1205](https://english.motie.go.kr/en/pc/pressreleases/bbs/bbsView.do?bbs_cd_n=2&bbs_seq_n=1205)
- <sup>21</sup> [https://www.cbp.gov/sites/default/files/assets/documents/2020-Jul/%2324\\_Origin%20Certification%20Requirements\\_USMCA%20Informational%20Fact%20Sheet.pdf](https://www.cbp.gov/sites/default/files/assets/documents/2020-Jul/%2324_Origin%20Certification%20Requirements_USMCA%20Informational%20Fact%20Sheet.pdf)
- <sup>22</sup> <https://www.cbp.gov/document/guidance/certification-origin-template>
- <sup>23</sup> <https://www.cbsa-asfc.gc.ca/services/cusma-aceum/cog-com-eng.html>
- <sup>24</sup> Japan: [https://www.customs.go.jp/roo/procedure/riyou\\_eu\\_EN.pdf](https://www.customs.go.jp/roo/procedure/riyou_eu_EN.pdf), <https://www.customs.go.jp/roo/english/text/eu-3-16e.htm>; EU: <https://taxation-customs.ec.europa.eu/system/files/2019-12/eu-japan-epa-guidance-statements-on-origin.pdf>; <https://www.eu-japan.eu/sites/default/files/2021-05-epa-handbook.pdf>
- <sup>25</sup> <https://www.eria.org/database-and-programmes/understanding-rules-of-origin-a-training-workshop-for-cambodian-officials/>
- <sup>26</sup> <https://aanzfta.asean.org/aecsp-supported-projects>

- <sup>27</sup> <https://aanzfta.asean.org/media-releases/raising-aseans-awareness-on-the-concept-of-declaration-of-origin-under-aanzfta>
- <sup>28</sup> <https://www.wcoomd.org/en/media/newsroom/2017/march/wco-sub-regional-workshop-on-advance-rulings.aspx>
- <sup>29</sup> [https://www.wto.org/english/news\\_e/news18\\_e/roi\\_15oct18\\_itc\\_e.pdf](https://www.wto.org/english/news_e/news18_e/roi_15oct18_itc_e.pdf);  
<https://findrulesoforigin.org/home/latest-news>
- <sup>30</sup> <https://findrulesoforigin.org/en?culture=en>
- <sup>31</sup> <https://www.philexportcebu.org/free-resource-for-smes-on-rules-of-origins-and-ftas-now-available-wto/>
- <sup>32</sup> “ASEAN Proof of Origin: Challenges for Implementation.” Asian Development Bank, 2022.  
[https://aric.adb.org/experts/docs/proof-of-origin/Session2\\_ASEAN-Proof-of-Origin\\_PHM\\_PhanManhHa.pdf](https://aric.adb.org/experts/docs/proof-of-origin/Session2_ASEAN-Proof-of-Origin_PHM_PhanManhHa.pdf)
- <sup>33</sup> <https://customs.pwc.com/en/publications/assets/pdf/trade-intelligence-202205.pdf>
- <sup>34</sup> The exceptions include the China–Australia Free Trade Agreement (ChAFTA) and the Free Trade Area (AANZFTA), which require a COO, and the Australia-United States Free Trade Agreement (AUSFTA) and the Australia-New Zealand Closer Economic Relations Trade Agreement (ANZCERTA), which do not require documents, with ANZCERTA providing for a manufacturer’s declaration and AUSFTA having Importer’s Knowledge. The Australia-United Kingdom Free Trade Agreement (A-UKFTA) also has Importer’s Knowledge as an option alongside DOO and therefore will not have the ATT waiver benefit.
- <sup>35</sup> See for example the “Associated Guides” tab for each of Australia’s agreements at:  
<https://www.abf.gov.au/importing-exporting-and-manufacturing/free-trade-agreements>
- <sup>36</sup> Advance Ruling is a system in which the importer or other related parties can request Customs to examine the origin of a good prior to its actual importation, and a ruling will be issued in written form with a reference number.
- <sup>37</sup> [https://aric.adb.org/experts/docs/proof-of-origin/Session2\\_ASEAN-Proof-of-Origin\\_PHM\\_PhanManhHa.pdf](https://aric.adb.org/experts/docs/proof-of-origin/Session2_ASEAN-Proof-of-Origin_PHM_PhanManhHa.pdf)
- <sup>38</sup> <https://docs.wto.org/dol2fe/Pages/SS/directdoc.aspx?filename=q:/G/RO/W211.pdf&Open=True>
- <sup>39</sup> <https://asean.org/wp-content/uploads/2021/09/ASEAN-wide-Self-Certification-Guidebook-web.pdf>
- <sup>40</sup> [https://www.wcoomd.org/-/media/wco/public/global/pdf/topics/origin/instruments-and-tools/comparative-study/related-documents/comparative-study-on-certification-of-origin\\_2020.pdf?db=web](https://www.wcoomd.org/-/media/wco/public/global/pdf/topics/origin/instruments-and-tools/comparative-study/related-documents/comparative-study-on-certification-of-origin_2020.pdf?db=web)
- <sup>41</sup> <https://www.apec.org/apecapi/publication/getfile?publicationId=aca83a30-7431-4982-8044-a4829ed80565>
- <sup>42</sup> [https://www.wto.org/english/news\\_e/news18\\_e/presentation\\_7\\_japan\\_ctb\\_wto\\_cro\\_meeting\\_2018.pdf](https://www.wto.org/english/news_e/news18_e/presentation_7_japan_ctb_wto_cro_meeting_2018.pdf)
- <sup>43</sup> [https://trade.ec.europa.eu/doclib/docs/2019/march/tradoc\\_157716.pdf](https://trade.ec.europa.eu/doclib/docs/2019/march/tradoc_157716.pdf)
- <sup>44</sup> [http://mddb.apec.org/documents/2011/MAG/WKSP2/11\\_mag\\_wksp2\\_003.pdf](http://mddb.apec.org/documents/2011/MAG/WKSP2/11_mag_wksp2_003.pdf)