

EUROPEAN UNION GSP



INDEX (updated as of June, 2021)

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Chapter 1: European Union (EU) – salient aspects

1.1 The European Union (EU) is a grouping of 27 countries which in economic terms is a common territory for customs purposes or a Customs Union. This primary would mean the following:

- a. All the 27 countries apply a common customs tariff for import of goods into their territory
- b. Within the EU, there is no customs duty on goods moving between the 27 countries
- c. Hence, any imported good that once enters any of the EU countries can circulate within the Union without payment of customs duty at the borders.

1.2 The 27 countries of the EU are:

- i. Austria
- ii. Belgium
- iii. Bulgaria
- iv. Croatia
- v. Cyprus
- vi. Czech Republic
- vii. Denmark
- viii. Estonia
- ix. Finland
- x. France
- xi. Germany
- xii. Greece
- xiii. Hungary
- xiv. Ireland
- xv. Italy
- xvi. Latvia
- xvii. Lithuania
- xviii. Luxembourg
- xix. Malta
- xx. Netherlands

- xxi. Poland
- xxii. Portugal
- xxiii. Romania
- xxiv. Slovak Republic
- xxv. Slovenia
- xxvi. Spain
- xxvii. Sweden

1.3 The official source of access to information for exports to the EU is through the website on Access to Markets: <https://trade.ec.europa.eu/access-to-markets> . This site provides specific product information on tariffs, taxes, rules of origin, product requirements, customs procedures, trade barriers and statistics.

1.4 In the case of exports to the EU, some of the sources of information on potential buyers for Indian products are the following:

- a. Apex chambers of commerce and industry/ Export promotion councils/ development authorities/ commodity boards etc in India
- b. Enterprise Europe Network: their local networks in India are the European Business and Technology or EBTC (<http://www.ebtc.eu>) in New Delhi and the offices of Federation of Indian Export Organisation (FIEO) in Bengaluru, Delhi, Hyderabad, Kolkata and Mumbai.
- c. ITC Trademap

Chapter 2 -EU GSP Introduction

2.1. The European Economic Community (EEC) which was subsequently known as the European Union or the EU was the first developed country grouping to grant GSP customs duty preferences. The EU formulated its scheme in 1971 and carries out regular review of its GSP.

2.2. The EU categories its GSP preferences scheme into three variants which are differentiated on the basis of the scope of product coverage as well as tariff preferences granted. These are:

- i. **Standard or general GSP:** under this, the EU provides customs duty reduction or elimination on identified products exported from beneficiary developing countries. The coverage includes almost two thirds of all product categories. However, the eligible products are divided into sensitive and non-sensitive categories. The customs duty is eliminated for import of non-sensitive products into EU while for sensitive products, the imports are subject to reduction of customs duty.
- ii. **"GSP plus" or "GSP+":** The imports into EU are subject to nil custom duty on all products covered under the general GSP which account of over 66% of all tariff lines. The GSP+ is available to countries which ratify and implement 27 core international conventions relating to human and labour rights, environment and good governance. The 8 countries which are eligible for preferences under GSP + are Armenia, Bolivia, Cape Verde, Kyrgyz Republic, Mongolia, Pakistan, Philippines and Sri Lanka.
- iii. **"Everything but Arms" (EBA):** The EU provides this for least developed countries or LDCs. Under this, zero customs duty is granted

for exports to EU by the LDCs of all products, except for arms and ammunitions.

2.3. India is granted GSP under the “*standard or general arrangement*” for developing countries and is listed in Annex 1 of the EU regulation **978/2012 dated 25 October, 2012** with the subsequent amendments vide **Regulation 330/2016 dated 8 March, 2016** and Regulation **249/2019 dated 12 February, 2019**.

2.4. The broad categories of products for which preferences are available for Indian exporters for the period from 1 January, 2020 to 31 December, 2022 as well as the average customs duty (both MFN and GSP) are the following:

S.No	Description	Average MFN tariff	Average GSP tariff	Lines
1	Animal products	11.5%	8.2%	463
2	Vegetable products	6.2%	3.4%	472
3	Processed food	14.7%	11.5%	561
4	Minerals	2.2%	0.0%	118
5	Chemicals	4.8%	0.4%	359
6	Plastic and rubber	4.8%	0.8%	301
7	Leather	3.8%	1.3%	101
8	Wood & paper products	2.6%	0.7%	211
9	Clothing	11.3%	9.0%	417
10	Footwear	9.9%	9.0%	78
11	Headgear/ umbrellas/ feather articles	3.2%	0.3%	28
12	Stone/cement/ ceramics/ glass	4.0%	1.4%	236
13	Machinery	2.3%	0.3%	1375
14	Appliances/Instruments	2.0%	0.2%	241
15	Watches/ musical instruments	3.5%	0.4%	81
16	Miscellaneous	2.9%	0.1%	212
Total EU GSP lines for India		5.5%	3.1%	5255

Chapter 3- Regulatory Framework of the EU GSP

3.1. While the EU implemented its GSP from 1971 onwards, it went through a series of modifications based on the inputs from stakeholders and the internal consultations. The broad aim of these changes was to ensure that the benefits were better targeted based on the criteria and product coverage. In 2005, the EU found out that the preferences were underutilized with the suspicion pointing at the complicated rules of origin. Some of the key regulations during this period which list out the beneficiary countries, the list of eligible products and their sensitivity thereof were the following:

- a. 980/2005 dated 27 June, 2005
- b. 732/2008 dated 22 July, 2008

3.2 In 2010, the EU took steps for the relaxation of the rules of origin through the **Regulation 1063/2010** dated 18 November, 2010. This was based on the feedback received on the basis of their consultations. The procedures were also simplified to permit transit of goods provided there was no manipulation. The regulation also looked at moving towards self certification by 2017.

3.3 However, an updation of the EU GSP occurred in 2012 through **Regulation 978/2012** dated 25 October, 2012. The regulation incorporated elements of both product and country coverage.

3.4 Subsequently, the EU came out with a new **Regulation 2446/2015** dated 28 July, 2015 which listed out the amended rules of origin in Annex 22-03. The concept of cumulation has also been elaborated in this Regulation.

3.5 Under **EU Regulation 2447/2015** dated 24 November, 2015; the procedures for the self-certification such as the application for registration (Annex 22-06), statement on origin (Annex 22-07) and certificate of origin (Annex 22-08) have been listed. The obligation of the local administrator/ user for controls to be exercised in terms of verification of “*statement on origin*” and the use of supplier’s declaration (Annex 22-15 and 22-16) have also been incorporated.

3.6. India’s regulatory framework for the EU GSP is given in **Public Notice 51 dated 30 December, 2016 and Trade Notice No 3 dated 17 April, 2017** which provides the details of the scheme as it is to be implemented in India. **Trade Notice No 9 dated 12.6.2017** has modified the IEC number which would now be replaced with the PAN number. This would affect the format of the REX number which includes the IEC number. In the current format, IEC includes both the numeric format (the erstwhile IEC number) and the alphanumeric format (the PAN number). Therefore, both these formats of the IEC number can be used in the REX number. Some of the other relevant trade notices are **49 dated 11 February, 2020**; and **61 dated 2 April, 2020**. The office of the DGFT would be updating the provision for the EU GSP through its notifications, public notices and trade notices.

3.7. With a view to updating exporters on the EU GSP Scheme, the Department of Commerce has also provided a brief which has been uplinked on its website in the menu “*International Trade*”. (<https://commerce.gov.in/international-trade/eu-gsp-scheme-of-self-certification>)

3.8 Moreover, an important consideration for both the EU GSP is that if there is a misdeclaration on account of which an exporter has wrongfully availed

of the GSP benefit, then the REX number is to be revoked by the local administrator. The Department of Commerce has also taken out a trade notice which seeks to put in standard operating procedures (SOP) for verification of EU GSP self declaration. The local administrator would have to conduct audits of the self declaration and if there are wrongful availment of preferential duty benefits, then the REX number can be revoked.

Chapter 4 – Salient Aspects of the EU GSP

4.1. The EU GSP has other parameters which are important from the context of understanding it. Some of these include the threshold for graduation of a beneficiary country and the margins of preference for sensitive and non-sensitive products.

Thresholds for Graduation:

4.2. The EU GSP has a provision for graduating out beneficiary developing countries after they achieve a threshold. The graduation is undertaken for specific sectors. This is on the premise that the developing country no longer requires preferences for its sector which has become competitive.

4.3. Prior to 2015, for graduation for any GSP beneficiary are that the average imports over three consecutive years from them exceeds **17.5%** of total EU GSP imports. However, for textile and apparel, the threshold is **14.5%** of total EU GSP imports. This would mean that any beneficiary country would be graduated out of a product category when this threshold is breached. India has been graduated out of many product categories based on its exports going beyond these thresholds.

4.4. After 2015, the EU Regulation 1982/2015 graduated out four countries from the GSP namely China, Ecuador, Maldives and Thailand. With these graduations, the base exports under the GSP decreased substantially specifically with the exit of China. Hence, the EU had to recalibrate the thresholds in order to prevent other countries hitting the low existing thresholds and thereby be graduated out. Hence, the thresholds for the average imports over the last three consecutive years as a % of total EU GSP imports were amended with a three tier structure:

- i. **57%** as a general threshold
- ii. **17.5%** for products such as vegetables (HS Chapter 6), vegetable and animal fats & oils (HS Chapter 15) and Minerals (HS Chapter 25)
- iii. **47.2%** for textiles and clothing (HS Chapters 50 to 63)

4.5 Similarly, for the GSP + preferences, the graduation of the four countries from the GSP namely China, Ecuador, Maldives and Thailand warranted an adjustment of the vulnerability criteria for GSP+. The vulnerability criteria define the lack of diversification and insufficient integration of a beneficiary country into the trading system. The beneficiary countries under the GSP+ needed to be below the vulnerability criteria of 2% of the total imports under the EU GSP. However, EU regulation 602/2015 dated 9 February, 2015 modified this criterion and raised it to 6.5% of the total imports under the EU GSP. This would mean that a beneficiary country is considered vulnerable only if its total EU GSP exports is **below 6.5%** of the total imports under EU GSP over the last three consecutive years.

Margin of Preference:

4.6. The products eligible for tariff preferences under EU GSP are categorized as sensitive or non-sensitive. For the non-sensitive products, the tariff is eliminated under the GSP. However, for sensitive products, the ad valorem duty is reduced by **3.5% points** while the specific duty is reduced by **30%**. For example, in the case of a sensitive product an ad-valorem duty of say 10% is reduced to 6.5% while a specific duty of say €100/kg is reduced to €70/kg. However, for textiles and apparel, both the ad valorem and specific duty are reduced by **20%** i.e. to 8% and €80/kg respectively in the same example above.

Chapter 5 - Rules of Origin:

5.1. In order for goods to benefit from the customs duty preferences under the EU GSP upon importation into the EU, three conditions must be fulfilled:

- i. the goods must originate in a beneficiary country in accordance with the EU GSP RoO;
- ii. during transportation from a beneficiary country to the EU, the goods must not be altered, transformed or subjected to operations other than operations performed in order to preserve them in good condition; and
- iii. a valid proof of origin must be submitted (certificate of origin Form A, issued by the competent authorities in the beneficiary country, or invoice declaration, or as of 1 January 2017, a “*statement on origin*” on a commercial document).

5.2. The rules of origin under the EU GSP is given in the ***Regulation No 1063/2010 dated 18 November, 2010***. This has been subsequently updated in ***Regulation No 2446/ 2015 dated 28 July, 2015*** under Annex 22-03. There are no general rules of origin and the EU GSP uses the product specific rules or PSRs. These rules determine the origin of the product which is eligible for customs duty preferences for exports to the EU under the GSP Scheme. The agencies certifying the origin of a product under the EU GSP have to ensure that the exporter from the beneficiary exporter complies with these rules for exports under the EU GSP. These rules vary for different products and include criteria such as wholly obtained, change in tariff classification (CTC), value addition, technical processes etc.

5.3. The rules (Article 44 of Regulation 2446/2015) also lists out the criteria for wholly obtained (WO) products. If any of these criteria are met, then one does not have to apply the product specific rules or PSRs. A WO product is assumed to have originated from the beneficiary country without any processing

or inputs having been carried out or used from an another country. The key elements of the WO criteria under the EU GSP are:

- a) Mineral products extracted from the soil or seabed;
- b) plants and vegetable products grown or harvested there;
- c) live animals born and raised there;
- d) products from live animals raised there;
- e) products from slaughtered animals born and raised there;
- f) products obtained by hunting or fishing conducted there;
- g) products of aquaculture where the fish, crustaceans and molluscs are born and raised there;
- h) products of sea fishing and other products taken from the sea outside any territorial sea by its vessels;
- i) products made on board its factory ships exclusively from the products referred to in point;
- j) used articles collected there fit only for the recovery of raw materials
- k) waste and scrap resulting from manufacturing operations conducted there;
- l) products extracted from the seabed or below the seabed which is situated outside any territorial sea but where it has exclusive exploitation rights;
- m) goods produced there exclusively from products specified in points (a) to (l)

5.4. Moreover, there are a set of minimal operations or insufficient processing stipulated under the EU GSP which by themselves would not confer the originating criteria despite the PSR having been fulfilled. Therefore, it is important that operations beyond this minimal list be carried out in India for these products to be eligible for GSP preferences. Some of these minimal operations or insufficient processing are:

- a) preserving operations to ensure that the products remain in good condition during transport and storage;
- b) breaking-up and assembly of packages;

- c) washing, cleaning; removal of dust, oxide, oil, paint or other coverings;
- d) ironing or pressing of textiles and textile articles;
- e) simple painting and polishing operations;
- f) husking and partial or total milling of rice; polishing and glazing of cereals and rice;
- g) operations to colour or flavour sugar or form sugar lumps; partial or total milling of crystal sugar;
- h) peeling, stoning and shelling, of fruits, nuts and vegetables
- i) sharpening, simple grinding or simple cutting;
- j) sifting, screening, sorting, classifying, grading, matching (including the making-up of sets of articles);
- k) simple placing in bottles, cans, flasks, bags, cases, boxes, fixing on cards or boards and all other simple packaging operations;
- l) affixing or printing marks, labels, logos and other like distinguishing signs on products or their packaging;
- m) simple mixing of products, whether or not of different kinds; mixing of sugar with any material;
- n) simple addition of water or dilution or dehydration or denaturation of products

5.5. The value addition criteria for the PSRs under the EU stipulates the percentage of the non-originating material to the ex-works price of the export product. There are no specific options such as step up and step down method as is prevalent in some of India's Free Trade Agreements (FTAs). Some of the typical value addition criteria used in the PSRs under EU GSP are:

- a. Value of non-originating materials does not exceed "X" % of ex-works price
- b. Value from same or specific headings does not exceed "Y" % of ex-works price

5.6. The change in tariff classification (CTC) under the EU GSP consists of changes at the heading (HS 4 digit) and sub-heading (HS 6 digit) level. Some of the typical CTC rules used in the EU GSP are the following:

- a. Manufacture from materials of any heading
- b. Manufacture from materials of any sub-heading

5.7. Certain PSRs under the EU GSP also have technical processes specified in them for achieving the requisite originating criteria for exports to EU. Some of are specific to products categories such as:

- a. Wood products – planing, sanding, end jointing and slicing
- b. Textiles – weaving, spinning, printing and dyeing

5.8 A unique case in the EU GSP are the certain cases of differential rules of origin for exports from beneficiary developing countries under the standard arrangement and that for Least Developed Countries (LDCs) under the EBA.

5.9 In the case of petroleum products under HS 27, certain specific processes have been prescribed which confer origin under the EU GSP. While the details of these processes including the HS code to which they apply are given in Note 8 of Annex 22-03 of EU Regulation 2446/2015; some of these processes are the following:

- i. vacuum-distillation;
- ii. redistillation by a very thorough fractionation-process
- iii. cracking;
- iv. reforming;
- v. extraction by means of selective solvents; the process comprising all of the following operations: processing with concentrated sulphuric acid, oleum or sulphuric anhydride; neutralisation with alkaline agents; decolourisation and purification with naturally-active earth, activated earth, activated charcoal or bauxite;
- vi. polymerisation;
- vii. alkylation;
- viii. isomerisation

De-Minimis/ Tolerance Levels

5.10 Article 48 of the EU Regulation 2446/2015 provides for the de-minimis or general tolerance levels for the use of non-originating products. The quantum of the non-originating products has been prescribed as under:

- i. 15 % of the weight of the product for products falling within Chapters 2 and 4 to 24 of the Harmonized System, other than processed fishery products of Chapter 16
- ii. Specified tolerances for basic textiles and clothing in HS 50-63 (as per Notes 6 & 7 of Part 1 of Annex 22-03 under EU Regulation 2446/2015.
- iii. 15 % of the ex-works price of the product for other products.

5.11. This tolerance levels are not applicable for products which are wholly obtained within the definition provided in Article 44 of EU Regulation 2446/2015. However, if the product specific rule (PSR) under Annex 22-03 of the same regulation has a reference to “*materials being wholly obtained*” this tolerance level would apply to the same. For example, for export of processed cheese (HS 040630), all the materials used such as milk, sugar, yeast must be wholly obtained as per the PSR. However, on account of the tolerance rule, one can use non originating materials (milk, sugar and yeast) upto 15% of weight of the processed cheese.

Sets

5.12. The concept of sets is given in Article 51 of EU Regulation 2446/2015 which is applicable to product sold as a set. In such cases, the product having both originating and non originating products in set would be considered as originating provided the non originating products value is <15% of the ex works price of the total set.

Chapter 6 – Product Coverage

6.1. The list of products which are eligible for tariff preferences for exports from India is given in Annex V of the regulation 978/2012 dated 31.10.2012. It includes both agricultural and industrial products and is listed under the HS classification. However, the coverage of agricultural products is limited since it is sensitive for the EU. The implementing EU regulation **1213/2012** dated 17 December, 2012 lists the suspension of the tariff concessions on specific products for some beneficiary countries based on a trade share criterion. This includes India and the duration of this suspension is from **1 January, 2014 to 31 December 2016**. The tariff preferences for India that were suspended are three mineral products, organic and inorganic chemicals, other chemicals (some fertilisers, dyes, essential oils, soaps, explosives etc), raw hides and skins, leather, textiles, motor vehicles, bicycles, aircraft and ships. This was done since India's exports under the EU GSP exceeded the thresholds prescribed in the scheme. After the suspension of preferences on some products, the coverage of the EU GSP Scheme for India includes products such as animals and their products; dairy products; marine products; plants; fruits and vegetables; coffee; spices; oilseeds; vegetable oil; processed food; wines and spirits; tobacco products; some fertilisers; plastics; rubber; leather articles; wood articles; clothing; footwear, glass; ceramics; gems & jewellery; iron & steel; base metals; machinery; railway; instruments & appliances; watches; musical instruments; furniture; toys & games; and miscellaneous manufactured articles..

6.2. In the EU Regulation **330/2016 dated 8 March, 2016**; India was graduated out of other product categories namely minerals, chemicals (only organic and inorganic), textiles, gems and jewellery, iron and steel, base metals and automotives (except railways). The period of this suspension was from 1 January, 2017 until 31 December, 2019. However, vide EU Regulation

249/2019 dated 12.2.2019 and based on the next cycle, India as been graduated out of chemicals (only organic and inorganic), textiles, gems and jewellery, iron and steel, base metals, railways and automotives for the period **1 January, 2020 until 31 December, 2022**. Hence the coverage of EU GSP products for exports from India during this period would include the product categories of animal products; vegetable products; animal and vegetable fats and oils; prepared foodstuff; minerals; fertilisers; tanning/dyeing extracts; essential oils and cosmetics; soaps; albuminoidal substances; photographic goods; miscellaneous chemicals; plastics; rubber; leather; wood and articles therof; clothing; footwear; headgear; umbrellas; articles of prepared feather; articles of stone; ceramics; glassware; mechanical machinery; electrical machinery; optical instruments; clocks; musical instruments; furniture, toys/ sports goods; and miscellaneous manufactured articles.

Chapter 7 - EU GSP Self-Certification:

7.1. Under the proposed EU GSP self-certification scheme, the exports with consignment value > € 6000 under the EU GSP would need to be self-certified by the exporter (rather than by the approved agencies) from 1 January, 2017 onwards. This would be done through a “*statement on origin*” which has to be made out on a commercial document such as a commercial invoice, packing list etc. However, in the case of India, there was a transition period for the implementation of this scheme with an initial period of 18 months (1 year which was extended by 6 months until 30 June, 2018) provided where the 3rd party certification under Form A is used. However, once an exporter registers with the competent authority (Local User for Registration), he would need to issue the “*statement on origin*” and would not have the option of using Form A. The registration of exporters is done through the EU’s Registered Exporter (REX) system.

7.2. The implementation of the EU GSP self-certification system has been entrusted to a number of agencies in the beneficiary developing countries. In this context, the EU has defined two types of competent agencies for each BDC as under:

- i. Competent authority for administrative cooperation (ADC)
- ii. Competent authority for registration (REG)

Each of these competent authority would have atleast one local administrator.

7.3. Hence, there are two sets of local administrators for each beneficiary country as under:

- i. Local administrator for administrative cooperation (ADC)
- ii. Local administrator for registration (REG)

These local administrators are provided access to the EU's Registered Exporter or REX system. They in turn will create local user(s) under them who would invariably be their regional and branch offices. In the context of the EU GSP self-certification, it is the Local Users for Registration to whom the exporters would need to apply for registration under the REX system.

7.4. India has designated the following agencies who would perform their roles:

- i. **Local Administrator for administrative cooperation (ADC):** The Department of Commerce, Government of India would be agency that would perform this role.
- ii. **Local Administrators for Registration (REG):** India has designated 17 agencies who would perform this role. Their contact details is given in Appendix 1. They would be responsible for accessing the EU system and registering the local users. APEDA was notified as India's 17th Local Administrator for REG vide Public Notice No 24 dated 1 September, 2017.
- iii. **Local Users for Registration (REG):** The designated regional and branch offices of the Local Administrators for REG would be the agencies who would perform this task. They who would register the exporters and allot them the REX (Registered Exporter) number. The updated list of the local users for registration would be provided once it is available.

The office of the DGFT has taken out a public notice wherein the list of all Local Administrators have been provided. The list of Local Users would be updated on a regular basis.

7.5. All the exporters who are exporting or intend to export to EU under GSP would need to register on the **Registered Exporter (REX)** System of the

European Commission. The exporter would need to fill in the pre application form as per **Annexure 1** which is available at

<https://customs.ec.europa.eu/rex-pa-ui/>

7.6 One of the cells in this application relates to the TIN number. For India, this would be in the format of 12 digits namely “*IN followed by the 10 digit IEC number*”. A printout of this form (format as given in Annexure 1) would then need to be taken and the exporter would need to get this signed by his authorised signatory. If the details filled in by the exporter are different from that in the IEC, necessary documentary proof may be produced by the exporter to the local user for registration for justifying this departure from the IEC details. Even by providing assent to the sharing of data in S.No 6 of the application, the confidential data such as details of buyers is not made public. For the product coverage, the exporter must ensure that he fills in all the HS codes of the products that he is currently or intends to export under the EU GSP. In case, he starts exporting another product outside the original HS code list, he must ensure to amend his application with the local user by incorporating the additional product’s HS code as soon as possible.

7.7. A REX number would be allotted to the exporters once the registration is completed. For India, the format of the 20-digit REX number would be as under:

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
I	N	R	E	X	IEC number										Alphabets assigned to local Administrator		Number of the local user		
IN denotes India		Denotes REX number		10 digit IEC (Importer Exporter Code) number of exporter ¹										For ex: EC for EIC; DG for DGFT		Ranges from 001 to 999			

¹ As per Trade Notice No 9 dated 12.6.2017, the IEC number has been replaced with the PAN number. Both are however 10 digit numbers though PAN number has an alphanumeric format.

After receiving the REX number, the exporter would be in a position to issue the “*statement on origin*” on his own. He does not have to subsequently go to any of the agencies for issuance of a certificate of origin (Form A). However, he can avail of the services of the local administrators and local users in cases where he has specific queries. Moreover, after registration, the exporter has to export under the EU GSP by only using the “*statement on origin*” (and not Form A).

7.8. Under the EU GSP self-certification, the exporter can issue a “*statement on origin*” which would be printed on a commercial document such as the invoice. The format of the statement on origin is as under:

The exporter “REX Number of exporter” of the products covered by this document declares that, except where otherwise clearly indicated, these products are of Indian preferential origin according to rules of origin of the Generalised System of Preferences of the European Union and that the origin criterion met is.

- ***P (if wholly obtained)***
- ***W “4-digit HS code of export product” if sufficiently worked or processed***
- ***EU/ Norway/ Switzerland/ Turkey cumulation***
- ***Regional cumulation (in case of SAARC cumulation)***

7.9. The exporters have the responsibility to ensure that the “*statement on origin*” complies with the requisite rules of origin i.e. WO, PSR, cumulation etc. In case of any doubt, the exporters can avail of the services of the local administrators and users who may levy a fee commensurate with the cost of services rendered. A copy of the statement on origin has to be sent to the Local User for Registration (REG) and the exporter would need to maintain the requisite records of these statements of origin and supporting documents for a period of 3 years from the date of export.

7.10. In the eventuality of any request for verification from the EU, the Department of Commerce would decide on the Local Administrator/ Local User

for Registration (REG) which would conduct this verification. The agencies may charge a fee for this verification which is reasonable and commensurate with the cost of services rendered.

7.11. The role of the apex chambers of commerce and industry, export promotion councils, commodity boards, development authorities etc would be the following:

- i. Conduct outreaches and training programmes across the country to make the exporters aware of the EU GSP self-certification scheme.
- ii. Ensure that exporters (both existing and those intending to export to EU) register themselves on the REX system by going to the relevant Local User for Registration (REG)

7.12 The office of the DGFT has issued a **Public Notice No 51 dated 30 December, 2016** which provides the legal framework for the implementation of the EU GSP self-certification in India. One of the key responsibilities of the exporter is to provide the details of the “*statement on origin*” to the local administrator as under:

- i. HS Code,
- ii. Description,
- iii. Document No/ date on which “statement on origin” is made out,
- iv. FOB value of exports (in US \$),
- v. destination port,
- vi. destination of export
- vii. Origin Criteria i.e. “P” or “W with 4-digit HS Code”

7.13 Subsequently, the office of the DGFT has also taken out a **Trade Notice No 3 dated 17 April, 2017** which provides some clarifications on the EU GSP. This trade notice also lists out the relevant EU regulations related to the EU GSP namely Regulation 2446/2015 and 2447/2015. **Public Notice 24/2017 dated 1 September, 2017** lists out APEDA as a local administrator for registration

(REG) in addition to India's 16 other local administrators for REG. **Public Notice 51/2015-2020 dated 9 January, 2018** had extended the transition period for exporters to register under the REX system for self-certification by 6 months to 30 June, 2018. **Public Notice 39 dated 15 February, 2021** provides a list of standard operating procedures for audit of exporters in line with EU GSP regulations.

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Format of the application for Registration**APPLICATION TO BECOME A REGISTERED EXPORTER**

For the purpose of schemes of generalised tariff preferences of the European Union, Norway, Switzerland and Turkey ⁽²⁾

1. Exporter's name, full address and country. EORI or TIN ⁽³⁾
2. Contact details including telephone and fax number as well as e-mail address where available
3. Specify whether the main activity is producing or trading.
4. Indicative description of goods which qualify for preferential treatment, including indicative list of harmonised System headings (or chapters where goods traded fall within more than 20 Harmonised System headings).
5. Undertakings to be given by an exporter The undersigned hereby: <ul style="list-style-type: none"> – Declares that the above details are correct. – Certifies that no previous registration has been revoked, conversely, certifies that the situation which led to any such revocation has been remedied. – Undertakes to make out statements on origin only for goods which qualify for preferential treatment and comply with the origin rules specified for those goods in the Generalised System of Preferences. – Undertakes to maintain appropriate commercial accounting records for production/supply of goods qualifying for preferential treatment and to keep them for at least three years from the end of the calendar year in which the statement on origin was made out.

² The present application form is common to the GSP Schemes of four entities, the Union (EU), Norway, Switzerland and Turkey (the entities). Please note, however, that the respective GSP schemes of these entities may differ in terms of country and product coverage. Consequently, a given registration will only be effective for the purpose of exports under the GSP scheme(s) that consider(s) your country as a beneficiary country.

³ The indication of EORI number is mandatory for EU exporters and re-consignors. For exporters in beneficiary countries, Norway, Switzerland and Turkey, the indication of TIN is mandatory.

- Undertakes to cooperate with the competent authority.
- Undertakes to accept any checks on the accuracy of his statements on origin including verification of accounting records and visits to his premises by the European Commission or Member States authorities, as well as the authorities of Norway, Switzerland and Turkey (applicable only to exporters in beneficiary countries).
- Undertakes to request his removal from the system, should he no longer meet the conditions for exporting any goods under the scheme.
- Undertakes to request his removal from the system, should he no longer intend to export such goods under the scheme.

.....
Place, date, signature of authorised signatory, name and job title

6. Prior specific and informed consent of exporter to the publication of his data on the public website

The undersigned is hereby informed that the information supplied in this application may be disclosed to the public via the public website. The undersigned accepts the publication and disclosure of this information via the public website. The undersigned may withdraw his consent to the publication of this information via the public website by sending a request to the competent authorities responsible for the registration.

.....
Place, date, signature of authorised signatory, name and job title

7. Box for official use by competent authority

The applicant is registered under the following number:

Registration Number.....

Date of registration.....

Date from which the registration is valid

Signature and stamp

.....