



# Norway GSP

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## Chapter-1 Salient Aspects

1.1 Norway has adopted the parameters of the European Union (EU) GSP, excepting the coverage of products. It has also implemented the Registered Exporter (REX) system of the EU as part of its GSP Scheme. The implementation which began on 1 January, 2017 was completed by 31 December, 2020. This would mean that from 1 January, 2021, no Form A would be accepted and all exporters would need to self certify their export document (invoice etc).

1.2 The regulatory framework for GSP in the case of Norway is the Regulation to the Act on Customs Duties and Movement of Goods of 17.12.2008.

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

- i. the goods must originate in a beneficiary country in accordance with the the rules of origin
- ii. during transportation from a beneficiary country to Norway, 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 (a “*statement on origin*” on a commercial document).

1.4 Norway provides GSP to India on 919 tariff lines covering products in some sectors like meat, marine, plants, vegetables fruits, oil, processed food, caseinates, apparel, made-ups and ceramics as per the summary below:

<b>Sector</b>	<b>HS</b>	<b>Lines</b>	<b>MFN</b>	<b>GSP</b>
Animal products	1-5	129	394.6%/ specific	232%/ specific
Agricultural	6-14	278	117.1%/ specific	53.1%/ specific
Processed food	15-24	292	21.4%/ specific	6.2%/ specific
Chemicals	28-38	14	Specific	Specific
Textiles & clothing	50-63	203	9.1%	0.0%
Articles (stone, ceramics, glass)	65-70	3	Specific	0.0%
<b>Total</b>		<b>919</b>	<b>34.9%</b>	<b>17.8%</b>

## Chapter-2 Rules of Origin:

2.1 The wholly obtained criteria, rules of origin, criteria of de-minimis, sets etc for Norway are taken from the EU GSP given below

2.2. 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).

2.3. 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.

2.4. 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)

2.5. 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

2.6. 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

2.7. 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

2888888. 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

2.9 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.

2.10 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**

2.11 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.

2.12. 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**

2.13. 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 3 - GSP Self-Certification:**

3.1. Norway has adopted the self-certification system of EU REX which is given below.

3.2 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 3<sup>rd</sup> 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.

3.3. 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 at least one local administrator.

3.4. 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.

3.5. 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 17<sup>th</sup> 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.

3.6. 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/>

3.7 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.

3.8. 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 <sup>1</sup>										For ex: EC for EIC; DG for DGFT		Ranges from 001 to 999			

<sup>1</sup> 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).

3.9. 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)***

3.10. 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.

3.11. 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.

3.12. 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)

3.13 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”

3.14 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.

**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 <sup>(2)</sup>

1. Exporter's name, full address and country. EORI or TIN <sup>(3)</sup>
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"> <li>– Declares that the above details are correct.</li> <li>– Certifies that no previous registration has been revoked, conversely, certifies that the situation which led to any such revocation has been remedied.</li> <li>– 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.</li> <li>– 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.</li> </ul>

<sup>2</sup> 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.

<sup>3</sup> 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

.....