

COMPREHENSIVE AND
PROGRESSIVE AGREEMENT FOR

TRANS-PACIFIC PARTNERSHIP (CPTPP)



COMPREHENSIVE AND PROGRESSIVE AGREEMENT FOR THE TRANS-PACIFIC PARTNERSHIP

FREE TRADE AGREEMENT

Guide to obtaining preferential tariff treatment when exporting
and importing goods using CPTPP



Australian Government



More information on the
Comprehensive and Progressive Agreement for the Trans-Pacific Partnership is available at www.dfat.gov.au/CPTPP
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DISCLAIMER

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Users of this guide should note that where reference is made to the DFAT website and FTA text and schedules, they should visit the following webpage and navigate to the relevant part of the text on the electronic version of the guide here: www.dfat.gov.au/CPTPP

THE COMPREHENSIVE AND PROGRESSIVE AGREEMENT FOR TRANS-PACIFIC PARTNERSHIP (CPTPP) ENTERED INTO FORCE ON 30 DECEMBER 2018. CPTPP IS A SIGNIFICANT REGIONAL FREE TRADE AGREEMENT THAT DELIVERS SUBSTANTIAL EXPORT, IMPORT AND COMMERCIAL OPPORTUNITIES FOR AUSTRALIAN BUSINESSES.

Upon ratification by all signatory countries, the CPTPP will increase market access for Australian goods and services to a regional free trade area incorporating Brunei Darussalam, Canada, Chile, Japan, Malaysia, Mexico, Peru, New Zealand, Singapore and Vietnam.

Tariffs, or customs duties, are taxes imposed by governments on goods arriving from overseas. CPTPP will eliminate more than 98 per cent of tariffs among the eleven countries, building on preferential market access we already have through FTAs with Japan, Malaysia, Chile, Singapore, Vietnam and Brunei as well as delivering new market access with Canada, Mexico and Peru.

For exports to Canada, Japan, Mexico, New Zealand and Singapore, Australian businesses will benefit from immediate tariff cuts on entry into force of the CPTPP on 30 December 2018.

For Canada, Mexico, New Zealand and Singapore, a second tariff cut will be made just two days later on 1 January 2019 (Japan's second tariff cut will take effect on 1 April 2019). Australian exporters will benefit from tariff cuts for exports to Vietnam from 14 January 2019.

Tariff cuts for Brunei, Chile, Malaysia, Peru will take effect 60 days after those countries complete domestic ratification procedures.

This step-by-step guide principally aims to assist Australian exporters and importers to take advantage of preferential tariff treatment under CPTPP. While it does contain information for importers and exporters, this is of a general nature. For specific information on claiming preferential tariff treatment for CPTPP originating goods imported into Australia, the Department of Home Affairs publishes a guide and other information materials to assist importers. These are available from <https://www.abf.gov.au/importing-exporting-and-manufacturing/free-trade-agreements>.

This guide **will help you answer four key questions:**

Step 1: WHAT goods am I exporting or importing? (p. 2)

Step 2: HOW are these goods treated under CPTPP? (pp. 3-5)

Step 3: WHERE are my goods produced (are they 'originating' goods that will qualify for lower tariffs under CPTPP? (pp. 6-10)

Step 4: CERTIFY the origin of your goods to ensure you get the lower tariff rate (pp. 11-12)

Date of entry into force for each CPTPP Party

Date of entry into force	Party	Date ratified
30 December 2018	Mexico	28 June 2018
	Japan	6 July 2018
	Singapore	19 July 2018
	New Zealand	5 October 2018
	Canada	29 October 2018
	Australia	31 October 2018
14 January 2019	Vietnam	14 November 2018
60 days after notification of completion of domestic ratification procedures	Brunei Darussalam	Not yet ratified
	Chile	Not yet ratified
	Malaysia	Not yet ratified
	Peru	Not yet ratified

Step 1: Identify the tariff classification of your goods

Determining how CPTPP treats a particular good depends on correct identification of that good.

In CPTPP, goods are identified by reference to an internationally recognised system known as the *Harmonized Commodity Description and Coding System*, commonly referred to as the **Harmonized System (HS)**. The HS is a common goods classification system of more than 5200 six-digit product categories.

Typically, countries further sub-divide the six-digit HS product categories into eight-digit or more tariff lines for greater specificity. CPTPP Parties use eight or nine-digit tariff codes for customs duties. Tariff codes beyond the HS six-digit level are generally not comparable between countries.

Classification

To find out the HS code applicable to your product, visit the FTA Portal at <https://ftaportal.dfat.gov.au/>, type in your product name, and click through to the eight or nine digit HS code that best fits your product.

The FTA Portal – online help for traders

To help apply this guide to your specific product, a useful online portal is available to assist you to make the most of the CPTPP. It is recommended you read this guide first and then visit the portal here: <https://ftaportal.dfat.gov.au/>

Full tariff schedules for each CPTPP member country can be found at www.dfat.gov.au/CPTPP

For Australian exporters, to be certain you have identified the correct tariff for your good, we recommend you consult either:

- the customs authority of the importing Party; or
- a professional customs broker or freight forwarder.

Advance rulings

If, after reviewing this guide, you are still unsure how your product will be treated under the CPTPP, you can seek an advance ruling from the importing Party. Parties to the CPTPP are obliged to provide written advance rulings on tariff classifications and origin in response to requests by importers, exporters or producers. Advance rulings can cover:

- tariff classification;
- the application of customs valuation criteria for a particular case in accordance with the Customs Valuation Agreement; and
- whether a good is originating in accordance with CPTPP, Chapter 3 (Rules of Origin and Origin Procedures).

Advance rulings are binding on the importing customs authority and give greater certainty, in advance of trade taking place, to businesses who wish to know how their product will be treated under CPTPP.

For exporters

Australian exporters may seek advance rulings from the customs authority in the CPTPP Party to which they are exporting. Your importer in that CPTPP Party or your customs broker may be able to assist you with this process.

For importers

If you are importing goods into Australia and would like an advance ruling, please contact the Australian Border Force. More information can be found at:

<https://www.abf.gov.au/importing-exporting-and-manufacturing/free-trade-agreements>

- **Application for Advance Ruling (Tariff Classification)**
<https://www.abf.gov.au/form-listing/forms/b102.pdf>
- **Application for Advance Ruling (Origin)**
<https://www.abf.gov.au/form-listing/forms/b659.pdf>
- **Application for Advance Ruling (Valuation)**
<https://www.abf.gov.au/form-listing/forms/b174.pdf>

Step 2: Understand how your goods will be treated under CPTPP

Once you have the tariff code, you can determine how your goods will be treated under CPTPP. The CPTPP Parties have set out their commitments to reduce duty rates on goods in lists, called Tariff Elimination Schedules (based on the HS).

The FTA Portal is a user-friendly Australian Government website that provides easy access to information for exporters, importers, and other stakeholders seeking to access the benefits from all of Australia's free trade agreements (FTA). The FTA Portal is the easiest way to determine the preferential FTA tariff rate on your product. The portal can be accessed at www.ftaportal.dfat.gov.au. It is searchable by key word or HS code, and contains current and future tariff rates for both imports and exports. The FTA Portal also contains information about whether your product is likely to meet Rules of Origin (ROO) requirements.

Users of the FTA Portal can, for instance, search for the goods they want to export or import using keywords, find reduced FTA tariff rates, and learn about origin certification requirements associated with an FTA. The portal also includes guidance on selling services to customers in FTA partner countries, travelling overseas to supply services, and establishing an overseas presence.

Where more than one FTA is available to an exporter or importer, such as the CPTPP and Japan-Australia Economic Partnership Agreement, the FTA Portal helps identify which agreement offers greater benefits.

Reading the Tariff Elimination Schedule

Each tariff line in the Tariff Elimination Schedule contains the following details:

- the tariff code (up to 8 – 9 digits);
- a description of the products covered by the tariff code;
- a 'base rate' column showing the base duty rate or tariff that applied in 2010. This is the starting point on which tariff reductions occur;
- the staging category for tariff reductions; and
- the tariff that will be applied according to the year of implementation.

The Tariff Elimination Schedules for each Party can be found at: www.dfat.gov.au/CPTPP

Exporters

If you are exporting to CPTPP Parties, you will need to check the Tariff Elimination Schedule of each of the Parties to which you are exporting. You will also need to check the general notes to the Tariff Elimination Schedule of each CPTPP Party for an explanation of their specific staging categories as well as any Appendices that may affect your products.

Generally, staging categories range from EIF (indicating tariffs eliminated immediately from the date of entry into force of the CPTPP for that Party), to a number of years (indicating gradual elimination of the tariff over time). Some products remain at Most-Favoured Nation (MFN), which is the tariff commitment

that countries have agreed to within the World Trade Organisation.

Some Parties have also committed to Tariff Rate Quotas and Safeguards on specific products that are set out in the Appendices to that Party's Tariff Elimination Schedule.

Importers

If you are importing from a CPTPP Party, you will need to check Australia's Tariff Elimination Schedule. Australian staging categories range from EIF, indicating tariffs immediately eliminated on entry into force of the CPTPP, to specific staging categories where tariffs are eliminated over annual periods. Australia's Tariff Elimination Schedule can be found at: www.dfat.gov.au/CPTPP

Applied tariffs

You should be aware that the "base rate" under CPTPP is the tariff that applied on 1st January 2010 and was used as the basis for negotiations. It is the base for tariff reductions under the CPTPP. Separate to CPTPP, each Party is also able to unilaterally reduce its tariff at any time. This could mean a Party may apply a lower MFN tariff rate than the current rate set out in the CPTPP Tariff Elimination Schedule. For example, a country might temporarily reduce a tariff for a commodity that is in short supply.

Traders will need to assess whether it is more advantageous to import under the preferential CPTPP tariff under the Agreement, under the current MFN applied tariff or through a separate FTA.

Where Australia and a CPTPP Party are members of another FTA, unless the other FTA or the CPTPP say otherwise, it is a commercial decision for businesses to decide which agreement they will use. Importers and exporters will have the option of selecting which agreement is best suited to them.

Tariff Rate Quotas (TRQs)

Some Australian products exported to CPTPP Parties which would otherwise be subject to a relatively high tariff, may be imported duty free or under a reduced tariff through a Tariff Rate Quota (TRQ) or a Country Specific Quota (CSQ). Under CPTPP, Australian exporters can access exclusive Australian-only CSQs for seven agricultural product categories with Japan and Mexico. Australian exporters can also access TRQs with Canada (20 agricultural products), Japan (33 agricultural products), Malaysia (15 agricultural products), Mexico (eight agricultural products), and Vietnam (two industrial and one agricultural product). These TRQs are open to all (or several) CPTPP Parties, not just Australia – while CSQs are for Australia only.

The CSQs and TRQs provide Australian exporters with preferential tariff access for a set volume of goods access to CPTPP Parties where they apply. Further details of the tariff rates and volumes are listed in the relevant CPTPP Annexes and Tariff Elimination Schedules. A summary of the CSQs and TRQs are in the table below.

CSQs and TRQs are administered by the Importing Party. Please work with your importer or customs broker for further details on how you can apply for a TRQ or CSQ.

List of Country Specific Quotas (CSQ) applying to Australia only

Importing Country	Product
Japan	<ul style="list-style-type: none"> • Rice • Wheat • Malt Not Roasted • Malt Roasted • Processed Cheese • Whey (Mineral Concentrate)
Mexico	<ul style="list-style-type: none"> • Sugar

List of Tariff Rate Quotas

Importing Country	Product (Note: TRQs apply to all CPTPP Parties, or a number of specified CPTPP Parties)	
Canada	<ul style="list-style-type: none"> • Milk • Cream • Skim milk powders • Milk powders • Cream powders • Concentrated milk • Yogurt and buttermilk • Powdered buttermilk • Whey powder • Products consisting of natural milk constituents • Butter 	<ul style="list-style-type: none"> • Industrial cheese • Mozzarella and prepared cheese • Cheeses of all types • Ice cream and mixes • Other dairy • Broiler hatching eggs and chicks • Chicken • Turkey • Eggs
Japan	<ul style="list-style-type: none"> • Wheat products • Food preparations made primarily of wheat • Wheat flour, pellets, rolled and food preparation • Uncooked udon, somen and soba • Food preparations of barley • Barley Flour, groats and pellets • Barley • Fresh cheese for use as materials for shredded cheese • Butter • Skim milk powder • Milk powder and butter milk powder • Milk powder • Food preparations containing cocoa • Prepared edible fats and oils • Evaporated milk • Condensed milk • Chewing gum and other sugar confectionery, containing cocoa • Cocoa preparations, containing added sugar weighing not more than 2 kg • Coffee, tea mixes, food preparations and doughs 	<ul style="list-style-type: none"> • Preparations of peas, beans and leguminous vegetable • Candies, white chocolate and confectionary • Chocolate • Food preparations • Food preparation containing more than 50 per cent of sucrose • Cane sugar under 98.5 polarimetric • Cocoa powder • Cocoa preparations, containing added sugar weighing more than 2 kg • Food preparations, food preparations with >50% sucrose • Food preparations (sugar is the largest ingredient) • Food preparations containing sugar and dairy • Sugar • Starch • Mixes and doughs and cake mixes

Importing Country	Product (Note: TRQs apply to all CPTPP Parties, or a number of specified CPTPP Parties)	
Malaysia	<ul style="list-style-type: none"> • Live poultry, of the species <i>Gallus Domesticus</i>, weighing not more than 185g: other • Live poultry, of the species <i>Gallus Domesticus</i>, weighing not more Than 2,000g • Meat of swine, fresh or chilled – carcasses and half-carcasses • Meat of swine, frozen – carcasses and half-carcasses • Meat of fowls of the species <i>Gallus Domesticus</i> not cut in pieces, fresh or chilled • Meat of fowls of the species <i>Gallus Domesticus</i> not cut in pieces, frozen • Edible cuts and offal of the species <i>Gallus Domesticus</i>, fresh or chilled • Edible cuts and offal of the species <i>Gallus Domesticus</i>, frozen 	<ul style="list-style-type: none"> • Liquid milk, of fat a content by weight, not exceeding 1 per cent • Liquid milk, of fat a content by weight, exceeding 1 per cent but not exceeding 6 per cent • Liquid milk, of fat a content by weight, exceeding 6 per cent • Fertilised eggs: Of fowls of <i>Gallus Domesticus</i> • Fertilised duck eggs: Of Ducks • Other eggs of fowls of <i>Gallus Domesticus</i> • Other duck eggs
Mexico	<ul style="list-style-type: none"> • Milk and cream, not concentrated or containing added sugar or other sweetening matter • Milk powder • Products consisting of natural milk constituents, whether or not containing added sugar or other sweetening matter, not elsewhere specified or included 	<ul style="list-style-type: none"> • Butter • Cheese • Evaporated milk • Condensed milk and • Dairy-based preparations
Vietnam	<ul style="list-style-type: none"> • Used vehicles with an engine capacity less than or equal to 3000 cubic centimetres • Used vehicles with an engine capacity in excess of 3000 cubic centimetres and 	<ul style="list-style-type: none"> • Unmanufactured tobacco and tobacco refuse

Step 3: Determine whether your goods meet Rules of Origin (ROO) requirements

CPTPP preferential Rules of Origin (ROO) are agreed criteria used to ensure that only goods that meet the CPTPP origin criteria receive CPTPP preferential rates of customs duty set out in the importing Party's Tariff Elimination Schedule.

This prevents non-member countries from gaining preferential benefits from the CPTPP. Imports into a CPTPP Party that do not comply with the ROO as set out in Chapter 3 and Annex 3-D (*Product-Specific Rules of Origin*) may be subject to the applied MFN rate of duty (or an applicable alternative FTA rate, such as under JAEPA), instead of the preferential rates available under CPTPP. The Rules of Origin chapter can be found at www.dfat.gov.au/CPTPP

A good may be considered to be CPTPP originating if it is:

- wholly obtained or produced entirely in the territory of one or more of the Parties as established in Article 3.3 (Wholly obtained or produced goods); or
- produced entirely in the territory of one or more of the Parties, exclusively from originating materials; or
- produced entirely in the territory of one or more of the Parties using non-originating materials provided the good satisfies all applicable requirements of Annex 3-D (Product-Specific Rules of Origin); and

The goods must also meet the transit and transshipment rules.

Textile and apparel products of HS Subheading 9404.90, HS Heading 4202, 6601, 7019, and 9619 and HS Chapters 50-63 are subject to additional ROO in addition to the ROO applicable to all other products. More information on the textile and apparel ROO can be found at www.dfat.gov.au/CPTPP:

- Chapter 4 - Textiles and Apparel
- Annex 4-A. Textiles Product - Specific Rules of Origin
- Appendix 1 to Annex 4-A: Short Supply List of Products

Wholly obtained or produced (WO) Goods

Wholly obtained or produced goods are goods which are exclusively derived in one or more of the Parties. Typically, these are agricultural goods and natural resources. The table on page 10 sets out the categories of goods that are treated as wholly obtained or produced under the CPTPP.

CPTPP also provides goods that are made exclusively from wholly obtained or produced goods as being wholly obtained or produced.

Goods produced entirely in the territory of one or more of the Parties (PE)

Goods produced entirely in the territory of one or more of the Parties, from materials classified as 'wholly obtained or produced' or 'originating' under the Product Specific Rules of Origin will qualify for preferential tariff treatment.

Product Specific Rules of Origin (PSRs) – for goods containing inputs from outside of CPTPP Parties

Goods that include some non-CPTPP originating materials may still qualify as CPTPP originating, as long as the non-originating

materials have undergone a substantial transformation in the territory of one or more CPTPP Parties.

For situations like this, Product-Specific Rules (PSRs) are set out in Annex 3-D Product-Specific Rules of Origin. These enable a CPTPP Party's customs authority to determine whether a good has undergone sufficient transformation for it to become an 'originating' good.

If your product contains materials from outside a CPTPP Party, you will need to check the applicable PSR to determine whether your good qualifies as CPTPP originating. See table on page 7 for an example of how to find your PSR.

There are a number of different approaches to establishing PSRs, including Change in Tariff Classification (CTC) and Regional Value Content (RVC). These and other approaches are explained in more detail below. Some PSRs provide the option of a RVC rule as an alternative to a CTC rule, while others require a RVC in addition to a CTC rule.

Change in tariff classification (CTC)

Most PSRs in CPTPP apply a CTC approach. A CTC rule requires that any non-originating materials incorporated into a final good undergo a Change in Tariff Classification (HS code) in a CPTPP Party in the process of being incorporated into the final good.

For example, non-originating pure gold (HS 7108) is processed in Australia to make gold jewellery which has a different HS Heading (7113).

The PSR for HS Heading 7113-7114 is:

- a change to a good of heading 7113 through 7114 from any other heading; or
- no change in tariff classification required for a good of heading 7113 through 7114, provided there is a regional value content of not less than:
 - a) 35 per cent under the build-up method; or
 - b) 45 per cent under the build-down method.

In turning the gold into jewellery, the tariff classification changes from HS Heading 7108 for pure gold to HS Heading 7113 for jewellery. This good would meet the CPTPP PSR because the gold jewellery was manufactured in Australia from imported pure gold, regardless of where the gold came from.

Different products may be subject to different CTC rules, which can be applied at three levels of the HS:

- **Change in Chapter (CC)** – change in any of the first two digits (or 'chapter') of the HS code of non-originating materials once part of the finished product. E.g. importing steel of HS Chapter 72 and making railway tracks of HS Chapter 73.
- **Change in Tariff Heading (CTH)** – change in any of the first four digits of the HS code of non-originating materials once part of the finished product. E.g. manufacturing gold jewellery of HS Heading 7113 from imported gold of HS Heading 7108.
- **Change in Tariff Subheading (CTSH)** – change in any of the six digits of the HS code of non-originating materials once part of the finished product. E.g. importing fresh ginger of HS Subheading 0910.11 and using it to produce a crushed ginger of HS Subheading 0910.12.

Some CTC rules specifically exclude the possibility of applying a CTC rule to certain inputs. This is done by excluding specific HS Chapters, Headings or Subheadings. For example, ketchup of HS 2103.20 has a PSR of 'CTSH except from 2002.90'. Subheading 2002.90 includes *tomatoes prepared or preserved otherwise than by vinegar or acetic acid, other than whole or in pieces*. This rule therefore means that if you import non-originating crushed tomatoes and use this to make ketchup, the final product would not be considered originating under the CPTPP and would not be eligible for a preferential duty when subsequently imported into a CPTPP Party.

Where an input for a product is already originating under the CPTPP, such as through meeting a PSR or being wholly obtained or produced, that input does not need to meet the CTC requirement of a PSR. For example, if non-originating fresh tomatoes of HS 0702, are imported into a CPTPP Party and crushed and prepared, they would meet the PSR for 2002.90. If these crushed tomatoes were then used to produce ketchup in another CPTPP Party, the origin of the fresh tomatoes is irrelevant.

Regional value content

Some PSRs require a product to have undergone a specific amount of value-add in one or more CPTPP Parties, measured

by the RVC of the good. Some PSRs provide the option of a RVC rule as an alternative to a CTC rule, others require a RVC in addition to a CTC rule.

An RVC approach stipulates that originating materials and processes must represent a specific proportion of the product's final value. More information about calculating RVC is provided on page 10.

Other approaches

Some PSRs allow for a good to become originating if the non-originating materials undergo a specific manufacturing or production process, for example:

- processes that involve non-originating chemicals undergoing various chemical reactions may grant origin on the resulting new chemicals; and
- for certain aquaculture products, smoking of non-originating fresh produce may grant origin.

Note: It is important to remember that ROO requirements do not replace any other import requirements such as import licences and biosecurity approvals. If you would like more detailed information on process rules, please see the Department of Home Affairs – guide to claiming preferential tariff treatment for CPTPP www.abf.gov.au/importing-exporting-and-manufacturing/free-trade-agreements.

How to find the PSR applicable to your product

Using the tariff classification from step 1, you can check Chapter 3, Annex 3-D: Product Specific Rules of Origin. www.dfat.gov.au/CPTPP

Using your goods tariff code, you can identify the relevant entry in the schedule. Note that PSRs are listed at the chapter (two digit), heading (four digit) or subheading (six-digit) level. It is only necessary to use the first six digits of the HS Code – the subheading - when identifying goods in the PSR, as this is the level at which they are internationally standardised. Where a rule is listed at the chapter or heading level, that rule applies to all subheadings that fall under that particular chapter or heading. Once you have found the relevant entry, the third column will identify the PSR for that product. For example:

HS Classification (HS2012)	Product Specific Rule
HS Heading 2002 (Tomatoes prepared or preserved otherwise than by vinegar or acetic acid)	A change to a good of heading 2002 from any other chapter.
HS Heading 1704 (Sugar Confectionary)	A change to a good of heading 1704 from any other heading.
HS Subheading 4106.22 (Tanned or crust hides and skins of other animals)	A change to a good of subheading 4106.22 from any other subheading.

In the above example, non-originating inputs into prepared tomatoes, must undergo a change in chapter (change in the first two digits of the HS classification).

Sugar confectionary, on the other hand, must have all non-originating materials used in production undergo a change in tariff classification at the 4-digit level.

Tanned Hides, must have all non-originating materials used in production undergo a change in tariff classification at the 6-digit level.

Further information can be found in the headnotes Annex 3-D Product Specific Rules or by contacting your customs broker/freight forwarder.

Other factors to determine origin

There are other important factors to take into account when determining whether your good qualifies as CPTPP originating.

De Minimis

Where a good contains only a small amount of imported inputs, but those non-originating inputs fail to achieve the

necessary CTC once incorporated in the final good, the product may still qualify as CPTPP originating. If the value of all non-originating materials does not exceed 10 per cent of the value of the good, the product will qualify under the *de minimis* rule.

Some goods using *de minimis* must still comply with other requirements. Goods such as dairy, citrus and other agricultural products have exceptions to the *de minimis* rule.

These are set out in Chapter 3, Annex 3-C of the CPTPP. Details on calculating a good's value are set out in Box 3 on page 10. Further information can also be found in Chapter 3, Article 3.11 of the CPTPP.

Accumulation

The rule of accumulation under CPTPP provides that a good is originating if the good is produced in the territory of one or more of the Parties by one or more producers. This can include non-originating inputs from non-Parties to the CPTPP. For example, if Canadian originating inputs were incorporated into a product made in Australia, along with non-originating inputs from China, those inputs would be treated as if it originated in Australia as long as it meets the relevant PSR. This would allow the final Australian product to be exported to another CPTPP country, and take advantage of the preferential tariff treatment.

The good still needs to satisfy the requirements in Article 3.2 (Originating Goods) and all other applicable requirements of the Chapter. More information can be found in CPTPP Chapter 3, Article 3.10.

Fungible materials

Fungible materials are goods or materials that are interchangeable for commercial purposes and whose properties are essentially identical. Examples include natural gas, grains, or simple parts (e.g. rivets). Specific accounting rules apply to exporters wishing to demonstrate that fungible goods are originating under CPTPP. More information is available in CPTPP Chapter 3, Article 3.12.

Accessories, spare parts, tools and instructional material

The origin of accessories, spare parts, tools and instructional material presented and classified with a good will not be taken into account when determining if a good is wholly obtained or produced, or satisfies a process or change in tariff classification requirement provided that the quantity of accessories is what is customarily supplied with those finished goods and they are not invoiced separately. The value of accessories, spare parts and tools is considered, however, in assessing a good for the purposes of an RVC rule.

Packaging materials and containers for retail sale

Packaging materials and containers in which a good is packaged for retail sale, are disregarded in determining whether all the non-originating materials used in the production of the good have satisfied the applicable process or change in tariff classification requirement set out in the PSR.

For example, in the case of wine bottled in non-originating bottles for retail sale, the bottles would not be taken into account in assessing whether the wine itself was originating. However, retail-packaging materials are considered in assessing the value of non-originating materials in a good for the purposes of an RVC rule.

Packing materials and containers for shipment

Packing materials and containers for shipment are disregarded in determining whether a good is originating.

Indirect materials

An indirect material is considered to be originating without regard to where it is produced. Indirect materials are those

used in the production, testing or inspection of a good but not physically incorporated into the good; or a material used in the maintenance of buildings or the operation of equipment, associated with the production of a good, including:

- a) fuel, energy, catalysts and solvents;
- b) equipment, devices and supplies used to test or inspect the good;
- c) gloves, glasses, footwear, clothing, safety equipment and supplies;
- d) tools, dies and moulds;
- e) spare parts and materials used in the maintenance of equipment and buildings;
- f) lubricants, greases, compounding materials and other materials used in production or used to operate equipment and buildings; and
- g) any other material that is not incorporated into the good but the use of which in the production of the good can reasonably be demonstrated to be a part of that production;

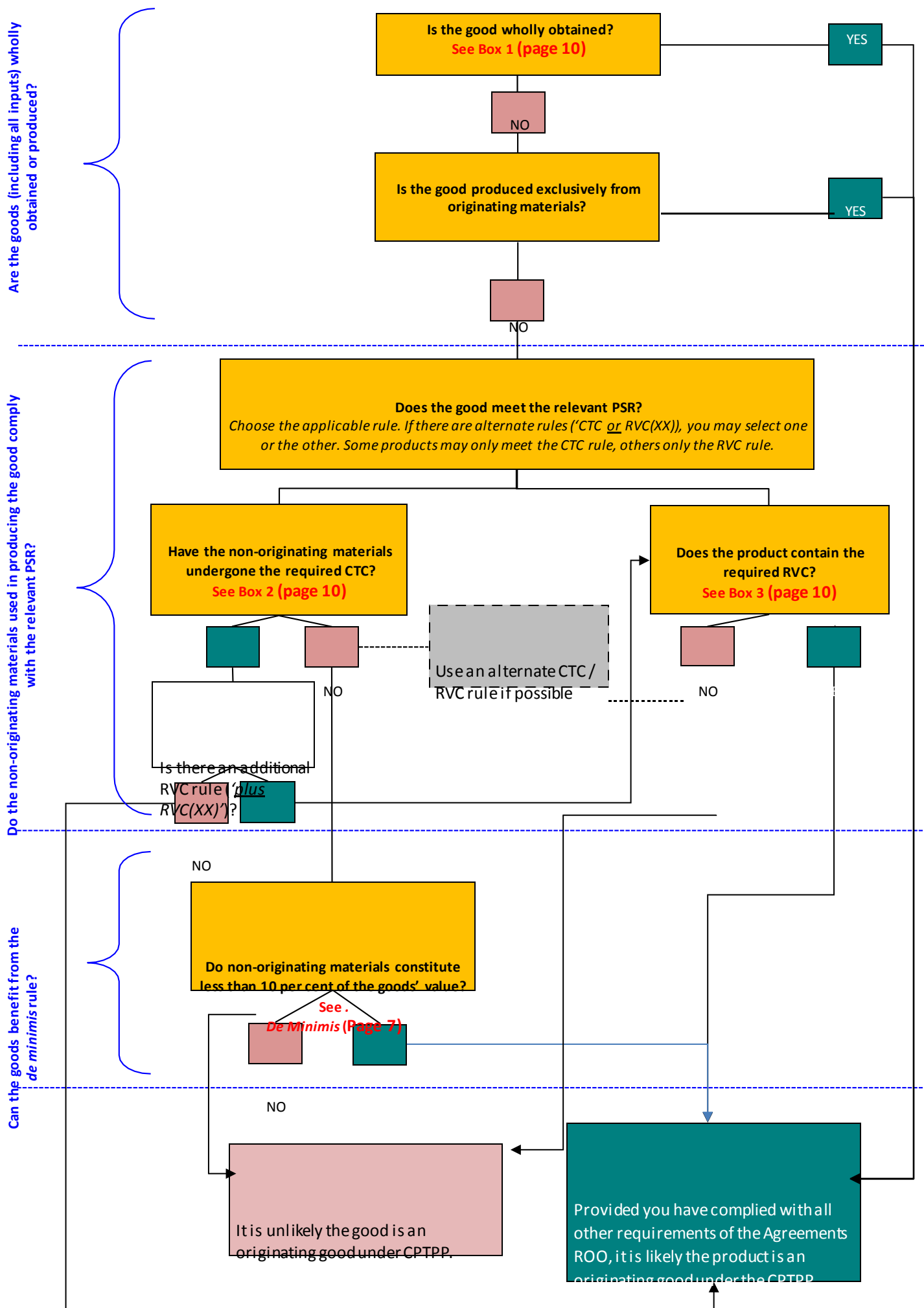
Transit and Transhipment

CPTPP is designed to reflect modern trading practices, including the use of transport and distribution hubs in non-Parties for consignments of goods. A good will retain its originating status, despite being transported through a non-Party if it meets a range of conditions including:

- a) the good does not undergo any operation outside the territories of the Parties other than: unloading; reloading; separation from a bulk shipment; storing; labelling or marking required by the Importing Party; or any other operation necessary to preserve it in good condition or to transport the good to the territory of the Importing Party; and
- b) the good remains under the control of the Customs Authority in the territory of a non-Party.

If these conditions are not met, the benefits of the CPTPP for transhipment will not apply.

GUIDE TO CPTPP RULES OF ORIGIN



FLOW CHART OF CPTPP RULES ORIGIN

Box 1. Is the good wholly obtained or produced ?	Box 2. Does the good meet the relevant Change in Tariff Classification (CTC) rule?	Box 3. Does the good comply with the Regional Value Content rule?
Wholly obtained or produced goods from the territory of one or more of the parties (see CPTPP Chapter 3, Article 3.3):	Check the CTC rule applicable to the tariff classification for your goods at Annex 3-D: Product Specific Rules, for example:	Working out the RVC
a) a plant or plant good, grown, cultivated, harvested, picked or gathered there;	<p>CC – do the non-originating inputs that went into the product now come under a different chapter as part of the finished product (change in any of the first two digits of the tariff classification)?</p> <p>CTH – do the non-originating inputs that went into the good now come under a different tariff heading as part of the finished product (change in any of the first four digits of the tariff classification)?</p> <p>CTSH – do the non-originating inputs that went into the product now come under a different tariff subheading as part of the finished product (change in any of the six digits of the tariff classification)?</p> <p>If not all of the non-originating inputs do not satisfy the applicable change in tariff classification, <i>de minimis</i> allows goods where the inputs have not undergone the requisite CTC to still qualify as originating if the value of non-originating materials does not exceed 10 per cent of the value of the final good.</p> <p>Special <i>de minimis</i> provisions apply to textile and apparel products and certain agricultural products.</p> <p>The good still needs to meet all other applicable provisions of the Agreements Rules of Origin. See Article 3.11 for more information.</p>	<p>Depending on the Product Specific Rules of Origin the RVC percentage of a good can be assessed using the following methods (acronyms described in detail below):</p> <p>Further information is available in Article 3.5:</p> <p>Focused Value Method - Article 3.5 (a):</p> $RVC = \frac{\text{Value of the Good} - FVNM}{\text{Value of the Good}} \times 100$ <p>Build Down Method - Article 3.5 (b):</p> $RVC = \frac{\text{Value of the Good} - VNM}{\text{Value of the Good}} \times 100$ <p>Build Up Method - Article 3.5 (c):</p> $RVC = \frac{VOM}{\text{Value of the Good}} \times 100$ <p>Net Cost Method – for automotive goods only (Article 3.9)</p> $RVC = \frac{VNC - VNM}{NC} \times 100$ <p>RVC is the regional value content of a good, expressed as a percentage</p> <p>VNM is the value of non-originating materials, including materials of undetermined origin, used in the production of the good</p> <p>NC is the net cost of the good determined in accordance with Article 3.9 (Net Cost)</p> <p>FVNM is the value of non-originating materials, including materials of undetermined origin, specified in the applicable PSR in Annex 3-D (Product-Specific Rules of Origin) and used in the production of the good. For greater certainty, non-originating materials that are not specified in the applicable PSR in Annex 3-D (Product-Specific Rules of Origin) are not taken into account for the purpose of determining FVNM</p> <p>VOM is the value of originating materials used in the production of the good in the territory of one or more of the Parties.</p> <p>Further information is available in Article 3.5</p>
b) a live animal born and raised there;		
c) a good obtained from a live animal there;		
d) an animal obtained by hunting, trapping, fishing, gathering or capturing there;		
e) a good obtained from aquaculture there;		
f) a mineral or other naturally occurring substance, not included in subparagraphs (a) through (e), extracted or taken from there;		
g) fish, shellfish and other marine life taken from the sea, seabed or subsoil outside the territories of the Parties and, in accordance with international law, outside the territorial sea of non-Parties by vessels that are registered, listed or recorded with a Party and entitled to fly the flag of that Party;		
h) a good produced from goods referred to in subparagraph (g) on board a factory ship that is registered, listed or recorded with a Party and entitled to fly the flag of that Party;		
i) a good other than fish, shellfish and other marine life taken by a Party or a person of a Party from the seabed or subsoil outside the territories of the Parties, and beyond areas over which non-Parties exercise jurisdiction provided that Party or person of that Party has the right to exploit that seabed or subsoil in accordance with international law;		
j) a good that is:		
k) waste or scrap derived from production there; or		
l) waste or scrap derived from used goods collected there, provided that those goods are fit only for the recovery of raw materials; and		
m) a good produced there, exclusively from goods referred to in subparagraphs (a) through (j), or from their derivatives.		

Step 4: Prepare a Certification of Origin for your goods

Once you have gone through the first three steps and determined that your good will qualify for preferential tariff treatment under CPTPP, you will need to complete the appropriate documentation to demonstrate this to the importing Customs Authority. This is done by completing a Certification of Origin.

Certification of Origin

Under the CPTPP, an importer may make a claim for preferential tariff treatment based on a Certification of Origin completed by:

- the importer¹;
- the exporter²; or
- the producer.

There is no requirement for third party certification under the CPTPP. A Certification of Origin under CPTPP does not need to follow a prescribed format. However, it must be in writing (either hardcopy or electronic is acceptable) and it must contain a set of minimum data requirements as set out in CPTPP Chapter 3, Annex 3-B. (See **Attachment A**).

A Certification of Origin can be provided as a written statement (hardcopy or electronic). This written statement could be included on a company letterhead or an invoice, or it could be part of a standalone certification document. **Attachment B** sets out a series of examples of a certification that could be provided on an invoice or company letterhead – the examples cover situations where the certification is made by the importer, exporter or producer. **Attachment C** provides a sample template for a standalone Certification of Origin, including guidance on how to complete it to meet the minimum data requirements.

A Certification of Origin will be accepted if it is in English. If the Certification of Origin is not in English, the importing Party may require the importer to submit a translation in the language of the importing Party.

A Certification of Origin can apply to a single shipment or multiple shipments of identical goods (within any period not exceeding 12 months).

A Certification of Origin is valid for one year after the date it was issued or for such longer period specified by the laws and regulations of the Importing Party.

Record keeping

Under CPTPP, an importer, exporter or producer who completes a Certification of Origin must maintain documentation relating to the Certification of Origin and all records necessary to demonstrate that the good is originating for a period no less than five years from:

- the date of importation of the good in the case of a Certification of Origin issued by an importer; and
- the date of issuance of the Certification of Origin in the case of a Certification of Origin issued by an exporter or producer.

Records must be retained for five years and can be retained in hard copy or electronic format, provided they can be promptly retrieved if required. CPTPP Chapter 3, Article 3.26 provides details on record keeping requirements.

Waiver of Certification of Origin

A Certification of Origin may not always be required. For certain goods, CPTPP Parties have waived the requirement altogether. CPTPP Parties shall not require a Certification of Origin for goods where the total customs value is less than USD 1000, or any higher amount as the Importing Party may require.

A party can also unilaterally waive the requirement for a Certification of Origin for all importers or for certain subsets.

Verification

Customs authorities of a CPTPP Party may need to verify the information contained in a Certification of Origin. The approach they follow for such processes is outlined in CPTPP, Chapter 3, Article 3.27. Verification activities may involve:

- a written request for the information from the importer of the good;
- a written request for information from the exporter or producer of the good;
- a verification visit to the premises of the exporter or producer of the good; or
- for a textile or apparel good, the procedures set out in Article 4.6 (Verification).

Refunds and claims for preferential tariff treatment after importation

Under CPTPP, in addition to seeking preferential tariff treatment at the time of import, importers may also apply for preferential tariff treatment after the import has taken place. In that case, importers can seek a refund of any excess duties already paid, provided the good would have qualified for preferential tariff treatment. Importers have at least one year to apply for a refund. In Australia, refunds can be claimed for up to 4 years after the date of import.

As a condition of claiming preferential tariff treatment after import, the Importing Party may require that the importer:

- a) pay the applicable duties on the good;
- b) make a claim for preferential tariff treatment within 12 months of import (or longer if allowed);
- c) provide evidence that the good was originating;
- d) draft or obtain a CPTPP Certification of Origin (except if it was waived); and
- e) provide such other documentation relating to the import of the good as the Importing Party may require.

¹ For Brunei Darussalam, Malaysia, Mexico, Peru and Viet Nam, Certification of Origin by the importer shall be implemented no later than five years after their respective dates of entry into force of this Agreement.

² Under the CPTPP, an exporting Party may require a Certification of Origin for goods exported from its territory be issued by a competent

authority or completed by an approved exporter for a period not exceeding five years after entry into force. Vietnam is currently the only Party that makes use of this provision set out in Annex 3-A. For Vietnam, an importer may still make a claim for preferential tariff treatment based on a Certification of Origin completed by the importer, provided they satisfy all other requirements of the Chapter.

Contacts for further information

Department of Foreign Affairs and Trade (DFAT)

For general enquiries

Email: tpp@dfat.gov.au

Web: www.dfat.gov.au/CPTPP

FTA Portal: www.ftaportal.dfat.gov.au

Department of Home Affairs

For specific enquiries on ROO and customs procedures

Email: origin@abf.gov.au

Australian Border Force

Website: www.abf.gov.au/importing-exporting-and-manufacturing/free-trade-agreements/comprehensive-and-progressive-agreement-for-trans-pacific-partnership

Certification of Origin

Attachment A - Minimum Data Requirements

A Certification of Origin under CPTPP must include the following elements:

1. Importer, Exporter or Producer Certification of Origin

Indicate whether the certifier is the exporter, producer or importer.

2. Certifier

Provide the certifier's name, address (including country), telephone number and e-mail address.

3. Exporter

Provide the exporter's name, address (including country), e-mail address and telephone number if different from the certifier. This information is not required if the producer is completing the certification of origin and does not know the identity of the exporter. The address of the exporter shall be the place of export of the good in a CPTPP country.

4. Producer

Provide the producer's name, address (including country), e-mail address and telephone number, if different from the certifier or exporter or, if there are multiple producers, state "Various" or provide a list of producers. A person that wants this information to remain confidential may state "Available upon request by the importing authorities". The address of a producer shall be the place of production of the good in a CPTPP country.

5. Importer

Provide, if known, the importer's name, address, e-mail address and telephone number. The address of the importer shall be in a CPTPP country.

6. Description and HS Tariff Classification of the Good

(a) Provide a description of the good and the HS tariff classification of the good to the 6-digit level. The description should be sufficient to relate it to the good covered by the certification.

(b) If the Certification of Origin covers a single shipment of a good, indicate the invoice number related to the exportation (if known).

7. Origin Criterion

Specify the rule of origin under which the good qualifies.

Origin Criteria	Insert in Box 8
The good is 'wholly obtained or produced' in the territory of one or more Parties in accordance with Article 3.3 (Wholly Obtained or Produced Goods).	WO
The good is produced entirely in the territory of one or more Parties, exclusively from originating materials in accordance with Article 3.2 (b) (Originating Goods)	PE
The good is produced entirely in the territory of one or more of the Parties using non-originating materials provided the good satisfies all applicable requirements of Article 3.2 (c) (Originating Goods) i.e. the Product Specific Rule of Origin.	PSR

8. Blanket Period

For situations where the certification covers multiple shipments of identical goods for a specified period of up to 12 months as set out in Article 3.20.4 (Claims for Preferential Treatment). In this case, specify the period covered by the certification.

9. Authorised Signature and Date

The certification must be signed and dated by the certifier and accompanied by the following statement:

I certify that the goods described in this document qualify as originating and the information contained in this document is true and accurate. I assume responsibility for proving such representations and agree to maintain and present upon request or to make available during a verification visit, documentation necessary to support this certification

Attachment B - Certification of Origin on an invoice or company letterhead

In the case of a Certification of Origin provided on an invoice or company letterhead, the majority of the information required would normally already be contained in the document. It is important to provide the HS Code, a description of the goods and the origin criteria as well as the name, address, phone number and email address.

Below are examples of different Certifications of Origin that can be used on an invoice or company letterhead. Be sure to check that the completed Certification of Origin on the invoice or company letterhead contains all the Minimum Data Requirements.

Nothing in the CPTPP prevents an importer from making a Certification of Origin on an invoice, or an exporter or producer creating a Certification of Origin on an invoice where the importer is unknown, as long as it contains the Minimum Data Requirements.

For each sample Certification of Origin below, you will also need to check that the following details also appear on the invoice or company letterhead:

- Details of importer, exporter and producer as specified in Attachment A
- HS Code of the goods (6-digit level)
- Description of the goods
- Origin criteria of goods (WP, PE or PSR)
- If it is Certification of Origin covering a blanket period for multiple shipments of identical goods, state the period covered by the certification (maximum 12 months from the date of certification)
- If the Certification of Origin covers a single shipment of goods, indicate the invoice number related to the exportation (if known).

If these details are not already included on the invoice or company letterhead, you will need to add them.

ATTACHMENT B

Attachment B.1 - Certification of Origin by the exporter who is also the producer

I certify that the goods described in this document qualify as originating and the information contained in this document is true and accurate. I assume responsibility for proving such representations and agree to maintain and present upon request or to make available during a verification visit, documentation necessary to support this certification

Authorised Signature of Certifier (Producer and Exporter)

Date of Signature

Certifier Name: _____

Certifier Address (including country): _____

Certifier Telephone Number: _____

Certifier E-mail Address: _____

*Check the additional details described above also appear on the on the invoice or company letterhead

Attachment B.2 - Certification of Origin by the exporter who is not the producer

Where the producer details are not specified

I certify that the goods described in this document qualify as originating and the information contained in this document is true and accurate. I assume responsibility for proving such representations and agree to maintain and present upon request or to make available during a verification visit, documentation necessary to support this certification

Authorised Signature of Certifier (Exporter)

Date of Signature

Certifier Name: _____

Certifier Address (including country): _____

Certifier Telephone Number: _____

Certifier E-mail Address: _____

Producer's details available upon request by the importing authorities.

*Check the additional details described above also appear on the on the invoice or company letterhead

Attachment B.3 - Certification of Origin by the exporter who is not the producer

Where the producer details are specified

I certify that the goods described in this document qualify as originating and the information contained in this document is true and accurate. I assume responsibility for proving such representations and agree to maintain and present upon request or to make available during a verification visit, documentation necessary to support this certification

Authorised Signature of Certifier (Exporter)

Date of Signature

Certifier Name: _____

Certifier Address (including country): _____

Certifier Telephone Number: _____

Certifier E-mail Address: _____

Producer Name: _____

Producer Address (including country): _____

Producer Telephone: Number: _____

Producer E-mail Address: _____

*Check the additional details described above also appear on the on the invoice or company letterhead

Attachment B.4 - Certification of Origin by the producer

I certify that the goods described in this document qualify as originating and the information contained in this document is true and accurate. I assume responsibility for proving such representations and agree to maintain and present upon request or to make available during a verification visit, documentation necessary to support this certification

Signature of Certifier (Producer)

Date of Signature

Certifier Name: _____

Certifier Address (including country): _____

Certifier Telephone Number: _____

Certifier E-mail Address: _____

*Check the additional details described above also appear on the on the invoice or company letterhead

Attachment B.5 - Certification of Origin by the importer

I certify that the goods described in this document qualify as originating and the information contained in this document is true and accurate. I assume responsibility for proving such representations and agree to maintain and present upon request or to make available during a verification visit, documentation necessary to support this certification

Signature of Certifier (Importer)

Date of Signature

Certifier Name: _____

Certifier Address (including country): _____

Certifier Telephone Number: _____

Certifier E-mail Address: _____

*Check the additional details described above also appear on the on the invoice or company letterhead

Attachment C - Certification of Origin Using a Template

(EXAMPLE ONLY)

The following is an example of a Certification of Origin template that would meet the CPTPP Minimum Data Requirements.

This template could be modified to suit the needs of the importer, exporter or producer, or anyone else in the supply chain, as long as it continues to meet the Minimum Data Requirements.

Guidance on completing the template is set out on the following page.

1. Certifier <input type="checkbox"/> Importer <input type="checkbox"/> Exporter <input type="checkbox"/> Producer		CERTIFICATION OF ORIGIN Comprehensive and Progressive Agreement for Trans-Pacific Partnership	
2. Certifier's details: Name: _____ Address: _____ Telephone Number: _____ E-mail Address: _____		3. Exporter details (if different from the certifier): Name: _____ Address: _____ Telephone Number: _____ E-mail Address: _____	
4. Producer details (if different from the certifier or exporter): Name: _____ Address: _____ Telephone Number: _____ E-mail Address: _____		5. Importer details (if known): Name: _____ Address: _____ Telephone Number: _____ E-mail Address: _____	
6. HS Tariff Classification (6-digit level)	7. Description of the Good	8. Origin criterion: WO, PE, PSR	
9. Period covered by certification (if applicable) or invoice number (if relevant and if known)			
10. Certification (signed by the certifier listed above): I certify that the goods described in this document qualify as originating and the information contained in this document is true and accurate. I assume responsibility for proving such representations and agree to maintain and present upon request or to make available during a verification visit, documentation necessary to support this certification.			
Signature: _____ Date: _____			

ATTACHMENT C

Guidance to completing the Certification of Origin

DO NOT ATTACH GUIDANCE TO COMPLETED CERTIFICATION OF ORIGIN TEMPLATE

Box 1: Tick the appropriate box indicating whether the certifier is the exporter, producer or importer (or exporter and producer).

Box 2: State the certifier's name, address (including country), telephone number and email address.

Box 3: Provide the exporter's name, address (including country), e-mail address and telephone number if different from the certifier. This information is not required if the producer is completing the certification of origin and does not know the identity of the exporter. The address of the exporter shall be the place of export of the good in a CPTPP country.

Box 4: Provide the producer's name, address (including country), e-mail address and telephone number, if different from the certifier or exporter. If there are multiple producers, state "Various" or provide a list of producers. A person that wants this information to remain confidential may state "Available upon request by the importing authorities". The address of a producer shall be the place of production of the good in a CPTPP country.

Box 5: Provide, if known, the importer's name, address, e-mail address and telephone number. The address of the importer shall be in a CPTPP country. If the importer is not known, write "Not known".

Box 6: Provide the HS tariff classification of the good to the 6-digit level.

Box 7: Provide a description of the good. The description should be sufficient to identify the good covered by the certification.

Box 8: Specify the origin criteria under which the good qualifies (see table below).

Origin Criteria	Insert in Box 8
The good is 'wholly obtained or produced' in the territory of one or more Parties in accordance with Article 3.3 (Wholly Obtained or Produced Goods).	WO
The good is produced entirely in the territory of one or more Parties, exclusively from originating materials in accordance with Article 3.2 (b) (Originating Goods)	PE
The good is produced in the territory of one or more of the Parties using non-originating materials provided the good satisfies the relevant Product Specific Rule of Origin in accordance with a Article 3.2 (c) (Originating Goods)	PSR

Box 9: If it is a Certification of Origin covering a blanket period for multiple shipments of identical goods, state the period covered by the certification (max 12 months). If the Certification of Origin covers a single shipment of goods, indicate the invoice number related to the exportation (if known).

Box 10 The certifier must sign and date the certification.

DO NOT ATTACH GUIDANCE TO COMPLETED CERTIFICATION OF ORIGIN TEMPLATE