Trade Guide: WTO RoO

WTO AGREEMENT ON RULES OF ORIGIN

What is this Agreement and what does it do?

The Rules of Origin Agreement of the World Trade Organization (WTO) requires that WTO members apply their rules of origin in an impartial, transparent, and consistent manner. The Agreement also requires that rules of origin not restrict, distort or disrupt international trade.

Rules of origin are the laws, regulations and administrative guidelines that governments use to determine an imported product's country of origin not always an easy matter when the raw materials, manufacturing, processing or assembly of a product can be provided in several different countries. Rules of origin have many applications— for example in setting duty rates (including anti-dumping and countervailing duties), granting tariff preferences, administering government procurement policies and applying safeguards.

All WTO members (offsite link) are parties to this Agreement.

The Agreement entered into force on January 1, 1995. It has no expiration date.

Who benefits from this Agreement?

Any company involved in international trade can benefit from clear and predictable rules of origin.

How can this Agreement help my company?

The Agreement requires WTO members to permit companies interested in exporting a product requiring an origin determination to request an assessment of the origin of the product, normally from that country's customs service. Requests must be accompanied by the appropriate documentation. Under the WTO Rules of Origin Agreement, the importing country must issue its origin assessment within 150 days. Assessments are valid for three years, and changes in origin rules cannot be applied retroactively. Information of a confidential nature that is provided to government officials for the purpose of assessing origin must be treated as confidential by the authorities concerned.

The WTO Agreement provides for the establishment of a Committee on Rules of Origin, where member countries consult on matters relating to the operation of the Agreement. This Committee and a Technical Committee on Rules of Origin of the World Customs Organization (WCO) have been charged with developing a permanent, harmonized set of product-specific origin rules that will apply to all trade in goods — except preferential trade — among WTO members. (Preferential trade is trade that is carried out within free trade areas or other regional trading arrangements, such as the North American Free Trade Agreement, or trade preference

programs like the U.S. Generalized System of Preferences.) Both Committees are still working on this project. Once it is completed, exporters will be able to determine exactly which origin criteria will be applied to their product lines when exporting to any WTO member country.

Can the U.S. Government help me if I have a problem?

Yes, but first, if you disagree with an importing country's origin determination, or if that country is not complying with the provisions of the WTO Agreement, you or your importer should contact the customs service of that country and try to resolve the problem. If this attempt fails, the Agreement requires WTO member countries to permit a prompt review by an independent judicial or administrative tribunal in the importing country, which would have the authority to modify or reverse a customs official's ruling.

If these courses of action prove fruitless, then contact the U.S. Commerce Department's Trade Agreements Negotiation and Compliance hotline, which can provide you with the information and assistance you need to understand your rights under this Agreement. The Center can also activate the U.S. Government to help you resolve your exporting problem. If appropriate, U.S. officials can make official inquiries with the government of the other country involved. The World Trade Organization's dispute settlement process, which is described in the Exporter's Guide to the WTO Understanding on the Settlement of Disputes, can also be used by the U.S. Government, in certain circumstances, when WTO member countries fail to comply with a WTO Agreement.

How can I get more information?

The complete text of the WTO Rules of Origin Agreement is available from the Office of Trade Agreements Negotiations and Compliance's WTO Agreements database.

If you have questions about this Agreement or how to use it, you can <u>e-mail</u> the Trade Agreements Negotiation and Compliance which will forward your message to the Commerce Department's Designated Monitoring Officer for the Agreement. You can also contact the Designated Monitoring Officer at the following address:

Designated Monitoring Officer

WTO Rules of Origin Agreement

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