

COMMUNICATION TO TRADERS

Implementation of the rules of origin under the EC-Mexico Agreement

(2000/C 187/03)

Annex III of the Free Trade Agreement between the European Community and Mexico (Decision 2/200 of the EC-Mexico Joint Council ⁽¹⁾), which will enter into force on 1 July 2000, contains the provisions concerning the definition of the concept of originating products and methods of administrative cooperation.

DESCRIPTION OF ANNEX III OF DECISION 2/2000 OF THE EC-MEXICO JOINT COUNCIL

The structure and general provisions of Annex III are practically identical to those laid down in the Protocols on the rules of origin contained in the European Agreements. However, Appendices I (Introductory notes to the list of Appendices II and IIa) and II (List of working or processing required to be carried out on non-originating materials in order that the product manufactured can obtain originating status) contain new provisions.

Appendix II contains the permanent rules of origin, subject to the specific provisions concerning the date of entry into force of certain rules.

Appendix II (a) includes the rules of origin temporarily applicable, as well as the provisions concerning the origin rules applicable within the framework of quotas. Finally, joint Declarations provide for the possible revision of certain provisions of Annex III.

1. Permanent rules of origin

Permanent rules of origin laid down in Appendix II, which enter into force on 1 July 2000, can in certain cases be applicable only at a later date. That is, for example, the case for the rule concerning the printing of fabrics intended for making-up of articles of apparel (Chapter 62, applicable after 31 December 2002) or of household linen (Chapter 63, applicable after 31 December 2003, unless the Joint Committee decides otherwise).

Rules of origin applicable within the framework of quotas

In addition of the rules provided for in Appendix II, supplementary rules may be applied within the framework of quotas for Community exports to Mexico. These supplementary rules are in fact those appearing in the European Agreements and which shall apply only to fabrics (Chapters 52, 54, 55 and ex 58) printed in the Community, and shoes (tariff headings 6402 to 6404) assembled in the Community, and exported to Mexico (about quota system, see below).

⁽¹⁾ OJ L 157, 30.6.2000. For the time being, the text of Annex III is only available on Internet at the following site: <http://europa.eu.int/comm/trade/bilateral/mexico/fta.htm>

In practice, for the products concerned, it is possible for a product to satisfy different rules in order to acquire originating status in one of the Parties of the Agreement.

1.1. Textiles

Thus, for printed fabrics of Chapters 52, 54, 55 and of tariff headings 5801, 5806 and 5811, are regarded as originating:

- the fabrics obtained from materials originating in the Community and/or Mexico (bilateral cumulation);
- the fabrics of Chapters 52, 54 and 55 obtained from coir yarn, natural fibres, man-made staple fibres not carded or combed or otherwise prepared for spinning, chemical materials, textile pulp or paper; the fabrics of tariff headings 5801, 5806 and 5811 obtained from natural fibres, chemical materials or textile pulp ⁽²⁾;
- the fabrics obtained by 'printing accompanied by at least two preparatory or finishing operations (such as scouring, bleaching, mercerising, heat setting, raising, calendaring, shrink resistance processing, permanent finishing, decatizing, impregnating, mending and burling) where the value of the unprinted fabric used does not exceed 47,5 % of the ex-works price of the product', within the limits of the quotas fixed for each chapter of the Harmonised System concerned (footnotes to Appendix II).
- the cotton fabrics of tariff headings 5801, 5806 and 5811, obtained by weaving of cotton yarn and printing accompanied by at least two preparatory or finishing operations (such as scouring, bleaching, mercerising, heat setting, raising, calendaring, shrink resistance processing, permanent finishing, decatizing, impregnating, mending and burling).

1.2. Footwear

Concerning footwear of tariff heading 6402 to 6404, are regarded as originating:

- the footwear obtained from materials originating in the Community and/or Mexico (bilateral cumulation);
- the footwear in the manufacture of which 'all the materials used are classified within a heading other than of the product, except the uppers and parts thereof, other than stiffeners, of heading 6406' (uppers and parts thereof, other than stiffeners, must be originating in one of the Parties) 'and the value of all the materials used does not exceed 60 % of the ex-works price of the product' (rule of Appendix II);

⁽²⁾ The rules laid down in Appendices apply to the non-originating materials.

— the footwear obtained 'from materials of any heading, except for assemblies of uppers affixed to inner soles or to other sole components of heading 6406', within the limits of the quotas fixed for each tariff heading. For the footwear of tariff heading 6403, this possibility is available only for pairs with a customs value over USD 20 (rule of Appendix II(a)).

2. Temporary rules of origin

Temporary rules of origin contained in Appendix II(a) apply, for the products concerned, from the entry into force of the Agreement until the indicated deadline instead of the rules laid down in Appendix II. These rules apply:

- either to both Parties, such as for chemicals of the heading ex 2914 and ex 2915, leather of bovine or equine animals of heading 4104, certain articles of clothing of Chapters 61 and 62, engines of heading 8407 and 8408 or motor cars, chassis and bodies of heading 8703, 8706 and 8707 respectively.
- or to one of the Parties, in the framework of quotas granted by the Community to Mexico concerning vehicles of heading ex 8701, 8702 and 8704, which are managed according to the usual Community system.

3. Joint declarations

Joint declarations contain a reference to the review, extension or postponement, by the Joint Committee, of the application of certain rules and of the volumes of the quotas.

SYSTEM QUOTAS ON EXPORTS TO MEXICO

The tariff quotas applied by Mexico on EC exports are managed by Secofi (Secretaría de Comercio y Fomento Industrial) and are granted through an auction system.

Auction system:

The notice of auction, describing the quota, the place and the date of the invitation to tender, is published in the Mexican Official Journal at least twenty days before the date of the participants' registration. Interested parties will have access to the information concerning the invitation to tender, such as the type and the volume of the quota, the requirements for participation, the auction criteria, the period of validity of the certificates.

The auction is granted according to the 'least winning price' principle. Each participant can submit five offers, by specifying the quantities desired and the price the participant is ready to pay for these quantities (at least one Mexican cent by offer). The winning offers are those corresponding to the highest prices proposed, until exhausting of the quota. The price actually paid by the winners will be the least winning price.

If the quota is not entirely allotted, the price to be paid is 1 Mexican cent (minimum price for an offer).

Each winner receives a letter indicating the allocated quantities and the period of validity as well as a magnetic card from which the quantities are drawn at each importation. The quotas are regularly re-allocated until the total amount of the quota is drawn.

Origin certification:

In order to be able to benefit from the quota, the Mexican importer has to have a proof of origin showing that products satisfy the specific origin rule established within the framework of the quotas. For that purpose, either box 7 (Remarks) of the movement certificate EUR. 1 or the invoice declaration must include the following:

- For textile quotas of tariff headings 5208 to 5212, 5407, 5408, 5512 to 5516, 5801, 5806 and 5811 at importation into Mexico: 'Meets the specific rule of origin as set out in Appendix II'
- For quotas on footwear of tariff headings 6402, 6403 and 6404 at importation into Mexico: 'Meets the specific rule of origin as set out in Appendix II(a), note 9'.

Similarly, for the quotas on certain vehicles of tariff heading ex 8701 (road tractors for semi-trailers), 8702 and 8704 at importation into the Community, the following indication shall be included in box 7 of the movement certificate EUR. 1 or in the invoice declaration: 'Meets the specific rule of origin as set out in Appendix II(a), note 12.1'.

IMPORTANT INFORMATION RELATING TO PROOFS OF ORIGIN

It should be noted that the movement certificates EUR.1 issued by the customs authorities of the Community which are used in other preferential agreements to which the Community is a Party, shall be accepted by the customs authorities of Mexico, provided that:

- (a) box 8 of this certificate EUR.1 includes the tariff classification of the goods at a tariff heading (four digit code) level; and
- (b) the other requirements set out in Annex III to Decision 2/2000 are fulfilled.

Regarding invoice declarations, attention is drawn to the fact that the text of that declaration (see Appendix IV of Annex III) additionally includes mention of the 'competent governmental authorisation number' which is granted by SECOFI. Notwithstanding the fact that this mention is relevant for exports from Mexico to the Community only, it should be included also in invoice declarations issued by approved exporters in a Member State of the Community.

INFORMATION OF THE COMMISSION

In order to allow the Commission to assess the function of the system of rules of origin, the Commission will collect details of quantities for which certificates EUR.1 and invoice declarations are issued in connection with export quotas. Users of invoice declarations are requested to inform the competent central office in the relevant Member State (see list of offices in

Annex). That office will transmit the data to the Commission at least once per month.

The running total of quantities according to the information received will be displayed every day on the 'Quotas & ceilings' website of DG TAXUD (http://europa.eu.int/comm/taxation_customs/databases/quota_en.htm).

Each quota will be identified by an order number as follows:

00.0001	ex 5208 ex 5209 ex 5210 ex 5211 ex 5212	annual volume: 2 million square metres
00.0002	ex 5407 ex 5408	annual volume: 3,5 million square metres
00.0003	ex 5512 ex 5513 ex 5514 ex 5515 ex 5516	annual volume: 2 million square metres
00.0004	ex 5801 ex 5806 ex 5811	annual volume: 0,5 million square metres
00.0011	ex 6402	annual volume: 120 000 pairs
00.0012	ex 6403 (for men)	annual volume: 250 000 pairs with a customs value over USD 20
00.0013	ex 6403 (for women)	annual volume: 250 000 pairs with a customs value over USD 20
00.0014	ex 6403 (for children)	annual volume: 125 000 pairs with a customs value over USD 20
00.0015	ex 6404	annual volume: 120 000 pairs

For the purposes of these quotas on that website, the term 'origin' should be understood to mean destination, with Mexico as the country of destination, and references to importation and procedures for release for free circulation should be ignored. The numeric code for Mexico is 412.

ANNEX

List of the central offices responsible for the collection of data in each Member State:

Member State	Central office
BELGIË BELGIQUE BELGIEN LUXEMBOURG	Ministère des finances Administration centrale des douanes et accises Cité administrative de l'État Tour Finances 50 — Bte 37 Boulevard du Jardin Botanique B-1010 Bruxelles Tél. (32 2) 10 32 82 Fax (32 2) 10 33 13
DANMARK	Told- og Skattestyrelsen Erhvervsafdelingen Særlige Opgaver, Padborg Toldbodvej 8 DK-6330 Padborg Att: Kontingentadministrationen Telefonnummer (45) 7640 4736 Telefax (45) 7467 5592
DEUTSCHLAND	Oberfinanzdirektion Köln Zoll- und Verbrauchsteuerabteilung Außenstelle Düsseldorf — Zentralstelle Zollkontingente — Postfach 10 11 14 D-40002 Düsseldorf Tel. 49 (0) 211-9088-701 Fax 49 (0) 211-9088-704
ELLAS	Ministry of Finance General Directorate of Customs and Excise 17 th Tariff Division Section A — Department A II 10, Karageorgi Servias Str. 10184 Athens Tel. (00301) 32 55 570 Telefax (00301) 32 28 627 e.mail adress: gdt-dasmo@otenet.gr
ESPAÑA	Departamento de Aduanas e Impuestos Especiales Subdirección General de Gestión Aduanera Avenida Llano Castellano, 17 E-28071 Madrid Tel. (34) 917 28 98 59 Fax (34) 913 58 47 21
FRANCE	Direction générale des douanes 8, rue de la Tour des dames F-75436 Paris Cedex 09 Tél. (33 1) 44 74 48 59 Fax (33 1) 44 74 48 32
IRELAND	Office of the Revenue Commissioners Government Offices Nenagh County Tipperary Ireland Tel. (353) 673 35 33 (ext. 632 60) Fax (353) 674 43 88
ITALIA	Ministero delle Finanze Dipartimento delle Dogane e delle Imposte indirette Direzione centrale Servizi doganali Ispettorato 2° — Divisione III Via Mario Carucci, 71 I-00143 Roma Tel. (00-39) 06 50 24 20 86 Fax (00-39) 06 50 95 70 03

Member State	Central office
NEDERLAND	Belastingdienst Centrale Dienst voor in- en uitvoer Postbus 30003 9700 RD Groningen
ÖSTERREICH	Zollamt Suben Suben 25 A-4975 Suben
PORTUGAL	Ministério das Finanças Direcção-Geral das Alfândegas Rua das Alfândegas, 5 P-1194 Lisboa Codex Tel. (351-21) 886 05 37 — ext. 302 Fax (351-21) 888 42 08
SUOMI FINLAND	Tullihallitus Veroyksikkö PL 512 FIN-00101 Helsinki
SVERIGE	Tull expeditionen Helsingborg Box 1334 S-251 13 Helsingborg Tfn (46-42) 19 87 03 Fax (46-42) 19 87 09
UNITED KINGDOM	HM Customs and Excise Central Tariff Quotas Unit (CTQU) First Floor Alexander House 21 Victoria Avenue Southend-on-Sea Essex SS99 1AA