

General principles

Introduction and Context

1. Meaning of non-preferential origin

Non-preferential origin determines the **economic nationality of a product** for general customs purposes within the EU. It establishes which country a product is considered to originate from when imported or exported, **independently of any preferential trade agreements**.

Unlike preferential origin, which is used to access reduced or zero tariff rates under free trade or economic partnership agreements, non-preferential origin is used primarily to:

- Determine applicable **customs duties** under the EU Common Customs Tariff;
- Enforce **trade remedies** (e.g., anti-dumping, countervailing duties, safeguards);
- Comply with **labelling, marking, or origin-statistics requirements**;
- Support **customs control and enforcement** of EU trade law.

To establish non-preferential origin, a product must either:

- Be **wholly obtained** in one country (e.g., minerals, agricultural products, animals raised, or goods extracted/harvested); or
- Have undergone **substantial, economically justified processing or working** in a country that results in a change in **tariff classification, physical or chemical properties, or composition**, thereby constituting a “substantial transformation.”

These rules ensure that origin determinations reflect the **true country of production**, prevent circumvention of EU trade rules, and provide legal certainty for customs authorities and economic operators.

2. Purpose of Non-Preferential Origin Procedures

The purpose of establishing and verifying non-preferential origin is to:

- Ensure **accurate application of the EU Common Customs Tariff**;
- Prevent **circumvention of customs duties** through minimal processing, transshipment, or mislabelling;

- Support **fair competition** in the EU market;
- Provide customs authorities with a **verifiable and auditable framework** for determining origin;
- Enable importers and exporters to **accurately declare the origin of goods** for compliance, enforcement, and trade statistics;
- Facilitate the application of **trade defense measures** (anti-dumping, countervailing duties, safeguards) when appropriate.

3. Legal Basis

For the European Union, non-preferential origin is governed by:

- **Articles 59-63 of the Union Customs Code (Regulation (EU) No 952/2013);**
- **Delegated and Implementing Acts supplementing the UCC**, including Annex 22-01 and related product-specific rules for non-preferential origin;
- **Customs procedures and national regulations** implementing the UCC in Member States;
- **CJEU case law** interpreting substantial transformation, minimal operations, and primary rules (e.g., *C-86/24 CS STEEL*, *C-589/17 Prenatal S.A.*, *C-297/23 Harley-Davidson Europe*).

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