

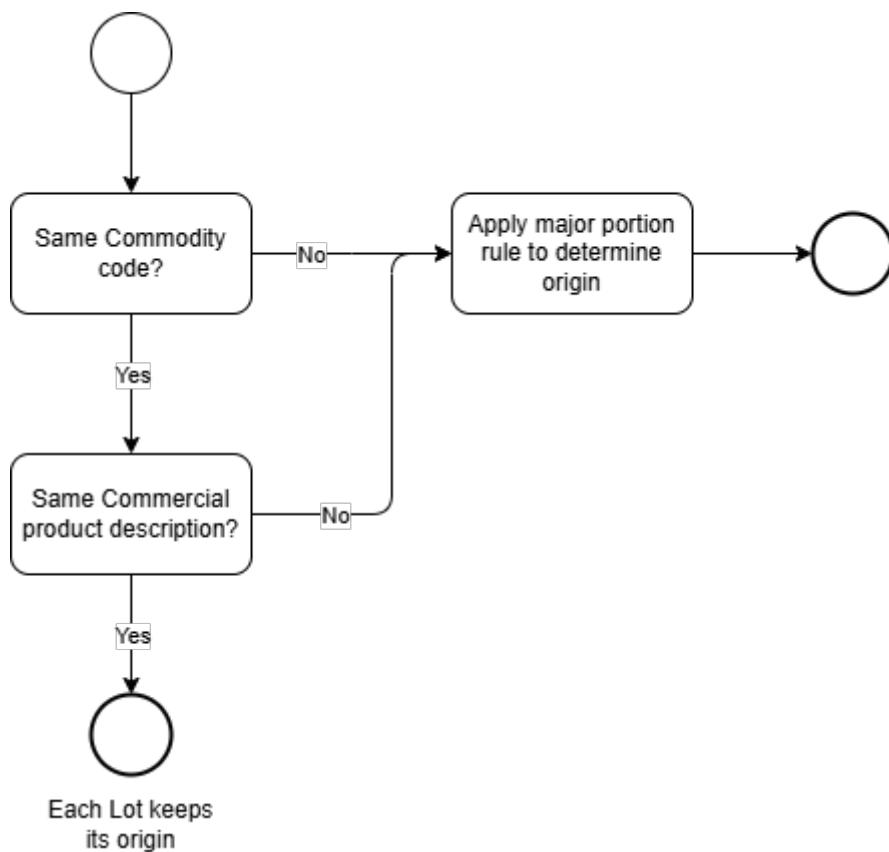
Work instruction (simplified process)

In practice, there are two types of documents that refer to non-preferential origin:

1. An official Certificate of Origin (CoO), which exporters can obtain by applying to the competent Chamber of Commerce or the relevant customs authorities; and
2. A commercial document declaring the non-preferential origin (Terminal Origin Declaration).

Upon request, our terminal can assist with the application for the relevant certificate or document via a broker authorised to apply for an official CoO (digital connection required). When applying with the Chamber of Commerce the burden of proof is greater than when issuing a Terminal Origin Declaration, because the latter is not an official document and it is the discretion of the Terminal to conclude on origin and the proof that is provided. For example, when documentation is provided that the Product comes from a refinery in Italy the Terminal may be inclined to accept this as sufficient proof, where the Chamber of Commerce is likely to require a Suppliers declaration for non-Preferential origin. Apart from whether or not the proof of origin for the components is sufficient or not, the procedure in determining the origin should be the same with the terminal itself and the Chamber.

Our Customer Service team determines the non-preferential origin in accordance with the following criteria:



The main rule for energy energy products under Tariff heading 2710 is that only when there is a change of Traiff heading (i.e. first 4 digits of the Commodity code) changes in the sense that the none of the components have the same Tariff Heading as the End Product. The refining process is the most common example where the input is product of Tariff heading 2709 (crude) and the output is 2710. When dealing with components and end products of Tariff Heading 2710 no blending operation is considered origin conferring. This means that if it is considered blending the major portion rule based on weight is applied. In case of Storage each Lot keeps its origin.

Below some concrete examples on applying the procedure for establishing the non-preferential origin.

1. Not the same Commodity code so the major portion rule is applied based on the qty. Here the Component of Gasoline RON 95 determines the origin of the blended Product being the Norwegian origin.

Components						
Tank	Product	Commodity code	Status	Origin	Kilogram	Liters 15
T x	Gasoline RON 95	2710 1245 90	T2 - Excise controlled	Norway	35.096.530	45.579.910
T x	Additive	3811 1900 90	T2 - Excise controlled	Unknown	244.894	349.849

Blended product						
T x	Gasoline RON 95	2710 1245 90	T2 - Excise controlled	Norway	35.341.424	45.929.758

2. Here the same principle applied. The Commodity code is not the same, so the major portion rule applied. The sum of qty's with Unknown origin exceeds the Norwegian qty by just a bit (28.116.536 KG vs 28.077.227 KG), whereby the Blended product has an origin that is unknown.

Components						
Tank	Product	Commodity code	Status	Origin	Kilogram	Liters 15
T x	Gasoline RON 91	2710 1241 90	T1 - Bonded	Norway	28.077.224	36.463.928
T x	Naphta	2710 1225 90	T1 - Bonded	Unknown	5.565.992	7.951.417
T x	Alkylate	2710 1290 90	T2 - Excise controlled	Unknown	4.634.938	6.019.400
T x	Gasoline RON 95	2710 1245 90	T2 - Excise controlled	Unknown	17.670.712	22.948.977
T x	Additive	3811 1900 90	T2 - Excise controlled	Unknown	244.894	349.849
Blended product						
T x	Gasoline RON 95	2710 1245 90	T1 - Bonded	Unknown	56.193.763	73.733.571

3. Various components classified under the same Commodity code, but with a different commercial name, are blended into a specific product HSFO. The Commodity code is the same, but still the Products are different from a commercial standpoint. The Malaysian qty by weight is the major portion so the end product gets the Malaysian origin.

Components						
Tank	Product	Commodity code	Status	Origin	Kilogram	Liters 15

T x	RMK 500	2710196800	T2 - Excise controlled	Unknown	427.486	429.112
T x	RMK 500	2710196800	T2 - Excise controlled	Unknown	243.967	244.894
T x	HSFO	2710196800	T2 - Excise controlled	Unknown	4.634.938	4.617.392
T x	IMFO	2710196800	T2 - Excise controlled	Unknown	5.565.992	5.587.141
T x	Cutterstock	2710196800	T1 - Bonded	Malaysia	43.870.663	44.037.332
Blended product						
T x	HSFO	2710196800	T1 - Bonded	Malaysia	54.743.046	54.915.871

4. Same example as last, but now also the Commercial name is the same. Here it is merely storage and each Lot keeps its origin.

Components						
Tank	Product	Commodity code	Status	Origin	Kilogram	Liters 15
T x	HSFO	2710196800	T2 - Excise controlled	Unknown	427.486	429.112
T x	HSFO	2710196800	T2 - Excise controlled	Unknown	243.967	244.894
T x	HSFO	2710196800	T2 - Excise controlled	Unknown	4.634.938	4.617.392
T x	HSFO	2710196800	T2 - Excise controlled	Unknown	5.565.992	5.587.141
T x	HSFO	2710196800	T1 - Bonded	Malaysia	43.870.663	44.037.332
Blended product						
T x	HSFO	2710196800	T2 - Excise controlled	Unknown	427.486	429.112
T x	HSFO	2710196800	T2 - Excise controlled	Unknown	243.967	244.894

T x	HSFO	2710196800	T2 - Excise controlled	Unknown	4.634.938	4.617.392
T x	HSFO	2710196800	T2 - Excise controlled	Unknown	4.634.938	5.587.141
T x	HSFO	2710196800	T1 - Bonded	Malaysia	43.870.663	44.037.332

Please keep in mind that as long as a known origin in this context is the major portion, it is ok that the origin of the rest is Unknown. However, if the major portion is not decisive you will need to know the origin of the other Lots as well to come to a conclusion. You cannot simply conclude the result is origin Unknown.

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