

Origin and Proof of Union status

Various procedures on touching on both preferential origin and non-preferential origin.

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Understanding Origin in International Trade

Introduction

1 Definition and Importance of Origin

In international trade, the term **origin** refers to the *economic nationality* of a product — that is, the country where it was produced or underwent its last substantial transformation. Determining a product's origin is fundamental to the application of customs duties, trade policy measures, import and export documentation, and statistical reporting.

The rules governing origin ensure that the benefits or restrictions applied to goods (such as duty preferences, quotas, or trade defence measures) are correctly attributed to the appropriate country.

Origin is therefore a cornerstone of fair and transparent trade, preventing circumvention of customs rules and ensuring the proper functioning of trade agreements.

2 Types of Origin

There are **two principal types of origin** used in international trade:

1. **Non-Preferential Origin**, and
2. **Preferential Origin**.

Although both determine a product's economic nationality, they serve different purposes and are based on distinct legal frameworks.

2.1 Non-Preferential Origin

Non-preferential origin is used for the application of *general trade policy measures* that are not linked to preferential tariff treatment.

It determines a product's "normal" origin under the World Trade Organization (WTO) framework and the Union Customs Code (UCC).

Non-preferential origin is relevant for:

- The application of **Most Favoured Nation (MFN)** customs duties;
- **Trade defence measures** such as anti-dumping or countervailing duties;
- **Quantitative restrictions**, embargoes, and **import/export licensing**;
- **Marking of origin** ("Made in ...") and **statistical purposes**.

The rules for determining non-preferential origin generally depend on:

- Whether the goods are **wholly obtained** in one country (e.g. minerals extracted, agricultural products harvested); or
- Where more than one country is involved, the country where the product underwent its **last substantial transformation**, defined by a **change in tariff classification, value added**, or **specific processing**.

2.2 Preferential Origin

Preferential origin, on the other hand, applies specifically in the context of **preferential trade agreements (PTAs)**, **free trade agreements (FTAs)**, or **unilateral preference schemes** such as the EU's Generalised Scheme of Preferences (GSP).

Its primary purpose is to determine whether a product qualifies for **reduced or zero customs duties** when traded between countries that have concluded such agreements.

To benefit from preferential treatment, goods must meet the **rules of origin** set out in the specific agreement. These rules ensure that only products genuinely produced or substantially transformed within the territories of the contracting parties receive preferential tariff benefits.

Typical preferential origin requirements include:

- Being **wholly obtained** in one of the partner countries (e.g., natural products); or
- Being **sufficiently worked or processed** according to the **Product-Specific Rules (PSR)** detailed in the agreement (e.g., change in tariff heading, maximum non-originating material content, or specific manufacturing process).

3. Key Distinction Between Preferential and Non-Preferential Origin

Aspect	Non-Preferential Origin	Preferential Origin
Purpose	Determines origin for general trade policy measures (MFN duty, anti-dumping, quotas, etc.)	Determines eligibility for reduced or zero customs duties under trade agreements
Legal Basis	Union Customs Code (Articles 59-61) and WTO rules	Preferential trade agreements (e.g. EU-UK TCA, EU-Japan EPA, GSP)
Rules	Wholly obtained or last substantial transformation	Wholly obtained or sufficient working/processing as defined by Product-Specific Rules
Proof of Origin	Certificate of Origin (e.g. Chamber of Commerce certificate)	Statement on Origin, EUR.1, or Form A (depending on the agreement)
Effect on Duty Rate	Normal (MFN) duty applies	Preferential (reduced or 0%) duty applies
Scope of Application	Global, applies to all trade	Limited to specific trade partners under agreements

4. The Role of Origin in Compliance

Understanding the distinction between preferential and non-preferential origin is essential for customs compliance and duty optimisation. Exporters and importers must apply the correct origin determination method depending on the **trade context**:

- If goods are exported under an FTA, the **preferential origin** rules are applied;
- If goods are traded outside such an agreement, **non-preferential origin** applies.

Incorrect origin declaration can result in:

- Denial of preferential duty benefits;
- Recovery of duties with interest;
- Administrative penalties or reputational risk.

Establishing clear procedures and robust documentation controls is therefore vital to ensure the **accuracy, traceability, and defensibility** of all origin claims.

Preferential origin

Preferential origin refers to the economic nationality of a product as determined under the terms of a **preferential trade agreement (PTA)** between two or more countries. It establishes whether a product qualifies for **preferential (reduced or zero) customs duties** upon importation into a partner country.

Unlike non-preferential origin, which determines general origin for trade statistics or labelling, *preferential origin* is specifically used to access **preferential tariff treatment** under free trade agreements (FTAs), association agreements, or economic partnership agreements.

General principles

Introduction and Context

1 Meaning of Preferential Origin

Preferential origin refers to the economic nationality of a product as determined under the terms of a **preferential trade agreement** between two or more countries. It establishes whether a product qualifies for **preferential (reduced or zero) customs duties** upon importation into a partner country.

Unlike non-preferential origin, which determines general origin for trade statistics or labelling, *preferential origin* is specifically used to access **preferential tariff treatment** under free trade agreements (FTAs), association agreements, or economic partnership agreements.

To obtain preferential origin, a product must either:

- Be **wholly obtained** in one of the partner countries; or
- Be **sufficiently worked or processed** according to the *Product-Specific Rules (PSR)* set out in the agreement.

The rules ensure that only goods genuinely produced within the parties' economies benefit from preferential tariff treatment.

2 Direct Transport Requirement

Under most **FTAs**, goods claiming **preferential origin** must be **transported directly** between the territories of the contracting parties (e.g. from the EU to the UK, or vice versa) to qualify for preferential treatment. This rule ensures that the goods are not altered, substituted, or traded through third countries in a way that could compromise their originating status. Temporary storage, transshipment, or splitting of consignments in a third country is generally permitted only if the goods remain under **customs supervision** and do not undergo any operation other than unloading, reloading, or other actions necessary to preserve their condition.

To **substantiate compliance**, traders must be able to provide documentary evidence demonstrating the continuity and integrity of transport. Typical proofs include:

- **Transport documents** such as bills of lading, airway bills, or CMR consignment notes showing the direct routing between the two FTA territories;
- **Through bills of lading** covering the entire route;
- **Customs control certificates** or warehouse records proving the goods remained under customs supervision when transiting through a third country;
- In some cases, a **commercial invoice** or **shipping company statement** confirming that no alteration occurred during transit.

Maintaining these documents is essential to uphold preferential origin claims during customs verification.

3 Purpose of Preferential Origin Procedures

The purpose of establishing and verifying preferential origin is to:

- Ensure correct application of preferential duty rates;
- Prevent abuse of trade preferences through simple transshipment or minor processing;
- Guarantee fair competition between partner countries;
- Provide customs authorities with a verifiable framework for origin determination;
- Enable exporters and importers to confidently claim tariff preferences.

4 Legal Basis

For the European Union, preferential origin is governed by:

- The individual trade agreements concluded by the EU (e.g. the EU-UK TCA, a full list of a list can be accessed [here](#));
- Articles 64–68 of the **Union Customs Code (Regulation (EU) No 952/2013)**;
- Relevant implementing and delegated acts.

General Procedure: Determination of Preferential Origin

Before making the effort to determine the Preferential origin, verify if the goods concerned attract any import duties in the country of import to begin with. The purpose of determining Preferential origin is to benefit from lower import duties, but sometimes certain goods do not attract import duties at all and the effort would be a waste of time!

Once it is confirmed, in general, the following steps are to be considered in terms of Preferential origin determination. Please note that the applicable Trade Agreement is always leading!

Step 1 - Identify Applicable Agreement

Determine whether a preferential trade agreement exists between the **exporting** and **importing** countries.

If such an agreement exists, it provides the basis for preferential tariff treatment.

Step 2 - Determine Tariff Classification

Identify the product's tariff classification at the HS 6- or 8-digit level. The tariff heading determines which **Product-Specific Rule (PSR)** applies.

Step 3 - Consult the Product-Specific Rule (PSR)

Locate the relevant PSR in the annex to the applicable agreement. Typical PSR formats include:

- **Wholly obtained** requirement;
- **Change in Tariff Heading (CTH)**;
- **Value limitation rule** (maximum % of non-originating materials);
- **Specific manufacturing process**.

Step 4 - Identify and Value Materials

- List all **originating** and **non-originating** materials used in production.
- Calculate the **ex-works price** of the final product.
- Apply the PSR to verify compliance.

Step 5 - Apply Cumulation (if permitted)

Cumulation allows originating materials or processing from another partner country to count as originating.

- **Bilateral cumulation:** between the two agreement partners.
- **Diagonal or full cumulation:** only if explicitly allowed (e.g. not in the EU-UK TCA).

Step 6 - Verify Beyond Minimal Operations

Check that the processing carried out exceeds the - minimal operations - defined in the agreement (e.g., simple packaging, mixing, or labelling do not confer origin).

Step 7 - Prepare Proof of Origin

The type of origin document depends on the agreement:

- **Statement on Origin** (self-certification); or
- **Movement Certificate (EUR.1)** where applicable.

Step 8 - Record-Keeping and Evidence

Maintain all origin-related documents for at least **3-5 years**:

- Supplier declarations;
- Cost breakdowns;
- Production records;
- Tariff classification evidence.

Step 9 - Verification by Customs

Customs authorities may request post-clearance verification. Failure to substantiate origin claims may result in retroactive duty recovery.

Case law

Topic	Case (link)	Date	Key holding (one line)	Practical takeaway
Preferential origin - improper claim / recovery procedures	C-589/17 - Prenatal S.A. (EUR-Lex) (EUR-Lex)	29 Jul 2019	Court clarified duties recovery where preferential origin has been wrongly claimed and limits on administrative remediation.	Ensure documentary proof for preferential claims is kept and be prepared for administrative recovery; origin certificates must be scrutinised in post-clearance checks.
Preferential origin - products from territories under restrictive measures	C-67/23 (interpretation of Reg. 194/2008 re Burma/Myanmar) (CURIA) (Curia)	5 Sep 2024	Interprets when certificates of origin / preferential treatment can be refused for goods connected to sanctioned or restricted territories; processing in third countries does not automatically negate special measures.	Where sanctions/restrictive regimes apply, do not assume certificates of origin are decisive - check materially whether the goods fall within the scope of restrictive rules before granting preferential treatment.
Territorial scope of preferential agreements / disputed territories	C-104/16 P - Council v Front Polisario (EUR-Lex) (EUR-Lex)	21 Dec 2016	EU agreements cannot lawfully be applied to a disputed territory (Western Sahara) without consent of its people - preferential treatment cannot be extended unlawfully.	When relying on preferential trade deals, verify territorial scope - products from disputed territories may be excluded regardless of certificates issued by the controlling state.
Preferential origin / disputed territory - national application	C-266/16 - Western Sahara Campaign UK (CURIA) (Curia)	27 Feb 2018	Reaffirmed that preferential treatment under EU agreements cannot be extended to Western Sahara without legal/consensual basis; national authorities must respect Court's interpretation.	Customs declarations for goods from disputed territories require extra diligence; preferential claims can be challenged and annulled.

Preferential origin - Specific EU - UK TCA Procedures

Here various procedures are listed describing the rules of origin as specified in the specific Preferential trade agreements between the exporting and importing countries, providing the basis for preferential tariff treatment.

Assessment of Change of Tariff Heading (CTH) Rule for HS Heading 2710

1. Purpose

The purpose of the Change of Tariff Heading (CTH) rule is to ensure that non-originating materials undergo sufficient processing or transformation before a product obtains preferential origin under the EU-UK Trade and Cooperation Agreement (TCA).

The CTH rule prevents preferential origin from being granted where a product is merely assembled or blended from non-originating materials without a substantial change in tariff classification.

The relevant legal framework is:

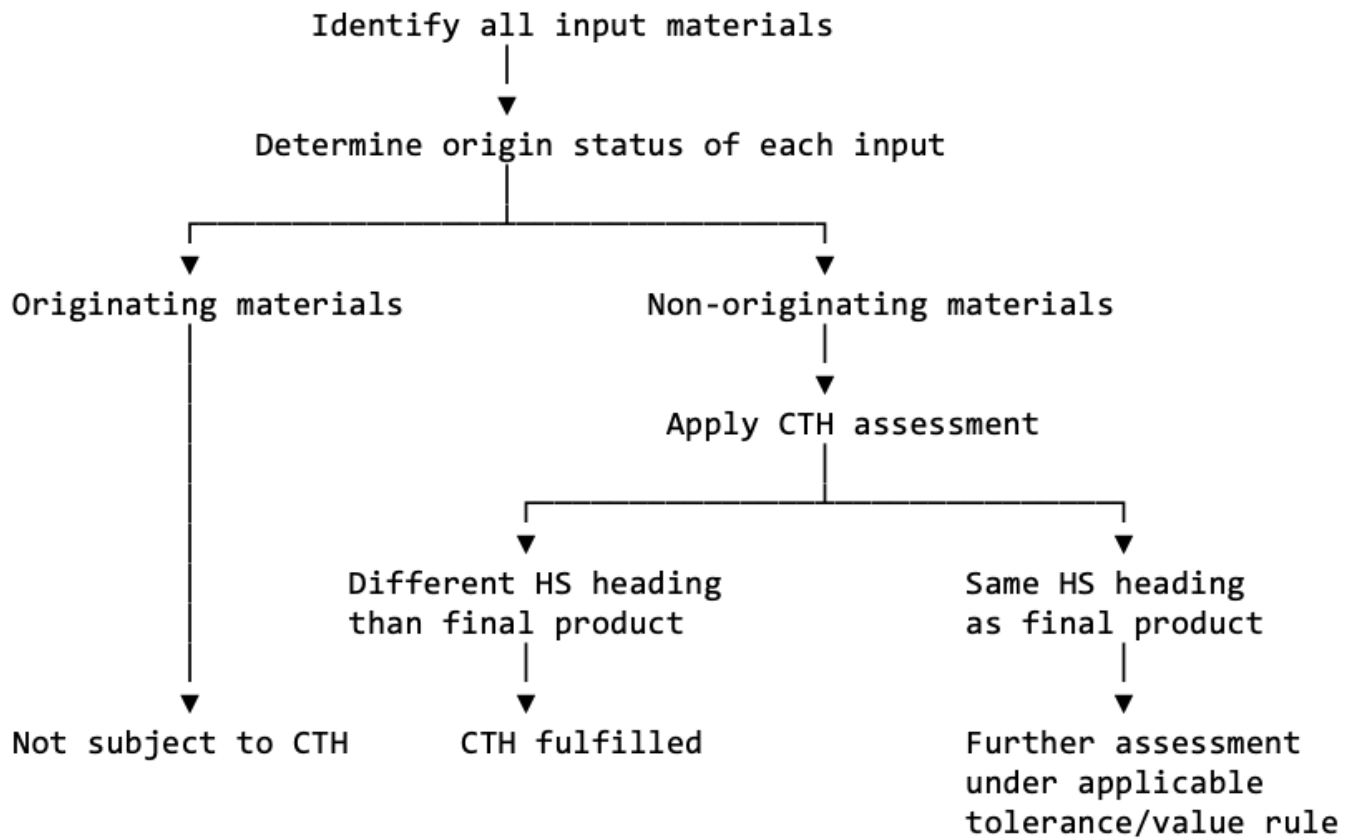
- EU-UK Trade and Cooperation Agreement (TCA), Chapter 2 – Rules of Origin;
- Annex ORIG-1 – Definitions;
- Annex ORIG-2 – Product-Specific Rules of Origin.

2. Assessment principle

The CTH assessment is performed only on **non-originating materials**.

Originating materials are excluded from the CTH assessment because they already have preferential origin status.

The assessment logic is:



3. Practical example – Blended product classified under HS heading 2710

Final product

Product	HS heading
Blended petroleum product	2710

The production process uses ten input components.

Input material assessment

Component	HS heading	Origin status	Evidence	CTH assessment
Component 1	2707	Non-originating	No preferential origin evidence	CTH fulfilled (2707 → 2710)
Component 2	2707	Non-originating	No preferential origin evidence	CTH fulfilled (2707 → 2710)
Component 3	2707	Non-originating	No preferential origin evidence	CTH fulfilled (2707 → 2710)
Component 4	2710	EU originating	Supplier declaration	Excluded from CTH test
Component 5	2710	EU originating	Supplier declaration	Excluded from CTH test
Component 6	2710	EU originating	Supplier declaration	Excluded from CTH test
Component 7	2710	EU originating	Supplier declaration	Excluded from CTH test
Component 8	2710	EU originating	Supplier declaration	Excluded from CTH test
Component 9	2710	UK originating	Statement on Origin	Treated as originating material under EU-UK bilateral cumulation
Component 10	2710	Non-originating	No preferential origin evidence	Assess under applicable tolerance/value rule

4. Key interpretation points

4.1 Non-originating materials from another HS heading

Example:

Input material:
HS 2707

Final product:
HS 2710

Result:
2707 $\neq$ 2710

→ CTH requirement fulfilled

The material does not prevent the final product from obtaining preferential origin.

4.2 Originating materials with the same HS heading as the final product

Example:

Input material:
HS 2710

Origin:
UK

Evidence:
Valid Statement on Origin

Result:
Material is originating under EU-UK TCA

→ CTH assessment not required

The fact that the material has the same HS heading as the final product is irrelevant because the CTH rule applies only to non-originating materials.

4.3 Non-originating materials with the same HS heading as the final product

Example:

Input material:
HS 2710

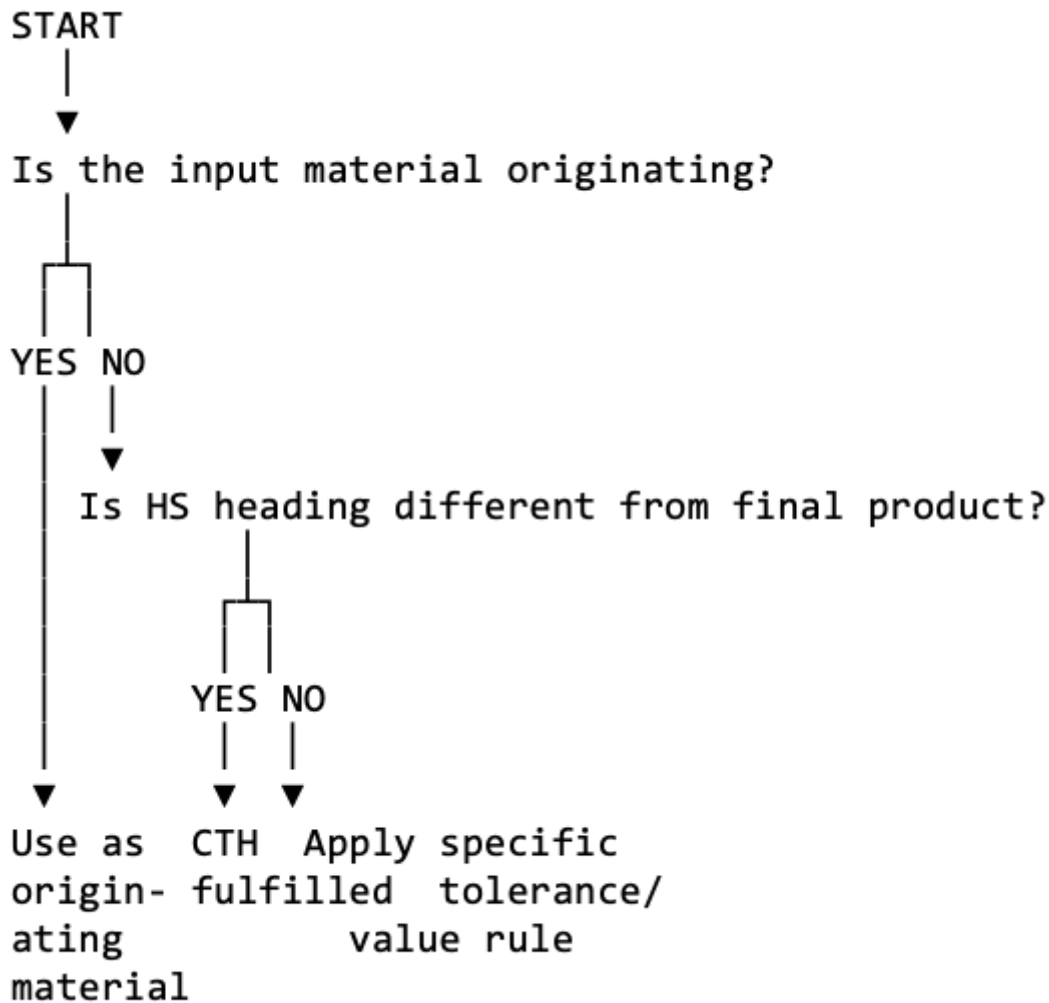
Origin:
Non-originating

Result:
Same heading as final product

→ Additional assessment required

The material must be assessed against any specific tolerance or maximum value rule included in the applicable product-specific rule.

5. Decision tree for HS heading 2710



6. Final conclusion

For a blended product classified under HS heading 2710:

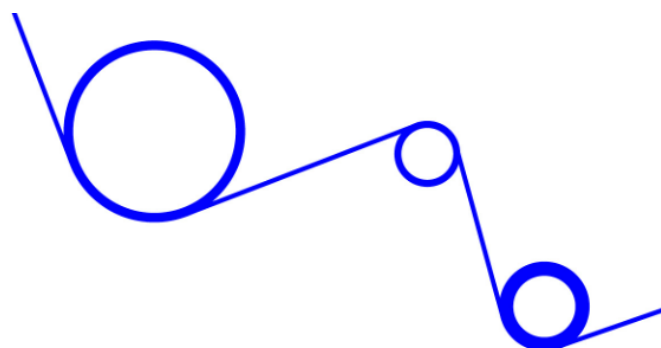
1. The CTH rule is applied only to non-originating materials.
2. Materials classified under HS heading 2707 can satisfy the CTH requirement because they undergo a change from heading 2707 to heading 2710.
3. Materials classified under HS heading 2710 do not automatically prevent preferential origin.
4. If a 2710 material has EU or UK preferential origin supported by valid documentation, it is treated as originating and is excluded from the CTH assessment.
5. Only non-originating 2710 materials require further review against the applicable tolerance/value provisions.

This approach ensures that preferential origin is granted where sufficient processing has occurred while allowing originating materials from the EU and UK to be used within the bilateral cumulation framework.

Statement on Origin - Trafigura

To be printed on an invoice or commercial document containing information on the goods concerned

Trafigura



(Period: from _____ to _____ (1))

The exporter of the products covered by this document (Exporter Reference No ...(2)) declares that, except where otherwise clearly indicated, these products are of **Union** preferential origin.

.....
(4) (Place and date)

Trafigura Ventures V BV
(Name of the exporter)

(1) If the statement on origin is completed for multiple shipments of identical originating products within the meaning of point (b) of Article 56(4) of this Agreement, indicate the period for which the statement on origin is to apply. That period shall not exceed 12 months. All importations of the product must occur within the period indicated. If a period is not applicable, the field may be left blank.

(2) Indicate the reference number by which the exporter is identified. For the Union exporter, this will be the number assigned in accordance with the laws and regulations of the Union. For the United Kingdom exporter, this will be the number assigned in accordance with the laws and regulations applicable within the United Kingdom. Where the exporter has not been assigned a number, this field may be left blank.

(3) Indicate the origin of the product: the United Kingdom or the Union.

(4) Place and date may be omitted if the information is contained on the document itself.

Trafigura Ventures V B.V.

Registered Office: Evert van de Beekstraat 1, 82, The Base, Tower B, 5th floor, 1118 CL Schiphol, The Netherlands
Tel: +31 20 504 1800 – Fax: +31 20 441 5840 – Email: amsterdam@trafigura.com
www.trafigura.com
Chamber of Commerce: 34384746

Statement on Origin - Impala

To be printed on an invoice or commercial document containing information on the goods concerned



(Period: from _____ to _____ (1))

The exporter of the products covered by this document (Exporter Reference No. **...(2)**) declares that, except where otherwise clearly indicated, these products are of **Union** preferential origin.

.....
(4) (Place and date)

Impala Terminal Rotterdam B.V.

(Name of the exporter)

(1) If the statement on origin is completed for multiple shipments of identical originating products within the meaning of point (b) of Article 56(4) of this Agreement, indicate the period for which the statement on origin is to apply. That period shall not exceed 12 months. All importations of the product must occur within the period indicated. If a period is not applicable, the field may be left blank.

(2) Indicate the reference number by which the exporter is identified. For the Union exporter, this will be the number assigned in accordance with the laws and regulations of the Union. For the United Kingdom exporter, this will be the number assigned in accordance with the laws and

regulations applicable within the United Kingdom. Where the exporter has not been assigned a number, this field may be left blank.

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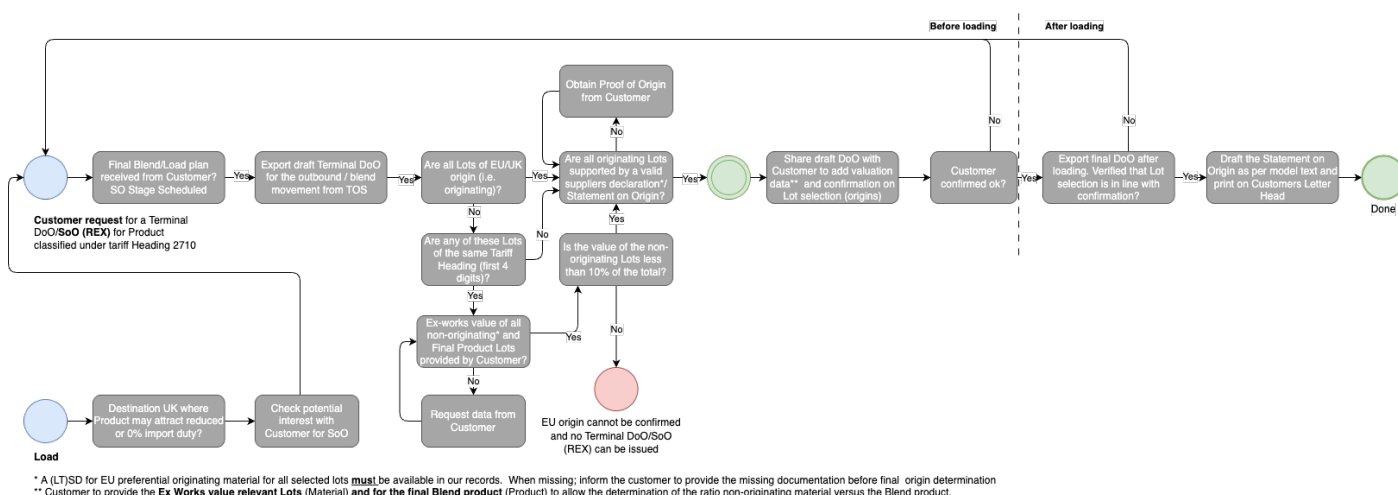
(4) Place and date may be omitted if the information is contained on the document itself.

SOP - Decision flow

Preferential origin EU - UK

TCA tariff Heading 2710

Please note that customs status as such has no role in determining origin!



* A (LT)SD for EU preferential originating material for all selected lots must be available in our records. When missing, inform the customer to provide the missing documentation before final origin determination
** Customer to provide the **Ex Works value relevant Lots (Material) and for the final Blend product (Product)** to allow the determination of the ratio non-originating material versus the Blend product.

Definitions

EU originating material: Materials having EU preferential origin under the Trade Agreement rules

1. Goods wholly obtained in the EU, or
2. Goods sufficiently worked or processed in the EU according to the applicable list rules

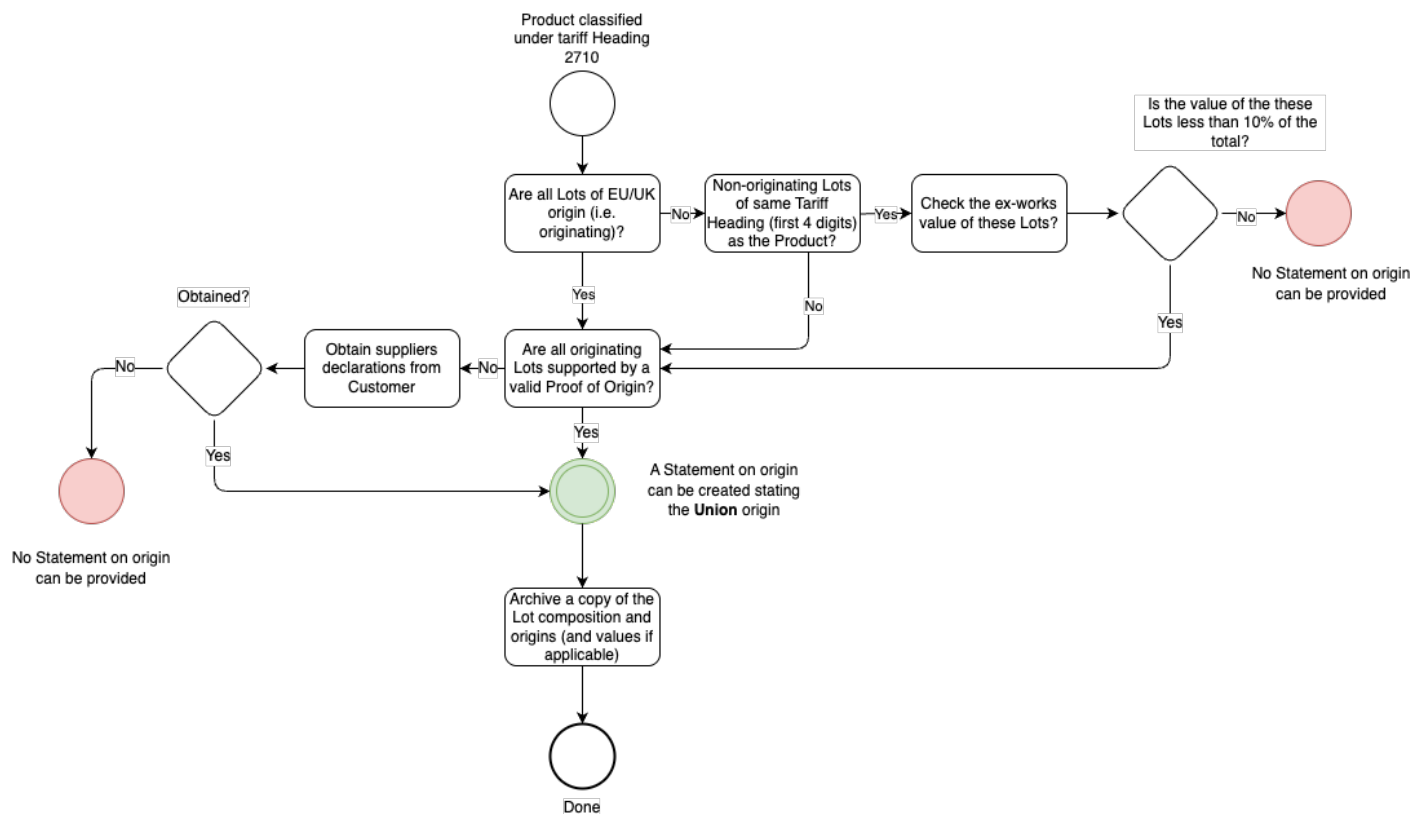
Non-originating material: Material that does not qualify as originating under the preferential rules of origin of the Trade Agreement

1. Materials imported from third countries that do not qualify as originating, or
2. Materials that have not undergone sufficient working or processing to acquire EU origin

T2 product can also be non-originating material. Customs clearance does not change the origin of the material

Change of Tariff Heading "CTH" means production from non-originating materials of any heading, except that of the final product; this means that any non-originating material used in the production of the final product must be classified under a heading (4-digit level of the Harmonised System) other than that of the final product (i.e. a change in heading).

Decision flow Preferential origin EU - UK TCA tariff Heading 2710



Template preferential origin (long term) supplier declaration

[TO BE PRINTED ON COMPANY LETTERHEAD]

SUPPLIER'S DECLARATION

I, the undersigned, declare that the goods listed on this document
.....(1), originate in(2) and satisfy the rules
of origin governing preferential trade with(3).

I declare that (4):

- ☐ Cumulation applied with(name country/countries)
- ☐ No cumulation applied

I undertake to make available to the customs authorities any further supporting documents they require.

..... (5)

..... (6)

..... (7)

Footnotes (can be removed after completion)

(1) If only some of the goods listed on the document are concerned, they shall be clearly indicated or marked and this marking entered in the declaration as follows:

“.....listed on this document and markedoriginate in

(2) The European Union, country, group of countries or territory, from which the goods originate

(3) Country, group of countries or territory concerned

(4) To be completed, where necessary, only for goods having preferential origin status in the context of preferential trade relations with one of the countries with which pan-Euro-Mediterranean cumulation of origin is applicable.

(5) Place and date of issue

(6) Name and position of the undersigned, name and address of company

(7) Signature

[TO BE PRINTED ON COMPANY LETTERHEAD]

LONG-TERM SUPPLIER'S DECLARATION

I, the undersigned, declare that the goods described below:

.....(1)

.....(2)

Which are regularly supplied to(3), originate in(4)
and satisfy the rules of origin governing preferential trade with(5).

I declare that (6):

☐ Cumulation applied with(name country/countries)

☐ No cumulation applied

This declaration is valid for all shipments of these products dispatched from to
.....(7)

I undertake to inform(3) immediately if this declaration is no longer valid.

I undertake to make available to the customs authorities any further supporting documents they require.

..... (8)

..... (9)

..... (10)

Footnotes (can be removed after completion)

Footnotes (can be removed after completion)

(1) Description

(2) Commercial designation as used on the invoices e.g. Model No

(3) Name of the company to which goods are supplied

(4) The European Union, country, group of countries or territory, from which the goods originate

(5) Country, group of countries or territory concerned

(6) To be completed, where necessary, only for goods having preferential origin status in the context of preferential trade relations with one of the countries with which pan-Euro-Mediterranean cumulation of origin is applicable.

(7) Give the start and end dates. The period shall not exceed 24 months.

(8) Place and date of issue

(9) Name and position of the undersigned, name and address of company

(10) Signature

Non-Preferential origin

Non-preferential origin is used for the application of *general trade policy measures* that are not linked to preferential tariff treatment.

It determines a product's "normal" origin under the World Trade Organization (WTO) framework and the Union Customs Code (UCC).

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*).

General Procedure: Determination of Non- Preferential Origin

Step 1 - Classify the Goods

- Determine the correct HS/CN code of the final product.
- Check whether the product is listed in **Annex 22-01** (or other EU codified rules).

Step 2 - Check if Goods Are Wholly Obtained

- Confirm extraction, production, or manufacture occurred entirely in one country.
- If yes → assign origin to that country; no further steps required.

Step 3 - Identify All Countries of Production/Processing

- List all countries involved in the supply chain (raw materials, intermediate products, semi-finished goods).

Step 4 - Assess Substantial Transformation

- For each processing step, determine:
 - **Nature of operation** (chemical change, assembly, finishing)
 - **Economic justification** (not solely for tariff avoidance)
 - **Resulting change** (new HS heading, change in physical or chemical properties).

Step 5 - Apply Codified List Rules (if applicable)

- Check Annex 22-01 or equivalent for the HS code.
- Verify whether the last operation qualifies as “substantial transformation” under the codified rule.

Step 6 - Apply Residual Rule (if no codified rule applies)

- Determine the **last economically justified processing** or use **majority material/value rule** to assign origin.

Step 7 - Document All Steps

- Record:
 - Input materials, their origin, and HS classification
 - Production steps and locations
 - Processing dates and invoices
 - Evidence of substantial transformation (technical specs, change of properties, quality tests).

Step 8 - Declare Origin in Customs Procedure

- Include origin in **import declaration for free circulation**.
- Attach supporting documents as requested.

Step 9 - Maintain Records for Audit & Post-Clearance

- Retain all documentation for the statutory period (usually **3-5 years**).
- Be prepared for customs inspection or administrative review.

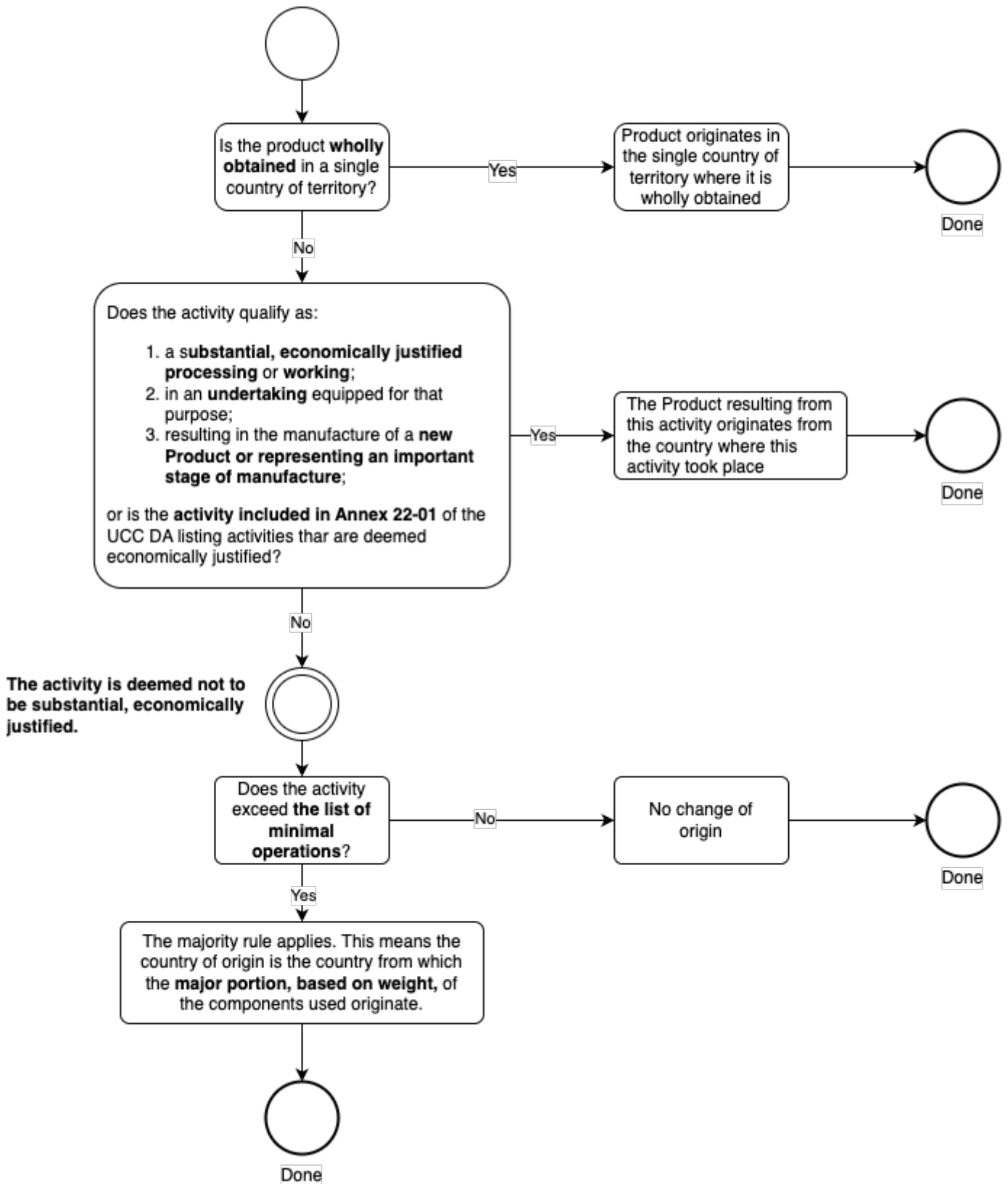
Case law

Topic	Case (link)	Date	Key holding (one line)	Practical takeaway
Non-preferential / substantial transformation (steel pipes)	C-86/24 — CS STEEL a.s. v Generální ředitelství cel. (EUR-Lex) (EUR-Lex)	2 October 2025	Annex 22-01’s primary rule excluding cold-reduction as a change of origin for certain hot-finished steel tubes is valid — later cold finishing did not create a new origin.	If a primary rule in the UCC/Delegated Reg. lists which operations change origin, those codified rules override ad-hoc arguments that later processing creates origin; check the exact Annex entry for the HS code.
Binding Origin Information (BOI) / administrative review	C-297/23 P — Harley-Davidson Europe Ltd & Neovia Logistics v Commission (EUR-Lex / CURIA) (EUR-Lex)	21 November 2024	The Court reviewed Commission revocation of BOI decisions — clarified scope of ‘processing not economically justified’, administrative procedure and legitimate-expectation limits on revoking BOIs.	BOIs provide useful certainty but can be revoked; companies should document economics/processing rationale and be ready to contest revocations on procedural or substantive grounds.
Non-preferential / substantial transformation (steel cables)	C-260/08 — Bundesfinanzdirektion West v HEKO Industrieerzeugnisse GmbH (EUR-Lex)	10 December 2009	The Court held that “substantial processing or working” for non-preferential origin may arise even without a change in tariff heading, if the processing results in a product with its own specific properties and composition distinct from the input product, and that non-binding list rules cannot alter Article 24’s meaning.	For non-preferential origin analysis, don’t rely solely on tariff-heading changes or list rules: assess whether the processing results in qualitatively new product properties that reflect a genuine substantial transformation under UCC Article 60(2) (formerly CC Article 24).

Non-Preferential origin

Decision flow non-preferential origin

Non-Preferential
origin determination



Template non-preferential origin (long term) supplier declaration

Suppliers declaration for products of non-preferential origin - Single use

I, the undersigned, declare that the goods listed on this invoice (1) were produced (2).

- ☐ in the European Union, namely in according to the Union Customs Code art. 61 sub 3 (4).
- ☐ outside the European Union and originate in (3) and satisfy the rules of origin(5).

I undertake to make available to the Chamber of Commerce any further supporting documents they require.

Place and date:

Name and position:

Signature:

- It should be used within the European Union only.
- This declaration is to be placed on the invoice, packing list or other trade document in which the goods are sufficiently specified. This declaration can also be placed on the supplier's company letter paper. In that case please refer to the

invoice number.

Notes for completion of the declaration:

(1) State the number of the invoice or other document in which the shipment is sufficiently specified. The number needs not to be mentioned if the statement is placed on the invoice.

- When instead of the invoice another document or an annex to the invoice is being used, the kind of document concerned shall be mentioned instead of the word 'invoice'.
- When the statement concerns only part of the goods listed on the invoice, these should be clearly indicated or marked. Furthermore, this marking should be indicated on the declaration as follows: '... listed on this invoice and

marked were produced in and...'

(2) State just the applicable option. If products are delivered of EU origin together with products of non-EU origin, various supplier's declarations should be issued.

(3) State the country of origin (member state of the European Union); if various goods are of different origins, these origins shall be mentioned to each item.

(4) According to Regulation (EU) 952/2013 art. 61 sub 3. (PB L 269 of 10.10.2013).

(5) State the country of origin; if various goods are of different origins, these origins shall be mentioned to each item.

Verification of this declaration by means of a certificate of origin, issued by the supplier's regional Chamber of Commerce, may be required by the buyer's regional Chamber of Commerce.

This declaration is not valid for goods having preferential origin status and which qualify for movement certificates EUR.1, EUR-MED or invoice declaration. For such use the "declaration for products having preferential origin status" according to Regulation (EU) 2015/2447 Annex 22-15 (PB L 343 of 29.12.2015) is applicable.

Suppliers declaration for products of non-preferential origin - Regular use

Long-term suppliers declaration for products of non-preferential origin

I, the undersigned, declare that the goods described below (1)(2)

which are regularly supplied to (3),

are produced (4)

☐ in the European Union, namely in according to the Union Customs Code art. 61 sub 3. (6)

☐ outside the European Union and originate in (5), and satisfy the rules of origin(7).

This declaration is valid for all shipments of these products dispatched from _____ to _____(8).

I undertake to inform _____(3) immediately if this declaration is no longer valid.

I undertake to make available to the Chamber of Commerce any further supporting documents they require.

Place and date:

Name and position:

Name and address of the company:

Signature:

- **This declaration is to be placed on the supplier's letter paper.**
- The LSO should only be used within the European Union.

Notes for completion of the declaration:

- (1) Description of the goods.
- (2) Trade description as used on invoices, e.g. model No.
- (3) Name of buyer.
- (4) State just the applicable option. If products are delivered of EU origin together with products of non-EU origin, various suppliers declarations should be issued.
- (5) State the country of origin (member state of the European Union); if various goods are of different origins, these origins shall be mentioned to each item.
- (6) According to Regulation (EU) 952/2013 art. 61 sub 3. (PB L 269 of 10.10.2013).
- (7) State the country of origin; if various goods are of different origins, these origins shall be mentioned to each item.
- (8) Give the dates. The period of validity shall not exceed 24 months.

This declaration is not valid for goods having preferential origin status and which qualify for movement certificates EUR.1, EUR-MED or invoice declarations. For such use the “declaration for products having preferential origin status” according to Regulation (EC) 2015/2447, art. 62, annex 22-16 (PB L 343 of 29.12.2015) is applicable.

Verification of Supplier's Declaration - Non-Preferential Origin

Purpose

To ensure that supplier declarations claiming non-preferential origin are accurate, legally compliant, and auditable for EU customs purposes.

Step 1: Collect the Supplier Declaration

- Obtain a **completed supplier declaration** for all goods, including:
 - Product description and Commodity code.
 - Country of origin.
 - Basis of origin (wholly obtained or substantially transformed).
 - Signature, company details, and date.
- Ensure the declaration is **dated, legible, and signed** by an authorized representative.

Step 2: Verify Supplier Credentials

- Confirm the supplier is **legitimate and traceable**.
- Check:
 - Legal registration of the supplier.
 - Manufacturing locations.

- Historical compliance with customs documentation.

Step 3: Check Completeness of the Declaration

- Ensure all required fields are completed:
 - Product description matches your purchase.
 - Commodity code matches the EU customs classification.
 - Country of origin is stated.
 - Basis of origin (wholly obtained/substantial transformation) is clear.
 - Declaration is signed and dated.

Step 4: Validate Basis of Origin

- For **wholly obtained goods**:
 - Confirm that all production, extraction, or harvest occurred in the stated country.
 - Request supporting documentation if necessary (e.g., harvest records, production logs).
- For **substantially transformed goods**:
 - Confirm that processing in the stated country was **economically justified** and **resulted in a substantial transformation**:
 - Check change in **tariff classification (Commodity code)**.
 - Check change in **physical/chemical properties** or **composition**.
 - Ensure processing was more than minimal operations (not just cleaning, packaging, sorting).

Step 5: Check Supporting Evidence

- Review:
 - Invoices for raw materials.
 - Production or processing logs.

- Bills of lading.
- Quality certificates or process descriptions.
- Ensure **consistency** between documentation and the declaration.

Step 6: Cross-Check Against Legal Requirements

- Verify compliance with:
 - **UCC Articles 148-152** (non-preferential origin rules).
 - **Delegated / Implementing Acts** (Annex 22-01, list of primary rules, minimal operations).
- Ensure the declared origin aligns with EU customs rules and relevant CJEU case law (e.g., *C-86/24 CS STEEL*).

Step 7: Approve or Request Clarification

- If all criteria are satisfied:
 - Approve the declaration for use in customs procedures.
- If inconsistencies are found:
 - Contact supplier to provide additional information or correct the declaration.
- Keep all correspondence for **audit purposes**.

Step 8: Record Retention

- Retain the supplier declaration and all supporting documents for at least **3-5 years** (EU standard for customs audits).
- Store in a retrievable format (electronic or paper) linked to the relevant shipment.

Step 9: Periodic Review

- Review supplier declarations periodically (at least annually) to:
 - Confirm consistency with current supply chains.
 - Ensure compliance with updates to **UCC or Delegated Regulations**.
 - Flag changes in production location or processing steps that may affect origin.

This procedure ensures that your **non-preferential origin declarations are reliable, auditable, and legally defensible** in case of customs verification or post-clearance checks.

Non-Preferential origin

Issue ITR Declaration of Origin

The declaration of origin (DoO) report is produced from the terminal operating system and provides an overview of the breakdown of the components and administrative lots that were included in the blending operations. Origin determination is based on the DoO.

Declaration of Origin

Header

Load Port

Impala Terminals Rotterdam B.V.
Beerweg 101
3199 LM Rotterdam - Maasvlakte
The Netherlands

Custo
Termi

Customer

{Customer}

Address line 1
Address line 2
Country

Details

Cargo: Light Naphtha
Loaded onto: Maersk Adriatic
Date: 26/03/25

Product	Lot nr	CN Code	Kg Vac	Kg Air	Liters at 15 °C	BBLS at 60 °F	Status	Origin
Light Naphtha	5589.2	27101290	28,411,525	28,326,291	40,587,893	255290	T2	Belgi
Light Naphtha	5610.1	27101290	14,031,835	13,989,739	20,045,478	126082	T2	Nethr
Light Naphtha	5590.3	27101290	7,087,429	7,066,166	10,124,898	63684	T1	Unite
Light Naphtha	5592.1	27101290	5,591,195	5,574,421	7,987,421	50239	T2	Germ
Light Virgin Naphtha	5561.2	27101225	3,841,427	3,829,903	5,487,753	34517	T2	Germ
			58,963,410	58,786,520	84,233,443	529,812		

Blended in the Netherlands.

Acknowledgement

Terminal

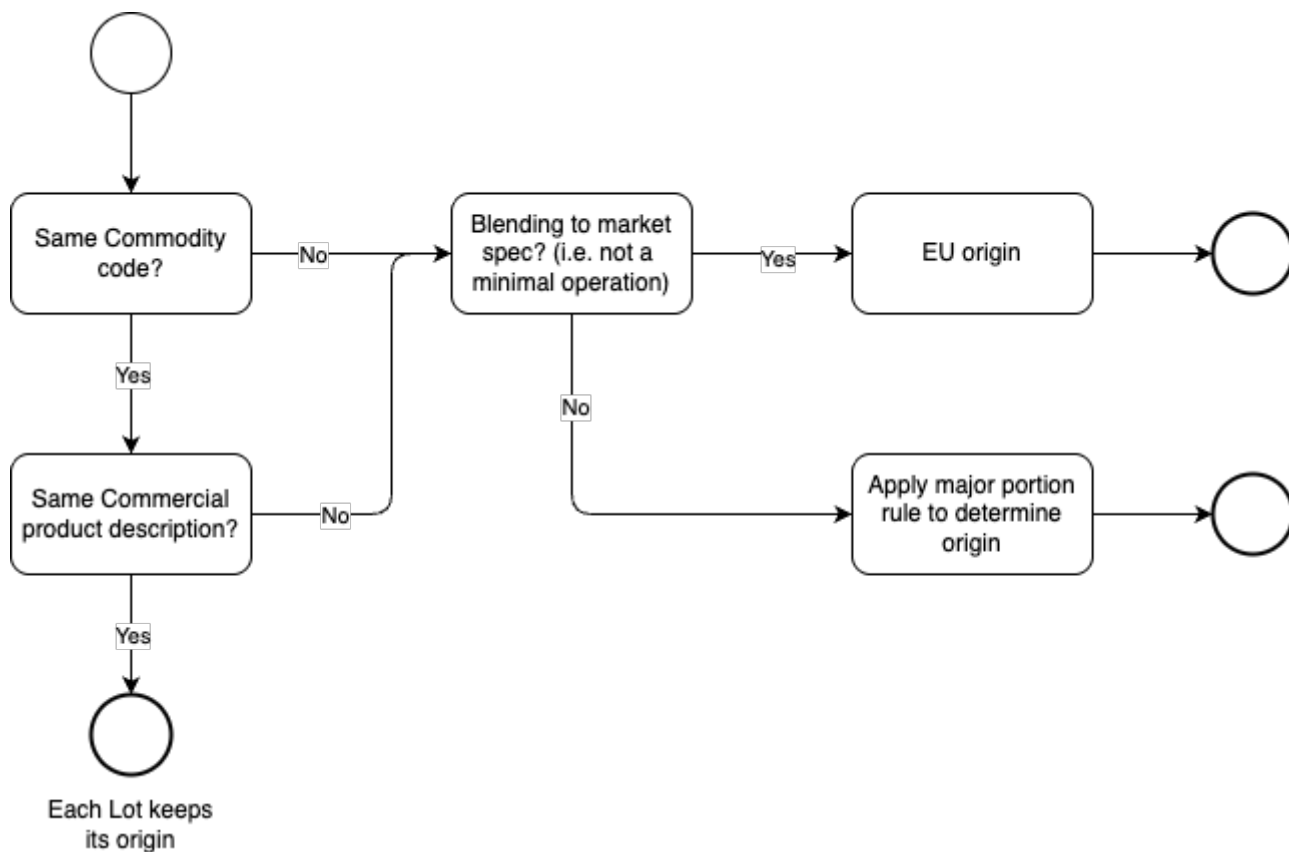
Work instruction (commercial incentive)

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:



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

1. Products added to the “base” product may enhance or improve it, but do not alter its essential nature. Such activities are considered minimal operations and do not confer origin.

As this involves blending rather than mere storage, the major portion rule applies, provided that customers inform us of the origin and substantiate it with appropriate documentation. This requirement applies at least to the parcel representing the major portion based on weight. The origin of the remaining parcels may be unknown without affecting this assessment.

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
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2. Various components blended into a specific product (which itself is also used as a component) may be regarded as deliberate and proportionate blending and therefore origin-conferring.

The processed product results from the combination of several significant components. The fact that one of these components shares the same Commodity code as the final product does not alter this assessment. In quantitative terms, it is not considered a “base” product to which only minimal operations are applied. Accordingly, a new product is deemed to have been created. The majority of the product is not RON 95. The process here is to get the RON 91 to a RON 95 making it a process to obtain a Product by deliberate and proportionate blending.

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	EU/Netherlands	56.193.763	73.733.571

3. Various components (classified under the same Commodity code but possessing different technical characteristics) blended into a specific product may be regarded as deliberate and proportionate blending, thereby conferring origin, provided that the resulting product acquires new technical specifications or attributes that it did not possess prior to blending. The fact that all components share the same Commodity code as the final product is not relevant.

Components						
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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	EU/Netherlands	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

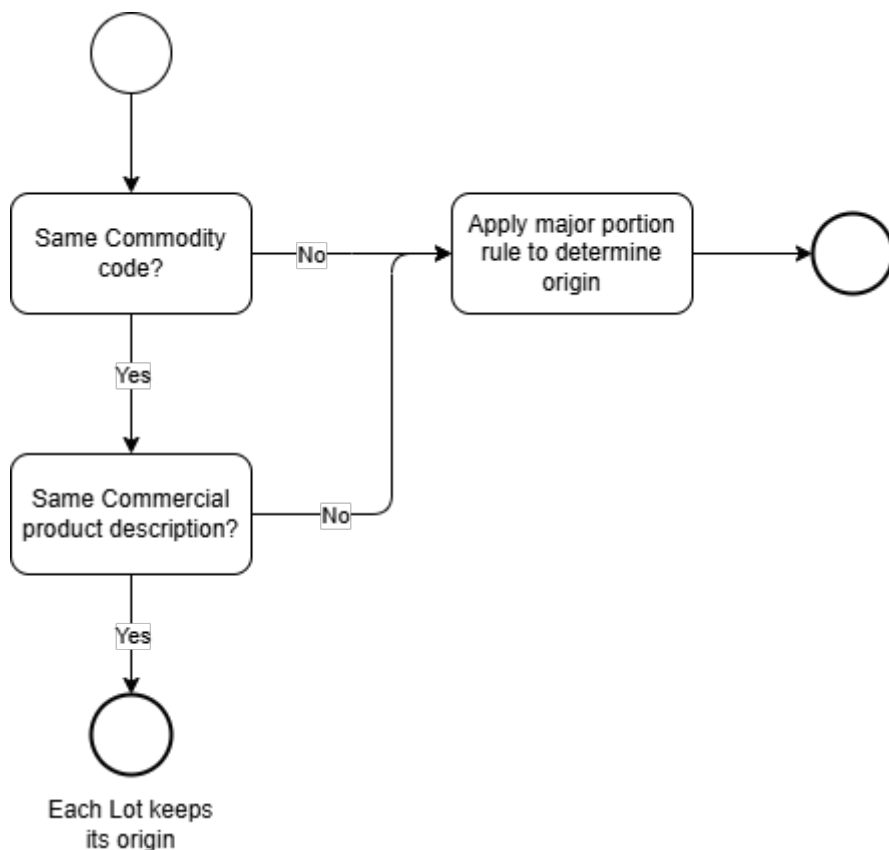
Work instruction (simplified process)

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
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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.

Proof of Union status

In the energy products industry the products are commonly transported from one place in the Union to another place in the Union. For that purpose documents are issued to proof the Union customs status, meaning that the goods come from the free circulation of the Customs Union.

T2L / T2L(F)

T2L / T2L(F) may only be issued after the CSC department has verified that the goods (and the underlying lots) have **Union customs status**.

Only trained and authorized personnel may issue documents according to the respective authorizations:

- **T2L / T2L(F)**: issued under the company's **Self-Issuing Authorization (Vergunning Toegelaten Afgever)**

This procedure applies only to goods:

- Confirmed as **Union status**, and
- **Not excise goods subject to control measures**, because such excise goods are already accompanied by an **e-AD** which itself serves as accepted proof of Union status. For excise goods with an e-AD: **no T2L or T2L(F) is required**.

The Customer submits the necessary information for issuing a T2L or T2L(F).

CSC verifies that the goods qualify for Union status proof via T2L / T2L(F):

- Validate each lot in internal systems and documentation to confirm **Union customs status of the product**.
- For **T2L(F)** requests, confirm that the goods fall within the scope for which a T2L(F) is required (typically agricultural/fisheries goods where applicable).
- Confirm the goods are **not excise goods under EMCS control**.

If discrepancies exist, the request is placed **on hold** until clarified with the Customer or resolved in the administration.

As soon as the Union customs status is confirmed with the required underlying documentation, CSC will use the PoUS system to issue a T2L(F), in accordance with the instruction as prescribed in the procedure provided by Dutch Customs. This procedure can be found here:

<https://www.bzctrl.com/bzctrl-core-api/api/v1/docrepo/getDocument/16302450-0ea2-4dea-bab1-9eba626cac50>

A.TR Documents

A.TR documents may only be issued after the CSC department has verified that the goods (and the underlying lots) have **Union customs status**.

Only trained and authorized personnel may issue documents according to the respective authorizations:

- **A.TR:** issued under the company's **Approved Exporter Authorization**

A.TR documents are issued solely for movements of goods within the framework of the **EU-Turkey Customs Union**, for the purpose of proving **free-circulation status**, not origin.

CSC verifies that:

- All lots comprising the shipment are in **Union free-circulation status**.
- The goods are eligible for **A.TR certification** under the EU-Turkey Customs Union framework based on the **destination** being **Turkey**.

If inconsistencies appear, the request is **held** until corrected.

As soon as it is confirmed that the goods are eligible for issuing an A.TR CSC will issue an A.TR together with the Export declaration in accordance with the procedure as prescribed by Dutch Customs, which can be found here:

<https://www.bzctrl.com/bzctrl-core-api/api/v1/docrepo/getDocument/361e2636-b6b7-4bf1-a715-76a381ba8767>