

General introduction - Origin

This procedure separately covers the concepts of non-preferential origin and preferential origin.

Non-preferential origin is relevant in the context of commercial policy measures such as anti-dumping duties and sanctions. For example: at the time of writing this procedure, it is prohibited to import crude oil of Russian non-preferential origin. Another example: anti-dumping duties are due upon import of biodiesel of Chinese non-preferential origin. The rules of non-preferential origin are included in the legislation of the country of import. In case of the European Union, they are included in the Union Customs Code and its implementing- and delegated regulation.

Based on the applicable legal framework, every product has a country of non-preferential origin. A product cannot lose its non-preferential origin unless it undergoes processing that confers a new country of non-preferential origin upon the product. As such, it should always be possible to determine a country of non-preferential origin for a product.

Preferential origin is relevant in the context of free trade agreements and unilateral preferential trade schemes. For example: a product can be imported in the EU against a lower import duty rate (often 0%) if the product is of preferential origin in a country with which the EU has concluded a trade agreement. The rules of preferential origin are usually included in the free trade agreement itself.

Not every product has a preferential origin. If a product originates in a country with which the EU has not concluded a preferential trade agreement, the product will not qualify as originating for preferential purposes. A product may also lose its preferential originating status, for example where the conditions required to maintain that status are no longer met, such as in certain cases where the product is transported via a third country.

The origin procedure further makes a distinction between two phases in the logistical process:

1. **Incoming goods phase:** the phase during which the product arrives at the terminal for the first time. During this phase, VTTI relies entirely on origin information provided by the customer, as this is the only source of origin-related data available to VTTI during that phase. The information is subject to a reasonableness check before being recorded in the terminal's ERP system.
2. **Storage, processing and outgoing goods phase:** the subsequent phase, during which the product has already been stored at the terminal, may have undergone processing activities, such as blending and may be nominated an outgoing shipment. During this phase, VTTI relies on both the origin information recorded during phase 1 and its own records of any processing activities performed while the product was under its control.

The following chapters describe the procedures relating to both the preferential and the non-preferential origin during these two phases.
