



UK Government

# Rules of Origin under the UK-Andean Countries Trade Agreement



In Collaboration with:

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UK TRADE POLICY  
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# Background

The UK-Andean Countries Trade Agreement entered into force in January 2021 with Ecuador and Peru. In Colombia, the Agreement is in force since 28 June 2022.

The UK-Andean Countries Trade Agreement is a continuity agreement that replaces the effects of the EU-Andean Countries Trade Agreement, by incorporating its provisions in the majority of cases, or modifying them in others.

Rules of Origin (RoO) under the EU-Andean Countries (Annex II) were substantively incorporated into the UK-Andean Countries Trade Agreement with some modifications that are found in the General Annex of the latter. These provisions apply to products moving from the UK to Andean Countries and vice versa. The compliance with these provisions and rules need to be verified in order to grant preferential treatment.

The UK-Andean Countries Trade Agreement can be found [here](#). Modifications to Annex II are found in pages 18 to 39.

Annex II of the EU-Andean Trade Agreement, containing rules of origin and origin provisions can be found [here](#), as a courtesy of the Peruvian Government who has published each of the Annexes of the Agreement independently.

# Rules of origin process

To successfully claim preferential tariff rates under the UK-Andean Countries Trade Agreement companies needs to ensure:

- 1) All relevant origin provisions are met;
- 2) The imported product meets product-specific rules of origin;
- 3) The company can provide a certificate of origin in the form required under the Agreement.

The first step is to determine the commodity code of your product and check the product-specific rules while keeping in mind that the relevant origin provisions are met.

# Main Origin Provisions

## Insufficient Working or Processing Operations

Insufficient working provisions list processing and operations that are considered insufficient to confer origin, even if product-specific rules are fulfilled. When using non-originating materials in their production processes, companies should ensure that products are substantially transformed before they are exported under a trade agreement. This also applies to extended cumulation with the EU.

The list of insufficient processing is provided in Art. 7 of Annex II of the EU-Andean Countries Trade Agreement, which was incorporated in the UK-Andean Countries Trade Agreement.

## Cumulation of Origin

In general, there are several types of cumulation of origin:

**Bilateral:** when parts or materials produced by an FTA partner are treated as if they were produced domestically.

**Diagonal:** when parts or materials are treated as if they were produced domestically. It requires all countries to be members of the same FTA or to be joined by different FTA with identical rules of origin.

**Extended:** this is similar to diagonal cumulation but third countries do not need to have an FTA in place and rules of origin do not need to be identical.

**Full:** this includes all of the above types of cumulation but also makes it possible to cumulate working and processing. In practice, this means that goods that start as non-originating can obtain originating status if they sustained some level of processing in the country or territory with which the agreement allows to cumulate.

The UK-Andean Countries Trade Agreement includes bilateral cumulation between the UK and Andean Countries as well as extended cumulation in respect to EU content. Moreover, the UK can also cumulate working

and processing carried out in the EU (full cumulation).

Under the UK–Andean Trade Agreement, cumulation with third countries, as defined in Art. 3 Paragraph 3 of the incorporated Annex II of the EU-Andean Countries Trade Agreement is still possible for the Andean Countries. This means that Andean Countries can cumulate parts and materials with Central American Countries, Bolivia and Venezuela (diagonal cumulation).

## Direct Transportation

This is a provision that requires goods, which are claiming preferential treatment under an FTA to be shipped directly from the FTA country of origin to the FTA country of destination.

Under the UK-Andean Countries Trade Agreement, products can be transhipped or can transit the territory of the EU and be temporarily stored there. Minimal operations including reloading, storing, **splitting, marking and labelling can be undertaken**. All of this is allowed only if they remain under customs surveillance.

Goods can also be transhipped and temporarily stored in other countries, if they remain under customs supervision and that they have not been tampered with.

Further details can be found in Section 3 of the Modifications to Annex II, found in the general Annex of the UK-Andean Countries Trade Agreement.

## Tolerance

This allows for a small amount of non-originating materials (coming from third countries with which the Agreement does not allow cumulation) to be used without affecting the origin of the product. In this Agreement, this is **set at 10%**. Tolerance cannot be combined with value-added rules (i.e. 40% value-added rule plus 10% tolerance).

## Product-specific Rules of Origin

These are found in the incorporated Annex II of the EU-Andean Countries Trade Agreement and amended by the Annex of the UK-Andean Countries deal.

Product-specific rules of origin can be found in Appendix 2 of Annex II of the EU-Andean Countries Trade Agreement, which was incorporated into the UK-Andean Countries Trade Agreement.

Apart from those of Appendix 2, there are more flexible specific rules of origin that apply for certain products, which are found in the **general Annex** of the UK-Andean Countries Trade Agreement, under the subtitle **Appendix 2A**. These flexible RoO of Appendix 2A may be applied only to a certain annual volume (quota) of imports of that specific product. These are called **Origin Quotas**.

The UK has created two tools that allow companies to verify the tariffs and the specific rules of origin that apply to your product when:

- You are a [UK company that wants your products to access to third countries](#) (including the Andean Countries)
- You are a foreign company that [wants your products to access the UK](#).

## Certification - Proofs of Origin

There are two main ways to certify origin under the UK-Andean Trade Agreement: **EUR1** and **Invoice Declaration** (self-certification).

Under the Trade Agreement, these two types of proofs of origin are **valid for 12 months** after they were issued or made out by the exporter, depending on the case.

### - Movement Certificate EUR 1

In order to allow for continuity and facilitate certification procedures, the UK-Andean Countries Trade Agreement incorporated the same movement certificate that was allowed in the EU-Andean Countries Trade Agreement (EUR 1). It must be issued by the authorised local authorities in each exporting country and can be issued in English or Spanish – the two official languages under this Agreement.

The Trade Agreement establishes the need of issuing the EUR 1 in a green paper with specific characteristics. A hard original copy of this document should accompany the shipment.

During the pandemic, countries have applied some flexibilities to receive the digital copies of the certificates. Please ask the importer to check if such flexibilities are in place in that country before proceeding.

### - Invoice Declaration (Self-certification)

The UK-Andean Countries Trade Agreement allows for self-certification by the exporter under the following conditions:

- When you are an Authorised Exporter under the local legislation issued for this purpose.
- When the consignment consists of one or more packages containing originating products whose total value does not exceed 6000 euro. The equivalent of this value to Pound Sterling (GBP) is calculated and adjusted annually by the UK relevant authorities and notified to the Andean Countries.

The template statement of origin is provided in the General Annex of the [UK-Andean Trade Agreement](#) under the modifications to Appendix 4.

Spanish version

El exportador de los productos incluidos en el presente documento (autorización aduanera o de la autoridad gubernamental competente N° ...<sup>(1)</sup>) declara que, salvo indicación en sentido contrario, estos productos gozan de un origen preferencial ...<sup>(2)</sup>.

English version

The exporter of the products covered by this document (customs [or competent governmental] authorisation No ...<sup>(1)</sup>) declares that, except where otherwise clearly indicated, these products are of ... preferential origin<sup>(2)</sup>.

.....<sup>(3)</sup>

(Place and date)

.....<sup>(4)</sup>

(Signature of the exporter; in addition, the name of the person signing the declaration has to be indicated in clear script)

<sup>1</sup> When the invoice declaration is made out by an approved exporter within the meaning of Article 21 of Annex II, Concerning the Definition of the Concept of "Originating Products" and Methods of Administrative Cooperation, the authorisation number of the approved exporter must be entered in this space. When the invoice declaration is not made out by an approved exporter, the words in brackets shall be omitted or the space left blank.

<sup>2</sup> Origin of products to be indicated.

<sup>3</sup> These indications may be omitted if the information is contained on the document itself.

<sup>4</sup> See Article 20(5) of Annex II, Concerning the Definition of the Concept of "Originating Products" and Methods of Administrative Cooperation. In cases where the exporter is not required to sign, the exemption of signature also implies the exemption of the name of the signatory."

The statement needs to be typed, stamped or printed on the invoice, delivery note or on any other commercial document that describes the goods in sufficient detail.

## Retrospective Certification or Retrospective Declaration of Origin

A retrospective certification of origin can also be possible under certain circumstances.

This means that once the retrospective certificate becomes available, companies can retrospectively reclaim duties paid in the absence of an origin certificate. Companies should check with their local authorities.

## Origin Authorities and Process for Obtaining Proofs of Origin in Each Party

### EUR 1

#### - In the UK

The authority in charge of origin issues, including certification (issuing of EUR 1 movement certificate), is Her Majesty's Revenue and Customs ("HMRC").

However, HMRC has also empowered the **British Chambers of Commerce** ([Find a Chamber](#)) and the **Institute of Chartered Shipbrokers** to issue the relevant Certificates. Find out more here:

- [Check your goods meet the rules of origin](#)
- [EUR 1 Movement Certificate](#)

To get the certificate issued in the green paper specified in the Trade Agreement, companies should request it from the appropriate Chamber of Commerce or from the Institute of Chartered Shipbrokers.

The Chambers provide a guide on how to complete the document and a template for an authorisation letter for agents. Some Chambers allow clients to request EUR1 electronically; others require a hard copy of the application form. There is often a fee for issuing a EUR1 Certificate. For instance, the London Chamber of Commerce charges £48.00.

Due to the coronavirus pandemic (COVID-19), HMRC only issues original green paper EUR1 movement certificates in cases where the customs authority in the country of destination requires a wet stamped certificate or does not accept PDF copies or digital versions. Where easements are in

place in the country the company is exporting to, the digital certificate filled in by the exporter (find model [here](#)) must be sent to the following email address: **NCH.Movements.Digital@hmrc.gov.uk**.

HMRC will check and verify your application. If appropriate, they will issue a plain PDF version back to the company's email address within 48 hours.

#### - In Colombia

The authority in charge of origin issues, including certification, is the Customs and Tax Authority (DIAN, by its Spanish acronym). DIAN is responsible for issuing proofs of origin, including the EUR 1.

DIAN has produced a complete handbook on proofs of origin under the different Trade Agreements that Colombia has with the world. Find it for reference [here](#). The procedure for requesting and obtaining a EUR 1 issued by DIAN in Colombia is explained in page 20. In general terms, it is as follows:

- Download the Virtual Origin System (SIO, by its Spanish acronym).
- Create an Origin Declaration (Affidavit of origin) which is signed digitally and is sent through the SIO (qualification submission option) to DIAN.
- Create and authorise the trader, which can be the producer/exporter or only the trader/exporter. Once created and authorised, they may use the criteria of origin incorporated in the Affidavit of Origin and process proofs of origin when required for a term of two years.
- The exporter completes the certificate of origin (EUR 1) and digitally signs it to send it to DIAN.
- DIAN will issue proof of origin with the official stamp and a handwritten or digital signature of the authorized official, depending on whether the exporter has requested a hard or digital document.
- The exporter claims the hard copy of the certificate and needs to include its handwritten signature as well. Digital copies remain available on the system and can be consulted by customs officials of the importing country that requires it.

#### - In Ecuador

The Origin Authority seats in the Ministry of Production, Foreign Trade, Investment and Fisheries (MPCEIP). The Origin Unit is the only authorised to issue the EUR 1. However, they have a written arrangement with the Ecuadorian Phytosanitary and Zoosanitary Regulation and Control Agency (Agrocalidad), which is allowed to issue Origin Certificates only for the flower sector.

The process for obtaining an origin certificate is as follows:

- The company needs to register as an exporter on the ECUAPASS website, <https://ecuapass.aduana.gob.ec/>.
- In the option "Request for Use", the exporter needs to enter the "Single Window" menu and choose the option "Elaboration of DJO" (Notarised Declaration of Origin). This option will allow generating the respective Notarised Declaration of Origin. Registering power of attorney may be required.
- Choose the option "Preparation of CO" (Certificate of Origin), and choose the format of the certificate of origin to be used within the framework of the Trade Agreement or preferential scheme. The completed form together with the attached commercial invoice needs to be submitted within the "Single Window" menu. The company then needs to make a payment of USD 10, which will allow generating a collection code. The collection takes place at MPCEIP headquarters and local facilities.

General information on rules of origin can be found [here](#).

#### - In Peru

The authority in charge of origin issues including origin certification is the Ministry of Foreign Trade and Tourism (MINCETUR). However, the Authority has also delegated powers to different chambers and associations that are allowed to issue origin certification.

The request can be made by the producer or exporter and it has to be processed

electronically through the Single Window for Foreign Trade (VUCE).

The first step is to obtain registry and authorisation to use the VUCE as an exporter. This is obtained from the National Superintendence of Customs and Tax Administration (SUNAT). Once registered, the producer/exporter must upload the Affidavit in the system, as well as, a flow diagram of the production process of the good.

Complete information on rules of origin and the issuing of certificates by MINCETUR can be found [here](#). It includes information about the templates of the Affidavit of origin that needs to be filled in and signed by the exporter in order to request the EUR 1, as well as, of the chambers that are also authorised in Peru by MINCETUR for issuing certificates of origin.

Moreover, Peru has produced a [guidance](#) on Rules of Origin under the EU-Andean Countries Trade Agreement, which can be useful and easily applicable for the UK-Andean Countries Trade Agreement, as it has incorporated the majority of the provisions of origin of the EU agreement.

### Approved Exporter Application for Self-certification

Usually, it is required to have an Approved Exporter Authorisation to be able to self-certify origin.

While there might be differences in the application process in different countries, the company will need to demonstrate an understanding of rules of origin applicable to their products under the trade agreement they want to use. It will also be necessary to demonstrate how the product meets these rules and provide supporting documentation.

Customs authorities might also ask for samples of the product, or in some cases inspect the premises or any other type of verification. The application to be an approved exporter can be submitted for multiple products and multiple trade agreements even if the rules of origin differ between the agreements.

The UK-Andean Countries Trade Agreement allows for self-certification, but this process

has to follow domestic regulation in each country.

#### - In the UK

For consignments over 6.000 euros, an exporter can only use self-certification if they hold an Approved Exporter Authorisation.

The application is free of charge and can be done online, via Government Gateway or by post. Information about the application can be found [here](#). The company will need to provide the following information:

- Basic information regarding the company such as the name and address of the company.
- The person responsible for customs operations and overseeing origin and export procedures.
- Company's EORI number.
- A detailed description of the goods including their HS code.
- Details on how the goods are manufactured or produced.
- Detailed information on how the goods meet the rules of origin.
- Whether the exporter is the producer/manufacturer of the goods.
- Whether suppliers' declarations are available for the inputs that are not produced/manufactured by the exporter.
- Information on where the goods will be sent to/from.
- Details on the existing or planned volumes of shipments (frequency and value of each consignment).

#### - In Colombia

Colombia has 38 authorised exporters under the EU-Andean Trade Agreement. More information is available [here](#). This is not necessarily going to be adapted to the UK-Andean Countries Trade Agreement. Information and guidance should be requested to the competent authorities in Colombia.

Requirements to be an authorised exporter are:

- Have duly submitted "notarised statements of origin" through DIAN's

computer system of origin for each product for which it will issue declarations of origin or invoice declarations.

- Have made at least four exports in the year before the date on which you submit the application for authorisation as an authorised exporter.
- Under Art. 5 of Resolution 72 of November 29, 2016, of DIAN, the producer of the goods to be exported may only opt for the quality of authorised exporter, or an exporter duly authorised by the producer through the Affidavit of current origin

#### - **In Ecuador**

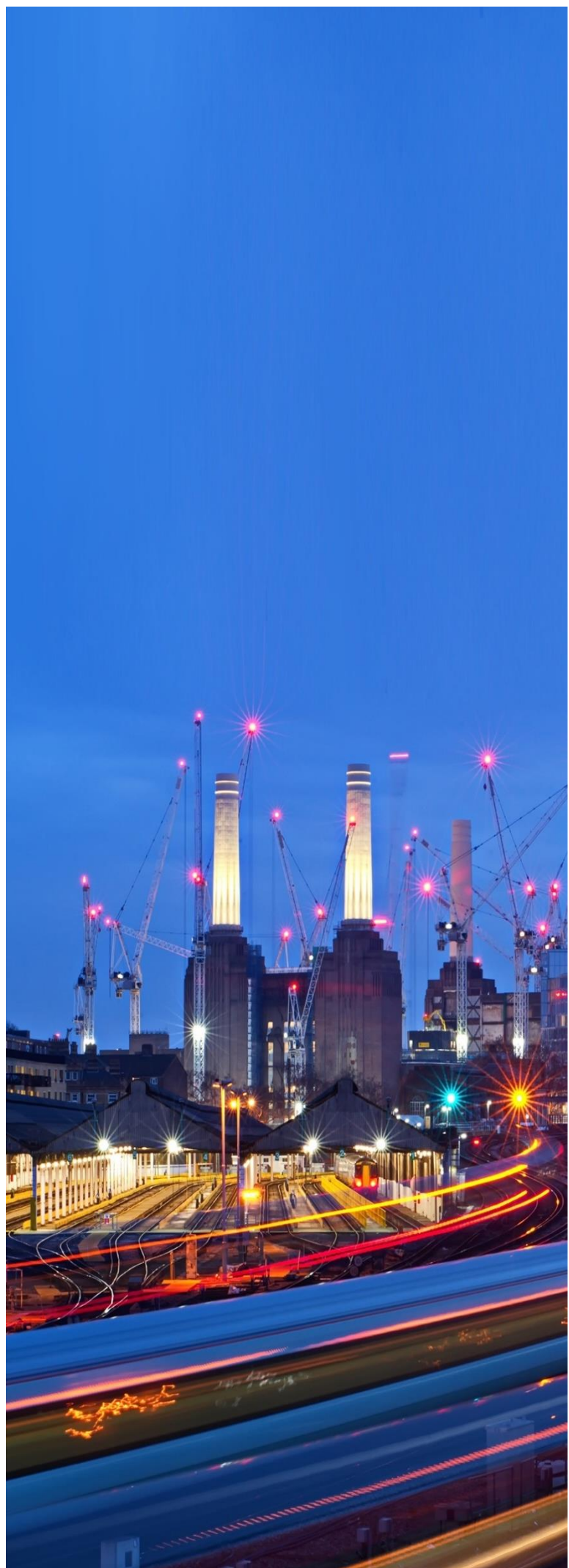
Currently, there is no approved exporter legislation and system in place, however, their objective is to implement this before the end of 2022.

#### - **In Peru**

Peru's secondary legislation on authorised exporters was introduced in June 2020. The procedure to request authorisation is as follows:

- An application must be submitted to the Parties Board or through the Single Window (<http://ventanillavirtual.mincetur.gob.pe/>) of MINCETUR, which must be accompanied by the list of customs declarations that certify the requirement of a frequent exporter, the name of the person proposed to issue the declarations of origin, the commitments, notarised declarations and documents indicated in the regulation. The application will be evaluated, and if required, MINCETUR may request correction of errors.
- Once the presentation of all the information required according to the regulation has been verified, the date of the knowledge test of the person (or persons) proposed to issue and sign the declarations of origin will be coordinated.

Finally, once the application has been evaluated, a Directorial Resolution will be issued that grants or denies the authorisation to operate as an authorised exporter.







## UK Government

### DIT

The UK's Department for International Trade (DIT) helps businesses export, drives inward and outward investment, negotiates market access and trade deals, and champions free trade.

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