

Handbook on the Rules of Origin for Schemes of Preferences

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1. Origin Criteria for Generalised System of Preferences (GSP)

The GSP Scheme offers preferential tariff treatment for eligible products exported from developing countries (or beneficiary or donee countries) to the developed countries (or donor countries). Concessions granted can be in the form of reduced tariff or full exemption from tariff. Singapore is a beneficiary for exports of locally manufactured goods to the Russian Federation.

Origin Criteria

- a) Wholly Obtained (i.e. wholly grown or produced) in the beneficiary country; or
- b) Manufactured wholly or partly from materials, parts or components imported into the country or of unknown origin according to the appropriate rules of origin (substantial transformation). The concept of substantial transformation is defined by the Russian Federation in two basic concepts:
 - i. Process Criterion; and
 - ii. Percentage (Value-Added) Criterion.

Products which have only undergone minimal processes as indicated in the [GSP Handbook \(DOC\)](#) will not qualify for GSP treatment.

Percentage Criterion

The foreign content of the product must not exceed 50% of its FOB price. The foreign content calculation is as follows:

$$\text{Foreign Content} = \frac{\text{Foreign Raw Materials Cost}}{\text{FOB Price}} \times 100 = \text{____\%}$$

Cumulation

You may accumulate the cost of raw materials imported from any other beneficiary countries as part of your domestic costs. This is possible because these donor countries consider all preference-receiving countries as a single area for determining the origin of products. This origin rule is known as **Full and Global Cumulation**. You are required to furnish documentary evidence to prove the origin of the raw materials used in the manufacture of the final products.

Preference-Giving Country Content Rule

This rule is also known as ‘donor country content’ rule. Under this rule, you may include the materials/parts imported from the respective donor country as domestic inputs for a finished product which is for export to the same donor country. For example, a manufacturer imports steel from Russia to make a steel product which is exported to Russia. Under the Russian GSP Scheme, you can consider the steel inputs as a domestic material when you perform your percentage calculation. As in all cases, documentary evidence of the input is required.

2. Origin Criteria for Global System of Trade Preferences (GSTP)

To qualify for GSTP, the products must either be:

- a) Wholly Obtained (wholly grown or produced) in a participant country: or
- b) Manufactured wholly or partly from materials, parts or components imported into the participant country or of unknown origin. Products which have undergone minimal processes as indicated in Annex I will not qualify for GSTP.

[Agreement on the GSTP \(PDF\)](#)

Non-Participant Content

For manufactured products, the non-participant content or the total cost of the materials, parts or produce originating from non-participant countries or of undetermined origin must not exceed 50% of the FOB price of the finished product. The non-participant content is calculated as follows:

$$\text{Non-Participant Content} = \frac{\text{Cost of Raw Materials from Non-Participant Countries}}{\text{FOB Price}} \times 100 = \text{____\%}$$

Cumulative Rules of Origin

The GSTP allows partial cumulation so that products which have acquired originating status in a participant country may be taken into account as part of the domestic costs when used as inputs for a finished product in another participant country.

For a manufactured product to qualify for GSTP treatment under the Cumulative Rules of Origin, the total cost of materials, parts or produce originating from the participants countries should not be less than 60% of the FOB price of the finished product. The participant content is calculated as follows:

$$\text{Participant Content} = \frac{\text{Cost of Raw Materials from Participant Countries} + \text{Direct Labour Cost} + \text{Direct Overhead Cost}}{\text{FOB Price}} \times 100 = \text{____\%}$$

Participating countries extending concessions under this scheme are listed below:

A-E	G-N	P-Z
Algeria	Ghana	Pakistan
Argentina	Guinea	Peru
Bangladesh	Guyana	Philippines
Benin	India	Republic of Korea
Bolivia	Indonesia	Romania
Brazil	Iran (Islamic Republic of)	Singapore
Cameroon	Iraq	Sri Lanka
Chile	Libyan Arab Jamahiriya	Sudan
Columbia	Malaysia	Thailand
Cuba	Mexico	Trinidad & Tobago
Democratic People's Republic of Korea	Morocco	Tunisia
Ecuador	Mozambique	United Republic of Tanzania
Egypt	Myanmar	Venezuela
	Nicaragua	Vietnam
	Nigeria	Zimbabwe

Annex I – List of Simple/Minimal Operations

Products which have only undergone the following 'minimal processes' would not qualify as of Singapore origin:

1. operations to ensure the preservation of products in good condition during transport and storage (ventilation, spreading out, drying, chilling, placing in salt, sulphur dioxide or other aqueous solutions, removal of damaged parts, and like operations);
2. simple operations consisting of removal of dust, sifting or screening, sorting, classifying, matching (including the making up of sets of articles), washing, painting, cutting up;
3. (i) changes of packing and breaking up and assembly of consignments;
(ii) simple placing in bottles, flasks, bags, cases, boxes, fixing on cards or boards, and all other simple packing operations;
4. the affixing of marks, labels or other like distinguishing signs on products or their packaging;
5. simple mixing of products, whether or not of different kinds;
6. simple assembly of parts of products to constitute a complete product;
7. a combination of two or more operations specified in (1) to (6);
8. slaughter of animals.