

Handbook on the Rules of Origin for Ordinary Certificate of Origin

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1. Origin Criteria for Ordinary (Non-Preferential) Certificate of Origin

The Ordinary Certificate of Origin (CO) is issued for a product which meets any of the following criteria:

- a) Wholly Obtained (i.e. wholly grown or produced, refer to Annex I);
- b) Manufactured in Singapore with minimum 25% of Local Content based on the ex-factory price of the finished product;
- c) Attained a Change in Tariff Classification at 6 digit level (i.e. Change in Tariff Sub-Heading);or
- d) Undergone a Chemical Reaction (only for products under HS Chapters 27 to 40).

Products which have only undergone minimal processes as indicated in Annex II will not qualify for Ordinary CO.

1.1. Local Content Rule

The local content is calculated as follows:

$$\begin{array}{r} \text{Local Raw} \\ \text{Materials} \\ \text{Cost} \end{array} + \begin{array}{r} \text{Direct} \\ \text{Labour} \\ \text{Cost} \end{array} + \begin{array}{r} \text{Direct} \\ \text{Overhead} \\ \text{Cost} \end{array}$$

$$\text{Local Content} = \frac{\text{-----}}{\text{Ex-factory Price}} \times 100 = \text{-----}\%$$

1.2. Change in Tariff Classification Rule

All foreign or undetermined raw materials used in production must undergo a Change in Tariff Classification at Sub-Heading level (CTSH) of the Harmonized System Tariff Nomenclature (HS).

A finished product that does not undergo CTSH shall nevertheless be considered as Singapore origin if the value of all imported or non-originating materials used in its production that do not undergo the required CTSH does not exceed ten (10) per cent of the Ex-Factory price the finished product.

1.3. Chemical Reaction Rule

For goods under HS Chapters 27 to 40 (mainly the Mineral Fuels, Chemical, Plastics and Rubber products), the Chemical Reaction rule may be applied to any good classified in these Chapters.

Chemical Reaction rules to processes (including a biochemical process) which results in a molecule with a new structure by breaking intramolecular bonds and by forming new intramolecular bonds, or by altering the spatial arrangement of atoms in a molecule.

The following are not considered to be Chemical Reactions for the purposes of this definition:

- a) Dissolving in water or other solvents;
- b) The eliminating of solvents including solvent water; or
- c) The addition or elimination of water of crystallization.

Annex I – List of Wholly Obtained Products

The following categories of products can qualify as wholly obtained (ie, wholly grown or produced) in a beneficiary country:

1. mineral products extracted from its soil or from its sea bed;
2. vegetable products harvested there;
3. live animals born and raised there;
4. products obtained there from live animals;
5. products obtained by hunting or fishing conducted there;
6. products of sea fishing and other products taken from the sea by its vessels;
7. products made on board its factory ships exclusively from the products referred to in para (6) above;
8. used articles collected there fit only for the recovery of raw materials;
9. waste and scrap resulting from manufacturing operations conducted there;
10. products obtained there exclusively from the products specified in (1) to (9) above (such as iron sheets, bars produced from iron ore, cotton fabrics woven from raw cotton, recovery of lead from used motor-car batteries, recovery of metal from metal shavings).

Annex II – 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.