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To: All Manufacturers registered with
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IMPROVEMENTS TO THE RULES OF ORIGIN OF THE ASEAN COMMON EFFECTIVE PREFERENTIAL TARIFF (CEPT) SCHEME FOR THE ASEAN FREE TRADE AREA (AFTA)

Under the ASEAN Framework Agreement for the Integration of Priority Sectors, Member Countries agreed to improve the CEPT Rules of Origin (ROO) by adopting substantial transformation as an alternative criterion for conferring origin status.

Alternative ROO to Existing 40% Value-Added Rule

2. Product Specific Rules (PSRs) have been developed based on Change in Tariff Classification (CTC). These PSRs will apply as alternative criteria to the existing 40% value-added (VA) rule for products in the following nine priority sectors, namely: (i) agro-based products; (ii) automotives; (iii) e-ASEAN; (iv) electronics; (v) fisheries; (vi) healthcare; (vii) rubber-based products; (viii) textiles and apparels; and (ix) wood-based products.

3. The list of PSRs currently available under the CEPT Scheme for AFTA, including those developed earlier (*i.e.* iron and steel products in HS Chapter 72, textiles and textile products, wheat flour, aluminium, wood-based products), can be found on the ASEAN Secretariat's website at: <http://www.aseansec.org/17281.htm> (Product Specific Rules). ASEAN Member Countries are constantly improving the CEPT ROO and will be finalising the PSRs for more products shortly.

4. **With immediate effect**, you may apply to use the alternative CTC rules for your exports under the CEPT Scheme for AFTA. You will need to check the PSR list to find out the relevant CTC rule that is applicable to your product before you submit the Manufacturing Cost Statement under the CTC rule (with details of the HS codes of the foreign materials or materials of undetermined origin) to Singapore Customs for verification. Please note that if your product has been meeting the current VA rule, you have a choice to use either the alternative CTC rule or continue to use the existing VA rule to apply for the CEPT Form D.

5. For products that qualify under the CTC criterion, you are required to declare the origin criterion text as “ST” in box 8 of the CEPT Form D when applying for this document at the time of export.

Transposition of PSR Products from AHTN 2003 into AHTN 2007

6. The PSRs currently listed on the ASEAN Secretariat’s website are based on ASEAN Harmonized Tariff Nomenclature (AHTN) 2003. You may wish to note that ASEAN Member Countries are in the process of transposing these PSRs from AHTN 2003 into AHTN 2007. A separate circular will be issued once this exercise has been completed.

7. Please familiarise yourself with the CEPT ROO in order to take full advantage of the CEPT Scheme for your exports to ASEAN Member Countries. In addition, please highlight the contents of this circular to other colleagues in your organisation and business partners if relevant.

Enquiries

8. For enquiries, you may call our Customs Call Centre at telephone number 6355-2000 on the contents of this circular.



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