



TRADE BEAT

Enhancing Origin certification through REX The EU Registered Exporter System



The European Union (EU) has introduced the Registered Exporter (REX) system which is their latest approach to certifying the origin of goods being imported into the EU from certain beneficiary countries. As part of ongoing efforts to improve and restructure all systems and processes relating to international trade, the EU has implemented several updates to its certification process, while offering easier access to key data elements through digital channels. As part of the Union Customs Code (UCC) Project, which seeks to modernize EU Customs through legislative reforms and revision of existing mechanisms, the REX system updates the certification process, leading to greater consistency and efficiency for international enterprises.

Synopsis of the REX

Under the EU's Generalised System of Preferences (GSP), certain beneficiary countries namely developing countries, pay reduced or zero rate of duties on their exports to the EU. Introduced in 2017, the REX system facilitates the certification of the origin of goods, under the EU's GSP. The REX is based on the principle of self certification by economic operators, who will make "statements on origin" to self attest to the authenticity of the origin of their products. To have the entitlement of making a "statement on origin" the economic operator must be registered in the database of the competent authority of the exporting country. Upon successful registration, the economic operator would be designated a "registered exporter." The REX system will progressively and completely replace the current system of origin certification, which is based on the issuance of physical certificates of origin (Form A) by governmental authorities, as well as invoice declarations made out under certain conditions by economic operators. The global transition period from the current system of origin certification to the REX system started on January 1, 2017 and will last until June 30th 2020 at the latest.

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COMMERCIAL INVOICE				
Vendor/Exporter		Invoice Number:	Date of Shipment:	
		Letter of Credit Number:	AWB/BL Number:	
		Currency:	Country of Origin:	
Consignee:		Importer:		
Transportation: To: From:	Number of Packages: Net Weight: Gross Weight:		Total Invoice:	
Description	Quantity	Weight	Unit Price	Total Price
Product 1		1 100 lbs.	50	\$ 50.00
Other Information			Subtotal	50.00
Enter Payment terms here			Tax Rate	6%
			Tax Due	3.00
			TOTAL	\$ 53.00
Signature:		Name:	Date:	

Statements on Origin

A “statement on origin” is a declaration of origin provided by a registered exporter verifying that the goods being exported meet the origin criteria for said exports under the EU GSP. A “statement on origin” shall be made out on a commercial document such as a commercial invoice, packing list or delivery notice. The text of the “statement on origin” is given in Annex 22-07 of the UCC IA (Implementing Act). Rules for determining the origin of goods within a European GSP Scheme will remain unchanged with the application of the REX system. It is important to note, that only the method for certifying the origin of goods has changed. In order to make a “statement on origin”, an economic operator must be registered in the REX system and have a valid registration. Unregistered exporters can make statements on origin for consignments not exceeding a value of 6 000 EUR for originating goods.

The REX IT System

Underpinning the REX System is an IT infrastructure made available by the European Commission that will handle all its functionalities. The REX IT system is entirely web-based and removes the burden for GSP beneficiary countries to develop solutions compatible with the Rex. In order to use the Rex system, a beneficiary country would need to have access to any web-connected device from which they can log in with a minimum of one device connected to the Internet. The REX system has three (3) main functionalities, namely, the registration of exporters, the modification of registered data, and the revocation of exporters. It is critical for the competent authorities in GSP beneficiary countries to maintain a current and accurate repository of registered exporters to facilitate an effective system.

The REX system facilitates the registration of exporters required to complete appropriate application forms and return them to the relevant competent authorities. Verification of registered exporters is possible, based on the registration data captured by the REX. Since all data will be stored and made searchable online, economic operators using "statements on origin" can verify the validity of submissions made via the REX. Although a registered exporter may publish all his registration data, if he chooses to be anonymous, a subset of the registered data will be created, comprising of his REX number, the date from which the registration is valid, and the date of revocation if applicable. This information would be published on the system to allow other economic operators the opportunity to verify the validity of the registration.



Types of Traders/ Exporters Registered in the REX System:

- Exporters in GSP beneficiary countries
- EU operators exporting to GSP beneficiary countries for the purpose of bilateral cumulation of origin
- EU operators exporting to third countries with which the EU has an FTA where the REX system is applied
- EU operators replacing proofs of origin initially made out in a GSP beneficiary country

Phasing out of Form A

With the introduction of the REX system the use of the "Form A" for GSP beneficiary countries will be gradually phased out. This means that the Form A certificate, as well as the certificate of origin will no longer be required. Instead of these certificates, exporters will be required to register with the competent authority of the GSP beneficiary country, which will grant the status of "Registered Exporter". This status allows the Registered Exporter to receive a REX number and grants the right to issue their own statement, regarding the origin of the preference seeking commodity. The registered exporter's commercial document should reflect his REX number, as well as his "statement on origin" to validate all shipments of a commercial value higher than EUR 6000.

Upon expiration of the transitional period granted to GSP beneficiary countries to implement the REX system, the Form A certificate will no longer be applicable. However, if the Form A was issued and validated before the end of a beneficiary country's transitional period, it would still be valid. The entire transitional period for implementation of the REX by a GSP beneficiary country should end by June 30th, 2020.



Applying the REX System

A GSP beneficiary country will need to satisfy the following two prerequisites in order to effectively apply the REX system:

- A submission must be made to the European Commission of an Undertaking which provides for administrative cooperation in the framework of the REX system in accordance with Article 70 of the Implementing Regulation of the EU 2015/2447.
- Communication of the contact details of the competent authorities responsible for registration of the exporters and administrative cooperation to the European Commission, in accordance with Article 72 of the Implementing Regulation of the EU 2015/2447.



Jamaica's Application of the REX

Jamaica is currently a beneficiary country under the GSP schemes of both Switzerland and Norway. In order to derive the benefits available under the Swiss and Norwegian GSP schemes, Jamaica is required to implement the REX system. Under the Swiss and Norwegian GSPs, Jamaica benefits from reduced duties or zero rates of duty on all industrial goods and many agricultural products.



**JAMAICA CUSTOMS AGENCY
INTERNATIONAL & INDUSTRY LIAISON UNIT**

Myers Wharf
New Port East
P.O. Box 466
Kingston 15

Phone: 8769225140-8 ext.3028/3182
E-mail: international.liaison@jacustoms.gov.jm



Country Above Self

The International and Industry Liaison Unit is committed to raising the level of awareness on topics relating to the Caribbean Community, as well as issues concerning the wider topic of international trade, to both our internal and external stakeholders. Our monthly newsletter seeks to highlight global trade topics and their importance to Customs Administrations worldwide and specifically how they affect the Jamaica Customs Agency. As we realize our vision of becoming a modern Customs administration delivering excellent service, we recognize the importance of knowledge transfer in delivering our objectives and use this forum as our way of contributing to the vision of the JCA. The International Liaison Unit is located at the Myers Wharf head office and our officers are available to respond to your queries and clarify any points of concern.

Written by: Marsha Wilson-Maxwell

CARICOM Officer

International & Industry Liaison Unit

Email: marsha.wilson@jca.gov.jm

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