



Norwegian Customs Department for International Agreements

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Agenda

- Introduction to the GSP Scheme of Norway
- Conditions for Preferential Treatment
- Rules of Origin and Product Specific Rules
- Origin Documentation and the Registered Exporter System (REX-system)
- Useful Trade Tools





1. Introduction to the GSP Scheme of Norway

- what is it, and what is important to notice?



Norway

- Appr. 5.4 million inhabitants
- GDP/capita = USD 106 149 (World Bank 2022 figures)
 - 5th highest in the world
- Oil/gas, fish and offshore/shipping technology key export products
- Import of agricultural products relatively high due to geographic conditions and high production costs
- Not a part of the European Union (EU), but the European Economic Area (EEA) and the European Free Trade Association (EFTA)





Norway and Free Trade

- Norway is a founding member of the European Free Trade Association (EFTA) - today consisting of Norway, Switzerland, Iceland and Liechtenstein
- Norway has as per today concluded 29
 preferential free trade agreements through
 EFTA, while negotiations are underway with a
 number of countries



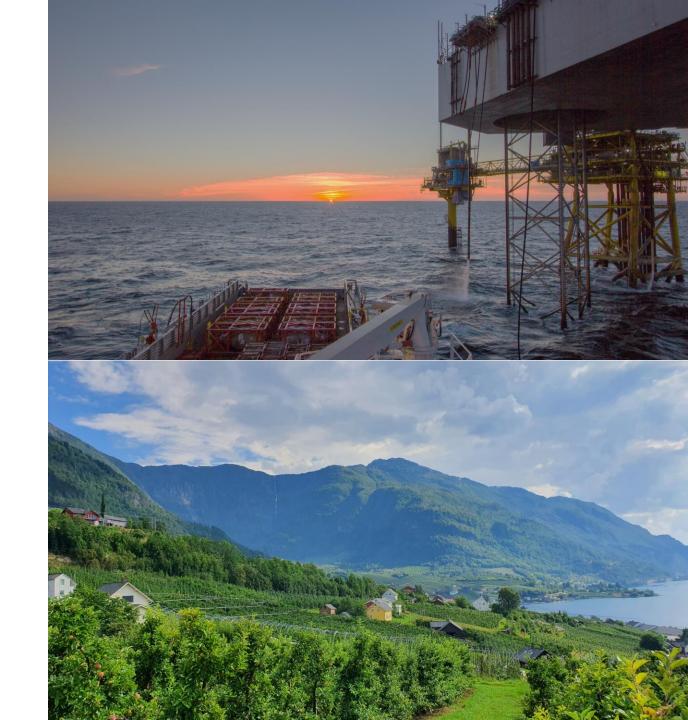






Norwegian customs duties

- Industrial products are duty free into Norway
 - Except for certain textile products in HS Chapters 61 to 63
- Certain basic agricultural products and processed agricultural products have customs duties
 - This applies mainly to products that are or can be produced in Norway





GSP - Generalised System of Preferences

- A trading system that grants unilateral (ONE-way) preferential tariffs in favour of developing countries
- Launched to assist developing countries to export more of their products to industrialised countries and strengthen their industries
- GSP: A recognised exception from the GATT/WTO principles on "most-favoured nation treatment"
 - Allows industrialised countries on an autonomous basis to grant preferential tariff treatment to products from developing countries at a lower duty rate than to the rest of the world
- GSP preferences are granted to imports of specific products from particular countries





Norway's GSP Categories

- Least Developed Countries (LDC) and Other Low-Income Countries
- Lower Middle-Income Countries
- 3. Ordinary GSP (Upper Middle-Income Countries)
 - The categorisation follows OECDs DAC list of ODA recipients
 - Implemented in the Norwegian Customs regulations, with a delay to ensure predictability for importers in Norway and exporters in developing countries

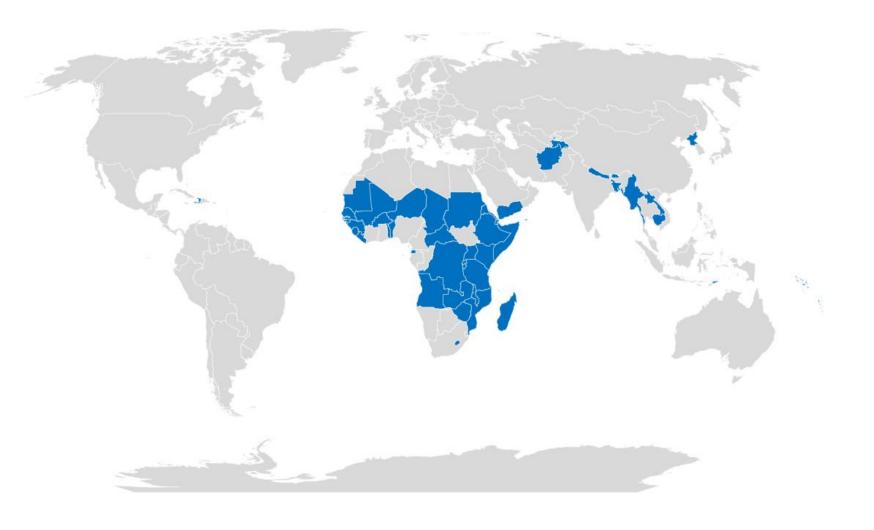
DAC List of ODA Recipients Effective for reporting on 2021 flows**

Enteture for reporting on 2021 flows					
Least Developed Countries	Low Income Countries which are not LDCs (per capita GNI <= \$1 005 in 2016)	Lower Middle Income Countries and Territories which are not LDCs (per capita GNI \$1 006-\$3 955	Upper Middle Income Countries and Territories which are not LDCs (per capita GNI \$3 956-\$12 235		
	qui april di	in 2016)	in 2016)		
Afghanistan (L)	Democratic People's Republic of Korea	Angola	Albania		
Bangladesh (LM)	Zimbabwe (LM)	Armenia (UM)	Algeria (LM)		
Benin (LM)		Bolivia	Antigua and Barbuda ²		
Bhutan¹ (LM)		Cabo Verde	Argentina		
Burkina Faso (L)		Cameroon	Azerbaijan		
Burundi (L)		Congo	Belarus		
Cambodia (LM)		Côte d'Ivoire	Belize		
Central African Republic (L)		Egypt	Bosnia and Herzegovina		
Chad (L)		El Salvador	Botswana		
Comoros (LM)		Eswatini	Brazil		
Democratic Republic of the Congo (L)		Georgia (UM)	China (People's Republic of)		
Djibouti (LM)		Ghana	Colombia		
Eritrea (L)		Guatemala (UM)	Costa Rica		
Ethiopia (L)		Honduras	Cuba		
Gambia (L)		India	Dominica		
Guinea (L)		Indonesia (UM)	Dominican Republic		
Guinea-Bissau (L)		Jordan (UM)	Ecuador		
Haiti (L)		Kenya	Equatorial Guinea		
Kiribati (LM)		Kosovo (UM)	Fiji		
Lao People's Democratic Republic (LM)		Kyrgyzstan	Gabon		
Lesotho (LM)		Micronesia	Grenada		
Liberia (L)		Moldova	Guyana		
Madagascar (L)		Mongolia	Iran		
Malawi (L)		Morocco	Iraq		
Mali (L)		Nicaragua	Jamaica		
Mauritania (LM)		Nigeria	Kazakhstan		
Mozambique (L)		Pakistan	Lebanon		
Myanmar (LM)		Papua New Guinea	Libya		
Nepal (LM)		Philippines	Malaysia		
Niger (L)		Sri Lanka	Maldives		
Rwanda (L)		Syrian Arab Republic (L)	Marshall Islands		
Sao Tome and Principe ¹ (LM)		Tajikistan (L)	Mauritius ³ (H)		
Senegal (LM)		Tokelau*	Mexico		
Sierra Leone (L)		Tunisia	Montenegro		
Solomon Islands ¹ (LM)		Ukraine	Montserrat*		
Somalia (L)		Uzbekistan	Namibia		
		Vanuatu	Nauru ³ (H)		
South Sudan (L) Sudan (L)		Viet Nam	Niue*		
Sudan (L) Tanzania (LM)		West Bank and Gaza Strip	North Macedonia		
		West Bank and Gaza Strip	Palau ²		
Timor-Leste (LM)		I			
Togo (L)		I	Panama ²		
Tuvalu (UM)		I	Paraguay		
Uganda (L)		I	Peru		
Yemen (L)		I	Saint Helena*		
Zambia (LM)			Saint Lucia		
		I	Saint Vincent and the Grenadines		
			Samoa		
		I	Serbia		
			South Africa		
			Suriname		
		I	Thailand		
		I	Tonga		
		I	Turkey		
			Turkmenistan		
		I	Venezuela		
	1	I	Wallis and Futuna*		



LDC + Other Low-Income Countries

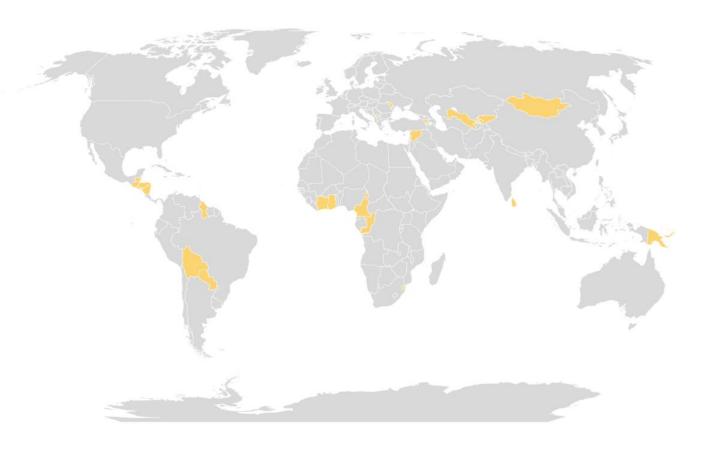
- 52 countries fall under this category
- All products are eligible for zero customs duties
- Cambodia is in this category





Lower Middle-Income Countries

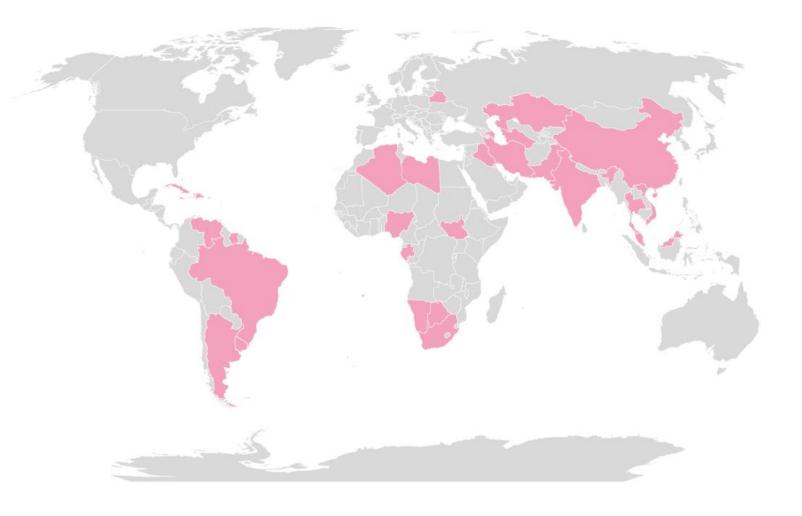
- 25 countries fall under this category
- Receive a better offer than ordinary GSP, but not as good as LDCs
- All textiles and flowers are eligible for zero customs duties





Ordinary GSP

- 47 countries fall under this category
- Most industrial products (chapter 25-97) are eligible for zero customs duties – with some exceptions of textiles
- Some agricultural products (chapter 1-24) are eligible for reduced or zero customs duties





Relevance for Cambodian exporters

- Good market opportunities with zero duties on all products
- GSP-scheme of Norway is not identical to other European countries
 - E.g. list of beneficiary countries, customs duties and categorisation of countries can be different
 - Not subject to any international standards



Cooperation agreement in Europe

- Norway, the EU, Switzerland and Türkiye have agreements on GSP cooperation
- Common Rules of Origin and Product Specific Rules
- Common system for registration of exporters for origin documentation purposes Registered Exporter System (REX)



2. Conditions for Preferential Treatment

- how can the products be imported to Norway duty free or with reduced duties?



The GSP system

What conditions must be met in order for Cambodian products to benefit from GSP-preferences?

- The importer needs to claim preferential treatment upon importation
- The product needs to be eligible for preferential treatment
- The product must originate in Cambodia in accordance with the GSP Rules of Origin
- The exporter must be registered in the Registered Exporter System (REX)
- A valid proof of origin must be submitted
- The non-manipulation provisions must be fulfilled



Import- and exportregulations

The product needs to be eligible for preferential treatment

This can be checked in the <u>Norwegian Customs Tariff</u>

Number Item Ordinary	Trade agreements	Quantity	References
61.01 Men's or boys' overcoats, car-coats, capes, cloaks,			
anoraks (including ski-jackets), wind-cheaters, wind-			
jackets and similar articles, knitted or crocheted, other than those of heading 61.03.			
.2000 - Of cotton	FHA,G+,GSP: 0	kg.item	
.3000 - Of man-made fibres	FHA,G+,GSP: 0	-	
.9000 - Of other textile materials	FHA,G+,GSP: 0	kg,item	
61.02 Women's or girls' overcoats, car-coats, capes, cloaks,			
anoraks (including ski-jackets), wind-cheaters, wind-			
jackets and similar articles, knitted or crocheted,			
other than those of heading 61.04.			
.1000 - Of wool or fine animal hair	FHA,G+,GSP: 0	kg,item	
.2000 - Of cotton	FHA,G+,GSP: 0	kg,item	
.3000 - Of man-made fibres	FHA,G+,GSP: 0	kg,item	
.9000 - Of other textile materials 10,7 %	FHA,G+,GSP: 0	kg,item	





The product must originate in Cambodia

- The relevant product has to be Cambodian origin in order to get preferential treatment
- To simply write «Made in Cambodia» is not enough
- The Rules of Origin and Product Specific Rules need to be fulfilled
 - Own set of rules more details to follow





Non-manipulation provisions

Transport through third countries is allowed, provided that the goods do not undergo operations other than:

- unloading, reloading and splitting up of consignments
- operations to preserve the product in good condition
- adding or affixing of marks, labels, seals, or any other documentation to ensure compliance with specific domestic requirements

It is a requirement that the products must remain under customs surveillance (customs warehouse)



3. Rules of Origin and Product Specific Rules

- what kind of production process is required in order for the product to be regarded as originating according to the Rules of Origin?



Why Rules of Origin?

- Promote domestic production
- Make sure that only originating products from a GSP-country obtain preferential treatment into Norway
- Prevent third country products from being shipped through a beneficiary country
- Determine the criteria on how a product must be manufactured in order to obtain status as an "originating product" eligible for preferential treatment
- Regulate the quantities of non-originating materials that may be used in the production and/or how such materials must be worked or processed in order to obtain preferential status for the final product



Where to find the Rules of Origin?

- Rules of Origin: Norwegian Customs Duty Regulations Section 4-1-8 to 4-1-21
- Product Specific Rules: <u>Annex 22-03</u>
- Agreement between the EU, Norway, Switzerland and Türkiye to use the same Rules of Origin
 - Easier for exporters in GSP-countries knowing the rules are the same



Rules of Origin - Main principles

- Wholly obtained products
- Sufficiently worked or processed products

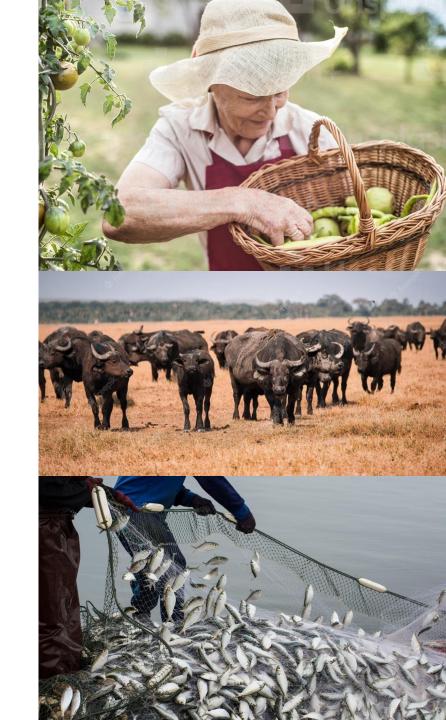




Products "wholly obtained"

The following products (a.o.) are considered to be wholly obtained in a GSP-country:

- mineral products extracted from its soil or from its seabed
- plants and vegetable products, grown or harvested there
- live animals born and raised there
- products from live animals raised there
- products obtained by hunting and fishing conducted there
- products of sea fishing and other products taken from the sea outside the territorial waters by its vessels
- used articles collected, fit only for the recovery of raw materials
- goods manufactured there exclusively from the above products





Products "sufficiently worked or processed"

- A product can also include non-originating materials in the production of a product and still obtain originating status
 - This is only relevant if there are materials from other countries in the production
- The Product Specific Rules (also known as PSRs or list rules) lays out the conditions for the production process concerning the non-originating materials
 - The list rules can be found here: Annex 22-03
- List with own rules depending on the classification in the Harmonized System (HS) of the final product
 - Normal set of rules:
 - · Change in tariff classication
 - Value-added calculation/Ad valorem rule
 - Different production rules, especially for textiles







HS classification

Description

List rule









Harmonised System heading	Description of product	Qualifying operation (Working or processing, carried out on non-originating materials, which confers originating status)
(1)	(2)	(3)
Chapter 8	Edible fruit and nuts; peel of citrus fruits or melons	Manufacture in which: — all the fruit, nuts and peels of citrus fruits or melons of Chapter 8 used are wholly obtained, and — the weight of sugar (¹) used does not exceed 40 % of the weight of the final product

What is the rule for dried mango?

If non-originating sugar is added, the sugar can not exceed 40 % of the weight of the final product

N.B!: materials = nonoriginating materials



A commodity code in the Norwegian Customs Tariff is structured in the following way:

04.01.5000 (cream)



HS Chapter

HS Heading



21.05.0010 (ice cream)

Change in tariff heading means that the materials are classified under other HS headings than the final product





HS classification

Description

List rule







Harmonised System heading	Description of product	Qualifying operation (Working or processing, carried out on non-originating materials, which confers originating status)
(1)	(2)	(3)
Chapter 9	Coffee, tea, maté and spices:	Manufacture from materials of any heading



What is the rule for crushed ginger?

The exporter can use non-originating whole ginger, and crush it and get Cambodian origin

- Provided the processing goes beyond what is regarded as «insufficient working or processing»

N.B!: materials = nonoriginating materials



Insufficient working or processing

The producer needs to do more than the activities on this list ->

Simply packing the non-originating coffee in containers is not enough to obtain origin

Simply washing a piece of non-originating clothing is not enough to obtain origin

- (1) The following operations shall be considered as insufficient working or processing, whether or not the requirements of Section 8-4-33 are met:
 - (a) preserving operations to ensure that the condition of the product does not deteriorate during transport or storage;
 - (b) breaking-up and assembly of packages;
 - (c) washing, cleaning, removal of dust, oxide, oil, paint or other coverings;
 - (d) ironing or pressing of textiles and textile articles;
 - (e) simple painting and polishing operations;
 - (f) husking and partial or total milling of rice; polishing and glazing of cereals and rice;
 - (g) operations to colour or flavour sugar or form sugar lumps; partial or total milling of crystal sugar;
 - (h) peeling, stoning and shelling, of fruits, nuts and vegetables;
 - (i) sharpening, simple grinding or simple cutting;
 - (j) sifting, screening, sorting, classifying, grading, matching (including the makingup of sets of articles);
 - (k) simple placing in bottles, cans, flasks, bags, cases, boxes, fixing on cards or boards and all other simple packaging operations;
 - affixing or printing marks, labels, logos and other similar distinguishing signs on products or their packaging;
 - (m) simple mixing of products, whether or not of different kinds; mixing of sugar with any material;
 - (n) simple addition of water or dilution or dehydration or denaturation of products;
- (o) simple assembly of parts of articles to constitute a complete article or disassembly of products into parts;
- (p) slaughter of animals;
- (q) a combination of two or more of the operations specified in (a) to (p).



Example: Silk scarves HS: 62.14



HS classification

Description

List rule







6213 and Handkerchiefs, shawls, scarves, mufflers, mantillas, veils and the like:

- - Other

Weaving accompanied by making-up (including cutting)

or

Making-up preceded by printing accompanied by at least two preparatory or finishing operations (such as scouring, bleaching, mercerising, heat setting, raising, calendering, shrink resistance processing, permanent finishing, decatising, impregnating, mending and burling), provided that the value of the unprinted fabric used does not exceed 47.5% of the ex-works price of the product (7) (9)



Example: Knitted wool jumper HS: 61.10



HS classifie	cation Description	List rule
Chapter 61	Articles of apparel and clothing accessories, knitted or crocheted:	
	Obtained by sewing together or otherwise assembling, two or more pieces of knitted or crocheted fabric which have been either cut to form or obtained directly to form	
	Other	Spinning of natural and/or man-made staple fibres or extrusion of man-made filament yarn, in each case accompanied by knitting (knitted to shape products) or Dyeing of yarn of natural fibres accompanied by knitting (knitted to shape products) (7)



Exception I: The tolerance rule

- Allows input of materials from other countries if:
- a) 15 % of the <u>weight</u> of the product for products falling within Chapters 2 and 4 to 24 of the Harmonized System, other than processed fishery products of Chapter 16;
- b) 15 % of the **ex-works price** of the product for other products, except for products falling within Chapters 50 to 63 of the Harmonized System,

Specific rules apply for textiles:

Specific tolerances mentioned in Notes 6 and 7 of Part I of <u>Annex 22-03</u> apply



Exception II: Cumulation

- Bilateral cumulation: Materials originating in Norway may be used in the production process in Cambodia
- Diagonal cumulation: Materials originating in the EU or in Switzerland may also be used in the production process in Cambodia
- Regional cumulation with ASEAN-countries: Materials originating in Brunei, Philippines, Indonesia, Thailand, Laos, Malaysia, Myanmar, Singapore and Vietnam may also be used in the production process in Cambodia
 - The input materials must be imported to Cambodia with a REX statement on origin



Registered Exporter System - REX



REX – introduction

- System of certification of origin of goods that is applied in the GSP of the EU, Switzerland, Türkiye and Norway
- Principle of self-certification
- Statements on origin by economic operators (EO)
- EO must be registered in a database by his competent authorities and then becomes a "registered exporter"
- Statements on origin replaced Form A (Not valid as of 1.1.2021)



The exporter must be registered in the Registered Exporter System (REX)

- A self-certification system: Exporters in GSP-countries will declare the origin of their goods by completing "Statements on Origin" themselves
- The Cambodian exporter needs to be registered in the REX-system (Registered Exporter System)





REX Statement on Origin

- Statement on origin is made out:
 - By the exporter in the GSP-country
 - Without intervention of the competent authorities
 - On any commercial document
 - Without connection to the REX system
- Exporters need to be registered if the originating goods on the statement exceeds EUR 6 000

The exporter ... (Number of Registered Exporter (2), (3), (4)) of the products covered by this document declares that, except where otherwise clearly indicated, these products are of . . . preferential origin (5) according to rules of origin of the Generalised System of Preferences of the European Union and that the origin criterion met is (6).



A valid proof of origin must be submitted

- The exporter needs to make out a Statement on Origin on the invoice or another commercial document (for example: Bill of Lading; Packing List)
 - The Statement on Origin needs to include certain elements
- If the product is first shipped to the EU before exported to Norway, the re-exporter in the EU also needs to be registered in REX, and has to make out a Replacement Statement on Origin

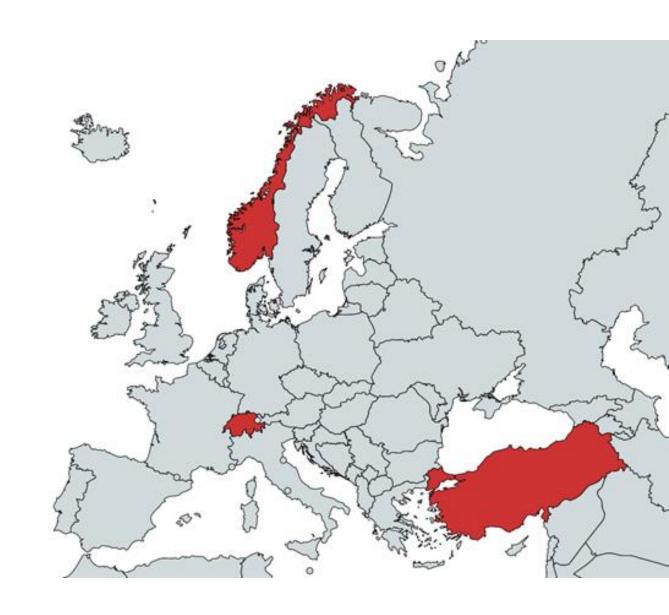






Norway, Switzerland, Türkiye, EU

- Apply same GSP RoO as the EU: collaboration
- Only one registration required per exporter.
- An exporter is automatically registered for the GSP schemes of the EU, Norway, Switzerland and Türkiye if the country is in those GSP schemes





Publication and consultation of all registered exporters' data

- The data of the REX System is published at: http://ec.europa.eu/taxation_customs/dds2/eos/rex_home.jsp?Lang=en
- Economic Operators use it to verify the validity of the registrations of the registered exporters who provide statements on origin



Obligations of Exporters

- Exporters shall keep available for at least three years (or longer if required by national law):
- all evidence relating to the materials used in the manufacture
- all customs documentation relating to the materials used in the manufacture
- records of:
 - (i) the statements on origin they made out
 - (ii) their originating and non-originating materials, production and stock accounts
- Exporters shall regularly provide to their competent authorities the list of statements on origin they have made out





Private

Corporate









Home > Import > Free trade > GSP - Generalized System of Preference > The Registered Exporter system (the REX system)

The Registered Exporter system (the REX system)

Part of the information below is copied from the EU Commissions website: ec.europe.eu

General information

The Registered Exporter system (the REX system) is the system of certification of origin of goods that will be applied in the Generalised System of Preference (GSP) of the European Union, Switzerland and Norway as from 1 January 2017. It is based on a principle of selfcertification by economic operators who will make out themselves so-called statements on origin. To be entitled to make out a statement on origin, an economic operator will have to be registered in a database by his competent authorities. The economic operator will become a "registered exporter".

The REX system will progressively and completely replace the current system of origin certification based on certificates of origin issued by governmental authorities and on invoice declarations made out under certain conditions by economic operators. This means as well that the REX system will be used between GSP beneficiary countries applying regional cumulation.

GSP - Generalized System of Preference

- → The different proofs of origin in the GSP scheme
- → Requirements for preferential customs treatment
- → Countries that are a part of the Norwegian GSP-system

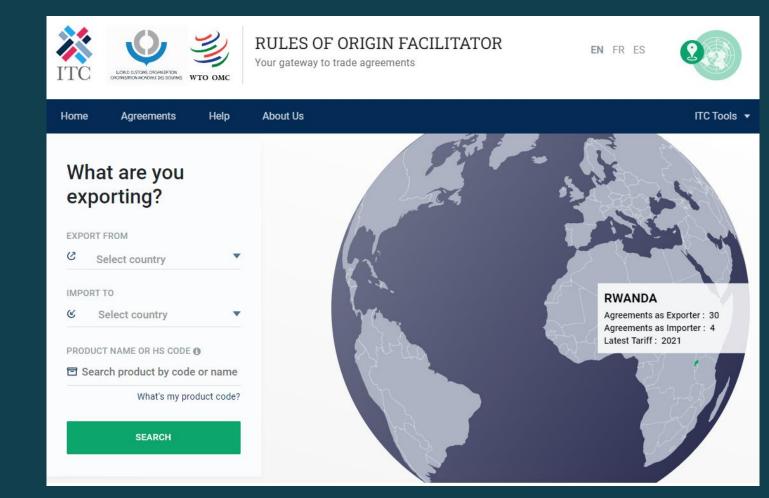


Miscellaneous



Rules of Origin Facilitator Web-site:

• https://findrulesoforigin.org/

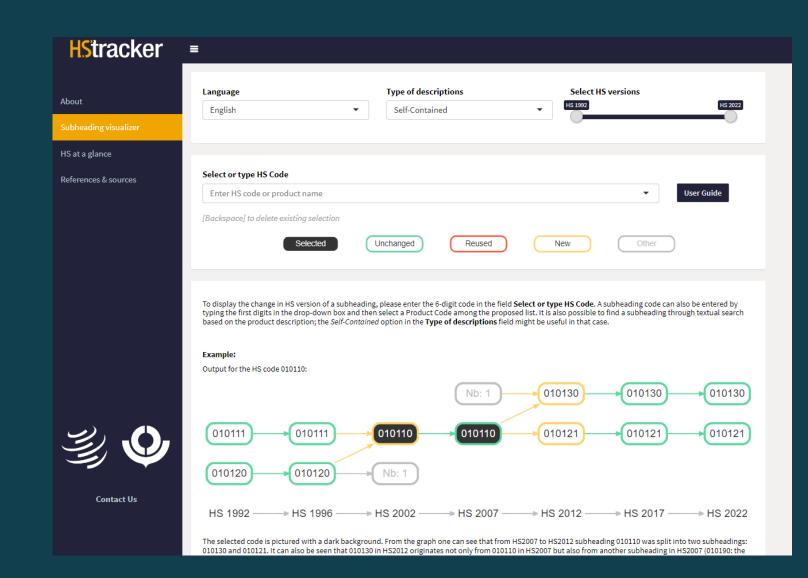




HS tracker

Web-site:

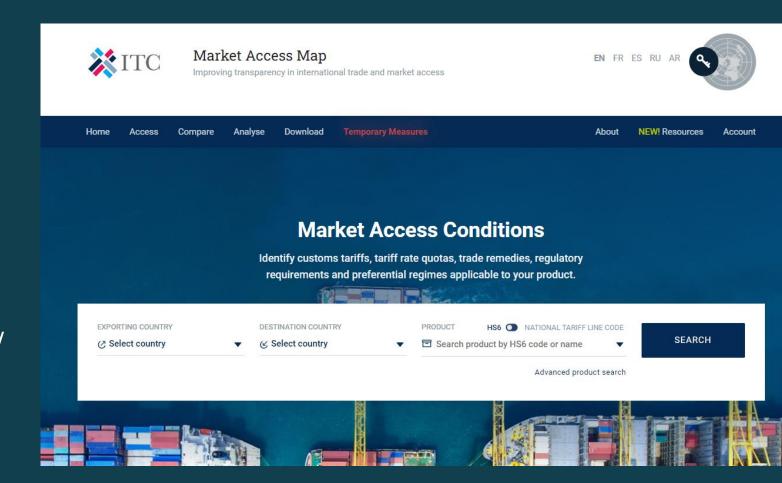
https://hstracker.wto.org/





Market Access Map Web-site:

https://www.macmap.org/en/





Export potential map

Web-site:

 http://exportpotential.intracen. org/en/





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Spot export opportunities for trade development

The Export Potential Map is a free tool that turns economic analysis into practical trade information using the ITC export potential methodology.

Using the Map's customizable and shareable visualizations, you can spot:

- products, markets and suppliers with (unrealized) export potential
- 2. opportunities for export diversification

Contact us if you would like to develop a customized analysis or country-specific version of Export Potential Map, exploring for instance:

- employment impacts associated with export potential
- opportunities for building (regional) value chains
- · export potential for services
- the selection of strategic products and partners for trade policy negotiations



Read more...

Spot opportunities for Thailand v as Exporter / Market



Useful links

- GSP Generalised System of Preference
- Requirements for preferential customs treatment
- The Registered Exporter system (the REX system)
- Import Guide for Beginners
- Goods with import restrictions



Summary

Virke The Federation of Commerce and Services in Norway

25000 enterprises in retail, wholesale, ecommerce and a variety of services info@virke.no



Big importers - grocery and flowers

Enterprise	Contact
Bama Gruppen AS	Nedre Kalbakkvei 40, 1081 Oslo www.bama.no /+47 22880500
NorgesGruppen ASA	Karenslyst allé 12-14, P.box 300 Skøyen, 0213 Oslo www.norgesgruppen.no / +47 24113100
Coop Norge SA	Østre Aker vei 264, P.box 21 Haugenstua, 0977 Oslo www.coop.no / +47 22899595
Rema 1000 Norge AS	Gladengveien 2, P.box 6428 Etterstad, 0661 Oslo www.rema.no / +47 24098500



Big importers - textiles and home textiles

Enterprise	Trade	Contact
Varner Gruppen AS	Clothes/fashion	Nesøyv. 4, 1396 Billingstad contact@varner.com / +47 66773100
Voice Norge AS	Clothes/fashion	Pontoppidansg.7, 0406 Oslo P.b.3467 Bjølsen kundeservice@voice.no / +47 22 54 55 00
Bergans Fritid AS	Sport/leisure	Hagaløkkv. 13, 1383 ASKER marked@bergans.no / +47 32 25 25 00
Norrøna Sport AS	Sport/leisure	Vollsveien 13H, 1366 LYSAKER post@norrona.no / +47 66 77 24 10
Kid Interiør AS	Home textiles	Gilhusveien 1, 3426 GULLAUG admin@kid.no / +47 940 26 000
Princess Gruppen AS	Home textiles	Kjeppestadveien, 1400 SKI post@princessgruppen.no / +47 64 85 44 00







Summary

In order to obtain preferential treatment on importation of a GSP-product, the following conditions apply:

- the product must be manufactured in Cambodia in accordance with the applicable Rules of Origin of the GSP-system
- the non-manipulation provisions must be met
- at the time of importation to Norway (customs clearance), the product must be covered by a REX Statement on Origin
- the importer must request (claim) GSP preferential treatment at the time of customs clearance of the product