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Circular

R-30

Entry into force of the multilateral EFTA-Philippines free trade agreement on 1 June 2018

1 Preferential rates upon importation

The preferential rates set in the free trade agreement will be amended on the date of entry into force in the electronic customs tariff [Tares](#). From the same date, the Philippines will no longer benefit from the preferences of the Generalised System of Preferences for developing countries (GSP).

2 Origin provisions

2.1 Principle

2.1.1 Territorial scope

- EFTA countries
- Philippines

2.1.2. Scope of application

The scope of application covers products in chapters 1 to 97 of the customs tariff.

2.2 Rules of Origin

2.2.1 Rules of Origin and list rules

The Rules of Origin are set out in [Annex I](#) to the Free Trade Agreement and the list rules in [Appendix 1](#) to Annex I.

2.2.2 Tolerances

For the list rules which require a change in tariff heading or chapter, a general value tolerance of 20% of the ex-works price of the product for non-originating materials applies. This also applies in cases where a list rule requires "wholly obtained". This tolerance shall not apply to list rules based on value criteria and to products for which the status of wholly obtained or produced referred to in Article 3 of Annex I is to be claimed.

2.2.3 Origin cumulation

The EFTA-Philippines Agreement provides for the cumulation of originating products between EFTA countries and the Philippines. Cumulation with products of other free trade partners is not permitted.

In the case of agricultural products not covered by [Annex II](#), only bilateral cumulation of originating products is allowed, i.e. only between a single EFTA country (i.e. either Switzerland including Liechtenstein or Iceland or Norway) and the Philippines.

2.2.4 Drawback

A drawback ban is not provided for.

2.2.5 "Non-alteration" rule

This Agreement provides for the "non-alteration" rule, i.e. the imported originating products must be the same as those exported from the contracting party. On their way, they must not have undergone any illicit working or processing and must have been permanently under customs surveillance (see [Article 12](#) of Annex I). The splitting-up of consignments in third countries is permitted.

2.2.6 Accounting segregation

The Agreement provides for the possibility of accounting segregation for materials.

2.3 Proof of origin / approved exporter

2.3.1 Proof of origin

Only the origin declaration referred to in Article 13 of [Annex I](#) (see annex) shall be considered proof of origin. It may be issued by the exporter, irrespective of the value of the goods. The origin declaration is to be completed exclusively in English.

2.3.2 Approved exporters

Approved exporters are exempt from the handwritten signature.
The existing authorisations of Switzerland are also valid for this Agreement.

2.3.3 Forgoing proofs of origin; value limits

2.3.3.1 Importation into Switzerland

Consignments from one private individual to another that contain originating products worth no more than CHF 1,000 in total can be assessed at the preferential rate without a proof of origin provided the conditions of [Article 80a](#) of the Customs Ordinance of 1 November 2006¹ are met.

2.3.3.2 Importation into the Philippines

The Agreement contains only a discretionary provision in this regard. Exporters wishing to dispense with proofs of origin must contact the Philippine authorities for precise information on the applicable rules.

2.4 Tariff preferences for goods depending on the intended use

If the granting of tariff preferences is dependent on a specific intended use of the goods², the provisions of [Articles 50-54](#) of the Customs Ordinance apply. In particular, a corresponding end-use commitment must be supplied in writing to the Directorate General of Customs before the first customs declaration. For further questions please contact the Customs tariff and economic measures Section (tel. 058 462 65 73).

¹ CustO; SR 631.01

² Cf. "Goods benefiting from customs facilities", section 3 of the [Remarks of the Customs Tariff - Tares](#)

3 Tariff dismantling upon importation into the Philippines

For most products in Chapters 25-97, tariff dismantling is asymmetric. The EFTA countries and Switzerland will reduce their customs duties on industrial products in a single step upon entry into force of the agreement. The Philippines will also reduce duties in a single step, with the exception of the tariff lines outlined in annex III Tariff dismantling can be seen in detail at the following links:

for industrial products:

[Philippines Schedule of Tariff Commitments on non-agricultural products](#)

for agricultural products: [Tariff concessions Agriculture Philippines - Switzerland](#).

4 Transitional provisions

Originating products that are in transit, in temporary storage in a customs warehouse or in a free zone when the Agreement comes into force can nevertheless benefit from a preferential treatment within the framework of the Agreement. In such cases, it is possible until 30.11.2018 to submit an origin declaration completed in the exporting country after the entry into force of the Agreement and documents proving the compliance with the transport provisions.

5 Provisional assessment upon importation

If no valid proof of origin exists at the time of the customs declaration, the person subject to the declaration obligation can request a provisional import assessment for goods that are covered by the Agreement. According to established administrative practice, the proof of origin has to be submitted within two months (period of validity of provisional assessment; moreover, the person subject to the declaration obligation can submit a written and substantiated request for an extension of the deadline before this period of validity expires).

If a provisional assessment was not requested, the customs declaration can be reclaimed at the preferential rate only if all of the prerequisites in accordance with [Article 34](#) of the Customs Act³ are met in full. This means, among other things, that the proof of origin (even if issued retrospectively) must have existed at the time of the original customs declaration and that the person subject to the declaration obligation made a request to the competent customs office within the set timeframe (within 30 days after leaving customs supervision).

6 Documents

The entire EFTA-Philippines agreement is available in English on the [EFTA home page](#).

From entry into force, it will also be possible to access the usual documents in [R-30: Free trade agreements, preferential tariffs and origin of goods](#).

The remaining documentation will be adapted in due course.

³ CustA; SR 631.0

Annex

Wording of the origin declaration according to Article 13 of Annex I

The exporter of the goods covered by this document (customs authorisation No...) declares that, except where otherwise clearly indicated, the goods satisfy the Rules of Origin to be considered as originating under the PH-EFTA FTA (Country of Origin:)

Place and Date

.....
Signature above the Printed Name
of the Authorised Signatory