



Berne, 21 September 2020

No. 071-16.1 EC

## Circular

R-30

# Entry into force of the EFTA-Ecuador Free Trade Agreement on 1 November 2020

## 1 Preferential rates upon importation

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

## 2 Origin provisions

### 2.1 Principle

#### 2.1.1 Territorial scope

- EFTA countries
- Ecuador

#### 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

In the list rules, a general value tolerance of 10% of the ex-works price of the product for non-originating input materials is provided for. This provision excludes products in chapters 50 to 63, for which the tolerance is 10% of the total weight of the product. These tolerances also apply in cases where a list rule requires "wholly obtained". This provision excludes products for which "wholly obtained" referred to in Article 3 of Annex I is to be claimed.

#### 2.2.3 Cumulation of origin

The EFTA-Ecuador Agreement provides for the cumulation of originating products between EFTA countries and Ecuador. Cumulation with input materials from Colombia and Peru is also permitted. These input materials must be originating products under the relevant agreement which are processed or incorporated into a product in EFTA countries or Ecuador; it is not possible to transfer the origin of unaltered (neither processed nor incorporated into a product) goods forwarded from Colombia and Peru.

The list rules do not have to be the same as in the EFTA-Ecuador Agreement. Cumulation with input materials of other countries is not permitted.

#### **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. They must not have undergone any illicit working or processing in transit and must have been permanently under customs control (see [Article 14](#) 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 of input materials.

### **2.3 Proof of origin/approved exporter**

#### **2.3.1 Proof of origin**

Although the agreement still provides for the movement certificate EUR.1 as well at the moment, this was only included at the specific request of Ecuador and could soon be removed from the agreement. The origin declaration must be issued in English or Spanish (see Annex).

##### **2.3.1.1 Exportation from Switzerland**

The sole proof of origin which should be issued for exporting goods from Switzerland is the origin declaration in [Appendix 3](#) to Annex I. It may be issued by the exporter, irrespective of the value of the goods.

##### **2.3.1.2 Importation into Switzerland**

For the exportation of goods from Ecuador is foreseen the movement certificate EUR.1 in [Appendix 2](#) or the origin declaration in [Appendix 3](#) for approved exporters. For the other exporters the origin declaration is foreseen up to a total value of EUR 6000 in originating products.

#### **2.3.2 Approved exporters**

Approved exporters are exempt from providing a handwritten signature on the origin declaration.

The existing authorisations issued in Switzerland are covering also this agreement.

#### **2.3.3 Waiver of proof 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 2006 are met.<sup>1</sup>

##### **2.3.3.2 Importation into Ecuador**

The agreement contains only a discretionary provision in this regard. Exporters wishing to waive the proof of origin must contact the Ecuadorian authorities for precise information on the applicable rules.

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<sup>1</sup> CustO; SR 631.01

## 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 goods,<sup>2</sup> the provisions of [Articles 50 to 54](#) of the Customs Ordinance apply. In particular, a corresponding end-use commitment must be supplied in writing to the FOCBS before the first customs declaration. For any additional questions, please contact the Economic Measures, e-mail: [wirtschaft@bazg.admin.ch](mailto:wirtschaft@bazg.admin.ch).

## 3 Tariff dismantling upon importation into Ecuador

For most products of chapters 25 to 97, tariff dismantling is asymmetric. While EFTA countries will abolish their duties in one step upon entry into force, Ecuador will gradually apply duty reductions/exemptions.

Tariff dismantling can be seen in detail at the following link: [Ecuador Schedule of Tariff Commitments](#).

## 4 Transitional provisions

Originating products that are in transit, in temporary storage in a customs warehouse or in a free zone when the agreement enters into force can nevertheless benefit from a preferential assessment within the framework of the agreement. In such cases, it is possible until 31 October 2021 to issue/complete a proof of origin (movement certificate EUR.1 or origin declaration) in the exporting country. It has to be issued/completed after the entry into force of the agreement.

## 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 Act are met in full.<sup>3</sup> This means - inter alia - 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 full EFTA-Ecuador Agreement is available in English on the [EFTA website](#).

From the date of entry into force, the usual documents may be consulted in [R-30: Free trade agreements, preferential tariffs and origin of goods](#) (available in French, German and Italian).

The remaining documentation will be adapted in due course.

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<sup>2</sup> See Goods benefiting from customs facilities, section 3, of the [Remarks of the Customs Tariff – Tares](#)

<sup>3</sup> CustA; SR 631.0

## Annex

Wording of the origin declaration according to Appendix 3 to Annex I

### *English version*

The exporter of the products covered by this document (authorisation No...) declares that, except where otherwise clearly indicated, these products are of ... preferential origin.

.....  
(Place and Date)

.....  
(Signature of the exporter; in addition the name of the person signing the declaration has to be indicated in clear script)

### *Spanish Version*

El exportador de los productos incluidos en el presente documento (autorización no...) declara que, salvo indicación en sentido contrario, estos productos gozan de un origen preferencial ... .

.....  
(Lugar y fecha)

.....  
(Firma del exportador; adicionalmente el nombre de la persona que firma la declaración debe ser indicado claramente)