

# THE REX SYSTEM

Ethiopian Customs Commission  
Tariff Classification and Origin Directorate



# CONTENT

- Legal framework
- General information
- Registration process
- Modification
- Revocation
- Data publication, consultation and management
- Origin certification
- Transitional period

# LEGAL FRAMEWORK

- **Basic act: Council Regulation (EEC) No 2913/92**  
establishing the Community Customs Code.
- **Customs Code Implementing Provisions (CCIP):**  
**Commission Regulation (EEC) No 2454/93**

# LEGAL FRAMEWORK

## The reform of GSP rules of origin

- 2005: Commission Communication COM (2005)100

"The rules of origin in preferential trade arrangements -

Orientations for the future“ 3 pillars:

- Simplification
- Move to self-certification
- Measures to ensure compliance by public authorities with their obligations (monitoring)

# LEGAL FRAMEWORK

## The reform of GSP rules of origin

- 2010: Regulation (EU) No 1063/2010 amending Regulation (EEC) No 2454/93
- Applicable from 1 January 2011:
  - Relaxation of rules of origin, notably for LDCs
  - Simplification of procedures (direct transport > non-alteration)
- Applicable from 1 January 2017:
  - New procedure for making out proofs of origin which relies more on the exporter (REX, system of Registered Exporters)

# LEGAL FRAMEWORK

## The reform of GSP rules of origin

- 2013: Regulation (EU) No 530/2013 amending Regulation (EEC) No 2454/93
  - Amendments stemming from new GSP scheme introduced with Regulation (EU) No 978/2012
- 2015: Regulation (EU) No 2015/428 amending Regulation (EEC) No 2454/93
  - Amendments to fine-tune the REX system (phasing-in approach, data protection...)

# LEGAL FRAMEWORK

## Legal framework (As from 1 May 2016)

- **Basic Act: Regulation (EU) No 952/2013** Of the European Parliament and of the Council laying down the Union Customs Code
- **UCC Delegated and Implementing Acts:** Commission proposal adopted on 28 July 2015 (entry into application on 1 May 2016)

# GENERAL INFORMATION

- The application to become registered exporter is a one-off formality, where the exporter provides the competent customs office with the necessary information for being registered.
- Once the REX number is assigned to him, the exporter may use it for all his exports under preferential arrangements where the system of certification of origin applied is the REX system.



# General Information

- The certification of origin made out by the exporter is usually called a **"statement on origin"**.
- Some preferential arrangements also use the term **"origin declaration"** (as in the CETA agreement with Canada)

# CONDITIONS FOR BECOMING REGISTERED EXPORTER

- Any exporter, manufacturer or trader of originating goods, established in the territory of a GSP beneficiary country,
- An exporter shall request his registration to the competent authorities of the country where he is permanently established or where he has his headquarters.

# Conditions For Becoming Registered Exporter

- The exporter should be able to submit at any time, at the request of the competent authorities, all appropriate documents proving the originating status of the products concerned.
- The exporter should accept verification, by the said competent authorities, of his accounting and the manufacturing process of the products.

# Conditions For Becoming Registered Exporter

- The exporter should keep for three years (or more depending on the period established in the preferential agreement) copies of the statements on origin and supporting documents related to the statements on origin he has made out.
- This period starts from the end of the calendar year in which the statements on origin were made out.

# Conditions For Becoming Registered Exporter

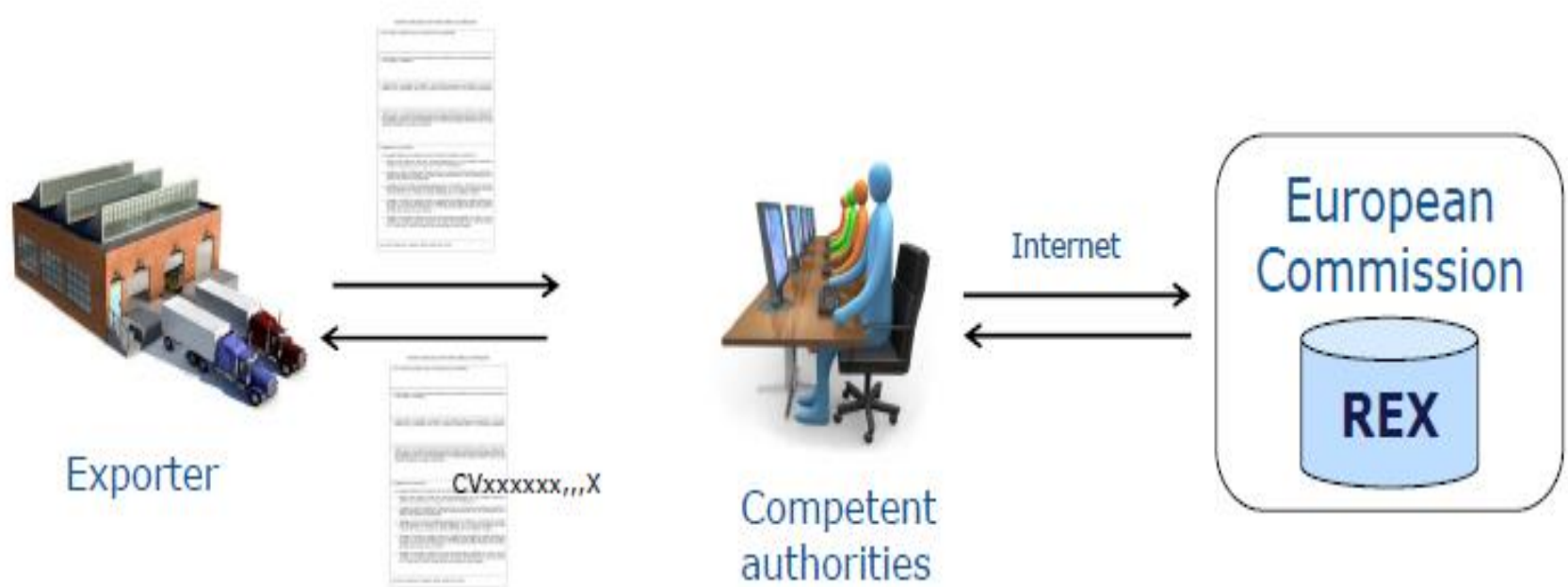
- The exporter should assume the entire responsibility of the use of the registration number.
- The exporter should agree to inform the competent authorities about any alterations affecting the registration data.
- When applying to become a registered exporter in the context of the GSP, an economic operator needs to provide the information requested in Annex 22-06 of Regulation (EU) No 2015/2447 (Annex 1 of this document).

# VALIDITY OF THE REGISTRATION

- The validity of a registration number is not limited in time.
- A registered exporter in a GSP beneficiary country may use his registration number for exporting with GSP tariff preference under the GSP schemes of the Union, of Switzerland, of Norway and in the future of Turkey (where appropriate).

# REGISTRATION PROCESS

## Registration of exporters - Process



1. The exporter submits his application to the competent authorities
2. If it is complete, the competent authorities encode the application in the REX system and assign a REX number
3. The competent authorities inform the exporter of the registration

# REGISTRATION PROCESS

## Registration of exporters – Remarks

- Registration of an exporter is a **one-time operation**
- Internet connection is **only needed for registration**
- Registration is **valid from the moment a complete application is submitted by the exporter**
  - No impact on the exporter if there is a technical problem for the registration
  - No impact on the exporter if the competent authorities have organizational difficulties to register the exporters immediately



# REGISTRATION PROCESS

## Application for registration (Annex 13c)

- Simple and short
- Easy to fill in
- The only administrative procedure for the exporters
- Registration of an exporter is a **one-time operation**
- Internet connection **only needed for registration**
- Registration should be **free of charge**
- Registration is valid from the moment where a completed application is submitted by the exporter

1. Exporter's name, full address and country, EORI or TIN <sup>(2)</sup>.

2. Contact details including telephone and fax number as well as e-mail address where available.

3. Specify whether the main activity is producing or trading.

4. Indicative description of goods which qualify for preferential treatment, including indicative list of Harmonised System headings (or chapters where goods traded fall within more than 20 Harmonised System headings).

5. Undertakings to be given by an exporter

The undersigned hereby:

- declares that the above details are correct,
- certifies that no previous registration has been revoked; conversely, certifies that the situation which led to any such revocation has been remedied,
- undertakes to make out statements on origin only for goods which qualify for preferential treatment and comply with the origin rules specified for those goods in the Generalised System of Preferences,
- undertakes to maintain appropriate commercial accounting records for production/supply of goods qualifying for preferential treatment and to keep them for at least three years from the end of the calendar year in which the statement on origin was made out,
- undertakes to immediately notify the competent authority of changes as they arise to his registration data since acquiring the number of registered exporter,
- undertakes to cooperate with the competent authority;
- undertakes to accept any checks on the accuracy of his statements on origin, including verification of accounting records and visits to his premises by the European Commission or Member States' authorities, as well as the authorities of Norway, Switzerland and Turkey (applicable only to exporters in beneficiary countries),

- **Simple and easy to fill in by exporters**

- **TIN number (box 1): Trader Identification Number**

- undertakes to request his removal from the system, should he no longer meet the conditions for exporting any goods under the scheme,
- undertakes to request his removal from the system, should he no longer intend to export such goods under the scheme.

.....  
Place, date, signature of authorised signatory, name and job title

6. Prior specific and informed consent of exporter to the publication of his data on the public website

The undersigned is hereby informed that the information supplied in this application may be disclosed to the public via the public website. The undersigned accepts the publication and disclosure of this information via the public website. The undersigned may withdraw his consent to the publication of this information via the public website by sending a request to the competent authorities responsible for the registration.

.....  
Place, date, signature of authorised signatory, name and job title

7. Box for official use by competent authority

The applicant is registered under the following number:

Registration Number: .....

Date of registration .....

Date from which the registration is valid .....

Signature and stamp .....

- Section 7 to be filled in by Competent Authorities
- Short and easy to fill in
- Registration to be done **once** (not as Form A certificates for each export)

# REGISTRATION PROCESS

○ **Box 1:** Exporter's name, full address and country, EORI or TIN **EORI or TIN:**

- The EORI number is the Economic Operator Registration and Identification number assigned to economic operators in the Union.
- TIN is Trader Identification Number. It is a data element, defined by the WCO, whose purpose is to uniquely identify economic operators in a country.
- It is then requested that GSP beneficiary countries and OCTs, if not yet done, assign a TIN to their economic operators before that they register them.

# REGISTRATION PROCESS

**Box 2:** Contact details including telephone and fax number as well as email address where available

- o Name
- o Street and Number
- o Postcode
- o City
- o Country
- o Email address
- o Fax Number
- o Telephone Number

# REGISTRATION PROCESS

- **Box 3:** Production process (whether the main activity is trading or producing)
- **Box 4:** Indicative description of goods (including indicative description of HS)

# REGISTRATION PROCESS

**Box 5:** Undertakings to be given by an exporter

**Box 6:** Prior specific and informed consent of exporter to the publication of his data on the public website.

**Box 7:** Box for official use by competent authority

- Registration Number (REX number): it is the registration number assigned by the competent authorities to the economic operator.
- The number is composed of the ISO country code (2 letters), "REX" (3 letters) and a string of up to 30 alphanumerical characters.

# REGISTRATION PROCESS

- Before performing the registration, competent authorities have to verify that:
  - the application submitted by the exporter is **complete**
  - the **data** provided in the application form is **correct** (the company exists, the address is correct,...)
  - applicants is **established** and **functional manufacturer or trader** (not just customs or tax representatives)
  - The applicant is **not subject to bankruptcy proceedings**



# MODIFICATION OF REGISTRATION (ART 80(4))

- **Competent authorities shall keep the data registered by them up to date**
- **Competent authorities shall without delay encode the requests for modifications submitted by exporters**
- **Competent authorities have to inform the registered exporter when the modification is done**
- **Modification of registration data should be free of charge**

# REVOCAION OF A REGISTERED EXPORTER (ART 89)

- ❑ Competent authorities shall revoke a registered exporter if:
  1. He no longer exists
  2. He no longer meets the conditions for exporting goods under the GSP scheme
  3. He informed them that he will not export goods under the GSP scheme
  4. He committed fraud

# STATEMENT ON ORIGIN (ANNEX 22-07)

- A statement on origin may be made out after exportation and it will be admitted in the EU if presented at the latest two years after the importation (Art 92(2))
- French, English or Spanish (Art 92(3))
- On any commercial document allowing identification of the exporter concerned and the goods involved (Art 92(3)) – Not on transport documents

# COMMERCIAL DOCUMENTS THAT MAY INCLUDE A STATEMENT ON ORIGIN

- Statements on origin are made out on the
  - invoice
  - on another commercial document in relation to the consignment that allows identifying, without any doubt,
  - A transport document, such as a bill of lading or the airway bill, cannot be considered as another commercial document, since it is issued by the carrier or forwarding agency.

# COMMERCIAL DOCUMENTS THAT MAY INCLUDE A STATEMENT ON ORIGIN

- The statement on origin may be submitted on a separate sheet of the commercial document, only if this sheet is an obvious part of this document.
- If the commercial document contains several pages, each page must be numbered, the total number of pages must be mentioned
- The Statement on Origin should indicate if bi-lateral cumulation (with the EU, Norway, Switzerland or Turkey) or regional cumulation apply (Art 93(1) and Art 93(2))

# **DATA PUBLICATION, CONSULTATION AND MANAGEMENT**

# INTRODUCTION OF THE DATA

- Processed by the competent authorities (BC) and customs authorities (MS)
  - Controllers with respect to the processing of the data they have entered
  - Responsible for entering, modifying and deleting data

# INTRODUCTION OF THE DATA

## ○ European Commission:

- Joint controller on all data of the REX system
- May consult the data of the REX system for monitoring and statistical purposes
- Controls and manages the REX system (technical infrastructures but not the data)



# AUTOMATED/MANUAL OPERATIONS

- Legal basis: Articles 93 and 93a CCIP
- Data entered and modified manually in the REX system  
Possibility of pre-entering data by the exporter -> the authorities retrieve the data for finalization and validation of the registration.
- Revocation:
  - individual: manual deletion by the controller after the data retention period (10 years)
  - General (removal of a country from the GSP scheme): data kept 10 years; deletion after 10 years EXCEPT reintroduction of the country in the GSP or presence in CH/NO GSP schemes

# STORAGE

- Paper-based application form (signed) -> registration  
Kept as long enough as required by the EU-BC administrative cooperation.
- In the future, exporters in MS will encode themselves and electronically sign their data in the system.
- Personal data stored in a central Relational Data Base Management System operated by the European Commission

# CONSEQUENCES ON COMPETENT AUTHORITIES

- More responsibility given to economic operators in the registration phase, and the making out of statements on origin (Self-certification system).
- The competent authorities have a simple role of administration of the data but should develop larger controls of the proofs of origin ex-post and the process of acquisition of the origin.
- In case of infringement to the rules of origin, revocation may be applied.

# ORIGIN CERTIFICATION ?

## Proofs of origin (pre REX)

- Form A certificate of origin

- used as proof of origin at import into the EC and in regional cumulation
- Issued by **customs authorities in BCs** if value > 6k€

- EUR-1 certificate

- Requested by the exporter in the MS
- Issued by **customs authorities in MS** (bi-lateral cumulation)
- Value > 6k€

# ORIGIN CERTIFICATION ?

## Proofs of origin (pre REX)

### ○ Invoice declaration

- Made out by any **exporters in BCs** if value < 6k€
- Made out by any **exporters in MSs (bi-lateral cumulation)** if value < 6k€
- Made out by **approved exporters in MSs (bilateral cumulation)** if value > 6k€

# ORIGIN CERTIFICATION

- Statement on origin

- Made out by **exporters in BCs**
- Made out by **exporters in MSs (bi-lateral cumulation)**
- On any commercial documents
- Registered exporters: value > 6k€
- All exporters: value < 6k€

# ORIGIN CERTIFICATION

## Statement on origin (Annex 13d)

- Statement on origin is easy to fill in (3 fields)
- Statement on origin is made out:
  - By the exporter himself
  - **Without intervention of the competent authorities**
  - **Without connection to the REX system**
- No need to be registered < 6k€ **Origin**

# ORIGIN CERTIFICATION

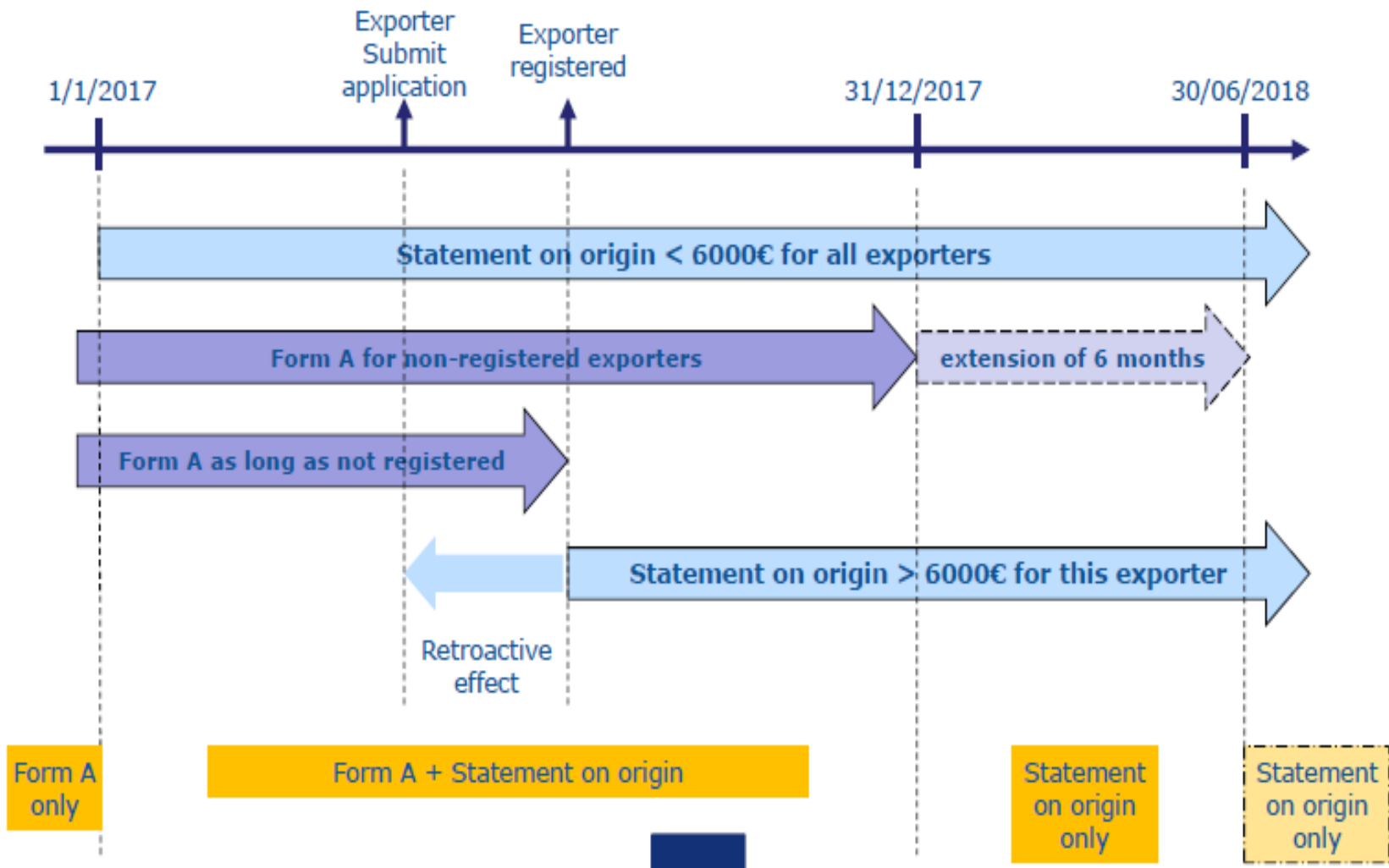
## Statement on origin (Annex 13d)

- According to Art 95(2): a statement on origin may be made out after exportation and it will be admitted in the EU if presented at the latest two years after the importation.
- No impact on the exporter if the SoO cannot be made out at the time of exportation because of either the competent authorities or the exporter



# PHASING-IN APPROACH

## Transitional period – Inside 1 year



# *Thank you!*

**For more information please contact:**

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