



THAILAND AUSTRALIA FREE TRADE AGREEMENT (TAFTA)

Information Pack

How to become a Registered Exporter and obtain Certificates of Origin

1. Read the “**Application Procedures**” document and follow instructions to ascertain whether your goods are considered originating goods and therefore eligible for preferential tariff treatment.

Before Certificates of Origin (CO) can be issued to businesses exporting to Thailand under the TAFTA, companies must become a Registered Exporter of specified products. Registered Exporters are companies that have established, through a rigorous investigation of the TAFTA Rules of Origin, that their products meet the relevant Rules of Origin, and have officially stated their understanding.

NOTE: Alternately, you can obtain an ACCI Certificate of Australian Origin (CAO) from the Fremantle Chamber of Commerce Inc. (FCC) for exports to Thailand for any product, where such is required, for goods that do not attract preferences or concessions under the TAFTA, or where the exporter does not wish to avail themselves of those preferences or concessions.

2. However, where you wish to export to Thailand under the TAFTA you will need to complete the Registered Exporter’s **Deed of Declaration**
3. Complete the **Authorised Signatories Form**
4. Send the Deed of Declaration and Authorised Signatories Form to:

- **Export Documentation Department
Fremantle Chamber of Commerce Inc.
16 Phillimore Street, Fremantle WA 6160
PO Box 662, Fremantle WA 6959
Tel: 9335-2711 Fax: 9430-4418
Email: export@fremantlechamber.com.au**

The term “ACCI”, where it appears, refers to the Australian Chamber of Commerce and Industry, and member and allied organisations (including FCC) as determined by it as holding its delegated authorities to issue Certificates of Australian Origin.

5. Where a CO is issued under the terms and conditions of the TAFTA, FCC will assess your documentation, and as stipulated in the TAFTA, can call for supporting documentary evidence or carry out any check considered appropriate. You will be notified if your Exporter Registration application is approved within five working days and provided with an “Exporters Registration Reference Number”.
6. If your application is not approved, you will be provided with an explanation within five working days.
7. Once you have received your Exporters Registration Reference Number, you may apply to have Certificates of Origin certified. Please use the **Certificate of Origin for Thailand** template to produce Certificates and follow the **Completing Certificates of Origin for Thailand Instructions** to have them certified.

Penalties

There are penalties that will be applied to those companies that claim origin, and obtain a duty preference, when their goods in fact do not qualify. Registered Exporters can be audited at any time, and must keep sufficient documentation to prove origin for five years after export.

Under the terms of TAFTA, Thai Customs could:

- call up duty short-paid on past imports of the goods in question and deny preference to future imports of those goods (this would actually constitute action against the Thai importer but would have obvious ramifications on the Australian exporter).
- dispute, at the time of entry, the duty payable on future imports of ANY goods from that exporter, or anyone associated with it, even if a Certificate of Origin exists for those goods (this could delay clearance of the goods through Customs, which would not normally be allowed under the agreement).
- take additional action, such as the imposition of administrative penalties (once again, against the Thai importer, which would impact the business relationship).

Further, Australian Customs can:

- impose penalties if TAFTA exporters or producers fail to answer Customs' questions, make false or misleading statements or fail to produce relevant documentation/records.



Application Procedures

Registered Exporter and Certificate of Origin User for Thailand

1. Companies must be registered, before applying for a Certificate of Origin (CO) for Thailand.
2. Registration must apply to specific products only, and not the corporate entity.
3. Products must be identified by their HS codes, verified by the exporter.
4. Applicants must follow the Department of Foreign Affairs and Trade (DFAT) rule of origin assessment procedure (“A Guide to Determining the Origin of Goods under TAFTA”, which is appended to this document).
5. Applicants must undertake their own investigation and verification process to confirm compliance with the DFAT procedure with regard to the products for which they seek registration.
6. Complete the “Authorised Signatories” form.

(These signatories must be updated; FCC must be informed of any change to the delegated signatories as they occur. Please note if the signature on the CO does not match our record of Authorised Signatories, the CO will not be issued.)

7. Complete the Deed of Declaration.

(The Declaration will be required for all applicants and registered exporters as from 1 January 2005. The Declaration includes specific HS codes pertaining to products subject to export, and those codes must match the codes noted on any CO, otherwise the CO cannot be issued.

- The Declaration requires confirmation from the signatory that he/she has read and understood the DFAT information and complied with its requirements.
 - The Declaration also requires the ABN of the exporter, as well as the legal name.
 - The Declaration will include a statement by the exporter that there has been no material change in the basis for the registration of the goods described.
 - If there has been a material change in the basis for registration, this must be stated in full, and details provided in annexure to the Declaration.
 - The details provided in the Declaration and any other application materials related to the goods or the exporter are true and correct.)
8. Registered Exporters will be required to notify FCC of changes to the product, HS Codes and authorised signatories, or any other details contained in the application material, as soon as possible after the event of material change in the basis for the registration of the goods. Any changes not recorded will result in refusal to issue CO in relation to changed subject matter.
 9. Once FCC has confirmed successful registration of an exporter, exporters may complete CO on the relevant ACCI CO template, as per the attached instructions.
 10. Exporter Registration status will be reviewed from time to time.



DEED of DECLARATION EXPORTER REGISTRATION - Thailand

- I. The undersigned exporter (the EXPORTER) hereby agrees and declares to THE AUSTRALIAN CHAMBER OF COMMERCE AND INDUSTRY, being the recognized authorized body for the purposes of registration of exporters and issuing of certificates of origin in respect of goods to be exported to THAILAND, that the following information is true and correct and that the Exporter will immediately notify ACCI in writing in the event that
- a. any of the following statements becomes inaccurate, incorrect or incomplete and
 - b. there is any material change to the basis of the EXPORTER's registration in relation to the goods referred to in the Schedule (GOODS); and
 - c. any of the authorized representatives of the EXPORTER as listed in the attachment marked "Signatories" (SIGNATORIES) ceases to be authorized by the EXPORTER for the purposes of this Deed or there are any additions or deletions to the attachment.
- II. The EXPORTER hereby applies for registration as an exporter of the goods described in the Schedule (GOODS) in respect of the export or proposed export to THAILAND and declares that the information set out below is true and correct and accurate in all respects and that the GOODS and each of them satisfies the requirements of the Free Trade Agreement between Australia and Thailand (2004) (FTA) with respect to the rules of origin set out in Chapter 4 of the FTA.
- III. The EXPORTER hereby declares and confirms
- a. The full name, address and Australian Business Number of the EXPORTER are as set out in the Schedule.
 - b. Upon registration as an exporter of the GOODS to Thailand, the GOODS the subject of each Certificate of Origin (Thailand) (prepared by the EXPORTER for the purposes of consideration and authorization by ACCI) will comply with and satisfy the requirements of the FTA Chapter 4 in respect of the rules of origin for those GOODS.
 - c. The details relating to the consignee, its name and address (if stipulated in the Certificate of Origin), the buyer (if applicable), the purchase order numbers or invoice numbers, the dates of any such invoices or orders, and the details concerning the shipping and destination of the goods as set out in each Certificate of Origin for such GOODS will at all times be true and correct.
 - d. The detailed description of the goods the subject of each such Certificate of Origin in respect of the GOODS (or any of them) including their harmonised system code, their product and brand identifiers and such other information contained therein to properly describe and identify the goods, including whether the origin criterion is a Wholly Obtained rule or Product Specific rule, are, and will be, true and correct and accurate and complete in all particulars.
 - e. Unless the EXPORTER notifies ACCI in writing to the contrary, the GOODS the subject of each Certificate of Origin will continue to satisfy the rules of origin as mentioned and there has been and will be no material change in the basis for registration of those GOODS.
 - f. If, at any time while the EXPORTER is a registered exporter for Thailand, a material change in the basis for registration of those GOODS occurs, the full description of the material change and a declaration in the same terms as this Deed in respect of the GOODS the subject of the material change will be provided to ACCI as soon as practicable and before any Certificate of Origin is requested by the EXPORTER in relation to those GOODS.
 - g. (i) If, either as a result of a material change in the basis of registration of registered GOODS or as a consequence of a change in the description or identity of the GOODS which are required to be the subject of registration, the registration of the EXPORTER is suspended or altered or terminated, then the EXPORTER agrees to notify ACCI immediately in writing.
(ii) In such an event, the EXPORTER agrees and confirms that it will neither represent or hold out that it is registered as an exporter of the GOODS or that ACCI has authorized its registration for those GOODS or any other GOODS unless and until ACCI or another authorized body (as described in the FTA) has so registered the EXPORTER for those GOODS.
- IV. The EXPORTER further confirms and acknowledges that by applying for registration as an exporter to Thailand of certain GOODS, the EXPORTER has conducted its own investigation and enquiries and undertaken its own due diligence to ensure that the GOODS satisfy the rules of origin in respect of those GOODS and it has not relied on any representation or statement made or implied by ACCI in relation to those GOODS or their qualification for registration under Chapter 4 of the FTA, and the EXPORTER FURTHER ACKNOWLEDGES that a misleading, misrepresentative or fraudulent statement in relation to the GOODS may be subject to a penalty or fine or other administrative order being applied in relation to those GOODS, and the EXPORTER releases and holds harmless ACCI (and each of its officers, employees and contractors) from

and against any claim demand or proceeding (actual or threatened) and any loss or damage or expense incurred or suffered by the EXPORTER (including any loss of profits, economic loss, consequential loss or damages, and any loss or damage arising from the refusal of Thailand authorities to grant any concession or reduction in tariff or customs duties) as a result of the GOODS failing to satisfy the rules of origin as so specified in the FTA or the EXPORTER breaching any of the provisions of this Deed or any of the requirements relating to registration as an exporter, whether arising under this Deed, the FTA or any regulation practice note or law of the Commonwealth of Australia in force from time to time.

SIGNED by and on behalf of
the EXPORTER by its authorized officer

(Signature of authorized officer)

(Designation of authorized officer)

(Date)

in the presence of

(Witness)

(Date)

SCHEDULE

Legal Name of **EXPORTER**: _____

ABN _____

Postal address: _____ Post Code: _____

Street Address: _____ Post Code: _____

Tel: _____ Fax: _____ Email: _____

Description of originating **GOODS***

HS Code (6 digits)	Origin Criterion (Wholly Obtained or Product Specific)	Description of Goods



**CERTIFICATE of ORIGIN
AUTHORISED SIGNATORIES**

Exporter's full legal name _____

ABN: _____ ACN: _____

Postal Address: _____

Street/site Address: _____

General Tel: _____ General Fax: _____

Email: _____ Website: _____

General Contact (must be an authorized officer, partner or general manager)

(Name) (Title)

Contact Tel: _____ Contact Fax: _____

Email: _____

I hereby authorize the following persons to sign the declaration and to verify all information relating to the content or otherwise of products being exported, for which a Certificate of Origin is issued by THE AUSTRALIAN CHAMBER OF COMMERCE AND INDUSTRY, at the request of the exporter named above. I further agree to notify THE AUSTRALIAN CHAMBER OF COMMERCE AND INDUSTRY of any changes to the details listed and declare that THE AUSTRALIAN CHAMBER OF COMMERCE AND INDUSTRY is not required to undertake any independent verification of any document which purports to be signed by the above mentioned exporter if such documentation is signed by any of the persons so listed, on behalf of the exporter.

(1) _____
Full Name: Signature

Position: _____

(2) _____
Full Name: Signature

Position: _____

(3) _____
Full Name: Signature

Position: _____

(4) _____
Full Name: Signature

Position: _____



Completing Certificates of Origin for Thailand

1. Certificates of Origin (CO) can only be certified for Registered Exporters to Thailand.
2. Registered Exporters are issued with a reference number upon approval of their registration. This number should be included in the CO.
3. Six-digit HS Codes for each product included on the CO must be listed.
4. The specific HS codes noted on any CO must match the codes noted on the Exporter's Deed of Declaration, completed as part of the Exporter Registration process, otherwise the CO cannot be issued.
5. The "Origin Criterion" must also be included for each product by inserting "WO" for Wholly Obtained rules and "PS" for Product Specific rules in the column provided.
6. CO details must be typed – we are unable to accept handwritten forms.
7. CO can be presented to FCC by courier, post or delivered in person.
8. The phrase that declares the goods meet the Australia-Thailand FTA Rules of Origin requirements must be signed by an "Authorised Exporter Signatory" in the space provided.
9. All copies of the CO must have an original signature.
10. Please ensure that sufficient copies are provided and be sure to include an additional copy, which is retained by FCC for auditing purposes.
11. We are unable to certify any CO containing corrections or deletions.
12. Fees

- **Registration: ***

- FCC Members: Free of Charge
- Non Members: \$44.00

- **Certificates of Origin: ***

- FCC Members: \$25.00
- Non Members: \$50.00

13. Business hours are 09.00am - 5.00pm, Monday to Friday.

* Fees with effect from 13 August 2007

A Guide to Determining the Origin of Goods Under TAFTA using the “Change in Tariff Classification Method”

January 2005

What is the purpose of rules of origin?

We need rules of origin to provide objective criteria for determining whether or not goods are eligible for the benefit of preferential rates of duty that are provided under the Thailand-Australia Free Trade Agreement (TAFTA).

Sometimes it is obvious that a product originates in a particular country. For instance, if paper is made entirely in Thailand from Thai trees, the paper obviously originates in Thailand. However, if envelopes are folded in Thailand from paper made in Brazil, which one is the country of origin? The FTA rules of origin provide precise answers to such questions.

TAFTA’s rules of origin provide precise answers to such questions where products made wholly or fabricated partly in either Australia or Thailand are concerned.

How do goods qualify as originating?

A good is considered to be an originating good, if it meets one of the following requirements, as set out in TAFTA’s rules of origin:

- The good is wholly obtained or produced in the territory of one of the
- Parties to the Agreement (including those goods that are entirely grown, fished, or mined – it does not include goods purchased in the territory of one of the parties to the Agreement that were imported from the territory of a country not party to TAFTA);
- The good meets the requirements of a specific rule of origin for that product, as listed in the TAFTA Annex; or
- The good meets other requirements as specified in TAFTA.

Of these requirements, the most common is the second, which applies to a good that includes any non-originating materials in its production.

What are non-originating materials?

The non-originating materials used to produce the good are those materials or components that would not qualify as originating under TAFTA’s rules of origin.

Non-originating materials are:

- Materials or components imported from a country that is not a signatory to TAFTA; or
- Materials produced in the TAFTA region but because of the high level of offshore input used to produce them, do not meet the rule of origin.

Note

Any material of unknown or unconfirmed origin should be treated as a non-originating material.

How do the specific rules of origin work?

TAFTA provides a specific rule of origin for every type of good that incorporates non-originating materials.

Generally, a good qualifies as originating in the TAFTA region if its final production process was undertaken within the TAFTA region, and if the production process resulted in a significant change in all of the components or materials non-originating in either Australia or Thailand. To test whether a significant change has occurred, a tariff classification change test is used.

When a product is transformed from a collection of materials and components into the finished good, there is usually a resulting change from the tariff classifications of the materials and components to that of the finished good.

Harmonized System of tariff classification

A good’s specific rule of origin is based on its tariff classification under the internationally accepted Harmonized System (HS). The HS organizes products according to the degree of production, and assigns them numbers known as classifications. The HS is arranged into 97 chapters covering all products. Each chapter is divided into headings; headings can be divided into subheadings.

Under the Harmonized System, the chapter, heading, and subheading numbers for any good are identical in any country using the HS. However, each country can further divide HS classifications for their own purposes. In Australia, subheadings can be further divided into tariff classifications for imported goods, and Australian Harmonized Export Commodity Codes (AHECC) for exported goods.

Example

Chapter 62.Articles of apparel and clothing accessories, not knitted or crocheted
Heading 6209.....Babies’ garments and clothing accessories
Subheading 6209.10.....Of wool or fine animal hair
Tariff classification 6209.10.20.....Clothing accessories

As shown above, headings are identified with a four-digit number, subheadings with a six-digit number, and tariff classifications with an eight-digit number. Subheadings give a more specific description than headings, and tariff classifications give a more specific description than subheadings.

The specific rules of origin in the TAFTA Annex are organized using the HS classification numbers. Therefore, importers determine the HS classification of the imported good and use that classification to find the specific rule of origin in the Annex that applies. If the good meets the requirements of the rule of origin, it is an originating good.

HS classification change

Most of the specific rules of origin require a certain HS classification change from the non-originating materials to the finished good. This change must be a result of production in one or other of the parties to TAFTA.

In most cases, the only requirement of a rule of origin will be a HS classification change specified in the TAFTA Annex. Therefore, to determine whether a good qualifies as an originating good under TAFTA, after looking up the specific rule of origin, exporters or producers will need to know only the HS classification of the good, and the HS classification of any non-originating materials.

Regional value content test

For a minority of goods, a specific rule of origin will require the good to meet an additional requirement to qualify as originating. Usually, this additional requirement tests the good's regional value content (RVC), which requires that a certain percentage of the good's value originate in an FTA country.

TAFTA uses a variation of the Build-Down method to calculate the RVC.

Some rules may specify that a good must have at least a 35% RVC. To qualify for originating status under the FTA, therefore, importers have to demonstrate that at least 35% of the good's value originated in the territory of the other party.

If a rule requires an HS classification change and an RVC test, the good has to meet both of these requirements to be an originating good.

Calculating regional value content

Unless specified in the rule, exporters or producers can choose the RVC method to be used.

Build-Down Method

$$\text{RVC} = \frac{\text{AV} - \text{VNM}}{\text{AV}} \times 100$$

where

RVC is the regional value content, expressed as a percentage;

AV is the adjusted value (value for customs purposes), and

VNM is the value of non-originating materials that are imported either by the producer of the good or by an Australian or Thai producer of materials supplied to the producer of the good. For most textiles, clothing and footwear products, the value of non-originating materials produced in developing countries, other than Thailand, can be deducted from the VNM, up to a maximum of 25% of the AV.

Example of Build-Down Method

A producer sells a good for \$100 in an arm's-length sale. The value of relevant non-originating materials used in the good is \$30. Using the Build-Down method, the producer calculates the RVC as follows

$$\frac{\text{Adjusted value} - \text{value of relevant non-originating materials}}{\text{adjusted value}} \times 100 = \text{RVC}$$

$$\frac{\$100 - \$30}{\$100} \times 100 = 70\%$$

Therefore, using the Build-Down value method, the RVC of the good is 70%

Process Rules

For some goods, a specific rule of origin will require a particular process to be performed in the territory of one or both of the FTA partners. In these cases, provided that process is performed in the territory of one or both of the FTA partners at some point in the production of the goods, the goods will be originating goods. Unless otherwise specified, no change in classification or RVC requirement needs to be met.

Example of Process Rules

A good classified in Chapter 28 is produced in Australia through a chemical reaction between two materials, A and B, which are both non-originating materials imported from outside the TAFTA region. A Chapter rule for Chapter 28 requires a chemical reaction to take place in the territory of one or both Parties. As the good was produced in Australia through a chemical reaction, the good is an originating good. While alternative rules would also apply to the good, those rules can be disregarded, as the good meets the chemical reaction rule.

Special options

These are additional rules of origin that exporters or producers can use if their goods fail to qualify under the specific rules of origin.

General goods De minimis exception to HS classification change requirement

TAFTA provides relief when a good does not qualify as an originating good only because some non-originating materials of little value fail to meet an HS classification change requirement. If the total value of the non-originating materials in question is no more than 10% of the value of the good, then the exporter or producer can consider the good to be an originating good.

Example

A good uses two materials, A and B, and both are non-originating materials. As a result of its transformation into the finished good, A makes the required HS classification change, but B does not. Because B does not make the required change, the finished good will not qualify unless the value of B is no more than 10% of the good's value. The good is valued at \$100 and the value of B is \$5. The value of B is 5% of the good's value, therefore the goods are considered originating.

The test only considers whether the total value of all non-originating materials that do not meet the HS classification change is less than 10% of the total value of the good.

Accumulation qualification for the HS classification change requirement

A good may be produced partly in the territory of one TAFTA partner, and completed in the territory of the other TAFTA partner. A good may be made from materials produced by one producer from components produced by another producer. To determine whether a good meets an HS classification change, treat all the production done in both countries as if it occurred in one, and treat the production done by all producers in the TAFTA region as if it were completed by one.

Example

A producer imports uncoated kraft paper of heading 4804 to make kraft paper lightly coated with plastics of subheading 4811.59. The specific rule of origin for goods of subheading 4811.59 allows a change from any other heading except from heading 4804. The imported uncoated kraft paper is non-originating and was classified in excepted heading 4804. Therefore, the kraft paper lightly coated with plastics is non-originating.

The non-originating kraft paper lightly coated with plastics of subheading 4811.59 is then forwarded to another producer within the TAFTA region. That producer coats the goods with another plastic material, producing kraft paper heavily coated with plastics of subheading 4811.51. The specific rule for that subheading is a change from any other heading. As the change from 4811.59 to 4811.51 is not a change in heading, the goods would normally be non-originating.

However the producer of the kraft paper heavily coated with plastics can accumulate the production of the kraft paper lightly coated with plastics from uncoated kraft paper, because that process also occurred within the TAFTA region. The change in classification becomes a change from uncoated kraft paper of 4804 to kraft paper heavily coated in plastics of subheading 4811.51. As this is a change in heading, the goods meet the specific rule for 4811.51. The kraft paper heavily coated in plastics is therefore originating.

Certificate of Origin or other evidence of origin

There is a Certificate of Origin requirement under TAFTA. All exporters of goods under the Agreement, together with their suppliers, must obtain sufficient evidence that the goods meet the rules of origin. The exporter must then register the goods as originating before obtaining a Certificate of Origin from an authorized body (the Australian Chamber of Commerce and Industry, or the Australian Industry Group).

Where to go for help with rules of origin

Customs authorities in Australia and Thailand will provide Tariff advice on the goods to be imported. Advice from these authorities is the most reliable for the purposes of TAFTA. Tariff advice can also be obtained from the Customs authority in the exporting country where this is more convenient (for example, where local producers of materials require classification advice).

The Australian Customs Service will also provide advice on the rules of origin for all goods to be imported into its territory. Thailand is not in a position to provide such advice. Rules of origin advice on goods to be exported to Thailand must be obtained from an authorized Certification body.

Step-by-step guide to determining a good's origin

Follow these steps to determine whether a good of mixed origin qualifies as an originating good under TAFTA's rules of origin.

Step 1

Was the good last processed in the TAFTA region?

If *yes*, go to step 2.

If *no*, the good does not qualify.

Step 2

Do any of the materials or components used in the good come from outside the territory of the parties to TAFTA, or otherwise do not qualify as originating materials under TAFTA's rules of origin?

If *yes*, go to step 3. (If you do not know the origin of any material, you have to assume it does not originate in a TAFTA country.)

If *no*, the good qualifies.

Step 3

Determine the HS classification number of the good. The six-digit subheading level is sufficient.

Step 4

Using the HS classification number, identify the specific rule or rules of origin in the TAFTA Annex that apply to the good.

If two rules apply, the good must meet one of them. One rule may require only an HS classification change, whereas the other requires an easier HS classification change and an RVC test. Select the rule that is most appropriate for the non-originating materials used to produce the goods.

Step 5

Determine the HS classification of the non-originating materials or components used to produce the good in the TAFTA country.

Step 6

Does the change from the HS classification of the non-originating materials to the HS classification of the good imported into Australia meet the HS classification change required in the specific rule or rules of origin identified in Step 4?

If *yes*, the HS classification change requirement is met. Go to Step 7.

If *no*, the good does not qualify (unless it falls under certain exemptions such as the *de minimis* exemption or the accumulation provision, in which case, go to Step 7).

Step 7

Does the specific rule also contain an RVC test?

If *yes*, go to Step 8.

If *no*, and the HS classification change requirement is met, the good qualifies as an originating good. Go to step 9.

Step 8 – Build-down value method

Determine the actual price paid for the good. Determine the CIF value of all non-originating materials imported into Australia or Thailand and used to produce the finished good, or used to produce a non-originating material in Thailand or Australia that was supplied to the producer of the finished product. Using the build-down value formula, calculate the RVC percentage.

If the RVC percentage is equal to or more than the minimum percentage set out in the specific rule of origin, the good qualifies as an originating good, as long as you meet all other requirements of the rule. Go to step 9.

If the percentage is less than the set minimum, the good does not qualify.

Step 9

Determine whether the goods meet any other applicable requirements.

If *yes*, go to step 10.

If *no*, the good does not qualify.

Step 10

If exporting to Thailand, ensure sufficient evidence has been obtained before applying for registration of the goods as originating goods or for a Certificate of Origin. Provide the Certificate of Origin to the importer. The importer must possess a valid Certificate of Origin to claim preferential duty rates.