

# Certificates of Origin: Perspectives from an American Chamber of Commerce

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*“The future ain’t what it used to be.”*

-Yogi Berra



**Chambers are undergoing a re-engagement of their role to support global commerce.**

# The Origins of Certificates of Origin

Need to know products' origins to determine:

- Duty payable
- Eligibility to enter country
- Food and product safety issues
- Pricing (commodities)
- Homeland security issues

Exporter Band of Outsiders 1100 N. El Centro Ave. Los Angeles, CA 90038 USA		Certificate No EWU0000160	Page 1	Pages 1 of 1
Consignee PIER S.P.A. Via Nilova Trevigiana, 87 31032 Casale Sul Sile (TV) ITALY		Exporter's Reference	Letter of Credit No	
		Buyer (if not Consignee)		
<b>CERTIFICATE OF ORIGIN</b>				
Port of Loading Los Angeles				
Aircraft	Date of Departure 22 Jan 2010	Los Angeles Area Chamber of Commerce 350 South Bixel Street Los Angeles California 90017 Phone: +1 213 500 7500 Fax: +1 213 580 7511		
Flight No	Final Destination			
Port of Discharge Tessera, ITALY				
Marks and Numbers	Number and kind of Packages	Description of Goods	Export Statistical Code	Gross Weight lb
1ZV82W0000001915	1 box	Watchbands of base metal, not gold	9113.20.00	20
The undersigned, being duly authorized by the Consular authorities of the United States of America, hereby certifies that based on the rules of origin of the country and place designated, all the goods listed originate in the country and place designated. I further declare that I will furnish to the Customs authorities of the importing country or their consular, for inspection at any time, such evidence as may be requested for the purpose of		The undersigned, duly authorized by the designated issuing authority certifies on the basis of information supplied and to the best of their knowledge and belief that the goods are of the designated origin, production or manufacture.		
The goods were produced/manufactured at insert place of produced / manufactured				
Signature of Authorized Officer 		Signature of Authorized Officer 		
		Date 21 Jan 2010		

# Why the Chamber of Commerce?

- Exist in every country
- Formalized in 1923 Geneva Convention
- Verify a company's existence / authenticity of signers



# Stamp Lending and Borrowing

- Chambers rent their stamp to companies
- Companies then pay pennies per stamp
- Foreign customs thinks the chamber has looked over the paperwork when it hasn't.



# Stamp Lending Referendum

On May 27, 2011, the International Chamber of Commerce (ICC) World Chambers Federation gave notice to US Chambers stating:

*“Issuance of certificates of origin shall not be outsourced.”*



# The Northern Kentucky Chamber Seals Program— Our Story

- Historically strong links to International Trade (NKITA)
- Critical support from DHL and Fidelity Investments to develop and vet Chamber Seal process.
- September 2011, pulled the Certificates of Origin program back to the chamber.



# Northern Kentucky's Chamber Seal Program



# How to determine and establish “Origin”?

## **Ad Valorem Percentage Test -**

The degree of transformation required to confer origin on the good in terms of a minimum percentage of value (51%) that must come from the originating country .

## **Rule of Substantial Transformation –**

Requires an article be transformed into a "new and different article" "having a distinctive name, character or use."



# Certificates of Origin – When do you need them?

## DEPENDS...

- Where are you shipping?
- What is the product?
- What is the value of the product?



# Certificates of Origin: Where you are shipping?

Many countries routinely require Certificates of Origin to clear customs - by region these include:

- **Asia** – China, Japan, S. Korea, Singapore, Australia
- **Middle East** (the majority, but in particular) Israel, Egypt, Saudi Arabia, Qatar, Kuwait, Iraq
- **The Americas** – Canada/Mexico (NAFTA), Chile, Dominican Republic, Colombia

# Certificates of Origin: What is the Product?

Many countries require a Certificate of Origin for shipments of **textiles**, such as **fabric and clothing** that exceed a certain value.

- Particular for Japan, EU and Latin American Countries

# Certificates of Origin:

## What is the value of Product?

In some cases, countries require a Certificate of Origin only for **goods that exceed a certain value** .

**Example:** Bolivia- All non-documents valued over \$3,000 USD

# Are there Country / FTA specific – Certificate of Origin Forms?

Yes....

- NAFTA (Canada / Mexico)
- Australia
- Singapore
- Israel
- CAFTA- DR (Central American FTA)
- South Korea (KORUS)



# Are there Country / FTA specific – Certificate of Origin Forms?

ISRAELI -  
Signature Blue  
Certificate of  
Origin

The image shows a sample U.S. Certificate of Origin form for Israel. The form is titled "U.S. CERTIFICATE OF ORIGIN FOR EXPORT TO ISRAEL" and includes the following sections:

- 1. Exporter Information:** Name, address, and U.S. Department of Commerce office.
- 2. Importer Information:** Name, address, and U.S. Department of Commerce office.
- 3. Nature of product and value for shipment.**
- 4. Description of goods:** A table with columns for U.S. Name and Number, Description of goods, U.S. Harmonized Tariff Schedule, U.S. Origin, U.S. Value, and U.S. Quantity.
- 5. Declaration:** A section for the exporter to declare the origin of the goods.
- 6. Declaration:** A section for the importer to declare the origin of the goods.

# “Electronic” Certificates of Origin



Many countries have adopted electronic Certificates of Origin or **eCO's**

**According to the 2009 ICC World CO Survey, eCOs are recognized by national authorities in these (31) countries:**

Australia, Belgium, Canada, Chile, Croatia, Denmark, Ethiopia, Germany, Honduras, Hong Kong, Ireland, Ivory Coast, Japan, Kenya, Korea, Mongolia, Netherlands, New Zealand, Norway, Portugal, Romania, Singapore, South Africa, Spain, Switzerland, Trinidad and Tobago, Ukraine, UAE, UK, and the USA

# Which countries require manual processing of Certificates of Origin

**Middle East** – in particular: Israel, Egypt and Qatar.

**Example** – Qatar now requires CO's be stamped with “non-indelible” ink capable of passing the “smudge test.”



# Chamber Seal Program: Best Practices

- Facility visit / Company validation
- Documents checked for accuracy
- Export Compliance :
  - Dual Use/Military items requiring export license
  - Banned parties / countries list
- Emergency document recovery
- Response to customs inquiries



# Summary



- US Chambers are reclaiming their vital role in the facilitation of global commerce.
- When done properly, the process has the capability to provide value to exporters, importers and customs officials.
- Adoption of e-Certification platforms are critical to the future of stream lining the process of sealing Certificates of Origin and other export documents.
- Proliferation of new Free Trade Agreements will only increase the required use of Certificates of Origin.

# QUESTIONS:

