



## ANNOUNCEMENT

### **ABOLISHMENT OF FOB PRICE IN THE ATIGA CO FORM D AND CO FORM AK**

There have been frequent requests from the private sector for the removal of Free on Board (FOB) Price to be stated in the Preferential Certificate of Origin (CO) under the various free trade agreements.

The ASEAN Economic Ministers have agreed to remove the requirement to state the FOB price in the Certificate of Origin (CO) under the ASEAN Trade in Goods Agreement (ATIGA). The Ministers and their counterpart in the Republic of Korea have also agreed to remove the requirement to state the FOB price in the ASEAN-Korea Free Trade Agreement (AKFTA).

The Federal Government Gazette for the amendments related to ATIGA and AKFTA have been gazetted on 30 December 2013 for implementation on 1 January 2014. The gazettes are as follows:

- i) [P.U.\(A\) 380/2013: Customs Duties \(Goods of ASEAN Countries origin\) \(ASEAN Harmonised tariff Nomenclature and ASEAN Trade in Goods Agreement\) \(Amendment\) Order 2013](#); and
- ii) [P.U.\(A\) 381/2013: Customs Duties \(Goods under the Framework Agreement on Comprehensive Economic Co-operation among the Government of the Member Countries of the Association of Southeast Asian Nations and the Republic of Korea \(Amendment\) Order 2013](#).

#### **A. Abolishment of the FOB Price in the ATIGA CO Form D**

The 27<sup>th</sup> ASEAN Free Trade Area (AFTA Council) Meeting on 19 August 2013 endorsed the recommendation to implement the removal of the FOB price in the ATIGA CO Form D in case where Wholly Obtained (WO), Change in Tariff Classification (CTC) or Process Rule is applied by adding a new Rule 25 in the Operational Certification Procedures (OCP) under ATIGA and amending box 9 of the CO Form D.

The effective implementation date of the FOB value removal from the CO Form ATIGA in cases where WO, CTC, or Process Rule is applied is on 1 January 2014 for all ASEAN countries, except Cambodia and Myanmar. A transitional period of 6 months from the implementation date until 30 June 2014 is allowed for the use of the existing CO Form ATIGA or Form D. Since the CO Form ATIGA or Form D is valid for one year from the date of issuance, an old CO Form D issued on or before 30 June 2014 will be accepted by ASEAN Member States.

The 27<sup>th</sup> AFTA Council Meeting also agreed to allow a 2-year flexibility period for Cambodia and Myanmar, that is, until 31 March 2016. During the 2-year flexibility period given to Cambodia and Myanmar, the FOB value will have to be reflected in the CO Form D issued to and from the two countries for all cases where WO, CTC, Process rule and RVC is applied.

**B. Abolishment of the FOB Price in the CO Form AK**

The 8<sup>th</sup> Meeting of the ASEAN-Korea FTA (AKFTA) Implementing Committee (AKFTA-IC) held in Seoul, Korea on 25-27 June 2013 endorsed the amendment of the AKFTA Operational Certification Procedure (OCP) by amending Rules 5, 6, 7 and 10 of the OCP and box 9 of the AKFTA CO Form AK. These amendments will enter into force effective 1 January 2014. The CO Form AK shall reflect the FOB value in box 9 only when the RVC is applied. In case of multiple items declaration an additional Form can be used to the CO Form AK.

The 8<sup>th</sup> AKFTA-IC also agreed to allow a transition period of 6 months from the date of the entry into force of the amendment specifically with regards to accepting the old version of AK Form. With respect to Cambodia and Myanmar, the CO Form AK issued to and from them shall reflect the FOB value regardless of the origin criteria for the transition period of two years from the date of entry-into-force of the amendment.

Malaysian manufacturers and exporters are requested to take note of the changes and to follow the new requirements in the submission of Form D and Form AK to MITI HQ or its branch offices for endorsement.

**ASEAN Economic Cooperation Division**

**E-mail : allasean@miti.gov.my, aizul@miti.gov.my**

**Date : 31 December 2013**