



MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY



Implementation of ASEAN – Hong Kong, China Free Trade Agreement (AHKFTA) Overview on Rules of Origin Chapter

Outline



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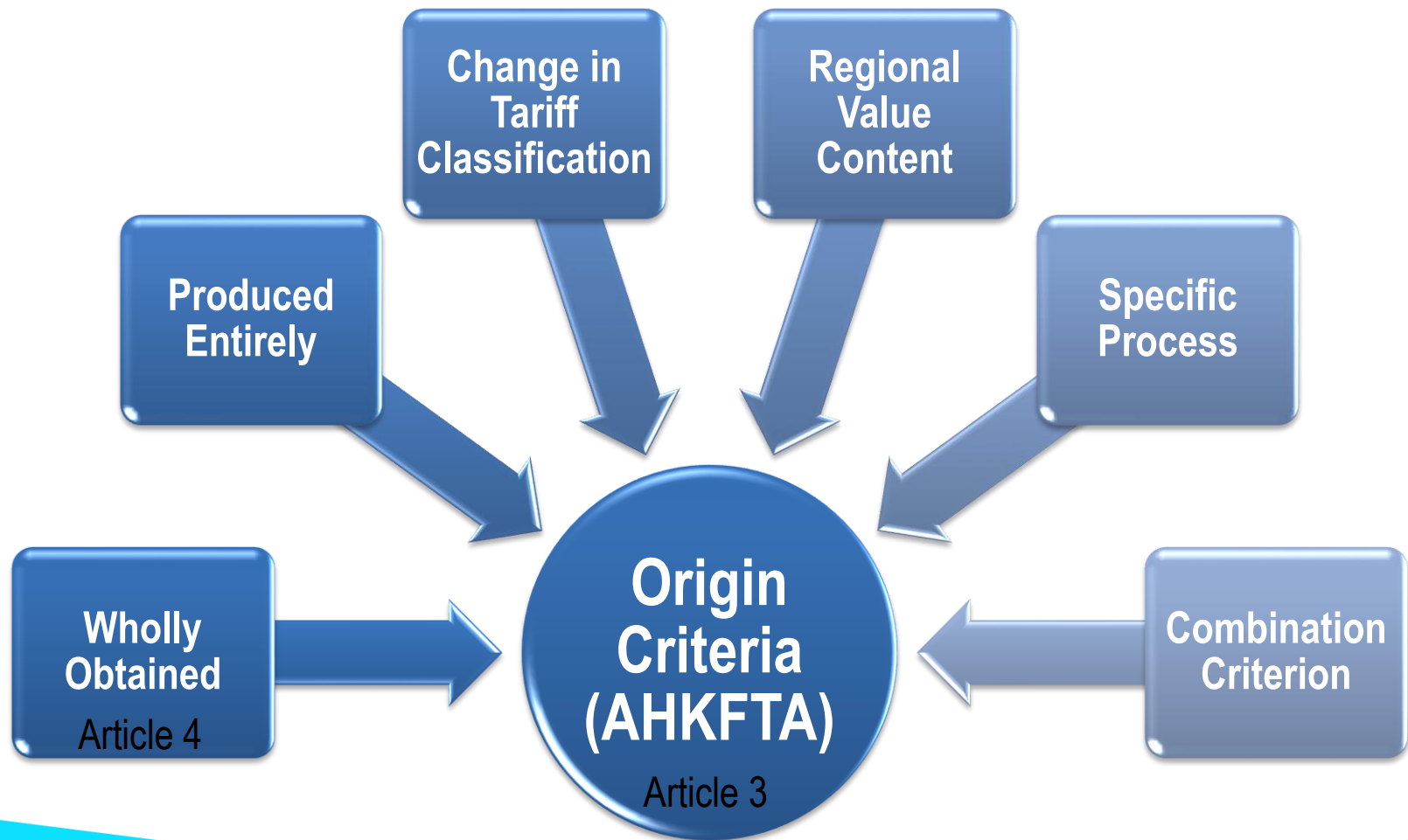
- Introduction
- Rules of Origin (ROO) chapter
- Product Specific Rules (PSR)
- Operational Certification Procedures (OCP)
- Preferential Certificate of Origin Form AHK

- The Implementation of Agreement Establishing The **ASEAN-Hong Kong, China Free Trade Agreement (AHKFTA)** is targeted to enter into force on **1 August 2019**.
- AHKFTA is ASEAN's sixth FTA with external partners after China, Korea, Japan, India and Australia-New Zealand.
- Rules of Origin Chapter – outlines standards and criteria that determine whether a product will be given preferential tariff treatment under the AHKFTA.

Rules of Origin (Chapter 3)

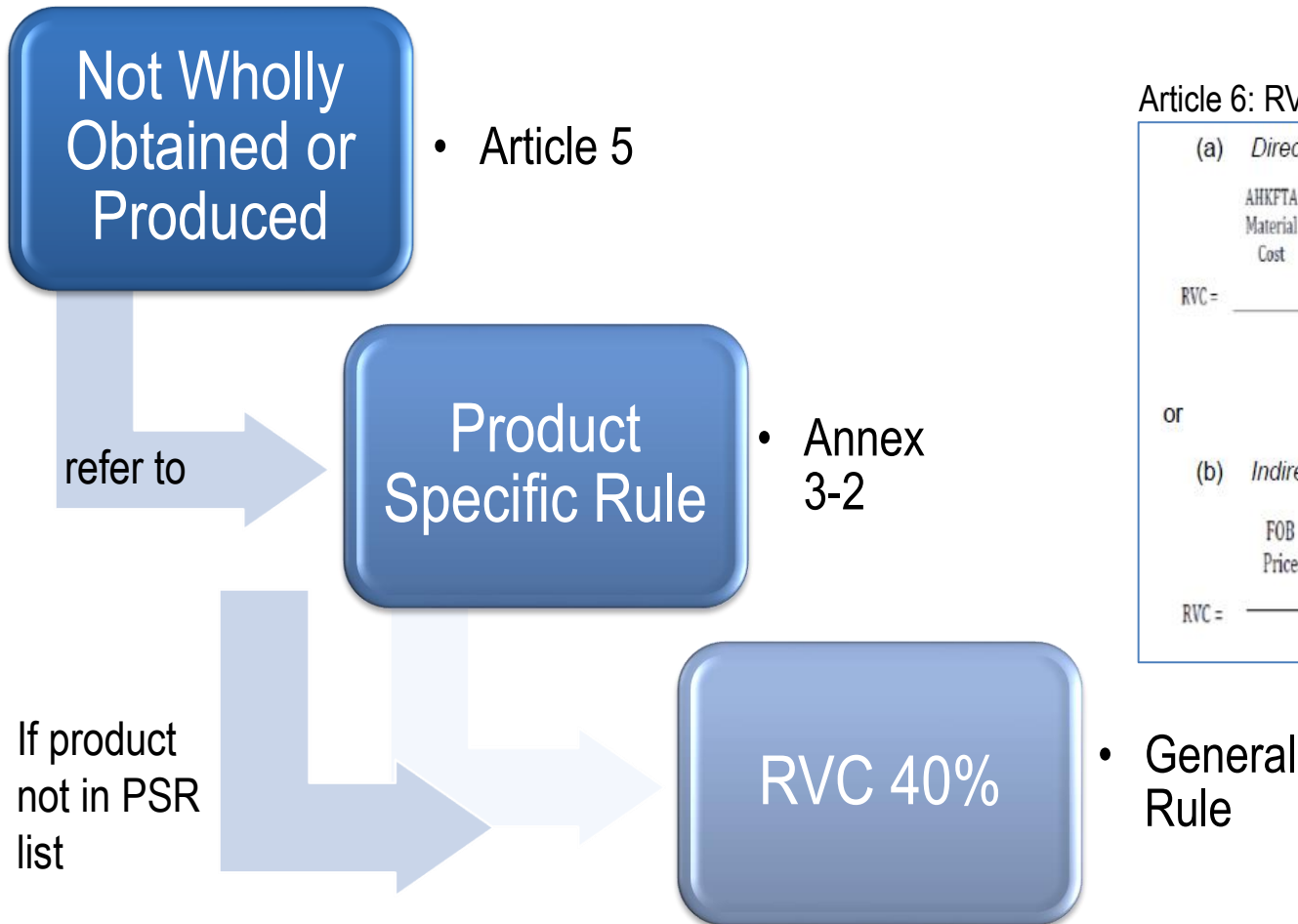


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Rules of Origin (Chapter 3)



Article 6: RVC calculation

(a) Direct /Build-up Method

$$\text{RVC} = \frac{\text{AHKFTA Material Cost} + \text{Direct Labour Cost} + \text{Direct Overhead Cost} + \text{Other Costs} + \text{Profit}}{\text{FOB Price}} \times 100\%$$

or

(b) Indirect /Build-down Method

$$\text{RVC} = \frac{\text{FOB Price} - \text{Value of Non-Originating Materials, Parts or Produce}}{\text{FOB Price}} \times 100\%$$

Operational Certification Procedures (OCP)

- Highlights



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- Back-to-Back arrangement is allowed using Movement Confirmation (MC)
- CO Form AHK is to be printed on ISO A4 white paper (1 original, 2 copies). Overleaf Notes to be printed at the back of each CO Form AHK.
- FOB value to be indicated in Box 9 when RVC is applied and for exports to ASEAN Member States
- CO can be issued retroactively when approved after 3 working days from the shipment date but no longer than 1 year from the shipment date

PCO Form AHK

For more information on Preferential Certificate of Origin (PCO) application procedures , please refer to MITI website at link provided below:-

<http://www.miti.gov.my/index.php/pages/view/3911?mid=95>

1. Goods Consigned from (Exporter's name, address and Country/ Party)			Certificate No.		
2. Goods Consigned to (Consignee's name, address and Country/ Party)			<p align="center">Form AHK</p> <p align="center">ASEAN - HONG KONG, CHINA FREE TRADE AGREEMENT CERTIFICATE OF ORIGIN (Combined Declaration and Certificate)</p> <p align="center">Issued in (Country/ Party) (see Overleaf Notes)</p>		
3. Means of transport and route (as far as known) Shipment Date: Vessel's name/Aircraft etc.: Port of Discharge:			4. For Official Use <input type="checkbox"/> Preferential Treatment Given Under ASEAN - Hong Kong, China Free Trade Agreement <input type="checkbox"/> Preferential Treatment Not Given (Please state Reason(s)) Signature of Authorised Signatory of the Importing Country/Party		
5. Item number	6. Marks and numbers on packages	7. Number and kind of packages; description of goods including HS Code (6 digits); and, if applicable, brand name. Names and country/party of the company issuing third party invoice, if applicable.	8. Origin-Conferring Criterion (see Overleaf Notes)	9. Quantity (Gross or Net weight or other measurement) and value (FOB) where RVC is applied (see Overleaf Notes)	10. Invoice Number(s) and date of invoice(s)
11. Declaration by the exporter The undersigned hereby declares that the above details and statements are correct; and that all the goods were produced in (Country/ Party of origin) and that they comply with the rules of origin, as provided in Chapter 3 (Rules of Origin) of the ASEAN-Hong Kong, China Free Trade Agreement for the goods exported to (Importing Country/ Party) Place and date, signature of authorised signatory			12. Certification On the basis of control carried out, it is hereby certified that the information herein is correct and that the goods described herein comply with the origin requirements specified in the ASEAN-Hong Kong, China Free Trade Agreement. Place and date, signature and name, stamp of authorised issuing authority		
13. <input type="checkbox"/> Movement Confirmation <input type="checkbox"/> Third-party invoicing <input type="checkbox"/> Issued retroactively <input type="checkbox"/> De Minimis <input type="checkbox"/> Accumulation <input type="checkbox"/> Exhibitions					

Focal point for AHKFTA CA/CO application



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For better understanding on Rules of Origin and the arrangements allowed under FTAs, you may refer to the Slide Presentation in this link:

[http://www.miti.gov.my/miti/resources/Preferential%20Certificate%20of%20Origin/POCKET TALK SLIDES 10072018.pdf](http://www.miti.gov.my/miti/resources/Preferential%20Certificate%20of%20Origin/POCKET_TALK_SLIDES_10072018.pdf)

For more information on AHKFTA, kindly refer to below link:

<https://fta.miti.gov.my/index.php/pages/view/asean-hongkong-china?mid=70>



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Thank You

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