

AGREEMENT BETWEEN NEW ZEALAND AND THE SEPARATE CUSTOMS TERRITORY OF TAIWAN, PENGHU, KINMEN, AND MATSU ON ECONOMIC COOPERATION (ANZTEC): INFORMATION ABOUT THE RULES OF ORIGIN

This fact sheet outlines the rules of origin for goods imported into New Zealand and exported to the Separate Customs Territory of Taiwan, Penghu, Kinmen, and Matsu ('Chinese Taipei') under the Agreement Between New Zealand and the Separate Customs Territory of Taiwan, Penghu, Kinmen, and Matsu on Economic Cooperation (ANZTEC).

To claim tariff preference, a good must meet the requirements of the Rules of Origin (Chapter 3) and the Product Specific Rules (Annex 2).

This fact sheet should be used only as a general guide. It does not set out every requirement of the rules of origin. Accordingly, it is strongly recommended that the fact sheet be read in conjunction with Chapter 3 and Annex 2 of the ANZTEC and the relevant domestic legislation including, for New Zealand, the Customs and Excise Act 2018 and the Customs and Excise Regulations 1996.

WHAT DOES THE ANZTEC PROVIDE FOR?

The ANZTEC was signed in Wellington on 10 July 2013, and enters into force on 1 December 2013. The ANZTEC provides for, amongst other things, originating goods imported into New Zealand from Chinese Taipei, or imported into Chinese Taipei from New Zealand, to qualify for preferential rates of tariff duty.

Further information including a tariff locator and a copy of the ANZTEC text and its associated instruments can be found on the New Zealand Commerce and Industry Office, Taipei (<http://nzcio.com/node/247/>).

WHAT ARE ORIGINATING GOODS?

For purposes of the ANZTEC, a good imported into New Zealand from Chinese Taipei or imported into Chinese Taipei from New Zealand is treated as an originating good if it:

- » is wholly obtained or produced in Chinese Taipei or New Zealand (Wholly Obtained or Produced Goods); or
- » is produced entirely in Chinese Taipei or New Zealand, or in both parties, exclusively from originating materials from Chinese Taipei and/or New Zealand; or

- » is produced in Chinese Taipei or New Zealand, or in both parties, using non-originating materials that conform to a Change in Tariff Classification requirement, a Regional Value Content requirement or other requirements as specified in Annex 2 (Product Specific Rules Schedule) [also referred to as "PSR Schedule"] of the ANZTEC;

and the good meets all the other applicable provisions of Chapter 3 of the ANZTEC.

The following points explain the requirements applicable under the different origin categories.

WHAT ARE WHOLLY OBTAINED OR PRODUCED GOODS?

The following goods are treated as wholly obtained or produced:

- a) plant and plant goods, such as fruit, flowers, vegetables, trees, seaweed, fungi and live plants, grown, grown and harvested, picked, or gathered in Chinese Taipei or New Zealand;
- b) live animals born and raised in Chinese Taipei or New Zealand;
- c) goods obtained from live animals in Chinese Taipei or New Zealand;
- d) goods obtained from hunting, trapping, fishing, farming, aquaculture, gathering, or capturing in Chinese Taipei or New Zealand;
- e) minerals and other naturally occurring substances extracted or taken from the soil, waters, seabed or subsoil, in Chinese Taipei or New Zealand;
- f) goods of sea-fishing and other marine goods taken from the high seas, in accordance with international law, by any vessel registered or recorded in Chinese Taipei or New Zealand and entitled to fly the respective flag of the Party ;
- g) goods processed and/or produced on board any factory ship registered or recorded in Chinese Taipei or New Zealand and entitled to fly the respective flag of the Party, from the goods referred to in subparagraph (f);
- h) goods extracted or taken by Chinese Taipei or New Zealand, or a person of Chinese Taipei or New Zealand, from the seabed or subsoil beyond national jurisdiction under exploitation rights granted in accordance with international law;
- i) goods which are:
 - i. waste and scrap derived from production or consumption in Chinese Taipei or New Zealand provided that such goods are fit only for the recovery of raw materials; or

- ii. used goods collected in Chinese Taipei or New Zealand provided that such goods are fit only for the recovery of raw materials; and
- (j) goods obtained or produced in Chinese Taipei or New Zealand solely from products referred to in subparagraphs (a) to (i) or from their derivatives.

Notes:

Such goods are normally natural resource based goods obtained in Chinese Taipei or New Zealand, and final products made from them that do not include any non-originating materials. (Waste and scrap and used goods, covered by subparagraph (i) above, are an exception to this, and are treated for the purposes of the rules of origin as containing no non-originating materials.)

Examples:

Minerals mined in Chinese Taipei, logs cut from trees grown in New Zealand, peppercorn cultivated from a pepper vine in Chinese Taipei, and copper extracted from the soil of Chinese Taipei are examples of goods qualifying as originating under these wholly obtained or produced provisions. Another example would be metal shavings from a machining process carried out in New Zealand when the product being machined does not originate in either New Zealand or Chinese Taipei.

‘Obtained’ does not mean ‘purchased’. The term is used simply to acknowledge that origin can be conferred on goods that are naturally occurring as well as on goods that are produced by human endeavour.

WHAT ARE GOODS ENTIRELY PRODUCED EXCLUSIVELY FROM ORIGINATING MATERIALS?

Goods are treated as originating goods if they are produced entirely in Chinese Taipei or in New Zealand, or in both parties, exclusively from materials that would themselves qualify as originating goods in accordance with the provisions of Article 2 of Chapter 3 of the ANZTEC.

HOW TO TREAT GOODS PRODUCED USING NON-ORIGINATING MATERIALS (PRODUCT SPECIFIC RULES)

When goods are not ‘wholly obtained or produced’ in Chinese Taipei or New Zealand, or are not goods that are ‘entirely produced exclusively from originating materials’, those goods will need to conform to the product specific rule requirement specified in Annex 2 of the ANZTEC to be considered as originating goods.

A product specific rule may take the form of one or more of the following approaches:

- a) Change in tariff classification (CTC)
- b) Regional value content (RVC)
- c) Specified process rule.

(a) Change in tariff classification (CTC) rule

Many goods imported into New Zealand from Chinese Taipei, or into Chinese Taipei from New Zealand, will qualify for preferential tariff treatment on the basis that they can satisfy a change in tariff classification (CTC) rule specified in Annex 2 of the ANZTEC.

The CTC approach allows a good produced in New Zealand or Chinese Taipei to be treated as originating if it is classified in a different classification within the internationally-accepted Harmonized Commodity Description and Coding System (HS) from any non-originating materials (as defined in the ANZTEC) used in its production.

To use a CTC rule under the ANZTEC, the importer must first determine the tariff classification of the final good imported into Chinese Taipei or New Zealand (as the case may be) and ascertain the appropriate product specific rule of origin set out in Annex 2 in respect of that tariff classification.

The difference between the tariff classification of the final good and the tariff classification of the non-originating materials that went into the production of that good in Chinese Taipei or New Zealand will determine whether or not the specific CTC rule has been met.

There are three types of change in tariff classification rules that a trader may encounter in Annex 2:

- » ‘CC’ (Change in Chapter) — all non-originating materials used in the production of the good must have undergone a change in tariff classification at the two-digit level.
- » ‘CTH’ (Change in Tariff Heading) — all non-originating materials used in the production of the good must have undergone a change in tariff classification at the four-digit level.
- » ‘CTSH’ (Change in Tariff Subheading) — all non-originating materials used in the production of the good must have undergone a change in tariff classification at the six-digit level.

Example:

An article of jewellery of HS heading 71.13 is produced in Chinese Taipei using non-originating gold and pearls, and is exported to New Zealand. The rule for an article of jewellery of HS heading 71.13, set out in Annex 2, is ‘CTH’ (ie, all non-originating materials used in the production of the good have undergone a change in tariff classification at the first four digits in the tariff classification number, or otherwise referred to as the tariff heading level).

The non-originating gold is classified in HS heading 71.08, and the non-originating pearls are classified in HS heading 71.01.

The result of this rule is that the article of jewellery is treated as originating in Chinese Taipei. This is because the finished article of jewellery is classified within a different HS heading (71.13) from the non-originating materials used in its production (71.08, and 71.01).

Note:

Some CTC rules include the phrase, “except from [heading/subheading specified]”. The ‘except-from’ rule is intended to ensure that processing deemed to be of minimal significance does not confer origin (eg, simply cutting a material to length or width).

Treatment of packing materials and containers under a CTC requirement

If a good is subject to a CTC requirement, any packing materials and containers in which a good is packaged for retail sale, when classified together with that good, shall be disregarded in determining whether all of the non-originating materials used in the production of the good have met the applicable change in tariff classification requirements for the good.

Treatment of accessories, spare parts, tools and instructional or information material under a CTC requirement

If a good is subject to a CTC requirement, any accessories, spare parts, tools and instructional or other information materials presented with the good shall be considered part of that good and shall be disregarded in determining whether all the non-originating materials used in the production of the originating good have undergone the applicable CTC, provided that these are classified with and not invoiced separately from the good.

An exception to the CTC rule – the de minimis provision

A good which does not satisfy a CTC required by Annex 2 is nonetheless an originating good if the value of non-originating materials used in the production of the good that do not undergo the required CTC do not exceed ten percent of the FOB value of the good.

Note:

All goods that are subject to the de minimis provisions must meet all other applicable requirements of Chapter 3 to the Agreement.

(b) Regional value content (RVC) rule

For some goods, the product specific rule in Annex 2 of the ANZTEC requires or permits the use of a regional value content (RVC) rule linked to the FOB value of the finished goods.

How the regional value content rule operates

In any case where Annex 2 of the ANZTEC requires or permits the use of a RVC rule, the value of that content is to be calculated by using the following formula:

$$RVC = \frac{FOB - VNM}{FOB} \times 100$$

where:

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

FOB is the free-on-board value of the goods (inclusive of the cost of transport to the port or site of final shipment abroad).

VNM (value of non-originating material) is the value in CIF terms of non-originating materials (including materials of undetermined origin). The value of the non-originating materials shall be:

- » the CIF value at the time of importation of the material; or

» the earliest ascertained price paid or payable for the non-originating materials in the Party where the working or processing takes place (ie, either Chinese Taipei or New Zealand). When the producer of a good acquires non-originating materials within that Party, the value of such materials must not include freight, insurance, packing costs, and any other costs incurred in transporting the material from the supplier to the producer.

Both the FOB and CIF values referred to above shall be determined pursuant to the Customs Valuation Agreement.

Treatment of packing materials and containers under a RVC requirement

If a good is subject to a RVC requirement, the value of the packing materials and containers in which a good is packaged for retail sale must be taken into account as originating or non-originating materials, as the case may be, in calculating the RVC of that good.

Treatment of accessories, spare parts, tools and instructional or information material under a RVC requirement

If a good is subject to a RVC requirement, the value of the accessories, spare parts, tools and instructional or other information materials presented with the good must be taken into account as originating or non-originating materials, as the case may be, in calculating the RVC of the good.

Note:

This provision applies only where the accessories, spare parts, tools and instructional or other information materials presented with the good are not invoiced separately from the originating good, and the quantities and value of the accessories, spare parts, tools and instructional or other information materials presented with the good are customary for that good.

(c) Specified process rule

A specified-process rule, such as a chemical reaction rule or a textile finishing process rule, can be an alternative to a CTC or RVC rule. These rules generally apply to goods falling in the chemical and textile chapters and can be found in Annex 2 of the ANZTEC. Compliance with the requirements of a specified process rule will confer originating status.

Other important elements of the rules of origin

(aa) Accumulation

Originating goods or materials from one Party (eg, New Zealand) incorporated into a good of the other Party (eg, Chinese Taipei) are considered to originate in the latter Party.

(bb) Minimal operations and processes

Except as otherwise provided in Annex 2 (PSR Schedule), operations or processes undertaken by themselves or in combination with each other for purposes such as those listed below are considered to be minimal and do not confer origin:

- » ensuring preservation in good condition for the purposes of transport or storage;
- » facilitating shipment or transportation;
- » packaging or presenting goods for sale;
- » affixing of marks, labels or other like distinguishing signs on products or their packaging;
- » simple processes consisting of sifting, classifying, washing, cutting, slitting, bending, coiling and uncoiling, and other similar operations; and
- » mere dilution with water or other substances that do not materially alter the characteristics of the goods.

Note:

Where a RVC requirement is applied, minimal processes and operations referred to above, if undertaken jointly with (or along with) other substantial processes, must be taken into account for the RVC calculation.

Treatment of packing materials and containers for shipment

Packing materials and containers exclusively used for transportation and shipment of a good are not taken into account in determining the origin of any good.

CAN GOODS BE TRANSPORTED THROUGH A NON-PARTY?

A good that would otherwise qualify as originating under the rules of origin provisions will retain its originating status only if the good has been transported between New Zealand and Chinese Taipei without passing through another country.

Alternatively, a good may transit through another country, provided that:

- i) the good does not enter trade or commerce there; and
- ii) the good does not undergo any operation there other than unloading and reloading, repacking, or any operation required to preserve it in good condition or to transport it to the importing Party (ie, Chinese Taipei or New Zealand, as the case may be).

WHAT ARE THE ADMINISTRATION AND ENFORCEMENT REQUIREMENTS?

(a) Documentary evidence of origin

ANZTEC does not require third-party issued certificates of origin to support an importer's claim of preferential tariffs. Rather, the Agreement allows an importer to make a claim for preferential tariff treatment based on any of the following:

- a) a written declaration of origin (presented in print or electronic format);

- b) a written certificate of origin (presented in print or electronic format); or
- c) other evidence to substantiate the tariff preference claimed for the goods.

A written declaration or certificate of origin may be made by the producer, supplier, exporter, importer or other competent person on the basis of:

- a) specific knowledge that the good qualifies as an originating good; or
- b) a reasonable reliance on the producer's written representation that the good qualifies as an originating good.

Note:

Chinese Taipei and New Zealand have agreed the format of the declaration of origin and the certificate of origin, together with guidelines for their completion. The formats and guidelines are in Appendix.

For all goods imported into New Zealand from Chinese Taipei, a claim for Chinese Taipei preference should not be made if the necessary documentation and information to substantiate such a claim is not held (see Sections 105 and 106 of the Customs and Excise Act 2018).

In all cases, if requested by the New Zealand Customs Service, an importer who claims a preferential tariff rate for goods imported into New Zealand from Chinese Taipei must be able to provide sufficient information to substantiate such a claim.

New Zealand exporters to Chinese Taipei may assist their client importers to access preference under ANZTEC by providing a declaration or a certificate of origin. Exporters should approach their importer to see what form of evidence they prefer, for example – a certificate or declaration of origin.

Compliance with the direct consignment provisions may be evidenced by providing the relevant commercial shipping or freight documents. If the good has transited through a non-Party, compliance may be evidenced by providing any other documents that demonstrate the good has not entered trade or commerce, or undergone subsequent production, in that non-Party.

(b) Records

Producers, exporters and importers in Chinese Taipei and/or New Zealand must maintain for a period specific under the respective jurisdiction's domestic law all records relating to all exportation or importation, which are necessary to demonstrate that a good for which a claim for tariff preference was made qualifies for preferential tariff treatment.

New Zealand importers and exporters are required to retain origin documents for a period of seven years.

(c) Verification of origin

The Taiwan Customs Administration and the New Zealand Customs Service may verify any claim for preferential tariff treatment on imports under the ANZTEC by taking any one or more of the following steps:

- » requesting information from the importer;
- » requesting information from the exporter or producer in the exporting Party;
- » visiting the premises of an exporter or producer in the exporting Party to review the records and to observe the facilities used in the production of the goods;
- » such other procedures as the Customs administrations of Chinese Taipei and New Zealand may agree.

(d) Advance rulings on origin

Advance rulings on origin and tariff classification for Chinese Taipei and New Zealand goods are available from the respective Customs administrations. These advance rulings are valid for three years. Advance rulings may be applied for by the importer, the exporter or the producer in either Party.

New Zealand exporters interested in advance rulings should familiarize themselves with Article 6 (Advance Rulings) of Chapter 4 (Customs Procedures and Cooperation) of the ANZTEC which sets out timeframes and conditions for advance rulings.

For imports into Chinese Taipei, applications for advance rulings may be made to the Taiwan Customs Administration at the port of intended entry.

For imports into New Zealand, applications for advance rulings may be made to the Valuation, Origin and Classification section, New Zealand Customs Service (see Fact sheet 23 – Pre-Importation Ruling Service for Tariff Classification and Concession Applicability, published on the New Zealand Customs website).

Please note that applications should be made in the official language of the issuing customs administration.

DO OTHER TAXES, LEVIES, OR CHARGES APPLY?

Relevant taxes and levies applicable in the importing Party will remain payable irrespective of preferential tariff treatment.

For imports into New Zealand, examples of applicable taxes and levies are:

- » goods and services tax (GST)
- » excise equivalent duties
- » anti-dumping or countervailing duties
- » entry and cargo transaction fees or other cost recoveries.

HOW DO I OBTAIN FURTHER INFORMATION?

For any rules of origin queries or questions, contact:

Valuation and Origin Classification section

New Zealand Customs Service

PO Box 29

Shortland Street

Auckland 1140

Telephone: 09-927 8000

E-mail: voc@customs.govt.nz

Enquiries may also be made with the New Zealand Customs Service representative in Thailand at:

Customs Counsellor

New Zealand Embassy

14th Floor: M Thai Tower

All Seasons Place

87 Wireless Road

Bangkok 10330

Telephone +66 2 2551287

Email: nzcsbkk@customs.govt.nz

FOR FURTHER INFORMATION

Contact your nearest office of the New Zealand Customs Service, visit the Customs website www.customs.govt.nz or call Customs on 0800 428 786 (0800 4 CUSTOMS).

APPENDIX

ANZTEC – DECLARATION & CERTIFICATE OF ORIGIN FORMATS AND GUIDELINES

The declaration of origin and certificate of origin referred to in Article 16 of Chapter 3 of the Agreement between New Zealand and the Separate Customs Territory of Taiwan, Penghu, Kinmen, and Matsu on Economic Cooperation should be in the form set out below.

DECLARATION OF ORIGIN

The producer, supplier, exporter, importer or competent person will certify (in English) on the face of the export invoice or other document relating to the goods as follows:

DECLARATION OF ORIGIN

I _____ *[state name and position]*

being the _____

[PRODUCER AND EXPORTER] [PRODUCER] [EXPORTER] [IMPORTER] [SUPPLIER]
(insert only that which applies)

hereby declare that the goods enumerated on this invoice are originating from _____
 [THE SEPARATE CUSTOMS TERRITORY OF TAIWAN, PENGHU, KINMEN, AND MATSU] [NEW ZEALAND]
(insert only that which applies)

in that they comply with the provisions of Chapter 3 of the Agreement between New Zealand and the Separate Customs Territory of Taiwan, Penghu, Kinmen, and Matsu on Economic Cooperation

OBSERVATIONS:

Signature _____ Date: _____

AGREEMENT BETWEEN NEW ZEALAND AND THE SEPARATE CUSTOMS TERRITORY OF TAIWAN, PENGHU, KINMEN, AND MATSU ON ECONOMIC COOPERATION

Declaration of origin instructions

Pursuant to Article 16 (Treatment of Goods for which Preference is Claimed) of Chapter 3 of the Agreement, for the purposes of obtaining preferential tariff treatment this document must be completed legibly, in English and in full by the exporter, producer, supplier, importer or other competent person.

The declaration of origin must include the following information in the 'observations' field of the declaration (unless such information already appears on the export invoice in respect of the goods subject to the declaration):

- (a) a full description of the good(s);
- (b) six digit Harmonized System Code for the respective good(s);
- (c) the producer's name(s) if known;
- (d) the importer's name(s) in respect of imported goods, if known; and
- (e) the rule of origin under which the declarant claims the good(s) qualifies – see certificate of origin instruction on Field 6.

CERTIFICATE OF ORIGIN

AGREEMENT BETWEEN NEW ZEALAND AND THE SEPARATE CUSTOMS TERRITORY OF TAIWAN, PENGHU, KINMEN, AND MATSU ON ECONOMIC COOPERATION

CERTIFICATE OF ORIGIN

1: Exporter (Name and Address)					
2: Producer, if known (Name and Address)			3: Importer, if known (Name and Address)		
4: Description of Good(s)	5: HS Code (six-digit)	6: Preference Criterion	7: Producer	8: Regional Value Content, if required	9: Party of Origin
<p>10: Certification of Origin</p> <p>I certify that:</p> <ul style="list-style-type: none"> » The information on this document is true and accurate and I assume the responsibility for providing such representations. I understand that I am liable for any false statements or material omissions made on or in connection with this document. » I agree to maintain and present upon request, documentation necessary to support this certificate, and to inform, in writing, all persons to whom the certificate was given of any changes that could affect the accuracy or validity of this certificate. » The goods originated in the Parties, and comply with the origin requirements specified for those goods in the Agreement between New Zealand and the Separate Customs Territory of Taiwan, Penghu, Kinmen, and Matsu on Economic Cooperation. 					
Authorised Signature			Company Name		
Name (Print or Type)			Title		
Date (DD/MM/YY)			Contact details – Telephone, Fax and/or Email		

APPENDIX 1, continued

AGREEMENT BETWEEN NEW ZEALAND AND THE SEPARATE CUSTOMS TERRITORY OF TAIWAN, PENGHU, KINMEN, AND MATSU ON ECONOMIC COOPERATION

CERTIFICATE OF ORIGIN INSTRUCTIONS

Pursuant to Article 16 (Treatment of Goods for which Preference is Claimed) of Chapter 3 of the Agreement, for the purposes of obtaining preferential tariff treatment this document must be completed legibly, in English and in full by the exporter or producer, supplier, importer or other competent person:

Field 1: State the full legal name and address of the exporter.

Field 2: If one producer is involved, state the full legal name, full address (including, telephone number, fax number and email address), of that producer. If more than one producer is included on the Certificate, state 'Various' and attach a list of all producers, including their legal names, full addresses (including, telephone numbers, fax numbers and email addresses), cross referenced to the good or goods described in Field 4. If you wish this information to be confidential, it is acceptable to state 'Available to Customs upon request'. If the producer and the exporter are the same, complete Field 2 with 'SAME'. If the producer is unknown, it is acceptable to state 'UNKNOWN'.

Field 3: State the full legal name, full address as defined in Field 1, of the importer; if the importer is not known, state 'UNKNOWN'; if multiple importers, state 'VARIOUS'.

Field 4: Provide a full description of each good. The description should be sufficient to relate it to the invoice description and to the Harmonized System (HS) description of the good.

Field 5: For each good described in Field 4, identify the HS tariff classification to six digits.

Field 6: For each good described in Field 4, the exporter, supplier, producer, importer or other competent person must indicate in Field 6 of this form the origin criteria by which it is claimed the good qualifies for preferential tariff treatment, in the manner shown in the following table:

Goods wholly obtained or produced in a Party, satisfying Article 2(a) of Chapter 3 (Rules of Origin) of the Agreement	WO
Goods produced entirely in one or both Parties exclusively from originating materials from one or both of the Parties, satisfying Article 2(b) of the Chapter 3 (Rules of Origin) of Agreement	PE
Goods produced in one or both Parties using non-originating materials, provided that the goods satisfy Article 2(c) of Chapter 3 (Rules of Origin) through a: <ul style="list-style-type: none"> » Change in Tariff Classification requirement (as provided for in Article 4); » a Regional Value Content requirement (as provided for in Article 5); or » other requirements as specified in Annex 2 (Product Specific Rules Schedule, hereinafter referred to as PSR Schedule). 	PSR (CTC) PSR (RVC) PSR (Other)

Field 7: For each good described in Field 4, state 'YES' if you are the producer of the good. If you are not the producer of the good, state 'NO' followed by (1) or (2), depending on whether this certificate was based upon:

- (1) your knowledge of whether the good qualifies as an originating good; or
- (2) the producer's written Declaration of Origin, which is completed and signed by the producer and voluntarily provided to the exporter by the producer.

Field 8: For each good described in Field 4, where the good is subject to a regional value content (RVC) requirement stipulated in the Agreement, indicate the actual percentage content in each final good.

Field 9: Identify the origin ('TW' for all goods originating from the Separate Customs Territory of Taiwan, Penghu, Kinmen, and Matsu or 'NZ' for all goods originating from New Zealand).

Field 10: This field must be completed, signed and dated by the exporter, producer, supplier, importer or other competent person. The date must be the date the certificate was completed and signed.

These instructions are a guide for completing the certificate of origin; the instructions do not have to appear on the completed certificate of origin.