COMPREHENSIVE AND PROGRESSIVE TRANS-PACIFIC PARTNERSHIP (CPTPP) AGREEMENT

INFORMATION GUIDE

A Free Trade Agreement between Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, Peru, Singapore, Viet Nam, and New Zealand. Originating goods can be traded between these Parties at preferential duty rates once they have ratified the agreement.

This information guide is a general guide on the rules of origin for goods traded between the above countries under the Comprehensive and Progressive Trans-Pacific Partnership FTA (CPTPP).

Full terms of the agreement can be found in Chapters 2, 3 and 4 and the associated Annexes to these chapters of the CPTPP, and in the relevant domestic legislation including the Customs and Excise Regulations 1996.

WHAT DOES THE CPTPP PROVIDE FOR?

The CPTPP was signed in Santiago, Chile on 8 March 2018, and comes into force on 30 December 2018 for the following specified Parties: Australia, Canada, Japan, Mexico, Singapore and New Zealand. The remaining Parties have yet to ratify the agreement. Entry in force for them will commence 60 days after they have notified that they have ratified the agreement.

The CPTPP provides for preferential rates of tariff duty on originating goods traded between New Zealand and specified Parties listed above that have ratified the agreement. You should contact your local Customs office for updated information on those Parties who have yet to become a specified Party. Further information including a tariff locator and the CPTPP text and its associated instruments can be found on the Ministry of Foreign Affairs website.
WHAT ARE ORIGINATING GOODS?

For purposes of the CPTPP, a good imported into New Zealand from a specified CPTPP Party, or exported from New Zealand into a specified CPTPP Party, is considered to be an originating good if it is:

- wholly obtained or produced in one or more specified CPTPP Parties or New Zealand; these are generally primary products grown or mined etc. in either a specified CPTPP Party or NZ

- produced entirely in one or more specified CPTPP Parties or New Zealand, or in both parties, exclusively from originating materials from one or more specified CPTPP Parties and/or New Zealand; these goods may use New Zealand or CPTPP Parties materials or also include materials from another country provided those materials are transformed into another material at an earlier stage of production, or

- produced in one or more specified CPTPP Parties or New Zealand, using non-originating materials provided they meet the product specific requirement (such as a change in tariff classification (CTC), a Regional Value Content (RVC) or specific process rule as specified in Annex 3-D (Product Specific Rules Schedule)) of the CPTPP, or in the case of textiles products in Annex 4-A (Textiles Products Specific Rules Schedule).

THE PRODUCT SPECIFIC RULE (PSR) REQUIREMENTS

Annex 3-D (Product-Specific Rules of Origin) and Annex 4-A (Textiles and Apparel Product-Specific Rules of Origin) of the CPTPP set out what non-originating content can be used in the production of any good for it to qualify for preferential treatment.

- The most common rule is the change in tariff classification (CTC) rule which specifies a change in tariff classification between the non-originating materials and the final exported good. The origin of the input materials is not taken into account provided they are not classified in the tariff reference set out in the rule.

- RVC rules set a value add threshold and are an option to a CTC rule which is available for most manufactured goods. There are four different methods for calculating the added value rule: build-up, build-down, the focused value method (all based on the FOB value) and the net-cost method for automotives and parts thereof. The value add thresholds vary over the different products. Details on how to calculate the RVC are contained in Article 3.5 of the Agreement.

The rules for textile and textile goods are found in Chapter 4 of the Agreement. There are specific provisions relating to the use of elastomeric yarn (Article 4.2.4), sewing thread and narrow elastic bands (Chapter Notes to chapters 61-63 in Annex 4-A (Textiles PSRs) which require these input materials to be of CPTPP origin.

The predominant rule is the yarn-forward rule. To mitigate the restrictiveness of this rule there is a short supply list. Products on this list are deemed to be originating and can be used to
meet the origin threshold regardless of their actual origin. The short supply list can be found in Annex 4-A Appendix 1 Short Supply List.

**CAN GOODS BE TRANSPORTED THROUGH A NON-PARTY?**

Yes, but only if the good remains under the control of the Customs administration in the non-Party and does not undergo any operation there other than unloading; reloading; separation from a bulk shipment; storing; labelling or marking required by the importing Party; or any other operation necessary to preserve it in good condition or to transport the good to the territory of the importing specified CPTPP Party or New Zealand, as the case may be.

**DOCUMENTATION AND ADMINISTRATIVE REQUIREMENTS**

**Documentary evidence of origin**

Claims for preferential tariff treatment are based on a written or electronic declaration or certification of origin completed by the importer, exporter or producer, and need to be in the importer’s possession when the claim for preferential access is made.

The declaration or certification of origin does not have to follow a prescribed format, and does not require third-party issued certificates of origin to support an importer’s claim of preferential tariffs.

The following minimum data elements are required:

- The name and status (importer/producer/exporter) of the certifying person, including contact details
- Name and contact details of importer if known
- Name and contact details of exporter if known
- Name and contact details of producer, if different from the certifier or exporter
- The six-digit tariff classification(s) under the Harmonised System and a description of the good
- The rule of origin under which the good qualifies for preference
- Invoice number, if known, where the certification covers a single shipment
- In the case of a blanket declaration that will cover multiple importations of identical goods within 12 months, the period that the origin declaration covers.
- The certification must be signed and dated by the certifier and accompanied by the following statement:
I certify that the goods described in this document qualify as originating and the information contained in this document is true and accurate. I assume responsibility for proving such representations and agree to maintain and present upon request or to make available during a verification visit, documentation necessary to support this certification.

Invoices may be raised in a non-Party. However, if the invoice is raised in a non-Party, then the declaration/certification of origin must be provided on a separate document.

The minimum data requirements are outlined in Annex 3-B of the Agreement.