

## **DRAFT PROPOSAL**

Pursuant to Article 25 of the Law on Trade ("Official Gazette", No, 11/96) the Government of the Republic of Croatia has adopted on its session held on \_\_\_\_\_

### **Decree on rules of origin and procedure for issue of certificate of origin**

#### **Article 1**

This Decree governs the criteria for determining the Croatian origin of goods and the origin of imported goods, procedure for issue of certificate of origin, other documents accompanying imported and exported goods and certification of documents accompanying imported or exported goods.

The provisions of this Decree shall include all rules of origin used in non-preferential trade policy instruments when the levy of duties, determination of duties and other trade policy measures depend on the origin of goods.

The rules of origin determined by this Decree apply equally to Croatian and imported goods.

#### **Article 2**

The rules of origin determined by this Decree, in accordance with Article 1, paragraph 2 hereof are stipulated for the purposes of:

- the application of tariffs laid down in the Customs Tariff Law,
- the application of other trade policy measures laid down in the Law on Trade (countervailing, anti-dumping, safeguard and other measures governed by this Law) and other regulations governing the trade with foreign countries,
- trade statistics and measures related to public procurements.

The rules of origin determined by this Decree shall not include rules of origin applied between the Republic of Croatia and the countries with which the Republic of Croatia has concluded a preferential trade agreement or to which the Republic of Croatia applies preferential trade regime.

### Article 3

Goods shall be taken as originating in a given country:

- when wholly obtained in a given country; or
- where two or more countries have taken part in the production of the good, the country in which the last substantial transformation has been carried out.

### Article 4

The following goods shall be deemed to be wholly obtained in a given country:

- (a) mineral products extracted from its soil, from its territorial waters or from its sea-bed;
- (b) vegetable products harvested or gathered in that country;
- (c) live animals born and raised in that country;
- (d) products obtained from live animals in that country;
- (e) products obtained from hunting or fishing conducted in that country;
- (f) products obtained by maritime fishing and other products taken from the sea by a vessel of that country;
- (g) products obtained aboard a factory ship of that country solely from products of the kind covered by paragraph (f) above;
- (h) products extracted from marine soil or subsoil outside that country's territorial waters, provided that the country has sole rights to work that soil or subsoil;
- (i) scrap and waste from manufacturing and processing operations, and used articles, collected in that country and fit only for the recovery of raw materials;
- (j) goods produced in that country solely from the products referred to in paragraphs (a) to (i) above.

## Article 5

The last substantial transformation of goods, under Article 3, paragraph 2, hereof is the working or processing:

- as a result of which, the products obtained are classified under a tariff heading (four digits) of the Customs Tariff, and the materials originating in other countries that were used in the working or processing of that product under another tariff heading (four digits) of the Customs Tariff; or
- if the added value of the imported product amounts to at least 50% of the total value of newly worked or processed product. When determining the added value, the customs value at the time of import of non-originating materials used is taken as a base, or in the case of the materials of undetermined origin, the first ascertainable price paid for this product in the country of processing, in relation to the price of newly worked or processed product ex-works. "Ex-works" price means the ex-works price of the product obtained minus any internal taxes which are, or may be, repaid when such product is exported.

## Article 6

The last substantial transformation of goods under Article 4 hereof is not:

- (a) packing or placing of the products in bottles, boxes or similar bags, or other simple packing operations for the selling purposes;
- (b) operations to ensure the preservation of products in good condition during transport and storage (drying, freezing, ventilation, spreading out, removal of damaged parts and like operations in order to preserve the product);
- (c) breaking-up of bigger quantities into smaller or assembly of smaller quantities into bigger;
- (d) classifying, sorting, screening, matching, washing or cutting-up of the product;
- (e) the affixing of marks or labels on the products or their packaging;

- (f) simply assembly of parts of products to constitute a complete product;
- (g) mixing of products of different origin, under condition that the characteristics of the obtained product do not substantially differ from the characteristics of the products subject to mixing;
- (h) a combination of two or more operations specified in (a) to (g) above.

## Article 7

Accessories, spare parts and tools for use with machine, appliance, apparatus, vehicle or vessel are deemed to have the same origin as the machine, appliance, apparatus, vehicle or vessel, provided that they are imported and normally sold therewith and correspond, in kind and number, the normal equipment thereof.

An unassembled or disassembled article which is imported in more than one consignment because it is not feasible, for transport or production reasons, to import it in a single consignment should, if the importer so requests, be treated as one article for the purpose of determining origin.

For the purpose of determining origin, packings are deemed to have the same origin as the goods they contain if when customs cleared they are declared in the same tariff heading of the Customs tariff as that of the goods.

## Article 8

The origin of goods imported to the Republic of Croatia is proved by the certificate of origin.

The certificate of origin under paragraph 1 above is issued or certified by the competent authorities or agencies of the exporting country, on the basis of a written request by the person concerned (hereinafter "the applicant").

The applicant is responsible for the authenticity and accuracy of the data provided in the request of the certificate of origin and is obliged to submit additional data and evidence certifying data from the request, if requested so by the authority empowered to issue the certificate of origin.

The certificate of origin should contain all data necessary for the identification of goods concerned, in particular, the number of parcels, their

nature, marks and numbers of the parcels, kind of goods, quantity of goods (net and gross weight, number, volume, etc.), the name and address of the consignor.

The relevant customs office shall accept the certificate of origin under paragraph 1 above issued in a foreign country if all conditions under paragraph 4 above have been met and if it has been issued by the authority or body empowered to issue certificates of origin in that country.

#### Article 9

The Croatian origin of goods is proved by the certificate of origin.

The certificate under paragraph 1 above is issued by the Croatian Chamber of Economy (hereinafter: "the Chamber") on Form 1 which is attached to this Decree and is its integral part.

The certificate of origin under paragraph 1 above is issued on the basis of a written request by the legal or physical person (hereinafter: "the applicant") on the Form 2 which is attached to this Decree and is its integral part. If requested so, the certificate may also include a declaration by the manufacturer that the goods were produced in the Republic of Croatia.

The applicant is responsible for the authenticity and accuracy of the data provided in the request of the certificate of origin and is obliged to submit additional data and evidence, if requested so by the Chamber, in order to determine the Croatian origin. If requested so by the Chamber, he will allow insight and inspection of the production process.

The certificate of origin should be numbered for identification purposes.

#### Article 10

The goods of Croatian origin are deemed the goods that meet conditions under Article 4 and 5 above.

### Article 11

If other documentary evidence is requested when goods are imported and exported, such as:

- end user certificate,
- direct consignment certificate,
- force majeure certificate,
- certificate of the third country origin of goods,

those certificates are issued, or certified by the Chamber. Exceptionally, the direct consignment certificate is issued by entrance or exit customs office.

### Article 12

Direct consignment, for the purpose of this Decree, shall mean the transit of goods through the territory of the Republic of Croatia, which is being transhipped or temporary stored or not being transhipped or temporary stored if it remains under customs control and if it is not traded.

No operations can be performed with goods under paragraph 1 above other than loading and reloading, sorting and similar operations needed in order to preserve the product from damage.

The competent customs office issues the certificate on direct consignment on the basis of a written request by the foreign importer and against the transit documentation and data on consignor and consignee on the form prescribed by the Customs Administration.

### Article 13

Certificates under Article 10 hereof are issued on the basis of a written request of the importer or exporter, which needs to be accompanied by:

- for the end user certificate, declaration that the goods will be used for a determined purpose in the territory of the Republic of Croatia, that the goods will not be re-exported, and against data on the importer, end user of goods, goods supplier and goods being imported;

- for the force majeure certificate, documentary evidence of the "force majeure" issued by the competent local authority body in the country of origin or country of import;
- for the third country origin certificate, original certificate of origin issued by the competent authority of the originating country or the country from which the goods are imported.

The Chamber shall, if necessary, issue detailed instructions on the procedure the certificate of origin and other certificates under Article 10 hereof are issued, and shall stipulate the content of the certificates accompanying imported and exported goods, if it is not stipulated by this Decree or an international agreement.

#### Article 14

Upon the written request of an importer, exporter or other person, the Customs Administration issues an assessment of the origin of goods, not later than 150 days after the request has been received.

Requests for an assessment under paragraph 1 above may be submitted before trade in goods concerned begins, during the importation or at any later point in time.

Such assessment is valid for three years provided that the facts and conditions, including the rules of origin, under which they have been made remain comparable. The information that the assessment is no longer valid or that it changed shall be submitted in advance to the assessment holder.

#### Article 15

If the rules of origin determined by the law or by this Decree change, those changes shall not apply retroactively.

All information which is by nature confidential or which is provided on a confidential basis for the purpose of the application of rules of origin by the competent authorities shall not be disclosed without the specific permission of the person or other administrative body providing such information, except to the extent that it may be required to be disclosed in the context of judicial proceedings.

### Article 16

The Decree on the issue of certificates and certification of documents accompanying imported and exported goods ("Official Gazette" No. 53/91) is no longer valid as of the date this Decree enters into force.

### Article 17

This Decree enters into force eight days after its publication in the "Official Gazette"

Class:  
File No.

Prime Minister  
Zlatko Mateša