

Certification of Preferential Duty Rates from India – An Update

As many importers from India will already be aware, since the start of 2017 the GSP Certificate - Form A has been in the process of being phased out and replaced.

The Registered Exporter (REX) System is now in place in India which is a scheme of self-certification which is aimed to fully replace the requirement for a GSP certificate by 31.12.17.

Overall, the GSP certificate will be replaced in all beneficiary countries on a phased basis by 2020.

Instead Indian Exporters (suppliers) have to register with their relevant authorities who will issue them with an individual REX number.

Exporters from India who are registered exporters will then provide a Registered Exporters (REX) declaration on commercial invoices. An example of this is shown below.

THE EXPORTER (INR EX [REDACTED]) OF THE PRODUCTS COVERED BY THIS DOCUMENT DECLARES THAT, EXCEPT WHERE OTHERWISE CLEARLY INDICATED, THESE PRODUCTS ARE OF INDIAN PREFERENTIAL ORIGIN ACCORDING TO RULES OF ORIGIN OF THE GENERALISED SYSTEM OF PREFERENCES OF THE EUROPEAN UNION & THAT THE ORIGIN CRITERION MET IS [REDACTED]

Further details provided by HMRC are shown below for this scheme:

Registered Exporter (REX) System

REX is an EU registration system that authorises exporters in GSP beneficiary countries to issue a self-certificate (known as a statement of origin) for eligible goods to be imported under import preference to the EU. The statement of origin replaces the GSP Form A and invoice declaration. REX traders will be issued with a number which they will include on their statements of origin.

Exporters based in GSP beneficiary countries will have to register with their relevant authorities who will issue them with an individual REX number. In order for preference to be claimed on imports into the EU the REX number must be declared together with a statement on origin unless the value of the consignment falls below €6,000.00.

Non-Registered Exporters can only declare preferential origin if the total value of the products does not exceed €6,000.00 and a statement of origin is provided.

From 1 January 2017, UK companies that export materials to GSP beneficiary countries that are then used to manufacture products to be imported back into the EU (bi-lateral cumulation) and UK established re-consignors of GSP goods to other member states, will be able to apply to HMRC to become REX registered. This will enable them to issue statements of origin when the value of the consignment exceeds €6,000.00. Only these specific types of traders are eligible for REX registration.

REX numbers and statements on origin can only be used in place of GSP certificates where a GSP beneficiary country is implementing REX. However it must be recognised that there will be a period of transition while exporters in these beneficiary countries are being registered, meaning that GSP certificates and invoice declarations may still be presented to claim preference. Where a GSP certificate or invoice declaration is presented the existing procedures and codes still apply.

REX will be phased in for all GSP beneficiary countries from 1 January 2017 to 30 June 2020.

The below table shows the confirmed dates of introduction for the following beneficiary countries:

Date of introduction	Beneficiary Countries
1 January 2017	India, Kenya, DR Congo, Solomon Islands, Guinea Bissau, Laos, Comoros, Zambia and Niue
1 January 2018	Afghanistan, Armenia, Bolivia, Ivory Coast, Eritrea, Gambia, Guinea, Malawi, Mozambique, Myanmar, Niger, Rwanda, Sri Lanka, Swaziland, Syria, Tanzania
1 January 2019	Bangladesh, Benin, Burkina Faso, Cabo Verde, Cambodia, Haiti, Indonesia, Kyrgyz Republic, Lesotho, Madagascar, Mauritania, Mongolia, Nigeria, Paraguay, Philippines, Samoa, Senegal, Tajikistan, Uganda, Uzbekistan, Vanuatu, Vietnam

Beneficiary countries will phase out the issuing of Form A over a 12 month period (although a 6 month extension is permitted if requested) from the date they join the REX system. Traders in these countries who are registered for REX will no longer be able to use Form A's, instead they must issue statements on origin. If the value of the consignment exceeds €6,000.00 this must include their REX number. A Form A issued by a trader after they are REX registered will no longer be valid.

For those companies that already have bilateral cumulation arrangements with these countries, REX registration is mandatory.

Further information on this topic can be found using the following sources:

HM Revenue & Customs www.gov.uk/government/publications/customs-information-paper-67-2016-introduction-of-registered-exporters-rex-system

For updates from the EU read [The Registered Exporter system](#).