

Non Preferential Rules of Origin LATAM business perspective

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LATAM business perspective

Core assumption: Legal certainty and transparency is paramount to business establishment and development.

- ❑ Actual benefits: what would be the actual benefits for the harmonization of Non Preferential Rules of Origin to LATAM businesses?;
- ❑ What would be the benefits to the SMEs?;
- ❑ Getting local: local case allows us to better visualize the before and after scenarios related to the establishment of (local) NP RO;

Getting Local: The Brazil Case

Before the establishment of local legislation on Non Preferential Rules of Origin (Nov/2010):

- ❑ Determining the origin: lack of legal certainty and transparency;
- ❑ Determining the origin: lack of solid administrative procedures;
- ❑ IOR difficulties (and sometimes impossibilities) in obtaining the CO;
- ❑ Lack of technical knowledge;
- ❑ SMEs affected mostly.

Getting Local: The Brazil Case

The establishment of local legislation on Non Preferential Rules of Origin (Nov/2010):

- ❑ Clear origin criteria determination established (substantial transformation);
- ❑ CO liability attributed to the IOR;
- ❑ Origin investigation and administrative procedures established (app. 85 investigations so far);
- ❑ Actual compliance cases covering mostly commercial defense and government procurement cases (mostly transshipment/anti-dumping origin determination cases).

Getting Local: The Brazil Case

After the establishment of local legislation on Non Preferential Rules of Origin (Nov/2010):

- ❑ Determining the origin: legal certainty and transparency;
- ❑ Determining the origin: well established and transparent administrative procedures;
- ❑ CO liability attributed to the IOR substantially reducing IL approval delays.

Getting back to Global (conclusion)

Core assumption: Legal certainty and transparency is paramount to business establishment and development.

- ❑ Local/national establishment of NP RO comes as a benefit to the national industry bringing legal certainty and transparency;
- ❑ SMEs as beneficiaries;

Getting back to Global (remaining questions)

- ❑ Indirect local “harmonization”: what is the actual level of similarity of national legislations on NP RO? Could they be considered already harmonized given the level of similarity?
- ❑ Cost x benefit: does the global harmonization process implies cost? If so does it justify the actual benefits obtained through NP RO global harmonization?

Getting back to Global (additional data)

Core assumption: Legal certainty and transparency is paramount to business establishment and development.

- ❑ More research and data would be beneficial:
 - Level of similarity of local NP RO local legislations (vs. the need of harmonization);
 - Related costs versus benefits;

Thanks!

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