

GENERAL AGREEMENT ON  
TARIFFS AND TRADE

RESTRICTED

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GENERALIZED SYSTEM OF PREFERENCES

Notification by Switzerland

Addendum

The following communication dated 30 August, has been received from the delegation of Switzerland.

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I have the honour to inform you that on 28 June 1978 the Swiss Government amended, with effect from 1 July 1978, the rules of origin regulating the grant of tariff preferences to developing countries.

This amendment mainly concerns the introduction of the principle of regional cumulation. This decision implements the declared intention of the EFTA preference-giving countries to introduce such cumulation as from 1 July 1978.

Regional economic groupings seeking to benefit from the cumulation possibilities should address their applications to the EFTA Secretariat, 9-11 rue de Varembe, Case postale 30, CH - 1211 Genève 20.

On the same date the Swiss Government also made the following amendments to its rules of origin:

- (i) The value limits in force have been raised in postal traffic (involving use of forms APR to Sw F 5,500 (formerly Sw F 4,000), in passenger traffic (involving non-requirement of a certificate of origin) to Sw F 1,100 (formerly Sw F 800), and for small consignments to Sw F 370 (formerly Sw F 240).
- (ii) The procedure has been simplified for the import of goods falling within chapters 84 and 85, dismantled or non-assembled, and for accessories, spare parts and tools delivered with any piece of equipment, machine, apparatus or vehicle.

(iii) Following amendments to the CCCN, a new rule of origin has been introduced in respect of goods put up in sets.

(iv) The provisional certificate of origin has been eliminated.

Attached hereto is the text of the Federal Council Ordinance of 28 June 1978.

Ordinance  
concerning the rules of origin  
regulating the grant of tariff preferences  
to developing countries

Amendment of 28 June 1978

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The Swiss Federal Council  
orders as follows:

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The ordinance of 2 July 1975 concerning the rules of origin regulating the grant of tariff preferences to developing countries is hereby amended as follows:

Article 7, paragraphs 2 to 5

2. However, "originating products" within the meaning of this ordinance which are sent by post (including those sent by parcel post), shall, provided that the consignments contain only such products and that their value does not exceed Sw F 5,500 per consignment, qualify on entry for the tariff preferences on production of a Form APR (Annex V), on condition that the assistance specified in the preceding paragraph is forthcoming in respect of the said form.
3. Without prejudice to Article 4:2, where, at the request of the person declaring the goods at the customs, a dismantled or non-assembled article falling within chapter 84 or 85 of the Customs Co-operation Council nomenclature is imported by instalments on the conditions laid down by the competent customs authorities, it shall be considered to be a single article and a certificate of origin Form A may be submitted for the whole article upon importation of the first instalment.
4. Accessories, spare parts and tools dispatched with a piece of equipment, machine, apparatus or vehicle which are part of the normal equipment and included in the price thereof or are not separately invoiced shall be regarded as one with the piece of equipment, machine, apparatus or vehicle in question.
5. Sets in the sense of the General Rule 3 of the Customs Co-operation Council nomenclature shall be regarded as originating when all component articles are originating products. Nevertheless, when a set is composed of originating and non-originating articles, the set as a whole shall be regarded as originating provided that the value of the non-originating articles does not exceed 15 per cent of the total value of the set.

Article 9, paragraph 2

2. Importations which are occasional and consist solely of products for the personal use of the recipients or travellers or their families shall not be considered as importations by way of trade if it is evident from the nature and quantity of the products that no commercial purpose is in view. Furthermore, the total value of these products must not exceed Sw F 370 in the case of small packages or Sw F 1,100 in the case of the contents of travellers' personal luggage.

Article 20

Revoked

Title preceding Article 28

IV. Rules concerning cumulation<sup>1</sup>

Article 28 - Cumulative origin

1. Notwithstanding the provisions of Article 2, there shall also be considered as originating products those products which have in accordance with the provisions of Article 2 acquired in one of the countries forming part of a regional economic grouping, qualifying for the cumulation possibilities in accordance with Annex VI, the status of originating products and which after being exported from that country have undergone no working or processing in any other country of the same grouping or have not undergone sufficient working or processing in any such other country to confer on them by virtue of the provisions of Article 2 the status of products originating in that other country, provided that:

- (a) only products originating in a country forming part of the same grouping have been used in the course of such working or processing;
- (b) where a percentage rule limits, in Lists A and B referred to in Article 4, the proportion in value of non-originating products that can be incorporated under certain circumstances, the added value has been acquired in each of the countries in accordance with the said percentage rule and with the other rules contained in the said lists without any possibility of cumulation from one country to another.

2. For the purposes of paragraph 1(a), the fact that products other than those referred to therein have been used in a proportion not exceeding in total value 5 per cent of the value of the products obtained and imported into Switzerland shall not affect the determination of origin of the latter products, provided that the products so used would not have caused such latter products to lose the status of products originating in a member country of the same grouping from which they were first exported, had the products used been incorporated in that first country.

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<sup>1</sup>Articles 28 to 35 are taken from EEC Regulation No. 2967/77 of 23 December 1977.

3. In the cases referred to in paragraph 1(b) no non-originating product may be incorporated if it undergoes only working or processing as specified in Article 4:2.

4. Notwithstanding the provisions of paragraph 1 and provided that all the conditions laid down in that paragraph are nevertheless fulfilled, the products obtained shall not continue to be considered as products originating in the first country of the grouping unless the value of the products worked or processed in that country represents the highest percentage of the value of the products obtained. If this is not so, the latter products shall be considered as originating in the country of the grouping where the added value acquired represents the highest percentage of their value.

Article 29 - Calculation of added value

1. For the purposes of implementation of the provisions of Article 28, the provisions of Article 5 shall apply.

2. In Article 28:1(b) and 4, "added value" means the difference between the ex-works price of the products obtained, less internal taxes refunded or refundable on exportation from the country concerned, and the customs value of all the products imported into and worked or processed in that country.

Article 30 - Proof of origin within the grouping

1. For the purposes of Article 28, proof of status as originating products within the meaning of Article 2 shall, in the case of products obtained in one country of the grouping and exported to another country of the same grouping, be established by production of a certificate of origin Form A, a specimen of which is given in Annex IV. This certificate shall be issued by the governmental authorities of the country of export competent to issue certificates of origin for the purposes of the general provisions.

2. For the purposes of Article 28, proof of status as originating products within the meaning of that Article shall, in the case of products that have merely remained in one of the countries of the same grouping or have undergone there no processing other than as specified in that Article and have been exported from that country to another country of the same grouping, be established by production of a certificate as referred to in paragraph 1 issued as provided in that paragraph on the basis of the certificates of origin Form A issued previously.

Article 31 - Certificate of origin for Switzerland

Notwithstanding the provisions of Article 7, the products mentioned in Article 28 shall on importation into Switzerland benefit from the tariff preferences referred to in Article 1 upon production of a certificate of origin Form A issued, on the basis of the certificates of origin Form A issued previously, by the authority in the country of the grouping from which the products are exported to Switzerland.

Article 32 - Particulars in the certificate of origin

The certificates referred to in Articles 30 and 31 must contain:

- (a) in box 4 "For official use" the name of the country of the grouping in which the products originate together with one of the following phrases:

"CUMUL ..... +.... nom du groupement"  
"CUMULATION . +.... name of the grouping"

- (b) in box 12 "Declaration by the exporter" a statement to the effect that the products satisfy the conditions of origin required by the generalized system of preferences in order to be exported to Switzerland.

Article 33 - Prior conditions

1. Articles 28 to 32 shall apply only in so far as the rules regulating trade in the context of this Chapter between each of the countries forming part of the regional economic grouping are identical to the provisions laid down in Chapters I to III and in the present Chapter.

2. In addition, each of the countries of the grouping undertakes to Switzerland that it will comply or ensure compliance with the rules concerning the preparation and issue of certificates of origin Form A and with those relative to administrative co-operation contained in Articles 34 and 35.

Article 34 - Administrative co-operation within the grouping

1. Retrospective verifications of the certificates Form A mentioned in Article 30 shall be carried out at random or whenever the authorities, as referred to in that Article of any country of the same grouping where the products have either remained before their re-exportation in the same state or have undergone working or processing as specified in Article 28, have reasonable doubt as to the authenticity of the document or as to the accuracy of the information regarding the true origin of the products in question.

2. For the purpose of applying paragraph 1, the authorities mentioned in that paragraph shall return the certificate of origin Form A, indicating where appropriate the reasons of form or substance for an enquiry. They shall forward any available information which tends to show that the particulars on the said certificate are inaccurate.

Article 35 - Administrative co-operation between Switzerland and the exporting country

Retrospective verification of the certificates Form A mentioned in Article 31 shall be carried out in the circumstances specified in Article 13. However, by way of derogation from the provisions of paragraph 2 of that Article, the Directorate-General of Customs shall return the certificate of origin Form A to the competent authorities of the country from which the products were exported to Switzerland.

Article 36 - Grant of cumulation

1. Only countries members of a regional economic grouping may benefit under the cumulation rules laid down in this Chapter.
2. It shall be a matter for each regional economic grouping to designate itself as such and to present to the Swiss Federal Council an application to qualify for cumulation.
3. The regional economic groupings recognized as qualifying for cumulation are listed in Annex VI.
4. The products in respect of which cumulation is excluded are listed in Annex VII.

V. Final provisions

Article 37

(former Article 28)

Annex I

Explanatory notes

Explanatory note 7 - ad Article 28:1(b)<sup>1</sup>

For the purposes of Article 28:1(b), the percentage rule must be observed by referring as regards the added value acquired to the provisions contained in Lists A and B referred to in Article 4. Where the products obtained appear in List A, the percentage rule therefore constitutes a criterion additional to that of change of tariff heading for any non-originating product used.

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<sup>1</sup>Text taken from EEC Regulation No. 2967/77 of 23 December 1977.



Annex II, List A

CCOM heading No.	Products obtained	Description	Working or processing that does not confer the status of "originating products"	Working or processing that confers the status of "originating products" when the following conditions are met
ex 1907	Ships' biscuits, bread rusks and fine breadcrumbs, not containing added sugar, honey, eggs, fats, cheese or fruits)	communions wafers, empty cachets of a kind suitable for pharmaceutical use, sealing wafers, rice paper and similar products	(unchanged)	
ex 3306	Aqueous distillates and aqueous solutions of essential oils, including such products suitable for medicinal uses	Manufacture from essential oils (terpeneless or not), concretes, absolutes or resinoids	(unchanged)	
ex 3819	Tenth sub-division: - Alkaline iron oxide for the purification of gas;		(unchanged)	
ex 4102	Bovine cattle leather (including buffalo leather) and equine leather, prepared but not parchment dressed except leather falling within heading No. 41.06 or 41.08		(unchanged)	
ex 4103	Sheep and lamb skin leather, prepared but not parchment dressed, except leather falling within heading No. 41.06 or 41.08		(unchanged)	
ex 4104	Goat and kid skin leather, prepared but not parchment dressed, except leather falling within heading No. 41.06 or 41.08		(unchanged)	
ex 4105	Other kinds of leather, prepared but not parchment dressed, except leather falling within heading No. 41.06 or 41.08		(unchanged)	

CCCN heading No.	Products obtained	Working or processing that does not confer the status of "originating products"	Working or processing that confers the status of "originating products" when the following conditions are met
ex 4421	Complete wooden packing cases, boxes, crates, drums and similar packings, except those made of fibreboard		(unchanged)
7702	Wrought bars, rods, angles, shapes and sections, of magnesium; magnesium wire; wrought plates, sheets and strip, of magnesium; magnesium foil; raspings and shavings of uniform size, powders and flakes, of magnesium; tubes and pipes and blanks therefor, of magnesium; hollow bars of magnesium; other articles of magnesium		(unchanged)
ex Chapter 90	Optical, photographic, cinematographic, measuring, checking, precision, medical and surgical instruments and apparatus, excluding products falling within heading No. 90.05, 90.07 (except electrically ignited photographic flash-bulbs); 90.08, 90.12 and 90.26		(unchanged)
ex 9007	Photographic cameras; photographic flashlight apparatus and flashbulbs other than discharge lamps falling within heading No. 85.20, with the exception of electrically ignited photographic flash-bulbs		(unchanged)

Annex III, List B

Products obtained		Working or processing that confers the status of "originating products"
CCCN heading No.	Description	
ex 2519	Other magnesium oxide, whether or not chemically pure	Manufacture from natural magnesium carbonate (magnesite)
ex 2813	(unchanged)	Manufacture from sulphur dioxide
ex 3301	(unchanged)	Manufacture from concentrates of essential oils in fats, in fixed oils, or in waxes or the like, obtained by cold absorption or by maceration
Chapter 39	Plastic materials, cellulose ethers and esters, and articles made of these materials	(unchanged)
7616	(unchanged)	Manufacture in which gauze, cloth, grille, netting, reinforcing fabric and similar materials, of aluminium wire, and expanded metal, of aluminium are used the value of which does not exceed 50 per cent of the value of the product obtained
ex 8209	Knives with cutting blades, serrated or not (including pruning knives), other than knives falling within heading No. 8206	Manufacture from knife blades
ex 8405	Steam engines (including mobile engines, but not steam tractors falling within heading No. 8701 or mechanically propelled road rollers) with self-contained boilers	Working, processing or assembly using products, the value of which does not exceed 40 per cent of the value of the product obtained
ex 9508	Articles in vegetable carving material (for example corozo), meerschaum and amber, natural or reconstituted, jet (and mineral substitutes for jet)	Manufacture from vegetable carving material (for example corozo), meerschaum and amber, natural or reconstituted, jet (and mineral substitutes for jet); worked
ex 9601	Brushes and brooms	(unchanged)
ex 7501	(delete) Unwrought nickel, excluding alloys	Refining by electrolysis, by fusion or chemically of nickel waste and scrap

NOTES

Annexe IV

1. Countries which accept this form for the purposes of the generalized system of preferences (GSP):
 

Australia*	Norway	European Economic Community:	Ireland
Austria	Sweden	Belgium	Italy
Canada	Switzerland	Denmark	Luxembourg
Finland	United States of America	France	Netherlands
Japan		Federal Republic of Germany	United Kingdom

Details of the rules governing admission to GSP in these countries are obtainable from the customs authorities there. The main elements of the rules are indicated in the following paragraphs.
2. Conditions. The main conditions for admission to preference are that goods sent to any of the countries listed above
  - (i) must fall within a description of goods eligible for preference in the country of destination, and
  - (ii) must comply with the consignment conditions specified by the country of destination. In general, goods must be consigned direct from the country of exportation to the country of destination, but in most cases passage through one or more intermediate countries, with or without transhipment, is accepted provided that at the time they are exported the goods are clearly intended for the declared country of destination and that any intermediate transit, transhipment or temporary warehousing arises only from the requirements of transportation; and
  - (iii) must comply with the origin criteria specified for those goods by the country of destination. A summary indication of the rules generally applicable is given in paragraphs 3 and 4.
3. Origin criteria. For exports to the abovementioned countries, with the exception of Australia, Canada and the USA, the position is that either
  - (i) the goods shall be wholly produced in the country of exportation, that is, they should fall within a description of goods which is accepted as 'wholly produced' under the rules prescribed by the country of destination concerned, or
  - (ii) alternatively, if the goods are manufactured wholly or partly from materials or components imported into the country of exportation or of undetermined origin these materials or components must have undergone a substantial transformation there into a different product. It is important to note that all materials and components which cannot be shown to be of that country's origin must be treated as if they were imported. Usually the transformation must be such as to lead to the exported goods being classified under a Customs Cooperation Council Nomenclature Tariff heading other than that relating to any of the above materials or components used. In addition, special rules are prescribed for various classes of goods in Lists A and B of certain countries' rules of origin and other subsidiary provisions and these should be carefully studied.

If the goods qualify under the above criteria, the exporter must indicate in Box 8 of the form the origin criteria on the basis of which he claims that his goods qualify for the GSP, in the manner shown in the following table:

Circumstances of production or manufacture in the first country named in Box 12 of the form	Insert in Box 8
(a) Goods, worked upon but not wholly produced in the exporting country, which were produced in conformity with the principles of 3 (ii), which fall under a CCC Nomenclature tariff heading specified in Column 1 of List A and which satisfy any conditions in Columns 3 and 4 of List A which are relevant to these goods	'A', followed by the Customs Cooperation Council Nomenclature heading number of the exported goods  example: 'A' 74.07
(b) Goods, worked upon but not wholly produced in the exporting country, which fall within an item in Column 1 of List B and which comply with the provisions of that item	'B', followed by the Customs Cooperation Council Nomenclature heading number of the exported goods  example: 'B' 73.15
(c) Goods, worked upon but not wholly produced in the exporting country, which were produced in conformity with principles of 3 (ii), which are not specifically referred to in List A, and which do not contravene a general provision of List A	'X', followed by the Customs Cooperation Council Nomenclature heading number of the exported goods  example: 'X' 09.02
(d) Goods wholly produced in the country of exportation (see 3 (i) above)	'P'

NOTE: 'List A' and 'List B' refer to the lists of qualifying processes specified by the countries of importation concerned.

4. Origin criteria for exports to Canada and the United States of America. For export to these two countries the position is that either
  - (i) the goods shall be wholly produced in the country of exportation that is they should fall within a description of goods which is accepted as 'wholly produced' under the rules prescribed by the country of destination concerned or
  - (ii) alternatively, if the goods are manufactured wholly or partly from materials or components imported into the country of exportation or of undetermined origin, those materials or components must have undergone a substantial transformation there into a different product. It is important to note that all materials and components which cannot be shown to be of that country's origin must be treated as if they were imported.
    - (a) In the case of Canada the value of such materials and components (excluding any that are of Canadian origin) must not exceed 40 % of the ex-factory price of the exported article.
    - (b) In the case of the United States the cost or value of materials produced in the beneficiary country plus the direct cost of processing performed there, should not be less than 35 % for single countries, or 50 % when an association of countries is treated as one country, of the appraised value of such article at the time of its entry into the US. Materials imported into the beneficiary country and then substantially transformed into constituent materials of which the eligible article is composed may be included in calculating the minimum percentages. The phrase 'direct cost of processing' includes costs directly incurred in or reasonably allocated to the processing, such as: all actual labour costs; dies, moulds, tooling, and depreciation; research and development; inspection and testing, but does not include business overheads, administrative expenses and salaries, or profit.

If the goods qualify under the above criteria, the exporter must indicate in Box 8 of the form the origin criteria on the basis of which he claims that his goods qualify for the GSP, in the manner shown in the following table:

Countries applicable	Circumstances of production or manufacture in the first country named in Box 12 of the form	Insert in Box 8
Canada and United States	(a) Goods wholly produced in the country of exportation (see 4 (i) above)	'P'
Canada	(b) Goods which are covered by the value-added rule described in 4 (ii) (a) above	'Y', followed by the value of materials and components imported (excluding any that are of Canadian origin) or of undetermined origin, expressed as a percentage of the ex-factory price of the exported goods  example: 'Y' 36 %
United States	(c) Goods which are covered by the value-added rule described in 4 (ii) (b) above	For single country shipments insert 'Y' or for shipments from an association of countries 'Z', followed by the sum of the cost or value of the materials and the direct cost of processing, expressed as a percentage of the ex-factory price of the exported goods  example: 'Y' 38 % or 'Z' 52 %

5. Each Article must qualify. It should be noted that all the goods in a consignment must qualify separately in their own right. This is of particular relevance when similar articles of different sizes or spare parts are sent.
  6. Description of goods. The description of goods must be sufficiently detailed to enable the goods to be identified by the customs officer examining them.
- \* For Australia, the main requirement is the exporter's declaration on the normal commercial invoice. Form A is an acceptable alternative, but official certification is not required. Direct consignment is not necessary.

Annex VI

List of regional economic groupings to which Switzerland grants cumulation

Designation of grouping	Countries forming part of the grouping	Date of acceptance by Switzerland
.....	.....	.....
.....	.....	.....
.....	.....	.....

Annex VII

List of products for which cumulation is excluded

Tariff No.	Description of goods
Section XI (Chap. 50 to 63)	Textiles and textile articles
6401	Footwear with outer soles and uppers of rubber or plastic material
6402	Footwear with outer soles of leather or composition leather; footwear with outer soles of rubber or plastic material

II

The present amendment shall enter into force on 1 July 1978.

28 June 1978

For the Swiss Federal Council:

President of the Confederation, Ritschard  
Chancellor of the Confederation, Huber

