

GENERAL AGREEMENT ON
TARIFFS AND TRADE

RESTRICTED
L/4299/Add.2
5 July 1976
Limited Distribution

Original: English

GENERALIZED SYSTEM OF PREFERENCES

Notification by the United States

Addendum

The delegation of the United States has provided the following information on the certification of origin for the purpose of the United States GSP scheme.

The United States Government has had to provide the below interim addendum instructions for the completion of the current Generalized System of Preferences Certificate of Origin Form A pending approval and adoption of the proposed revision of Form A, as the existing instructions are contrary to United States legal requirements.

These addendum instructions will serve both on current submissions of the Form and will allow for the continued usage of any preprinted supplies that beneficiary countries may have on hand after revision of the current version is concluded.

In order to facilitate implementation of GSP, resolve operational problems and comply with legal requirements of the Trade Act of 1974, United States customs authorities will continue to accept the current certificate of origin Form A as evidence of origin for shipments exported through 31 May 1976. Thereafter, the Form A must be supplemented by a statement thereon, or attachment thereto, in lieu of the explanatory notes on the reverse side of the certificate. At such time as a revision of Form A, reflecting the requirements of the United States GSP, becomes available, customs will accept either the current version with the addendum or the revision. The text of the new statement or attachment to Form A is as follows:

Addendum instructions for completion of Certificate of Origin (Form A)

Origin criteria for exports to the United States of America, are that either (1) the goods shall be wholly produced of domestic materials in the country of exportation, or (2) alternately, the goods must reflect a certain percentage of materials produced in the beneficiary country, plus the direct cost of processing performed there. The minimum percentage is thirty-five for single country products, or 50 per cent, when an association of countries is treated as one country. Materials imported

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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 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 overhead, administrative expenses and salaries, or profit.

Circumstances of production or manufacture in the first country named in Box 12 of the Form

Insert in Box 8

<p>(1) Goods wholly produced in the country of exportation</p>	<p>"P"</p>
<p>(2) Goods covered by the value-added criteria</p>	<p>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.</p> <p>Example: "Y" - 38 per cent or "Z" - 52 per cent.</p>

END TEXT.

Beneficiaries of the United States Generalized System of Preferences that have difficulty in complying with the above requirement are reminded that if shipments are not accompanied by the addendum, they may still be imported under the arrangement described in the United States GSP regulations whereby the importer is able to import goods on a GSP basis under bond and has sixty days (or more for good cause) to obtain the complete documentation.¹

¹See section 10.173 paragraph (a) (3) of the United States Customs Service, Department of Treasury, regulations regarding "Duty Free Entry of Certain Merchandise from Designated Beneficiary Developing Countries" (cf. L/4299, page 40).