

Tariff Preferences: Cumulation provisions with Pan Euro-Med countries

Joint Customs Consultative Committee (JCCC) Paper (06) 30	
Who should read:	All traders involved with importing/exporting using the Tariff Preference regime
What is it about:	Further information re: implementation of the Pan Euro-Med cumulation provisions, in particular as they relate to Turkey.
When effective:	27 July 2006

Background / Introduction

[JCCC Paper \(06\) 12](#) provided information in relation to the view of the European Commission's Legal Services that the Customs Union arrangements between the EC and Turkey did not provide the necessary legal force to allow the EC to apply the Pan Euro-Med cumulation system, where Turkish materials were involved.

Consequently, Member States were advised that they could not apply this part of the arrangement until the necessary legal provisions had been adopted.

New Information

The required legislation has now been passed under the scope of EC Decision 1/2006 of the EC - Turkey Customs Co-operation Committee, which came into force on 27 July 2006.

It should be emphasised that the Customs Union arrangements between the EC and Turkey do not apply to agricultural or to coal and steel products (Notice 812 refers).

Agricultural and coal and steel products are subject to traditional preferential trade arrangements and rules of origin in separate trade agreements which the Community has concluded with Turkey. The EC and Turkey have still to adopt the necessary changes, which provide for Pan-Euro-Med cumulation of origin to the origin rules in those agreements. Consequently, these products are presently excluded from these new arrangements.

The effect of all this is that - for example, Turkish originating materials (with the exception of agricultural and coal and steel products) can once again be exported to Morocco to be made up into garments for export under preference to the EC.

Traders are reminded that an updated MATRIX of which countries have signed up with which other countries in terms of this new procedure was published in [JCCC Paper \(06\) 29](#). Any updates required as a result of the information in this Paper will be published as soon as possible.

Morocco

[JCCC Paper \(06\) 13](#) provided information about a derogation to allow Turkish originating materials to be used in the manufacture of certain textile products being manufactured in Morocco and exported to the EC under preference.

Now that it has been confirmed that the Turkish problem has been solved, there is now no further need for this derogation.

Consequently it will cease to apply from 27 July 2006.

Tunisia

[JCCC Paper \(06\) 25](#) reminded traders that the previously applied derogation ceased to apply at midnight on 13 July 2006.

At present there is no indication when the EC and Tunisia will be likely to adopt the necessary Pan-Euro-Med rules of origin, so until this happens, it will not be possible - for example, to use Turkish originating materials in Tunisia to manufacture garments for export to the EC under preference from Tunisia.

Suppliers Declarations

Notice 827 explains when Supplier's Declaration's are needed to support the issue of a proof of preferential origin (an invoice declaration, Form EUR1 or the New EUR-MED certificate)

Decision 1/2006 of the EC-Turkey Co-operation Committee provides for suppliers in the Community and Turkey to include additional information on Supplier's declarations where the goods will be exported under the Pan-Euro-Med cumulation arrangements. It requires that they must tick a box to state whether the goods concerned have acquired preferential origin on the basis of cumulation, and if so, with whom.

This additional information is needed because application of Pan-Euro-Med cumulation is dependant upon all countries within the zone having concluded Free Trade Agreements with each other, which contain identical rules of origin. If the country in the zone that has supplied the materials does not have a Free Trade Agreement with the country of final destination, the Community exporter will not be able to export the finished product under the Pan-Euro-Med trade arrangements. The Matrix referred to above contains information about the conclusion of Agreements between countries in the Pan-Euro-Med zone.

The specimen Supplier's Declarations in EC Regulation 1207/2001 for materials supplied within the Community are also being amended to take into account the need to include additional information in the context of Pan-Euro-Med cumulation

Specimens of the new Suppliers Declarations which are the same for intra-Community and EC-Turkey supplies can be found in Annexes [1](#) and [2](#), which are attached to this JCCC information paper below.

Under agreed administrative arrangements, the amendments to Regulation 1207/2001 are also to be adopted with immediate effect.

This will affect those traders who:

- a) Supply goods to a customer elsewhere in the EC where preferential origin needs to be confirmed; or
- b) Import materials from, or export materials to Turkey using ATR Certificates, but also where preferential originating status has to be confirmed.

The updated format will appear in Notice 827 as soon as possible.

Previously issued JCCC Information Papers

The following is a list of all previously issued JCCC Information Papers on the subject of Pan Euro-Med Cumulation.

- [JCCC \(05\) 37](#)
- [JCCC \(06\) 13](#)
- [JCCC \(05\) 57](#)
- [JCCC \(06\) 20](#)
- [JCCC \(06\) 03](#)
- [JCCC \(06\) 25](#)
- [JCCC \(06\) 12](#)
- [JCCC \(06\) 29](#)

Traders are reminded that JCCC Papers (06) 03 and (05) 37 in particular contain useful general information on the operation of the Pan Euro-Med cumulation system.

Further information

If you require any further information, please contact the Import/Export Team, Frontiers Customer Unit, 6th. Floor North, Portcullis House, 27 Victoria Avenue, Southend-on-Sea, Essex SS2 6AL (Telephone 01702 361959).

Email: nicholas.clappen@hmrc.gsi.gov.uk

Issued on the 28 July 2006 by the JCCC Secretary, HM Revenue and Customs, Frontiers Customer Unit, CRM Team, 6th Floor South, Portcullis House, Southend-on-Sea, Essex. SS2 6AL.

Email: [JCCC Secretariat](#)

If you have a question about the content of this paper please use the contact provided in the 'Further Information' section. For general HMRC queries speak to the National Advice Service on 0845 010 9000 or follow this crumb trail which details how to contact us by phone, email or post:

HMRC home (www.hmrc.gov.uk) > Contact Us