

Customs Flash

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Country of origin labelling for food - Update

Introduction

In our **Customs Flash** of July 16, 2013, we informed you about two new Regulations; [Regulation \(EC\) No. 2011/1169](#) ('FIC Regulation') and the proposed [Regulation \(COM \(2013\) 78\)](#) ('Non-Food Regulation'). The FIC Regulation entered into force on December 12, 2011 and rules therein will apply from December 13, 2014. The Non-Food Regulation is still being discussed within the European Parliament and is expected to come into effect in 2015. Both Regulations include, amongst others, new rules concerning the indication of origin on the label of the respective product. This origin is determined based on the non-preferential rules of origin as currently laid down in the Customs Community Code (Regulation (EEC) No. 2913/92) and its implementing provisions (Regulation (EEC) No. 2454/93).

FIC Regulation

The FIC Regulation contains rules for the mandatory and voluntary indication of origin with respect to certain food related products. In this respect, the European Commission ('EC') is required to prepare several reports with respect to the impact of the indication of the country of origin.

In December 2013, the EC adopted an [impact assessment \(COM \(2013\) 755\)](#) regarding the mandatory indication of the country of origin or place of provenance for meat used as an ingredient. Similar reports for other food related products, such as milk used as an ingredient in dairy products, unprocessed foods and ingredients that constitute over 50% of a food should be adopted before December 13, 2014.

The FIC Regulation requires the adoption of implementing acts, to be drawn up following impact assessments, which will clarify what the scope (e.g. EU/non EU or the specific country of origin) of the origin indication on labelling will be.

What does it mean?

The aforementioned report covers meat of all species used as an ingredient in prepacked foods. The goal of the report was to 1) to assess consumers' attitude towards mandatory origin labelling, 2) the feasibility of such labelling and 3) to analyse the costs and benefits of the introduction of such measures when compared to the following scenario's:

- 1) Maintain origin labelling on voluntary basis,
- 2) Introduce mandatory origin labelling based on (a) EU/non EU or (b) EU/third country,

- 3) Introduce mandatory origin labelling indicating the Member State or third country.

The report indicates that the overall interest with consumers in origin labelling for meat ingredients appears to be considerable, and ranks third (behind price and quality/sensory aspects) as most important factor affecting the choice of the consumers. However, the report also indicates that consumers are not willing to pay the increase in price linked to the mandatory indication of the country of origin.

The EC views that all aforementioned scenarios present advantages/disadvantages that need to be widely discussed. On the basis of these discussions, the EC will consider what, if any, appropriate next steps should be taken.

Although, the extent of origin indication has yet to be determined for certain food- and food related products, origin indication will become mandatory for fresh-, chilled- and frozen meat of poultry, goat, sheep and swine as of December 13, 2014. Furthermore, origin indication on the label will become mandatory when failure to indicate the origin might mislead the consumer as to the true country of origin or provenance.

What to do?

Companies should be aware that as of December 13, 2014, they could be confronted with the legal requirement to indicate the country of origin on the label of their products (including the origin of ingredients). Even in the situation where companies are not directly involved in the sale or distribution of finished products, their customers may require proper country of origin indication.

Should you need any assistance with assessing the impact of the FIC Regulation or determine the proper origin of products, please do not hesitate to contact us.

Contact

Any questions concerning the items in this publication? Please contact your usual tax consultant at Deloitte or:

- Klaas Winters, kwinters@deloitte.nl, +31 (0)88 288 2125
- Johan Hollebeek, jhollebeek@deloitte.nl, +31 (0)88 288 1992
- Fernand Rutten, frutten@deloitte.com, + 32 2 600 66 06
- Nick Moris, nmoris@deloitte.com, + 32 2 600 66 03
- Julien Pauwels, jpauwels@deloitte.com, +32 2 600 66 25
- Tom Verbrugge, tverbrugge@deloitte.com, + 32 2 600 66 20

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Wilhelminakade 1
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