

Customs Flash

Sri Lanka regains EU's GSP+ status

Introduction

The EU is Sri Lanka's biggest export market, accounting for about one third of its total exports. As of 19 May 2017 Sri Lanka regained "General System of Preference +" (GSP+) status, with the entry into force of EU delegated regulation 2017/836 of 11 January 2017. The EU initially decided to suspend Sri Lanka's GSP+ status on 15 August 2010, having identified a lack of commitment on reform of and progress in the fields of sustainable development, human rights and good governance, factors relevant for gaining and maintaining GSP+ status. The renewed GSP+ status will again provide Sri Lanka with better market access, including the abolition of customs duties in return for improvements in the abovementioned commitments.

What does this mean for you?

The EU's "Generalized Scheme of Preferences" (GSP) allows importers to pay less or no duties on the import of goods from developing countries into the EU. This gives developing countries vital access to EU markets and contributes to their economic growth.

In addition, countries can gain enhanced preferences by opting for the GSP+ status. The GSP+ status will result in full removal of duties on 66% of tariff lines, covering a wide array of products including textiles and fisheries. These benefits are granted to countries upon request subject to ratification and implementation of core international conventions relating to human and labor rights, environment and good governance. The exact criteria to apply for the GSP+ status are laid down in regulation (EU) No 978/2012 of 25 October 2012.

Economic operators engaged in business between Sri Lanka and the EU can benefit from the removal of duties as mentioned above for various goods with Sri Lankan origin as of 19 May 2017. The GSP+ status will in principle be in place until 2021.

What to do?

In the event that you are engaged in business between Sri Lanka and the EU, the following steps are suggested to utilize the benefits of Sri Lanka's GSP+ status:

- Assess whether the goods you are dealing with have Sri Lankan preferential origin (in case of import into EU) and all origin requirements are met;
- Assess whether the goods your company is dealing with could benefit from the GSP+ status of Sri Lanka;
- Assess whether a valid proof of origin is available;
- Update systems and trade flows to the renewed GSP+ status of Sri Lanka.

We emphasize that economic operators are already able to benefit from Sri Lanka's GSP+ status.

Do not hesitate to contact us if you have any questions with regard to this matter. We are happy to assist you.

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