



SEA Customs and Trade Alert

Stay informed of changes

Singapore | Jun 2014

Greetings from your Customs and Global Trade Services group at Deloitte Singapore. This newsletter is your reference for practical information on relevant customs issues. We are pleased to enclose for your information the latest Customs and Trade Alert on:

Abolishment of FOB value in ATIGA Form D and AKFTA Form AK

With effect from 1 June 2014, ASEAN Member States (except Cambodia and Myanmar*) will remove the requirement to state the FOB value in Box 9 of the ASEAN Trade in Goods Agreement (ATIGA) Form D and the ASEAN-Korea FTA (AKFTA) Form AK when the origin status is determined under the following criteria:

- Wholly Obtained
- Change in Tariff Classification
- Process Rule or

- Specific Processes

* There is a 2-year grace period for Cambodia and Myanmar to adopt the changes.

Consequently, there is only a requirement to indicate the **FOB value** of the imported goods in Box 9, where the **Regional Value Content (RVC)** criterion was applied in the origin determination.

All other requirements for the ATIGA Form D and AKFTA Form AK remain unchanged. The FOB value of the product is still required to be declared in the export declaration regardless of the origin criterion used.

What does it mean for you?

Under the revised requirement, where origin of goods are determined using criterion other than RVC, companies trading under the third/ fourth party invoicing arrangement, would likely face less challenges with :

- Customs Authorities challenging the FOB value on the Form D/ Form AK against the commercial invoice value that is presented at the time of importation; and/ or
- Consignee, particularly if an unrelated party, having sight of the FOB value from the first invoice value, on the Form D/ Form AK.

What to do?

Manufacturers and/or Exporters, should:

- Assess or re-asses (under the relevant FTAs) whether the origin status of the exported goods can be determined under the Wholly Obtained, Change in Tariff Classification, Process Rule or Specific Processes criteria.
- If yes, then Box 9 of the Form D/ Form AK would not have to be completed.

How can Deloitte help?

Deloitte can support your company in the following:

- Research on the available FTAs and the corresponding preferential duties, based on companies' current/ proposed supply chain
- Determine whether the correct HS code is being declared for the exported product(s)
- Research on the applicable Rules of Origin, and determine whether or not your products, parts and components, etc. are able to satisfy the applicable Rules of Origin under the FTAs
- Advice on what steps could be taken to meet the applicable Rules of Origin
- Assist in preparing the required evidential documentation
- Assist in the application to obtain the Certificate(s) of Origin from the Authorities
- Assist in the application for claims to preferential tariff rates in the destination countries
- Support in audit defense to address and resolve any origin challenges from the Customs Authorities
- Develop Procedure Manual/ Standard Operation Manual (SOP) for FTA implementation.

For more information on the above or any Customs and Global Trade matters, please contact the below or your usual Customs and Global Trade contact in Deloitte.

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