



MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY



Implementation of ASEAN – Hong Kong, China Free Trade Agreement (AHKFTA) - Overview on Rules of Origin Chapter

Outline



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- Introduction
- Rules of Origin (ROO) chapter
- Product Specific Rules (PSR)
- Operational Certification Procedures (OCP)
- Preferential Certificate of Origin Form AHK

Overview

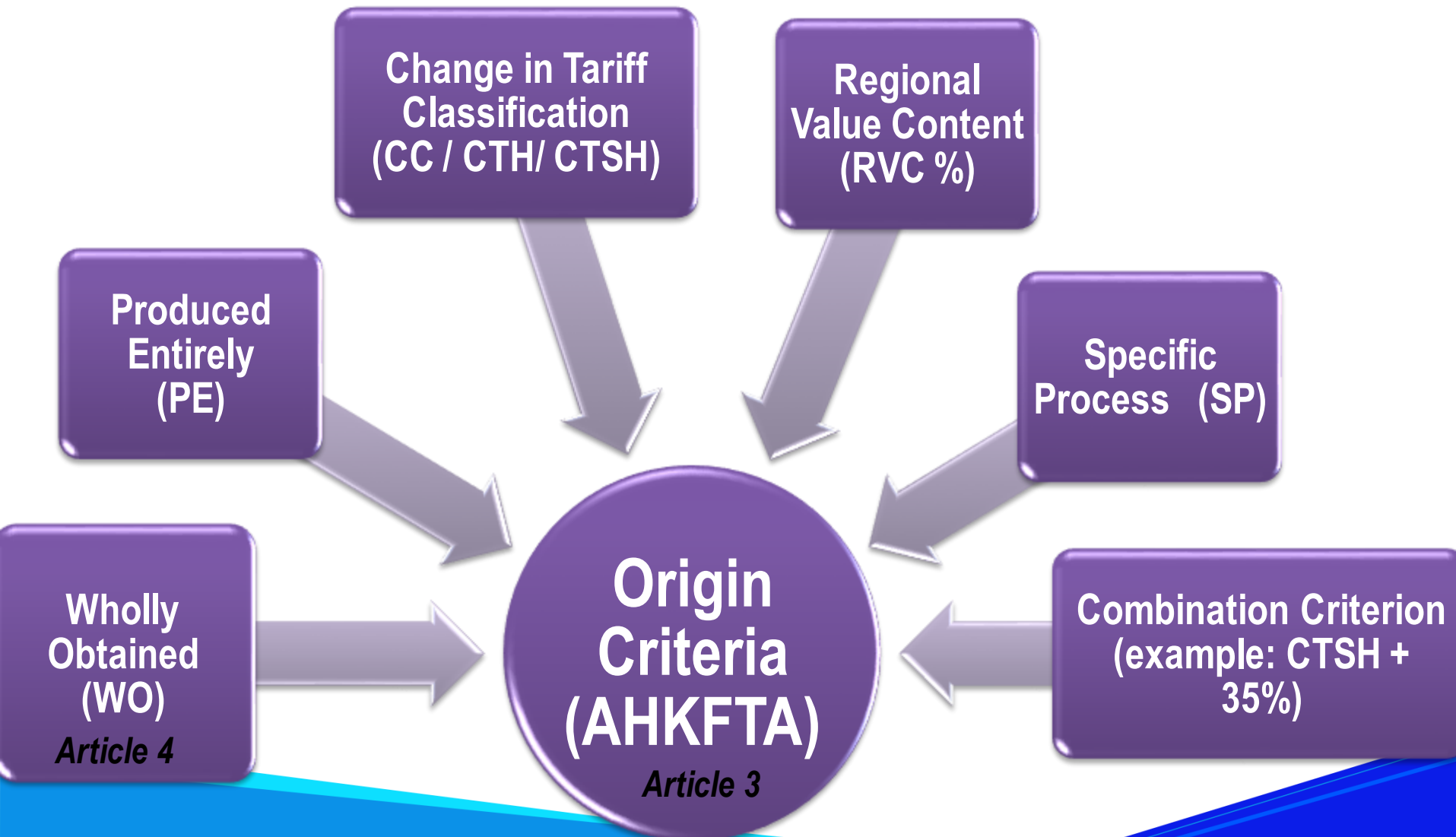


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- AHKFTA is ASEAN's 6th FTA with external partners after China, Korea, Japan, India and Australia-New Zealand.
- The implementation of Agreement Establishing The **ASEAN-Hong Kong, China Free Trade Agreement (AHKFTA)** will enter into force for Malaysia on **13 October 2019**.
- Exporters may start applying for Cost Analysis starting **1 August 2019**, however CO Form AHK will be issued beginning **13 October 2019**.



Rules of Origin (Chapter 3)





Rules of Origin (Chapter 3)

Not Wholly
Obtained or
Produced

• **Article 5**

Product
Specific Rule

• **Annex 3-2**

RVC 40%

Article 6: RVC calculation

(a) *Direct /Build-up Method*

| | | | | | | | | | | |
|--|---|--------------------------|---|----------------------------|---|----------------|---|--------|---|------|
| AHKFTA Material Cost | + | Direct Labour Cost | + | Direct Overhead Cost | + | Other Costs | + | Profit | | |
| RVC = $\frac{\text{Sum of above}}{\text{FOB Price}}$ | | | | | | | | | X | 100% |

or

(b) *Indirect /Build-down Method*

| | | | | | |
|--|---|---|--|--|--------|
| FOB Price | - | Value of Non-Originating Materials, Parts or Produce | | | |
| RVC = $\frac{\text{Sum of above}}{\text{FOB Price}}$ | | | | | X 100% |

• **General Rule**

to refer to

If goods
not in the
PSR list

Operational Certification Procedures (OCP) - Highlights



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Back-to-Back arrangement is allowed using Movement Confirmation (MC)

CO Form AHK to be printed on ISO A4 white paper (1 original, 2 copies)

FOB value to be indicated in Box 9 when RVC is applied only for exports to ASEAN Member States

CO can be issued retroactively when approved after 3 working days from the shipment date but no longer than 1 year from the shipment date

PCO Form AHK

For more information on Preferential Certificate of Origin (PCO) application procedures, please refer to MITI website at <http://www.miti.gov.my/> under 'Our Services'

| | | | | | |
|---|----------------------------------|---|---|--|--|
| 1. Goods Consigned from (Exporter's name, address and Country/ Party) | | | Certificate No. Form AHK | | |
| 2. Goods Consigned to (Consignee's name, address and Country/ Party) | | | ASEAN - HONG KONG, CHINA FREE TRADE AGREEMENT CERTIFICATE OF ORIGIN (Combined Declaration and Certificate) Issued in (Country/ Party) (see Overleaf Notes) | | |
| 3. Means of transport and route (as far as known) Shipment Date: Vessel's name/Aircraft etc.: Port of Discharge: | | | 4. For Official Use <input type="checkbox"/> Preferential Treatment Given Under ASEAN - Hong Kong, China Free Trade Agreement <input type="checkbox"/> Preferential Treatment Not Given (Please state Reason(s)) Signature of Authorised Signatory of the Importing Country/Party | | |
| 5. Item number | 6. Marks and numbers on packages | 7. Number and kind of packages; description of goods including HS Code (6 digits); and, if applicable, brand name. Names and country/party of the company issuing third party invoice, if applicable. | 8. Origin-Conferring Criterion (see Overleaf Notes) | 9. Quantity (Gross or Net weight or other measurement) and value (FOB) where RVC is applied (see Overleaf Notes) | 10. Invoice Number(s) and date of invoice(s) |
| | | | | | |
| 11. Declaration by the exporter The undersigned hereby declares that the above details and statements are correct; and that all the goods were produced in (Country/ Party of origin) and that they comply with the rules of origin, as provided in Chapter 3 (Rules of Origin) of the ASEAN-Hong Kong, China Free Trade Agreement for the goods exported to (Importing Country/ Party) Place and date, signature of authorised signatory | | | 12. Certification On the basis of control carried out, it is hereby certified that the information herein is correct and that the goods described herein comply with the origin requirements specified in the ASEAN-Hong Kong, China Free Trade Agreement. Place and date, signature and name, stamp of authorised issuing authority | | |
| 13. <input type="checkbox"/> Movement Confirmation <input type="checkbox"/> Third-party invoicing <input type="checkbox"/> Issued retroactively <input type="checkbox"/> De Minimis <input type="checkbox"/> Accumulation <input type="checkbox"/> Exhibitions | | | | | |

Focal point for AHKFTA CA/CO application



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For more information on AHKFTA, kindly refer to <https://fta.miti.gov.my/>



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Thank You

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