

Trade Alert

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ASEAN-CHINA FREE TRADE AGREEMENT (“ACFTA”) UPGRADING PROTOCOL AND REVISED PSR TO BE IMPLEMENT FROM 1 AUGUST 2019 ONWARDS

The Customs Department and Department of Foreign Trade (“DFT”) revealed that the ACFTA members agreed to implement the ACFTA upgrading protocol and Revised Product Specification Rules (PSR) from 1 August 2019 onwards. At the present, the Thai Customs is in process of revising Customs Notification to support the implementation of upgraded ACFTA.

The revision of the ACFTA includes the change in Rules of Origin (ROO), Product Specification Rules (PSR), Operational Certification Procedure (OCP) and Certificate of Origin (CO) as well as the transitional period. The major changes include:

- A revision of the ROO general rules by adding “CTH” rule for several tariff chapter. Previously, the general rules applied under ACFTA is only “40% Regional Value Content”
- A revision in PSR to cover more than 2,000 tariff codes
- A change in format of FORM-E from brown color to be white A4 for both original and duplicate
- Applying HS 2017 in stead of HS 2012
- A change in OCP such as; no limitation on the imported item stated in FORM E, FOB price is required to be stated in the FORM E only when the origin criteria is RVC 40%
- Allowing China to issue Form-E though the manufacturer and exporter are different party

ACFTA’s transitional period is 2 weeks starting from 1 to 14 August 2019. Any FORM E with the current format which has been issued within 14 August 2019 shall still be valid until the expiration date. In such case, the OCP applied to the FORM shall be in accordance with the version of FORM E i.e. the current OCP is still applied to the current FORM E while the upgraded OCP will only be applied to the new FORM E.

DFT also urged the business to review the products’ tariff code. In case there is any change in either origin criteria or the tariff code has been changed under HS2017, the cost structure must be re-applied. In vice versa, in case there is no change, the current cost structure is still valid until the expiration date.

FTA UPDATES

- ASEAN, Australia, and New Zealand agreed to apply Back to Back and Partial Shipment criteria for issuance of Certificate of Origin under ASEAN-Australia-New Zealand Free Trade Agreement (AANZFTA).
- The e-FORM D under ASEAN Trade in Goods Agreement (ATIGA) can be applied with CO issued to Brunei Darussalam (from 15 May 2019) and Cambodia (from 1 July 2019).
- From 1 July 2019, the Form D issued to Cambodia can apply the Third Country Invoicing together with Back-to-Back CO Criteria

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If you have any comments or questions regarding Trade Alert or any matters discussed herein, or if you are interested in finding out more about Bolliger & Company Consulting services, please contact any of the persons below:

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