



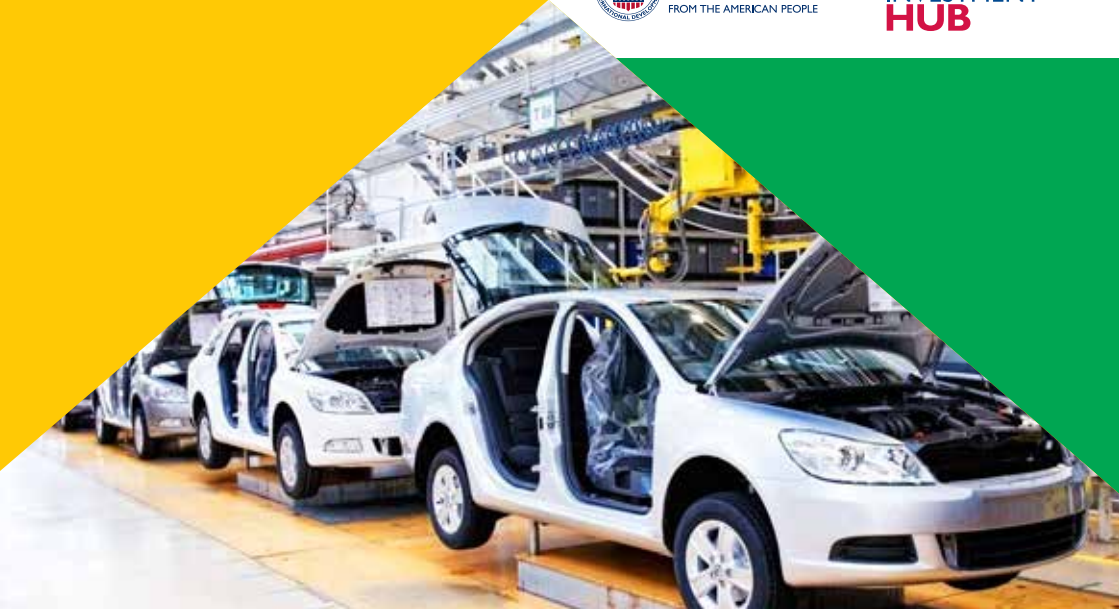
Federation of East African Freight Forwarders Associations (FEAFFA)

# INFORMATION BOOKLET ON THE 2015 REVISED EAC RULES OF ORIGIN



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The Federation of East African Freight Forwarders Associations (FEAFFA) is a regional private sector apex body of the Customs Clearing and Freight Forwarding (CFA) industry in East Africa. It aims at promoting a professional freight logistics industry for trade facilitation and regional economic growth. FEAFFA strives to address the challenges experienced by its members through training, provision of information and other aspects of capacity building. It advocates for the full implementation of the East African Community (EAC) Customs Union.

The USAID East Africa Trade and Investment Hub (the Hub) boosts trade and investment with and within East Africa. It does this by deepening regional integration, increasing the competitiveness of select regional agricultural value chains, promoting two-way trade with the United States (U.S.) under the African Growth and Opportunity Act (AGOA) and facilitating investment and technology to drive trade growth intra-regionally and to global markets. The Hub supports the U.S. Government's presidential **Trade Africa** and **Feed the Future** initiatives. It is funded by the U.S. Agency for International Development (USAID).

For more information: [www.eatradehub.org](http://www.eatradehub.org) or [info@eatradehub.org](mailto:info@eatradehub.org)

This booklet was developed by FEAFFA with the Hub's support. It highlights the key changes on the revised EAC Rules of Origin (ROO) and serves as a quick reference for clearing and forwarding agents and shippers. Adherence to the revised rules should contribute to reduction in the time and cost required to move cargo across borders by minimizing origin-related noncompliance in customs declarations and reducing Rules of Origin-related Non-Tariff Barriers (NTBs).

This booklet is made possible by the support of the American People through the United States Agency for International Development (USAID.) The contents of this booklet are the sole responsibility of FEAFFA and do not necessarily reflect the views of USAID or the United States Government.

## INTRODUCTION

East African Community Customs Union (Rules of Origin) Rules, 2015 came into force in January 2015 replacing the East African Community Customs Union (Rules of Origin) that had been in force since January 2005.

### Source documents:

1. The East African Community Customs Union (Rules of Origin) Rules, 2015.
2. Manual on the Application of the East African Community Customs Union (Rules of Origin) Rules, 2015.

## DIFFERENCES BETWEEN THE EAC RULES OF ORIGIN 2015 AND EAC RULES OF ORIGIN 2005

	EAC ROO 2015	EAC ROO 2005
1	30 Rules	16 Rules
2	6 Schedules	5 Schedules
3	2 Criteria	4 Criteria
4	Requirements for vessel of a Partner State Registration in the State and: <ul style="list-style-type: none"> <li>▪ 20% officers be nationals, or</li> <li>▪ 20% crew be nationals, or</li> <li>▪ 20% equity be held by nationals or local legal persons</li> </ul>	Requirements for vessel of a Partner State Registration in the State and: <ul style="list-style-type: none"> <li>▪ 75% officers be nationals, or</li> <li>▪ 75% crew be nationals, or</li> <li>▪ Majority equity be held by nationals or local legal persons</li> </ul>
5	Allows for Tolerance	No Tolerance
6	Broader Cumulation (4 types) <b>Rule 8</b>	1 type of Cumulation <b>Rule 4 (2)</b>
7	Absorption is allowed	No absorption
8	Allows retrospective issuance of Certificates of Origin (COO)	No retrospective issuance
9	Simplified COO threshold is USD 2,000	Simplified COO threshold is USD 500
10	'P', 'M', 'C', and 'S' are the criteria abbreviation for Box Seven of COO	'P', 'M', 'V' and 'X' are the criteria abbreviations for Box Seven of the COO
11	Sufficient Working/ Processing is specific to each product in the HS Code as guided by Part 1 of the First Schedule	Substantial Transformation is a choice between the Material content, Value Addition or CTH Criterion
12	Use of ex-works price in computing value added locally	Use of ex-factory cost in computing value added locally
13	Change in Tariff Classification at times proceeding to the 6 digit level i.e. Heading and Subheading	Change in Tariff Heading stops at the 4 digit level i.e. only at Heading level
14	Two proofs of origin possible: <ul style="list-style-type: none"> <li>▪ the Certificates of Origin 2nd or,</li> <li>▪ Origin Declaration 4th Schedule</li> </ul> Both are valid for six months	Only the Certificates of Origin, and the validity was not specified

## HIGHLIGHTS OF THE EAC RULES OF ORIGIN 2015:

### 1. Two Criteria Rule 4

- Wholly produced 4 (1) (a) as read with Rule 5
- Sufficient working/ processing of imported materials 4 (1) (b) as read with Rule 6

### 2. Meaning of 'Sufficient Working' ... "when the product listed in the second column of Part 1 of the First Schedule fulfils the corresponding criteria in the third column" Rule 6 (1) (i.e. criteria is specific to a product)

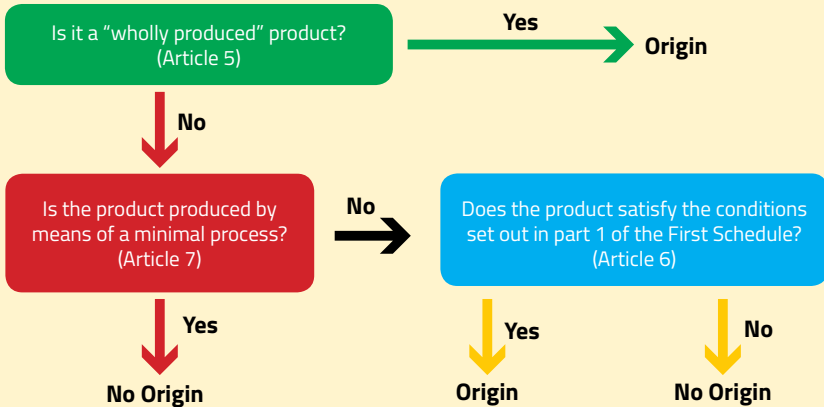
### 3. Steps in determination of origin of a product:

- i. Get the Harmonised Commodity Coding/ or Tariff number of the product.
- ii. Ascertain the source of all raw materials used to make it and their HS Codes.
- iii. If all are wholly obtained (as set out in Rule 5) then the product is wholly obtained.
- iv. If not, check the second column of Part 1 of the First Schedule to locate the product as classified.
- v. Once the product is found, check the corresponding applicable criteria for it on the third column.
- vi. Examine your product to establish whether it meets the criteria.
- vii. If criteria is met, then it originates and can be issued with a Certificate of Origin (COO).



The above process can be represented in diagram 1 below.

### Steps to follow to find the origin for products under the revised EAC Rules of Origin



#### 4. Reading Part 1 of the First Schedule:

##### Step 1:

Establish the tariff classification of the product to be exported.

##### Step 2:

Establish the applicable specific rule (i.e. check Column 3) taking note that if more than one alternate rule is provided in Column 3, one has a choice of using any.

##### Step 3:

Where a product (Column 2) is not tied to a specific rule (Column 3), refer to the section dealing with the Chapter or Heading the product falls under.

##### Note:

If all products of a given heading, subheading or chapter are not subject to the same rule(s), the heading, subheading or chapter number is preceded by "ex". "Ex" means that the rule in Column 3 applies to goods classified in the heading, subheading or chapter with certain exceptions. The exceptions are then listed separately and will have their own rules in Column 3.

## 5. Absorption Principle:

If a product R has acquired originating status by fulfilling the conditions set out in the Rules, and it is used in the manufacture of another product F, as a raw material, the origin criteria applicable for F shall not apply to product R. In the determination of the origin of product F, no account shall be taken of any non-originating materials used to make product R. Product R will thus be treated as an originating raw material when determining the origin of product F.

## 6. Tolerance

Non-originating material which should not be used according to Part 1 of the 1st Schedule may be included where their weight or value in the finished product:

- Does not exceed 15% of the weight of the product if the product is classified in Chapters 2, and 4 - 24 of the HS, (agricultural products)
- Does not exceed the specific tolerance levels set in Part 2 of the First Schedule (Note 6 – 7) for products contained within Chapters 50 - 63 (textiles)
- Does not exceed 15% of the ex-works price of products classified in any other chapters.

The effect of this tolerance rule is to allow flexibility for products which have undergone substantial transformation to originate, when the strict application of the Rules would have otherwise locked them out.

## 7. Cumulation

To cumulate raw materials is to allow or consider such raw materials as originating in the Partner State even when they come from other countries when they are incorporated into products produced in a Partner State. The EAC Rules of Origin have four types of cumulation:

- i. Cumulation with other Partner States: Where materials originate in one Partner State and undergo further working in another Partner State, the product assumes origin in the country where the last substantial transformation took place.

Example: If the manufacture of a car begins in Rwanda where the chassis is made and exported to Burundi disassembled. The vehicle assembler in Burundi sources engines from Uganda. The engine block originates from Tanzania and the cylinder heads, pistons and cranking shafts originate and are added to the engine in Uganda. The suspension

and braking systems are of Kenyan origin, while the wiring, tyres and the final assembly takes place in Burundi. For purposes of determining origin, the vehicle will be considered as originating in Burundi even though most of the materials are imported from other Partner States.

- ii. Cumulation with other countries or Regional Economic Blocks with which the EAC has concluded an FTA.
- iii. Cumulation with countries enjoying duty-free quota, free access to the markets of the countries referred to in (ii) above except where these raw materials are in the Second Schedule of the EAC CET (sensitive items).
- iv. Cumulation of products that have duty-free quota, free access to the EAC market under the EAC CET, i.e. if a raw material upon importation to a Partner State is subject to 0% duty because of its classification, then such material when incorporated in a product manufactured in the Partner State shall be considered as an originating raw material.

## 8. Approved Exporter

The rules allow that approved exporters will make a statement of origin (in the prescribed form 4th Schedule of the Rules) instead of filling a certificate with each exportation. This statement is made on the commercial documents. Exporters intending to utilize this facility have to apply to the competent authority using the EAC Application Form for Registration of Exporters (Appendix I of the Manual). Competent authorities will grant this facility to frequent exporters of originating goods who have a good record of compliance with customs law and who have demonstrated their ability to meet the obligations placed upon them by the competent authority.





## FAQ

### + Who is entitled to an EAC Certificate of Origin?

1. Anyone who intends to export originating goods from one Partner State to a consignee in another Partner State.

### + How does one get a Certificate of Origin?

1. Contact your local Rules of Origin office to get advice on which Rules of Origin are applicable to your product.
2. Fill in the exporter registration form and submit it with attachments to the office (registration of business, tax TIN or PIN etc. as may be required by the competent authority and the country's laws).
3. Schedule a verification of your premises so as to establish whether your product originates and whether it is indeed produced in your factory.
4. If the product meets the set criteria, a registration number will be issued and you will be allowed to purchase the certificate.
5. Return the certificate, filled on all fields save the Certification of Origin box to the office for approval and endorsement, with the required attachments (invoice and any other documents required). Instructions are at the back of the COO.
6. Take the original (it is to accompany the goods) and duplicate (for your own records) and you are now ready to export. Note that you also have to fulfil any other specific export requirements for your country.

### + Do I have to be a producer to export under the EAC Rules of Origin regime?

No. Where the producer is not the exporter, the producer shall fill a Supplier/ Producer Declaration for the exporter, and give it to him with the invoice. These shall accompany each certificate and is to be attached as supporting documentation for each certificate.







#### + **Is there an avenue for small cross-border trade?**

Yes. If the goods intended for export are on a small scale and their value does not exceed USD 2,000, the trader shall complete the EAC Simplified Certificate of Origin and the Simplified EAC Customs Document, attach the invoice and present these documents to the Customs Authority at the point of exit for authentication. The Customs Authority should confirm that the goods qualify for the simplified procedures. If satisfied, the Customs Authority should endorse its reference number on the certificate, stamp and sign it.

#### + **How long is a Certificate of Origin valid?**

A Certificate of Origin shall be valid for six months from the date of issue by the competent authority of the exporting Partner State. An origin declaration shall also be valid for six months from the date of the declaration. Both shall be submitted to the Customs Authority of the importing Partner State within this period.

#### + **How much do I pay to acquire a Certificate of Origin?**

The East African Community Customs Management Regulations (216) provides for a fee for the Certificate of Origin. However, each country charges a small facilitation fee for the acquisition of certificates.

Please note that the EAC Simplified Certificate of Origin is issued free of charge.

## + Who should I contact if I want any information on the EAC Rules of Origin?

Below are the contacts in each Partner State:

Partner State	Contact Organizations	
Burundi	<p>Commissioner General Office Burundais des Recettes P.O. Box 3465 Bujumbura, Burundi Tel: + 257 22 275692 Fax: +257 2222 5931 E-mail: info@obr.gov.bi</p>	<p>Ministry of Trade, Industry, Posts and Tourism P.O. Box 492 Bujumbura, Burundi Tel: (257) 22 22 5953 / 6837 Fax: +257 2221 8205/2222 5595 E-mail: info@commerceetindustrie.gov.bi</p>
Kenya	<p>Commissioner General Kenya Revenue Authority P.O. Box 48240 - 00100 GPO Nairobi, Kenya Tel: +254 20 310900 +254 20 2810000 Fax: +254 20 341342 E-mail: cic@kra.go.ke</p>	<p>Principal Secretary for East African Affairs State Department of East African Affairs Ministry of East African Community (EAC), Labour and Social Protection P.O Box 8846-00200 Nairobi, Kenya Fax No: 005-20-2229560/2252028/253244 E-mail: ps@meac.go.ke</p>
Rwanda	<p>Commissioner General Rwanda Revenue Authority P.O. Box 3987, Kigali, Rwanda Tel : +250-2529500 Fax: + 250 578488 E-mail: info@rra.gov.rw</p>	<p>Ministry of Trade and Industry B. P 73, Kigali, Rwanda Fax: +250 1 573 902 E-mail: info@minicom.gov.rw</p>
Tanzania	<p>Commissioner General Tanzania Revenue Authority P.O. Box 11491 Dar es Salaam, Tanzania Tel: +255 22 2116453 Fax: +255 22 2111814 E-mail: info@tra.go.tz</p>	<p>Ministry of Industry and Trade P.O. Box 9503, Dar es Salaam, Tanzania Tel: +255 (0) 22 2127 897 Fax: +255 22 212 5832 E-mail: ps@mit@go.tz</p> <p>Executive Director Tanzania Chamber of Commerce, Industry &amp; Agriculture (TCCIA) P.O. Box 9713, Dar es Salaam, Tanzania Tel: +255 22 119435 Fax: +255222119437 Email: dmachemba@tccia.com or hq@tccia.com</p>
Uganda	<p>Commissioner General Uganda Revenue Authority P.O. Box 7279 Kampala, Uganda Tel: +256 (0) 417 443000/ +256 (0) 417 440000 Fax: 006 41 334419 E-mail: info@ura.go.ug</p>	<p>Ministry of Trade, Industry and Cooperatives P.O. Box 7103, Kampala, Uganda. Tel: +256 414 314 000/230916 Fax: +256 347286 E-mail: ps@mtic.go.ug/mintrade@mtic.go.ug</p>





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