



**25% additional import duties for
certain steel products imported into
the EU**

Mihai Petre, Deloitte Romania

Regulation 1013/2018 – provisional safeguard measures on imports of certain steel products

- ✓ Starting 19th of July 2018, tariff quotas have been opened for imports into the EU of 23 steel product categories for a period of 200 days, unless such products **originate** in “developing countries”, except: Brazil, China, Egypt, India, Malaysia, Moldova, Turkey, Ukraine, Vietnam, Macedonia (for some categories of steel products)
- ✓ After the quotas are consumed, there will be an additional import duty of 25% from customs value.
- ✓ A large part of steel products is covered by this safeguard measures:
 - ✓ Non Alloy and Other Alloy Hot/Cold Rolled Sheets and Strips, Coated Sheets - 7208, 7209, 7210
 - ✓ Stainless Hot/Cold Rolled Sheets and Strips – 7219
 - ✓ Stainless Bars and wires – 7222, 7213
 - ✓ Gas pipes, large welded pipes and tubes – 7305, 7306

!!! Full details on the exact CN codes and exempt countries are provided in Regulation 1013/2018

Sample of quota monitorisation for oil and gas pipes – as of 24 September 2018)

| Order number | 098526 | 098525 |
|---|---|--|
| Validity period | 19-07-2018 - 03-02-2019 | 19-07-2018 - 03-02-2019 |
| Initial amount | 296,274,000 Kilogram | 258,133,000 Kilogram |
| Balance | 230,559,572.188 Kilogram | 236,679,035.332 Kilogram |
| Balance in % | 22.19% - used 77.81% - available | 8.4% - used 91.6% - available |
| Critical | No | No |
| Last import date | 17-09-2018 | 17-09-2018 |
| Last allocation date | 19-09-2018 | 19-09-2018 |
| Total amount awaiting allocation | 1,494,596 Kilogram | 279,861 Kilogram |
| Associated Taric codes | 7306 11 00 00 7306 19 00 00 7306 21 00 00 7306 29 00 00 7306 30 11 00 7306 30 19 00 7306 30 80 00 7306 40 00 00 7306 50 00 00 7306 69 00 00 7306 90 00 00 | 7305 00 00 00 |

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REX – A Global Milestone in Trading with the European Union

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What is REX?

- The Registered Exporter system (the REX system) - the system of certification of origin of goods that applies in the Generalised System of Preference (GSP) of the European Union since 1 January 2017
- Based on a principle of self-certification by economic operators who will make out themselves so-called *statements on origin*
- To be entitled to make out a statement on origin, an economic operator will have to be registered in a database by his competent authorities - the economic operator will become a "registered exporter"
- The REX system will progressively and completely replace the current system of origin certification based on certificates of origin issued by governmental authorities and on invoice declarations made out under certain conditions by economic operators
-

Why the REX system requires immediate attention ?

The REX System In a nutshell

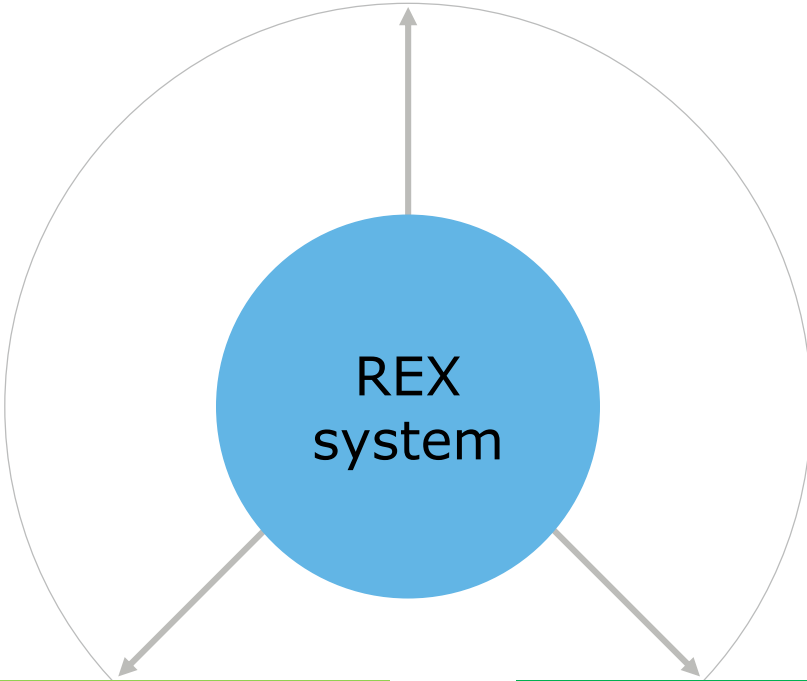
Self certification of origin by exporters by "Statements on origin"

Form A

GENERALIZED SYSTEM OF PREFERENCES
CERTIFICATE OF ORIGIN
(Customs Declaration and Certificate)
FORM A

Statement on origin

Official Journal of the European Union
ANNEX 2007
Statement on origin



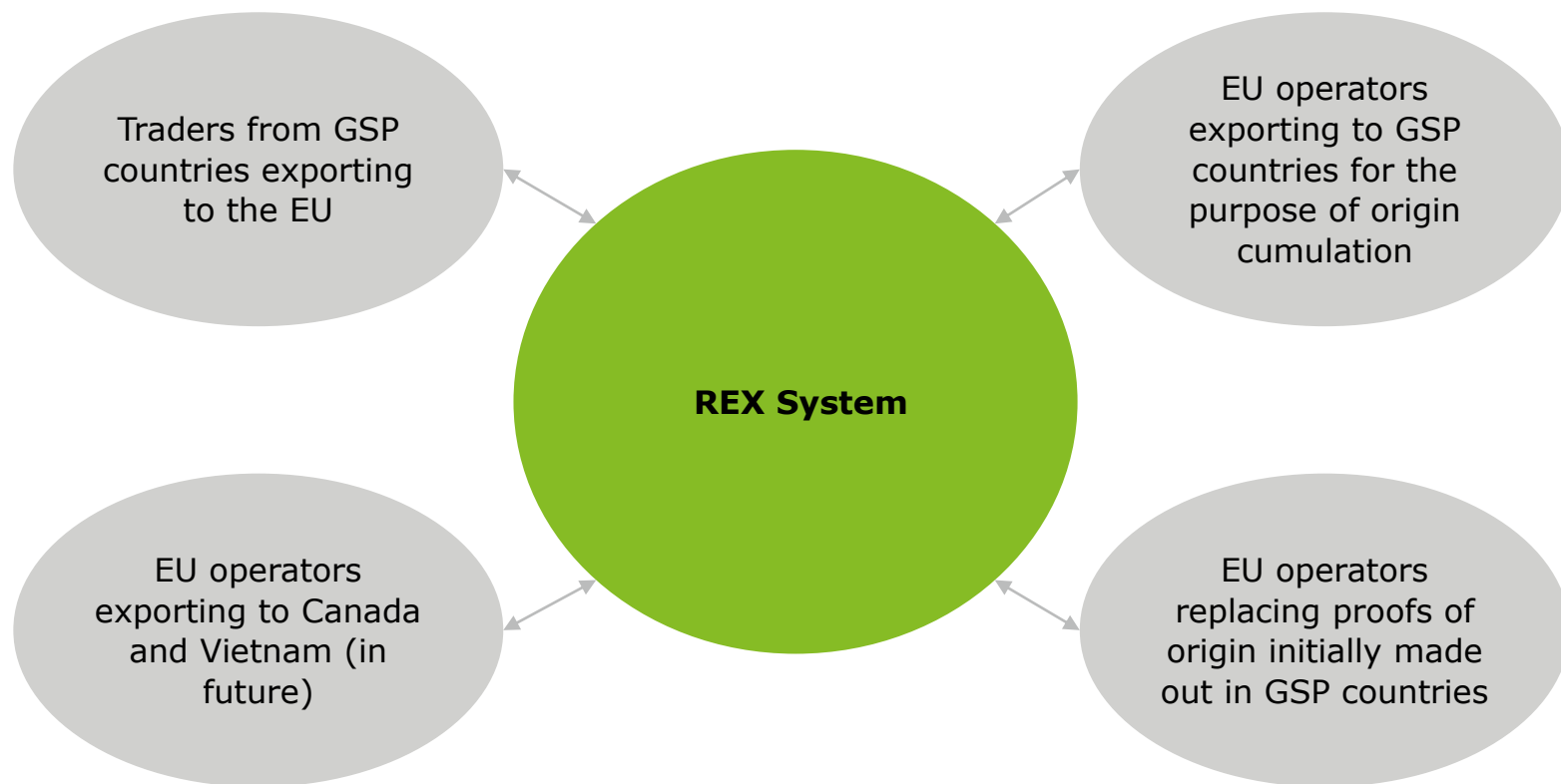
Replacing origin certificates

Exporters need to register in customs database to be entitled to issue origin statements

The REX System

Who needs to register ?

The following traders/exporters need to register:



The REX System

Calendar of integration 2017 - 2020

| Date of Application | GSP country |
|---------------------|---|
| Starting with 2017 | Angola, Burundi, Bhutan, Democratic Republic of Congo, Central African Republic, Comoros, Congo, Cook Islands, Djibouti, Ethiopia, Micronesia, Equatorial Guinea, Guinea Bissau, India, Kenya, Kiribati, Laos, Liberia, Mali, Nauru, Nepal, Niue Island, Pakistan, Solomon Islands, Sierra Leone, Somalia, South Sudan, Sao Tomé & Principe, Chad, Togo, Tonga, Timor-Leste, Tuvalu, Yemen, Zambia. |
| Starting with 2018 | Afghanistan, Armenia, Bolivia, Ivory Coast, Eritrea, Gambia, Guinea, Malawi, Mozambique, Myanmar, Niger, Rwanda, Sri Lanka, Sudan, Swaziland, Syria, Tanzania. |
| Starting with 2019 | Bangladesh, Benin, Burkina Faso, Cabo Verde, Cambodia, Haiti, Indonesia, Kyrgyz Republic, Lesotho, Madagascar, Mauritania, Mongolia, Nigeria, Paraguay, Philippines, Samoa, Senegal, Tajikistan, Uganda, Uzbekistan, Vanuatu, Vietnam. |

! Progressively → REX system will also be applied in the context of bilateral trade agreements between the EU and the partner countries. CETA, the free-trade agreement between the EU and Canada will be the first such agreement → applied since 01.01.2018

The REX System

Top facts

01

Progressive implementation

GSP beneficiary countries progressively apply the REX system since 1 January 2017 and until end of June 2020

02

Simplification of export formalities

Declare origin directly on invoice or transport document for transports > 6000 EUR → no more origin certificates

03

One off formality application

Exporters register only once and need to provide to competent authorities the relevant registration information

04

REX no. used for all exports

Once obtained, exporter may use its REX no. for all his exports where the system of origin certification applied is the REX system

05

Preferential origin rules remain unchanged

Statement on origin needs to be sustained by computation of preferential origin rules which remained unchanged

06

Customs checks on origin computation

A registered exporter needs to provide to customs authorities, at any time, proofs on the originating status of its products

The REX System

Obligations of exporter

Exporters need to keep:

- ✓ all evidence relating to the materials use (Last update on 17/08/2018)
- ✓ all customs documentation relating to th
- ✓ records of:
 - the statements on origin they made out
 - their originating and non-originating materials, production and stock accounts

(for at least 3 years from the end of the calendar year in which the statement on origin was made out, or longer if required by national law)

! Failure to comply with fulfilment of origin rules → can easily attract cancellation of statements on origin, which may directly lead to additional customs duties for your clients and unwanted commercial litigation and administrative burden

Deloitte Global REX team – a global response to a global compliance need

Deloitte REX Compliance team

Your solution for saving time and effort

Whether you export from a GSP country to the EU or vice versa, Deloitte Global Trade Advisory has put together a global REX compliance team that can assist you on a global level in:

Obtain REX registration no.

- Fill in your REX application request
- Submit it to relevant customs authority
- Follow up with customs authorities until REX no. is obtained

Check origin computation of your products

- Check if origin behind your "statement on origin" is correct;
- Advise on how you can obtain preferential origin depending on the source of your raw materials

Check if origin indicated by your supplier is correct

- Check computation of origin behind your supplier statement – Black box approach - for cases where the supplier is reluctant to share all relevant information with you due to confidentiality issues



Deloitte REX Compliance team

Contact details

For more information or a tailored proposal, please contact our dedicated origin computation team



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