

- **Change in Tariff Heading:** A good is considered substantially transformed when the good is classified in a heading or subheading (of the Harmonized System) different from all non-originating materials used.

- **Specific Processes :** The origin is based on specific manufacturing or other specific processes that were necessary to produce a good.

- **Value Added (ad valorem percentage):** A good is considered substantially transformed when the value added of the good increases up to a specific level expressed by ad valorem (e.g.. 30%) .The value added criteria can be expressed in two ways:

1. A maximum allowance for non-originating materials **or**

2. A maximum requirement of domestic content.

**For more information download the Procedural Guidelines for Administering Application and Assurance of Certificates of Origin on the SRC website: [www.src.gov.sc](http://www.src.gov.sc)**

## Seychelles Revenue Commission Information Brochure Rules of Origin

For more information

**This brochure is not intended as an exhaustive explanation of the law. If you require detailed information about your tax obligations you should visit the SRC or write to us.**

**Visit:**

Seychelles Revenue Commission  
3rd Floor  
Maison Collet  
Victoria, Mahé

**Write to:**

PO Box 50  
Victoria, Mahé  
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### Rules of Origin



An explanation about Rules of Origin

## What is Rules of Origin (ROO)

The origin of goods can also be referred to as the “nationality” goods, or the country where a good was obtained or manufactured. The purpose of rules of origin is to determine the origin of a product and how it will be treated at the border of the importing country. Depending on the country of origin of a product, some benefits may apply, such as being imported without any or lower import duties .

## What is a Certificate of Origin?

A Certificate of Origin is used by Customs to establish the origin of goods imported into the country. A Certificate of Origin is issued by the Customs Authority in the exporting country.

## What are the two types of Rules of origin?

- **Non– Preferential Rules of Origin:** Laws, regulations or policies used by a country where goods are subject to the general rates of duty regulations for the purpose such as quotas, anti-dumping, statistics or origin labeling .
- **Preferential Rules of Origin:** It is part of a free trade area or preferential trade arrangement which includes tariff concessions. The rules of origin determine what products can benefit from the preferential rate or tariff concession .

## Which trade agreement currently in force, is subjected to the rules of origin?

Importers must produce the ‘Certificate of Origin’,

together with other relevant documents, for clearance of goods in order to qualify for the preferential rate of tax applicable from the following:

- **COMESA:** Imports from all COMESA countries which are Burundi, Comoros, D.R Congo, Djibouti, Egypt, Eritrea, Ethiopia, Kenya, Libya, Madagascar, Malawi, Mauritius, Rwanda, Sudan, Swaziland, Uganda, Zambia, and Zimbabwe, where the importer can benefit with a preferential rate.
- **SADC:** Imports from all SADC countries which are Angola, Botswana, Democratic Republic of Congo, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, South Africa, Swaziland, Tanzania, Zambia, and Zimbabwe, where the importer can benefit with a preferential rate.
- **Indian Ocean Commission (IOC):** Imports on certain goods from Mauritius, Reunion, Comoros, and Madagascar where the importer can benefit from a reduction of 5% tax on the applicable rate. For example, an importer imports sugar confectionery from Mauritius at the applicable rate of 25%, then the importer will obtain a 5% concession; resulting in paying only 20% tax on the item.
- **EU- Interim Economic Partnership Agreement (IEPA):** Imports on certain goods from European Union countries.

**Please note:** The actual Rules of Origin will differ under each agreement and each agreement has its own detailed procedural manual that exporters are advised to

follow.

## What are the basic criteria used for determining the origin of goods for preferential rules of origin?

The following are the two categories for **Preferential Rule of Origin:**

### 1. Wholly obtained goods

It covers the cases in which goods are entirely obtained, extracted, or manufactured in a single country without using inputs imported from other countries.

Some common examples are :

- Products extracted from a country’s soil
- Vegetables harvested or gathered in that country
- Live animals born and raised in that country or captured or finished in that country
- Products obtained by maritime fishing taken from the sea by a vessel of that country.
- Any goods produced in a country exclusively from other wholly obtained goods .

### 2. Substantially Transformed Goods

These goods have been produced with imported inputs. Several materials, processes or large number of countries could be involved in the production of goods, which makes identifying the origin of goods a complex issue. The Rules of Origin needs clarification to identify if a substantial transformation has occurred. The three approaches are: