



INTERNATIONAL CLASSIFICATION OF NON-TARIFF MEASURES

2019 VERSION



UNITED NATIONS



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- Food and Agriculture Organization of the United Nations
- International Trade Centre
- Organization for Economic Cooperation and Development
- United Nations Conference on Trade and Development
- United Nations Industrial Development Organization
- World Bank
- World Trade Organization

Many experts contributed to the development of the classification. UNCTAD coordinated the work. The findings, interpretations and conclusions expressed herein are those of the authors and do not necessarily reflect the views of the MAST group, its officials or member States.

INTRODUCTION

What are non-tariff measures, and why is a classification needed?

Non-tariff measures are generally defined as “policy measures other than ordinary customs tariffs that can potentially have an economic effect on international trade in goods, changing quantities traded, or prices or both.”¹ Since this definition is broad, a detailed classification is necessary to better identify and distinguish among the various forms of non-tariff measures.

Development of the International Classification of Non-tariff Measures, 2012 version

The classification of non-tariff measures presented here is a taxonomy of all those measures considered relevant in international trade today. It builds on a previous classification developed by the United Nations Conference on Trade and Development (UNCTAD) known as the Coding System of Trade Control Measures and was developed by several international organizations forming the Multi-Agency Support Team, commonly known as the MAST group. This group was set up to support the Group of Eminent Persons on Non-tariff Barriers established by the Secretary-General of UNCTAD in 2006. The final proposal of the MAST group was revised by UNCTAD and all relevant divisions of the World Trade Organization (WTO) Secretariat and tested for data collection in the field by the International Trade Centre and UNCTAD. The work resulted in the 2012 version of the publication. The classification is considered to be an evolving one, adaptable to the reality of international trade and data collection needs.

The MAST group, which discussed and proposed this classification, is composed of the following organizations: the Food and Agriculture Organization of the United Nations, International Trade Centre, Organization for Economic Cooperation and Development (OECD), UNCTAD, United Nations Industrial Development Organization, World Bank and WTO.

Revision of the classification leading to the 2019 version: *International Classification of Non-tariff Measures*

To address the growing complexities of international trade, the MAST group, other experts and government officials refined the 2012 version from 2015–2018. The group revised existing chapters A to I and chapter P and worked on the definition and taxonomy of the classification for chapters J to O, which lacked a disaggregated taxonomy. The MAST group created six open working groups to address the following areas:

¹ UNCTAD, 2010, *Non-tariff Measures: Evidence from Selected Developing Countries and Future Research Agenda* (United Nations publication, New York and Geneva), p. 99.

- (a) General issues: chapters A to I and chapter P; working group chaired by UNCTAD;
- (b) Post-sales services and distribution restrictions: chapters J and K; working group chaired by the World Bank;
- (c) Subsidies: chapter L; working group chaired by WTO;
- (d) Government procurement: chapter M; working group chaired by OECD;
- (e) Intellectual property: chapter N; working group chaired by UNCTAD;
- (f) Rules of origin: chapter O; working group chaired by the International Trade Centre.

The groups interacted regularly, and progress was presented annually to a wider audience at the UNCTAD Non-tariff Measures Week and MAST meeting, as well as at other trade and regulator meetings. The revised version was adopted by all working groups in 2018/2019.

The work on the chapter dealing with government procurement coincided with efforts by OECD on the development of a taxonomy of measures affecting government procurement as part of its own work programme.² Given the commonalities between the projects of the MAST group and those relating to the OECD government procurement classification, both groups worked together closely to develop a government procurement taxonomy. The World Intellectual Property Organization contributed to the chapter on intellectual property, and the World Customs Organization, to the chapter on rules of origin.

Becoming an international classification of the United Nations Statistical Commission

In December 2019, the Wiesbaden Group on Business Registers, Committee of Experts on Business and Trade Statistics and Inter-Agency Task Force on International Trade Statistics endorsed the International Classification of Non-tariff Measures in a joint report (E/CN.3/2019/1). In March 2019, the United Nations Statistical Commission endorsed the classification for data collection across countries and for reporting on internationally comparable data on non-tariff measures.

Classification structure

This classification comprises technical measures, such as sanitary or environmental protection measures, as well as others traditionally used as commercial policy instruments. These include, for example, quotas, price control, export restrictions and contingent trade protective measures, as well as other behind-the-border measures, such as competition- and trade-related investment measures and government procurement or distribution restrictions.

This classification does not judge on the legitimacy, adequacy, necessity or discrimination of any form of policy intervention used in international trade. It acknowledges the existence of policy intervention and is designed to set information out in a database format. Transparent, reliable and comparable information can contribute to an understanding of the phenomenon and help exporters worldwide to access

² J Gourdon, V Bastien and L Folliot-Lalliot, 2017, OECD taxonomy of measures affecting trade in government procurement processes, OECD Trade Policy Papers, No. 198 (OECD Publishing, Paris).

information, as is the case with tariffs. Transparent information is also needed for any negotiations that could lead to harmonization and mutual recognition and thus enhance trade.

The classification develops a tree/branch structure whereby measures are divided into chapters, depending on their scope and/or design. Each chapter is further differentiated into several subgroups to allow a finer classification of the regulations affecting trade. The International Classification of Non-tariff Measures consists of 16 chapters (A to P), and each chapter is divided into groupings with a depth of up to three levels (one, two and three digits, following the same logic of the Harmonized System (HS) Nomenclature for product classification). In addition, measures are listed by number in each subgroup; the digit 9 is reserved for all cases not listed within that subgroup. Although a few chapters reach the three-digit level of disaggregation, most of them stop at two digits. The chapters, listed in the following table, reflect the requirements of the importing country concerning its imports, with the exception of measures imposed on exports by the exporting country (chapter P).

Classification of non-tariff measures by chapter

Imports	Technical measures	A	Sanitary and phytosanitary measures
		B	Technical barriers to trade
		C	Pre-shipment inspection and other formalities
	Non-technical measures	D	Contingent trade-protective measures
		E	Non-automatic import licensing, quotas, prohibitions, quantity-control measures and other restrictions not including sanitary and phytosanitary measures or measures relating to technical barriers to trade
		F	Price-control measures, including additional taxes and charges
		G	Finance measures
		H	Measures affecting competition
		I	Trade-related investment measures
		J	Distribution restrictions
		K	Restrictions on post-sales services
		L	Subsidies and other forms of support
		M	Government procurement restrictions
		N	Intellectual property
		O	Rules of origin
	Exports	P	Export-related measures

Chapter A deals with sanitary and phytosanitary measures. The chapter outlines measures such as those restricting substances, ensuring food safety and preventing the dissemination of diseases or pests. Chapter A also includes all conformity-assessment measures related to food safety, such as certification, testing and inspection, and quarantine.

Chapter B provides a collection of technical measures, also called technical barriers to trade. The chapter describes measures relating to product characteristics such as technical specifications and quality requirements; related processes and production methods; and measures such as labelling and packaging in relation to environmental protection, consumer safety and national security. As in the case of sanitary and phytosanitary measures, chapter B includes all conformity-assessment measures related to technical requirements, such as certification, testing and inspection.

Chapter C, the last chapter in the technical measures section, classifies the measures related to pre-shipment inspections and other customs formalities.

Chapter D groups contingent measures, that is, those measures implemented to counteract the adverse effects of imports in the market of the importing country, including measures aimed at tackling unfair foreign trade practices. These include anti-dumping, countervailing and safeguard measures.

Chapters E and F feature the “hard” measures that are traditionally used in trade policy. Chapter E includes licensing, quotas and other quantity-control measures, including tariff-rate quotas. Chapter F lists the price-control measures that are implemented to control or affect the prices of imported goods. Among the examples are those measures designed to support the domestic prices of certain products when the import prices of these goods are lower, to establish the domestic prices of certain products because of price fluctuation in domestic markets or price instability in a foreign market and to increase or preserve tax revenue. This category also includes measures other than tariffs measures that increase the cost of imports in a similar manner (para-tariff measures).

Chapter G lists the finance measures. The chapter outlines measures restricting the payments of imports, for example when the access and cost of foreign exchange is regulated. It also includes measures imposing restrictions on terms of payment.

Chapter H includes those measures affecting competition – those that grant exclusive or special preferences or privileges to one or more limited group of economic operators. They are mainly monopolistic measures, such as State trading, sole importing agencies or compulsory national insurance or transport.

Chapter I deals with trade-related investment measures and groups the measures that restrict investment by requiring local content or requesting that investment be related to export in order to balance imports.

Chapters J and K relate to the way products – or services connected to the products – are marketed after being imported. They are considered non-tariff measures because they could affect the decision to import such products or services. Chapter J, on distribution restrictions, describes restrictive measures related to the internal distribution of imported products. Chapter K deals with restrictions on post-sales services, for example restrictions on the provision of accessory services.

Chapter L contains measures that relate to the subsidies that affect trade.

Chapter M, on government procurement restrictions, describes the restrictions bidders may find when trying to sell their products to a foreign government.

Chapter N contains restrictions related to intellectual property measures and rights.

Chapter O, on rules of origin, groups the measures that restrict the origin of products or its inputs.

Chapter P, the last chapter, is on export measures. The chapter groups the measures applied by a country to its exports, inter alia, export taxes, export quotas and export prohibitions.

This review of the classification defines each of the measures listed and in most cases, offers useful examples to enhance clarification.

A. SANITARY AND PHYTOSANITARY MEASURES

Measures that are applied to protect human or animal life from risks arising from additives, contaminants, toxins or disease-causing organisms in their food; to protect human life from plant- or animal-borne diseases; to protect animal or plant life from pests, diseases, or disease-causing organisms; to prevent or limit other damage to a country from the entry, establishment or spread of pests; and to protect biodiversity. These include measures taken to protect the health of fish, wild fauna, forests and wild flora.

Other than those defined above, measures aimed at protecting the environment, consumer interests or for animal welfare are not covered by sanitary and phytosanitary measures.

Measures classified under sections A1–A6 are technical regulations, while those under A8 are conformity-assessment procedures related to those regulations.

A1 Prohibitions/restrictions of imports for sanitary and phytosanitary reasons

Prohibition and/or restriction of the final products to be imported are classified under this chapter heading. Restrictions on the tolerance limits on residues or use of certain substances contained in the final products are classified under A2 below.

A11 Prohibitions for sanitary and phytosanitary reasons

Prohibition of imports that can pose sanitary and phytosanitary risks, such as the prohibition of products originating from countries or regions affected by infectious or contagious diseases, or the prohibition of products that can be toxic or poisonous to consumers. Measures included in this category are generally of an ad hoc and time-bound nature.

Examples: Imports of poultry from areas affected by avian influenza or of cattle from foot-and-mouth disease-affected countries are prohibited. Importation of certain types of fish that can be toxic or poisonous is prohibited.

A12 Geographical restrictions on eligibility

Prohibition of imports of specified products from specific countries or regions due to lack of evidence of sufficient safety conditions to avoid sanitary and phytosanitary hazards. The restriction is imposed automatically until the country concerned proves it has employed satisfactory sanitary and phytosanitary measures that are considered acceptable to provide a certain level of protection against hazards. Eligible countries are put on a positive list. Imports from other countries are prohibited. The list may include authorized production establishments within the eligible country.

Example: Imports of dairy products from countries that have not proven satisfactory sanitary conditions are prohibited.

A13 Systems approach

An approach that combines two or more independent sanitary and phytosanitary measures for the same product. The combined measures can be composed of any number of interrelated measures and conformity-assessment requirements applied during all stages of production.

Example: An import programme establishes a package of measures that specifies pest-free production location, pesticides to be used, harvesting techniques and post-harvest fumigation, combined with inspection requirements at entry point (hazard analysis and critical control point requirements).

A14 Authorization requirement for sanitary and phytosanitary reasons for importing certain products

Requirement that the authorization, permit, approval or licence related to a consignment shall be received from a relevant government agency for sanitary and phytosanitary reasons, before the importation can take place.

Example: Authorization from the Ministry of Health is required to import infant formula.

A15 Authorization requirement for importers for sanitary and phytosanitary reasons

Requirement that the importers (importing company) should be authorized, registered and receive a permit, licence or any other kind of approval to engage in the business of importing certain products. To obtain such approval, importers may need to comply with certain requirements, documentation and registration fees. This includes cases where the registration or authorization of establishments producing certain products is required. The authorization is not tied to each consignment, but is applied to importers to lawfully engage in the business of importation of certain products.

Example: Importers of certain food items need to be registered with the Ministry of Health.

A19 Prohibitions or restrictions of imports for sanitary and phytosanitary reasons, not elsewhere specified

A2 Tolerance limits for residues and restricted use of substances³

A21 Tolerance limits for residues of or contamination by certain (non-microbiological) substances

A measure that establishes a maximum residue limit or tolerance limit of substances such as fertilisers, pesticides and certain chemicals and metals in food and feed that are used during their production process but are not their intended ingredients. The measure includes a permissible maximum level for non-microbiological contaminants. Measures related to microbiological contaminants are classified under A4 below.

Example: *A maximum residue limit is established for insecticides, pesticides, heavy metals and veterinary drug residues; persistent organic pollutants and other chemicals generated during processing; and residues of dithianon in apples and hop.*

A22 Restricted use of certain substances in foods and feeds and their contact materials

Restriction on or prohibition of the use of certain substances contained in food and feed. This includes restrictions on substances contained in food containers that might migrate to food.

Examples: *Certain restrictions exist for food and feed additives used for colouring, preservation or sweeteners. For food containers made of polyvinyl chloride plastic, vinyl chloride monomer must not exceed 1 mg per kg.*

A3 Labelling, marking and packaging requirements

A31 Labelling requirements

Measures defining the information directly related to food safety, which should be provided to the consumer. Labelling is any written, electronic or graphic communication on the consumer packaging or on a separate but associated label.

Examples: *Labels that must specify storage conditions, for example, “5 degrees C maximum”. Labels that indicate potentially dangerous ingredients such as allergens, for example, “contains honey not suitable for children under one year of age”.*

³ This includes a zero-tolerance limit, for example the prohibition of products containing or contaminated by certain substances.

A32 Marking requirements

Measures defining the information for transport and customs that the transport or distribution packaging of goods should carry that is directly related to sanitary and phytosanitary conditions.

***Example:** Outside transport containers must be marked with instructions such as handling for perishable goods, refrigeration needs or protection from direct sunlight.*

A33 Packaging requirements

Measures regulating the mode in which goods must or cannot be packed or defining the packaging materials to be used, which are directly related to food safety.

***Example:** The use of polyvinyl chloride films for food packaging is restricted.*

A4 Hygienic requirements related to sanitary and phytosanitary conditions

Requirements related to hygienic practices and microbiological criteria for food safety. These requirements can also extend to non-food products as long as sanitary and phytosanitary risks are at stake. The requirements may be applied to the final product (A41) or throughout the production process (A42).

A41 Microbiological criteria of the final product

Statement regarding the microorganisms of concern and/or their toxins/metabolites and the reason for that concern, the analytical methods for their detection and/or quantification in the final product. Microbiological limits should take into consideration the risk associated with the microorganisms and the conditions under which the product is expected to be handled and consumed. Microbiological limits should also take into account the likelihood of uneven distribution of microorganisms in the product and the inherent variability of the analytical procedure.

***Example:** Salmonella microorganisms should be absent in egg products (in at least five samples of 25 g).*

A42 Hygienic practices during production related to sanitary and phytosanitary conditions

Requirements that the establishments and equipment used during the manufacturing and processing stages of the products should be clean and meet

sanitary conditions. This measure also includes good hygienic practices for the personnel taking part in any stage of manufacturing.

Example: *Milking equipment on the farm should be cleaned daily with a specified detergent.*

A49 Hygienic requirements not elsewhere specified

A5 Treatment for elimination of plant and animal pests and disease-causing organisms in the final product or prohibition of treatment

Various treatments that can be applied during or after production to eliminate plants and animal pests or disease-causing organisms in the final product. Certain treatments can also be prohibited for sanitary and phytosanitary reasons.

Example: *Post-harvest treatment is used to eliminate plant and animal pests and disease-causing organisms in the final treatment.*

A51 Cold or heat treatment

Requirement of cooling or heating of products below or above a certain temperature for a certain period of time to kill targeted pests, either prior to, or upon arrival in the destination country. Specific facilities on land or ships could be requested. If the latter, containers should be equipped properly to conduct cold or heat treatment and should include temperature sensors.

Example: *Citrus fruits must undergo cold (disinfection) treatment to eliminate fruit flies.*

A52 Irradiation

Requirement to kill or devitalize microorganisms, bacteria, viruses, or insects that might be present in food and feed products by using irradiated energy (ionizing radiation).

Example: *Fresh fruits and fresh vegetables imported into the country are required to go through an ionizing-radiation process to inactivate organisms that cause spoilage and decomposition and to extend the shelf life of the fruits and vegetables.*

A53 Fumigation

A process of exposing insects, fungal spores or other organisms to the fumes of a chemical at a lethal strength in an enclosed space for a given period of time. A fumigant is a chemical, which at a required temperature and pressure, can

exist in a gaseous state in sufficient concentration to be lethal to a given pest organism.

***Example:** Use of acetic acid is mandatory as a post-harvest fumigant to destroy fungal spores on peaches, nectarines, apricots and cherries; methyl bromide is used to fumigate cut flowers and many other commodities.*

A59 Treatments to eliminate plants and animal pests or disease-causing organisms in the final product not elsewhere specified or prohibition of treatment

A6 Other requirements relating to production or post-production processes

Requirements relating to other (post-) production processes not classified above. These requirements exclude those measures specified under A2, Tolerance limits for residues and restricted use of substances (or its subcategories).

A61 Plant-growth processes

Requirements relating to how a plant should be grown in terms of conditions such as those related to temperature, light, spacing between plants, water, oxygen and mineral nutrients.

***Example:** Seeding rate and row spacing of soybean plants are specified to reduce the risk of frog-eye leaf spots.*

A62 Animal-raising or -catching processes

Requirements relating to how an animal should be raised or caught in light of sanitary and phytosanitary concerns.

***Example:** Cattle should not be fed with feeds containing offal of cows suspected to have mad cow disease.*

A63 Food and feed processing

Requirements relating to how food or feed production should take place in order to meet sanitary conditions for the final products.

***Example:** New equipment or machinery for handling or processing feed in or around an establishment producing animal feed shall not contain polychlorinated biphenyls.*

A64 Storage and transport conditions

Requirements relating to certain conditions under which food and feed, plants and animals should be stored and/or transported.

Example: *Certain foodstuffs should be stored in a dry place or below a certain temperature.*

A69 Other requirements relating to production or post-production processes not elsewhere specified

A8 Conformity assessment related to sanitary and phytosanitary conditions

Requirement for verification that a given sanitary and phytosanitary condition has been met. This can be achieved by an inspection and approval procedure or combined forms thereof, including procedures for sampling, testing and inspection; evaluation, verification and assurance of conformity; and accreditation and approval.

A81 Product registration and approval requirement

Requirement that the product shall be registered or approved before it can be imported. Normally, the products must be proven to be safe to be registered or approved. This type of requirement might generally apply to products such as food additives. Unlike A14, this requirement is not tied to a consignment. The measure may include provisions describing types of pest-control products that are exempt from registration and procedures detailing the registration process, including provisions relating to distribution, import, sampling and detention.

Examples: *Food additives shall be approved by the relevant government agency. This type of measures includes requirements and guidelines for the registration of a pesticide and its compounds, for example, for minor crops or minor use.*

A82 Testing requirements

Requirements that products be tested against a given regulation, such as a maximum residue limit. This type of measure includes cases where there are sampling requirements.

Example: *A test on a sample of orange imports is required to check against the maximum residue level of pesticides.*

A83 Certification requirements

Certification of conformity with a given regulation that is required by the importing country but may be issued in the exporting or the importing country.

Example: A certificate of conformity for materials in contact with food (for example, containers, papers and plastics) is required.

A84 Inspection requirements

Product inspection required by the importing country; may be performed by public or private entities; does not include laboratory analysis.

Example: Animals or plant parts must be inspected before entry is allowed.

A85 Traceability requirements

Information disclosure requirements that make it possible to track a product through the stages of production, processing and distribution. This measure includes recordkeeping requirements.

A851 Origin of materials and parts

Requirements relating to the disclosure of information on the origin of materials and parts used in the final product. This measure includes recordkeeping requirements.

Example: With regard to vegetables, disclosure of information about the location of the farm, name of the farmer or fertilisers used may be required.

A852 Processing history

Requirements relating to the disclosure of information during all stages of production. This measure includes recordkeeping. The information required may include the location, processing methods and/or equipment and materials used.

Example: With regard to meat products, records should be kept of facilities such as slaughterhouses and food-processing factories.

A853 Distribution and location of products after delivery

Requirements relating to the disclosure of information on when and how the goods have been distributed from the time of their delivery to distributors until they reach the final consumer. This measure includes recordkeeping requirements.

Example: With regard to rice, disclosure of information concerning the location of temporary storage facilities may be required.

A859 Traceability requirements not elsewhere specified

A86 Quarantine requirements

Requirements to detain or isolate animals, plants or their products on arrival in a port or place for a given period to prevent the spread of infectious or contagious disease or contamination.

***Examples:** Live dogs must be quarantined for two weeks before entry into the territory is authorized. Plants need to be quarantined to terminate or restrict the spread of harmful organisms.*

A89 Conformity assessment related to sanitary and phytosanitary conditions not elsewhere specified

A9 Sanitary and phytosanitary measures not elsewhere specified

B. TECHNICAL BARRIERS TO TRADE

Measures referring to technical regulations and procedures of assessment of conformity with technical regulations, excluding measures covered by the chapter on sanitary and phytosanitary measures.

A technical regulation is a document that sets out product characteristics or related processes and production methods, including the applicable administrative provisions, with which compliance is mandatory. It may also include or deal exclusively with terminology, symbols, packaging, marking or labelling requirements as they apply to a product, process or production method. A conformity-assessment procedure is any procedure used, directly or indirectly, to determine whether relevant requirements in technical regulations or standards have been fulfilled; it may include, inter alia, procedures for sampling, testing and inspection; evaluation, verification and assurance of conformity; registration, accreditation and approval, as well as a combination thereof.

Measures classified under chapter B1 must result from the enforcement of a technical regulation or a conformity-assessment procedure. Measures classified under B2 through B7 are technical regulations, while those under B8 are their conformity-assessment procedures. Among the technical regulations, those in B4 are related to production processes, while others are applied directly to products.

B1 Import authorization/licensing related to technical barriers to trade

Authorization/licensing requirements established to enforce technical regulations or conformity-assessment procedures.

B14 Authorization requirements for importing certain products

Under these requirements, authorization, permits, approvals or licences related to a consignment must be received from a relevant government agency before the importation can take place in order to comply with relevant technical regulations or conformity-assessment procedures.

***Example:** A licence is required for the importation of medicated feed mills. A completed medicated feed mill licence must contain, inter alia, certification that the animal feeds bearing or containing new animal drugs are manufactured and labelled in accordance with the applicable regulations.*

B15 Authorization requirements for importers

Requirements to the effect that the importers (for example, the importing company) should be authorized, registered, receive a permit, licence or any other kind of approval to engage in the business of importing certain products to comply with relevant technical regulations or conformity-assessment

procedures. To obtain such approval, importers may need to comply with certain requirements, documentation and registration fees. The measure also includes cases when the registration or authorization of establishments producing certain products is required. The authorization is not tied to each consignment; instead, it is applied to importers so that they can engage lawfully in the business of importing certain products.

Examples: *Anyone importing dangerous chemicals shall hold an unexpired, unsuspended and unrevoked permit issued by the Ministry of the Environment. A permit shall not be issued unless the application includes proof that the dangerous chemical concerned is safe under heat and shock, and a signed contract(s) between the importer, exporter and all authorized facilities.*

B19 Import authorization/licensing related to technical barriers to trade not elsewhere specified

B2 Tolerance limits for residues and restricted use of substances⁴

B21 Tolerance limits for residues of or contamination by certain substances

A measure that establishes a maximum level or tolerance limit of substances that are used during their production process but are not their intended ingredients.

Example: *The salt level in cement or sulphur level in gasoline must be below the specified amount.*

B22 Restricted use of certain substances

Restriction on the use of certain substances such as components or material to prevent any risks arising from their use.

Example: *This measure refers to the restricted use of solvents in paints and the maximum level of lead allowed in consumer paint.*

B3 Labelling, marking and packaging requirements

B31 Labelling requirements

Measures regulating the kind, colour and size of printing on packages and labels and defining the information that should be provided to the consumer.

⁴ This includes a zero-tolerance limit, for example the prohibition of products containing or contaminated by certain substances.

Labelling is any written, electronic, or graphic communication on the packaging or on a separate but associated label, or on the product itself. It may include requirements concerning the official language to be used, as well as technical information on the product, such as voltage, components, instructions on use, and safety and security advice.

***Example:** Refrigerators must carry a label indicating size, weight and level of electricity consumption.*

B32 Marking requirements

Measures defining the information for transport and customs that the transport or distribution packaging of goods should carry.

***Example:** Handling or storage conditions according to the type of product must be specified; typically, indications such as "Fragile" or "This side up" must be marked on the transport container.*

B33 Packaging requirements

Measures regulating the mode in which goods must be or cannot be packed and defining the packaging materials to be used.

***Example:** Palletized containers or special packages should be used for the protection of sensitive or fragile products.*

B4 Production or post-production requirements

B41 Technical barriers to trade regulations on production processes

Requirements concerning production processes not classified under the chapter on sanitary and phytosanitary measures. This measure excludes specific measures under B2, Tolerance limits for residues and restricted use of substances (or its subcategories).

***Example:** Animal slaughtering requirements according to Islamic law must to be followed.*

B42 Technical barriers to trade regulations on transport and storage

Requirements concerning certain conditions under which products should be stored and/or transported.

***Example:** Medicines should be stored below a certain temperature.*

B49 Production or post-production requirements not elsewhere specified

B6 Product identity requirements

Conditions to be satisfied in order to identify a product with a certain denomination, including biological or organic labels.

Example: *For a product to be identified as chocolate, it must contain a minimum of 30 per cent cocoa.*

B7 Product quality, safety or performance requirements

Final product requirements concerning safety (for example, fire resistance), performance (effectiveness in achieving the intended or claimed result), quality (for example, content of defined ingredients and durability) or other reasons relating to technical barriers to trade not covered under other measures.

Examples: *Doors must resist a certain minimum high temperature. Toys for children under three years of age shall not contain articles smaller than a certain size. There are minimum conditions for the performance of pedal bicycles in relation to handlebars, seats and brakes.*

B8 Conformity assessment related to technical barriers to trade

Requirement for verification that a given requirement related to technical barriers to trade has been met. This could be achieved by an inspection and approval procedure or combined forms thereof, including procedures for sampling, testing and inspection; evaluation, verification and assurance of conformity; and accreditation and approval.

B81 Product registration/approval requirements

Requirements to the effect that the product must be registered or approved before it can be imported. Normally, to be registered or approved, the products must be proven safe and effective. This type of requirement would generally apply to sensitive products such as new drugs or medical devices. Unlike B14, these requirements are not tied to a consignment.

Example: *Drugs and medicines must be registered before they can be imported. They should prove to be safe and effective for their intended purpose in order to be registered.*

B82 Testing requirements

Requirements for products to be tested for compliance with a given specification, such as performance level. This measure includes sampling requirements.

Example: *Testing of a sample of motor vehicle imports is required to show compliance with safety standards.*

B83 Certification requirements

Certification of conformity with a given regulation. Certification is required by the importing country but may be issued in the exporting or the importing country.

Example: *A certificate of conformity is required for electric products.*

B84 Inspection requirements

Product inspections required by the importing country. Inspections may be performed by public or private entities; laboratory analysis is not included.

Example: *Textile and clothing imports must be inspected for size and materials used before entry is allowed.*

B85 Traceability requirements

Information disclosure requirements that make it possible to track a product through the stages of production, processing and distribution. This measure includes recordkeeping requirements.

B851 Origin of materials and parts

Requirements relating to the disclosure of information on the origin of materials and parts used in the final product. This measure includes recordkeeping requirements.

Example: *Manufactures of automobiles must keep the record of the origin of the original set of tyres for each vehicle.*

B852 Processing history

Requirements relating to the disclosure of information on all stages of production. This measure includes recordkeeping requirements and may include locations, processing methods and/or equipment and materials used.

Example: *For wool apparel products, disclosure of information on the origin of the sheep, location of the textile factory, as well as the identity of the final apparel producer, may be required.*

B853 Distribution and location of products after delivery

Requirements relating to the disclosure of information on when and/or how the products have been distributed during any time after production and before final consumption. This measure includes recordkeeping requirements.

***Example:** Before placing imported cosmetic products on the European Union market, the person responsible must indicate to the competent authority of the member State where the products were initially imported, the address of the manufacturer or the address of the importer.*

B859 Traceability requirements not elsewhere specified**B89 Conformity assessment related to technical barriers to trade not elsewhere specified****B9 Technical barriers to trade measures not elsewhere specified**

C. PRE-SHIPMENT INSPECTION AND OTHER FORMALITIES

C1 Pre-shipment inspection

Compulsory quality, quantity and price control of goods prior to shipment from the exporting country, conducted by an independent inspecting agency mandated by the authorities of the importing country.

Example: A pre-shipment inspection of textile imports by a third party for verification of colours and types of materials is required.

C2 Direct consignment requirements

Requirements to the effect that goods must be shipped directly from the country of origin, without stopping in a third country.

Example: Goods imported under a preferential scheme such as the Generalized System of Preferences must be shipped directly from the country of origin to meet the scheme's rules of origin conditions (i.e. to guarantee that the products have not been manipulated, substituted or further processed in any third country of transit).

C3 Requirement to pass through specified port of customs

Obligation for imports to pass through a designated entry point and/or customs office for inspection, testing and the like.

Example: DVD players need to be cleared at a designated customs office for inspection.

C4 Import monitoring, surveillance and automatic licensing measures

Administrative measures that seek to monitor the import value or volume of specified products.

Example: An automatic import licence is a required administrative procedure for textile and apparel prior to importation.

C9 Other formalities not elsewhere specified

D. CONTINGENT TRADE-PROTECTIVE MEASURES

Measures implemented to counteract adverse effects of imports in the market of the importing country, including measures aimed at unfair foreign trade practices, contingent upon the fulfilment of certain procedural and substantive requirements.

D1 Anti-dumping measures

Border measures applied to imports of a product from an exporter. These imports are dumped and are causing injury to the domestic industry producing a like product, or to third-country exporters of that product. Dumping takes place when a product is introduced into the commerce of an importing country at less than its normal value, generally where the export price of the product is less than the comparable price, in the ordinary course of trade, for the like product when destined for consumption in the exporting country. Anti-dumping measures may take the form of anti-dumping duties or of price undertakings by the exporting firms.

D11 Anti-dumping investigation

An investigation initiated and conducted either following a complaint by the domestic industry making a like product or (in special circumstances) self-initiated by importing country authorities to determine whether dumping of a product is occurring and injuring national producers (or a third country's exporters) of the like product. Provisional duties may be applied during the investigation.

Example: *An anti-dumping investigation was initiated by the European Union with regard to imports of steel wire rods from country A.*

D12 Anti-dumping duties

Duties levied on the imports of a particular good originating from a specific trading partner to offset injurious dumping found to exist as a result of an investigation. Duty rates are generally enterprise-specific.

Example: *An anti-dumping duty ranging between 8.5 and 36.2 per cent was imposed on imports of biodiesel products from country A.*

D13 Price undertakings

Undertakings by exporters to increase export prices (by not more than the amount of the dumping margin) to avoid the imposition of anti-dumping duties. Prices can be negotiated for this purpose, but only after a preliminary determination that dumped imports are causing injury.

Example: An anti-dumping case involving flat-rolled products of grain-oriented silicon-electrical steel resulted in the manufacturer undertaking to raise its export price.

D2 Countervailing measures

Border measures applied to the imports of a product to offset any direct or indirect subsidy granted by authorities in an exporting country where subsidized imports of that product from that country are causing injury to the domestic industry making the like product in the importing country. Countervailing measures may take the form of countervailing duties or of undertakings by the exporting firms or the authorities of the subsidizing country.

D

D21 Countervailing investigations

Investigations initiated and conducted either following a complaint by the domestic industry making the like product or (in special circumstances) self-initiated by the importing country authorities to determine whether the imported goods are subsidized and are causing injury to national producers of the like product.

Example: A countervailing investigation was initiated by Canada in respect of imports of oil country tubular goods from country A.

D22 Countervailing duties

Duties levied on imports of a particular product to offset the subsidies granted by the exporting country on the production or trade of that product, where an investigation has found that the subsidized imports are causing injury to the domestic industry making the like product.

Example: A countervailing duty of 44.71 per cent was imposed by Mexico on imports of dynamic random access memory semiconductors from country A.

D23 Undertakings

Undertakings by exporters to increase export prices (by not more than the amount of the relevant subsidy) or undertakings by the authorities of a subsidizing country to eliminate or limit the subsidy or take other measures concerning its effects to avoid the imposition of countervailing duties. Undertakings can be negotiated only after a preliminary determination that subsidized imports are causing injury.

Example: A countervailing duty investigation involving palm oil and margarine for puff pastry from country A resulted in the Government of country A undertaking to fully eliminate the subsidy on that product.

D3 Safeguard measures

D31 General (multilateral) safeguards

Temporary border measures imposed on imports of a product to prevent or remedy serious injury caused by increased imports of that product and to facilitate adjustment. A country may take a safeguard action (i.e. temporarily suspend multilateral concessions) with regard to imports of a product from all sources where an investigation has established that increased imports of the product are causing or threatening to cause serious injury to the domestic industry that makes like or directly competitive products. Safeguard measures can take various forms, including increased duties, quantitative restrictions and others (for example, tariff-rate quotas, price-based measures and special levies). Although quantitative restrictions are prohibited by WTO agreements, safeguard measures in this form are permitted under the Agreement on Safeguards, subject to certain conditions.

D311 Safeguard investigation

An investigation conducted by the importing country authorities to determine whether the goods in question are being imported in such increased quantities and under such conditions as to cause or threaten to cause serious injury to national producers of like or directly competitive products.

Example: *Country A initiated a safeguard investigation on imports of certain motorcycles.*

D312 Safeguard duties

Temporary duties levied on imports of a particular product to prevent or remedy serious injury from increased imports (as established in an investigation) and to facilitate adjustment. Where the expected duration of such measures is more than one year, it must be progressively liberalized during the period of application.

Example: *A safeguard duty of three years' duration has been imposed on imports of gamma ferric oxide: 15 per cent during the first year, 10 per cent during the second year and 5 per cent during the third year.*

D313 Quantitative safeguard restrictions

Temporary quantitative restriction on imports of a particular product to prevent or remedy serious injury from increased imports (as established in an investigation) and to facilitate adjustment. Rules apply regarding the overall level and allocation of the quota. Where the

expected duration of such measures is more than one year, it must be progressively liberalized during the period of application.

Example: A quantitative safeguard measure (quota) of three years' duration has been implemented on imports of certain steel products: 10,000 tons the first year, 15,000 tons the second year and 22,000 tons the third year.

D314 Safeguard measures, other form

Safeguard measures in a form other than a duty or quantitative restriction (which could include measures combining duties and quantitative elements), applied to prevent or remedy serious injury from increased imports (as established in an investigation) and to facilitate adjustment. Where the expected duration of such a measure is more than one year, it must be progressively liberalized during the period of application.

Example: A safeguard measure of two years' duration has been imposed on imported dishwashers. During the first year, a safeguard measure of \$50 per unit will be applied to all imported dishwashers with a cost, insurance, freight (c.i.f.) price below \$500 per unit. During the second year, the safeguard measure will not apply to the first 20,000 units of imports, regardless of the price of those units.

D32 Special agricultural safeguards

Measures that allow the imposition of an additional tariff in response to a surge in imports or a fall in import prices. The specific trigger levels for import volumes or prices are defined at the country level. In the case of volume triggers, additional duties only apply until the end of the year in question, whereas in the case of price triggers, the additional duty is imposed on a shipment-by-shipment basis.

D321 Volume-based special agricultural safeguards

Safeguards whereby an additional duty may be applied if the volume of imports of the designated agricultural product exceeds a defined trigger quantity.

Example: An additional duty equal to one third of the current applied duty is applied to imports of milk when the volume of imports exceeds the trigger volume of 861 tons.

D322 Price-based special agricultural safeguards

Safeguards whereby an additional duty may be applied if the import price of a designated agricultural product falls below a defined trigger price.

Example: *An additional duty of 2.79 Philippine pesos per kg is applied to a shipment of frozen meat and offal of fowls of the species Gallus gallus domesticus when the c.i.f. import price of that shipment is 20 per cent below the trigger price of 93 Philippine pesos per kg.*

D39 Safeguards not elsewhere specified

This category could include, for example, special safeguard mechanisms applicable to imports of a product under regional trade arrangements, protocols of accession or other agreements.

E. NON-AUTOMATIC IMPORT LICENSING, QUOTAS, PROHIBITIONS, QUANTITY-CONTROL MEASURES AND OTHER RESTRICTIONS NOT INCLUDING PHYTOSANITARY MEASURES OR MEASURES RELATING TO TECHNICAL BARRIERS TO TRADE

Control measures generally aimed at prohibiting or restricting imports, including measures restraining the quantity of goods that can be imported, regardless of whether they come from different sources or a specific supplier. These measures can take the form of non-automatic licensing, fixing of a predetermined quota or prohibitions.⁵ All measures introduced for sanitary and phytosanitary reasons and for reasons of technical barriers to trade are classified under chapters A and B above.

E

E1 Non-automatic import-licensing procedures other than authorizations covered under the chapters on sanitary and phytosanitary measures and technical barriers to trade

An import-licensing procedure, other than the procedures covered under the chapters on sanitary and phytosanitary measures or technical barriers to trade, where approval is not granted in all cases. The approval may either be granted on a discretionary basis or may require specific criteria to be met before it is granted.

E11 Licensing for economic reasons

E111 Licensing procedure with no specific ex ante criteria

Licensing procedure where approval is granted at the discretion of the issuing authority. This measure is also referred to as a discretionary licence.

***Example:** Imports of textile products are subject to a discretionary licence.*

E112 Licensing for specified use

Licensing procedure where approval is granted solely for imports of products to be used for a pre-specified purpose. Such a licence is

⁵ Import prohibitions or restrictions other than duties, taxes or other charges generally prohibited by the General Agreement on Tariffs and Trade (GATT) 1994, article XI. However, they can be applied under specifically determined circumstances, for example GATT 1994, articles XX and XXI; and the Agreement on Safeguards.

normally granted for use in operations generating anticipated benefits in important domains of the economy.

Example: A licence to import high-energy explosives is granted only if used for the mining industry.

E113 Licensing linked with local production

Licensing solely for imports of products with linkage to local production, including the local production level of the same product, except for such licensing classified as trade-related investment measures defined under chapter I.

Example: A licence to import gasoline is granted only if the domestic supply is insufficient.

E119 Licensing for economic reasons not elsewhere specified

E12 Licensing for non-economic reasons

E121 Licensing for religious, moral or cultural reasons

Control of imports by licence for religious, moral or cultural reasons not established in technical regulations.

Example: Imports of alcoholic beverages are permitted only by hotels and restaurants.

E122 Licensing for political reasons

Control of imports by licence for political reasons.

Example: Imports of all products from a given country are subject to an import licence.

E123 Licensing for the protection of the environment

Control of imports for the protection of the environment.

Example: Species listed under appendix II of the Convention on International Trade in Endangered Species of Wild Fauna and Flora are subject to an import permit.

E124 Licensing for security reasons

Control of imports for security reasons.

Example: The importation of arms and ammunition, as well as certain chemicals that can be used in the manufacturing of chemical weapons, is subject to licensing.

E125 Licensing for the protection of public health

Control of imports for public-health reasons.

Example: All imports of pharmaceutical products and medicines must be covered by import licences issued by the Trade and Industry Department.

E129 Licensing for non-economic reasons not elsewhere specified

E

E2 Quotas

Restriction of importation of specified products through the setting of a maximum quantity or value that is authorized for import. No imports are allowed beyond those maximums.

E21 Permanent

Quotas of a permanent nature (i.e. applied throughout the year, without a known date of termination of the measure) where the importation can take place any time of the year.

E211 Global allocation

Permanent quotas where no condition is attached to the country of origin of the product.

Example: The following global allocation was established: a quota of 100 tons of fish where the importation can take place any time of the year and there is no restriction on the country of origin of the product.

E212 Country allocation

Permanent quotas where a fixed volume or value of the product must originate in one or more countries.

Example: The following country allocation went into effect: a quota of 100 tons of fish that can be imported any time of the year, but where 75 tons must originate in country A, 25 tons in country B.

E22 Seasonal quotas

Quotas of a permanent nature (i.e. they are applied every year, without a known date of termination of the measure), where the importation must take place during a given period of the year.

E221 Global allocation

Seasonal quotas where no condition is attached to the country of origin of the product.

Example: *An annual quota of 300 tons of seaweed where the importation must take place between March and June and there is no restriction on the country of origin of the product.*

E222 Country allocation

Seasonal quotas where a fixed volume or value of the product must originate in one or more countries.

Example: *An annual quota of 300 tons of seaweed where the importation must take place in winter and 60 tons must originate in country A, 40 tons in country B.*

E23 Temporary

Quotas that are applied on a temporary basis (for example, only for one or two years), regardless of whether they are seasonal in nature.

E231 Global allocation

Temporary quotas where no condition is attached to the country of origin of the product.

Example: *The following global allocation was established: an annual quota of 1,000 tons of fish and fish meat to only be applied for three years where there is no restriction on the country of origin of the product.*

E232 Country allocation

Temporary quotas where a fixed volume or value of the product must originate in one or more countries.

Example: *The following country allocation went into effect: an annual quota of 1,000 tons of fish and fish meat will be applied only for three years, where the imports must take place in summer and 700 tons must originate in country A, 200 tons must originate in country B and the remainder can originate in any country.*

E3 Prohibitions

Prohibition on the importation of specific products except for those covered by the chapter on sanitary and phytosanitary measures.

E31 Prohibition for economic reasons

E311 Full prohibition (import ban)

Prohibition without any additional condition or qualification.

Example: *To encourage domestic production, imports of motor vehicles with cylinders under 1,500 cc are not allowed.*

E312 Seasonal prohibition

Prohibition of imports during a given period of the year. This measure is usually applied to certain agricultural products during an abundant domestic harvest.

Example: *Imports of strawberries are not allowed from March to June of each year.*

E313 Temporary prohibition, including suspension of issuance of licences

Prohibition set for a given fixed period of time unrelated to a specific season. This measure is usually applied to urgent matters not covered under the above-mentioned safeguard measures.

Example: *Imports of certain fish are prohibited with immediate effect until the end of the current season.*

E314 Prohibition of importation in bulk

Prohibition of importation in a large-volume container; importation is authorized only if the product is packed in a small retail container, which increases per unit cost of imports.

Example: *Imports of wine are allowed only in bottles of 750 ml or less.*

E316 Prohibition of used, repaired or remanufactured goods

Prohibition to import goods that are not new.

Example: The importation of used cars is prohibited.

E319 Prohibition for economic reasons not elsewhere specified

E32 Prohibition for non-economic reasons

E321 Prohibition for religious, moral or cultural reasons

Prohibition of imports for religious, moral or cultural reasons not established in technical regulations.

Example: Imports of alcoholic beverages are prohibited.

E322 Prohibition for political reasons (embargo)

Prohibition of imports from a country or group of countries, applied for political reasons.

Example: Imports of all goods from country A are prohibited in retaliation for that country's testing of nuclear bombs.

E323 Prohibition for the protection of the environment

Prohibition of imports for the protection of the environment.

Example: The importation of ozone-depleting substances is prohibited under the Montreal Protocol on Substances that Deplete the Ozone Layer.

E324 Prohibition for security reasons

Prohibition of imports for security reasons.

Example: Imports of schedule 1 chemicals from States not party to the Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on Their Destruction are prohibited.

E325 Prohibition for the protection of public health

Prohibition of imports for the protection of public health not established in technical regulations.

Examples: The importation of asbestos is prohibited due to negative health effects. The importation of narcotic drugs or psychotropic substances is also prohibited.

E329 Prohibition for non-economic reasons not elsewhere specified

E5 Export-restraint arrangements

Arrangements whereby an exporter agrees to limit exports to avoid the imposition of restrictions by the importing country, such as quotas, raised tariffs or any other import controls. Such arrangements may be concluded at either the government or industry level and are formally prohibited by WTO agreements.

E51 Voluntary export-restraint arrangements

Arrangements made by the Government or industry of an exporting country to voluntarily limit exports in order to avoid the imposition of mandatory restrictions by the importing country. In general, such arrangements are the result of requests made by the importing country to provide a measure of protection for its domestic businesses that produce substitute goods.

E511 Quota agreements

Agreements on voluntary export-restraint arrangements that establish export quotas.

***Example:** A bilateral quota on the export of motor vehicles from country A to country B was established to avoid sanctions by the latter.*

E512 Consultation agreements

Agreements on voluntary export-restraint arrangements that provide for consultation with a view to introducing restrictions (quotas) under certain circumstances.

***Example:** An agreement was reached to restrict exports of cotton from country C to country D should the export volume exceed \$2 million tons the previous month.*

E513 Administrative cooperation agreements

Agreements on voluntary export-restraint arrangements that provide for administrative cooperation with a view to preventing disruptions in bilateral trade.

***Example:** An agreement was reached between country E and country F to cooperate in preventing a sudden surge in exports.*

E59 Export-restraint arrangements not elsewhere specified**E6 Tariff-rate quotas**

A system of multiple tariff rates applicable to a same product. The lower rates apply up to a certain value or volume of imports; the higher rates are charged on imports that exceed this amount.

***Example:** Rice may be imported free of duty up to the first 100,000 tons, after which it is subject to a tariff rate of \$1.50 per kg.*

E61 WTO-bound tariff-rate quotas, included in WTO schedules (concessions and commitments under WTO negotiations)**E611 Global allocation**

WTO-bound tariff-rate quotas where no condition is attached to the country of origin of the product.

***Example:** A WTO-bound tariff-rate quota provides for duty-free imports of milk and cream up to 2,000 tons with no conditions attached to the country of origin.*

E612 Country allocation

WTO-bound tariff-rate quotas where a fixed volume or value of the product must originate in one or more countries.

***Example:** A WTO-bound tariff-rate quota of 200,000 tons of poultry with an in-quota duty of 12 per cent is available; half of the quantity must originate from country A.*

E62 Other tariff-rate quotas included in other trade agreements**E621 Global allocation**

Non-WTO bound tariff -rate quotas where no conditions are attached to the country of origin of the product.

***Example:** A non-WTO-bound tariff-rate quota is available for 40,000 tons of beef with no conditions attached to the country of origin.*

E622 Country allocation

Non-WTO-bound tariff-rate quotas where a fixed volume or value of the product must originate in one or more countries.

***Example:** Fresh bananas from country A can be imported duty-free up to 4,000 tons.*

E69 Other tariff-rate quotas not elsewhere specified

E9 Quantity-control measures not elsewhere specified

E

F. PRICE-CONTROL MEASURES, INCLUDING ADDITIONAL TAXES AND CHARGES

Measures implemented to control or affect the prices of imported goods to, inter alia, support the domestic price of certain products when the import prices of these goods are lower; establish the domestic price of certain products because of price fluctuation in domestic markets or price instability in a foreign market; or to increase or preserve tax revenue. This category also includes measures other than tariff measures that increase the cost of imports in a similar manner, that is, by a fixed percentage or by a fixed amount. They are also known as para-tariff measures.

F1 Administrative measures affecting customs value

Setting of import prices by the authorities of the importing country by taking into account the domestic prices of the producer or consumer. This can be achieved, for example, by establishing floor- and ceiling-price limits or reverting to determined international market values. There may be different types of price setting, such as minimum import prices or prices set according to a reference.

F11 Minimum import prices

Pre-established import price below which imports cannot take place.

Example: A minimum import price is established for fabric and apparel.

F12 Reference prices

Pre-established import prices used by the authorities of the importing country as a reference to verify the price of imports.

Example: Reference prices for agricultural products are based on the farm-gate price, which is the net value of the product when it leaves the farm after subtracting marketing costs.

F19 Other administrative measures affecting the customs value not elsewhere specified

F2 Voluntary export-price restraints

Arrangements whereby the exporter agrees to maintain the price of the goods above a certain level. Such measures are prohibited by WTO agreements. However, under the Agreement on Subsidies and Countervailing Measures and the Agreement on Implementation of Article VI of GATT 1994 (on anti-dumping practices), measures in the form of price undertakings are permitted under certain conditions (see D13 and D23 for

examples). A voluntary export-price restraint process is initiated by the importing country and is thus considered an import measure.

Example: *The export price of video cassette tapes is set higher to defuse trade friction with major importing countries.*

F3 Variable charges

Taxes or levies aimed at bringing the market prices of imported products in line with the prices of corresponding domestic products (these measures are prohibited by the WTO Agreement on Agriculture, article 4). Primary commodities may be charged per total weight, while charges on processed foodstuffs can be levied in proportion to the primary product contents in the final product. These charges include the following:

F31 Variable levies (flexible import fees)

Taxes or levies whose rates vary inversely with the price of imports to maintain a stable price in the home country. This type of measure applies mainly to primary products.

Example: *The target price for colza seeds is \$700 per ton; since the world price is \$500, there is a levy of \$200. If the world price changed to \$600, the levy would change to \$100.*

F32 Variable components (compensatory elements)

Taxes or levies whose rates include an ad valorem component and a variable component. These charges are applied mainly to processed products where the variable part is applied to the primary products or ingredients included the final product.

Example: *A tariff rate on sugar confectionery is set at 25 per cent plus \$25 per kg of contained sugar minus the price per kg of sugar.*

F39 Variable charges not elsewhere specified

F4 Customs surcharges

Ad hoc taxes levied solely on imported products in addition to customs tariffs to raise fiscal revenues or protect domestic industries.

Example: *Customs surcharges, surtaxes or additional duties are ad hoc taxes.*

F5 Seasonal duties

Duties applicable at certain times of the year, usually in connection with agricultural products.

Example: Imports of fresh perry pears in bulk may enter free of duty from 1 August to 31 December; seasonal duties are applied the rest of the year.

F6 Additional taxes and charges levied in connection with services provided by the Government

Additional charges levied on imported goods in addition to customs duties and surcharges and which have no internal equivalents. GATT article VIII states that fees and charges other than customs duties and internal taxes “shall be limited in amount to the approximate cost of services rendered and shall not represent an indirect protection to domestic products or a taxation of imports or exports for fiscal purposes”. Such additional charges include the following:

F61 Custom inspection, processing and servicing fees

F62 Merchandise-handling or -storing fees

F63 Taxes on foreign exchange transactions

F64 Stamp taxes

F65 Import licence fees

F66 Consular invoice fees

F67 Statistical taxes

F68 Taxes on transport facilities

F69 Additional charges not elsewhere specified

F7 Internal taxes and charges levied on imports

Taxes levied on imports that have domestic equivalents. GATT article III allows internal taxes to be applied to imports; however, these taxes should not be higher than those applied to similar domestic products.

F71 Consumption taxes

Taxes on sales of products that are generally applied to all or most products.

Example: Sales taxes, turnover taxes (or multiple sales taxes) and value added taxes are types of consumption tax.

F72 Excise taxes

Taxes imposed on selected types of commodities, usually of a luxurious or non-essential nature. Excise taxes are levied separately from, and in addition to, general sales taxes.

Example: Excise taxes include taxes on alcoholic consumption and cigarette taxes.

F73 Taxes and charges for sensitive product categories

Charges that include emission charges, (sensitive) product taxes and administrative charges. Administrative charges are meant to recover the costs of administrative control systems.

Example: Carbon dioxide emission charge on motor vehicles.

F79 Internal taxes and charges levied on imports not elsewhere specified

F8 Decreed customs valuations

Value of goods determined by a decree for the purpose of imposition of customs duties and other charges. This practice is presented as a means of preventing fraud or protecting the domestic industry. The decreed value de facto transforms an ad valorem duty into a specific duty.

Example: The valeur mercuriale in Francophone countries is set by decree.

F9 Price-control measures, not elsewhere specified

G. FINANCE MEASURES

Measures that are intended to regulate the access to and cost of foreign exchange for imports and define the terms of payment. Finance measures may increase import costs in the same manner as tariff measures.

G1 Advance payment requirements

Requirements that relate to the value of the import transaction and/or related import taxes. Advance payments are made when an application is submitted or when an import licence is issued. They can consist of the following requirements:

G11 Advance import deposits

Requirements to the effect that the importer should deposit a percentage of the value of the import transaction before receiving the goods. No interest is paid on the deposits.

Example: *Payment of 50 per cent of the transaction value is required three months before the expected arrival of the goods in the port of entry.*

G12 Cash margin requirements

Requirements to deposit the total amount of the transaction value in a foreign currency, or a specified part of it, in a commercial bank, before the opening of a letter of credit.

Example: *A deposit of 100 per cent of the transaction value is required at the designated commercial bank.*

G13 Advance payment of customs duties

A requirement to pay all or part of the customs duties in advance. No interest is paid on such advance payments.

Example: *Payment of 100 per cent of the estimated customs duty is required three months before the expected arrival of the goods in the port of entry.*

G14 Refundable deposits for sensitive product categories

A requirement to pay a certain deposit, which is refunded when the used product or its container is returned to a collection system.

Example: *A \$100-deposit is required for each refrigerator, which will be refunded when brought in for recycling after use.*

G19 Advance payment requirements not elsewhere specified

G2 Multiple exchange rates

Varying exchange rates for imports, depending on the product category. In general, the official rate is reserved for essential commodities, while other goods must be paid at commercial rates or occasionally by buying foreign exchange through auctions. Under the Articles of Agreement of the International Monetary Fund, article VIII, section 3, members are prohibited from engaging in any discriminatory arrangements or multiple currency practices without the Fund's approval.

Example: *Only the payment for infant food and staple food imports may be made at the official exchange rate.*

G3 Regulations on official foreign exchange allocation

G

G31 Prohibition of foreign exchange allocation

Measure to the effect that official foreign exchange allocations cannot be used to pay for imports.

Example: *Foreign exchange is not allocated for imports of luxury products such as motor vehicles, televisions or jewellery.*

G32 Bank authorization

A requirement to obtain a special import authorization from the central bank.

Example: *A permit from the central bank and an import licence are required for imports of motor vehicles.*

G33 Authorization linked with non-official foreign exchange

Licence granted only if non-official foreign exchange is used for an import payment.

G331 External foreign exchange

Licence granted only for imports related to technical assistance projects and other sources of external foreign exchange.

Example: *Imports of construction materials are allowed only if payments can be made through the foreign direct investment fund.*

G332 Importers' own foreign exchange

Licence granted if the importer holds foreign exchange in an overseas bank.

***Example:** Imports of textile materials are authorized only if the importer can pay the exporter directly with foreign exchange obtained in export activity abroad.*

G339 Licences linked with non-official foreign exchange not elsewhere specified

G39 Regulations on official foreign exchange allocation not elsewhere specified

G4 Regulations concerning terms of payment for imports

Regulations related to conditions of payment of imports and the obtaining and use of foreign or domestic credit to finance imports.

***Example:** No more than 50 per cent of the transaction value can be paid in advance of the arrival of goods in the port of entry.*

G9 Finance measures not elsewhere specified

H. MEASURES AFFECTING COMPETITION

Measures granting exclusive or special preferences or privileges to one or more limited groups of economic operators.

H1 State-trading enterprises, for importing; other selective import channels

H11 State-trading enterprises, for importing

Enterprises (whether or not State-owned or -controlled) with special rights and privileges not available to other entities, which influence through their purchases and sales the level or direction of imports of particular products (see P51).

Such enterprises include statutory marketing boards with exclusive rights to control the imports of certain grains, canalizing agencies with an exclusive right to distribute petroleum, sole importing agencies or importation reserved for specific importers regarding certain categories of goods.

H19 Other selective import channels not elsewhere specified

H2 Compulsory use of national services

H21 Compulsory national insurance

A requirement that imports must be insured by a national insurance company.

H22 Compulsory national transport

A requirement that imports must be carried by a national shipping company.

H29 Compulsory national service not elsewhere specified

H9 Measures affecting competition not elsewhere specified

I. TRADE-RELATED INVESTMENT MEASURES⁶

I1 Local content measures

Requirements to purchase or use certain minimum levels or types of domestically produced or sourced products or restrictions on the purchase or use of imported products based on the volume or value of exports of local products .

Example: *In the production of automobiles, locally produced components must account for at least 50 per cent of the value of the components used.*

I2 Trade-balancing measures

Restrictions on the importation of products used in or related to local production, including in relation to the amount of local products exported, or limitations on access to foreign exchange used for such importation based on the foreign exchange inflows attributable to the enterprise in question.

Example: *A company may import materials and other products only up to 80 per cent of its export earnings of the previous year.*

I9 Trade-related investment measures not elsewhere specified

⁶ Subject to certain exceptions, the measures listed under I1 and I2 are inconsistent with the Agreement on Trade-Related Investment Measures (the obligations of national treatment under GATT (1994) article III and the general elimination of quantitative restrictions under GATT (1994) article XI). See the illustrative list annexed to the Agreement on Trade-Related Investment Measures. Trade-related investment measures in the form of export restrictions are included in chapter P of this publication.

J. DISTRIBUTION RESTRICTIONS

The importing country may have restrictions on the distribution channels or sales of goods. These restrictions may be placed on the sale of goods to certain categories, access to domestic distribution channels and the establishment of own distribution channels and additional licences or certification requirements.

J1 Restrictions on the sale of goods

Restrictions to limit the sale of goods within the importing country, for example to certain areas, to certain categories of persons or based on other criteria. Such restrictions are placed on the sale of goods per se, independently of the distributing party. Restrictions on distribution services are covered under J2.

Example: *Imported beverages may only be sold in cities that have a facility to recycle the containers.*

J2 Restrictions on distribution channels

J21 Measures prohibiting or restricting access to domestic distributors

Prohibitions or restrictions on access to domestic distributors, as a result of which imported products have to rely on separate distribution channels (such as retail or wholesale points for imported products). This restriction might create additional costs and barriers for the importers of certain products that would have preferred to rely on domestic distributors rather than to establish their own distribution channels.

Example: *Imported motor vehicles are not allowed to be sold through existing car dealers in the importing country and must therefore set up their own distribution channels.*

J22 Measures prohibiting or restricting the setting up of own distribution channels

Prohibitions or restrictions on establishing or using own distribution channels, as a result of which imported products have to use local distribution channels. Such requirements might create additional difficulties, depending on the conditions for using local channels or adequacy of local distribution channels, for importers of certain products that would have preferred to use or establish their own distribution channels.

Examples: Retail distribution is reserved to nationals; therefore, foreign exporters can only distribute their products, for example automobiles, through local dealers or agents. A company licensed to engage in retailing has the right to establish only one retail sales outlet. Subsequent outlets are subject to further approval requirements.

J9 Distribution restrictions not elsewhere specified

K. RESTRICTIONS ON POST-SALES SERVICES

Measures restricting the ability of exporters to provide post-sales services through their preferred or desired channels in the importing country.

K1 Measures prohibiting or restricting access to domestic post-sale services channels

Prohibitions or restrictions on access to domestic post-sales services as a result of which imported products have to rely on separate post-sales services channels (such as installation and assembly, maintenance and repair points). This restriction might have a negative effect on the importers of certain products that would have preferred to rely on domestic post-sales services channels rather than to establish their own.

Example: *Aircraft engines can only be repaired in centres belonging to the manufacturer.*

K2 Measures prohibiting or restricting the setting up of own post-sales services channels

Prohibiting or restricting the establishment or use of own post-sales services channels, as a result of which imported products have to use the local post-sales services. Depending on the conditions for using local post-sales services channels or the adequacy of local post-sales services, these measures might create additional difficulties for importers of certain products that would have preferred to use or establish their own post-sales services channels.

Examples: *After-sales services of television sets must be provided by a local service company of the importing country. Foreign equity ownership in aircraft maintenance centres is limited to 49 per cent.*

K9 Restrictions on post-sales services not elsewhere specified

K

L. SUBSIDIES AND OTHER FORMS OF SUPPORT

A measure or practice by any level of government⁷ that involves a financial transfer attributable to an identifiable beneficiary or group of beneficiaries that creates or could potentially create an advantage for those beneficiaries. Such measures or practices can be grouped into two categories: support to enterprises, including family enterprises (sections L1 to L5), and support to final consumers, individuals or households (sections L6 to L9). In addition to the core classification, information on support measures can be categorized by using supplementary labels. See footnote 8.

L1 Transfers of funds (monetary transfers) by the Government (to an enterprise)

L11 Grants (other than price support under L15)

Monetary support in the form of one-off or recurrent non-repayable, interest-free transfers of public funds to enterprises, whether conditional or unconditional.

***Example:** The Government gives an enterprise a non-repayable grant to invest in purchasing new equipment.*

L111 Amount received is fixed

L112 Amount received varies with production or sales

L113 Amount received varies with enterprise income

L114 Amount received varies with use of intermediate inputs

L115 Amount received varies with employment

L116 Amount received varies with use of land or natural resources

L117 Amount received varies with use of capital

L118 Amount received varies with exports

⁷ For the purpose of this classification, measures or practices by the Government may refer to actions taken by a Government through its central, subcentral or municipal branches, as well as agencies and/or entities established or owned by the Government, acting on its behalf, or exercising its functions.

L119 Amount received varies with other determinants or combinations of the above**L12 Credit support (to an enterprise)**

Monetary support given by the Government to an enterprise in relation to borrowed repayable funds, whether in the form of direct lending at a lower rate of interest or assistance in securing or repaying funds borrowed from other sources.

***Example:** The Government extends a loan through a State bank to an enterprise at an interest rate that is lower than the market rate for an otherwise equivalent loan.*

Subsections L121–L129: same as L111–L119

L13 Equity infusions

Monetary support by the Government through the acquisition of shares in an enterprise.

***Example:** The Government purchases a 50 per cent stake in an enterprise by acquiring its shares on non-market terms.*

Subsections L131–L139: same as L111–L119

L14 Government purchase of goods or services (other than price support under L15)

Monetary support by the Government through the acquisition of an enterprise's goods or services above the price paid on the market (for same or similar quality and amounts).

***Example:** The Government buys wheat from an enterprise at a price 20 per cent higher than the market value.*

Subsections L141–L149: same as L111–L119

L15 Price support or price-related direct payments to producers

Monetary support in the form of a transfer of public funds conditional upon a decline in the price level for a certain product below a certain threshold.

***Example:** The Government covers the financial losses incurred by an enterprise selling gasoline to the population below market prices.*



L2 Price regulation

Government policy mandating certain prices for a particular product.

***Example:** The Government establishes a maximum price for gasoline to benefit downstream consumers.*

L3 Transfer of risk (from an enterprise) to the Government

L31 Guarantees

Non-monetary support whereby the Government guarantees to repay an enterprise's debt.

***Example:** The Government provides a guarantee to repay an enterprise's loan in the event of default or bankruptcy.*

L32 Insurance

Non-monetary support whereby the Government provides insurance to an enterprise against an unforeseen event in the future.

***Example:** The Government commits, on non-market terms, to covering an enterprise's losses (insurance to hedge external risks) in the event of a natural disaster.*

L4 Government revenue due (by an enterprise) that is foregone or not collected (without monetary transfer)

L41 Tax and duty exemptions, reductions, other fiscal incentives reducing burden of taxes otherwise due

Monetary support in the form of exemptions from fiscal obligations, whereby the Government refrains from collecting tax from an enterprise that it would have otherwise collected.

***Example:** An enterprise or an industry sector is exempt from paying income taxes.*

Subsections L411-L419: same as L111-L119

L42 Other government revenue foregone or not collected (without monetary transfer) (not including category L5, in-kind (non-monetary) transfer)

Monetary support in the form of exemptions from financial obligations that an enterprise has before the Government that are not related to taxes or duties (for example, royalties and administrative fees).

Example: The Government exempts an enterprise from paying a fee necessary to obtain a licence for a commercial activity.

Subsections L421–L429: same as L111–L119

L5 In-kind (non-monetary) transfer (to an enterprise)

L51 Provision of goods

Non-monetary support by the Government in the form of providing goods to an enterprise.

Example: The Government sells raw materials or equipment to an enterprise at below market price.

Subsections L511–L519: same as L111–L119

L52 Provision of services

Non-monetary support by the Government in the form of providing services to an enterprise.

Example: The Government provides consultancy services or water-treatment services to an enterprise free of charge.

Subsections L521–L529: same as L111–L119

L53 Other, including, for example, land, (access to) natural resources, infrastructure, technology and knowledge, electricity, water

Non-monetary support by the Government in the form of providing other benefits to an enterprise.

Example: The Government provides free or rent-free land for an enterprise.

Subsections L531–L539: same as L111–L119

L6 Transfer of funds (monetary transfers) by the Government (to a final consumer, individual or household) for the purchase of specific goods

L61 Grants and income support

Transfer of funds (monetary or quasi-monetary transfer) by the Government to a final consumer, individual or household conditional on the purchase of an identified good.

Example: Low-income families receive food stamps for the purchase of specific products.

L62 Credit support

Monetary support given to consumers, individuals or households in relation to borrowed repayable funds, whether in the form of direct lending by the Government or assistance in securing or repaying funds borrowed from other sources.

Example: The Government partially repays loans for the acquisition of new, environmentally friendly automobiles.

L7 Government revenue due (by a final consumer, individual or household) that is foregone or not collected (without monetary transfer)

L71 Tax and duty exemptions, reductions, other fiscal incentives reducing burden of taxes otherwise due

Monetary support in the form of exemptions from fiscal obligations, whereby the Government refuses to collect from an individual or a household income that it would have otherwise collected.

Example: People nearing retirement age are exempted from paying land taxes.

L8 Purchase or provision of goods by the Government

L81 Provision of goods by the Government

Non-monetary support by the Government in the form of providing goods to individuals or households.

Example: The Government provides the necessary equipment for households with a person with a disability.

L82 Government purchase of goods from individuals or households

Monetary support by the Government through the acquisition of goods and services from individuals or households.

Example: *The Government purchases old, environmentally unfriendly automobiles for recycling from individuals or households to stimulate purchases of new, more fuel-efficient vehicles.*

L9 Support for consumers or producers not elsewhere specified

Other forms of government support not elsewhere specified.⁸

⁸ In addition to the core classification, additional information on support measures can be categorized as follows:

- (a) Level of government providing the support:
 - (i) Central;
 - (ii) Subnational (for example, state, provincial, or departmental);
 - (iii) Local or municipal;
- (b) Pathway of benefit:
 - (i) Directly by government (including government-controlled entities);
 - (ii) By private entity through government delegation or instruction;
- (c) Frequency:
 - (i) Recurring;
 - (ii) Non-recurring (one-off, or in a specified number of instalments);
- (d) Eligibility criteria or conditions of access; designated application or use (more than one may apply to a given measure):
 - (i) Applicable to enterprise support, including family enterprises:
 - a. Income: domestic, export or foreign;
 - b. Use of an identified input good or service: domestic origin or content, unspecified origin;
 - c. Use of production factors: investment, capital stock, land, labour, knowledge;
 - d. Sales: domestic sales, export sales;
 - e. Production diversification;
 - f. Health or safety of humans, animals or plants;
 - g. Named enterprise or enterprises;
 - (ii) Applicable to final consumers, individuals or households:
 - a. Income;
 - b. Use or consumption of an identified good or service: of domestic origin or content, of unspecified origin or content;
 - c. Acquisition of real estate;
 - (iii) Applicable to all forms of support:
 - a. Environmental improvements: reduced energy consumption, reduced waste, reduced pollution, compliance with new regulations;
 - b. Geographical location;
 - c. Other (please specify);
- (e) Stated public policy objective:
 - (i) Employment;
 - (ii) Environmental protection
 - (iii) Regional support;
 - (iv) Poverty alleviation;
 - (v) Health or safety;
 - (vi) Food and nutrition;
 - (vii) National security;
 - (viii) Education;
 - (ix) Age-related;
 - (x) Support of cultural heritage;
 - (xi) Other (please specify).

M. GOVERNMENT PROCUREMENT RESTRICTIONS

Restrictive measures that bidders may encounter when trying to sell their products and services to a foreign government.⁹

M1 Market access restrictions

Measures and practices that expressly restrict access to government procurement markets to national (or subnational) suppliers or require specific market access conditions. The minimum financial value of a measure to be applied will be collected in a threshold column in the data collection file.

M11 To national suppliers

Market access restrictions that expressly restrict access to government procurement to national suppliers.

Examples: Foreign bidders have no access to national procurement and/or subnational procurement.

M12 To subnational suppliers

Market access restrictions that expressly restrict government procurement access to subnational suppliers.

Example: Handloom textiles are reserved by the central government for exclusive purchase from local suppliers.

M13 Conditional access

Requirements of joint ventures with a national/subnational supplier (M131), requirements of commercial presence (M132) when a supplier can participate

⁹ Chapter M of this classification is identical to the OECD taxonomy of government procurement (Gourdon et al., 2017), except those measures related to threshold, foreign direct investment, and ethics and the anti-corruption system (see also chapter I above) that are included in the OECD taxonomy:

- (a) M15, Thresholds;
- (b) M42, Barriers to foreign direct investment;
- (c) M421, Constraints on forming joint ventures;
- (d) M422, Constraints on forming mergers;
- (e) M423, Absence of national treatment;
- (f) M424, Sectors closed to foreign direct investment;
- (g) M10, Effectiveness of ethics and the anti-corruption system;
- (h) M101, Conflict-of-interest policies and/or measures in public procurement;
- (i) M102 Anti-bribery measures in public procurement;
- (j) M103 Whistle-blowing protection measures in public procurement;
- (k) M104 Guidelines on preventing and detecting bid rigging in procurement;
- (l) M105 Debarment regulations in public procurement.

in a bid only if its business is established locally in the procuring country and market access based on reciprocity (M133), which covers measures allowing foreign suppliers to bid only if the supplier's country grants reciprocal market access.

Examples: For public tenders exceeding a financial value threshold, foreign contractors are required to cooperate with local companies.

Procuring entities may request foreign companies to establish a national company or agency. This may be applied only with respect to the winning supplier before signing of the contract.

National treatment in government procurement is only granted to foreign suppliers if the same treatment is offered by the country of the foreign suppliers.

M14 Exception for non-economic rationale

Use of national security or safety clauses/considerations to exclude foreign suppliers from government procurement projects.

Example: Operational-safety-clause legislation prevents the procuring entity from accepting bids from foreign suppliers or gives it the right to exclude foreign bidders from the procurement of railway equipment and infrastructure.

M19 Market access restrictions not elsewhere specified

M2 Domestic price preferences

Percentages by which prices offered by preferred domestic suppliers are adjusted for purposes of tender evaluation. Such preferences increase the probability of a domestic supplier winning a tender and can also be applied to tenders incorporating domestic goods or services.

M21 For national suppliers

A procuring entity allocates a price preference solely to national suppliers.

Example: National bids are preferred to foreign ones that are of equal quality where the price of national bids does not exceed the price quoted in the foreign one by more than 10 per cent.

M22 For subnational suppliers

A procuring entity allocates a price preference solely to subnational suppliers.

Example: A price preference of 5 per cent is granted to local scheduled castes and tribes.

M23 Conditional access

A requirement of joint ventures with a national or subnational supplier (M231) or requirement of commercial presence (M232) to benefit from a price preference.

***Example:** When suppliers are evaluated according to the preference point system, the extra number of points must be given to a joint venture.*

M29 Domestic price preferences not elsewhere specified

M3 Offsets

Any condition or undertaking that encourages local development or improves a party's balance-of-payments accounts, such as the use of domestic content, the licensing of technology, investment, countertrade and similar actions or requirements.¹⁰ A procuring entity may impose an offset to suppliers to meet an objective other than the acquisition of the procured product. In addition to the examples mentioned above, subcontracts, training, foreign direct investment and so forth are other types of offsets. If a country has no measures classified under M3, this means that it does not require offsets.

M31 Local content requirements on inputs and data storage

Foreign suppliers are required to use national or subnational inputs and/or data storage of the procuring country.

***Example:** Public buyers of a country must grant at least 20 per cent of favourable qualification to the offers containing agricultural products of the country's origin.*

M32 Local content requirements on services

Foreign suppliers are required to use national or subnational services of the procuring country as an input.

***Example:** In case of equality between national and foreign suppliers, the attribution of services contracts will be in favour of the offer that proposes a higher degree of national content (national human resources).*

M33 Local content requirements on staff

Foreign suppliers are required to hire national or subnational staff from the procuring country as an input.

***Example:** The Government drafted a preferential policy to promote local job creation.*

¹⁰ See, for example, article 1(l) of the Revised Agreement on Government Procurement of WTO.

M34 Subcontract requirements

Foreign suppliers are required to subcontract with suppliers from the procuring country.

Example: General conditions of contracts contain a clause that encourages the use of national subcontractors.

M39 Offsets not elsewhere specified

Example: Transfer of technology and training are considered offsets not elsewhere specified.

M4 Collateral restrictions

Example: A procuring entity imposes award/contract requirements when it awards a contract or when a supplier carries out a contract.

M41 Tax on procurement from foreign entity

Foreign suppliers must pay a tax on government procurement projects that they carry out.

Example: A 2 per cent tax is imposed on foreign suppliers in the procurement of goods and services by the federal government.

M43 Restricted eligibility for subsidies and tax preferences

Foreign suppliers restricted from eligibility for subsidies or tax preferences.

Example: Direct subsidies and differential taxation favour local small and medium-sized enterprises.

M44 Time period

Procuring entities should adopt adequate time periods to notify bidders of the outcome and to pay suppliers:

(a) Payment period: Time period between a contractor's request for payment after fulfilling its contractual obligation and making payment. However, in some countries, procuring entities are not required to respect a particular deadline to pay their suppliers, unless payment terms are specified in the procurement contract.

Example: Upon completion of the work, a procuring entity must provide a payment to a contractor within 100 days after request for payment.

(b) Period for award notice: Appropriate time periods for the publication of an award notice and/or for notification to bidders that their bid was not successful

Example: *Procuring entities are not legally required to notify unsuccessful bidders.*

M49 Collateral restrictions not elsewhere specified

M5 Conduct of procurement

The manner in which government procurement is carried out under specific conditions and rules. These measures can be considered restrictive when their purposes or effects limit or prevent competition by protecting domestic suppliers. Many of these practices are commonly used and referred to in international instruments such as the Revised Agreement on Government Procurement of WTO and the Model Law on Public Procurement of the United Nations Commission on International Trade Law (2011). The classification is based on the assumption that a country conducts open tendering, whereby all interested suppliers may submit a tender. If a country conducts tendering in a different manner, non-tariff measure codes M52–M55 would apply.

M51 Design of procurement methods

Any particularity in the scheme of contracts such as the division of contract into lots (allotment). These specific measures may limit competition (for example, by excluding procurements from the application of certain rules or trade agreements) and lead to less visibility of the call to foreign suppliers, for instance when dividing a large contract into small parts to accommodate small and medium-sized enterprises.

Example: *The allotment (i.e. division of contracts) mechanism designed to encourage the participation of national suppliers is mandatory.*

M52 Registration (supplier registration system)

Process whereby any supplier seeking to tender is required to register and provide certain information. This first registration process may be carried out by the procuring entity or by another public entity (for example, registration with the Ministry of Commerce). A supplier can submit its tender only upon completion of the registration process. Registration may involve a simple mechanism for the identification of suppliers.

Examples: *Foreign bidders must be registered in the bidders' national record. Registration must be renewed before the fifth working day of April each year.*

M53 Shortlist/pre-selected list of suppliers

A list of pre-selected suitable potential suppliers established by a procuring entity. Only shortlisted suppliers are allowed to submit tenders (to be distinguished from normal listings as part of an open tendering process). For example, shortlists may be compiled after rigorous international tendering.

Example: *The ministry or department should prepare a list of qualified suppliers.*

M54 Direct and limited tendering

Direct tendering: A procurement method whereby the procuring entity awards a contract to a single supplier without competition; sometimes called direct contracting or single sourcing.

Limited tendering: A procurement method whereby the procuring entity contacts a supplier or suppliers of its choice.¹¹

Example: *Under special circumstances, it may become necessary to select a particular consultant where adequate justification is available for such single-source selection in the context of the overall interest of the ministry or department concerned.*

M55 Selective tendering

A procurement method whereby only qualified suppliers are invited by the procuring entity to submit a tender.

Example: *After the evaluation of pre-qualification applications, a list of qualified suppliers will be prepared. Thereafter, only those suppliers that are pre-qualified for the works will be invited to submit tenders.*

M56 Securities

Requirements of procuring entities for suppliers to secure the fulfilment of their obligations. These measures include arrangements such as bank guarantees, surety bonds, stand-by letters of credit, checks for which a bank is primarily liable, cash deposits, promissory notes and bills of exchange.

M561 Tender securities

An amount of money asked of suppliers to deter them from withdrawing their tenders before the final selection or from refusing to sign the contract after notification of the award. In such cases, suppliers would have to forfeit the tender security to the procuring entity. Tender securities may be calculated as a percentage of the

¹¹ See, for example, article 1(h) of the Revised Agreement on Government Procurement.

budget estimate of a procurement or a percentage of a supplier's tender price.

Example: *Upon receipt of tenders, the bond or guarantee will be accepted only on the condition that it is issued by a treasury-approved guarantor. There is no time frame for the procuring entity to return said instrument.*

M562 Performance securities

An amount of money retained from payments to a supplier or provided to a procuring entity in advance to deter a case when a supplier refuses or fails to carry out the agreed work after the award of a contract. Performance securities are usually returned to the supplier upon satisfactory completion of the contract.

Example: *The legal framework does not determine the amount of performance guarantee that can be requested from the supplier or the supplier does not have the choice regarding the form of the performance guarantee.*

M57 Time period

Minimum time periods during which suppliers can prepare and submit tenders are generally defined in government procurement legislation. If the time period is too short, smaller or foreign suppliers may have fewer opportunities to meet the deadline and submit competitive proposals. However, for efficiency purposes, the time period should not be excessively long.

Example: *The minimum time period to submit a tender is seven days.*

M59 Conduct of procurement not elsewhere specified

M6 Qualification criteria

Requirements that are used by a procuring entity to determine the eligibility of suppliers to participate in government procurement opportunities.

M61 Certification or licence criteria

Certification or licence requirements beyond the regular professional qualifications required to perform a given activity.

Example: *All suppliers will have to submit minority economic empowerment rating certificates issued by verification agencies approved by the country's accreditation system.*

M62 Set-asides for specific groups (small and medium-sized enterprises, minorities)

Measures whereby a procuring entity reserves procurement opportunities, often smaller procurements, only for specific groups.

Example: Any purchase by the federal government that has an anticipated value above the micropurchase threshold of \$3,500 is required to be automatically and exclusively set aside for small businesses.

M63 Past performance requirements

Requirements to the effect that a supplier must demonstrate its previous successful performance of a similar work as a condition for participation in a procurement procedure. In the same context, a procuring entity may require that a supplier not have poor past performance. While prior experience requirements indicate that a supplier should have done similar work before, past performance requirements refer to how well a supplier should have done the work. This measure should be used with caution because verifying and measuring past performance may involve the discretion of a procuring entity.

Example: Suppliers having significantly or persistently deficient past performance, which has led to early termination of a contract or other sanctions within three years, shall be excluded from the procurement proceedings.

M64 Prior experience requirements

Requirements indicating that a supplier must have previously carried out similar work. Such measures may require, as a condition for participation in a procurement procedure, that suppliers have previously been awarded procurement contracts by certain public entities within the country concerned. This may pose a significant challenge to foreign suppliers. First, a requirement of having worked in relation to a procuring country would limit the new entry of foreign suppliers into the procurement market, even if they have gained relevant prior experience in similarly conditioned countries. Second, excluding suppliers from the competition would undermine the competitive environment of the government procurement system in a procuring country.

Example: Suppliers for construction procurement must have prior experience in building similar types of buildings in a procuring country. Prior experience in other countries is not taken into account.

M69 Qualification criteria not elsewhere specified

M7 Evaluation criteria

Criteria used by a procuring entity to select a successful bidder

M71 Technical contractual conditions

Technical specifications that may be geographically specific or not aligned with international standards (where such exist) or which would impose a disproportionate compliance burden or cost on non-national suppliers.

***Example:** Technical specifications must be drafted in such a way as to promote local products or specific suppliers.*

M72 Financial contractual conditions

This measure includes restrictions on the terms of payment. When a procuring entity pays a supplier for the fulfilment of its contractual obligations, it restricts the terms of payment, such as payment method, currency and transfer, to foreign countries.

***Example:** Payment will be made to a contractor only in the national currency of the procuring country.*

M73 Offer-backs for specific groups (small and medium-sized enterprises, minorities)

A procuring entity holds a general competition for a specific procurement and then selects the best supplier from a specific group if it can match the best terms offered in the competition, if necessary by revising its offer. This approach is taken to tackle the high costs arising from set-asides.

Examples: Contracts should be awarded to a supplier which is registered in the minority scheme if its tender is no less economically advantageous than the other tenders. In circumstances where the registered supplier's tender is unacceptable on grounds of price alone, the opportunity to submit a revised offer should be given.

M79 Evaluation criteria not elsewhere specified

M8 Review and complaint mechanisms

Countries should ensure that foreign suppliers have access to an independent judicial or administrative body/court allowing for a timely, effective, transparent and non-discriminatory complaint mechanism and/or review procedure to challenge a decision concerning the government procurement process.

M81 Challenge of tendering process or award

A review and complaint mechanism allowing foreign suppliers to challenge a breach of rules governing the tendering process or contract award.

Example: *If a dispute between a foreign supplier and a procuring entity arises, the supplier can file a complaint with the Administrative Review Board.*

M82 Choice of complaint forum

Government procurement systems may offer one or more judicial or administrative complaint forums, with or without a possibility to appeal. If several forums exist, a complaining party should have some choice in the review forum, especially if one of the reviewers is the procuring entity.¹²

Example: *There are three forums available for filing a complaint: the procuring agency, the Government Accountability Office and the Court of Federal Claims.*

M83 Time period

There are four important time periods relating to the review and complaint mechanism, as follows:

(a) Stand-still period: Time period between announcing a potential awardee and signing the contract during which suppliers can prepare and submit a complaint;

Example: *The signature of the contract can only take place five working days after the date of the contract award decision.*

(b) Time period for submission of complaints: The suppliers can only submit a complaint within a certain time period;

Example: *The complaint must be submitted within 10 working days after the complainant has learned (or should have learned) the reason(s) for the complaint.*

(c) Decision-rendering period: Time period between the submission of a complaint and the rendering of a decision. A complaining party should be able to obtain a resolution in a timely manner. A short time period does not lend itself to a meaningful review, yet a long period could be disruptive to the government procurement process.¹³

Example: *Decisions must be rendered within 100 days.*

(d) Time period for appeal: A supplier can appeal the initial review decision within a certain time period.

¹² World Bank, 2016, *Benchmarking Public Procurement 2016: Assessing Public Procurement Systems in 77 Economies* (Washington, D.C.)

¹³ Ibid.

Example: *The appeal must be submitted within 10 working days after the initial review decision has been made available to the complainant.*

M84 Fees

The cost of filing a complaint.

Example: *When bringing a complaint before the relevant administrative authority, suppliers must pay fees that are not refundable.*

M85 Suspension of tendering process

If a review body deems it appropriate, it can suspend the government procurement process through interim measures to preserve a supplier's opportunity to participate in a procurement procedure. Overriding adverse consequences for the interests concerned, including the public interest, can be taken into account when deciding if interim measures should apply.

Example: *Automatic suspension exists only for suppliers having submitted a bid.*

M86 Sanctions and remedies

Sanctions and remedies may result from the review and complaint process.

Sanction: The imposition of a punitive measure to counter irregularities in the government procurement process.

Remedy: During the pre-award stage, a measure usually aimed at correcting irregularities that have occurred during the preparation and submission stages of the government procurement process and that may prevent fair competition.

Remedies can take different forms: the modification of tender documents, payment of damages, compensation of tendering costs incurred by a supplier, payment of attorneys' fees, or overturning in whole or in part an act or a decision of the procuring entity.¹⁴

Example: *In some countries, the review body can grant all the remedies described, whereas in others, only some.*

M89 Review and complaint mechanisms not elsewhere specified

¹⁴ Ibid.

M9 Transparency and access to information

Transparency and access to information are key to ensuring that all suppliers participate in the government procurement process on a level playing field and that fair conditions of competition are maintained. The measures include those that can potentially make it difficult or impossible for foreign suppliers to access the information required at any of the stages of the process.

M91 Publication in official gazette or accessible publication

Requirements to publish government procurement information. Among the various types of required information, the most important ones are as follows:

- a. Government procurement laws and subsidiary regulations;
- b. Procurement notices and tender documentation – such notices invite suppliers to submit tender and relevant documentation presenting the terms of the tenders, general conditions of the contract and tender specifications;
- c. Contract award notices to both awarded and competing suppliers – the document should include basic information regarding the winning tender.

Example: *The head of each central office or the contracting officer shall notify tender information through the electronic procurement (e-procurement) system when conducting competitive tendering.*

M92 Accessible e-procurement

Requirements to operate an e-procurement system. An e-procurement system encompasses the integration of digital technologies in the replacement or redesign of paper-based procedures throughout the government procurement process.¹⁵ Although the extent to which countries use e-procurement systems varies, e-procurement can enable the following operations:

M921 Online publication of tender

Tender notices can be made publicly accessible online.

Example: *Only procurement contracts above \$500,000 must be advertised in the national treasury's electronic tender portal.*

M922 Online process of tenders

Tender documents can be publicly accessible online, and bidders can submit online.

¹⁵ OECD, 2015, OECD Recommendation of the Council on Public Procurement.

Example: *Electronic tender procedures shall be implemented from the submission of a tender until the awarding of a contract to the successful supplier.*

M923 Online award of tender

Award notices can be made publicly accessible online.

Example: *The tender committee shall publish through the electronic system the contract awarded to the successful supplier of the electronic tender and the documentation related to the tender.*

M924 Online direct communication

The exchange of information or communication by electronic means between a user (for example, a supplier, a potential supplier or another interested party) and the provider of information (for example, a procuring entity or other relevant public authorities).

Example: *Information regarding the eligibility criteria and technical requirements (for example, concerning foreign suppliers) shall be made available online. Suppliers seeking additional information on specific aspects of a tender (for example, regarding registration requirements) shall communicate with the procuring entity through the designated website.*

M925 Online signature

Recognition of electronic signature systems. Some entities do not recognize such a system for foreign suppliers.

Example: *Electronic documents, including bids with digital signatures, have the same validity as paper documents with signatures.*

M926 Accessible e-procurement not elsewhere specified

M99 Transparency and information not elsewhere specified

N. INTELLECTUAL PROPERTY

This chapter contains measures related to intellectual property rights in trade. Intellectual property legislation covers patents, trademarks, industrial designs, layout designs of integrated circuits, copyrights, geographical indications and trade secrets.

The rights granted are registered in national offices and collected in the database of the World Intellectual Property Organization. It is sometimes difficult to associate a final traded product with precise intellectual property rights, for example the knowledge of a certain patent may be used for an input or a process produced nationally that will not appear in the trade statistics.

This chapter also describes the legal framework for eligibility and maintenance, exhaustion and the enforcement of intellectual property rights. They will be collected in the database, without a product code.

N1 Eligibility and maintenance

Substantive criteria for the protection of each category of intellectual property rights, as well as procedures for their acquisition and maintenance.

This section registers the legal framework in each country, and for each intellectual property category, without assigning the product that it covers. It remains a set of rules or procedural steps but does not refer explicitly to a specific product. In this respect, this section differs from chapters A to I and chapter P.

N11 Patents

Substantive criteria relating to the protection of patents, as well as procedures for their acquisition and maintenance.

N12 Geographical indications

Substantive criteria relating to the protection of geographical indications, as well as procedures for their acquisition and maintenance.

N13 Industrial designs

Substantive criteria relating to the protection of industrial designs, as well as procedures for their acquisition and maintenance.

N14 Copyrights

Substantive criteria relating to the protection of copyrights, as well as procedures for their acquisition and maintenance.

N15 Trademarks

Substantive criteria relating to the protection of trademarks, as well as procedures for their acquisition and maintenance.

Distinctiveness is one of the criteria relating to a sign or combination of signs that constitute a trademark. To acquire a trademark, enterprises may have to file at a national trademark office through a trademark agent, or through regional and international application procedures. To maintain a trademark, enterprises may have to pay annual maintenance fees. Normally, after seven years, the trademark holders would need to request renewal of the trademark registration, failing which, the trademark could expire.

N2 Exhaustion

Conditions under which intellectual property rights can no longer be enforced.

Once an intellectual property right holder or its licensee has marketed a product protected by intellectual property rights, the right to control the sale or distribution of the product is said to be exhausted, i.e. it can no longer prevent the subsequent re-sale of the product.

This section registers the legal framework in each country and for each intellectual property category without assigning the product that it covers. It remains a set of rules or procedural steps but does not refer explicitly to a specific product. In this respect, this section differs from chapters A to I and chapter P.

Example: *After copyright holders have marketed their books, they can no longer prevent distributors, shops and other buyers from re-selling the books. Also, known as the first-sale doctrine, the exhaustion of intellectual property rights can be geographically limited. A national law may state that the rights over distribution are exhausted only for products that are placed on the national market or extend to products placed on regional or international markets, as follows:*

National market: Right holders cannot prevent the importation into the national market (parallel importation) of the products they have placed on the national market;

Regional market: Right holders cannot prevent the importation into the national market of products they have marketed within a region, such as the European Union. However, they can prevent the importation of the same goods they have marketed outside the regional market;

International market: Right holders cannot prevent the importation into the national market of products they have marketed in any market in the world.

N21 Patents

N211 National

N212 Regional**N213 International****N22 Geographical indications****N221 National****N222 Regional****N223 International****N23 Industrial designs****N231 National****N232 Regional****N233 International****N24 Copyrights****N241 National****N242 Regional****N243 International****N25 Trademarks****N251 National****N252 Regional****N253 International****N3 Enforcement**

Procedures for initiating legal proceedings and remedies against an infringement or unauthorized use of intellectual property rights. Border measures provide procedures to suspend the release of goods suspected of infringing intellectual property rights in order to prevent them from entering the marketing channels. Civil and administrative procedures

provide the means to request a court to order discovery of evidence, seizure of infringing goods, injunction and other measures and to request compensation. Certain levels of intellectual property infringement, such as wilful copyright piracy, trademark counterfeiting and transfer of a trade secret in breach of confidence, are elevated to criminal offences.

This section registers the legal framework in each country for each intellectual property category, without assigning the product it covers. It remains a set of rules or procedural steps but does not refer explicitly to a specific product. In this respect, this section differs from chapters A to I and chapter P.

N31 Patents

N311 Border measures

N312 Civil remedies

N313 Criminal remedies

N314 Administrative remedies

N32 Geographical indications

N321 Border measures

N322 Civil remedies

N323 Criminal remedies

N324 Administrative remedies

N33 Industrial designs

N331 Border measures

N332 Civil remedies

N333 Criminal remedies

N334 Administrative remedies

N34 Copyrights

N341 Border measures

N342 Civil remedies**N343 Criminal remedies****N344 Administrative remedies****N35 Trademarks****N351 Border measures****N352 Civil remedies****N353 Criminal remedies****N354 Administrative remedies****N9 Intellectual property not elsewhere specified**

Other categories of intellectual property rights include the following: utility models that protect incremental inventions, usually with regard to devices; layout designs, primarily concerning the topography of chips for electronic devices; plant breeders' rights, protecting new crop, grape and tree varieties; trade secrets concerning commercially valuable information about production methods, business plans and customer information; and the protection of pharmaceutical and agrochemical test data.

O. RULES OF ORIGIN

Rules of origin cover laws, regulations and administrative determinations of general application applied by the Governments of importing countries to determine the country of origin of goods. Rules of origin are important in implementing trade policy instruments such as anti-dumping and countervailing duties, origin marking and safeguard measures.

Example: *Machinery products manufactured in a country face difficulty in fulfilling the rules of origin to qualify for the reduced tariff rate of the importing country, as the parts and materials originate in different countries.*

01 Preferential rules of origin

Laws, regulations and administrative determinations of general application by a Government to determine whether goods qualify for preferential treatment under contractual or autonomous trade regimes leading to the granting of a tariff rate that is different from the applicable most favoured nation tariff.

Preferential rules of origin are included in preferential trade agreements and unilateral trade preference schemes to determine when an import is deemed to originate in a country that has received preferences under a preferential trade agreement.

011 Origin criterion

A test that defines the origin of a good. A good is either wholly obtained in the country where most or all of its inputs and processing originate, or, when inputs or manufacturing steps originate in more than one country, the country where a substantial transformation occurs. A substantial transformation may be defined either as an ad valorem percentage, a change in tariff classification or a specific working or processing requirement.

Often, countries extend the list of countries whose inputs or manufacturing steps can be used to fulfil substantial transformation requirements in countries other than the exporting country. Such extensions are called accumulation or cumulation and are usually applied across sectors or agreements.

0111 Wholly obtained

Origin status conferred to a good that is entirely or largely produced or manufactured in one country without using non-originating materials.

Example: *Live animals born and raised in one country and vegetables that have been grown and harvested in one country are considered to be wholly obtained.*

0112 Substantial transformation: Ad valorem percentage criterion as value addition

When a good obtains originating status of the country where a defined value added percentage has been reached. Different methods may be allowed to calculate the share of value added.

Example: *For an imported article to be eligible for preferential trade agreement preferences, it must be the result, product or manufacture of a member country of a preferential trade agreement, and the sum of the cost or value of materials produced in the member country of the agreement plus the direct costs of processing must equal at least 35 per cent of the appraised value of the article at the time of entry into the importing country.*

01121 Cumulation: Bilateral

When the origin criterion may be met in the exporting and the importing party. This type of cumulation is common in non-reciprocal trade preference schemes and in bilateral preferential trade agreements.

Example: *A total of up to 15 per cent of the 35 per cent local content value may consist of parts and materials originating in the importing country.*

01122 Cumulation: Diagonal

When the origin criterion may be met in the exporting party and in a defined group of third countries, such as the other parties to preferential trade agreements or regional country groups.

Example: *Materials originating in a country of one regional group shall be considered materials originating in a country of the other regional group when incorporated in a product obtained there, provided that the working or processing carried out in the latter beneficiary country goes beyond the minimal processing defined in the annex.*

01123 Cumulation: Full

When the origin criterion may be met in the exporting country, members of the preferential trade agreement and in third countries. This cumulation is usually granted on a regional basis under non-reciprocal arrangements such

as the Generalized System of Preferences or in preferential trade agreements.

Example: *Value added in the European Union, in other East African Community partner States, in other African Caribbean and Pacific States or in overseas countries and territories shall be considered as having been added in a partner State of the East African Community when the products undergo subsequent value addition in that partner State.*

01129 Cumulation not elsewhere specified

0113 Substantial transformation: Ad valorem percentage criterion as value of materials

When originating status is conferred to a good whose inputs do not exceed a given amount of non-originating materials out of a given finished price of the good or achieve a minimum content of originating materials.

Example: *Goods for which the value of all the non-originating material used does not exceed 70 per cent of the ex works price of the product are considered here.*

01131 Cumulation: Bilateral

When the origin criterion may be met in the exporting and the importing party.

01132 Cumulation: Diagonal

When the origin criterion may be met in the exporting party and in a defined group of third countries, such as the other parties to preferential trade agreements and regional country groups.

01133 Cumulation: Full

When the origin criterion may be met in the exporting country, members of the preferential trade agreement and in third countries.

01139 Cumulation not elsewhere specified

0114 Substantial transformation: Change in tariff classification, without exception

When originating status is conferred to a good that is classified under a different HS chapter, heading or subheading from that of the non-originating inputs. No exceptions are available.

Example: A dry-cleaning machine (HS code 8542.10) will receive originating status in the country where its components of HS code 8451.90 are assembled into a dry-cleaning machine of HS code 8542.10.

01141 Cumulation: Bilateral

When the origin criterion may be met in the exporting and the importing party.

01142 Cumulation: Diagonal

When the origin criterion may be met in the exporting party and in a defined group of third countries such as the other parties to preferential trade agreements and regional country groups.

01143 Cumulation: Full

When the origin criterion may be met in the exporting country, members of the preferential trade agreement and in third countries.

01149 Cumulation not elsewhere specified**0115 Substantial transformation: Change in tariff classification, with exception**

When originating status is conferred to a good that is classified under a different HS chapter, heading or subheading from that of the non-originating inputs.

Exceptions are available.

Example: Fats and bones (HS code 1501) originate in the country where they are manufactured from materials of any HS heading except HS headings 0203, 0206, 0207 or bones of HS heading 0606.

01151 Cumulation: Bilateral

When the origin criterion may be met in the exporting and the importing party.

01152 Cumulation: Diagonal

When the origin criterion may be met in the exporting party and in a defined group of third countries such as the other parties to preferential trade agreements and regional country groups.

01153 Cumulation: Full

When the origin criterion may be met in the exporting country, members of the preferential trade agreement and in third countries.

01159 Cumulation not elsewhere specified

0116 Substantial transformation: Technical requirements

When a good originates in the country where a pre-defined technical requirement, i.e. a specific working or processing, has taken place.

***Example:** Manufactures from fabric for articles of apparel and clothing accessories, not knitted or crocheted, are considered here.*

01161 Cumulation: Bilateral

When the origin criterion may be met in the exporting and the importing party.

01162 Cumulation: Diagonal

When the origin criterion may be met in the exporting party and in a defined group of third countries such as the other parties to preferential trade agreements and regional country groups.

01163 Cumulation: Full

When the origin criterion may be met in the exporting country, members of the preferential trade agreement and in third countries.

01169 Cumulation not elsewhere specified**0117 Alternative requirements**

When a good's origin can be determined by using one of two or more criteria available to prove a substantial transformation.

Example: *Alternative requirements are reflected in the following item: HS 8411.22 turboprops of a power exceeding 1,100 kW; regional value content of 40 per cent or change in subheading.*

01171 Cumulation: Bilateral

When the origin criterion may be met in the exporting and the importing party.

01172 Cumulation: Diagonal

When the origin criterion may be met in the exporting party and in a defined group of third countries such as the other parties to preferential trade agreements and regional country groups.

01173 Cumulation: Full

When the origin criterion may be met in the exporting country, members of the preferential trade agreement and in third countries.

01179 Cumulation not elsewhere specified**0119 Origin criterion not elsewhere specified****012 Proofs of origin**

Documents or statements serving as prima facie evidence that the goods to which they relate meet the origin criteria under applicable rules of origin. Proofs of origin include certificates of origin, self-issued certificates of origin and declarations of origin made by the importer.

0121 Certificate of origin issued by authority

A document wherein a government authority or body empowered to issue proofs of origin expressly certifies that the good is considered originating according to the applicable rules of origin.

Example: The certificate of origin shall be issued by the government authorities of the exporting party.

0122 Certificate of origin issued by exporter

A document wherein the exporter expressly certifies that the good is considered originating according to the applicable rules of origin.

Example: To be entitled to generate a statement on origin, an economic operator must be registered in a database by the relevant competent authorities. The economic operator will then become a registered exporter.

0123 Importer declaration

A document wherein the importer expressly certifies that the good is considered originating according to the applicable rules of origin.

Example: Whenever articles are entered with a claim for duty exemption, the importer shall be deemed to certify that such articles meet all of the conditions for duty exemption.

0129 Proof of origin not elsewhere specified

013 Proof of direct shipment

A proof of direct shipment is required.

Example: Import goods must be shipped directly. Evidence showing that the goods have been shipped directly must be presented upon request. An importer may be requested to submit further evidence, such as sales orders, reports of entry documents and cargo-control documents.

02 Non-preferential rules of origin

Non-preferential rules of origin cover laws, regulations and administrative determinations of general application applied by the Governments of importing countries to determine the country of origin of goods. Rules of origin are important in implementing trade policy instruments such as anti-dumping and countervailing duties, origin marking and safeguard measures.

Non-preferential rules of origin are different from preferential rules of origin. While preferential rules of origin can affect the tariff rate applied to an imported good, non-preferential rules of origin are laid down by national Governments and do not affect the tariff applied to an imported good.

021 Origin criterion

A test that defines the origin of a good. A good is either wholly obtained in the country where most or all of its inputs and processing originate, or, when inputs or manufacturing steps originate in more than one country, the country where a substantial transformation occurs. A substantial transformation may be defined either as an ad valorem percentage, a change in tariff classification or a specific working or processing requirement.

0211 Wholly obtained

Originating status conferred to a good that is entirely or largely produced or manufactured in one country without using non-originating materials.

0212 Substantial transformation: Ad valorem percentage criterion as value addition

When a good obtains originating status of the country where a defined value added percentage has been reached.

Different methods may be allowed to calculate the share of value added.

0213 Substantial transformation: Ad valorem percentage criterion as value of materials

Originating status conferred to a good whose inputs do not exceed a given amount of non-originating materials out of a given finished price of the good or achieve a minimum content of originating materials.

0214 Substantial transformation: Change in tariff classification, without exception

When originating status is conferred to a good that is classified under a different HS chapter, heading or subheading from that of the non-originating inputs. No exceptions are available.

0215 Substantial transformation: Change in tariff classification, with exception

When originating status is conferred to a good that is classified under a different HS chapter, heading or subheading from that of the non-originating inputs. Exceptions are available.

0216 Substantial transformation: Technical requirement

When a good originates in the country where a pre-defined technical requirement, i.e. a specific working or processing, has taken place.

0217 Alternative requirements

When a good's origin can be determined by using one of two or more criteria available to prove a substantial transformation.

0219 Origin criterion not elsewhere specified

022 Proofs of origin

Documents or statements serving as prima facie evidence that the goods to which they relate meet the origin criteria under the applicable rules of origin. Proofs of origin include certificates of origin, self-issued certificates of origin and declarations of origin made by the importer.

0221 Issued by authority

A document wherein a government authority or body empowered to issue proofs of origin expressly certifies that the good is considered originating according to the applicable rules of origin.

Example: *The certificate of origin shall be issued by the government authorities of the exporting party.*

0222 Issued by exporter

A document wherein the exporter expressly certifies that the good is considered originating according to the applicable rules of origin.

Example: *To generate a statement on origin, an economic operator must be registered in a database by the relevant competent authorities. The economic operator will then become a registered exporter.*

0223 Importer declaration

A document wherein the importer expressly certifies that the good is considered originating according to the applicable rules of origin.

Example: *Whenever articles are entered with a claim for duty exemption, the importer shall be deemed to certify that such articles meet all of the conditions for duty exemption.*

0229 Proof of origin not elsewhere specified

09 Rules of origin not elsewhere specified

P. EXPORT-RELATED MEASURES

Measures applied to exported goods by the Government of the exporting country.

P1 Export measures related to sanitary and phytosanitary measures and technical barriers to trade

Export regulations referring to the technical specification of products and conformity-assessment systems thereof.

P11 Authorization or permit requirements to export, for technical reasons

Requirements to obtain a licence or a permit by the Government of the exporting country to export products for technical reasons, i.e. relating to product characteristics or their related processes and production methods.

***Examples:** The exportation of edible meat, offal and meat products is subject to permit requirements. To obtain a permit, an exporter must submit a declaration of conformity stating that the products comply with the requirements of the specific importing country, along with other required documents.*

P12 Export registration requirements for technical reasons

Requirements to the effect that products or exporters should be registered before exportation.

***Example:** Pharmaceutical products, together with a detailed list of their ingredients and presence of potential allergens, should be registered before being exported.*

P13 Production and post-production requirements to export

Requirements relating to production and post-production processes, including, inter alia, hygienic requirements, treatments for the elimination of plant and animal pests and disease-causing organisms, as well as requirements concerning the conditions under which products should be stored and/or transported before they can be exported.

***Example:** All cattle, except those found free of ectoparasites or those intended for exportation for slaughter purposes to any foreign country, shall be treated for ectoparasites within 30 days preceding the date of export.*

P14 Product quality, safety, or performance requirements

Final product requirements relating to safety, performance, quality, tolerance limits for residues and the restricted use of certain substances.

Example: *It is unlawful for any person to export any species of fish regulated pursuant to this part (such as Atlantic mackerel, squid, and butterfish fisheries) that do not meet the minimum size provisions in the regulation.*

P15 Labelling, marking, or packaging requirements

Requirements to the effect that the products should be labelled, marked or packaged in a certain way before they can be exported.

Example: *Pesticides for export shall be labelled to include warning or caution statements, as well as the registration number of the producing establishment. Onions specified as meeting export-packing requirements shall be packed in containers having a net capacity of 25 kg.*

P16 Conformity assessments

Requirements issued by the exporting country for verification that a given sanitary or phytosanitary requirement or technical barrier to trade requirement has been met before the goods are exported. This could be achieved by an inspection and approval procedure or combined forms thereof, including procedures for sampling, testing and inspection; evaluation, verification and assurance of conformity; and accreditation and approval.

P161 Testing requirements

Requirements by the exporting country to conduct testing of products against given requirements, before they can be exported. These measures include sampling requirements.

Example: *To be eligible for export, all goats over one month of age shall be negative to a caudal intradermal tuberculin test using 0.1 ml of tuberculin with a reading obtained 72 hours (plus or minus 6 hours) after injection.*

P162 Inspection requirements

Requirements by the exporting country to conduct an inspection of the products before they can be exported; laboratory testing not included.

Example: *Exports of processed food products must be inspected for sanitary conditions.*

P163 Certification required by exporting country

Requirement by the exporting country to obtain sanitary, phytosanitary or other certification before the goods are exported.

Example: The exportation of live animals must carry individual health certificates.

P169 Conformity-assessment measures not elsewhere specified

P17 Export prohibition for sanitary and phytosanitary reasons

Prohibition of exporting certain products for sanitary and phytosanitary reasons.

Example: The exportation of meat and meat products from regions affected by bovine spongiform encephalopathy, also known as mad cow disease, is prohibited until the eradication of the disease.

P19 Technical export measures not elsewhere specified

P2 Export formalities

P21 Requirements to pass through specified port of customs for exports

Obligation for exports to pass through a designated entry point and/or customs office for inspection, testing and so forth.

Example: All animals shall be exported through ports of embarkation that have adequate export-inspection facilities.

P22 Export monitoring and surveillance requirements

Administrative measures that seek to monitor the export value or volume of specified products.

Example: Exporters of certain electrical equipment must notify the export volume of items exported, for statistical purposes.

P29 Export formalities not elsewhere specified

P3 Export licences, export quotas, export prohibition and other restrictions other than sanitary and phytosanitary or technical barriers to trade measures

Restrictions to the quantity of goods exported to a specific country or countries by the Government of the exporting country for reasons such as a shortage of goods in the domestic market, the regulation of domestic prices, prevention of anti-dumping measures or for political reasons.

Trade-related investment measures in the form of export restrictions are included in this category.

Export prohibitions or restrictions other than duties, taxes or other charges are generally prohibited by GATT (1994) article XI. However, they can be applied under specifically determined circumstances (for example, articles XX and XXI of the Agreement).

P31 Export prohibition

Prohibition of exports of certain products.

***Example:** The exportation of corn is prohibited because of a shortage in domestic consumption.*

P32 Export quotas

Quotas that limit the value or volume of exports.

***Example:** An export quota of beef is established to guarantee adequate supply in the domestic market.*

P33 Licensing, permit or registration requirements to export

Requirements by the Government of the exporting country to obtain a licence or permit or to register before exporting products.

***Example:** Diamond ore exports are subject to licensing by the Ministry. Some mineral resources such as coal need to be registered before being exported.*

P39 Export restrictions not elsewhere specified

P4 Export price-control measures, including additional taxes and charges

P41 Measures implemented to control the prices of exported products

Measures that apply only to or discriminate against goods intended for exportation. These measures can be in the form of a different tax or price on goods intended for exportation than when these goods are sold on the domestic market.

Example: Different prices for exports are applied for the same product sold on the domestic market (dual pricing schemes).

P42 Export taxes and duties

Taxes collected on exported goods by the Government of the exporting country. Such taxes can be set either on a specific or an ad valorem basis.

Example: An export duty on crude petroleum is levied for revenue purposes.

P43 Export charges or fees levied in connection with services provided

Charges or fees required for services rendered.

Example: Exporters of stimulant raw material shall pay to the national treasury an amount of actual calculated handling fees for the examination of the exporter.

P49 Export price-control measures, taxes and charges not elsewhere specified

P5 State-trading enterprises, for exporting; other selective export channels

P51 State-trading enterprises, for exporting

Enterprises (whether or not State-owned or -controlled) with special rights and privileges not available to other entities, which influence through their purchases and sales the level or direction of exports of particular products. See H1.

Example: Such State-trading enterprises would include an export monopoly board to take advantage of the terms of sale abroad and a marketing board to promote for export on behalf of a large number of small farmers.

P59 Other selective export channels not elsewhere specified

P6 Export-support measures

Financial contributions by a Government or public body, or by government entrustment or direction of a private body (direct or potential direct transfer of funds: for example, grants, loans, equity infusions, guarantees; government revenue foregone; provision of goods or services or purchase of goods; and payments to a funding mechanism), or income or price support, which confers a benefit and is contingent in law or in fact upon export performance (whether solely or as one of several conditions), including measures illustrated in annex I of the Agreement on Subsidies and Countervailing Measures and measures described in the Agreement on Agriculture.

Example: *All manufacturers in country A are exempt from income tax on their export profits.*

P7 Measures on re-export

Measures applied by the Government of the exporting country on exported goods that have originally been imported from abroad.

Example: *The re-exportation of wines and spirits to the producing country is prohibited. Re-exportation is commonly practised in cross-border trade to avoid the imposition of domestic excise taxes in the producing country.*

P9 Export measures not elsewhere specified



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