STATUTORY INSTRUMENTS

1973 No. 653

CUSTOMS AND EXCISE

The European Free Trade Association Countries (Origin of Certain Goods) Regulations 1973

Made - - - -	*29th March* 1973
Laid before the House of Commons	*2nd April* 1973
Coming into Operation	*1st April* 1973

The Secretary of State, in exercise of powers conferred by section 12(2) of the Import Duties Act 1958**(a)** and now vested in him **(b)**, and of all other powers enabling him in that behalf, hereby makes the following Regulations:—

Citation, operation, interpretation

1.—(1) These Regulations may be cited as the European Free Trade Association Countries (Origin of Certain Goods) Regulations 1973 and shall come into operation on 1st April 1973.

(2) The Interpretation Act 1889**(c)** shall apply for the interpretation of these Regulations as it applies for the interpretation of an Act of Parliament.

(3) For the purposes of these Regulations—

(*a*) an "Association country" means any of the following countries, namely, Austria, Finland, Iceland, Norway (including Spitzbergen), Portugal (including the Azores and Madeira), Sweden or Switzerland (including Liechtenstein);

(*b*) the "Community" means the European Economic Community;

(*c*) "drawback" means repayment or remission of duty under any arrangement, including temporary duty free admission, for the refund or remission of all or part of the duties applicable to imported materials used in the production or manufacture of goods, provided that the arrangement, expressly or in effect, allows such refund or remission if the goods are exported but not if they are retained for home use; and "remission" includes exemption from duties for materials brought into free ports, free zones or other places which have similar customs privileges;

(*d*) "originating" refers, in relation to materials and parts, to materials and parts which would, if these Regulations, other than Regulation 3(2) (relating to consignment), were applicable to them fall to be treated as produced or manufactured in a country or area.

(a) 1958 c. 6.
(b) *See* S.I. 1970/1537 (1970 III, p. 5293).
(c) 1889 c. 63.

(4) Schedule 1 hereto shall have effect for defining the terms and the application of the rules mentioned in Schedule 2 or Schedule 3 hereto.

2.—(1) For the purposes of any Order made under section 1, 3 or 13 of the Import Duties Act 1958, the question whether goods of a description specified in Schedule 2 hereto are to be treated as produced or manufactured in an Association country shall be determined in accordance with these Regulations:

Provided that where an Association country is named in column 3 of that Schedule in relation to goods of any description (being goods covered by Community provisions relating to origin in the case of the Association country so named) these Regulations shall not apply to determine the question whether they are to be treated for the aforementioned purposes as being produced or manufactured in that country.

(2) Materials and parts shall, for the purposes of these Regulations, be treated as having been imported into a country unless they are shown to the satisfaction of the Commissioners of Customs and Excise not to have been so imported.

Provisions relating to drawback and consignment

3.—(1) The following Regulations shall apply subject to the provisions of paragraphs (2) and (3) of this Regulation.

(2) Goods to which these Regulations apply shall not be treated as produced or manufactured in an Association country unless:

(*a*) they were consigned to the United Kingdom from such a country or from another member State of the European Economic Community or,

(*b*) if not so consigned, they remained under customs control in any country (other than one described in paragraph (*a*) above) through which they were moved, were not entered for home use there and were not subject to any operation there other than unloading, reloading or any operation intended to keep them in good condition.

(3) Goods produced or manufactured in a country to which these Regulations apply from imported materials or parts shall not be treated as produced or manufactured there if drawback of customs duties was allowed (wholly or partially) in such a country in respect of any such imported materials or parts other than imported packing required for transport or storage of goods (not being packing in which the goods are ordinarily sold by retail) or imported materials for the production of such packing:

Provided that the provisions of this paragraph shall not apply to prevent used articles, scrap or waste from being treated as wholly produced in a country by virtue of paragraph (2) of the following Regulation.

Goods wholly produced or manufactured in an Association country

4.—(1) Goods which have been wholly produced or manufactured in an Association country without the use of any imported materials or parts shall be treated as produced or manufactured in that country.

(2) For the purpose of paragraph (1)—

(*a*) used articles fit only for the recovery of materials therefrom shall be treated as wholly produced in a country from materials produced there if they are collected in that country, and

(*b*) scrap or waste shall be treated as so produced if it results from the carrying on of any process of manufacture in that country.

Production or manufacture from imported materials or parts of a different tariff heading

5. Goods produced or manufactured in an Association country from imported materials or parts not falling within the same heading of the Customs Tariff 1959 as those goods shall be treated as produced or manufactured in that country except in the following cases:

(*a*) being goods mentioned in column 1 of Part I of Schedule 3 hereto, if they fall to be classified in a different tariff heading by reason only of the performance of the process mentioned in relation to them in column 2 of Part I of that Schedule or a combination of such a process and a process or processes mentioned in head (*b*) of this paragraph; or

(*b*) if they fall to be classified in a different tariff heading by reason only of the performance of one or more of the following minor processes, namely:

(i) operations intended solely to ensure that the goods remain in good condition during transit or storage, including chilling, placing in brine or any other solution, drying, spreading out, ventilating or removing damaged parts;

(ii) packing, repacking, bottling or splitting up into, or assembling into, consignments;

(iii) marking or labelling;

(iv) mixing—where any of the components mixed is an imported product.

Processing not involving a change of tariff heading

6. Goods mentioned in column 1 of Part II of Schedule 3 hereto which have undergone in an Association country the process mentioned in column 2 of that Part of that Schedule shall be treated as produced or manufactured in that country.

Disregard in certain cases of value added to materials and parts in other Association countries and in the United Kingdom and Denmark

7.—(1) Goods which do not fall to be treated by virtue of Regulations 5 and 6 above as produced or manufactured in an Association country shall nevertheless be treated as so produced or manufactured in any case where they would fall to be so treated under those Regulations if materials and parts originating in another Association country or originating in the area represented by the United Kingdom and Denmark were regarded as not being imported products, provided that the conditions specified in the following paragraphs are satisfied in relation to the goods.

(2) If a rule in Part II of Schedule 3 limits to 50 per cent. the value of imported materials and parts which may be used in the production or manufacture of the goods, the value of imported materials so used (other than those not so regarded by virtue of paragraph (1) above) shall not exceed 50 per cent. of the value added to the product in the Association country in question, and for these purposes the value added to the goods shall be taken as the value of the goods on export to the United Kingdom less the value of the imported materials and parts so used.

(3) In any case to which a percentage rule referred to in paragraph (2) above does not apply, goods shall not be treated as produced or manufactured in an Association country by virtue of paragraph (1) above unless the value of imported materials used in any process of production or manufacture which the goods undergo in the country in question does not exceed 5 per cent. of the value of the goods on export to the United Kingdom.

(4) For the purposes of paragraphs (2) and (3) above the value of goods exported to the United Kingdom shall be assessed according to the rules in paragraph 3 of Schedule 1 hereto and the value of imported materials and parts shall be assessed according to the rules in paragraph 3 of that Schedule.

29th March 1973.

Limerick,
Parliamentary Under Secretary of State,
Department of Trade and Industry.

SCHEDULE 1

INTERPRETATION OF SCHEDULES 2 AND 3

1. The descriptions of goods in column 1 of Schedules 2 and 3 hereto shall, if preceded by a reference to a tariff heading, be taken to comprise all goods classified in that heading or, where the description does not coincide with the description of that heading in the Customs Tariff 1959, be taken to include all goods falling within a sub-heading of that heading in the terms of the description in the column.

2. Where, for the purpose of any entry in column 2 of Schedule 3 hereto, it is necessary to determine the value of exported goods that value shall be taken as the ex-works price in the country of export less an amount equal to any internal taxes or charges refundable upon the export of the goods from that country.

3. Where, for any such purpose as aforesaid, it is necessary to determine the value of any imported materials or parts, their value shall:

(*a*) if the material or part is known to have been imported, be taken to be the value attributed to it for customs purposes at the time of importation; or

(*b*) if the origin of the material or part is uncertain or it is otherwise impossible to ascertain its value pursuant to head (*a*) and if the price at which it was sold under the first contract for its sale after importation can be proved, be taken to be that price; or

(*c*) in any other case, be such value as the Commissioners of Customs and Excise may determine.

4. Where, for any such purpose as aforesaid, it is necessary to calculate the value attributable to originating materials or parts, that value shall be taken to be:

(*a*) (i) where the ex-works price of any originating materials or parts used in the production or manufacture of the exported goods can be proved, that price less an amount equal to the value of any imported materials or parts used in the production or manufacture of those materials or parts; plus

(ii) where the ex-works price of any originating materials or parts employed in the processing of imported materials and parts used in the production or manufacture of the exported goods can be proved, that price; or

(*b*) where any price cannot be proved in accordance with head (*a*) such amount as the Commissioners may determine.

SCHEDULE 2

1. *Tariff Heading*	2. *Description of goods*	3. *Country (excluded from Regulations in case of goods specified in column 2)*
02.04	Whale meat	Iceland, Portugal
03.01	Quick frozen fish fillets A. Of salt water fish B. Other	Iceland
03.03	Quick frozen peeled prawns other than Dublin Bay prawns	Iceland
05.02	Pigs', hogs', and boars' bristles or hair	
05.03	Horsehair and horsehair waste A. Neither curled nor put up on a layer or between two layers of other material B. Other	
05.04	Sausage casings of pigs, of a c. i. f. import value exceeding £10 per cwt. (50·8 kg.) or an equivalent value in other currencies; edible guts, bladders and stomachs, whole and pieces thereof, of sheep, pigs and bovine animals, other than sausage casings	Portugal
05.05	Fish waste	
05.07	Skins and other parts of birds with their feathers or down etc.	
05.08	Bones and horn cores	
05.09	Horns etc.	
05.11	Tortoise-shell	
05.13	Natural sponges B. Other	
05.14	Ambergris	
05.15	Blood powder, blood plasma and salted fish roes unfit for human consumption	Portugal
07.01	Garlic, fresh or chilled	
07.04	Dried, dehydrated or evaporated leeks	
08.03	Figs, fresh	Portugal
08.05	Other nuts of heading 08.05, e.g. walnuts, with or without shells, hazelnuts in shell, other edible nuts A. Almonds: I. Bitter II. Other B. Walnuts C. Chestnuts D. Pistachio nuts F. Areca-nuts (or betel-nuts) and cola-nuts G. Other: II Other	

1. *Tariff Heading*	2. *Description of goods*	3. *Country (excluded from Regulations in case of goods specified in column 2)*
08.09	Honeydew melons and ogen melons, fresh	
09.01	Coffee, unmixed, roasted or ground	
	A. II. (*a*) Not freed of caffeine	
	(*b*) Freed of caffeine	
11.08	Starches, inulin; other than rice, millet and buckwheat starches, maize and milo starches, sago starch, manioc starch and potato starch	
	B. Inulin	
12.01	Mustard seeds, whole or broken	
12.03	Seeds of coniferous species, of a kind used for sowing	Portugal
12.07	Plants and parts etc., except basil, borage, mint (excluding dried peppermint and penny-royal), rosemary and sage	
	A. Pyrethrum (flowers, leaves, stems, peel and roots)	Portugal
	B. Liquorice roots	Portugal
	C. Tonka beans	Portugal
	D. Other	Portugal
13.01	Raw vegetable materials of a kind used primarily in dyeing or in tanning	
13.02	Shellac, seed lac, stick lac and other lacs; natural gums, resins, gum-resins and balsams:	
	A. Coniferous resins	
	B. Other	
13.03	Vegetable saps and extracts; pectic substances, pectinates and pectates; agar-agar and other mucilages and thickeners, derived from vegetable products:	
	A. Vegetable saps and extracts:	
	(i) Opium	
	(ii) Manna	
	(iii) Quassia-amara extract	
	(iv) Liquorice	
	(v) Pyrethrum extract and extracts of the roots of plants containing rotenone	
	(vi) Hop extract	
	(vii) Intermixtures of vegetable extracts, for the manufacture of beverages or of prepared foods	
	(viii) Other:	
	(*a*) Medicinal	
	(*b*) Not specified	
	B. Pectic substances, pectinates and pectates:	
	(i) Dry	Portugal
	(ii) Other	Portugal
	C. Agar-agar and other mucilages and thickeners, derived from vegetable products:	
	(i) Agar-agar	
	(ii) Mucilages and thickeners derived from locust beans or locust-bean seeds	
	(iii) Other	

1. *Tariff Heading*	2. *Description of goods*	3. *Country (excluded from Regulations in case of goods specified in column 2)*
14.01	Vegetable materials of a kind used primarily for plaiting (for example, cereal straw, cleaned, bleached or dyed, osier, reeds, rushes, rattans, bamboos, raffia and lime bark)	
14.02	Vegetable materials, whether or not put up on a layer or between two layers of other material, of a kind used primarily as stuffing or as padding (for example, kapok, vegetable hair and eel-grass)	
14.03	Vegetable materials of a kind used primarily in brushes or in brooms (for example, sorgho, piassava, couch-grass and istle), whether or not in bundles or hanks	
14.04	Hard seeds, pips, hulls and nuts, of a kind used for carving (for example, corozo and dom)	
14.05	Vegetable products not elsewhere specified or included	
15.04	Fats and oils, of fish and marine mammals, whether or not refined A. Fish liver oils	Iceland, Portugal
	B. Other	Iceland
15.05	Wool grease and fatty substances derived therefrom	
15.06	Neat's-foot oil imported for technical purposes	
15.07	Oils extracted from olive residues by means of chemicals for technical purposes	
15.08	Animal and vegetable oils	
15.09	Degras	
15.10	Fatty acids; acid oils from refining; fatty alcohols A. Stearic acid B. Oleic acid C. Other fatty acid: acid oils from refining D. Fatty alcohols	Austria
15.10	Fatty acids from pine wood	Austria, Finland, Portugal, Sweden, Switzerland
15.11	Glycerol and glycerol lyes	
15.12	Products of this heading wholly of fish and marine mammals	Iceland
15.14	Spermaceti, crude, pressed or refined	
15.15	Beeswax and other insect waxes	
15.16	Vegetable waxes	

1. *Tariff Heading*	2. *Description of goods*	3. *Country (excluded from Regulations in case of goods specified in column 2)*
15.17	Residues resulting from the treatment of fatty substances or animal or vegetable waxes	
	A. Containing oil having the characteristics of olive oil	
	(i) Soap-stocks	
	(ii) Other	
	B. Other	
	(i) Oil foots and dregs; soap-stocks	
	(ii) Not specified	
16.02	Liver paste, not canned	
	A. I. Goose or duck liver	
16.03	Whale meat extract in immediate packings of a net capacity of	
	A. 20 kg. or more	Portugal
	B. 1 kg. to 20 kg.	Portugal
	C. 1 kg. or less	Portugal
16.04	Prepared or preserved fish including caviar and caviar substitutes	Finland
	A. Caviar and its substitutes	Iceland, Portugal
	B. Salmonidae	Portugal
	C. Herring	Iceland, Portugal
	D. Sardines	Portugal
	E. Tunny	Portugal
	F. Bonito, mackerel, anchovies	Portugal
	G. Smoked saithe	Portugal
	H. Others	Iceland, Portugal
16.05	Crustaceans and molluscs, prepared or preserved	
	A. Crabs	Iceland, Portugal
	B. Other	Iceland, Portugal
17.04	Liquorice juice without addition of sugar	Austria, Finland, Iceland, Portugal, Sweden
18.03	Cocoa paste	
18.04	Cocoa butter	
18.05	Cocoa powder, unsweetened	
18.06	Chocolate and other food preparations containing cocoa	
	A. Sweetened cocoa powder, paste of nougat in blocks of 10 kg. or more and powder for making desserts	Austria, Finland, Portugal, Sweden, Switzerland

1. *Tariff Heading*	2. *Description of goods*	3. *Country (excluded from Regulations in case of goods specified in column 2)*
20.02	Olives, prepared or preserved otherwise than by vinegar or acetic acid	
20.02	Potato crisps	
20.06	Nuts otherwise prepared, whether or not containing sugar or spirit in immediate packings of a net capacity of A. (i) Of more than 1 kg. (ii) Of 1 kg. or less	
21.01	Roasted chicory, extracts, essences and concentrates thereof A. Roasted chicory B. Extracts, essences and concentrates of roasted chicory	 Iceland
21.02	Extracts, essences or concentrates, of coffee, tea or maté; preparations with a basis of these extracts, essences or concentrates	
21.03	Mustard flour and prepared mustard	
21.04	Sauces, condiments and mixed seasonings A. Mango chutney (Liquid) B. Other	 Austria, Switzerland Austria, Finland, Portugal, Sweden, Switzerland
21.05	Homogenized composite food preparations not containing meat or meat offals A. In packings of less than 5kg. B. Other	 Iceland, Austria Austria
21.06	Active natural yeasts Pressed yeast	 Iceland
21.06	Prepared baking powders	Iceland
21.07	Products falling within sub-heading 21.07(F)(I)(*a*)(1) except hydrolysates of protein and autolysates of yeasts, coffee pastes and fat emulsions and similar preparations of a kind used in the manufacture of baker's wares, containing 10 per cent or more of fat by weight A. Sweetening matter in tablet form B. Other	 Switzerland
22.01	Waters, including spa waters and aerated waters	
22.02	Lemonade, flavoured spa waters and flavoured aerated waters, and other non-alcoholic beverages, not including fruit and vegetable juices falling within heading No. 20.07, not containing milk or fats derived from milk, and not containing sugar	Austria, Portugal

1. *Tariff Heading*	2. *Description of goods*	3. *Country (excluded from Regulations in case of goods specified in column 2)*
22.10	Vinegar and substitutes for vinegar A. Wine vinegar, imported in containers containing: I. 2 litres or less II. More than 2 litres B. Other, imported in containers containing: I. 2 litres or less II. More than 2 litres	
23.01	Flours and meals, of meat, offals, fish, crustaceans or molluscs, unfit for human consumption; greaves	
	A. Flours and meals of meat and offals; greaves	Iceland, Portugal
	B. Flours and meals of fish, crustaceans or molluscs	Iceland, Portugal
23.07	Fish solubles of a kind used in animal feeding	Portugal
27.10	Petroleum oils and oils other than hydro-carbon oil, containing 'light oil' and obtained from bituminous minerals, other than crude; preparations not elsewhere specified or included containing 'light oil' and not less than 70 per cent by weight of petroleum oils or of oils obtained from butuminous minerals, these oils being the basic constitutents of the preparations.	
29.01	'Hydrocarbon oils' other than those included in sub-headings (A) (1) and (2) and (B).	
34.03	Lubricating preparations, and preparations of a kind used for oil or grease treatement of textiles, leather or other materials, but not including preparations containing 70 per cent or more by weight of petroleum oils or of oils obtained from bituminous minerals; containing less than 50 per cent by weight of siloxanes, if any, and containing 'light oil'.	
35.02	Albumins A. Albumins: I. Unfit, or rendered unfit, for human consumption II. Other: (*a*) Ovalbumin and lactalbumin: 1. Dried (in sheets, scales, flakes, powder, etc.) 2. Other (*b*) Not specified	Austria Austria, Portugal
38.19	Foundry core binders based on starch or dextrin	Finland, Iceland, Portugal, Sweden, Switzerland
38.19	Other chemical products and preparations of the chemical or allied industries (including those consisting of mixtures of natural products), not elsewhere specified or included; residual products of the chemical or allied industries, not elsewhere specified or included, with a total sugar, starch or milk content of 30% or more	Finland, Iceland, Portugal, Sweden, Switzerland

1. *Tariff Heading*	2. *Description of goods*	3. *Country (excluded from Regulations in case of goods specified in column 2)*
39.06	Ethers and esters of starch, water soluble	Finland, Iceland, Portugal, Sweden, Switzerland
45.01	Natural cork, unworked, crushed, granulated or ground; waste cork	
54.01	Flax, raw or processed but not spun; flax tow and waste (including pulled or garnetted rags)	Portugal
57.01	True hemp (cannabis sativa), raw or processed but not spun; tow and waste of true hemp (including pulled or garnetted rags or ropes)	Portugal

SCHEDULE 3

PART I

Tariff Heading	*Exported Product*	*Processing that does not confer the status of originating product*
20.02	Olives	Preservation of fresh or deep-frozen olives

PART II

Tariff Heading	*Exported Product*	*Working or processing which, even if not resulting in a change of tariff heading of the materials or parts, qualifies the goods for treatment as of an Association country*
03.01	Quick frozen fish fillets	Filleting and quick freezing
03.03	Quick frozen peeled prawns other than Dublin Bay prawns	Peeling and quick freezing
05.02	Pigs', hogs' and boars' bristles or hair, washed	Washing
05.03	Horsehair and horsehair waste, worked	Manufacture from raw horsehair
05.04	Sausage casings of pigs, of a c.i.f. import value exceeding £10 per cwt. (50.8 kg.) or an equivalent value in other currencies; edible guts, bladders and stomachs, whole and pieces thereof, of sheep, pigs, and bovine animals, other than sausage casings	Manufacture in which the value of non-originating products used does not exceed 50 per cent. of the value of the finished product
05.07	Feathers and down of birds, cleaned	Cleaning (which must include washing, dusting and drying), sorting and blending of unworked feathers or down of birds
05.08	Powder of bones and horn cores	Grinding
05.09	Powder of horns, antlers, hooves, nails, claws and beaks of animals	Grinding
05.15	Blood powder	Manufacture from blood
13.03	Vegetable saps and extracts; pectic substances, pectinates and pectates; agar-agar and other mucilages and thickeners, derived from vegetable products	Manufacture in which the value of non-originating products used does not exceed 50 per cent. of the value of the finished product
14.05	Seaweed meal	Manufacture from seaweed
15.05	Fatty substances (including lanolin) derived from wool grease	Manufacture from unrefined wool grease
15.10	Fatty acids other than products obtained from pinewood, with a fatty acid content of 90 per cent or more by weight	Manufacture from acid oils from refining
15.10	Fatty alcohols	Manufacture from fatty acids
15.11	Refined glycerol	Refining or distilling
16.04	Prepared or preserved fish, including caviar and caviar substitutes	Manufacture in which the value of non-originating products used does not exceed 50 per cent. of the value of the finished product.
16.05	Crustaceans and molluscs, prepared or preserved	Manufacture in which the value of non-originating products used does not exceed 50 per cent. of the value of the finished product.
21.03	Prepared mustard	Manufacture from mustard flour

Tariff Heading	*Exported Product*	*Working or processing which, even if not resulting in a change of tariff heading of the materials or parts, qualifies the goods for treatment as of an Association country*
27.10	Petroleum oils and oils other than hydrocarbon oil containing 'light oil' and obtained from bituminous minerals, other than crude; preparations not elsewhere specified or included, containing 'light oil' and not less than 70 per cent. by weight of petroleum oils or of oils obtained from bituminous minerals, these oils being the basic constituents of the preparations	Manufactured by processes not consisting solely of mixing or blending or packing or any combination of these processes
35.02	Ovalbumin and lactalbumin, other than those unfit or rendered unfit for human consumption	Manufacture in which the value of non-originating products used does not exceed 50 per cent. of the value of the finished product.

EXPLANATORY NOTE

(*This Note is not part of the Regulations.*)

These Regulations, which come into operation on 1st April 1973, lay down the conditions under which certain goods are to be regarded as produced or manufactured in Austria, Finland, Iceland, Norway, Portugal, Sweden or Switzerland (the "Association countries") for the purposes of any Order made under the Import Duties Act 1958.

The goods to which these Regulations apply are listed in Schedule 1. They are products hitherto entitled to duty-free entry under the E.F.T.A. Convention but not covered by the Free Trade Agreements between the countries in question and the European Economic Community. They will remain eligible for preference, but on a degressive scale.

The conditions under which the goods are to be regarded as produced or manufactured in an Association Country are similar to those which apply to goods covered by the Agreements.

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