

What is Rules of Origin?

Origin is the economic nationality of a product. It is determined by where the last substantial transformation took place, not where the goods were shipped from. Origin decides which duty rate applies, whether preferential rates under an FTA are available, and whether trade-defence measures (anti-dumping, safeguards, Section 301, forced-labour tariffs) apply.

The four common rule types

- 1 **Wholly obtained:** the product comes entirely from one country (e.g. minerals extracted there).
- 2 **Change of tariff heading:** processing changes the HS heading of inputs into a new heading.
- 3 **Value-added threshold:** a minimum share of local content, calculated per the FTA.
- 4 **Specific process:** a listed operation (e.g. weaving, chemical reaction) must take place.

Two types of origin

- **Non-preferential:** the default. Determines the MFN rate, anti-dumping, safeguards, quotas and marking.
- **Preferential:** under an FTA. Meeting the product-specific rule (change of tariff heading, value-added threshold, specific process) unlocks reduced or zero tariffs.

Why it matters

New Section 301 forced-labour tariffs cover around sixty economies at rates that depend on origin. A supplier switch that changes origin can create or remove a duty. FTA preferences are worthless without a valid origin file. Cumulation rules can help: inputs from FTA-partner countries may sometimes count as originating.



- You claim FTA preferences without a documented origin file.
- Your supply chain has shifted country but origin has not been re-assessed.
- Inputs from multiple countries are assembled into a single product.
- You rely on a supplier declaration without checking the underlying rule.

Mini case. A garment importer was hit by forced-labour tariffs on a product it believed originated in Vietnam. On review, cutting and stitching in Vietnam did not meet the applicable rule of origin; the product still originated in China. A supplier restructure now aligns the process with the rule.

How to get it right

- Identify the applicable rule (non-preferential or the FTA-specific rule).
- Document the production process and the input origins against that rule.
- For material FTA claims, apply for Binding Origin Information (EU) or register under REX for self-certification.
- Re-assess origin whenever a supplier, input or process changes.

Free tools & resources

EU ROSA (Rules of Origin Self-Assessment)

trade.ec.europa.eu/access-to-markets

REX system

customs.ec.europa.eu/rex

Binding Origin Information (EU)

taxation-customs.ec.europa.eu

Options for a Dutch business without an in-house customs team

Your customs broker; a specialist trade or customs adviser; your industry or branch organisation. For legal certainty on a specific product, apply for Binding Origin Information.

Key vocabulary.

Substantial transformation: the processing step that confers origin.
Cumulation: treating inputs from FTA-partner countries as originating.
REX: EU self-certification system for exporters.
BOI: Binding Origin Information, an EU ruling on origin.