

PACER Plus

Rules of Origin

Rules of Origin (ROO) determine which goods are eligible for preferential tariff treatment. Product Specific Rules (PSRs) determine the circumstances in which goods imported from a member, that have components or inputs from a non-member, are still eligible for preferential tariff treatment.

PACER Plus has modern and flexible ROO and PSRs that will help create more opportunities for domestic value-adding for goods traded by members.

This will support greater participation of the members in regional and global supply chains.

In general terms, a good is eligible for preferential treatment under PACER Plus if it is wholly obtained or produced in one or more of the member countries, or meets PSRs as outlined in an annex to the Agreement. In line with international best practice, the PSR Schedule in PACER Plus sets out up to three alternative rules to determine if an imported good originates from a member and qualifies for a preference:



Change of Tariff Classification (CTC)

A good has undergone a significant production process that changes its tariff classification.



Regional Value Content

At least 40% of value-adding has taken place within the PACER Plus membership, with the last process of production taking place in a PACER Plus member country. However, this applies to some, but not all, products.



Process Rules

A good has undergone a specific process that fundamentally changed its nature. For example, a substance that undergoes a chemical reaction that transforms it but does not change its tariff classification or changes it sufficiently to apply the CTC rule. This is available for some products.

Benefit

Importers of goods from other PACER Plus countries will receive preferential treatment if they can show that the goods being imported 'originate' from the country in question. For example, taro from Tonga will qualify for preferential treatment on entry to Kiribati if the importer can show that the taro originates in Tonga.