Tariff Preference: GSP - potential problems with imports of clothing products from Bangladesh

Customs Information Paper (08) 12	
Who should read:	All involved with importing clothing products from Bangladesh under the provisions of the EC's Generalised System of Preferences (GSP).
What is it about:	A European Commission Notice to Importers about potential problems with the preferential origin of the products concerned.
When effective:	15 February 2008
Extant until/expires	Until further notice

1. Background

JCCC Information Paper (07) 42 provided information about potential problems with textiles and clothing purporting to originate in Bangladesh, and the need for importers to ensure that they hold authentic proof or origin (GSP Forms A) and that their goods meet other origin requirements.

The Commission of the European Communities has now published (in Official Journal No C41 of 15 February 2008) a Notice to Importers on the matter.

2. The European Commission's Notice

NOTICE TO IMPORTERS

Imports of textile products from Bangladesh into the Community

(2008/C 41/06)

The European Commission informs Community operators that there is reasonable doubt as to the origin of textile products of HS chapters 61 and 62 from Bangladesh, for which the benefit of GSP preferential tariff treatment is claimed.

Within the framework of a Community administrative and investigative cooperation mission carried out in Bangladesh with the assistance of the local authorities, it was found that a significant proportion of Form A origin certificates were either false or issued on the basis of fraudulent or misleading information.

Community operators declaring and/or presenting documentary evidence of origin for imports of textile products of HS chapters 61 and 62 from Bangladesh are therefore advised to take all the necessary precautions, since the release of the goods in question for free circulation may give rise to a customs debt and lead to fraud against the Community's financial interests.

This notice replaces the Notice to importers - Textile products imported into the Community from Bangladesh under the generalised system of preferences (GSP) published in OJ C 119 of 30.4.1999, which reminded importers that they should always exercise due care over Form A origin certificates.

3. Recommended action

Importers are again strongly advised to check that their goods are covered by valid GSP Forms A and to confirm with their suppliers in Bangladesh that the garments they are importing meet the origin rules for preferential tariff treatment. The current GSP rules of origin for Chapter 61 and 62 clothing products can be found in Notice 828 Export Preferences: Rules of origin for exports, section 6.

Importers may also wish to consider what measures are available to them to protect their financial position should any enquiries carried out in future by HM Revenue & Customs (HMRC) or Commission Services reveal that products for which preferential origin has been claimed are not entitled to such status.

Finally, importers are reminded that relief will not be available under the 'good faith' provisions of Article 220.2(b) of the Community Customs Code (Council Regulation 2913/92), which are described in Notice 826 - Tariff Preference: Imports, section 2, for any customs duty debts arising on consignments of Chapter 61 and 62 garments imported from Bangladesh which are released to free circulation at a preferential rate of duty on or after the date of the publication (15 February 2008) of the above notice.

4. Contact

For further details please contact Yvette James, HMRC, Customs & International, Duty Liability, 6th Floor South, Portcullis House, 27 Victoria Avenue, Southend-on-Sea SS2 6AL. Tel 01702 367721, Fax 01702 361786 or via email.

Issued on the 15 February 2008 HMRC Customs & International Directorate by the JCCC Secretariat.

Email: JCCC Secretariat

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