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**GENERALIZED SYSTEM OF PREFERENCES  
OF SWITZERLAND  
FOR  
ARMENIAN EXPORTERS  
(SWISS GSP)**

**Embassy of Switzerland in Armenia  
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**SWISS-ARMENIAN BUSINESS DAY 2017**

**Yerevan, November 29, 2017**



- 1. THE SWISS GENERALIZED SYSTEM OF PREFERENCES (GSP)**
- 2. USE OF GSP / POTENTIALS FOR ARMENIA**
- 3. RULES OF ORIGIN IN THE SWISS GSP**
- 4. CURRENT DEVELOPMENTS CONCERNING THE SWISS GSP**



## **GSP BASICS**

The GSP system, enables industrialized countries on an autonomous basis to grant preferential tariff treatment to products from developing countries.

It is the privilege of **each individual country** (donor country) to choose **which countries** to be covered by the scheme, **which products** to be included by the scheme, together with the applicable **customs rate**.

Switzerland, the European Union, Australia, Canada, New Zealand, Japan, the USA and Turkey, among others, all provide preferential treatment to developing countries under the GSP.



## **WHAT IS SWISS GSP?**

- First introduced in 1972, based on Switzerland's intention to implement Resolution 21 (II) adopted by UNCTAD II in 1968**
- Several modifications; actual legal basis valid since 2011;**
- Covers all industrial goods and many agricultural products;**
- Provides preferential treatment in the form of reduction of or exemption from duty;**
- For least developed countries (LDCs) it covers all products and provides duty-free quota-free access;**



# LEGAL BACKGROUND

***Swiss Ordinance on Tariff Preferences***, adopted 30.03.2011, entered into force 01.05.2011, revising previous laws.

## **Principles:**

- Tariff preferences
- 2 categories differentiated among countries, depending on their development status:
  - Developing Country (Armenia, Iran, Kirghizstan, Georgia, Belorussia, Kazakhstan, etc.)
  - Least Developed Country (Bangladesh, Angola, Nigeria, etc.)

## **Political neutrality:**

- No GSP+ to reward good governance (cf EU)
- No temporary GSP to correct for temporary imbalances
- Purely based on technical criteria (GDP/capita)

**→ Foreseeable**



## **LEGAL BACKGROUND**

### **Exceptions:**

- Internationally competitive products (3.25% World trade)
- “Salvage” clause (agric. products, max 3 months)

### **Country Coverage:**

- "Ordinary" GSP countries as per OECD DAC list (ODA)
- Least developed countries (LDCs) UN list of LDCs
  - ✓ Preferential treatment is granted to 123 GSP countries, where 47 LDCs

### **Product Coverage + Duties:**

- ✓ Most agricultural + industrial products (textiles: 50% preference),  
see Annex 2, *Ordinance on Preferences*.



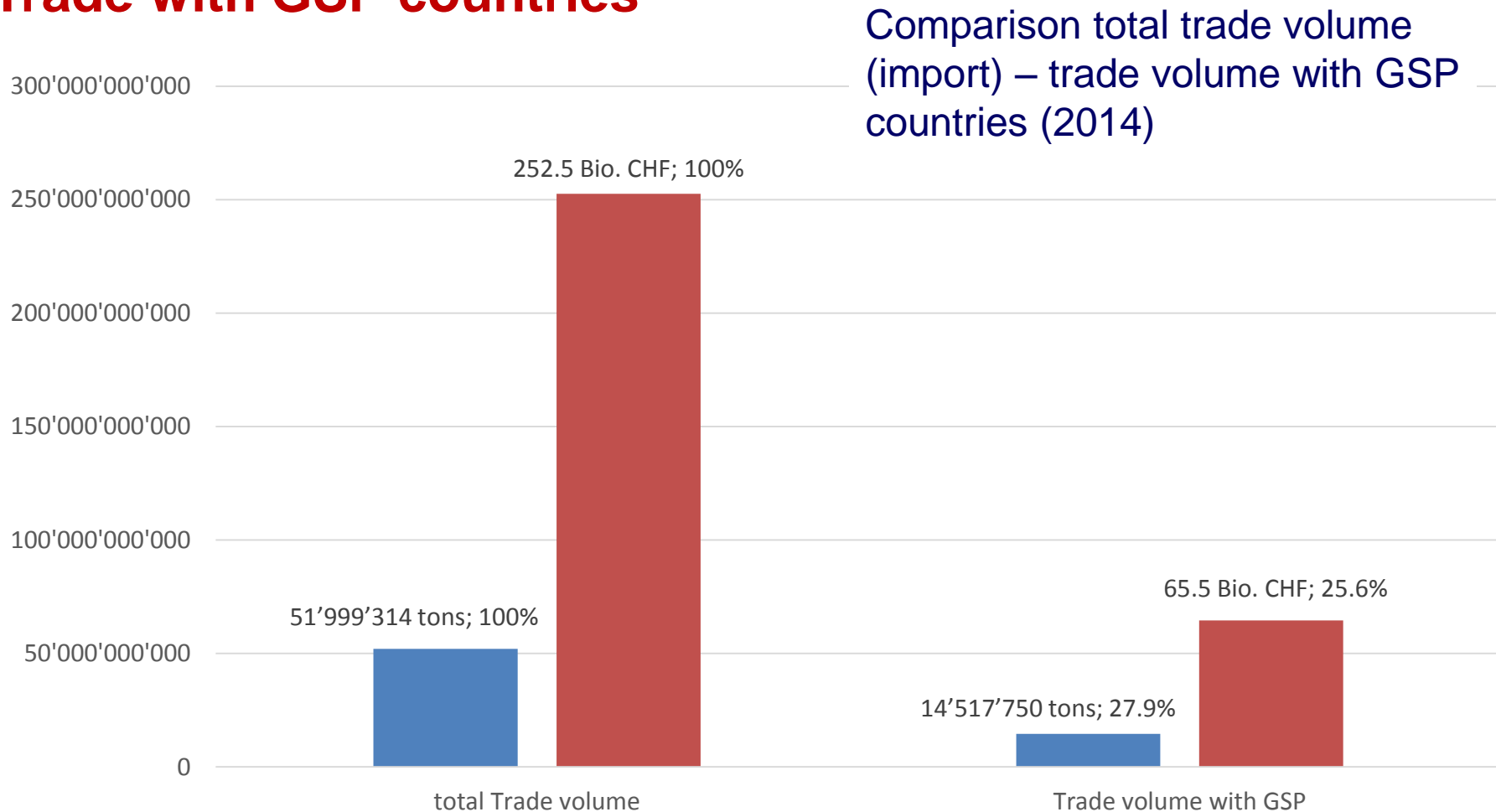
## **FACTS AND FIGURES ABOUT SWITZERLAND**

Per day....

- 1,5 mio. persons and 800'000 cars are passing the Swiss border;
- 22'000 trucks are customs cleared;
- 90'000 customs clearances are handled;
- 93 mio. CHF of revenue is collected;



## Trade with GSP countries





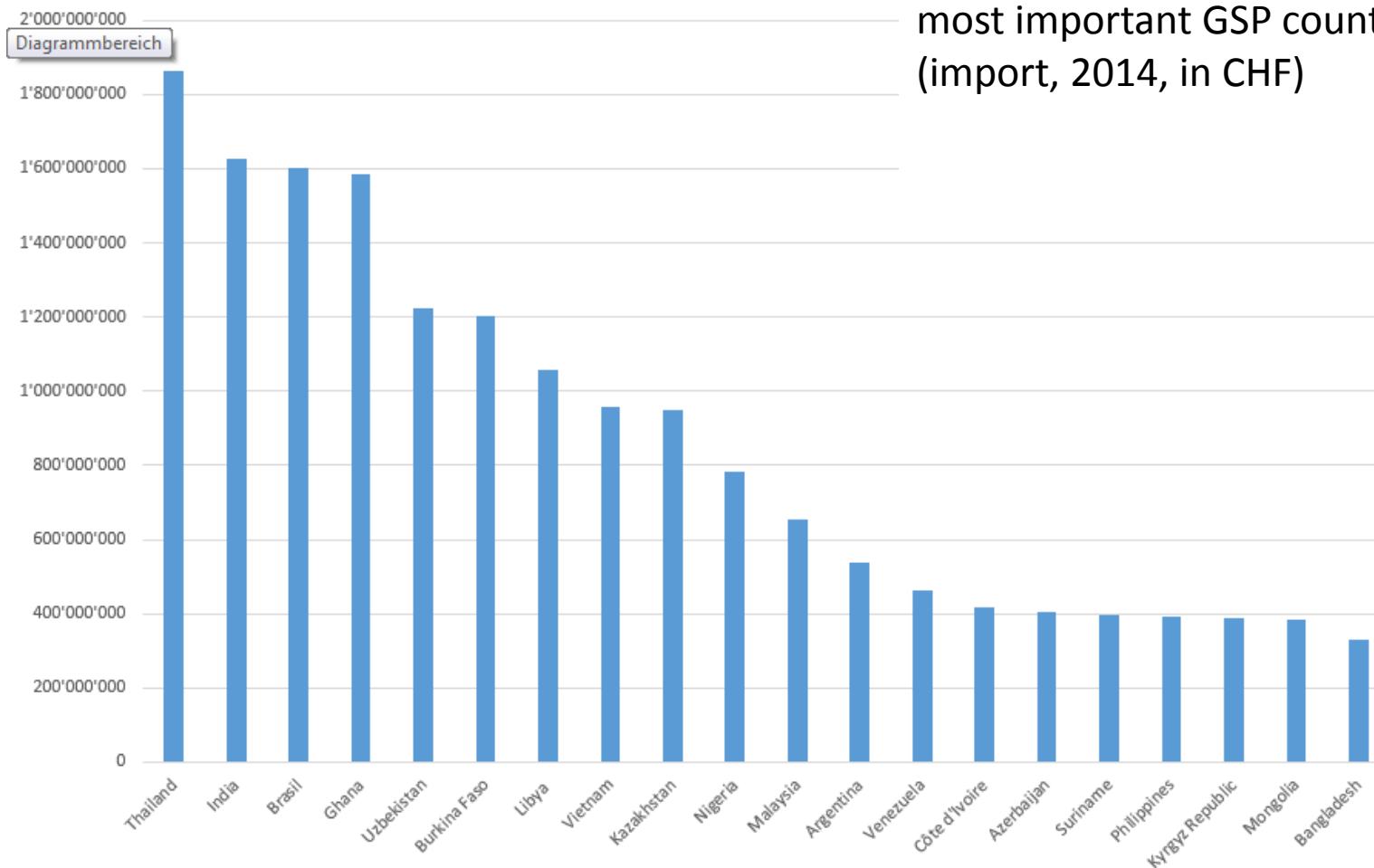


## SWISS-ARMENIAN BUSINESS DAY 2017

### SWISS GSP

#### 2. Use of GSP / Potentials for Armenia

## Trade with GSP countries



Trade volume with Switzerland's most important GSP countries (import, 2014, in CHF)

## **Switzerland – Armenia economic relations**

- ❑ Switzerland top 10 foreign investment partner of Armenia - 2016
- ❑ Trade volumes reached CHF 170 mln as of Oct. 2017
- ❑ This year compared to 2016 the trend has been changed and exports from Armenia to Switzerland increased and Armenia exports more to Switzerland than imports;
- ❑ Total imports of goods to Switzerland with origin Armenia amounted CHF 73,4mln for the 1<sup>st</sup> half of 2017
- ❑ Utilization rate of Swiss GSP by Armenia is 0.14% as of 1<sup>st</sup> half of 2017



# **RULES OF ORIGINE IN THE SWISS GSP**

## **CONDITIONS FOR SWISS GSP USE**

### **Two conditions to benefit from the Swiss GSP:**

1. The goods must **originate in a beneficiary country** in accordance with the Rules of origin.
2. A valid **proof of origin** must be submitted.



# **RULES OF ORIGINE IN THE SWISS GSP**

## **Basics:**

The implementation of trade policy measures often requires **differentiation in the treatment of goods coming from different countries.**

If such treatment only depended on the country where the goods were sent from, it would soon be found that products from all over the world were travelling via the country that enjoys the most favourable tariff treatment.

Rules of origin determine the criteria on how a product must be manufactured in order to obtain status as an "originating product" eligible for preferential tariff treatment.



# **RULES OF ORIGINE IN THE SWISS GSP**

Based on ***Swiss Ordinance on Tariff Preferences*** the exporters need to be compliant with the related Rules of origin, in order to obtain preferential treatment.

## **Origin Criteria:**

1. Wholly obtained products
2. Sufficiently worked or processed products
3. Accumulation of origin



# RECOGNITION OF ORIGINE

The EU, Switzerland, Norway have since 2000 agreed to:

- Apply similar Rules of origin for their respective GSPs
- Recognize proofs of origin established by each other's Customs administrations.

## **As a result:**

- ➔ Recognition of origin in the EU = origin in Switzerland, Norway
- ➔ Easy transit of GSP-benefiting products across the European continent



## **IMPORT CLEARANCE – EVIDENCES OF ORIGIN**

### **Form A (relevant for Armenia)**

- common proof of origin in GSP trade
- requested by the exporter in the Beneficiary Country (BC)
- signed and stamped by responsible authority in the BC ([Chamber of Commerce and Industry of the RA](#))
- validity: 10 months

### **Invoice declaration**

- up to a value of CHF 10'300 maximally
- issued and originally signed by the exporter in the BC
- validity: 10 months

### **EUR. 1**

- Only for consignments of CH materials to be used in production of goods in BC

1. Goods consigned from (Exporter's business name, address, country)

Reference No **A 426118**  
**GENERALIZED SYSTEM OF PREFERENCES**  
**CERTIFICATE OF ORIGIN**  
**(Combined declaration and certificate)**  
**FORM A**  
Issued in \_\_\_\_\_  
(country) See Notes overleaf

2. Goods consigned to (Consignee's name, address, country)

3. Means of transport and route (as far as known)

4. For official use

5. Item number	6. Marks and numbers of packages	7. Number and kind of packages; description of goods	8. Origin criterion (see Notes overleaf)	9. Gross weight or other quantity	10. Number and date of invoices
<b>SPECIMEN</b>					

**11. Certification**  
It is hereby certified, on the basis of control carried out, that the declaration by the exporter is correct.

**12. Declaration by the exporter**  
The undersigned hereby declares that the above details and statements are correct; that all the goods were produced in \_\_\_\_\_  
(country)  
and that they comply with the origin requirements specified for those goods in the Generalized System of Preferences for goods exported to \_\_\_\_\_  
(importing country)





## **GSP TRADE WITH SWITZERLAND – CURRENT PRACTICES**

- Preferential treatment to be requested at time of import
- Goods must fulfill the rules set out in the legal basis ([VUZPE](#))
- Execution of verification procedures shall be ensured
- Procedure if valid proof of origin is missing at the time of import:
  - the declarant has to apply for a provisional assessment (authority of BCs which conducts verification must be notified too);
  - customs duties are charged provisionally (normal tariff)
  - if (valid) proof of origin is submitted within 6 months, preferential treatment can be granted
  - **No subsequent preferential treatment possible, if there is no request at the time of the import of the goods!**
- Direct transport requirement
  - **Transport through other countries is tolerated only if the goods remain under customs control in that country and are not subject to more than one treatment intended to preserve their condition**



## **HOW TO BENEFIT FROM THE SWISS GSP**

### **Step 1: Establish the product's tariff classification**


Establish the correct tariff classification by consulting the Customs Tariff and identifying the tariff item number based on the Harmonized System (HS) of the product intended for export to Switzerland.

### **Step 2: Check the product coverage**

Find out whether your product is eligible for preference under the Swiss GSP. To do so, visit [www.tares.ch](http://www.tares.ch)




- ❑ **Tariff rates and country eligibility accessible in CH electronic customs tariff [www.ares.ch](http://www.ares.ch)**



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**Tarif d'usage suisse**  
**Tariffa d'uso svizzera**  
**Swiss working tariff**

This tool is intended for direct use as part of the customs clearance. It contains much information about legal provisions to be observed when clearing goods through customs. However, the application of such provisions is in any case governed by the wording of the acts and ordinances themselves.  
English translations are thought as an aid and are not binding.  
Texts which, for economic reasons, were not translated are displayed in French.

By clicking on the "ENTER" button, I also accept the [Terms of Use](#) issued by the World Customs

Messages

Valid from:	Type:	Text:	De
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Printout of the eletronic customs tariff / Tares

Date:	28.11.2017			
Tariff number	RC			
0409.0000		Natural honey		
0409.0000	Normal	38.00 Fr.	per 100 kg gross	
	EU	26.00 Fr.	per 100 kg gross	other than acacia honey, within the limits of the preferential tariff quota no. 131 (s. "Remarks", "Tariff Quotas")
	EU	8.00 Fr.	per 100 kg gross	acacia honey within the limits of the preferential tariff quota no. 130 (s. "Remarks", "Tariff Quotas")
	EFTA	0.00 Fr.	per 100 kg gross	
	GSP	19.00 Fr.	per 100 kg gross	other than acacia honey
	GSP	8.00 Fr.	per 100 kg gross	acacia honey
	LDC	0.00 Fr.	per 100 kg gross	
	AL	19.00 Fr.	per 100 kg gross	other than acacia honey
	AL	8.00 Fr.	per 100 kg gross	acacia honey
	BA	19.00 Fr.	per 100 kg gross	other than acacia honey
	BA	8.00 Fr.	per 100 kg gross	acacia honey
	CA	26.00 Fr.	per 100 kg gross	not for industrial processing
	CA	0.00 Fr.	per 100 kg gross	for industrial processing (s. "Remarks")

## **HOW TO BENEFIT FROM THE SWISS GENERALIZED SYSTEM OF PREFERENCES**

### **Step 3: Assess the preferential margin**

If your product is eligible for preferential treatment under the Swiss GSP, you should assess the preferential margin to determine the price you can offer to your buyer or importer.

### **Step 4: Comply with origin criteria**

Make sure that your product complies with the rules of origin for the Swiss GSP.

### **Step 5: Check consignment conditions**

Make sure that the consignment conditions specified are met.



## **HOW TO BENEFIT FROM THE SWISS GENERALIZED SYSTEM OF PREFERENCES**

### **Step 6: Prepare documentary evidence**

- The Swiss GSP requires one of the following papers as documentary evidence: Certificate of origin Form A;
- Replacement certificate of origin Form A endorsed by the Customs authorities of a member State of the European Union (EU), Norway or Turkey, on the basis of a certificate of origin, Form A issued by an approved authority in the country of origin; or
- Invoice declaration.
- When inputs originating in Switzerland are cumulated in the products concerned, a certificate EUR.1 must be issued by the Swiss Customs authorities.

### **Step 7: If you have questions**

For questions relating to tariff classification, duties, origin requirements, customs and administrative procedures, contact the General Directorate of Swiss Customs authorities.

# **FUTURE DEVELOPMENTS**

## **Introduction of the Registered Exporter System «REX»**

- ❑ It is a system of self-certification of origin by exporters
- ❑ Started as of 1 January 2017 in the European Union, Norway and Switzerland
  - Reduction of administrative burdens related to documentary and procedural requirements in customs clearance for beneficiary countries
  - Form A replaced by Statement on Origin (SoO)
  - Validation through authorities no longer necessary
  - Full-responsibility with the exporter (authorities only involved in the systems' registration process, but not in the process of completion of the proof of origins)
- ❑ From 1st of January 2018 the system will be also introduced in Armenia



## For further information:

- ✓ **SWISS ORDINANCE ON TARIFF PREFERENCES**  
[HTTPS://WWW.ADMIN.CH/OPC/FR/CLASSIFIED-COMPILATION/20061738/201701010000/632.911.PDF](https://www.admin.ch/opc/fr/classified-compilation/20061738/201701010000/632.911.pdf)
- ✓ **HANDBOOK – SWISS GENERALIZED SYSTEM OF PREFERENCES (SWISS GSP)**  
[HTTP://UNCTAD.ORG/EN/PUBLICATIONSLIBRARY/ITCDTSBM28REV3\\_EN.PDF](http://unctad.org/en/publicationslibrary/itcdtsbm28rev3_en.pdf)
- ✓ **GENERALIZED SYSTEM OF PREFERENCES (GSP) FOR DEVELOPING COUNTRIES SHORT GUIDE**  
[HTTP://WWW.EZV.ADMIN.CH/PDF\\_LINKER.PHP?DOC=TARES\\_ENTWICKLUNGSLAENDER&LANG=EN](http://www.ezv.admin.ch/pdf_linker.php?doc=tares_entwicklungslaender&lang=en)
- ✓ **FEDERAL CUSTOMS ADMINISTRATION OF SWISS CONFEDERATION - PREFERENTIAL TARIFFS - IMPORTATION INTO SWITZERLAND - DEVELOPING COUNTRIES GSP**  
[HTTPS://WWW.EZV.ADMIN.CH/EZV/EN/HOME/INFORMATION-COMPANIES/EXEMPTIONS--RELIEFS--PREFERENTIAL-TARIFFS-AND-EXPORT-CONTRIBUTIO/IMPORTATION-INTO-SWITZERLAND/DEVELOPING-COUNTRIES-GSP--GENERALIZED-SYSTEM-OF-PREFERENCES-.HTML](https://www.ezv.admin.ch/ezv/en/home/information-companies/exemptions--reliefs--preferential-tariffs-and-export-contributio/importation-into-switzerland/developing-countries-gsp--generalized-system-of-preferences-.html)
- ✓ **CIRCULAR 19.12.2016 - CIRCULAR D31 GENERALISED SYSTEM OF PREFERENCES FOR DEVELOPING COUNTRIES (GSP) INTRODUCTION OF THE REGISTERED EXPORTERS (REX) SYSTEM**  
[HTTPS://WWW.EZV.ADMIN.CH/DAM/EZV/EN/DOKUMENTE/VERFAHREN-BETRIEB/GRUNDLAGEN-UND-WIRTSCHAFTSMASSNAHMEN/URSPRUNG%20UND%20FHA/ZIRKULAR\\_APS\\_EINFÜHRUNG\\_DES\\_SYSTEMS\\_REGI  
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GISTRIERTER%20AUSFÜHRER%20\(REX\)%20EN.PDF](https://www.ezv.admin.ch/dam/ezv/en/dokumente/verfahren-betrieb/grundlagen-und-wirtschaftsmassnahmen/ursprung%20und%20fha/zirkular_aps_einfuehrung_des_systems_registriertes_ausfuehrer_(rex).pdf.download.pdf/zirkular%20einfuehrung%20des%20systems%20registrierter%20ausfuehrer%20(rex)%20en.pdf)





## Contact

### EMBASSY OF SWITZERLAND IN ARMENIA

Website: [www.eda.admin.ch/armenia](http://www.eda.admin.ch/armenia)

Email: [yer.vertretung@eda.admin.ch](mailto:yer.vertretung@eda.admin.ch)

### STATE SECRETARIAT FOR ECONOMIC AFFAIRS OF SWISS CONFEDERATION (SECO )

Website: [www.seco-cooperation.admin.ch](http://www.seco-cooperation.admin.ch)



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**SWISS GSP SCHEME**

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**Thank you  
for your  
attention!**