



# European Union: Proposal for an Origin Marking Scheme for Imported Products

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## Summary

Following an extensive consultation process begun in 2003, the European Commission has proposed a regulation for an origin-marking scheme for imported products. The proposal was prompted as a result of a number of European Union Member States and industry sectors calling for mandatory origin marking to curb misleading marking on imported products. The Commission's proposed regulation, which will mandate the compulsory use of origin marking for imports of certain goods such as textiles, apparel, footwear, ceramics, etc could become fully operational during the 2nd half of 2007.

## Background

Currently, there is no EU obligation on manufacturers placing their products on Member States' markets to provide a mark of territorial origin. Where origin is indicated, however, all national authorities require that the indication is accurate, in order to protect the consumer from false or misleading claims.

The Commission presented a proposal on December 16, 2005, for a [Council Regulation](#) on the indication of the country of origin of certain products imported from third countries. The proposed Regulation applies to the categories of product laid down in its Annex (reproduced in the table below), if these are manufactured outside the European Economic Areas (EEA) (EU plus Norway, Iceland and Liechtenstein), Bulgaria, Romania and Turkey. Basically that means that U.S. manufactured goods are covered.

The European Union's main trading partners, such as Canada, China, Japan, and the USA, already impose origin marking on imported goods. European exporters have to comply with those requirements and they have to mark their products.

## Product Scope

The EU origin-marking scheme is limited to those sectors for which the consultation showed its usefulness (see proposed product list annex below). Goods that require origin marking may nonetheless be exempt where, for technical or commercial reasons, it appears impossible to mark them.

The List of products (Annex to the proposed Regulation):

CN Code	Description
4104 41 / 4104 49 / 4105 30 / 4106 22 / 4106 32 / 4106 40 / 4106 92 / 4107 to 4114 / 4302 13 / ex4302 19 (35, 80)	Crust & Finished Leather
4008 21 / 4008 11 / 4005 99 / 4204 / 4302 30 (25, 31) 8308 10(00) / 8308 90(00) / 9401 90 / 9403 90	Heels, Soles, Bands, Parts, synthetics, others
4201 / 4202 / 4203 / 4204/ 4205 / 4206	Saddlery and harness, travel goods, handbags and similar containers, articles of animal gut (other than silkworm gut)
4303 / 4304	Articles of apparel, clothing accessories and other articles

	of furskin, artificial fur and articles thereof
CN Chapter 50 -- 63	Textiles and textile articles
6401 / 6402 / 6403 / 6404 / 6405 / 6406	Footwear, gaiters and the like
6907 / 6908 / 6911 / 6912 / 6913 / 691490100	Ceramic products
7013 21 11 / 7013 21 19 / 7013 21 91 / 7013 21 99 / 7013 31 10 / 7013 31 90 / 7013 91 10 / 7013 91 90	Glassware of kind used for table, kitchen, toilet, office, indoor decoration or similar purposes (other than headings 7010 or 7018) of lead crystal .
7113/7114/7115/7116	Articles of jewellery and parts thereof, of precious metal or of metal clad with precious metal, Articles of goldsmiths' or silversmiths' wares and parts thereof, of precious metal or of metal clad with precious, Other articles of precious metal clad with precious metal, Articles of natural or cultured pearls, precious or semi-precious stones (natural, synthetic or reconstructed)
CN Chapter 94	Furniture, bedding, mattresses, cushions, lamps and lighting fittings, illuminated signs and the like, prefabricate buildings.
9603	Brooms, brushes (including brushes constituting parts of machines, appliances or vehicles), hand-operated mechanical floor sweepers, not motorised, mops and feather dusters; prepared knots and tufts for broom or brush making; paint pads and rollers; squeegees (other than roller squeegees)

## Geographical Scope

The proposed regulation applies to imports from non-EU countries, except those from Bulgaria, the EEA, Romania, and Turkey because of previous agreements that the EU has concluded with these countries.

## Origin Requirements

According to the EU's international obligations, the regulation requires that a mark of origin reflect the non-preferential origin of the good. The terms "origin" and "originating" refer to non-preferential origin in accordance with the [Community Customs Code](#). This is determined the same way as for customs purposes. Goods have their origin where they are wholly obtained or where they underwent the last substantial transformation.

The proposed Regulation requires that:

- The country of origin must be marked on the goods covered by it, and where they are packaged then the marking shall be made separately on the package.
- The words "made in [country-of-origin]" will have to appear in an official language of the EU which is easily understood by final customers of the Member State in which the products are to be marketed.
- The marking has to be clearly legible and indelible; must be visible during normal handling; markedly distinct from other information; and not be misleading.

Details on the EU's Rules of Origin for non-EU countries can be found on the web pages of the Commission Directorate General for Taxation and Customs Union. [Click Here](#).

Following the case in [Commission of the European Communities v United Kingdom of Great Britain and Northern Ireland](#), member states may not require origin marking from products originating from other EU countries. It would seem that under this rule U.S. companies who wholly produce their products within the EU would be exempt from the origin marking requirements.

### **Entry Into Force**

The proposed Council Regulation is the first of a two-step legislative process. Once adopted, the Commission will have to set the implementing rules which will have to address all necessary detail from methods of marking, and marking expressions, to common rules or guidelines for procedures. The proposed Council Regulation gives the Commission 12 months time for setting these detailed rules following which another period of at least six months should be granted for economic operators to adapt. Furthermore, the Commission will be given the power to adopt implementing measures which could further determine other details of origin marking; establish a list of commonly used terms or abbreviations; and establish for which goods marking is not needed. Since the proposed Regulation is a "Council Regulation" it does not have to be approved by the European Parliament. The Directorate-General for Trade has stated that the scheme can be expected to become fully operational during the 2<sup>nd</sup> half of 2007.

### **Enforcement**

Compliance with the origin-marking requirement will be checked at importation and when goods are being placed on the market by Member State authorities. This may, in particular, include the mechanisms established under the [Unfair Commercial Practices Directive](#), which harmonizes rules against misleading commercial practices including omission of mandated consumer information. The proposal also provides the Member States with the competence to determine the applicable penalties for failure to comply with the future regulation.

### **Useful Links**

Impact Assessment <http://trade-info.cec.eu.int/doclib/html/126710.htm>

2004 Working Document <http://trade-info.cec.eu.int/doclib/html/118123.htm>

2003 Working Document <http://trade-info.cec.eu.int/doclib/html/115557.htm>

EU Rules of Origin [http://europa.eu.int/comm/taxation\\_customs/customs/customs\\_duties/rules\\_origin/non-preferential/article\\_410\\_en.htm](http://europa.eu.int/comm/taxation_customs/customs/customs_duties/rules_origin/non-preferential/article_410_en.htm)

### **For More Information**

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