EU/Switzerland Agreement: cumulation of origin between the EU, Switzerland, Norway and Turkey in the framework of the generalised system of preferences

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The Committee on International Trade adopted the report by Tiziana BEGHIN (EFD, IT) on the draft Council decision on the conclusion of an Agreement in the form of an Exchange of Letters between the European Union and the Swiss Confederation on the cumulation of origin between the European Union, the Swiss Confederation, the Kingdom of Norway and the Republic of Turkey in the framework of the Generalised System of Preferences.

The committee recommended that the European Parliament **give its consent** to the conclusion of the agreement.

As set out in the explanatory memorandum accompanying the recommendation, the present agreement between the EU and Switzerland was negotiated in order to enact the changes brought by the reform of the General System of Preferences (GSP) rules of origin in 2010. The reform introduced a new system of cumulation of origin by registered exporters and provided for inclusion of Turkey in the system of cumulation which so far worked between the Union, Switzerland and Norway.

The new legislation also provided for replacing of the former Certificates of origin of Form A by a new system of establishment of proofs of origin by registered exporters (Registered Exporter (REX) system).

The new system of cumulation entails that the EU, Switzerland, Norway and Turkey will allow GSP beneficiary countries to incorporate materials from any of the countries in the system (EU, Switzerland, Norway or Turkey) in their production processes, and export the final product to the EU, Switzerland, Norway or Turkey under the GSP preferential terms provided that the final product has been sufficiently worked or processed.

Under the present agreement, the EU and Switzerland will give preferential treatment and access to products originating in beneficiary countries when these countries use materials originating respectively in the EU or in Switzerland.

As regards the new system of proofs (REX), the GSP reform states that the former Certificates of origin of Form A were to be replaced by 1 January 2017. The new REX system has started to apply on 1 January 2017 in a certain number of GSP beneficiary countries constituting a first wave. The REX system already works in the framework of the GSP scheme granted by the EU, and the GSP schemes of Switzerland and Norway.

The present agreement is necessary to ensure smooth running of trade between the European Union and Switerland. It will enable the EU and Switzerland to use the new replacement proofs of origin provided for by the new REX system.