UK–India CETA Rules of Origin

How UK exporting businesses can qualify for preferential tariffs under the UK–India trade agreement

Register with HMRC

Under the UK-India Comprehensive Economic and Trade Agreement (CETA) a claim for preferential tariff treatment can be made by the importer on the basis of an origin declaration completed by a UK producer or exporter.

To do so, a UK producer or exporter must be registered with HMRC prior to completing origin declarations for exports under the UK-India CETA.

To register and more information:

https://www.gov.uk/guidance/register-to-complete-origin-declarations-under-the-uk-india-free-trade-agreementopens www.gov.uk in a new tab

If you have not registered with HMRC, your origin declarations will be rejected, and your importer will not be able to claim preference.

Overview

The UK-India Comprehensive Economic and Trade Agreement (CETA), henceforth known as the agreement, sets out terms for trade in goods and services between the United Kingdom and India. For UK exporters, the agreement offers significant opportunities to access the Indian market on more favourable terms, including reduced or 0 tariffs on qualifying goods.

To benefit from these duty reductions, businesses must demonstrate that their goods meet the agreement's **rules of origin**. These rules are set out in Chapter 3 of the agreement. Understanding and applying these rules correctly is critical for UK businesses that want to take full advantage of the agreement.

Understanding Rules of Origin

Rules of origin establish the economic nationality of goods. Only goods that meet the agreement's rules of origin qualify for preferential tariffs under the agreement. The rules are designed to ensure that the benefits of the agreement go to producers in the UK and India, rather than to goods that are simply transhipped through either country without undergoing substantial transformation. They also help customs authorities verify claims and prevent misuse of the agreement.

There are 3 main ways a good can qualify as originating under the agreement:

1. It is wholly obtained or produced in the UK or India.
2. It is made entirely from originating materials sourced from the UK or India.
3. It is produced using non-originating materials but meets specific product-level

Cumulation

Cumulation means that originating materials from India or the UK can be used in production in the other party and treated as originating. This means that UK manufacturers can use originating materials from India in their production and the goods they produce can qualify for preferential treatment in the same way as if those materials originated from the UK, and *vice versa*. Cumulation supports integrated supply chains and makes it easier for businesses to meet origin requirements.

Operations That Do Not Confer Origin

The agreement specifies that certain minimal operations do not confer origin. These are set out in Article 3.7 and include, for example, changes of packaging, cleaning, affixing of labels, dilution without altering the characteristics of the good, and various 'simple' processes such as placing in bottles, sorting, assembly, mixing and testing. 'Simple', in this context, describes an activity which needs neither special skills nor machines, apparatus or equipment especially produced or installed to carry out the activity. Businesses should refer to the wording of Article 3.7 and relevant implementing legislation.

Proving Origin

Authentication

UK traders must register for authentication before completing any origin declarations. An overview of this process can be found in Annex 3D.

Under the agreement, before sending goods to India, UK traders need to register once with HMRC. HMRC will share a list of authenticated traders and registered email addresses with the customs authority of India.

Every time a UK trader declares the origin of their goods and sends a copy of the declaration to the Indian importer, they must copy in the customs authority of India to that same email. This allows the customs authority of India to check that the declaration was made out by an authenticated UK trader.

If the origin declaration fails the authenticity check, the UK trader is directed to the HMRC registration system to re-start the process.

Completing Origin Declarations

To claim preferential tariffs, exporters must provide proof that their goods meet the origin criteria.

The origin declaration must be in English and will be valid for at least 12 months from the date of completion.

Proof of origin can be submitted electronically or in paper form and must be accompanied by an invoice or commercial document that describes the goods in sufficient detail to identify them. Exporters must ensure that all documentation is accurate and complete. Customs authorities may request additional information or conduct verification checks.

Customs Procedures and Compliance

Customs authorities in both countries may verify origin claims in accordance with the verification article. For UK exports, HMRC may verify UK traders by requesting information or visiting the premises of the UK trader to verify the originating status of the good(s). If a claim is found to be incorrect, duties must be paid by the importer and penalties may apply.

Exporters and producers in the UK are required to keep all records related to the exportation of their good(s) for at least 5 years from the date of the origin declaration, including any information obtained from the supplier. UK exporters must be able to retrieve these records promptly if requested. Record-keeping requirements also apply to importers.

Non-Alteration

Goods must remain under customs control if they transit through a non-Party and must not undergo further processing outside the UK or India (see Article 3.14 of the agreement for permitted operations).

Claims for Preferential Tariff Treatment After Importation

If preferential treatment is not claimed at the time of import, importers may submit a claim for preferential tariff treatment after importation, provided the good would have qualified for preferential tariff treatment at the time of importation.