

Registered Exporter System (REX)

Introduction:

The Registered Exporter System (the REX system), is a system of self-certification of origin by registered exporters making out so-called "Statements on Origin". Effective from January 1, 2018 the REX system is applicable to Pakistan for exporting to the EU under the Generalized System of Preferences (GSP), whose rules of origin are laid down in the Delegated Regulation (EU) No 2015/2446 and in the Implementing Regulation (EU) No 2015/2447 of the E U Customs Code (Regulation (EU) No 952/2013). Pakistan is required to completely switch to the REX system by end December, 2017; or latest by end June 2018 if it is granted six month extension by the EU. Issuance of Certificate of Origin by TDAP will cease upon reaching this deadline.

General Information:

- a) The REX system simplifies export formalities by allowing the registered exporter to certify the preferential origin himself by including a specific declaration (so-called statements on origin) on the invoice or another commercial document identifying the exported products. Thus, the registered exporter is not obliged to apply upon each export for issue of a certificate of origin.
- b) The application to become registered exporter is a one-off formality, where the exporter provides the competent Registration Authority (TDAP in Pakistan) with necessary information for being registered.
- c) Once the REX number is assigned to him, the exporter may use it for all his exports under preferential arrangements where the system of certification of origin applied in the REX system. After his registration to REX the exporter will be required to issue his own Statement on Origin and will no more remain eligible to get the "Certificate of Origin" (COO) issued through the TDAP.
- d) The certification of origin made out by the exporter is called a "Statement on Origin" (SOO).

Conditions for becoming Registered Exporter:

- a) Any exporter, manufacturer or trader of originating goods, permanently established in Pakistan or having headquarters in Pakistan is entitled to apply to the TDAP to become registered Pakistani exporter, provided that he holds, at any time, appropriate evidence of the origin of the products he intends to export, for the purpose of checks carried out by the customs authorities.
- b) The exporter should be known as reliable, an established and functional manufacturer or trader. A condition may be that he must not be subject to bankruptcy proceedings or being in arrears of customs duties and taxes.
- c) Customs and tax representatives cannot apply to become registered exporter. Nevertheless customs representatives can perform necessary formalities as regards the application of their clients for registration as registered exporters.
- d) The exporter should be able to submit at any time, at the request of the TDAP, all appropriate documents proving the originating status of the products concerned.
- e) The exporter should accept verification, by the said competent authorities, of his accounting and the manufacturing process of the products.
- f) The exporter should keep for three years (or more depending on the period established in the preferential agreement) copies of the statements on origin and supporting documents related to the statements on origin he has made out. This period starts from the end of the calendar year in which the statements on origin were made out.
- g) The exporter should assume the entire responsibility of the use of the registration number.
- h) The exporter should agree to inform the competent authorities about any alterations affecting the registration data.

Procedure for becoming Registered Exporter:

TDAP is organizing series of orientation seminars and issuing specific instructions for exporters, explaining terms and conditions which have to be fulfilled in order to become registered exporters and those they will be required to abide for maintenance of their registered exporter status under the REX system.

Information that the applicant needs to provide

- a) When applying to become a registered exporter under REX scheme of the EU, an exporter in Pakistan is required to complete the online Application Form available at the EU website (link: <https://customs.ec.europa.eu/rex-pa-ui/>). A sample of the form is also placed at Annex-1 of this document
- b) The information that the exporter needs to provide in the Application Form for registration to REX using the pre-application process is as follows:

Box 1: "Exporter's information", i.e. application language, name of business, address along with country, telephone, fax, email, and Trader Identification Number (TIN):

TIN:

TIN is Trader Identification Number. It is a data element, defined by the World Customs Organization, whose purpose is to uniquely identify exporters/ economic operators in a country. Exporters in Pakistan should use their company/business NTN (National Tax Number) in place of TIN after making the following two adjustments to it:

- I. Add the letters PK at the beginning of NTN
- II. Delete any dashes from the NTN

Example: if NTN for a business is 2692758-4, then its TIN will be: PK26927584

(Note: TIN must be free of empty spaces or dashes and contain full NTN)

- Export Company Name
- Business Address: Street and Number
- Postcode
- City
- Country
- Email address
- FAX Number
- Telephone Number

Box 2: Contact details of "Exporter's Contact Person(s)" including telephone and fax number as well as email address where available. Multiple contact persons can be entered using the [Add] button:

- Name of the Contact Person
- Contact Person's Address: Street and Number
- Postcode
- City
- Country
- Email address
- Fax Number
- Telephone Number

Box 3: Specify "exporter's business", i.e. if his main activity is producing, trading, or both:

- This can be done by ticking one or both squares provided against the activities

Box 4:

Provides "indicative description of goods" which qualify for preferential treatment, including indicative list of Harmonized System headings (or chapters where the traded goods fall within more than twenty Harmonized System headings). Please enter 2 or 4 digit HS Code (Chapter, Heading) for your product(s) in the space provided, then select corresponding "description" from available choices in the drop-down menu. Additional products can be added by clicking the [Add] button as many times as needed.

- The list of goods is indicative, meaning that an exporter making out a statement on origin for products not covered by his list is not a reason for refusal of the statement on origin. However, this situation could be considered by customs authorities in the importing country as a case for launching a subsequent verification (on the grounds of reasonable doubts or not depending of other elements).

Box 5: Pertains to undertakings to be given by the exporter. These are not visible in the online Application Form, just the place, name, and designation are to be entered in respect of the person furnishing the underrating. However, undertakings appear in the printed Form.

Box 6: Pertains to "consent" of exporter to the publication of his data on EU website. If the exporter consents, a [Tick] is put in the box; then place, name, and designation are entered.

Note: *Data entry by exporter ends here. Thus Box 7 does not appear in the Pre-Application Form. After completing Box 6, the exporter has to validate the form by typing text from the "image" into the given "box". Then he clicks the box [proceed] to complete the Form. Then he clicks the box [Print] to print the Form (the "print" will appear as a pdf doc in his "downloads").*

Box 7: Box for official use by competent authority for Registration (i.e. for TDAP's use)

- Registration Number (REX number): it is the registration number assigned by TDAP to the exporter. The number is composed of the ISO country code (2 letters), "REX" (3 letters) and a string of up to 30 alphanumerical characters.
 - Date of registration: This will indicate the date when the registration is effectively performed (current date appears automatically).
 - Date from which the registration is valid: As per EU protocol, it could be equal or before the date of effective registration, can't be later. The TDAP will keep it the same as the effective registration date.
 - Signature and stamp of the TDAP.
- c) Assistance on completing the Pre-Application can be sought from local TDAP offices or SIALKOT CHAMBER OF COOMERCE & INDUSTRY. The exporter is required to sign and seal the printed Application at relevant places. Then the following two documents should be attached to it:
- Copy of the National Tax Number (NTN) of the company/ business
 - Copy of Company's Registration Certificate (SECP). In case your Company is not registered with the SECP, then please attach copy of your Company's membership certificate with relevant Trade Association (TA), or copy of your membership certificate with local Chamber of Commerce & Industry (CCI).

(Each of the above two documents to be duly attested by a Gazetted Officer of Govt., or Trade Association, or Chamber of Commerce & Industry).

Subsequently, the completed REX Application needs to be endorsed by relevant Trade Association or Chamber of Commerce and Industry. Finally, the completed REX Application along with attachments should be sent to GSP Facilitation Section, TDAP Karachi. Alternatively, completed REX Application can also be submitted at the nearest TDAP Office which will send it by courier to TDAP Karachi Office.

When the REX Application Form is completed by an exporter/applicant using the pre-application process, the REX Registration Authority (TDAP) will be able to retrieve the pre-filled form electronically. This will facilitate swift registration and minimize data-entry errors and incomplete applications. Furthermore, the pre-application process allows greater flexibility/ options to the applicant for completing the REX Application. A specimen of the completed REX Application Form using pre-application procedure is attached as Annex-3 of this document for ready reference.

Registration of the Exporter by TDAP

- a) The TDAP will readily register an exporter if the REX Application submitted by the exporter is complete and if all the information provided therein is correct. In other case TDAP will forthwith contact the exporter asking for missing/ additional information, or requesting for re-submission of the Application.

- b) The TDAP has the responsibility of checking the information provided by the applicant in the application form.
- c) The TDAP will immediately notify the exporter/ economic operator once the registration is completed by email sending him Registration document in parallel by courier.
- d) The TDAP will keep a copy of the notifications that are sent to the exporters.

Time Limit to Register an Exporter after reception of the Application Form

- a) There is no formal time limit for registering exporters but the relevant provisions (Article 8 0(2)) of the Implementing Regulation (EU) No 2015/2447 of the EU's Customs Code states that the registration shall be done "without delay".

Validity of the Registration

- a) The validity of a registration number is not limited in time.
- b) If a registration is revoked, then a date from which the revocation will take effect will be provided by the TDAP. In this case, the registration will have a limited validity until the date from which the revocation takes effect.
- c) A registered exporter from Pakistan may use his registration number for exporting with GSP tariff preference under the GSP schemes of the EU, of Switzerland, of Norway and in the future of Turkey (where appropriate). Indeed, as the rules of origin of those 3 entities are similar, the decision has been taken by the EU to share the same REX IT system and to require only one registration to the exporters in GSP beneficiary countries like Pakistan.

Issuing Statement of Origin

Once the REX number is assigned to the exporter, he may use it for all his exports under preferential arrangements where the system of certification of origin applied in the REX system. After his registration to REX the exporter will be required to issue his own Statement on Origin and will no more remain eligible to get the "Certificate of Origin" (COO) issued through the TDAP.

The Statement of Origin must be made out on any commercial documents showing the name and full address of the exporter and consignee as well as a description of the products and the date of issue.

Statement to be printed

"The exporter NAME [REX No.] of the products covered by this document declares that, except where otherwise clearly indicated, these products are of Pakistan preferential origin according to rules of origin of the Generalized System of Preferences of the European Union and that the origin criterion met is.....(P; or W+HS Heading, e.g. W '9618')".

Note:

P: for products that are purely made in Pakistan

W: for products whose raw material is imported from foreign countries.