



IHK

Industrie- und Handelskammer
zu Schwerin

THE ORIGIN OF GOODS IN GERMANY AND THE EU



Regulations on the origin of goods
which have to be taken into account
when planning a production in Germany

■ The origin of goods in Germany and the EU

For over a century "Made in Germany" has stood for the excellent reputation and high technical standards of products manufactured in Germany. For foreign investors the possibility of displaying this seal on their products is an extremely attractive argument for establishing production in Germany.

In addition to the well-known "Made in Germany" label there are other regulations on the origin of goods which have to be taken into account when planning a production in Germany. These are summarised below.



■ „Made in Germany“

In Germany "Made in Germany" is a designation of origin which the manufacturer voluntarily applies to his products himself, on his own responsibility. Since "Made in Germany" is a form of product advertising, this description must be consistent with the truth. If a product wrongly bears the information "Made in Germany", this can result in high claims for damages from the competition and confiscation of the goods by the Customs.

Requirements for „Made in Germany“

A product "Made in Germany" must fulfil the following requirements:

- Those services and components which are crucial to the quality and valuation of the goods must have been performed or manufactured in Germany.
- The description "Made in Germany" is not justified by simply assembling parts that have been prefabricated abroad, carrying out a final inspection or labelling the goods in Germany.
- On the other hand, some parts or components of an industrial product may certainly be supplied from abroad, but the essential parts of the final product must always originate in Germany.
- A significant refinement may justify the description "Made in Germany", but here too the above statement still applies: the refinement must be crucial to the quality and valuation of the product.

Examples

Some examples illustrating the above criteria are given here; it must however be noted that these examples cannot be applied as a general rule. Whether the production processes which take place in Germany are crucial to the quality and valuation of the product always depends on the features of the product and the industry concerned.

- A company produces objectives for cameras. The lenses are manufactured in Germany. The extremely complex assembly requiring maximum precision takes place in Germany. The housing is supplied from abroad.
→ This product may bear the "Made in Germany" seal if the valuation of the product results from the quality of the lenses and the assembly.
- A company produces DVD recorders. The electronic components are supplied from abroad. The final assembly of the

■ EC origin of goods for easing of Customs restrictions ("preferential" origin of goods)

units takes place in Germany.

→ This product is not allowed to bear the description "Made in Germany" as the product was only assembled in Germany.

- A company produces tanks made of stainless steel. Because of a special chemical and mechanical surface treatment they are suitable for the storage of ultrapure gases. The semi-finished tanks are supplied from abroad; the surface treatment is carried out in Germany.

→ The final product may be designated as "Made in Germany" if it is the surface treatment that is crucial to the quality of the product.

Alternatives

If a product does not meet the requirements for "Made in Germany", the following alternatives are available:

- If a product was assembled in Germany, the manufacturer may show this by labelling it as "Assembled in Germany".
- If a product was designed in Germany, then this can truthfully be clarified by the statement "Designed in Germany".
- The designation "Made in the European Union" or "Made in the EU" is a possibility if essential component parts of the product were manufactured in other member states of the European Union apart from Germany.

It should be noted that in some countries, including the USA, the designation of the country of origin is obligatory.

Goods which have a "preferential" origin in the European Community may be imported into certain countries free of duty or at a reduced rate of duty. The rules for this form of origin of goods are not identical to those for the "Made in Germany" indication of origin. They have their basis in agreements between the European Community and the countries in question (preferential countries) on the mutual awarding of preferences relating to customs duties. At the moment (2008) these countries include Egypt, Albania, Algeria, Bosnia and Herzegovina, Chile, Israel, Iceland, Jordan, Croatia, Lebanon, Liechtenstein, Morocco, Macedonia, Mexico, Norway, Switzerland, South Africa and Tunisia. No reciprocal preferential agreement has been concluded with the People's Republic of China.

Requirements

The requirements for the Customs preference are regulated in detail in the relevant agreement for the different countries and products: there are no uniform criteria. Frequently upper value limits are specified for goods supplied from non-EC countries.

The manufacturer has to prove the origin of the goods with the EUR 1 Movement Certificate. In Germany this is issued by the Customs authority. The mandatory disclosure and decision on whether a product is in accordance with the preference for a specific country is incumbent upon the Customs authority. The Chamber of Industry and Commerce gives comprehensive advice about the "preferential origin" and other customs matters.



Chamber of Industry and Commerce Certificate of Origin (commercial origin)

The "commercial origin" is the status of the origin of a product as officially certified by the Chamber of Industry and Commerce. A number of importing countries require proof of the commercial origin, in which case the Certificate of Origin is a prerequisite for import.

In addition, Certificates of Origin may be requested in business transactions, e.g. as documents to trigger payment in letters of credit.

Requirements

According to the Customs Codex of the European Community, where two or more countries have been involved in the manufacture of a product, that product has originated in the country

- in which the last essential and economically justified treatment or processing has taken place,
- where this has been carried out in a company set up for this purpose and
- has resulted in the manufacture of a new product or represents an important stage in the manufacture.

Separate rules of origin apply to specific products such as radios and televisions, magnetic sound recorders, photocopyers, spun fabrics, grape juice, anti-friction bearings, spare parts, ceramic goods, goods made of spun fabrics, leather clothing and shoes.

So-called "minimum treatments" – that is straightforward cleaning, treatments for storage, repackaging and simple treatments for sale, labelling or simple assembly, i.e. putting together parts of a product into a complete product (screwing, nailing, riveting, welding, soldering, gluing, pressing, plugging in) – are never sufficient. If however the assembly is so complex that in itself it amounts to essential machining or processing, in individual cases this may justify the German origin of the goods.

Procedures

Once the product has been manufactured, the Chamber of Industry and Commerce issues the Certificate of Origin. For this to happen, it is necessary to complete a prescribed form in full and to carry out checks as to whether all the details and submitted evidence are correct. The Chambers of Industry and

Commerce will also give preliminary advice on the question of whether a planned product fulfils the requirements for German origin. For this a precise description of the production processes and the preliminary materials used is required. For comprehensive advice and preliminary information the Chamber of Industry and Commerce requires the following details in German or English: Once the product has been manufactured, the Chamber of Industry and Commerce issues the Certificate of Origin. For this to happen, it is necessary to complete a prescribed form in full and to carry out checks as to whether all the details and submitted evidence are correct. The Chambers of Industry and Commerce will also give preliminary advice on the question of whether a planned product fulfils the requirements for German origin. For this a precise description of the production processes and the preliminary materials used is required. For comprehensive advice and preliminary information the Chamber of Industry and Commerce requires the following details in German or English:

- Description of the product concerned
- Which parts are imported (with HS number)?
- Countries of origin of these preliminary products
- The values of these parts as a percentage of the net ex works price.
- The description of the production stages carried out in German
 - Which production stages are performed in Germany?
 - How are they performed?
- Country of destination of the product

1. Aussteller - Originator - Expéditeur - Expeditor	1. 186790	ORIGINAL
2. Empfänger - Consignee - Destinataire - Destinatar	EUROPÄISCHE GEMEINSCHAFT EUROPEAN COMMUNITY - COMMUNAUTÉ EUROPÉENNE - COMUNIDAD EUROPEA	
URSPRUNGSZEUGNIS CERTIFICATE OF ORIGIN - CERTIFICADO DE ORIGEN CERTIFICATO DE ORIGINE		
3. Ursprungsort - Country of origin - Pays de origine - País de origen		
4. Angaben über die Befreiung - Means of transport - exemption - exoneración	5. Bestimmungen - Intended - Intentionado - Intencionado	
6. Laubstecknummer - Zeichen, Nummern, Inszen und Art der Packungseinheit, Warenbeschreibung Item no., marks, nos., number and kind of packaging, description of goods No. de pieza, mercancía, mca., número y especie del envase, descripción de mercancías No. de pieza, marca, nos., número y contenido de los envases, descripción de los contenidos	7. Menge Quantity Cantidad	

Chamber of Industry and Commerce

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Schlossstrasse 17
19053 Schwerin

Department of International Economic Affairs
Phone 0049 385 5103 - 125
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- Issue of Certificates of Origin, advice and sale of forms
- Information and advice on the general requirements of the law on the origin of goods
- Information on preference rules and sale of pre-printed forms for EUR 1 Movement Certificates.
- Support when contacting the authorities in Germany

German Chamber of Industry and Commerce Abroad

www.china.ahk.de

- Network of German Chambers of Commerce, delegate offices and representations in more than 80 countries on every continent
- Advice on investments conditions in Germany
- Support in setting up companies and drawing up business plans
- Support in the issue of visas and contacting the German authorities

Customs offices in the region of Schwerin/Western Mecklenburg:

Ludwigslust Customs Office
Am Brink 35
19288 Ludwigslust
Phone 0049 3874 427920 Fax 0049 3874 427922
za.ludwigslust@hzahst.bfinv.de

Wismar Customs Office
Dr.-Leber-Straße 28
23966 Wismar
Phone 0049 3841 46130 Fax 0049 3841 461328
za.wismar@hzahst.bfinv.de

www.zoll.de

- Issue of EUR. 1 Movement Certificates
- Information on preference rules and questions relating to customs duty

The image shows a sample of a green 'Warenverkehrsbescheinigung EUR 1' form. The form is titled 'WARENVERKEHRSBESCHEINIGUNG EUR 1 Nr. L 586084'. It contains several numbered sections: 1. Ausfuhr-Region (Country of origin), 2. Bestimmungsort (Destination), 3. Beschreibung der Waren (Description of goods), 4. Angaben über die Befreiung (Exemption details), 5. Produktcode (Product code), 6. Menge (Quantity), 7. Bemerkungen (Remarks), 8. Land des Ursprungs (Country of origin), 9. Land des Bestimmungsorts (Country of destination), 10. Produktcode (Product code), 11. Menge (Quantity), 12. Bemerkungen (Remarks), 13. Unterschrift des Ausfuhrlandes (Signature of the country of origin), and 14. Unterschrift des Bestimmungsorts (Signature of the country of destination). The form is filled out with sample data.

Summary on the origin of goods

	Marking on goods „Made in ...“	Preferential origin	Non-preferential origin
Legal basis	<ul style="list-style-type: none"> Madrid agreement on the suppression of false details of origin National regulations (German Act Against Unfair Practices UWG, trademark law) accepted standards import regulations for the individual importing countries 	<ul style="list-style-type: none"> Rules of origin within the framework of the preference agreement between the EC and specific countries or groups of countries e.g. Norway, Switzerland, Chile, Mexico, Croatia etc 	<ul style="list-style-type: none"> Customs Codex of the European Community and implementation regulation including appendices
Effect	<ul style="list-style-type: none"> Fulfilment of external commercial import regulations in the importing country consumer protection influencing of customers by means of advertising 	<ul style="list-style-type: none"> Granting of Customs benefits for import 	<ul style="list-style-type: none"> Fulfilment of external commercial import regulations in the importing country
Document	<ul style="list-style-type: none"> No document: label is applied to the product 	<ul style="list-style-type: none"> EUR.1 Movement Certificate (Customs Office) self-certification on the commercial invoice if necessary 	<ul style="list-style-type: none"> Certificates of Origin (Chamber of Industry and Commerce)
Responsible authority	<ul style="list-style-type: none"> No formal administrative action subsequent check by courts is possible confiscation by Customs if false details of origin are given 	<ul style="list-style-type: none"> Customs office 	<ul style="list-style-type: none"> Chamber of Industry and Commerce

This leaflet has been prepared with all due care. However, the Schwerin Chamber of Industry and Commerce accepts no liability for the correctness of the information, references or advice, nor for any printing errors. This leaflet makes no claim to completeness but is intended to give a general overall summary.

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