
STATUTORY INSTRUMENTS

2023 No. 561

The Trade Preference Scheme (Developing Countries Trading Scheme) Regulations 2023

PART 5

Customs cooperation and proof of origin conditions

Customs conditions for DCTS

16.—(1) The Secretary of State may publish a notice providing that the application of the DCTS rate is subject to conditions relating to customs cooperation and verification of proof of origin (a “customs cooperation notice”).

- (2) A condition referred to in paragraph (1) may require a qualifying DCTS country to—
- (a) provide HMRC with up-to-date stamps or documents used in its territory to verify the origin of DCTS goods;
 - (b) maintain electronic systems to establish or identify the origin of DCTS goods;
 - (c) approve persons for the purposes of verifying DCTS origin requirements;
 - (d) take steps to implement and enforce DCTS origin requirements effectively;
 - (e) take steps to combat customs fraud effectively;
 - (f) implement and enforce systems to ensure that compliance with origin requirements relating to cumulation can be verified;
 - (g) cooperate with the customs authorities of other countries, for purposes relating to cumulation;
 - (h) communicate to HMRC how that country has implemented DCTS origin requirements;
 - (i) assist HMRC to investigate contravention of DCTS origin requirements;
 - (j) cooperate with HMRC on matters of mutual concern for purposes specified in section 8B(1)(a) to (c) of the Customs and Excise Management Act 1979(1);
 - (k) allow reasonable access to documents or data (including in electronic form) for HMRC to carry out investigations.
- (3) Such conditions may also include those relating to—
- (a) the form of a binding undertaking that the Secretary of State may require a qualifying DCTS country to give for purposes referred to in sub-paragraph (b);
 - (b) the persons to whom that undertaking must be given, being—
 - (i) the Secretary of State or HMRC, for the purposes of customs cooperation with and verification of proof of origin to HMRC;

- (ii) the customs authorities of other countries, for the purposes of customs cooperation and verification of proof of origin relating to cumulation with such countries.
- (4) In this regulation, reference to “DCTS origin requirements” means those requirements that—
 - (a) are set out in the COCGDCTS Regulations, to determine the place of origin of qualifying DCTS goods;
 - (b) are imposed on persons claiming a DCTS rate on qualifying DCTS goods;
 - (c) involve verification or oversight by DCTS countries involved in export of, or cumulation related to, those goods.
- (5) Where a qualifying DCTS country is seriously and systematically failing to comply with the conditions specified in a customs cooperation notice, the Secretary of State may publish—
 - (a) a suspension notice to—
 - (i) suspend a qualifying DCTS country from the DCTS, or
 - (ii) suspend the DCTS rate on specified DCTS goods originating from a qualifying DCTS country, or
 - (b) a variation notice to vary the DCTS rate on specified DCTS goods originating from a qualifying DCTS country.
- (6) The Secretary of State must follow the warning and assessment procedure set out in regulation 21 before publishing a notice under paragraph (5).