EU-UK TCA for Tariff Heading 2710 - Refinery operations

1 Product Scope

Tariff Heading **2710** covers:

> Petroleum oils and oils obtained from bituminous minerals (other than crude); preparations not elsewhere specified or included, containing by weight 70% or more of petroleum oils or of oils obtained from bituminous minerals.

2 Relevant Agreement and Annex

Applicable legal reference:

- **EU-UK Trade and Cooperation Agreement (TCA)**, Title I - *Rules of Origin* (Part Two, Heading One, Chapter 2).
- **Annex ORIG-2** - *Product-Specific Rules of Origin.*

3 Product-Specific Rule (PSR) for HS 2710

From Annex ORIG-2, the rule for heading 2710 reads:

> "Manufacture from materials of any heading, except that of the product, provided that the value of all non-originating materials used does not exceed 40% of the ex-works price of the product."

4 Interpretation

- Non-originating materials under the same heading (2710) **may not be used**.

- Materials classified under other headings (e.g. 2709 crude petroleum) **may be used**, provided the value of all non-originating inputs **does not exceed 40%** of the ex-works price.
- The product must undergo a **Change in Tariff Heading (CTH)** as part of the transformation.

5 Cumulation

- The EU-UK TCA allows **bilateral cumulation** only.
  - Materials originating in the UK are treated as originating in the EU and vice versa.
  - Inputs from third countries cannot be cumulated.

6 Sufficient Working or Processing

Processing that qualifies:

- Refining crude petroleum (heading 2709) into petroleum products (heading 2710);
- Chemical transformation changing the essential character of the product.

Processing that does **not** qualify (as per Article ORIG.7):

- Simple mixing of products;
- Simple dilution;
- Simple packaging or relabelling;
- Any process that does not alter the tariff classification or essential character.

7 Origin Verification Process

1. **Classify the product** under CN 2710.
2. **List all inputs** with tariff headings and origin status.
3. **Calculate the ex-works price** of the finished product.
4. **Determine total value of non-originating inputs**.
   - If ≤ 40% of ex-works price = condition satisfied.
5. **Ensure that no non-originating material of heading 2710 is used**.
6. **Confirm that the transformation changes the tariff heading** (CTH achieved).

If all criteria are met, the product acquires **EU or UK originating status**.

8 Proof of Origin

The exporter must issue a **Statement on Origin** (Annex ORIG-4 wording) on the invoice or other commercial document.

Key requirements:

- The exporter must have knowledge or proof of origin status;
- Alternatively, the importer may claim preference based on **importer's knowledge**;
- Statement must contain:
  - Specific wording from Annex ORIG-4;
  - Exporter's identification details;
  - Date and place of issue;
  - Origin of goods (EU or UK).

9 Record-Keeping

All origin documentation must be retained for at least **three years**. Documents include:

- Bills of materials;
- Supplier origin statements;
- Cost/value breakdowns;
- Proof of processing (refining records, blending recipes, etc.);
- Customs export declarations.

10 Customs Verification

Upon request, customs authorities may:

- Conduct administrative cooperation with the partner customs authority;
- Request production of evidence supporting the originating status;
- Deny preference if evidence is insufficient or non-compliant.

11. Responsibilities

Role	Responsibility
Customer / Customer Services	Classify goods, verify origin, and issue Statements on Origin.
Customer Services	Obtain supplier origin statements and maintain material origin database.
Customer	Provide ex-works price and input value data for origin calculations.
Customs Compliance	Maintain origin records, monitor cumulation use, and conduct internal audits.
Management	Ensure compliance with TCA requirements and training of staff.

12. Summary Table - Tariff Heading 2710 under EU-UK TCA

Element	Requirement
Tariff Heading	2710
Rule Type	Value rule + Exclusion rule
PSR Requirement	Non-originating materials ≤ 40% of ex-works price; no non-originating 2710 inputs
Cumulation	Bilateral (EU-UK)
Sufficient Processing Example	Refining crude oil (2709 -> 2710)
Minimal Operations (Excluded)	Simple mixing, blending, dilution, packaging
Proof of Origin	Statement on Origin (Annex ORIG-4)
Retention Period	Minimum 3 years
Main Reference	Annex ORIG-2 of EU-UK TCA

14. Conclusion

Preferential origin is a cornerstone of modern trade facilitation. Under the EU-UK TCA, it ensures that goods genuinely produced or sufficiently transformed within the EU or the UK benefit from duty-free access.

For petroleum oils (heading 2710), origin determination hinges on a **change in tariff heading** and a **maximum 40% limit on non-originating inputs**.
Strict adherence to these rules, proper documentation, and accurate origin statements are essential for maintaining compliance and securing preferential treatment.