

# 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  $\leq 40\%$  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
<b>Customer / Customer Services</b>	Classify goods, verify origin, and issue Statements on Origin.
<b>Customer Services</b>	Obtain supplier origin statements and maintain material origin database.
<b>Customer</b>	Provide ex-works price and input value data for origin calculations.
<b>Customs Compliance</b>	Maintain origin records, monitor cumulation use, and conduct internal audits.
<b>Management</b>	Ensure compliance with TCA requirements and training of staff.

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

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

---

Revision #1

Created 30 October 2025 12:35:51 by Super Admin

Updated 30 October 2025 12:35:51 by Super Admin