

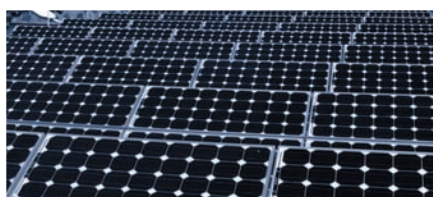
A PRIVILEGED TARIFF TREATMENT

Like the rest of Spanish territory, Melilla forms part of the European Union with all its rights.

It is outside the Customs Union, however, and that, combined with its historical status as a Free Port, allows for a special duties regime in which the entry of goods is not subject to import duties.

Furthermore, thanks to European Union approval of the Melilla Rules of Origin, products complying with that regulation acquire a Melilla Origin seal. That origin allows them to have a highly advantageous treatment on entering the Customs Union, including exemption from duties. This is especially beneficial for products that require raw materials that come from third countries.

Melilla has a special duties regime in which the entry of goods is not subject to import levies.



■ 1 ADVANTAGES OF THE RULES OF “MELILLA ORIGIN”

Obtaining the Melilla Origin means access to a number of Advantages such as:

- Non-application of contingents.
- Duty-free entry into the Community customs territory.
- Access to the special taxation regime of the Autonomous City.
- Non-application of VAT.
- Consideration of these products as made in the European Union, in total compliance with Community regulations.



The status of origin products goes to those entirely obtained in Melilla, or those whose raw materials were subject to further processes or conversion in the Autonomous City of Melilla..

■ 2 REQUIREMENTS FOR OBTAINING THE “MELILLA ORIGIN”

The conditions for obtaining the Melilla Origin are set out in Regulation (EC) no. 82/2001. Under that Regulation, the status of origin products goes to those entirely obtained in Melilla or those whose raw materials originating from third countries were subject to further processes or conversion in the Autonomous City.

There are two channels for obtaining Melilla Origin:

- Sufficient conversion.
- Accumulation of origin.

SUFFICIENT CONVERSION

For a product to obtain Melilla Origin by sufficient conversion the non-origin raw materials must undergo in Melilla the further processes or conversions set out in the Regulation, including among others:

- That the raw materials employed are classified within a Batch different from that of the product.
- That the value of the non-origin raw materials in the product does not exceed a certain percentage of the exworks price.
- Manufacturing of the product from a certain batch.

ACCUMULATION OF ORIGIN

The Regulation contains a list of countries on the basis of which the accumulation of origin is possible. This increases the possibility of conferring the “Melilla Origin” on products processed or converted using materials from those countries



The countries included in the system of accumulation are the following:

- European Economic Area (EEA)
- Switzerland
- Liechtenstein
- Iceland
- Norway
- Turkey
- Faeroe Islands
- Macedonia
- Croatia
- Morocco
- Tunisia
- Israel
- Palestine Authority of Cisjordania and the Gaza Strip
- Mexico
- South Africa

And in turn, within accumulation there are two types of conversion for which origin can be obtained:

MORE-THAN-INSUFFICIENT CONVERSION

In which it is necessary to go beyond the operations of:

- Mere handling of the products during their transportation and warehousing.
- Operations of dusting down, sieving, selection, etc.
- Changes of packaging and the like.
- Placement of trade marks and labels.
- Simple mixing of products or mere assembly.
- The slaughtering of animals.

LESS-THAN-INSUFFICIENT CONVERSION (VALUE-ADDED RULE)

The product obtains Melilla Origin if the conversion in Melilla does not go beyond the above operations but the value added in the Autonomous City of Melilla is greater than the value of the original raw materials from the countries listed.