

Dear Valued Customers,

ENTRY INTO FORCE OF THE COMPREHENSIVE AND PROGRESSIVE AGREEMENT FOR TRANS-PACIFIC PARTNERSHIP FOR THE UNITED KINGDOM

The Ministry of Investment, Trade and Industry (MITI) is pleased to inform that the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) will enter into force for the United Kingdom on 15 December 2024. The United Kingdom will join the existing eleven (11) countries, namely Malaysia, Australia, Brunei, Canada, Chile, Japan, Mexico, New Zealand, Peru, Singapore and Viet Nam, all of which have already implemented the CPTPP. Following this announcement, Malaysian exporters will be able to apply for the Preferential Certificate of Origin (PCO) for exports to the United Kingdom starting on **15 December 2024**.

All procedures of applying for the CPTPP remains the same **except** for goods under the HS Code 8703. Below was the current Product Specific Rules (PSR) for goods with HS Code of 8702 to 8705:

"No change in tariff classification required for a good of heading 87.02 through 87.05, provided there is a regional value content of not less than:

- (a) 45 per cent under the net cost method; or
- (b) 55 per cent under the build-down method."

But for goods under **HS Code** <u>8703</u>, the validation process are as follows:

- (i) For goods exported to **Canada** and **Mexico**, the **Change in Tariff Heading** for Origin Criteria;
- (ii) For goods subject to the Origin Criteria of Regional Value Content, the following validations are applicable:

ORIGIN	VALIDATION
Build-Down Method	 (a) RVC (25%) for export to the United Kingdom. (b) RVC (50%) for export to Canada or Mexico. (c) RVC (55%) for export to other member countries.
Net Cost Method	(a) RVC (40%) for export to Canada or Mexico. (b) RVC (45%) for export to other member countries.

Should there be any further clarification required, please email to pco@miti.gov.my and allcptpp@miti.gov.my.

Thank you.

Senior Director Trade and Industry Cooperation Section Ministry of Investment Trade and Industry 4 December 2024