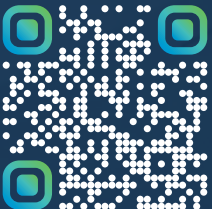




Guideline to Procedures to issue Origin Reports



SCAN THIS CODE TO CHECK THE LATEST
UPDATE FOR THIS DOCUMENT AND ALL
PUBLISHED DOCUMENTS zatca.gov.sa

25 OCTOBER 2021



Contents

Introduction	04
Definitions	04
Purpose	05
Objectives	06
Roles and responsibilities	06
Scope of application	08
Process flowchart	09
Producer Engagement with the Chartered Accountant	10
Terms of Chartered Accountant/Producer engagement	10
Non-disclosure agreement and data sharing with authorities	11
Information to collect	12
Collecting product information and executing the Procedures to obtain reasonable assurance	14
Product Information Declaration	14
Guidelines on Product Information Declaration Form	14
Documents / Information to provide	15
Product Information Declaration Form	18
Bill of Materials	18
Chartered Accountant obligations	21



Procedures to obtain reasonable assurance	22
Issuing the Origin Report	29
Issuing the Report	29
Validity of Origin Report	29
Transmission of documents	30
Document retention	30
Chartered Accountant timeline obligations	30
Appendices	31
Appendix I - Producer Engagement form	31
Appendix II - Product Information Declaration Form	34
Appendix III - Bill of Materials	37
Appendix IV - Supplier declaration form	39
Annex V - Origin Report	40



1. Introduction

1.1. Definitions

Cost, Insurance and Freight (CIF) value: A value based on the CIF incoterm as defined by the prevailing incoterms published by the International Chamber of Commerce

Customs value: value determined according to the World Trade Organization (WTO) Agreement on Customs Valuation (Article VII of the General Agreement on Tariffs and Trade 1994).

Ex-Factory price: the price of the product Ex-Factory in any of the GCC countries in which the last sufficient manufacturing was completed, which includes the cost of the material used for production excluding internal taxes and fees and customs fees, and internal transportation preceding the production process.

Free Zone: a part of the state's territories in which commercial or industrial activities are exercised under the respective laws of that state as defined in the GCC Common Customs Law.

Gulf Cooperation Council: A regional trade bloc consisting of Bahrain, Kuwait, Oman, Qatar, Kingdom of Saudi Arabia, and the United Arab Emirates

Harmonized System (HS) Code Classification: Harmonized Commodity Description and Coding System generally referred to as "Harmonized System" or simply "HS" is a multipurpose international product nomenclature developed by the World Customs Organization (WCO).

Materials: components, raw materials, inputs, intermediate materials, spare parts, and parts used in the commodity production.

National origin: products acquiring the status of origin in any GCC country according to the KSA Rules of Origin.

Nationalization percentage: The average percentage of local nationals to the total number of employees in the entity for the last 26 weeks

Origin Report: An independent assurance report issued by the Chartered Accountant resulted from carrying out the procedures described in this manual.

Producer Engagement Form: A form to request company information from The Producer to facilitate the engagement between The Producer and Chartered Accountant





Product Information Declaration: A form to request product information from The Producer for Chartered Accountant to execute the procedures to obtain reasonable assurance described in this document.

Value-added: It is the price of the product Ex-Factory, excluding the customs value of each non-originating product that enters into the process of production of the goods.

Value of non-originating materials: the customs value (CIF) paid at the time of importing these materials used in the production of the product, or if this value cannot be known or ascertained, the first price paid that can be ascertained for reselling the materials to an independent party.

The importer: the natural or legal person who imports the goods (products).

Chartered Accountant: For this document, a Chartered Accountant is a natural or legal person licensed to practice the profession of accounting and auditing in the country of origin, and who has a branch in the Kingdom of Saudi Arabia, an office, a partnership, a network, or a legal representative, accredited and licensed with the Saudi Organization for Chartered and Professional Accountants. For all other definitions of terms, refer to the KSA National Rules of Origin.

1.2. Purpose

The "Rules and Conditions for Verification of Proof of Origin" applicable in the Kingdom of Saudi Arabia stipulate that a Report issued by a Chartered Accountant, licensed in the country of origin that also has a branch in the Kingdom of Saudi Arabia registered and licensed by SOCPA, is required for GCC manufactured goods to benefit from preferential treatment when being imported into the Kingdom. The "Rules and Conditions for Verifying Proof of Origin" also require that the reporting issuer (the Chartered Accountant) be different from the Chartered Accountant who audits the final annual accounts of the manufacturer in the country of origin.

This manual is addressed to the Chartered Accountant that will issue the Report and clarifies the assurance procedures to be followed in preparing the Report referred to from now on as the "Origin Report."





1.3. Objectives

The objective of this manual is to set out the principles to be followed by the Producer and procedures to obtain reasonable assurance to be implemented by the Chartered Accountant to issue the Origin Report. This manual sets out how The Producer should engage with the Chartered Accountant, lists the information to be provided to the Chartered Accountant to be able to execute the procedures and describes the information to be included in the resulting Origin Report, as required by the Zakat, Tax and Customs Authority. It is acknowledged that the procedures may not be exhaustive and may have to be tweaked or amended for specific Producer or Product circumstances. Therefore, in addition to the procedures and information contained in this manual, the Chartered Accountant shall comply with any other additional procedures or list any facts or information in the Origin Report required by ISAE 3000, "Assurance Engagements other than Reviews or Examinations of Historical Financial Information," to reach reasonable independent assurance that The Producer's Statements regarding:

1. the preparation of the Product Information Declaration Form (ref. Appendix II) in accordance with the KSA National Rules of Origin (referred to as "the Rules"),
2. and the Producer's assessment that the Product covered in this Form is compliant with these rules, are fairly stated in all material respects.

1.4. Roles and responsibilities

The Producer shall:

1. Cooperate with the Chartered Accountant to implement the stipulated procedures
2. Acknowledge understanding the objectives of the procedures
3. Engage the Chartered Accountant to execute the procedures
4. Ensure that all information and documentation provided to the Chartered Accountant is accurate, sufficient, and comprehensive





5. Provide context and explanations to the Chartered Accountant, where required, including who would be the recipients of the Origin Report
6. Maintain adequate accounting and other records and make reasonable estimates supporting the content of the Product Information Declaration Form
7. Provide clarifications to the Chartered Accountant when required
8. Design, implement and maintain adequate controls, including the application of the relevant policies and prevention and detection of frauds and errors around the preparation of the Product Information Declaration Form to ensure it is prepared in accordance with the KSA national Rules of Origin
9. Prepare the Product Information Declaration Form, which incorporates statements confirming the preparation of the Product Information Declaration Form in accordance with the KSA National Rules of Origin. In the Producer's assessment, the Product complies with the KSA National Rules of Origin. Together with the Product Information Declaration Form as specified in Appendix II And the Product Information Declaration Form as specified in Appendix II, these Statements should be provided to the Chartered Accountant on which a reasonable assurance engagement will be performed.
10. Prepare the Bill of Materials relevant to the Product (see appendix III)

The Chartered Accountant shall:

1. Obtain an understanding of Ministerial Resolution No. (3852) dated 11/22/1332 related to the KSA National Rules of Origin
2. Hold confidential all information provided by The Producer in accordance with relevant professional obligations
3. Collect data required to produce the Origin Report
4. Maintain records of collected information in accordance with the applicable professional rules, local laws, and regulations of the Country of Origin





5. Perform the procedures described in this manual with appropriate amendments and any additional procedures based on their (The Chartered Accountant) risk assessment to provide reasonable assurance that the Statements included in the Product Information Declaration Form, whereby The Producer confirms that both the Product Information Declaration Form and the product covered by the Form comply with the KSA National Rules of Origin, are fairly stated in all material respects
6. Issue an Origin Report, in the Arabic language, including his conclusion (which may be modified based on the nature of findings)

1.5. Scope of application

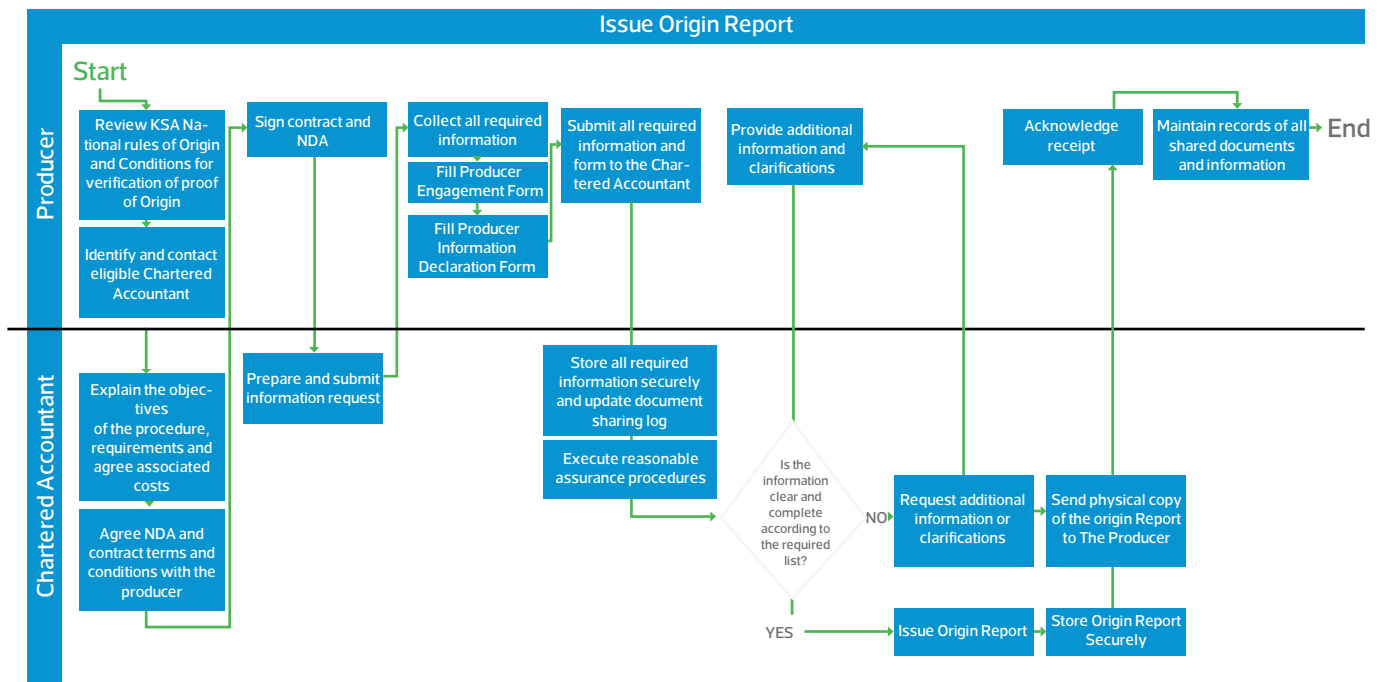
The procedures for issuing the Origin Report described in this manual apply to goods imported from the GCC countries to the Kingdom of Saudi Arabia, whether wholly manufactured or semi-manufactured, which have been declared by the Producer to meet the KSA National Rules origin.





2. Process flowchart

The hereunder flowchart describes the main steps required to issue the Origin Report.





3. Producer Engagement with the Chartered Accountant

In case The Producer intends to export one or several products to the Kingdom of Saudi Arabia (KSA), which meet the KSA National rules of origin, the first step to obtain an Origin Report would be to engage a Chartered Accountant licensed in the country of origin and having a branch in the KSA.

3.1. Terms of Chartered Accountant/Producer engagement

Before starting the engagement, The Chartered Accountant should clarify the procedures' objectives and requirements and ensure that the Producer has a clear understanding of the procedures and the conditions of the engagement.

Matters to be agreed include the following:

1. Scope and nature of the engagement
2. Purpose of the engagement
3. Procedures to be executed (regarding this manual)
4. Other documents and information (including representation letters), reports to those charged with governance and other professional responsibilities of the Producer and the Chartered Accountant
5. Identification of The Producer and Product information required to be submitted by The Producer
6. Expected timelines for executing the procedures
7. Anticipated form of the Origin Report
8. Limitations on the use of the Origin Report
9. Related costs

The terms and conditions of the engagement should be clearly described in an engagement letter/agreement to be signed by both parties.





3.2. Non-disclosure agreement and data sharing with authorities

The Chartered Accountant is required to sign a Non-Disclosure Agreement (“NDA”) with The Producer as it will receive sensitive and confidential information. The format and content of the NDA to be agreed upon between The Producer and Chartered Accountant. The NDA can either be signed as an independent agreement or included in the agreement signed between the parties.

The NDA should be clear that although the Origin Report produced by Chartered Accountant is expected to be shared with the KSA authorities, the Chartered Accountant is an independent party and does not have further obligations towards the KSA authorities to disclose information provided by The Producer. In the event of any questions from the KSA authorities, the Chartered Accountant will only confirm the authenticity of the Origin Report and the information provided within. , According to applicable laws and regulations, no further information on the production process, raw materials, or any other commercially sensitive information will be shared with KSA authorities unless legally required.





3.3. Information to collect

The Chartered Accountant should collect basic information related to The Producer. Below is an indicative list of data points that the Chartered Accountant can collect, and further information may be collected in accordance with the law and regulations and professional obligations in the Country of Origin:

#	Data Point	Description
1	Date of engagement	The date of the official start of the contract between the producer and the chartered accountant
2	Legal company name	The legal name of the entity licensed to conduct the manufacturing activities.
3	Legal form	The legal form of The Producer as per the industrial or trading license or equivalent document, e.g., limited liability company (LLC), joint-stock, permanent branch, etc.
4	Company commercial or industrial registration number	Registration number of The Producer as per the trading license or similar applicable registration document
5	Tax Identification Number	Tax identification number (or equivalent identification) of The Producer issued by the competent local Tax Authority
6	Customs registration number	Customs registration number to be provided in case The Producer is registered with the relevant local customs authority
7	Company registered address	Registered office address or principle place of business of The Producer
8	Company representative details	Contact details of two appointed contacts employed by The Producer and/or officially allowed to represent The Producer. Details may include telephone/mobile number, fax number, e-mail address, etc.





3.4. Producer Engagement Form

A Producer Engagement Form for producers to submit all the details above to the Chartered Accountant is Appendix I.

3.5. Supporting documents

Below are the documents that the Chartered Accountant should collect, in addition to any other documents deemed necessary in accordance with prevailing laws and regulations and professional obligations in the Country of Origin. It's recommended that the Chartered Accountant maintains a document sharing log to trace the status of documents shared by the Producer.

#	Data Points	Description
1	Licence proof	Copy of The Producer's industrial or trading licence, or equivalent document, e.g., commercial or professional licence
2	Tax certificate	Tax Certificate issued by the Tax Authority showing the entity name and tax number.
3	Customs registration	Evidence showing the entity name and customs registration number in case The Producer is registered with the relevant local customs authority
4	Document confirming the provided contact people are officially allowed to represent The Producer	Power of attorney or equivalent document, or where not available, signed letter from The Producer, and certified by the Chamber of Commerce, confirming the provided contact persons are officially allowed to represent The Producer





4. Collecting product information and executing the Procedures to obtain reasonable assurance

4.1. Product Information Declaration

In addition to The Producer Engagement Form, The Producer will need to complete a Product Information Declaration Form (see Appendix II) and submit it to the Chartered Accountant, who then executes the procedures required to obtain reasonable assurance and produce Origin Report. The Product Information Declaration Form should be appended to the Origin Report.

For subsequent products, only a new Product Information Declaration Form will have to be submitted without the need to submit The Producer Engagement Form again, as long as the previously submitted information is still relevant and the submitted supporting documents are valid.

4.2. Guidelines on Product Information Declaration Form

The Product Information Declaration Form shall relate to only one variant of goods with one set of costings and circumstances to determine origin. Where there are differences in the costings or underlying production conditions, a different Product Information Declaration Form will be required, even if the HS codes of the products are the same. , Suppose there are any doubts about the consistency of costings and circumstances for the determination of origin. In that case, caution should be exercised, and a separate Product Information Declaration Form should be completed by the Producer, which then triggers the need for a separate Origin Report.





4.3. Documents / Information to provide

#	Data Points	Description
1	Date of submission	Date of submission of product data form to a chartered accountant
2	Legal company name	Producer's legal name to link the Product Information Declaration Form to The Producer Engagement Form.
3	Company commercial or industrial registration number	Producer registration number as per the trading licence (or similar applicable document) to link the product information declaration to The Producer profile already registered (see producer engagement section)
4	Production facility address	Production facility address. if more than one facility is used to produce the same product, multiple addresses can be specified.
5	Identify if any of the production facilities are located in a free zone (Yes/No)	For producers to identify if the goods are produced within a free zone, as defined in the GCC Common Customs Law
6	Required minimum nationalization percentage	The producer should calculate and provide and provide the required minimum nationalization percentage applicable to his product based on the KSA National Rules of Origin, taking into account The Nationalization percentage and the value-added percentage.
7	Nationalisation percentage (N%)	The nationalization percentage is the average percentage of local nationals employed by The Producer compared to total employees for the last 26 weeks





8	Required minimum value-added percentage	The producer should calculate and provide the Minimum value-added percentage applicable to his product based on the KSA National Rules of Origin, taking into account The Nationalization percentage and the value-added percentage.
9	Value-added percentage	The total of qualifying costs, as defined in the National Rules of Origin, is a percentage of the ex-works price of the product.
10	HS Code Classification	Six-digit HS code. This is to obtain basic information to identify the product
11	Description of good	A description of the goods to identify the goods
12	SKU number / Model of good	The SKU number (or equivalent) should be the internal SKU reference number used by The Producer to identify the good.
13	Manufacturing process	Description of processes undergone in the GCC member states
14	Is one of the good's components produced or manufactured in the Zionist entity? (Yes/No)	The producer is required to confirm whether one of the good's components is produced or manufactured in the Zionist entity





15	Are any of the neutral elements mentioned in Article (9) of The Producer's capital owned in whole or in part by Israeli companies or companies included in the Arab boycott of Israel lists?	The producer is required to confirm whether any of the neutral elements mentioned in Article (9) of The Producer's capital is owned in whole or in part by Israeli companies or companies included in the Arab boycott of Israel lists
16	Producer's representative's name and signature	Name and signature of a representative authorized by The Producer to sign official/legally binding documents.
17	Chamber of Commerce certification	Certification of the authenticity of the signature of the representative of The Producer by the Chamber of Commerce in the country of origin. This is only required if the power of attorney or equivalent document is not available.
		required if the power of attorney or equivalent document is not available.





4.4. Product Information Declaration Form

A mandatory Product Information Declaration Form for producers to submit all the details above to the Chartered Accountant is in Appendix II.

4.5. Bill of Materials

In addition to the Product Information Declaration form, the Producer must provide the Bill of Materials (BoM) relevant to the Product. The BoM is a list of all raw materials and components that go into producing the good. This does not include neutral elements as defined in Article 9 of the National Rules of Origin. The hereunder table below describes the information it would include. According to applicable laws and regulations, the BoM will not be shared with third parties, including KSA authorities, unless legally required.

#	Data Points	Description
1	Date of submission	Date of submission of product data form to a chartered accountant
2	Legal company name	Producer's legal name to link the Product Information Declaration Form to The Producer Engagement Form.
3	Description of good	A description of the goods to identify the goods
4	SKU number / Model of good	The SKU number (or equivalent) should be the internal SKU reference number used by The Producer to identify the good.
5	Value of good (Ex-Factory value)	This is the value based on an Ex-Factory Incoterm of one unit of the finished good is registered





6	Currency	The currency that the value is reported in
7	Unit(s) of goods	The Unit of Measurement of the goods
8	Listing of all raw materials and components	A list of all raw materials and components that go into the production of the good. This does not include neutral elements as defined in Article 9 of the Nation Rules of Origin
9	Country of origin of all materials and components, including cumulation, used	The country of origin of all raw materials should be identified. If the country of origin is unknown, this can also be stated as "unknown origin."
10	Value of all raw materials and components	1) For imported non-originating materials and components, this would be the value based on a CIF Incoterm of all raw materials and components that go into the production of the good 2) For locally purchased materials and components, this would be the local sales invoice value
11	Identification of which raw materials and components are originating and non-originating	For each raw material and component, identify the ones that are originating and the ones that are not





4.6. Supporting documents

The details and information provided within the Product Information Declaration Form need to be further supported by documentary evidence provided by The Producer. Supporting documents will need to be attached and submitted together with the Product Information Declaration Form.

#	Data Points	Supporting documents
1	Production facility address	Proof of Occupancy over the facility premise. This can be a title deed, lease agreement, electricity bill, or other documents showing the address of the facility and showing the name of The Producer
2	Value of all raw materials (based on CIF value)	<ul style="list-style-type: none">- For originating materials imported from any other GCC country, Certificates of Origin issued by the GCC country- For originating materials that are locally procured, Supplier Declarations are issued by suppliers. A suggested format for the supplier's declaration is in Appendix IV- For non-originating materials, import declarations in the case of imported materials, or supplier invoices in the case of non-imported material
3	Country of origin of all raw materials and components	<ul style="list-style-type: none">- For materials and components locally procured, a supplier declaration that the materials are locally manufactured and meet the relevant rules is required- For materials and components that are imported from other GCC countries, a Certificate of Origin issued by the relevant authority is required





4	Nationalisation percentage	A nationalization certificate issued or certified by the competent authority in the country of origin specifying the average percentage of nationalization of The Producer over 26 weeks
5	Import declaration for imported raw materials	A statement made in the form prescribed by Customs, including details such as importer, mode of transport, tariff classification, customs value, etc.

4.7. Chartered Accountant obligations

Upon receipt of the Product Information Declaration Form and supporting documentation from The Producer, the Chartered Accountant will execute the procedures to obtain reasonable assurance. The steps the Chartered Accountant must take are as follows:

- Have an understanding of KSA National Rules of Origin
- Issue a declaration confirming that the Chartered Accountant is a Chartered Accountant licensed in the country of origin and having a branch in the KSA or, an office, a partnership, a network, or a legal representative, accredited and licensed with the Saudi Organization for Chartered and Professional Accountants
- Sign an NDA and contract with The Producer (see section 4), and collect information as listed in this document
- Execute the procedures to obtain reasonable assurance
- Comply with the requirements for issuing an independent assurance report in accordance with International Standard on Assurance Engagements (3000) "Assurance Engagements other than Audits or Reviews of Historical Financial Information."
- Issue the Origin Report in Arabic





4.8. Procedures to obtain reasonable assurance

The following are the minimum procedures that the Chartered Accountant should follow. This is not an exhaustive list and is subject to any amendments/modifications or additions required based on the Chartered Accountant's professional judgment and risk assessment to enable the issuance of a reasonable assurance conclusion.

#	Particulars	Procedures to be performed
1	Legal company name	1. Obtain The Producer's trading/industrial or commercial registration license or similar document as applicable in The Producer's country
2	Company commercial or industrial registration number	2. Inspect the company name and registration number shown on the license to validate that they are the same as the ones provided by The Producer as part of the Product Information Declaration Form
3	Production facility address and free zone confirmation	3. Obtain the Proof of Occupancy of the facility. This can be a title deed, lease agreement, electricity bill, or other documents showing the address of the facility and showing the name of The Producer. 4. Inspect the address of the facility shown in the Proof(s) of Occupancy to validate that it is the same as the address provided by The Producer in the Product Information Declaration Form 5. Verify that the production facility is not located in a free zone by comparing the address to the list of Free Zones in the Country of Origin.





4	Nationalisation percentage (N%)	<p>6. Obtain from The Producer a nationalization certificate, issued or certified by the competent authority in the country of origin, specifying the average percentage of nationalization of The Producer for 26 weeks</p> <p>7. Inspect the nationalization percentage in the nationalization certificate to verify that it is equal to the nationalization percentage provided by The Producer in the Product Information Declaration Form</p>
5	Required minimum value-added percentage	<p>8. Recalculate the calculation performed by The Producer for the minimum value-added percentage (stated in the Product Information Declaration Form) required using the following formula:</p> <p>a. where $10\% \leq N\% < 25\%$,</p> <p>Required minimum value added percentage = $(25\% - N\%) + 40\%$</p> <p>b. where $25\% \leq N\% < 45\%$,</p> <p>Required minimum value added percentage = $40\% - (N\% - 25\%)$</p> <p>c. where $N\% \geq 45\%$</p> <p>Required minimum value added percentage = 20%</p>





<p>6</p>	<p>Details of good</p> <ul style="list-style-type: none">- Description of good- SKU number / Model of good- Value of good (Ex-Factory value)- Currency- Unit(s) of goods	<p>9. Verify that The Producer has provided the Description and the SKU in the Product Information Declaration Form.</p> <p>10. Verify that The Producer has provided the Value of Goods (Ex-Factory value), the Currency, and the Unit of the Good in the Bill of Materials.</p> <p>11. Confirm that the Description is illustrative of the product and that the Value of Good (Ex-Factory value), the SKU, the Currency and the Unit of the Good in the Product Information Declaration Form and Bill of Materials reasonably represent the Product</p> <p>12. Compare the Value of the good (Ex-Factory value) to the approved price list or equivalent commercial documents (e.g., purchase orders) provided by The Producer.</p>
-----------------	--	---





<p>7</p>	<p>Information necessary for qualifying criteria:</p> <ul style="list-style-type: none">- Listing of all raw materials and components- Value of all raw materials (based on a CIF value)- Country of origin of all materials and components- Identification of which raw materials and components are originating and non-originating	<p>13. Obtain the list of all raw materials and components specifying their values, country of origin, and whether they are originating materials.</p> <p>14. For a sample of originating materials imported from any other GCC country, compare the description of the materials included in the Bill of Materials to the description included in the Certificate of Origin issued by that GCC country.</p> <p>15. For a sample of originating materials that are locally procured, compare the description of the materials included in the Bill of Materials to the description included in the Supplier's Declaration issued by the supplier.</p> <p>16. For a sample of non-originating materials, inspect import declarations in the case of imported materials or supplier invoices in the case of non-imported material, and verify the accuracy of the material value stated by The Producer on the Bill of Materials.</p> <p>See: Appendix III - Bill of Materials</p>
----------	--	--





<p>8</p>	<p>The Value-added percentage (V%)</p>	<p>17. Recalculate the Value-added percentage disclosed by The Producer in the Product Information Declaration Form using the following formula:</p> $\frac{\text{Ex-Factory product price} - \text{The value of non-originating materials}}{\text{Ex-Factory product price}} \times 100$ <p>18. Verify that the calculated Value Added Percentage is greater than the calculated Required minimum value-added percentage.</p> <p>Example 1: If The Producer achieves a nationalization percentage of 15%, the deficit (10%) is added to the standard minimum required value-added rate (40%) so that the "Required minimum value-added percentage" becomes 50% instead of 40%.</p> <p>Example 2: If The Producer achieves a nationalization percentage of 35%, the excess nationalization percentage of (10%) is deducted from the standard minimum value-added rate (40%), so that the "Required minimum value-added percentage" becomes 30% instead of 40%.</p> <p>Example 3: If The Producer achieves a nationalization percentage of 50%, the excess nationalization percentage - up to a maximum of (20%) - is deducted from the standard minimum value-added percentage (40%), so that the "Required minimum value-added percentage" becomes 20% instead of 40%. (40% - 20%) maximum discount.</p>
----------	--	--





<p>9</p>	<p>Required minimum nationalization percentage</p>	<p>19. Recalculate the calculation performed by The Producer for the required minimum nationalization percentage (stated in the Product Information Declaration Form) using the following formula:</p> <p>a. where $40\% < V\% < 55\%$</p> <p>Required minimum nationalisation percentage = $25\% - (V\% - 40\%)$</p> <p>b. where $V\% > 55\%$,</p> <p>Required minimum nationalisation percentage = 10%</p> <p>c. where $V\% < 40\%$</p> <p>Required minimum nationalisation percentage = 25%</p> <p>Example 4: If The Producer achieves a value-added percentage of 50%, the excess value-added rate of (10%) is deducted from the standard minimum nationalization percentage (25%) so that the required nationalization percentage becomes 15% instead of 25%.</p> <p>Example 5: If he Producer achieves an added value of 65% of the Product, the excess value-added percentage - up to a maximum of (15%) - is deducted from the standard minimum nationalization percentage (25%), so that the required nationalization percentage becomes 10% instead of 25%.</p>
----------	--	---





10	Producer's representative's name and signature	<p>20. Obtain an official letter or document (as applicable in The Producer's country) from The Producer stating the name and authority of The Producer's representative to represent The Producer in accordance with local regulations.</p> <p>21. Verify the accuracy of The Producer's representative name disclosed in the Product Information Declaration Form against the name in the letter or document</p>
11	Is one of the Product's components produced or manufactured in the Zionist entity?	<p>22. Inquire and obtain representation about whether, up to The Producer's knowledge, none of the Product's components are produced or manufactured in the Zionist entity</p>
12	Are any of the neutral elements mentioned in Article (9) of the capital of The Producer wholly or partly owned by Israeli companies or companies listed in the Arab boycott of Israel lists?	<p>23. Inquire and obtain representation about whether, up to The Producer's knowledge, none of the neutral elements mentioned in Article (9) of the capital of The Producer are wholly or partly owned by Israeli companies or companies listed in the Arab boycott of Israel lists</p>
13	Obtain any additional and relevant representation from management	<p>24. Obtain any additional and relevant representations from management"</p>





5. Issuing the Origin Report

5.1. Issuing the Report

The Chartered Accountant issues the Origin Report for the product. An Origin Report can be issued for multiple products as long as procedures are performed for each product. An expected form and content of the Origin Report is provided in Appendix V. The form and content of this Origin report may need to be amended by the Chartered Accountant in light of the reasonable assurance engagement findings.

5.2. Validity of Origin Report

The Origin Report shall remain valid for a period of (6) Gregorian months, starting from the date of issuance of this report, provided that no modification has been made to the product, including a change in its customs tariff classification and description. In addition, The Producer must disclose any subsequent event or material change that may change the conclusion of the Origin Report to the relevant KSA authority. If issues or changes are identified during KSA authorities verification procedures, the competent authorities may take what they deem an appropriate decision regarding the termination of the validity of the Origin Report.





6. Transmission of documents

Documents should be shared safely and securely. The Producer and the Chartered Accountant should agree on how documents should be shared and what technology and/or security measures will be used for document sharing.

7. Document retention

All the documents required to prove the origin of the goods exported to the KSA should be retained by the Producer for at least the period defined in the KSA National Rules of Origin, and the Chartered Accountant should document their work in their working papers in accordance with the professional standards and maintain them for the period governing the auditors under the local laws and regulations in the Country of Origin.

8. Chartered Accountant timeline obligations

The Producer and the Chartered Accountant need to agree to procedure timelines prior to starting the process based on the product and complexity of the manufacturing process and other relevant considerations.





Appendices

Appendix I - Producer Engagement form

Producer Engagement Form

Note:

1. Please fill in the application form only if you wish to request an Origin Report submitted to KSA Customs.
2. Please fill in all fields. Indicate "N/A" where not applicable.
3. Please complete the application form and submit it together with the relevant supporting documents to [Chartered Accountant] via email.

Supporting documents to submit

Please submit the following documents together with this form:

1. Copy of industrial or trading license or equivalent in the country
2. Tax Certificate issued by the Tax Authority
3. Proof of the name of The Producer and the registration number with the local customs authority in case The Producer is registered with local customs authorities
4. A power of attorney, or equivalent and, if not available, a signed letter from The Producer and certified by the Chamber of Commerce in the country of origin, confirming that the named contacts are officially allowed to represent The Producer.





Company details

Legal company name of The Producer:

Legal form:

Company commercial or industrial registration number:

Tax Identification Number:

Customs registration number:

Company registered address:

Country:

Postal Code:

Date of submission (dd/mm/yyyy):





Applicant details

Company representative details:

Name:

Contact number:

Email address:

Company designation:

Signature:

Date (dd/mm/yyyy):

Alternate contact person details:

Name:

Contact number:

Email address:

Company designation:

Signature:

Date (dd/mm/yyyy):





Appendix II - Product Information Declaration Form Product Information Declaration Form

Supporting documents to submit

Please submit the following documents together with this form:

1. Proof(s) of The Producer's occupation of the facility(s). This could be a title deed, lease contract, electricity bill, or other documents bearing the address of the facility and the name of The Producer
2. A nationalization certificate issued or certified by the competent authority in the country of origin that includes the nationalization percentage of The Producer for the last 26 weeks.

Company details (The Producer)

Legal company name:

Company commercial or industrial registration number:

Nationalisation percentage:

Date of submission (dd/mm/yyyy):

Production facility details

Production facility address:

Country:

Postal Code:

Is the production facility located in a free zone:

Yes

No





Product details

Product description:

SKU number/ Model of product:

HS code classification:

1. Required minimum value added percentage:

2. Product value added percentage:

3. Required minimum nationalisation percentage:

4. Are any of the good's components produced or manufactured in the Zionist entity?

Yes

No

5. Are any of the neutral elements mentioned in Article (9) of the capital of The Producer wholly or partly owned by Israeli companies or companies listed in the Arab boycott of Israel lists?

Yes

No





Producer Statement

I hereby certify and undertake that:

- The information given above is accurate in every aspect
- This Product Information Declaration Form was prepared in accordance with the KSA National Rules of Origin
- In our assessment, the Product included in this Product Information Declaration Form complies with the KSA National Rules of Origin
- I have provided documents supporting the information given
- I will inform [relevant KSA authorities] immediately of any changes in the particulars of this application form
- I am an authorized representative of the company

Name:

Contact number:

Email address:

Fax number:

Company designation:

Signature:

Date (dd/mm/yyyy):





Appendix III - Bill of Materials:

Date of submission	
Legal company name	
Description of good	
SKU number / Model of good	
Ex-factory value (Currency)	
Unit of measurement of good	
The total value of non-originating content	

S/N	Raw Materials and Components	Country of Origin*	Originating (Y/N)	Value **

* country of origin can include both GCC and non GCC countries

** For imported materials and components, Value would be based on a CIF Incoterm of all raw materials and components that go into producing the good. This is to be substantiated by import declarations. For locally purchased materials and components, Value would be the local sales invoice value.





Please submit the following documents together with this form:

1. A Certificate of Origin issued by the competent authority in the country of origin for materials that have the status of originating and imported from one of the GCC countries.
2. Supplier invoices for non-originating materials and components locally purchased
3. Supplier declarations for local originating raw materials and components
4. Import declarations for imported non-originating materials and components

Name:

Contact number:

Email address:

Fax number:

Company designation:

Signature:

Date (dd/mm/yyyy):





Appendix IV - Supplier declaration form

[To be placed on supplier's letterhead]

[Supplier's company name] hereby confirm that the products listed below were produced by my company in [indicate which GCC country]. I hereby confirm that the products can meet the KSA National Rules of Origin of the Kingdom of Saudi Arabia.

Should any changes affect the originating status of any of the products listed below, we will promptly notify you.

S/N*	Product Description	HS code classification

* Serial number or any applicable product identification number

Signature of authorized personnel:

Name of authorized personnel:

Company designation:

Contact number:

Email address:

Date (dd/mm/yyyy):





Annex V - Origin Report

This Annex sets out the expected form and content of the Chartered Accountant's reasonable assurance Origin report. The form and content of this Origin Report may need to be amended in light of the reasonable assurance engagement findings.

[Printed on official Chartered Accountant working papers]

Date:

Attention:

Report number:

Greetings,





Report on [Name of the Company] [the Management's] Statements in relation to product [Product XX] as of [date] in connection with the requirements of Zakat, Tax, and Customs Authority in the Kingdom of Saudi Arabia ("KSA") regarding the National Rules of Origin

In accordance with the requirements of the "Rules and conditions for verification of proof of origin" issued by the Zakat, Tax and Customs Authority, we have carried out a reasonable assurance engagement over the [Management's] Statement that the Product Information Declaration Form (the "Form") of [Name of the Company] (the "Company") was prepared in accordance with the National Rules of Origin in the Kingdom of Saudi Arabia (the "Rules") and that the Statement that Product XXX included in this Product Information Declaration Form complies with the KSA National Rules of Origin as of [date].

[Management's Responsibility]

[Management] of the Company is responsible for preparing and presenting the Form, as set out in Appendix I to the report, including their Statements within the Form confirming that it has been prepared, in accordance with the Rules, and their assessment that the Product included in this Form complies with the Rules.

[Management] of the Company also remains solely responsible for creating and updating all accounting and other records supporting the Form's contents and for maintaining appropriate systems and controls in this regard. [Management] is also responsible for identifying and ensuring that the Company (the "Producer") complies with the relevant regulations of the Zakat, Tax and Customs Authority of the Kingdom of Saudi Arabia (the "Authority"), which govern the Rules.

[Management] is also responsible for establishing and maintaining internal controls relevant to the preparation and presentation of the Form free from material misstatement, whether due to fraud or error; selecting and applying appropriate criteria; maintaining adequate records and making estimates that are reasonable in the circumstances. These responsibilities include the design, implementation, and maintenance of adequate internal controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including evaluation of the suitability of the criteria, adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting books and records, the timely preparation of reliable financial information and compliance with applicable laws and regulations.





Responsibilities of the Practitioner

Our responsibility is to express a reasonable conclusion on [Management's] Statements as presented in the Form and their assessment that the Product included in the Form complies with the Rules, based on the evidence obtained. However, this responsibility does not extend to performing work and providing assurance in relation to the Company's compliance with Article 13 (Direct shipment) of the Rules.

We have performed our engagement in accordance with the International Standard on Assurance Engagements 3000 (Assurance Engagements Other than Audits or Reviews of Historical Financial Information) issued by the International Auditing and Assurance Standards Board ("IAASB").

This standard requires that we plan and perform this engagement to obtain reasonable assurance on whether the Statements by [Management] that the Form is prepared in accordance with the Rules and that in their assessment the Product included in this Form complies with the Rules is fairly stated, in all material respects.

The procedures selected depend on our professional judgment, including assessing the risks of material misstatement of the [Management's] Form, including their Statements, whether due to fraud or error, and responding to the assessed risks as necessary in the circumstances. Our engagement included evaluating the [Management's] assessment that the Form and the Product are in compliance with the Rules. The procedures we performed included inquiries, an inspection of documents, recomputation, and such other procedures as considered necessary under the circumstances. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Our independence and quality control

In carrying out our work, we have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), and the ethical requirements that are relevant to our reasonable assurance engagement in [country], which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.

Our firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive quality control system, including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.





Inherent limitations

Non-financial performance information is subject to more inherent limitations than financial information and the methods used for determining such information. Many of the procedures followed by entities are not always comparable and require the exercise of judgment. They depend on the person applying the procedure, their interpretation of the objective of such procedure, their assessment of whether the compliance procedure was implemented effectively, and in certain cases, would not maintain an audit trail. It is also noticeable that compliance procedures would follow best practices that vary from one entity to another and from one country to another, which do not form a clear set of criteria to compare with.

Our procedures regarding systems and controls in so far as it relates to the preparation of the Form in accordance with the Rules are subject to inherent limitations and, accordingly, errors or irregularities may occur and not be detected. Furthermore, such procedures may not be relied upon as evidence of the effectiveness of the systems and controls against fraudulent collusion, especially on the part of those holding positions of authority or trust.

We have relied on the information and data provided to us by the Company, including the Form as at the date of this report and prior to the shipment of the goods.

This conclusion relates only to the Form, including the statements, as at [date of the form] and should not be seen as assuring as to any future dates or periods, as changes to systems or controls or the Rules or activities post the shipment may alter the validity of our conclusion.

Conclusion

Based on the results of our reasonable assurance procedures, in our opinion, [the management's] Statements regarding both the preparation of the Product Information Declaration Form and the assessment that the product <Product XXX> included in this Product Information Declaration Form complies with the KSA National Rules of Origin as at <DD/MM/YYYY> are fairly stated, in all material respects.





Restriction of Use

Our report is solely for the Company's use, and information in connection with the purpose specified in the [first paragraph] of this report and as set out in our agreement dated XXX. This report (in whole or part) should not be used or copied for any other purpose or be distributed to any other parties except for the Zakat, Tax and Customs Authority and as permitted under the terms of our agreement. This report relates only to the Form attached to this report and does not extend to any company's financial statements, taken as a whole. To the extent legally permissible, we do not accept any liability or responsibility to any third party other than the addressees of our report.

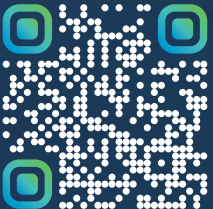
Note: Compliance with the KSA National Rules of Origin requires compliance with Article 13 (Direct shipment) of the Rules, which will need to be verified at the point of entry in the KSA.

[Chartered Accountant]

[Date]

[Address]





SCAN THIS CODE TO CHECK THE LATEST
UPDATE FOR THIS DOCUMENT AND ALL
PUBLISHED DOCUMENTS zatca.gov.sa