

## **GLOSSARY**

### Certificate of origin

A document certifying the country of origin of specified goods.

### Change in tariff classification (CTC) rule

A rule of origin that classifies a product as being Singapore-made if the final product has a different tariff classification (HS code) from that of the imported or non-originating raw materials used in the product's manufacture.

### Harmonized system (HS)

An international system of six-digit codes developed by the World Customs Organization that allows all participating countries to classify traded goods on a common basis.

### Most favoured nation rate (MFN rate, or MFN tariff)

The normal non-discriminatory tariff charged on imports (excludes preferential tariffs under free trade agreements and other schemes); applies only to World Trade Organization members.

### Preferential certificate of origin

A document certifying the country of origin of specified goods that enables the importer to claim preferential tariff treatment for the goods under a free trade agreement.

### Rules of origin (ROO)

Rules that define how a product's country of origin is determined for the purpose of establishing whether the product qualifies for preferential tariff treatment under a free trade agreement. For manufactured products, the main principle behind the concept of ROO is that the country of origin is the last country where substantial transformation took place.

### Tariff (or import duty)

A form of tax levied on merchandise imports by customs in the importing country, giving a price advantage to similar goods produced locally. Tariffs can be levied on an ad valorem basis (percentage of value) or on a specific basis (a specific dollar amount per unit of measure).