TRADE OBSERVER

The official monthly update by CustomsBridge

March 2022

28

Made in France

FOCUS ON "MADE IN FRANCE" PRODUCTS, WHICH REGULATIONS SHOULD BE APPLIED?

THE AMBITIONS OF THE PRESIDENTIAL CANDIDATES IN THE DIGITAL SECTOR

FOCUS ON CUSTOMS NEWS

Issue 28, March 2022 TRADE OBSERVER

FOCUS ON "MADE IN FRANCE" PRODUCTS, WHAT REGULATIONS SHOULD BE APPLIED?

The marking "Made in France" is a mention, a mark of origin, that manufacturers can add on their goods to attest its French origin.

This mention is optional for products manufactured in Europe, however some products are exceptions such as agricultural products, food, or cosmetics.

Nevertheless, the customers must be careful with this designation, as it does not necessarily mean that the product is 100% French.

Once a company decides to mention a "made in France" on its product, it must comply with the rules of **non-preferential origin** set by the EU Customs Code.

<u>A quick reminder:</u> Non-preferential origin is used to determine the application of the common external tariff and trade policy measures to imports into the European Union, or to mark the origin of products.



There are several cases for a Made in France marking:

- If the product is made in France from French components, it has a French origin.
- If several countries are involved in the manufacture of the product, a "made in France" marking is possible if the product underwent its last substantial transformation in France or if it derives a significant part of its value from one or more manufacturing stages in France.

Therefore, any product indicating "made in France" may be made of imported raw materials. The consumer must not be misled, that's why the professional must justify compliance with the rules of the consumer code and may potentially be subject to penalties for deceptive commercial practices.

When a company wishes to indicate a "Made in France" origin marking, it can make a request to the General Directorate of Customs.

Reminder: Article 39, Section 2: Prohibitions on the protection of trademarks and indications of origin of the Customs Code.

- 1. All foreign products, natural or manufactured, bearing either on themselves or on packaging, boxes, bundles, envelopes, strips or labels, etc., a product or service mark, a name, a sign or an indication of any kind likely to lead to the belief that they were manufactured in France or that they are of French origin, are prohibited from entry, excluded from storage, transit and circulation.
- 2. This provision also applies to foreign products, manufactured or natural, obtained in a locality of the same name as a French locality, which do not bear, at the same time as the name of this locality, the name of the country of origin and the mention "Imported", in obviously apparent characters.

NOTE: The presence on the product or its packaging of a French flag, a roundel or a "blue-white-road" hexagon, does not necessarily guarantee that the product was manufactured in France



THE AMBITIONS OF THE PRESIDENTIAL CANDIDATES IN THE DIGITAL SECTOR

On April 10 and 24, the two rounds of the 2022 presidential elections will take place, and in the face of the growing importance of digital issues, the candidates are proclaiming the need to build "French digital sovereignty".

Despite their animosity and their criticism of Emmanuel Macron, all the candidates defend a common objective and similar measures, an opportunity for Customs Bridge to revisit sometimes unrealistic ambitions.

The issue of digital sovereignty is not new: Since 2017, the outgoing president has been working to strengthen this independence via the securing and regulation of industries and infrastructures, and support for strategic sectors on a European scale. His flagship measure remains the introduction of the "GAFA tax" which tackles two major European issues, that of European taxation and that of American hegemony, increasingly Sino-American, in the digital sector. Faced with the problem of the massive export of European data, in fact mostly subject to the extraterritoriality of U.S. law, the establishment of a label "trusted cloud" to protect data from the subcontinent, has also been established.



Faced with these measures, the Head of State's opponents have, for once, not skimped on criticism. Everyone is calling for a major relocation of servers to French or European territory, although this is absolutely no guarantee of data retention. Everyone also agrees that the State must be active by investing in the sector and regulating it. However, the measures remain vague, establishing quotas and tightening the conditions for buying out start-ups, criteria that are regulated by Brussels, while rarely defining priority areas.

On the whole, everyone draws up a logical and relevant plan but seems to forget that France is evolving in a world where the outside world is not only a threat but also a partner. Today, even a country's internal policy is regulated, influenced and decided by the outside world, and the repercussions of certain measures put forward would be dramatic. One only has to look at the response to the "Gafa Tax" promulgated by Donald Trump, which introduced a tax on 2.4 billion French products, pushing the government to give in on the introduction of a tax credit for these same groups if they were to pay too much. In the 21st century, digital technology has a prominent place in the foreign policy of states and it is alarming to note that the candidates reduce the issue to an internal issue of sovereignty in a demagogic and obsolete logic of French power.



Issue 28, March 2022 TRADE OBSERVER

CUSTOMS NEWS



New anti-dumping duty on specified iron or steel fasteners

As a result of the investigation and registration of imports of some iron or steel fasteners, apart from of stainless steel, originating in CHINA (investigation of June 18, 2021), a definitive anti-dumping duty was imposed on certain such fasteners.

The definitive anti-dumping duty rate was set at 86.5% applicable to imports into the EU. Please note that some suppliers benefit from lower rates. Rules NR 191/2022 – OJ l36 on the application of this anti-dumping rate.



Transitional period until June 30, 2022 for foreign companies not identified for French VAT

A transitional period is granted for foreign companies not yet registered for French VAT and which carry out imports into France. They will have to prove that they have triggered the application for VAT registration before March 2022. As a result, they will be able to pay the import VAT on their customs declarations.

A special mention G0008 admissible "not liable and not identified for VAT in France" will have to be indicated in box 44 of the customs declaration. This will be possible until June 30, 2022, after which, these companies will have to obtain their VAT identification number to enter on their declaration.

(Reference note for the response to the monthly statistical survey on intra-European Union trade in goods (EMEBI) Version of 25 January 2022)



EU adopts new set of measures to respond to Russian aggression against Ukraine

Following the Russian Federation's military conflict against Ukraine, a new set of measures have been put in place to impose severe consequences on Russia for its actions. These decisions were adopted in close coordination with the EU's partners and allies:

- Assistance measures under the European Peace Facility that will help build the capacity of the Ukrainian armed forces.
- Measures related to aviation and financing, including denying permission to land, take off or fly over their territory to any aircraft operated by Russian carriers.

To assist exporters, the French customs has set up a guide presenting the prohibition measures as well as the derogation and exemption regimes provided for following the implementation of the RUSSIAN Regulations NR 833/2014 and BIELORUSSE NR 765/2006 (both recently amended.)

Note: The sanctions imposed since 2014 by EU against Russia have just been strengthened by Regulation NR 2022/328 of February 25, 2022.

