In <u>February 2022</u>, the AfCFTA Secretariat will release an AfCFTA Tariff Book inclusive of Rules of Origin (RoO) applicable for each product of the Harmonised System (HS). This publication will allow traders to identify their products with the product-specific RoO that is necessary to fulfil in order they can qualify for preferential trade under the AfCFTA.

Product-specific RoO are rules indicating, product by product, the minimal working and processing operations that is necessary to carry out on non-originating materials in order for them to acquire the originating status of a FTA. These rules can be referred to an entire Chapter of the HS (the first two digits in the tariff classification number), while other cover all products included in a Heading (the first four digits in the tariff classification) or a Subheading (first 6 digits). In some countries or Customs Unions, a major rule for determining the acquisition of the origin is the "tariff jump", which means that the acquisition of the origin is determined by a working or processing operation that changes the classification of the product under a Chapter, Heading or Sub-heading which is different from the one within it was classified at the moment of its importation (or by a change of Chapter, Heading or Sub-Heading of all the non-originating materials used for its manufacturing). An example is offered by the <u>Australian product-specific</u>, where the acquisition

of origin is in most cases determined by a Change of Tariff Heading (CTH) or a Change of Tariff Sub-Heading (CTSH). This criterion is also largely used in the European Partnership Agreements concluded by the EU with African countries or groups of African countries for determining the acquisition of the preferential origin. If a category of products does not meet the requirements set in the AfCFTA product-specific rules, it cannot be exported at preferential rates from an African State to another.

At the moment, negotiations on product-specific RoO are still ongoing between AU member States and Customs Unions in Africa. Consensus has been reached on 87, 8% of product specific RoO, as an agreement has yet to be reached on some products such as automobiles, sugar, textile and clothing, among others. The rules are accessible on the <u>website of the</u> <u>African Union</u>

However, trading under AfCFTA is possible because arrangements taken by African Heads of State were to start trading under the rules of the AfCFTA on the 1st of January 2021 based on the already agreed RoO. In any case, it is only possible to trade under the AfCFTA preferential regime for those African States and Customs Unions that have published the amendments to their tariff schedules to include the reduced import tariffs under the AfCFTA. So far only a few countries have gazetted such changes. They include Egypt, <u>Mauritius</u>, Sao Tome and <u>South</u> <u>Africa</u>.