



Department for  
International Trade



# Rules of Origin in the UK-Australia Free Trade Agreement

- Rules of Origin stipulate how much of a product must originate in the UK to qualify for the lower tariff agreed in this deal when exported to Australia and vice versa.
- As part of the deal, simple Rules of Origin have been agreed which will allow British producers of, for example, chocolate, clothing, and perfumes to continue to source some ingredients and materials from other countries and ship the final product to Australia cheaply – taking advantage of the lower tariffs we have agreed. This deal will also minimise paperwork and red tape for businesses that use the lower tariffs agreed in this deal.

## Modern and flexible rules

Businesses will benefit from modern processes and minimised paperwork when exporting goods that qualify for lower tariffs under the streamlined rules we have agreed.

UK businesses will not be subject to visits by Australian authorities to investigate the source of parts and ingredients for exported goods.

Businesses will also not have to meet burdensome EU-style rules on ‘insufficient transformation requirements’, which prevented goods made by simple processes like stitching fabrics together from qualifying as originating from the UK – costing businesses money and time.

UK businesses will be able to make use of inward processing relief for imported materials, without losing access to preferential tariffs when exporting the finished goods to Australia. This can allow for the duty-free import of materials used in the production of an export.

## Supporting UK supply chains

The new Rules of Origin have been designed with the UK and Australia’s existing and future supply chains in mind. The new rules ensure that most firms will not need to change their existing supply chains to qualify for zero tariffs.

## Food producers

The new Rules of Origin have been designed to support the UK food and drink sector, ensuring that only British and Australian agriculture goods can benefit from this agreement. We have removed requirements for many ingredients to wholly originate in the UK or Australia, allowing businesses to be more competitive and flexible in sourcing the best ingredients for their products. For example, UK biscuit producers will qualify for new 0% tariffs even if they use imported wheat and sugar.

## British fashion

British clothing producers will find it easier and cheaper to trade their products with Australia. UK businesses, even those who manufacture from imported materials and fabrics, will qualify for zero tariffs for their exports to Australia.

## Automotive industry

British car manufacturers will now have more freedom to source car parts and materials internationally and potentially save millions of pounds’ worth of duties. British cars will qualify for tariff-free trade as long as at least 25% of the value of the car is produced in the UK. Intermediate parts will be recognised as part of the 25%, which is more flexible than the product-specific rules in EU-style agreements.