The Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA)
Agreement on Trade in Goods (the Agreement)

Proforma Cost Statement for CO(CEPA) Application with Mainland Origin Goods and/or Materials (including the Raw Materials and Component Parts) Included in the Regional Value Content using Build-Down Method

CO(CEPA) UCR No. : _____

Description of Goods : _____

Mainland HS Code : _____

Quantity of Goods : _____

Reference No. (if applicable) (Note 1): _____

Regional value content	**Costs incurred for the above goods (HK$)**	
1. FOB value of the goods (Note 2)		(a)
2. Non-originating materials (Note 3)		(b)
3. Mainland origin goods and/or materials (if applicable) (Note 4)		(c)
Regional value content {[(a)-(b)]/(a)x100% } :		**%**
Regional value content not taking into account the value of Mainland origin goods and/or materials {[(a)-(b)-(c)]/(a)x100%} (if applicable) :		**%**

I _____ ○Proprietor ○Partner ○Director/○a responsible person (Note 5) of
(Name of signatory)

_____ (FR No.: _____) (hereinafter referred to as "the Factory")
(Name of factory)

am duly authorised to make this declaration for and on behalf of the Factory and hereby declare that:

(a) this Cost Statement and its Appendix are prepared in accordance with the conditions for issuing CO(CEPA) as stipulated by the Director-General of Trade and Industry in the circulars on CO(CEPA);

(b) the information provided in this Cost Statement and its Appendix are true and correct and that the goods described in the above CO(CEPA) application have fulfilled the regional value content requirement under CEPA and the Agreement;

(c) the origin of the above-mentioned Mainland origin goods and/or materials and the details as set out in the Appendix to this proforma is true and correct; and

(d) the calculation of the regional value content is consistent with generally accepted accounting principles.

I hereby undertake to have this Cost Statement and its Appendix audited by a Certified Public Accountant and make available the audited Cost Statement and its Appendix to any officer authorised by the Director-General of Trade and Industry and/or the Commissioner of Customs and Excise within 30 days upon request.

Stamped and Signed by (Note 5) : _____ (_____)
(Office held)

Name of Signatory : _____ HKID Card/ Passport No. : _____
(English) (Chinese)

Telephone No. : _____

Date : _____

Note:

1. If Hong Kong Manufacturers want to include the value of Mainland origin Goods and/or Materials (including the raw materials and component parts) when calculating the "regional value content", they have to submit to the Trade and Industry Department (TID) the additional Declaration and Undertaking Form (Form FRVAC 1) at least 7 working days before submitting CO(CEPA) applications. In addition, the cost statement should bear the reference number assigned by TID for the relevant Declaration and Undertaking Form.

2. FOB value as declared on the CO(CEPA). FOB value refers to the cost of the goods to the Mainland buyer abroad up to and including the loading of the goods on to the exporting vessel, vehicle or aircraft.

3. Non-originating materials means materials that do not qualify as originating under CEPA and the Agreement, and include materials of undetermined origin. The value of the non-originating materials shall be determined according to the following circumstances:
   (a) for imported non-originating materials, it shall be the Cost, Insurance and Freight (CIF) value of the materials at the time of import;
   (b) for non-originating materials obtained in Hong Kong, it shall be the earliest ascertainable price paid or payable for the non-originating materials. The value of such non-originating materials shall not include freight, insurance, packing costs and any other costs incurred in transporting the materials from the supplier's warehouse to the producer/manufacturer's location.

4. When the value of Mainland origin goods and/or materials are included in the calculation of the regional value content of goods in CO(CEPA) applications, manufacturers must provide details of these goods and/or materials in the Appendix to this Cost Statement, including the names, specifications, model numbers, quantity and value, etc. A copy of the export declaration(s) or the filed goods list(s) for export covering the export of such goods or materials originating from the Mainland to Hong Kong and the original of the Certificate(s) of Origin issued by the relevant Mainland Authorities covering such goods and/or materials must be provided as supplementary documents to the proforma cost statement in support of the CO(CEPA) application as well as other supporting documents as may be required by the Director-General of Trade and Industry and the Commissioner of Customs & Excise.

5. The person signing for and on behalf of the factory must be an authorised signatory under Factory Registration.

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Proforma Cost Statement using Build-Down Method – Appendix
Value of Mainland Origin Goods and/or Materials (including the Raw Materials and Component Parts)

CO(CEPA) UCR No. : _____

Reference No. : _____

Item No.	Name of Goods and/or Materials (Including the Raw Materials and Component Parts) originating from the Mainland, Specification, Model No., etc.	Quantity used (Unit)	Value (HK$)	Corresponding Number of the Mainland Export Declaration /Filed Goods List for Export	Corresponding Number of the Certificate of Origin issued by the relevant Mainland Authorities
		Total Value:			

[CST 3]