

How Do I Read Tariff Shift Rules?

And Other Textile & Apparel Rules of Origin
Questions You Were Afraid to Ask



U.S. Customs & Border Protection
March 2006



Goals

- Free trade agreements vs. trade preference programs
- Incentive for circumvention
- Brief textile lesson
- How to read tariff shift rules
- Other textile provisions by agreement
- Preference programs overview





Free Trade Agreement vs. Legislation

- **A Free Trade Agreement (FTA) is an Agreement between two or more parties.**
- **Special Trade Legislation is a unilateral action on the part of the United States.**
 - ✓ **African Growth and Opportunity Act (AGOA)**
 - ✓ **Caribbean Basin Trade Partnership Act (CBTPA)**
 - ✓ **Andean Trade Promotion and Drug Eradication Act (ATPDEA)**



Current FTAs

1. Israel 1/1/85
 - a. Jordan QIZ 11/21/96
 - b. Egypt QIZ 12/29/04
2. NAFTA 1/1/94
3. Jordan 12/17/01
4. Chile 1/1/04
5. Singapore 1/1/04
6. Australia 1/1/05
7. Morocco 1/1/06
8. DR-CAFTA – effective 3/1/06 for El Salvador



FTAs Awaiting Implementation



9. Bahrain – awaiting implementation
10. Oman - not yet submitted to Congress





FTAs Under Negotiation

11. Panama
12. Andean (Peru & Colombia complete)
13. Thailand
14. UAE
15. FTAA
16. SACU





Potential Future FTAs

17. Korea

18. Malaysia

19. Egypt

20. Switzerland

21. MEFTA



Competition



- \$ Without quotas, textiles and apparel manufacturers will be searching for a Competitive Advantage.**
- \$ Without quotas, PRICE will play a major factor in determining who has a Competitive Advantage.**
- \$ Eliminating duty is one way to reduce the price of a product.**





Duty Rates

Products of FTA Countries can be eligible for two or three different duty rates, depending on the inputs (raw materials) and production.

- **FTA Originating products receive Preferential Treatment (Reduced or Free)**
- **FTA some non-originating products may have a special rate of duty**
- **Non-preferential claims receive the regular rate of duty**





Average U.S. Duty Rates

Although the average trade-weighted duty rate for all imports in 2004 was 1.48%, the U.S. duty rates on textiles and apparel remain high.

<u>Product</u>	<u>Ave. Duty Rate</u>
Yarn	8%
Fabric	10%
Made-Up Articles	10%
Apparel	16%



How to Avoid Duty

How does an importer obtain a competitive advantage? Violate the Law!

- **Misdescribe the goods as a product carrying a lower duty-rate.**
- **Under-value the merchandise to avoid paying full duty.**
- **Under-count products/value on the invoice.**
- **Smuggle via the In-Bond system.**
- **Declare the goods as eligible for an FTA**



Originating vs. Non-originating

- An “**Originating**” good meets the applicable FTA preference rule of origin.

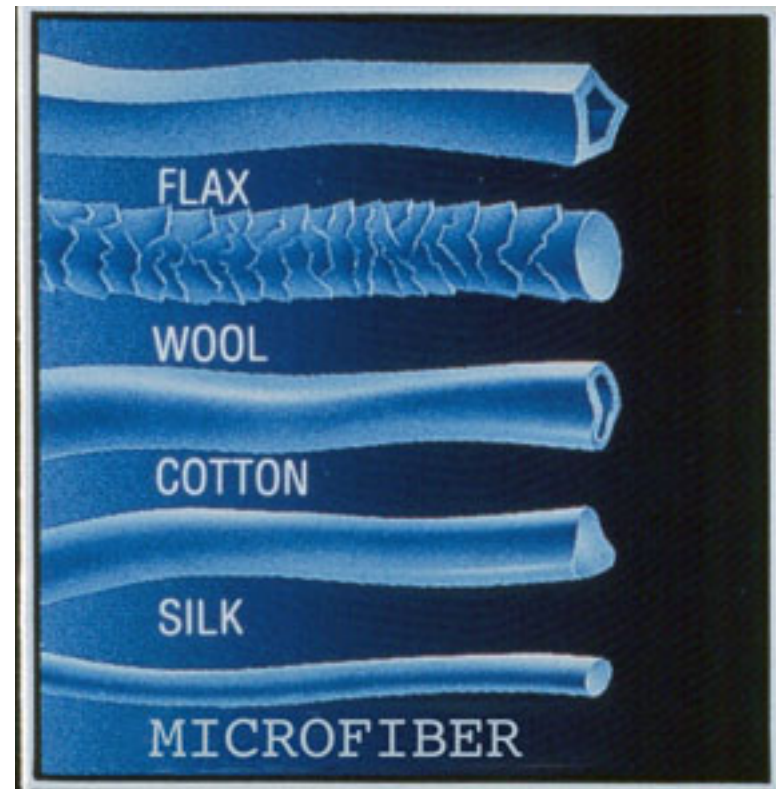
- A “**Non-Originating**” good does NOT meet the applicable preference rule of origin.
 - Other FTA preferential rates, e.g. TPL or short supply
 - regular rate of duty

Fiber



Fiber

- staple fibers
- filament fibers



Yarn



Yarn

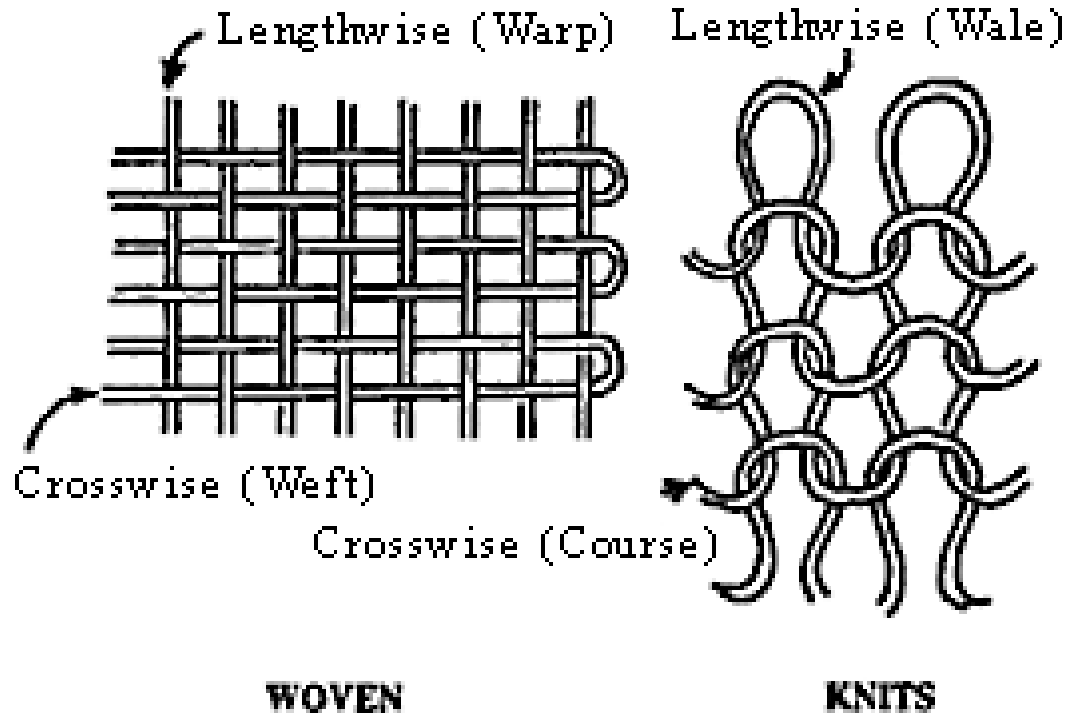
- single
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Fabric

Fabric

- woven
- knit
- non-woven

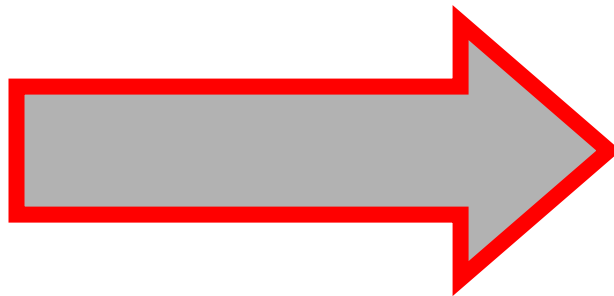




Fiber Forward

Fiber Forward requires fiber from the Parties,
and all operations forward.

Fiber

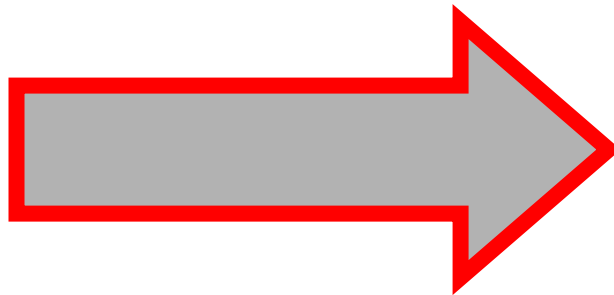




Yarn Forward

Yarn Forward requires yarn from the Parties, and all operations forward, but the fiber may be from anywhere.

Yarn

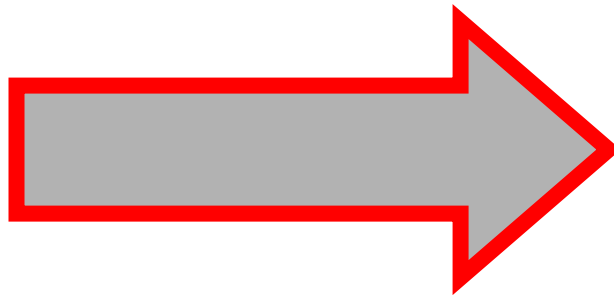




Fabric Forward

Fabric Forward requires fabric from the Parties, and all operations forward, but the fibers and yarns may be from anywhere.

Fabric

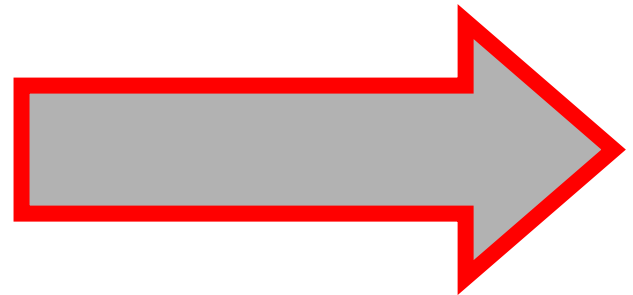




Single Transformation

- Substantial transformation is manufacturing or processing that results in a new and different article of commerce.
- A single substantial transformation does not require the inputs to be of any particular origin.

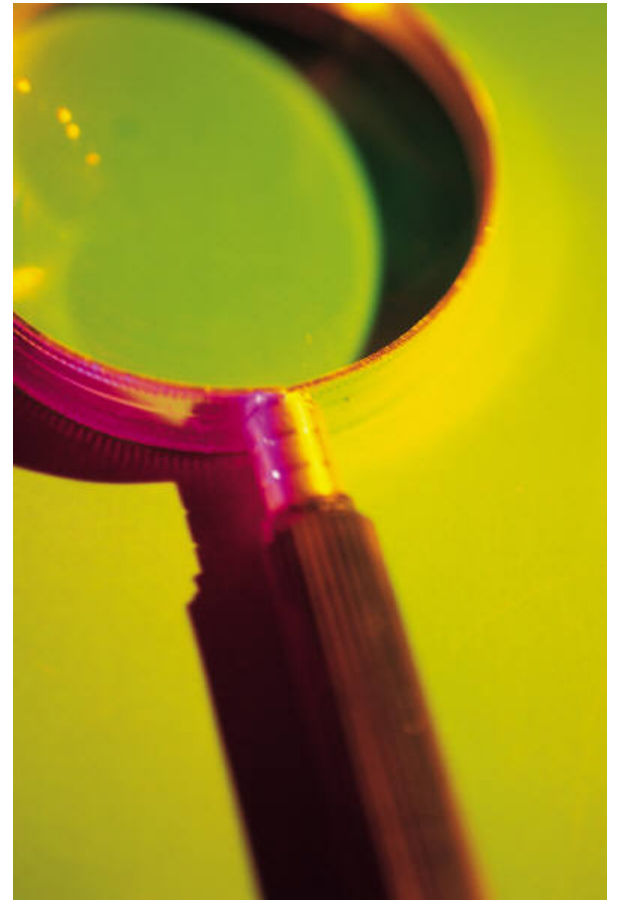
Cut & Sew





Preference Rules

A good must be
“**more than**” a
product of a Party, it
must also meet the
preference rule of
origin.





Tariff Shift Rule

- International Nomenclature (HS)
- Transparent
- Not Subjective

Harmonized Tariff Schedule of the United States (2004)

Annotated for Statistical Reporting Purposes

XI
61-34

Heading/ Subheading	Stat. Suf- fix	Article Description	Unit of Quantity	Rates of Duty		
				1		2
				General	Special	
6109 (con.)		T-shirts, singlets, tank tops and similar garments, knitted or crocheted (con.):				
6109.90		Of other textile materials:				
6109.90.10		Of man-made fibers		32%	Free (CA, CL, IL, MX, SG)	90%
		Men's or boys':				
		T-shirts:				
	07	Men's (638)	doz.			
	09	Boys' (638)	kg doz. kg			
		Tank tops and singlets:				
	13	Men's (638)	doz. kg			
	25	Boys' (638)	doz. kg			
	47	Thermal undershirts (652)	doz. kg			
	49	Other (638)	doz. kg			



Tariff Shift Rule

Variations you will see

- A change to heading ***** from any other **chapter.**
- A change to heading ***** from any other **heading.**
- A change to heading ***** through ***** from any **heading outside that group.**
- A change to heading ***** through ***** from any **heading outside that group except from *****.**



Reading the Rules

- The rule is based on the classification of the product that is being imported.
- You must know the classification of any non-originating material used in the production of the imported product.
 - The non-originating material must meet the tariff shift rule for the finished product to be considered originating.



Example:



55% cotton / 45% wool Yarn
(chief weight cotton)

A change to headings 5201 through 5207 [cotton fiber and yarn] from any other chapter*, except from headings 5401 through 5405 [man-made filament fibers], or 5501 through 5507 [man-made staple fibers].

* since cotton fibers are classified in chapter 52, foreign fibers may not be used

Example:



55% cotton / 45% wool Yarn
(chief weight cotton)

Rule as written...

A change to headings 5201 through 5207 from any other chapter, except from headings 5401 through 5405, or 5501 through 5507.

Or, you can say...

A change to cotton yarn from any other chapter, except from man-made fibers.

(The wool does not have to originate.)

Example:



NAFTA brassieres

A change to subheading 6212.10 from any other chapter, provided that the good is both cut and sewn or otherwise assembled in the territory of one or more of the parties.

Single transformation



Tariff Shift Groupings

Fibers

- Silk 5001 – 5003
- Wool & Fine Animal Hair 5101 – 5105
- Cotton 5201 – 5203
- Vegetable Fibers/Paper Yarns & Woven Paper Fabric 5301 – 5305
- Man-made Staple Fibers 5501 – 5507





Tariff Shift Groupings

Yarns

- Silk 5004 – 5006
- Wool & Fine Animal Hair 5106 – 5110
- Cotton 5204 – 5207
- Vegetable Fibers/Paper Yarns & Woven Paper Fabric 5306 – 5308
- Man-made Filaments 5401 – 5406
- Man-made Staple Fibers 5508 – 5511





Tariff Shift Groupings

Fabrics

- Silk (woven) 5007
- Wool & Fine Animal Hair (woven) 5111 – 5113
- Cotton (woven) 5208 – 5212
- Other Vegetable Fibers (woven) and Woven Paper Fabric 5309 – 5311
- Man-made Filaments (woven) 5407 – 5408
- Man-made Staple Fibers (woven) 5512 – 5516
- Felt & Non-wovens 5602 – 5603
- Specialty Fabrics 5801 – 5802
- Knit Fabrics 6001 – 6006



Preference Rule Summary

Textile Product “General” FTA Rule

Yarn **Fiber Forward**

Knit Fabric **Fiber Forward**

Woven Fabric **Yarn Forward**

Apparel **Yarn Forward**

Made-Up Article **Yarn Forward**

THERE ARE EXCEPTIONS TO EVERY RULE!



Knit vs. Woven Fabric

GENERALLY:

- **Chapter 52:** A change to headings 5208 through 5212 from any heading outside that group, except from headings 5106 through 5110, 5205 through 5206, 5401 through 5404 or 5509 through 5510. **(Yarn Forward)**
- **Chapter 60:** A change to headings 6001 through 6006 from any other chapter, except from headings 5106 through 5113, chapter 52, heading 5307 through 5308 or 5310 through 5311 or chapters 54 through 55. **(Fiber Forward for cotton & mmf)**



Component that Determines Classification

For purposes of determining whether a good of Chapters 61-62 (and sometimes ch 63) is originating, **the rule** applicable to that good **shall only apply to the component that determines the tariff classification** of the good and such component must satisfy the tariff change requirements set out in the rule for that good.

(Chapter note in the tariff shift rule for the relevant chapters)



Component that Determines Classification

Examples





Component that Determines Classification

Examples





De Minimis

An originating textile or apparel good may contain a small percent by weight of foreign fibers or yarns.





Elastomeric Yarn

Notwithstanding the de minimis rule for fibers and yarns, a textile or apparel good containing elastomeric yarns in the component that determines the classification of the good is eligible for preferential treatment only if such yarns are wholly formed in the territory of a Party.

spandex

Not in all agreements



Visible Lining Rule

Certain fabrics, when used as visible lining material in overcoats, anoraks, suits, jackets, skirts and similar articles, must be formed and finished in the Parties (fabric forward)

- NAFTA GN 12 Chapter 61 & 62 Chapter Rule 1
- Bahrain GN 30 Chapter 61 & 62 Chapter Rule 1
- Chile GN 26 Chapter 61 & 62 Chapter Rule 1
- Morocco GN 27 Chapter 61 & 62 Chapter Rule 1
- Oman
- Australia GN 28 Chapter 61 & 62 Chapter Rule 1
- Singapore GN 25 Chapter 61 & 62 Chapter Rule 1
- DR-CAFTA GN 29 Chapter 61 & 62 Chapter Rule 1





Visible Lining Rule

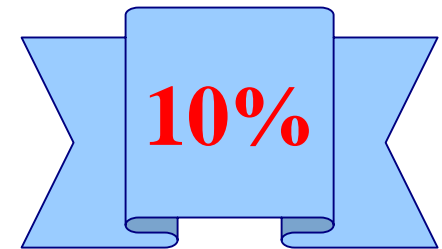
The visible lining rule shall only apply to the visible lining fabric in the main body of the garment, excluding sleeves, which covers the largest surface area, and shall not apply to removable linings.

- NAFTA GN 12 Chapter 61 Rule 2 & Chapter 62 Rule 3
- Bahrain GN 30 Chapter 61 Rule 2 & Chapter 62 Rule 3
- Chile GN 26 Chapter 61 Rule 2 & Chapter 62 Rule 3
- Morocco GN 27 Chapter 61 Rule 2 & Chapter 62 Rule 3
- Oman
- Australia GN 28 Chapter 61 Rule 2 & Chapter 62 Rule 3
- Singapore GN 25 Chapter 61 Rule 2 & Chapter 62 Rule 3
- DR-CAFTA GN 29 Chapter 61 & Chapter 62 Rule 2



Sets

Goods put up in sets for retail sale as provided for in GRI 3 of the HTS shall not be regarded as originating unless each of the products in the set is an originating good or the total value of the non-originating goods in the set does not exceed 10% of the adjusted value (FOB value) of the set.



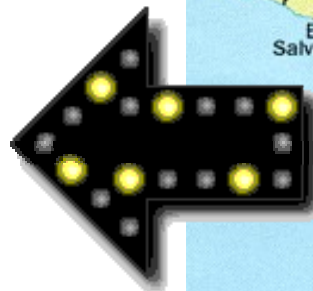
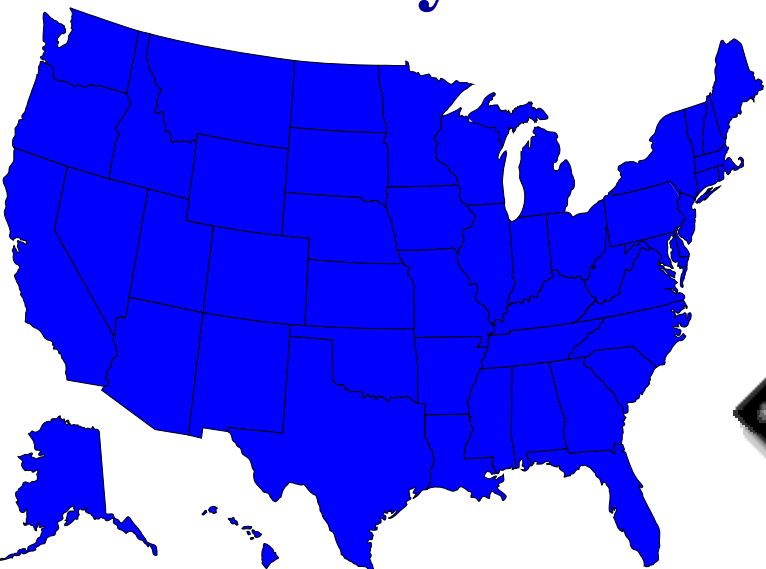
Examples: bed in a bag
babies' sets with hat & garments

Not in all agreements



Direct Shipment and Subsequent Processing

Each agreement has language regarding direct shipment or further processing after exportation from the territory of a Party.



NAFTA



NAFTA



- **Effective Date: 1/1/94**
- **Expiration Date: none**
- **General Note in HTS: GN 12**
- **Special Indicator in HTS: CA/MX**
- **Ch 98 or 99 HTS: 9999 for TPL**
- **US Code: 19 USC 3311**
- **Public Law 103-182**
- **Regulation Cite: 19 CFR 181**



NAFTA



- Coverage of Textile and Apparel Provisions – Full ATC Annex
- Component that determines classification for ch 61 - 63
- De Minimis 7% GN 12(f)(vi)
- Elastomeric Yarn Requirement – **No**
- Visible Lining Rule
- Sewing Thread Requirement N/A
- Narrow Elastomeric Fabric Requirement N/A
- Nylon Filament Yarn Rule N/A
- Bra Rule – **single transformation**
- Sets – **N/A**
- Short Supply – NAFTA style GN 12 chapter 62 notes
- Folklore - **yes**
- TPL - **yes**
- Direct Importation Controls – Customs Custody required by regulation 19 CFR 181.131

Applicability of Textile and Apparel Provisions (NAFTA)



3005.90

Wadding

3921

Coated Fabric

4202.12, 4202.22, 4202.32, 4202.92

Textile Luggage and Handbags

Chapters 50-63

Textiles and Textile Articles; except fibers of silk, wool, cotton & other vegetable fibers

6405.20 & 6406.10

Footwear

6406.99

Leg Warmers

Chapter 65

Headgear and Hats

6601

Umbrellas

7019

Glass fibers and Articles Thereof

8708.21

Seatbelts for automobiles

8804.00

Parachutes

9113.90

Watchstraps

9404.90

Pillows, Quilts, Comforters, etc.

9502.91

Doll Clothing

9612.10

Woven Cartridge Ribbon

Full ATC Annex

NAFTA Short Supply



Chapter 62 - Chapter rule 2:

Apparel goods of this chapter shall be considered to originate if they are both cut and sewn or otherwise assembled in the territory of one or more of the NAFTA parties and if the fabric of the outer shell, exclusive of collars or cuffs, is wholly of one or more of the following:

- (A) **Velveteen** fabrics of subheading 5801.23, containing 85 per cent or more by weight of cotton;
- (B) **Corduroy** fabrics of subheading 5801.22, containing 85 per cent or more by weight of cotton and containing more than 7.5 wales per centimeter;
- (C) Fabrics of subheadings 5111.11 or 5111.19, if hand-woven, with a loom width of less than 76 cm, woven in the United Kingdom in accordance with the rules and regulations of the **Harris Tweed** Association, Ltd., and so certified by the Association;
- (D) Fabrics of subheading 5112.30, weighing not more than 340 grams per square meter, containing **wool**, not less than 20 per cent by weight of **fine animal hair** and not less than 15 per cent by weight of **man-made staple** fibers; or
- (E) **Batiste** fabrics of subheadings 5513.11 or 5513.21, of square construction, of single yarns exceeding 76 metric count, containing between 60 and 70 warp ends and filling picks per square centimeter, of a weight not exceeding 110 grams per square meter.

NAFTA Short Supply



Subheading Rule

Men's or boys' shirts of cotton (subheading 6205.20) or of man-made fibers (subheading 6205.30) shall be considered to originate if they are both cut and assembled in the territory of one or more of the parties and if the fabric of the outer shell, exclusive of collars or cuffs, is wholly of one or more of the following:

- (a) Fabrics of subheadings 5208.21, 5208.22, 5208.29, 5208.31, 5208.32, 5208.39, 5208.41, 5208.42, 5208.49, 5208.51, 5208.52 or 5208.59, of average yarn number exceeding 135 metric;
- (b) Fabrics of subheadings 5513.11 or 5513.21, not of square construction, containing more than 70 warp ends and filling picks per square centimeter, of average yarn number exceeding 70 metric;
- (c) Fabrics of subheadings 5210.21 or 5210.31, not of square construction, containing more than 70 warp ends and filling picks per square centimeter, of average yarn number exceeding 70 metric;
- (d) Fabrics of subheadings 5208.22 or 5208.32, not of square construction, containing more than 75 warp ends and filling picks per square centimeter, of average yarn number exceeding 65 metric;
- (e) Fabrics of subheadings 5407.81, 5407.82 or 5407.83, weighing less than 170 grams per square meter, having a dobby weave created by a dobby attachment;

NAFTA Short Supply



Subheading Rule Cont.

Men's or boys' shirts of cotton (subheading 6205.20) or of man-made fibers (subheading 6205.30) shall be considered to originate if they are both cut and assembled in the territory of one or more of the parties and if the fabric of the outer shell, exclusive of collars or cuffs, is wholly of one or more of the following:

- (f) Fabrics of subheadings 5208.42 or 5208.49, not of square construction, containing more than 85 warp ends and filling picks per square centimeter, of average yarn number exceeding 85 metric;
- (g) Fabrics of subheading 5208.51, of square construction, containing more than 75 warp ends and filling picks per square centimeter, made with single yarns, of average yarn number 95 or greater metric;
- (h) Fabrics of subheading 5208.41, of square construction, with a gingham pattern, containing more than 85 warp ends and filling picks per square centimeter, made with single yarns, of average yarn number 95 or greater metric, and characterized by a check effect produced by the variation in color of the yarns in the warp and filling; or
- (i) Fabrics of subheading 5208.41, with the warp colored with vegetable dyes, and the filling yarns white or colored with vegetable dyes, of average yarn number greater than 65 metric.

Silk & Linen



- A change to headings 6206 through 6210 from any other chapter, except from headings 5106 through 5113, 5204 through 5212, 5307 through 5308 or 5310 through 5311, chapter 54, or headings 5508 through 5516, 5801 through 5802 or 6001 through 6006, provided that the good is both cut and sewn or otherwise assembled in the territory of one or more of the NAFTA parties. **This is single transformation for women's woven blouses of silk but not linen. Chapter 50 is missing from the exceptions.**
- A change to subheadings 6204.61 through 6204.69 from any other chapter, except from headings 5106 through 5113, 5204 through 5212, 5307 through 5308 or 5310 through 5311, chapter 54, or headings 5508 through 5516, 5801 through 5802 or 6001 through 6006, provided that the good is both cut and sewn or otherwise assembled in the territory of one or more of the NAFTA parties. **This is single transformation for women's woven trousers of silk or linen. Chapter 50 and heading 5309 are missing from the exceptions.**



Mexico Sweaters

- **Chapter 61, Chapter Rule 3**
- **Sweaters of 6110.30**
- **2 alternative tariff shift rules**
 - **fiber forward for mmf staple for sweaters under 6110.30.10, 6110.30.15, 6110.30.20 or 6110.30.30**
 - **Regular tariff shift rule for all other subheadings within 6110.30**





Mexico Assembly Rule

- **Goods of Chapter 61, 62 or 63**
- **Fabric wholly formed in the United States**
- **Cut in United States**
- **Assembled in Mexico**
- **Operations incidental to assembly ok + bleaching, garment dyeing, stone-washing, acid-washing or perma-pressing after assembly**
- **Duty free**
- **9802.00.9000**



Tariff Preference Level (TPL)



- Same as tariff rate quota (TRQ)
- A certain quantity of goods can enter during an annual period and receive a reduced rate or duty free treatment even though they don't meet the tariff shift rules
- Usually the volume is reduced over a period of time to allow trading partners to integrate

NAFTA TPL Canada



Apparel

9999.00.50

Cotton or man-made fiber apparel made from foreign **fabric**

9999.00.51

Cotton or man-made fiber apparel made from foreign **yarn**

9999.00.52

Men's or boys' **wool suits** of apparel category 443

9999.00.53

Other **wool** apparel made from foreign **fabric or yarn**



NAFTA TPL Canada



9999.00.54

Cotton or mmf fabric or made-ups provided for in chapters 52-55 (excluding goods in 400 series categories), 58, 60 and 63, woven or knit from **foreign fiber or yarn**; or

Goods of 9404.90 (**comforters, pillows, quilts, etc.**) finished, cut and sewn from foreign fabrics of 5208.11 through 5208.29, 5209.11 through 5209.29, 5210.11 through 5210.29, 5211.11 through 5211.29, 5212.11, 5212.12, 5212.21, 5212.22, (**cotton fabrics**) 5407.41, 5407.51, 5407.71, 5407.81, 5407.91, 5408.21, 5408.31, 5512.11, 5512.21, 5512.91, 5513.11 through 5513.19, 5514.11 through 5514.19, 5516.11, 5516.21, 5516.31, 5516.41, 5516.91 (**mmf fabrics**)



NAFTA TPL Canada



9999.00.55

Any textile product from TPL 9999.00.54 in which 50% or less by weight of the inputs do not undergo the applicable tariff shift, then the TPL is entered under this different number so that it only charges 50% of the SME to the TPL limit

1/2



NAFTA TPL Canada



9999.00.56

Cotton or MMF staple yarn in headings 5205 through 5207, 5509 through 5511 spun from **foreign fiber** of headings 5201 through 5203 or 5501 through 5507



NAFTA TPL Mexico



9999.00.60 Cotton or man-made fiber apparel made from foreign fabric or yarn

EXCEPT goods of blue denim classified in subheadings 5209.42, 5211.42, 5212.23.60 and 5514.32.00

EXCEPT goods of oxford cloth of average yarn number less than 135 metric number classified in subheadings 5208.19, 5208.29, 5208.39, 5208.49, 5208.59, 5210.19, 5210.29, 5210.39, 5210.49, 5210.59, 5512.11, 5512.19, 5513.13, 5513.23, 5513.33, and 5513.43

EXCEPT apparel goods provided for in subheadings 6107.11.00, 6107.12.00, 6109.10.00 and 6109.90 if such goods are composed chiefly of circular knit fabric of yarn number equal to or less than 100 metric number

EXCEPT sweaters provided for in subheading 6110.30





TPL Warning

- “... from fabric or yarn produced or obtained from outside the territory of a Party, regardless of the origin...”
- **Knit-to-Shape components are not considered “fabric” and therefore garments containing foreign knit-to-shape components do NOT qualify for the TPL!**



NAFTA TPL Mexico



9999.00.61 Wool apparel made from foreign fabric or yarn

EXCEPT apparel goods provided for in subheading 6109.90 if composed chiefly of circular knit fabric of yarn number equal to or less than 100 metric number

EXCEPT sweaters provided for in subheading 6110.30



NAFTA TPL Mexico



9999.00.62

Cotton or mmf fabric or made-ups provided for in chapters 52-55 (excluding goods in 400 series categories), 58, 60 and 63, woven or knit from **foreign fiber or yarn**; or

Goods of 9404.90 (**comforters, pillows, quilts, etc.**) finished, cut and sewn from foreign fabrics of 5208.11 through 5208.29, 5209.11 through 5209.29, 5210.11 through 5210.29, 5211.11 through 5211.29, 5212.11, 5212.12, 5212.21, 5212.22, (**cotton fabrics**) 5407.41, 5407.51, 5407.71, 5407.81, 5407.91, 5408.21, 5408.31, 5512.11, 5512.21, 5512.91, 5513.11 through 5513.19, 5514.11 through 5514.19, 5516.11, 5516.21, 5516.31, 5516.41, 5516.91 (**mmf fabrics**)



NAFTA TPL Mexico



9999.00.64

Cotton or MMF staple yarn in headings 5205 through 5207, 5509 through 5511 spun from **foreign fiber** of headings 5201 through 5203 or 5501 through 5507



NAFTA Folklore



Use the HTS for Certified Folklore to Make Entry

6203.43.2500 (647)

6203.49.1500 (647)

6204.42.1000 (336)

6204.43.1000 (636)

6204.44.2000 (636)

6204.52.1000 (342)

6204.53.1000 (642)

6204.59.1000 (642)

6204.62.3000 (348)

6204.63.2000 (648)

6205.10.1000 (440)

6205.20.1000 (340)

6205.30.1000 (640)

6206.20.1000 (440)

6206.30.1000 (340)

6206.40.1000 (640)



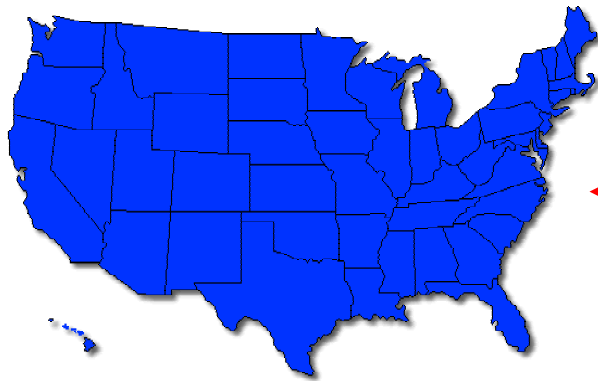
6304.99.1000 - Wall hangings of wool or fine animal hair, Certified handloomed and folklore products

6304.99.4000 - Certified handloomed and folklore pillow covers of wool or fine animal hair

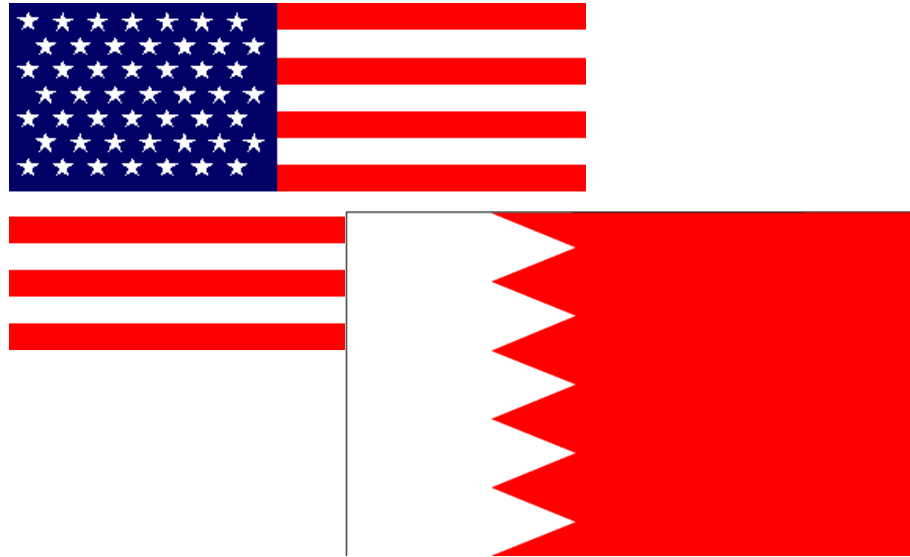


NAFTA Direct Shipment

A good shall not be considered to be an originating good by reason of having undergone production that satisfies the requirements of the Agreement if, subsequent to that production, the good undergoes further production or any other operation outside the territories of the NAFTA parties, other than unloading, reloading or any other operation necessary to preserve it in good condition or to transport the good to the territory of Canada, Mexico and/or the United States.



Bahrain FTA





Bahrain FTA

- **Effective Date:**
- **Expiration Date:** none
- **General Note in HTS:** GN 30
- **Special Indicator in HTS:** BH
- **Ch 98 or 99 HTS:** 9914 for TPL
- **US Code:**
- **Public Law 109-169**
- **Regulation Cite:**



Bahrain FTA



- **Coverage of Textile and Apparel Provisions – Full ATC Annex**
- **Component that determines classification for ch 61 - 63**
- **De Minimis 7% GN 30(e)(i)**
- **Elastomeric Yarn Requirement – Yes GN 30(e)(i)**
- **Visible Lining Rule**
- **Sewing Thread Requirement N/A**
- **Narrow Elastomeric Fabric Requirement N/A**
- **Nylon Filament Yarn Rule N/A**
- **Bra Rule – 75%**
- **Sets – 10% foreign value GN 30(e)(ii)**
- **Short Supply – NAFTA style**
- **Folklore N/A**
- **TPL - Yes**
- **Direct Importation Controls – Customs Custody not required**

Applicability of Textile and Apparel Provisions (Bahrain)



3005.90

Wadding

3921

Coated Fabric

4202.12, 4202.22, 4202.32, 4202.92

Textile Luggage and Handbags

Chapters 50-63

Textiles and Textile Articles; except fibers of silk, wool, cotton & other vegetable fibers

6405.20 & 6406.10

Footwear

6406.99

Leg Warmers

Chapter 65

Headgear and Hats

6601

Umbrellas

7019

Glass fibers and Articles Thereof

8708.21

Seatbelts for automobiles

8804.00

Parachutes

9113.90

Watchstraps

9404.90

Pillows, Quilts, Comforters, etc.

9502.91

Doll Clothing

9612.10

Woven Cartridge Ribbon

Full ATC Annex

75% Bra Rule - Bahrain



A change to subheading 6212.10 from any other chapter, provided that the good is both cut and sewn or otherwise assembled in the territory of one or both of the Parties, and provided that, during each annual period, such goods of a producer or an entity controlling production shall be eligible for preferential treatment under this Agreement only if the aggregate cost of **fabric(s) (exclusive of findings and trimmings)** formed in the territory of one or both of the Parties that is used in the production of all such articles of that producer or entity during the preceding annual period is at least 75 percent of the aggregate declared customs value of the **fabric (exclusive of findings and trimmings)** contained in all such goods of that producer or entity that are entered during the preceding one year period.



Bahrain Short Supply (NAFTA)



Chapter 62 - Chapter rule 2:

Apparel goods of this chapter shall be considered to originate if they are both cut and sewn or otherwise assembled in the territory of one or more of the parties and if the fabric of the outer shell, exclusive of collars or cuffs, is wholly of one or more of the following:

- (A) **Velveteen** fabrics of subheading 5801.23, containing 85 per cent or more by weight of cotton;
- (B) **Corduroy** fabrics of subheading 5801.22, containing 85 per cent or more by weight of cotton and containing more than 7.5 wales per centimeter;
- (C) Fabrics of subheadings 5111.11 or 5111.19, if hand-woven, with a loom width of less than 76 cm, woven in the United Kingdom in accordance with the rules and regulations of the **Harris Tweed** Association, Ltd., and so certified by the Association;
- (D) Fabrics of subheading 5112.30, weighing not more than 340 grams per square meter, containing **wool**, not less than 20 per cent by weight of **fine animal hair** and not less than 15 per cent by weight of **man-made staple** fibers; or
- (E) **Batiste** fabrics of subheadings 5513.11 or 5513.21, of square construction, of single yarns exceeding 76 metric count, containing between 60 and 70 warp ends and filling picks per square centimeter, of a weight not exceeding 110 grams per square meter.

Bahrain Short Supply (NAFTA)



Subheading Rule

Men's or boys' shirts of cotton (subheading 6205.20) or of man-made fibers (subheading 6205.30) shall be considered to originate if they are both cut and assembled in the territory of one or more of the parties and if the fabric of the outer shell, exclusive of collars or cuffs, is wholly of one or more of the following:

- (a) Fabrics of subheadings 5208.21, 5208.22, 5208.29, 5208.31, 5208.32, 5208.39, 5208.41, 5208.42, 5208.49, 5208.51, 5208.52 or 5208.59, of average yarn number exceeding 135 metric;
- (b) Fabrics of subheadings 5513.11 or 5513.21, not of square construction, containing more than 70 warp ends and filling picks per square centimeter, of average yarn number exceeding 70 metric;
- (c) Fabrics of subheadings 5210.21 or 5210.31, not of square construction, containing more than 70 warp ends and filling picks per square centimeter, of average yarn number exceeding 70 metric;
- (d) Fabrics of subheadings 5208.22 or 5208.32, not of square construction, containing more than 75 warp ends and filling picks per square centimeter, of average yarn number exceeding 65 metric;
- (e) Fabrics of subheadings 5407.81, 5407.82 or 5407.83, weighing less than 170 grams per square meter, having a dobby weave created by a dobby attachment;

Bahrain Short Supply (NAFTA)



Subheading Rule Cont.

Men's or boys' shirts of cotton (subheading 6205.20) or of man-made fibers (subheading 6205.30) shall be considered to originate if they are both cut and assembled in the territory of one or more of the parties and if the fabric of the outer shell, exclusive of collars or cuffs, is wholly of one or more of the following:

- (f) Fabrics of subheadings 5208.42 or 5208.49, not of square construction, containing more than 85 warp ends and filling picks per square centimeter, of average yarn number exceeding 85 metric;
- (g) Fabrics of subheading 5208.51, of square construction, containing more than 75 warp ends and filling picks per square centimeter, made with single yarns, of average yarn number 95 or greater metric;
- (h) Fabrics of subheading 5208.41, of square construction, with a gingham pattern, containing more than 85 warp ends and filling picks per square centimeter, made with single yarns, of average yarn number 95 or greater metric, and characterized by a check effect produced by the variation in color of the yarns in the warp and filling; or
- (i) Fabrics of subheading 5208.41, with the warp colored with vegetable dyes, and the filling yarns white or colored with vegetable dyes, of average yarn number greater than 65 metric.

Bahrain TPL (10 years)



(a) **cotton or man-made knit or woven fabric** in Chapters 52, 54, 55, 58, and 60 wholly formed in U.S./Bahrain from **foreign yarn**



9914.99.20



Bahrain TPL (10 years)

(b) cotton or man-made fiber fabric in **Chapters 58 and 60** wholly formed in U.S./Bahrain from **foreign fiber**



9914.99.20





Bahrain TPL (10 years)

(c) **cotton or man-made fiber apparel** goods that are cut or knit to shape, or both, and sewn or otherwise assembled in U.S./Bahrain from **foreign fabric or yarn**



9914.99.20





Bahrain TPL (10 years)

(d) cotton or man-made fiber made-up goods in **Chapter 63** that are cut or knit to shape, or both, and sewn or otherwise assembled in U.S./Bahrain from **foreign yarn (not fabric)**



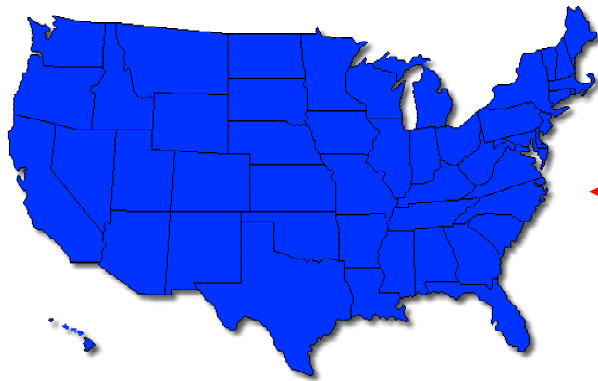
9914.99.20



Bahrain Direct Shipment

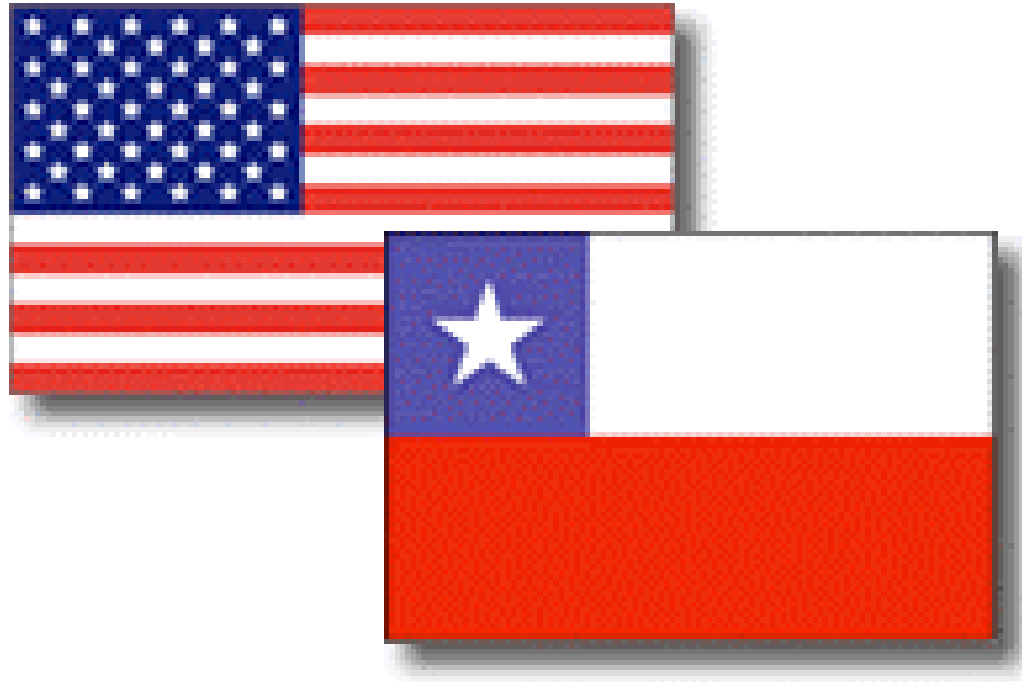
Each Party shall provide that a good is an originating good where it is imported directly from the territory of one Party into the territory of other Party... [GN 30(b)]

...a good shall not be considered to be imported directly from the territory of the other Party if the good undergoes subsequent production, manufacturing, or any other operation outside the territories of the Parties, other than unloading, reloading, or any other operation necessary to preserve it in good condition or to transport the good to the territory of the other Party. [GN 30(d)(iv)?]





Chile FTA



Chile FTA



- **Effective Date: 1/1/04**
- **Expiration Date: none**
- **General Note in HTS: GN 26**
- **Special Indicator in HTS: CL**
- **Ch 98 or 99 HTS: 9911 for TPL**
- **US Code:**
- **Public Law 108-77**
- **Regulation Cite: 19 CFR 10.400 et seq.**



Chile FTA



- **Coverage of Textile and Apparel Provisions – Full ATC Annex**
- **Component that determines classification for ch 61 - 63**
- **De Minimis 7% GN 26(d)(i)**
- **Elastomeric Yarn Requirement – Yes GN 26(d)(i)**
- **Visible Lining Rule**
- **Sewing Thread Requirement N/A**
- **Narrow Elastomeric Fabric Requirement N/A**
- **Nylon Filament Yarn Rule N/A**
- **Bra Rule – 75%**
- **Sets – 10% foreign value GN 26(d)(ii)**
- **Short Supply – NAFTA style**
- **Folklore N/A**
- **TPL - Yes**
- **Direct Importation Controls – Customs Custody not required**

Applicability of Textile and Apparel Provisions (Chile)



3005.90

Wadding

3921

Coated Fabric

4202.12, 4202.22, 4202.32, 4202.92

Textile Luggage and Handbags

Chapters 50-63

Textiles and Textile Articles; except fibers of silk, wool, cotton & other vegetable fibers

6405.20 & 6406.10

Footwear

6406.99

Leg Warmers

Chapter 65

Headgear and Hats

6601

Umbrellas

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Seatbelts for automobiles

8804.00

Parachutes

9113.90

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Pillows, Quilts, Comforters, etc.

9502.91

Doll Clothing

9612.10

Woven Cartridge Ribbon

Full ATC Annex



75% Bra Rule - Chile

A change to subheading 6212.10 from any other chapter, provided that the good is both cut and sewn or otherwise assembled in the territory of one or both of the Parties, and provided that, during each annual period, such goods of a producer or an entity controlling production shall be eligible for preferential treatment under this Agreement only if the aggregate cost of **fabric components** formed in the United States and/or Chile that are used in the production of all such articles of that producer or entity during the preceding annual period is a least 75 percent of the aggregate declared customs value of the **fabric** contained in all such goods of that producer or entity that are entered during the preceding one year period.



Chile Short Supply (NAFTA)



Chapter 62 - Chapter rule 2:

Apparel goods of this chapter shall be considered to originate if they are both cut and sewn or otherwise assembled in the territory of one or more of the parties and if the fabric of the outer shell, exclusive of collars or cuffs, is wholly of one or more of the following:

- (A) **Velveteen** fabrics of subheading 5801.23, containing 85 per cent or more by weight of cotton;
- (B) **Corduroy** fabrics of subheading 5801.22, containing 85 per cent or more by weight of cotton and containing more than 7.5 wales per centimeter;
- (C) Fabrics of subheadings 5111.11 or 5111.19, if hand-woven, with a loom width of less than 76 cm, woven in the United Kingdom in accordance with the rules and regulations of the **Harris Tweed** Association, Ltd., and so certified by the Association;
- (D) Fabrics of subheading 5112.30, weighing not more than 340 grams per square meter, containing **wool**, not less than 20 per cent by weight of **fine animal hair** and not less than 15 per cent by weight of **man-made staple** fibers; or
- (E) **Batiste** fabrics of subheadings 5513.11 or 5513.21, of square construction, of single yarns exceeding 76 metric count, containing between 60 and 70 warp ends and filling picks per square centimeter, of a weight not exceeding 110 grams per square meter.

Chile Short Supply (NAFTA)



Subheading Rule

Men's or boys' shirts of cotton (subheading 6205.20) or of man-made fibers (subheading 6205.30) shall be considered to originate if they are both cut and assembled in the territory of one or more of the parties and if the fabric of the outer shell, exclusive of collars or cuffs, is wholly of one or more of the following:

- (a) Fabrics of subheadings 5208.21, 5208.22, 5208.29, 5208.31, 5208.32, 5208.39, 5208.41, 5208.42, 5208.49, 5208.51, 5208.52 or 5208.59, of average yarn number exceeding 135 metric;
- (b) Fabrics of subheadings 5513.11 or 5513.21, not of square construction, containing more than 70 warp ends and filling picks per square centimeter, of average yarn number exceeding 70 metric;
- (c) Fabrics of subheadings 5210.21 or 5210.31, not of square construction, containing more than 70 warp ends and filling picks per square centimeter, of average yarn number exceeding 70 metric;
- (d) Fabrics of subheadings 5208.22 or 5208.32, not of square construction, containing more than 75 warp ends and filling picks per square centimeter, of average yarn number exceeding 65 metric;
- (e) Fabrics of subheadings 5407.81, 5407.82 or 5407.83, weighing less than 170 grams per square meter, having a dobby weave created by a dobby attachment;

Chile Short Supply (NAFTA)



Subheading Rule Cont.

Men's or boys' shirts of cotton (subheading 6205.20) or of man-made fibers (subheading 6205.30) shall be considered to originate if they are both cut and assembled in the territory of one or more of the parties and if the fabric of the outer shell, exclusive of collars or cuffs, is wholly of one or more of the following:

- (f) Fabrics of subheadings 5208.42 or 5208.49, not of square construction, containing more than 85 warp ends and filling picks per square centimeter, of average yarn number exceeding 85 metric;
- (g) Fabrics of subheading 5208.51, of square construction, containing more than 75 warp ends and filling picks per square centimeter, made with single yarns, of average yarn number 95 or greater metric;
- (h) Fabrics of subheading 5208.41, of square construction, with a gingham pattern, containing more than 85 warp ends and filling picks per square centimeter, made with single yarns, of average yarn number 95 or greater metric, and characterized by a check effect produced by the variation in color of the yarns in the warp and filling; or
- (i) Fabrics of subheading 5208.41, with the warp colored with vegetable dyes, and the filling yarns white or colored with vegetable dyes, of average yarn number greater than 65 metric.



Chile TPL (expires 12/31/15)

- **9911.99.20** cotton or man-made fiber fabric in Chapters 52, 54, 55, 58, and 60 wholly formed in U.S./Chile from foreign yarn
- **9911.99.20** cotton or man-made fiber fabric wholly formed in U.S./Chile from foreign fiber



Chile TPL (expires 12/31/15)



9911.99.40 Cotton or man-made fiber apparel cut (or knit to shape) and sewn or otherwise assembled in U.S./Chile from foreign fabric or yarn

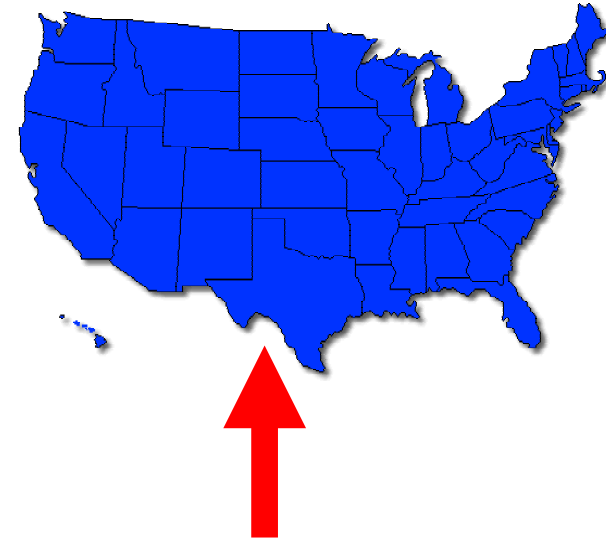




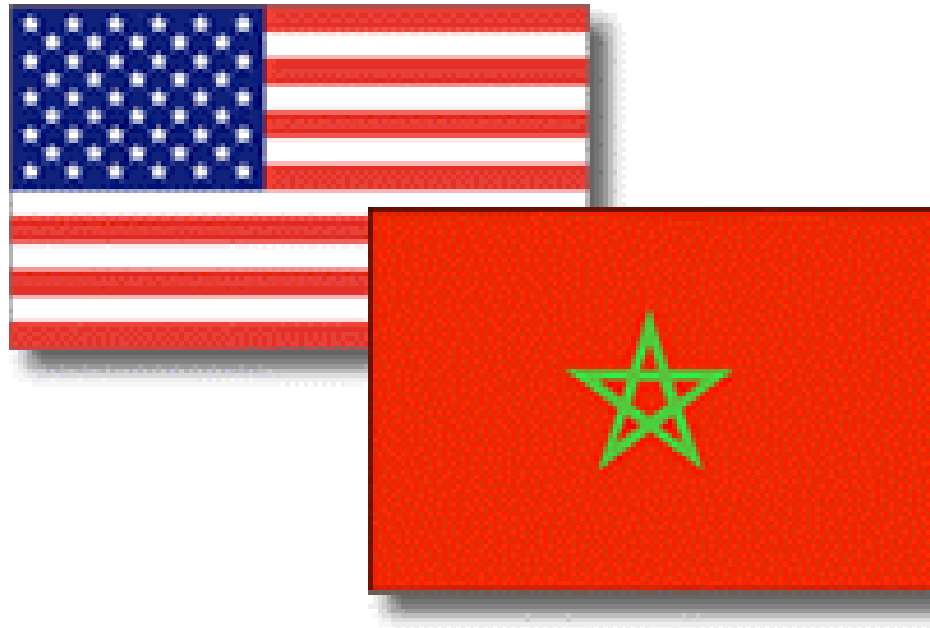
Chile Direct Shipment

Each Party shall provide that a good shall not be considered an originating good if the good undergoes subsequent production or any other operation outside the territories of the Parties, other than unloading, reloading, or any other process necessary to preserve the good in good condition or to transport the good to the territory of a Party.

The **importing Party may require** that a person claiming that a good is originating **demonstrate**, to the satisfaction of the Party's customs authority, that any subsequent operations on the good performed outside the territories of the Parties comply with the requirements in paragraph 1. GN 26(c)(iii)



Morocco FTA





Morocco FTA

- **Effective Date: 1/1/06**
- **Expiration Date: none**
- **General Note in HTS: 27**
- **Special Indicator in HTS: MA**
- **Ch 98 or 99 HTS: 9912 for TRQ & TPL**
- **US Code:**
- **Public Law 108-302**
- **Regulation Cite:**

Staged duty reduction



Morocco FTA



- **Coverage of Textile and Apparel Provisions – Full ATC Annex**
- **Component that determines classification for ch 61 - 63**
- **De Minimis 7% GN 27(e)(i)**
- **Elastomeric Yarn Requirement – Yes GN 27(e)(i)**
- **Visible Lining Rule**
- **Sewing Thread Requirement N/A**
- **Narrow Elastomeric Fabric Requirement N/A**
- **Nylon Filament Yarn Rule N/A**
- **Bra Rule – 75%**
- **Sets – 10% foreign value GN 27(e)(ii)**
- **Short Supply – NAFTA style**
- **Folklore N/A**
- **TPL - Yes (plus Sub-Saharan African cotton)**
- **Direct Importation Controls – Customs Custody not required**

Applicability of Textile and Apparel Provisions (Morocco)



3005.90

Wadding

3921

Coated Fabric

4202.12, 4202.22, 4202.32, 4202.92

Textile Luggage and Handbags

Chapters 50-63

Textiles and Textile Articles; except fibers of silk, wool, cotton & other vegetable fibers

6405.20 & 6406.10

Footwear

6406.99

Leg Warmers

Chapter 65

Headgear and Hats

6601

Umbrellas

7019

Glass fibers and Articles Thereof

8708.21

Seatbelts for automobiles

8804.00

Parachutes

9113.90

Watchstraps

9404.90

Pillows, Quilts, Comforters, etc.

9502.91

Doll Clothing

9612.10

Woven Cartridge Ribbon

Full ATC Annex



75% Bra Rule - Morocco

A change to subheading 6212.10 from any other chapter, provided that the good is cut or knit to shape, or both, and sewn or otherwise assembled in the territory of one or both of the Parties, and provided that, during each annual period, such goods of a producer or an entity controlling production shall be eligible for preferential treatment under this Agreement only if the aggregate cost of **fabric(s) (exclusive of findings and trimmings)** formed in the territory of one or both of the Parties that is used in the production of all such articles of that producer or entity during the preceding annual period is at least 75 percent of the aggregate declared customs value of the **fabric (exclusive of findings and trimmings)** contained in all such goods of that producer or entity that are entered during the preceding one-year period.



Morocco Short Supply (NAFTA)



Chapter 62 - Chapter rule 2:

Apparel goods of this chapter shall be considered to originate if they are both cut and sewn or otherwise assembled in the territory of one or more of the parties and if the fabric of the outer shell, exclusive of collars or cuffs, is wholly of one or more of the following:

- (A) **Velveteen** fabrics of subheading 5801.23, containing 85 per cent or more by weight of cotton;
- (B) **Corduroy** fabrics of subheading 5801.22, containing 85 per cent or more by weight of cotton and containing more than 7.5 wales per centimeter;
- (C) Fabrics of subheadings 5111.11 or 5111.19, if hand-woven, with a loom width of less than 76 cm, woven in the United Kingdom in accordance with the rules and regulations of the **Harris Tweed** Association, Ltd., and so certified by the Association;
- (D) Fabrics of subheading 5112.30, weighing not more than 340 grams per square meter, containing **wool**, not less than 20 per cent by weight of **fine animal hair** and not less than 15 per cent by weight of **man-made staple** fibers; or
- (E) **Batiste** fabrics of subheadings 5513.11 or 5513.21, of square construction, of single yarns exceeding 76 metric count, containing between 60 and 70 warp ends and filling picks per square centimeter, of a weight not exceeding 110 grams per square meter.

Morocco Short Supply (NAFTA)



Subheading Rule

Men's or boys' shirts of cotton (subheading 6205.20) or of man-made fibers (subheading 6205.30) shall be considered to originate if they are both cut and assembled in the territory of one or more of the parties and if the fabric of the outer shell, exclusive of collars or cuffs, is wholly of one or more of the following:

- (a) Fabrics of subheadings 5208.21, 5208.22, 5208.29, 5208.31, 5208.32, 5208.39, 5208.41, 5208.42, 5208.49, 5208.51, 5208.52 or 5208.59, of average yarn number exceeding 135 metric;
- (b) Fabrics of subheadings 5513.11 or 5513.21, not of square construction, containing more than 70 warp ends and filling picks per square centimeter, of average yarn number exceeding 70 metric;
- (c) Fabrics of subheadings 5210.21 or 5210.31, not of square construction, containing more than 70 warp ends and filling picks per square centimeter, of average yarn number exceeding 70 metric;
- (d) Fabrics of subheadings 5208.22 or 5208.32, not of square construction, containing more than 75 warp ends and filling picks per square centimeter, of average yarn number exceeding 65 metric;
- (e) Fabrics of subheadings 5407.81, 5407.82 or 5407.83, weighing less than 170 grams per square meter, having a dobby weave created by a dobby attachment;

Morocco Short Supply (NAFTA)



Subheading Rule Cont.

Men's or boys' shirts of cotton (subheading 6205.20) or of man-made fibers (subheading 6205.30) shall be considered to originate if they are both cut and assembled in the territory of one or more of the parties and if the fabric of the outer shell, exclusive of collars or cuffs, is wholly of one or more of the following:

- (f) Fabrics of subheadings 5208.42 or 5208.49, not of square construction, containing more than 85 warp ends and filling picks per square centimeter, of average yarn number exceeding 85 metric;
- (g) Fabrics of subheading 5208.51, of square construction, containing more than 75 warp ends and filling picks per square centimeter, made with single yarns, of average yarn number 95 or greater metric;
- (h) Fabrics of subheading 5208.41, of square construction, with a gingham pattern, containing more than 85 warp ends and filling picks per square centimeter, made with single yarns, of average yarn number 95 or greater metric, and characterized by a check effect produced by the variation in color of the yarns in the warp and filling; or
- (i) Fabrics of subheading 5208.41, with the warp colored with vegetable dyes, and the filling yarns white or colored with vegetable dyes, of average yarn number greater than 65 metric.



Morocco TRQ (12/31/10)

- **Textile & Apparel goods identified in HTS 9912.61.01 through 9912.63.26**
- **Originating under tariff shift rules**
- **Duty free treatment up to annual limit**
- **Originating goods in excess of annual limit receive staged duty rate for originating goods using alternate 9912 numbers**

\$

Duty Free!

\$

Morocco TPL (12/31/15)



Fabric in Chapters 51, 52, 54, 55, 58, and 60 wholly formed in U.S./Morocco of foreign fiber or yarn.



9912.99.20



Morocco TPL (12/31/15)

Apparel cut or knit to shape, or both, and sewn or otherwise assembled in U.S./Morocco of **foreign fabric or yarn.**



9912.99.20

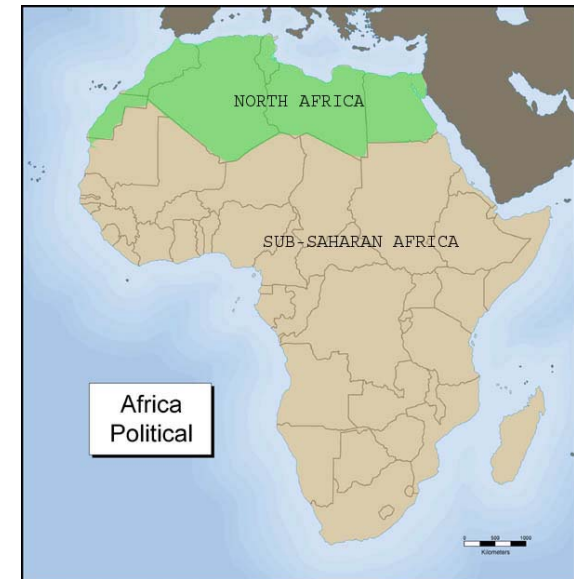




Cotton Fiber TPL (12/31/20)

- Cotton fibers classified under subheading 5201.00 may be sourced in any designated least developed Sub-Saharan African country in order to meet the tariff shift rule for any textile product.
- The cotton fibers must be carded or combed in the territory of a Party (US or Morocco) or of a designated least developed country
- Quantitative restriction on all goods entering under this provision

9912.99.40

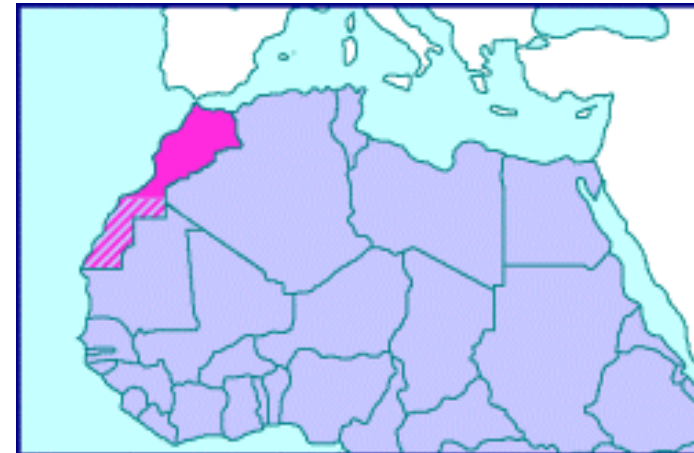
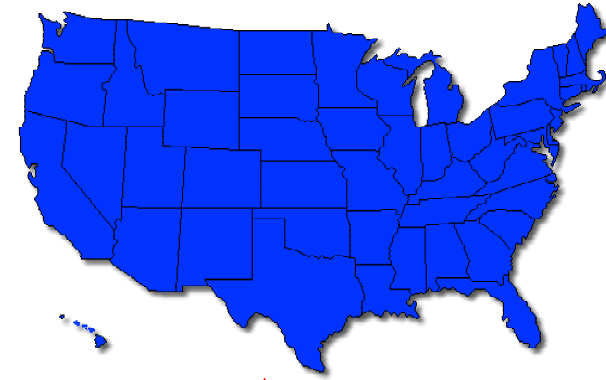


Morocco Direct Shipment

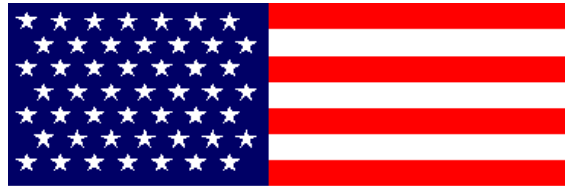


Each Party shall provide that a good shall not be considered an originating good if the good undergoes subsequent production or any other operation outside the territories of the Parties, other than unloading, reloading, or any other process necessary to preserve the good in good condition or to transport the good to the territory of a Party.

The **importing Party may require** that a person claiming that a good is originating **demonstrate**, to the satisfaction of the Party's customs authority, that any subsequent operations on the good performed outside the territories of the Parties comply with the requirements in paragraph 1. GN 27(b) & (d)(v)



Oman FTA



Oman FTA



- **Effective Date:**
- **Expiration Date:** none
- **General Note in HTS:**
- **Special Indicator in HTS:**
- **Ch 98 or 99 HTS:**
- **US Code:**
- **Public Law**
- **Regulation Cite:**



Oman FTA



- **Coverage of Textile and Apparel Provisions – Full ATC Annex**
- **Component that determines classification for ch 61 - 63**
- **De Minimis 7%**
- **Elastomeric Yarn Requirement – Yes**
- **Visible Lining Rule**
- **Sewing Thread Requirement N/A**
- **Narrow Elastomeric Fabric Requirement N/A**
- **Nylon Filament Yarn Rule N/A**
- **Bra Rule – 75%**
- **Sets – 10% foreign value**
- **Short Supply – NAFTA style**
- **Folklore N/A**
- **TPL - Yes**
- **Direct Importation Controls – Customs Custody not required**

Applicability of Textile and Apparel Provisions (Oman)



3005.90

Wadding

3921

Coated Fabric

4202.12, 4202.22, 4202.32, 4202.92

Textile Luggage and Handbags

Chapters 50-63

Textiles and Textile Articles; except fibers of silk, wool, cotton & other vegetable fibers

6405.20 & 6406.10

Footwear

6406.99

Leg Warmers

Chapter 65

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8708.21

Seatbelts for automobiles

8804.00

Parachutes

9113.90

Watchstraps

9404.90

Pillows, Quilts, Comforters, etc.

9502.91

Doll Clothing

9612.10

Woven Cartridge Ribbon

Full ATC Annex



75% Bra Rule - Oman

A change to subheading 6212.10 from any other chapter, provided that the good is both cut and sewn or otherwise assembled in the territory of one or both of the Parties, and provided that, during each annual period, such goods of a producer or an entity controlling production shall be eligible for preferential treatment under this Agreement only if the aggregate cost of **fabric(s) (exclusive of findings and trimmings)** formed in the territory of one or both of the Parties that is used in the production of all such articles of that producer or entity during the preceding annual period is at least 75 percent of the aggregate declared customs value of the **fabric (exclusive of findings and trimmings)** contained in all such goods of that producer or entity that are entered during the preceding one year period.



Oman Short Supply (NAFTA)



Chapter 62 - Chapter rule 2:

Apparel goods of this chapter shall be considered to originate if they are both cut and sewn or otherwise assembled in the territory of one or more of the parties and if the fabric of the outer shell, exclusive of collars or cuffs, is wholly of one or more of the following:

- (A) **Velveteen** fabrics of subheading 5801.23, containing 85 per cent or more by weight of cotton;
- (B) **Corduroy** fabrics of subheading 5801.22, containing 85 per cent or more by weight of cotton and containing more than 7.5 wales per centimeter;
- (C) Fabrics of subheadings 5111.11 or 5111.19, if hand-woven, with a loom width of less than 76 cm, woven in the United Kingdom in accordance with the rules and regulations of the **Harris Tweed** Association, Ltd., and so certified by the Association;
- (D) Fabrics of subheading 5112.30, weighing not more than 340 grams per square meter, containing **wool**, not less than 20 per cent by weight of **fine animal hair** and not less than 15 per cent by weight of **man-made staple** fibers; or
- (E) **Batiste** fabrics of subheadings 5513.11 or 5513.21, of square construction, of single yarns exceeding 76 metric count, containing between 60 and 70 warp ends and filling picks per square centimeter, of a weight not exceeding 110 grams per square meter.

Oman Short Supply (NAFTA)



Subheading Rule

Men's or boys' shirts of cotton (subheading 6205.20) or of man-made fibers (subheading 6205.30) shall be considered to originate if they are both cut and assembled in the territory of one or more of the parties and if the fabric of the outer shell, exclusive of collars or cuffs, is wholly of one or more of the following:

- (a) Fabrics of subheadings 5208.21, 5208.22, 5208.29, 5208.31, 5208.32, 5208.39, 5208.41, 5208.42, 5208.49, 5208.51, 5208.52 or 5208.59, of average yarn number exceeding 135 metric;
- (b) Fabrics of subheadings 5513.11 or 5513.21, not of square construction, containing more than 70 warp ends and filling picks per square centimeter, of average yarn number exceeding 70 metric;
- (c) Fabrics of subheadings 5210.21 or 5210.31, not of square construction, containing more than 70 warp ends and filling picks per square centimeter, of average yarn number exceeding 70 metric;
- (d) Fabrics of subheadings 5208.22 or 5208.32, not of square construction, containing more than 75 warp ends and filling picks per square centimeter, of average yarn number exceeding 65 metric;
- (e) Fabrics of subheadings 5407.81, 5407.82 or 5407.83, weighing less than 170 grams per square meter, having a dobby weave created by a dobby attachment;

Oman Short Supply (NAFTA)



Subheading Rule Cont.

Men's or boys' shirts of cotton (subheading 6205.20) or of man-made fibers (subheading 6205.30) shall be considered to originate if they are both cut and assembled in the territory of one or more of the parties and if the fabric of the outer shell, exclusive of collars or cuffs, is wholly of one or more of the following:

- (f) Fabrics of subheadings 5208.42 or 5208.49, not of square construction, containing more than 85 warp ends and filling picks per square centimeter, of average yarn number exceeding 85 metric;
- (g) Fabrics of subheading 5208.51, of square construction, containing more than 75 warp ends and filling picks per square centimeter, made with single yarns, of average yarn number 95 or greater metric;
- (h) Fabrics of subheading 5208.41, of square construction, with a gingham pattern, containing more than 85 warp ends and filling picks per square centimeter, made with single yarns, of average yarn number 95 or greater metric, and characterized by a check effect produced by the variation in color of the yarns in the warp and filling; or
- (i) Fabrics of subheading 5208.41, with the warp colored with vegetable dyes, and the filling yarns white or colored with vegetable dyes, of average yarn number greater than 65 metric.



Oman TPL (10 years)

Cotton or man-made fiber apparel cut or knit to shape, or both, and sewn or otherwise assembled in U.S./Oman from foreign fabric or yarn

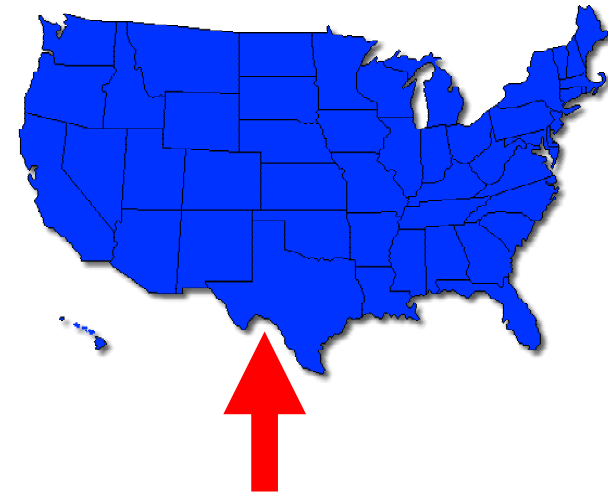


Oman Direct Shipment

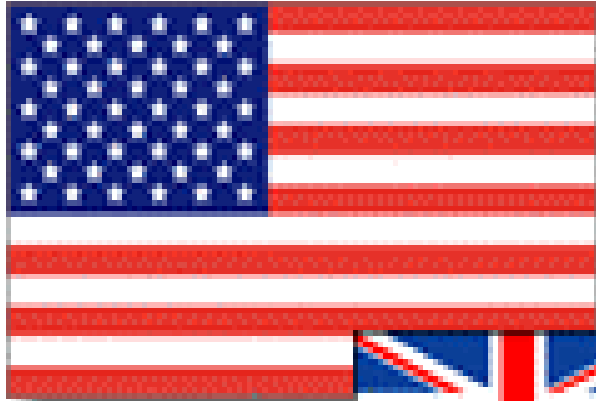


Each Party shall provide that a good is an originating good where it is imported directly from the territory of one Party into the territory of other Party...

...a good shall not be considered to be imported directly from the territory of the other Party if the good undergoes subsequent production, manufacturing, or any other operation outside the territories of the Parties, other than unloading, reloading, or any other operation necessary to preserve it in good condition or to transport the good to the territory of the other Party.



Australia FTA





Australia FTA

- **Effective Date: 1/1/05**
- **Expiration Date: none**
- **General Note in HTS: GN 28**
- **Special Indicator in HTS: AU**
- **Ch 98 or 99 HTS: none**
- **US Code:**
- **Public Law 108-286**
- **Regulation Cite:**

Staged duty reduction



Australia FTA



- **Coverage of Textile and Apparel Provisions – Full ATC Annex**
- **Component that determines classification for ch 61 - 63**
- **De Minimis 7% GN28 (d)(i)**
- **Elastomeric Yarn Requirement – Yes GN28 (d)(i)**
- **Visible Lining Rule**
- **Sewing Thread Requirement N/A**
- **Narrow Elastomeric Fabric Requirement N/A**
- **Nylon Filament Yarn Rule N/A**
- **Bra Rule – 75%**
- **Sets – 10% foreign value GN28 (d)(ii)**
- **Short Supply – NAFTA style**
- **Folklore N/A**
- **TPL - No**
- **Direct Importation Controls – Customs Custody not required**

Applicability of Textile and Apparel Provisions (Australia)



3005.90

Wadding

3921

Coated Fabric

4202.12, 4202.22, 4202.32, 4202.92

Textile Luggage and Handbags

Chapters 50-63

Textiles and Textile Articles; except fibers of silk, wool, cotton & other vegetable fibers

6405.20 & 6406.10

Footwear

6406.99

Leg Warmers

Chapter 65

Headgear and Hats

6601

Umbrellas

7019

Glass fibers and Articles Thereof

8708.21

Seatbelts for automobiles

8804.00

Parachutes

9113.90

Watchstraps

9404.90

Pillows, Quilts, Comforters, etc.

9502.91

Doll Clothing

9612.10

Woven Cartridge Ribbon

Full ATC Annex



75% Bra Rule - Australia

A change to subheading 6212.10 from any other chapter, provided that the good is both cut and sewn or otherwise assembled in the territory of one or both of the Parties, and provided that, during each annual period, such goods of a producer or an entity controlling production shall be eligible for preferential treatment under this Agreement only if the aggregate cost of **fabric(s) (exclusive of findings and trimmings)** formed in the territory of one or both of the Parties that is used in the production of all such articles of that producer or entity during the preceding annual period is at least 75 percent of the aggregate declared customs value of the **fabric (exclusive of findings and trimmings)** contained in all such goods of that producer or entity that are entered during the preceding one year period.



Australia Short Supply (NAFTA)



Chapter 62 - Chapter rule 2:

Apparel goods of this chapter shall be considered to originate if they are both cut and sewn or otherwise assembled in the territory of one or more of the parties and if the fabric of the outer shell, exclusive of collars or cuffs, is wholly of one or more of the following:

- (A) **Velveteen** fabrics of subheading 5801.23, containing 85 per cent or more by weight of cotton;
- (B) **Corduroy** fabrics of subheading 5801.22, containing 85 per cent or more by weight of cotton and containing more than 7.5 wales per centimeter;
- (C) Fabrics of subheadings 5111.11 or 5111.19, if hand-woven, with a loom width of less than 76 cm, woven in the United Kingdom in accordance with the rules and regulations of the **Harris Tweed** Association, Ltd., and so certified by the Association;
- (D) Fabrics of subheading 5112.30, weighing not more than 340 grams per square meter, containing **wool**, not less than 20 per cent by weight of **fine animal hair** and not less than 15 per cent by weight of **man-made staple** fibers; or
- (E) **Batiste** fabrics of subheadings 5513.11 or 5513.21, of square construction, of single yarns exceeding 76 metric count, containing between 60 and 70 warp ends and filling picks per square centimeter, of a weight not exceeding 110 grams per square meter.

Australia Short Supply (NAFTA)



Subheading Rule

Men's or boys' shirts of cotton (subheading 6205.20) or of man-made fibers (subheading 6205.30) shall be considered to originate if they are both cut and assembled in the territory of one or more of the parties and if the fabric of the outer shell, exclusive of collars or cuffs, is wholly of one or more of the following:

- (a) Fabrics of subheadings 5208.21, 5208.22, 5208.29, 5208.31, 5208.32, 5208.39, 5208.41, 5208.42, 5208.49, 5208.51, 5208.52 or 5208.59, of average yarn number exceeding 135 metric;
- (b) Fabrics of subheadings 5513.11 or 5513.21, not of square construction, containing more than 70 warp ends and filling picks per square centimeter, of average yarn number exceeding 70 metric;
- (c) Fabrics of subheadings 5210.21 or 5210.31, not of square construction, containing more than 70 warp ends and filling picks per square centimeter, of average yarn number exceeding 70 metric;
- (d) Fabrics of subheadings 5208.22 or 5208.32, not of square construction, containing more than 75 warp ends and filling picks per square centimeter, of average yarn number exceeding 65 metric;
- (e) Fabrics of subheadings 5407.81, 5407.82 or 5407.83, weighing less than 170 grams per square meter, having a dobby weave created by a dobby attachment;

Australia Short Supply (NAFTA)



Subheading Rule Cont.

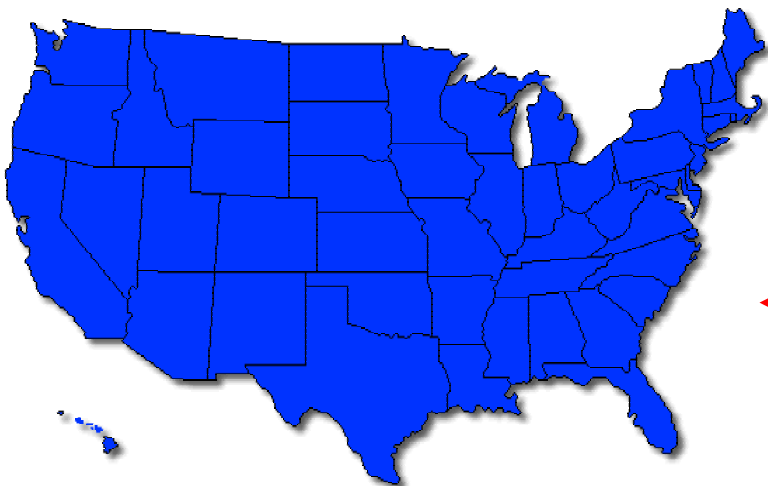
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- (f) Fabrics of subheadings 5208.42 or 5208.49, not of square construction, containing more than 85 warp ends and filling picks per square centimeter, of average yarn number exceeding 85 metric;
- (g) Fabrics of subheading 5208.51, of square construction, containing more than 75 warp ends and filling picks per square centimeter, made with single yarns, of average yarn number 95 or greater metric;
- (h) Fabrics of subheading 5208.41, of square construction, with a gingham pattern, containing more than 85 warp ends and filling picks per square centimeter, made with single yarns, of average yarn number 95 or greater metric, and characterized by a check effect produced by the variation in color of the yarns in the warp and filling; or
- (i) Fabrics of subheading 5208.41, with the warp colored with vegetable dyes, and the filling yarns white or colored with vegetable dyes, of average yarn number greater than 65 metric.

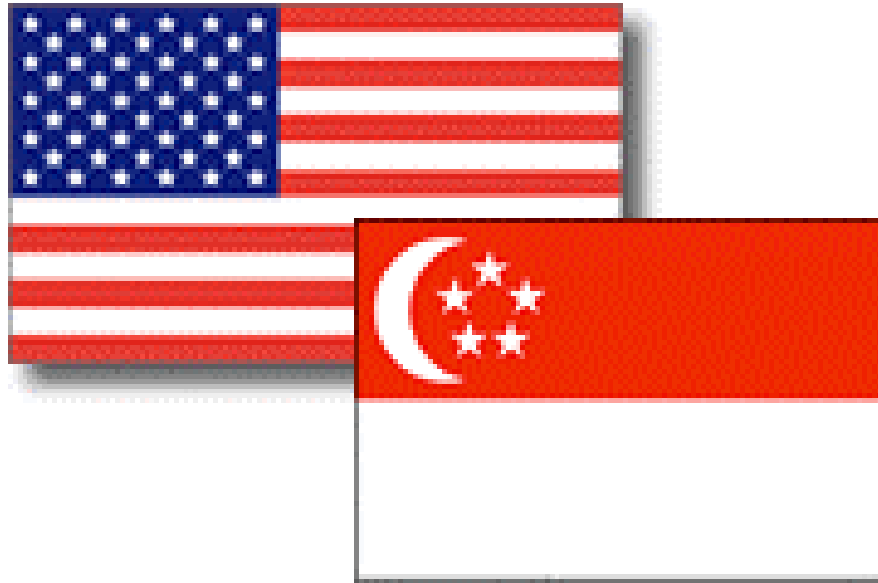


Australia Direct Shipment

A good shall not be considered to be an originating good if the good undergoes subsequent production or any other operation outside the territories of the Parties, other than unloading, reloading, or any other operation necessary to preserve it in good condition or to transport the good to the territory of a Party. GN 28(c)(iii)



Singapore FTA





Singapore FTA

- **Effective Date: 1/1/04**
- **Expiration Date: none**
- **General Note in HTS: GN 25**
- **Special Indicator in HTS: SG**
- **Ch 98 or 99 HTS: 9910 for TPL**
- **US Code:**
- **Public Law 108-78**
- **Regulation Cite: 19 CFR 10.500 et seq.**



Singapore FTA



- Coverage of Textile and Apparel Provisions – Full ATC Annex
- Component that determines classification for ch 61 – 62 (**not 63**)
- De Minimis 7% GN 25(d)(i)
- Elastomeric Yarn Requirement – Yes GN 25(d)(i)
- Visible Lining Rule
- Sewing Thread Requirement N/A
- Narrow Elastomeric Fabric Requirement N/A
- Nylon Filament Yarn Rule N/A
- Bra Rule – **fabric forward**
- Sets – **N/A**
- Short Supply – NAFTA style
- Folklore N/A
- TPL - **Yes**
- Direct Importation Controls – Customs Custody not required

Applicability of Textile and Apparel Provisions (Singapore)



3005.90

Wadding

3921

Coated Fabric

4202.12, 4202.22, 4202.32, 4202.92

Textile Luggage and Handbags

Chapters 50-63

Textiles and Textile Articles; except fibers of silk, wool, cotton & other vegetable fibers

6405.20 & 6406.10

Footwear

6406.99

Leg Warmers

Chapter 65

Headgear and Hats

6601

Umbrellas

7019

Glass fibers and Articles Thereof

8708.21

Seatbelts for automobiles

8804.00

Parachutes

9113.90

Watchstraps

9404.90

Pillows, Quilts, Comforters, etc.

9502.91

Doll Clothing

9612.10

Woven Cartridge Ribbon

Full ATC Annex



Bra Rule - Singapore

Change to subheading 6212.10 from any other chapter except from headings 5208 through 5212, 5407 through 5408, 5512 through 5516, 5803 through 5804, 5806, or 6001 through 6006, provided that the good is both cut and sewn or otherwise assembled in the territory of one or both of the Parties.

Fabric Forward for component that determines classification



Singapore Short Supply (NAFTA)



Chapter 62 - Chapter rule 2:

Apparel goods of this chapter shall be considered to originate if they are both cut and sewn or otherwise assembled in the territory of one or more of the parties and if the fabric of the outer shell, exclusive of collars or cuffs, is wholly of one or more of the following:

- (A) **Velveteen** fabrics of subheading 5801.23, containing 85 per cent or more by weight of cotton;
- (B) **Corduroy** fabrics of subheading 5801.22, containing 85 per cent or more by weight of cotton and containing more than 7.5 wales per centimeter;
- (C) Fabrics of subheadings 5111.11 or 5111.19, if hand-woven, with a loom width of less than 76 cm, woven in the United Kingdom in accordance with the rules and regulations of the **Harris Tweed** Association, Ltd., and so certified by the Association;
- (D) Fabrics of subheading 5112.30, weighing not more than 340 grams per square meter, containing **wool**, not less than 20 per cent by weight of **fine animal hair** and not less than 15 per cent by weight of **man-made staple** fibers; or
- (E) **Batiste** fabrics of subheadings 5513.11 or 5513.21, of square construction, of single yarns exceeding 76 metric count, containing between 60 and 70 warp ends and filling picks per square centimeter, of a weight not exceeding 110 grams per square meter.

Singapore Short Supply (NAFTA)



Subheading Rule

Men's or boys' shirts of cotton (subheading 6205.20) or of man-made fibers (subheading 6205.30) shall be considered to originate if they are both cut and assembled in the territory of one or more of the parties and if the fabric of the outer shell, exclusive of collars or cuffs, is wholly of one or more of the following:

- (a) Fabrics of subheadings 5208.21, 5208.22, 5208.29, 5208.31, 5208.32, 5208.39, 5208.41, 5208.42, 5208.49, 5208.51, 5208.52 or 5208.59, of average yarn number exceeding 135 metric;
- (b) Fabrics of subheadings 5513.11 or 5513.21, not of square construction, containing more than 70 warp ends and filling picks per square centimeter, of average yarn number exceeding 70 metric;
- (c) Fabrics of subheadings 5210.21 or 5210.31, not of square construction, containing more than 70 warp ends and filling picks per square centimeter, of average yarn number exceeding 70 metric;
- (d) Fabrics of subheadings 5208.22 or 5208.32, not of square construction, containing more than 75 warp ends and filling picks per square centimeter, of average yarn number exceeding 65 metric;
- (e) Fabrics of subheadings 5407.81, 5407.82 or 5407.83, weighing less than 170 grams per square meter, having a dobby weave created by a dobby attachment;

Singapore Short Supply (NAFTA)



Subheading Rule Cont.

Men's or boys' shirts of cotton (subheading 6205.20) or of man-made fibers (subheading 6205.30) shall be considered to originate if they are both cut and assembled in the territory of one or more of the parties and if the fabric of the outer shell, exclusive of collars or cuffs, is wholly of one or more of the following:

- (f) Fabrics of subheadings 5208.42 or 5208.49, not of square construction, containing more than 85 warp ends and filling picks per square centimeter, of average yarn number exceeding 85 metric;
- (g) Fabrics of subheading 5208.51, of square construction, containing more than 75 warp ends and filling picks per square centimeter, made with single yarns, of average yarn number 95 or greater metric;
- (h) Fabrics of subheading 5208.41, of square construction, with a gingham pattern, containing more than 85 warp ends and filling picks per square centimeter, made with single yarns, of average yarn number 95 or greater metric, and characterized by a check effect produced by the variation in color of the yarns in the warp and filling; or
- (i) Fabrics of subheading 5208.41, with the warp colored with vegetable dyes, and the filling yarns white or colored with vegetable dyes, of average yarn number greater than 65 metric.

Singapore Short Supply



9910.98.01

Apparel cut (or knit to shape) and sewn or otherwise assembled in U.S./Singapore from **foreign fabric or yarn** designated by CITA as in short supply under **AGOA or CBTPA** as of November 15, 2002. Expires 12/31/13.



Singapore TPL (exp 12/31/11)



Cotton or man-made fiber apparel cut (or knit to shape) and sewn or otherwise assembled in Singapore from foreign fabric or yarn. Reduced rate of duty.

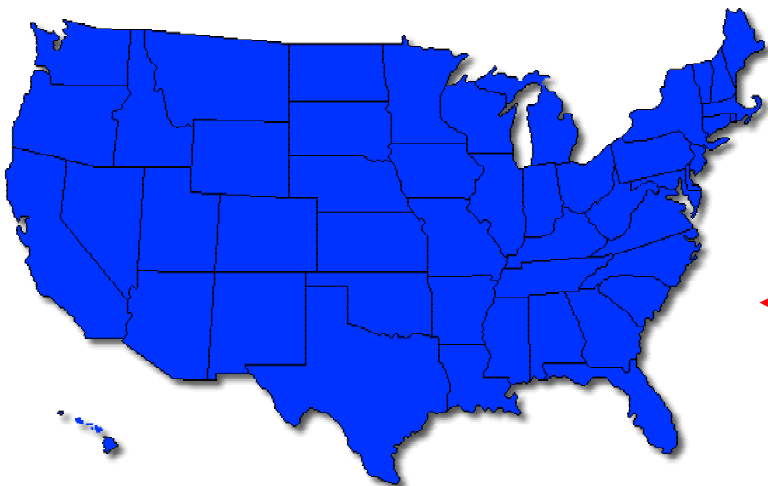


**9910.61.01 –
9910.61.89**



Singapore Direct Shipment

A good shall not be considered to be an originating good if the good undergoes subsequent production or any other operation outside the territories of the Parties, other than unloading, reloading, or any other operation necessary to preserve it in good condition or to transport the good to the territory of a Party. GN 25(c)(iii)





DR-CAFTA



United States

Dominican Rep

Costa Rica

Nicaragua

El Salvador

Honduras

Guatemala



DR-CAFTA

- **Effective Date: 3/1/06 ?**
- **Expiration Date: none**
- **General Note in HTS: GN 29**
- **Special Indicator in HTS: P**
- **Ch 98 or 99 HTS: 9822 & 9915 for TPL**
- **US Code:**
- **Public Law 109-053**
- **Regulation Cite:**



DR-CAFTA



- Coverage of Textile and Apparel Provisions – **Part of ATC Annex**
- Component that determines classification for ch 61 – 63
- De Minimis **10%** GN 29(d)(i)(A)
- Elastomeric Yarn Requirement – Yes GN 29(d)(i)
- Visible Lining Rule
- Sewing Thread Requirement - **Yes**
- Narrow Elastomeric Fabric Requirement - **Yes**
- Nylon Filament Yarn Rule - **Yes** GN 29(d)(i)(B)
- Bra Rule – **single transformation**
- Sets – **10%** foreign value GN 29(c)(5)(B)(1)
- Short Supply – **new process**
- Folklore – **Yes**
- TPL - **Nicaragua and Costa Rica only**
- Direct Importation Controls – **Customs Custody required**

Plus duty on value added, retroactive claims and possible cumulation with Canada and Mexico

DR-CAFTA vs. CBTPA



CBTPA

- apparel & luggage only
- US yarn
- limit on use of regional fabric
- rule applies to entire apparel article
- US sewing thread required for certain products
- certain interlinings from US
- de minimis fibers and yarns 7% weight
- US elastomeric yarn
- short supply applies to entire apparel article

DR-CAFTA

- all textile products
- yarn from any Party
- unlimited fabric from any Party
- apparel rule applies only to component that determines classification
- regional sewing thread required for ch 61 - 63
- visible lining from Parties
- de minimis fibers and yarns 10% weight
- regional elastomeric yarn
- short supply applies only to fabric of outer shell for apparel
- narrow elastomeric fabric from Parties
- Sets foreign origin content 10% value

DIFFERENCES

DR-CAFTA vs. CBTPA



SIMILARITIES

- **Folklore**
- **Israel/Canada/Mexico**
Nylon filament yarn
- **Direct shipment**



Applicability of Textile and Apparel Provisions (DR-CAFTA)



4202.12,
4202.22,
4202.32,
4202.92

**Textile Luggage and
Handbags**



**Chapters
50-63**

**Textiles and Textile
Articles**

6601

Umbrellas



7019

**Glass fibers and Articles
Thereof**

9404.90

**Pillows, Quilts,
Comforters, etc.**



GN 29(d)(v)

Single Transformation



- 4202.12, 4202.22, 4202.32, 4202.92
 - 6204.42.3040, 6204.42.3060, 6204.43.4020, 6204.43.4040, 6204.44.4020
 - Boxer shorts in 6207.11, 6207.19.9010, 6208.91.30, 6208.92.0030, 6208.92.0040
 - Pajamas/nightwear in 6207.21, 6207.22, 6207.91.3010, 6207.92.4010, 6208.21, 6208.22
 - 6212.10
- Luggage
- Girls' (not women's) cotton and man made fiber woven dresses other than corduroy
 - Men's and Women's, boys' and girls' woven boxer shorts
 - Men's and Women's, boys' and girls' woven pajamas and nightwear
 - Brassieres

And no sewing thread requirement or narrow elastic fabric



Sewing Thread

Articles of Chapter 61-63 must be assembled using sewing thread of the Parties.

Articles containing sewing thread of heading 5204, 5401 or 5508 shall be considered originating only if such sewing thread is formed and finished in the territory of one or more of the Parties.

Chapter 61 Rule 4

Chapter 62 Rule 4

Chapter 63 Rule 2





Narrow Elastomeric Fabrics

Notwithstanding the rule that says that we only look at the component that determines the classification of the good, to the extent that any apparel article containing narrow elastomeric fabrics (5806.20 or 6002), such fabrics must be formed and finished in the Parties (fabric forward).

Chapter 61 Rule 3

Chapter 62 Rule 3





Certain Nylon Filament Yarn

- **Textile or apparel goods may contain in the component that determines the classification of the good specified nylon filament yarn (other than elastomeric yarn) from Israel, or Canada or Mexico**
- **5402.10.30, 5402.10.60, 5402.31.30, 5402.31.60, 5403.32.30, 5402.32.60, 5402.41.10, 5402.41.90, 5402.51.00 or 5402.61.00, HTSUS**

GN 29(d)(i)(B)





Short Supply

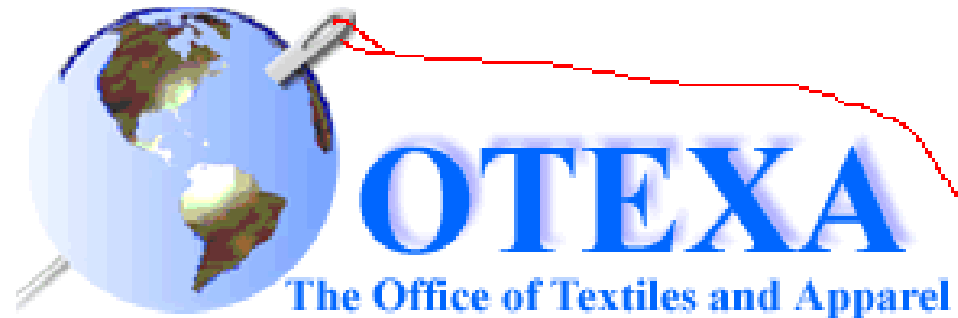
Fibers, Yarns or Fabrics not available in commercial quantities in a timely manner among the Parties

- **Can use these items from outside the Parties to meet the tariff shift rule**
- **HTS 9822 U.S. Note 20 lists items considered commercially unavailable + updates on OTEXA website**
- **All items on the list are available for use in articles of chapters 50-63 and 94.**
- **Incorporates former designations under NAFTA, CBTPA, AGOA and ATPDEA plus others**
- **Procedure to put new items on the list and remove items**
- **Short term or permanent designations**



Short Supply

- **CITA -- Committee for the Implementation of Textile Agreements**
- **<http://otexa.ita.doc.gov>**
- **At the request of an interested entity (a Party, a potential or actual purchaser of a textile or apparel good, or a potential or actual supplier of a textile or apparel good)**



Short Supply



A textile good of **chapters 50 through 60** of the Harmonized System shall be considered originating if it is **wholly formed** in the territory of one or more of the Parties from:

- (a) one or more fibers and yarns listed in 9822 U.S. Note 20 (Short Supply List); or
- (b) a combination of the fibers and yarns referred to in subparagraph (a) and one or more fibers and yarns originating under this Annex.

The originating fibers and yarns referred to in subparagraph (b) may contain up to ten percent by weight of fibers and yarns that do not undergo an applicable change in tariff classification set out in this Annex. Any elastomeric yarn contained in a textile good of chapters 50 through 60 of the Harmonized System must be formed in the territory of one or more of the Parties.

GN 29(m)(viii)(A) **9822.05.01**

Short Supply



An apparel good of **chapter 61 or 62** of the Harmonized System shall be considered originating if it is cut or knit to shape, sewn in the territory of one or more of the Parties, and if the **fabric of the outer shell, exclusive of collars and cuffs** where applicable, is wholly of:

- (a) one or more fabrics listed in 9822 U.S. Note 20 (Short Supply List); or
- (b) one or more fabrics formed in the territory of one or more of the Parties from one or more of the yarns listed in Annex 3.25 (Short Supply List); or
- (c) any combination of the fabrics referred to in subparagraph (a), or (b), or one or more fabrics originating under this Annex.

The originating fabrics referred to in (c) may contain up to ten percent by weight of foreign fibers or yarns. Any elastomeric yarn contained in a fabric referred to in subparagraph (a), (b), or (c) must be formed in the territory of one or more of the Parties. GN 29(m)(viii)(B) **9822.05.01**

Short Supply



A textile good of **chapter 63 or 94** of the Harmonized System shall be considered originating if it is cut or knit to shape, sewn in the territory of one or more of the Parties, and if the **component that determines the tariff classification** of the good is wholly of:

- (a) one or more fabrics listed in 9822 U.S. Note 20 (Short Supply List); or
- (b) one or more fabrics formed in the territory of one or more of the Parties from one or more of the yarns listed in Annex 3.25 (Short Supply List); or
- (c) any combination of the fabrics referred to in (a) or (b), or one or more fabrics originating under this Annex.

The originating fabrics referred to in (c) may contain up to ten percent by weight of foreign fibers or yarns. Any elastomeric yarn contained in a fabric referred to in subparagraph (a), (b), or (c) must be formed in the territory of one or more of the Parties. GN 29(m)(viii)(C) **9822.05.01**

Costa Rica Wool Apparel



Preferential Tariff Treatment

- Half MFN rate of duty 9915.62.01 – 9915.62.20
- Woven wool tailored apparel of headings 6203 or 6204
- Cut, sewn and otherwise assembled (plus visible lining, narrow elastomeric fabric and sewing thread rules)
- Annual quantitative restriction starts at 500 thousand Square Meter Equivalents (SME) for 2 years, then consult
- Not retroactive



Nicaragua TPL



- **Duty free treatment 9915.61.01**
- **Cotton and man made fiber apparel**
- **Cut, sewn and otherwise assembled**
- **Annual quantitative restriction starts at 100 million Square Meter Equivalents (SME) for 5 years, decreasing until 10 years post entry into force**
- **Not retroactive**





Duty on Value Added

- **Goods of Chapter 61, 62 or 63**
- **Fabric wholly formed in the US or components knit to shape in the US**
- **Cut in any of the Parties**
- **Sewing thread wholly formed in the US**
- **Sewn or otherwise assembled in the territory of the Parties**
- **US shall apply MFN rate of duty only on value added**
- **9822.05.10 GN 29(d)(iv)**





Handloomed, Handmade and Folklore Goods

- Handloomed fabrics of a cottage industry
- Handmade cottage industry goods made of such handloomed fabric
- Traditional folklore handicraft goods
- **9822.05.25**

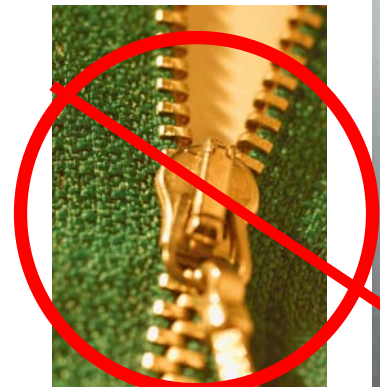
Duty Free!





Folklore Goods

- **Generally apparel, apparel accessories or decorative furnishings**
- **May not include “modern” patterns, styles, or features such as zippers, snaps, velcro®, etc.**
- **Parties should provide samples and descriptions when submitting articles to CITA for consultation**

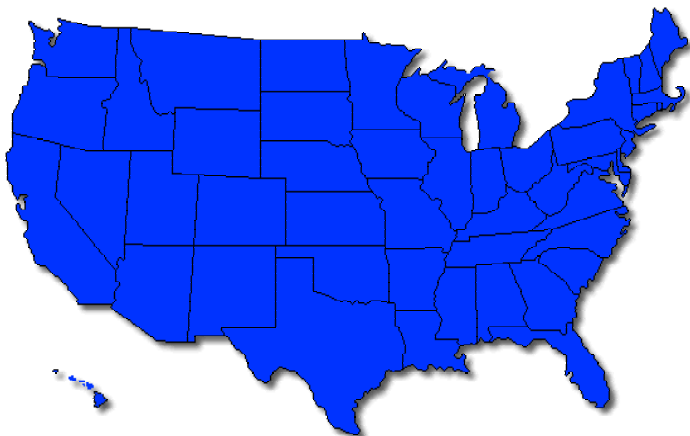




CAFTA Direct Shipment

No subsequent production or any other operation outside the territories of the Parties, other than unloading, reloading, or any other operation necessary to preserve the good in good condition or to transport the good to the territory of a Party.

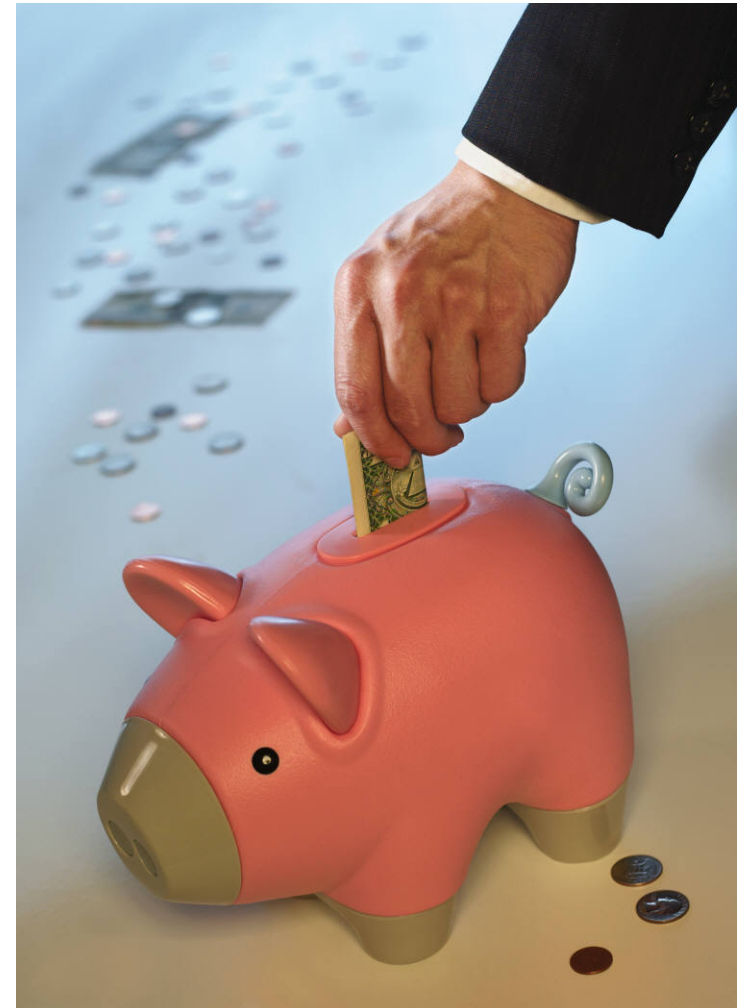
Goods remain under the control of the customs authorities in the territory of a non-Party. GN 29(c)(iii)





Retroactive Claims

- Only for Parties providing reciprocal treatment
- Retroactive to January 1, 2004
- Importers can apply for refund of duties for a specified period of time by providing documentation to show that the goods would have qualified for preferential treatment





Cumulation

Yarns or fabric from Canada or Mexico may be used for the purpose of meeting the tariff shift rule for garments of **chapter 62** imported into the US.

- Subject to an annual quantitative limit
- Sublimits for cotton and man made trousers and skirts, denim trousers and skirts, and wool tailored apparel
- Escalation clause to the extent that originating goods increase between the Parties
- Not immediately effective
- 9822.05.05, GN 29(d)(vii)





Cumulation Prerequisites

Mexico or Canada:

1. Completes a free trade agreement with DR-CAFTA countries
2. Agrees to reciprocal treatment of US inputs in its free trade agreement
3. Agrees to substantially similar enforcement language as DR-CAFTA



Internet Resources



U.S. Government Internet Resources:

- **Rules of Origin & Rulings** www.cbp.gov
- **Textile Trade Data** otexa.ita.doc.gov
- **Short Supply** <http://otexa.ita.doc.gov/CA.htm>
- **Trade Agreements** www.ustr.gov
- **Duty Rates** www.usitc.gov
- **Labeling** www.ftc.gov/os/statutes/textilejump.htm

