

WORLD TRADE ORGANIZATION

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Committee on Rules of Origin

REPORT OF THE TECHNICAL COMMITTEE ON RULES OF ORIGIN TO THE COMMITTEE ON RULES OF ORIGIN ON PROGRESS MADE AT ITS SEVENTEENTH SESSION

Note by the Secretariat

Addendum

As indicated in document G/RO/37/Add.2 (see cover page), the Referral Documents from the Technical Committee on Rules of Origin (WCO documents OC0029/1, 42.574/Cor., OC009/2, OC0012/2, OC0014/1, OC0016/1, OC0023/2, OC0025/2, OC0026/2, OC0028/2, OC0032/1, OC0033/1, OC0034/1 and OC0035/1) are herewith circulated to Members.

WCO Doc. OC0029/1

**UNRESOLVED ISSUES FOR DECISION BY THE
COMMITTEE ON RULES OF ORIGIN**

**AGREED RULES OF ORIGIN SUBMITTED BY
THE TECHNICAL COMMITTEE ON RULES OF ORIGIN
FOR ENDORSEMENT BY THE COMMITTEE ON RULES OF ORIGIN**

(Where no square bracket is placed in the text, it is understood that a general consensus has been reached on the text, subject to the overall coherence examination.)

OVERALL ARCHITECTURE OF THE HARMONIZED RULES OF ORIGIN

The Committee on Rules of Origin is invited to decide which approach is most appropriate for the articulation of the Harmonized Rules of Origin.

ISSUE No. 1: CONTENT OF THE GENERAL RULE ON MINIMAL OPERATIONS AND PROCESSES

A. Definitions only; No list . (CAN)(US)(PHI)(NOR)(SEN)(CH)(PHI)(HK)(PHI)

1. The list of examples is not appropriate because the listed processes are not all related to any common definition, and in a number of cases are at odds with product-specific rules. As a general matter, a list of examples should not appear in a legal text, and it would not be possible to arrive at a permanent list; adjustment to the list would always be needed. The list might mislead the user to think that the listed operations never confer origin, when in fact they are not taken into account for origin determination when done for the purposes set out in the definition.

B. List only, no definitions (IND)

2. Minimal operations and processes have already been taken into account in the preparation of the product-specific rules. Appendix-level exclusions would override rules at the chapter and matrix level which have been agreed to confer origin. The list is a practical way to indicate with specificity what does not confer origin.

C. Both the definitions and list should be retained (EC)(EGY)(CHI)

3. The debate on minimal operations or processes has demonstrated that there can be great uncertainty as to the actual operations within the scope of the definitions. Because it is not yet known whether the harmonized rules of origin might include explanatory notes or other guidance, it is useful for the understanding to include an indicative list of operations or processes. The preparation of an appropriate list requires the selection of examples which are not open to doubt.

ISSUE No. 2: SCOPE OF APPLICATION OF THE GENERAL RULE ON MINIMAL OPERATIONS OR PROCESSES

A. Applicable to Appendix 1 only. (PHI) (IND) (CH)

4. In Appendix 2 the issue of minimal operations or processes is addressed by a Chapter Note (negative standards) or an individual primary rule, where appropriate. Therefore, there is no need to set forth a general provision in General Rules. Otherwise, origin conferred by such a primary rule, which has already taken into account whether that rule may confer origin on a good by a minimal operation or process, will be overruled by the general provision. This will jeopardise the intent of the rules concerned and make the determination of origin unpredictable.

5. The reference to Appendix 2, Rule 3(d) should be deleted.

B: Applicable to both Appendices 1 and 2.

6. Article 9.2(c)(i) of the Agreement provides that the Technical Committee shall develop harmonized definitions of minimal operations or processes that do not by themselves confer origin to a good. This is understood to mean that these definitions must apply to the whole non-preferential rules of origin. Negative standards elaborated at the Chapter level do not have the same characteristics as the definitions of minimal operations or processes, i.e., not necessarily the cases of facilitating transportation or packaging for retail sale only. Thus the General Rules must have a safety valve to prevent minimal operations or processes from conferring origin on a good.

B/1. In Appendix 2, should be applicable to the change of classification rules only. (EC)

7. General Rule 5 is applicable to Appendix 2. However, this General Rule should not overrule the origin determination made by a specific process rule provided in Appendix 2. The process rules are articulated to confer origin on the particular good in any condition, if the specified process requirements are satisfied.

B/2: Applicable to all the rules. (US) (CAN)(MOR)

8. General Rule 5 is applicable to any single rule set forth in Appendix 2 or in the Annex as a whole. There is no reason to distinguish between Appendix 1 or Appendix 2 or between kinds of origin rules.

ISSUE No. 3: INCLUSION OF A PROVISION ON NEUTRAL ELEMENTS.

A. This provision is necessary. (EC) (US) (CAN)

9. By indicating elements which are never to be taken into account in the determination of origin this text adds certainty and clarity.

B. This provision is not necessary. (PHI) (HK) (SEN) (IND) (NZ)(MAL)

10. It is understood and agreed that the elements described are not a part of origin determination; the Agreement and the entire structure of the origin Annex are formulated on this understanding. To include such a reference is superfluous and potentially raises uncertainty.

ISSUE No. 4: SHOULD A DE MINIMIS RULE BE INCLUDED IN THE HARMONIZED RULES OF ORIGIN?

(a) A de minimis approach is familiar to a number of Customs Administrations as a way to disregard materials which otherwise would prevent an origin rule from being met. In this respect de minimis rules, or tolerances, give greater possibilities for primary rules to be satisfied. They should be a part of the harmonized rules of origin.(EC, CH, MOR, CAN)

(b) The de minimis approach is a feature of preferential rules of origin and has no place in these MFN non-preferential rules. The administrative apparatus and record-keeping needed to administer de minimis rules are prohibitively costly, and certainly too costly in relation to the supposed benefits of such an approach. It would be extremely difficult to set a universal threshold, or product-specific thresholds, which reasonably identify the amount of materials considered sufficiently unimportant to be disregarded. (PHI, SEN, IND MAL)

ISSUE No. 5: SINGLE OR MULTIPLE COUNTRIES OF ORIGIN FOR SETS

11. There are two principal differing views in the Technical Committee concerning the origin of sets.

A. Sets, being made up of multiple goods, are treated for origin purposes as separate goods and the origin of each constituent good is retained. (US)

B. A set has the origin of a single country. Proposed criteria by which this single country is determined are as set out in the text above: country of origin of the article that confers the essential character to the set (CAN); country of origin of the article in the set which represents the highest value (EC); country which contributes the most to the total value in terms of total value of parts and related processing activities.(CH). There is also a view in the TCRO that the making up alone of a set, without any production of constituent articles, can mean that the origin of a set is the country in which the set was put up.(IND, CH).

Horizontal Issues contained in Doc. OC0031 to be considered as relevant to Appendix 2 rules:

Issue No.4 in Doc. OC0031:

12. Change of classification by virtue of the application of the second part of GIR 2(a) - Collection of parts

NOTE: The General Rule for the Interpretation of the Harmonized System (GIR) 2(a) provides as follows:

“2.(a) Any reference in a heading to an article shall be taken to include a reference to that article incomplete or unfinished, provided that, as presented, the incomplete or unfinished article has the essential character of the complete or finished article. It shall also be taken to include a reference to that article complete or finished (or falling to be classified as complete or finished by virtue of this Rule), presented unassembled or disassembled.”

13. This issue arises by virtue of the second part of GIR 2(a) when non-originating articles are presented unassembled or disassembled (a set of parts classified as articles). This issue is still valid even if some parts are missing from the set of parts when presented, as long as those presented parts as a whole have the essential character of the complete or finished article concerned (First part of GIR 2(a)). However, this issue is not valid when parts are separately presented to Customs, i.e., parts are classified as parts.

OPTION A: Yes, collecting parts is an origin conferring event under the specified conditions (IND) (SEN)

14. The legal requirements of the Harmonized System should be strictly observed in order to apply the Harmonized Rules of Origin. The Agreement provides that the change of tariff classification criterion should be based on the Harmonized System. This means that the HS is being used not only to identify a good by classification but also to judge whether or not a good undergoes a substantial transformation by a change of classification. Therefore if the HS is not sufficient for the origin determination purposes, supplementary criteria should be elaborated instead of modifying the HS. The Customs officials and traders are familiar with the current HS in force, thus if the HS is applied for the origin determination purposes different from the way which is applicable to the classification purposes, the Customs officials and traders would be confused.

15. A set of parts, which has the essential character of the complete or finished article, is considered to have substantially transformed from individual parts, when these parts collected take a form of a set with a manual or an instructional document for assembly and a guarantee by the supplier.

16. Similar to a do-it-yourself kit or unassembled furniture, handy electronics equipment is commonly found in this form in a market. Origin of these sets must be the country where they are collected and arranged as sets with a guarantee by the supplier; otherwise the same set would have different origin depending on the place where it is finally assembled.

OPTION B: No, collecting parts is not an origin conferring event (US) (AUS) (JPN) (EC) (BRA) (CAN)

17. Collection of parts should not be considered as substantial transformation. Collection of parts requires storing and regrouping of goods only; thus assembly or working or processing on the parts are not necessary. Parts may be grouped together, but an individual part is still the same part.

18. The Chapter Note/Chapter Rule/Legal Note should be :

“[Where a change in classification results from the application of HS General Interpretative Rule 2(a) with respect to collections of parts that are presented as unassembled articles of another heading or subheading the individual parts shall retain their origin prior to such collection. (For goods assembled from collections of parts, Note 2.C shall apply.) (US) (AUS)]”

or

“[A change of classification which results from the application of Rule 2(a) of the General Rules for the Interpretation of the HS (GIR 2(a)), with respect to a collection of parts, shall not be considered as the change required by the rule set forth in the matrix. (Sec)]” Origin of the collected parts should be determined as a good by a [general] [final] residual rule.

Issue No.5 in Doc. OC0031:

19. Change of classification by virtue of the application of the second part of GIR 2(a) - Assembly of the collected parts

OPTION A: Yes. (by an assembly definition)

Option A/1: (SG)

20. Any assembly from parts confers origin on the assembled goods.

21. The Chapter rule should be:

“Obtaining goods from parts by assembly, including sub-assembly, shall be considered as reflecting last substantial transformation.”

Option A/2: (MOR)

22. Any assembly resulting in a new good having new characteristics is considered to be substantial transformation.

23. The Chapter rule should be:

“An assembly operation resulting in a new good having new characteristics is considered to be substantial transformation.”

OPTION B: Yes, provided

Option B/1: (by a value added rule) (EC) (BRA – all goods of Chapters 84 and 86; Some goods of Chapters 85, 87 and 90) (TUR – some goods of Chapter 85) (AUS – goods of Chapter 87) (EGY – 85.28)

24. When the collected parts are assembled, provided that the required value added (40% (EGY), 45% (EC, BRA, TUR, AUS), 51% (BRA) or 60% (EC, BRA, AUS)) is achieved in that country as a result of working and processing and, if applicable, the incorporation of parts originating in that country, origin should be conferred on that article.

25. The proposed value added rules are as follows:

“the increase in value acquired as a result of working and processing and, if applicable, the incorporation of parts originating in the country of manufacture represents at least 60 (for some complete vehicles) or 45 (for others) percent of the ex-works price of the good is carried out” (EC) (TUR) (AUS)

“the increase in value acquired as a result of working and processing and, if applicable, the incorporation of parts originating in the country of manufacture represents at least 60% for all goods of Chapters 84 and 86; 60% for some goods of Chapter 85; 60% of some goods of Chapter 87; 45%, 51% or 60% for some goods of Chapter 90” (BRA)

“40% value added” (EGY) (SEN)

If neither the required value added nor the change of tariff classification rule is satisfied a [general] [final] residual rule is applied. (EC) (TUR) (BRA) (EGY)

Origin conferred by application of the value added rule should not be nullified by the negative standards for a non-origin-conferring assembly. When the required value added rule is not met or the value added rule is not set out, the “5 parts” rule, the specified process rule, the use of one originating part rule and a [general] [final] residual rule apply in sequence. (AUS)

Option B/2: (by a cascading approach) (US)

26. When a collection of parts occurred in one country, the individual parts shall retain their origin prior to such collection by application of a Chapter [Legal] Note. If the collected parts are assembled there is no change in classification after the assembly. Thus a change of classification rule is not applicable. Origin of the assembled good from the collected parts is determined by application of the “5 parts” rule with negative standards for a non-origin-conferring assembly, the specified processes with negative standards for a non-origin-conferring assembly, or the use of at least one originating part with negative standards for a non-origin-conferring assembly.

27. The Chapter [Legal] Note should be:

“[Where a change in classification results from the application of HS General Interpretative Rule 2(a) with respect to collections of parts that are presented as unassembled articles of another heading or subheading the individual parts shall retain their origin prior to such collection. (For goods assembled from collections of parts, Note 2.C shall apply.)]”

Option B/3: (by a Chapter Note and a change of tariff classification rule) (JPN) (CAN) (HK) (CH)

28. Assembly of the collected parts should be treated the same as assembly of separately imported parts. Application of a change of tariff classification rule should not be foregone depending on whether or not parts are presented together and satisfy the requirements of GIR 2(a). Therefore, a Chapter Note should be set out to deal with this question first, and a change of tariff classification rule determines origin of the collected parts.

29. The Chapter Note should be:

“A good assembled from a collection of parts that are classified by virtue of the application of GIR 2(a) in the same heading or subheading as the good shall have origin in the country where, subject to paragraph [next], the relevant rule or note set out in the Appendix is satisfied.

The change of classification that may be required by the relevant rule in the matrices is considered to have taken place in the country in which the good is assembled from the collection of parts.”

OPTION C: No (IND)

30. The legal requirements of the Harmonized System should be strictly observed in order to apply the Harmonized Rules of Origin. The Agreement provides that the change of tariff classification criterion should be based on the Harmonized System. This means that the HS is being used not only to identify a good by classification but also to judge whether or not a good undergoes a substantial transformation by a change of classification. Therefore if the HS is not sufficient for the origin determination purposes, supplementary criteria should be elaborated instead of modifying the HS. The Customs officials and traders are familiar with the current HS in force, thus if the HS is applied for the origin determination purposes different from the way which is applicable to the classification purposes, the Customs officials and traders would be confused.

31. A collection of parts, which has the essential character of the complete or finished article, is considered to have substantially transformed from individual parts, when these parts collected take a form of a set with a manual or an instructional document for assembly and a guarantee by the supplier.

32. Origin of these collections, even though finally assembled elsewhere, must be the country where they are collected and arranged as sets with a guarantee by the supplier; otherwise the same set would have different origin depending on the place where it is finally assembled.

Issue No.6 in Doc. OC0031:

33. Change of classification by virtue of packaging or repackaging of goods

NOTE: It should be noted that the proposed General Rule 5 (minimal operations or processes) provides one of the minimal operations or processes as follows:

“[(iii) operations or processes that concern the packaging or presentation of goods for sale.]”

34. This issue refers to a change of classification by virtue of packaging or repackaging. Therefore, this issue does not cover whether or not the “value acquired as a result of working or processing” includes the cost of packaging or repackaging. It should also be noted that the Secretariat (Tariff and Trade Affairs Directorate) is of the view (NC0008E1) that a repackaging would not lead to a change of classification. At its 23rd Session the HS Committee took note of this. However, to ensure that in all cases a packaging or repackaging cannot be considered as an origin conferring event a Chapter Note is proposed.

OPTION A: Yes.

35. If a change of classification by virtue of packaging and repackaging is not an origin conferring event, such a change should be explicitly excluded from a change of classification rule. Otherwise, once a change of tariff classification rule is set forth in the matrix and the rule is satisfied by any cause, origin should be conferred.

OPTION B: No. (US) (AUS) (SEN)

36. A change of classification by virtue of packaging and repackaging should not be considered as substantial transformation. Packaging and repackaging does not require any assembly or working or processing on the good itself. A good may be packed or repacked, but the good is still the same good.

37. The Chapter Note/Chapter Rule/Legal Note should be:

[Where a change in classification results from packaging or repackaging the origin of the good shall be the origin prior to such packaging or repackaging. (US) (AUS)]

ISSUE No.9 in Doc. OC0031:

38. Change of classification by virtue of: CHANGE OF USE

NOTE: It is understood that application of the HS GIR and other legal notes provides that the actual use of a good would not result in a re-classification. It should also be noted that the Secretariat (Tariff and Trade Affairs Directorate) is of the view (NC0008E1) that a change of use of a good would not lead to a change of classification. At its 23rd Session the HS Committee took note of this. However, to ensure that in all cases a change of use cannot be considered as an origin conferring event a Chapter Note is proposed.

39. This issue is different from the issue of modification of goods. Modification is considered as part of assembly processes; a change of use is considered to be a case caused by a cross-border transfer of goods which might be classified in a different heading or subheading depending on the intended use in the importing country.

OPTION A: Yes.

40. So far there is no Member who supports this option. However, the TCRO has not decided yet that a change of classification by a change of use is not an origin conferring event.

OPTION B: No.

41. A change of classification by virtue of a change of use is not considered as substantial transformation.

42. The Chapter Note/Chapter Rule/Legal Note should be:

[a change of classification which results from the change of use of the good shall not be considered as the change required by the rule set forth in the matrix. (SEN)]

Issue No.11 in Doc. OC0031:

43. ORIGIN OF A disassembled OR RECOVERED part or a removed article from the good that would have performed its original purpose or would have been restored or repaired

NOTE: It has been agreed that disassembly is not an origin conferring event. This issue deals with origin of a disassembled (recovered) part or a removed article from the good that would have performed its original purpose or would have been restored or repaired. Thus this issue covers parts or articles which are not subject to Definitions f), g) and h) of the wholly obtained goods.

44. Chapter Note/Rule was proposed to cover this issue as follows:

“Disassembly (not origin conferring)

A change of classification which results from the disassembly of the good shall not be considered as the change required by the rule set forth in the matrix. (Basket 1)

[(1) A change of classification which results from the disassembly of the good that can perform its original purpose shall not be considered as the change required by the rule set forth in the matrix. The parts recovered from the good shall retain the country of origin of the good prior to disassembly.

A change of classification which results from the disassembly of the good that cannot perform its original purpose without being restored or repaired shall not be considered as the change required by the rule set forth in the matrix. The country of origin of the recovered parts shall be (one among the following options (US):

[(a) the country where the parts are recovered] (SEN)

[(b) the country of origin of the good from which the parts are recovered] (CAN)

[(c) the initial country of origin of the parts]. (IND)]”

OPTION A: (by Chapter Note/Rule (a)) (SEN)

45. A change of classification which results from the disassembly of the good that would have performed its original purpose or would have been restored or repaired shall not be considered as the change required by the rule set forth in the matrix. However, the parts recovered from the good or the articles removed from the good should have origin in the country where the parts or the articles are recovered. This approach is the most practical and administratively less burdensome. This approach is the same as Definition (h), Alternative 1 of the wholly obtained goods. (Disassembly confers origin on the disassembled goods.)

OPTION B: (by Chapter Note/Rule (b)) (CAN)

46. A change of classification which results from the disassembly of the good that would have performed its original purpose or would have been restored or repaired shall not be considered as the change required by the rule set forth in the matrix. The parts recovered from the good or the articles removed from the good shall retain the country of origin of the good prior to disassembly. If disassembly does not confer origin on a disassembled good this approach should be taken. The proposed rule (c) is difficult to implement, due to the fact that not all parts or articles have the marking of the country of origin.

OPTION C: (by Chapter Note/Rule (c)) (IND)

47. A change of classification which results from the disassembly of the good that would have performed its original purpose or would have been restored or repaired shall not be considered as the change required by the rule set forth in the matrix. The parts recovered from the good or the articles removed from the good shall retain the initial country of origin of the parts or the articles. If disassembly does not confer origin on a good this approach is theoretically correct. When the country of origin of the part or article is marked on its surface, this approach does not confuse the manufacturers or traders.

Option D: (by application of Appendix 2, Rule 2) (EC)

48. A change of classification which results from the disassembly of the good that would have performed its original purpose or would have been restored or repaired shall not be considered as the change required by the rule set forth in the matrix. It is not necessary to have a provision in the Chapter Notes/Rules to deal with this issue. The origin of the parts recovered from the good or of the articles removed from the good is determined by a [general] [final] residual rule set forth in Appendix 2, Rule 2. [A rule to be finalised]

ANNEX TO WCO Doc. OC0029/1

HARMONIZED NON-PREFERENTIAL RULES OF ORIGIN*

**Provisional Text of the Technical Committee on Rules of Origin
as revised at its 17th Session**

Where no square bracket is placed in the text, it is understood that a general consensus has been reached on the text, subject to the overall coherence examination.

*** Order of rules and the placement of rules are to be finalised.**

DEFINITIONS

[References to manufacturing, producing or processing goods include any kind of working, assembly or processing operation.

Methods of obtaining goods include manufacturing, raising, growing, breeding, mining, extracting, harvesting, fishing trapping, gathering, hunting and capturing.

Material includes ingredients, parts, components, subassemblies and goods that were physically incorporated into another good or were subject to a process in the production of another good.

Originating material means a material whose country of origin, as determined under these rules, is the same country as the country in which the material is used in production.

Non-originating material means a material whose country of origin, as determined under these rules, is not the same country as the country in which that material is used in production.

Customs Valuation Agreement means the Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade 1994.

["Essential character" means the predominant physical nature, principal function, or other attribute of a good, that establishes the identity of the good. (CAN)]]

Observation :

- (a) *The definitions should include a definition of “change in tariff classification” instead of indicating such a definition in Appendix 2, Rule 3 (Rules of Application) (IND)*
- (b) *The inclusion of the term “essential character” in the definitions is not necessary since this term is not used in the harmonized rules of origin. Moreover, no satisfactory definition of this term has been established so far. (EC)*
- (c) *The scope of application should be the first provision of the Annex followed by Definitions. Thereafter the General Rules should begin in numbered sequence. (CAN)(IND)*

GENERAL RULES

General Rule 1: SCOPE OF APPLICATION

Rules of Origin provided in this Annex shall be as defined in Article 1, paragraph 1 of the Agreement on Rules of Origin annexed to the Agreement Establishing the World Trade Organization (WTO), and shall be applied for the purposes set out in Article 1, paragraph 2 of the Agreement on Rules of Origin.

General Rule 2: HARMONIZED SYSTEM

1. References to headings and subheadings are references as they appear in the Harmonized Commodity Description and Coding System (hereinafter referred to as “Harmonized System” or “HS”) as amended and in force. Classification of goods within headings and subheadings of the Harmonized System is governed by the General Interpretative Rules and any relative Section, Chapter and Subheading Notes to that System. Classification of goods within any additional subdivisions created for purposes of the rules of origin shall also be governed by the General Interpretative Rules and any relative Section, Chapter and Subheading Notes to the Harmonized System, unless the rules of this Annex otherwise require.
2. [The outcome of an origin determination under the Harmonized Non-Preferential Rules of Origin shall not be affected by the amendments to the Harmonized System. (CAN)(IND)] When amendments to the Harmonized System are recommended by the CCC [WCO Council] , a technical review shall be undertaken with respect to their possible effect upon the results of origin determinations under the Harmonized Non-Preferential Rules of Origin. Necessary technical rectifications approved by the WTO shall take effect on the date when the amendments to the Harmonized System enter into force. [Such approval shall be made at least one year before the entry into force of the amendments to the Harmonized System. Otherwise the technical rectifications shall take effect on the date specified by the Committee on Rules of Origin. (JPN)]

The Technical Committee intends to consult with the Committee on Rules of Origin concerning possible institutional arrangements for technical review and rectification. As provided in Art. 6 of the Agreement, such technical review should encompass not only alignment with the HS, but also technical review of the origin rules to keep them updated and assure administrability.

General Rule 3: DEFINITIONS

[moved to the beginning of this Annex]

General Rule 4: DETERMINATION OF ORIGIN

The country of origin of a good shall be determined in accordance with these General Rules and in accordance with the provisions of Appendix 1 and Appendix 2, applied in sequence.

[General Rule 5 (Proposed) : DE MINIMIS

Non-originating materials that do not meet the primary rules set forth in Appendix 2 shall be disregarded in determining the country of origin provided that these materials do not exceed the threshold laid down in Appendix 2. This provision is hereinafter referred to as the “de minimis rule”. (EC)]

(to be considered with other de minimis proposals in General Rule 8 and Appendix 2, Rule 6)

General Rule 5: MINIMAL OPERATIONS OR PROCESSES

[The following operations or processes, taken by themselves or in combination with each other and undertaken for the purposes prescribed herein, are considered to be minimal and thus shall be treated as provided in Paragraph 2 to Appendix 1 [or Rule 3 to Appendix 2, as appropriate (*Deletion proposed by PHI, CH, IND*)]]:

- (i) operations or processes to ensure the preservation of goods in good condition for the purposes of transport or storage;
- (ii) operations or processes to facilitate shipment or transportation;
- (iii) operations or processes that concern the packaging or presentation of goods for sale.]

Observations:

Minimal operations and processes have already been taken into account in the preparation of the product-specific rules. Appendix-level exclusions would override rules at the chapter and matrix level which have been agreed to confer origin. (CH)(PHI)

The above definitions should be deleted; minimal operations or processes should be as specified in the list of examples below. (IND)

[Examples of minimal operations or processes include, among others:

- ventilation
- spreading out
- drying
- chilling
- removal of damaged parts
- application of grease, anti-rust paint or protective coating
- removal of dust
- cleaning
- washing
- sifting or screening
- sorting
- classifying or grading
- testing or calibration
- breaking bulk
- packing, unpacking or repacking
- grouping of packages
- affixing of marks, labels or distinguishing signs on goods or their packages

- dilution with water or any other aqueous solution
- ionizing
- salting
- husking
- shelling (unshelling)
- stoning
- crushing (IND)]

This list should be deleted. (CAN)(US)(HK)(PHI)

With a view to an uniform application of this provision, an indicative list of processes regarded as minimal operations according to this definition would be appropriate. A list will be provided later on. (EC) (CHI) supports this approach.

See Referral Issues Nos. 1 & 2

General Rule 6: NEUTRAL ELEMENTS

[Unless otherwise provided in this Annex, (MOR) (TUN)] in order to determine whether a good originates in a country, the origin of the power and fuel, plant and equipment, including safety equipment, or machines and tools used to obtain a good or the materials used in its manufacture which do not remain in the good or form part of the good shall not be taken into account.]

This provision is not necessary. (PHI) (HK) (SEN) (IND) (NZ)(MAL)

See Referral Issue No. 3

General Rule 7: PACKING AND PACKAGING MATERIALS AND CONTAINERS

Unless the provisions of Appendix 1 or Appendix 2 otherwise require, the origin of packing and packaging materials and containers presented with the goods therein shall be disregarded in determining the origin of the goods under General Rule 4, provided such packing and packaging materials and containers are classified with the goods under the Harmonized System. The packing and packaging materials and containers which are not classified with their contents are separate goods, thus their origin shall be determined in accordance with the appropriate rules set forth in Appendices 1 and 2.

[General Rule 8: DE MINIMIS]

[In application of rules in Appendices 1 and 2, non-originating materials that do not meet the primary rule set forth for the obtained good shall be disregarded in determining the country of origin provided these materials do not exceed the threshold of 20% of the ex-works price of such a good. (MOR)]

(To be considered with proposed De Minimis rules at proposed General Rule 5 and in Appendix 2, Rule 6.)

This Rule is not necessary. (PHI) (SEN)(IND)(MAL)(NZ)

See Referral Issue No. 4

APPENDIX 1 - Wholly Obtained Goods

1. Scope of Application

This Appendix sets forth the definitions of the goods that are to be considered as being wholly obtained in one country.

2. Minimal Operations and Processes

For purposes of this Appendix, minimal operations or processes referred to in General Rule 4, Paragraph 3 shall not be taken into account in determining whether a good has been wholly obtained in one country.

<u>Definitions</u>		<u>Notes</u>
1.	The following goods are to be considered as being wholly obtained in one country :	
(a)	Live animals born and raised in that country;	In definitions 1 (a), (b), and (c) the term "animals" covers all animal life, including mammals, birds, fish, crustaceans, molluscs, reptiles, bacteria and viruses.
(b)	Animals obtained by hunting, trapping, fishing, gathering or capturing in that country;	Definition 1 (b) covers animals obtained in the wild, whether live or dead, whether or not born and raised in that country.
(c)	Products obtained from live animals in that country;	Definition 1 (c) covers products obtained from live animals without further processing, including milk, eggs, natural honey, hair, wool, semen and dung.
(d)	Plants and plant products harvested, picked or gathered in that country;	Definition 1 (d) covers all plant life, including fruit, flowers, vegetables, trees, seaweed, fungi and live plants grown in that country.
(e)	Minerals and other naturally occurring substances, not included in definitions (a)-(d), extracted or taken in that country;	Definition 1 (e) covers crude minerals and other naturally occurring substances, including rock or solar salt, crude mineral sulphur occurring in free state, natural sands, clays, stones, metallic ores, crude oil, natural gas, bituminous minerals, natural earths, ordinary natural waters, natural mineral waters, natural snow and ice.

<u>Definitions</u>		<u>Notes</u>
(f)	Scrap and waste derived from manufacturing or processing operations or from consumption in that country and fit only for disposal or for the recovery of raw materials;	Definition 1 (f) covers all scrap and waste, including scrap and waste resulting from manufacturing or processing operations or consumption in the same country, scrap machinery, discarded packaging and household rubbish and all products that can no longer perform the purpose for which they were produced, and are fit only for discarding or for the recovery of raw materials. Such manufacturing or processing operations include all types of processing, not only industrial or chemical but also mining, agricultural, construction, refining, incineration and sewage treatment operations.
(g)	[Articles collected in that country which can no longer perform their original purpose nor are capable of being restored or repaired and which are fit only for disposal or for the recovery of parts or raw materials;]	
(h)	<p><u>Alternative 1</u> :</p> <p>[Parts or raw materials recovered in that country from articles which can no longer perform their original purpose nor are capable of being restored or repaired;]^[1]</p> <p><u>Alternative 2</u> :</p> <p>[Parts or raw materials obtained in that country from articles collected in that country which are not fit for their original purpose nor are capable of being restored or repaired and are fit only for disposal or for the recovery of parts or raw materials;]</p>	

¹[In the recovery of parts or raw materials, environmental considerations may arise, particularly for radioactive, hazardous and toxic waste that may result from the recovery of parts or raw materials from Articles. In this connection, this rule is without prejudice to Members' rights to take WTO-consistent measures to protect the environment.]

<u>Definitions</u>		<u>Notes</u>
(i)	Goods obtained or produced in that country solely from products referred to in (a) - (f) [and (g) and (h)] above;	<p>[For a good to be considered wholly obtained in one country under definition 1(i):</p> <p>(i) The good must have been obtained or produced from the products of that country mentioned in definitions 1(a) to (h);</p> <p>(ii) the products of definitions 1(a) to (h) must not have undergone processing in another country; and</p> <p>(iii) <i>the good must not contain materials not considered to be wholly obtained in that country.</i></p>
[2]	<p>(i) Products of sea-fishing and other products taken from the sea outside a country are considered to be wholly obtained in the country of registration of the vessel that carries out those operations.</p> <p>(ii) Goods obtained or produced on board factory ships are considered to be wholly obtained in the country of registration of the factory ship, provided that those goods are manufactured from the products referred to in subparagraph (i) originating in the same country.</p> <p>(iii) Products taken from the sea-bed or subsoil beneath the sea-bed outside a country are considered to be wholly obtained in the country that has the rights to exploit that sea-bed or subsoil.]</p>	[The term “registration” in Definition 2(i) and (ii) includes registration that a country grants to chartered vessels or factory ships, provided this registration is in accordance with the requirements of that country.]
[2]	<p><u>Alternative Text</u></p> <p>(i) Products of sea-fishing and other products taken from the sea outside the territorial sea and maritime zones over which the coastal state has jurisdiction are considered to be wholly obtained in the state of registration of the vessel that carries out those operations.</p> <p>(iii) products taken from the area of the seabed and ocean floor and subsoil thereof outside national jurisdiction, as defined in accordance with the provisions of the United Nations Convention on the Law of the Sea, are considered to be wholly obtained in the state that has the exploitation rights, in conformity with the provisions of that Convention and the Agreement relating to the Implementation of Part XI of that Convention of 28 July 1994.]</p>	[The term “registration” in Definition 2(i) and (ii) includes registration that a country grants to chartered vessels or factory ships, provided this registration is in accordance with the requirements of that country.]

APPENDIX 2 - Product Specific Rules of Origin

Rule 1 Scope of Application

This Appendix sets forth rules for determining the country of origin of a good when the origin of the good is not determined under Appendix 1.

Rule 2 Determination of origin

[Principles of Approach]

[Origin Determination under Primary Rules *insertion of this header proposed by (HK)(PHI); deletion proposed by (US)(CAN)]*

The country of origin shall be determined in accordance with the following provisions, applied in sequence;

- (a) when a primary rule specifies that the origin of a good is the country in which the good was obtained in its natural or unprocessed state, the country of origin of the good shall be the country in which that good was obtained in that condition;

N.B. reference to other Ottawa-type rules (where born, where raised, where grew) to be added when final decisions are made on product-specific rules.]

- (b) the country of origin of a good is the last country of production [provided] [where (IND)(PHI)(HK)(MAL)(BRA)] a primary rule applicable to the good was satisfied in that country;

- [(c)(i) [when a good undergoes a non-origin conferring operation, the origin of the good is the country from which the good originated immediately prior to such an operation.]

Observation : The scope of this provision (c)(i) as drafted is overly broad; there should be reference to operations identified in the Annex, such as minimal operations or processes or other non-origin conferring operations as specified at a Chapter level. (EC)

- [(c)(ii)

Alternative 1

[when no applicable primary rule was satisfied [in the last country of manufacture or processing *deletion proposed by (PHI)*][and no applicable chapter residual rule was satisfied] but the good has been produced in that country by further processing of [a material or article] [an article] classified in the same provision as that of the good, the country of origin of the good is the country in which that [material or article] [article] originated, provided that any materials subsequently added to the [material or article][article] have undergone the change of classification or have otherwise satisfied any other requirement specified in the primary rule applicable to the good;]

Alternative 2

[when the further processing of a good does not change the classification of the good, and any materials used in the further processing satisfy the primary rule for the good, the country of origin of the good is the country of origin prior to the further processing;]

Alternative 3

[when no applicable primary rule was satisfied in the last country of manufacture or production [and no applicable chapter residual rule was satisfied] and the good was produced as a result of further processing which did not change its classification, the country of origin of the good is the country of origin prior to such further processing;]

Observation: This provision (c)(ii) is unnecessary as the idea and consequences of its application are taken up in subparas. (b) and (c)(i). Moreover, the provision is not properly a rule but a principle; as such, it needs to be reformulated and probably presented elsewhere. (IND)(SEN)

[Origin Determination under Residual Rules *insertion of this header proposed by (HK)(PHI); deletion proposed by (US)(CAN)]*

[(d) when no applicable primary rule has been satisfied [in the last country of production - *deletion proposed by (IND)*], the country of origin shall be determined as indicated in the applicable residual rule specified at the chapter level;]

Observations:

It may be appropriate to apply (d) before (c)(i) and (c)(ii). (US) (CH) (EC) (EGY) (CAN) (JPN) (MOR)

The placement here is appropriate. (HK)(IND)(MAL)

(e) when no applicable primary rule was satisfied in the last country of manufacture or processing of the good [and no applicable chapter residual rule was satisfied *deletion proposed by (PHI)*], and the good is produced from materials originating in a single country, the country of origin of the good is the country in which those materials originated;

[(f) when no applicable primary rule was satisfied [in the last country of manufacture or processing of the good *deletion proposed by (PHI)*] [and no applicable chapter residual rule was satisfied], and the good is produced from materials originating in a single country that did not undergo the change of classification or otherwise satisfy the primary rule applicable to the good, the country of origin of the good is the country in which that material originated;]

Observations:

This provision (f) is highly important because of its relation to the primary rules. When a primary rule is not met, account should be taken in the residual rules of the design of the primary rules, giving due weight to the intended results of the primary rules and seeking not to give originating status to an operation or material by application of a residual rule when the applicable primary rule was intended to prevent that same result. That is why this rule bases origin on the country of origin of the material(s) originating in a single country which did not satisfy a primary rule, and thus complements the outcome of the primary rule. If the applicable primary rule is change of heading "except from a specified heading", then obviously the intent of the primary rule was that the specified change did not result in substantial transformation. It is thus logical and appropriate to focus on the origin of the materials which did not undergo the required change. (US)

This provision (f) should be deleted. In the residual rules origin should be based upon the origin of all the materials used, without distinction. (IND)

The provision (f) introduces an extra step in determination of origin and is overly complex to apply. In many cases the materials used will originate in several countries, and thus origin would be found by application of subparagraph (g). (EC)(EGY)

This provision (f) has to be considered in relation to primary rules submitted to the CRO which are based on the exclusion of specified materials. (CH)

Additional provision proposed for application before provision (g): [when the good is produced from originating or non-originating materials of more than one country and a primary rule has not been satisfied for the good, the country of origin of the good shall be the country of origin of the material that fulfills the major role with regard to the use of the good; (CAN)]

Observation : This is a very practical and transparent method of determining origin in a residual environment by first focussing on the use of the good and associating based on that material which fulfils the major role in this regard. (CAN)

(g) when no applicable primary rule was satisfied [in the last country of manufacture or processing of the good *deletion proposed by (PHI)*][and no applicable chapter residual rule was satisfied], and the good is produced from materials [(whether or not originating)] of more than one country [that did not undergo the change of classification or otherwise satisfy the primary rule applicable to the good *deletion proposed by (IND)(CAN)*], the country of origin of the good shall be the country in which the major portion of those materials originated, as determined on the basis specified in each chapter.

Observations:

The bracketed text referring to materials which did not undergo change of classification or otherwise satisfy the primary rule should be deleted. In the residual rules origin should be based upon the origin of all the materials used, without distinction. (IND)(CAN)

The bracketed text in (g) referring to materials which did not undergo change of classification or otherwise satisfy the primary rule should be retained for the reasons expressed in the observation regarding subparagraph (f). (US)

General Observation:

All three provisions, subparagraphs (e), (f), and (g), will be necessary to determine origin in certain cases and should be retained. (COL)

[(h) the country of origin of the good shall be the last country of production. (CAN)]

Observation : Subparagraph (h) to be used in only the few cases where subparagraph (g) cannot provide a single country of origin. Normally, this would only occur in the case of a tie, at which point a rule providing origin to the last country of production is the most predictable, clear and simplest solution. (CAN)

Rule 3 Rules of Application

- (a) [Subject to [the minimal operations or processes referred to in General Rule 5 or any other applicable provisions – *deletion proposed by (PHI)*], rules of origin that refer to change in classification require that each non-originating material in the good has undergone a change in classification at the level of the Harmonized System (Section, Chapter, heading, or subheading), or of any additional subdivision thereof, specified in the rule.]
- (b) [Unless the rules of this Appendix require comparison of originating and non-originating materials, the origin criteria set forth in the rules apply only to non-originating materials. (EC)]
- (c) [The term “change in tariff classification” is understood to mean that non-originating materials used in the production of a good are not classified in the same split subheading, subheading, split heading, heading, respectively, as the good that is under examination. (TUN)]

[Rules of origin that refer to change in classification require that each foreign material in the good undergo a change in classification at the level of the Harmonized System (section, chapter, heading, subheading), or of any additional subdivision thereof, specified in the rule, by reason of production, other than by the minimal operations or processes defined in General Rule 5 or in applicable legal notes. (US)]

A suggestion was made to consolidate the above provisions within the following text:

In applying this Appendix:

[(a) Origin shall be determined according to the rules provided for goods based upon their classification in the Harmonized System and any additional subdivisions created thereunder, and subject to other rules [or chapter notes (CAN)] provided in this Annex.

(b) Rules of origin that refer to change in classification require that each non-originating material in the good undergo the change of classification specified in the rule, other than by the minimal operations or processes defined in General Rule 5 or any other applicable non-origin conferring process. (US)]

(d) Minimal operations or processes

[For the purposes of this Appendix:

- (i) [minimal operations or processes referred to in General Rule 5 shall not confer origin on a good; and *deletion proposed by (CH)(PHI)*]
 - (ii) a minimal operation or process referred to in General Rule 5 or a combination of them shall not preclude conferring origin on a good if origin is conferred as a result of other operations or processes.]
-

Observations and Drafting Guidelines for Rule 3, Rules of Application

The Technical Committee took note that for completeness, a rule concerning the application of origin criteria might require more elements than those embodied in the texts above. The Technical Committee was of the view that consideration should be given to inclusion and appropriate arrangement of the following elements:

- *Application of rules of origin begins with classification of the good in the HS and the identification of the corresponding product description in the Harmonized Non-Preferential Rules of Origin;*
- *An indication of where the rules of origin are to be found (matrix, chapter, Appendices, General rules), and that rules of origin are to be applied together with any applicable legal notes, chapter notes or rules of interpretation;*
- *An indication that primary rules are those rules found at a matrix or chapter level which confer origin and are to be applied first. All rules of origin are primary rules unless otherwise indicated;*
- *Residual rules are found at chapter [section] or appendix level, are specifically designated as such, and are applied only if primary rules give no result;*
- *For primary rules, both change of classification or other, a rule applicable to a good is met when non-originating materials undergo the required change in the last country of production; [For residual rules this is not decided, and normally residual rules will be applied according to their terms]*
- *It is also to be considered whether the present Rule 4 on intermediate materials could be included under Rule 3 as a Rule of Application.*

Separate specific application instructions are needed for change of classification rules as follows:

- *to indicate that all non-originating materials must undergo the required change of classification (subject to any limitations under a de minimis rule if agreed). (Under other kinds of rules it is not necessarily the case that all materials undergo the required change);*
- *to indicate the changes in classification which do not confer origin, such as disassembly, change of use, or change of classification by reason of GIR 2(a) of the HS.*

There are three provisions that might be placed here as relating to the application of change of classification criteria : treatment of GIR 2(a); disassembly and the origin of disassembled parts; and change of use. Presentation of rules on these items as Appendix 2 Rules of Application would permit the deletion of these provisions from the Chapters in which they appear, and the Technical Committee decided to pursue this approach.

The Technical Committee's previous discussions on these issues took place largely in the context of rules for Chapters 84-90. The unresolved issues which emerged from these discussions are now considered by the Technical Committee to be horizontal issues relating to the application of origin criteria based on change in tariff classification which should be resolved in the context of rules of application in the overall architecture. These issues, originally formulated as Unresolved Issues in Referral Doc. 0015 covering Chapters 84-90, are reproduced at the end of this document following the presentation of the other Unresolved Issues arising in the overall architecture.

Rule 4 Intermediate materials*

[Except as otherwise provided in this Appendix, (US)] materials which have acquired originating status in a country by virtue of fulfilling the rules set forth in this Appendix [Annex (CAN)(US)] are considered to be originating materials of that country for the purpose of determining the origin of a good incorporating such materials or a good made from such materials by further working or processing in that country.]

*Subject to finalisation of the residual rules.

Rule 5 Special provisions

(a) Accessories and spare parts and tools

[Accessories, spare parts, tools and instructional or other informational material [, instructional and other informational material (MAL)] classified and presented with a good shall be disregarded in determining the origin of that good under General Rule 4, provided they are imported and normally sold therewith and correspond, in kind and number, to the normal equipment thereof.]

Observations:

Consideration could be given to moving this provision to the Annex, as it applies to the entire Annex. (HK)

The provision is potentially troublesome as drafted because the terms "accessories" and "spare parts" are not sufficiently precise. The provision needs to avoid leaving wide scope for differing interpretations. (NIG)

[(b) Fungible goods and materials]

[When it is necessary to determine the origin of interchangeable goods or materials which are combined [commingled (US)] in inventory so that it is not practical to segregate the goods or materials by their country of origin, for purposes of the application of the origin rules, an allocation by country of origin can be made [for the relevant production period (US)] in accordance with an applicable recognised inventory management method.]

Observations:

The Technical Committee has not reached a resolution on this issue. Some Members favour it, some oppose it, and others continue to study its utility. During the 15th Session Members noted that answers to the following questions would help the consideration:

To what products does this provision apply?

What is the inventory management method to be adopted?

Clarification on “applicable recognized inventory management method”.

Clarification on “for the purposes of the application of the origin rules”.

Is the provision also used for the purposes of clarifying the residual rule ?

The following Members indicated at the 17th Session that for them the text left uncertain what goods were considered fungible; what was an inventory management method. (HK, EGY, PHI)

The proposed method is considered to result in the arbitrary assignment of origin. (MAL)

The provision is beneficial when considering the commercial reality of trade. As well, it is not a rule of origin. (CAN)

[(c) Putting up in sets [or kits (CAN)(NZ)(CH)]]

[For purposes of these rules and except as otherwise provided in this Appendix:

Goods put up in sets shall retain the origin of the individual articles in the set. (US)]

[For purposes of determining the origin of sets [kits] and except as otherwise provided in this Appendix:

- (1) [Merely putting articles into sets is not origin conferring.]
- (2) for [goods explicitly mentioned as sets in a heading of the HS *deletion proposed by PHI*] and for goods classified as sets by GIR 3(b) of the HS, the following rules shall apply:
 - (i) The country of origin of a set [or kit] put up from articles that originate in one country shall be that country;
 - (ii) [The country of origin of a set [or kit] put up from articles that originate in more than one country shall be that country of origin of the article or articles that confer the essential character of the set or kit as a whole. (CAN)(MAL)]

[The country of origin of a set put up from articles that originate in more than one country shall be the country of the article(s) representing the highest value, the value of the articles having the same origin being taken together. (EC)]

[The country of origin of a set put up from different articles shall be the country which contributes with the highest value to the set, taking into account the value of the articles and the work carried out, the value of the articles (including work) having the same origin being taken together; and

For the purposes of this paragraph, the term “work” means that the country which put up articles into sets can consider its work (value) carried out as an equivalent part of the calculation. (CH)]

- (3) for goods merely put together that are not classified together by GIR 3(b) and do not satisfy the requirements of GIR 3(b) of the Harmonized System, the following rule shall apply:

The origin of the goods shall be the origin of individual articles.]

Observations:

The proposed rule should cover only sets defined under GIR 3(b); for sets explicitly mentioned in headings of the HS primary rules have been devised to address each case and should be retained. (PHI)

The proposed rule should cover all sets and provide the same rule for them. (CAN)

The term “essential character” is not appropriate as a criterion to determine the origin of sets because it might be subject to different interpretations. No satisfactory definition of this term has been established so far. (EC)

See Referral Issue No. 5

[Rule 6 DE MINIMIS See also General Rule 8

[In application of the primary rules in Appendix 2, non-originating materials that do not meet the primary rule set forth for the obtained good shall be disregarded in determining the country of origin provided these materials do not exceed the threshold of 20% of the ex-works price of such a good. (CH)]

- [1. Non-originating materials that do not undergo an applicable change in tariff classification or satisfy any other applicable requirements of these Regulations shall be disregarded in determining the country of origin of the goods if:
- (a) In the case of goods classified under any other chapter of the Harmonized System other than under any of Chapters 1 to 4, 6 to 8, 11, 12, 15, 17 and 20 the value of the non-originating materials is not more than 7% of the transactional value of the good, or 10% of the volume of the total alcoholic strength of the goods classified under Chapter 22; and
- (b) [in the case of goods classified under Chapters 50 to 63, the combined weight of the non-originating materials does not exceed 7% of the total weight of the goods;]

2. For the purpose of paragraph 1, the value of the good or the material shall be:
- (a) the transaction value of the good or material, determined in accordance with Article 1 of the Customs Valuation Agreement; or
 - (b) in the event that there is no transaction value or the transaction value of the good or material is unacceptable under Article 1 of the Customs Valuation Agreement, determined in accordance with Article 2 through 7 of the Customs Valuation Agreement.
3. **For purposes of paragraph 1:**
- (a) the value of the good shall be adjusted to an f.o.b. basis, and
 - (b) the value of the material shall be adjusted to a c.i.f. basis.
4. **For purposes of applying the Customs Valuation Agreement under this General Rule, the principles of the Customs Valuation Agreement shall apply to domestic transactions, with such modifications as may be required by the circumstances, as would apply to international transactions. (CAN)]**

Observation : A de minimis rule, if adopted, should not be applicable to origin determination for goods of Chapters 9 or 21. (COL)

Subparagraph 3 of the Canadian proposal is not consistent with the WTO Valuation Agreement. (JPN)

*De minimis rules should be articulated on a Chapter or product sector basis. (JPN)
(KOR)(EGY)(COL)*

A de Minimis rule is not necessary. (PHI) (SEN)(IND)(MAL)(NZ)

See Referral Issue No. 4

WCO Doc. 42.574/Cor.

**UNRESOLVED ISSUES FOR DECISION BY THE
COMMITTEE ON RULES OF ORIGIN**

CHAPTER 15

The Technical Committee informs the Committee that Issue No. 45 in this template rescinds and replaces the Issue bearing the same number in the template (Doc. 42.574) of 24 June 1998.

The Committee on Rules of Origin is invited to decide whether the products resulting from processes described below have undergone their last substantial transformation

ISSUE NO. 45: REFINING (RE-REFINING) OF FATS AND OILS:

OPTION A: Yes

(1) Refining of crude oils

1. Crude oils are not suitable for direct consumption or for specific technical purposes because of their acidity and their organoleptic characteristics. To make them suitable for consumption or use for specific technical purposes, they have to be refined. The refining process (chemical or physical) entails eliminating the odour, taste, colour and acidity of a crude oil.

2. This process is considered to reflect the last substantial transformation when at least:

(a) all the following operations are carried out on crude oils in a single country:

- Neutralization with alkali or de-acidification (removal of the free fatty acids from the oil);
- Decolorizing (removal of colouring substances); and
- Deodorizing (separation of the volatile odorous and flavourous substances by distillation) (EC, EGY, JPN).

(b) three of the following operations are carried out on crude oils in a single country:

- neutralization with alkali or de-acidification (removal of the free fatty acids from the oil);
- decolorizing (removal of colouring substances);
- deodorizing (separation of the volatile odorous and flavourous substances by distillation);
- stabilization (AUS, CH, MEX, NOR, SG, TH, TUN).

3. The origin of a refined oil is the country where it was refined from a crude oil (AUS, CH, EC, EGY, JPN, MEX, NOR, SG, TH²)

(2) Refining of crude fats

4. Crude fats are not suitable for direct consumption or for specific technical purposes because of their acidity and their organoleptic characteristics. To make them suitable for consumption or use

² See table under "HS codes concerned".

for specific technical purposes they have to be refined. The refining process (chemical or physical) entails eliminating the odour, taste, colour and acidity of a crude fat.

5. The origin of a refined fat is the country where it was refined from a crude fat (AUS, JPN, MEX).

(3) Re-refining of oils

6. There is also a substantial transformation when the processes mentioned in 2 (a) or (b) above are applied to an oil that is already refined. Even when refined, certain oils are still unsuitable for consumption and, more particularly, are unsuitable for specific technical purposes. That is why they are re-refined.

7. Re-refining is intended mainly to correct deficiencies remaining from the first refining process, e.g. to remove levels of iron or other impurities to meet quality standards.

8. Consequently, the origin of a re-refined oil is the country where it is re-refined (EGY) (CH).

OPTION B: No

9. Fats and oils occur widely in nature and are formed in the cells of certain plants or animals from which they are extracted by various means such as pressure or use of solvents.

10. The essential characteristics of fats and oils and their essential molecular structure as a compound are formed in the source material and they are also present unaltered in the extracted oil in crude form. These essential characteristics are not changed by refining.

11. Refining is done to remove impurities such as solids and free fatty acids from the crude oils. Odour and colour are improved through the process of bleaching and deodorizing. However, these are merely physical changes. The refining process does not affect the chemical properties and molecular structure of the oil itself, even at this stage when an oil is referred to as having been fully refined.

12. Obviously, if refining does not modify the essential characteristics of an oil, re-refining cannot modify those characteristics and, consequently, cannot constitute a last substantial transformation.

13. The origin of a fat or oil is the country where it was extracted from animals or plants (ARG, BRA, CAN, COL, IND, KOR, MAL, MOR, PHI, SEN, US)³.

³ See table under "HS codes concerned".

HS CODES CONCERNED:

HS Codes	Refining		Re-refining	
	Yes	No	Yes	No
15.01 and 15.02 ⁴	AUS, JPN, MEX, TUN	BRA, CAN, CH, KOR, MAL, PHI, SG, TH, US,		
15.03	AUS, JPN, MEX, TH, TUN	BRA, CAN, CH, KOR, MAL, PHI, SG, US,		
15.04	AUS, CH, EC, EGY, JPN, MEX, NOR, TH, TUN	BRA, CAN, KOR, MAL, PHI, SG, US	CH, EGY	AUS, BRA, CAN, EC, JPN, KOR, MAL, MEX, NOR, PHI, SG, TH, US
15.05	AUS, CH, EGY, JPN, MEX, NOR, SG, TH, TUN	BRA, CAN, KOR, MAL, PHI, US		
15.06	AUS, CH, EC, EGY, JPN, MEX, NOR, TUN	BRA, CAN, KOR, MAL, PHI, SG, TH, US		
15.07	AUS, CH, EC, EGY, JPN, MEX, NOR, SG, TUN	ARG, BRA, CAN, IND, KOR, MAL, PHI, TH, US	EGY	ARG, AUS, BRA, CAN, CH, EC, IND, JPN, KOR, MAL, MEX, NOR, PHI, SG, TH, US
15.08	AUS, CH, EC, EGY, JPN, MEX, NOR, SG, TH, TUN	ARG, BRA, CAN, IND, KOR, MAL, PHI, SEN, US		
15.09 and 15.10	AUS, CH, EC, JPN, MEX, NOR, SG, TH, TUN	ARG, BRA, CAN, KOR, MAL, MAR, PHI, US		
15.11	AUS, CH, EC, EGY, JPN, MAL, MEX, NOR, SG, TH, TUN	ARG, BRA, CAN, COL, IND, KOR, PHI, US	EGY	ARG, AUS, BRA, CAN, CH, COL, EC, IND, JPN, KOR, MAL, MEX, NOR, PHI, SG, TH, US
15.12	AUS, CH, EC, EGY, JPN, MEX, NOR, SG, TH, TUN	ARG, BRA, CAN, IND, KOR, MAL, PHI, US	EGY	ARG, AUS, BRA, CAN, CH, EC, IND, JPN, KOR, MAL, MEX, NOR, PHI, SG, TH, US
15.13	AUS, CH, EC, EGY, JPN, MAL, MEX, NOR, SG, TH, TUN	ARG, BRA, CAN, IND, KOR, PHI, SEN, US	EGY	ARG, AUS, BRA, CAN, CH, EC, IND, JPN, KOR, MAL, MEX, NOR, PHI, SEN, SG, TH, US
15.14	AUS, CH, EC, EGY, JPN, MEX, NOR, SG, TH, TUN	ARG, BRA, CAN, IND, KOR, MAL, PHI, SEN, US		
15.15	AUS, CH, EC, EGY, JPN, MEX, NOR, SG, TH, TUN	ARG, BRA, CAN, KOR, MAL, PHI, US	CH, EGY	ARG, AUS, BRA, CAN, CH, EC, JPN, KOR, MAL, MEX, NOR, PHI, SG, TH, US
15.16	AUS, CH, EGY, MEX, NOR, NZ, SG, TUN	CAN, KOR, MAL, PHI, US		
15.21 (a)	CH, EC, EGY, NOR, TUN	CAN, JPN, KOR, MAL, MEX, PHI, TH, US		

REFERENCES:

41.504, 41.505, 41.531, 41.632, 41.735, 41.745, 42.284, 42.284/Rev., 42.574, Annex C/1 to Doc. OC0030E1.

⁴ EC will confirm its position.

WCO Doc. OC009/2

**UNRESOLVED ISSUES FOR DECISION BY THE
COMMITTEE ON RULES OF ORIGIN**

**AGREED RULES OF ORIGIN SUBMITTED BY THE TECHNICAL COMMITTEE
ON RULES OF ORIGIN FOR ENDORSEMENT BY THE
COMMITTEE ON RULES OF ORIGIN**

CHAPTER 71

This document concerns a Chapter Note proposed for Chapter 71⁵.

THIRD REFERRAL CONCERNING CHAPTER 71

The Committee on Rules of Origin is invited to decide whether the following Chapter Note, with the operations it implies, is origin-conferring.

ISSUE No. 5: SHOULD THE TRANSFORMATION OF A BLANK INTO A FINISHED ARTICLE BE REGARDED AS A SUBSTANTIAL TRANSFORMATION ?

OPTION A: Yes

1. Where certain conditions laid down in the following Chapter Note are met, the transformation to a finished article from blanks or other unfinished forms classified in the same heading or subheading as the finished article is to be regarded as a substantial transformation.

2. The following Chapter Note is proposed:

“1. For the purposes of this Chapter, whenever finished goods are produced from blanks or other unfinished forms classified in the same heading or subheading as the finished goods, they shall originate in the country in which the goods were finished, provided that :

(a) In their imported prefinished condition, the blanks or unfinished forms were not capable of being sold in their condition as imported or of functioning for their ultimate use and have not been advanced beyond cleaning or working to remove flash, sprues, burrs or similar excess material, and

(b) The blanks or unfinished goods are configured to final shape by significant removal of material (other than by edge-working process).” (US, CAN, CH)

OPTION B: NO

B/1 : No

3. “The origin of a product obtained from a blank shall be the country in which the blank acquires the essential characteristics of the finished product and is classified in the same heading or subheading as the finished product by application of HS GIR 2 (a) or otherwise. Further finishing shall not change the origin as long as the classification does not change.” (IND)

⁵ First referral : Doc. 42.344/Rev.
Second referral : Doc. OR 42.383.

B/2: No

4. The transformation of blanks or other unfinished forms into finished articles, both classified in the same heading or subheading, is not to be regarded as substantial transformation. Moreover, the proposed Chapter Note is not clear enough and can be wrongly interpreted.” (EC)

HS CODES CONCERNED: 71.13, 71.14, 71.15, 71.16.

WCO Doc. OC0012/2

**UNRESOLVED ISSUES FOR DECISION BY THE
COMMITTEE ON RULES OF ORIGIN**

**AGREED RULES OF ORIGIN SUBMITTED BY THE
TECHNICAL COMMITTEE ON RULES OF ORIGIN FOR
ENDORSEMENT BY THE COMMITTEE ON RULES OF ORIGIN**

CHAPTER 70

This document concerns a Chapter Note proposed for Chapter 70. It should be examined in relation to Issues 5 and 6 in Doc. 42.269 of 10 March 1998.

The Committee on Rules of Origin is invited to decide whether the Chapter Note below, specifying that certain operations do not confer origin, can be adopted.

**ISSUE NO. 7: TRIMMING OR CUTTING OF WOVEN FABRICS OR ARTICLES OF GLASS
FIBRES CANNOT BE REGARDED AS A SUBSTANTIAL TRANSFORMATION
EVEN IF THERE IS A CHANGE OF TARIFF SUBHEADING**

Proposed Chapter Note

1. "For subheadings 7019.51 to 7019.90, those rules which refer to a change of subheading shall not apply to changes which are the result solely of trimming or cutting".

OPTION A: YES

2. This Chapter Note is acceptable because trimming, which consists of removing asperities, and the cutting of glass fibre woven fabrics or articles of glass fibres are simple operations which cannot confer origin even if there is a change in tariff subheading (US) (CAN) (JPN) (MEX).

OPTION B: NO

3. This Chapter Note is not acceptable because the trimming and cutting of woven fabrics or articles of glass fibres confer origin when there is a change of tariff subheading. This Chapter Note is not necessary, the rules of origin in the tables are sufficient (IND).

HS CODES CONCERNED : 7019.51, 7019.52, 7019.59, 7019.90.

WCO Doc. OC0014/1

**UNRESOLVED ISSUES FOR DECISION BY THE
COMMITTEE ON RULES OF ORIGIN**

CHAPTERS 28 TO 35 AND 38 TO 39

FOURTH REFERRAL⁶

Chapters 28-35, 38-39

**ISSUE NO. 25: PURIFICATION RESULTING IN A GOOD SUITABLE FOR NON-TOXIC USES
FOR HEALTH AND SAFETY**

OPTION A: Yes

1. In the chemicals sector the Technical Committee has generally seen fit to adopt a rule providing that purification of a good is origin conferring. Under the first part of the purification rule the elimination of 80 percent of the content of existing impurities confers origin. In the second part of the rule, presumably where less than 80 percent of the existing impurities might be removed, origin is nevertheless conferred when the reduction or elimination of impurities results in a good suitable for certain enumerated applications.

2. The reduction or elimination of impurities to produce a good suitable for non toxic uses for health and safety should be included in the enumerated purification applications and, consequently, should be considered as origin conferring. This application differs from the enumerated pharmaceutical, medical, cosmetic, veterinary or food grade uses. The standard of purification, which is being achieved, is not necessarily found under the pharmaceutical, medical, cosmetic, veterinary or food grade applications. While a specific level of reduced toxicity necessary for safe use in human or animal applications is the objective, the source of the standard may be a consumer safety agency, private industry association or proprietary standard. In all cases, however, the standard is objective. Without the attainment of the specified standard the good is not suitable for its intended use. A prime example of the kind of good covered by this provision in the purification rule is children's toys, which must be meet precise standards of reduced toxicity for safe use.

3. The purification rule for the chemicals sector should include a provision recognizing that origin is conferred when the reduction or elimination of impurities results in a good suitable for non toxic uses for health and safety. (CH)

OPTION B: No

4. The proposed provision should not be included under the purification rule. Given the lack of world-wide defined standards of reduced toxicity for the goods and activities described, the application of the rule will produce inharmonious results. What could constitute an origin conferring purification operation in one country might be only a minimal operation in another. Such outcomes are not in keeping with the purposes of harmonization of non-preferential rules of origin.

⁶ This referral is a supplement to the previous referrals made for this product sector in WCO Referral Docs. 42.626 and 42.627. The Issue for Decision is numbered in accordance with the sequence established in WCO Doc. 42.626.

5. Apart from this, there can be a high degree of confidence that most of the applications described, if not all of them, are taken up in the existing provision covering purification for pharmaceutical, medical, cosmetic, veterinary or food grade substances. The proposed rule should not be included as an origin conferring purification operation. (IND)

RELEVANT HS CODES: Purification Rule for Chapters 28-35, 38-39.

WCO Doc. OC0016/1

**UNRESOLVED ISSUES FOR DECISION BY THE
COMMITTEE ON RULES OF ORIGIN**

CHAPTERS 28 - 38
(FOR HEADING 35.07)

SECOND REFERRAL¹

**ISSUE No. 23: PRODUCTION OF ISOLATED ENZYMES AND ENZYME CONCENTRATES
FROM ENZYMES**

OPTION A: Yes

1. Isolated enzymes and enzyme concentrates are derived from enzymes for specialized applications such as pharmaceutical uses, food processing, textile production and paper manufacturing. Various techniques are employed to produce these goods. Isolated enzymes may be produced by chemical or non-chemical extraction, while concentrates also may be made by chemical or non-chemical means. The goods produced are new goods created for pre-determined purposes and should be considered as having undergone substantial transformation.

2. Change of tariff classification at the heading or subheading level is insufficient to express the change from enzymes to isolated or concentrated enzymes because almost all of the changes described take place within the subheadings without any change of tariff classification. The rules at the chapter level concerning purification and chemical reaction also are insufficient to cover all of the ways in which the isolated and concentrated enzymes are produced. It is therefore necessary to provide for separate identification of isolated and concentrated enzymes so as to indicate in the rules of origin that change from enzymes to these goods is origin conferring. The rule should be (US) (PHI) : CTHS

OPTION B: Yes, provided

3. The change from enzymatic concentrates to isolated enzymes or from isolated enzymes or concentrates to prepared enzymes can be regarded as a substantial transformation insofar as chapter rules are satisfied.

4. Isolated enzymes are actually obtained by isolation or purification of enzymes concentrates. Chapter rule on purification is applicable to them.

5. Enzymatic concentrates are usually extracted from animal organs, plants, microorganisms or culture-broths. Lastly, prepared enzymes are obtained by dilution of concentrates or by intermixing isolated enzymes or enzymatic concentrates. Therefore, chapter rule on mixtures applies to these products and CTH is the appropriate criterion for heading 35.07. (EC)

The rule should be:

CTH (COL, CAN, NZ, EGY, EC) or
CTSH (JPAN, MEX, CH)

RELEVANT HS CODE NUMBER: 35.07

HS Code Number	Description of goods	Origin criteria	Notes	Comments
A	B	C	D	E
35.07	Enzymes; prepared enzymes not elsewhere specified or included.	<i>As indicated at the split heading and subheading level</i>		Submitted to CRO for Decision
[ex 35.07(a)	<u>Isolated enzymes</u> (US)	CTHS (US)(PHI)		
ex 35.07(b)	<u>Enzyme concentrates</u> (US)	CTHS (US)(PHI)		
ex 35.07(c)	<u>Enzyme</u> (US)	CTHS (US)(PHI)]		
3507.10	- Rennet and concentrates thereof	[CTSH] (JPN)(MEX)(CH) [CTH] (COL) (CAN) (NZ) (EGY)(EC)		
3507.90	- Other	[CTSH] (JPN) (MEX) (CH) [CTH] (COL) (CAN) (NZ) (EGY)(EC)		

WCO Doc. OC0023/2

**UNRESOLVED ISSUES FOR DECISION BY THE
COMMITTEE ON RULES OF ORIGIN**

TEXTILES AND PRODUCTS RELATED TO TEXTILES
CLASSIFIED IN CHAPTERS 30, 42, 43, 50 – 67, 87, 88, 91, 94, 95 AND 96

FOURTH REFERRAL

The Committee on Rules of Origin is invited to decide whether the products resulting from processes described below have undergone their last substantial transformation.

ISSUE 74: IS THERE A NEED FOR A NOTE TO SECTION XI AND CHAPTERS 42 AND 43 CONCERNING MINOR PROCESSING OPERATIONS NOT AFFECTING ORIGIN?

N.B.: The Technical Committee has noted that this issue is closely related to the assembly questions set out in Issues Nos. 45 and 46 of the Second Referral on Textiles (Doc. 42.271). In those referred issues the Technical Committee considered matters relating to assembly in a single country. Many of the options presented included proposals that certain operations relating to such items as buttonholes, cuffs, fasteners, hems and the like were not to be considered or taken into account. There is limited similarity in that the Note for Section XI (applicable also to Chapters 42 and 43) which is the subject of this Referral includes references to a few of such operations and items. The Referral is not included under Issues Nos. 45 and 46, however, its scope is broader than merely the definition of assembly in a single country for goods of Chapters 61 and 62. Instead, the proposed note would apply across the Section and to made up articles of Chapters 42 and 43.

OPTION A: Yes

1. There is a need for an assurance that under any circumstances certain operations in this product sector will not confer origin. This proposal is a group of fundamental limitations, which apply to the enumerated operations when they take place singly. The proposal is intended to safeguard the results intended under the primary and residual rules from inappropriate deflection of country of origin.

A Legal Note for Section XI and for Chapters 42 and 43 should appear as follows:

"Minor processing operations not affecting origin. For the purposes of determining the country of origin for goods falling within Section XI that are not wholly obtained in one country, the following individual processes, considered singly, are minimal operations or processes and shall not affect the origin of the goods concerned, whether or not such processes result in changes of classification:

- (a) Working or finishing one or more edges by hemming, rolling, whipping or similar means or by knotting fringe;
- (b) Cutting fabrics, yarns or other textile materials; or separating goods produced in the finished state by cutting along dividing threads;
- (c) Assembling or joining goods by sewing or stitching for convenience of shipment or other temporary purposes;
- (d) Putting up goods for retail sale or in sets or ensembles (US)"

OPTION B: No

2. The proposed Legal Note is inappropriate. Some of its elements are included in other elements of the overall architecture and therefore are redundant, such as putting up for retail sale. The enumerated cutting operations are already taken up in the formulation of the product-specific rules, or in certain circumstances should not be excluded from being taken into account in origin determination.

The proposed Legal Note should be deleted (EC, IND).

RELEVANT HS CODES: HS Section XI (Chapters 50-63), Chapters 42 and 43

ISSUE 75: IS THERE A NEED FOR RESIDUAL RULES AT A CHAPTER LEVEL FOR ASSEMBLY OF ARTICLES OF APPAREL AND CLOTHING ACCESSORIES FROM PARTS FOR THE GOODS?

Background

3. The assembly of articles of apparel and clothing accessories from parts for the goods is presented in Issue 45 and 46 in Second Referral Doc.42.271. But this Referral Document does not cover the cases in which the primary rules are not met.

4. Different opinions on whether or not the residual rules covering those cases would be necessary and what could be the contents of the residual rules were discussed during the 17th Session of the Technical Committee on Rules of Origin

5. The Committee on Rules of Origin is invited to decide whether or not the residual rules for assembly of articles of apparel and clothing accessories from parts for the goods would be necessary and what could be included in the residual rules.

OPTION A: Yes

6. This option recognizes the necessity of residual rules for the assembly of articles of apparel and clothing accessories from parts for the goods and this opinion can be categorized follows :

OPTION 1A:

7. When no country satisfies the primary rule determining the origin of the assembly of articles of apparel and clothing accessories from parts for the goods, the country in which 8 or more major or other parts of the goods are assembled shall be the country of origin for the goods. (CAN).

OPTION 2A:

8. When application of the primary rules of Chapters 61 and 62 (including the product specific rules provided in the matrix) do not result in a determination of a country of origin, the country of origin shall be determined as follows:

“Where the primary rule for a good assembled from parts requires that the good be wholly assembled in a single country, the country of origin of such a good that was not wholly assembled in a single country, is the country in which the most significant assembly operations were performed in the making-up of the good, without regard to the addition of

buttons and other fasteners, belt and hanger loops, belts, patch pockets, labels, foot straps, epaulettes, ornaments and other minor components". (US)

OPTION 3A:

9. When the above Option 2A conditions are not satisfied, the country of origin of other goods of chapter 61 and 62 shall be the country where the textile fabric or knit-to-shape components was formed, or in the case of a good containing textile fabrics or knit-to-shape component of more one country, the origin of the good is the country in which the textile fabric or knit-to-shape component that predominates by weight was formed. (US)

OPTION 4A:

10. When application of the primary rules of Chapters 61 and 62 (including the product specific rules provided in the matrix) do not result in a determination of a country of origin, the country of origin shall be determined as follows :

"Where the primary rule for a good assembled from parts requires that the good be wholly assembled in a single country, the country of origin of such a good that was not wholly assembled in a single country, is the country in which the most significant assembly operations were performed in the making-up of the good, without regard to:

- attaching and/or making up of the following, for example: buttons and other fasteners, patch pockets, foot straps, trimmings, ornaments, cuffs, plackets, belt loops, epaulettes, labels, collars, lining, padding, pockets other than patch pockets, waistbands, garment accessories, facings, self belts, pleats;
- making button holes, hemming, pressing, stone or acid washing. (HK)"

[N.B. This option is submitted without prejudice to Hong Kong's position on chapter residual rules for textile chapters.]

OPTION B: No

11. This option does not recognize the necessity of residual rules for the assembly of articles of apparel and clothing accessories from parts for the goods.

OPTION 1B:

12. For the determination of the assembly of articles of apparel and clothing accessories of headings 61.01 to 61.15 and 62.01 to 62.12 from parts for the goods, specific residual rules are not necessary. When the primary rules provided for assembled articles of Chapter 61 and 62 are not satisfied, the origin of such articles should be determined by application of the general residual rules set forth in Appendix 2, Rule 2. (EC, CH) The criterion to be used in this context is value. (EC) The criterion for this residual rule should be country contributing most to the total value of the good in terms of total parts and related processing activities. (CH).

OPTION 2B:

13. For the purposes of Chapters 61 and 62, the country of origin of an article of apparel or clothing accessories shall be the country where such apparel or clothing accessory, as the case may be, is finally assembled. Final assembly means where the article assumes the essential character of the final product and thereby gets classified as the final product. Further operations which do not change the classification will not change the origin. (IND)

RELEVANT HS CODES: 61.01 to 61.15, 62.01 to 62.12

ISSUE 76: DOES THE PUTTING UP IN PACKINGS FOR RETAIL SALE OF SETS CLASSIFIED IN HEADING 63.08, CONSISTING OF WOVEN FABRIC AND YARN, WHETHER OR NOT WITH ACCESSORIES, FOR MAKING UP INTO RUGS, TAPESTRIES, EMBROIDERED TABLE CLOTHS OR SERVIETTES, OR SIMILAR TEXTILE ARTICLES, RESULT IN SUBSTANTIAL TRANSFORMATION?

OPTION A: Yes

14. The preparation of a set may require a large degree of planning, purchasing, logistics and overall know-how to produce a set which can be marketable for its intended purpose as a group of different goods put together to carry out a particular purpose. The fact that in this heading there is a separate commercial identity defined in the Harmonized System confirms that the good has independent utility as a whole and is recognized as an article of commerce with a certain importance in trade.

15. It is entirely appropriate to consider that the operation of putting up a set of heading 63.08 results in substantial transformation. The change of tariff classification from goods of other heading to a set of this heading reflects this substantial transformation without any other condition or consideration. The rule should be : CTH (CH, IND, MAL, MOR, PAK).

OPTION B: Yes, provided

16. The putting up of a set of heading 63.08 may be origin conferring under the condition that a limited amount of non-originating materials is used. The rule should be : Change to this heading if the value of non-originating materials used does not exceed 25% of the ex-works price of the product (EC, TUR, EGY).

OPTION C: No

17. Merely putting up a set of heading 63.08, without also manufacturing at least some of the fabric or yarn is not origin conferring. Without accompanying manufacturing such an operation amounts to merely collecting goods and packaging them. The rule should be:

(a) CTH, provided that the fabric or the yarn meets the tariff shift rule that would be applicable if the fabric or the yarn were classified alone.

The origin of such a set should be based on the origin of the yarn or the fabric, provided the yarn or the fabric meets the tariff shift rule in that country. (CAN)

(b) a change to yarns of sets of this heading, except from heading 50.04 through 50.05, 51.06 through 51.09, 52.04 through 52.06, 53.06 through 53.08, 54.01 through 54.05, 55.08 through 55.10 and 56.05 through 56.06; and A change to fabric of sets of this heading from any other heading, except from heading 50.07, 51.11 through 51.13, 52.08 through 52.12, 53.09 through 53.11, 54.07 through 54.08, 55.12 through 55.16, 56.02 through 56.03, 56.08, 58.01 through 58.04, 58.06, 58.09 through 58.11, 59.03, 59.07 or 60.01 through 60.02

The origin of such a set should be based on the origin of the yarn and the fabric. (MEX)

(c) CTH except from heading 50.07, 51.11 through 51.13, 52.08 through 52.12, 53.09 through 53.11, 54.07 through 54.08, 55.12 through 55.16, 56.02 through 56.03, 56.08, 58.01 through 58.06, 58.08 through 58.11, 59.03, 59.06 through 59.07 or 60.01 through 60.02

The origin of such a set should be based on the origin of the fabric. (US, BRA)

(d) The country of origin of woven fabric or yarn in the set which gives the set its essential character of a set can be considered as the country of origin of the set.

The origin of such a set should be based on the origin of the yarn or the origin of the fabric which gives the essential character. (JPN)

RELEVANT HS CODES: 63.08

63.08 6308.00	Sets consisting of woven fabric and yarn, whether or not with accessories, for making up into rugs, tapestries, embroidered table cloths or serviettes, or similar textile articles, put up in packings for retail sale.	a) The country of origin of woven fabric or yarn in the set which gives the set its essential character of a set can be considered as the country of origin of the set. (JPN)]
		b) CTH (CH) (IND) (MAL) (MOR) (PAK)
		c) Change to this heading if the value of non-originating materials used does not exceed 25% of the ex-works price of the product (EC) (TUR) (EGY)]
		d) CTH, provided that the fabric or the yarn meets the tariff shift rule that would be applicable if the fabric or the yarn were classified alone. (CAN)]
		e) A change to yarns of sets of this heading, except from heading 50.04 through 50.05, 51.06 through 51.09, 52.04 through 52.06, 53.06 through 53.08, 54.01 through 54.05, 55.08 through 55.10 and 56.05 through 56.06; and
		A change to fabric of sets of this heading from any other heading, except from heading 50.07, 51.11 through 51.13, 52.08 through 52.12, 53.09 through 53.11, 54.07 through 54.08, 55.12 through 55.16, 56.02 through 56.03, 56.08, 58.01 through 58.04, 58.06, 58.09 through 58.11, 59.03, 59.07 or 60.01 through 60.02 (MEX)
		f) CTH except from heading 50.07, 51.11 through 51.13, 52.08 through 52.12, 53.09 through 53.11, 54.07 through 54.08, 55.12 through 55.16, 56.02 through 56.03, 56.08, 58.01 through 58.06, 58.08 through 58.11, 59.03, 59.06 through 59.07 or 60.01 through 60.02 (US) (BRA)

ISSUE 77: IS THERE A NEED FOR CHAPTER RESIDUAL RULES FOR GOODS OF HS SECTION XI (TEXTILES AND TEXTILE ARTICLES) AND TEXTILE-RELATED GOODS OF OTHER HS CHAPTERS?

N.B. In the harmonization work a category of goods was identified which was considered to share characteristics of the textiles sector. These goods were designated as “textile-related”, and the agreed rules and unresolved issues for them were referred to the Committee in Referral Doc. 42.269, a companion document to the principal Referral Doc. 42.271. The residual rules for assembly in this sector are addressed in Issue No. 75 of this Referral.

OPTION A: Yes

There will be cases in the textiles and related sectors in which the primary rules will not produce an origin result. Where the primary rules are based upon assembly in a single country, or are based upon the country in which a textile material was formed, there is a need to account for the origin of goods assembled in more than one country or consisting of textile materials formed in more than one country.

OPTION 1A:

It is considered appropriate to specify these outcomes under the residual rules at each appropriate chapter so as to give immediate resort to the applicable residual rule, each of which is designed for the goods classified in the respective chapters. It is considered that to rely upon the general, Appendix 2 residual rules for these goods would not produce the predictable results needed in this product sector. The chapter residual rules should provide : at Chapters 30, 42, 43, 58, 59, 61, 62, 63, 64, 65, 66, 87, 88, 91, 94, 95 and 96, for the origin of the designated goods to be determined as specified. The rules proposed are reproduced as an annex to this document. (US)

OPTION 2A:

In order to ensure a predictable, consistent and transparent result for users who are seeking an origin for goods in chapters 50 to 60 which have not met an applicable primary rule. The following residual rule is proposed:

The country of origin of goods of this Chapter shall be the country in which the textile fabric was woven or knit. (CAN)

OPTION B: No

The general residual rules at Appendix 2 are considered to be entirely sufficient for the purpose. In cases where the applicable primary rule is not met, the arrangement of the architecture will direct the user to a single rule in which is applied the appropriate residual rule criterion designated for the relevant chapter. (CH, IND)

RELEVANT HS CODES: Chapters 30, 42, 43, 50-63, 64, 65, 66, 87, 88, 91, 94, 95 and 96.

RESIDUAL RULES PROPOSED BY USA:

The following proposed residual rules are submitted for chapters 50 through 63 and for the following headings: 3005.90, 42.02, 42.03, 43.03, 64.06, 65.01--65.05, 66.01, 87.08, 88.04, 91.13, 94.04, 9502.91 and 9612.10.

CHAPTER 30

1. The country of origin of goods of subheading 3005.90 that contain textile material shall be the country where the textile material was formed, or in the case of a good containing textile materials of more than one country, the origin of the good is the country in which the textile material that predominates by weight was formed.

CHAPTER 42

When application of the primary rules of this chapter (including the product specific rules provided in the matrix) does not result in a determination of a country of origin, the country of origin shall be determined as follows:

1. The country of origin of a good of heading 42.02 or 42.03 that was assembled from parts, but was not wholly assembled in a single country, is the country in which the most significant assembly operations were performed in the making-up of the good, without regard to the addition of buttons and other fasteners, belt and hanger loops, belts, patch pockets, labels, foot straps, epaulettes, ornaments and other minor components.

CHAPTER 43

When application of the primary rules of this chapter (including the product specific rules provided in the matrix) does not result in a determination of a country of origin, the country of origin shall be determined as follows:

1. The country of origin of goods of heading 43.03 that was assembled from parts, but was not wholly assembled in a single country, is the country in which the most significant assembly operations were performed in the making-up of the good, without regard to the addition of buttons and other fasteners, belt and hanger loops, belts, patch pockets, labels, foot straps, epaulettes, ornaments and other minor components.

CHAPTER 58

When application of the primary rules of this chapter (including the product specific rules provided in the matrix) does not result in a determination of a country of origin, the country of origin shall be determined as follows:

1. The country of origin of quilted fabrics of heading 58.11 of this Chapter shall be the country in which the exterior textile fabric was formed, or in the case of a good containing textile fabrics of more than one country, the origin of the good is the country in which the exterior textile fabric that predominates by weight was formed.

CHAPTER 59

When application of the primary rules of this chapter (including the product specific rules provided in the matrix) does not result in a determination of a country of origin, the country of origin shall be determined as follows:

1. The country of origin of fabrics of this Chapter, except textile wall coverings of heading 59.05, shall be the country where the textile fabric was formed, or in the case of a good containing textile fabrics of more than one country, the origin of the good is the country in which the textile fabric that predominates by weight was formed.

CHAPTER 61

When application of the primary rules of this chapter (including the product specific rules provided in the matrix) does not result in a determination of a country of origin, the country of origin shall be determined as follows:

1. Where the primary rule for a good assembled from parts requires that the good be wholly assembled in a single country, the country of origin of such a good that was not wholly assembled in a single country, is the country in which the most significant assembly operations were performed in the making-up of the good, without regard to the addition of buttons and other fasteners, belt and hanger loops, belts, patch pockets, labels, foot straps, epaulettes, ornaments and other minor components.
2. The country of origin of other goods of this Chapter shall be the country where the textile fabric or knit-to-shape component was formed, or in the case of a good containing textile fabrics or knit-to-shape component of more than one country, the origin of the good is the country in which the textile fabric or knit-to-shape component that predominates by weight was formed.

CHAPTER 62

When application of the primary rules of this chapter (including the product specific rules provided in the matrix) does not result in a determination of a country of origin, the country of origin shall be determined as follows:

1. Where the primary rule for a good assembled from parts requires that the good be wholly assembled in a single country, the country of origin of such a good that was not wholly assembled in a single country, is the country in which the most significant assembly operations were performed in the making-up of the good, without regard to the addition of buttons and other fasteners, belt and hanger loops, belts, patch pockets, labels, foot straps, epaulettes, ornaments and other minor components.
2. The country of origin of other goods of this Chapter shall be the country where the textile fabric was formed, or in the case of a good containing textile fabrics of more than one country, the origin of the good is the country in which the textile fabric that predominates by weight was formed.

CHAPTER 63

When application of the primary rules of this chapter (including the product specific rules provided in the matrix) does not result in a determination of a country of origin, the country of origin shall be determined as follows:

1. The country of origin of goods of this Chapter shall be the country where the textile fabric was formed, or in the case of a good containing textile fabrics of more than one country, the origin of the good is the country in which the textile fabric that predominates by weight was formed.

CHAPTER 64

When application of the primary rules of this chapter (including the product specific rules provided in the matrix) does not result in a determination of a country of origin,

1. The country of origin of a good of heading 64.06 that was assembled from parts, but was not wholly assembled in a single country, is the country in which the most significant assembly operations were performed in the making-up of the good, without regard to the addition of buttons and other fasteners, hanger loops, labels, foot straps, ornaments and other minor components.

CHAPTER 65

When application of the primary rules of this chapter (including the product specific rules provided in the matrix) does not result in a determination of a country of origin, the country of origin shall be determined as follows:

1. For a good of headings 65.01 through 65.05 that was assembled from parts, where the primary rule requires that the good be wholly assembled in a single country, is the country in which the most significant assembly operations were performed in the making-up of the good, without regard to the addition of buttons and other fasteners, hanger loops, tighteners, labels, hat bands, ornaments and other minor components.

CHAPTER 66

When application of the primary rules of this chapter (including the product specific rules provided in the matrix) does not result in a determination of a country of origin, the country of origin shall be determined as follows:

1. The country of origin of a good of heading 66.01 that was assembled from parts, but was not wholly assembled in a single country, is the country in which the most significant assembly operations were performed in the making-up of the good, without regard to the addition of buttons and other fasteners, hanger loops, labels, ornaments and other minor components.

CHAPTER 87

When application of the primary rules of this chapter (including the product specific rules provided in the matrix) does not result in a determination of a country of origin, the country of origin shall be determined as follows:

1. The country of origin of safety seat belts of heading 87.08 that were assembled from narrow woven fabrics of heading 58.06 is the country where the fabrics were formed, or in the case of such a good containing textile fabrics of more than one country, the origin of the good is the country in which the textile fabric that predominates by weight was formed.

CHAPTER 88

When application of the primary rules of this chapter (including the product specific rules provided in the matrix) does not result in a determination of a country of origin, the country of origin shall be determined as follows:

1. The country of origin of parts of and accessories to parachutes (including dirigible parachutes and paragliders) and rotochutes of heading 88.04 is the country where the fabrics were formed, or in

the case of such a good containing textile fabrics of more than one country, the origin of such good is the country in which the textile fabric that predominates by weight was formed.

CHAPTER 91

When application of the primary rules of this chapter (including the product specific rules provided in the matrix) does not result in a determination of a country of origin, the country of origin shall be determined as follows:

1. The country of origin of goods of heading 91.13 that contain textile fabric or other textile material shall be the country where the textile fabric or other material was formed, or in the case of a good containing textile materials of more than one country, the origin of the good is the country in which the textile fabric or other textile material that predominates by weight was formed.

CHAPTER 94

When application of the primary rules of this chapter (including the product specific rules provided in the matrix) does not result in a determination of a country of origin, the country of origin shall be determined as follows:

1. The country of origin of goods of heading 94.04 shall be the country where the textile fabric was formed, or in the case of a good containing textile fabrics of more than one country, the origin of the good is the country in which the exterior textile fabric that predominates by weight was formed.

CHAPTER 95

When application of the primary rules of this chapter (including the product specific rules provided in the matrix) does not result in a determination of a country of origin, the country of origin shall be determined as follows:

1. The country of origin of a good of subheading 9502.91 that was assembled from parts, but was not wholly assembled in a single country, is the country in which the most significant assembly operations were performed in the making-up of the good, without regard to the addition of buttons and other fasteners, belt and hanger loops, belts, patch pockets, labels, foot straps, epaulettes, ornaments and other minor components.

CHAPTER 96

When application of the primary rules of this chapter (including the product specific rules provided in the matrix) does not result in a determination of a country of origin, the country of origin shall be determined as follows:

1. The country of origin of typewriter or similar ribbons of subheading 9612.10 shall be the country where the textile fabric was formed, or in the case of a good containing textile fabrics of more than one country, the origin of the good is the country in which the textile fabric that predominates by weight was formed.

WCO Doc. OC0025/2

**UNRESOLVED ISSUES FOR DECISION BY THE
COMMITTEE ON RULES OF ORIGIN**

SECOND REFERRAL⁷

CHAPTER 82

**Tools, implements, cutlery, spoons and forks, of base metal;
parts thereof of base metal**

The Committee on Rules of Origin is invited to decide whether the products resulting from processes described below have undergone their last substantial transformation.

ISSUE No. 1: PRODUCTION OF A FINISHED GOOD OR PART FROM AN UNFINISHED GOOD OR PART, INCLUDING FROM A BLANK (CHAPTER NOTES)

1. Chapter 82 covers a wide variety of products from quite simple to highly complex ones. The product-specific rules set out for goods of Chapter 82 do not take account of all the different processes where substantial transformation takes place. Thus, concerning to setting out the Chapter Notes on the production of a finished good or part from an unfinished good or part, including from a blank, different options have been proposed.

N.B. This issue covers in general transformation of unfinished products of chapter 82

OPTION A: Yes

OPTION A/1: US

[1. When neither the product specific rules provided in the matrix are determinant of origin the following Chapter Notes shall apply:

(a) Goods produced from an incomplete or unfinished article classifiable in the same heading or subheading by application of GIR 2 (a). Where goods are produced from an incomplete or unfinished (other than unassembled or disassembled) article which had the essential character of the complete or finished goods and was classifiable, by application of GIR. 2(a), in the same heading or subheading as the complete or finished goods, origin of the presented goods shall be determined as follows:

(i) Blanks: Where the goods are produced from a blank:

(1) Provided all the following criteria are met, the country of origin of the goods shall be the country in which the blank was finished:

(a) In its imported prefinished condition, the blank was not capable of functioning for its ultimate use and was not advanced beyond

⁷ First referral: Doc. 42.576 contained draft Issues 1 and 2 which were not submitted to the CRO. This referral contains Issue 1 which covers old issues 1 and 2. This is done in view of the results of the discussion during 17th Session and in view of the developments in architecture, especially when the internal structure of primary rules is concerned (cascading approach). (Sec)

cleaning or working to remove flash, spurs, burrs or similar excess material, and

(b) In the country in which the goods were finished:

(i) The blank was configured to final shape by the removal of material (other than by honing or polishing), or by bending, hammering, pressing, stamping or similar forming process; and

(ii) The blank underwent one or more of the following processes:

1) Hardening to a minimum hardness of 38 degrees Rockwell C or equivalent standard of hardness; or

2) Assembly with five or more parts (other than parts of general use as defined in Note 1(g) to Section XVI of the HS).

(2) If the criteria of subparagraph (1) above are not satisfied, the country of origin of the goods shall be the country of origin of the blank.

(ii) Other. Where the goods are produced from an incomplete or unfinished article, other than a blank, the origin of presented goods shall be the country of origin of the incomplete or unfinished article from which it was produced.

(b) Other Goods of this Chapter. When paragraph 1(a)(i) or 1(a)(ii) is not satisfied, the country of origin shall be the country in which the working edge, working surface or working part underwent a change of classification to a heading of this Chapter from any other Chapter (e.g. from a bar or rod of Chapter 72 to a chisel of Heading 82.05)]

OPTION A/2: CH

[1. The manufacturing process for the assembly of a finished product from parts, other than “simple assembly”, is considered the last substantial transformation. *The TCRO decided that assembly in chapter 82 will be covered by the rules finally agreed for chapters 84-90 (Sec.)*

2. Whenever the change of classification rules set out for goods of Chapter 82-83 are not determinative of the country of origin of the good; the following substantial transformation rules are to be applied:

(a) A finished good or part produced from a non-originating unfinished article or parts classified in the same heading or subheading as the finished good or part shall originate in the country in which the good or part was finished, provided that the unfinished good or part is not functioning for its ultimate use in his imported condition and has undergone at least mechanical treatment, refining of form-, positional- and surface tolerances of functional finished shapes such as turning, milling, drilling, broaching, grinding, polishing, honing, eroding and one or more of the following processes:

- assembly by build-up such as but not limited to welding, soldering, shrinking, bolting, gluing, fitting, fixing, spooling, winding, connecting, wiring, coupling; or
- heat treatment or thermochemical treatment such as glowing, tempering, hardening; or
- treatment for the purpose of shaping forming such as cold or warm forming; or

- surface treatment such as coating, compressing, condensing, impregnating (excluding temporary conservation for transport and/or storage purpose), insulating.
(b) A finished good or part produced from a non-originating unfinished article or parts classified in the same heading or subheading as the finished good or part which does not satisfy the conditions mentioned in (a) above shall originate in the country in which the assembly takes place provided that more than 10 constituent parts, other than screws and bolts, are assembled.]

OPTION A/3: MOR

[1. Obtaining a finished product by assembly from parts is considered the last substantial transformation.] *The TCRO decided that assembly in chapter 82 will be covered by the rules finally agreed for chapters 84-90 (Sec.)*

OPTION B: No

2. The product specific rules provide for all cases of substantial transformation in Chapter 82. A general Chapter Note is not necessary. A residual rule determines the origin of goods that do not meet the relevant product specific rule..

OPTION B/1: (EC)

3. Origin will go to the country in which the blank is originated. Further finishing will not change the origin so long as the classification does not change.

OPTION B/2: (IND)(JPN)(CAN)

4. Origin will go to the country in which the blank acquires the essential characteristics of the finished product and is classified as the finished product by application of GIR2(a) or otherwise. Further finishing will not change the origin so long as the classification does not change.

RELEVANT HS CODES: 82.01 to 82.15,

REFERENCE DOCUMENT: Doc. 42.576

WCO Doc. OC0026/2

**UNRESOLVED ISSUES FOR DECISION BY THE
COMMITTEE ON RULES OF ORIGIN**

SECOND REFERRAL⁸

CHAPTER 83

Miscellaneous articles of base metal

The Committee on Rules of Origin is invited to decide whether the products resulting from processes described below have undergone their last substantial transformation.

ISSUE No. 1: PRODUCTION OF A FINISHED GOOD OR PART FROM AN UNFINISHED GOOD OR PART, INCLUDING FROM A BLANK (CHAPTER NOTES)

1. Chapter 83 covers a wide variety of products from quite simple to highly complex ones. The product-specific rules set out for goods of Chapter 83 do not take account of all the different processes where substantial transformation takes place. Thus, concerning to setting out the Chapter Notes on the production of a finished good or part from an unfinished good or part, including from a blank, different options have been proposed.

N.B. This issue covers in general transformation of unfinished products of Chapter 83.

OPTION A: Yes

OPTION A/1: CH

[1. The manufacturing process for the assembly of a finished product from parts, other than “simple assembly”, is considered the last substantial transformation. *The TCRO decided that assembly in chapter 83 will be covered by the rules finally agreed for chapters 84-90 (Sec.)*

2. Whenever the change of classification rules set out for goods of Chapter 82-83 are not determinative of the country of origin of the good; the following substantial transformation rules are to be applied:

(a) A finished good or part produced from a non-originating unfinished article or parts classified in the same heading or subheading as the finished good or part shall originate in the country in which the good or part was finished, provided that the unfinished good or part is not functioning for its ultimate use in its imported condition and has undergone at least mechanical treatment, refining of form-, positional- and surface tolerances of functional finished shapes such as turning, milling, drilling, broaching, grinding, polishing, honing, eroding and one or more of the following processes:

- assembly by build-up such as but not limited to welding, soldering, shrinking, bolting, gluing, fitting, fixing, spooling, winding, connecting, wiring, coupling; or

⁸ First referral: WCO Doc. 42.511 contained draft Issues 1 and 2 which were not submitted to the CRO. This referral contains Issue 1 which covers old issues 1 and 2. This is done in view of the results of the discussion during 17th Session and in view of the developments in architecture, especially when the internal structure of primary rules is concerned (cascading approach). (Sec)

- heat treatment or thermochemical treatment such as glowing, tempering, hardening; or
- treatment for the purpose of shaping forming such as cold or warm forming; or
- surface treatment such as coating, compressing, condensing, impregnating (excluding temporary conservation for transport and/or storage purpose), insulating.

(b) A finished good or part produced from a non-originating unfinished article or parts classified in the same heading or subheading as the finished good or part which does not satisfy the conditions mentioned in (a) above shall originate in the country in which the assembly takes place provided that more than 10 constituent parts, other than screws and bolts, are assembled.]

OPTION A/2: MOR

[1. Obtaining a finished product by assembly from parts is considered the last substantial transformation.] *The TCRO decided that assembly in Chapter 83 will be covered by the rules finally agreed for chapters 84-90 (Sec.)*

OPTION B: No

2. The product specific rules provide for all cases of substantial transformation in Chapter 83. A general Chapter Note is not necessary. A residual rule determines the origin of goods that do not meet the relevant product specific rule..

OPTION B/1: (EC)

3. Origin will go to the country in which the blank is originated. Further finishing will not change the origin so long as the classification does not change.

OPTION B/2: (IND)(JPN)(CAN)

4. Origin will go to the country in which the blank was originated (EC) on acquired the essential characteristics of the finished product and is classified as the finished product by application of GIR2(a) or otherwise. Further finishing will not change the origin so long as the classification does not change.

RELEVANT HS CODES: 83.01 to 83.11,

REFERENCE DOCUMENT: Doc. 42.511

WCO Doc. OC0028/2

**UNRESOLVED ISSUES FOR DECISION BY THE
COMMITTEE ON RULES OF ORIGIN**

CHAPTERS 1 TO 24

(FOURTH REFERRAL)⁹

The Committee on Rules of Origin is invited to decide whether the products resulting from processes described below have undergone their last substantial transformation.

SECRETARIAT NOTE

Apart from the cases of mixtures already submitted to the CRO for decision (see Doc. 42.146, Issues 32, 33, 36, 65, 66, 76, 100 and 106), the Technical Committee is still examining how the origin of certain other mixtures should be determined.

In the light of the Technical Committee's discussions on the residual rules, there seems to be agreement that the origin of a large number of mixtures from the agricultural sector will be determined horizontally. This method appears to be appropriate for mixtures of the same type of product (such as wheat) of different origins. In this case, the mixing operation does not result in a change of tariff classification. The same approach also seems appropriate for determining the origin of mixtures of different products (such as corn and wheat) classifiable in the HS Nomenclature on the basis of GIR 3.

In addition, for mixtures specified as such in the HS Nomenclature, not yet submitted to the Committee for decision, and for which specific proposals have been made, below are draft templates intended to help the Technical Committee make its decision.

The preparation of several draft templates has been necessary because the Members supporting a given proposal are not always the same. Hence, if the Technical Committee decides on referral to the Committee for decision, the Members are invited to specify their positions with regard to each of the proposed options or to indicate, where applicable, the new option or options that reflect their points of view.

⁹ The 120 agricultural sector issues, already submitted to the Committee for decision, are presented as follows:

	DOCUMENT	ISSUE(S)
1st referral	42.146	1 to 111
2nd referral	42.536	112 to 114
3rd referral	42.574	115 to 120

ISSUE No. 121: OBTAINING MIXTURES OF VEGETABLES OR FRUITS CLASSIFIED IN
SUBHEADINGS 0710.90, 0711.90, 0712.90 OR 0813.50

1. Mixtures of frozen vegetables are classified in subheading 0710.90, those provisionally preserved (by sulphur dioxide gas, in brine, in sulphur water or in other preservative solutions) but unsuitable in that state for immediate consumption are classified in subheading 0711.90, those of dried vegetables in subheading 0712.90 and those of dried fruits or nuts of Chapter 8 in subheading 0813.50.

OPTION A: YES (CAN)

2. "Mixtures" of vegetables classified in subheading 0710.90, 0711.90 or 0712.90 are very complex and sophisticated, being made up of several sorts of ingredient and requiring a very short cooking time in a microwave oven. These mixtures are prepared for cooking taking account of the fact that some components cook faster than others. The manufacturers skilfully ensure that various ingredients normally requiring different cooking times will cook in a standard time in a microwave oven. The dimension or size of each component of the mixture is calculated accordingly. The country of origin of these mixtures is therefore the country where the mixture was obtained.

3. In most cases, preparing mixtures of dried fruit or nuts of Chapter 8 classifiable in subheading 0813.50 requires the addition of seasonings, preservatives and other ingredients. A certain degree of skill is also required in terms of the selection, size and balance of the constituents. The mixtures obtained are new products and different from the initial products used, and should therefore be considered as originating in the country where the components were mixed.

OPTION B: No

4. Producing mixtures does not constitute a substantial transformation (EC, IND, NZ).

5. In the case of mixtures of various vegetables or fruit of the same origin, the country of origin remains the country in which the plants grew from which the various components of the mixture were obtained (IND, NZ).

6. In the case of mixtures of various vegetables or fruit of different origins, the country of origin is to be determined by applying a residual rule (IND) based on weight (NZ).

7. The origin of mixtures of vegetables or fruit has to be determined by a residual rule (EC)

RELEVANT HS CODES: 0710.90, 0711.90, 0712.90 and 0813.50.

ISSUE No. 122¹⁰: OBTAINING MIXTURES OF COFFEE:

OPTION A: Yes, provided

8. Blending of coffee substantially transforms the input used. The finished blend is different from the starting materials in terms of fragrance and flavour. Blending is also a process that requires

¹⁰ Secretariat Note

During the 17th Session when accepting draft Doc. OC0028, Members made several substantial comments on Issue 122. The Secretariat undertook to put these comments on paper after the session and seek further clarification from the participants at the 17th Session. Consequently, the text presented below is subject to confirmation by the participants at the 17th Session.

great skill. Each blending coffee is based on the need to satisfy a precise taste requirement on the part of the consumer. Consequently, the origin of blended coffee is the country where the blending takes place. (JPN)

OPTION B: No

9. In itself, the blending of coffee is not considered a substantial transformation. The origin of blends of different varieties of coffee of the same origin or of various origins is determined by application of the residual rules (EC). In this case, it is proposed that the weight criterion be used.

OPTION C:

10. This needs to be discussed when the product specific rule for coffee is addressed. This is an issue that is meant to be examined at the CRO meeting. In this respect a Chapter Note was included in the matrix.

RELEVANT HS CODE: 09.01

ISSUE NO. 123: OBTAINING MIXTURES CLASSIFIED IN CHAPTER 15

11. There are two types of mixture in Chapter 15:

- mixtures of products of the same type remaining classified in the same heading (subheading); and
- mixtures of two or more types of fats or oils classifiable in heading 15.17, if edible, and in heading 15.18 if not.

12. The procedure chosen by Members for which obtaining mixtures from this Chapter is a substantial transformation differs somewhat from the horizontal method. The scope of the proposals also differs. Some Members cover Chapter 15 as a whole, whereas others apply their proposal only to products of headings 15.07 to 15.15.

OPTION A: Yes, provided that:

13. The country in which a mixture classified in [headings 15.07 to 15.15] [Chapter 15] is obtained after satisfying the criteria set out in the following definition is the country of origin of this mixture. This definition, proposed as the Note to Chapter 15, reads as follows:

For the purposes [of headings 15.07 to 15.15] [of Chapter 15]:

- (a) the deliberate and proportionally controlled mixing or blending (including dispersing) of materials to conform to predetermined specifications which results in the production of a good having attained new physical, chemical or technical characteristics in terms of taste, odour or purity and use different from the input materials is considered to be origin conferring.
- (b) However, the addition of diluents only is to be disregarded in determining the origin of the good. (CH, NOR, SG)

OPTION B: No

14. The preparation of mixtures classified in Chapter 15 does not constitute a substantial transformation (EC, CAN, IND).

15. In the case of mixtures of various types of fats or oils originating in the same country, the country of origin of the mixture remains that where the plants grew (whence the animals came) from which the different components of the mixture were obtained (IND, PHI).

16. In the case of mixtures of various types of fats or oils of different origins, the country of origin is to be determined by applying a residual rule.

17. The origin of mixtures of fats or oils has to be determined by a residual rule. (CAN, EC)

RELEVANT HS CODES: [15.07 to 15.15] [Chapter 15]

ISSUE NO. 124: OBTAINING MIXTURES CLASSIFIED IN EACH OF THE SUBHEADINGS OF
HEADING 19.01 (OF CHAPTER 18) FROM MATERIALS ALSO CLASSIFIED
IN EACH OF THOSE SAME SUBHEADINGS

18. The products classified in heading 19.01 are largely made up of mixtures.

These mixtures can be obtained:

- (a) directly from materials classified outside heading 19.01 (milk, flour, malt, etc.);
- (b) from materials classified in another subheading of heading 19.01 (especially changes from subheading 1901.90 to subheading 1901.10 or 1901.20); or
- (c) from materials classified in the same subheading.

19. The mixtures in (a) and (b) above are covered by Issues 65 and 66 of Doc. 42.146 submitted to the Committee for decision on 19 January 1998.

20. This classification issue relates only to mixtures covered in (c) above, i.e. those remaining classified in the subheading in which the different materials involved in the manufacture of the mixture are classified. That manufacture does not entitle change on tariff classification.

21. Given the scope of the subheadings of heading 19.01, this issue only seems to relate to the mixtures classified in subheadings 1901.20 and 1901.90.

OPTION A: Yes (CAN)¹¹

22. Obtaining a mixture from materials classified in the same subheading is a last substantial transformation. A mixture or dough of subheading 1901.20 mixed with another mixture or another dough of the same subheading with a view to obtaining an intermediary product for the preparation of bakers' wares is a substantial transformation. It may be a mixture of a dough (or a mixture) intended for preparing bread and another dough for preparing cakes or biscuits, and vice versa. It may also be a mixture of two or more preparations for infant use, not put up for retail sale.

¹¹ CAN considers it necessary to have a Note for Chapter 18 setting out the origin criteria which make it possible to regard as substantial transformation the obtaining of mixtures within the headings and subheadings of Chapter 18 without there being a change of classification. Since this is the same issue as for heading 19.01, the Technical Committee decided to refer this proposal to the Committee for decision under Issue no. 124 above, which deals with the same problem for heading 19.01.

23. These operations are generally intended to enrich a dough (or a mixture) with the components of another dough or another mixture with specific ingredients. They thus make it possible to obtain a balanced intermediary product. The country of origin of a mixture of doughs, mixtures or preparations classified in subheading 1901.20 or 1901.90, obtained without a change of tariff heading, is therefore the country in which this mixture was obtained.

OPTION B: No

24. Obtaining a mixture from materials classified in the same subheading is not a substantial transformation.

RELEVANT HS CODES: 1901.20 and 1901.90, Chapter 18 (CAN)

ISSUE No. 125: OBTAINING MIXTURES OF TOBACCO CLASSIFIED IN HEADING 24.01 OR 24.03 FROM TOBACCO OF DIFFERENT ORIGINS :

OPTION A: Yes

25. Obtaining mixtures of tobacco from tobacco originating from several countries is the last substantial transformation, as the characteristics of the mixed product are completely different from those of the tobacco used. The country of origin of these mixtures is the country in which the tobacco was mixed according to the criteria set by the following Chapter Note :

”For the purposes of headings 24.01 and 24.03, any deliberate and proportionally controlled mixing or blending of tobacco resulting in a product with a determined composition confers origin” (JPN, SEN).

OPTION B: No

26. Mixing tobacco is not the last substantial transformation. The country of origin of a mixture of tobacco obtained from tobacco of different origins is to be determined by applying a residual rule (EC, IND).

RELEVANT HS CODES: 24.01 and 24.03

WCO Doc. OC0032/1

**UNRESOLVED ISSUES FOR DECISION BY THE
COMMITTEE ON RULES OF ORIGIN**

CHAPTERS 30 - 38

Non-origin conferring operations for Chemicals

THIRD REFERRAL¹²

ISSUE No. 24: SHOULD THE ADDITION, WHETHER OR NOT IN COMBINATION, OF DILUENTS ONLY OR OF THE ADDITIVES ENUMERATED IN HS CHAPTER NOTE 1(F) AND 1(G) TO CHAPTER 29 FOR THE PURPOSES INDICATED THEREIN, BE DISREGARDED IN DETERMINING THE ORIGIN OF THE GOOD?

OPTION A: Yes (US)(CAN)(PHI)

1. For purposes of Chapters 30 to 38, the addition of the substances identified in Note 1 to Chapter 29 for the purposes identified therein is not origin conferring.
2. Note 1 to Chapter 29 identifies a number of substances which may be added to the products of that chapter without changing the classification of the product. This is due to the fact that the addition of the substances is considered so minor with respect to the character of the good that the good retains its identity as the original chemical product, even though mixtures are generally excluded from that chapter.
3. For similar reasons the addition of such substances such as anti-dusting agents, or stabilizers for the preservation or transport of the products of these chapters, or the addition of an odoriferous substance or colouring agent simply to identify the products, are simply too minor in terms of the effect on the goods to be considered origin conferring. They are properly understood as minimal operations or processes which should be disregarded for origin purposes.

OPTION B: No (CH)

4. During the 11th Session different chapter rules in the chemical chapters were adopted by the Technical Committee as Basket 1. After adopting these rules, a proponent of Option A put forward a request to introduce "non-origin conferring processes" for the chapters 28 to 38 as indicated in the notes 1 (f) and (g) to Chapter 29. The exclusions are mainly addressed to restrict the application of the mixture rule. Based on this request, the Technical Committee agreed to introduce certain minimal operations identified in Note 1 to chapter 29 in the mixture rule of the chapters 28 and 29, reopening a Basket 1 decision. This decision was acceptable because in the chapters 28 and 29 are classified - with minor exceptions - chemically defined compounds.
5. Chapters 30 to 38 instead cover mainly preparations and mixtures which need the addition of some components mentioned in Note 1 to chapter 29. Some Members have therefore refused to

¹² This referral is a supplement to the previous referrals made for this product sector in Referral Documents 42.626 and 42.627. The Issue for Decision is numbered in accordance with the sequence established in Doc. 42.626.

reopen the Basket 1 mixture rule for chapters 30 to 38 and have also refused to introduce further such restrictions under a rule setting out on "non-origin conferring processes".

6. There must be no contradiction between the "non-origin conferring processes" and specific origin conferring processes rules already agreed under Basket 1 Chapter rules. The necessary specific minimal operations have already been excluded from these specific chapter rules.¹³

7. In addition, the proposal of "non-origin conferring processes" is linked with the template on General Rule 5 on minimal operations and processes where similar concerns were expressed.

RELEVANT HS CODES: Chapters 30-38

¹³ Examples:

Chemical reaction : exclusion only of dissolving in water or other solvents, elimination of solvent including solvent water, addition or elimination of water of crystallization.

Mixtures and blends : Chapters 28-29: exclusion of the addition of diluents only or additives enumerated in HS Chapter Note 1(f) and 1(g) to Chapter 29 for the purposes indicated therein (precisely, i.e. transportation and storage), to be disregarded in determining the origin of the good.

WCO Doc. OC0033/1

**UNRESOLVED ISSUES FOR DECISION BY THE
COMMITTEE ON RULES OF ORIGIN**

CHAPTER 95

Toys, games and sports requisites; parts and accessories thereof

The Committee on Rules of Origin is invited to decide whether the products resulting from processes described below have undergone their last substantial transformation.

**ISSUE No.33: PRODUCTION OF A FINISHED GOOD OR PART OF HEADING 95.06 FROM A
BLANK (CHAPTER NOTES)**

OPTION A: Yes (US) (KOR)

1. Not all changes from forged or cast blanks to finished goods or parts are considered as substantial transformation. A Chapter Note is proposed to specify the conditions of processes or operations by which the blanks substantially change their characters. A change of classification rule should be complemented by the Chapter Note to express substantial transformation of articles and equipment for sports or outdoor games. This Chapter Note is applicable to goods of heading 95.06 only.

2. The Chapter Note should be:

For the purposes of heading 95.06 when the goods are produced from forged or cast blanks which had the essential character of the complete or finished goods and were classifiable, by application of HS General Interpretative Rule 2(a), in the same heading or subheading as the complete or finished goods:

(1) Provided the following criteria are met, the country of origin of the goods shall be the country in which the blank was finished:

(a) In its imported prefinished condition, the blank was not capable of functioning for its ultimate use and was not advanced beyond cleaning or working to remove flash, sprues, burrs or similar excess material, and

(b) In the country in which the goods were finished:

(i) The blank was configured to final shape by the removal of material (other than merely by honing or polishing or both), or by bending, hammering, pressing, stamping or similar forming process; and

(ii) The blank underwent one or more of the following processes:

- Heat treatment or thermochemical treatment, such as glowing, tempering, hardening; or
- Assembly with five or more parts (other than parts of general use as defined in Note 1(g) to Section XVI of the HS); or
- Surface treatment, such as coating, compressing, condensing, impregnating or insulating;

- (2) If the criteria of subparagraph (a) above are not satisfied, the country of origin of the goods shall be the country of origin of the blank.

OPTION B: No (EC) (JPN) ((CH) (CAN) (HK) (PHI) (MEX) (TH)

3. A change of tariff classification criterion has a built-in mechanism to refrain simple processes or operations from conferring origin on a finished good or part manufactured from a blank that has the essential character of that good or part. Such changes from blank to the finished good or part should be regarded as insubstantial transformation. There is no reason to single out the finishing process of articles and equipment for sports or outdoor games. Thus no exception of this principle is acceptable.

RELEVANT HS CODE: 95.06

WCO Doc. OC0034/1

Chapter Notes

Chapters 1 to 97

Secretariat Note:

This document is not a new referral. As indicated in the text, the issues have been already submitted to the CRO in other relevant Referral Documents, however, to facilitate further considerations of the CRO the Secretariat compiled all Chapter Notes for Chapters 1 to 97 in one document.

CHAPTER 1

[Criteria to apply Appendix 2, Rule 2(g)]

The criteria to determine the major portion of the materials as set forth in Appendix 2, Rule 2(g) for this Chapter are:

[weight or volume criterion, as applicable (NZ)]

CHAPTER 2

[Product Specific] [Chapter] Residual Rule

[Where the origin of the goods cannot be determined by applying the primary rules for this chapter, the origin shall be the country in which the animals were slaughtered. (CAN)]

[Criteria to apply Appendix 2, Rule 2(g)]

The criteria to determine the major portion of the materials as set forth in Appendix 2, Rule 2(g) for this Chapter are:

[total value of the components, taking account of the related transformation operations (CH)]

[weight or volume criterion, as applicable (NZ)]

CHAPTER 3

[Product Specific] [Chapter] Residual Rule

[Where the origin cannot be conferred on the goods by applying the primary rules for this Chapter, the country of origin shall be determined by the place of capture or, if this criteria is not met, by the weight (NZ)]

[Criteria to apply Appendix 2, Rule 2(g)]

The criteria to determine the major portion of the materials as set forth in Appendix 2, Rule 2(g) for this Chapter are:

[total value of the components, taking account of the related transformation operations (CH)]

CHAPTER 4

[Product Specific] [Chapter] Residual Rule

[Where the origin of a mixture of dairy product cannot be determined by applying the primary rules for this Chapter, the origin shall be the country where the mixing took place, provided that the inputs originating in that country represent at least 80 % by weight of the milk used. If not, the origin shall be the country accounting for the largest percentage of non-originating milk by weight. (CAN)]

[Criteria to apply Appendix 2, Rule 2(g)]

The criteria to determine the major portion of the materials as set forth in Appendix 2, Rule 2(g) for this Chapter are:

[total value of the components, taking account of the related transformation operations (CH)]

[weight or volume criterion, as applicable (NZ)]

CHAPTER 5

[Criteria to apply Appendix 2, Rule 2(g)]

The criteria to determine the major portion of the materials as set forth in Appendix 2, Rule 2(g) for this Chapter are:

[total value of the components, taking account of the related transformation operations (CH)]

[weight or volume criterion, as applicable (NZ)]

CHAPTER 6

[Product Specific] [Chapter] Residual Rule

[Where the floral compositions of subheading ex 06.03(a) or ex 06.04(a) are made from materials of various origins, the origin of the composition shall be the country in which it was made. (CAN)]

[Criteria to apply Appendix 2, Rule 2(g)]

The criteria to determine the major portion of the materials as set forth in Appendix 2, Rule 2(g) for this Chapter are:

[total value of the components, taking account of the related transformation operations (CH)]

[weight or volume criterion, as applicable (NZ)]

CHAPTER 7

Chapter Note

[Origin criteria for mixtures classified in subheadings 0710.90, 0711.90 or 0712.90 (CAN)] **Submitted to CRO for decision (Doc.OC0028, Issue No.121)**

[Criteria to apply Appendix 2, Rule 2(g)]

The criteria to determine the major portion of the materials as set forth in Appendix 2, Rule2(g) for this Chapter are:

[total value of the components, taking account of the related transformation operations (CH)]

[weight or volume criterion, as applicable (NZ)]

CHAPTER 8

Chapter Note

[Origin criteria for mixtures classified in subheading 0813.50 (CAN)] **Submitted to CRO for decision (Doc.OC0028, Issue No.121)**

[Criteria to apply Appendix 2, Rule 2(g)]

The criteria to determine the major portion of the materials as set forth in Appendix 2, Rule2(g) for this Chapter are:

[total value of the components, taking account of the related transformation operations (CH)]

[weight or volume criterion, as applicable (NZ)]

CHAPTER 9

Chapter Notes

[Origin criteria for mixtures/blending of coffee of diverse origins (JPN)¹⁴] **Submitted to CRO for decision (Doc.OC0028, Issue No.122)**

¹⁴ The particular cases of the mixtures referred to in Note 1 (b) to Chapter 9 (HS Note) have already been submitted to the CRO for decision (Doc.42.146, Issue No.36).

[Criteria to apply Appendix 2, Rule 2(g)]

The criteria to determine the major portion of the materials as set forth in Appendix 2, Rule2(g) for this Chapter are:

[total value of the components, taking account of the related transformation operations (CH)]

[weight or volume criterion, as applicable (NZ)]

CHAPTER 10

[Product Specific] [Chapter] Residual Rule

[Where the origin of a mixture of cereals cannot be determined by applying the primary rules for this chapter, the origin shall be the country where the mixing took place, provided that the inputs originating in that country represent at least 85 % by weight of the non-originating cereals used (CAN)]

[Criteria to apply Appendix 2, Rule 2(g)]

The criteria to determine the major portion of the materials as set forth in Appendix 2, Rule2(g) for this Chapter are:

[total value of the components, taking account of the related transformation operations (CH)]

[weight or volume criterion, as applicable (NZ)]

CHAPTER 11

[Criteria to apply Appendix 2, Rule 2(g)]

The criteria to determine the major portion of the materials as set forth in Appendix 2, Rule2(g) for this Chapter are:

[total value of the components, taking account of the related transformation operations (CH)]

[weight or volume criterion, as applicable (NZ)]

CHAPTER 12

[Criteria to apply Appendix 2, Rule 2(g)]

The criteria to determine the major portion of the materials as set forth in Appendix 2, Rule2(g) for this Chapter are:

[total value of the components, taking account of the related transformation operations (CH)]

[weight or volume criterion, as applicable (NZ)]

CHAPTER 13

[Criteria to apply Appendix 2, Rule 2(g)]

The criteria to determine the major portion of the materials as set forth in Appendix 2, Rule 2(g) for this Chapter are:

[total value of the components, taking account of the related transformation operations (CH)]

[weight or volume criterion, as applicable (NZ)]

CHAPTER 14

[Criteria to apply Appendix 2, Rule 2(g)]

The criteria to determine the major portion of the materials as set forth in Appendix 2, Rule 2(g) for this Chapter are:

[total value of the components, taking account of the related transformation operations (CH)]

[weight or volume criterion, as applicable (NZ)]

CHAPTER 15

Chapter Notes

1. Mixtures Submitted to CRO for decision (Doc.OC0028, Issue No. 123)

[For the purposes of [headings 15.07 to 15.15] [Chapter 15]:

(a) The deliberate and proportionally controlled mixing or blending (including dispersing) of materials to conform to predetermined specifications which results in the production of a good having attained new physical or chemical characteristics in terms of taste, odour or purity and use different from the input materials is considered to be origin conferring.

(b) However, the addition of diluents only is to be disregarded in determining the origin of the good. (SG) (CH) (NOR)]

2. Definition of the term “refining” Submitted to CRO for decision (Doc.42.574/Cor, Issue No. 45)

[Refining (chemically or physically) is considered to be the last substantial transformation if at least:

(a) all the following operations are carried out on crude oils in a single country:

- neutralization with alkali or de-acidification (removal of the free fatty acids from the oil);
- decolorizing (removal of colouring substances); and
- deodorizing (separation of the volatile odorous and flavourous substances by distillation) (AUS, EC, EGY¹⁵, MEX, JPN¹⁶)

(b) three of the following operations are carried out on crude oils¹⁷ in a single country:

- Neutralization with alkali or de-acidification (removal of the free fatty acids from the oil);
- Decolorizing (removal of colouring substances);
- Deodorizing (separation of the volatile odorous and flavourous substances by distillation);
- Stabilization (CH) (NOR) (SG) (TH) (TUN)]

3. Definition of “chemical reaction” for the purposes of headings 15.16 and 15.18 Submitted to CRO for decision (Doc.42.574, Issue No.115)

[For the purposes of headings 15.16 and 15.18, a chemical reaction is defined as follows:

¹⁵ EGY considers that there is also substantial transformation when the operations mentioned in 2(a) relate to refined oils of headings 15.04, 15.07, 15.11, to 15.13 or 15.15.

¹⁶ JPN considers obtaining refined fats from crude fats also constitutes a substantial transformation.

¹⁷ CH considers that there is also a substantial transformation when the operations mentioned in 2(b) relate to refined oils of heading 15.04 or 15.15.

A “chemical reaction” is a process (including a biochemical process) which results in a molecule with a new structure by breaking intramolecular bonds and by forming new intramolecular bonds, or by altering the spatial arrangement of atoms in a molecule.

The following are not considered to be chemical reactions for the purposes of this definition :

- 1) Dissolving in water or other solvents;
- 2) The elimination of solvents including solvent water; or
- 3) The addition or elimination of water of crystallization. (EC)]

[Product Specific] [Chapter] Residual Rule

[The CIF value of non-originating materials imported and used in the production does not exceed 75 % of the ex-factory price of the goods.

The method of calculating foreign content is as follows:

$$\text{FC} = \frac{\text{CIF value of NORM}}{\text{Ex-factory price}} \times 100\% \leq 75\%$$

FC: foreign content

NORM: Non-originating raw materials

Ex-factory price = Total materials cost + Direct labour costs + Overhead costs + Profit (SG)]

[Criteria to apply Appendix 2, Rule 2(g)]

The criteria to determine the major portion of the materials as set forth in Appendix 2, Rule2(g) for this Chapter are:

[total value of the components, taking account of the related transformation operations (CH)]

[weight or volume criterion, as applicable (NZ)]

CHAPTER 16

Chapter Notes

- 1.a) [Changes to this Chapter from Chapter 2 or 3 merely by addition of seasoning or preservatives are not considered as substantial transformation. (US) (CAN) (COL) (PHI) (KOR) (MEX) (MOR)] **Submitted to CRO for decision (Doc.42.146, Issues Nos.49 and 50)**
- b) [Changes to goods in this chapter from any other heading merely by addition of seasoning or preservatives or curing and/or smoking and cooking of such products are not considered as substantial transformation. (AUS)] **Submitted to CRO for decision (Doc.42.146, Issues Nos.49 and 50)**
2. [Food preparations of agricultural products of Chapters 16 to 21 are defined on the basis of one of the following two criteria :
 - a) Products to be consumed directly by the ultimate purchaser and normally sold to the ultimate purchaser in places such as department stores, supermarkets, conventional markets, etc.
 - b) Intermediate products which meet one of the following requirements and are to be used in the food industry:
 - (i) Products made through processes which are commonly used for manufacturing the intermediate products for the food industry for the purpose of enhancing the suitability for mechanical production and lowering production costs in subsequent processes.
 - (ii) Products whose ingredients are homogenized so that the said ingredients are not technically separable or economically possible.
 - (iii) Products which are transformed into those with essential character as specific prepared products through the addition of material or a component, regardless of the quality of the added material or component. (KOR)] **Submitted to CRO for decision (Doc.42.146, Issue No.49)**

[Criteria to apply Appendix 2, Rule 2(g)]

The criteria to determine the major portion of the materials as set forth in Appendix 2, Rule 2(g) for this Chapter are:

[total value of the components, taking account of the related transformation operations (CH)]

[weight or volume criterion, as applicable (NZ)]

CHAPTER 17

Chapter Notes

[Food preparations of agricultural products of Chapters 16 to 21 are defined on the basis of one of the following two criteria:

- (a) Products to be consumed directly by the ultimate purchaser and normally sold to the ultimate purchaser in places such as department stores, supermarkets, conventional markets, etc.
- (b) Intermediate products which meet one of the following requirements and are to be used in the food industry:
 - (i) Products made through processes which are commonly used for manufacturing the intermediate products for the food industry for the purpose of enhancing the suitability for mechanical production and lowering production costs in subsequent processes.
 - (ii) Products whose ingredients are homogenized so that the said ingredients are not technically separable or economically possible.
 - (iii) Products which are transformed into those with essential character as specific prepared products through the addition of material or a component, regardless of the quality of the added material or component. (KOR)] **Submitted to CRO for decision (Doc. 42.146, Issue No. 49)**

[Criteria to apply Appendix 2, Rule 2(g)]

The criteria to determine the major portion of the materials as set forth in Appendix 2, Rule 2(g) for this Chapter are:

[total value of the components, taking account of the related transformation operations (CH)]

[weight or volume criterion, as applicable (NZ)]

CHAPTER 18

Chapter Notes

1. [Origin criteria for mixtures classified in Chapter 18 (CAN)] **Submitted to CRO for decision (Doc.OC0028, Issue No.124)**
2. [Food preparations of agricultural products of Chapters 16 to 21 are defined on the basis of the following two criteria :
 - a) Products to be consumed directly by the ultimate purchaser and normally sold to the ultimate purchaser in places such as department stores, supermarkets, conventional markets, etc.
 - b) Intermediate products which meet one of the following requirements and are to be used in the food industry:
 - (i) Products made through processes which are commonly used for manufacturing the intermediate products for the food industry for the purpose of enhancing the suitability for mechanical production and lowering production costs in subsequent processes.
 - (ii) Products whose ingredients are homogenized so that the said ingredients are not technically separable or economically possible.
 - (iii) Products which are transformed into those with essential character as specific prepared products through the addition of material or a component, regardless of the quality of the added material or component. (KOR)] **Submitted to CRO for decision (Doc.42.146, Issue No.49)**

[Criteria to apply Appendix 2, Rule 2(g)]

The criteria to determine the major portion of the materials as set forth in Appendix 2, Rule 2(g) for this Chapter are:

[total value of the components, taking account of the related transformation operations (CH)]

[weight or volume criterion, as applicable (NZ)]

CHAPTER 19

Chapter Notes

1. [Origin criteria for mixtures classified in heading 19.01¹⁸, (CAN)] **Submitted to CRO for decision (Doc.OC0028, Issue No.124)**
2. [Food preparations of agricultural products of Chapters 16 to 21 are defined on the basis of one of the following two criteria.
 - (a) Products to be consumed directly by the ultimate purchaser and normally sold to the ultimate purchaser in places such as department stores, supermarkets, conventional markets, etc.
 - (b) Intermediate products which meet one of the following requirements and are to be used in the food industry:
 - (i) Products made through processes which are commonly used for manufacturing the intermediate products for the food industry for the purpose of enhancing the suitability for mechanical production and lowering production costs in subsequent processes.
 - (ii) Products whose ingredients are homogenized so that the said ingredients are not technically separable or economically possible.
 - (iii) Products which are transformed into those with essential character as specific prepared products through the addition of material or a component, regardless of the quality of the added material or component. (KOR)] **Submitted to CRO for decision (Doc.42.146, Issue No.49).**

[Criteria to apply Appendix 2, Rule 2(g)]

The criteria to determine the major portion of the materials as set forth in Appendix 2, Rule 2(g) for this Chapter are:

[total value of the components, taking account of the related transformation operations (CH)]

[weight or volume criterion, as applicable (NZ)]

¹⁸ Concerns mixtures produced within heading 19.01 without entailing a change of tariff classification.

CHAPTER 20

Chapter Notes

[Food preparations of agricultural products of Chapters 16 to 21 are defined on the basis of one of the following two criteria:

- a) Products to be consumed directly by the ultimate purchaser and normally sold to the ultimate purchaser in places such as department stores, supermarkets, conventional markets, etc.
- b) Intermediate products which meet one of the following requirements and are to be used in the food industry:
 - (i) Products made through processes which are commonly used for manufacturing intermediate products for the food industry for the purpose of enhancing the suitability for mechanical production and lowering production costs in subsequent processes.
 - (ii) Products whose ingredients are homogenized so that the said ingredients are not technically separable or economically possible.
 - (iii) Products which are transformed into those with essential character as specific prepared products through the addition of material or a component, regardless of the quality of the added material or component. (KOR)] **Submitted to CRO for decision (Doc.42.146, Issue No.49)**

[Product Specific] [Chapter] Residual Rule

[Where the origin of mixtures of fruit juices of heading 20.09 cannot be determined by applying the primary rules for this Chapter, the origin shall be the country whose inputs represent over 70 % by volume. If this percentage is not reached, the origin shall be the country of the products accounting for the largest percentage by volume. (AUS)]

[Criteria to apply Appendix 2, Rule 2(g)]

The criteria to determine the major portion of the materials as set forth in Appendix 2, Rule 2(g) for this Chapter are:

[total value of the components, taking account of the related transformation operations (CH)]

[weight or volume criterion, as applicable (NZ)]

CHAPTER 21

Chapter Note

[Food preparations of agricultural products of Chapters 16 to 21 are defined on the basis of one of the following two criteria :

- (a) Products to be consumed directly by the ultimate purchaser and normally sold to the ultimate purchaser in places such as department stores, supermarkets, conventional markets, etc.
- (b) Intermediate products which meet one of the following requirements and are to be used in the food industry:
 - (i) Products made through processes which are commonly used for manufacturing intermediate products for the food industry for the purpose of enhancing the suitability for mechanical production and lowering production costs in subsequent processes.
 - (ii) Products whose ingredients are homogenized so that the said ingredients are not technically separable or economically possible.
 - (iii) Products which are transformed into those with essential character as specific prepared products through the addition of material or a component, regardless of the quality of the added material or component. (KOR)] **Submitted to CRO for decision (Doc.42.146, Issue No.49)**

[Criteria to apply Appendix 2, Rule 2(g)]

The criteria to determine the major portion of the materials as set forth in Appendix 2, Rule2(g) for this Chapter are:

[total value of the components, taking account of the related transformation operations (CH)]

[weight or volume criterion, as applicable (NZ)]

CHAPTER 22

Chapter Note

[A de minimis of 10% is essential in heading 22.08 to allow for the use of alcoholic base products in the flavouring of distilled spirits. (CAN)] **Submitted to CRO for decision (Doc.42.146, Issue No.107).**

[Criteria to apply Appendix 2, Rule 2(g)]

The criteria to determine the major portion of the materials as set forth in Appendix 2, Rule 2(g) for this Chapter are:

[total value of the components, taking account of the related transformation operations (CH)]

[weight or volume criterion, as applicable (NZ)]

CHAPTER 23

[Criteria to apply Appendix 2, Rule 2(g)]

The criteria to determine the major portion of the materials as set forth in Appendix 2, Rule 2(g) for this Chapter are:

[total value of the components, taking account of the related transformation operations (CH)]

[weight or volume criterion, as applicable (NZ)]

CHAPTER 24

Chapter Note

[For the purposes of headings 24.01 and 24.03, any deliberate and proportionally controlled mixing or blending of tobacco resulting in a product with a determinated composition confers origin. (SEN)] **Submitted to CRO for decision (Doc.OC0028, Issue No.125)**

[Criteria to apply Appendix 2, Rule 2(g)]

The criteria to determine the major portion of the materials as set forth in Appendix 2, Rule2(g) for this Chapter are:

[total value of the components, taking account of the related transformation operations (CH)]

[weight or volume criterion, as applicable (NZ)]

CHAPTER 25

[Criteria to apply Appendix 2, Rule 2(g)]

The criteria to determine the major portion of the materials as set forth in Appendix 2, Rule2(g) for this Chapter are:

[Weight (CAN) (EC) (US)]

[Total value of parts and related processing activity (CH)]

CHAPTER 26

[Criteria to apply Appendix 2, Rule 2(g)]

The criteria to determine the major portion of the materials as set forth in Appendix 2, Rule2(g) for this Chapter are:

[Weight (CAN) (EC) (US)]

[Total value of parts and related processing activity (CH)]

CHAPTER 27

Chapter Notes

1. Chemical reaction Basket 1

A “chemical reaction” is a process (including a biochemical process) which results in a molecule with a new structure by breaking intramolecular bonds and by forming new intramolecular bonds, or by altering the spatial arrangement of atoms in a molecule.

The following are not considered to be chemical reactions for the purposes of this definition:

- a) dissolving in water or other solvents;
- b) the elimination of solvents including solvent water; or
- c) the addition or elimination of water of crystallization.

2. Specific processes that confer origin Submitted to CRO for decision (Doc.42.535, Issue No.7)

[Goods of headings 27.07, 27.10 through 27.13 of Chapter 27 that have been obtained as a result of a chemical reaction or specified physical separation process, including the processes listed below, are deemed to be goods of the country where the reaction or the process occurred (EC) (SG) (NOR) (TH) (JPN) (NZ):

- a) vacuum distillation;
- [b) redistillation by fractionation (including extractive distillation); (EC)]
- c) cracking (including catalytic cracking, hydrocracking, thermal cracking, coking, visbreaking, platforming);
- d) catalytic reforming;
- e) desulphurization (removal of bound sulphur);
- f) alkylation (including dehydroalkylation, hydroalkylation);
- g) hydrogenation;
- h) extraction by means of selective solvents;
- i) the process comprising all the following operations: processing with concentrated sulphuric acid, oleum or sulphuric anhydride, neutralisation with alkaline agents;
- j) polymerisation;
- k) isomerization;
- [l) deparaffining by a process other than filtering, in respect of products falling within heading 27.10 only; (EC)]
- [m) in respect of fuel oils falling within heading ex 27.10, atmospheric distillation, on condition that less than 30% of these products distils, by volume, including losses, at 300°C by the ASTM D 86 method. (EC)]

[n) in respect of heavy oils other than gas oils and fuel oils falling within heading ex 27.10 only treatment by means of a high-frequency electrical brush-discharge. (EC)]

3. Mixing and blending Submitted to CRO for decision (Doc. 42.535, Issue No.8)

a) [For the purposes of headings 2707 and 2710 to 2715, the deliberate and proportionally controlled mixing or blending (including dispersing) of materials to conform to predetermined specifications which results in the production of a good having physical, chemical characteristics which are relevant to the purposes or uses of the good and are different from the input materials is to be considered to be origin conferring. (EC) (SG)]

b) [Goods of headings 27.07 or 27.10 that have been blended to conform to specific predetermined physical specifications, such as boiling point range, viscosity, solidification temperature, research or motor octane number, or cetane number, which are different from the specifications of the input materials, are deemed to be goods of the country where the blending occurred, provided that:

- (i) In the case of motor fuels (other than diesel fuels), the good has a Research Octane Number (RON) of 6 or more units higher than that of the blending component that by volume constitutes the single largest blending component obtained from a single country; or
- (ii) In the case of other goods, not more than 70 percent by volume of the product is composed of blending components originating from a country other than the country where the blending occurred. (US)]

4. [List of simple processes which do not confer origin: Submitted to CRO for decision (Doc.42.535, Issue No.9)

- cleaning
- decantation
- desalination
- water separation
- filtering
- colouring
- marking
- obtaining a sulphur content as a result of mixing products with different sulphur contents
- any combination of these operations. (EC) (NOR) (ARG) (NZ) (JPN) (TH)]

5. Value added rule Submitted to CRO for decision (Doc.42.535, Issue No.10)

[Goods of headings 27.07 or 27.10 that are not wholly the product of one country shall be deemed to originate in the last country where the following occurs:

The CIF value of non-originating materials imported and used in the production does not exceed 75% of the ex-factory price of the goods. The method of calculating foreign content is as follows :

$$\text{Foreign Content} = \frac{\text{CIF Value of Non-originating Raw Materials}}{\text{Ex-Factory Price}} \times 100\% \leq 75\%$$

where Ex-Factory Price = Total materials cost + Direct labour costs + Overheads costs + Profits. (SG)]

[Criteria to apply Appendix 2, Rule 2(g)]

The criteria to determine the major portion of the materials as set forth in Appendix 2, Rule 2(g) for this Chapter are:

[Weight (CAN)]

[Weight or volume, as appropriate (US)]

[Total value of parts and related processing activity (CH)]

CHAPTER 28

Chapter Notes

1. Chemical Reaction Basket 1

A “chemical reaction” is a process (including a biochemical process) which results in a molecule with a new structure by breaking intramolecular bonds and by forming new intramolecular bonds, or by altering the spatial arrangement of atoms in a molecule.

The following are not considered to be chemical reactions for the purposes of this definition:

- a) dissolving in water or other solvents;
- b) the elimination of solvents including solvent water; or
- c) the addition or elimination of water of crystallization

A chemical reaction as defined above is to be considered origin conferring.

2. Mixtures and blends Basket 1

a) The deliberate and proportionally controlled mixing or blending (including dispersing) of materials to conform to predetermined specifications which results in the production of a good having physical or chemical characteristics which are relevant to the purposes or uses of the good and are different from the input materials is to be considered to be origin conferring.

b) However the addition, whether or not in combination, of diluents only or of the additives enumerated in HS Chapter Note 1(d) and 1(e) to Chapter 28 for the purposes indicated therein, is to be disregarded in determining the origin of the good.

3. Purification Basket 1, Submitted to CRO for decision for bracketed text (Doc.OC0014, Issue No.25)

Purification is considered to be origin conferring provided that one of the following criteria is satisfied:

- a) purification of a good resulting in the elimination of 80 percent of the content of existing impurities; or
- b) the reduction or elimination of impurities resulting in a good suitable for one or more of the following applications:
 - (i) pharmaceutical, medical, cosmetic, veterinary or food grade substances;
 - (ii) chemical products and reagents for analytical, diagnostic or laboratory uses;
 - (iii) elements and components for use in in micro-electronics;
 - (iv) specialized optical uses;

- [(v) [non toxic uses for health and safety];
- (vi) biotechnical use (e.g., in cell culturing, in genetic technology, or as a catalyst);
- (vii) carriers used in a separation process; or
- (viii) nuclear grade uses.

4. **Change in particle size**

1) Reduction in particle size: **Basket 1**

The deliberate and controlled reduction in particle size of a good, other than by merely crushing, resulting in a good having a defined particle size, defined particle size distribution or defined surface area, which are relevant to the purposes of the resulting good and have different physical or chemical characteristics from the input materials is considered to be origin conferring.

2) Increase in particle size: **Submitted to CRO for decision (Doc.42.626, Issue No.4)**

[The deliberate and controlled [modification] in particle size of a good, other than by merely crushing [or pressing,] resulting in a good having a defined particle size, defined particle size distribution or defined surface area, which are relevant to the purposes of the resulting good and have different physical or chemical characteristics from the input materials is considered to be origin conferring.]

Note: If Paragraph 2 is accepted by the CRO, it should be adopted in the place of Paragraph 1; only the words “modification” and “or pressing” are for decision.

5. **Standard Materials** **Basket 1**

Standard materials (including standard solutions) are preparations suitable for analytical, calibrating or referencing uses having precise degrees of purity or proportions which are certified by the manufacturer. The production of standard materials is to be considered as origin conferring.

6. **Isomer Separation** **Basket 1**

The isolation or separation of isomers from a mixture of isomers is to be considered as origin conferring.

[Product Specific] [Chapter] Residual Rule

[When application of the primary rules of this chapter (including the product specific rules provided in the matrix) does not result in a determination of a country of origin, the country of origin shall be determined as follows:

1. Goods of this chapter produced by mixing or otherwise combining materials of different origins, originate in the country that produced the materials (disregarding solvents and other additives permitted by HS Chapter note 1) that predominate by weight or volume, as appropriate, over those of each other single country. (US)]

[Criteria to apply Appendix 2, Rule 2(g)]

The criteria to determine the major portion of the materials as set forth in Appendix 2, Rule 2(g) for this Chapter are:

[Weight (CAN)]

[Weight or volume, as appropriate (EC)]

[Total value of parts and related processing activity (CH)]

CHAPTER 29

Chapter Notes

1. Chemical Reaction Basket 1

A “chemical reaction” is a process (including a biochemical process) which results in a molecule with a new structure by breaking intramolecular bonds and by forming new intramolecular bonds, or by altering the spatial arrangement of atoms in a molecule.

The following are not considered to be chemical reactions for the purposes of this definition:

- a) dissolving in water or other solvents;
- b) the elimination of solvents including solvent water; or
- c) the addition or elimination of water of crystallization

A chemical reaction as defined above is to be considered origin conferring.

2. Mixtures and blends Basket 1

a) The deliberate and proportionally controlled mixing or blending (including dispersing) of materials to conform to predetermined specifications which results in the production of a good having physical or chemical characteristics which are relevant to the purposes or uses of the good and are different from the input materials is to be considered to be origin conferring.

b) However the addition, whether or not in combination, of diluents only or of the additives enumerated in HS Chapter Note 1(f) and 1(g) to Chapter 29 for the purposes indicated therein, is to be disregarded in determining the origin of the good.

3. Purification Basket 1, Submitted to CRO for decision for bracketed text (Doc.OC0014, Issue No.25)

Purification is considered to be origin conferring provided that one of the following criteria is satisfied:

- a) purification of a good resulting in the elimination of 80 percent of the content of existing impurities; or
- b) the reduction or elimination of impurities resulting in a good suitable for one or more of the following applications:
 - (i) pharmaceutical, medical, cosmetic, veterinary or food grade substances;
 - (ii) chemical products and reagents for analytical, diagnostic or laboratory uses;
 - (iii) elements and components for use in micro-electronics;
 - (iv) specialized optical uses;
 - [(v) [non toxic uses for health and safety];
 - (vi) biotechnical use (e.g., in cell culturing, in genetic technology, or as a catalyst);

- (vii) carriers used in a separation process; or
- (viii) nuclear grade uses.

4. **Change in particle size**

1) Reduction in particle size: **Basket 1**

The deliberate and controlled reduction in particle size of a good, other than by merely crushing, resulting in a good having a defined particle size, defined particle size distribution or defined surface area, which are relevant to the purposes of the resulting good and have different physical or chemical characteristics from the input materials is considered to be origin conferring.

2) Increase in particle size: **Submitted to CRO for decision (Doc.42.626, Issue No.4)**

[The deliberate and controlled [modification] in particle size of a good, other than by merely crushing [or pressing,] resulting in a good having a defined particle size, defined particle size distribution or defined surface area, which are relevant to the purposes of the resulting good and have different physical or chemical characteristics from the input materials is considered to be origin conferring.]

Note: If Paragraph 2 is accepted by the CRO, it should be adopted in the place of Paragraph 1; only the words “modification” and “or pressing” are for decision.

5. **Standard Materials** **Basket 1**

Standard materials (including standard solutions) are preparations suitable for analytical, calibrating or referencing uses having precise degrees of purity or proportions which are certified by the manufacturer. The production of standard materials is to be considered as origin conferring.

6. **Isomer Separation** **Basket 1**

The isolation or separation of isomers from a mixture of isomers is to be considered as origin conferring.

[Product Specific] [Chapter] Residual Rule

[When application of the primary rules of this chapter (including the product specific rules provided in the matrix) does not result in a determination of a country of origin, the country of origin shall be determined as follows:

1. Goods of this chapter produced by mixing or otherwise combining materials of different origins, originate in the country that produced the materials (disregarding solvents and other additives permitted by HS Chapter note 1) that predominate by weight or volume, as appropriate, over those of each other single country. (US)]

[Criteria to apply Appendix 2, Rule 2(g)]

The criteria to determine the major portion of the materials as set forth in Appendix 2, Rule 2(g) for this Chapter are:

[Weight (CAN)]

[Weight or volume, as appropriate (EC)]

[Total value of parts and related processing activity (CH)]

CHAPTER 30

Chapter Notes

1. Chemical Reaction Basket 1

A “chemical reaction” is a process (including a biochemical process) which results in a molecule with a new structure by breaking intramolecular bonds and by forming new intramolecular bonds, or by altering the spatial arrangement of atoms in a molecule.

The following are not considered to be chemical reactions for the purposes of this definition:

- a) dissolving in water or other solvents;
- b) the elimination of solvents including solvent water; or
- c) the addition or elimination of water of crystallization

A chemical reaction as defined above is to be considered origin conferring.

2. Mixtures and blends Basket 1, Submitted to CRO for decision for Bracketed Texts (Doc.42.626, Issue No.5)

[Except for goods of heading 30.03] The deliberate and proportionally controlled mixing or blending (including dispersing) of materials [other than the addition of diluents only] to conform to predetermined specifications which results in the production of a good having physical or chemical characteristics which are relevant to the purposes or uses of the good and are different from the input materials is to be considered to be origin conferring.

3. Purification Basket 1, Submitted to CRO for decision for Bracketed Text (Doc.OC0014, Issue No.5)

Purification is considered to be origin conferring provided that one of the following criteria is satisfied:

- a) purification of a good resulting in the elimination of 80 percent of the content of existing impurities; or
- b) the reduction or elimination of impurities resulting in a good suitable for one or more of the following applications:
 - (i) pharmaceutical, medical, cosmetic, veterinary or food grade substances;
 - (ii) chemical products and reagents for analytical, diagnostic or laboratory uses;
 - (iii) elements and components for use in in micro-electronics;
 - (iv) specialized optical uses;
 - [(v) [non toxic uses for health and safety] ;
 - (vi) biotechnical use (e.g., in cell culturing, in genetic technology, or as a catalyst);

- (vii) carriers used in a separation process; or
- (viii) nuclear grade uses.

4. Change in particle size Submitted to CRO for decision (Doc.42.626, Issue No.4)

[The deliberate and controlled modification in particle size of a good, other than by merely crushing or pressing, resulting in a good having a defined particle size, defined particle size distribution or defined surface area, which are relevant to the purposes of the resulting good and have different physical or chemical characteristics from the input materials is considered to be origin conferring. (CH)]

5. Standard Materials Basket 1

Standard materials (including standard solutions) are preparations suitable for analytical, calibrating or referencing uses having precise degrees of purity or proportions which are certified by the manufacturer. The production of standard materials is to be considered as origin conferring.

6. Isomer Separation Basket 1

The isolation or separation of isomers from a mixture of isomers is to be considered as origin conferring.

7. Non-origin conferring processes Submitted to CRO for decision (Doc.OC0032, Issue No.24)

[- For the purposes of Chapters 30-38 the addition, whether or not in combination, of the additives enumerated in HS Chapter Notes 1(f) and 1(g) to Chapter 29 for the purposes indicated therein is not origin conferring. (CAN) (PHI) (US)]

8. Packing for retail sale Basket 1

The change of classification resulting from the mere putting up for retail sale of products of this Chapter is to be disregarded for the determination of origin.

9. Biotechnological Processes Basket 1

(a) Biological or biotechnological culturing, hybridization or genetic modification of:

- (i) micro-organisms (bacteria, viruses (including phages) etc.) or
- (ii) human, animal or plant cells; and

(b) production, isolation or purification of cellular or intercellular structures (such as isolated genes, gene fragments and plasmids) are regarded as origin conferring.

[Product Specific] [Chapter] Residual Rule **Submitted to CRO for decision (Doc.OC0023E2, Issue No.77)**

[When application of the primary rules of this chapter (including the product specific rules provided in the matrix) does not result in a determination of a country of origin, the country of origin shall be determined as follows:

1. Goods of headings 30.03 and 30.04 produced by mixing or otherwise combining materials of different origins, originate in the country that produced the therapeutic or prophylactic materials (disregarding solvents and other nonactive additives) that predominate by weight or volume, as appropriate, over those of each other single country.
2. Goods of Subheading 3006.50 that satisfy the change of heading rule merely as a result of putting up articles in first aid boxes or kits, originate in the country that produced the largest number of articles in the box or kit.
3. The country of origin of goods of subheading 3005.90 that contain textile material shall be the country where the textile material was formed, or in the case of a good containing textile materials of more than one country, the origin of the good is the country in which the textile material that predominates by weight was formed. (US)]

[Criteria to apply Appendix 2, Rule 2(g)]

The criteria to determine the major portion of the materials as set forth in Appendix 2, Rule2(g) for this Chapter are:

[Weight (CAN)]

[Weight or volume, as appropriate (US)]

[Weight, volume or value, as appropriate (EC)]

[Total value of parts and related processing activity (CH)]

Chapter Notes

1. Chemical Reaction Basket 1

A “chemical reaction” is a process (including a biochemical process) which results in a molecule with a new structure by breaking intramolecular bonds and by forming new intramolecular bonds, or by altering the spatial arrangement of atoms in a molecule.

The following are not considered to be chemical reactions for the purposes of this definition:

- 1) dissolving in water or other solvents;
- 2) the elimination of solvents including solvent water; or
- 3) the addition or elimination of water of crystallization

A chemical reaction as defined above is to be considered origin conferring.

2. Mixtures and Blends Basket 1, Submitted to CRO for decision for Bracketed Text (Doc.42.626, Issue No.5)

The deliberate and proportionally controlled mixing or blending (including dispersing) of materials [other than the addition of diluents alone] to conform to predetermined specifications which results in the production of a good having physical or chemical characteristics which are relevant to the purposes or uses of the good and are different from the input materials is to be considered to be origin conferring.

3. Purification Basket 1, Submitted to CRO for decision for Bracketed Text (Doc.OC0014, Issue No.25)

Purification is considered to be origin conferring provided that one of the following criteria is satisfied :

- a) purification of a good resulting in the elimination of 80 percent of the content of existing impurities; or
- b) the reduction or elimination of impurities resulting in a good suitable for one or more of the following applications:
 - (i) pharmaceutical, medical, cosmetic, veterinary or food grade substances;
 - (ii) chemical products and reagents for analytical, diagnostic or laboratory uses;
 - (iii) elements and components for use in micro-electronics;
 - (iv) specialized optical uses;
 - [(v) [non toxic uses for health and safety] ;
 - (vi) biotechnical use (e.g., in cell culturing, in genetic technology, or as a catalyst);
 - (vii) carriers used in a separation process; or
 - (viii) nuclear grade uses.

4. Standard Materials Basket 1

Standard materials (including standard solutions) are preparations suitable for analytical, calibrating or referencing uses having precise degrees of purity or proportions which are certified by the manufacturer. The production of standard materials is to be considered as origin conferring.

5. Isomer Separation Basket 1

The isolation or separation of isomers from a mixture of isomers is to be considered as origin conferring.

6. Non-Origin Conferring Processes Submitted to CRO for decision (Doc.OC0032, Issue No.24)

[- For the purposes of Chapters 30-38 the addition, whether or not in combination, of the additives enumerated in HS Chapter Notes 1(f) and 1(g) to Chapter 29 for the purposes indicated therein is not origin conferring. (CAN) (PHI) (US)]

7. Packing for retail sale Basket 1

The change of classification resulting from the mere putting up for retail sale of products of this Chapter is to be disregarded for the determination of origin.

[Product Specific] [Chapter] Residual Rule

[When application of the primary rules of this chapter (including the product specific rules provided in the matrix) does not result in a determination of a country of origin, the country of origin shall be determined as follows:

1. Goods of this chapter produced by mixing or otherwise combining materials of different origins, originate in the country that produced the fertilizing materials (disregarding solvents) that predominate by weight or volume, as appropriate, over those of each other single country. (US)]

[Criteria to apply Appendix 2, Rule 2(g)]

The criteria to determine the major portion of the materials as set forth in Appendix 2, Rule2(g) for this Chapter are:

[Weight (CAN)]

[Weight or volume (EC)]

[Total value of parts and related processing activity (CH)]

Chapter Notes

1. Chemical Reaction Basket 1

A “chemical reaction” is a process (including a biochemical process) which results in a molecule with a new structure by breaking intramolecular bonds and by forming new intramolecular bonds, or by altering the spatial arrangement of atoms in a molecule.

The following are not considered to be chemical reactions for the purposes of this definition:

- 1) dissolving in water or other solvents;
- 2) the elimination of solvents including solvent water; or
- 3) the addition or elimination of water of crystallization.

A chemical reaction as defined above is to be considered origin conferring.

2. Mixtures and Blends Basket 1, Submitted to CRO for decision for Bracketed Text (Doc.42.626, Issue No.5)

- a) The deliberate and proportionally controlled mixing or blending (including dispersing) of materials [other than the addition of diluents only] to conform to predetermined specifications which results in the production of a good having physical or chemical characteristics which are relevant to the purposes or uses of the good and are different from the input materials is to be considered to be origin conferring.
- b) Notwithstanding paragraph 1, the processing of crude dyestuffs and pigments (including the addition of diluents only) to produce a standardized product fulfilling prescribed specifications for shade, brightness, colour strength, particulate size, particle distribution or solubility is to be considered as origin conferring.

3. Purification Basket 1, Submitted to CRO for decision for Bracketed Text (Doc. OC0014, Issue No.25)

Purification is considered to be origin conferring provided that one of the following criteria is satisfied:

- a) purification of a good resulting in the elimination of 80 percent of the content of existing impurities; or
- b) the reduction or elimination of impurities resulting in a good suitable for one or more of the following applications:
 - (i) pharmaceutical, medical, cosmetic, veterinary or food grade substances;
 - (ii) chemical products and reagents for analytical, diagnostic or laboratory uses;
 - (iii) elements and components for use in micro-electronics;

- (iv) specialized optical uses;
- [(v) [non toxic uses for health and safety];
- (vi) biotechnical use (e.g., in cell culturing, in genetic technology, or as a catalyst);
- (vii) carriers used in a separation process; or
- (viii) nuclear grade uses.

4. **Change in particle size**

- 1) Reduction in particle size: **Basket 1**

The deliberate and controlled reduction in particle size of a good, other than by merely crushing, resulting in a good having a defined particle size, defined particle size distribution or defined surface area, which are relevant to the purposes of the resulting good and have different physical or chemical characteristics from the input materials is considered to be origin conferring.

- 2) Increase in particle size: **Submitted to CRO for decision (Doc.42.626, Issue No.4)**

[The deliberate and controlled [modification] in particle size of a good, other than by merely crushing [or pressing,] resulting in a good having a defined particle size, defined particle size distribution or defined surface area, which are relevant to the purposes of the resulting good and have different physical or chemical characteristics from the input materials is considered to be origin conferring.]

Note: If Paragraph 2 is accepted by the CRO, it should be adopted in the place of Paragraph 1; only the words “modification” and “or pressing” are for decision..

5. **Standard Materials** **Basket 1**

Standard materials (including standard solutions) are preparations suitable for analytical, calibrating or referencing uses having precise degrees of purity or proportions which are certified by the manufacturer. The production of standard materials is to be considered as origin conferring.

6. **Isomer separation** **Basket 1**

The isolation or separation of isomers from a mixture of isomers is to be considered as origin conferring.

7. **Non-Origin Conferring Processes** **Submitted to CRO for decision for Bracketed Text (Doc.OC0032, Issue No.24)**

[- For the purposes of Chapters 30-38 the addition, whether or not in combination, of the additives enumerated in HS Chapter Notes 1(f) and 1(g) to Chapter 29 for the purposes indicated therein is not origin conferring. (CAN) (PHI) (US)]

8. Packing for retail sale Basket 1

For the purposes of heading 32.12, the change of classification resulting from the mere putting up for retail sale of products of this Chapter is not to be considered origin conferring.

[Product Specific] [Chapter] Residual Rule

[When application of the primary rules of this chapter (including the product specific rules provided in the matrix) does not result in a determination of a country of origin, the country of origin shall be determined as follows:

Goods of this chapter produced by mixing or otherwise combining materials of different origins, originate in the country that produced the materials of this chapter (disregarding solvents) that predominate by weight or volume, as appropriate, over those of each other single country. (US)]

[Criteria to apply Appendix 2, Rule 2(g)]

The criteria to determine the major portion of the materials as set forth in Appendix 2, Rule 2(g) for this Chapter are:

[Weight (CAN)]

[Weight or volume (EC) (US)]

[Total value of parts and related processing activity (CH)]

CHAPTER 33

Chapter Notes

N.B.: *A template for referral to the CRO (Doc.42.626, Issue No. 6) has been prepared on the issue of whether any Chapter Rules should be laid down for Chapter 33. (Sec.)*

1. Mixtures and Blends Submitted to CRO for decision (Doc.42.626, Issues Nos. 5 and 6)

[For the purposes of this Chapter(CH)(EGY)(US)][For the purposes of heading 33.02 *and appearing only at the level of that heading* (EC)] the deliberate and proportionally controlled mixing or blending (including dispersing) of materials [other than the addition of diluents only] to conform to predetermined specifications which results in the production of a good having physical or chemical characteristics which are relevant to the purposes or uses of the good and are different from the input materials is to be considered to be origin conferring.]

2. Purification Basket 1, Submitted to CRO for decision for bracketed text (Doc.OC0014, Issue No.25)

Purification is considered to be origin conferring provided that one of the following criteria is satisfied:

- a) purification of a good resulting in the elimination of 80 percent of the content of existing impurities; or
- b) the reduction or elimination of impurities resulting in a good suitable for one or more of the following applications:
 - (i) pharmaceutical, medical, cosmetic, veterinary or food grade substances;
 - (ii) chemical products and reagents for analytical, diagnostic or laboratory uses;
 - (iii) elements and components for use in micro-electronics;
 - (iv) specialized optical uses;
 - [(v) [non toxic uses for health and safety] ;
 - (vi) biotechnical use (e.g., in cell culturing, in genetic technology, or as a catalyst);
 - (vii) carriers used in a separation process; or
 - (viii) nuclear grade uses.

3. Separation Submitted to CRO for decision (Doc. 42.626, Issue No. 7)

Separation, by chromatography, extraction, precipitation, (refining), or specific mechanical treatments, is considered to be origin conferring provided that one of the following criteria is satisfied:

- (i) obtaining goods with specific purity;
- [(ii) obtaining goods with specific odoriferous characteristics;
- (iii) obtaining goods with specific flavouring characteristics;] or

(iv) obtaining goods suitable for specific uses. (EC) (CH) (SG)]

4. Packing for retail sale Submitted to CRO for decision (Doc.42.626, Issue No.6)

For the purposes of this Chapter the change of classification resulting from the mere putting up for retail sale of products of this Chapter is not to be considered origin-conferring.

5. Change in use Basket 1

The change of classification resulting from the mere change in use described in HS Nomenclature is not to be considered origin-conferring.

6. Non Origin-Conferring Processes Submitted to CRO for decision (Doc.OC0032, Issue No.24)

[- For the purposes of Chapters 30-38 the addition, whether or not in combination, of the additives enumerated in HS Chapter Notes 1(f) and 1(g) to Chapter 29 for the purposes indicated therein is not origin conferring. (CAN) (PHI) (US)]

[Criteria to apply Appendix 2, Rule 2(g)]

The criteria to determine the major portion of the materials as set forth in Appendix 2, Rule2(g) for this Chapter are:

[Weight (CAN)]

[Weight or volume (EC)(US)]

[Total value of parts and related processing activity (CH)]

CHAPTER 34

Chapter Notes

1. Chemical Reaction Basket 1

A “chemical reaction” is a process (including a biochemical process) which results in a molecule with a new structure by breaking intramolecular bonds and by forming new intramolecular bonds, or by altering the spatial arrangement of atoms in a molecule.

The following are not considered to be chemical reactions for the purposes of this definition:

- 1) dissolving in water or other solvents;
- 2) the elimination of solvents including solvent water; or
- 3) the addition or elimination of water of crystallization.

A chemical reaction as defined above is to be considered origin conferring.

2. Mixtures and Blends Basket 1, Submitted to CRO for decision for Bracketed Text (Doc.42.626, Issue No.5)

The deliberate and proportionally controlled mixing or blending (including dispersing) of materials [other than the addition of diluents only] to conform to predetermined specifications which results in the production of a good having physical or chemical characteristics which are relevant to the purposes or uses of the good and are different from the input materials is to be considered to be origin conferring.

3. Purification Basket 1, Submitted to CRO for decision for bracketed text (Doc.OC0014, Issue No.25)

Purification is considered to be origin conferring provided that one of the following criteria is satisfied:

- a) purification of a good resulting in the elimination of 80 percent of the content of existing impurities; or
- b) the reduction or elimination of impurities resulting in a good suitable for one or more of the following applications:
 - (i) pharmaceutical, medical, cosmetic, veterinary or food grade substances;
 - (ii) chemical products and reagents for analytical, diagnostic or laboratory uses;
 - (iii) elements and components for use in micro-electronics;
 - (iv) specialized optical uses;
 - [(v) [non toxic uses for health and safety] ;
 - (vi) biotechnical use (e.g., in cell culturing, in genetic technology, or as a catalyst);
 - (vii) carriers used in a separation process; or
 - (viii) nuclear grade uses.

4. Reduction in particle size Basket 1

The deliberate and controlled reduction in particle size of a good, other than by merely crushing, resulting in a good having a defined particle size, defined particle size distribution or defined surface area, which are relevant to the purposes of the resulting good and have different physical or chemical characteristics from the input materials is considered to be origin conferring.

5. Non-Origin Conferring Processes Submitted to CRO for decision (Doc.OC0032, Issue No.24)

[- For the purposes of Chapters 30-38 the addition, whether or not in combination, of the additives enumerated in HS Chapter Notes 1(f) and 1(g) to Chapter 29 for the purposes indicated therein is not origin conferring. (CAN) (PHI) (US)]

6. Packing for retail sale Basket 1

For the purposes of subheading 3402.20, the change of classification resulting from the mere putting up for retail sale of products of this Chapter is not to be considered origin conferring.

[Criteria to apply Appendix 2, Rule 2(g)]

The criteria to determine the major portion of the materials as set forth in Appendix 2, Rule2(g) for this Chapter are:

[Weight (CAN)]

[Weight or volume (EC) (US)]

[Total value of parts and related processing activity (CH)]

CHAPTER 35

Chapter Notes

1. Chemical Reaction Basket 1

A “chemical reaction” is a process (including a biochemical process) which results in a molecule with a new structure by breaking intramolecular bonds and by forming new intramolecular bonds, or by altering the spatial arrangement of atoms in a molecule.

The following are not considered to be chemical reactions for the purposes of this definition:

- 1) dissolving in water or other solvents;
- 2) the elimination of solvents including solvent water; or
- 3) the addition or elimination of water of crystallization

A chemical reaction as defined above is to be considered origin-conferring.

2. Mixtures and Blends Basket 1, Submitted to CRO for decision for Bracketed text (Doc.42.626, Issue No.5)

For the purposes of subheading 3502.20 and headings 35.06 and 35.07, the deliberate and proportionally controlled mixing or blending (including dispersing) of materials [other than the addition of diluents only] to conform to predetermined specifications which results in the production of a good having physical or chemical characteristics which are relevant to the purposes or uses of the good and are different from the input materials is to be considered to be origin conferring.

3. Purification Basket 1, Submitted to CRO for decision for bracketed text (Doc.OC0014, Issue No.25)

Purification is considered to be origin conferring provided that one of the following criteria is satisfied :

- a) purification of a good resulting in the elimination of 50 percent of the content of existing impurities; or
- b) the reduction or elimination of impurities resulting in a good suitable for one or more of the following applications:
 - (i) pharmaceutical, medical, cosmetic, veterinary or food grade substances;
 - (ii) chemical products and reagents for analytical, diagnostic or laboratory uses;
 - (iii) elements and components for use in micro-electronics;
 - (iv) specialized optical uses;
 - [(v) [non toxic uses for health and safety] ;
 - (vi) biotechnical use (e.g., in cell culturing, in genetic technology, or as a catalyst);
 - (vii) carriers used in a separation process; or

(viii) nuclear grade uses.

4. Reduction in particle size Basket 1

The deliberate and controlled reduction in particle size of a good, other than by merely crushing, resulting in a good having a defined particle size, defined particle size distribution or defined surface area, which are relevant to the purposes of the resulting good and have different physical or chemical characteristics from the input materials is considered to be origin conferring.

5. Standard Materials Basket 1

Standard materials (including standard solutions) are preparations suitable for analytical, calibrating or referencing uses having precise degrees of purity or proportions which are certified by the manufacturer. The production of standard materials is to be considered as origin conferring.

6. Isomer Separation Basket 1

The isolation or separation of isomers from a mixture of isomers is to be considered as origin-conferring.

7. Non-Origin Conferring Processes Submitted to CRO for decision (Doc.OC0032, Issue No.24)

[- For the purposes of Chapters 30-38 the addition, whether or not in combination, of the additives enumerated in HS Chapter Notes 1(f) and 1(g) to Chapter 29 for the purposes indicated therein is not origin conferring. (CAN) (PHI) (US)]

8. Packing for retail sale Basket 1

For the purposes of heading 35.06, the change of classification resulting from the mere putting up for retail sale of products of this Chapter is not to be considered origin-conferring.

[Criteria to apply Appendix 2, Rule 2(g)]

The criteria to determine the major portion of the materials as set forth in Appendix 2, Rule2(g) for this Chapter are:

[Weight (CAN)]

[Weight or volume (EC) (US)]

[Total value of parts and related processing activity (CH)]

CHAPTER 36

No Chapter Note

CHAPTER 37

Chapter Notes

1. Mixtures and Blends Submitted to CRO for decision (Doc.42.626, Issue No.5)

[For the purposes of heading 37.07, the deliberate and proportionally controlled mixing or blending (including dispersing) of materials [other than the addition of diluents only] to conform to predetermined specifications which results in the production of a good having physical or chemical characteristics which are relevant to the purposes or uses of the good and are different from the input materials is to be considered to be origin conferring.]

2. Non-Origin Conferring Processes Submitted to CRO for decision (Doc.OC0032, Issue No.24)

[- For the purposes of Chapters 30-38 the addition, whether or not in combination, of the additives enumerated in HS Chapter Notes 1(f) and 1(g) to Chapter 29 for the purposes indicated therein is not origin conferring. (CAN) (PHI) (US)]

[Criteria to apply Appendix 2, Rule 2(g)]

The criteria to determine the major portion of the materials as set forth in Appendix 2, Rule2(g) for this Chapter are:

[Weight (CAN)]

[Weight or volume, as appropriate (US)]

[Weight, volume or value, as appropriate (EC)]

[Total value of parts and related processing activity (CH)]

CHAPTER 38

Chapter Notes

1. Chemical Reaction Basket 1

A “chemical reaction” is a process (including a biochemical process) which results in a molecule with a new structure by breaking intramolecular bonds and by forming new intramolecular bonds, or by altering the spatial arrangement of atoms in a molecule.

The following are not considered to be chemical reactions for the purposes of this definition:

- 1) dissolving in water or other solvents;
- 2) the elimination of solvents including solvent water; or
- 3) the addition or elimination of water of crystallization

A chemical reaction as defined above is to be considered origin conferring.

2. Mixtures and Blends Basket 1, Submitted to CRO for decision for Bracketed Text (Doc.42.626, Issue No.5)

For the purposes of headings 38.01, 38.04, 38.06, 38.07, 38.08 through 38.15, 38.19 through 38.21, 38.23 and 38.24, the deliberate and proportionally controlled mixing or blending (including dispersing) of materials [other than the addition of diluents only (SG) (US)] to conform to predetermined specifications which results in the production of a good having physical or chemical characteristics which are relevant to the purposes or uses of the good and are different from the input materials is to be considered to be origin conferring.

3. Purification Basket 1, Submitted to CRO for decision for bracketed text to CRO (Doc.OC0014, Issue No.25)

Purification is considered to be origin conferring provided that one of the following criteria is satisfied:

- a) purification of a good resulting in the elimination of 80 percent of the content of existing impurities; or
- b) the reduction or elimination of impurities resulting in a good suitable for one or more of the following applications:
 - (i) pharmaceutical, medical, cosmetic, veterinary or food grade substances;
 - (ii) chemical products and reagents for analytical, diagnostic or laboratory uses;
 - (iii) elements and components for use in micro-electronics;
 - (iv) specialized optical uses;
 - [(v) non toxic uses for health and safety] ;
 - (vi) biotechnical use (e.g., in cell culturing, in genetic technology, or as a catalyst);

- (vii) carriers used in a separation process; or
- (viii) nuclear grade uses.

4. Separation Submitted to CRO for decision (Doc.42.626, Issue No.7)

Separation, by chromatography, extraction, precipitation, (refining), or specific mechanical treatments, is considered to be origin conferring provided that one of the following criteria is satisfied:

- (i) obtaining goods with specific purity;
- [(ii) obtaining goods with specific odoriferous characteristics;
- (iii) obtaining goods with specific flavouring characteristics;] or
- (iv) obtaining goods suitable for specific uses.. (EC) (CH) (SG)]

5. Change in particle size

- 1) Reduction in particle size: **Basket 1**

For the purposes of headings 38.02, 38.08, 38.09, 38.11, 38.12 and 38.15, the deliberate and controlled reduction in particle size of a good, other than by merely crushing, resulting in a good having a defined particle size, defined particle size distribution or defined surface area, which are relevant to the purposes of the resulting good and have different physical or chemical characteristics from the input materials is considered to be origin conferring.

- 2) Increase in particle size: **Submitted to CRO for decision (Doc.42.626, Issue No.4)**

[For the purposes of headings 38.02, 38.08, 38.09, 38.11, 38.12 and 38.15, the deliberate and controlled [modification] in particle size of a good, other than by merely crushing [or pressing,] resulting in a good having a defined particle size, defined particle size distribution or defined surface area, which are relevant to the purposes of the resulting good and have different physical or chemical characteristics from the input materials is considered to be origin conferring.]

Note: If Paragraph 2 is accepted by the CRO, it should be adopted in the place of Paragraph 1; only the words “modification” and “or pressing” are for decision.

6. Standard Materials Basket 1

Standard materials (including standard solutions) are preparations suitable for analytical, calibrating or referencing uses having precise degrees of purity or proportions which are certified by the manufacturer. The production of standard materials is to be considered as origin conferring.

7. Packing for retail sale Basket 1

For the purposes of headings 38.08 and 38.13, the change of classification resulting from the mere putting up for retail sale of products of this Chapter is to be disregarded for the determination of origin.

8. Non-Origin Conferring Processes Submitted to CRO for decision (Doc. OC0032, Issue No. 24)

[- For the purposes of Chapters 30-38 the addition, whether or not in combination, of the additives enumerated in HS Chapter Notes 1(f) and 1(g) to Chapter 29 for the purposes indicated therein is not origin conferring. (CAN) (PHI) (US)]

[Criteria to apply Appendix 2, Rule 2(g)]

The criteria to determine the major portion of the materials as set forth in Appendix 2, Rule2(g) for this Chapter are:

[Weight (CAN)]

[Weight or volume, as appropriate (US)]

[Weight, volume or value, as appropriate (EC)]

[Total value of parts and related processing activity (CH)]

CHAPTER 39

Chapter Notes

1. **Chemical Reaction** *Paragraph a)* : **Basket 1**
Paragraph b) : **Submitted to CRO for decision (Doc.42.627, Issue No.1)**

a) A “chemical reaction” is a process (including a biochemical process) which results in a molecule with a new structure by breaking intramolecular bonds and by forming new intramolecular bonds, or by altering the spatial arrangement of atoms in a molecule.

The following are not considered to be chemical reactions for the purposes of this definition:

- 1) dissolving in water or other solvents;
- 2) the elimination of solvents including solvent water; or
- 3) the addition or elimination of water of crystallization

A chemical reaction as defined above is to be considered origin conferring.

This definition comprises all types of polymerization reactions and chemical modification of polymers, including cross-linking by hardener/cross-linking agents and irradiation.

b) [The products are considered to have undergone a chemical reaction only if more than 30% by weight of the monomer units in the total polymer content have undergone a modification which results in the breaking of the bonds of the appendages to the main polymer chain and by forming new intramolecular bonds or by altering the spatial arrangement of the atoms of the appendages.

The following are not considered to be chemical reactions for the purposes of this definition:

- 1) dissolving in water or other solvents;
 - 2) the elimination of solvents including solvent water; or
 - 3) the addition or elimination of water of crystallization.
- (This rule applies to headings 39.01- 39.13.) (CAN)]

2. **Mixtures and Blends** **Submitted to CRO for decision (Doc.42.627, Issue No.2)**

a) [The deliberate and proportionally controlled mixing or blending including dispersing of materials [other than the addition of diluents only] to conform to predetermined specifications which results in the production of a good having physical or chemical characteristics which are relevant to the purposes or uses of the good and are different from the input materials is to be considered to be origin conferring.]

b) [The deliberate and proportionally controlled mixing or blending of polymers, which results in the production of a polymer blend having physical and/or chemical characteristics different from the individual constituents, is considered to be origin conferring. (Headings 39.01-39.15)]

This definition comprises polymer compounding and the use of recycled polymers. (EC)]

c) [The deliberate and proportionally controlled mixing or blending of materials other than only the addition of solvents or diluents, to conform to predetermined specifications which results in the production of a good having performance characteristics which are relevant to the purposes or uses of the good and are different from those of the input materials, provided that no more than 60 percent by weight of the total polymeric component in the finished good originates from a country other than the country where the blending occurred. (CAN)]

3. Purification Basket 1, Submitted to CRO for decision for bracketed text (Doc.OC0014, Issue No.25)

Purification is considered to be origin conferring provided that one of the following criteria is satisfied:

- a) purification of a good resulting in the elimination of 80 percent of the content of existing impurities; or
- b) the reduction or elimination of impurities resulting in a good suitable for one or more of the following applications:
 - (i) pharmaceutical, medical, cosmetic, veterinary or food grade substances;
 - (ii) chemical products and reagents for analytical, diagnostic or laboratory uses;
 - (iii) elements and components for use in in micro-electronics;
 - (iv) specialized optical uses;
 - [(v) [non toxic uses for health and safety] ;
 - (vi) biotechnical use (e.g., in cell culturing, in genetic technology, or as a catalyst);
 - (vii) carriers used in a separation process; or
 - (viii) nuclear grade uses.

4. Change in particle size

1) Reduction in particle size: Basket 1

The deliberate and controlled reduction in particle size of a good including micronizing by dissolving a polymer and subsequent precipitation, other than by merely crushing, resulting in a good having a defined particle size, defined particle size distribution or defined surface area relevant to the purposes of the resulting good and having different physical or chemical characteristics from the input materials is considered to be origin conferring.

2) Increase in particle size: Submitted to CRO for decision (Doc.42.626, Issue No.4)

[The deliberate and controlled modification in particle size of a good including micronizing by dissolving a polymer and subsequent precipitation, other than by merely crushing, resulting in a good having a defined particle size, defined particle size distribution or defined surface area, which are relevant to

the purposes of the resulting good and have different physical or chemical characteristics from the input materials is considered to be origin conferring. (CH)]

Note: If Paragraph 2 is accepted by the CRO, the term “reduction” in Paragraph 1 shall be amended to “modification”. (Sec)

5. Separation (Headings 39.01- 39.14) Submitted to CRO for decision (Doc.42.626, Issue No.7)

[Separation, by chromatography, extraction, precipitation, (refining), or specific mechanical treatments, is considered to be origin conferring provided that one of the following criteria is satisfied:

- (i) obtaining goods with specific molecular weight distribution;
- (ii) obtaining goods with specific purity;
- [(iii) obtaining goods with specific odoriferous characteristics;
- (iv) obtaining goods with specific flavouring characteristics;] or
- (v) obtaining goods suitable for specific uses.. (EC) (CH) (SG)]

6. Shaping and further processing on semi-finished articles (Headings 39.16 - 39.17 and 39.19 - 39.21) Submitted to CRO for decision (Doc.42.626, Issue No.3)

[The following shaping and other processes on semi-finished articles in order to obtain finished articles are regarded as substantial transformations:

Cold drawing, hand-fabricating thermoforming, laminating, forming of vulcanized fibre, bonding of plastics, machining, and coating with an adhesive layer. (EC) (CH)]

[Product Specific] [Chapter] Residual Rule

[When application of the primary rules of this chapter (including the product specific rules provided in the matrix) does not result in a determination of a country of origin, the country of origin shall be determined as follows:

1. Goods of headings 39.01 through 39.14 produced by mixing or otherwise combining materials of different origins, originate in the country that produced the polymers that predominate by weight or volume, as appropriate, over those of each other single country.]

[Criteria to apply Appendix 2, Rule 2(g)]

The criteria to determine the major portion of the materials as set forth in Appendix 2, Rule2(g) for this Chapter are:

[Weight (CAN)]

[Weight or volume, as appropriate (EC)]

[Total value of parts and related processing activity (CH)]

CHAPTER 40

Chapter Notes

1. Chemical Reaction Basket 1

A “chemical reaction” is a process (including a biochemical process) which results in a molecule with a new structure by breaking intramolecular bonds and by forming new intramolecular bonds, or by altering the spatial arrangement of atoms in a molecule.

The following are not considered to be chemical reactions for the purposes of this definition:

- a) dissolving in water or other solvents;
- b) the elimination of solvents including solvent water; or
- c) the addition or elimination of water of crystallization

A chemical reaction as defined above is to be considered origin conferring.

2. Mixtures and Blends 1) addition of diluents only; and 2) percentage of originating polymer content. **Submitted to CRO for decision (Doc.42.627, Issue No.6)**

[The deliberate and proportionally controlled mixing or blending (including dispersing) of materials [other than the addition of diluents only] to conform to predetermined specifications which results in the production of a good having physical or chemical characteristics which are relevant to the purposes or uses of the good and are different from the input materials is to be considered to be origin conferring [provided that no more than 60 percent by weight of the total polymeric component in the finished good originates from a country other than the country where the blending occurred. (CAN)]

[Criteria to apply Appendix 2, Rule 2(g)]

The criteria to determine the major portion of the materials as set forth in Appendix 2, Rule2(g) for this Chapter are:

[Weight (CAN)]

[Weight or volume, as appropriate (US)]

[Weight volume or value, as appropriate (EC)]

[Total value of parts and related processing activity (CH)]

CHAPTER 41

Chapter Notes:

1. Definition of provisionally prepared leather Basket 1

Provisionally prepared leather is a leather that has not yet undergone an irreversible tanning process but may have been treated with tanning agents so that it becomes less susceptible to putrefaction and better prepared for subsequent tanning.

2. Definition of tanned leather Basket 1

Tanned leather is a leather that has been converted permanently or irreversibly from hides or skins by the application of tanning agents, which may be mineral or vegetable or both. Tanned leather includes chrome tanned (wet blue) and vegetable tanned leather.

3. Definition of retanned leather Basket 1

Retanned leather is a tanned leather that has been further treated with tanning agents. Re-tanned leather includes chrome tanned (wet blue) leather that has been further tanned with mineral, vegetable or synthetic agents to improve the leather.

4. Definition of finished leather Basket 1

Finished leather is a tanned leather, which may or may not have been retanned, but which has been subjected to further processing to affect, for example, the softness, permeability, colour, appearance, surface texture or firmness of the leather. Such processes may include dyeing, drying, buffing, glazing, embossing, coating or varnishing.

5. Definition of parchment-dressed leather Basket 1

Parchment-dressed leather is prepared from raw hides or skins, not by a process of tanning, but by treating the raw hides and skins to ensure their preservation. These are softened, dehaired, defleshed, washed and then stretched on a frame, coated with a paste containing whiting and soda or slaked lime, shaved to reduce them to the desired thickness and ground with pumice. Finally, they may be dressed with gelatin and starch.

CHAPTER 42

Chapter Notes

[1. **Minor processing operations not affecting origin.** Submitted to CRO for decision (Doc.OC0023, Issue No.74)

For the purposes of determining the country of origin for goods falling within Section XI that are not wholly obtained in one country, the following individual processes, considered singly, are minimal operations and shall not affect the origin of the goods concerned, whether or not such processes result in changes of classification:

- a) Working or finishing one or more edges by hemming, rolling, whipping or similar means or by knotting fringe;
- b) Cutting fabrics, yarns or other materials; or separating goods produced in the finished state by cutting along dividing threads;
- c) Assembling or joining goods by sewing or stitching for convenience of shipment or other temporary purposes; or
- d) Putting up goods for retail sale or in sets or ensembles. (US)]

2. For the purposes of this chapter, those rules which refer to a change of heading or subheading shall not apply to changes which result from disassembly **(Basket 1¹⁹)**

[3. Those rules which refer to a change of heading or subheading shall not apply to changes which result solely from the application of General Rule of Interpretation 2 (a) with respect to collection of parts that are presented as unassembled articles of another heading or subheading. (US)] **Submitted to CRO for decision (Doc.OC0031, Issue No.4; Doc.OC0029)**

[4. The term “complete making-up” means that all the operations following cutting have to be performed. However, making-up shall not necessarily be considered as incomplete where one or more finishing operations have not been carried out.

The following is a list of examples of finishing operations:

- fitting of buttons and/or other types of fastenings;
- making of button-holes;
- finishing off the ends of trouser legs and sleeves or the bottom hemming of skirts and dresses;
- fitting of trimmings and accessories such as pockets, labels, badges, etc.;
- ironing and other preparations of garments for sale “ready made”. (EC)] **Submitted to CRO for decision (Doc.42.271, Issue No.55)**

¹⁹ During the “coherence” phase, the possibility will be examined of placing this Note at Appendix level, possibly with a reference to the Chapters to which it applies.

[Product Specific] [Chapter] Residual Rule **Submitted to CRO for decision (Doc.OC0023E2, Issue No.77)**

[When application of the primary rules of this chapter (including the product specific rules provided in the matrix) does not result in a determination of a country of origin, the country of origin shall be determined as follows:

1. The country of origin of a good of heading 42.02 or 42.03 that was assembled from parts, but was not wholly assembled in a single country, is the country in which the most significant assembly operations were performed in the making-up of the good, without regard to the addition of buttons and other fasteners, belt and hanger loops, belts, patch pockets, labels, foot straps, epaulettes, ornaments and other minor components. (US)]

CHAPTER 43

Chapter Notes

[1. **Minor processing operations not affecting origin.** Submitted to CRO for decision (Doc.OC0023, Issue No.74)

For the purposes of determining the country of origin for goods falling within Section XI that are not wholly obtained in one country, the following individual processes, considered singly, are minimal operations and shall not affect the origin of the goods concerned, whether or not such processes result in changes of classification:

- a) Working or finishing one or more edges by hemming, rolling, whipping or similar means or by knotting fringe;
 - b) Cutting fabrics, yarns or other materials; or separating goods produced in the finished state by cutting along dividing threads or lines;
 - c) Assembling or joining goods by sewing, or stitching for convenience of shipment or other temporary purposes; or
 - d) Putting up goods for retail sale or in sets or ensembles. (US)]
2. For the purposes of headings 43.03 and 43.04, those rules which refer to a change of heading or subheading shall not apply to changes which result from disassembly **Basket 1**²⁰
- [3. Those rules which refer to a change of heading or subheading shall not apply to changes which result solely from the application of General Rule of Interpretation 2(a) with respect to collection of parts that are presented as unassembled articles of another heading or subheading. (US)] **Submitted to CRO for decision (Doc.OC0031, Issue No.4; Doc.OC0029)**
- [4. The term “complete making-up” means that all the operations following cutting have to be performed. However, making-up shall not necessarily be considered as incomplete where one or more finishing operations have not been carried out.

The following is a list of examples of finishing operations:

- fitting of buttons and/or other types of fastenings;
- making of button-holes;
- finishing off the ends of trouser legs and sleeves or the bottom hemming of skirts and dresses;
- fitting of trimmings and accessories such as pockets, labels, badges, etc.;
- ironing and other preparations of garments for sale “ready made”. (EC)] **Submitted to CRO for decision (Doc.42.271, Issue No.55)**

²⁰ During the “coherence” phase, the possibility will be examined of placing this Note at Appendix level, possibly with a reference to the Chapters to which it applies.

[Product Specific] [Chapter] Residual Rule **Submitted to CRO for decision (Doc.OC0023E2, Issue No.77)**

[When application of the primary rules of this chapter (including the product specific rules provided in the matrix) does not result in a determination of a country of origin, the country of origin shall be determined as follows:

1. The country of origin of goods of heading 43.03 that was assembled from parts, but was not wholly assembled in a single country, is the country in which the most significant assembly operations were performed in the making-up of the good, without regard to the addition of buttons and other fasteners, belt and hanger loops, belts, patch pockets, labels, foot straps, epaulettes, ornaments and other minor components. (US)]

CHAPTER 44

Chapter Notes

1. For the purposes of this chapter, those rules which refer to a change of heading or subheading shall not apply to changes which result from disassembly. **Basket 1.**

Those rules which refer to a change of heading or subheading shall not apply to changes which result solely from the application of General Rule of Interpretation 2(a) with respect to collections of parts that are presented as unassembled articles of another heading or subheading. **Submitted to CRO for decision (Doc.OC0031, Issue No.4; Doc.OC0029)**

CHAPTER 45

Chapter Notes

1. For the purposes of this chapter, those rules which refer to a change of heading or subheading shall not apply to changes which result from disassembly. **Basket 1.**
2. Those rules which refer to a change of heading or subheading shall not apply to changes which result solely from the application of General Rule of Interpretation 2(a) with respect to collections of parts that are presented as unassembled articles of another heading or subheading. **Submitted to CRO for decision (Doc.OC0031, Issue No.4; Doc.OC0029)**

CHAPTER 46

Chapter Notes

1. For the purposes of this chapter, those rules which refer to a change of heading or subheading shall not apply to changes which result from disassembly. **Basket 1.**
2. Those rules which refer to a change of heading or subheading shall not apply to changes which result solely from the application of General Rule of Interpretation 2(a) with respect to collections of parts that are presented as unassembled articles of another heading or subheading. **Submitted to CRO for decision (Doc.OC0031, Issue No.4; Doc.OC0029)**

CHAPTER 47

(No Chapter Note)

CHAPTER 48

Chapter Notes

1. For the purposes of this chapter, those rules which refer to a change of heading or subheading shall not apply to changes which result from disassembly. **Basket 1.**
2. Those rules which refer to a change of heading or subheading shall not apply to changes which result solely from the application of General Rule of Interpretation 2(a) with respect to collections of parts that are presented as unassembled articles of another heading or subheading. **Submitted to CRO for decision (Doc.OC0031, Issue No.4; Doc.OC0029)**
3. For headings 48.14 through 48.23, those rules which refer to a change of heading or subheading shall not apply to changes which are the result solely of trimming or cutting to rectangular (including square) shape. **Basket 1 (Endorsed by CRO)**

CHAPTER 49

Chapter Notes

1. For the purposes of this chapter, those rules which refer to a change of heading or subheading shall not apply to changes which result from disassembly. **Basket 1**
2. Those rules which refer to a change of heading or subheading shall not apply to changes which result solely from the application of General Rule of Interpretation 2(a) with respect to collections of parts that are presented as unassembled articles of another heading or subheading. **Submitted to CRO for decision (Doc.OC0031, Issue No.4; Doc.OC0029)**

CHAPTER 50

Section Note : Submitted to CRO for decision (Doc.OC0023E2, Issue No.74)

[Minor processing operations not affecting origin.]

For the purposes of determining the country of origin for goods falling within Section XI that are not wholly obtained in one country, the following individual processes, considered singly, shall not affect the origin of the goods concerned, whether or not such processes result in changes of classification:

- a) Working or finishing one or more edges by hemming, rolling, whipping or similar means or by knotting fringe;

- b) Cutting fabrics, yarns or other textile materials; or separating goods produced in the finished state by cutting along dividing threads;
- c) Assembling or joining goods by sewing or stitching for convenience of shipment or other temporary purposes;
- d) Putting up goods for retail sale or in sets or ensembles. (US)]

[Product Specific] [Chapter] Residual Rule Submitted to CRO for decision (Doc.OC0023E2, Issue No.77)

[The country of origin of goods of this Chapter shall be the country in which the textile fabric was woven and knit. (CAN)]

CHAPTER 51

Section Note : Submitted to CRO for decision (Doc.OC0023E2, Issue No.74)

Minor processing operations not affecting origin.

For the purposes of determining the country of origin for goods falling within Section XI that are not wholly obtained in one country, the following individual processes, considered singly, shall not affect the origin of the goods concerned, whether or not such processes result in changes of classification:

- a) Working or finishing one or more edges by hemming, rolling, whipping or similar means or by knotting fringe;
- b) Cutting fabrics, yarns or other textile materials; or separating goods produced in the finished state by cutting along dividing threads;
- c) Assembling or joining goods by sewing or stitching for convenience of shipment or other temporary purposes;
- d) Putting up goods for retail sale or in sets or ensembles. (US)]

[Product Specific] [Chapter] Residual Rule Submitted to CRO for decision (Doc.OC0023E2, Issue No.77)

[The country of origin of goods of this Chapter shall be the country in which the textile fabric was woven and knit. (CAN)]

CHAPTER 52

Section Note : Submitted to CRO for decision (Doc.OC0023E2, Issue No.74)

[Minor processing operations not affecting origin.]

For the purposes of determining the country of origin for goods falling within Section XI that are not wholly obtained in one country, the following individual processes, considered singly, shall not affect the origin of the goods concerned, whether or not such processes result in changes of classification:

- a) Working or finishing one or more edges by hemming, rolling, whipping or similar means or by knotting fringe;
- b) Cutting fabrics, yarns or other textile materials; or separating goods produced in the finished state by cutting along dividing threads;
- c) Assembling or joining goods by sewing or stitching for convenience of shipment or other temporary purposes;
- d) Putting up goods for retail sale or in sets or ensembles. (US)]

[Product Specific] [Chapter] Residual Rule Submitted to CRO for decision (Doc.OC0023E2, Issue No.77)

[The country of origin of goods of this Chapter shall be the country in which the textile fabric was woven and knit. (CAN)]

CHAPTER 53

Section Note : Submitted to CRO for decision (Doc.OC0023E2, Issue No.74)

[Minor processing operations not affecting origin.]

For the purposes of determining the country of origin for goods falling within Section XI that are not wholly obtained in one country, the following individual processes, considered singly, shall not affect the origin of the goods concerned, whether or not such processes result in changes of classification:

- a) Working or finishing one or more edges by hemming, rolling, whipping or similar means or by knotting fringe;
- b) Cutting fabrics, yarns or other textile materials; or separating goods produced in the finished state by cutting along dividing threads;
- c) Assembling or joining goods by sewing or stitching for convenience of shipment or other temporary purposes;

- d) Putting up goods for retail sale or in sets or ensembles. (US)]

[Product Specific] [Chapter] Residual Rule Submitted to CRO for decision (Doc.OC0023E2, Issue No.77)

[The country of origin of goods of this Chapter shall be the country in which the textile fabric was woven and knit. (CAN)]

CHAPTER 54

Section Note : Submitted to CRO for decision (Doc.OC0023E2, Issue No.74)

[Minor processing operations not affecting origin.]

For the purposes of determining the country of origin for goods falling within Section XI that are not wholly obtained in one country, the following individual processes, considered singly, shall not affect the origin of the goods concerned, whether or not such processes result in changes of classification:

- a) Working or finishing one or more edges by hemming, rolling, whipping or similar means or by knotting fringe;
- b) Cutting fabrics, yarns or other textile materials; or separating goods produced in the finished state by cutting along dividing threads;
- c) Assembling or joining goods by sewing or stitching for convenience of shipment or other temporary purposes;
- d) Putting up goods for retail sale or in sets or ensembles. (US)]

[Product Specific] [Chapter] Residual Rule Submitted to CRO for decision (Doc.OC0023E2, Issue No.77)

[The country of origin of goods of this Chapter shall be the country in which the textile fabric was woven and knit. (CAN)]

CHAPTER 55

Section Note : Submitted to CRO for decision (Doc.OC0023E2, Issue No.74)

[Minor processing operations not affecting origin.]

For the purposes of determining the country of origin for goods falling within Section XI that are not wholly obtained in one country, the following individual processes, considered singly, shall not affect the origin of the goods concerned, whether or not such processes result in changes of classification:

- a) Working or finishing one or more edges by hemming, rolling, whipping or similar means or by knotting fringe;
- b) Cutting fabrics, yarns or other textile materials; or separating goods produced in the finished state by cutting along dividing threads;
- c) Assembling or joining goods by sewing or stitching for convenience of shipment or other temporary purposes;
- d) Putting up goods for retail sale or in sets or ensembles. (US)]

[Product Specific] [Chapter] Residual Rule Submitted to CRO for decision (Doc.OC0023E2, Issue No.77)

[The country of origin of goods of this Chapter shall be the country in which the textile fabric was woven and knit. (CAN)]

CHAPTER 56

Section Note : Submitted to CRO for decision (Doc.OC0023E2, Issue No.74)

[Minor processing operations not affecting origin.]

For the purposes of determining the country of origin for goods falling within Section XI that are not wholly obtained in one country, the following individual processes, considered singly, shall not affect the origin of the goods concerned, whether or not such processes result in changes of classification:

- a) Working or finishing one or more edges by hemming, rolling, whipping or similar means or by knotting fringe;
- b) Cutting fabrics, yarns or other textile materials; or separating goods produced in the finished state by cutting along dividing threads;
- c) Assembling or joining goods by sewing or stitching for convenience of shipment or other temporary purposes;
- d) Putting up goods for retail sale or in sets or ensembles. (US)]

[Product Specific] [Chapter] Residual Rule Submitted to CRO for decision (Doc.OC0023E2, Issue No.77)

[The country of origin of goods of this Chapter shall be the country in which the textile fabric was woven and knit. (CAN)]

CHAPTER 57

Section Note : Submitted to CRO for decision (Doc.OC0023E2, Issue No.74)

[Minor processing operations not affecting origin.]

For the purposes of determining the country of origin for goods falling within Section XI that are not wholly obtained in one country, the following individual processes, considered singly, shall not affect the origin of the goods concerned, whether or not such processes result in changes of classification:

- a) Working or finishing one or more edges by hemming, rolling, whipping or similar means or by knotting fringe;
- b) Cutting fabrics, yarns or other textile materials; or separating goods produced in the finished state by cutting along dividing threads;
- c) Assembling or joining goods by sewing or stitching for convenience of shipment or other temporary purposes;
- d) Putting up goods for retail sale or in sets or ensembles. (US)]

[Product Specific] [Chapter] Residual Rule Submitted to CRO for decision (Doc.OC0023E2, Issue No.77)

[The country of origin of goods of this Chapter shall be the country in which the textile fabric was woven and knit. (CAN)]

CHAPTER 58

Section Note : Submitted to CRO for decision (Doc.OC0023E2, Issue No.74)

[Minor processing operations not affecting origin.]

For the purposes of determining the country of origin for goods falling within Section XI that are not wholly obtained in one country, the following individual processes, considered singly, shall not affect the origin of the goods concerned, whether or not such processes result in changes of classification:

- a) Working or finishing one or more edges by hemming, rolling, whipping or similar means or by knotting fringe;
- b) Cutting fabrics, yarns or other textile materials; or separating goods produced in the finished state by cutting along dividing threads;
- c) Assembling or joining goods by sewing or stitching for convenience of shipment or other temporary purposes;

- d) Putting up goods for retail sale or in sets or ensembles. (US)]

[Product Specific] [Chapter] Residual Rule Submitted to CRO for decision (Doc.OC0023E2, Issue No.77)

[The country of origin of goods of this Chapter shall be the country in which the textile fabric was woven and knit. (CAN)]

[When application of the primary rules of this chapter (including the product specific rules provided in the matrix) does not result in a determination of a country of origin, the country of origin shall be determined as follows:

1. The country of origin of quilted fabrics of heading 58.11 of this Chapter shall be the country in which the exterior textile fabric was formed, or in the case of a good containing textile fabrics of more than one country, the origin of the good is the country in which the exterior textile fabric that predominates by weight was formed. (US)]

CHAPTER 59

Section Note : Submitted to CRO for decision (Doc.OC0023E2, Issue No.74)

[Minor processing operations not affecting origin.

For the purposes of determining the country of origin for goods falling within Section XI that are not wholly obtained in one country, the following individual processes, considered singly, shall not affect the origin of the goods concerned, whether or not such processes result in changes of classification:

- a) Working or finishing one or more edges by hemming, rolling, whipping or similar means or by knotting fringe;
- b) Cutting fabrics, yarns or other textile materials; or separating goods produced in the finished state by cutting along dividing threads;
- c) Assembling or joining goods by sewing or stitching for convenience of shipment or other temporary purposes;
- d) Putting up goods for retail sale or in sets or ensembles. (US)]

[Product Specific] [Chapter] Residual Rule Submitted to CRO for decision (Doc.OC0023E2, Issue No.77)

[The country of origin of goods of this Chapter shall be the country in which the textile fabric was woven and knit. (CAN)]

[When application of the primary rules of this chapter (including the product specific rules provided in the matrix) does not result in a determination of a country of origin, the country of origin shall be determined as follows:

[1. The country of origin of fabrics of this Chapter, except textile wall coverings of heading 59.05, shall be the country where the textile fabric was formed, or in the case of a good containing textile fabrics of more than one country, the origin of the good is the country in which the textile fabric that predominates by weight was formed (US)]

CHAPTER 60

Section Note : Submitted to CRO for decision (Doc.OC0023E2, Issue No.74)

[Minor processing operations not affecting origin.]

For the purposes of determining the country of origin for goods falling within Section XI that are not wholly obtained in one country, the following individual processes, considered singly, shall not affect the origin of the goods concerned, whether or not such processes result in changes of classification:

- a) Working or finishing one or more edges by hemming, rolling, whipping or similar means or by knotting fringe;
- b) Cutting fabrics, yarns or other textile materials; or separating goods produced in the finished state by cutting along dividing threads;
- c) Assembling or joining goods by sewing or stitching for convenience of shipment or other temporary purposes;
- d) Putting up goods for retail sale or in sets or ensembles. (US)]

[Product Specific] [Chapter] Residual Rule Submitted to CRO for decision (Doc.OC0023E2, Issue No.77)

[The country of origin of goods of this Chapter shall be the country in which the textile fabric was woven and knit. (CAN)]

CHAPTER 61²¹

Section Note: Submitted to CRO for decision (Doc.OC0023E2, Issue No.74)

[Minor processing operations not affecting origin.]

For the purposes of determining the country of origin for goods falling within Section XI that are not wholly obtained in one country, the following individual processes, considered singly, shall not affect the origin of the goods concerned, whether or not such processes result in changes of classification:

- a) Working or finishing one or more edges by hemming, rolling, whipping or similar means or by knotting fringe;
- b) Cutting fabrics, yarns or other textile materials; or separating goods produced in the finished state by cutting along dividing threads;
- c) Assembling or joining goods by sewing or stitching for convenience of shipment or other temporary purposes;
- d) Putting up goods for retail sale or in sets or ensembles. (US)]

Chapter Notes: Submitted to CRO for decision (Doc. 42.271, Issue No. 46)

[1. / OPTION 1:

- a) For the purposes of this chapter, and subject to paragraph (b), the term “assembled in a single country” means that all of the assembly operations following the cutting of the fabric ,or the knitting or crocheting to shape, of the parts have been performed in that country.
- b) For the purposes of paragraph (a) performing or not performing operations such as the following shall not affect the determination of whether the good has been assembled in a single country: attaching: items such as accessories, buttons and/or other fasteners, pockets, trimmings, cuffs, plackets, labels, [collars (JPN) (PHI) (MAL) (CH) (NOR)]; making button holes, hemming. (EC) (JPN) (PHI) (MAL) (TUR) (CH) (NOR) (FIJ) (CR)]

[1/ OPTION 2:

- a) For the purposes of this chapter, and subject to paragraph (b), the term “assembled in a single country” means that all of the assembly operations following the cutting of the fabric to shape of the parts have been performed in that country.
- b) For the purposes of paragraph (a) performing or not performing operations such as the following shall not affect the determination of whether the good has been assembled in a single country: [attaching and/or making up of the following, for example (HK)] [attaching to garments or accessories (US)] : buttons and other fasteners, patch pockets, foot straps, trimmings, ornaments, cuffs, plackets, belt loops, epaulettes, labels, [collars (US) (HK)],

²¹ There is an agreement in the TCRO that the change in use of the goods is not origin conferring process.

[lining, padding, pockets other than patch pockets, waist bands, garment accessories, facings, self belts, pleats (HK)];making button holes, hemming, [pressing, stone or acid washing (US) (HK)] (US) (MEX) (HK) (SEN) (GUA) (EGY) (AUS)]

[1/ OPTION 3:

a) For the purpose of this chapter, and subject to paragraph (b), “both cut or knitted or crocheted to shape and sewn or otherwise assembled in the country claiming origin” means that all of the assembly operations along with the cutting of the fabric, or the knitting or crocheting to shape , of the parts have been performed in that country.

b) For the purpose of paragraph (a) performing or not performing operations such as the following shall not affect the determination of whether the good has been assembled in a single country: attaching: buttons and other fasteners, patch pockets, foot straps, trimmings, ornaments, cuffs, plackets, belt loops, epaulettes, labels, collars, padding and waist bands. (NZ) (BRA) (ARG) (PAK)]

[1/OPTION 4:

a) For the purposes of this chapter, except for goods knitted or crocheted to shape, the term “substantial assembly” means sewing together or assembly of all the major garment parts of a good of this chapter.

b) For the purposes of this chapter “major garment parts” means integral components of a garment, but does not include parts such as collars, cuffs, waistbands, plackets, pockets, linings, paddings or accessories. (CAN)]

[1/OPTION 5:

For the purposes of Chapters 61 and 62, the country of origin of an article of apparel or clothing accessories shall be the country where such apparel or clothing accessory, as the case may be, is finally assembled. Final assembly means where the article assumes the essential character of the final product and thereby gets classified as the final product. Further operations which do not change the classification will not change the origin (IND)]

[Product Specific] [Chapter] Residual Rule Submitted to CRO for decision (Doc.OC0023E2, Issue No.75)

[2/OPTION 1:

When no country satisfies the primary rule determining the origin of the assembly of articles of apparel and clothing accessories of heading 61.01 to 61.15 and 62.01 to 62.12 from parts for the goods, the country in which 8 or more major or other parts of the goods are assembled shall be the country of origin for the goods. (CAN)]

[2/OPTIONS 2 and 3:

When application of the primary rules of this Chapter (including the product specific rules provided in the matrix) do not result in a determination of a country of origin, the country of origin shall be determined as follows :

1. Where the primary rule for a good assembled from parts requires that the good be wholly assembled in a single country, the country of origin of such a good that was not wholly assembled in a single country, is the country in which the most significant assembly operations were performed in the making-up of the good, without regard to the addition of buttons and other fasteners, belt and hanger loops, belts, patch pockets, labels, foot straps, epaulettes, ornaments and other minor components.

2. The country of origin of other goods of this Chapter shall be the country where the textile fabric or knit-to-shape components was formed, or in the case of a good containing textile fabrics or knit-to-shape component of more than one country, the origin of the good is the country in which the textile fabric or knit-to-shape component that predominates by weight was formed. (US)]

[2/OPTION 4:

When application of the primary rules of Chapters 61 and 62 (including the product specific rules provided in the matrix) do not result in a determination of a country of origin, the country of origin shall be determined as follows :

Where the primary rule for a good assembled from parts requires that the good be wholly assembled in a single country, the country of origin of such a good that was not wholly assembled in a single country, is the country in which the most significant assembly operations were performed in the making-up of the good, without regard to:

- attaching and/or making up of the following, for example: buttons and other fasteners, patch pockets, foot straps, trimmings, ornaments, cuffs, plackets, belt loops, epaulettes, labels, collars, lining, padding, pockets other than patch pockets, waistbands, garment accessories, facings, self belts, pleats;
- making button holes, hemming, pressing, stone or acid washing. (HK)]

[Criteria to apply Appendix 2, Rule 2(g)]

The criteria to determine the major portion of the materials as set forth in Appendix 2, Rule 2(g) for this Chapter are:

[Value (EC)]

[Total value of parts and related processing activity (CH)]

CHAPTER 62²²

Section Note : Submitted to CRO for decision (Doc.OC0023E2, Issue No.74)

Minor processing operations not affecting origin.

For the purposes of determining the country of origin for goods falling within Section XI that are not wholly obtained in one country, the following individual processes, considered singly, shall not affect the origin of the goods concerned, whether or not such processes result in changes of classification:

- a) Working or finishing one or more edges by hemming, rolling, whipping or similar means or by knotting fringe;
- b) Cutting fabrics, yarns or other textile materials; or separating goods produced in the finished state by cutting along dividing threads;
- c) Assembling or joining goods by sewing or stitching for convenience of shipment or other temporary purposes;
- d) Putting up goods for retail sale or in sets or ensembles. (US)]

Chapter Notes : Submitted to CRO for decision (Doc. 42.271, Issue No. 46)

[1. / OPTION 1:

- a) For the purposes of this chapter, and subject to paragraph (b), the term “assembled in a single country” means that all of the assembly operations following the cutting of the fabric ,or the knitting or crocheting to shape, of the parts have been performed in that country.
- b) For the purposes of paragraph (a) performing or not performing operations such as the following shall not affect the determination of whether the good has been assembled in a single country: attaching: items such as accessories,buttons and/or other fasteners, pockets, trimmings, cuffs, plackets, labels, [collars (JPN) (PHI) (MAL) (CH) (NOR)]; making button holes, hemming. (EC) (JPN) (PHI) (MAL) (TUR) (CH) (NOR) (FIJ) (CR)]

[1/ OPTION 2:

- a) For the purposes of this chapter, and subject to paragraph (b), the term “assembled in a single country” means that all of the assembly operations following the cutting of the fabric to shape of the parts have been performed in that country.
- b) For the purposes of paragraph (a) performing or not performing operations such as the following shall not affect the determination of whether the good has been assembled in a single country: [attaching and/or making up of the following, for example (HK)] [attaching to garments or accessories (US)] : buttons and other fasteners, patch pockets, foot straps, trimmings, ornaments, cuffs, plackets, belt loops, epaulettes, labels, [collars (US) (HK)],

²² There is an agreement in the TCRO that the change in use of the goods is not origin conferring process.

[lining, padding, pockets other than patch pockets, waist bands, garment accessories, facings, self belts, pleats (HK)];making button holes, hemming, [pressing, stone or acid washing (US) (HK)] (US) (MEX) (HK) (SEN) (GUA) (EGY) (AUS)]

[1/ OPTION 3:

a) For the purpose of this chapter, and subject to paragraph (b), “both cut or knitted or crocheted to shape and sewn or otherwise assembled in the country claiming origin” means that all of the assembly operations along with the cutting of the fabric, or the knitting or crocheting to shape , of the parts have been performed in that country.

b) For the purpose of paragraph (a) performing or not performing operations such as the following shall not affect the determination of whether the good has been assembled in a single country: attaching: buttons and other fasteners, patch pockets, foot straps, trimmings, ornaments, cuffs, plackets, belt loops, epaulettes, labels, collars, padding and waist bands. (NZ) (BRA) (ARG) (PAK)]

[1/OPTION 4:

a) For the purposes of this chapter, except for goods knitted or crocheted to shape, the term “substantial assembly” means sewing together or assembly of all the major garment parts of a good of this chapter.

b) For the purposes of this chapter “major garment parts” means integral components of a garment, but does not include parts such as collars, cuffs, waistbands, plackets, pockets, linings, paddings or accessories. (CAN)]

[1/OPTION 5:

For the purposes of Chapters 61 and 62, the country of origin of an article of apparel or clothing accessories shall be the country where such apparel or clothing accessory, as the case may be, is finally assembled. Final assembly means where the article assumes the essential character of the final product and thereby gets classified as the final product. Further operations which do not change the classification will not change the origin (IND)]

[Product Specific] [Chapter] Residual Rule Submitted to CRO for decision (Doc.OC0023E2, Issue No.75)

[2/OPTION 1:

When no country satisfies the primary rule determining the origin of the assembly of articles of apparel and clothing accessories of heading 61.01 to 61.15 and 62.01 to 62.12 from parts for the goods, the country in which 8 or more major or other parts of the goods are assembled shall be the country of origin for the goods. (CAN)]

[2/OPTIONS 2 and 3:

When application of the primary rules of this Chapter (including the product specific rules provided in the matrix) do not result in a determination of a country of origin, the country of origin shall be determined as follows :

1. Where the primary rule for a good assembled from parts requires that the good be wholly assembled in a single country, the country of origin of such a good that was not wholly assembled in a single country, is the country in which the most significant assembly operations were performed in the making-up of the good, without regard to the addition of buttons and other fasteners, belt and hanger loops, belts, patch pockets, labels, foot straps, epaulettes, ornaments and other minor components.
2. The country of origin of other goods of this Chapter shall be the country where the textile fabric or knit-to-shape components was formed, or in the case of a good containing textile fabrics or knit-to-shape component of more than one country, the origin of the good is the country in which the textile fabric or knit-to-shape component that predominates by weight was formed. (US)]

[2/OPTION 4:

When application of the primary rules of Chapters 61 and 62 (including the product specific rules provided in the matrix) do not result in a determination of a country of origin, the country of origin shall be determined as follows :

Where the primary rule for a good assembled from parts requires that the good be wholly assembled in a single country, the country of origin of such a good that was not wholly assembled in a single country, is the country in which the most significant assembly operations were performed in the making-up of the good, without regard to:

- attaching and/or making up of the following, for example: buttons and other fasteners, patch pockets, foot straps, trimmings, ornaments, cuffs, plackets, belt loops, epaulettes, labels, collars, lining, padding, pockets other than patch pockets, waistbands, garment accessories, facings, self belts, pleats;
- making button holes, hemming, pressing, stone or acid washing. (HK)]

[Criteria to apply Appendix 2, Rule 2(g)]

The criteria to determine the major portion of the materials as set forth in Appendix 2, Rule 2(g) for this Chapter are:

[Value (EC)]

[Total value of parts and related processing activity (CH)]

CHAPTER 63

Section Note: Submitted to CRO for decision (Doc.OC0023E2, Issue No.74)

[Minor processing operations not affecting origin.]

For the purposes of determining the country of origin for goods falling within Section XI that are not wholly obtained in one country, the following individual processes, considered singly, shall not affect the origin of the goods concerned, whether or not such processes result in changes of classification:

- (a) Working or finishing one or more edges by hemming, rolling, whipping or similar means or by knotting fringe;
- (b) Cutting fabrics, yarns or other textile materials; or separating goods produced in the finished state by cutting along dividing threads;
- (c) Assembling or joining goods by sewing or stitching for convenience of shipment or other temporary purposes;
- (d) Putting up goods for retail sale or in sets or ensembles. (US)]

[Product Specific] [Chapter] Residual Rule Submitted to CRO for decision (Doc.OC0023E2, Issue No.77)

[When application of the primary rules of this chapter (including the product specific rules provided in the matrix) does not result in a determination of a country of origin, the country of origin shall be determined as follows:

1. The country of origin of goods of this Chapter shall be the country where the textile fabric was formed, or in the case of a good containing textile fabrics of more than one country, the origin of the good is the country in which the textile fabric that predominates by weight was formed (US)]

CHAPTER 64

Chapter Notes:

1. **Definition of "formed uppers" : Submitted to CRO for decision (Doc. 42.533, Issue No. 11)**

[Uppers of Heading No. 64.06 having closed bottoms, which have been shaped by lasting, molding or otherwise, but not by simply closing at the bottom.]
(US) (HK) (CH) (CAN) (PHI)]

[Uppers with insole material attached to the upper, which would prevent the base of a foot placed in the upper from coming in contact with the ground. Except for footwear of moccasin style construction, where the upper material is continued under the foot to form an insole from one continuous piece of leather.] (AUS)

2. For the purposes of this Chapter, those rules which refer to a change of heading or subheading shall not apply to changes which result from disassembly.
Basket 1

[Product Specific] [Chapter] Residual Rule: Submitted to CRO for decision (Doc. OC0023E2, Issue No.77)

[When application of the primary rules of this chapter (including the product specific rules provided in the matrix) does not result in a determination of a country of origin.

1. The country of origin of a good of heading 64.06 that was assembled from parts, but was not wholly assembled in a single country, is the country in which the most significant assembly operations were performed in the making-up of the good, without regard to the addition of buttons and other fasteners, hanger loops, labels, foot straps, ornaments and other minor components (US)]

CHAPTER 65

[Product Specific] [Chapter] Residual Rule: Submitted to CRO for decision (Doc. OC0023E2, Issue No.77)

When application of the primary rules of this chapter (including the product specific rules provided in the matrix) does not result in a determination of a country of origin, the country of origin shall be determined as follows:

- [1. For a good of headings 65.01 through 65.05 that was assembled from parts, where the primary rule requires that the good be wholly assembled in a single country, is the country in which the most significant assembly operations were performed in the making-up of the good, without regard to the addition of buttons and other fasteners, hanger loops, tighteners, labels, hat bands, ornaments and other minor components (US)]

CHAPTER 66

Chapter Notes

For the purposes of this Chapter, those rules which refer to a change of heading or subheading shall not apply to changes which result from disassembly.
Basket 1.

[Product Specific] [Chapter] Residual Rule: Submitted to CRO for decision (Doc. OC0023E2, Issue No.77)

When application of the primary rules of this chapter (including the product specific rules provided in the matrix) does not result in a determination of a country of origin, the country of origin shall be determined as follows:

- [1. The country of origin of a good of heading 66.01 that was assembled from parts, but was not wholly assembled in a single country, is the country in which the most significant assembly operations were performed in the making-up of the good, without regard to the addition of buttons and other fasteners, hanger loops, labels, ornaments and other minor components (US)]

CHAPTERS 67- 69

No Chapter Note

CHAPTER 70

Chapter Notes

For heading 7019.51 to 7019.90, those rules which refer to a change of subheading shall not apply to changes which are the result solely of trimming or cutting. **Submitted to CRO for decision (Doc.OC0012, Issue No.7)**

CHAPTER 71

Chapter Note

[For the purposes of this Chapter, whenever finished goods are produced from blanks or other unfinished forms classified in the same heading or subheading as the finished goods, they shall originate in the country in which the goods were finished, provided that :

- a) In their imported prefinished condition, the blanks or unfinished forms were not capable of being sold in their condition as imported or of functioning for their ultimate use and have not been advanced beyond cleaning or working to remove flash, sprues, burrs or similar excess material, and
- b) The blanks or unfinished goods are configured to final shape by significant removal of material (other than by edge-working process)] **Submitted to CRO for decision (Doc.OC0009, Issue No.5)**

CHAPTER 72

Chapter Notes

For the purposes of this Chapter, a change of classification resulting only from cutting is not regarded as a substantial transformation. **Basket 1**

For the purposes of this Chapter, the expression “cold-rolling” means cold-reduction resulting in changes to the crystalline structure of the workpiece. Cold-rolling does not include a very light cold-rolling process (skin pass or pinch pass) which acts only on the surface of the material and does not result in change to its crystalline structure. **Basket 1**

CHAPTER 73

Chapter Notes:

Assembling operations, other than simple assembling operations, within this Chapter are to be considered as substantial transformation. **Basket 1 (in principle, the text to be finalised later)**

[For heading 73.18, mere attachment without grinding to shape, heat treatment and surface treatment operation it not considered to be a substantial transformation. (JPN)]

For the purposes of those rules of origin which refer to a change of classification (i.e. change of heading or subheading), the following changes shall not confer origin:

- a) changes which result from disassembly;
- b) changes which result from packaging or repackaging; or
- c) changes which result solely from application of General Rule of Interpretation 2(a) with respect to collections of parts that are presented as unassembled articles of another heading or subheading. **Basket 1 (in principle, the text to be finalised later)**

CHAPTER 74

Chapter Notes: **Basket 1 (in principle, the text to be finalised later)**

- 1. For the purposes of this Chapter, assembly operations, other than simple assembly operations, of goods of this Chapter are to be considered as substantial transformation.
- 2. A change of classification solely by virtue of coiling of bars or rods to wire or uncoiling wire to bars or rods is not considered to be substantial transformation.
- 3. For the purposes of those rules of origin which refer to a change of classification (i.e. change of heading or subheading), the following changes shall not confer origin:
 - a) changes which result from disassembly;
 - b) changes which result from packaging or repackaging; or

- c) changes which result solely from application of General Rule of Interpretation 2(a) with respect to collections of parts that are presented as unassembled articles of another heading or subheading.

CHAPTER 75

Chapter Notes: Basket 1 (in principle, the text to be finalised later)

1. For the purposes of this Chapter, assembly operations, other than simple assembly operations, of goods of this Chapter are to be considered as substantial transformation.

A change of classification solely by virtue of coiling of bars or rods to wire or uncoiling wire to bars or rods is not considered to be substantial transformation.
3. For the purposes of those rules of origin which refer to a change of classification (i.e. change of heading or subheading), the following changes shall not confer origin:
 - a) changes which result from disassembly;
 - b) changes which result from packaging or repackaging; or
 - c) changes which result solely from application of General Rule of Interpretation 2(a) with respect to collections of parts that are presented as unassembled articles of another heading or subheading.

CHAPTER 76

Chapter Notes: Basket 1 (in principle, the text to be finalised later)

1. For the purposes of this Chapter, assembly operations, other than simple assembly operations, of goods of this Chapter are to be considered as substantial transformation.
2. A change of classification solely by virtue of coiling of bars or rods to wire or uncoiling wire to bars or rods is not considered to be substantial transformation.
3. For the purposes of those rules of origin which refer to a change of classification (i.e. change of heading or subheading), the following changes shall not confer origin:
 - a) changes which result from disassembly;

- b) changes which result from packaging or repackaging; or
- c) changes which result solely from application of General Rule of Interpretation 2(a) with respect to collections of parts that are presented as unassembled articles of another heading or subheading.

CHAPTER 78

Chapter Notes: Basket 1 (in principle, the text to be finalised later)

1. For the purposes of this Chapter, assembly operations, other than simple assembly operations, of goods of this Chapter are to be considered as substantial transformation.
2. A change of classification solely by virtue of coiling of bars or rods to wire or uncoiling wire to bars or rods is not considered to be substantial transformation.
3. For the purposes of those rules of origin which refer to a change of classification (i.e. change of heading or subheading), the following changes shall not confer origin:
 - a) changes which result from disassembly;
 - b) changes which result from packaging or repackaging; or
 - c) changes which result solely from application of General Rule of Interpretation 2(a) with respect to collections of parts that are presented as unassembled articles of another heading or subheading.

CHAPTER 79

Chapter Notes: Basket 1 (in principle, the text to be finalised later)

1. For the purposes of this Chapter, assembly operations, other than simple assembly operations, of goods of this Chapter are to be considered as substantial transformation.
2. A change of classification solely by virtue of coiling of bars or rods to wire or uncoiling wire to bars or rods is not considered to be substantial transformation.
3. For the purposes of those rules of origin which refer to a change of classification (i.e. change of heading or subheading), the following changes shall not confer origin:

- a) changes which result from disassembly;
- b) changes which result from packaging or repackaging; or
- c) changes which result solely from application of General Rule of Interpretation 2(a) with respect to collections of parts that are presented as unassembled articles of another heading or subheading.

CHAPTER 80

Chapter Notes: Basket 1 (in principle, the text to be finalised later)

1. For the purposes of this Chapter, assembly operations, other than simple assembly operations, of goods of this Chapter are to be considered as substantial transformation.
2. A change of classification solely by virtue of coiling of bars or rods to wire or uncoiling wire to bars or rods is not considered to be substantial transformation.
3. For the purposes of those rules of origin which refer to a change of classification (i.e. change of heading or subheading), the following changes shall not confer origin:
 - a) changes which result from disassembly;
 - b) changes which result from packaging or repackaging; or
 - c) changes which result solely from application of General Rule of Interpretation 2(a) with respect to collections of parts that are presented as unassembled articles of another heading or subheading.

CHAPTER 81

Chapter Notes: Basket 1 (in principle, the text to be finalised later)

1. For the purposes of this Chapter, assembly operations, other than simple assembly operations, of goods of this Chapter are to be considered as substantial transformation.
2. A change of classification solely by virtue of coiling of bars or rods to wire or uncoiling wire to bars or rods is not considered to be substantial transformation.

3. For the purposes of those rules of origin which refer to a change of classification (i.e. change of heading or subheading), the following changes shall not confer origin:
- a) changes which result from disassembly;
 - b) changes which result from packaging or repackaging; or
 - c) changes which result solely from application of General Rule of Interpretation 2(a) with respect to collections of parts that are presented as unassembled articles of another heading or subheading.

CHAPTER 82

Chapter Notes:

1. Assembly Submitted to CRO for decision (Doc.OC0031, Issue No.1)

[The manufacturing process for the assembly of a finished product from parts, other than “simple assembly”, is considered the last substantial transformation. (CH)]

[Obtaining a finished product by assembly from parts is considered the last substantial transformation. (MOR)]

2. Disassembly Submitted to CRO for decision (Doc.OC0031, Issues Nos.11 and 12; Doc.OC0029)

Disassembly operations, including those which result in a change of tariff classification, shall not be considered origin conferring. **Basket 1**

[The parts or any article recovered from the good shall retain the country of origin of the good prior to disassembly.]

3. Change of use Submitted to CRO for decision (Doc.OC0031, Issue No.9; Doc.OC0029)

[A change of classification which results from the change of use of a good that has not undergone any further working or processing shall not be considered as the change required by the rule set out in Appendix 2. The good shall retain the country of origin it had prior to the change of classification.]

4. **Sets** Submitted to CRO for decision (Doc.OC0029)

[OPTION A:

- 1) Putting articles up in sets shall not be considered as a substantial transformation;
- 2) The country of origin of a set put up from articles that originate in one country shall be that country;
- 3) The country of origin of a set put up from articles that originate in more than one country shall be the country of origin of the articles that confer the essential character on the set as a whole;
- 4) In the event that neither 2) nor 3) is met, the country of origin shall be the single country in which the greatest number of articles in the set were made. (JPN)]

[OPTION B:

- 1) Putting articles up in sets shall not be considered as a substantial transformation;
- 2) The country of origin of a set put up from articles that originate in one country shall be that country;
- 3) The country of origin of a set put up from articles that originate in more than one country shall be the single country in which the greatest number of articles in the set were made.
- 4) In the event that neither 2) nor 3) is met, the country of origin shall be the country of origin of the articles that confer the essential character on the set as a whole; (US)]

[OPTION C:

- 1) Putting articles up in sets shall not be considered as a substantial transformation;
- 2) The country of origin of a set put up from articles that originate in one country shall be that country;
- 3) The country of origin of a set put up from articles that originate in more than one country shall be the country of the article(s) representing the highest value, the value of the articles having the same origin being taken together. (EC)]

5. **Incomplete or unfinished goods under the HS GIR 2(a)** Submitted to CRO for decision (Doc.OC0025/2, Issue No.1)

[When neither the product specific rules provided in the matrix are determinant of origin the following shall apply: (US)]

[Whenever the change of classification rules set out for goods of Chapter 82 are not determinative of the country of origin of the good; the following substantial transformation rules are to be applied: (CH)]

[A-1. Goods produced from an incomplete or unfinished article classifiable in the same heading or subheading by application of GIR.2(a):

Where goods are produced from an incomplete or unfinished (other than unassembled or disassembled) article which had the essential character of the complete or finished goods and was classifiable, by application of GIR.2(a), in the same heading or subheading as the complete or finished goods, origin of the presented goods shall be determined as follows:

i. Blanks:

Where the goods are produced from a blank:

(1) Provided all the following criteria are met, the country of origin of the goods shall be the country in which the blank was finished:

a) In its imported prefinished condition, the blank was not capable of functioning for its ultimate use and was not advanced beyond cleaning or working to remove flash, spurs, burrs or similar excess material, and

b) In the country in which the goods were finished:

(i) The blank was configured to final shape by the removal of material (other than by honing or polishing), or by bending, hammering, pressing, stamping or similar forming process; and

(ii) The blank underwent one or more of the following processes:

- 1) Hardening to a minimum hardness of 38 degrees Rockwell C or equivalent standard of hardness; or
- 2) Assembly with five or more parts (other than parts of general use as defined in Note 1(g) to Section XVI of the HS).

(2) If the criteria of subparagraph (1)(a) above are not satisfied, the country of origin of the goods shall be the country of origin of the blank.

ii. Other.

Where the goods are produced from an incomplete or unfinished article, other than a blank, the origin of presented goods shall be the country of origin of the incomplete or unfinished article from which it was produced. (US)]

[A-2. A finished good or part produced from a non-originating unfinished article or part classified in the same heading or subheading as the finished good or part shall originate in the country in which the good or part was finished, provided that the unfinished good or part is not functioning for its ultimate use in its imported condition and has undergone at least mechanical treatment, refining of form - positional - and surface tolerances of functional finished shapes such as turning, milling, drilling, broaching, grinding, polishing, honing, eroding and one or more of the following processes :

- assembly by build-up such as but not limited to welding, soldering, shrinking, bolting, gluing, fitting, fixing, spooling, winding, connecting, wiring, coupling,

or

- heat treatment or thermochemical treatment such as glowing, tempering, hardening,

or

- treatment for the purpose of shaping forming such as cold or warm forming,

or

- surface treatment such as coating, compressing, condensing, impregnating (excluding temporary conservation for transport and/or storage purpose), insulating, (CH)]

[B-1. Other Goods of this Chapter.

When paragraph A-1(i) or A-1(ii) is not satisfied, the country of origin shall be the country in which the working edge, working surface or working part underwent a change of classification to a heading of this Chapter from any other Chapter (e.g. from a bar or rod of Chapter 72 to a chisel of Heading 82.05) (US)]

- [B-2. A finished good or part produced from a non-originating unfinished article or part classified in the same heading or subheading as the finished good or part which does not satisfy the conditions mentioned in Rule A-2 above shall originate in the country in which the assembly takes place provided that more than 10 constituent parts, other than screws and bolts, are assembled. (CH)]

[Product Specific] [Chapter] Residual Rule

[When application of the primary rules of this chapter (including the product specific rules provided in the matrix) does not result in a determination of a country of origin, the country of origin shall be determined as follows:

1. Goods produced by assembly of 5 or more parts (other than parts of general use, as defined in Note 2 to Section XV or similar parts of plastic (Chapter 39)) shall have origin in the country of assembly.
2. Goods produced by the assembly of less than 5 parts (other than parts of general use, as defined in Note 2 to Section XV or similar parts of plastic (Chapter 39)), and one or more of the parts (other than parts of general use, as defined in Note 2 to Section XV or similar parts of plastic (Chapter 39)) satisfies the requirements for origin in the country of assembly, shall have origin in the country of assembly.
3. For purposes of the subparagraphs 1 and 2 above, the following shall not be considered origin conferring operations:
 - a) the attachment of parts of general use (as defined in Note 2 to Section XV or similar parts of plastic (Chapter 39)),

- b) the attachment of handles, dials, knobs, hand cranks, and other consumer-operated controls,
- c) installation of articles not designed to become a permanent part of the good, or
- d) the attachment of accessories or parts which serve only to enhance the operation of the good. (US)]

[Criteria to apply Appendix 2, Rule 2(g)]

The criteria to determine the major portion of the materials as set forth in Appendix 2, Rule 2(g) for this Chapter are:

[Value (EC)]

CHAPTER 83

Chapter Note

1. Assembly Submitted to CRO for decision (Doc.OC0031, Issue No.1)

[The manufacturing process for the assembly of a finished product from parts, other than “simple assembly”, is considered the last substantial transformation. (CH)]

[Obtaining a finished product by assembly from parts is considered the last substantial transformation. (MOR)]

2. Incomplete or unfinished goods under the HS GIR 2(a) Submitted to CRO for decision (Doc.OC0026/2, Issue No.1)

[Whenever the change of classification rules set out for goods of Chapter 83 are not determinative of the country of origin of the good; the following substantial transformation rules are to be applied :

- a) A finished good or part produced from a non-originating unfinished article or part classified in the same heading or subheading as the finished good or part shall originate in the country in which the good or part was finished, provided that the unfinished good or part is not functioning for its ultimate use in its imported condition and has undergone at least mechanical treatment, refining of form - positional - and surface tolerances of functional finished shapes such as turning, milling, drilling, broaching, grinding, polishing, honing, eroding and one or more of the following processes :
 - assembly by build-up such as but not limited to welding, soldering, shrinking, bolting, gluing, fitting, fixing, spooling, winding, connecting, wiring, coupling,

or

- heat treatment or thermochemical treatment such as glowing, tempering, hardening,

or

- treatment for the purpose of shaping forming such as cold or warm forming,

or

- surface treatment such as coating, compressing, condensing, impregnating (excluding temporary conservation for transport and/or storage purpose), insulating,

b) A finished good or part produced from a non-originating article or part classified in the same heading or subheading as the finished good or part which does not satisfy the conditions mentioned in Rule 2.a) above shall originate in the country in which the assembly takes place provided that more than 10 constituent parts, other than screws and bolts, are assembled. (CH)]

[Product Specific] [Chapter] Residual Rule

[When application of the primary rules of this chapter (including the product specific rules provided in the matrix) does not result in a determination of a country of origin, the country of origin shall be determined as follows:

1. Goods produced by assembly of 5 or more parts (other than parts of general use, as defined in Note 2 to Section XV or similar parts of plastic (Chapter 39)) shall have origin in the country of assembly.
2. Goods produced by the assembly of less than 5 parts (other than parts of general use, as defined in Note 2 to Section XV or similar parts of plastic (Chapter 39)), and one or more of the parts (other than parts of general use, as defined in Note 2 to Section XV or similar parts of plastic (Chapter 39)) satisfies the requirements for origin in the country of assembly, shall have origin in the country of assembly.
3. For purposes of the subparagraphs 1 and 2 above, the following shall not be considered origin conferring operations:
 - a) the attachment of parts of general use (as defined in Note 2 to Section XV or similar parts of plastic (Chapter 39)),
 - b) the attachment of handles, dials, knobs, hand cranks, and other consumer-operated controls,
 - c) installation of articles not designed to become a permanent part of the good, or
 - d) the attachment of accessories or parts which serve only to enhance the operation of the good. (US)]

[Criteria to apply Appendix 2, Rule 2(g)]

The criteria to determine the major portion of the materials as set forth in Appendix 2, Rule 2(g) for this Chapter are:

[Value (EC)]

[weight (US)]

**CHAPTER 84
CHAPTER 85
CHAPTER 86
CHAPTER 87
CHAPTER 88
CHAPTER 89
CHAPTER 90**

[Chapter Notes][Chapter Rules][Legal Notes]

For the purposes of this chapter:

[1. Limitations on change of classification rules: (US)]

[[Notwithstanding the product specific rules in the matrix,] where a change of classification (i.e., change of heading, subheading, split heading or split subheading) results from one of the following circumstances, origin shall be determined as indicated: (US)]

[Where satisfaction of the rules of this Appendix results solely from the following circumstances, origin shall be determined as indicated [herein] [in Appendix]. (Alternative US Text)]

A. Disassembly

Disassembly operations, including those which result in a change of tariff classification, shall not be considered origin conferring. Basket 1

[1] A change of classification which results from the disassembly of the good that can perform its original purpose shall not be considered as the change required by the rule set forth in the matrix. The parts recovered from the good shall retain the country of origin of the good prior to disassembly. (US) Submitted to CRO for decision (Doc.OC0031, Issues Nos.11 and 12)

[2] A change of classification which results from the disassembly of the good that cannot perform its original purpose without being restored or repaired shall not be considered as the change required by the rule set forth in the matrix. The country of origin of the recovered parts shall be (one among the following options (US):] Submitted to CRO for decision (Doc.OC0031, Issues Nos.11 and 12)

- [a] the country where the parts are recovered;] (SEN)
- [b] the country of origin of the good from which the parts are recovered;] (CAN)
- [c] the initial country of origin of the parts.] (IND)

[Reassembly of disassembled parts: Submitted to CRO for decision (Doc.OC0031, Issue No.13)

A good reassembled from disassembled parts shall have origin in the country where the good satisfy the rule set forth in the matrix. If the country of origin is not determined by the rule set forth in the matrix, [Note][Rule] [*a [general] [final] residual rule*] 2 shall apply. (CH)]

B. Packaging or repackaging Submitted to CRO for decision (Doc.OC0031, Issue No.6)

[Where a change in classification results from packaging or repackaging the origin of the good shall be the origin prior to such packaging or repackaging. (US) (AUS) (SEN)]

C. Application of HS GIR 2(a) - Collection of parts into kits Submitted to CRO for decision (Doc.OC0031, Issues Nos.4 and 5)

[Where a change in classification results from the application of HS General Interpretative Rule 2(a) with respect to collections of parts that are presented as unassembled articles of another heading or subheading the individual parts shall retain their origin prior to such collection. (For goods assembled from collections of parts, Note 2.C shall apply.) (US) (AUS)]

[A change of classification which results from the application of Rule 2(a) of the General Rules for the Interpretation of the HS (GIR 2(a)), with respect to a collection of parts, shall not be considered as the change required by the rule set forth in the matrix. (Sec)]

[A good assembled from a collection of parts that are classified by virtue of the application of GIR 2(a) in the same heading or subheading as the good shall have origin in the country where, subject to paragraph *[next]*, the relevant rule or note set out in the Appendix is satisfied.

The change of classification that may be required by the relevant rule in the matrices is considered to have taken place in the country in which the good is assembled from the collection of parts.] (JPN) (CAN) (HK) (CH)

D. Functional units Submitted to CRO for decision (Doc.OC0031, Issue No.7)

[Where a change in classification results from the application of note 4 to Section XVI of the HS to separately packaged goods presented together in a single shipment the separately packaged goods shall retain their origin prior to such presentation. (US) (JPN) (AUS)]

E. Change of use Submitted to CRO for decision (Doc.OC0031, Issue No.9)

[A change of classification which results from the change of use of the good shall not be considered as the change required by the rule set forth in the matrix. (SEN)]

F. Recertification or retesting of articles Submitted to CRO for decision (Doc.OC0031, Issue No.10)

[A change of classification which results from the recertification or retesting of the good shall not be considered as the change required by the rule set forth in the matrix. (Sec)]

G. Degradation of goods by ageing or consumption or any other reason Submitted to CRO for decision (Doc.OC0031, Issue No.8)

[[Unless otherwise provided] a change of classification which results from degradation of the good by ageing or consumption or any other reason shall not be considered as the change required by the rule set forth in the matrix. (SEN)]

2-1. [Origin Conferring Primary Rules (Sec)]: (SG) (IND) Submitted to CRO for decision (Doc.OC0031, Issue No.1)

[A. Goods of this chapter that are not wholly the product of one country shall be deemed to originate in the last country where one of the following occurs:

- a) Non-originating materials undergo a change of classification from any other sub-heading, including a sub-heading of the same heading (CTSH); or from any other heading (CTH) as indicated in the specific headings or subheadings; or
- b) Obtaining goods from parts by assembly, including sub-assembly, shall be considered as reflecting last substantial transformation; or
- c) Process (such as mounting of integrated circuits) as defined for the specific headings or subheadings which result in new characteristics or use in the finished product. (SG)]

[B. An assembly operation resulting in a new good having new characteristics is considered to be substantial transformation. (IND) (MOR) (SEN for Chapters 84 to 86 only)]

[C. For the purposes of Chapter 87 the following goods, when assembled and finished, shall originate in the country where assembly and finishing results in a change of subheading:

- a) Bumpers;
- b) Air bag systems (including inflators and modules);
- c) Body assemblies ;
- d) Brakes and servo-brakes;
- e) Gear boxes and similar gear assemblies;

- f) Axles, whether or not provided with other transmission components;
- g) Wheels;
- h) Suspension shock-absorbers;
- ij) Vehicle suspension assemblies;
- k) Radiators;
- l) Silencers and exhaust pipes;
- m) Clutches;
- n) Steering wheels, steering columns and steering boxes;
- o) Handle bar assemblies; and
- p) Chassis or frame assemblies. (US)]

2-2. [Additional and residual (US)] [Origin Conferring Primary (Sec)] rules:

[When neither the product specific rules provided in the matrix nor legal note 1 above are determinant of origin, the following shall apply: (US)]

[A. Goods produced from forged or cast blanks (US) (CH) (AUS) **Submitted to CRO for decision (Doc.OC0031, Issue No.2)**

Where goods are produced from forged or cast blanks which had the essential character of the complete or finished goods and were classifiable, by application of HS General Interpretative Rule 2(a), in the same heading or subheading as the complete or finished goods:

- 1) Provided the following criteria are met, the country of origin of the goods shall be the country in which the blank was finished: (US) (CH) (AUS)
 - a) In its imported prefinished condition, the blank was not capable of functioning for its ultimate use and was not advanced beyond cleaning or working to remove flash, sprues, burrs or similar excess material, [and (US)] (AUS)
 - b) In the country in which the goods were finished: (US) (CH)
 - (i) The blank was configured to final shape by the removal of material (other than merely by honing or polishing or both), or by bending, hammering, pressing, stamping or similar forming process; and (US) (CH)
 - (ii) The blank underwent one or more of the following processes:
 - 1. [Hardening to a minimum hardness of 38 degrees Rockwell C [or Vickers H-V-3-70] or equivalent standard of hardness; (US)]
[Heat treatment or thermochemical treatment, such as glowing, tempering, hardening; (CH)] or
 - 2. Assembly with five or more parts (other than parts of general use as defined in [Note 2 to Section XV or similar parts of plastic (Chapter 39) (US)] [Note 1(g) to Section XVI of the HS (CH)]); or (US) (CH)
 - 3. Surface treatment, such as coating, compressing, condensing, impregnating or insulating; (CH)

2) If the criteria of subparagraph 1) above are not satisfied, the country of origin of the goods shall be the country of origin of the blank. (US) (CH) (AUS)]

[B. **Finished goods or parts produced from unfinished goods or parts, other than blanks:** (CH) Submitted to CRO for decision (Doc.OC0031, Issue No.3)

Whenever the change of classification rules set out for goods of chapters 84 to 90 and 93 are not determinant of the country of origin of the good, the following substantial transformation rules are to be applied:

a) A finished good or part produced from a non-originating unfinished good or part classified in the same heading or subheading as the finished good or part shall originate in the country in which the good or part was finished, provided:

(i) the unfinished good or part is not functioning for its ultimate use in its imported condition and has undergone at least two or more of the following processes:

- assembly by built-up such as but not limited to welding, soldering, shrinking, bolting, glueing, fitting, fixing, spooling, winding, connecting, wiring, coupling; or
- heat treatment or thermochemical treatment such as glowing, tempering, hardening; or
- treatment for the purpose of shaping, forming such as cold or warm forming; or
- mechanical treatment, refining of form-, positional- and surface tolerances of functional finished shapes such as turning, milling, drilling, broaching, grinding, polishing, honing, eroding; or
- surface treatment such as coating, compressing, condensing, impregnating (excluding temporary conservation for transport and/or storage purpose), insulating; or
- system engineering, software-development and application;

and

(ii) The finished good or part has undergone final testing such as but not limited to balancing, spinning, voltage testing, performance- or isolation test.

b) A finished good or part, produced from a non-originating good or part, classified in the same subdivision as the finished good or part which do not satisfy the conditions mentioned in Rule 2.B.a) above shall originate in the country contributing most to the product in terms of total value of parts (including an unfinished good) and related processing activities.” (CH)]

[C. **/Other (US)/ /Chapter Residual Rules (Sec):** Submitted to CRO for decision (Doc.OC0031, Issue No.1)

Where neither the product specific rules in the matrix nor the preceding legal notes are determinant of origin, the following shall apply: (US) (CH) (AUS) (TUR for ex 8471.60(a) for split subheadings (A) and (B) only)

- 1) Goods produced by assembly of 5 or more parts (other than parts of general use, as defined in [Note 2 to Section XV or similar parts of plastic (Chapter 39) (US)] [note 1(g) to Section XVI of the HS (AUS)]) shall have origin in the country of assembly, or (US) (AUS) (TUR for ex 8471.60(a) for split subheadings (A) and (B) only)
- 2) Goods produced as a result of processing non-originating components into a device or apparatus capable of performing one or more new mechanical or electrical functions shall have origin in the country of such processing, or (US) (TUR for ex 8471.60(a) for split subheadings (A) and (B) only)
- 3) [Residual rule].— Goods produced by the assembly of less than 5 parts (other than parts of general use, as defined in Note 2 to Section XV of the HS or similar parts of plastic (Chapter 39)), and one or more of whose parts (other than parts of general use, as defined in [Note 2 to Section XV of the HS or similar parts of plastic (Chapter 39) (US)] [note 1(g) to Section XVI of the HS (AUS)]) satisfies the requirements for origin in the country of assembly, shall have origin in the country of assembly. (US) (AUS) (TUR for ex 8471.60(a) for split subheadings (A) and (B) only)
- 4) *[For the purposes of Paragraph 2.C above (Sec)]* the following shall not be considered origin conferring operations:
 - (i) the attachment of machinery to a base; (US) (CH) (JPN) (AUS)
 - (ii) the [installation (US)] [attachment (JPN)] of machinery or apparatus into cabinets or similar encasements; (US) (CH) (JPN) (AUS)
 - (iii) the attachment of parts of general use (as defined in [Note 2 to Section XV of the HS or similar parts of plastic (Chapter 39) (US)] [note 1(g) to Section XVI of the HS (CH) (JPN) (AUS)]); (US) (CH) (JPN) (AUS)
 - (iv) the attachment of handles, dials, knobs, hand cranks, and other consumer-operated controls; (US) (CH) (JPN) (AUS)
 - (v) the attachment of a power cord, [change of mains voltage/frequency by adding transformer, adapter or converter (TUR)] (US) (CH) (AUS)
 - (vi) installation of batteries, accumulators, [sensors, thermostats (TUR)] or [other (US)] [similar (JPN)] articles not designed to [or supplied (deletion proposed by US)] become a permanent part of the good; (US) (CH) (JPN) (AUS)
 - (vii) the attachment of accessories or parts (including printed circuits with components assembled thereon), which serve only to enhance the operation of the machine or device; (US) (AUS)
 - (viii) presetting, adding, changing parameters and settings of a programme in a machine, equipment or electronic equipment; (TUR)
 - (ix) Adding manuals, warranty cards, conformance certificates to standards with or without test, adding brand, name and/or model labels or relabelling; (TUR)
 - (x) Loading new software, version or different user language; (TUR)]

[Product specific] [Chapter] residual rules **Submitted to CRO for decision (Doc.OC0023E2, Issue No.77)**

[Chapter 87]

When application of the primary rules of this Chapter (including the product specific rules provided in the matrix) does not result in a determination of a country of origin, the country of origin shall be determined as follows:

1. The country of origin of safety seat belts of heading 87.08 that were assembled from narrow woven fabrics of heading 58.06 is the country where the fabrics were formed, or in the case of such a good containing textile fabrics of more than one country, the origin of the good is the country in which the textile fabric that predominates by weight was formed. (US)]

[Chapter 88

When application of the primary rules of this Chapter (including the product specific rules provided in the matrix) does not result in a determination of a country of origin, the country of origin shall be determined as follows:

1. The country of origin of a parts of and accessories to parachutes (including dirigible parachutes and paragliders) and rotochutes of heading 88.04 is the country where the fabrics were formed, or in the case of such a good containing textile fabrics of more than one country, the origin of such good is the country in which the textile fabric that predominates by weight was formed. (US)]

Criteria to apply Appendix 2, Rule 2(g) Submitted to CRO for decision (Doc.OC0029, Doc.OC0031, Issue No.1)

The criteria to determine the major portion of the materials as set forth in Appendix 2, Rule2(g) for this Chapter are:

- a) value (EC);
- b) number of units or components (US);
- c) essential characters (CAN);
- d) essential characters for Chapters 84 and 85; weight for Chapters 86 to 90 (JPN);
- e) total value of parts (including unfinished goods) and the related processing activities (CH).

Definitions Submitted to CRO for decision (Doc.OC0031, Issue No.2)

- a) *[The term “blank” means an article, not ready for direct use, having the approximate shape or outline of the finished article or part, and which can only be used, other than in exceptional cases, for completion into the finished article or part (e.g., bottle preforms of plastics being intermediate products having tubular shape, with one closed end and one open end threaded to secure a screw type closure, the portion below the threaded end being intended to be expanded to a desired size and shape.) (Sec)*

Method of calculating the ad valorem percentage prescribed in Origin Criteria: (EC) Submitted to CRO for decision (Doc.OC0031, Issue No.1)

For the purposes of calculating the percentage of the value added requested:

a) The term “ex works price” shall mean the price paid for the product obtained to the manufacturer in whose undertaking the last working or processing is carried out. The ex-works price shall include the value of all materials used in manufacture and all costs (material costs as well as other costs) effectively incurred by the manufacturer. Internal taxes which are, or may be, repaid when such product is exported or commercial price reductions shall not be taken into account.

The terms “value acquired as a result of working and processing” and “incorporation of parts originating in the country of manufacture” shall mean the increase in value resulting from the assembly itself, together with any preparatory, finishing and checking operations, and from the incorporation of any parts originating in the country where the operations were carried out, including profit and general costs borne in that country as a result of these operations.

CHAPTER 91

Chapter Notes

Disassembly operations, including those which result in a change of tariff classification, shall not be considered origin conferring. **Basket 1 (Endorsed by CRO)**

[Product specific] [Chapter] residual rules

When application of the primary rules of this chapter (including the product specific rules provided in the matrix) does not result in a determination of a country of origin, the country of origin shall be determined as follows:

1. The country of origin of goods of heading 91.13 that contain textile fabric or other textile material shall be the country where the textile fabric or other material was formed, or in the case of a good containing textile materials of more than one country, the origin of the good is the country in which the textile fabric or other textile material that predominates by weight was formed. (US)] **Submitted to CRO for decision (Doc.OC0023E2, Issue No.77)**

CHAPTER 92

Chapter Notes

1. For the purposes of those rules of origin which refer to a change of classification (i.e. change of heading or change of subheading), the following changes shall not confer origin:
 - a) changes which result from disassembly. **Basket 1**
 - b) changes which result from packaging or repackaging, or **Basket 1**
 - [c) changes which result solely from application of General Rule of Interpretation 2 (a) with respect to collections of parts that are presented as unassembled articles of another heading or subheading. (US)] **Submitted to CRO for decision (Doc.OC0031, Issue No.4; Doc.OC0029)**
2. [For collection of parts merely put together that do not satisfy the requirement of GIR2(a), the origin of the goods shall be the origin of individual parts (IND)] **Submitted to CRO for decision (Doc.OC0031, Issue No.4; Doc.OC0029)**

[Product specific] [Chapter] residual rules

[When application of the primary rules of this chapter (including the product specific rules provided in the matrix) does not result in a determination of a country of origin, the country of origin shall be determined as follows:

1. Goods produced by assembly of 5 or more parts (other than parts of general use, as defined in Note 2 to Section XV or similar parts of plastic (Chapter 39)) shall have origin in the country of assembly.
2. Goods produced by the assembly of less than 5 parts (other than parts of general use, as defined in Note 2 to Section XV of the HS or similar parts of plastic (Chapter 39)), and one or more of whose parts (other than parts of general use, as defined in Note 2 to Section XV of the HS or similar parts of plastic (Chapter 39)) satisfies the requirements for origin in the country of assembly, shall have origin in the country of assembly.
3. For purposes of the subparagraphs 1 and 2 above, the following shall not be considered origin conferring operations:
 - (a) the attachment of parts of general use (defined in Note 2 to Section XV or similar parts of plastic (Chapter 39));
 - (b) the attachment of handles, dials, knobs, hand cranks and other consumer-operated controls;
 - (c) installation of batteries, accumulators or other articles not designed to become a permanent part of the good, or
 - (d) the attachment of accessories or parts which serve only to enhance the operation of the good. (US)]

Criteria to apply Appendix 2, Rule 2(g)

The criteria to determine the major portion of the materials as set forth in Appendix 2, Rule 2(g) for this Chapter are:

[Weight or essential character (CAN)]

[Weight or volume, as appropriate (US)]

[Value (EC)]

[Total value of parts and related processing activity (CH)]

[Criteria to be left discretionary to each country (IND)]

CHAPTER 93

Chapter Notes

1. For the purposes of those rules of origin which refer to a change of classification (i.e., change of heading or change of subheading), the following changes shall not confer origin:
 - a) changes which result from disassembly, **Basket 1**
 - b) changes which result from packaging or repackaging, or **Basket 1**
 - [c) changes which result solely from application of General Rule of Interpretation 2(a) with respect to collections of parts that are presented as unassembled articles of another heading or subheading. (US)] **Submitted to CRO for decision (Doc.OC0031, Issue No.4; Doc.OC0029)**
2. [For collection of parts merely put together that do not satisfy the requirement of GIR 2(a), the origin of the goods shall be the origin of individual parts (IND)] **Submitted to CRO for decision (Doc.OC0031, Issue No.4; Doc.OC0029)**
3. [Whenever the change of classification rules set out for goods of chapters 84 to 90 and 93 are not determinant of the country of origin of the good, the following substantial transformation rules are to be applied:
 - A. A finished good or part produced from a non-originating unfinished good or part classified in the same heading or subheading as the finished good or part shall originate in the country in which the good or part was finished, provided:
 - (i) the unfinished good or part is not functioning for its ultimate use in its imported condition and has undergone two or more of the following processes:
 - assembly by built-up such as but not limited to welding, soldering, shrinking, bolting, glueing, fitting, fixing, spooling, winding, connecting, wiring, coupling; or
 - heat treatment or thermochemical treatment such as glowing, tempering, hardening; or
 - treatment for the purpose of shaping, forming such as cold or warm forming; or
 - mechanical treatment, refining of form-, positional- and surface tolerances of functional finished shapes such as turning, milling, drilling, broaching, grinding, polishing, honing, eroding; or
 - surface treatment such as coating, compressing, condensing, impregnating (excluding temporary conservation for transport and/or storage purpose), insulating; or
 - system engineering, software-development and application;
 - (ii) The finished good or part has undergone final testing such as but not limited to balancing, spinning, voltage testing, performance- or isolation test.

and

B. A finished good or part, produced from a non-originating good or part, classified in the same subdivision as the finished good or part which do not satisfy the conditions mentioned in Rule 3.A above shall originate in the country contributing most to the product in terms of total value of parts (including an unfinished good) and related processing activities.” (CH)] **Submitted to CRO for decision (Doc.OC0031, Issue No.3)**

[Product specific] [Chapter] residual rules

[When application of the primary rules of this chapter (including the product specific rules provided in the matrix) does not result in a determination of a country of origin, the country of origin shall be determined as follows:

1. Goods produced by assembly of 5 or more parts (other than parts of general use, as defined in Note 2 to Section XV or similar parts of plastic (Chapter 39)) shall have origin in the country of assembly.
2. Goods produced by the assembly of less than 5 parts (other than parts of general use, as defined in Note 2 to Section XV of the HS or similar parts of plastic (Chapter 39)), and one or more of whose parts (other than parts of general use, as defined in Note 2 to Section XV of the HS or similar parts of plastic (Chapter 39)) satisfies the requirements for origin in the country of assembly, shall have origin in the country of assembly.
3. For purposes of the subparagraphs 1 and 2 above, the following shall not be considered origin conferring operations:
 - a) the attachment of parts of general use (defined in Note 2 to Section XV or similar parts of plastic (Chapter 39));
 - b) the attachment of handles, dials, knobs, hand cranks and other consumer-operated controls;
 - c) installation of batteries, accumulators or other articles not designed to become a permanent part of the good, or
 - d) the attachment of accessories or parts which serve only to enhance the operation of the good. (US)]

Criteria to apply Appendix 2, Rule 2(g)

The criteria to determine the major portion of the materials as set forth in Appendix 2, Rule 2(g) for this Chapter are:

[Weight or essential character (CAN)]

[Weight or volume, as appropriate (US)]

[Value (EC)]

[Total value of parts and related processing activity (CH)]

[Criteria to be left discretionary to each country (IND)]

CHAPTER 94

Chapter Notes

1. For the purposes of those rules of origin which refer to a change of classification (i.e., change of heading or change of subheading), the following changes shall not confer origin :
 - a) changes which result from disassembly (**Basket 1**)
 - b) changes which result from packaging, or (**Basket 1**)
 - [c) changes which result solely from application of General Rule of Interpretation 2(a) with respect to collections of parts that are presented as unassembled articles of another heading or subheading (US)] **Submitted to CRO for decision (Doc.OC0031, Issue No.4; Doc.OC0029)**
2. [For collection of parts merely put together that do not satisfy the requirement of GIR 2(a), the origin of the goods shall be the origin of individual parts (IND)] **Submitted to CRO for decision (Doc.OC0031, Issue No.4; Doc.OC0029)**
3. [Obtaining goods from parts by assembly, including sub-assembly, shall be considered as reflecting last substantial transformation; (MOR) (IND)] **Submitted to CRO for decision (Doc.OC0031, Issue No.1)**

[Product specific] [Chapter] residual rules

[When application of the primary rules of this chapter (including the product specific rules provided in the matrix) does not result in a determination of a country of origin, the country of origin shall be determined as follows:

1. The country of origin of goods of heading 94.04 shall be the country where the textile fabric was formed, or in the case of a good containing textile fabrics of more than one country, the origin of the good is the country in which the exterior textile fabric that predominates by weight was formed. (US)] **Submitted to CRO for decision (Doc.OC0023E2, Issue No.77)**

Criteria to apply Appendix 2, Rule 2(g)

The criteria to determine the major portion of the materials as set forth in Appendix 2, Rule2(g) for this Chapter are:

[Weight or essential character (CAN)]

[Weight or volume, as appropriate (US)]

[Value (EC)]

[Total value of parts and related processing activity (CH)]

[Criteria to be left discretionary to each country (IND)]

CHAPTER 95

Chapter Notes

1. For the purposes of those rules of origin which refer to a change of classification (i.e., change of heading or change of subheading), the following changes shall not confer origin:
 - a) changes which result from disassembly, **Basket 1**
 - b) changes which result from packaging or repackaging, or **Basket 1**
 - [c) changes which result solely from application of General Rule of Interpretation 2(a) with respect to collections of parts that are presented as unassembled articles of another heading or subheading (US)] **Submitted to CRO for decision (Doc.OC0031, Issue No.4; Doc.OC0029)**
 - [d) Presentation of goods for use other than that for which they were initially designed or intended is not origin conferring. E.G., garments for babies of 61.11 or 62.09 to accessories for dolls of 95.02. *Text to be developed* (CAN) (EC) (US)] **Submitted to CRO for decision (Doc.OC0031, Issue No.9; Doc.OC0029)**
2. [For collection of parts merely put together that do not satisfy the requirement of GIR 2(a), the origin of the goods shall be the origin of individual parts (IND)] **Submitted to CRO for decision (Doc.OC0031, Issue No.4; Doc.OC0029)**
3. [Obtaining goods from parts by assembly, including sub-assembly, shall be considered as reflecting last substantial transformation; (MOR)(IND)] **Submitted to CRO for decision (Doc.OC0031, Issue No.1)**
4. **Sets: Submitted to CRO for decision (Doc.OC0029)**
[OPTION A:
 - 1) Putting articles up in sets shall not be considered as a substantial transformation;
 - 2) The country of origin of a set put up from articles that originate in one country shall be that country;
 - 3) The country of origin of a set put up from articles that originate in more than one country shall be the country of origin of the articles that confer the essential character on the set as a whole;
 - 4) In the event that neither 2) nor 3) is met, the country of origin shall be the single country in which the greatest number of articles in the set were made. (JPN)]

[OPTION B:

- 1) Putting articles up in sets shall not be considered as a substantial transformation;
- 2) The country of origin of a set put up from articles that originate in one country shall be that country;
- 3) The country of origin of a set put up from articles that originate in more than one country shall be the single country in which the greatest number of articles in the set were made.
- 4) In the event that neither 2) nor 3) is met, the country of origin shall be the country of origin of the articles that confer the essential character on the set as a whole; (US)]

[OPTION C:

- 1) Putting articles up in sets shall not be considered as a substantial transformation;
 - 2) The country of origin of a set put up from articles that originate in one country shall be that country;
 - 3) The country of origin of a set put up from articles that originate in more than one country shall be the country of the article(s) representing the highest value, the value of the articles having the same origin being taken together. (EC)]
5. [For the purposes of heading 95.06 when the goods are produced from forged or cast blanks which had the essential character of the complete or finished goods and were classifiable, by application of HS General Interpretative Rule 2(a), in the same heading or subheading as the complete or finished goods :
- A. Provided the following criteria are met, the country of origin of the goods shall be the country in which the blank was finished:
- a) In its imported prefinished condition, the blank was not capable of functioning for its ultimate use and was not advanced beyond cleaning or working to remove flash, sprues, burrs or similar excess material, and
 - b) In the country in which the goods were finished:
 - (i) The blank was configured to final shape by the removal of material (other than merely by honing or polishing or both), or by bending, hammering, pressing, stamping or similar forming process; and
 - (ii) The blank underwent one or more of the following processes:
 1. Heat treatment or thermochemical treatment, such as glowing, tempering, hardening; or
 2. Assembly with five or more parts (other than parts of general use as defined in Note 2 to Section XV of the HS or similar parts of plastic (Chapter 39)); or
 3. Surface treatment, such as coating, compressing, condensing, impregnating or insulating;

B. If the criteria of subparagraph A above are not satisfied, the country of origin of the goods shall be the country of origin of the blank (KOR) (US)] **Submitted to CRO for decision (Doc.OC0033, Issue No.33)**

[Product specific] [Chapter] residual rules

[When application of the primary rules of this chapter (including the product specific rules provided in the matrix) does not result in a determination of a country of origin, the country of origin shall be determined as follows:

1. The country of origin of a good of subheading 9502.91 that was assembled from parts, but was not wholly assembled in a single country, is the country in which the most significant assembly operations were performed in the making-up of the good, without regard to the addition of buttons and other fasteners, belt and hanger loops, belts, patch pockets, labels, foot straps, epaulettes, ornaments and other minor components. (US)] **Submitted to CRO for decision (Doc.OC0023E2, Issue No.77)**

Criteria to apply Appendix 2, Rule 2(g)

The criteria to determine the major portion of the materials as set forth in Appendix 2, Rule2(g) for this Chapter are:

[Weight or essential character (CAN)]

[Weight or volume, as appropriate (US)]

[Value (EC)]

[Total value of parts and related processing activity (CH)]

[Criteria to be left discretionary to each country (IND)]

CHAPTER 96

Chapter Notes

1. [For the purposes of those rules of origin which refer to a change of classification (i.e., change of heading or change of subheading), the following changes shall not confer origin:
 - a) changes which result from disassembly, **Basket 1**
 - b) changes which result from packaging or repackaging, or **Basket 1**
 - c) changes which result solely from application of General Rule of Interpretation 2(a) with respect to collections of parts that are presented as unassembled articles of another heading or subheading. (US)] **Submitted to CRO for decision (Doc.OC0031, Issue No.4; Doc.OC0029)**
2. [For collection of parts merely put together that do not satisfy the requirement of GIR2(a), the origin of the goods shall be the origin of individual parts (IND)] **Submitted to CRO for decision (Doc.OC0031, Issue No.4; Doc.OC0029)**
3. **Sets: Submitted to CRO for decision (Doc.OC0029)**

[OPTION A:

 - 1) Putting articles up in sets shall not be considered as a substantial transformation;
 - 2) The country of origin of a set put up from articles that originate in one country shall be that country;
 - 3) The country of origin of a set put up from articles that originate in more than one country shall be the country of origin of the articles that confer the essential character on the set as a whole;

4) In the event that neither 2) nor 3) is met, the country of origin shall be the single country in which the greatest number of articles in the set were made. (JPN)]

[OPTION B:

 - 1) Putting articles up in sets shall not be considered as a substantial transformation;
 - 2) The country of origin of a set put up from articles that originate in more than one country shall be the single country in which the greatest number of articles in the set were made.

- 3) In the event that neither 2) nor 3) is met, the country of origin shall be the country of origin of the articles that confer the essential character on the set as a whole; (US)]

[OPTION C:

- 1) Putting articles up in sets shall not be considered as a substantial transformation;
2) The country of origin of a set put up from articles that originate in one country shall be that country;
3) The country of origin of a set put up from articles that originate in more than one country shall be the country of the article(s) representing the highest value, the value of the articles having the same origin being taken together. (EC)]

[Product specific] [Chapter] residual rules

[When application of the primary rules of this chapter (including the product specific rules provided in the matrix) does not result in a determination of a country of origin, the country of origin shall be determined as follows:

1. The country of origin of typewriter or similar ribbons of subheading 9612.10 shall be the country where the textile fabric was formed, or in the case of a good containing textile fabrics of more than one country, the origin of the good is the country in which the textile fabric that predominates by weight was formed. (US)] **Submitted to CRO for decision (Doc.OC0023E2, Issue No.77)**

Criteria to apply Appendix 2, Rule 2(g)

The criteria to determine the major portion of the materials as set forth in Appendix 2, Rule2(g) for this Chapter are:

[Weight or essential character (CAN)]

[Weight or volume, as appropriate (US)]

[Value (EC)]

[Total value of parts and related processing activity (CH)]

[Criteria to be left discretionary to each country (IND)]

CHAPTER 97

No Chapter Notes

WCO Doc. OC0035/1

**UNRESOLVED ISSUES FOR DECISION BY THE
COMMITTEE ON RULES OF ORIGIN**

**AGREED RULES OF ORIGIN SUBMITTED BY
THE TECHNICAL COMMITTEE ON RULES OF ORIGIN
FOR ENDORSEMENT BY THE COMMITTEE ON RULES OF ORIGIN
ARE DESIGNATED AS “BASKET 1” IN THE ANNEX**

CHAPTERS 91 to 97²³

The Committee on Rules of Origin is invited to decide whether the products resulting from processes described below have undergone their last substantial transformation.

**ISSUE No. 1: ASSEMBLY OF MILITARY WEAPONS, FIREARMS AND RELATED DEVICES
FROM PARTS**

OPTION A: Yes

1. The assembly of military weapons and firearms from parts classified in heading 93.05 results in substantial transformation of the parts and is origin conferring. The rule should be (CAN, US, CH, MEX, JPN, PHI, TH):

CTH

OPTION B: Yes, provided

2. The assembly of military weapons and firearms from parts is not considered substantial transformation unless the assembly is accompanied by the manufacture of one of the essential parts of the mechanism. The rule should be (EC):

CTH, with the exclusion of locks, breeches, breech boxes, frames or barrels of heading 93.05; or assembly if accompanied by the production of at least one of the essential parts of the mechanism (lock, breech, breech box, frame) or of the complete barrel.

RELEVANT HS CODES: 93.01 through 93.04

ISSUE No. 2: PRODUCTION OF PARTS OF MILITARY WEAPONS AND FIREARMS

OPTION A:

3. The rule should be (CAN, US, MEX, EC, JPN, PHI):

CTH

²³ For Chapter 91, a previous Referral Document on product-specific rules was submitted as Doc. 41.610. For Chapter 92, a previous Referral Document on product-specific rules was submitted as Doc. 41.841. This document supplements the previous documents by submitting chapter notes in Chapters 91 and 92. For Chapters 93 to 97 this document is the first Referral.

OPTION B:

4. While substantial transformation is expressed for these goods by change of classification at the heading level, the rule also needs to take account of the manufacture of parts from parts. One such instance is set out in Doc. 41.867, where the production of a positioning mount system using a plunger cylinder classified in the same subheading (9305.90) is described. This particular assembly illustrates the need to take account of substantial transformations which take place without any change in tariff classification. The rule should be (CH):

CTH or change within subheading 9305.90

CH has indicated that this issue could be resolved if there is consensus on appropriate Chapter Notes concerning assembly and the production of parts from sub-assemblies, as are being discussed for Chapters 84-90. Other delegations also expressed interest in this approach. (Sec.)

RELEVANT HS CODES: 9305.90

ISSUE No. 3: PRODUCTION OF CARTRIDGES AND OTHER AMMUNITION FROM PARTS THEREOF

OPTION A: Yes

5. The production of cartridges and ammunition using parts classified in the same heading is a substantial transformation. The rule should be (KOR):

CTH, and change within this heading from parts to articles

OPTION B: Yes, provided

6. The initial origin criterion for these goods should be change of tariff heading, under which the change to goods from parts classified in the same heading is not origin conferring. However, origin is conferred in the country in which the munition is loaded. The rule should be (EC):

CTH; or loading the munition

OPTION C: No

7. The production of munitions and cartridges from parts classified in the same heading is not substantial transformation. The rule should be (CAN, US, MEX, JPN, PHI):

CTH

RELEVANT HS CODES: 9306.10, 9306.21, 9306.29, 9306.30

ISSUE No. 4: PRODUCTION OF BOMBS, GRENADES, TORPEDOES, MINES, MISSILES AND SIMILAR MUNITIONS OF WAR FROM PARTS THEREOF

OPTION A: Yes

8. The production of bombs, grenades, torpedoes, mines, missiles and similar munitions of war from parts classified in the same subheading is a substantial transformation. For subheading 9306.90 the rule should be (US, IND, KOR, EGY, CAN, PHI):

CTSHS

OPTION B: Yes, provided

9. The principal origin criterion for these goods should be change of tariff heading. There is no such change which takes place as a result of the production of these goods from parts classified in the same heading. However, origin is conferred in the country in which the munition is loaded; this residual rule recognizes the production of munitions from parts provided that the operations include loading the munition. The rule should be (EC):

CTH; or loading the munition

EC indicated during the 13th Session that it would consider joining Option A.

RELEVANT HS CODES: 9306.90

ISSUE No. 5: PRODUCTION OF SWORDS, CUTLASSES, BAYONETS, ETC. FROM PARTS CLASSIFIED IN THE SAME HEADING

OPTION A: Yes

10. Parts classified in heading 93.07 undergo substantial transformation when used in the production of swords, etc. of the same heading. The rule should be (KOR) (TH):

CTH, or change within this heading from parts to articles.

OPTION B: No

11. The change within heading 93.07 from parts to articles is not substantial transformation. The rule should be (EC) (US) (CAN) (PHI) (CH) :

CTH

RELEVANT HS CODES: 93.07

ISSUE No 6: ASSEMBLY OF FURNITURE OF HEADINGS 94.01 AND 94.03 FROM PARTS CLASSIFIED IN THE SAME HEADING

OPTION A: Yes

12. The assembly of furniture from parts classified in the same headings is a substantial transformation. The rule should be (JPN, HK, MEX, KEN, PHI, US, CH):

CTH, or change from subheading 9401.90 (for heading 94.01)

CTH, or change from subheading 9403.90 (for heading 94.03)

or, with the same outcome for this issue, CTSH (MOR, SG)

OPTION B: Yes, provided

13. To properly take account of assemblies which might be too simple to amount to substantial transformation, it is appropriate to make the change from parts to furniture conditional upon the satisfaction of additional criteria. The rule should be:

CTH, or change to subheadings 9401.10 through 9401.80 from 9401.90, and change to subheadings 9403.10 through 9403.80 from 9403.90 provided that the relevant Chapter Note on assembly is met. (CAN)

OPTION C: No

14. The change from parts of furniture to furniture is not substantial transformation. The rule should be:

CTH (TH, AUS)

CTH, except from cushions and mattresses of heading 94.04 (EC) (COL)

The origin of the product shall be the country where the parts were manufactured (BRA)

RELEVANT HS CODES: 94.01, 94.03

ISSUE No. 7: ASSEMBLY OF MEDICAL, SURGICAL, OR VETERINARY FURNITURE, OR OF BARBERS' CHAIRS FROM PARTS CLASSIFIED IN THE SAME HEADING

OPTION A: Yes

15. The assembly of these furniture articles from parts is a substantial transformation. The rule should be (US, CH, PHI, SEN, COL, JPN, MEX):

CTHS (creating split heading)

OPTION B: Yes, provided

16. As for headings 94.01 and 94.04, there is a risk that simple assemblies may take place. It is therefore appropriate to make the change from parts to goods conditional upon the satisfaction of additional criteria. The rule should be:

CTH, or change to goods from their parts provided that the relevant Chapter Note on assembly is met. (CAN)

OPTION C: No

17. The change from parts to goods is not substantial transformation. The rule should be:

CTH (TH, AUS, EC)

RELEVANT HS CODES: 94.02

ISSUE No. 8: ASSEMBLY AND FINISHING OF ANTIQUE REPRODUCTION WOODEN TABLES AND SEATS

OPTION A: Yes

18. Antique reproduction tables are produced from raw wooden frames which undergo extensive sanding, staining and lacquering. A domestically produced wooden or glass table top also undergoes finishing, then the components are assembled. The raw wooden frames undergo substantial transformation without change of classification. Antique reproduction wooden seats are produced from raw wooden components and fabrics, foam, and hardware, and are extensively sanded

and lacquered followed by assembly. For upholstered seats there is substantial transformation accompanied by a change of tariff classification from subheading 9401.69 to 9401.61. For seats not upholstered there is substantial with no change of tariff classification. The rule should be (SG):

CTSHS or added value criterion (for 9401.69 and 9403.60)

CTSH or added value criterion (for 9401.61) (*MOR proposal for CTSH is in agreement for this subheading*)

OPTION B: No

19. The operations described do not result in substantial transformation. The operations described are finishing operations with only a small element of assembly. The rule should be (JPN, MEX, KEN, PHI, US, CH, CAN, AUS, TH):

CTH/CTSH with no change within subheadings

CTH, except from mattresses and cushions of heading 94.04. (EC, SEN)

The origin of the product shall be the country where the parts were manufactured. (BRA)

RELEVANT HS CODES: ex9401.69(b), ex 9401.69(c), ex9403.60(a)

ISSUE NO. 9: PRODUCTION OF COMPLETELY KNOCKED-DOWN (CKD) WOODEN SEATS, UPHOLSTERED AND OTHER

OPTION A: Yes

20. The production of CKD seats is an extensive process. The raw wooden components for frames are subject to drilling of the holes for joining, fitting of tenons for fastening, fitting of dowels, and then undergo assembly into frames. The assembled frames are sanded and prepared for staining and polishing. Sanding and staining are followed by the application of 3-5 coats of varnish. Sanding is carried out between coats of varnish. Fabric, foam and plywood are cut to size to produce the seat. The finished frames and seats are packed in CKD form for assembly by the consumer.

21. The raw components without seat are substantially transformed are substantially transformed into a complete furniture article comprising the frames and seat in CKD form ready to be assembled. The finished products take on new characteristics and value from the inputs used. The rule should be (SG):

CTSH or added value (for 9401.61) (*MOR proposal for CTSH is in agreement for this subheading*)

CTSHS or added value (for 9401.69)

OPTION B: No

22. The production of CKD seating from components does not result in substantial transformation. The operations described are finishing operations with only a small element of assembly. The rule should be (JPN, MEX, KEN, PHI, US, CH, CAN, AUS, TH):

CTH/CTSH with no change within subheadings

CTH, except from mattresses and cushions of heading 94.04. (EC, SEN)

The origin of the product shall be the country where the parts were manufactured. (BRA)

RELEVANT HS CODES: 9401.61, ex9401.69(a)

ISSUE No. 10: PRODUCTION OF FURNITURE PARTS USING OTHER FURNITURE PARTS

OPTION A: Yes

23. The production of furniture parts from other furniture parts (i.e., change between subheadings 9401.90 and 9403.90) is a substantial transformation. The rule should be:

CTH (CAN, CH, COL, MEX, US, PHI)

OPTION B: No

24. Changes of tariff classification between parts for seating and parts for other furniture could take place as a result of minor modifications with little or no manufacture. It is therefore appropriate to exclude such changes. The rule should be:

CTH, except from 9403.90 (for 9401.90)(JPN)

CTH, except from 9401.90 (for 9403.90)(JPN)

CTH, except from 9403.90 and except from cushions or mattresses of heading 94.04 (for 9401.90) (AUS)

CTH, except from 9401.90 and except from cushions or mattresses of heading 94.04 (for 9403.90) (AUS)

CTH, except from mattresses and cushions of heading 94.04. (EC, SEN)

The origin of the product shall be the country where the parts were manufactured. (BRA)

RELEVANT HS CODES: 9401.90, 9403.90

ISSUE No. 11: PRODUCTION OF FURNITURE AND FURNITURE PARTS USING CUSHIONS AND MATTRESSES OF HEADING 94.04

OPTION A: Yes

25. Cushions and mattresses of heading 94.04 undergo substantial transformation when used in the production of furniture of headings 94.01 and 94.03. The rule should be: (JPN, HK, MEX, KEN, PHI, US, CH):

CTH, or change from subheading 9401.90 (for heading 94.01)

CTH, or change from subheading 9403.90 (for heading 94.03)

or, with the same outcome for this issue,

CTSH (MOR, SG); or

CTH, or change to subheadings 9401.10 through 9401.80 from 9401.90, and change to subheadings 9403.10 through 9403.80 from 9403.90 provided that the relevant Chapter Note on assembly is met. (CAN); *or*

CTH (TH, AUS)

For parts classified in subheadings 9401.90 and 9303.90 AUS is aligned on Option B

OPTION B: No

26. Cushions and mattresses of heading 94.04 do not undergo substantial transformation when used in the production of furniture of headings 94.01 and 94.03. The rule should be (EC, SEN):

CTH, except from mattresses and cushions of heading 94.04.

AUS would apply the same exclusion but only for parts classified in subheadings 9401.90 and 9403.90.

RELEVANT HS CODES: 94.01, 94.03

ISSUE No 12: PRODUCTION OF LAMPS AND LIGHTING FITTINGS FROM PARTS

OPTION A: Yes

27. The production of lamps and lighting fittings using materials classified anywhere within the heading is substantial transformation. The rule should be (JPN, HK, US, PHI, TH, MOR, MEX):

CTSH

OPTION B: Yes, provided

28. The change from parts to lamps and lighting fittings may entail simple assemblies. It is appropriate to make such changes conditional upon the satisfaction of additional criteria. The rule should be:

CTH, or change to subheadings 9405.10 through 9405.60 from subheadings 9405.91 through 9405.99 provided that the relevant Chapter Note on assembly is met. (CAN, SEN) *or*

OPTION C: No

29. The production of lamps and lighting fittings using parts or other goods classified within heading 94.05 does not result in substantial transformation. The rule should be (COL, CH, AUS, EC):

CTH

RELEVANT HS CODES: 9405.10 THROUGH 9405.60

ISSUE No. 13: ASSEMBLY OF WHEELED TOYS FROM PARTS

OPTION A: Yes

30. The assembly of wheeled toys of heading 95.01 using parts classified in the heading results in substantial transformation. The rule should be (CAN, US, CH, HK, MOR):

CTHS

OPTION B: No

31. Assembly of these parts does not result in substantial transformation. The rule should be:

CTH (JPN, EC, TH, KOR, SEN) *or*

CC (MEX)

RELEVANT HS CODES: 95.01

ISSUE No. 14: ASSEMBLY OF DOLLS FROM PARTS AND ACCESSORIES

OPTION A: Yes

32. The assembly of dolls from parts and accessories classified in subheadings 9502.91 and 9502.99 is a substantial transformation. The rule should be:

CTSH (CAN, PHI, US, TH, HK, MOR)

OPTION B: No

33. Substantial transformation does not take place when dolls are assembled from parts and accessories of dolls. The rule should be:

CTH (CH, SEN)

CTH, except from 9503.41 or 9503.49 (EC, BRA)

CTH, except from 9503.41, 9503.49, 61.11 or 62.09 (JPN)

CTH, except from 9503.41, 9503.49 or 9503.90

CTSH, except from parts of stuffed dolls (MEX) (*proposal may agree partly with Option A. (Sec.)*)

RELEVANT HS CODES: 9502.10

ISSUE No. 15: ASSEMBLY OF TOYS AND PARTS OF TOYS USING PARTS CLASSIFIED IN
HEADING 95.03

OPTION A: Yes

34. The rules should recognize the assembly of toys from identifiable parts also classified in this heading as a substantial transformation. The rule should be (US, HK, MOR, PHI, TH, MEX):

CTHS from ex 95.03(e) *and*

CTH or change within ex 95.03(e) as a result of assembly (for parts)

OPTION B: Yes, provided

35. Many assemblies of goods of heading 95.03 result in substantial transformation. However, to account for some assembly operations which may be too simple to result in substantial transformation, origin should be conferred only if criteria for assembly are met. The rule should be (CAN): CTH, or change from parts provided that the Chapter Note on assembly is met.
OPTION C: No

36. Changes from parts of toys to toys are not considered substantial transformation. No change within heading 95.03 is considered to be origin conferring. The rule should be:

CTH (CH, SEN)

CTH with exclusions (EC, JPN, KOR)

RELEVANT HS CODES: 95.03

ISSUE No. 16: PRODUCTION OF TOYS AND ACCESSORIES USING GOODS OF OTHER HEADINGS - CHANGE OF USE

OPTION A: Yes (goods of other headings not excluded)

37. The use of goods classified outside heading 95.03 is permissible. (CAN, US, CH, SEN, HK, MOR, MEX, PHI, TH)

OPTION B: No (exclusions are necessary)

38. For some toys there is a need to ensure that origin is not conferred by the mere adaptation of certain goods for use as toys. Specifically:

- No change from dolls, parts of dolls or dolls' accessories to toys representing animals or non-human creatures of ex 95.03(b). The rule should be:

CTH except from 95.02 (EC, JPN, KOR)
and except from children's apparel of 61.11 or 62.09 (JPN, KOR)

- No change from musical instruments to toy musical instruments and apparatus of ex 95.03(c). The rule should be:

CTH, except from 92.01 to 92.09 (EC)

- No change from sporting goods of 95.06 to other toy articles of ex 95.03(d). The rule should be:

CTH, except from 9506.31 through 9506.91 (EC); and

- No change from dolls or parts or accessories thereof or from children's apparel to parts and accessories of toys of ex 95.03(e). The rule should be:

CTH, except from 95.02 or 61.11 or 62.09.

RELEVANT HS CODES: ex 95.03(a), ex 95.03(b), ex 95.03(c), ex 95.03(d), ex 95.03(e)

ISSUE No. 17: ORIGIN CRITERIA FOR TOYS PUT UP IN SETS OF HEADING 95.03

Addressed under overall architecture. (See Referral Doc. OC0029) (Sec.)

ISSUE No. 18: ASSEMBLY OF GOODS OF HEADINGS 95.04 AND 95.05 USING PARTS CLASSIFIED IN THE RESPECTIVE HEADINGS

OPTION A: Yes

39. Splits of the respective headings are proposed in order to lay down a rule to provide that the change from parts to goods is origin conferring. The parts identified in the corresponding split headings are substantially transformed if there is a change within the split heading as a result of assembly. The rule should be (US, HK, CH, MOR):

CTHS for goods; CTH or change within split heading as a result of assembly for parts

OPTION B: Yes, provided

40. The assembly of goods from parts may be a substantial transformation. Origin is conferred if, in accordance with a Chapter Note, the change from parts satisfies one or more supplementary requirements. The rule should be (CAN):

CTSH or change from parts provided the relevant Chapter Note on assembly is met.

OPTION C: No

41. For these goods the assembly of the goods from parts classified within the headings is not substantial transformation. The rule should be:

CTH (JPN, EC)

CTSH (MEX, PHI, TH)

RELEVANT HS CODES: 95.04, 95.05

ISSUE No. 19: ASSEMBLY OF GOLF CLUBS FROM PARTS

OPTION A: Yes

42. The assembly of golf clubs from parts classified in the adjacent subheading results in substantial transformation of the parts. The rule should be (PHI, MEX, TH):

CTSH

OPTION B: Yes, provided

43. The assembly of golf clubs from golf club parts does not result in substantial transformation unless supplementary requirements are satisfied. The rule should be:

CTSH, except from 9506.39; or change from 9506.39 provided that the relevant Chapter Note on assembly is met. (CAN)

CTHS, provided that either the head or the shaft is originating in the country of assembly. (US)

OPTION C: No

44. The assembly of golf clubs from golf club parts does not result in substantial transformation. The rule should be (CH, JPN, EC):

CTH

RELEVANT HS CODES: 9506.31, ex 95.06(a)

ISSUE No. 20: ASSEMBLY OF ARTICLES AND EQUIPMENT OF HEADING 95.06 FROM PARTS

OPTION A: Yes

45. Split of the heading is proposed in order to lay down a rule to provide that the change from parts to goods is origin conferring. The rule should be (US, MOR, HK):

CTHS

OPTION B: Yes, provided

46. The assembly of goods from parts may be a substantial transformation. Origin is conferred if, in accordance with a Chapter Note, the change from parts satisfies one or more supplementary requirements. The rule should be (CAN):

CTSH or change from parts provided the relevant Chapter Note on assembly is met.

OPTION C: No

47. The change from parts of this heading to goods of this heading does not reflect substantial transformation. The rule should be:

CTH (CH, JPN, EC):

CTSH (PHI, MEX, TH)

The results of a rule of CTSH are that origin is sometimes conferred by the assembly of parts and sometimes it is not. This is because generally the identifiable parts of the goods of heading 95.06 are classified in the same subheadings. At the same time some goods, such as ski bindings, would constitute parts depending upon the understanding of what constitutes a part. (Sec.)

RELEVANT HS CODES: 95.06

ISSUE No. 21: MANUFACTURE OF ARTICLES FROM WORKED ANIMAL, VEGETABLE OR MINERAL CARVING MATERIALS

OPTION A: Yes

48. Substantial transformation takes place when the worked carving materials of headings 96.01 and 96.02 are used to make finished articles. The rule should be (EC, JPN, US, CH, MEX):

CTSHS (for ex 9601.10(b) and ex 9601.90(b))

CTHS (for ex 96.02(b). JPN proposes the additional condition, “except when it results only from cutting in a straight line and the obtained goods still maintain the shape of their materials.”

OPTION B: No

49. There is no substantial transformation when worked carving materials are made into articles of the same headings. The rule should be (CAN, TH):

CTH

CAN indicated that it would review its position with a view towards joining Option A.

RELEVANT HS CODES: 96.01, 96.02

ISSUE No. 22: MAKING UP OF TRAVEL SETS FOR PERSONAL TOILET, SEWING OR SHOE OR CLOTHES CLEANING

Addressed under overall architecture. (See Referral Doc. OC0029) (Sec.)

ISSUE No. 23: PRODUCTION OF SLIDE FASTENERS FROM IDENTIFIABLE PARTS

OPTION A: Yes

50. The assembly of slide fasteners from identifiable parts classified in subheading 9607.20 is a substantial transformation. *The detailed justification is set out in Technical File 41.442 (Sec.).* The rule should be (MEX, US, CH, MOR):

CTSH

OPTION B: Yes, provided

51. To ensure that the assembly of slide fasteners from parts is more than a simple assembly in a given case, it is appropriate to lay down additional conditions. It is contemplated that a Chapter Note on assembly might specify that the assembly must involve the putting together of three or more parts. The rule should be:

CTH, or change to subheadings 9607.11 and 9607.19 from 9607.20, provided that the relevant Chapter Note on assembly is met. (CAN)

OPTION C: No

52. The assembly of slide fasteners from identifiable parts does not result in substantial transformation. The rule should be (EC, JPN, PHI, KOR):

CTH

CTH and Residual Rule based on the origin of the slider (KOR)

RELEVANT HS CODES: 9607.11, 9607.19

ISSUE No 24: ASSEMBLY OF BALL POINT, FELT TIPPED, FOUNTAIN, STYLOGRAPH AND OTHER PENS FROM IDENTIFIABLE PARTS

OPTION A: Yes

53. For the pens of heading 96.08 some of the identifiable parts, such as nibs and refills, are classified in other subheadings of the heading. The assemblies involving the use of such parts may be expressed as “CTSH”. However, numerous other parts, such as barrels, caps and mechanisms are classifiable within the subheadings for the articles themselves. Moreover, the assembly operations involve numerous machining and working operations in addition to the assembly of parts. For this reason, it is appropriate to lay down a rule to provide that changes within the respective subheadings resulting from assembly is origin conferring. *These operations are set out in Technical File 41.711 (Sec.).* The rule should be (CH, TH):

CTSH, or change within the subheading resulting from the assembly of pens from parts. (excluding india ink drawing pens of 9608.31)

OPTION B: Yes

54. The assembly of pens using identifiable parts classified in other subheadings of heading 96.08 results in substantial transformation. The rule should be:

CTSH (PHI, MOR)(CAN, US, for 9608.31, 9608.39, 9608.40)

OPTION C: Yes, provided

55. A ball point pen refill does not undergo substantial transformation when used in the assembly of a ball point pen. The same principle applies for felt tipped pens and for india ink drawing pens. The rule should be (MEX)

CTSH, except from subheading 9608.60 (KOR, CAN, US for 9608.10, 9608.20)

OPTION D: No

56. The assembly of pens from identifiable parts does not result in substantial transformation. The rule should be:

CTH (JPN, EC) (CH, for 9608.31)

RELEVANT HS CODES: 9608.10, 9608.20, 9608.31, 9608.39, 9608.40

ISSUE No. 25: ORIGIN CRITERIA FOR PEN AND PENCIL SETS

Addressed under overall architecture. (See Referral Doc. OC0029) (Sec.)

ISSUE No. 26: ORIGIN CRITERIA FOR REFILLS, NIBS, AND OTHER PARTS

OPTION A: CTSH (CAN, MEX , TH, MOR)

OPTION B: CTH (CH, JPN, US, EC)

RELEVANT HS CODES: 9608.60, 9608.91, 9608.99

ISSUE No. 27: PRODUCTION OF PENCILS FROM PENCIL LEADS

OPTION A: Yes

57. The manufacture of pencils from pencil leads results in substantial transformation. The rule should be (CAN, MEX, US, PHI, MOR, TH):

CTSH

OPTION B: Yes

58. Not only does the production of pencils from leads result in substantial transformation, but so does the production of finished pencils from unfinished units (blanks), normally imported ready for cutting to length and finishing of the outer shapes. The rule should be (KOR):

CTSHS

OPTION C: No

59. The production of pencils from pencil leads does not result in substantial transformation. The rule should be (CH, JPN, EC)

CTH

RELEVANT HS CODES: 9609.10

ISSUE No. 2 : ASSEMBLY OF CIGARETTE AND OTHER LIGHTERS FROM PARTS

OPTION A: Yes

60. The assembly of lighters from parts results in substantial transformation. The rule should be:

CTSH (US, PHI, CAN, MOR, MEX)(CAN and MEX proposal to exclude changes between non-refillable and refillable lighters of 9613.10 and 9613.20)

OPTION B: No

61. The assembly of identifiable parts, e.g., outer casings, mill-edged wheels, reservoirs, does not result in substantial transformation. The rule should be (JPN, CH, EC, KOR):

CTH

RELEVANT HS CODES: 9613.10, 9613.20, 9613.30, 9613.80

ISSUE No. 29: PRODUCTION OF PIPES AND PIPE BOWLS FROM ROUGHLY SHAPED
BLOCKS OF WOOD OR ROOT

OPTION A: Yes

62. The manufacture of pipes and pipe bowls from roughly shaped blocks involves extensive working and shaping which is considered to result in substantial transformation. the rule should be:

CTSHS (EC, CAN, US, CH, MEX, SEN)

OPTION B: No

63. Substantial transformation does not take place as a result of the working of roughly shaped blocks to produce pipes and pipe bowls. The rule should be:

CTH (JPN, TH)

RELEVANT HS CODES: 9614.20(b)

ISSUE No. 30: ORIGIN CRITERIA FOR SETS CLASSIFIED IN SUBHEADING 9614.90

Addressed under overall architecture. (See Referral Doc. OC0029) (Sec.)

ISSUE No. 31: ASSEMBLY OF HAIRPINS, CURLING PINS, CURLING GRIPS, HAIRCURLERS AND THE LIKE, OTHER THAN THOSE OF HEADING 85.16

OPTION A: Yes, provided

64. These assemblies may result in substantial transformation. The rule should be (CAN):

CTSHS, provided that the relevant Chapter Note on assembly is met.

OPTION B: No

65. There is no substantial transformation. Most of the relevant parts are classified outside the heading, while the assembly of any parts classified inside the heading is not likely or would be too insignificant to be origin conferring. The rule should be (TH, US):

CTH

RELEVANT HS CODES: 9615.90 (a)

ISSUE No. 32: ASSEMBLY OF VACUUM FLASKS AND OTHER VACUUM VESSELS FROM IDENTIFIABLE PARTS

OPTION A:

66. Vacuum flasks are produced using both metal and glass inners. A rule of CTH would allow origin to be conferred if a metal inner is used, but not if the inner is of glass. In order to recognize the assembly of vacuum flasks using glass inners classified in this heading, which is a substantial transformation, the rule should be (CAN, KOR, SEN, US, MOR):

CTHS

OPTION B:

67. The assembly of such parts does not result in substantial transformation. The rule should be (JPN, EC, TH):

CTH

RELEVANT HS CODES: ex 96.17(a)

**RULES OF ORIGIN RELATING TO UNRESOLVED ISSUES
SUBMITTED BY THE TECHNICAL COMMITTEE ON RULES OF ORIGIN
FOR DECISION BY THE COMMITTEE ON RULES OF ORIGIN;**

**AGREED RULES OF ORIGIN SUBMITTED BY THE
TECHNICAL COMMITTEE ON RULES OF ORIGIN
FOR ENDORSEMENT BY THE COMMITTEE ON RULES OF ORIGIN
– DESIGNATED AS “BASKET 1”.**

Chapter 91

Clocks and watches and parts thereof

Chapter Notes

Disassembly operations, including those which result in a change of tariff classification, shall not be considered origin conferring. **Basket 1 (Endorsed by CRO)**
(See Doc. OC0029, Issue No. 11 on rules of application)

[Chapter Residual Rules]

When application of the primary rules of this chapter (including the product specific rules provided in the matrix) does not result in a determination of a country of origin, the country of origin shall be determined as follows:

1. The country of origin of goods of heading 91.13 that contain textile fabric or other textile material shall be the country where the textile fabric or other material was formed, or in the case of a good containing textile materials of more than one country, the origin of the good is the country in which the textile fabric or other textile material that predominates by weight was formed. (US)] (Referral Doc.OC0023E1)

HS Code Number	Description of Goods	Origin Criteria	Notes	Comments
A	B	C	D	E
91.01	Wrist-watches, pocket-watches and other watches, including stop-watches, with case of precious metal or of metal clad with precious metal.	[CTH] [CTH, except from heading 91.08 or 91.09]		Submitted to the CRO for decision (Doc. 41.610)
91.02	Wrist-watches, pocket-watches and other watches, including stop-watches, other than those of heading No. 91.01.	[CTH] [CTH, except from heading 91.08 or 91.09]		Submitted to the CRO for decision (Doc. 41.610)
91.03	Clocks with watch movements, excluding clocks of heading No. 91.04.	[CTH] [CTH, except from heading 91.08 or 91.09]		Submitted to the CRO for decision (Doc. 41.610)
91.04	Instrument panel clocks and clocks of a similar type for vehicles aircraft, spacecraft or vessels.	[CTH] [CTH, except from heading 91.08 or 91.09]		Submitted to the CRO for decision (Doc. 41.610)
91.05	Other clocks.	[CTH] [CTH, except from heading 91.08 or 91.09]		Submitted to the CRO for decision (Doc. 41.610)

HS Code Number	Description of Goods	Origin Criteria	Notes	Comments
A	B	C	D	E
91.06	Time of day recording apparatus and apparatus for measuring, recording or otherwise indicating intervals of time, with clock or watch movement or with synchronous motor (for example, time-registers, time-recorders).	[CTH] [CTH, except from heading 91.08 or 91.09]		Submitted to the CRO for decision (Doc. 41.610)
91.07	Time switches with clock or watch movement or with synchronous motor.	[CTH] [CTH, except from heading 91.08 or 91.09]		Submitted to the CRO for decision (Doc. 41.610)
91.08	Watch movements, complete and assembled.	[CTH] [CTH, except from ex 91.10 (b)] [CTH, except from ex 91.10 (b) or ex 91.10 (c)]		Submitted to the CRO for decision (Doc. 41.610)
91.09	Clock movements, complete and assembled.	[CTH] [CTH, except from ex 91.10 (b)] [CTH, except from ex 91.10 (b) or ex 91.10 (c)]		Submitted to the CRO for decision (Doc. 41.610)
91.10	Complete watch or clock movements, unassembled or partly assembled (movement sets); incomplete watch or clock movements, assembled; rough watch or clock movements.	<i>As indicated for split heading</i>		
ex 91.10 (a)	<u>Complete watch or clock movements, unassembled; rough watch or clock movements</u>	CTH except from heading 91.14		Basket 1 (Endorsed by CRO)

HS Code Number	Description of Goods	Origin Criteria	Notes	Comments
A	B	C	D	E
ex 91.10 (b)	<p><u>[Complete watch or clock movements, partly assembled and incomplete watch or clock movements, assembled, containing at least two of the following components on a common support: time reference device, device for converting the time reference for purposes of display, time setting mechanism or opto-electronic display]</u></p> <p><u>[Complete watch or clock movements, partly assembled and incomplete watch or clock movements, assembled, the foregoing being movements for which all of the following components, as appropriate, are on a common support: time reference device, device for converting the time reference for purposes of display, time setting mechanism or opto-electronic display]</u></p>	<p>CTH ; or</p> <p>Change from ex - 91.10 (a),</p>		<p>Submitted to the CRO for decision (Doc. 41.610)</p>
ex 91.10 (c)	<u>Other</u>	CTH, except from heading 91.14		Basket 1 (Endorsed by CRO)
91.11	Watch cases and parts thereof.	<i>As specified for subheadings</i>		
9111.10	-Cases of precious metal or of metal clad with precious metal	<p>[CTH]</p> <p>[CTH or change from blanks to finished goods classified in the same subheading]</p> <p>[CTSH]</p>		Submitted to the CRO for decision (Doc. 41.610)

HS Code Number	Description of Goods	Origin Criteria	Notes	Comments
A	B	C	D	E
9111.20	-Cases of base metal, whether or not gold- or silver-plated	[CTH] [CTH or change from blanks to finished goods classified in the same subheading] [CTSH]		Submitted to the CRO for decision (Doc. 41.610)
9111.80	-Other cases	[CTH] [CTH or change from blanks to finished goods classified in the same subheading] [CTSH]		Submitted to the CRO for decision (Doc. 41.610)
9111.90	-Parts	CTH		Basket 1 (Endorsed by CRO)
91.12	Clock cases and cases of a similar type for other goods of this Chapter, and parts thereof.	<i>As specified for subheadings.</i>		
9112.10	-Cases of metal	[CTH] [CTH or change from blanks to finished goods classified in the same subheading] [CTSH]		Submitted to the CRO for decision (Doc. 41.610)
9112.80	-Other cases	[CTH] [CTH or change from blanks to finished goods classified in the same subheading] [CTSH]		Submitted to the CRO for decision (Doc. 41.610)

HS Code Number	Description of Goods	Origin Criteria	Notes	Comments
A	B	C	D	E
9112.90	-Parts	CTH		Basket 1 (Endorsed by CRO)
91.13	Watch straps, watch bands and watch bracelets, and parts thereof.	<i>As specified for subheadings.</i>		
9113.10	-Of precious metal or of metal clad with precious metal	[CTH] [CTH or change from blanks to finished goods classified in the same subheading] [CTH or change from parts to finished goods classified in the same subheading]		Submitted to the CRO for decision (Doc. 41.610)
9113.20	-Of base metal, whether or not gold- or silver-plated	[CTH] [CTH or change from blanks to finished goods classified in the same subheading] [CTH or change from parts to finished goods classified in the same subheading]		Submitted to the CRO for decision (Doc. 41.610)
9113.90	-Other	<i>As indicated for split subheading</i>		
ex9113.90 (a)	<u>Watch straps, bands, etc., assembled</u>	[CTH] [CTH, provided the goods are fully assembled in one country]		Submitted to the CRO for decision (Doc. 41.610) See Doc. OC0023

HS Code Number	Description of Goods	Origin Criteria	Notes	Comments
A	B	C	D	E
ex9113.90 (b)	<u>Watch straps, bands, etc., not assembled</u>	[CTH] [CTH, except from headings 50.07, 51.11 through 51.13, 52.08 through 52.12, 53.09 through 53.11, 54.07 through 54.08, 55.12 through 55.16, 56.03, 58.01 through 58.02, 58.06, 58.09, 59.03, 59.06 through 59.07, 60.01 through 60.02 and from subheading 6307.90]		Submitted to the CRO for decision (Doc. 41.610) See Doc. OC0023
91.14	Other clock or watch parts.	[CTH] [CTH or change from blanks to finished goods classified in the same subheadings]		Submitted to the CRO for decision (Doc. 41.610)

CHAPTER 92

Chapter Legal Notes

1. For the purposes of those rules of origin which refer to a change of classification (i.e. change of heading or change of subheading), the following changes shall not confer origin:
 - a) changes which result from disassembly. **(Basket 1)**
 - b) changes which result from packaging or repackaging, or **(Basket 1)**
 - [c) changes which result solely from application of General Rule of Interpretation 2 (a) with respect to collections of parts that are presented as unassembled articles of another heading or subheading. (US)] (Referral Doc.OC0029E1)

2. [For collection of parts merely put together that do not satisfy the requirement of GIR2(a), the origin of the goods shall be the origin of individual parts (IND)] (Referral Doc.OC0029E1)

[Chapter Residual Rules

[When application of the primary rules of this chapter (including the product specific rules provided in the matrix) does not result in a determination of a country of origin, the country of origin shall be determined as follows:

1. Goods produced by assembly of 5 or more parts (other than parts of general use, as defined in Note 2 to Section XV or similar parts of plastic (Chapter 39)) shall have origin in the country of assembly.

2. Goods produced by the assembly of less than 5 parts (other than parts of general use, as defined in Note 2 to Section XV of the HS or similar parts of plastic (Chapter 39)), and one or more of whose parts (other than parts of general use, as defined in Note 2 to Section XV of the HS or similar parts of plastic (Chapter 39)) satisfies the requirements for origin in the country of assembly, shall have origin in the country of assembly.

3. For purposes of the subparagraphs 1 and 2 above, the following shall not be considered origin conferring operations:
 - (a) the attachment of parts of general use (defined in Note 2 to Section XV of the HS);
 - (b) the attachment of handles, dials, knobs, hand cranks and other consumer-operated controls;
 - (c) installation of batteries, accumulators or other articles not designed to become a permanent part of the good, or
 - (d) the attachment of accessories or parts which serve only to enhance the operation of the good. (US)]

[Criteria for Residual Rules

Weight or essential character (CAN)

Weight or volume, as appropriate (US)

Value (EC)

Total value of parts and related processing activity (CH)

Criteria to be left discretionary to each country (IND)]

CHAPTER 92

HS Code number	Description of goods	Origin Criteria	Notes	Comments
A	B	C	D	E
Chapter 92	Musical instruments; parts and accessories of such articles	<i>As indicated at heading level</i>		
92.01	Pianos, including automatic pianos; harpsichords and other keyboard stringed instruments.	[CTH] [CTH except from 92.09 ;or Manufacture where the increase in value acquired as a result of working and processing and if applicable the incorporation of parts originating in the country of manufacture represents at least 45 % of the ex-works price of the product]		Submitted to CRO for decision (Doc. 41.841)
92.02	Other string musical instruments (for example, guitars, violins, harps).	[CTH] [CTH except from 92.09 ;or Manufacture where the increase in value acquired as a result of working and processing and if applicable the incorporation of parts originating in the country of manufacture represents at least 45 % of the ex-works price of the product]		Submitted to CRO for decision (Doc. 41.841)
92.03	Keyboard pipe organs; harmoniums and similar keyboard instruments with free metal reeds.	[CTH] [CTH except from 92.09 ;or Manufacture where the increase in value acquired as a result of working and processing and if applicable the incorporation of parts originating in the country of manufacture represents at least 45 % of the ex-works price of the product]		Submitted to CRO for decision (Doc. 41.841)
92.04	Accordions and similar instruments; mouth organs.	[CTH]		Submitted to CRO for decision (Doc. 41.841)

HS Code number	Description of goods	Origin Criteria	Notes	Comments
A	B	C	D	E
		[CTH except from 92.09 ;or Manufacture where the increase in value acquired as a result of working and processing and if applicable the incorporation of parts originating in the country of manufacture represents at least 45 % of the ex-works price of the product]		
92.05	Other wind musical instruments (for example, clarinets, trumpets, bagpipes).	[CTH] [CTH except from 92.09 ;or Manufacture where the increase in value acquired as a result of working and processing and if applicable the incorporation of parts originating in the country of manufacture represents at least 45 % of the ex-works price of the product]		Submitted to CRO for decision (Doc. 41.841)
92.06	Percussion musical instruments (for example, drums, xylophones, cymbals, castanets, maracas).	[CTH] [CTH except from 92.09 ;or Manufacture where the increase in value acquired as a result of working and processing and if applicable the incorporation of parts originating in the country of manufacture represents at least 45 % of the ex-works price of the product]		Submitted to CRO for decision (Doc. 41.841)
92.07	Musical instruments, the sound of which is produced, or must be amplified, electrically (for example, organs, guitars, accordions).	[CTH] [CTH except from 92.09 ;or Manufacture where the increase in value acquired as a result of working and processing and if applicable the incorporation of parts originating in the country of manufacture represents at least 45 % of the ex-works price of the product]		Submitted to CRO for decision (Doc. 41.841)

HS Code number	Description of goods	Origin Criteria	Notes	Comments
A	B	C	D	E
92.08	Musical boxes, fairground organs, mechanical street organs, mechanical singing birds, musical saws and other musical instruments not falling within any other heading of this Chapter; decoy calls of all kinds; whistles, call horns and other mouth-blown sound signalling instruments.	[CTH] [CTH except from 92.09 ;or Manufacture where the increase in value acquired as a result of working and processing and if applicable the incorporation of parts originating in the country of manufacture represents at least 45 % of the ex-works price of the product]		Submitted to CRO for decision (Doc. 41.841)
92.09	Parts (for example, mechanisms for musical boxes) and accessories (for example, cards, discs and rolls for mechanical instruments) of musical instruments; metronomes, tuning forks and pitch pipes of all kinds.	CTH		Basket 1 (Endorsed by CRO)
9209.10	- Metronomes, tuning forks and pitch pipes	<i>As specified for heading</i>		
9209.20 9209.30 9209.91 9209.93 9209.94 9209.99 9209.92	- Mechanisms for musical boxes - Musical instrument strings - Other : -- Parts and accessories for pianos -- Parts and accessories for the musical instruments of heading No. 92.03 -- Parts and accessories for the musical instruments of heading No. 92.07 -- Other -- Parts and accessories for the musical instruments of heading No. 92.02	<i>As specified for heading</i>		

CHAPTER 93

Chapter Notes

1. For the purposes of those rules of origin which refer to a change of classification (i.e., change of heading or change of subheading), the following changes shall not confer origin:
 - (a) changes which result from disassembly, **(Basket 1)**
 - (b) changes which result from packaging or repackaging, or **(Basket 1)**
 - [(c) changes which result solely from application of General Rule of Interpretation 2(a) with respect to collections of parts that are presented as unassembled articles of another heading or subheading. (US)] (Referral Doc.OC0029E1)
2. [For collection of parts merely put together that do not satisfy the requirement of GIR2(a), the origin of the goods shall be the origin of individual parts (IND)] (Referral Doc.OC0029E1)
3. [Whenever the change of classification rules set out for goods of chapters 84 to 90 and 93 are not determinant of the country of origin of the good, the following substantial transformation rules are to be applied :
 - (1) A finished good or part produced from a non-originating unfinished good or part classified in the same heading or subheading as the finished good or part shall originate in the country in which the good or part was finished, provided:
 - (i) the unfinished good or part is not functioning for its ultimate use in its imported condition and has undergone two or more of the following processes:
 - assembly by built-up such as but not limited to welding, soldering, shrinking, bolting, glueing, fitting, fixing, spooling, winding, connecting, wiring, coupling; or
 - heat treatment or thermochemical treatment such as glowing, tempering, hardening; or
 - treatment for the purpose of shaping, forming such as cold or warm forming; or
 - mechanical treatment, refining of form-, positional- and surface tolerances of functional finished shapes such as turning, milling, drilling, broaching, grinding, polishing, honing, eroding; or
 - surface treatment such as coating, compressing, condensing, impregnating (excluding temporary conservation for transport and/or storage purpose), insulating; or

- system engineering, software-development and application;

and

- (ii) The finished good or part has undergone final testing such as but not limited to balancing, spinning, voltage testing, performance- or isolation test.

- (2) A finished good or part, produced from a non-originating good or part, classified in the same subdivision as the finished good or part which do not satisfy the conditions mentioned in Rule 3 (1) above shall originate in the country contributing most to the product in terms of total value of parts (including an unfinished good) and related processing activities.” (CH)] (Referral Doc.OC0031)

[Chapter Residual Rules

[When application of the primary rules of this chapter (including the product specific rules provided in the matrix) does not result in a determination of a country of origin, the country of origin shall be determined as follows:

1. Goods produced by assembly of 5 or more parts (other than parts of general use, as defined in Note 2 to Section XV or similar parts of plastic (Chapter 39)) shall have origin in the country of assembly.
2. Goods produced by the assembly of less than 5 parts (other than parts of general use, as defined in Note 2 to Section XV of the HS or similar parts of plastic (Chapter 39)), and one or more of whose parts (other than parts of general use, as defined in Note 2 to Section XV of the HS or similar parts of plastic (Chapter 39)) satisfies the requirements for origin in the country of assembly, shall have origin in the country of assembly.
3. For purposes of the subparagraphs 1 and 2 above, the following shall not be considered origin conferring operations:
 - (a) the attachment of parts of general use (defined in Note 2 to Section XV of the HS);
 - (b) the attachment of handles, dials, knobs, hand cranks and other consumer-operated controls;
 - (c) installation of batteries, accumulators or other articles not designed to become a permanent part of the good, or
 - (d) the attachment of accessories or parts which serve only to enhance the operation of the good. (US)]

[Criteria for Residual Rules

Weight or essential character (CAN)

Weight or volume, as appropriate (US)

Value (EC)

Total value of parts and related processing activity (CH)

Criteria to be left discretionary to each country (IND)]

CHAPTER 93

HS Code number	Description of goods	Origin Criteria	Notes	Comments
A	B	C	D	E
Chapter 93	Arms and ammunition; parts and accessories thereof	As indicated at heading level		
93.01	Military weapons, other than revolvers, pistols and the arms of heading No. 93.07.	[CTH (CAN) (US) (CH) (MEX) (JPN) (PHI) (TH)] [CTH, with the exclusion of locks, breeches, breech boxes, frames or barrels of heading 9305; or assembly, accompanied by the production of at least one of the essential parts of the mechanism (lock, breech, breech box, frame) or of the complete barrel (EC)]		Submitted to CRO for decision Issue N°1
93.02	Revolvers and pistols, other than those of heading No. 93.03 or 93.04.	[CTH (CAN) (US) (CH) (MEX) (JPN) (PHI) (TH)] [CTH, with the exclusion of locks, breeches, breech boxes, frames or barrels of heading 9305; or assembly, accompanied by the production of at least one of the essential parts of the mechanism (lock, breech, breech box, frame) or of the complete barrel (EC)]		Submitted to CRO for decision Issue N°1
93.03	Other firearms and similar devices which operate by the firing of an explosive charge (for example, sporting shotguns and rifles, muzzle-loading firearms, Very pistols and other devices designed to project only signal flares, pistols and revolvers for firing blank ammunition, captive-bolt humane killers, line-throwing guns).	[CTH (CAN) (US) (CH) (MEX) (JPN) (PHI) (TH)] [CTH, with the exclusion of locks, breeches, breech boxes, frames or barrels of heading 9305; or assembly, accompanied by the production of at least one of the essential parts of the mechanism (lock, breech, breech box, frame) or of the complete barrel (EC)]		Submitted to CRO for decision Issue N°1

HS Code number	Description of goods	Origin Criteria	Notes	Comments
A	B	C	D	E
93.04	Other arms (for example, spring, air or gas guns and pistols, truncheons), excluding those of heading No. 93.07.	[CTH (CAN) (US) (CH) (MEX) (JPN) (PHI) (TH)] [CTH, with the exclusion of locks, breeches, breech boxes, frames or barrels of heading 9305; or assembly, accompanied by the production of at least one of the essential parts of the mechanism (lock, breech, breech box, frame) or of the complete barrel (EC)]		Submitted to CRO for decision Issue N°1
93.05	Parts and accessories of articles of headings Nos. 93.01 to 93.04.	[CTH (CAN) (US) (MEX) (EC) (JPN) (PHI)] [CTH and change within 9305.90(CH)]		Submitted to CRO for decision See doc. 41.867 (CH) Issue N° 2
9305.10 9305.21 9305.29 9305.90	- Of revolvers or pistols -Of shotguns or rifles of heading No. 93.03: -- Shotgun barrels -- Other - Other	<i>as indicated at the heading level</i>		

HS Code number	Description of goods	Origin Criteria	Notes	Comments
A	B	C	D	E
93.06	Bombs, grenades, torpedoes, mines, missiles and similar munitions of war and parts thereof; cartridges and other ammunition and projectiles and parts thereof, including shot and cartridge wads.	<i>As indicated at the subheading level</i>		
9306.10	- Cartridges for riveting or similar tools or for captive-bolt humane killers and parts thereof	[CTH. (CAN) (US) (MEX) (EC) (JPN) (PHI)] [CTH; or loading the munition (EC)] [CTH , or change within this heading from parts to articles. (KOR)]		Submitted to CRO for decision Issue N° 3
	- Shotgun cartridges and parts thereof; air gun pellets			
9306.21	-- Cartridges	[CTH (CAN) (US) (MEX) (JPN) (PHI)] [CTH; or loading the munition (EC)] [CTH, or change within this heading from parts to articles. (KOR)]		Submitted to CRO for decision Issue N° 3
9306.29	-- Other	[CTH (CAN) (US) (MEX) (JPN) (PHI)] [CTH; or loading the munition (EC)] [CTH, or change within this heading from parts to articles. (KOR)]		Submitted to CRO for decision Issue N° 3
9306.30	- Other cartridges and parts thereof	[CTH (CAN) (US) (MEX)(JPN) (PHI)] [CTH; or loading the munition (EC)] [CTH , or change within this heading from parts to articles. (KOR)]		Submitted to CRO for decision Issue N° 3

HS Code number	Description of goods	Origin Criteria	Notes	Comments
A	B	C	D	E
9306.90	- Other	[CTH ; or loading the munition (EC)] [<i>As indicated at split subheading level</i> (US) (IND) (EGY) (KOR) (CAN) (PHI)]		Submitted to CRO for decision Issue N° 3, Issue No. 4
ex 9306.90(a)	<u>Bombs, grenades, torpedoes, mines, missiles and similar munitions of war</u>	[CTSHS (US) (IND) (EGY) (KOR) (CAN) (PHI)] [<i>as indicated at subheading level (EC)</i>]		Submitted to CRO for decision Issue N° 3, Issue No. 4
ex 9306.90(b)	<u>Parts</u>	[CTH (US) (IND) (EGY) (KOR) (CAN) (PHI)] [<i>as indicated at subheading level (EC)</i>]		Submitted to CRO for decision Issue N° 3, Issue No. 4
93.07	Swords, cutlasses, bayonets, lances and similar arms and parts thereof and scabbards and sheaths therefor.	[CTH (EC) (US) (CAN) (PHI) (CH)] [CTH, or change within this heading from parts to articles. (KOR) (TH)]		Submitted to CRO for decision Issue N° 5

CHAPTER 94

Chapter Notes

1. For the purposes of those rules of origin which refer to a change of classification (i.e., change of heading or change of subheading), the following changes shall not confer origin :
 - (a) changes which result from disassembly (**Basket 1**)
 - (b) changes which result from packaging, or (**Basket 1**)
 - [(c) changes which result solely from application of General Rule of Interpretation 2(a) with respect to collections of parts that are presented as unassembled articles of another heading or subheading (US)] (Referral Doc.OC0029E1)
2. [For collection of parts merely put together that do not satisfy the requirement of GIR 2(a), the origin of the goods shall be the origin of individual parts (IND)] (Referral Doc.OC0029E1)
3. [Obtaining goods from parts by assembly, including sub-assembly, shall be considered as reflecting last substantial transformation; (MOR) (IND)] (Referral Doc.OC0031)

[Chapter Residual Rules

When application of the primary rules of this chapter (including the product specific rules provided in the matrix) does not result in a determination of a country of origin, the country of origin shall be determined as follows:

1. The country of origin of goods of heading 94.04 shall be the country where the textile fabric was formed, or in the case of a good containing textile fabrics of more than one country, the origin of the good is the country in which the exterior textile fabric that predominates by weight was formed. (US)] (Referral Doc.OC0023E1)

[Criteria for Residual Rules

Weight or essential character (CAN)

Weight or volume, as appropriate (US)

Value (EC)

Total value of parts and related processing activity (CH)

Criteria to be left discretionary to each country (IND)]

HS Code number	Description of goods	Origin Criteria	Notes	Comments
A	B	C	D	E
9401.71 9401.79 9401.80	-- Upholstered -- Other - Other seats	[CTSH; or Supplementary criteria where the CIF value of non-originating materials imported and used in the production does not exceed 75% of the ex-factory price of the goods. The method of calculating foreign content is as follows: $FC = \frac{\text{CIF value of NORM}}{\text{EX-Factory price}} \times 100 \% \leq 75\%.$ EX-Factory price FC : foreign content NORM : non-originating raw materials Ex-factory price : = Total materials cost + Direct labour costs + Overhead costs + Profit <i>and as indicated at split subheading level for subheading 9401.69 (SG)]</i>		

HS Code number	Description of goods	Origin Criteria	Notes	Comments
A	B	C	D	E
[ex 9401.69 (a)	<u>CKD wooden seats, not upholstered</u>	CTSHS, provided a combination of processes including joining components to make the frames, sanding, lacquering, drilling and other surface work performed.		Technical file 41.641 (SG)
ex 9401.69 (b)	<u>Antique reproduction wooden seats, not upholstered</u>	CTSHS, provided a combination of processes including joining components to make the back and seats, sanding, lacquering and other surface work performed; or Supplementary criteria where the CIF value of non-originating materials imported and used in the production does not exceed 75 % of the ex-factory price of the goods. The method of calculating foreign content is as follows: FC = $\frac{\text{CIF value of NORM}}{\text{EX-Factory price}} \times 100 \% \leq 75\%$. EX-Factory price FC : foreign content NORM : non-originating raw materials Ex-factory price : = Total materials cost + Direct labour costs + Overhead costs + Profit		Technical file 41.641 (SG)
ex 9401.69 (c)	<u>Other seats, with wooden frames, not upholstered</u>	CTSH (SG)]		

HS Code Number	Description of goods	Origin Criteria	Notes	Comments
A	B	C	D	E
9401.90	- Parts	<p>[CTH, except from subheading 9403.90. (JPN)]</p> <p>[CTH (CAN) (CH) (COL) (MEX) (US) (TH)]</p> <p>[CTSH (MOR)]</p> <p>[CTH except from subheading 9403.90 and except from cushions and mattresses of heading 94.04 (AUS)]</p> <p>[The origin of the product shall be the country where the parts were manufactured. (BRA)]</p> <p>[CTH except from cushions and mattresses of heading 94.04 (EC)]</p>		<p>Submitted to CRO for decision</p> <p>Issue N° 10</p> <p>In the case of these products, assembly does not constitute a substantial transformation. (BRA)</p>
94.02	Medical, surgical, dental or veterinary furniture (for example, operating tables, examination tables, hospital beds with mechanical fittings, dentists' chairs); barbers' chairs and similar chairs, having rotating as well as both reclining and elevating movements; parts of the foregoing articles.	<p>[CTH; or</p> <p>Change from parts, provided the relevant Chapter Note on assembly is met (CAN)]</p> <p>[CTH (TH) (AUS) (EC)]</p> <p>[As indicated at the split heading level (US) (CH) (PHI) (SEN) (COL) (JPN) (MEX)]</p>		<p>Submitted to CRO for decision</p> <p>Issue N° 7</p>
[ex 94.02 (a)]	<u>Medical, surgical, dental or veterinary furniture (for example, operating tables, examination tables, hospital beds with mechanical fittings, dentists' chairs); barbers' chairs and similar chairs, having rotating as well as both reclining and elevating movements;</u>	CTHS (US) (CH) (PHI) (SEN) (COL) (JPN) (MEX)		<p>Submitted to CRO for decision</p> <p>Issue N° 7</p>
ex94.02 (b)	- <u>Parts</u>	CTH (US) (CH) (PHI) (SEN) (COL) (JPN) (MEX)]		
94.03	Other furniture and parts thereof.	<i>As specified for subheadings</i>		

HS Code Number	Description of goods	Origin Criteria	Notes	Comments
A	B	C	D	E
9403.10	- Metal furniture of a kind used in offices	[CTH; or Change from subheading 9403.90 (JPN) (PHI) (CH) (US) (MEX)]		Submitted to CRO for decision Issue N°s. 6,8,11
9403.20	- Other metal furniture	[CTH except from mattresses and cushions of heading 94.04 (EC) (COL)]		
9403.30	- Wooden furniture of a kind used in offices	[CTH; or Change from subheading 9403.90, provided that the relevant Chapter Note on assembly is met. (CAN)]		
9403.40	- Wooden furniture of a kind used in the kitchen	[CTH (TH) (AUS)]		
9403.50	- Wooden furniture of a kind used in the bedroom	[CTSH (MOR)]		
9403.60	- Other wooden furniture			
9403.70	- Furniture of plastics			
9403.80	- Furniture of other materials, including cane, osier, bamboo or similar materials	[CTSH; or Supplementary criteria where the CIF value of non-originating materials imported and used in the production does not exceed 75 % of the ex-factory price of the goods. The method of calculating foreign content is as follows: $FC = \frac{\text{CIF value of NORM}}{\text{Ex-factory price}} \times 100 \% \leq 75\%$ FC : foreign content NORM : non-originating raw materials Ex-factory price := Total materials cost + Direct labour costs + Overhead costs + Profit; <i>and as indicated at split subheading level for subheading 9403.60 (SG)]</i>		

HS Code Number	Description of goods	Origin Criteria	Notes	Comments
A	B	C	D	E
[ex 9403.60 (a)	Antique reproduction wooden table	<p>CTSHS provided a combination of processes including making and joining table top to the frame, sanding, lacquering and other surface work performed; or Supplementary criteria where the CIF value of non-originating materials imported and used in the production does not exceed 75 % of the ex-factory price of the goods. The method of calculating foreign content is as follows:</p> $FC = \frac{\text{CIF value of NORM}}{\text{Ex-factory price}} \times 100 \% \leq 75\%$ <p>FC : foreign content NORM : non-originating raw materials Ex-factory price := Total materials cost + Direct labour costs + Overhead costs + Profit</p>		Technical file 41.641 (SG)
ex 9403.60 (b)	Other wooden furniture	CTSH (SG)]		
9403.90	- Parts	[CTH except from subheading 9401.90. (JPN)]		Submitted to CRO for decision Issue N° 10
		<p>[CTH except from subheading 9401.90 and except from cushions and mattresses of 94.04 (AUS)]</p> <p>[CTH, except from mattresses and cushions of heading 94.04 (EC)]</p> <p>[CTH (CAN) (CH) (COL) (MEX) (US) (PHI) (TH)]</p> <p>[The origin of the product shall be the country where the parts were manufactured. (BRA)]</p> <p>[CTSH; or</p>		In the case of these products, assembly does not constitute a substantial transformation. (BRA)

HS Code Number	Description of goods	Origin Criteria	Notes	Comments
A	B	C	D	E
		<p>Supplementary criteria where the CIF value of non-originating materials imported and used in the production does not exceed 75 % of the ex-factory price of the goods. The method of calculating foreign content is as follows:</p> $FC = \frac{\text{CIF value of NORM}}{\text{Ex-factory price}} \times 100 \% \leq 75\%$ <p>FC : foreign content NORM : non-originating raw materials Ex-factory price := Total materials cost + Direct labour costs + Overhead costs + Profit;</p>		
94.04	Mattress supports; articles of bedding and similar furnishing (for example, mattresses, quilts, eiderdowns, cushions, pouffes and pillows) fitted with any springs or stuffed or internally fitted with any material or of cellular rubber or plastics, whether or not covered.	<i>As specified for subheadings.</i>		<i>After Basket 1 and Referral decisions had been reached at the 13th Session BRA proposed as follows: The origin of the product shall be the country where the parts were manufactured</i>
9404.10	Mattress supports	CTH		Basket 1
9404.21	-Mattresses: --Of cellular rubber or plastics, whether or not covered	CTH		Basket 1
9404.29	-- Of other materials	CTH		Basket 1
9404.30	- Sleeping bags	<p>[CTH (MEX) (CAN) (JPN) (CH) (NOR) (PHI) (IND) (HK) (TH)]</p> <p>[CTH, except from headings 50.07, 51.11 through 52.12, 53.09 through 53.11, 54.07 through 54.08, 55.12 through 55.16, 56.02 through 56.03, 56.08, 58.01 through 58.06,</p>		Submitted to CRO for decision (Doc. 42.269)

HS Code Number	Description of goods	Origin Criteria	Notes	Comments
A	B	C	D	E
		58.08 through 58.11, 59.03, 59.06 through 59.07, and 60.02 and from subheading 6307.90 (US)]		
9404.90	- Other	[CTH (MEX) (CAN) (JPN) (CH) (NOR) (PHI) (IND) (HK) (TH) (EC)]		Submitted to CRO for decision (Doc. 42.269)
		[CTH, except from headings 50.07, 51.11 through 52.12, 53.09 through 53.11, 54.07 through 54.08, 55.12 through 55.16, 56.02 through 56.03, 56.08, 58.01 through 58.06, 58.08 through 58.11, 59.03, 59.06 through 59.07, and 60.02 and from subheading 6307.90 (US)]		
94.05	Lamps and lighting fittings including searchlights and spotlights and parts thereof, not elsewhere specified or included; illuminated signs, illuminated name-plates and the like, having a permanently fixed light source, and parts thereof not elsewhere specified or included.	<i>As specified for subheadings</i>		.
9405.10	- Chandeliers and other electric ceiling or wall lighting fittings, excluding those of a kind used for lighting public open spaces or thoroughfares	[CTSH (JPN) (HK) (US) (PHI) (TH) (MOR) (MEX)]		Submitted to CRO for decision Issue N° 12
9405.20	- Electric table, desk, bedside or floor-standing lamps	[CTH; or Change from parts of subheadings 9405.91 through 9405.99, provided that the relevant Chapter Note on assembly is met. (CAN)(SEN)]		
9405.30	- Lighting sets of a kind used for Christmas trees	[CTH (COL) (CH) (EC) (AUS)]		
9405.40	- Other electric lamps and lighting fittings			

HS Code Number	Description of goods	Origin Criteria	Notes	Comments
A	B	C	D	E
9405.50	- Non-electrical lamps and lighting fittings			
9405.60	- Illuminated signs, illuminated name-plates and the like			
9405.91	- Parts :	CTH		Basket 1
9405.92	-- Of glass			
9405.99	-- Of plastics			
	-- Other			
94.06	Prefabricated buildings.	CTH		Basket 1

Chapter 95

Chapter Notes:

1. For the purposes of those rules of origin which refer to a change of classification (i.e., change of heading or change of subheading), the following changes shall not confer origin:
 - (a) changes which result from disassembly, (**Basket 1**)
 - (b) changes which result from packaging or repackaging, or (**Basket 1**)
 - [(c) changes which result solely from application of General Rule of Interpretation 2(a) with respect to collections of parts that are presented as unassembled articles of another heading or subheading (US)] (Referral Doc.OC0029E1)
 - (d) [Presentation of goods for use other than that for which they were initially designed or intended is not origin conferring. E.G., garments for babies of 61.11 or 62.09 to accessories for dolls of 95.02. *Text to be developed* (CAN) (EC) (US)] (Referral Doc.OC0029E1)
2. [For collection of parts merely put together that do not satisfy the requirement of GIR 2(a), the origin of the goods shall be the origin of individual parts (IND)] (Referral Doc.OC0029E1)
3. [Obtaining goods from parts by assembly, including sub-assembly, shall be considered as reflecting last substantial transformation; (MOR)(IND)] (Referral Doc.OC0031)
4. Sets: (Referral Doc.OC0029E1)

[OPTION A

- 1) Putting articles up in sets shall not be considered as a substantial transformation;
- 2) The country of origin of a set put up from articles that originate in one country shall be that country;
- 3) The country of origin of a set put up from articles that originate in more than one country shall be the country of origin of the articles that confer the essential character on the set as a whole;
- 4) In the event that neither (2) nor (3) is met, the country of origin shall be the single country in which the greatest number of articles in the set were made. (JPN)]

[OPTION B

- 1) Putting articles up in sets shall not be considered as a substantial transformation;
- 2) The country of origin of a set put up from articles that originate in one country shall be that country;
- 3) The country of origin of a set put up from articles that originate in more than one country shall be the single country in which the greatest number of articles in the set were made.

- 4) In the event that neither (2) nor (3) is met, the country of origin shall be the country of origin of the articles that confer the essential character on the set as a whole; (US)]

[OPTION C

- 1) Putting articles up in sets shall not be considered as a substantial transformation;
- 2) The country of origin of a set put up from articles that originate in one country shall be that country;
- 3) The country of origin of a set put up from articles that originate in more than one country shall be the country of the article(s) representing the highest value, the value of the articles having the same origin being taken together. (EC)]

5. [For the purposes of heading 95.06 when the goods are produced from forged or cast blanks which had the essential character of the complete or finished goods and were classifiable, by application of HS General Interpretative Rule 2(a), in the same heading or subheading as the complete or finished goods:

- (1) Provided the following criteria are met, the country of origin of the goods shall be the country in which the blank was finished:
 - (a) In its imported prefinished condition, the blank was not capable of functioning for its ultimate use and was not advanced beyond cleaning or working to remove flash, sprues, burrs or similar excess material, and
 - (b) In the country in which the goods were finished :
 - (i) The blank was configured to final shape by the removal of material (other than merely by honing or polishing or both), or by bending, hammering, pressing, stamping or similar forming process; and
 - (ii) The blank underwent one or more of the following processes:
 1. Heat treatment or thermochemical treatment, such as glowing, tempering, hardening; or
 2. Assembly with five or more parts (other than parts of general use as defined in Note 1(g) to Section XVI of the HS); or
 3. Surface treatment, such as coating, compressing, condensing, impregnating or insulating;
- (2) If the criteria of subparagraph (a) above are not satisfied, the country of origin of the goods shall be the country of origin of the blank (KOR) (US)] (Referral Doc.OC0033E)

[Chapter Residual Rules

When application of the primary rules of this chapter (including the product specific rules provided in the matrix) does not result in a determination of a country of origin, the country of origin shall be determined as follows:

1. The country of origin of a good of subheading 9502.91 that was assembled from parts, but was not wholly assembled in a single country, is the country in which the most significant assembly operations were performed in the making-up of the good, without regard to the addition of buttons and other fasteners, belt and hanger loops, belts, patch pockets, labels, foot straps, epaulettes, ornaments and other minor components. (US)] (Referral Doc.OC0023E1)

[Criteria for Residual Rules

Weight or essential character (CAN)

Weight or volume, as appropriate (US)

Value (EC)

Total value of parts and related processing activity (CH)

Criteria to be left discretionary to each country (IND)]

CHAPTER 95

HS Code Number	Description of goods	Origin Criteria	Notes	Comments
A	B	C	D	E
Chapter 95	Toys, games and sports requisites; parts and accessories thereof	<i>As indicated at heading level</i>		
95.01	Wheeled toys designed to be ridden by children (for example, tricycles, scooters, pedal cars); dolls' carriages.	[CC (MEX)] [CTH (JPN) (EC) (TH) (KOR) (SEN)] [As indicated for split heading (US)(CAN)(CH)(HK)(MOR)]		Submitted to CRO for decision Issue N° 13
[ex 95.01 (a)	<u>Wheeled toys designed to be ridden by children (other than parts); dolls'carriages (other than parts)</u>	CTHS (US) (CAN) (CH) (HK) (MOR)		
ex 95.01 (b)	<u>Parts and accessories</u>	CTH (US) (CAN) (CH) (HK) (MOR)]		
95.02	Dolls representing only human beings.	<i>Proposals as specified for subheadings</i>		
9502.10	- Dolls, whether or not dressed	[CTH, except from subheadings 9503.41 through 9503.49 or except from heading 61.11 or 62.09 (JPN)] [CTH, except from 9503.41 or 9503.49 (EC)(BRA)] [CTH except from subheading 9503.41, 9503.49 or 9503.90 (KOR)] [CTSH (CAN) (PHI) (US) (TH) (HK) (MOR)]		Submitted to CRO for decision Issue N° 14
		[CTH (CH) (SEN)] [CTSH, except from parts of stuffed dolls (MEX)]		

HS Code Number	Description of goods	Origin Criteria	Notes	Comments
A	B	C	D	E
	- Parts and accessories :			
9502.91	-- Garments and accessories therefor, footwear and headgear	[CTSH (CAN) (PHI) (TH)] [CTH (CH) (HK) (MEX) (JPN)(BRA)] [CTH, provided that the goods are either knit to shape or fully assembled in one country] (US)] [As indicated at the split subheading level] (EC)]		Submitted to CRO for decision (Doc. 42.269) In the column C the original written proposals for this heading are reproduced. The Technical Committee decided that for these goods of this heading the rule finally agreed for the textile products of Chapters 61 and 62 should be adopted.
[ex 9502.91 (a)	-- <u>Finished or complete garments</u>	[Complete making-up] (EC)		<i>Decision as indicated at the subheading level.</i> NB: see Chapter note (EC)
ex 9502.91 (b)	-- <u>Unfinished or incomplete garments</u>	[Manufacture from yarn] (EC)		
ex 9502.91 (c)	-- <u>Clothing accessories of any textile fabric</u>	[Manufacture from yarn] (EC)		
ex 9502.91 (d)	-- <u>Footwear and headgear</u>	[CTH] (EC)		
ex 9502.91 (e)	-- <u>Accessories</u>	[CTH] (EC)		
9502.99	-- Other	[CTSH (CAN) (PHI) (TH)] [CTH (CH) (HK) (MEX) (US) (EC) (JPN)(BRA)]		Submitted to CRO for decision (Doc. 42.269) NB: see Chapter note (EC)
95.03	Other toys; reduced-size ("scale") models and similar recreational models, working or not; puzzles of all kinds.	<i>Proposals as indicated for split heading</i>		
ex 95.03 (a)	<u>Goods of this heading put up in sets or outfits</u>	CTH		Basket 1 NB: see Chapter note

HS Code Number	Description of goods	Origin Criteria	Notes	Comments
A	B	C	D	E
ex 95.03 (b)	<u>Toys representing animals or non-human creatures</u>	<p>[CTHS from ex 95.03 (e) (US) (HK) (MOR) (MEX) (PHI) (TH)]</p> <p>[CTHS from ex 95.03 (e) provided that the relevant Chapter Note on assembly is met (CAN)]</p> <p>[CTH (CH) (SEN)(BRA)]</p> <p>[CTH except from heading 95.02 (EC)]</p> <p>[CTH except from heading 95.02, 61.11 or 62.09 (JPN) (KOR)]</p>		<p>Submitted to CRO for decision</p> <p>Issue N° 15</p> <p>Issue N° 16</p>
ex 95.03 (c)	<u>Toy musical instruments and apparatus</u>	<p>[CTHS from ex 95.03 (e) (US) (HK) (MOR) (MEX) (PHI) (TH)]</p> <p>[CTHS from ex 95.03 (e) provided that the relevant Chapter Note on assembly is met (CAN)]</p> <p>[CTH (CH) (SEN)]</p> <p>[CTH except from heading 92.01 through 92.09 (EC)]</p> <p>[CTH except from heading 95.02, 61.11 or 62.09 (JPN) (KOR)]</p>		<p>Submitted to CRO for decision</p> <p>Issue N° 15</p> <p>Issue N° 16</p>
ex 95.03 (d)	<u>Other articles of this heading</u>	<p>[CTHS from ex 95.03 (e) (US) (HK) (MOR) (MEX) (PHI) (TH)]</p> <p>[CTHS from ex 95.03 (e) provided that the relevant Chapter Note on assembly is met (CAN)]</p> <p>[CTH (CH) (SEN)]</p> <p>[CTH except from subheading 9506.31 through 9506.91 (EC)]</p> <p>[CTH except from heading 95.02, 61.11 or 62.09 (JPN) (KOR)]</p>		<p>To be submitted to CRO for decision</p> <p>Issue N° 15</p> <p>Issue N° 16</p>

HS Code Number	Description of goods	Origin Criteria	Notes	Comments
A	B	C	D	E
ex 95.03 (e)	<u>Parts and accessories</u>	<p>[CTH or a change within this split-heading as a result of assembly (US) (HK) (MOR) (PHI) (TH) (MEX)]</p> <p>[CTH or a change within this split-heading provided that the relevant Chapter Note on assembly is met (CAN)]</p> <p>[CTH (CH) (SEN) (EC) (BRA)]</p> <p>[CTH except from heading 95.02, 61.11 or 62.09 (JPN) (KOR)]</p>		<p>To be submitted to CRO for decision</p> <p>Issue N° 15</p> <p>Issue N° 16</p>
9503.10 9503.20 9503.30	<ul style="list-style-type: none"> - Electric trains, including tracks, signals and other accessories therefor - Reduced-size ("scale") model assembly kits, whether or not working models, excluding those of subheading No. 9503.10 - Other construction sets and constructional toys 	<i>As indicated at split heading level</i>		
9503.41 9503.49 9503.50 9503.60 9503.70 9503.80 9503.90	<ul style="list-style-type: none"> - Toys representing animals or non-human creatures : <ul style="list-style-type: none"> -- Stuffed -- Other - Toy musical instruments and apparatus - Puzzles - Other toys, put up in sets or outfits - Other toys and models, incorporating a motor - Other 	<i>As indicated at split heading level</i>		

HS Code Number	Description of goods	Origin Criteria	Notes	Comments
A	B	C	D	E
95.04	Articles for funfair, table or parlour games, including pin tails, billiards, special tables for casino games and automatic bowling alley equipment.	[CTSH (PHI) (MEX) (TH)] [CTSH or Change from parts provided the relevant Chapter Note on assembly is met (CAN)] [CTH (JPN) (EC)] [As indicated at the split heading level (US)(HK)(CH)(MOR)]		Submitted to CRO for decision Issue N° 18
[ex 95.04a ex 95.04b	- <u>Articles for funfair, table or parlor games, including pintables, billiards, special tables for casino games and automatic bowling alley equipment, (other than parts and accessories)</u> - <u>Parts and accessories</u>	CTHS (US) (HK)(CH)(MOR) CTH or a change within this split heading as a result of assembly (US) (HK)(CH)(MOR)]		
9504.10 9504.20 9504.30 9504.40 9504.90	- Video games of a kind used with a television receiver - Articles and accessories for billiards - Other games, coin- or disc-operated, other than bowling alley equipment - Playing cards - Other	<i>As specified for heading or split heading.</i>		
95.05	Festive, carnival or other entertainment articles, including conjuring tricks and novelty jokes.	[CTSH (MEX) (PHI) (TH)]		Submitted to CRO for decision Issue N° 18

HS Code Number	Description of goods	Origin Criteria	Notes	Comments
A	B	C	D	E
		[CTSH or Change from parts provided the relevant Chapter Note on assembly is met. (CAN)]		
		[CTH (JPN) (EC)] [As indicated for split heading (US)(HK)(CH)(MOR)]		
[ex95.05 (a)]	- Festive , carnival or other entertainment articles, including conjuring tricks and novelty jokes, other than parts and accessories	CTHS (US) (HK)(CH)(MOR)		
ex95.05 (b)	- <u>Parts and accessories</u>	CTH or a change within this split heading as a result of assembly (US) (HK)(CH)(MOR)]		
9505.10	- Articles for Christmas festivities	<i>Proposals as specified for heading or split heading</i>		.
9505.90	- Other			
95.06	Articles and equipment for general physical exercise, gymnastics, athletics, other sports (including table-tennis) or outdoor games, not specified or included elsewhere in this Chapter; swimming pools and paddling pools.	<i>Proposals as specified for subheadings or split heading</i>		Submitted to CRO for decision Issue N° 19 Issue N° 20
[ex 95.06 (a)]	- <u>Golf clubs</u>	CTHS, provided that either the shaft or the head is originating in the country of assembly (US)		
ex 95.06 (b)	<u>Other articles and equipment for general physical exercise, gymnastics, athletics, other sports (including table-tennis) or outdoor games, not specified or included elsewhere in this chapter (other than parts and accessories); swimming pools and paddling pools (other than parts and accessories)</u>	CTHS (US) (MOR) (HK)		

HS Code Number	Description of goods	Origin Criteria	Notes	Comments
A	B	C	D	E
ex 95.06 (c)	<u>Parts and accessories</u>	CTH (US)(HK)]		
	- Snow-skis and other snow-ski equipment :			
9506.11	-- Skis	[CTSH or Change from parts provided the relevant Chapter Note on assembly is met. (CAN)]		Submitted to CRO for decision
9506.12	-- Ski-fastenings (ski-bindings)	[CTSH (PHI) (MEX) (TH) (KOR)]		Issue N° 20
9506.19	-- Other	[CTH (CH) (JPN) (EC)]		
	- Water-skis, surf-boards, sailboards and other water-sport equipment :	[as indicated for split heading (US)(MOR)(HK)]		
9506.21	-- Sailboards			
9506.29	-- Other			
	- Golf clubs and other golf equipment :	[CTSH except from subheading 9506.39; or change to subheading 9606.31 from subheading 9506.39, provided that the relevant Chapter Note on assembly is met. (CAN)]		Submitted to CRO for decision Issue N° 19
9506.31	-- Clubs, complete	[CTSH (HK) (PHI) (MEX) (TH)]		
9506.32	-- Balls			
		[As indicated for split heading (US)(MOR)]		
9506.39	-- Other	[CTH (CH) (JPN) (EC)]		
9506.40	- Articles and equipment for table-tennis	[CTSH or Change from parts provided the relevant Chapter Note on assembly is met. (CAN)]		Submitted to CRO for decision Issue N° 20
	- Tennis, badminton or similar rackets, whether or not strung :	[CTH (CH) (JPN) (EC)]		
9506.51	-- Lawn-tennis rackets, whether or not strung	[As indicated for split heading (US) (MOR)(HK)]		
9506.59	-- Other	[CTSH (PHI) (MEX) (TH)]		

HS Code Number	Description of goods	Origin Criteria	Notes	Comments
A	B	C	D	E
	- Balls, other than golf balls and table-tennis balls :			
9506.61	-- Lawn-tennis balls			
9506.62	-- Inflatable			
9506.69	-- Other			
9506.70	- Ice skates and roller skates, including skating boots with skates attached			
	- Other :			
9506.91	-- Articles and equipment for general physical exercise, gymnastics or athletics			
9506.99	-- Other			
95.07	Fishing rods, fish-hooks and other line fishing tackle; fish landing nets, butterfly nets and similar nets; decoy "birds" (other than those of heading No. 92.08 or 97.05) and similar hunting or shooting requisites.	CTH		Basket 1
95.08	Roundabouts, swings, shooting galleries and other fairground amusements; traveling circuses, menageries and theatres.	CTH		Basket 1

CHAPTER 96

Chapter Notes :

1. [For the purposes of those rules of origin which refer to a change of classification (i.e., change of heading or change of subheading), the following changes shall not confer origin :
 - (a) changes which result from disassembly, (**Basket 1**)
 - (b) changes which result from packaging or repackaging, or (**Basket 1**)
 - (c) changes which result solely from application of General Rule of Interpretation 2(a) with respect to collections of parts that are presented as unassembled articles of another heading or subheading. (US)] (Referral Doc.OC0029E1)
2. [For collection of parts merely put together that do not satisfy the requirement of GIR2(a), the origin of the goods shall be the origin of individual parts (IND)] (Referral Doc.OC0029E1)
3. Sets: (Referral Doc.OC0029E1)

[OPTION A

- 1) Putting articles up in sets shall not be considered as a substantial transformation;
- 2) The country of origin of a set put up from articles that originate in one country shall be that country;
- 3) The country of origin of a set put up from articles that originate in more than one country shall be the country of origin of the articles that confer the essential character on the set as a whole;
- 4) In the event that neither (2) nor (3) is met, the country of origin shall be the single country in which the greatest number of articles in the set were made. (JPN)]

[OPTION B

- 1) Putting articles up in sets shall not be considered as a substantial transformation;
- 2) The country of origin of a set put up from articles that originate in more than one country shall be the single country in which the greatest number of articles in the set were made.
- 3) In the event that neither (2) nor (3) is met, the country of origin shall be the country of origin of the articles that confer the essential character on the set as a whole; (US)]

[OPTION C

- 1) Putting articles up in sets shall not be considered as a substantial transformation;
- 2) The country of origin of a set put up from articles that originate in one country shall be that country;
- 3) The country of origin of a set put up from articles that originate in more than one country shall be the country of the article(s) representing the highest value, the value of the articles having the same origin being taken together. (EC)]

[Chapter Residual Rules

When application of the primary rules of this chapter (including the product specific rules provided in the matrix) does not result in a determination of a country of origin, the country of origin shall be determined as follows:

1. The country of origin of typewriter or similar ribbons of subheading 9612.10 shall be the country where the textile fabric was formed, or in the case of a good containing textile fabrics of more than one country, the origin of the good is the country in which the textile fabric that predominates by weight was formed. (US)] (Referral Doc.OC0023E1)

[Criteria for Residual Rules

Weight or essential character (CAN)

Weight or volume, as appropriate (US)

Value (EC)

Total value of parts and related processing activity (CH)

Criteria to be left discretionary to each country (IND)]

CHAPTER 96

HS Code Number	Description of goods	Origin Criteria	Notes	Comments
A	B	C	D	E
Chapter 96	Miscellaneous manufactured articles	<i>As indicated for headings</i>		
96.01	Worked ivory, bone, tortoise-shell, horn, antlers, coral, mother-of-pearl and other animal carving material, and articles of these materials (including articles obtained by moulding).	<i>As indicated at the split heading level</i>		Submitted to CRO for decision Issue N° 21
ex 96.01 (a)	<u>Worked ivory and other worked materials</u>	CTH		Basket 1
ex 96.01 (b)	<u>Articles</u>	[CTSHS (EC) (JPN) (US) (CH) (MEX)] [CTH (CAN) (TH)]		Submitted to CRO for decision Issue No. 21
9601.10 9601.20	- Worked ivory and articles of ivory - Other	<i>As indicated at split heading level</i>		
96.02	Worked vegetable or mineral carving material and articles of these materials; moulded or carved articles of wax, of stearin, of natural gums or natural resins or of modelling pastes, and other moulded or carved articles, not elsewhere specified or included; worked, unhardened gelatin (except gelatin of heading No. 35.03) and articles of unhardened gelatin.	<i>As indicated at the split heading level</i>		
ex 96.02 (a)	<u>- Worked vegetable or mineral carving materials</u>	CTH		Basket 1
ex 96.02 (b)	<u>- Articles of vegetable or mineral carving materials</u>	[CTHS (EC) (JPN) (US) (CH) (MEX)] [CTH (CAN) (TH)]		Submitted to CRO for decision Issue N° 22

HS Code Number	Description of goods	Origin Criteria	Notes	Comments
A	B	C	D	E
96.03	Brooms, brushes (including brushes constituting parts of machines, appliances or vehicles), hand-operated mechanical floor sweepers, not motorised, mops and feather dusters; prepared knots and tufts for broom or brush making; paint pads and rollers; squeegees (other than roller squeegees).	CTH		Basket 1
96.04	Hand sieves and hand riddles.	CTH		Basket 1
96.05	Travel sets for personal toilet, sewing or shoe or clothes cleaning.	CTH, except when it results from only making a set.		Basket 1
96.06	Buttons, press-fasteners, snap-fasteners and press-studs, button moulds and other parts of these articles; button blanks.	CTH		Basket 1
96.07	Slide fasteners and parts thereof.	<i>Proposals as specified for subheadings</i>		
	- Slide fasteners :			
9607.11 9607.19	- Fitted with chain scoops of base metal - Other	[CTH or Change to subheadings 9607.11 through 9607.19 from 9607.20, provided the relevant Chapter Note on assembly is met. (CAN)] [CTH (JPN) (EC) (PHI) (KOR)] [CTSH (MEX) (US) (CH) (TH) (MOR)]	<u>Subsidiary Rule:</u> When the principal rule is not satisfied the country of origin of the slide fastener shall be the country of origin of the slider (KOR)	Submitted to CRO for decision Issue N° 23 Technical file Doc. 41.442 (CH)

HS Code Number	Description of goods	Origin Criteria	Notes	Comments
A	B	C	D	E
9607.20	- Parts	[CTH (CAN) (JPN) (US) (EC) (PHI)] [CTSH (MEX) (TH) (MOR)]		Submitted to CRO for decision see Doc. OC0029 for disassembly issues
96.08	Ball point pens; felt tipped and other porous-tipped pens and markers; fountain pens, stylograph pens and other pens; duplicating stylos; propelling or sliding pencils; pen-holders, pencil-holders and similar holders; parts (including caps and clips) of the foregoing articles, other than those of heading No. 96.09.	<i>As specified for subheadings</i>		Technical File 41.711 (CH)
9608.10	- Ball point pens	[CTSH (PHI) (MOR)] [CTSH, except from subheading 9608.60. (MEX) (KOR) (CAN) (US)] [CTH (JPN) (EC)] [CTSH, or change within this subheading resulting from the assembly of ball point pens from parts (CH) (TH)]		Submitted to CRO for decision Issue N° 24
9608.20	- Felt tipped and other porous-tipped pens and markers	[CTSH (PHI) (MOR)] [CTSH, except from subheading 9608.60. (MEX) (KOR) (CAN) (US)] [CTH (JPN) (EC)] [CTSH, or change within this subheading resulting from the assembly of pens from parts. (CH) (TH)]		Submitted to CRO for decision Issue N° 24
	- Fountain pens, stylograph pens and other pens :			

HS Code Number	Description of goods	Origin Criteria	Notes	Comments
A	B	C	D	E
9608.31	-- Indian ink drawing pens	[CTSH (CAN) (US) (PHI) (MOR) (TH)] [CTSH, except from subheading 9608.60 (MEX)] [CTH (CH) (JPN) (EC)]		Submitted to CRO for decision Issue N° 24
9608.39	-- Other	[CTSH (CAN) (US) (PHI) (MOR)]		Submitted to CRO for decision Issue N° 24
		[CTSH, except from subheading 9608.60 (MEX)] [CTSH, or change within this subheading resulting from the assembly of fountain pens from parts. (CH) (TH)] [CTH (JPN) (EC)]		
9608.40	- Propelling or sliding pencils	[CTSH (CAN) (MEX) (US) (PHI) (MOR)] [CTH (JPN) (EC)] [CTSH, or change within this subheading resulting from the assembly of pencils from parts (CH)]		Submitted to CRO for decision Issue N° 24
9608.50	- Sets of articles from two or more of the foregoing subheadings	CTH		Basket 1
9608.60	- Refills for ball point pens, comprising the ball point and ink-reservoir	[CTSH (CAN)(MEX) (TH) (MOR)] [CTH (CH) (JPN) (US) (EC)]		Submitted to CRO for decision Issue N° 26
	- Other			

HS Code Number	Description of goods	Origin Criteria	Notes	Comments
A	B	C	D	E
9608.91	-- Pen nibs and nib points	CTSH/CTH		Basket 1 see Doc. OC0029 for disassembly issues
9608.99	-- Other	CTSH/CTH		Basket 1 see Doc. OC0029 for disassembly issues
96.09	Pencils (other than pencils of heading No. 96.08), crayons, pencil leads, pastels, drawing charcoals, writing or drawing chalks and tailors' chalks.	<i>Proposals as specified for subheadings</i>		.
9609.10	- Pencils and crayons, with leads encased in a rigid sheath	[CTSH (CAN) (MEX) (US) (PHI) (TH) (MOR)] [CTSHS (KOR)]		Submitted to CRO for decision Issue N° 27
		[CTH (CH) (JPN) (EC)]		
9609.20	- Pencil leads, black or coloured	CTH		Basket 1
9609.90	- Other	CTH		Basket 1
96.10	Slates and boards, with writing or drawing surfaces, whether or not framed.	CTH		Basket 1
96.11	Date, sealing or numbering stamps, and the like (including devices for printing or embossing labels), designed for operating in the hand; hand-operated composing sticks and hand printing sets incorporating such composing sticks.	CTH		Basket 1
96.12	Typewriter or similar ribbons, inked or otherwise prepared for giving impressions, whether or not on spools or in cartridges; ink-pads, whether or not inked, with or	<i>As specified for subheadings</i>		.

HS Code Number	Description of goods	Origin Criteria	Notes	Comments
A	B	C	D	E
	without boxes.			
9612.10	- Ribbons	[CTH] [CTH, except from headings 50.07, 51.11 through 51.13, 52.08 through 52.12, 53.09 through 53.11, 54.07 through 54.08, 55.12 through 55.16, 56.03, 58.06, 59.03, 59.06 through 59.07 and 60.02 (US)]		Submitted to CRO for decision Doc. 42.269, Issue No. 4
9612.20	- Ink-pads	CTH		Basket 1
96.13	Cigarette lighters and other lighters, whether or not mechanical or electrical, and parts thereof other than flints and wicks.	<i>Proposals as specified for subheadings</i>		.
9613.10	Pocket lighters, gas fuelled, non-refillable	[A change to subheadings 9613.10 through 9613.20 from any subheading outside that group. (CAN)(MEX)] [CTSH (US) (PHI) (MOR)] [CTH (JPN) (CH) (EC) (KOR)]		Submitted to CRO for decision Issue N° 28
9613.20	- Pocket lighters, gas fuelled, refillable	[A change to subheadings 9613.10 through 9613.20 from any subheading outside that group. (CAN)(MEX)] [CTSH (US) (PHI) (MOR)] [CTH (JPN) (CH) (EC) (TH) (KOR)]		Submitted to CRO for decision Issue N° 28
9613.30	- Table lighters	[CTSH (CAN) (MEX) (US) (PHI) (MOR)] [CTH (JPN) (CH) (EC) (TH) (KOR)]		Submitted to CRO for decision Issue N° 28
9613.80	- Other lighters	[CTSH (CAN) (MEX) (US) (PHI) (MOR)] [CTH (JPN) (CH) (EC) (TH) (KOR)]		Submitted to CRO for decision Issue N° 28
9613.90	- Parts	CTH		Basket 1

HS Code Number	Description of goods	Origin Criteria	Notes	Comments
A	B	C	D	E
96.14	Smoking pipes (including pipe bowls) and cigar or cigarette holders, and parts thereof.	<i>Proposals as specified for subheadings</i>		
9614.20	- Pipes and pipe bowls	<i>As indicated at split subheading level</i>		
ex-9614.20 (a)	<u>Roughly shaped blocks of wood or root, for the manufacture of pipes and pipe bowls</u>	CTH		Basket 1
ex-9614.20 (b)	<u>Pipes and pipe bowls</u>	CTSHS (EC) (CAN) (US) (CH) (MEX) (SEN) [CTH (JPN) (TH)]		Submitted to CRO for decision Issue N° 29
9614.90	- Other	CTH		Basket 1
96.15	Combs, hair-slides and the like; hairpins, curling pins, curling grips, hair-curlers and the like, other than those of heading No. 85.16, and parts thereof.	<i>Proposals as specified for subheadings</i>		
9615.11	- Combs, hair-slides and the like : -- Of hard rubber or plastics	CTH		Basket 1
9615.19	-- Other	CTH		Basket 1
9615.90	- Other:	<i>As indicated at split subheading level</i>		
ex 9615.90 (a)	-- <u>Hairpins, curling pins, curling grips, hair-curlers and the like, other than those of heading No. 85.16,</u>	[CTSHS, provided that the relevant Chapter Note on assembly is met (CAN)] [CTH (US) (TH)]		Submitted to CRO for decision Issue N° 31

HS Code Number	Description of goods	Origin Criteria	Notes	Comments
A	B	C	D	E
ex 9615.90 (b)	-- <u>Parts thereof</u>	CTH		Basket 1
96.16	Scent sprays and similar toilet sprays, and mounts and heads therefor; powder-puffs and pads for the application of cosmetics or toilet preparations.	CTH		Basket 1
96.17	Vacuum flasks and other vacuum vessels, complete with cases; parts thereof other than glass inners.	<i>As indicated at split heading level</i>		
ex 96.17 (a)	<u>Vacuum flasks and other vacuum vessels, complete with cases</u>	[CTHS (CAN) (KOR) (SEN) (US) (MOR)] [CTH (JPN) (EC) (TH)]		Submitted to CRO for decision Issue N° 32
ex 96.17 (b)	<u>Parts thereof other than glass inners</u>	CTH		Basket 1
96.18	Tailors' dummies and other lay figures; automata and other animated displays used for shop window dressing.	CTH		Basket 1

CHAPTER 97

HS Code number	Description of goods	Origin Criteria	Notes	Comments
A	B	C	D	E
Chapter 97	Works of art, collectors' pieces and antiques	<i>As indicated for headings</i>	At its 17th Session the Technical Committee decided to discontinue its discussions on rules for this Chapter. Members indicated concerns that decisions of the Technical Committee might have undesirable implications for national and international policies on the protection of cultural heritage.	Technical file Doc. 42.144 (TUR)
97.01	Paintings, drawings and pastels, executed entirely by hand, other than drawings of heading n0 49.06 and other than hand-painted or hand-decorated manufactured articles; collages and similar decorative plaques	<i>Proposals as specified for subheadings</i>		
9701.10	- Paintings, drawings and pastels	[CTSH]	[Residual rule : nationality of the artist or, if it is unknown, according to the country where the work of art was discovered. (EC)]	The residual rule is to be applied where it appears to be impossible to determine the country where the CTH occurred. (EC)
9701.90	- Other	[CTSH]		
		[CTH and residual rule (EC)]	[Residual rule : nationality of the artist or, if it is unknown, according to the country where the work of art was discovered. (EC)]	The residual rule is to be applied where it appears to be impossible to determine the country where the CTH occurred. (EC)
97.02	Original engravings, prints and lithographs.	[CTH]		

HS Code number	Description of goods	Origin Criteria	Notes	Comments
A	B	C	D	E
		[CTH and residual rule (EC)]	<u>[Residual rule]</u> : nationality of the artist or, if it is unknown, according to the country where the work of art was discovered. (EC)]	The residual rule is to be applied where it appears to be impossible to determine the country where the CTH occurred. (EC)
97.03	Original sculptures and statuary, in any material.	[CTH] [CTH and residual rule (EC)]	 <u>[Residual rule]</u> : nationality of the artist or, if it is unknown, according to the country where the work of art was discovered. (EC)]	 The residual rule is to be applied where it appears to be impossible to determine the country where the CTH occurred. (EC)
97.04	Postage or revenue stamps, stamp-postmarks, first-day covers, postal stationery (stamped paper), and the like, used, or if unused not of current or new issue in the country to which they are destined.	[CTH] [As indicated at the split heading level (EC) (TUR)]		
[ex9704(a)]	<u>Collections</u> (EC) (TUR)	[(a) Country of nationality of the proprietor of the collection. (EC)] [(b) The origin of the goods shall be the country in which the piece of this split heading was produced. (TUR)]		There is no substantial change of the quality, shape etc. of the pieces only for being a component of a collection. Therefore they maintain their origin. (TUR)
ex9704(b)	<u>Other</u> (EC) (TUR)	CTH (EC) (TUR)]		
97.05	Collections and collectors' pieces of zoological, botanical, mineralogical,	[CTH]		

HS Code number	Description of goods	Origin Criteria	Notes	Comments
A	B	C	D	E
	anatomical, historical, archaeological, palaeontological, ethnographic or numismatic interest.			
		[The origin of the goods shall be the country in which the piece of this heading was discovered. (TUR) (EGY)] [As indicated at the split heading level (EC)]		
[ex 9705(a)]	<u>Collectors' pieces of zoological, botanical, mineralogical, anatomical, historical, archaeological, palaeontological, ethnographic or numismatic interest (EC)</u>	[Country where the piece was discovered. (EC) (EGY)]		
ex 9705(b)	<u>Collections (EC)</u>	[Country of nationality of the proprietor of the collection. (EC)]		There is no substantial change of the quality, shape etc. of the pieces only for being a component of a collection. Therefore they maintain their origin. (TUR)]
97.06	Antiques of an age exceeding one hundred years.	[CTH] [The origin of the goods shall be the country in which the piece of this heading was produced/created. (TUR) (EGY)] [Origin the pieces had when produced (EC)]		Antiquity (cultural property in general) can be defined as manmade instruments reflecting the traditional life of people in every way and the personal, collective and anonymous products, including handmade arts, handicrafts related to the

HS Code number	Description of goods	Origin Criteria	Notes	Comments
A	B	C	D	E
				<p>arts of science, technique, culture, religion and mechanics which must be preserved because of their values and uniqueness.</p> <p>97.06 covers all antiques of an age exceeding 100 years but does not cover articles of headings 9701 through 9705.</p>
				<p>The antiques are classified in this heading only because they exceed 100 years of age although there is no substantial transformation.</p> <p>For this reason; the above mentioned antiques are the products of the country where they were produced/created. The quality, origin and uniqueness will not be changed because they exceed 100 years of age. They maintain the origin of the country where they were produced/created. (TUR)</p>