

**Committee on Rules of Origin**

**INTEGRATED NEGOTIATION TEXT FOR THE  
HARMONIZATION WORK PROGRAMME**

**CHAPTERS 41-43 (LEATHER)**

Note by the Secretariat

Revision

1. At its meeting on 10 May 1996, the Committee on Rules of Origin (CRO) decided to establish an Integrated Negotiating Text (INT) for the Harmonization Work Programme. The first INT was circulated in document G/RO/W/13 (24 May 1996), and had been periodically updated (G/RO/W/13/Rev.1-3, G/RO/W/13/Rev.3/Add.1 and 2). A further consolidated INT was circulated in document G/RO/41(3 September 1999), and has also been periodically updated (JOB(99)/5869, JOB(99)/7617, JOB(00)/1573, JOB(00)/3230, JOB(00)/5207 and JOB(00)/7194).
2. The attached addendum is the latest update of the negotiating text of chapters 41-43 (leather), and reflects the progress made by the CRO in July 2001.

## ISSUES FOR DECISION; CHAPTERS 41 - 43

### Issue for Decision, No. 1

~~1. Is the de-wooling of sheep or lamb skins of subheadings 4102.21 and 4102.29 a substantial transformation?~~

#### Differing views presented in the relevant Technical Committee discussion

##### Option A: (EC)(NOR)(PHI)(BRA)(COL)(CH)

~~2. Removal of wool from a sheep or lamb skin with wool on is a substantial transformation process. The origin rule should be based on a change of subheading, namely, a change to subheadings 4102.21 or 4102.29 (skin without wool on) from subheading 4102.10 (skin with wool on).~~

~~3. De-wooling is a complicated process. It involved very specialized and labour-intensive operations, during which chemical agents are used. De-wooling enhances the quality and the value of the skins. A skin after de-wooling differs markedly from the input skin that bears fleecy wool.~~

##### Option B: (CAN)(CHI)(IND)(MEX)(US)(ARG)(EGY)

~~4. Removal of wool from a sheep or lamb skin with wool on is not a substantial transformation process. The rule should be based on a change of heading, namely, a change to subheadings 4102.21 or 4102.29 (skin without wool on) from any other heading.~~

~~5. De-wooling is only one of the many preparatory operations done to prepare the skins for subsequent tanning or finishing. De-wooling does not change the essential character of the skin. It merely serves to clear up the surface of a skin for further processing. De-wooling is by no means a complicated operation although chemical agents are used. The process does not call for any high technique.~~

#### Relevant HS code number

~~6. Subheadings 4102.21 and 4102.29 (Raw skins of sheep or lambs (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment dressed or further prepared), whether or not with wool on or split, other than those excluded by Note 1 (c) to this Chapter: Without wool on).~~

### References

~~7. Report of the 3rd Session (Doc. 39.870, Annexes D1 and D2)~~

~~—— Report of 8th Session (Doc. 41.211, Annexes L1 and L2)~~

~~—— Reference document (Doc. 40.811, pages 10–11)~~

~~—— Reference document (Doc. 41.384, page 4)~~

~~—— Reference document (Doc. 41.451, page 2)~~

### Issue for Decision, No. 2

~~8. Are liming and pickling of dehaired sheep or lambs skins substantial transformation?~~

#### Differing views presented in the relevant Technical Committee discussion

##### OPTION A:

~~9. A change of subheading from 4102.29 to 4102.21 is sufficient to express the substantial transformation. Liming and pickling significantly change the characteristics of hides and skins. However, salting, drying or preserving of fresh hides and skins are not substantial transformation.~~

Option B:

~~10. Liming or pickling does not change the characteristics of sheep or lambs skins. therefore, a change of subheading to 4102.21 except from 4102.29, or a change of subheading to 4102.29 except from 4102.21, or a change of heading rule should be adopted.~~

Relevant HS code number

~~11. Subheadings 4102.21 and 4102.29 (Raw skins of sheep or lambs (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment dressed or further prepared), whether or not with wool on or split, other than those excluded by Note 1 (c) to this Chapter: Without wool on:— pickled; other)~~

References

~~12. Report of the 3rd Session (Doc. 39.870, Annexes D1 and D2)~~

~~Report of 8th Session (Doc. 41.211, Annexes L1 and L2)~~

~~Reference document (Doc. 41.384, page 4)~~

~~Reference document (Doc. 41.452, page 1)~~

Issue for Decision, No. 3

~~13. Is a change of heading sufficient to express the substantial transformation of the goods assembled from parts?~~

Differing views presented in the relevant Technical Committee discussion

OPTION A:

~~14. A change of heading is sufficient to express the substantial transformation of articles assembled from parts. The origin rule should be based on a change to the headings concerned (namely, headings 42.01, 42.04, 42.05 and 42.06) from any other heading.~~

~~15. Since the leather goods under examination are manufactured from raw materials or products including component parts classified in any other heading, a change of heading should be an adequate expression of substantial transformation of the goods. This formulation was simple, user friendly and easy to implement.~~

~~16. However, it is acknowledged that a simple change of heading rule would not be sufficient in all circumstances to express the origin of goods made from component parts because by virtue of the General Rule of Interpretation 2(a), component parts of a good presented unassembled or disassembled may be classified in the same heading as the assembled good. To solve this problem, a general rule should be structured.~~

OPTION B:

~~17. A change of heading is not sufficient to express the substantial transformation of articles assembled from parts. The origin rule should be based on a change to the headings concerned~~

(namely, headings 42.01, 42.04, 42.05 and 42.06) from any other heading, provided the goods are knit to shape or fully assembled in one country.

~~18. To offset the effect of the General Rule of Interpretation 2(a) which classifies a product and its parts presented as unassembled or disassembled in the same heading, this rule should be read in conjunction with the following proposed Chapter Legal Note: "Those rules which refer to a change of heading or subheading shall not apply to changes which result solely from the application of the General Rule of Interpretation 2(a)".~~

#### Relevant HS code number

~~19. Headings 42.01 (Saddlery and harness for any animal (including traces, leads, knee pads, muzzles, saddle cloths, saddle bags, dog coats and the like), of any material), 42.04 (Articles of leather or of composition leather, of a kind used in machinery or mechanical appliances or for other technical uses), 42.05 (Other articles of leather or of composition leather) and 42.06 (Articles of gut (other than silk worm gut), of goldbeater's skin, of bladders or of tendons).~~

#### References

~~20. Report of the 3rd Session (Doc. 39.870, Annexes D1 and D2)~~

~~Report of the 8th Session (Doc. 41.211, Annexes L1 and L2)~~

~~Reference document (Doc. 39.861, Annex F/12)~~

#### Issue for Decision, No. 4

~~21. Is it a substantial transformation to assemble furskins from pieces, cuttings or other unassembled parts of furskins?~~

#### Differing views presented in the relevant Technical Committee discussion

##### OPTION A:

~~22. Assembling of pieces, cuttings or other unassembled parts of furskins into a large furskin is a substantial transformation. The rule of origin should be based on a change to the subheading concerned (namely, subheading 4302.30) from any other subheading.~~

##### OPTION B:

~~23. Assembling of pieces, cuttings or other unassembled parts of furskins into a large furskin is not a substantial transformation. The rule of origin should be based on a change to the subheading concerned (namely, subheading 4302.30) from any other heading.~~

#### Other considerations

~~24. The Technical Committee could broadly agree to adopting a change of subheading rule for subheading 4302.30 to express that the assembly of furskins from pieces, cuttings or unassembled parts of furskins is origin conferring.~~

~~25. However one delegation maintained its proposal for a change of heading rule so as to seek further instructions from its home administration before it could join the consensus.~~

Relevant HS code number

~~26. Subheading 4302.30 (Tanned or dressed furskins (including heads, tails, paws and other pieces or cuttings), unassembled, or assembled (without the addition of other materials) other than those of heading No. 43.03: Whole skins and pieces or cuttings thereof, assembled)~~

References

~~27. Report of the 3rd Session (Doc. 39.870, Annexes D1 and D2)~~

~~Report of the 8th Session (Doc. 41.211, Annexes L1 and L2)~~

~~Reference document (Doc. 41.424, page 38).~~

ISSUE FOR DECISION, NO. 5

28. Change to the tanned leather of heading 41.04, 41.05, 41.06 or 41.07 from other products of the same heading.

Differing views presented in the relevant Technical Committee discussion

OPTION A (AUS) (BRA) (CHI) (EC) (FIJ) (IND) (JPN) (KOR) (MEX) (NOR) (NZ) (PHI) (US) (CAN) (COL) (EGY) (THA)

29. A change to tanned leather from leather provisionally prepared constitutes a substantial transformation. The starting products may have been lightly tanned but the tanning effect is temporary and reversible. A tanned leather on the other hand is a product that has undergone a complete course of tanning. The tanning effect is permanent. Leather fully tanned and leather provisionally prepared are two different products and the change to tanned leather from the latter is considered origin-conferring. The origin rule formulation of CTHS (change of split heading) is appropriate for tanned leather put under split headings: ex 41.04 (b), ex 41.05(b), ex 41.06(b) and ex 41.07(b).

OPTION B (ARG)

30. The origin of tanned leather (of 41.04 through 41.07) should be traced back to the origin of the animals. A change to tanned leather from raw hides or skins (classified in heading 41.01, 41.02 or 41.03) cannot be regarded as a substantial transformation, not to mention the change to tanned leather of a heading among headings 41.04 through 41.07 from provisionally prepared leather of the same heading. There is not much difference between the input products (raw hides or skins) and resulting product (tanned leather). The origin rule formulation for tanned leather should be drafted as follows:

- for tanned leather of ex41.04(b): CTH, except from heading 41.01
- for tanned leather of ex41.05(b): CTH, except from heading 41.02
- for tanned leather of ex41.06(b): CTH, except from heading 41.03
- for tanned leather of ex41.07(b): CTH, except from heading 41.03

OPTION C (CAN)

~~Origin rule: CTH~~

Relevant HS code number

31. Heading 41.04: leather of bovine or equine animals, without hair on, other than leather of heading No. 41.08 or 41.09.

Heading 41.06: goat or kid skin leather, without hair on, other than leather of heading No. 41.08 or 41.09.

Heading 41.07: leather of other animals, without hair on, other than leather of heading No. 41.08 or 41.09.

#### References

32. Report of the 3rd Session (Doc. 39.870, Annexes D1 and D2)

Report of 8th Session (Doc. 41.211, Annexes L1 and L2)

Reference document (Doc. 41.251, pages 1 to 2)

Reference document (Doc. 41.421)

Reference document (Doc. 41.451, pages 1 to 5)

Reference document (Doc. 41.452)

#### ISSUE FOR DECISION, NO. 6

33. Change to the retanned leather of heading 41.04, 41.05, 41.06 or 41.07 from other products of the same heading.

#### Differing views presented in the relevant Technical Committee discussion

#### OPTION A (AUS)(EC)(IND)(FIJ)(MEX)(NZ)(PHI)(ARG)(CH)(COL)(BRA)(EGY)(THA)

34. Retanned leather differs considerably from its input products (e.g., leather provisionally prepared, tanned leather). After being retanned, the quality and properties of the final product are much improved. Hence, a change to retanned leather from the input products is deemed to be a substantial transformation. Since both the retanned leather and the input products are classified in the same heading, a “CTHS” is an appropriate origin rule formulation to cover retanned leather of split headings of ex 41.04(c), ex 41.05(c), ex 41.06(c) and ex 41.07(c).

#### OPTION B (CHI)(JPN)(KOR)(US)(CAN)

35. Option B differs from Option A in that it does not recognize retanning of tanned leather to be origin-conferring. The retanning merely reinforced the effect of the tanning operation done to the goods. A change to retanned leather from tanned leather does not constitute a substantial transformation. However, a substantial transformation is deemed to take place if the input product for retanned leather is drawn from leather provisionally prepared. The origin rule formulations as follows are considered appropriate for retanned leather:

for retanned leather of ex 41.04(c):	CTHS, except from split heading ex 41.04(b)
for retanned leather of ex 41.05(c):	CTHS, except from split heading ex 41.05(b)
for retanned leather of ex 41.06(c):	CTHS, except from split heading ex 41.06(b)
for retanned leather of ex 41.07(c):	CTHS, except from split heading ex 41.07(b)

#### OPTION C

~~36. The origin of retanned leather should be traced back to that of the raw hides and skins (heading 41.01, 41.02 or 41.03, as appropriate). A change to retanned leather from these raw hides or~~

~~skins constitutes a substantial transformation. However, a change to retanned leather of a heading from any other products (e.g., tanned leather, provisionally prepared leather) of the same heading does not cause any substantial transformation to the products and is not origin conferring. “CTH” is an appropriate origin rule formulation for retanned leather of split headings ex 41.04(c), ex 41.05(c), ex 41.06(c) and ex 41.07(c).~~

Relevant HS code number

37. See paragraphs 35.

References

38. See paragraph 32.

ISSUE FOR DECISION, NO. 7

39. Change to the finished leather of heading 41.04, 41.05, 41.06 or 41.07 from other products of the same heading.

Differing views presented in the relevant Technical Committee discussion

40. "After tanning, ... the leather may then be further dressed or finished by dyeing, graining, or stamping to imitate skins of other kinds, sizing, polishing, grinding (or buffing) ... to give suede or velvete finish, waxing, blacking, smoothing (glazing), satin finishing, printing, etc." (HS Explanatory Note, page 650)

41. The Technical Committee has come up with 5 possible ways to articulate the origin rule for finished leather.

OPTION A (CAN)

~~42. The origin rule formulation should be based on a “CTH”. This means that the input products for finished leather (of headings 41.04 to 41.07) need to be traced back to the related raw hides or skins (of headings 41.01 to 41.03). A change to finished leather of headings 41.04 to 41.07 from any other products (i.e. tanned leather, leather provisionally prepared) classified in the same heading does not constitute a substantial transformation.~~

OPTION B (AUS)(EC)(IND)(MEX)(NZ)(PHI)(BRA)(EGY)(THA)

43. The production of finished leather (of headings 41.04 to 41.07) from tanned, retanned or provisionally prepared leather entails sufficient characteristic change to the resulting products. It is therefore origin-conferring. The “CTHS” should be an appropriate origin rule formulation for the finished leather of split headings ex41.04(d), ex41.05(d), ex41.06(d) and ex41.07(d).

OPTION C (ARG)(CH)

44. The change to finished leather (of headings 41.04 to 41.07) from tanned or provisionally prepared leather of the same heading is considered substantial and origin-conferring. However, a change to finished leather from retanned leather does not involve much modification to the input product. Substantial transformation therefore is not deemed to have taken place. The origin rules for the finished leather of heading 41.04 to 41.07 should be formulated as:

- for finished leather of ex41.04(d): CTHS, except from split heading 41.04(c)
- for finished leather of ex41.05(d): CTHS, except from split heading 41.05(c)

- for finished leather of ex41.06(d): CTHS, except from split heading 41.06(c)
- for finished leather of ex41.07(d): CTHS, except from split heading 41.07(c)

OPTION D (BRA)(CHI)(FIJ)(JPN)(KOR)(PAK)(US)(CAN)

45. The origin can be conferred to finished leather (of headings 41.04 to 41.07) manufactured from the provisionally prepared leather of the same heading concerned. However, the production of finished leather from tanned or retanned does not involve much characteristic change to the input products. Accordingly, the following origin rule formulations are considered appropriate:

- for finished leather of ex 41.04(d): CTHS, except from split heading ex 41.04(b)  
or 41.04(c)
- for finished leather of ex 41.05(d): CTHS, except from split heading ex 41.05(b)  
or 41.05(c)
- for finished leather of ex 41.06(d): CTHS, except from split heading ex 41.06(b)  
or 41.06(c)
- for finished leather of ex 41.07(d): CTHS, except from split heading ex 41.07(b)  
or 41.07(c)

OPTION E

~~46. Some finishing processes as set out in paragraph 15 may be too minimal to affect the leather while others render significant changes to the performance of the resulting leather. To recognize the substantial transformation brought about by certain finishing processes to the leather, the origin rule for products under ex41.04(d), ex41.05(d), ex41.06(d) and ex41.07(d) should be formulated along the line of "change within split heading" as follows:~~

- ~~- for finished leather of ex41.04(d): ——— Change within split heading ex 41.04(d)~~
- ~~- for finished leather of ex41.05(d): ——— Change within split heading ex 41.05(d)~~
- ~~- for finished leather of ex41.06(d): ——— Change within split heading ex 41.06(d)~~
- ~~- for finished leather of ex41.07(d): ——— Change within split heading ex 41.07(d)~~

Relevant HS code number

47. See paragraphs 24.

References

48. See paragraph 25.

ISSUE FOR DECISION, NO. 8

~~49. Change to the parchment dressed (whether or not further prepared) leather of heading 41.04, 41.05, 41.06 or 41.07 from other products of the same heading.~~

Differing views presented in the relevant Technical Committee discussion

~~50. "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." (HS Explanatory Note, page 650)

OPTION A (AUS)(ARG)

51. The parchment dressed leather is remarkably different from its input material of raw hides or skins in all respects. A change to parchment dressed leather from raw hides or skins therefore constitutes a substantial transformation. The "CTH" formulation should be adopted as the origin rule for parchment dressed leather of split headings ex 41.04 (e), ex 41.05(e), ex 41.06(e) and ex 41.07(e)

OPTION B (MEX)

52. The change to parchment dressed leather of heading 41.04, 41.05, 41.06 or 41.07 from other products (i.e. provisionally prepared leather) of the same heading is considered a substantial transformation because there is much difference between the input and the resulting products. The origin rule formulation for the parchment dressed leather under split headings ex 41.04(e), ex 41.05(e), ex 41.06(e) and ex 41.07(e) should be based on "CTHS", namely, a change to these splits from any other split of the same heading confers origin.

OPTION C (BRA)(CHI)(EC)(FIJ)(JPN)(KOR)(NOR)(CAN)(MEX)(IND)(PHI)(US)

53. A change to parchment dressed leather from provisionally prepared or tanned leather is considered to be a substantial transformation and confers origin. However, a change to parchment dressed leather from retanned or finished leather should not be so treated. Consequently, the origin rule for parchment dressed leather should be formulated as follows:

- for parchment dressed leather of ex 41.04(e): — CTHS, except from split headings ex 41.04(b), ex 41.04(c) or ex 41.04(d)
- for parchment dressed leather of ex 41.05(e): — CTHS, except from split headings ex 41.05(b), ex 41.05(c) or ex 41.05(d)
- for parchment dressed leather of ex 41.06(e): — CTHS, except from split headings ex 41.06(b), ex 41.06(c) or ex 41.06(d)
- for parchment dressed leather of ex 41.07(e): — CTHS, except from split headings ex 41.07(b), ex 41.07(c) or ex 41.07(d)

Relevant HS code number

54. See paragraphs 24.

References

55. See paragraph 25.

ISSUE NO. 9: OBTAINING PRODUCTS OF SUBHEADING 42.02 (TRUNK SUITCASES, BRIEF CASES, TRAVELLING BAGS, HANDBAGS, SHOPPING BAGS, WALLETs, ETC.) FROM PRODUCTS OF OTHER HEADINGS

Options: Issue No. 45 for textiles (Chapters 61 and 62) refers.

Relevant HS Codes: 42.02

ISSUE NO. 10: OBTAINING ARTICLES OF APPAREL AND CLOTHING ACCESSORIES CLASSIFIED IN 42.03 AND 43.03 FROM PRODUCTS OF OTHER HEADINGS

Options: Issue No. 46 for textiles (Chapters 61 and 62) refers.

Relevant HS Codes: 42.03, 43.03

ISSUE NO. 11 HEADING 43.04 COVERS (A) ARTIFICIAL FUR APPAREL, (B) ARTICLES OF ARTIFICIAL FUR , AND (C) ARTIFICIAL FUR. OBTAINING (A) ARTIFICIAL FUR APPAREL FROM PRODUCTS OF (B) OR (C)

Options: Issue No. 46 for textiles (Chapters 61 and 62) refers.

Relevant HS Codes: ex 43.04 (a)

ISSUE NO. 12 HEADING 43.04 COVERS (A) ARTIFICIAL FUR APPAREL, (B) ARTICLES OF ARTIFICIAL FUR , AND (C) ARTIFICIAL FUR. OBTAINING (B) ARTICLES OF ARTIFICIAL FUR FROM (C) ARTIFICIAL FUR

Options: Issue No. 46 for textiles (Chapters 61 and 62) refers.

Relevant HS Codes: ex 43.04 (b)

## 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.

HS Code Number	Description of goods	Origin Criteria	Notes	Comments
A	B	C	D	E
<b>Chapter 41</b>	<b>Raw hides and skins (other than furskins) and leather</b>			
<b>41.01</b>	<b>Raw hides and skins of bovine or equine animals (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not dehaired or split.</b>	CTH		<b>Basket 1 (Endorsed by CRO)</b>
4101.10  4101.21 4101.22 4101.29 4101.30  4101.40	<ul style="list-style-type: none"> <li>- Whole hides and skins of bovine animals, of a weight per skin not exceeding 8 kg when simply dried, 10 kg when dry-salted or 14 kg when fresh, wet-salted or otherwise preserved</li> <li>- Other hides and skins of bovine animals, fresh or wet-salted: <ul style="list-style-type: none"> <li>-- Whole</li> <li>-- Butts and bends</li> <li>-- Other</li> </ul> </li> <li>- Other hides and skins of bovine animals, otherwise preserved</li> <li>- Hides and skins of equine animals</li> </ul>	<i>As indicated at the heading level.</i>		

HS Code Number	Description of goods	Origin Criteria	Notes	Comments
A	B	C	D	E
<b>41.02</b>	<b>Raw skins of sheep or lambs (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not with wool on or split, other than those excluded by Note 1 (c) to this Chapter.</b>	CTH		<b>Endorsed by CRO</b>
4102.10 4102.21 4102.29	- With wool on - Without wool on -- Pickled -- Other			
<b>41.03</b>	<b>Other raw hides and skins (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not dehaired or split, other than those excluded by Note 1 (b) or 1 (c) to this Chapter.</b>	CTH		<b>Basket 1 (Endorsed by CRO)</b>
4103.10 4103.20 4103.90	- Of goats or kids - Of reptiles - Other	<i>As indicated at the heading level.</i>		
<b>41.04</b>	<b>Leather of bovine or equine animals, without hair on, other than leather of heading No. 41.08 or 41.09.</b>	<i>As indicated at the split heading level.</i>		
ex 41.04 (a)	- <u>Provisionally prepared</u>	CTH, except from heading 41.01	Chapter Note 1	<b>Basket 1 (Endorsed by CRO)</b>

HS Code Number	Description of goods	Origin Criteria	Notes	Comments
A	B	C	D	E
ex 41.04 (b)	- <u>Tanned</u>	[CTHS] [CTH, except from heading 41.01]	Chapter Note 2	<b>Submitted to CRO for decision</b>
ex 41.04 (c)	- <u>Retanned</u>	<del>[CTH]</del> [CTHS] [CTHS, except from split heading ex41.04(b)]	Chapter Note 3	
ex41.04 (d)	- <u>Finished</u>	<del>[CTH]</del> [CTHS] [CTHS, except from split heading ex41.04(c)] [CTHS, except from split heading ex41.04(b) or ex41.04(c)] <del>{Change within split heading ex 41.04(d)}</del>	Chapter Note 4	
ex41.04 (e)	- <u>Parchment dressed, whether or not further prepared</u>	CTHS, except from split heading ex 4104(b), ex 41.04(c) or ex 41.04(d)	Chapter Note 5	<b>Endorsed by CRO</b>
4104.10	- Whole bovine skin leather, of a unit surface area not exceeding 28 square feet (2.6 m <sup>2</sup> )	<i>As indicated at the split heading level.</i>		
4104.21	- Other bovine leather and equine leather, tanned or retanned but not further prepared, whether or not split: -- Bovine leather, vegetable pre-tanned			
4104.22	-- Bovine leather, otherwise pre-tanned			
4104.29	-- Other			

HS Code Number	Description of goods	Origin Criteria	Notes	Comments
A	B	C	D	E
4104.31 4104.39	- Other bovine leather and equine leather, parchment-dressed or prepared after tanning: -- Full grains and full grain splits -- Other			
<b>41.05</b>	<b>Sheep or lamb skin leather, without wool on, other than leather of heading No. 41.08 or 41.09.</b>	<i>As indicated at the split heading level.</i>		
ex 41.05 (a)	- <u>Provisionally prepared</u>	CTH, except from heading 41.02	Chapter Note 1	<b>Basket 1 (Endorsed by CRO)</b>  <b>Submitted to CRO for decision</b>  <b>Submitted to CRO for decision</b>  <b>Submitted to CRO for decision</b>
ex 41.05 (b)	- <u>Tanned</u>	[CTHS] [CTH, except from heading 41.02]	Chapter Note 2	
ex 41.05 (c)	- <u>Retanned</u>	<del>[CTH]</del> [CTHS] [CTHS, except from split heading ex41.05(b)]	Chapter Note 3	
ex 41.05 (d)	- <u>Finished</u>	<del>[CTH]</del> [CTHS] [CTHS, except from split heading ex41.05(c)] [CTHS, except from split heading ex41.05(b) or ex41.05(c)] <del>{Change within split heading ex 41.05(d)}</del>	Chapter Note 4	
ex 41.05 (e)	- <u>Parchment dressed, whether or not further prepared</u>	CTHS, except from split heading ex 41.05(b), ex 41.05(c) or ex 41.05(d)	Chapter Note 5	<b>Endorsed by CRO</b>

HS Code Number	Description of goods	Origin Criteria	Notes	Comments
A	B	C	D	E
4105.11 4105.12 4105.19 4105.20	Tanned or retanned but not further prepared, whether or not split: --Vegetable pre-tanned -- Otherwise pre-tanned -- Other - Parchment-dressed or prepared after tanning	<i>As indicated at the split heading level.</i>		
<b>41.06</b>	<b>Goat or kid skin leather, without hair on, other than leather of heading No. 41.08 or 41.09.</b>	<i>As indicated at the split heading level.</i>		
ex 41.06 (a)	- <u>Provisionally prepared</u>  - <u>Tanned</u>  - <u>Retanned</u>  - <u>Finished</u>	CTH, except from heading 41.03	Chapter Note 1	<b>Basket 1 (Endorsed by CRO)</b>  <b>Submitted to CRO for decision</b>  <b>Submitted to CRO for decision</b>  <b>Submitted to CRO for decision</b>
ex 41.06 (b)		[CTHS] [CTH, except from heading 41.03]	Chapter Note 2	
ex 41.06 (c)		<del>[CTH]</del> [CTHS] [CTHS, except from split heading ex41.06(b)]	Chapter Note 3	
ex 41.06 (d)		<del>[CTH]</del> [CTHS] [CTHS, except from split heading ex41.06(c)] [CTHS, except from split heading ex41.06(b) or ex41.06(c)] <del>[Change within split heading ex 41.06(d)]</del>	Chapter Note 4	



HS Code Number	Description of goods	Origin Criteria	Notes	Comments
A	B	C	D	E
ex 41.06 (e)	- <u>Parchment dressed, whether or not further prepared</u>	CTHS, except from split heading ex 41.06(b), ex 41.06(c) or ex 41.06(d)	Chapter Note 5	<b>Endorsed by CRO</b>
4106.11 4106.12 4106.19 4106.20	- Tanned or retanned but not further prepared, whether or not split : -- Vegetable pre-tanned -- Otherwise pre-tanned -- Other - Parchment-dressed or prepared after tanning	<i>As indicated at the split heading level.</i>		
<b>41.07</b>	<b>Leather of other animals, without hair on, other than leather of heading No. 41.08 or 41.09.</b>	<i>As indicated at the split heading level.</i>		
ex 41.07(a)	- <u>Provisionally prepared</u>	CTH, except from heading 41.03	Chapter Note 1	<b>Basket 1 (Endorsed by CRO)</b>
ex 41.07(b)	- <u>Tanned</u>	[CTHS] [CTH, except from heading 41.03]	Chapter Note 2	<b>Submitted to CRO for decision</b>
ex 41.07(c)	- <u>Retanned</u>	<del>[CTH]</del> [CTHS] [CTHS, except from split heading ex41.07(b)]	Chapter Note 3	<b>Submitted to CRO for decision</b>

HS Code Number	Description of goods	Origin Criteria	Notes	Comments
A	B	C	D	E
ex 41.07(d)	- <u>Finished</u>	<del>{CTH}</del> [CTHS] [CTHS, except from split heading ex41.07(c)] [CTHS, except from split heading ex41.07(b) or ex41.07(c)] <del>{Change within split heading ex 41.07(d)}</del>	Chapter Note 4	<b>Submitted to CRO for decision</b>
ex 41.07(e)	- <u>Parchment dressed, whether or not further prepared</u>	CTHS, except from split heading ex 41.07(b), ex 41.07(c), or ex 41.07(d)	Chapter Note 5	<b>Endorsed by CRO</b>
4107.10 4107.21 4107.29 4107.90	- Of swine - Of reptiles : -- Vegetable pre-tanned -- Other - Of other animals	<i>As indicated at the split heading level.</i>		
<b>41.08</b>	<b>Chamois (including combination chamois) leather.</b>	CTH		<b>Basket 1 (Endorsed by CRO)</b>
<b>41.09</b>	<b>Patent leather and patent laminated leather; metallised leather</b>	CTH		<b>Basket 1 (Endorsed by CRO)</b>
<b>41.10</b>	<b>Parings and other waste of leather or of composition leather, not suitable for the manufacture of leather articles; leather dust, powder and flour.</b>	The country of origin of the good shall be the country in which the good of this heading is derived.		<b>Basket 1 (Endorsed by CRO)</b>
<b>41.11</b>	<b>Composition leather with a basis of leather or leather fibre, in slabs, sheets or strip, whether or not in rolls.</b>	CTH		<b>Basket 1 (Endorsed by CRO)</b>

## 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 1<sup>1</sup>**)

[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;

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<sup>1</sup> 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.

- 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)**

**[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)]

HS Code Number	Description of goods	Origin Criteria	Notes	Comments
A	B	C	D	E
<b>Chapter 42</b>	<b>Articles of leather; saddlery and harness; travel goods, handbags and similar containers; articles of animal gut (other than silk-worm gut).</b>			
<b>42.01</b>	<b>Saddlery and harness for any animal (including traces, leads, knees pads, muzzles, saddle clothes, saddle bags, dog coats and the like), of any material.</b>	CTH		<b>Submitted to CRO for decision (Doc. 41.612) CRO endorsed as follows: CTH (Doc. G/RO/W/22/Rev. 2)</b>

HS Code Number	Description of goods	Origin Criteria	Notes	Comments
A	B	C	D	E
42.02	Trunks, suit-cases, vanity-cases, executive-cases, brief-cases, school satchels, spectacle cases, binocular cases, camera cases, musical instrument cases, gun cases, holsters and similar containers; travelling-bags, toilet bags, rucksacks, handbags, shopping-bags, wallets, purses, map-cases, cigarette-cases, tobacco-pouches, tool bags, sports bags, bottle-cases, jewellery boxes, powder-boxes, cutlery cases and similar containers, of leather or of composition leather, of sheeting of plastics, of textile materials, of vulcanised fibre or of paperboard, or wholly or mainly covered with such materials or with paper.	[CTH] [CTH, provided the goods are knit to shape or fully assembled in one country; <u>Additional Rule:</u> Goods of this heading which were wholly obtained from a collection of parts, which collection was classifiable as an unassembled good by virtue of General Interpretative Rule 2(a), are deemed to have originated in the country where the goods were wholly assembled. (US)]		(Issues 45 and 46 in Doc. 42.271, already submitted to the CRO, apply)
	Trunks, suit-cases, vanity-cases, executive -cases, brief-cases, school satchels and similar containers:	<i>As indicated at the heading level</i>		
4202.11	-- With outer surface of leather, of composition leather or of patent leather			

HS Code Number	Description of goods	Origin Criteria	Notes	Comments
A	B	C	D	E
4202.12	With outer surface of plastics or of textile materials	<i>As indicated at the heading level</i>		
4202.19	-- Other			
	- Handbags, whether or not with shoulder strap, including those without handle:			
4202.21	-- With outer surface of leather, of composition leather or of patent leather			
4202.22	-- With outer surface of plastic sheeting or of textile materials			
4202.29	-- Other			
	- Articles of a kind normally carried in the pocket or in the handbag;			
4202.31	-- With outer surface of leather, of composition leather or of patent leather			
4203.32	-- With outer surface of plastic sheeting or of textile materials			
4202.39	-- Other			
	- Other			
4202.91	-- With outer surface of leather, of composition leather or of patent leather			
4202.92	-- With outer surface of plastic sheeting or of textile materials			
4202.99	-- Other			

HS Code Number	Description of goods	Origin Criteria	Notes	Comments
A	B	C	D	E
42.03	Articles of apparel and clothing accessories, of leather or of composition leather.	[CTH] [CTH, provided the goods are knit to shape or fully assembled in one country; <u>Additional Rule:</u> Goods of this heading which were wholly obtained from a collection of parts, which collection was classifiable as an unassembled good by virtue of General Interpretative Rule 2(a), are deemed to have originated in the country where the goods were wholly assembled.(US)] <i>Another option indicated at the split heading level</i>		(Issues 45 and 46 in Doc. 42.271, already submitted to the CRO, apply)
ex42.03(a)	<u>Articles of apparel, of leather or of composition leather</u>	[Complete making-up (EC)]		
ex42.03(b)	<u>Other</u>	[CTH (EC)]		
4203.10  4203.21  4203.29 4203.30 3203.40	- Articles of apparel  - Gloves, mitten and mitts: -- Specially designed for use in sports -- Other - Belts and bandoliers - Other clothing accessories	<i>As indicated at the heading or split heading level</i>		
42.04	Articles of leather or of composition leather, of a kind used in machinery or mechanical appliances or for other technical uses.	CTH		Submitted to CRO for decision (Doc. 41.612) <b>CRO endorsed as follows: CTH (Doc. G/RO/W/22/Rev. 2)</b>

HS Code Number	Description of goods	Origin Criteria	Notes	Comments
A	B	C	D	E
42.05	Other articles of leather or of composition leather.	CTH		Submitted to CRO for decision (Doc. 41.612) <b>CRO endorsed as follows: CTH (Doc. G/RO/W/22/Rev. 2)</b>
42.06	Articles of gut (other than silk-worm gut), of goldbeater's skin, of bladders or of tendons.	CTH		Submitted to CRO for decision (Doc. 41.612) <b>CRO endorsed as follows: CTH (Doc. G/RO/W/22/Rev. 2)</b>
4206.10 4206.90	- Catgut - Other	<i>As indicated at the heading level</i>		



## 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**<sup>2</sup>

[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;

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<sup>2</sup> 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.

- 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)**

**[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)]

HS Code Number	Description of goods	Origin Criteria	Notes	Comments
A	B	C	D	E
<b>Chapter 43</b>	<b>Furskins and artificial fur; manufactures thereof</b>			
<b>43.01</b>	<b>Raw furskins (including heads, tails, paws and other pieces or cuttings, suitable for furriers' use), other than raw hides and skins of heading No. 41.01, 41.02 or 41.03.</b>	CTH		<b>Basket 1 (Endorsed by CRO)</b>
4301.10	- Of mink, whole, with or without head, tail or paws	<i>As indicated at the heading level</i>		
4301.20	- Of rabbit or hare, whole, with or without head tail or paws			

HS Code Number	Description of goods	Origin Criteria	Notes	Comments
A	B	C	D	E
4301.30	- Of lamb, the following: Astrakhan, Broadtail, Caracul, Persian and similar lamb, Indian, Chinese, Mongolian or Tibetan lamb, whole, with or without head, tail or paws	<i>As indicated at the heading level</i>		
4301.40	- Of beaver, whole, with or without head, tail or paws			
4301.50	- Of musk-rat, whole, with or without, tail or paws			
4301.60	- Of fox, whole, with or without head, tail or paws			
4301.70	- Of seal, whole, with or without head, tail or paws			
4301.80	- Other furskins, whole, with or without head, tail or paws			
4301.90	- Heads, tails, paws and other pieces or cuttings, suitable for furriers' use			
<b>43.02</b>	<b>Tanned or dressed furskins (including heads, tails, paws and other pieces or cuttings), unassembled, or assembled (without the addition of other materials) other than those of heading No. 43.03.</b>	<i>As indicated at the subheading level</i>		
	- Whole skins, with or without head, tail or paws, not assembled:			
4302.11	-- Of mink	CTH		<b>Basket 1 (Endorsed by CRO)</b>
4302.12	-- Of rabbit	CTH		<b>Basket 1 (Endorsed by CRO)</b>

HS Code Number	Description of goods	Origin Criteria	Notes	Comments
A	B	C	D	E
4302.13	-- Of lamb, the following: Astrakhan, Broadtail, Caracul, Persian and simile lamb, Indian, Chinese, Mongolian or Tibetan lamb	CTH		<b>Basket 1 (Endorsed by CRO)</b>
4302.19	-- Other	CTH		<b>Basket 1 (Endorsed by CRO)</b>
4302.20	- Heads, tails, paws and other pieces or cuttings, not assembled	CTH		<b>Basket 1 (Endorsed by CRO)</b>
4302.30	- Whole skins and pieces or cuttings thereof, assembled	CTSH		<b>CRO endorsed as follows: CTSH (Doc. G/RO/W/22/Rev. 2)</b>
<b>43.03</b>	<b>Articles of apparel, clothing accessories and other articles of furskin.</b>	[CTH] [CTH, provide the goods are fully assembled in one country; <u>Additional Rule:</u> Goods of this heading which were wholly obtained from a collection of parts, which collection was classifiable as an unassembled good by virtue of General Interpretative Rule 2(a), are deemed to have originated in the country where the goods were wholly assembled. (US)] <i>Another option indicated at the split heading level</i>		(Issues 45 and 46 in Doc. 42.271, already submitted to the CRO, apply)
ex43.03 (a)	<u>Articles of apparel, of furskin</u>	[Complete making-up (EC)]		
ex43.03 (b)	<u>Other</u>	[CTH (EC)]		
4303.10	- Articles of apparel and clothing accessories	<i>As indicated at the heading or split heading level</i>		
4303.90	- Other			

HS Code Number	Description of goods	Origin Criteria	Notes	Comments
A	B	C	D	E
43.04	Artificial fur and articles thereof	[CTH] <i>Other options indicated at the split heading level</i>		Submitted to CRO for decision
ex43.04 (a)	<u>Articles of artificial fur, apparel</u>	[CTH, provided the goods are fully assembled in one country; <u>Additional Rule:</u> Goods of this heading which were wholly obtained from a collection of parts, which collection was classifiable as an unassembled good by virtue of General Interpretative Rule 2(a), are deemed to have originated in the country where the goods were wholly assembled (US)] [CTHS (HK) (IND) (MOR) (NZ) (PHI)] [Complete making-up (EC)]		
ex43.04 (b)	<u>Articles of artificial fur, other</u>	[CTH (EC)] [CTH, provided the goods are fully assembled in one country (US)] [CTHS (HK) (IND) (MOR) (NZ) (PHI)]		Submitted to CRO for decision
ex43.04 (c)	<u>Other</u>	CTH		