

CHAPTER THREE RULES OF ORIGIN

ARTICLE 3.1: DEFINITIONS

For the purposes of this Chapter:

Carrier means any vehicle for air, sea, and land transport;

CIF value means the price actually paid or payable to the exporter for a good when the good is loaded out of the carrier, at the port of importation, including the cost of the good, insurance, and freight necessary to deliver the good to the named port of destination. The valuation shall be made in accordance with the Customs Valuation Agreement;

FOB value means the price actually paid or payable to the exporter for a good when the good is loaded onto the carrier at the named port of exportation, including the cost of the good and all costs necessary to bring the good onto the carrier. The valuation shall be made in accordance with the Customs Valuation Agreement;

Fungible materials means materials being of the same kind and commercial quality, possessing the same technical and physical characteristics, and which once they are incorporated into the finished product cannot be distinguished from one another for origin purposes by virtue of any markings, etc;

Generally Accepted Accounting Principles means recognised consensus or substantial authoritative support given in the territory of a Party with respect to the recording of revenues, expenses, costs, assets, and liabilities, the disclosure of information, and the preparation of financial statements. Generally Accepted Accounting Principles may encompass broad guidelines for general application, as well as detailed standards, practices, and procedures;

Good means any merchandise, product, article or material;

Indirect materials means goods used in the production, testing or inspection of a good but not physically incorporated into the good, or goods used in the maintenance of buildings or the operation of equipment associated with the production of a good, including:

- (a) fuel and energy;
- (b) tools, dies and moulds;
- (c) parts including spare parts and materials used in the maintenance of equipment and buildings;
- (d) lubricants, greases, compounding materials and other materials used in production

or used to operate equipment and buildings;

- (e) gloves, glasses, footwear, clothing, safety equipment and supplies;
- (f) equipment, devices and supplies used for testing or inspecting the good;
- (g) catalysts and solvents; and
- (h) any other goods that are not incorporated into the good but whose use in the production of the good can reasonably be demonstrated to be a part of that production;

Materials means ingredients, raw materials, parts, components, subassemblies and goods that are used in the production of another good and physically incorporated into another good;

Non-originating materials used in production means any materials whose country of origin is other than the Parties (imported non-originating) and any materials whose origin cannot be determined (undetermined origin);

Originating materials means materials that qualify as originating under this Chapter;

Packing materials and containers for shipment means goods used to protect a good during its transportation, different from those containers or materials used for its retail sale;

Producer means a person who grows, mines, raises, harvests, fishes, reproduces and breeds, traps, hunts, manufactures, processes, assembles or disassembles a good;

Production means method of obtaining goods including growing, raising, mining, extracting, harvesting, fishing, producing, reproducing and breeding, trapping, gathering, collecting, hunting and capturing, manufacturing, processing, assembling or disassembling a good; and

Used means utilised or consumed in the production of goods.

ARTICLE 3.2: ORIGINATING GOODS

For the purposes of this Agreement, goods shall be deemed originating and eligible for preferential tariff treatment if they are consigned according to Article 3.15 and conform to the origin requirements under any of the following conditions:

- (a) goods wholly obtained or produced in the territory of the exporting Party, in accordance with Article 3.3; or
- (b) goods not wholly obtained or produced in the territory of the exporting Party, provided that the said products are eligible under Article 3.4.

ARTICLE 3.3: WHOLLY OBTAINED OR PRODUCED

Within the meaning of Article 3.2(a), the following goods shall be considered as being wholly obtained or produced in the territory of a Party:

- (a) raw or mineral goods extracted from its territory;
- (b) plants and plant products harvested, picked or gathered after being grown there;
- (c) live animals born and raised there;
- (d) goods obtained from animals referred to in subparagraph (c);
- (e) goods obtained by hunting or trapping within the land territory, or fishing or aquaculture conducted within the internal waters or within the territorial sea of the Party;
- (f) goods of sea-fishing and other goods taken from the sea outside the territorial sea of a Party by vessels registered or recorded with a Party and flying its flag;
- (g) goods produced on board factory ships from the goods referred to in subparagraph (f), provided that such factory ships are registered or recorded with a Party and fly its flag;
- (h) goods taken by a Party or a person of a Party from the seabed or beneath the seabed outside territorial sea of a Party, provided that the Party has rights to exploit such seabed or beneath the seabed in accordance with the *1982 United Nations Convention on the Law of the Sea*;
- (i) articles collected there, including waste and scrap derived from production there, which can no longer perform their original purpose nor are capable of being restored or repaired and are fit only for disposal or recovery of parts or raw materials, or for recycling purposes; and
- (j) goods produced there exclusively from goods referred to in subparagraphs (a) through (i) or from their derivatives, at any stage of production.

ARTICLE 3.4: NOT WHOLLY OBTAINED OR PRODUCED

1. Except as under Article 3.14 and provided that the final process of manufacturing is performed within the territory of the exporting Party, goods would be considered as originating within the meaning of Article 3.2(b),

- (a) which satisfy the Product Specific Rules provided in Annex 3-A;

- (b) except for goods covered under subparagraph (a) as provided for in Annex 3-A, if;
 - (i) the regional value content is not less than 35 percent of the FOB value; and
 - (ii) the goods have undergone a change in tariff classification in a subheading, at the six digit level, of the HS from tariff classification in which all the non-originating materials used in their manufacture are classified;

2. When a regional value content is required to determine an originating good, the regional value content of a good shall be calculated on the basis of the following method:

$$RVC = \frac{\text{FOB value} - \text{VNM}}{\text{FOB value}} \times 100$$

where,

RVC is the regional value content, expressed as a percentage;

FOB value is the value of the good as defined in Article 3.1;

VNM means the value of non-originating materials specified in paragraph 4.

3. For the purpose of paragraph 2, if the material does not satisfy the requirements of paragraph 1, the non-qualifying value of the material shall be that proportion which cannot be attributed to one or both of the Parties, provided that the requirements of Article 3.6 at each stage of value accumulation are satisfied.

4. The value of the non-originating materials used in the production of a good shall be:

- (a) for imported materials, the CIF value as defined in Article 3.1; or
- (b) for materials of undetermined origin, the earliest price as ascertained to have been paid for in the territory of the Party where the working or processing takes place, in accordance with the Customs Valuation Agreement.

5. For the value of non-originating materials, the following expenses, where included under paragraph 4, may be deducted from the value of the non-originating materials:

- (a) inland transportation costs incurred to transport the materials to the location of the producer; and
- (b) duties, taxes and customs brokerage fees on the material paid in the territory of one or both of the Parties, other than duties and taxes that are waived, refunded, refundable, or otherwise recoverable, including credit against duties or taxes paid or payable.

ARTICLE 3.5: INDIRECT MATERIALS

In order to determine whether a good originates in a Party, the origin of the indirect materials shall not be taken into account.

ARTICLE 3.6: NON-QUALIFYING OPERATIONS

1. Notwithstanding any provision in this Chapter, a good shall not be considered to have satisfied the requirements for an originating good in Article 3.4 merely by reason of going through the following operations or processes:

- (a) preserving operations¹ to ensure that the products remain in good condition during transport;
- (b) changes of packaging or packing, and breaking-up and assembly of packages;
- (c) washing, cleaning or removal of dust, oxide, oil, paint or other coverings;
- (d) simple² painting and polishing operations;
- (e) sifting, screening, sorting, classifying, grading or matching, including the making-up of sets of articles;
- (f) simple combining operations, labeling, pressing, cleaning or dry cleaning, packaging operations, or any combination thereof;
- (g) cutting to length or width and hemming, or stitching or over locking of fabrics which are readily identifiable as being intended for a particular commercial use;
- (h) trimming and/or joining together by sewing, looping, linking or attaching accessory articles such as straps, bands, beads, cords, rings and eyelets;
- (i) one or more finishing operations on yarns, fabrics or other textile articles, such as bleaching, waterproofing, decanting, shrinking, mercerizing, or similar operations;
- (j) husking, partial or total bleaching, polishing, and glazing of cereals and rice;
- (k) operations to colour sugar or form sugar lumps;
- (l) peeling, stoning and unshelling;

¹ Preserving operations include drying, freezing, keeping in brine, ventilation, spreading out, chilling, placing in salt or sulfur dioxide, removal of damaged parts, and like operations.

² “simple” generally describes activities which need neither special skills nor machines, apparatus or equipment especially produced or installed for carrying out the activity.

- (m) unflaking, crushing, squeezing, slicing, macerating and removal of bones;
- (n) sharpening, simple grinding or simple cutting and repackaging;
- (o) simple³ placing in bottles, cans, flasks, bags, cases, boxes, fixing on cards or boards and all other simple packaging operations;
- (p) affixing or printing marks, labels, logos and other like distinguishing signs on products or their packaging;
- (q) simple mixing⁴ of products, whether or not of different kinds;
- (r) simple⁵ assembly of parts of articles to constitute a complete article or disassembly of products into parts;
- (s) simple⁶ testing or calibrations;
- (t) mere dilution with water or another substance that does not materially alter the characteristics of the goods;
- (u) slaughtering of animals; or
- (v) a combination of two or more operations referred to in subparagraphs (a) through (u).

2. All operations carried out in a Party on a given product shall be considered together when determining whether the working or processing undergone by that product is to be regarded as insufficient within the meaning of paragraph 1.

ARTICLE 3.7: ACCUMULATION

Originating materials from the territory of a Party, incorporated in the production of a good in the territory of the other Party shall be considered to originate in the territory, of the other Party.

ARTICLE 3.8: DE MINIMIS

³ See footnote 2.

⁴ “simple mixing” generally describes activities which need neither special skills nor machines, apparatus or equipment especially produced or installed for carrying out the activity. However, simple mixing does not include chemical reaction. **Chemical reaction** means a process, including a biochemical process, which results in a molecule with a new structure by breaking intra-molecular bonds and by forming new intra-molecular bonds, or by altering the spatial arrangement of atoms in a molecule.

⁵ See footnote 2.

⁶ See footnote 2.

1. A good that does not undergo a change in tariff classification pursuant to Article 3.4 and Annex 3-A in the final process of production shall be considered as originating if:
 - (a) for goods except for those falling within Chapters 1 through 14 and Chapters 50 through 63 of the HS, the value of all non-originating materials used in its production, which do not undergo the required change in tariff classification, does not exceed ten percent of the FOB value of the good;
 - (b) for goods falling within Chapters 50 through 63 of the HS, the total weight of non-originating basic textile materials used in its production, which do not undergo the required change in tariff classification, does not exceed seven percent of the total weight of all the basic textile materials used; and
 - (c) the good meets all other applicable criteria set forth in this Chapter for qualifying as an originating good.
2. The value of such non-originating materials shall be included in the value of non-originating materials for any applicable regional value content requirement for the good.

ARTICLE 3.9: ACCESSORIES, SPARE PARTS AND TOOLS

Accessories, spare parts or tools delivered with a good that form part of the good's standard accessories, spare parts or tools, shall be treated as originating goods if the good is an originating good, and shall be disregarded in determining whether all the non-originating materials used in the production of the good undergo the applicable change in tariff classification, provided that:

- (a) the accessories, spare parts or tools are not invoiced separately from the good;
- (b) the quantities and value of the accessories, spare parts or tools are standard trade practice for the good in the domestic market of the exporting Party; and
- (c) if the good is subject to a regional value content requirement, the value of the accessories, spare parts, or tools shall be taken into account as originating or non-originating materials, as the case may be, in calculating the regional value content of the good.

ARTICLE 3.10: PACKAGING MATERIALS AND CONTAINERS FOR RETAIL SALE

Packaging materials and containers in which a good is packaged for retail sale shall, if classified with the good, be disregarded in determining whether all the non-originating materials used in the production of the good undergo the applicable change in tariff classification, and, if the good is subject to a regional value content requirement, the value of such packaging materials and containers shall be taken into account as originating or non-originating materials, as the case may be, in calculating the regional value content of the good.

ARTICLE 3.11: PACKING MATERIALS AND CONTAINERS FOR SHIPMENT

Packing materials and containers in which a good is packed for shipment shall be disregarded in determining whether:

- (a) the non-originating materials used in the production of the good undergo an applicable change in tariff classification; and
- (b) the good satisfies a regional value content requirement.

ARTICLE 3.12: FUNGIBLE MATERIALS

1. Where identical and interchangeable originating and non-originating materials are used in the manufacture of a product, those materials shall be physically segregated, according to their origin, during storage.

2. A producer facing considerable costs or material difficulties in keeping separate stocks of identical and interchangeable originating and non-originating materials used in the manufacture of a product, may use the so-called “accounting segregation” method for managing stocks.

3. The accounting method shall be recorded, applied and maintained in accordance with Generally Accepted Accounting Principles applicable in the Party in which the product is manufactured. The method chosen shall:

- (a) permit a clear distinction to be made between originating and non-originating materials acquired and/or kept in stock; and
- (b) guarantee that no more products receive originating status than would be the case if the materials had been physically segregated.

ARTICLE 3.13: PRINCIPLE OF TERRITORIALITY

1. Except as provided for in Articles 3.7 and 3.14, the conditions for acquiring originating status set out in Articles 3.2 through 3.12 shall be fulfilled without interruption in a Party.

2. Except as provided for in Article 3.7, an originating product exported from a Party to a non-Party shall, when returned, be considered to be non-originating unless it can be demonstrated to the satisfaction of the customs authority in accordance with laws and regulations of the importing Party concerned that:

- (a) the returning product is the same as that exported; and
- (b) the returning product has not undergone any operation beyond that necessary to preserve it in good condition while being exported.

ARTICLE 3.14: EXEMPTION FROM THE PRINCIPLE OF TERRITORIALITY

Notwithstanding the provisions of Article 3.13, the acquisition of originating status in accordance with the conditions set out in Articles 3.2 through 3.12 shall not be affected by working or processing carried out in the area agreed by both Parties in the Exchange of Notes on materials exported from the Party concerned and subsequently re-imported there, provided that the conditions set out in Annex 3-B are fulfilled.

ARTICLE 3.15: DIRECT CONSIGNMENT

1. Preferential tariff treatment shall be applied to a good satisfying the requirements of this Chapter and which is transported directly between the territories of the exporting Party and the importing Party.

2. Notwithstanding paragraph 1, a good of which transport involves transit through one or more intermediate third countries, other than the territories of the exporting Party and the importing Party, shall be considered to be consigned directly, provided that:

- (a) the goods have not entered into trade or consumption there;
- (b) the goods have not undergone any operation there other than unloading and reloading or any operation required to keep them in good condition; and
- (c) the goods have remained under the customs control in the country of transit.

ARTICLE 3.16: INTERPRETATION AND APPLICATION

For the purposes of this Chapter:

- (a) the basis for tariff classification in this Chapter is the HS;
- (b) in applying the Customs Valuation Agreement for the determination of the origin of a good under this Chapter:
 - (i) 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;
 - (ii) the provisions of this Chapter shall take precedence over the Customs Valuation Agreement to the extent of any difference; and
 - (iii) the definitions in Article 3.1 shall take precedence over the definitions in the Customs Valuation Agreement to the extent of any difference; and

- (c) all costs referred to in this Chapter shall be recorded and maintained in accordance with the Generally Accepted Accounting Principles applicable in the territory of the Party in which the good is produced.

ARTICLE 3.17: CONSULTATIONS AND MODIFICATIONS

1. The Parties shall consult and cooperate to ensure that this Chapter is applied in an effective and uniform manner.
2. Pursuant to Article 15.2.2(c) (Review), the Parties shall consult to review, no later than three years after the date of entry into force of this Agreement, the rules of origin and discuss necessary amendments or modifications to this Chapter and its Annexes, including Article 3.4.1 and Product Specific Rules provided in Annex 3-A, taking into account developments in technology, production processes, and other related matters including the recommended amendments to the HS.

ANNEX 3-A
PRODUCTS SPECIFIC RULES

Part I – General Interpretative Notes

1. The specific rule, or specific set of rules, that applies to a particular heading or subheading is set out immediately adjacent to the heading or subheading.
2. The following definitions apply:
 - (a) the **Product Specific Rules** in this Annex are structured on the basis of the HS, including its General Interpretative Rules, Section Notes and Chapter Notes;
 - (b) **Chapter** means a chapter of the HS;
 - (c) **Heading** means the first four digits in the tariff classification number under the HS; and
 - (d) **Subheading** means the first six digits in the tariff classification number under the HS.
3. A requirement of a change in tariff classification applies only to non-originating materials.
4. Where a specific rule of origin is defined using the criterion of a change in tariff classification, and the rule is written to exclude tariff provisions at the level of a chapter, heading or subheading of the HS, each Party shall construe the rule of origin to require that materials classified in those excluded provisions be originating for the good to qualify as originating.

Part II – Product Specific Rules

Chapter 1

Live Animals

01.01-01.06

All the animals of Chapter 1 shall be wholly obtained.

Chapter 2

Meat and Edible Meat Offal

02.01-02.10

Manufacture in which all the materials of Chapter 1 and 2 used are wholly obtained.

Chapter 3

Fish and Crustaceans, Molluscs and Other Aquatic Invertebrates

03.01-03.07

Manufacture in which all the materials of Chapter 3 used are wholly obtained.

Chapter 4

Dairy Produce; Birds' Eggs; Natural Honey; Edible Products of Animal Origin, Not Elsewhere Specified or Included

04.01-04.10

Manufacture in which all the materials of Chapter 4 used are wholly obtained.

Chapter 5

Products of Animal Origin, Not Elsewhere Specified or Included

05.01-05.11

Manufacture in which all the materials of Chapter 5 used are wholly obtained.

Chapter 6

Live Trees and Other Plants; Bulbs, Roots and the Like; Cut Flowers and Ornamental Foliage

06.01-06.04

Manufacture in which all the materials of Chapter 6 used are wholly obtained.

Chapter 7

Edible Vegetables and Certain Roots and Tubers

07.01-07.14

Manufacture in which all the materials of Chapter 7 used are wholly obtained.

Chapter 8
Edible Fruit and Nuts; Peel of Citrus Fruit or Melons

08.01-08.14

Manufacture in which all the materials of Chapter 8 used are wholly obtained.

Chapter 9
Coffee, Tea, Maté and Spices

09.01-09.10

Manufacture in which all the materials of Chapter 9 used are wholly obtained.

Chapter 10
Cereals

10.01-10.08

Manufacture in which all the materials of Chapter 10 used are wholly obtained.

Chapter 11
Products of the Milling Industry; Malt; Starches; Inulin; Wheat Gluten

11.01-11.09

Manufacture in which all the materials of Chapter 7, 8 and 10 used are wholly obtained.

Chapter 12
Oil Seeds and Oleaginous Fruits; Miscellaneous Grains, Seeds and Fruit; Industrial or Medicinal Plants; Straw and Fodder

12.01-12.14

Manufacture in which all the materials of Chapter 12 used are wholly obtained.

Chapter 13
Lac; Gums, Resins and Other Vegetable Saps and Extracts

13.01-13.02

Manufacture in which all the materials of Chapter 13 used are wholly obtained.

Chapter 14
Vegetable Plaiting Materials; Vegetable Products Not Elsewhere Specified or Included

14.01-14.04

Manufacture in which all the materials of Chapter 14 used are wholly obtained.

Chapter 15
Animal or vegetable Fats and Oils and Their Cleavage Products; Prepared Edible Fats; Animal or Vegetable Waxes

15.01-15.03

A change to heading 15.01 through 15.03 from any other chapter, provided that there is a regional value content of not less than 40 percent.

15.04

A change to heading 15.04 from any other heading, provided that there is a regional value content of not less than 40 percent.

15.07-15.22

A change to heading 15.07 through 15.22 from any other heading, provided that there is a regional value content of not less than 40 percent.

Chapter 16

Preparations of Meat, of Fish or of Crustaceans, Molluscs or Other Aquatic Invertebrates

1604.11-1604.19

A change to subheading 1604.11 through 1604.19 from any other heading, provided that there is a regional value content of not less than 40 percent.

1604.30-1605.30

A change to subheading 1604.30 through 1605.30 from any other heading, provided that there is a regional value content of not less than 40 percent.

Chapter 18

Cocoa and Cocoa Preparations

18.01-18.02

A change to heading 18.01 through 18.02 from any other chapter, provided that there is a regional value content of not less than 40 percent.

18.03-18.06

A change to heading 18.03 through 18.06 from any other heading, provided that there is a regional value content of not less than 40 percent.

Chapter 19

Preparations of Cereals, Flour, Starch or milk; Pastrycooks' Products

1902.11-1905.20

A change to subheading 1902.11 through 1905.20 from any other heading, provided that there is a regional value content of not less than 40 percent.

Chapter 20

Preparations of Vegetables, Fruit, Nuts or Other Parts of Plants

2001.10-2003.10

A change to subheading 2001.10 through 2003.10 from any other heading, provided that there is a regional value content of not less than 40 percent.

2003.20-2003.90

A change to subheading 2003.20 through 2003.90 from any other chapter, provided that there is a

regional value content of not less than 40 percent.

2004.10-2005.80

A change to subheading 2004.10 through 2005.80 from any other heading, provided that there is a regional value content of not less than 40 percent.

2005.90-2006.00

A change to subheading 2005.90 through 2006.00 from any other chapter, provided that there is a regional value content of not less than 40 percent.

2007.10-2008.11

A change to subheading 2007.10 through 2008.11 from any other heading, provided that there is a regional value content of not less than 40 percent.

2008.19

A change to subheading 2008.19 from any other chapter, provided that there is a regional value content of not less than 40 percent.

2008.20-2009.90

A change to subheading 2008.20 through 2009.90 from any other heading, provided that there is a regional value content of not less than 40 percent.

Chapter 21

Miscellaneous Edible Preparations

2101.11-2106.10

A change to subheading 2101.11 through 2106.10 from any other heading, provided that there is a regional value content of not less than 40 percent.

Chapter 22

Beverages, Spirits and Vinegar

22.02

A change to heading 22.02 from any other heading, provided that there is a regional value content of not less than 40 percent.

2208.90

A change to subheading 2208.90 from any other heading.

22.09

A change to heading 22.09 from any other heading, provided that there is a regional value content of not less than 40 percent.

Chapter 23

Residues and Waste from the Food Industries; Prepared Animal Fodder

2301.20

A change to subheading 2301.20 from any other chapter.

Chapter 27

Mineral Fuels, Mineral Oils and Products of Their Distillation; Bituminous Substances; Mineral Waxes

27.07

A change to heading 27.07 from any other heading.

2710.11-2710.19

A change to subheading 2710.11 through 2710.19 from any other heading.

2713.20

A change to subheading 2713.20 from any other heading.

Chapter 28

Inorganic Chemicals; Organic or Inorganic Compounds of Precious Metals, of Rare-earth Metals, of Radioactive Elements or of Isotopes

28.01-28.03

A change to heading 28.01 through 28.03 from any other heading.

2804.21-2804.29

A change to subheading 2804.21 through 2804.29 from any other heading.

2804.50

A change to subheading 2804.50 from any other heading.

2804.69-2804.90

A change to subheading 2804.69 through 2804.90 from any other heading.

2805.19-2805.30

A change to subheading 2805.19 through 2805.30 from any other heading.

28.06

A change to heading 28.06 from any other heading, provided that there is a regional value content of not less than 35 percent.

28.07

A change to heading 28.07 from any other heading, provided that there is a regional value content of not less than 30 percent.

2809.20

A change to subheading 2809.20 from any other heading, provided that there is a regional value content of not less than 30 percent.

2815.11

A change to subheading 2815.11 from any other heading, provided that there is a regional value content of not less than 35 percent.

2815.12

A change to subheading 2815.12 from any other heading.

2815.20

A change to subheading 2815.20 from any other heading, provided that there is a regional value content of not less than 30 percent.

28.17

A change to heading 28.17 from any other heading.

2821.10

A change to subheading 2821.10 from any other heading, provided that there is a regional value content of not less than 30 percent.

2823.00-2824.10

A change to subheading 2823.00 through 2824.10 from any other heading, provided that there is a regional value content of not less than 30 percent.

2825.10

A change to subheading 2825.10 from any other heading, provided that there is a regional value content of not less than 30 percent.

2827.32

A change to subheading 2827.32 from any other heading, provided that there is a regional value content of not less than 35 percent.

2827.59

A change to subheading 2827.59 from any other heading, provided that there is a regional value content of not less than 30 percent.

2828.90

A change to subheading 2828.90 from any other heading, provided that there is a regional value content of not less than 35 percent.

2832.10

A change to subheading 2832.10 from any other heading

2836.40

A change to subheading 2836.40 from any other heading, provided that there is a regional value content of not less than 30 percent.

2836.99-2837.19

A change to subheading 2836.99 through 2837.19 from any other heading, provided that there is a regional value content of not less than 30 percent.

28.47

A change to heading 28.47 from any other heading, provided that there is a regional value content of not less than 30 percent.

Chapter 29

Organic Chemicals

2902.11-2902.41

A change to subheading 2902.11 through 2902.41 from any other heading.

2902.43-2902.44

A change to subheading 2902.43 through 2902.44 from any other heading.

2902.60-2902.70

A change to subheading 2902.60 through 2902.70 from any other heading.

2903.12-2903.13

A change to subheading 2903.12 through 2903.13 from any other heading.

2903.15

A change to subheading 2903.15 from any other heading.

2903.21-2903.29

A change to subheading 2903.21 through 2903.29 from any other heading.

2903.47-2903.49

A change to subheading 2903.47 through 2903.49 from any other heading.

2903.59-2903.61

A change to subheading 2903.59 through 2903.61 from any other heading.

2903.69-2904.90

A change to subheading 2903.69 through 2904.90 from any other heading.

2905.12-2905.19

A change to subheading 2905.12 through 2905.19 from any other heading.

2905.31-2905.42

A change to subheading 2905.31 through 2905.42 from any other heading.

2905.49-2905.51

A change to subheading 2905.49 through 2905.51 from any other heading.

2906.12

A change to subheading 2906.12 from any other heading.

2906.19-2907.13

A change to subheading 2906.19 through 2907.13 from any other heading.

2907.15-2908.20

A change to subheading 2907.15 through 2908.20 from any other heading.

2909.19-2909.49

A change to subheading 2909.19 through 2909.49 from any other heading.

2910.10-2912.30

A change to subheading 2910.10 through 2912.30 from any other heading.

2912.60-2914.19

A change to subheading 2912.60 through 2914.19 from any other heading.

2914.22

A change to subheading 2914.22 from any other heading.

2914.39-2914.50

A change to subheading 2914.39 through 2914.50 from any other heading.

2914.70-2915.23

A change to subheading 2914.70 through 2915.23 from any other heading.

2915.29-2915.39

A change to subheading 2915.29 through 2915.39 from any other heading.

2915.60

A change to subheading 2915.60 from any other heading.

2916.11-2917.32

A change to subheading 2916.11 through 2917.32 from any other heading.

2917.34-2917.39

A change to subheading 2917.34 through 2917.39 from any other heading.

2918.15-2918.19

A change to subheading 2918.15 through 2918.19 from any other heading.

2918.90-2919.00

A change to subheading 2918.90 through 2919.00 from any other heading.

2920.90

A change to subheading 2920.90 from any other heading.

2921.12-2921.45

A change to subheading 2921.12 through 2921.45 from any other heading.

2921.51-2922.13

A change to subheading 2921.51 through 2922.13 from any other heading.

2922.19-2922.29

A change to subheading 2922.19 through 2922.29 from any other heading.

2922.41

A change to subheading 2922.41 from any other heading.

2923.90

A change to subheading 2923.90 from any other heading.

2924.19

A change to subheading 2924.19 from any other heading.

2925.11

A change to subheading 2925.11 from any other heading.

2925.19-2926.20

A change to subheading 2925.19 through 2926.20 from any other heading.

2927.00-2930.10

A change to subheading 2927.00 through 2930.10 from any other heading.

2930.30

A change to subheading 2930.30 from any other heading.

2931.00-2932.11

A change to subheading 2931.00 through 2932.11 from any other heading.

2933.61

A change to subheading 2933.61 from any other heading.

2933.71

A change to subheading 2933.71 from any other heading.

2934.20-2934.30

A change to subheading 2934.20 through 2934.30 from any other heading.

29.42

A change to heading 29.42 from any other heading.

Chapter 32

Tanning or Dyeing Extracts; Tannins and Their Derivatives; Dyes, Pigments and Other Colouring Matter; Paints and Varnishes; Putty and Other Mastics; Inks

32.01

A change to heading 32.01 from any other heading, provided that there is a regional value content of not less than 35 percent.

3202.90-3203.00

A change to subheading 3202.90 through 3203.00 from any other heading, provided that there is a regional value content of not less than 35 percent.

3204.11

A change to subheading 3204.11 from any other heading, provided that there is a regional value content of not less than 30 percent.

3204.12-3204.16

A change to subheading 3204.12 through 3204.16 from any other heading, provided that there is a regional value content of not less than 35 percent.

3204.17-3204.19

A change to sub heading 3204.17 through 3204.19 from any other heading, provided that there is a regional value content of not less than 30 percent.

3205.00-3206.43

A change to subheading 3205.00 through 3206.43 from any other heading, provided that there is a regional value content of not less than 35 percent.

3206.50-3208.90

A change to subheading 3206.50 through 3208.90 from any other heading, provided that there is a regional value content of not less than 35 percent.

3209.90

A change to subheading 3209.90 from any other heading, provided that there is a regional value content of not less than 35 percent.

32.11-32.12

A change to heading 32.11 through 32.12 from any other heading, provided that there is a regional value content of not less than 35 percent.

3213.90-3215.90

A change to subheading 3213.90 through 3215.90 from any other heading, provided that there is a regional value content of not less than 35 percent.

Chapter 39

Plastics and Articles Thereof

3901.10-3901.20

A change to subheading 3901.10 through 3901.20 from any other heading.

3901.30-3901.90

A change to subheading 3901.30 through 3901.90 from any other heading, provided that there is a regional value content of not less than 25 percent.

3902.10-3904.22

A change to subheading 3902.10 through 3904.22 from any other heading.

3904.30

A change to subheading 3904.30 from any other heading, provided that there is a regional value content of not less than 25 percent.

3904.50-3905.29

A change to subheading 3904.50 through 3905.29 from any other heading.

3905.30

A change to subheading 3905.30 from any other heading, provided that there is a regional value

content of not less than 25 percent.

3906.10

A change to subheading 3906.10 from any other heading, provided that there is a regional value content of not less than 25 percent.

3906.90-3907.30

A change to subheading 3906.90 through 3907.30 from any other heading.

3907.40

A change to subheading 3907.40 from any other heading, provided that there is a regional value content of not less than 25 percent.

3907.50-3907.91

A change to subheading 3907.50 through 3907.91 from any other heading.

3907.99-3908.90

A change to subheading 3907.99 through 3908.90 from any other heading, provided that there is a regional value content of not less than 25 percent.

3909.50

A change to subheading 3909.50 from any other heading, provided that there is a regional value content of not less than 25 percent.

39.10

A change to heading 39.10 from any other heading.

3911.10

A change to subheading 3911.10 from any other heading, provided that there is a regional value content of not less than 25 percent.

Chapter 40

Rubber and Articles Thereof

4002.11

A change to subheading 4002.11 from any other heading.

4002.20-4002.70

A change to subheading 4002.20 through 4002.70 from any other heading.

4002.91-4002.99

A change to subheading 4002.91 through 4002.99 from any other heading.

Chapter 41

Raw Hides and Skins (Other Than Fur skins) and Leather

41.04-41.15

A change to heading 41.04 through 41.15 from any other heading.

Chapter 42

Articles of Leather; Saddlery and Harness; Travel Goods, Handbags and Similar Containers; Articles of Animal Gut (Other Than Silk-worm Gut)

42.01-42.06

A change to heading 42.01 through 42.06 from any other heading.

Chapter 44

Wood and Articles of Wood; Wood Charcoal

44.01-44.06

A change to heading 44.01 through 44.06 from any other heading.

Textile goods falling within Chapter 50 through 60

A change to heading 50.01 through 60.06 from any other heading, provided that there is a regional value content of not less than 40 percent.

Apparel goods falling within Chapter 61 through 63

61.01-63.10

Manufacture from non-originating yarn

Chapter 64

Footwear, Gaiters and the Like; Parts of Such Articles

6401.10

A change to subheading 6401.10 from any other heading, provided that there is a regional value content of not less than 40 percent.

6402.12-6402.19

A change to subheading 6402.12 through 6402.19 from any other heading, provided that there is a regional value content of not less than 40 percent.

6402.30-6403.19

A change to subheading 6402.30 through 6403.19 from any other heading, provided that there is a regional value content of not less than 40 percent.

6403.30-6404.11

A change to subheading 6403.30 through 6404.11 from any other heading, provided that there is a regional value content of not less than 40 percent.

64.05

A change to heading 64.05 from any other heading, provided that there is a regional value content of not less than 40 percent.

6406.20

A change to subheading 6406.20 from any other heading, provided that there is a regional value

content of not less than 40 percent.

Chapter 68

Articles of Stone, Plaster, Cement, Asbestos, Mica or Similar Materials

68.13

A change to heading 68.13 from any other heading, provided that there is a regional value content of not less than 35 percent.

Chapter 70

Glass and Glassware

70.07

A change to heading 70.07 from any other heading, provided that there is a regional value content of not less than 35 percent.

7009.10

A change to subheading 7009.10 from any other heading, provided that there is a regional value content of not less than 35 percent.

Chapter 71

Natural or Cultured Pearls, Precious or Semi-precious Stones, Precious Metals, Metals Clad with Precious Metal, and Articles Thereof; Imitation Jewellery; Coin

71.13-71.18

A change to heading 71.13 through 71.18 from any other heading.

Chapter 72

Iron and Steel

72.01-72.07

A change to heading 72.01 through 72.07 from any other heading.

7208.25-7208.39

A change to subheading 7208.25 through 7208.39 from any other heading.

7208.51-7208.90

A change to subheading 7208.51 through 7208.90 from any other heading.

7209.16-7209.18

A change to subheading 7209.16 through 7209.18 from any other heading.

7209.26-7210.30

A change to subheading 7209.26 through 7210.30 from any other heading.

72010.49-7211.13

A change to subheading 7210.49 through 7211.13 from any other heading.

7211.19-7229.90

A change to subheading 7211.19 through 7229.90 from any other heading.

Chapter 73

Articles of Iron or Steel

7304.39-7304.49

A change to subheading 7304.39 through 7304.49 from any other chapter, provided that there is a regional value content of not less than 25 percent.

7305.11-7305.12

A change to subheading 7305.11 through 7305.12 from any other chapter, provided that there is a regional value content of not less than 25 percent.

7305.31

A change to subheading 7305.31 from any other chapter, provided that there is a regional value content of not less than 25 percent.

7306.40-7306.50

A change to subheading 7306.40 through 7306.50 from any other chapter, provided that there is a regional value content of not less than 25 percent.

7306.90

A change to subheading 7306.90 from any other chapter, provided that there is a regional value content of not less than 25 percent.

7307.21-7307.22

A change to subheading 7307.21 through 7307.22 from any other chapter, provided that there is a regional value content of not less than 25 percent.

7307.91-7307.99

A change to subheading 7307.91 through 7307.99 from any other chapter, provided that there is a regional value content of not less than 25 percent.

7308.30

A change to subheading 7308.30 from any other chapter, provided that there is a regional value content of not less than 25 percent.

7308.90-7309.00

A change to subheading 7308.90 through 7309.00 from any other chapter, provided that there is a regional value content of not less than 25 percent.

73.11

A change to heading 73.11 from any other chapter, provided that there is a regional value content of not less than 25 percent.

7318.15

A change to subheading 7318.15 from any other heading, provided that there is a regional value content of not less than 40 percent.

7318.23-7318.24

A change to subheading 7318.23 through 7318.24 from any other heading, provided that there is a regional value content of not less than 40 percent.

73.20

A change to heading 73.20 from any other heading, provided that there is a regional value content of not less than 40 percent.

7322.11

A change to subheading 7322.11 from any other heading, provided that there is a regional value content of not less than 40 percent.

7325.99

A change to subheading 7325.99 from any other chapter, provided that there is a regional value content of not less than 25 percent.

7326.19

A change to subheading 7326.19 from any other chapter, provided that there is a regional value content of not less than 25 percent.

7326.90

A change to subheading 7326.90 from any other chapter, provided that there is a regional value content of not less than 25 percent

Chapter 74

Copper and Articles Thereof

7403.11

A change to subheading 7403.11 from any other heading.

74.04

A change to heading 74.04 from any other heading.

7407.21

A change to subheading 7407.21 from any other heading, provided that there is a regional value content of not less than 25 percent.

7407.29

A change to subheading 7407.29 from any other heading, provided that there is a regional value content of not less than 25 percent.

7408.11-7408.19

A change to subheading 7408.11 through 7408.19 from any other heading, except from heading 74.07.

7408.21

A change to subheading 7408.21 from any other heading, provided that there is a regional value content of not less than 25 percent.

7408.22-7408.29

A change to subheading 7408.22 through 7408.29 from any other heading, provided that there is a regional value content of not less than 25 percent.

7409.11

A change to subheading 7409.11 from any other heading.

7410.11-7410.12

A change to subheading 7410.11 through 7410.12 from any other heading, except from heading 74.09.

7410.21

A change to subheading 7810.21 from any other heading, provided that there is a regional value content of not less than 25 percent

7410.22

A change to subheading 7410.22 from any other heading, except from heading 74.09.

7411.10

A change to subheading 7411.10 from any other heading, provided that there is a regional value content of not less than 25 percent

7411.21-7411.22

A change to subheading 7411.21 through 7411.22 from any other heading, provided that there is a regional value content of not less than 25 percent.

7412.20

A change to subheading 7412.20 from any other heading, provided that there is a regional value content of not less than 25 percent.

7419.99

A change to subheading 7419.99 from any other heading, provided that there is a regional value content of not less than 25 percent.

Chapter 75

Nickel and Articles Thereof

75.01-75.08

A change to heading 75.01 through 75.08 from any other heading.

Chapter 76

Aluminium and Articles Thereof

76.01-76.09

A change to heading 76.01 through 76.09 from any other heading.

7610.10

A change to subheading 7610.10 from any other heading, provided that there is a regional value content of not less than 25 percent.

7612.90

A change to subheading 7612.90 from any other heading, provided that there is a regional value content of not less than 25 percent.

7614.10

A change to subheading 7614.10 from any other heading, provided that there is a regional value content of not less than 25 percent.

7616.99

A change to subheading 7616.99 from any other heading, provided that there is a regional value content of not less than 25 percent.

Chapter 78

Lead and Articles Thereof

78.01-78.06

A change to heading 78.01 through 78.06 from any other heading.

Chapter 79

Zinc and Articles Thereof

79.01-79.05

A change to heading 79.01 through 79.05 from any other heading.

Chapter 80

Tin and Articles Thereof

80.01

A change to heading 80.01 from any other heading.

80.03

A change to heading 80.03 from any other heading.

Chapter 81

Other Base Metals; Cermets; Articles Thereof

8101.10

A change to subheading 8101.10 from any other heading, provided that there is a regional value content of not less than 25 percent.

8101.96

A change to subheading 8101.96 from any other subheading, provided that there is a regional value content of not less than 25 percent.

8104.11

A change to subheading 8104.11 from any other subheading, provided that there is a regional value content of not less than 25 percent.

81.06

A change to heading 81.06 from any other heading, provided that there is a regional value content

of not less than 25 percent.

8107.20

A change to subheading 8107.20 from any other subheading, provided that there is a regional value content of not less than 25 percent.

8108.90

A change to subheading 8108.90 from any other heading, provided that there is a regional value content of not less than 25 percent

8110.10

A change to subheading 8110.10 from any other subheading, provided that there is a regional value content of not less than 25 percent.

81.11

A change to heading 81.11 from any other subheading, provided that there is a regional value content of not less than 25 percent.

Chapter 83

Miscellaneous Articles of Base Metal

8301.20

A change to subheading 8301.20 from any other heading, provided that there is a regional value content of not less than 40 percent.

8302.30

A change to subheading 8302.30 from any other heading, provided that there is a regional value content of not less than 40 percent.

Chapter 84

Nuclear Reactors, Boilers, Machinery and Mechanical Appliances; Parts Thereof

8407.31

A change to subheading 8407.31 from any other heading, provided that there is a regional value content of not less than 50 percent.

8407.32-8407.34

A change to subheading 8407.32 through 8407.34 from any other heading, provided that there is a regional value content of not less than 40 percent.

8408.20-8408.90

A change to subheading 8408.20 through 8408.90 from any other heading, provided that there is a regional value content of not less than 40 percent.

8409.99

A change to subheading 8409.99 from any other heading, provided that there is a regional value content of not less than 40 percent.

8413.30

A change to subheading 8413.30 from any other subheading, provided that there is a regional

value content of not less than 40 percent.

8414.80

A change to subheading 8414.80 from any other subheading, provided that there is a regional value content of not less than 40 percent.

8415.10

A change to subheading 8415.10 from any other subheading, provided that there is a regional value content of not less than 50 percent.

8415.20

A change to subheading 8415.20 from any other subheading, provided that there is a regional value content of not less than 40 percent.

8421.23

A change to subheading 8421.23 from any other subheading, provided that there is a regional value content of not less than 40 percent.

8421.31-8421.39

A change to subheading 8421.31 through 8421.39 from any other subheading, provided that there is a regional value content of not less than 40 percent.

8482.10

A change to subheading 8482.10 from any other heading, provided that there is a regional value content of not less than 40 percent.

8482.20-8482.80

A change to subheading 8482.20 through 8482.80 from any other heading, provided that there is a regional value content of not less than 40 percent and the bearing races(rings) used are wholly obtained or produced.

8482.91

A change to subheading 8482.91 from any other heading, provided that there is a regional value content of not less than 40 percent.

8482.99

A change to subheading 8482.99 from any other heading, provided that there is a regional value content of not less than 40 percent and the bearing races(rings) used are wholly obtained or produced.

8483.10-8483.40

A change to subheading 8483.10 through 8483.40 from any other subheading, provided that there is a regional value content of not less than 40 percent.

84.84

A change to heading 84.84 from any other heading, provided that there is a regional value content of not less than 40 percent.

Chapter 85
Electrical Machinery and Equipment and Parts Thereof; Sound Recorders and Reproducers, Television Image and Sound Recorders and Reproducers, and Parts and Accessories of Such Articles

8501.10

A change to subheading 8501.10 from any other heading, provided that there is a regional value content of not less than 40 percent.

8501.31-8501.32

A change to subheading 8501.31 through 8501.32 from any other heading, provided that there is a regional value content of not less than 40 percent.

8507.10-8507.20

A change to subheading 8507.10 through 8507.20 from any other heading, provided that there is a regional value content of not less than 40 percent.

8511.10-8511.50

A change to subheading 8511.10 through 8511.50 from any other subheading, provided that there is a regional value content of not less than 40 percent.

8511.90

A change to subheading 8511.90 from any other heading, provided that there is a regional value content of not less than 40 percent.

8512.20

A change to subheading 8512.20 from any other subheading, provided that there is a regional value content of not less than 40 percent.

8512.40-8512.90

A change to subheading 8512.40 through 8512.90 from any other heading, provided that there is a regional value content of not less than 40 percent.

8516.50

A change to subheading 8516.50 from any other heading, provided that there is a regional value content of not less than 40 percent.

8518.40

A change to subheading 8518.40 from any other heading, provided that there is a regional value content of not less than 40 percent.

8521.90

A change to subheading 8521.90 from any other heading, provided that there is a regional value content of not less than 40 percent.

8528.12

A change to subheading 8528.12 from any other heading, provided that there is a regional value content of not less than 40 percent.

8544.30

A change to subheading 8544.30 from any other heading, provided that there is a regional value content of not less than 40 percent.

Chapter 87

Vehicles Other Than Railway or Tramway Rolling-stock, and Parts and Accessories Thereof

8701.20-8701.90

A change to subheading 8701.20 through 8701.90 from any other heading, provided that there is a regional value content of not less than 40 percent.

8703.10

A change to subheading 8703.10 from any other heading, provided that there is a regional value content of not less than 40 percent.

8705.10-8708.80

A change to subheading 8705.10 through 8708.80 from any other heading, provided that there is a regional value content of not less than 40 percent.

8708.92-8709.90

A change to subheading 8708.92 through 8709.90 from any other heading, provided that there is a regional value content of not less than 40 percent.

8711.10

A change to subheading 8711.10 from any other heading, provided that there is a regional value content of not less than 40 percent.

8711.30

A change to subheading 8711.30 from any other heading, provided that there is a regional value content of not less than 40 percent.

8711.50-8711.90

A change to subheading 8711.50 through 8711.90 from any other heading, provided that there is a regional value content of not less than 40 percent.

8714.19

A change to subheading 8714.19 from any other heading, provided that there is a regional value content of not less than 40 percent.

8714.91-8714.96

A change to subheading 8714.91 through 8714.96 from any other heading, provided that there is a regional value content of not less than 40 percent.

8716.90

A change to subheading 8716.90 from any other heading, provided that there is a regional value content of not less than 40 percent.

Chapter 90

Optical, Photographic, Cinematographic, Measuring, Checking, Precision, Medical or Surgical Instruments and Apparatus; Parts and Accessories Thereof

9015.80

A change to subheading 9015.80 from any other heading, provided that there is a regional value content of not less than 40 percent.

9029.10-9029.20

A change to subheading 9029.10 through 9029.20 from any other heading, provided that there is a regional value content of not less than 40 percent.

Chapter 94

Furniture; Bedding, Mattresses, Mattress Supports, Cushions and Similar Stuffed Furnishings; Lamps and Lighting Fittings, Not Elsewhere Specified or Included; Illuminated Signs, Illuminated Name-plates and The Like; Prefabricated Buildings

9401.20

A change to subheading 9401.20 from any other heading, provided that there is a regional value content of not less than 40 percent.

9402.10

A change to subheading 9402.10 from any other heading.

94.04

A change to heading 94.04 from any other heading.

9405.91-9406.00

A change to subheading 9405.91 through 9406.00 from any other heading.

Chapter 96

Miscellaneous Manufactured Articles

96.01

A change to heading 96.01 from any other heading.

9603.10-9603.29

A change to subheading 9603.10 through 9603.29 from any other heading.

9603.40

A change to subheading 9603.40 from any other heading.

ANNEX 3-B
EXEMPTION FROM THE PRINCIPLE OF TERRITORIALITY

1. *List of Goods*

- (a) Each Party shall apply Article 3.14 to goods listed in Appendix 3-B-1 attached hereto.
- (b) A Party may request amendment of the list referred to in subparagraph (a), which the other Party shall consider in good faith. Such amendment shall be adopted when mutually agreed by both Parties.

2. *Origin Conferring*

- (a) Goods referred to in paragraph 1(a) and any subsequent amendments, which are re-imported as the goods that do not undergo any process beyond operations within the territory of the re-importing Party for export as set out in Article 3.6 shall be deemed to be originating in the territory of that Party, provided that:
 - (i) the total value of non-originating input⁷ does not exceed 40 percent of the FOB price of the final good for which originating status is claimed; and
 - (ii) the value of originating materials exported from the Party is not less than 60 percent of the total value of materials used in manufacturing the re-imported material or good.
- (b) Except as otherwise provided for in this Annex, relevant Articles of this Chapter shall be applied *mutatis mutandis* to the origin conferring of the goods to which Article 3.14 applies.

3. *Specific Procedures for the Implementation of Article 3.14*

- (a) Certificate of Origin for goods covered by Article 3.14 shall be issued by the Issuing Authorities⁸ of the exporting Party in accordance with Chapter Four (Origin Procedures).
- (b) The issuing authority of the exporting Party shall indicate in the Certificate of Origin that the good is covered by Article 3.14.

⁷ “Total value of non-originating input” shall mean the value of any non- originating materials added inside as well as any materials added and all other cost accumulated outside the Party concerned, including transport costs

⁸ With regard to Korea, Issuing Authorities means the Korean customs authority

- (c) Except as otherwise provided for in this Annex, the relevant Articles of Chapter Four (Origin Procedures) shall be applied *mutatis mutandis* to the goods to which Article 3.14 applies.
- (d) Each Party shall assist the customs authority of importing Party to conduct verification on goods covered by Article 3.14 in accordance with Articles 4.11 (Verification by competent authority of exporting Party), 4.12 (Verification by Customs Authority of Importing Party), 4.13 (Verification of Materials that are used in the Production of the Good), 4.15 (Confidentiality) and 4.18 (Uniform Regulations/Rules).

4. *Special Safeguard*

- (a) When a Party determines that there is an increase of importation of a good covered by Article 3.14 into the territory of that Party in such quantities and under such conditions as to cause, or threaten to cause, serious injury to its domestic industry, that Party shall be free to suspend the application of Article 3.14 to such a good for such a period of time as it may consider necessary to prevent or remedy such injury or threat to cause injury to the domestic industry of the Party.
- (b) A Party that intends to suspend the application of Article 3.14 pursuant to subparagraph (a) shall notify to the other Party two months in advance of the start of the suspension period and afford the other Party an opportunity to exchange views with it in respect of the proposed suspension.
- (c) The period mentioned in subparagraph (a) may be extended provided that the Party which has taken the action of suspension, has determined that the suspension continues to be necessary to prevent or remedy injury.
- (d) In critical circumstances, where delay would cause damage which would be difficult to repair, the suspension of the application of Article 3.14 under subparagraph (a) may be taken provisionally without two months advance notification to the other Party, on the condition that notification shall be made before such suspension takes effect.
- (e) When a Party has made a determination mentioned in subparagraph (a) and the requirements set out in subparagraph (b) are fulfilled, the Party concerned may suspend the application of Article 3.14 unilaterally and unconditionally, including as follows:

- (i) there shall be no obligation to prove that there is serious injury;
- (ii) there shall be no obligation for advance consultation;
- (iii) there shall be no limit to the duration or frequency of suspension; and
- (iv) there shall be no obligation for compensation.

5. *Review*

- (a) Parties shall review the implementation and operation of Article 3.14 in accordance with the procedure set out in Article 15.2.2(c) (Joint Committee and Review). For the purposes:
 - (i) the exporting Party shall provide to the importing Party or Joint Committee a brief factual report on the operation of Article 3.14, including export statistics of each good listed in the attached lists referred to in paragraph 1(a) to the importing Party during the previous six month period; and
 - (ii) the importing Party shall provide upon the request of the exporting Party or Joint Committee information pertaining to denial of claims for preferential tariff treatment, if any, including the number of Certificates of Origin not accepted, and reasons for denial.
- (b) The importing Party or Joint Committee may request such additional information as it may consider necessary for its review of the implementation and operation of Article 3.14 from the exporting Party.
- (c) Taking into account the result of the review provided for in subparagraph (a), the Parties or Joint Committee may make recommendations as they may consider necessary.

6. *Option of Rescinding*

Anytime five years after the date of entry into force of this Agreement, each Party will have an option of rescinding the application of this Annex when it determines, on the basis of a review and on its own discretion, that its interests have been seriously damaged as a consequence of the application of Article 3.14.

7. Any dispute concerning the interpretation, implementation or application of this Annex shall not be subject to the procedures and mechanism set out in Chapter Fourteen (Dispute

Settlement).

8. Nothing in this Annex shall affect the rights and obligations of the Parties under this Agreement, including Section B-2 (Safeguard Measures) of Chapter Two (Trade in Goods).

APPENDIX 3-B-1
PRODUCT LIST SUBJECT TO EXEMPTION FROM THE PRINCIPLE OF TERRITORIALITY

Chapter 20	Preparations of vegetables, fruit, nuts or other parts of plants
200892	
Chapter 43	Fur skins and artificial fur; manufactures thereof
430400	
Chapter 48	Paper and paperboard; articles of paper pulp, of paper or of paperboard
480439	
Chapter 55	Man-made staple fibers
550962, 550969	
Chapter 58	Special woven fabrics; tufted textile fabrics; lace; tapestries; trimmings; embroidery
581099	
Chapter 61	Articles of apparel and clothing accessories, knitted or crocheted
610120, 610130, 610190, 610210, 610220, 610230, 610290, 610322, 610323, 610329, 610331, 610332, 610333, 610339, 610341, 610342, 610343, 610349, 610413, 610419, 610422, 610423, 610429, 610431, 610439, 610441, 610449, 610451, 610459, 610461, 610469, 610590, 610712, 610719, 610721, 610722, 610729, 610791, 610811, 610829, 610832, 611019, 611211, 611212, 611219, 611220, 611231, 611239, 611241, 611249, 611420, 611490	
Chapter 62	Articles of apparel and clothing accessories, not knitted or crocheted
620111, 620112, 620113, 620119, 620192, 620219, 620291, 620292, 620299, 620312, 620322, 620323, 620329, 620339, 620349, 620412, 620419, 620421, 620422, 620423, 620429, 620441, 620444, 620590, 620610, 620620, 620721, 620722, 620791, 620799, 620811, 620819, 620821, 620822, 620829, 620891, 620899, 620920, 620930, 620990, 621040, 621120, 621132, 621139, 621141, 621142, 621230, 621390, 621420	
Chapter 63	Other made up textile articles; sets; worn clothing and worn textile articles; rags
630130	