

**A Comparative Guide to the Chile-United States Free Trade Agreement and the
Dominican Republic-Central America-United States Free Trade Agreement
A STUDY BY THE TRIPARTITE COMMITTEE**

Chapter Four: Rules of Origin and Origin Procedures

[Comparative Study](#)

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<p>Article 4.1: Originating Goods</p> <p>1. Except as otherwise provided in this Chapter, a good is originating where:</p>	<p>Article 4.1: Originating Goods</p> <p>Except as otherwise provided in this Chapter, each Party shall provide that a good is originating where:</p>
<p>(a) the good is wholly obtained or produced entirely in the territory of one or both of the Parties;</p>	<p>(a) it is a good wholly obtained or produced entirely in the territory of one or more of the Parties;</p>
<p>Section C - Definitions Article 4.18: Definitions</p> <p>For purposes of this Chapter:</p> <p>goods wholly obtained or produced entirely in the territory of one or both of the Parties means:</p>	<p>Article 4.22: Definitions</p> <p>For purposes of this Chapter:</p> <p>goods wholly obtained or produced entirely in the territory of one or more of the Parties means:</p>
<p>(a) mineral goods extracted in the territory of one or both of the Parties;</p> <p>(b) vegetable goods, as such goods are defined in the Harmonized System, harvested in the territory of one or both of the Parties;</p> <p>(c) live animals born and raised in the territory of one or both of the Parties;</p> <p>(d) goods obtained from hunting, trapping, or fishing in the territory of one or both of the Parties;</p>	<p>(a) plants and plant products harvested or gathered in the territory of one or more of the Parties;</p> <p>(b) live animals born and raised in the territory of one or more of the Parties;</p> <p>(c) goods obtained in the territory of one or more of the Parties from live animals;</p> <p>(d) goods obtained from hunting, trapping, fishing, or aquaculture conducted in the territory of one or more of the Parties;</p> <p>(e) minerals and other natural resources not included in subparagraphs (a) through (d) extracted or taken from the territory of one or more of the Parties;</p>

<p>(e) goods (fish, shellfish, and other marine life) taken from the sea by vessels registered or recorded with a Party and flying its flag;</p>	<p>(f) fish, shellfish, and other marine life taken from the sea, seabed, or subsoil outside the territory of one or more of the Parties by vessels registered or recorded with a Party and flying its flag;</p>
<p>(f) goods produced on board factory ships from the goods referred to in subparagraph (e) provided such factory ships are registered or recorded with that Party and fly its flag;</p>	<p>(g) goods produced on board factory ships from the goods referred to in subparagraph (f), provided such factory ships are registered or recorded with that Party and fly its flag;</p>
<p>(g) goods taken by a Party or a person of a Party from the seabed or beneath the seabed outside territorial waters, provided that a Party has rights to exploit such seabed;</p>	<p>(h) goods taken by a Party or a person of a Party from the seabed or subsoil outside territorial waters, provided that a Party has rights to exploit such seabed or subsoil;</p>
<p>(h) goods taken from outer space, provided they are obtained by a Party or a person of a Party and not processed in the territory of a non-Party;</p>	<p>(i) goods taken from outer space, provided they are obtained by a Party or a person of a Party and not processed in the territory of a non-Party;</p>
<p>(i) waste and scrap derived from</p> <ul style="list-style-type: none"> (i) production in the territory of one or both of the Parties, or (ii) used goods collected in the territory of one or both of the Parties, provided such goods are fit only for the recovery of raw materials; 	<p>(j) waste and scrap derived from</p> <ul style="list-style-type: none"> (i) manufacturing or processing operations in the territory of one or more of the Parties, or (ii) used goods collected in the territory of one or more of the Parties, provided such goods are fit only for the recovery of raw materials;
<p>(j) recovered goods derived in the territory a Party from used goods, and utilized in the Party's territory in the production of remanufactured goods; and</p>	<p>(k) recovered goods derived in the territory of one or more of the Parties from used goods, and utilized in the territory of one or more of the Parties in the production of remanufactured goods; and</p>
<p><u>Article 4.1: Originating Goods</u></p>	<p><u>Article 4.1: Originating Goods</u></p>

1. Except as otherwise provided in this Chapter, a good is originating where:	Except as otherwise provided in this Chapter, each Party shall provide that a good is originating where:
(b) the good is produced entirely in the territory of one or both of the Parties and	(b) it is produced entirely in the territory of one or more of the Parties and
(i) each of the non-originating materials used in the production of the good undergoes an applicable change in tariff classification specified in Annex 4.1, or	(i) each of the non-originating materials used in the production of the good undergoes an applicable change in tariff classification specified in Annex 4.1, or
(ii) the good otherwise satisfies any applicable regional value content or other requirements specified in Annex 4.1, and the good satisfies all other applicable requirements of this Chapter; or	(ii) the good otherwise satisfies any applicable regional value content or other requirements specified in Annex 4.1, and the good satisfies all other applicable requirements of this Chapter; or
<i>Article 4.1: Originating Goods and Article 4.18: Definitions</i>	<i>Article 4.1: Originating Goods and Article 4.22: Definitions</i>
Article 4.1: Originating Goods 1. Except as otherwise provided in this Chapter, a good is originating where:	Article 4.1: Originating Goods Except as otherwise provided in this Chapter, each Party shall provide that a good is originating where:
(c) the good is produced entirely in the territory of one or both of the Parties exclusively from originating materials	(c) it is produced entirely in the territory of one or more of the Parties exclusively from originating materials.
Section C - Definitions Article 4.18: Definitions For purposes of this Chapter:	Article 4.22: Definitions For purposes of this Chapter:
goods wholly obtained or produced entirely in the territory of one or both of the Parties means:	goods wholly obtained or produced entirely in the territory of one or more of the Parties means:

<p>(k) goods produced in the territory of one or both of the Parties exclusively from goods referred to in subparagraphs (a) through (i), or from their derivatives, at any stage of production;</p>	<p>(l) goods produced in the territory of one or more of the Parties exclusively from goods referred to in subparagraphs (a) through (j), or from their derivatives, at any stage of production;</p>
<p><i>Article 4.1: Originating Goods</i></p>	
<p>2. A good shall not be considered to be an originating good and a material shall not be considered to be an originating material by virtue of having undergone:</p> <p>(a) simple combining or packaging operations; or</p> <p>(b) mere dilution with water or with another substance that does not materially alter the characteristics of the good or material.</p>	<p><i>NO CORRESPONDING ARTICLE</i></p>
<p><i>Article 4.2: Regional Value Content</i></p>	<p><i>Article 4.2: Regional Value Content</i></p>
<p>1. Where Annex 4.1 specifies a regional value content test to determine whether a good is originating, each Party shall provide that the person claiming preferential tariff treatment for the good may calculate regional value content on the basis of one or the other of the following methods:</p>	<p>1. Where Annex 4.1 specifies a regional value content test to determine whether a good is originating, each Party shall provide that the importer, exporter, or producer may use a calculation of regional value content based on one or the other of the following methods:</p>
<p>(a) Builddown method</p>	<p>(a) Method Based on Value of Non-Originating Materials (“Build-down Method”)</p>
<p>$RVC = \frac{AV - VNM}{AV} \times 100$</p>	<p>$RVC = \frac{AV - VNM}{AV} \times 100$</p>
<p>(b) Buildup method</p>	<p>(b) Method Based on Value of Originating Materials (“Build-up Method”)</p>
<p>$RVC = \frac{VOM}{AV} \times 100$</p>	<p>$RVC = \frac{VOM}{AV} \times 100$</p>
<p>Where</p>	<p>where,</p>

<p>RVC is the regional value content, expressed as a percentage</p>	<p>RVC is the regional value content, expressed as a percentage;</p>
<p>AV is the adjusted value;</p>	<p>AV is the adjusted value;</p>
<p>VNM is the value of non-originating materials used by the producer in the production of the good; and</p>	<p>VNM is the value of non-originating materials that are acquired and used by the producer in the production of the good; VNM does not include the value of a material that is self-produced; and</p>
<p>VOM is the value of originating materials used by the producer in the production of the good.</p>	<p>VOM is the value of originating materials acquired or self-produced, and used by the producer in the production of the good.</p>
	<p>2. Each Party shall provide that all costs considered for the calculation of regional value content shall be recorded and maintained in conformity with the Generally Accepted Accounting Principles applicable in the territory of the Party where the good is produced.</p> <p>3. Where Annex 4.1 specifies a regional value content test to determine if an automotive good 1 is originating, each Party shall provide that the importer, exporter, or producer may use a calculation of the regional value content of that good as provided in paragraph 1 or based on the following method:</p> <p>1 Paragraph 3 applies solely to goods classified under the following headings and subheadings: 8407.31 through 8407.34 (engines), 8408.20 (diesel engines for vehicles), 84.09 (parts of engines), 87.01 through 87.05 (motor vehicles), 87.06 (chassis), 87.07 (bodies), and 87.08 (motor vehicle parts).</p> <p>Method for Automotive Products (“Net Cost Method”)</p> $\text{RVC} = \frac{\text{NC} - \text{VNM}}{\text{NC}} \times 100$ <p>where,</p> <p>RVC is the regional value content, expressed as a percentage;</p> <p>NC is the net cost of the good; and</p> <p>VNM is the value of non-originating materials acquired and used by the producer in the production of the good;</p>

VNM does not include the value of a material that is self-produced.

4. Each Party shall provide that, for purposes of the regional value content method in paragraph 3, the importer, exporter, or producer may use a calculation averaged over the producer's fiscal year, using any one of the following categories, on the basis of all motor vehicles in the category or only those motor vehicles in the category that are exported to the territory of one or more of the other Parties:

(a) the same model line of motor vehicles in the same class of vehicles produced in the same plant in the territory of a Party;

(b) the same class of motor vehicles produced in the same plant in the territory of a

Party; or

(c) the same model line of motor vehicles produced in the territory of a Party.

5. Each Party shall provide that, for purposes of calculating regional value content under paragraph 3 for automotive materials² produced in the same plant, an importer, exporter, or producer may use a calculation:

(a) averaged:

(i) over the fiscal year of the motor vehicle producer to whom the good is sold;

(ii) over any quarter or month; or

(iii) over its fiscal year, provided that the good was produced during the fiscal year, quarter, or month forming the basis for the calculation;

(b) in which the average in subparagraph (a) is calculated separately for such goods sold to one or more motor vehicle producers; or

(c) in which the average in subparagraph (a) or (b) is calculated separately for those

goods that are exported to the territory of one or more of the Parties.

2 Paragraph 5 applies solely to automotive materials classified under the following headings and subheadings: 8407.31 through 8407.34 (engines), 8408.20 (diesel engines for vehicles), 84.09 (parts of engines), 87.06 (chassis), 87.07 (bodies), and 87.08 (motor vehicle parts).

[Article 4.3: Value of Materials](#)

[Article 4.3: Value of Materials and Article 4.4: Further Adjustments to the Value of Materials](#)

Article 4.3: Value of Materials

1. Each Party shall provide that for purposes of calculating the regional value content of a good, and for purposes of applying the *de minimis* rule, the value of a material:

(a) for a material that is imported by the producer of the good, is the adjusted value of the material with respect to that importation;

(b) for a material acquired in the territory where the good is produced, is the producer's price actually paid or payable for the material, except for materials within the meaning of subparagraph (c);

(c) for a material provided to the producer without charge, or at a price reflecting a discount or similar reduction, is determined by computing the sum of:

(i) all expenses incurred in the growth, production, or manufacture of the material, including general expenses; and

(ii) an amount for profit; and

(d) for a material that is self-produced, is determined by computing the sum of:

(i) all expenses incurred in the production of the material, including general expenses; and

(ii) an amount for profit.

Article 4.3: Value of Materials

Each Party shall provide that, for purposes of Articles 4.2 and 4.6, the value of a material shall be:

(a) for a material imported by the producer of the good, the adjusted value of the material;

(b) for a material acquired in the territory where the good is produced, the value, determined in accordance with Articles 1 through 8, Article 15, and the corresponding interpretative notes of the Customs Valuation Agreement in the same manner as for imported goods, with such reasonable modifications as may be required due to the absence of an importation; or

(c) for a material that is self-produced,

(i) all the expenses incurred in the production of the material, including general expenses, and

(ii) an amount for profit equivalent to the profit added in the normal course of trade.

2. [Each Party shall provide](#) that the person claiming preferential tariff treatment for a good may adjust the value of materials as follows:

(a) for originating materials, the following expenses may be added to the value of the material where not included under paragraph 1:

(i) the costs of freight, insurance, packing, and all other costs incurred in transporting the material to the location of the producer;

(ii) 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 duty or tax paid or payable; and

(iii) the cost of waste and spoilage resulting from the use of the material in the production of the good, less the value of renewable scrap or byproduct.

(b) for non-originating materials, the following expenses may be deducted from the value of the material where included under paragraph 1:

(i) the costs of freight, insurance, packing, and all other costs incurred in transporting the material to the location of the producer;

Article 4.4: Further Adjustments to the Value of Materials

1. Each Party shall provide that, for originating materials, the following expenses, where not included under Article 4.3, may be added to the value of the material:

(a) the costs of freight, insurance, packing, and all other costs incurred in transporting the material within a Party's territory or between the territories of two or more Parties to the location of the producer;

(b) duties, taxes, and customs brokerage fees on the material paid in the territory of one or more of the Parties, other than duties and taxes that are waived, refunded, refundable, or otherwise recoverable, including credit against duty or tax paid or payable; and

(c) the cost of waste and spoilage resulting from the use of the material in the production of the good, less the value of renewable scrap or by-product.

2. Each Party shall provide that, for non-originating materials, the following expenses, where included under Article 4.3, may be deducted from the value of the material:

(a) the costs of freight, insurance, packing, and all other costs incurred in transporting the material within a Party's territory or between the territories of two or more Parties to the location of the producer;

(ii) 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 duty or tax paid or payable;

(b) duties, taxes and customs brokerage fees on the material paid in the territory of one or more of the Parties, other than duties and taxes that are waived, refunded, refundable, or otherwise recoverable, including credit against duty or tax paid or payable;

(iii) the cost of waste and spoilage resulting from the use of the material in the production of the good, less the value of renewable scrap or byproducts; and

(c) the cost of waste and spoilage resulting from the use of the material in the production of the good, less the value of renewable scrap or by-product; and

(iv) the cost of originating materials used in the production of the non-originating material in the territory of a Party.

(d) the cost of originating materials used in the production of the non-originating material in the territory of a Party.

[Article 4.4: Accessories, Spare Parts, and Tools](#)

[Article 4.8: Accessories, Spare Parts, and Tools](#)

Each Party shall provide that accessories, spare parts, or tools delivered with a good that form part of the good's standard accessories, spare parts, or tools, shall be regarded as a material used in the production of the good, provided that:

1. Each Party shall provide that a good's standard accessories, spare parts, or tools delivered with the good 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 classified with and not invoiced separately from the good; and

(a) the accessories, spare parts, or tools are classified with and not invoiced separately from the good, regardless of whether they appear specified or separately identified in the invoice itself; and

(b) the quantities and value of the accessories, spare parts, or tools are customary for the good

(b) the quantities and value of the accessories, spare parts, or tools are customary for the good.

	<p>2. If a good is subject to a regional value content requirement, the value of 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.</p>
<p><i>Article 4.5: Fungible Goods and Materials</i></p>	<p><i>Article 4.7: Fungible Goods and Materials</i></p>
<p>1. Each Party shall provide that the person claiming preferential tariff treatment for a good may claim that a fungible good or material is originating based on either the physical segregation of each fungible good or material, or through the use of any inventory management method, such as averaging, last-in, first-out, or first-in, first-out, recognized in the Generally Accepted Accounting Principles of the Party in which the production is performed or otherwise accepted by the Party in which the production is performed.</p>	<p>1. Each Party shall provide that an importer may claim that a fungible good or material is originating where the importer, exporter, or producer has:</p> <p>(a) physically segregated each fungible good or material; or</p> <p>(b) used any inventory management method, such as averaging, last-in-first-out (LIFO) or first-in-first-out (FIFO), recognized in the Generally Accepted Accounting Principles of the Party in which the production is performed or otherwise accepted by the Party in which the production is performed.</p>
<p>2. Each Party shall provide that the inventory management method selected under paragraph 1 for particular fungible goods or materials shall continue to be used for those goods or materials throughout the fiscal year of the person that selected the inventory management method.</p>	<p>2. Each Party shall provide that the inventory management method selected under paragraph 1 for a particular fungible good or material shall continue to be used for that good or material throughout the fiscal year of the person that selected the inventory management method.</p>
<p><i>Article 4.6: Accumulation</i></p>	<p><i>Article 4.5: Accumulation and Appendix 4.1-B: Cumulation in Chapter 62 of the Harmonized System</i></p>
<p>1. Each Party shall provide that originating goods or materials of a Party, incorporated into a good in the territory of the other Party, shall be considered to originate in the territory of the other Party.</p>	<p>1. Each Party shall provide that originating goods or materials of one or more of the Parties, incorporated into a good in the territory of another Party, shall be considered to originate in the territory of that other Party.</p>
<p>2. Each Party shall provide that a good is originating where the good is produced in the territory of one or both Parties by one or more producers, provided that the good satisfies the requirements in Article 4.1 and all other applicable requirements in this Chapter.</p>	<p>2. Each Party shall provide that a good is originating where the good is produced in the territory of one or more of the Parties by one or more producers, provided that the good satisfies the requirements in Article 4.1 and all other applicable requirements in this Chapter.</p>

**Appendix 4.1-B
Cumulation in Chapter 62 of the
Harmonized System¹.**

For purposes of determining whether a good of chapter 62 of the Harmonized System is originating, materials used in the production of such a good that are produced in Canada or Mexico and that would be originating under this Agreement if produced in the territory of a Party shall be considered as having been produced in the territory of a Party.¹

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(a) This Rule shall enter into force for materials described in paragraph 1 produced in Mexico on the date on which:

(i) the Central American Parties and the United States have exchanged written notifications that they have amended their laws, as necessary, and tariff schedules to implement this Rule, and have provided copies of the notifications to Mexico; and

(ii) (A) each free trade agreement between Mexico, on the one hand, and the Central American Parties, on the other, has been amended; and

(B) the Central American Parties and Mexico have exchanged written notifications, and provided copies of the notifications to the United States, that they have amended their laws, as necessary, and tariff schedules to provide for the reciprocal application of this Rule; and

(iii) the United States has entered into an agreement with Mexico to provide for textile verifications substantially similar to those set forth in Article 3.24 (Customs Cooperation), including document review and on-site visits, for materials produced in the territory of Mexico used to produce a good claimed to be originating under this Rule.

(b) This Rule shall enter into force for materials described in paragraph 1 produced in Canada on the date on which:

(i) the Central American Parties and the United States have exchanged written notifications that they have amended their laws, as necessary, and tariff schedules to implement this Rule, and have provided copies of the notifications to Canada; and

(ii) (A) each free trade agreement between Canada, on the one hand, and the Central American Parties, on the other, has been amended; and

(B) the Central American Parties and Canada have exchanged written notifications, and provided copies of the notifications to the United States, that they have amended their laws, as necessary, and tariff schedules to provide for the reciprocal application of this Rule; and

(iii) the United States has entered into an agreement with Canada to provide for textile verifications substantially similar to those set forth in Article 3.24 (Customs Cooperation), including document review and on-site visits, for materials produced in the territory of Canada used to produce a good claimed to be originating under this Rule.

(c) For purposes of this Rule, operations performed in the Dominican Republic shall be considered as if the operations were performed in the territory of a non-Party until the date on which the Dominican Republic has provided written notifications to the Central American Parties and the United States that it has amended its law, as necessary, and tariff schedule to implement this Rule, and has provided copies of the notifications to Canada or Mexico, as the case may be. Further, operations performed in the Dominican Republic shall be considered as if the operations were performed in the territory of a non-Party beginning five years after the date this Agreement enters into force, unless:

(i) with respect to materials described in paragraph 1 produced in Mexico:

(A) the Dominican Republic has concluded a free trade agreement with Mexico; and

(B) the Dominican Republic and Mexico have exchanged written notifications, and provided copies of the notifications to the Central American Parties and the United States, that they have amended their laws, as necessary, and tariff schedules to provide for the reciprocal application of this Rule; or

(ii) with respect to materials described in paragraph 1 produced in Canada:

(A) the Dominican Republic has concluded a free trade agreement with Canada; and

(B) the Dominican Republic and Canada have exchanged written notifications, and provided copies of the notifications to the Central American Parties and the United States, that they have amended their laws, as necessary, and tariff schedules to provide for the reciprocal application of this Rule.

(d) The Parties may consult to consider whether this Rule should be extended to materials produced in a country other than Canada and Mexico, subject to application of the conditions of this note with respect to that country, as appropriate.

2. Such treatment shall be limited to goods imported into the territory of the United States from another Party or Parties up to the overall limit specified in paragraph 3. For purposes of determining the quantity of square meter equivalents (SME) charged against the overall limit, the conversion factors listed in *Correlation: U.S. Textile and Apparel Category System with the Harmonized Tariff*

Schedule of the United States of America 2003, U.S. Department of Commerce, Office of Textiles and Apparel, or successor publication, shall apply.

3. Subject to the sublimits set out below, the overall limit shall not exceed 100 million SME in the first calendar year that goods qualify for entry under this provision. If this provision enters into force after January 1 of that year, these limits shall be reduced in proportion to the number of full months of that year that have expired. Thereafter, during the term of this Agreement, the overall limit may increase up to a maximum of 200 million SME in a calendar year, and the sublimits may increase so that they represent the same proportion of the overall limit as in the first calendar year. Each percentage increase of the limits shall correspond to the percentage increase in imports into the territory of the United States from the other Parties of originating goods of chapter 62 of the Harmonized System.²

(a) Not more than 45 million SME may be cotton or man-made fiber trousers and skirts in textile categories 342, 347, 348, 642, 647, or 648, excluding items identified in subparagraph (b).

(b) Not more than 20 million SME may be cotton blue denim trousers within tariff item 6203.42.aa or 6204.62.aa and blue denim skirts within tariff item 6204.52.aa.

(c) Not more than one million SME may be wool apparel in textile category 433, 435 (suit-type jackets only: subheading 6204.31 or tariff item 6204.33.aa, 6204.39.aa, or 6204.39.dd), 442, 443, 444, 447, or 448, and within heading 62.03 or 62.04.

² No later than three months after the date of entry into force of this Agreement, the Parties shall consult to increase the limits specified in this paragraph to take into account the ability of the Dominican Republic to participate in such limits. The Parties shall seek to reach agreement within 60 days after such consultations begin. Any such increase shall take effect at such time as the Parties may agree, but no sooner than such time as the Dominican Republic has satisfied the applicable conditions set out in footnote 1.

[*Article 4.7: De Minimis Rule*](#)

[*Article 4.6: De Minimis*](#)

Article 4.7: De Minimis Rule

1. Each Party shall provide that a good that does not undergo a change in tariff classification pursuant to Annex 4.1 is nonetheless originating if the value of all non-originating materials that are used in the production of the good and that do not undergo the applicable change in tariff classification does not exceed 10 percent of the adjusted value of the good, provided that the value of such non-originating materials shall be included in the value of non-originating materials for any applicable regional value content requirement and that the good meets all other applicable requirements in this Chapter.

Article 4.6: De Minimis

1. Except as provided in Annex 4.6, each Party shall provide that a good that does not undergo a change in tariff classification pursuant to Annex 4.1 is nonetheless originating if the value of all non-originating materials used in the production of the good and that do not undergo the applicable change in tariff classification does not exceed ten percent of the adjusted value of the good, provided that the value of such non-originating materials shall be included in the value of non-originating materials for any applicable regional value content requirement and that the good meets all other applicable requirements in this Chapter.

2. With respect to a textile or apparel good, Article 3.25.7 (Rules of Origin and Related Matters) applies in place of paragraph 1.

2. Paragraph 1 does not apply to:

a) a non-originating material provided for in Chapter 4 of the Harmonized System, or a non-originating dairy preparation containing over 10 percent by weight of milk solids provided for in subheadings 1901.90 or 2106.90 of the Harmonized System, that is used in the production of a good provided for in Chapter 4 of the Harmonized System;

Annex 4.6

Exceptions to Article 4.6

Article 4.6 shall not apply to:

(a) a non-originating material classified under chapter 4 of the Harmonized System, or a non-originating dairy preparation containing over ten percent by weight of milk solids classified under subheading 1901.90 or 2106.90, that is used in the production of a good classified under chapter 4 of the Harmonized System;

(b) a non-originating material provided for in Chapter 4 of the Harmonized System, or non-originating dairy preparations containing over 10 percent by weight of milk solids provided for in subheading 1901.90 of the Harmonized System, that are used in the production of the following goods: infant preparations containing over 10 percent in weight of milk solids provided for in subheading 1901.10 of the Harmonized System; mixes and doughs, containing over 25 percent by weight of butterfat, not put up for retail sale, provided for in subheading 1901.20 of the Harmonized System; dairy preparations containing over 10 percent by weight of milk solids provided for in subheadings 1901.90 or 2106.90 of the Harmonized System; goods provided for in heading 2105 of the Harmonized System;

(b) a non-originating material classified under chapter 4 of the Harmonized System, or a non-originating dairy preparation containing over ten percent by weight of milk solids classified under subheading 1901.90, that is used in the production of the following goods: infant preparations containing over ten percent in weight of milk solids classified under subheading 1901.10; mixes and doughs, containing over 25 percent by weight of butterfat, not put up for retail sale, classified under subheading 1901.20; dairy preparations containing over ten percent by weight of milk solids, classified under subheading 1901.90 or 2106.90; heading 21.05; beverages containing milk classified under subheading 2202.90; or animal feeds containing over ten percent by weight of milk solids classified under subheading

<p>beverages containing milk provided for in subheading 2202.90 of the Harmonized System; or animal feeds containing over 10 percent by weight of milk solids provided for in subheading 2309.90 of the Harmonized System;</p>	<p>2309.90;</p>
<p>(c) a non-originating material provided for in heading 0805 of the Harmonized System or subheadings 2009.11 through 2009.30 of the Harmonized System that is used in the production of a good provided for in subheadings 2009.11 through 2009.30 of the Harmonized System, or in fruit or vegetable juice of any single fruit or vegetable, fortified with minerals or vitamins, concentrated or unconcentrated, provided for in subheadings 2106.90 or 2202.90 of the Harmonized System;</p>	<p>(c) a non-originating material classified under heading 08.05 or subheadings 2009.11 through 2009.30 that is used in the production of a good classified under subheadings 2009.11 through 2009.30, or in fruit or vegetable juice of any single fruit or vegetable, fortified with minerals or vitamins, concentrated or unconcentrated, classified under subheading 2106.90 or 2202.90;</p>
	<p>(d) a non-originating material classified under heading 09.01 or 21.01, that is used in the production of a good classified under heading 09.01 or 21.01;</p>
	<p>(e) a non-originating material classified under heading 10.06 that is used in the production of a good classified under heading 11.02 or 11.03 or subheading 1904.90;</p>
<p>(d) a non-originating material provided for in Chapter 15 of the Harmonized System that is used in the production of a good provided for in headings 1501 through 1508, 1512, 1514, or 1515 of the Harmonized System;</p>	<p>(f) a non-originating material classified under chapter 15 of the Harmonized System that is used in the production of a good classified under chapter 15 of the Harmonized System;</p>
<p>(e) a non-originating material provided for in heading 1701 of the Harmonized System that is used in the production of a good provided for in headings 1701 through 1703 of the Harmonized System;</p>	<p>(g) a non-originating material classified under heading 17.01 that is used in the production of a good classified under heading 17.01 through 17.03;</p>

<p>(f) a non-originating material provided for in Chapter 17 or in heading 1805 of the Harmonized System that is used in the production of a good provided for in subheading 1806.10 of the Harmonized System;</p>	<p>(h) a non-originating material classified under chapter 17 of the Harmonized System that is used in the production of a good classified under subheading 1806.10; or</p>
<p>(g) a non-originating material provided for in headings 2203 through 2208 of the Harmonized System that is used in the production of a good provided for in heading 2207 or 2208 of the Harmonized System; and</p>	
<p>(h) a non-originating material used in the production of a good provided for in Chapters 1 through 21 of the Harmonized System unless the non-originating material is provided for in a different subheading than the good for which origin is being determined under this Article.</p>	<p>(i) except as provided under subparagraph (a) through (h) and in the specific rules of origin under Annex 4.1, a non-originating material used in the production of a good classified under chapter 1 through 24 of the Harmonized System unless the non-originating material is classified under a different subheading than the good for which origin is being determined.</p>
<p>3. With respect to a textile and apparel good provided for in Chapters 50 through 63 of the Harmonized System, Article 3.20(6) (Rules of Origin and Related Matters) applies in place of paragraph 1.</p>	
<p><i>Article 4.8: Indirect Materials Used in Production</i></p>	<p><i>Article 4.11: Indirect Materials Used in Production</i></p>
<p>Each Party shall provide that an indirect material shall be considered to be an originating material without regard to where it is produced.</p>	<p>Each Party shall provide that an indirect material shall be considered to be an originating material without regard to where it is produced.</p>
<p><i>Article 4.9: Packaging Materials and Containers for Retail Sale</i></p>	<p><i>Article 4.9: Packaging Materials and Containers for Retail Sale</i></p>
<p>Each Party shall provide that packaging materials and containers in which a good is packaged for retail sale, if classified with the good, shall be disregarded in determining whether all non-originating materials used in the production of the good undergo the applicable change in tariff classification set out in Annex 4.1, 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.</p>	<p>Each Party shall provide that 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 set out in Annex 4.1 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.</p>

Article 4.10: Packing Materials and Containers for Shipment

Each Party shall provide that packing materials and containers 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 set out in Annex 4.1; and

(b) the good satisfies a regional value content requirement.

Article 4.10: Packing Materials and Containers for Shipment

Each Party shall provide that packing materials and containers for shipment shall be disregarded in determining whether a good is originating.

Article 4.11: Transit and Transshipment

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

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

Article 4.12: Transit and Transshipment

Each Party shall provide that a good shall not be considered to be an originating good if the good:

(a) undergoes subsequent production or any other operation outside the territories of the Parties, other than unloading, reloading, or any other operation necessary to preserve the good in good condition or to transport the good to the territory of a Party; or

(b) does not remain under the control of customs authorities in the territory of a non-Party.

Article 4.13: Sets of Goods

NO CORRESPONDING ARTICLE

1. Each Party shall provide that if goods are classified as a set as a result of the application of rule 3 of the General Rules of Interpretation of the Harmonized System, the set is originating only if each good in the set is originating and both the set and the goods meet all other applicable requirements in this Chapter.
2. Notwithstanding paragraph 1, a set of goods is originating if the value of all the nonoriginating goods in the set does not exceed 15 percent of the adjusted value of the set.
3. With respect to a textile or apparel good, Article 3.25.9 (Rules of Origin and Related Matters) applies in place of paragraphs 1 and 2.

Article 4.14: Consultation and Modifications

NO CORRESPONDING ARTICLE

1. The Parties shall consult regularly to ensure that this Chapter is administered effectively, uniformly, and consistently with the spirit and objectives of this Agreement, and shall cooperate in the administration of this Chapter.
2. A Party that considers that a specific rule of origin set out in Annex 4.1 requires modification to take into account developments in production processes, lack of supply of originating materials, or other relevant factors may submit a proposed modification along with supporting rationale and any studies to the Commission for consideration.
3. On submission by a Party of a proposed modification under paragraph 2, the Commission may refer the matter to an *ad hoc* working group within 60 days or on such other date as the Commission may decide. The working group shall meet to consider the proposed modification within 60 days of the date of referral or on such other date as the Commission may decide.
4. Within such period as the Commission may direct, the working group shall provide a report to the Commission, setting out its conclusions and recommendations, if any.
5. On receipt of the report, the Commission may take appropriate action under Article 19.1.3(b) (The Free Trade Commission).
6. With respect to a textile or apparel good, paragraphs 1 through 3 of Article 3.25 (Rules of Origin and Related Matters) apply in place of paragraphs 2 through 5.

Article 4.12: Claims of Origin

1. Each Party shall require that an importer claiming preferential tariff treatment for a good:

- (a) make a written declaration in the importation document that the good qualifies as originating;
- (b) be prepared to submit, on the request of the importing Party's customs authority, a certificate of origin or information demonstrating that the good qualifies as originating;
- (c) promptly make a corrected declaration and pay any duties owing where the importer has reason to believe that the certificate or other information on which the declaration was based is incorrect.

2. Each Party, where appropriate, may request that an importer claiming preferential tariff treatment for a good demonstrate to the Party's customs authority that the good qualifies as originating under Section A, including that the good satisfies the requirements in Article 4.11

Article 4.15: Obligations Relating to Importations and Article 4.16: Claims of Origin

Article 4.15: Obligations Relating to Importations

4. Each Party may require that an importer who claims preferential tariff treatment for a good imported into its territory:

- (a) declare in the importation document that the good is originating;
- (b) have in its possession at the time the declaration referred to in subparagraph (a) is made a written or electronic certification as described in Article 4.16, if the certification forms the basis for the claim;
- (c) provide a copy of the certification, on request, to the importing Party's customs authority, if the certification forms the basis for the claim;
- (d) when the importer has reason to believe that the declaration in subparagraph (a) is based on inaccurate information, correct the importation document and pay any customs duty owing;

Article 4.15: Obligations Relating to Importations

4. Each Party may require that an importer who claims preferential tariff treatment for a good imported into its territory:

- (f) demonstrate, on request of the importing Party's customs authority, that the good is originating under Article 4.1, including that the good satisfies the requirements of Article 4.12.

3. Each Party shall provide that, where an originating good was imported into the territory of that Party but no claim for preferential tariff treatment was made at the time of importation, the importer of the good may, no later than one year after the date on which the good was imported, apply for a refund of any excess duties paid as the result of the good not having been accorded preferential tariff treatment, on presentation of:

- (a) written declaration that the good qualified as originating at the time of importation;
- (b) a copy of a certificate of origin or other information demonstrating that the good qualifies as originating; and
- (c) such other documentation relating to the importation of the good as the importing Party may require.

Article 4.13: Certificates of Origin

Article 4.13: Certificates of Origin

1. Each Party shall provide that an importer may satisfy a request under Article 4.12 (1)(b) by providing a certificate of origin that sets forth a valid basis for a claim that a good is originating. Each Party shall provide that the certificate of origin need not be in a prescribed format, and that the certificate may be submitted electronically.

Article 4.15: Obligations Relating to Importations

5. Each Party shall provide that, where a good was originating when it was imported into its territory, but the importer of the good did not make a claim for preferential tariff treatment at the time of importation, that importer may, no later than one year after the date of importation, make a claim for preferential tariff treatment and apply for a refund of any excess duties paid as the result of the good not having been accorded preferential tariff treatment on presentation to its customs authority of:

- (a) a written declaration, stating that the good was originating at the time of importation;
- (b) on request of its customs authority, a copy of a written or electronic certification if a certification forms the basis for the claim, or other information demonstrating that the good was originating; and
- (c) such other documentation relating to the importation of the good as its customs authority may require.

*Article 4.16: Claims of Origin and
Article 4.17: Exceptions*

Article 4.16: Claims of Origin

2. Each Party shall provide that a certification need not be made in a prescribed format, provided that the certification is in written or electronic form, including but not limited to the following elements:

- (a) the name of the certifying person, including as necessary contact or other identifying information;
- (b) tariff classification under the Harmonized System and a description of the good;
- (c) information demonstrating that the good is originating;
- (d) date of the certification; and
- (e) in the case of blanket certification issued as set out in paragraph 4(b), the

period that the certification covers.

2. Each Party shall provide that a certificate of origin may be issued by the importer, exporter, or producer of the good.

Article 4.16: Claims of Origin

1. Each Party shall provide that an importer may make a claim for preferential tariff treatment based on either:

(a) a written or electronic³ certification by the importer, exporter, or producer; or

³ Each Central American Party and the Dominican Republic shall authorize importers to provide electronic certifications beginning no later than three years after the date of entry into force of this Agreement.

Where an exporter or importer is not the producer of the good, each Party shall provide that the exporter or importer may issue a certificate of origin based on:

(a) a certificate of origin issued by the producer; or

(b) knowledge of the exporter or importer that the good qualifies as an originating good.

Article 4.16: Claims of Origin

3. Each Party shall provide that a certification by the producer or exporter of the good may be completed on the basis of:

(a) the producer's or exporter's knowledge that the good is originating; or

(b) in the case of an exporter, reasonable reliance on the producer's written or electronic certification that the good is originating. No Party may require an exporter or producer to provide a written or electronic certification to another person.

Article 4.16: Claims of Origin

1. Each Party shall provide that an importer may make a claim for preferential tariff treatment based on either:

(b) the importer's knowledge that the good is an originating good, including reasonable reliance on information in the importer's possession that the good is an originating good.⁴

⁴ Each Central American Party and the Dominican Republic shall implement subparagraph (b) no later than three years after the date of entry into force of this Agreement.

3. Each Party shall provide that a certificate of origin may cover the importation of one or more goods or several importations of identical goods within a period specified in the certificate.

Article 4.16: Claims of Origin

4. Each Party shall provide that a certification may apply to:

(a) a single shipment of a good into the territory of a Party; or

(b) multiple shipments of identical goods within any period specified in the written or electronic certification, not exceeding 12 months from the date of the certification.

4. Each Party shall provide that a certificate of origin is valid for four years from the date on which the certificate was issued.

Article 4.16: Claims of Origin

5. Each Party shall provide that a certification shall be valid for four years after the date it was issued.

5. A Party may require that a certificate of origin for a good imported into its territory be completed in either Spanish or English.

Article 4.16: Claims of Origin

6. Each Party shall allow an importer to submit a certification in the language of the importing Party or the exporting Party. In the latter case, the customs authority of the importing Party may require the importer to submit a translation of the certification in the language of the importing Party.

6. For an originating good that is imported into the territory of a Party on or after the date of entry into force of this Agreement, each Party shall accept a certificate of origin issued by the importer, exporter, or producer of the good prior to that date, unless the Party possesses information indicating that the certificate is invalid.

NO CORRESPONDING ARTICLE

7. Neither Party may require a certificate of origin or information demonstrating that the good qualifies as originating for:

Article 4.17: Exceptions

No Party may require a certification or information demonstrating that the good is originating where:

(a) the importation of goods with a customs value not exceeding US\$2,500, or the equivalent amount in Chilean currency, or such higher amount as may be established by the importing Party; or

(a) the customs value of the importation does not exceed 1,500 U.S. dollars or the equivalent amount in the currency of the importing Party, or such higher amount as may be established by the importing Party, unless the importing Party considers the importation to be part of a series of importations carried out or planned for the purpose of evading compliance with the certification requirements; or

(b) the importation of other goods as may be identified in the importing Party's laws governing claims of origin under this Agreement, unless the importation can be considered to have been carried out or planned for the purpose of evading compliance with the Party's laws governing claims of origin under this Agreement.

(b) it is a good for which the importing Party does not require the importer to present a certification or information demonstrating origin.

[Article 4.14: Obligations Relating to Importations](#)

[Article 4.15: Obligations Relating to Importations and Article 4.19: Record Keeping Requirements](#)

1. Each Party shall provide that the importer is responsible for submitting a certificate of origin or other information demonstrating that the good qualifies as originating, for the truthfulness of the information and data contained therein, for submitting any supporting documents requested by the Party's customs authority, and for the truthfulness of the information contained in those documents.

2. Each Party shall provide that the fact that the importer has issued a certificate of origin based on information provided by the exporter or the producer shall not relieve the importer of the responsibility referred to in paragraph 1.

[Article 4.15: Obligations Relating to Importations](#)

6. Each Party may provide that the importer is responsible for complying with the requirements of paragraph 4, notwithstanding that the importer may have based its claim for preferential tariff treatment on a certification or information that an exporter or producer provided.

3. Each Party shall provide that an importer claiming preferential tariff treatment for a good imported into the Party's territory shall maintain, for a period of five years after the date of importation of the good, a certificate of origin or other information demonstrating that the good qualifies as originating, and all other documents that the Party may require relating to the importation of the good, including records associated with:

(a) the purchase, cost, value of, and payment for, the good;

(b) where appropriate, the purchase, cost, value of, and payment for, all materials, including recovered goods and indirect materials, used in the production of the good; and

(c) where appropriate, the production of the good in its exported form.

Article 4.19: Record Keeping Requirements

2. Each Party shall provide that an importer claiming preferential tariff treatment for a good imported into the Party's territory shall maintain, for a minimum of five years from the date of importation of the good, all records and documents necessary to demonstrate the good qualified for the preferential tariff treatment.

Article 4.15: Obligations Relating to Importations

4. Each Party may require that an importer who claims preferential tariff treatment for a good imported into its territory:

(e) when a certification by a producer or exporter forms the basis for the claim, either provide or have in place, at the importer's option, an arrangement to have the producer or exporter provide, on request of the importing Party's customs authority, all information relied on by such producer or exporter in making such certification;

Article 4.15: Obligations Relating to Importations

7. Nothing in this Article shall prevent a Party from taking action under Article 3.24.6 (Customs Cooperation).

Article 4.15: Obligations Relating to Exportations

1. For purposes of cooperation under Article 5.5 (Cooperation), each Party shall provide that an exporter or producer that issues a certificate of origin for a good exported from the Party's territory shall provide a copy of the certificate to the Party's customs authority upon its request.

Article 4.18: Obligations Relating to Exportations and Article 4.19: Record Keeping Requirements

Article 4.18: Obligations Relating to Exportations

1. Each Party shall provide that:

(a) an exporter or a producer in its territory that has provided a written or electronic certification in accordance with Article 4.16 shall, on request, provide a copy to the appropriate authority of the Party;

(b) a false certification by an exporter or a producer in its territory that a good to be exported to the territory of another Party is originating shall be subject to penalties equivalent to those that would apply to an importer in its territory that makes a false statement or representation in connection with an importation, with appropriate modifications; and

<p>2. Each Party shall provide that an exporter or producer that has issued a certificate of origin for a good exported from the Party's territory shall maintain, for a period of at least five years after the date the certificate was issued, all records and supporting documents related to the origin of the good, including:</p>	<p>Article 4.19: Record Keeping Requirements</p> <p>1. Each Party shall provide that an exporter or a producer in its territory that provides a certification in accordance with Article 4.16 shall maintain, for a minimum of five years from the date the certification was issued, all records and documents necessary to demonstrate that a good for which the producer or exporter provided a certification was an originating good, including records and documents concerning:</p>
<p>(a) purchase, cost, value of, and payment for, the good;</p>	<p>(a) the purchase of, cost of, value of, and payment for, the exported good;</p>
<p>(b) where appropriate, the purchase, cost, value of, and payment for, all materials, including recovered goods, used in the production of the good; and</p>	<p>(b) the purchase of, cost of, value of, and payment for, all materials, including indirect materials, used in the production of the exported good; and</p>
<p>(c) where appropriate, the production of the good in the form in which it was exported.</p>	<p>(c) the production of the good in the form in which it was exported.</p>
<p>3. Each Party shall provide that where an exporter or producer has issued a certificate of origin, and has reason to believe that the certificate contains or is based on incorrect information, the exporter or producer shall immediately notify, in writing, every person to whom the exporter or producer issued the certificate of any change that could affect the accuracy or validity of the certificate. Neither Party may impose penalties on an exporter or producer in its territory for issuing an incorrect certificate if it voluntarily provides written notification in conformity with this paragraph.</p>	<p>Article 4.18: Obligations Relating to Exportations</p> <p>1. Each Party shall provide that:</p> <p>(c) when an exporter or a producer in its territory has provided a certification and has reason to believe that the certification contains or is based on incorrect information, the exporter or producer shall promptly notify in writing every person to whom the exporter or producer provided the certification of any change that could affect the accuracy or validity of the certification.</p> <p>Article 4.18: Obligations Relating to Exportations</p> <p>2. No Party may impose penalties on an exporter or a producer for providing an incorrect certification if the exporter or producer voluntarily notifies in writing all persons to whom it has provided the certification that it was incorrect.</p>

Article 4.16: Procedures for Verification of Origin

1. Each Party shall grant any claim for preferential tariff treatment made in accordance with this Section, unless the Party possesses information indicating that the importer's claim fails to comply with any requirement under Section A or Article 3.20 (Rules of Origin and Related Matters), except as otherwise provided in Article 3.21 (Customs Cooperation).

2. To determine whether a good imported into its territory qualifies as originating, the importing Party may, through its customs authority, verify the origin in accordance with its customs laws and regulations.

Article 4.20: Verification and
Article 4.15: Obligations Relating to Importations

Article 4.15: Obligations Relating to Importations

2. A Party may deny preferential tariff treatment to a good if the importer fails to comply with any requirement in this Chapter.

Article 4.20: Verification

1. For purposes of determining whether a good imported into its territory from the territory of another Party is an originating good, each Party shall ensure that its customs authority or other competent authority may conduct a verification by means of:

(a) written requests for information from the importer, exporter, or producer;

(b) written questionnaires to the importer, exporter, or producer;

(c) visits to the premises of an exporter or producer in the territory of the other Party, to review the records referred to in Article 4.19 or observe the facilities used in the production of the good, in accordance with the framework that the Parties develop pursuant to Article 4.21.2;

(d) for a textile or apparel good, the procedures set out in Article 3.24 (Customs Cooperation); or

(e) such other procedures to which the importing and exporting Parties may agree.

3. Where a Party denies a claim for preferential tariff treatment, it shall issue a written determination containing findings of fact and the legal basis for its determination. The Party shall issue the determination within a period established under its law.

Article 4.15: Obligations Relating to Importations

1. Each Party shall grant any claim for preferential tariff treatment made in accordance with this Chapter, unless the Party issues a written determination that the claim is invalid as a matter of law or fact.

Article 4.20: Verification

2. A Party may deny preferential tariff treatment to an imported good where:

(a) the exporter, producer, or importer fails to respond to a written request for information or questionnaire within a reasonable period, as established in the importing Party's law;

(b) after receipt of a written notification for a verification visit to which the importing and exporting Parties have agreed, the exporter or producer does not provide its written consent within a reasonable period, as established by the importing Party's law; or

(c) the Party finds a pattern of conduct indicating that an importer, exporter, or producer has provided false or unsupported declarations that a good imported into its territory is an originating good.

4. A Party shall not subject an importer to penalties where the importer that made an incorrect declaration voluntarily makes a corrected declaration.

Article 4.15: Obligations Relating to Importations

3. No Party may subject an importer to any penalty for making an invalid claim for preferential tariff treatment if the importer:

(a) did not engage in negligence, gross negligence, or fraud in making the claim and pays any customs duty owing; or

(b) on becoming aware that such a claim is not valid, promptly and voluntarily corrects the claim and pays any customs duty owing.

Article 4.20: Verification

3. Except as provided in Article 3.24.6(d) (Customs Cooperation), a Party conducting a verification shall provide the importer a determination, in writing, of whether the good is originating. The Party's determination shall include factual findings and the legal basis for the determination.

Article 4.20: Verification

4. If an importing Party makes a determination under paragraph 3 that a good is not originating, the Party shall not apply that determination to an importation made before the date of the determination where:

(a) the customs authority of the exporting Party issued an advance ruling regarding the tariff classification or valuation of one or more materials used in the good under Article 5.10 (Advance Rulings);

(b) the importing Party's determination is based on a tariff classification or valuation for such materials that is different than that provided for in the advance ruling referred to in subparagraph (a); and

(c) the customs authority issued the advance ruling before the importing Party's determination.

5. Where a Party determines through verification that an importer has certified more than once, falsely or without substantiation, that a good qualifies as originating, the Party may suspend preferential tariff treatment to identical goods imported by that person until the importer proves that it has complied with the Party's laws and regulations governing claims of origin under this Agreement.

6. Each Party that carries out a verification of origin in which Generally Accepted Accounting Principles are pertinent shall apply those principles in the manner that they are applied in the territory of the Party from which the good was exported.

Article 4.20: Verification

5. Where an importing Party determines through verification that an importer, exporter, or producer has engaged in a pattern of conduct in providing false or unsupported statements, declarations, or certifications that a good imported into its territory is originating the Party may suspend preferential tariff treatment to identical goods covered by subsequent statements, declarations, or certifications by that importer, exporter, or producer until the importing Party determines that the importer, exporter, or producer is in compliance with this Chapter.

Article 4.17: Common Guidelines

By the date of entry into force of this Agreement, the Parties shall agree on and publish common guidelines for the interpretation, application, and administration of this Chapter and the relevant provisions of Chapter Three (National Treatment and Market Access for Goods). As appropriate, the Parties may subsequently agree to modify the common guidelines.

Article 4.21: Common Guidelines

1. The Parties shall agree on and publish common guidelines for the interpretation, application, and administration of this Chapter and the relevant provisions of Chapter Three (National Treatment and Market Access for Goods) and shall endeavor to do so by the date of entry into force of this Agreement. The Parties may agree to modify the common guidelines.

2. The Parties shall endeavor to develop a framework for conducting verifications pursuant to Article 4.20.1(c).

Article 4.18 Definitions

Article 4.22: Definitions

For purposes of this Chapter:

For purposes of this Chapter:

adjusted value means the value determined in accordance with Articles 1 through 8, Article 15, and the corresponding interpretative notes of the Customs Valuation Agreement, adjusted, if necessary, to exclude any costs, charges, or expenses incurred for transportation, insurance, and related services incident to the international shipment of the merchandise from the country of exportation to the place of importation;

adjusted value means the value determined in accordance with Articles 1 through 8, Article 15, and the corresponding interpretative notes of the Customs Valuation Agreement, adjusted, if necessary, to exclude any costs, charges, or expenses incurred for transportation, insurance, and related services incident to the international shipment of the merchandise from the country of exportation to the place of importation;

NO CORRESPONDING DEFINITION

class of motor vehicles means any one of the following categories of motor vehicles:

(a) motor vehicles provided for in subheading 8701.20, motor vehicles for the transport of 16 or more persons provided for in subheading 8702.10 or 8702.90, and motor vehicles of subheading 8704.10, 8704.22, 8704.23, 8704.32, or 8704.90, or heading 87.05 or 87.06;

(b) motor vehicles provided for in subheading 8701.10 or subheadings 8701.30 through 8701.90;

(c) motor vehicles for the transport of 15 or fewer persons provided for in subheading 8702.10 or 8702.90, and motor vehicles of subheading 8704.21 or 8704.31; or

(d) motor vehicles provided for in subheadings 8703.21 through 8703.90;

exporter means a person who exports goods from the territory of a Party;

fungible goods or materials means goods or materials that are interchangeable for commercial purposes and whose properties are essentially identical;

fungible goods or materials means goods or materials that are interchangeable for commercial purposes and whose properties are essentially identical;

Generally Accepted Accounting Principles means the principles, rules, and procedures, including both broad and specific guidelines, that define the accounting practices accepted in the territory of a Party;

Generally Accepted Accounting Principles means recognized 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;

good means any merchandise, product, article, or material;

goods wholly obtained or produced entirely in the territory of one or both of the Parties means:

(a) mineral goods extracted in the territory of one or both of the Parties;

(b) vegetable goods, as such goods are defined in the Harmonized System, harvested in the territory of one or both of the Parties;

(c) live animals born and raised in the territory of one or both of the Parties;

(d) goods obtained from hunting, trapping, or fishing in the territory of one or both of the Parties;

(e) goods (fish, shellfish, and other marine life) taken from the sea by vessels registered or recorded with a Party and flying its flag;

(f) goods produced on board factory ships from the goods referred to in subparagraph (e) provided such factory ships are registered or recorded with that Party and fly its flag;

(g) goods taken by a Party or a person of a Party from the seabed or beneath the seabed outside territorial waters, provided that a Party has rights to exploit such seabed;

(h) goods taken from outer space, provided they are obtained by a Party or a person of a Party and not processed in the territory of a non-Party;

goods wholly obtained or produced entirely in the territory of one or more of the Parties means:

(a) plants and plant products harvested or gathered in the territory of one or more of the Parties;

(b) live animals born and raised in the territory of one or more of the Parties;

(c) goods obtained in the territory of one or more of the Parties from live animals;

(d) goods obtained from hunting, trapping, fishing, or aquaculture conducted in the territory of one or more of the Parties;

(e) minerals and other natural resources not included in subparagraphs (a) through (d) extracted or taken from the territory of one or more of the Parties;

(f) fish, shellfish, and other marine life taken from the sea, seabed, or subsoil outside the territory of one or more of the Parties 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 such factory ships are registered or recorded with that Party and fly its flag;

(h) goods taken by a Party or a person of a Party from the seabed or subsoil outside territorial waters, provided that a Party has rights to exploit such seabed or subsoil;

(i) goods taken from outer space, provided

(i) waste and scrap derived from

(i) production in the territory of one or both of the Parties, or

(ii) used goods collected in the territory of one or both of the Parties, provided such goods are fit only for the recovery of raw materials;

(j) recovered goods derived in the territory of a Party from used goods, and utilized in the Party's territory in the production of remanufactured goods; and

(k) goods produced in the territory of one or both of the Parties exclusively from goods referred to in subparagraphs (a) through (i), or from their derivatives, at any stage of production;

they are obtained by a Party or a person of a Party and not processed in the territory of a non-Party;

(j) waste and scrap derived from

(i) manufacturing or processing operations in the territory of one or more of the Parties, or

(ii) used goods collected in the territory of one or more of the Parties, provided such goods are fit only for the recovery of raw materials;

(k) recovered goods derived in the territory of one or more of the Parties from used goods, and utilized in the territory of one or more of the Parties in the production of remanufactured goods; and

(l) goods produced in the territory of one or more of the Parties exclusively from goods referred to in subparagraphs (a) through (j), or from their derivatives, at any stage of production;

importer means a person who imports goods into the territory of a Party;

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indirect material means a good used in the production, testing, or inspection of a good but not physically incorporated into the good, or a good 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 molds;

(c) 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;

identical goods means "identical goods" as defined in the Customs Valuation Agreement;

indirect material means a good used in the production, testing, or inspection of a good, but not physically incorporated into the good, or a good 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 molds;

(c) 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 goods;

(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 part of that production;

(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;

issued means prepared by and, where required under a Party's domestic law or regulation, signed by the importer, exporter, or producer of the good;

location of the producer means site of production of a good;

material means a good that is used in the production of another good, including a part, ingredient, or indirect material;

NO CORRESPONDING DEFINITION

NO CORRESPONDING DEFINITION

NO CORRESPONDING DEFINITION

NO CORRESPONDING DEFINITION

material means a good that is used in the production of another good, including a part or an ingredient;

material that is self-produced means an originating material that is produced by a producer of a good and used in the production of that good;

model line means a group of motor vehicles having the same platform or model name;

net cost means total cost minus sales promotion, marketing, and after-sales service costs, royalties, shipping and packing costs, and non-allowable interest costs that are included in the total cost;

net cost of the good means the net cost that can be reasonably allocated to the good under one of the following methods:

(a) by calculating the total cost incurred with respect to all goods produced by that producer, subtracting any sales promotion, marketing and after-sales service costs, royalties, shipping and packing costs, and non-allowable interest costs that are included in the total cost of all such goods, and then reasonably allocating the resulting net cost of those goods to the good;

	<p>(b) calculating the total cost incurred with respect to all goods produced by that producer, reasonably allocating the total cost to the good, and then subtracting any sales promotion, marketing and after-sales service costs, royalties, shipping and packing costs, and non-allowable interest costs that are included in the portion of the total cost allocated to the good; or</p> <p>(c) reasonably allocating each cost that forms part of the total cost incurred with respect to the good so that the aggregate of these costs does not include any sales promotion, marketing, and after-sales service costs, royalties, shipping and packing costs, and non-allowable interest costs, provided that the allocation of all such costs is consistent with the provisions regarding the reasonable allocation of costs set out in Generally Accepted Accounting Principles;</p>
	<p>non-allowable interest costs means interest costs incurred by a producer that exceed 700 basis points above the yield on debt obligations of comparable maturities issued by the central level of government of the Party in which the producer is located;</p>
<p>non-originating good or non-originating material means a good or material that does not qualify as originating under this Chapter;</p>	<p>non-originating good or non-originating material means a good or material that is not originating under this Chapter;</p>
<p>packing materials and containers for shipment means the goods used to protect a good during its transportation, and does not include the packaging materials and containers in which a good is packaged for retail sale;</p>	<p>packing materials and containers for shipment means the goods used to protect a good during its transportation and does not include the packaging materials and containers in which a good is packaged for retail sale;</p>
<p>producer means a person who engages in the production of a good in the territory of a Party;</p>	<p>producer means a person who engages in the production of a good in the territory of a Party;</p>
<p>production means growing, mining, harvesting, fishing, raising, trapping, hunting, manufacturing, processing, assembling, or disassembling a good;</p>	<p>production means growing, mining, harvesting, fishing, raising, trapping, hunting, manufacturing, processing, assembling, or disassembling a good;</p>
<p><i>NO CORRESPONDING DEFINITION</i></p>	<p>reasonably allocate means to apportion in a manner appropriate under Generally Accepted Accounting Principles;</p>

recovered goods means materials in the form of individual parts that are the result of:

(1) the complete disassembly of used goods into individual parts; and

(2) the cleaning, inspecting, testing, or other processing of those parts as necessary for improvement to sound working condition one or more of the following processes: welding, flame spraying, surface machining, knurling, plating, sleeving, and rewinding in order for such parts to be assembled with other parts, including other recovered parts in the production of a remanufactured good of Annex 4.18

recovered goods means materials in the form of individual parts that are the result of:

(a) the disassembly of used goods into individual parts; and

(b) cleaning, inspecting, testing, or other processes as necessary for improvement to sound working condition;

remanufactured goods means industrial goods assembled in the territory of a Party, listed in Annex 4.18, that:

(1) are entirely or partially comprised of recovered goods; and

(2) have the same life expectancy and meet the same performance standards as new goods; and

(3) enjoy the same factory warranty as such new goods;

remanufactured goods means goods classified under Harmonized System chapter 84, 85, or 87 or heading 90.26, 90.31, or 90.32, except goods classified under heading 84.18 or 85.16, that:

(a) are entirely or partially comprised of recovered goods; and

(b) have a similar life expectancy and enjoy a factory warranty similar to such a new good;

self-produced material means an originating material that is produced by a producer of a good and used in the production of that good; and

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total cost means all product costs, period costs, and other costs for a good incurred in the territory of one or more of the Parties;

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used means used or consumed in the production of goods; and

value means the value of a good or material for purposes of calculating customs duties or for purposes of applying this Chapter.

value means the value of a good or material for purposes of calculating customs duties or for purposes of applying this Chapter.

[Annex 3.3.6](#)

Annex 3.3.6¹⁶

16 For greater certainty, an importer may elect to make a claim for preferential tariff treatment either under this Annex or under a Party's Schedule to Annex 3.3, provided that the good meets the applicable rules of origin.

1. Except as otherwise provided in this Annex:

(a) each Central American Party shall provide duty-free treatment to any good imported directly from the territory of the Dominican Republic that meets the rules of origin for the good set out in Chapter Four (Rules of Origin and Origin Procedures); and

(b) the Dominican Republic shall provide duty-free treatment to any good imported directly from the territory of a Central American Party that meets the rules of origin for the good set out in Chapter Four (Rules of Origin and Origin Procedures).

2. Notwithstanding paragraph 1:

(a) each Central American Party may assess a duty of up to 15 percent *ad valorem* on any good classified under tariff items 1507.90.00, 1508.90.00, 1509.90.00, 1510.00.00, 1511.90.90 (except palm stearin), 1512.19.00, 1512.29.00, 1513.19.00, 1513.29.00, 1514.19.00, 1514.99.00, 1515.19.00, 1515.29.00, 1515.30.00, 1515.40.00, 1515.50.00, 1515.90.10, 1515.90.20, 1515.90.90, 1516.10.00, 1516.20.10, 1516.20.90, 1517.10.00, 1517.90.10, 1517.90.20, 1517.90.90, or 1518.00.00 that is imported directly from the territory of the Dominican Republic and that meets the rules of origin for the good set out in Chapter Four (Rules of Origin and Origin Procedures); and

(b) the Dominican Republic may assess a duty of up to 15 percent *ad valorem* on any good classified under tariff items 1507.90.00, 1508.90.00, 1509.90.00, 1510.00.00, 1511.90.00 (except palm stearin), 1512.19.00, 1512.29.00, 1513.19.00, 1513.29.10, 1513.29.20, 1514.91.00, 1514.99.00, 1515.19.00, 1515.29.00, 1515.30.00, 1515.40.00, 1515.50.00, 1515.90.90, 1516.10.00,

1516.20.00, 1517.10.00, 1517.90.00, 1518.00.10, or 1518.00.90 that is imported directly from the territory of a Central American Party and that meets the rules of origin for the good set out in Chapter Four (Rules of Origin and Origin Procedures).

3. Notwithstanding paragraph 1, for any good classified under heading 2710, except mineral solvents, 2712, 2713, except subheading 2713.20, or 2715 that meets the rules of origin for the good set out in Chapter Four (Rules of Origin and Origin Procedures):

(a) each Central American Party shall eliminate duties on any such good imported directly from the territory of the Dominican Republic as follows: Duties on such goods shall remain at base rates for years one through five. Beginning on January 1 of year six, duties shall be reduced by eight percent of the base rate annually through year ten. Beginning on January 1 of year 11, duties shall be reduced by an additional 12 percent of the base rate annually through year 14, and such goods shall be duty-free effective January 1 of year 15; and

(b) the Dominican Republic shall eliminate duties on any such good imported directly from the territory of a Central American Party as follows: Duties on such goods shall remain at base rates for years one through five. Beginning on January 1 of year six, duties shall be reduced by eight percent of the base rate annually through year ten. Beginning on January 1 of year 11, duties shall be reduced by an additional 12 percent of the base rate annually through year 14, and such goods shall be duty-free effective January 1 of year 15.

4. Paragraph 1 shall not apply to any good listed in Appendix 3.3.6.4 that meets the rules of origin for the good set out in Chapter Four (Rules of Origin and Origin Procedures).¹⁷

¹⁷ Notwithstanding paragraph 4, a good classified under heading 2208, except tariff item 2208.90.10, that meets the rules of origin for the good set out in Chapter Four (Rules of Origin and Origin Procedures) that is imported directly from the territory of El Salvador into the territory of the Dominican Republic or from the territory of the Dominican Republic into the territory of El Salvador shall not be subject to duties.

5. An importing Party may deny the preferential tariff

treatment provided for in paragraphs 1 through 3 of this Annex if the good is produced in a duty-free zone or under another special tax or customs regime in the territory of a Central American Party or the Dominican Republic, as the case may be, provided however that the importing Party shall provide to any such good tariff treatment that is no less favorable than the tariff treatment it applies to the good when produced in its own duty-free zones or other special tax or customs regimes and entered into its territory.

6. The Central American Parties and the Dominican Republic may agree to modify the rules of origin set out in Appendix 3.3.6 (Special Rules of Origin), provided that they notify the United States and provide an opportunity for consultations regarding the proposed modifications at least 60 days before concluding any such agreement.

7. For purposes of this Annex:

(a) any reference in Chapter Four (Rules of Origin and Origin Procedures) to:

(i) a "Party" shall be understood to mean a Central American Party or the Dominican Republic; and

(ii) "Annex 4.1" shall be understood to mean Appendix 3.3.6;

(b) each Central American Party shall provide that a good shall not be considered to be imported directly from the territory of the Dominican Republic if the good:

(i) undergoes subsequent production or any other operation outside the territory of the Dominican Republic, other than unloading, reloading, or any other operation necessary to preserve the good in good condition or to transport the good to its territory; or

(ii) does not remain under the control of customs authorities in the territory of the United States or a non-Party; and

(c) The Dominican Republic shall provide that a good shall not be considered to be imported directly from the territory of a Central American Party if the good:

(i) undergoes subsequent production or any other operation outside the territory of the Central American Party, other than unloading, reloading, or any other operation necessary to preserve the good in good condition or to transport the good to its territory; or

(ii) does not remain under the control of customs authorities in the territory of the United States or a non-Party.

[Annex 4.1](#)
Specific Rules of Origin

[Annex 4.1](#)
Specific Rules of Origin

[LINK TO ANNEX 4.1](#)

[LINK TO ANNEX 4.1](#)

Annex 4.18

Goods classified in the following Harmonized System subheadings may be considered emanufactured goods, except for those designed principally for use in automotive goods of Harmonized System headings or subheadings 8702, 8703, 8704.21, 8704.31, 8704.32, 8706, and 8707:

8408.10
8408.20
8408.90
8409.91
8409.99
8412.21
8412.29
8412.39
8412.90
8413.30
8413.50
8413.60
8413.91
8414.30
8414.80
8414.90
8419.89

8431.20	
8431.49	
8481.20	
8481.40	
8481.80	
8481.90	
8483.10	
8483.30	
8483.40	
8483.50	
8483.60	
8483.90	
8503.00	
8511.40	
8511.50	
8526.10	
8537.10	
8542.21	
8708.31	
8708.39	
8708.40	
8708.60	
8708.70	
8708.93	
8708.99	
9031.49	