

## Annex 4.5

- (c) LIFO method; and
- (d) rolling average method;

2. When a producer of a good or a person from whom the producer acquired the materials that are used in the production of the good chooses an inventory management method referred to in paragraph 1, that method shall be used from the time the choice is made until the end of the fiscal year of the producer or person.

### **Subsection 3: Specific Identification Method**

1. Except as otherwise provided under paragraph 2, if the producer or person referred to in subsection 2(2) chooses the specific identification method, the producer or person shall physically segregate, in materials inventory, originating materials that are fungible materials from non-originating materials that are fungible materials.

2. If originating materials or non-originating materials that are fungible materials are marked with an origin identifier, the producer or person need not physically segregate those materials under paragraph 1 if the origin identifier remains visible throughout the production of the good.

### **Subsection 4: Rolling Average Method**

1. If the producer or person referred to in subsection 2(2) chooses the rolling average method, the origin of fungible materials withdrawn from materials inventory is determined on the basis of the ratio of originating materials and non-originating materials in materials inventory by dividing:

- (a) the total units of originating materials or non-originating materials that are fungible materials and that were in materials inventory prior to the withdrawal of materials from that inventory;

by:

- (b) the total units of originating materials and non-originating materials that are fungible materials and that were in materials inventory prior to the withdrawal of materials from that inventory.

2. The ratio calculated under paragraph 1 is applied to the fungible materials remaining in materials inventory.