

provided that at least one category of identical or similar materials provided for in that heading or subheading be originating;

and the good satisfies all other applicable requirements of this Chapter.

Article 3.2: De Minimis Rule for Originating Goods

1. Except as provided in paragraphs 2 and 3, a good shall also originate in the territory of a Party where the value of all the non-originating materials used in the production of a good that do not undergo an applicable change in tariff classification set out in the rule for the good in Annex 3.1 is not more than ten per cent of the value of the good, adjusted to an F.O.B. basis at the point of direct shipment, provided that the good satisfies all other applicable requirements of this Chapter.

2. Paragraph 1 does not apply to:

- (a) a non-originating material provided for in Chapter 4 or tariff item 1901.90.aa of the Harmonized System that is used in the production of a good provided for in Chapter 4, tariff item 1901.20.aa, 1901.90.aa, heading 21.05, tariff item 2106.90.cc, 2202.90.cc or 2309.90.aa of the Harmonized System;
- (b) a non-originating material provided for in subheading 0201.10 through 0201.30 or 0202.10 through 0202.30 of the Harmonized System that is used in the production of a good provided for in Chapter 16 of the Harmonized System;
- (c) a printed circuit assembly that is a non-originating material used in the production of a good where the applicable rule in Annex 3.1 places restrictions on the consideration of such non-originating material for the purpose of determining whether the good originates;
- (d) a non-originating material used in the production of a good provided for in Chapters 1 through 19, heading 20.01 through 20.08, subheading 2009.90, heading 21.01 through 21.05, subheading 2106.10, tariff item 2106.90.bb, heading 22.01, tariff item 2202.90.bb or heading 22.03 through 22.07 of the Harmonized System, unless that non-originating material is provided for in a different subheading than the good for which origin is being determined under this Chapter;