

- e) rent, mortgage interest, depreciation on buildings, property insurance premiums, maintenance, taxes and the cost of utilities for real property used in the production of the goods; and
- f) royalty, licensing, or other like payments for the right to the goods;

but not including:

- g) costs relating to the general expense of doing business, such as the cost of providing executive, financial, sales, advertising, marketing, accounting and legal services, and insurance;
- h) brokerage charges relating to the importation and exportation of goods;
- i) costs for telephone, mail and other means of communication;
- j) packing costs for exporting the goods;
- k) royalty payments related to a licensing agreement to distribute or sell the goods;
- l) rent, mortgage interest, depreciation on buildings, property insurance premiums, maintenance, taxes and the cost of utilities for real property used by personnel charged with administrative functions; or
- m) profit on the goods;

materials means goods, other than those included as part of the direct cost of processing or assembling, used or consumed in the production of other goods;

value of materials originating in the territory of either Party or both Parties means the aggregate of:

- a) the price paid by the producer of an exported good for materials originating in the territory of either Party or both Parties or for materials imported from a third country used or consumed in the production of such originating materials; and
- b) when not included in that price, the following costs related thereto:
 - i) freight, insurance, packing and all other costs incurred in transporting any of the materials referred to in subparagraph (a) to the location of the producer;
 - ii) duties, taxes and brokerage fees on such materials paid in the territory of either Party or both Parties;
 - iii) the cost of waste or spoilage resulting from the use or consumption of such materials, less the value of renewable scrap or by-product; and