

Step 8(a)

Transaction value method

Determine the actual price paid for the good and the value of the non-originating materials used to produce it. Using the transaction value formula, calculate the RVC percentage.

If the RVC percentage is **equal to or more than** the minimum percentage set out in the specific rule of origin for transaction value calculations, the good qualifies as an originating good, as long as you meet all other requirements of the rule. Go to Step 9.

If the percentage is **less than** the set minimum, try using the net cost method.

Step 8(b)

Net cost method

To determine the net cost of the good, deduct the specifically excluded costs from the total cost of the good. Then, determine the value of

the non-originating materials and components. Using the net cost formula, calculate the RVC percentage.

If the RVC percentage is **equal to or more than** the minimum percentage set out in the specific rule for net cost calculations, the good qualifies as an originating good, as long as the good meets all other requirement of the rule. Go to Step 9.

If the percentage is **less than** the set minimum, try using the accumulation rule to see if you can increase your regional value content by counting your North American suppliers' costs as your own. If you are still below the set minimum, the good does not qualify.

Step 9

Complete a *Certificate of Origin* if the good is an originating good.