

3. For purposes of Article 3.2(1) and paragraph 2, the value of a good shall be:
 - (a) the transaction value of the good, determined in accordance with Article 1 of the Customs Valuation Code; or
 - (b) in the event that there is no transaction value or the transaction value of the material is unacceptable under Article 1 of the Customs Valuation Code, determined in accordance with Articles 2 through 7 of the Customs Valuation Code.
4. For purposes of paragraph 2, VNM shall not include the value of non-originating materials used to produce originating materials, including originating self-produced materials, that are subsequently used by the producer in the production of the good.
5. For purposes of paragraph 2, where identical materials or fungible materials are used in the production of the good, the value of the non-originating materials may be determined, at the choice of the producer of the good, by one of the methods set out in Annex 3.12.5.
6. For purposes of paragraphs 2, 4 and 5, the value of a non-originating material shall:
 - (a) be the transaction value of the material, determined in accordance with Article 1 of the Customs Valuation Code; or
 - (b) in the event that there is no transaction value or the transaction value of the material is unacceptable under Article 1 of the Customs Valuation Code, be determined in accordance with Articles 2 through 7 of the Customs Valuation Code; and
 - (c) where not included under subparagraph (a) or (b), include:
 - (i) freight, insurance, packing and all other costs incurred in transporting the material to the location of the producer,
 - (ii) duties and taxes paid or payable with respect to the material 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,
 - (iii) the costs of customs brokerage services, including the cost of in-house customs brokerage services, incurred with respect to the material in the territory of one or both of the Parties, and
 - (iv) the cost of waste and spoilage resulting from the use of the material in the production of the good, minus the value of any reusable scrap or by-product.
7. Except as provided in Article 3.2(2) or (3), Article 3.2(1) shall apply for purposes of determining whether a good satisfies the requirements of Article 3.1(b) where that good is classified as a set, a mixture or a composite good under the Harmonized System.