

- (b) a category of identical or similar materials shall consist of a single material only if no other material used in the production of the good is identical or similar to that single material.

Article 3.11: Applying Article 3.1(e) When Goods and Parts Are Classified Together

For purposes of determining whether a good is an originating good under Article 3.1(e):

- (a) only the parts that are provided for in the same tariff provision as the good and that are used in the production of the good shall be considered as parts for the purposes of determining whether the requirement that at least one category of identical or similar materials be originating is satisfied;
- (b) the determination of whether a heading or subheading under the Harmonized System provides for and specifically describes both a good and its parts shall be made on the basis of the nomenclature of the heading or subheading and the relevant Section or Chapter Notes, in accordance with the General Rules for the Interpretation of the Harmonized System;
- (c) a category of identical or similar materials shall consist of a single material only if no other material used in the production of the good is identical or similar to that single material; and
- (d) Article 3.1(e) does not apply for purposes of determining whether a part provided for in a heading referred to in Article 3.1(e)(i) or in a subheading referred to in Article 3.1(e)(ii) is an originating good.

Article 3.12: De Minimis Calculation and Application

1. For purposes of applying the Customs Valuation Code under Article 3.2(1) and paragraphs 2 through 6, the principles of the Customs Valuation Code shall apply to domestic transactions, with such modifications as may be required by the circumstances, as would apply to international transactions.
2. For purposes of Article 3.2(1), the *de minimis* content of a good shall be calculated as follows:

$$DMC = \frac{VNM}{VG} \times 100$$

where:

DMC is the *de minimis* content of the good, expressed as a percentage,

VG is the value of the good, determined in accordance with paragraph 3, adjusted to a F.O.B. basis at the point of direct shipment, and

VNM is the value of all the non-originating materials used in the production of the good, determined in accordance with paragraph 6, that do not undergo an applicable change in tariff classification set out in Annex 3.1.