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# NORTH AMERICAN FREE TRADE AGREEMENT

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## PART II

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OCT 8 1992

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*October 7, 1992*

Canada



E R R A T U M

Please replace NOTES, page 1 to 8 in Part 2 (after page 22-2), of the English version of the North American Free Trade Agreement document, dated October 7, 1992 with the attached material - N-1 to N-8.

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## NOTES

1. **Article 301 (Market Access - National Treatment):** "goods of the Party" as used in paragraph 2 includes goods produced in the state or province of that Party.
2. **Article 302(1) (Tariff Elimination)** is not intended to prevent any Party from modifying its non-NAFTA tariffs on originating goods for which no NAFTA tariff preference is claimed.
3. **Article 302(1) and (2) (Tariff Elimination)** paragraphs 1 and 2 are not intended to prevent a Party from maintaining or increasing a customs duty as may be authorized by any dispute settlement provision of the GATT or any agreement negotiated under the GATT.
4. **Article 303 (Restriction on Drawback and Duty Deferral):** in applying the definition of "used" in Article 415 to this Article, the definition of "consumed" in Article 318 shall not apply.
5. **Article 307(1) (Market Access - Goods Re-Entered after Repair or Alteration)** does not cover goods imported in bond, into foreign-trade zones or in similar status, that are exported for repairs and are not re-imported in bond, into foreign-trade zones or in similar status.
6. **Article 307(1) (Market Access - Goods Re-Entered after Repair or Alteration):** for purposes of this paragraph, alteration includes laundering used textile and apparel goods and sterilizing previously sterilized textile and apparel goods.
7. **Article 318 (Market Access - Definitions):** 10-digit items set out in the Tariff Schedule of Canada are included for statistical purposes only.
8. **Article 318 (Market Access - Definitions):** "repair and alteration" -- an operation or process that is part of the production or assembly of an unfinished good into a finished good is not a repair or alteration of the unfinished good; a component of a good is a good that may be subject to repair or alteration.
9. **Annex 300-A (Trade and Investment in the Automotive Sector), Appendix 300-A.1 - Canada:** paragraphs 1 and 2 shall not be construed to modify the rights and obligations set out in Chapter Ten of the Canada - United States Free Trade Agreement, except that the NAFTA rules of origin shall replace the Canada - United States Free Trade Agreement rules

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of origin for purposes of Article 1005(1).

10. **Annex 300-A (Trade and Investment in the Automotive Sector), Appendix 300-A.2 - Mexico:** citations to the Auto Decree and the Auto Decree Implementing Regulations included in parentheses are provided for purposes of reference only.

11. **Annex 300-B (Textile and Apparel Goods) Section 1 (Scope and Coverage):** the general provisions of Chapter Two (Definitions), Chapter Three (Market Access), Chapter Four (Rules of Origin) and Chapter Eight (Emergency Action) are subject to the specific rules for textiles and apparel goods set out in the Annex.

12. **Annex 300-B (Textile and Apparel Goods) Section 2 (Tariff Elimination):** with respect to paragraph 1, "as otherwise provided in this Agreement" refers to such provisions as Section 4, Article 802 (Global Emergency Action) and Chapter 22 (General Exceptions).

13. **Annex 300-B (Textile and Apparel Goods) Sections 4 and 5 - Bilateral Emergency Actions (Tariff Actions):** for purposes of Sections 4 and 5:

- (a) "increased quantities" is intended to be interpreted more broadly than the standard provided in Article 801(1), which considers imports "in absolute terms" only. For purposes of these Sections, "increased quantities" is intended to be interpreted in the same manner as this standard is interpreted in the draft Agreement on Textiles and Clothing, contained in the Draft Final Act Embodying the Results of the Uruguay Round of Multilateral Trade Negotiations (GATT document MTN.TNC/W/FA) issued by the Director-General of the GATT on December 20, 1991 ("Draft Uruguay Round Agreement on Textiles and Clothing"); and
- (b) "serious damage" is intended as a less stringent standard than "serious injury" under Article 801(1). The "serious damage" standard is drawn from the Draft Uruguay Round Agreement on Textiles and Clothing. The factors to be considered in determining whether the standard has been met are set out in Section 4.2 and are also drawn from that Draft. "Serious damage" is to be interpreted in the light of its meaning in Annex A of the Multifiber Arrangement or any successor agreement.

14. **Annex 300-B (Textile and Apparel Goods), Appendix 3.1, paragraph 17:** for purposes of applying paragraph 17, the determination of the component that determines the tariff classification of the good shall be based on GRI 3(b) of the Harmonized System, and if

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the component cannot be determined on the basis of GRI 3(b), then the determination will be based on GRI 3(c) or, if GRI 3(c) is inapplicable, GRI 4. When the component that determines the tariff classification is a blend of two or more yarns or fibers, all yarns and, where applicable, fibers, in that component are to be considered.

15. **Annex 300-B (Textile and Apparel Goods) Section 5 (Bilateral Emergency Actions - Quantitative Restrictions):** in paragraph 5(c), the term "equitable treatment" is intended to have the same meaning as it has in customary practice under the Multifiber Arrangement.

16. **Annex 300-B (Textile and Apparel Goods) Section 7, paragraph 1(c) (Review and Revision of Rules of Origin):** for subheading 6212.10, the rule and paragraph 1 shall not be applied if the Parties agree, prior to entry into force of this Agreement, on measures to ease the administrative burden and reduce costs associated with the application of the rule for headings 62.06 through 62.11 to the apparel in subheading 6212.10.

17. **Annex 300-B (Textile and Apparel Goods) Section 7, paragraph (2)(d)(ii) (Review and Revision of Rules of Origin):** with respect to provisions (a) through (i) of the rule for subheadings 6205.20 through 6205.30, prior to the entry into force of this Agreement the Parties will extend cooperation as necessary in an effort to encourage production in the free trade area of shirting fabrics specifically identified in the rule.

18. **Annex 300-B (Textile and Apparel Goods) Schedule 3.1.3. (Conversion Factors):** the conversion factors in this Schedule are those used for imports into the United States. Canada and Mexico may by mutual agreement develop their own conversion factors for trade between them.

19. **Article 703 (Agriculture - Market Access):** the most-favored-nation rate as of July 1, 1991 is the over-quota tariff rate specified in Annex 302.2.

20. **Article 401 (Rules of Origin - Originating Goods):** the phrase "specifically describes" is intended solely to prevent Article 401(d) from being used to qualify a part of another part, where the heading or subheading covers the final good, the part made from the other part and the other part.

21. **Article 402 (Rules of Origin - Regional Value Content):**

- (a) Article 402(4) applies to intermediate materials, and that VNM in paragraphs 2 and 3 does not include
  - (i) the value of any non-originating materials used by another producer to produce an originating material that is subsequently acquired and used

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in the production of the good by the producer of the good, and

- (ii) the value of non-originating materials used by the producer to produce an originating self-produced material that is designated by the producer as an intermediate material pursuant to Article 402(10);
- (b) with respect to paragraph 4, where an originating intermediate material is subsequently used by the producer with non-originating materials (whether or not produced by the producer) to produce the good, the value of such non-originating materials shall be included in the VNM of the good;
- (c) with respect to paragraph 8, sales promotion, marketing and after-sales service costs, royalties, shipping and packing costs, and non-allowable interest costs included in the value of materials used in the production of the good are not subtracted out of the net cost in the numerator of the calculation under Article 402(3);
- (d) with respect to paragraph 10, an intermediate material used by another producer in the production of a material that is subsequently acquired and used by the producer of the good shall not be taken into account in applying the limitation set out in that paragraph;
- (e) with respect to paragraph 10, if a producer designates a self-produced material as an originating intermediate material and the Customs Administration of the importing Party subsequently determines that the intermediate material is not originating, the producer may rescind the designation and recalculate the value content of the good accordingly; in such a case, the producer shall retain its rights of appeal or review with regard to the determination of the origin of the intermediate material; and
- (f) under paragraph 11, with respect to any self-produced material that is not designated as an intermediate material, only the value of non-originating materials used to produce the self-produced material shall be included in VNM of the good.

**22. Article 403 (Rules of Origin - Automotive Goods):**

- (a) for purposes of paragraph 1, "first person in the territory of a Party" means the first person who uses the imported good in production or resells the imported good; and

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- (b) for purposes of paragraph 2,
  - (i) a producer may not designate as an intermediate material any assembly, including a component identified in Annex 403.2, containing one or more of the materials listed in Annex 403.2, and
  - (ii) a producer of a material listed in Annex 403.2 may designate a self-produced material used in the production of that material as an intermediate material, in accordance with the provisions of Article 402(10).

23. **Article 405(6) (Rules of Origin - De Minimis):** for purposes of applying paragraph 6, the determination of the component that determines the tariff classification of the good shall be based on GRI 3(b) of the Harmonized System. If the component cannot be determined on the basis of GRI 3(b), then the determination will be based on GRI 3(c) or, if GRI 3(c) is inapplicable, GRI 4. When the component that determines the tariff classification is a blend of two or more yarns or fibers, all yarns and, where applicable, fibers, in that component are to be taken into account.

24. **Article 413 (Rules of Origin - Interpretation and Application):** the 1992 Harmonized System is the basis for the rules of origin of this Agreement, amended by the new tariff subheading and tariff items created for rules of origin purposes.

25. **Article 415 (Rules of Origin - Definitions):** in the definition of "transaction value", the purpose of the phrase "except for the application of Article 403(2)(a)" is to ensure that the definition of transaction value includes the transaction value of a supplier selling a material listed in Annex 403.2 to another supplier who subsequently sells a component list in Annex 403.2 to the producer.

26. **Article 514 (Customs Procedures - Definitions):** the Uniform Regulations will clarify that "determination of origin" includes a denial of preferential tariff treatment under Article 506(4), and that such denial is subject to review and appeal.

27. **Article 603, paragraphs 1 through 5 (Energy)** shall be interpreted consistently with Article 309.

28. **Annex 703.2 (Market Access - Section A - Mexico and the United States):** this quota replaces Mexico's current access under the "first tier" of the U.S. tariff rate quota as described in Additional Note 3(b)(i) of Chapter 17 of the Harmonized Tariff Schedule of the United States prior to the date of entry into force of this Agreement.

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42. **Article 1502(3)(b) (Monopolies and State Enterprises):** differences in pricing between classes of customers, between affiliated and non-affiliated firms, and cross-subsidization are not in themselves inconsistent with this provision; rather, they are subject to this subparagraph when they are used as instruments of anticompetitive behavior by the monopoly firm.

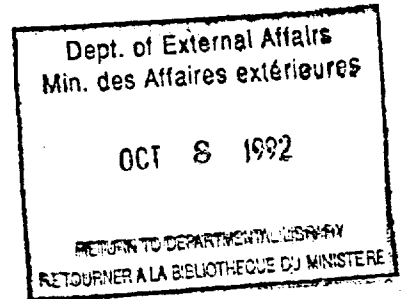
43. **Article 2005(2) (GATT Dispute Settlement):** this obligation is not intended to be subject to dispute settlement under this Chapter.



# PART II

## \*\*NORTH AMERICAN FREE TRADE AGREEMENT\*\*

43-257-9151



- Text prepared October 7, 1992 -



(Publié également en français)

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**PART FIVE  
INVESTMENT, SERVICES AND RELATED MATTERS**

**Chapter Eleven**

**Investment**

**Section A - Investment**

**Article 1101: Scope and Coverage**

1. This Chapter applies to measures adopted or maintained by a Party relating to:
  - (a) investors of another Party;
  - (b) investments of investors of another Party in the territory of the Party; and
  - (c) with respect to Article 1106, all investments in the territory of the Party.
2. A Party has the right to perform exclusively the economic activities set out in Annex III and to refuse to permit the establishment of investment in such activities.
3. This Chapter does not apply to measures adopted or maintained by a Party to the extent that they are covered by Chapter Fourteen (Financial Services).
4. Nothing in this Chapter shall be construed to prevent a Party from providing a service or performing a function such as law enforcement, correctional services, income security or insurance, social security or insurance, social welfare, public education, public training, health, and child care, in a manner that is not inconsistent with this Chapter.

**Article 1102: National Treatment**

1. Each Party shall accord to investors of another Party treatment no less favorable than that it accords, in like circumstances, to its own investors with respect to the establishment, acquisition, expansion, management, conduct, operation, and sale or other disposition of investments.

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2. Each Party shall accord to investments of investors of another Party treatment no less favorable than that it accords, in like circumstances, to investments of its own investors with respect to the establishment, acquisition, expansion, management, conduct, operation, and sale or other disposition of investments.

3. The treatment accorded by a Party under paragraphs 1 and 2 means, with respect to a state or province, treatment no less favorable than the most favorable treatment accorded, in like circumstances, by that state or province to investors, and to investments of investors, of the Party of which it forms a part.

4. For greater certainty, no Party may:

- (a) impose on an investor of another Party a requirement that a minimum level of equity in an enterprise in the territory of the Party be held by its nationals, other than nominal qualifying shares for directors or incorporators of corporations; or
- (b) require an investor of another Party, by reason of its nationality, to sell or otherwise dispose of an investment in the territory of the Party.

#### **Article 1103: Most-Favored-Nation Treatment**

1. Each Party shall accord to investors of another Party treatment no less favorable than that it accords, in like circumstances, to investors of another Party or of a non-Party with respect to the establishment, acquisition, expansion, management, conduct, operation, and sale or other disposition of investments.

2. Each Party shall accord to investments of investors of another Party treatment no less favorable than that it accords, in like circumstances, to investments of investors of another Party or of a non-Party with respect to the establishment, acquisition, expansion, management, conduct, operation, and sale or other disposition of investments.

#### **Article 1104: Standard of Treatment**

Each Party shall accord to investors of another Party and to investments of investors of another Party the better of the treatment required by Articles 1102 and 1103.

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#### **Article 1105: Minimum Standard of Treatment**

1. Each Party shall accord to investments of investors of another Party treatment in accordance with international law, including fair and equitable treatment and full protection and security.

2. Without prejudice to paragraph 1 and notwithstanding Article 1108(7)(b), each Party shall accord to investors of another Party, and to investments of investors of another Party, non-discriminatory treatment with respect to measures it adopts or maintains relating to losses suffered by investments in its territory owing to armed conflict or civil strife.

3. Paragraph 2 does not apply to existing measures relating to subsidies or grants that are inconsistent with Article 1102.

#### **Article 1106: Performance Requirements**

1. No Party may impose or enforce any of the following requirements, or enforce any commitment or undertaking, in connection with the establishment, acquisition, expansion, management, conduct or operation of an investment of an investor of a Party or of a non-Party in its territory:

- (a) to export a given level or percentage of goods or services;
- (b) to achieve a given level or percentage of domestic content;
- (c) to purchase, use or accord a preference to goods produced or services provided in its territory, or to purchase goods or services from persons in its territory;
- (d) to relate in any way the volume or value of imports to the volume or value of exports or to the amount of foreign exchange inflows associated with such investment;
- (e) to restrict sales of goods or services in its territory that such investment produces or provides by relating such sales in any way to the volume or value of its exports or foreign exchange earnings;
- (f) to transfer technology, a production process or other proprietary knowledge to a person in its territory, except when the requirement is imposed or the

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commitment or undertaking is enforced by a court, administrative tribunal or competition authority to remedy an alleged violation of competition laws or to act in a manner not inconsistent with other provisions of this Agreement; or

- (g) to act as the exclusive supplier of the goods it produces or services it provides to a specific region or world market.

2. A measure that requires an investment to use a technology to meet generally applicable health, safety or environmental requirements shall not be construed to be inconsistent with paragraph (1)(f). For greater certainty, Articles 1102 and 1103 apply to the measure.

3. No Party may condition the receipt or continued receipt of an advantage, in connection with an investment in its territory of an investor of a Party or of a non-Party, on compliance with any of the following requirements:

- (a) to purchase, use or accord a preference to goods produced in its territory, or to purchase goods from producers in its territory;
- (b) to achieve a given level or percentage of domestic content;
- (c) to relate in any way the volume or value of imports to the volume or value of exports or to the amount of foreign exchange inflows associated with such investment; or
- (d) to restrict sales of goods or services in its territory that such investment produces or provides by relating such sales in any way to the volume or value of its exports or foreign exchange earnings.

4. Nothing in paragraph 3 shall be construed to prevent a Party from conditioning the receipt or continued receipt of an advantage, in connection with an investment in its territory of an investor of a Party or of a non-Party, on compliance with a requirement to locate production, provide a service, train or employ workers, construct or expand particular facilities, or carry out research and development, in its territory.

5. Paragraphs 1 and 3 do not apply to any requirement other than the requirements set out in those paragraphs.

6. Provided that such measures are not applied in an arbitrary or unjustifiable manner, or do not constitute a disguised restriction on international trade or investment, nothing in

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paragraph 1(b) or (c) or 3(a) or (b) shall be construed to prevent any Party from adopting or maintaining measures, including environmental measures:

- (a) necessary to secure compliance with laws and regulations that are not inconsistent with the provisions of this Agreement;
- (b) necessary to protect human, animal or plant life or health; or
- (c) necessary for the conservation of living or non-living exhaustible natural resources.

#### **Article 1107: Senior Management and Boards of Directors**

1. No Party may require that an enterprise of that Party that is an investment of an investor of another Party appoint to senior management positions individuals of any particular nationality.
2. A Party may require that a majority of the board of directors, or any committee thereof, of an enterprise of that Party that is an investment of an investor of another Party, be of a particular nationality, or resident in the territory of the Party, provided that the requirement does not materially impair the ability of the investor to exercise control over its investment.

#### **Article 1108: Reservations and Exceptions**

1. Articles 1102, 1103, 1106 and 1107 do not apply to:
  - (a) any existing non-conforming measure that is maintained by
    - (i) a Party at the federal level, as set out in its Schedule to Annex I or III,
    - (ii) a state or province, for two years after the date of entry into force of this Agreement, and thereafter as set out by a Party in its Schedule to Annex I, in accordance with paragraph 2, or
    - (iii) a local government;

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- (b) the continuation or prompt renewal of any non-conforming measure referred to in subparagraph (a); or
  - (c) an amendment to any non-conforming measure referred to in subparagraph (a) to the extent that the amendment does not decrease the conformity of the measure, as it existed immediately before the amendment, with Articles 1102, 1103, 1106 and 1107.
- 2. Each Party may set out in its Schedule to Annex I any existing non-conforming measure maintained by a state or province, not including a local government, within two years of the date of entry into force of this Agreement.
- 3. Articles 1102, 1103, 1106 and 1107 do not apply to any measure that a Party adopts or maintains with respect to sectors, subsectors or activities, as set out in its Schedule to Annex II.
- 4. No Party may, under any measure adopted after the date of entry into force of this Agreement and covered by its Schedule to Annex II, require an investor of another Party, by reason of its nationality, to sell or otherwise dispose of an investment existing at the time the measure becomes effective.
- 5. Articles 1102 and 1103 do not apply to any measure that is an exception to, or derogation from, the obligations under Article 1703 (Intellectual Property - National Treatment) as specifically provided for in that Article.
- 6. Article 1103 does not apply to treatment accorded by a Party pursuant to agreements, or with respect to sectors, set out in its Schedule to Annex IV.
- 7. Articles 1102, 1103 and 1107 do not apply to:
  - (a) procurement by a Party or a state enterprise; or
  - (b) subsidies or grants provided by a Party or a state enterprise, including government-supported loans, guarantees and insurance.
- 8. The provisions of:
  - (a) Article 1106(1)(a), (b) and (c), and (3)(a) and (b) do not apply to qualification requirements for goods or services with respect to export promotion and foreign aid programs;

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- (b) Article 1106(1)(b), (c), (f) and (g), and (3)(a) and (b) do not apply to procurement by a Party or a state enterprise; and
- (c) Article 1106(3)(a) and (b) do not apply to requirements imposed by an importing Party relating to the content of goods necessary to qualify for preferential tariffs or preferential quotas.

#### **Article 1109: Transfers**

1. Each Party shall permit all transfers relating to an investment of an investor of another Party in the territory of the Party to be made freely and without delay. Such transfers include:

- (a) profits, dividends, interest, capital gains, royalty payments, management fees, technical assistance and other fees, returns in kind and other amounts derived from the investment;
- (b) proceeds from the sale of all or any part of the investment or from the partial or complete liquidation of the investment;
- (c) payments made under a contract entered into by the investor, or its investment, including payments made pursuant to a loan agreement;
- (d) payments made pursuant to Article 1110; and
- (e) payments arising under Section B.

2. Each Party shall permit transfers to be made in a freely usable currency at the market rate of exchange prevailing on the date of transfer with respect to spot transactions in the currency to be transferred.

3. No Party may require its investors to transfer, or penalize its investors that fail to transfer, the income, earnings, profits or other amounts derived from, or attributable to, investments in the territory of another Party.

4. Notwithstanding paragraphs 1 and 2, a Party may prevent a transfer through the equitable, non-discriminatory and good faith application of its laws relating to:

- (a) bankruptcy, insolvency or the protection of the rights of creditors;



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- (b) issuing, trading or dealing in securities;
- (c) criminal or penal offenses;
- (d) reports of transfers of currency or other monetary instruments; or
- (e) ensuring the satisfaction of judgments in adjudicatory proceedings.

5. Paragraph 3 shall not be construed to prevent a Party from imposing any measure through the equitable, non-discriminatory and good faith application of its laws relating to the matters set out in subparagraphs (a) through (e) of paragraph 4.

6. Notwithstanding paragraph 1, a Party may restrict transfers of returns in kind in circumstances where it could otherwise restrict such transfers under this Agreement.

#### **Article 1110: Expropriation and Compensation**

1. No Party may directly or indirectly nationalize or expropriate an investment of an investor of another Party in its territory or take a measure tantamount to nationalization or expropriation of such an investment ("expropriation"), except:

- (a) for a public purpose;
- (b) on a non-discriminatory basis;
- (c) in accordance with due process of law and Article 1105(1); and
- (d) on payment of compensation in accordance with paragraphs 2 through 6.

2. Compensation shall be equivalent to the fair market value of the expropriated investment immediately before the expropriation took place ("date of expropriation"), and shall not reflect any change in value occurring because the intended expropriation had become known earlier. Valuation criteria shall include going concern value, asset value including declared tax value of tangible property, and other criteria, as appropriate, to determine fair market value.

3. Compensation shall be paid without delay and be fully realizable.

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4. If payment is made in a G7 currency, compensation shall include interest at a commercially reasonable rate for that currency from the date of expropriation until the date of actual payment.
5. If a Party elects to pay in a currency other than a G7 currency, the amount paid on the date of payment, if converted into a G7 currency at the market rate of exchange prevailing on that date, shall be no less than if the amount of compensation owed on the date of expropriation had been converted into that G7 currency at the market rate of exchange prevailing on that date, and interest had accrued at a commercially reasonable rate for that G7 currency from the date of expropriation until the date of payment.
6. On payment, compensation shall be freely transferable as provided in Article 1109.
7. This Article does not apply to the issuance of compulsory licenses granted in relation to intellectual property rights, or the revocation, limitation or creation of intellectual property rights, to the extent that such issuance, revocation, limitation or creation is consistent with Chapter Seventeen (Intellectual Property).
8. For purposes of this Article and for greater certainty, a non-discriminatory measure of general application shall not be considered a measure tantamount to an expropriation of a debt security or loan covered by this Chapter solely on the ground that the measure imposes costs on the debtor that cause it to default on the debt.

#### **Article 1111: Special Formalities and Information Requirements**

1. Nothing in Article 1102 shall be construed to prevent a Party from adopting or maintaining a measure that prescribes special formalities in connection with the establishment of investments by investors of another Party, such as a requirement that investors be residents of the Party or that investments be legally constituted under the laws or regulations of the Party, provided that such formalities do not materially impair the protections afforded by a Party to investors of another Party and investments of investors of another Party pursuant to this Chapter.
2. Notwithstanding Articles 1102 or 1103, a Party may require an investor of another Party, or its investment in its territory, to provide routine information concerning that investment solely for informational or statistical purposes. The Party shall protect such business information that is confidential from any disclosure that would prejudice the competitive position of the investor or the investment. Nothing in this paragraph shall be

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construed to prevent a Party from otherwise obtaining or disclosing information in connection with the equitable and good faith application of its law.

#### **Article 1112: Relation to Other Chapters**

1. In the event of any inconsistency between a provision of this Chapter and a provision of another Chapter, the provision of the other Chapter shall prevail to the extent of the inconsistency.
2. A requirement by a Party that a service provider of another Party post a bond or other form of financial security as a condition of providing a service into its territory does not of itself make this Chapter applicable to the provision of that cross-border service. This Chapter applies to that Party's treatment of the posted bond or financial security.

#### **Article 1113: Denial of Benefits**

1. A Party may deny the benefits of this Chapter to an investor of another Party that is an enterprise of such Party and to investments of such investor if investors of a non-Party own or control the enterprise and the denying Party:
  - (a) does not maintain diplomatic relations with the non-Party; or
  - (b) adopts or maintains measures with respect to the non-Party that prohibit transactions with the enterprise or that would be violated or circumvented if the benefits of this Chapter were accorded to the enterprise or to its investments.
2. Subject to prior notification and consultation in accordance with Articles 1803 (Notification and Provision of Information) and 2006 (Consultations), a Party may deny the benefits of this Chapter to an investor of another Party that is an enterprise of such Party and to investments of such investors if investors of a non-Party own or control the enterprise and the enterprise has no substantial business activities in the territory of the Party under whose law it is constituted or organized.

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#### **Article 1114: Environmental Measures**

1. Nothing in this Chapter shall be construed to prevent a Party from adopting, maintaining or enforcing any measure otherwise consistent with this Chapter that it considers appropriate to ensure that investment activity in its territory is undertaken in a manner sensitive to environmental concerns.
2. The Parties recognize that it is inappropriate to encourage investment by relaxing domestic health, safety or environmental measures. Accordingly, a Party should not waive or otherwise derogate from, or offer to waive or otherwise derogate from, such measures as an encouragement for the establishment, acquisition, expansion or retention in its territory of an investment of an investor. If a Party considers that another Party has offered such an encouragement, it may request consultations with the other Party and the two Parties shall consult with a view to avoiding any such encouragement.

#### **Section B - Settlement of Disputes between a Party and an Investor of Another Party**

#### **Article 1115: Purpose**

Without prejudice to the rights and obligations of the Parties under Chapter Twenty (Institutional Arrangements and Dispute Settlement Procedures), this Section establishes a mechanism for the settlement of investment disputes that assures both equal treatment among investors of the Parties in accordance with the principle of international reciprocity and due process before an impartial tribunal.

#### **Article 1116: Claim by an Investor of a Party on Its Own Behalf**

1. An investor of a Party may submit to arbitration under this Section a claim that another Party has breached an obligation under:
  - (a) Section A or Article 1503(2) (State Enterprises); or
  - (b) Article 1502(3)(a) (Monopolies and State Enterprises) where the monopoly has acted in a manner inconsistent with the Party's obligations under Section A,

and that the investor has incurred loss or damage by reason of, or arising out of, that breach.

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2. An investor may not make a claim if more than three years have elapsed from the date on which the investor first acquired, or should have first acquired, knowledge of the alleged breach and knowledge that the investor has incurred loss or damage.

**Article 1117: Claim by an Investor of a Party on Behalf of an Enterprise**

1. An investor of a Party, on behalf of an enterprise of another Party that is a juridical person that the investor owns or controls directly or indirectly, may submit to arbitration under this Section a claim that the other Party has breached an obligation under:

- (a) Section A or Article 1503(2) (State Enterprises); or
- (b) Article 1502(3)(a) (Monopolies and State Enterprises) where the monopoly has acted in a manner inconsistent with the Party's obligations under Section A,

and that the enterprise has incurred loss or damage by reason of, or arising out of, that breach.

2. An investor may not make a claim on behalf of an enterprise described in paragraph 1 if more than three years have elapsed from the date on which the enterprise first acquired, or should have first acquired, knowledge of the alleged breach and knowledge that the enterprise has incurred loss or damage.

3. Where an investor makes a claim under this Article and the investor or a non-controlling investor in the enterprise makes a claim under Article 1116 arising out of the same events that gave rise to the claim under this Article, and two or more of the claims are submitted to arbitration under Article 1120, the claims should be heard together by a Tribunal established under Article 1126, unless the Tribunal finds that the interests of a disputing party would be prejudiced thereby.

4. An investment may not make a claim under this Section.

**Article 1118: Settlement of a Claim through Consultation and Negotiation**

The disputing parties should first attempt to settle a claim through consultation or negotiation.

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**Article 1119: Notice of Intent to Submit a Claim to Arbitration**

The disputing investor shall deliver to the disputing Party written notice of its intention to submit a claim to arbitration at least 90 days before the claim is submitted, which notice shall specify:

- (a) the name and address of the disputing investor and, where a claim is made under Article 1117, the name and address of the enterprise;
- (b) the provisions of this Agreement alleged to have been breached and any other relevant provisions;
- (c) the issues and the factual basis for the claim; and
- (d) the relief sought and the approximate amount of damages claimed.

**Article 1120: Submission of a Claim to Arbitration**

1. Except as provided in Annex 1120.1, and provided that six months have elapsed since the events giving rise to a claim, a disputing investor may submit the claim to arbitration under:

- (a) the ICSID Convention, provided that both the disputing Party and the Party of the investor are parties to the Convention;
- (b) the Additional Facility Rules of ICSID, provided that either the disputing Party or the Party of the investor, but not both, is a party to the ICSID Convention;  
or
- (c) the UNCITRAL Arbitration Rules.

2. The applicable arbitration rules shall govern the arbitration except to the extent modified by this Section.

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**Article 1121: Conditions Precedent to Submission of a Claim to Arbitration**

1. A disputing investor may submit a claim under Article 1116 to arbitration only if:
  - (a) the investor consents to arbitration in accordance with the procedures set out in this Agreement; and
  - (b) both the investor and an enterprise of another Party that is a juridical person that the investor owns or controls directly or indirectly, waive their right to initiate or continue before any administrative tribunal or court under the law of any Party any proceedings with respect to the measure of the disputing Party that is alleged to be a breach referred to in Article 1116, except for proceedings for injunctive, declaratory or other extraordinary relief, not involving the payment of damages, before an administrative tribunal or court under the law of the disputing Party.
  
2. A disputing investor may submit a claim under Article 1117 to arbitration only if both the investor and the enterprise:
  - (a) consent to arbitration in accordance with the procedures set out in this Agreement; and
  - (b) waive their right to initiate or continue before any administrative tribunal or court under the law of any Party any proceedings with respect to the measure of the disputing Party that is alleged to be a breach referred to in Article 1117, except for proceedings for injunctive, declaratory or other extraordinary relief, not involving the payment of damages, before an administrative tribunal or court under the law of the disputing Party.
  
3. A consent and waiver required by this Article shall be in writing, shall be delivered to the disputing Party and shall be included in the submission of a claim to arbitration.

**Article 1122: Consent to Arbitration**

1. Each Party consents to the submission of a claim to arbitration in accordance with the procedures set out in this Agreement.
  
2. The consent given by paragraph 1 and the submission by a disputing investor of a claim to arbitration shall satisfy the requirement of:

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- (a) Chapter II of the ICSID Convention (Jurisdiction of the Centre) and the Additional Facility Rules for written consent of the parties;
- (b) Article II of the New York Convention for an agreement in writing; and
- (c) Article I of the Inter-American Convention for an agreement.

**Article 1123: Number of Arbitrators and Method of Appointment**

Except in respect of a Tribunal established under Article 1126, and unless the disputing parties otherwise agree, the Tribunal shall comprise three arbitrators, one arbitrator appointed by each of the disputing parties and the third, who shall be the presiding arbitrator, appointed by agreement of the disputing parties.

**Article 1124: Constitution of a Tribunal When a Party Fails to Appoint an Arbitrator or the Disputing Parties Are Unable to Agree on a Presiding Arbitrator**

1. The Secretary-General shall serve as appointing authority for an arbitration under this Section.

2. If a Tribunal, other than a Tribunal established under Article 1126, has not been constituted within 90 days from the date that a claim is submitted to arbitration, the Secretary-General, on the request of either disputing party, shall appoint, in his discretion, the arbitrator or arbitrators not yet appointed, except that the presiding arbitrator shall be appointed in accordance with paragraph 3.

3. The Secretary-General shall appoint the presiding arbitrator from the roster of presiding arbitrators referred to in paragraph 4, provided that the presiding arbitrator shall not be a national of the disputing Party or a national of the Party of the disputing investor. In the event that no such presiding arbitrator is available to serve, the Secretary-General shall appoint, from the ICSID Panel of Arbitrators, a presiding arbitrator who is not a national of any of the Parties.

4. On the date of entry into force of this Agreement, the Parties shall establish, and thereafter maintain, a roster of 45 presiding arbitrators meeting the qualifications of the Convention and rules referred to in Article 1120 and experienced in international law and investment matters. The roster members shall be appointed by consensus and without regard to nationality.



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### **Article 1125: Agreement to Appointment of Arbitrators**

For purposes of Article 39 of the ICSID Convention and Article 7 of Schedule C to the ICSID Additional Facility Rules, and without prejudice to an objection to an arbitrator based on Article 1124(3) or on a ground other than nationality:

- (a) the disputing Party agrees to the appointment of each individual member of a Tribunal established under the ICSID Convention or the ICSID Additional Facility Rules;
- (b) a disputing investor referred to in Article 1116 may submit a claim to arbitration, or continue a claim, under the ICSID Convention or the ICSID Additional Facility Rules, only on condition that the disputing investor agrees in writing to the appointment of each individual member of the Tribunal; and
- (c) a disputing investor referred to in Article 1117(1) may submit a claim to arbitration, or continue a claim, under the ICSID Convention or the ICSID Additional Facility Rules, only on condition that the disputing investor and the enterprise agree in writing to the appointment of each individual member of the Tribunal.

### **Article 1126: Consolidation**

1. A Tribunal established under this Article shall be established under the UNCITRAL Arbitration Rules and shall conduct its proceedings in accordance with those Rules, except as modified by this Section.

2. Where a Tribunal established under this Article is satisfied that claims have been submitted to arbitration under Article 1120 that have a question of law or fact in common, the Tribunal may, in the interests of fair and efficient resolution of the claims, and after hearing the disputing parties, by order:

- (a) assume jurisdiction over, and hear and determine together, all or part of the claims; or
- (b) assume jurisdiction over, and hear and determine one or more of the claims, the determination of which it believes would assist in the resolution of the others.

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3. A disputing party that seeks an order under paragraph 2 shall request the Secretary-General to establish a Tribunal and shall specify in the request:

- (a) the name of the disputing Party or disputing investors against which the order is sought;
- (b) the nature of the order sought; and
- (c) the grounds on which the order is sought.

4. The disputing party shall deliver to the disputing Party or disputing investors against which the order is sought a copy of the request.

5. Within 60 days of receipt of the request, the Secretary-General shall establish a Tribunal comprising three arbitrators. The Secretary-General shall appoint the presiding arbitrator from the roster referred to in Article 1124(4). In the event that no such presiding arbitrator is available to serve, the Secretary-General shall appoint, from the ICSID Panel of Arbitrators, a presiding arbitrator who is not a national of any of the Parties. The Secretary-General shall appoint the two other members from the roster referred to in Article 1124(4), and to the extent not available from that roster, from the ICSID Panel of Arbitrators, and to the extent not available from that Panel, in the discretion of the Secretary-General. One member shall be a national of the disputing Party and one member shall be a national of a Party of the disputing investors.

6. Where a Tribunal has been established under this Article, a disputing investor that has submitted a claim to arbitration under Article 1116 or 1117 and that has not been named in a request made under paragraph 3 may make a written request to the Tribunal that it be included in an order made under paragraph 2, and shall specify in the request:

- (a) the name and address of the disputing investor;
- (b) the nature of the order sought; and
- (c) the grounds on which the order is sought.

7. A disputing investor referred to in paragraph 6 shall deliver a copy of its request to the disputing parties named in a request made under paragraph 3.

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8. A Tribunal established under Article 1120 shall not have jurisdiction to decide a claim, or a part of a claim, over which a Tribunal established under this Article has assumed jurisdiction.

9. On application of a disputing party, a Tribunal established under this Article, pending its decision under paragraph 2, may order that the proceedings of a Tribunal established under Article 1120 be stayed, unless the latter Tribunal has already adjourned its proceedings.

10. A disputing Party shall deliver to the Secretariat, within 15 days of receipt by the disputing Party, a copy of:

- (a) a request for arbitration made under paragraph (1) of Article 36 of the ICSID Convention;
- (b) a notice of arbitration made under Article 2 of Schedule C of the ICSID Additional Facility Rules; or
- (c) a notice of arbitration given under the UNCITRAL Arbitration Rules.

11. A disputing Party shall deliver to the Secretariat a copy of a request made under paragraph 3:

- (a) within 15 days of receipt of the request, in the case of a request made by a disputing investor;
- (b) within 15 days of making the request, in the case of a request made by the disputing Party.

12. A disputing Party shall deliver to the Secretariat a copy of a request made under paragraph 6 within 15 days of receipt of the request.

13. The Secretariat shall maintain a public register of the documents referred to in paragraphs 10, 11 and 12.

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**Article 1127: Notice**

A disputing Party shall deliver to the other Parties:

- (a) written notice of a claim that has been submitted to arbitration no later than 30 days after the date that the claim is submitted; and
- (b) copies of all pleadings filed in the arbitration.

**Article 1128: Participation by a Party**

On written notice to the disputing parties, a Party may make submissions to a Tribunal on a question of interpretation of this Agreement.

**Article 1129: Documents**

1. A Party shall be entitled to receive from the disputing Party, at the cost of the requesting Party a copy of:

- (a) the evidence that has been tendered to the Tribunal; and
- (b) the written argument of the disputing parties.

2. A Party receiving information pursuant to paragraph 1 shall treat the information as if it were a disputing Party.

**Article 1130: Place of Arbitration**

Unless the disputing parties agree otherwise, a Tribunal shall hold an arbitration in the territory of a Party that is a party to the New York Convention, selected in accordance with:

- (a) the ICSID Additional Facility Rules if the arbitration is under those Rules or the ICSID Convention; or
- (b) the UNCITRAL Arbitration Rules if the arbitration is under those Rules.

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### **Article 1131: Governing Law**

1. A Tribunal established under this Section shall decide the issues in dispute in accordance with this Agreement and applicable rules of international law.
2. An interpretation by the Commission of a provision of this Agreement shall be binding on a Tribunal established under this Section.

### **Article 1132: Interpretation of Annexes**

1. Where a disputing Party asserts as a defense that the measure alleged to be a breach is within the scope of a reservation or exception set out in Annex I, Annex II, Annex III or Annex IV, on request of the disputing Party, the Tribunal shall request the interpretation of the Commission on the issue. The Commission, within 60 days of delivery of the request, shall submit in writing its interpretation to the Tribunal.
2. Further to Article 1131(2), a Commission interpretation submitted under paragraph 1 shall be binding on the Tribunal. If the Commission fails to submit an interpretation within 60 days, the Tribunal shall decide the issue.

### **Article 1133: Expert Reports**

Without prejudice to the appointment of other kinds of experts where authorized by the applicable arbitration rules, a Tribunal, at the request of a disputing party or, unless the disputing parties disapprove, on its own initiative, may appoint one or more experts to report to it in writing on any factual issue concerning environmental, health, safety or other scientific matters raised by a disputing party in a proceeding, subject to such terms and conditions as the disputing parties may agree.

### **Article 1134: Interim Measures of Protection**

A Tribunal may order an interim measure of protection to preserve the rights of a disputing party, or to ensure that the Tribunal's jurisdiction is made fully effective, including an order to preserve evidence in the possession or control of a disputing party or to protect the Tribunal's jurisdiction. A Tribunal may not order attachment or enjoin the application of the measure alleged to constitute a breach referred to in Article 1116 or 1117. For purposes of this paragraph, an order includes a recommendation.

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**Article 1135: Final Award**

1. Where a Tribunal makes a final award against a Party, the Tribunal may award only:
  - (a) monetary damages and any applicable interest; or
  - (b) restitution of property, in which case the award shall provide that the disputing Party may pay monetary damages and any applicable interest in lieu of restitution.
2. Subject to paragraph 1, where a claim is made under Article 1117(1):
  - (a) an award of restitution of property shall provide that restitution be made to the enterprise;
  - (b) an award of monetary damages and any applicable interest shall provide that the sum be paid to the enterprise; and
  - (c) the award shall provide that it is made without prejudice to any right that any person may have in the relief under applicable domestic law.
3. A Tribunal may not order a Party to pay punitive damages.

**Article 1136: Finality and Enforcement of an Award**

1. An award made by a Tribunal shall have no binding force except between the disputing parties and in respect of the particular case.
2. Subject to paragraph 3 and the applicable review procedure for an interim award, a disputing party shall abide by and comply with an award without delay.
3. A disputing party may not seek enforcement of a final award until:
  - (a) in the case of a final award made under the ICSID Convention
    - (i) 120 days have elapsed from the date the award was rendered and no disputing party has requested revision or annulment of the award, or

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- (ii) revision or annulment proceedings have been completed; and
  - (b) in the case of a final award under the ICSID Additional Facility Rules or the UNCITRAL Arbitration Rules
    - (i) three months have elapsed from the date the award was rendered and no disputing party has commenced a proceeding to revise, set aside or annul the award, or
    - (ii) a court has dismissed or allowed an application to revise, set aside or annul the award and there is no further appeal.
4. Each Party shall provide for the enforcement of an award in its territory.
5. If a disputing Party fails to abide by or comply with a final award, the Commission, on delivery of a request by a Party whose investor was a party to the arbitration, shall establish a panel under Article 2008 (Request for an Arbitral Panel). The requesting Party may seek in such proceedings:
- (a) a determination that the failure to abide by or comply with the final award is inconsistent with the obligations of this Agreement; and
  - (b) a recommendation that the Party abide by or comply with the final award.
6. A disputing investor may seek enforcement of an arbitration award under the ICSID Convention, the New York Convention or the Inter-American Convention regardless of whether proceedings have been taken under paragraph 5.
7. A claim that is submitted to arbitration under this Section shall be considered to arise out of a commercial relationship or transaction for purposes of Article I of the New York Convention and Article I of the Inter-American Convention.

#### **Article 1137: General**

##### *Time when a Claim is Submitted to Arbitration*

1. A claim is submitted to arbitration under this Section when:

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- (a) the request for arbitration under paragraph (1) of Article 36 of the ICSID Convention has been received by the Secretary-General;
- (b) the notice of arbitration under Article 2 of Schedule C of the ICSID Additional Facility Rules has been received by the Secretary-General; or
- (c) the notice of arbitration given under the UNCITRAL Arbitration Rules is received by the disputing Party.

*Service of Documents*

- 2. Delivery of notice and other documents on a Party shall be made to the place named for that Party in Annex 1137.2.

*Receipts under Insurance or Guarantee Contracts*

- 3. In an arbitration under this Section, a Party shall not assert, as a defense, counterclaim, right of setoff or otherwise, that the disputing investor has received or will receive, pursuant to an insurance or guarantee contract, indemnification or other compensation for all or part of its alleged damages.

*Publication of an Award*

- 4. Annex 1137.4 applies to the Parties specified in that Annex with respect to publication of an award.

**Article 1138: Exclusions**

- 1. Without prejudice to the applicability or non-applicability of the dispute settlement provisions of this Section or of Chapter Twenty (Institutional Arrangements and Dispute Settlement Procedures) to other actions taken by a Party pursuant to Article 2102 (National Security), a decision by a Party to prohibit or restrict the acquisition of an investment in its territory by an investor of another Party, or its investment, pursuant to that Article shall not be subject to such provisions.
- 2. The dispute settlement provisions of this Section and of Chapter Twenty shall not apply to the matters referred to in Annex 1138.2.



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**Article 1139: Definitions**

For purposes of this Chapter:

**disputing investor** means an investor that makes a claim under Section B;

**disputing parties** means the disputing investor and the disputing Party;

**disputing party** means the disputing investor or the disputing Party;

**disputing Party** means a Party against which a claim is made under Section B;

**enterprise** means an "enterprise" as defined in Article 201, and a branch of an enterprise;

**enterprise of a Party** means an enterprise constituted or organized under the law of a Party, and a branch located in the territory of a Party and carrying out business activities there.

**equity or debt securities** includes voting and non-voting shares, bonds, convertible debentures, stock options and warrants;

**G7 Currency** means the currency of Canada, France, Germany, Italy, Japan, the United Kingdom of Great Britain and Northern Ireland or the United States;

**ICSID** means the International Centre for Settlement of Investment Disputes;

**ICSID Convention** means the *Convention on the Settlement of Investment Disputes between States and Nationals of other States*, done at Washington, March 18, 1965;

**Inter-American Convention** means the *Inter-American Convention on International Commercial Arbitration*, done at Panama, January 30, 1975;

**investment** means:

- (a) an enterprise;
- (b) an equity security of an enterprise;
- (c) a debt security of an enterprise
  - (i) where the enterprise is an affiliate of the investor, or

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- (ii) where the original maturity of the debt security is at least three years, but does not include a debt security, regardless of original maturity, of a state enterprise;
- (d) a loan to an enterprise
  - (i) where the enterprise is an affiliate of the investor, or
  - (ii) where the original maturity of the loan is at least three years, but does not include a loan, regardless of original maturity, to a state enterprise;
- (e) an interest in an enterprise that entitles the owner to share in income or profits of the enterprise;
- (f) an interest in an enterprise that entitles the owner to share in the assets of that enterprise on dissolution, other than a debt security or a loan excluded from subparagraph (c) or (d);
- (g) real estate or other property, tangible or intangible, acquired in the expectation or used for the purpose of economic benefit or other business purposes; and
- (h) interests arising from the commitment of capital or other resources in the territory of a Party to economic activity in such territory, such as under
  - (i) contracts involving the presence of an investor's property in the territory of the Party, including turnkey or construction contracts, or concessions, or
  - (ii) contracts where remuneration depends substantially on the production, revenues or profits of an enterprise;

but investment does not mean,

- (i) claims to money that arise solely from

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- (i) commercial contracts for the sale of goods or services by a national or enterprise in the territory of a Party to an enterprise in the territory of another Party, or
- (ii) the extension of credit in connection with a commercial transaction, such as trade financing, other than a loan covered by subparagraph (d);  
or
- (j) any other claims to money,

that do not involve the kinds of interests set out in subparagraphs (a) through (h);

**investment of an investor of a Party** means an investment owned or controlled directly or indirectly by an investor of such Party;

**investor of a Party** means a Party or state enterprise thereof, or a national or an enterprise of such Party, that seeks to make, is making or has made an investment;

**investor of a non-Party** means an investor other than an investor of a Party, that seeks to make, is making or has made an investment;

**New York Convention** means the *United Nations Convention on the Recognition and Enforcement of Foreign Arbitral Awards*, done at New York, June 10, 1958;

**Secretary-General** means the Secretary-General of ICSID;

**transfers** means transfers and international payments;

**Tribunal** means an arbitration tribunal established under Article 1120 or 1126; and

**UNCITRAL Arbitration Rules** means the arbitration rules of the United Nations Commission on International Trade Law, approved by the United Nations General Assembly on December 15, 1976.

**Annex 1120.1**

**Submission of a Claim to Arbitration**

**A. Mexico**

With respect to the submission of a claim to arbitration:

- (a) an investor of another Party may not allege that Mexico has breached an obligation under:
  - (i) Section A or Article 1503(2) (State Enterprises), or
  - (ii) Article 1502(3)(a) (Monopolies and State Enterprises) where the monopoly has acted in a manner inconsistent with the Party's obligations under Section A,

both in an arbitration under this Section and in proceedings before a Mexican court or administrative tribunal; and

- (b) where an enterprise of Mexico that is a juridical person that an investor of another Party owns or controls directly or indirectly alleges in proceedings before a Mexican court or administrative tribunal that Mexico has breached an obligation under:
  - (i) Section A or Article 1503(2) (State Enterprises), or
  - (ii) Article 1502(3)(a) (Monopolies and State Enterprises) where the monopoly has acted in a manner inconsistent with the Party's obligations under Section A,

the investor may not allege the breach in an arbitration under this Section.

**Annex 1137.2**

**Service of Documents on a Party Under Section B**

1. Service of a document under this Section on Canada shall be made to:
2. Service of a document under this Section on Mexico shall be made to:
3. Service of a document under this Section on the United States shall be made to:

**Annex 1137.4**

**Publication of an Award**

**A. Canada**

Where Canada is the disputing Party, either Canada or a disputing investor that is party to the arbitration may make an award public.

**B. Mexico**

Where Mexico is the disputing Party, the applicable arbitration rules apply to the publication of an award.

**C. United States**

Where the United States is the disputing Party, either the United States or a disputing investor that is a party to the arbitration may make an award public.

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Annex 1138.2

**Annex 1138.2**

**Exclusions from Dispute Settlement**

**Canada**

A decision by Canada following a review under the *Investment Canada Act*, with respect to whether or not to permit an acquisition that is subject to review, shall not be subject to the dispute settlement provisions of Section B or of Chapter Twenty (Institutional Arrangements and Dispute Settlement Procedures).

**Mexico**

A decision by the National Commission on Foreign Investment ("Comisión Nacional de Inversiones Extranjeras") following a review pursuant to Annex I, page I-M-4, with respect to whether or not to permit an acquisition that is subject to review, shall not be subject to the dispute settlement provisions of Section B or of Chapter Twenty (Institutional Arrangements and Dispute Settlement Procedures).

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## **Chapter Twelve**

### **Cross-Border Trade in Services**

#### **Article 1201: Scope and Coverage**

1. This Chapter applies to measures adopted or maintained by a Party relating to cross-border trade in services by service providers of another Party, including measures respecting:
  - (a) the production, distribution, marketing, sale and delivery of a service;
  - (b) the purchase or use of, or payment for, a service;
  - (c) the access to and use of distribution and transportation systems in connection with the provision of a service;
  - (d) the presence in its territory of a service provider of another Party; and
  - (e) the provision of a bond or other form of financial security as a condition for the provision of a service.
  
2. This Chapter does not apply to:
  - (a) financial services, as defined in Chapter Fourteen (Financial Services);  
or
  - (b) air services, including domestic and international air transportation services, whether scheduled or non-scheduled, and related services in support of air services, other than
    - (i) aircraft repair and maintenance services during which an aircraft is withdrawn from service, and
    - (ii) specialty air services.
  
3. Nothing in this Chapter shall be construed to:
  - (a) impose any obligation on a Party with respect to a national of another Party seeking access to its employment market, or employed on a permanent basis in



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its territory, or to confer any right on that national with respect to that access or employment;

- (b) impose any obligation or confer any right on a Party with respect to procurement by a Party or a state enterprise;
- (c) impose any obligation or confer any right on a Party with respect to subsidies or grants provided by a Party or a state enterprise, including government-supported loans, guarantees and insurance; or
- (d) prevent a Party from providing a service or performing a function, such as law enforcement, correctional services, income security or insurance, social security or insurance, social welfare, public education, public training, health, and child care, in a manner that is not inconsistent with this Chapter.

#### **Article 1202: National Treatment**

1. Each Party shall accord to service providers of another Party treatment no less favorable than that it accords, in like circumstances, to its own service providers.
2. The treatment accorded by a Party under paragraph 1 means, with respect to a state or province, treatment no less favorable than the most favorable treatment accorded, in like circumstances, by that state or province to service providers of the Party of which it forms a part.

#### **Article 1203: Most-Favored-Nation Treatment**

Each Party shall accord to service providers of another Party treatment no less favorable than that it accords, in like circumstances, to service providers of another Party or of a non-Party.

#### **Article 1204: Standard of Treatment**

Each Party shall accord to service providers of another Party the better of the treatment required by Articles 1202 and 1203.

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**Article 1205: Local Presence**

No Party may require a service provider of another Party to establish or maintain a representative office or any form of enterprise, or to be resident, in its territory as a condition for the cross-border provision of a service.

**Article 1206: Reservations**

1. Articles 1202, 1203 and 1205 do not apply to
  - (a) any existing non-conforming measure that is maintained by
    - (i) a Party at the federal level, as set out in its Schedule to Annex I,
    - (ii) a state or province, for two years after the date of entry into force of this Agreement, and thereafter as set out by a Party in its Schedule to Annex I, in accordance with paragraph 2, or
    - (iii) a local government;
  - (b) the continuation or prompt renewal of any non-conforming measure referred to in subparagraph (a); or
  - (c) an amendment to any non-conforming measure referred to in subparagraph (a) to the extent that the amendment does not decrease the conformity of the measure, as it existed immediately before the amendment, with Articles 1202, 1203 and 1205.
2. Each Party may set out in its Schedule to Annex I any existing non-conforming measure maintained by a state or province, not including a local government, within two years of the date of entry into force of this Agreement.
3. Articles 1202, 1203 and 1205 do not apply to any measure that a Party adopts or maintains with respect to sectors, subsectors or activities, as set out in its Schedule to Annex II.

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**Article 1207: Quantitative Restrictions**

1. The Parties shall periodically, but in any event at least every two years, endeavor to negotiate the liberalization or removal of:
  - (a) existing quantitative restrictions maintained by
    - (i) a Party at the federal level, as set out in its Schedule to Annex V, or
    - (ii) a state or province, as set out by a Party in its Schedule to Annex V, in accordance with paragraph 2, and
  - (b) quantitative restrictions adopted by a Party after the date of entry into force of this Agreement.
2. Each Party shall set out in its Schedule to Annex V any quantitative restriction maintained by a state or province, not including a local government, within one year of the date of entry into force of this Agreement.
3. Each Party shall notify the other Parties of any quantitative restriction that it adopts, other than at the local government level, after the date of entry into force of this Agreement and shall set out the restriction in its Schedule to Annex V.

**Article 1208: Liberalization of Non-Discriminatory Measures**

Each Party shall set out in its Schedule to Annex VI its commitments to liberalize quantitative restrictions, licensing requirements, performance requirements or other non-discriminatory measures.

**Article 1209: Procedures**

The Commission shall establish procedures for:

- (a) a Party to notify and include in its relevant Schedule
  - (i) state or provincial measures in accordance with Article 1206(2),
  - (ii) quantitative restrictions in accordance with Article 1207(2) and (3),

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- (iii) commitments pursuant to Article 1208, and
  - (iv) amendments of measures referred to in Article 1206(1)(c); and
- (b) consultations on reservations, quantitative restrictions or commitments with a view to further liberalization.

#### **Article 1210: Licensing and Certification**

1. With a view to ensuring that any measure adopted or maintained by a Party relating to the licensing or certification of nationals of another Party does not constitute an unnecessary barrier to trade, each Party shall endeavor to ensure that any such measure:

- (a) is based on objective and transparent criteria, such as competence and the ability to provide a service;
- (b) is not more burdensome than necessary to ensure the quality of a service; and
- (c) does not constitute a disguised restriction on the cross-border provision of a service.

2. Where a Party recognizes, unilaterally or by agreement, education, experience, licenses or certifications obtained in the territory of another Party or of a non-Party:

- (a) nothing in Article 1203 shall be construed to require the Party to accord such recognition to education, experience, licenses or certifications obtained in the territory of another Party; and
- (b) the Party shall afford another Party an adequate opportunity to demonstrate that education, experience, licenses or certifications obtained in that other Party's territory should also be recognized or to conclude an agreement or arrangement of comparable effect.

3. Each Party shall, within two years of the date of entry into force of this Agreement, eliminate any citizenship or permanent residency requirement set out in its Schedule to Annex I that it maintains for the licensing or certification of professional service providers of another Party. Where a Party does not comply with this obligation with respect to a particular sector, any other Party may, in the same sector and for such period as the non-

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complying Party maintains its requirement, solely have recourse to maintaining an equivalent requirement set out in its Schedule to Annex I or reinstating:

- (a) any such requirement at the federal level that it eliminated pursuant to this Article; or
- (b) on notification to the non-complying Party, any such requirement at the state or provincial level existing on the date of entry into force of this Agreement.

4. The Parties shall consult periodically with a view to determining the feasibility of removing any remaining citizenship or permanent residency requirement for the licensing or certification of each other's service providers.

5. Annex 1210.5 applies to measures adopted or maintained by a Party relating to the licensing or certification of professional service providers.

#### **Article 1211: Denial of Benefits**

1. A Party may deny the benefits of this Chapter to a service provider of another Party where the Party establishes that:

- (a) the service is being provided by an enterprise owned or controlled by nationals of a non-Party, and
  - (i) the denying Party does not maintain diplomatic relations with the non-Party, or
  - (ii) the denying Party adopts or maintains measures with respect to the non-Party that prohibit transactions with the enterprise or that would be violated or circumvented if the benefits of this Chapter were accorded to the enterprise; or
- (b) the cross-border provision of a transportation service covered by this Chapter is provided using equipment not registered by any Party.

2. Subject to prior notification and consultation in accordance with Articles 1803 (Notification and Provision of Information) and 2006 (Consultations), a Party may deny the benefits of this Chapter to a service provider of another Party where the Party establishes

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that the service is being provided by an enterprise that is owned or controlled by persons of a non-Party and that has no substantial business activities in the territory of any Party.

#### **Article 1212: Sectoral Annex**

Annex 1212 applies to specific sectors.

#### **Article 1213: Definitions**

1. For purposes of this Chapter, a reference to a federal, state or provincial government includes any non-governmental body in the exercise of any regulatory, administrative or other governmental authority delegated to it by that government.

2. For purposes of this Chapter:

cross-border provision of a service or cross-border trade in services means the provision of a service:

- (a) from the territory of a Party into the territory of another Party;
- (b) in the territory of a Party by a person of that Party to a person of another Party; or
- (c) by a national of a Party in the territory of another Party,

but does not include the provision of a service in the territory of a Party by an investment, as defined in Article 1138 (Investment - Definitions), in that territory;

enterprise means an "enterprise" as defined in Article 201 (Definitions of General Application), and a branch of an enterprise;

enterprise of a Party means an enterprise constituted or organized under the law of a Party, and a branch located in the territory of a Party and carrying out business activities there;

professional services means services, the provision of which requires specialized post-secondary education, or equivalent training or experience, and for which the right to practice is granted or restricted by a Party, but does not include services provided by tradespersons or vessel and aircraft crew members;

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**quantitative restriction** means a non-discriminatory measure that imposes limitations on:

- (a) the number of service providers, whether in the form of a quota, a monopoly or an economic needs test, or by any other quantitative means; or
- (b) the operations of any service provider, whether in the form of a quota or an economic needs test, or by any other quantitative means;

**service provider of a Party** means a person of a Party that seeks to provide or provides a service; and

**specialty air services** means aerial mapping, aerial surveying, aerial photography, forest fire management, fire fighting, aerial advertising, glider towing, parachute jumping, aerial construction, heli-logging, aerial sightseeing, flight training, aerial inspection and surveillance, and aerial spraying services.

**Annex 1210.5**

**Professional Services**

**Section A - General Provisions**

*Processing of Applications for Licenses and Certifications*

1. Each Party shall ensure that its competent authorities, within a reasonable time after the submission by a national of another Party of an application for a license or certification:
  - (a) where the application is complete, make a determination on the application and inform the applicant of that determination; or
  - (b) where the application is not complete, inform the applicant without undue delay of the status of the application and the additional information that is required under the Party's law.

*Development of Professional Standards*

2. The Parties shall encourage the relevant bodies in their respective territories to develop mutually acceptable standards and criteria for licensing and certification of professional service providers and to provide recommendations on mutual recognition to the Commission.
3. The standards and criteria referred to in paragraph 2 may be developed with regard to the following matters:
  - (a) education - accreditation of schools or academic programs;
  - (b) examinations - qualifying examinations for licensing, including alternative methods of assessment such as oral examinations and interviews;
  - (c) experience - length and nature of experience required for licensing;
  - (d) conduct and ethics - standards of professional conduct and the nature of disciplinary action for non-conformity with those standards;
  - (e) professional development and re-certification - continuing education and ongoing requirements to maintain professional certification;



- (f) scope of practice - extent of, or limitations on, permissible activities;
- (g) local knowledge - requirements for knowledge of such matters as local laws, regulations, language, geography or climate; and
- (h) consumer protection - alternatives to residency requirements, including bonding, professional liability insurance and client restitution funds, to provide for the protection of consumers.

4. On receipt of a recommendation referred to in paragraph 2, the Commission shall review the recommendation within a reasonable time to determine whether it is consistent with this Agreement. Based on the Commission's review, each Party shall encourage its respective competent authorities, where appropriate, to implement the recommendation within a mutually agreed time.

#### *Temporary Licensing*

5. Where the Parties agree, each Party shall encourage the relevant bodies in its territory to develop procedures for temporary licensing of professional service providers of another Party.

#### *Review*

6. The Commission shall periodically, and at least once every three years, review the implementation of this Section.

### **Section B - Foreign Legal Consultants**

1. Each Party shall, in implementing its obligations and commitments regarding foreign legal consultants as set out in its relevant Schedules and subject to any reservations therein, ensure that a national of another Party is permitted to practice or advise on the law of any country in which that national is authorized to practice as a lawyer.

#### *Consultations With Professional Bodies*

2. Each Party shall consult with its relevant professional bodies to obtain their recommendations on:

- (a) the form of association or partnership between lawyers authorized to practice in its territory and foreign legal consultants;
- (b) the development of standards and criteria for the authorization of foreign legal consultants in conformity with Article 1210; and
- (c) other matters relating to the provision of foreign legal consultancy services.

3. Prior to initiation of consultations under paragraph 7, each Party shall encourage its relevant professional bodies to consult with the relevant professional bodies designated by each of the other Parties regarding the development of joint recommendations on the matters referred to in paragraph 2.

*Future Liberalization*

4. Each Party shall establish a work program to develop common procedures throughout its territory for the authorization of foreign legal consultants.

5. Each Party shall promptly review any recommendation referred to in paragraphs 2 and 3 to ensure its consistency with this Agreement. If the recommendation is consistent with this Agreement, each Party shall encourage its competent authorities to implement the recommendation within one year.

6. Each Party shall report to the Commission within one year of the date of entry into force of this Agreement, and each year thereafter, on its progress in implementing the work program referred to in paragraph 4.

7. The Parties shall meet within one year of the date of entry into force of this Agreement with a view to:

- (a) assessing the implementation of paragraphs 2 through 5;
- (b) amending or removing, where appropriate, reservations on foreign legal consultancy services; and
- (c) assessing further work that may be appropriate regarding foreign legal consultancy services.

**Section C - Temporary Licensing of Engineers**

1. The Parties shall meet within one year of the date of entry into force of this Agreement to establish a work program to be undertaken by each Party, in conjunction with its relevant professional bodies, to provide for the temporary licensing in its territory of nationals of another Party who are licensed as engineers in the territory of that other Party.
2. To this end, each Party shall consult with its relevant professional bodies to obtain their recommendations on:
  - (a) the development of procedures for the temporary licensing of such engineers to permit them to practice their engineering specialties in each jurisdiction in its territory;
  - (b) the development of model procedures for adoption by the competent authorities throughout its territory to facilitate the temporary licensing of such engineers;
  - (c) the engineering specialties to which priority should be given in developing temporary licensing procedures; and
  - (d) other matters relating to the temporary licensing of engineers identified by the Party in such consultations.
3. Each Party shall request its relevant professional bodies to make recommendations on the matters referred to in paragraph 2 within two years of the date of entry into force of this Agreement.
4. Each Party shall encourage its relevant professional bodies to meet at the earliest opportunity with the relevant professional bodies of the other Parties with a view to cooperating in the development of joint recommendations on the matters referred to in paragraph 2 within two years of the date of entry into force of this Agreement. Each Party shall request an annual report from its relevant professional bodies on the progress achieved in developing those recommendations.
5. The Parties shall promptly review any recommendation referred to in paragraphs 3 or 4 to ensure its consistency with this Agreement. If the recommendation is consistent with this Agreement, each Party shall encourage its competent authorities to implement the recommendation within one year.

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*Annex 1210.5*

6. The Commission shall review the implementation of this Section within two years of the date of entry into force of this Section.
7. Appendix 1210.5-C applies to the Parties specified therein.

**Appendix 1210.5 - C**

**Civil Engineers**

The rights and obligations of Section C of Annex 1210.5 apply to Mexico with respect to civil engineers ("ingenieros civiles") and to such other engineering specialties that Mexico may designate.

**Annex 1212**

**Land Transportation**

*Contact Points*

1. Further to Article 1801 (Contact Points), each Party shall designate contact points to provide information published by that Party relating to land transportation services regarding operating authority, safety requirements, taxation, data, studies and technology, and to provide assistance in contacting its relevant government agencies.

*Review Process*

2. The Commission shall, during the fifth year after the date of entry into force of this Agreement and during every second year thereafter until the liberalization for bus and truck transportation set out in the Parties' Schedules to Annex I is complete, receive and consider a report from the Parties that assesses progress respecting liberalization, including:

- (a) the effectiveness of the liberalization;
- (b) specific problems for, or unanticipated effects on, each Party's bus and truck transportation industries arising from liberalization; and
- (c) modifications to the period for liberalization.

The Commission shall endeavor to resolve any matter arising from its consideration of a report.

3. The Parties shall consult, no later than seven years after the date of entry into force of this Agreement, to consider further liberalization commitments .

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## **Chapter Thirteen**

### **Telecommunications**

#### **Article 1301: Scope and Coverage**

1. This Chapter applies to:
  - (a) measures adopted or maintained by a Party relating to access to and use of public telecommunications transport networks or services by persons of another Party, including access and use by such persons operating private networks;
  - (b) measures adopted or maintained by a Party relating to the provision of enhanced or value-added services by persons of another Party in the territory, or across the borders, of a Party; and
  - (c) standards-related measures relating to attachment of terminal or other equipment to public telecommunications transport networks.
2. Except to ensure that persons operating broadcast stations and cable systems have continued access to and use of public telecommunications transport networks and services, this Chapter does not apply to any measure adopted or maintained by a Party relating to cable or broadcast distribution of radio or television programming.
3. Nothing in this Chapter shall be construed to:
  - (a) require a Party to authorize a person of another Party to establish, construct, acquire, lease, operate or provide telecommunications transport networks or telecommunications transport services;
  - (b) require a Party, or require a Party to compel any person, to establish, construct, acquire, lease, operate or provide telecommunications transport networks or telecommunications transport services not offered to the public generally;

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- (c) prevent a Party from prohibiting persons operating private networks from using their networks to provide public telecommunications transport networks or services to third persons; or
- (d) require a Party to compel any person engaged in the cable or broadcast distribution of radio or television programming to make available its cable or broadcast facilities as a public telecommunications transport network.

**Article 1302: Access to and Use of Public Telecommunications Transport Networks and Services**

1. Each Party shall ensure that persons of another Party have access to and use of any public telecommunications transport network or service, including private leased circuits, offered in its territory or across its borders for the conduct of their business, on reasonable and non-discriminatory terms and conditions, including as set out in paragraphs 2 through 8.
2. Subject to paragraphs 6 and 7, each Party shall ensure that such persons are permitted to:
  - (a) purchase or lease, and attach terminal or other equipment that interfaces with the public telecommunications transport network;
  - (b) interconnect private leased or owned circuits with public telecommunications transport networks in the territory, or across the borders, of that Party, including for use in providing dial-up access to and from their customers or users, or with circuits leased or owned by another person on terms and conditions mutually agreed by those persons;
  - (c) perform switching, signalling and processing functions; and
  - (d) use operating protocols of their choice.
3. Each Party shall ensure that:
  - (a) the pricing of public telecommunications transport services reflects economic costs directly related to providing the services; and
  - (b) private leased circuits are available on a flat-rate pricing basis.

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Nothing in this paragraph shall be construed to prevent cross-subsidization between public telecommunications transport services.

4. Each Party shall ensure that persons of another Party may use public telecommunications transport networks or services for the movement of information in its territory or across its borders, including for intracorporate communications, and for access to information contained in data bases or otherwise stored in machine-readable form in the territory of any Party.

5. Further to Article 2101 (General Exceptions), nothing in this Chapter shall be construed to prevent a Party from adopting or enforcing any measure necessary to:

- (a) ensure the security and confidentiality of messages; or
- (b) protect the privacy of subscribers to public telecommunications transport networks or services.

6. Each Party shall ensure that no condition is imposed on access to and use of public telecommunications transport networks or services, other than that necessary to:

- (a) safeguard the public service responsibilities of providers of public telecommunications transport networks or services, in particular their ability to make their networks or services available to the public generally; or
- (b) protect the technical integrity of public telecommunications transport networks or services.

7. Provided that conditions for access to and use of public telecommunications transport networks or services satisfy the criteria set out in paragraph 6, such conditions may include:

- (a) a restriction on resale or shared use of such services;
- (b) a requirement to use specified technical interfaces, including interface protocols, for interconnection with such networks or services;
- (c) a restriction on interconnection of private leased or owned circuits with such networks or services or with circuits leased or owned by another person, where the circuits are used in the provision of public telecommunications transport networks or services; and



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- (d) a licensing, permit, registration or notification procedure which, if adopted or maintained, is transparent and applications filed thereunder are processed expeditiously.

8. For purposes of this Article, "non-discriminatory" means on terms and conditions no less favorable than those accorded to any other customer or user of like public telecommunications transport networks or services in like circumstances.

#### **Article 1303: Conditions for the Provision of Enhanced or Value-Added Services**

1. Each Party shall ensure that:
  - (a) any licensing, permit, registration or notification procedure that it adopts or maintains relating to the provision of enhanced or value-added services is transparent and non-discriminatory, and that applications filed thereunder are processed expeditiously; and
  - (b) information required under such procedures is limited to that necessary to demonstrate that the applicant has the financial solvency to begin providing services or to assess conformity of the applicant's terminal or other equipment with the Party's applicable standards or technical regulations.
2. A Party shall not require a person providing enhanced or value-added services to:
  - (a) provide those services to the public generally;
  - (b) cost-justify its rates;
  - (c) file a tariff;
  - (d) interconnect its networks with any particular customer or network; or
  - (e) conform with any particular standard or technical regulation for interconnection other than for interconnection to a public telecommunications transport network.

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3. Notwithstanding paragraph 2(c), a Party may require the filing of a tariff by:
  - (a) such provider to remedy a practice of that provider that the Party has found in a particular case to be anticompetitive under its law; or
  - (b) a monopoly to which Article 1305 applies.

#### **Article 1304: Standards-Related Measures**

1. Further to Article 904(4) (Unnecessary Obstacles), each Party shall ensure that its standards-related measures relating to the attachment of terminal or other equipment to the public telecommunications transport networks, including those measures relating to the use of testing and measuring equipment for conformity assessment procedures, are adopted or maintained only to the extent necessary to:
  - (a) prevent technical damage to public telecommunications transport networks;
  - (b) prevent technical interference with, or degradation of, public telecommunications transport services;
  - (c) prevent electromagnetic interference, and ensure compatibility, with other uses of the electromagnetic spectrum;
  - (d) prevent billing equipment malfunction; or
  - (e) ensure users' safety and access to public telecommunications transport networks or services.
2. A Party may require approval for the attachment to the public telecommunications transport network of terminal or other equipment that is not authorized, provided that the criteria for that approval are consistent with paragraph 1.
3. Each Party shall ensure that the network termination points for its public telecommunications transport networks are defined on a reasonable and transparent basis.
4. No Party may require separate authorization for equipment that is connected on the customer's side of authorized equipment that serves as a protective device fulfilling the criteria of paragraph 1.

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5. Further to Article 904(3) (Non-Discriminatory Treatment), each Party shall:
- (a) ensure that its conformity assessment procedures are transparent and non-discriminatory and that applications filed thereunder are processed expeditiously;
  - (b) permit any technically qualified entity to perform the testing required under the Party's conformity assessment procedures for terminal or other equipment to be attached to the public telecommunications transport network, subject to the Party's right to review the accuracy and completeness of the test results; and
  - (c) ensure that any measure that it adopts or maintains requiring persons to be authorized to act as agents for suppliers of telecommunications equipment before the Party's relevant conformity assessment bodies is non-discriminatory.
6. No later than one year after the date of entry into force of this Agreement, each Party shall adopt, as part of its conformity assessment procedures, provisions necessary to accept the test results from laboratories or testing facilities in the territory of another Party for tests performed in accordance with the accepting Party's standards-related measures and procedures.
7. The Telecommunications Standards Subcommittee established under Article 913(5) (Committee on Standards-Related Measures) shall perform the functions set out in Annex 913.5.a2.

#### **Article 1305: Monopolies**

1. Where a Party maintains or designates a monopoly to provide public telecommunications transport networks or services, and the monopoly, directly or through an affiliate, competes in the provision of enhanced or value-added services or other telecommunications-related services or telecommunications-related goods, the Party shall ensure that the monopoly does not use its monopoly position to engage in anticompetitive conduct in those markets, either directly or through its dealings with its affiliates, in such a manner as to affect adversely a person of another Party. Such conduct may include cross-subsidization, predatory conduct and the discriminatory provision of access to public telecommunications transport networks or services.
2. To prevent such anticompetitive conduct, each Party shall adopt or maintain effective measures, such as:

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- (a) accounting requirements;
- (b) requirements for structural separation;
- (c) rules to ensure that the monopoly accords its competitors access to and use of its public telecommunications transport networks or services on terms and conditions no less favorable than those it accords to itself or its affiliates; or
- (d) rules to ensure the timely disclosure of technical changes to public telecommunications transport networks and their interfaces.

**Article 1306: Transparency**

Further to Article 1802, each Party shall make publicly available its measures relating to access to and use of public telecommunications transport networks or services, including measures relating to:

- (a) tariffs and other terms and conditions of service;
- (b) specifications of technical interfaces with the networks or services;
- (c) information on bodies responsible for the preparation and adoption of standards-related measures affecting such access and use;
- (d) conditions applying to attachment of terminal or other equipment to the networks; and
- (e) notification, permit, registration or licensing requirements.

**Article 1307: Relation to Other Chapters**

In the event of any inconsistency between a provision of this Chapter and a provision of another Chapter, the provision of this Chapter shall prevail to the extent of the inconsistency.

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**Article 1308: Relation to International Organizations and Agreements**

The Parties recognize the importance of international standards for global compatibility and interoperability of telecommunication networks or services and undertake to promote those standards through the work of relevant international bodies, including the International Telecommunication Union and the International Organization for Standardization.

**Article 1309: Technical Cooperation and Other Consultations**

1. To encourage the development of interoperable telecommunications transport services infrastructure, the Parties shall cooperate in the exchange of technical information, the development of government-to-government training programs and other related activities. In implementing this obligation, the Parties shall give special emphasis to existing exchange programs.

2. The Parties shall consult with a view to determining the feasibility of further liberalizing trade in all telecommunications services, including public telecommunications transport networks and services.

**Article 1310: Definitions**

For purposes of this Chapter:

**authorized equipment** means terminal or other equipment that has been approved for attachment to the public telecommunications transport network in accordance with a Party's conformity assessment procedures;

**conformity assessment procedure** means "conformity assessment procedure" as defined in Article 915 (Standards-Related Measures - Definitions), and includes the procedures set out in Annex 1310;

**enhanced or value-added services** means those telecommunications services employing computer processing applications that:

- (a) act on the format, content, code, protocol or similar aspects of a customer's transmitted information;

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- (b) provide a customer with additional, different or restructured information; or
- (c) involve customer interaction with stored information;

**flat-rate pricing basis** means pricing on the basis of a fixed charge per period of time regardless of the amount of usage;

**intracorporate communications** means telecommunications through which an enterprise communicates:

- (a) internally or with or among its subsidiaries, branches or affiliates, as defined by each Party; or
- (b) on a non-commercial basis with other persons that are fundamental to the economic activity of the enterprise and that have a continuing contractual relationship with it,

but does not include telecommunications services provided to persons other than those described herein;

**network termination point** means the final demarcation of the public telecommunications transport network at the customer's premises;

**private network** means a telecommunications transport network that is used exclusively for intracorporate communications;

**protocol** means a set of rules and formats that govern the exchange of information between two peer entities for purposes of transferring signaling or data information;

**public telecommunications transport network** means public telecommunications infrastructure that permits telecommunications between defined network termination points;

**public telecommunications transport networks or services** means public telecommunications transport networks or public telecommunications transport services;

**public telecommunications transport service** means any telecommunications transport service required by a Party, explicitly or in effect, to be offered to the public generally, including telegraph, telephone, telex and data transmission, that typically involves the real-time transmission of customer-supplied information between two or more points without any end-to-end change in the form or content of the customer's information;

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**standards-related measure** means a "standards-related measure" as defined in Article 915;

**telecommunications** means the transmission and reception of signals by any electromagnetic means; and

**terminal equipment** means any digital or analog device capable of processing, receiving, switching, signaling or transmitting signals by electromagnetic means and that is connected by radio or wire to a public telecommunications transport network at a termination point.

**Annex 1310**

**Conformity Assessment Procedures**

**For Canada:**

Department of Communications, Terminal Attachment Program.  
Certification Procedures (CP-01)

**Legal Citations:**

*Department of Communications Act*, S.C. 1985, c. 85. s 4  
and 5,

*Railway Act*, R.S.C. 1985, c. R-3, s. 320-341,

*Radiocommunication Act*, R.S.C. 1985, c.R-2; as amended by  
S.C. 1989, c. 1, c. 17, s. 5 and 6,

*Telecommunications Act* (Bill C-62).

**For Mexico:**

Secretaría de Comunicaciones y Transportes  
Subsecretaría de Comunicaciones y Desarrollo Tecnológico

**Legal Citations:**

*Reglamento de Telecomunicaciones*, Capítulo X

**For the United States:**

Part 68 and Part 15 of the *Federal Communications Commission's Rules*, Title 47 of the  
*Code of Federal Regulations*.



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## **Chapter Fourteen**

### **Financial Services**

#### **Article 1401: Scope and Coverage**

1. This Chapter applies to measures adopted or maintained by a Party relating to:
  - (a) financial institutions of another Party;
  - (b) investors of another Party, and investments of such investors, in financial institutions in the Party's territory; and
  - (c) cross-border trade in financial services.
2. Articles 1109 through 1111, 1113, 1114 and 1211 are hereby incorporated into and made a part of this Chapter. Articles 1115 through 1137 are hereby incorporated into and made a part of this Chapter solely for breaches by a Party of Articles 1109 through 1111, 1113 and 1114, as incorporated into this Chapter.
3. Nothing in this Chapter shall be construed to prevent a Party, or its public entities, from exclusively conducting or providing in its territory:
  - (a) activities or services forming part of a public retirement plan or statutory system of social security; or
  - (b) activities or services for the account or with the guarantee or using the financial resources of the Party or its public entities.
4. Annex 1401.4 applies to the Parties specified in that Annex.

#### **Article 1402: Self-Regulatory Organizations**

Where a Party requires a financial institution or a cross-border financial service provider of another Party to be a member of, participate in, or have access to, a self-regulatory organization to provide a financial service in or into the territory of that Party, the

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Party shall ensure observance of the obligations of this Chapter by such self-regulatory organization.

**Article 1403: Establishment of Financial Institutions**

1. The Parties recognize the principle that an investor of another Party should be permitted to establish a financial institution in the territory of a Party in the juridical form chosen by such investor.
2. The Parties also recognize the principle that an investor of another Party should be permitted to participate widely in a Party's market through the ability of such investor to:
  - (a) provide in that Party's territory a range of financial services through separate financial institutions as may be required by that Party;
  - (b) expand geographically in that Party's territory; and
  - (c) own financial institutions in that Party's territory without being subject to ownership requirements specific to foreign financial institutions.
3. Subject to Annex 1403.3, at such time as the United States permits commercial banks of another Party located in its territory to expand through subsidiaries or direct branches into substantially all of the United States market, the Parties shall review and assess market access provided by each Party in relation to the principles in paragraphs 1 and 2 with a view to adopting arrangements permitting investors of another Party to choose the juridical form of establishment of commercial banks.
4. Each Party shall permit an investor of another Party that does not own or control a financial institution in the Party's territory to establish a financial institution in that territory. A Party may:
  - (a) require an investor of another Party to incorporate under the Party's law any financial institution it establishes in the Party's territory; or
  - (b) impose terms and conditions on establishment that are consistent with Article 1405.
5. For purposes of this Article, "investor of another Party" means an investor of another Party engaged in the business of providing financial services in the territory of that Party.

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#### **Article 1404: Cross-Border Trade**

1. No Party may adopt any measure restricting any type of cross-border trade in financial services by cross-border financial service providers of another Party that the Party permits on the date of entry into force of this Agreement, except to the extent set out in Section B of the Party's Schedule to Annex VII.
2. Each Party shall permit persons located in its territory, and its nationals wherever located, to purchase financial services from cross-border financial service providers of another Party located in the territory of that other Party or of another Party. This obligation does not require a Party to permit such providers to do business or solicit in its territory. Subject to paragraph 1, each Party may define "doing business" and "solicitation" for purposes of this obligation.
3. Without prejudice to other means of prudential regulation of cross-border trade in financial services, a Party may require the registration of cross-border financial service providers of another Party and of financial instruments.
4. The Parties shall consult on future liberalization of cross-border trade in financial services as set out in Annex 1404.4.

#### **Article 1405: National Treatment**

1. Each Party shall accord to investors of another Party treatment no less favorable than that it accords to its own investors, in like circumstances, with respect to the establishment, acquisition, expansion, management, conduct, operation and sale or other disposition of financial institutions and investments in financial institutions in its territory.
2. Each Party shall accord to financial institutions of another Party and to investments of investors of another Party in financial institutions treatment no less favorable than that it accords to its own financial institutions and to investments of its own investors in financial institutions, in like circumstances, with respect to the establishment, acquisition, expansion, management, conduct, operation, and sale or other disposition of financial institutions and investments.
3. Subject to Article 1404, where a Party permits the cross-border provision of a financial service it shall accord to the cross-border financial service providers of another Party treatment no less favorable than that it accords to its own financial service providers, in like circumstances, with respect to the provision of such service.

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4. The treatment that a Party is required to accord under paragraphs 1, 2 and 3 means, with respect to a measure of any state or province:
- (a) in the case of an investor of another Party with an investment in a financial institution, an investment of such investor in an institution or an institution of such investor located in a state or province, treatment no less favorable than the treatment accorded to an investor of the Party in a financial institution, an investment of such investor in an institution or an institution of such investor located in that state or province, in like circumstances; and
  - (b) in any other case, treatment no less favorable than the most favorable treatment accorded to an investor of the Party in a financial institution, its financial institution or its investment in a financial institution, in like circumstances.

For greater certainty, in the case of an investor of another Party with investments in financial institutions or institutions located in more than one state or province, the treatment required under subparagraph (a) means:

- (c) treatment of the investor that is no less favorable than the most favorable treatment accorded to an investor of the Party with an investment located in such states, in like circumstances; and
  - (d) with respect to an investment of the investor in a financial institution or a financial institution of such investor located in a state or province, treatment no less favorable than that accorded to an investment of an investor of the Party or a financial institution of such investor located in that state or province, in like circumstances.
5. A Party's treatment of financial institutions and cross-border financial service providers of another Party, whether different or identical to that accorded to its own institutions or providers in like circumstances, is consistent with paragraphs 1 through 3 if the treatment affords equal competitive opportunities.
6. A Party's treatment affords equal competitive opportunities if it does not disadvantage financial institutions and cross-border financial services providers of another Party in their ability to provide financial services as compared with the ability of the Party's own financial institutions and financial services providers, in like circumstances.

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7. Differences in market share, profitability or size do not in themselves establish a denial of equal competitive opportunities, but such differences may be used as evidence regarding whether a Party's treatment affords equal competitive opportunities.

#### **Article 1406: Most-Favored-Nation Treatment**

1. Each Party shall accord to investors of another Party, financial institutions of another Party, investments of investors in financial institutions and cross-border financial service providers of another Party treatment no less favorable than that it accords to the investors, financial institutions, investments of investors in financial institutions and cross-border financial service providers of any other Party or of a non-Party, in like circumstances.

2. A Party may recognize prudential measures of another Party or of a non-Party in the application of measures covered by this Chapter. Such recognition may be:

- (a) accorded unilaterally;
- (b) achieved through harmonization or other means; or
- (c) based upon an agreement or arrangement with the other Party or non-Party.

3. A Party according recognition of prudential measures under paragraph 2 shall provide adequate opportunity to another Party to demonstrate that circumstances exist in which there are or would be equivalent regulation, oversight, implementation of regulation, and if appropriate, procedures concerning the sharing of information between the Parties.

4. Where a Party accords recognition of prudential measures under paragraph 2(c) and the circumstances set out in paragraph 3 exist, the Party shall provide adequate opportunity to another Party to negotiate accession to the agreement or arrangement, or to negotiate a comparable agreement or arrangement.

#### **Article 1407: New Financial Services and Data Processing**

1. Each Party shall permit a financial institution of another Party to provide any new financial service of a type similar to those services that the Party permits its own financial institutions, in like circumstances, to provide under its domestic law. A Party may determine the institutional and juridical form through which the service may be provided and may require authorization for the provision of the service. Where such authorization is

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required, a decision shall be made within a reasonable time and the authorization may only be refused for prudential reasons.

2. Each Party shall permit a financial institution of another Party to transfer information in electronic or other form, into and out of the Party's territory, for data processing where such processing is required in the ordinary course of such institution's business.

#### **Article 1408: Senior Management and Boards of Directors**

1. No Party may require financial institutions of another Party to engage individuals of any particular nationality as senior managerial or other essential personnel.

2. No Party may require that more than a simple majority of the board of directors of a financial institution of another Party be composed of nationals of the Party, persons residing in the territory of the Party, or a combination thereof.

#### **Article 1409: Reservations and Specific Commitments**

1. Articles 1403 through 1408 do not apply to:

- (a) any existing non-conforming measure that is maintained by
  - (i) a Party at the federal level, as set out in Section A of its Schedule to Annex VII,
  - (ii) a state or province, for the time set out for the Parties specified in Annex 1409.1 for that state or province, and thereafter as described by the Party in Section A of its Schedule to Annex VII in accordance with Annex 1409.1, or
  - (iii) a local government;
- (b) the continuation or prompt renewal of any non-conforming measure referred to in subparagraph (a); or
- (c) an amendment to any non-conforming measure referred to in subparagraph (a) to the extent that the amendment does not decrease the conformity of the measure, as it existed immediately before the amendment, with Articles 1403

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through 1408.

2. Articles 1403 through 1408 do not apply to any non-conforming measure that a Party adopts or maintains in accordance with Section B of its Schedule to Annex VII.
3. Section C of each Party's Schedule to Annex VII sets out certain specific commitments by that Party.
4. Where a Party has set out a reservation to Article 1102, 1103, 1202 or 1203 in its Schedule to Annex I, II, III or IV, the reservation shall be deemed to constitute a reservation to Article 1405 or 1406, as the case may be, to the extent that the measure, sector, subsector or activity set out in the reservation is covered by this Chapter.

#### **Article 1410: Exceptions**

1. Nothing in this Part shall be construed to prevent a Party from adopting or maintaining reasonable measures for prudential reasons, such as:
  - (a) the protection of investors, depositors, financial market participants, policy-holders, policy-claimants, or persons to whom a fiduciary duty is owed by a financial institution or cross-border financial service provider;
  - (b) the maintenance of the safety, soundness, integrity or financial responsibility of financial institutions or cross-border financial service providers; and
  - (c) ensuring the integrity and stability of a Party's financial system.
2. Nothing in this Part applies to non-discriminatory measures of general application taken by any public entity in pursuit of monetary and related credit policies or exchange rate policies. This paragraph shall not affect a Party's obligations under Article 1106 (Investment-Performance Requirements) with respect to measures covered by Chapter Eleven (Investment) or Article 1109 (Investments-Transfers).

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3. Article 1405 shall not apply to the granting by a Party to a financial institution of an exclusive right to provide a financial service referred to in Article 1401(3)(a).
4. Notwithstanding Article 1109(1), (2) and (3), as incorporated into this Chapter, a Party may prevent or limit transfers by a financial institution or cross-border financial services provider to, or for the benefit of, an affiliate of or person related to such institution or provider, through the equitable, non-discriminatory and good faith application of measures relating to maintenance of the safety, soundness, integrity or financial responsibility of financial institutions or cross-border financial service providers. This paragraph does not prejudice any other provision of this Agreement that permits a Party to restrict transfers.

#### **Article 1411: Transparency**

1. In lieu of Article 1802(2) (Publication), each Party shall, to the extent practicable, provide in advance to all interested persons any measure of general application that the Party proposes to adopt in order to allow an opportunity for such persons to comment upon the measure. Such measure shall be provided:
  - (a) by means of official publication;
  - (b) in other written form; or
  - (c) in such other form as permits an interested person to make informed comments on the proposed measure.
2. Each Party's regulatory authorities shall make available to interested persons their requirements for completing applications relating to the provision of financial services.
3. On the request of an applicant, the regulatory authority shall inform the applicant of the status of its application. If such authority requires additional information from the applicant, it shall notify the applicant without undue delay.
4. A regulatory authority shall make an administrative decision on a completed application of an investor in a financial institution, a financial institution or a cross-border financial service provider of another Party relating to the provision of a financial service within 120 days, and shall promptly notify the applicant of the decision. An application shall not be considered complete until all relevant hearings are held and all necessary information is received. Where it is not practicable for a decision to be made within 120 days, the regulatory authority shall notify the applicant without undue delay and shall endeavor to



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make the decision within a reasonable time thereafter.

5. Nothing in this Chapter requires a Party to furnish or allow access to:
  - (a) information related to the financial affairs and accounts of individual customers of financial institutions or cross-border financial service providers; or
  - (b) any confidential information, the disclosure of which would impede law enforcement or otherwise be contrary to the public interest or prejudice legitimate commercial interests of particular enterprises.
6. Each Party shall maintain or establish one or more inquiry points no later than 180 days after the date of entry into force of this Agreement, to respond in writing as soon as practicable, to all reasonable inquiries from interested persons regarding measures of general application covered by this Chapter.

#### **Article 1412: Financial Services Committee**

1. The Parties hereby establish the Financial Services Committee. The principal representative of each Party shall be an official of the Party's authority responsible for financial services set out in Annex 1412.1.
2. Subject to Article 2001(2)(d) (Free Trade Commission), the Committee shall:
  - (a) supervise the implementation of this Chapter and its further elaboration;
  - (b) consider issues regarding financial services that are referred to it by a Party; and
  - (c) participate in the dispute settlement procedures in accordance with Article 1415.
3. The Committee shall meet annually to assess the functioning of this Agreement as it applies to financial services. The Committee shall inform the Commission of the results of each annual meeting.

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**Article 1413: Consultations**

1. A Party may request consultations with another Party regarding any matter arising under this Agreement that affects financial services. The other Party shall give sympathetic consideration to the request. The consulting Parties shall report the results of their consultations to the Committee at its annual meeting.
2. Consultations under this Article shall include officials of the authorities specified in Annex 1412.1.
3. A Party may request that regulatory authorities of another Party participate in consultations under this Article regarding that other Party's measures of general application which may affect the operations of financial institutions or cross-border financial service providers in the requesting Party's territory.
4. Nothing in this Article shall be construed to require regulatory authorities participating in consultations under paragraph 3 to disclose information or take any action that would interfere with individual regulatory, supervisory, administrative or enforcement matters.
5. Where a Party requires information for supervisory purposes concerning a financial institution in another Party's territory or a cross-border financial service provider in another Party's territory, the Party may approach the competent regulatory authority in the other Party's territory to seek the information.
6. Annex 1413.6 shall apply to further consultations and arrangements.

**Article 1414: Dispute Settlement**

1. Section B of Chapter Twenty (Institutional Arrangements and Dispute Settlement Procedures) applies as modified by this Article to the settlement of disputes arising under this Chapter.
2. The Parties shall establish and maintain a roster of up to 15 individuals who are willing and able to serve as financial services panelists. Financial services roster members shall be appointed by consensus for terms of three years, and may be reappointed.

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3. **Financial services roster members shall:**
  - (a) **have expertise or experience in financial services law or practice, which may include the regulation of financial institutions;**
  - (b) **be chosen strictly on the basis of objectivity, reliability and sound judgment; and**
  - (c) **meet the qualifications set out in Article 2009(2)(b) and (c)(Roster).**
  
4. **Where a Party claims that a dispute arises under this Chapter, Article 2011 (Panel Selection) shall apply, except that:**
  - (a) **where the disputing Parties so agree, the panel shall be composed entirely of panelists meeting the qualifications in paragraph 3; and**
  - (b) **in any other case,**
    - (i) **each disputing Party may select panelists meeting the qualifications set out in paragraph 3 or in Article 2010(1) (Qualifications of Panelists), and**
    - (ii) **if the Party complained against invokes Article 1410, the chair of the panel shall meet the qualifications set out in paragraph 3.**
  
5. **In any dispute where a panel finds a measure to be inconsistent with the obligations of this Agreement and the measure affects:**
  - (a) **only the financial services sector, the complaining Party may suspend benefits only in the financial services sector;**
  - (b) **the financial services sector and any other sector, the complaining Party may suspend benefits in the financial services sector that have an effect equivalent to the effect of the measure in the Party's financial services sector; or**
  - (c) **only a sector other than the financial services sector, the complaining Party may not suspend benefits in the financial services sector.**

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**Article 1415: Investment Disputes in Financial Services**

1. Where an investor of another Party submits a claim under Article 1116 or 1117 to arbitration under Section B of Chapter Eleven (Investment - Settlement of Disputes between a Party and an Investor of Another Party) against a Party and the disputing Party invokes Article 1410, on request of the disputing Party, the Tribunal shall refer the matter in writing to the Committee for a decision. The Tribunal may not proceed pending receipt of a decision or report under this Article.
2. In a referral pursuant to paragraph 1, the Committee shall decide the issue of whether and to what extent Article 1410 is a valid defense to the claim of the investor. The Committee shall transmit a copy of its decision to the Tribunal and to the Commission. The decision shall be binding on the Tribunal.
3. Where the Committee has not decided the issue within 60 days of the receipt of the referral under paragraph 1, the disputing Party or the Party of the disputing investor may request the establishment of an arbitral panel under Article 2008 (Request for an Arbitral Panel). The panel shall be constituted in accordance with Article 1414. Further to Article 2017 (Final Report), the panel shall transmit its final report to the Committee and to the Tribunal. The report shall be binding on the Tribunal.
4. Where no request for the establishment of a panel pursuant to paragraph 3 has been made within 10 days of the expiration of the 60-day period referred to in paragraph 3, the Tribunal may proceed to decide the matter.

**Article 1416: Definitions**

For purposes of this Chapter:

**cross-border financial service provider of a Party** means a person of a Party that is engaged in the business of providing a financial service within the territory of the Party and that seeks to provide or provides financial services through the cross-border provision of such services;

**cross-border provision of a financial service or cross-border trade in financial services** means the provision of a financial service:

- (a) from the territory of a Party into the territory of another Party;

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- (b) in the territory of a Party by a person of that Party to a person of another Party; or
- (c) by a person of a Party in the territory of another Party;

but does not include the provision of a service in the territory of a Party by an investment, as defined in Article 1138 (Investment - Definitions), in that territory;

**financial institution** means any financial intermediary or other enterprise that is authorized to do business and regulated or supervised as a financial institution under the law of the Party in whose territory it is located;

**financial institution of another Party** means a financial institution, including a branch, located in the territory of a Party that is controlled by persons of another Party;

**financial service** means a service of a financial nature, including insurance, and a service incidental or auxiliary to a service of a financial nature;

**financial service provider of a Party** means a person of a Party that is engaged in the business of providing a financial service within the territory of that Party;

**investment** means "investment" as defined in Article 1138, except that, with respect to "loans" and "debt securities" referred to in that Article:

- (a) a loan to or debt security issued by a financial institution is an investment only where it is treated as regulatory capital by the Party in whose territory the financial institution is located; and
- (b) a loan granted by or debt security owned by a financial institution, other than a loan to or debt security of a financial institution referred to in subparagraph (a), is not an investment;

For greater certainty:

- (c) a loan to, or debt security issued by, a Party or a state enterprise thereof is not a debt security; and
- (d) a loan granted by or debt security owned by a cross-border financial service provider, other than a loan to or debt security issued by a financial institution, is an investment as defined under Article 1138;

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**investor of a Party** means a Party or state enterprise thereof, or a person of that Party, that seeks to make, makes, or has made an investment;

**new financial service** means a financial service not provided in the Party's territory that is provided within the territory of another Party, and includes any new form of delivery of a financial service or the sale of a financial product that is not sold in the Party's territory;

**person of a Party** means "person of a Party" as defined in Chapter Two (General Definitions) and, for greater certainty, does not include a branch of an enterprise of a non-Party;

**public entity** means a central bank or monetary authority of a Party, or any financial institution owned or controlled by a Party; and

**self-regulatory organization** means any non-governmental body, including any securities or futures exchange or market, clearing agency, or other organization or association, that exercises its own or delegated regulatory or supervisory authority over financial service providers or financial institutions.

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**Annex 1401.4**

**Country Specific Commitments**

For Canada and the United States, Article 1702(1) and (2) of the *Canada - United States Free Trade Agreement* is incorporated into and made a part of this Agreement.

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**Annex 1403.3**

**Review of Market Access**

The review of market access referred to in Article 1403(3) shall not include the market access limitations specified in Section B of the Schedule of Mexico to Annex VII.



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**Annex 1404.4**

**Consultations on Liberalization of Cross-Border Trade**

No later than January 1, 2000, the Parties shall consult on further liberalization of cross-border trade in financial services. In such consultations the Parties shall, with respect to insurance:

- (a) consider the possibility of allowing a wider range of insurance services to be provided on a cross-border basis in or into their respective territories; and
- (b) determine whether the limitations on cross-border insurance services specified in Section A of the Schedule of Mexico to Annex VII shall be maintained, modified or eliminated.

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**Annex 1409.1**

**Provincial and State Reservations**

1. Canada may set out any existing non-conforming measure maintained at the provincial level by the date of entry into force of this Agreement.
2. The United States may set out any existing non-conforming measures maintained by California, Florida, Illinois, New York, Ohio and Texas by the date of entry into force of this Agreement. Existing non-conforming state measures of all other states may be set out by January 1, 1995.

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**Annex 1412.1**

**Authorities Responsible for Financial Services**

The authority of each Party responsible for financial services shall be:

- (a) for Canada, the Department of Finance of Canada;
- (b) for the United Mexican States, the Secretaría de Hacienda y Crédito Público; and
- (c) for the United States, the Department of the Treasury for banking and other financial services and the Department of Commerce for insurance services.

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## Annex 1413.6

### Further Consultations and Arrangements

#### Section A - Limited Scope Financial Institutions

Three years after the date of entry into force of this Agreement, the Parties shall consult on the aggregate limit on limited scope financial institutions described in paragraph 8 of Section B of the Schedule of Mexico to Annex VII.

#### Section B - Payments System Protection

1. If the sum of the authorized capital of foreign commercial bank affiliates (as such term is defined in Section B of the Schedule of Mexico to Annex VII), measured as a percentage of the aggregate capital of all commercial banks in Mexico, reaches 25 percent, Mexico may request consultations with the other Parties on the potential adverse effects arising from the presence of commercial banks of the other Parties in the Mexican market and the possible need for remedial action, including further temporary limitations on market participation. The consultations shall be completed expeditiously.
2. In considering the potential adverse effects, the Parties shall take into account:
  - (a) the threat that the Mexican payments system may be controlled by non-Mexican persons;
  - (b) the effects foreign commercial banks established in Mexico may have on Mexico's ability to conduct monetary and exchange-rate policy effectively; and
  - (c) the adequacy of this Chapter in protecting the Mexican payments system.
3. If no consensus is reached on the matters referred to in paragraph 1, any Party may request the establishment of an arbitral panel under Article 1414 or Article 2008 (Request for an Arbitral Panel). The panel proceedings shall be conducted in accordance with the Model Rules of Procedure established under Article 2012 (Rules of Procedure). The Panel shall present its determination within 60 days after the last panelist is selected or such other period as the Parties to the proceeding may agree. Article 2018 (Implementation of Final Report) and 2019 (Non-Implementation -- Suspension of Benefits) shall not apply in such proceedings.

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## Chapter Fifteen

### Competition Policy, Monopolies and State Enterprises

#### Article 1501: Competition Law

1. Each Party shall adopt or maintain measures to proscribe anti-competitive business conduct and take appropriate action with respect thereto, recognizing that such measures will enhance the fulfillment of the objectives of this Agreement. To this end the Parties shall consult from time to time about the effectiveness of measures undertaken by each Party.
2. Each Party recognizes the importance of cooperation and coordination among their authorities to further effective competition law enforcement in the free trade area. The Parties shall cooperate on issues of competition law enforcement policy, including mutual legal assistance, notification, consultation and exchange of information relating to the enforcement of competition laws and policies in the free trade area.
3. No Party may have recourse to dispute settlement under this Agreement for any matter arising under this Article.

#### Article 1502: Monopolies and State Enterprises

1. Nothing in this Agreement shall be construed to prevent a Party from designating a monopoly.
2. Where a Party intends to designate a monopoly and the designation may affect the interests of persons of another Party, the Party shall:
  - (a) wherever possible, provide prior written notification to the other Party of the designation; and
  - (b) endeavor to introduce at the time of the designation such conditions on the operation of the monopoly as will minimize or eliminate any nullification or impairment of benefits in the sense of Annex 2004 (Nullification and Impairment).

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3. Each Party shall ensure, through regulatory control, administrative supervision or the application of other measures, that any privately-owned monopoly that it designates and any government monopoly that it maintains or designates:

- (a) acts in a manner that is not inconsistent with the Party's obligations under this Agreement wherever such a monopoly exercises any regulatory, administrative or other governmental authority that the Party has delegated to it in connection with the monopoly good or service, such as the power to grant import or export licenses, approve commercial transactions or impose quotas, fees or other charges;
- (b) except to comply with any terms of its designation that are not inconsistent with subparagraph (c) or (d), acts solely in accordance with commercial considerations in its purchase or sale of the monopoly good or service in the relevant market, including with regard to price, quality, availability, marketability, transportation and other terms and conditions of purchase or sale;
- (c) provides non-discriminatory treatment to investments of investors, to goods and to service providers of another Party in its purchase or sale of the monopoly good or service in the relevant market; and
- (d) does not use its monopoly position to engage, either directly or indirectly, including through its dealings with its parent, its subsidiary or other enterprise with common ownership, in anticompetitive practices in a non-monopolized market in its territory that adversely affect an investment of an investor of another Party, including through the discriminatory provision of the monopoly good or service, cross-subsidization or predatory conduct.

4. Paragraph 3 does not apply to procurement by governmental agencies of goods or services for governmental purposes and not with a view to commercial resale or with a view to use in the production of goods or the provision of services for commercial sale.

5. For purposes of this Article "maintain" means designate prior to the date of entry into force of this Agreement and existing on January 1, 1994.

#### **Article 1503: State Enterprises**

1. Nothing in this Agreement shall be construed to prevent a Party from maintaining or establishing a state enterprise.

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2. Each Party shall ensure, through regulatory control, administrative supervision or the application of other measures, that any state enterprise that it maintains or establishes acts in a manner that is not inconsistent with the Party's obligations under Chapters Eleven (Investment) and Fourteen (Financial Services) wherever such enterprise exercises any regulatory, administrative or other governmental authority that the Party has delegated to it, such as the power to expropriate, grant licenses, approve commercial transactions or impose quotas, fees or other charges.

3. Each Party shall ensure that any state enterprise that it maintains or establishes accords non-discriminatory treatment in the sale of its goods or services to investments in the Party's territory of investors of another Party.

#### **Article 1504: Working Group on Trade and Competition**

The Commission shall establish a Working Group on Trade and Competition, comprising representatives of each Party, to report, and to make recommendations on further work as appropriate, to the Commission within five years of the date of entry into force of this Agreement on relevant issues concerning the relationship between competition laws and policies and trade in the free trade area.

#### **Article 1505: Definitions**

For purposes of this Chapter:

**in accordance with commercial considerations** means consistent with normal business practices of privately-held enterprises in the relevant business or industry;

**designate** means to establish, designate or authorize, or to expand the scope of, a monopoly to cover an additional good or service after the date of entry into force of this Agreement;

**discriminatory provision** includes treating:

- (a) a parent, a subsidiary or other enterprise with common ownership more favorably than an unaffiliated enterprise, or
- (b) one class of enterprises more favorably than another,

in like circumstances;

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**government monopoly** means a monopoly that is owned, or controlled through ownership interests, by the federal government of a Party or by another such monopoly;

**market** means the geographic and commercial market for a good or service;

**monopoly** means an entity, including a consortium or government agency that in any relevant market in the territory of a Party is designated as the sole provider or purchaser of a good or service, but does not include an entity that has been granted an exclusive intellectual property right solely by reason of such grant;

**non-discriminatory treatment** means the better of national treatment and most-favored-nation treatment, as set out in the relevant provisions of this Agreement; and

**state enterprise** means, except as set out in Annex 1505.1, an enterprise owned, or controlled through ownership interests, by a Party.



**Annex 1505.1**

**Country-Specific Definitions of State Enterprises**

For purposes of Article 1503(3), "state enterprise":

- (a) with respect to Canada, means a Crown corporation within the meaning of the *Financial Administration Act* (Canada), a Crown corporation within the meaning of any comparable provincial law or equivalent entity that is incorporated under other applicable provincial law; and
- (b) with respect to Mexico, does not include, the *Compañía Nacional de Subsistencias Populares* (National Company for Basic Commodities) and its existing affiliates, or any successor enterprise or its affiliates, for purposes of sales of maize, beans and powdered milk.

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## **Chapter Sixteen**

### **Temporary Entry for Business Persons**

#### **Article 1601: General Principles**

Further to Article 102 (Objectives), this Chapter reflects the preferential trading relationship between the Parties, the desirability of facilitating temporary entry on a reciprocal basis and of establishing transparent criteria and procedures for temporary entry, and the need to ensure border security and to protect the domestic labor force and permanent employment in their respective territories.

#### **Article 1602: General Obligations**

1. Each Party shall apply its measures relating to the provisions of this Chapter in accordance with Article 1601 and, in particular, shall apply expeditiously those measures so as to avoid unduly impairing or delaying trade in goods or services or conduct of investment activities under this Agreement.
2. The Parties shall endeavor to develop and adopt common criteria, definitions and interpretations for the implementation of this Chapter.

#### **Article 1603: Grant of Temporary Entry**

1. Each Party shall grant temporary entry to business persons who are otherwise qualified for entry under applicable measures relating to public health and safety and national security, in accordance with this Chapter, including the provisions of Annex 1603.
2. A Party may refuse to issue an immigration document authorizing employment to a business person where the temporary entry of that person might affect adversely:
  - (a) the settlement of any labor dispute that is in progress at the place or intended place of employment; or
  - (b) the employment of any person who is involved in such dispute.

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3. When a Party refuses pursuant to paragraph 2 to issue an immigration document authorizing employment, it shall:

- (a) inform in writing the business person of the reasons for the refusal; and
- (b) promptly notify in writing the Party whose business person has been refused entry of the reasons for the refusal.

4. Each Party shall limit any fees for processing applications for temporary entry of business persons to the approximate cost of services rendered.

#### **Article 1604: Provision of Information**

1. Further to Article 1802 (Publication), each Party shall:

- (a) provide to the other Parties such materials as will enable them to become acquainted with its measures relating to this Chapter; and
- (b) no later than one year after the date of entry into force of this Agreement, prepare, publish and make available in its own territory, and in the territories of the other Parties, explanatory material in a consolidated document regarding the requirements for temporary entry under this Chapter in such a manner as will enable business persons of the other Parties to become acquainted with them.

2. Subject to Annex 1604.2, each Party shall collect and maintain, and make available to the other Parties in accordance with its domestic law, data respecting the granting of temporary entry under this Chapter to business persons of the other Parties who have been issued immigration documentation, including data specific to each occupation, profession or activity.

#### **Article 1605: Working Group**

1. The Parties hereby establish a Temporary Entry Working Group, comprising representatives of each Party, including immigration officials.

2. The Working Group shall meet at least once each year to consider:

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- (a) the implementation and administration of this Chapter;
- (b) the development of measures to further facilitate temporary entry of business persons on a reciprocal basis;
- (c) the waiving of labor certification tests or procedures of similar effect for spouses of business persons who have been granted temporary entry for more than one year under Section B, C or D of Annex 1603; and
- (d) proposed modifications of or additions to this Chapter.

#### **Article 1606: Dispute Settlement**

1. A Party may not initiate proceedings under Article 2007 (Commission - Good Offices, Conciliation and Mediation) regarding a refusal to grant temporary entry under this Chapter or a particular case arising under Article 1602(1) unless:

- (a) the matter involves a pattern of practice; and
- (b) the business person has exhausted the available administrative remedies regarding the particular matter.

2. The remedies referred to in paragraph (1)(b) shall be deemed to be exhausted if a final determination in the matter has not been issued by the competent authority within one year of the institution of an administrative proceeding, and the failure to issue a determination is not attributable to delay caused by the business person.

#### **Article 1607: Relation to Other Chapters**

Except for this Chapter, Chapters One (Objectives), Two (General Definitions), Twenty (Institutional Arrangements and Dispute Settlement Procedures) and Twenty-Two (Final Provisions) and Articles 1801 (Contacts Points), 1802 (Publication), 1803 (Notification and Provision of Information) and 1804 (Administrative Proceedings), no provision of this Agreement shall impose any obligation on a Party regarding its immigration measures.

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**Article 1608: Definitions**

For purposes of this Chapter:

**business person** means a citizen of a Party who is engaged in trade in goods, the provision of services or the conduct of investment activities;

**citizen** means "citizen" as defined in Annex 1608 for the Parties specified in that Annex;

**existing** means "existing" as defined in Annex 1608 for the Parties specified in that Annex;  
and

**temporary entry** means entry into the territory of a Party by a business person of another Party without the intent to establish permanent residence.

**Annex 1603**

**Temporary Entry for Business Persons**

**Section A - Business Visitors**

1. Each Party shall grant temporary entry to a business person seeking to engage in a business activity set out in Appendix 1603.A.1, without requiring that person to obtain an employment authorization, provided that the business person otherwise complies with existing immigration measures applicable to temporary entry, on presentation of:

- (a) proof of citizenship of a Party;
- (b) documentation demonstrating that the business person will be so engaged and describing the purpose of entry; and
- (c) evidence demonstrating that the proposed business activity is international in scope and that the business person is not seeking to enter the local labor market.

2. Each Party shall provide that a business person may satisfy the requirements of paragraph 1(c) by demonstrating that:

- (a) the primary source of remuneration for the proposed business activity is outside the territory of the Party granting temporary entry; and
- (b) the business person's principal place of business and the actual place of accrual of profits, at least predominantly, remain outside such territory.

A Party shall normally accept an oral declaration as to the principal place of business and the actual place of accrual of profits. Where the Party requires further proof, it shall normally consider a letter from the employer attesting to these matters as sufficient proof.

3. Each Party shall grant temporary entry to a business person seeking to engage in a business activity other than those set out in Appendix 1603.A.1, without requiring that person to obtain an employment authorization, on a basis no less favorable than that provided under the existing provisions of the measure set out in Appendix 1603.A.3, provided that the business person otherwise complies with existing immigration measures applicable to temporary entry.

4. No Party may:

- (a) as a condition for temporary entry under paragraph 1 or 3, require prior approval procedures, petitions, labor certification tests or other procedures of similar effect; or
- (b) impose or maintain any numerical restriction relating to temporary entry under paragraph 1 or 3.

5. Notwithstanding paragraph 4, a Party may require a business person seeking temporary entry under this Section to obtain a visa or its equivalent prior to entry. Before imposing a visa requirement, the Party shall consult with a Party whose business persons would be affected with a view to avoiding the imposition of the requirement. With respect to an existing visa requirement, a Party shall, on request, consult with a Party whose business persons are subject to the requirement with a view to its removal.

**Section B - Traders and Investors**

1. Each Party shall grant temporary entry and provide confirming documentation to a business person seeking to:

- (a) carry on substantial trade in goods or services principally between the territory of the Party of which the business person is a citizen and the territory of the Party into which entry is sought; or
- (b) establish, develop, administer or provide advice or key technical services to the operation of an investment to which the business person or the business person's enterprise has committed, or is in the process of committing, a substantial amount of capital, in a capacity that is supervisory, executive or involves essential skills,

provided that the business person otherwise complies with existing immigration measures applicable to temporary entry.

2. No Party may:

- (a) as a condition for temporary entry under paragraph 1, require labor certification tests or other procedures of similar effect; or

- (b) impose or maintain any numerical restriction relating to temporary entry under paragraph 1.

3. Notwithstanding paragraph 2, a Party may require a business person seeking temporary entry under this Section to obtain a visa or its equivalent prior to entry.

### **Section C - Intra-Company Transferees**

1. Each Party shall grant temporary entry and provide confirming documentation to a business person employed by an enterprise who seeks to render services to that enterprise or a subsidiary or affiliate thereof, in a capacity that is managerial, executive or involves specialized knowledge, provided that the business person otherwise complies with existing immigration measures applicable to temporary entry. A Party may require the business person to have been employed continuously by the enterprise for one year within the three-year period immediately preceding the date of the application for admission.

2. No Party may:

- (a) as a condition for temporary entry under paragraph 1, require labor certification tests or other procedures of similar effect; or
- (b) impose or maintain any numerical restriction relating to temporary entry under paragraph 1.

3. Notwithstanding paragraph 2, a Party may require a business person seeking temporary entry under this Section to obtain a visa or its equivalent prior to entry. Before imposing a visa requirement, the Party shall consult with a Party whose business persons would be affected with a view to avoiding the imposition of the requirement. With respect to an existing visa requirement, a Party shall consult, on request, with a Party whose business persons are subject to the requirement with a view to its removal.

### **Section D - Professionals**

1. Each Party shall grant temporary entry and provide confirming documentation to a business person seeking to engage in a business activity at a professional level in a profession set out in Appendix 1603.D.1, if the business person otherwise complies with existing immigration measures applicable to temporary entry, on presentation of:



- (a) proof of citizenship of a Party; and
- (b) documentation demonstrating that the business person will be so engaged and describing the purpose of entry.

2. No Party may:

- (a) as a condition for temporary entry under paragraph 1, require prior approval procedures, petitions, labor certification tests or other procedures of similar effect; or
- (b) impose or maintain any numerical restriction relating to temporary entry under paragraph 1.

3. Notwithstanding paragraph 2, a Party may require a business person seeking temporary entry under this Section to obtain a visa or its equivalent prior to entry. Before imposing a visa requirement, the Party shall consult with a Party whose business persons would be affected with a view to avoiding the imposition of the requirement. With respect to an existing visa requirement, a Party shall consult, on request, with a Party whose business persons are subject to the requirement with a view to its removal.

4. Notwithstanding paragraphs 1 and 2, a Party may establish an annual numerical limit, which shall be set out in Appendix 1603.D.4, regarding temporary entry of business persons of another Party seeking to engage in business activities at a professional level in a profession set out in Appendix 1603.D.1, if the Parties concerned have not agreed otherwise prior to the date of entry into force of this Agreement for those Parties. In establishing such a limit, the Party shall consult with the other Party concerned.

5. A Party establishing a numerical limit pursuant to paragraph 4, unless the Parties concerned agree otherwise:

- (a) shall, for each year after the first year after the date of entry into force of this Agreement, consider increasing the numerical limit set out in Appendix 1603.D.4 by an amount to be established in consultation with the other Party concerned, taking into account the demand for temporary entry under this Section;
- (b) shall not apply its procedures established pursuant to paragraph 1 to the temporary entry of a business person subject to the numerical limit, but may

require the business person to comply with its other procedures applicable to the temporary entry of professionals; and

- (c) may, in consultation with the other Party concerned, grant temporary entry under paragraph 1 to a business person who practices in a profession where accreditation, licensing, and certification requirements are mutually recognized by those Parties.

6. Nothing in paragraph 4 or 5 shall be construed to limit the ability of a business person to seek temporary entry under a Party's applicable immigration measures relating to the entry of professionals other than those adopted or maintained pursuant to paragraph 1.

7. Three years after a Party establishes a numerical limit pursuant to paragraph 4, it shall consult with the other Party concerned with a view to determining a date after which the limit shall cease to apply.

**Appendix 1603.A.1**

**Business Visitors**

**Research and Design**

- Technical, scientific and statistical researchers conducting independent research or research for an enterprise located in the territory of another Party.

**Growth, Manufacture and Production**

- Harvester owner supervising a harvesting crew admitted under applicable law.
- Purchasing and production management personnel conducting commercial transactions for an enterprise located in the territory of another Party.

**Marketing**

- Market researchers and analysts conducting independent research or analysis or research or analysis for an enterprise located in the territory of another Party.
- Trade fair and promotional personnel attending a trade convention.

**Sales**

- Sales representatives and agents taking orders or negotiating contracts for goods or services for an enterprise located in the territory of another Party but not delivering goods or providing services.
- Buyers purchasing for an enterprise located in the territory of another Party.

**Distribution**

- Transportation operators transporting goods or passengers to the territory of a Party from the territory of another Party or loading and transporting goods or passengers from the territory of a Party to the territory of another Party, with no loading and

unloading in the territory of the Party into which entry is sought of goods located in or passengers boarding in that territory.

- With respect to temporary entry into the territory of the United States, Canadian customs brokers performing brokerage duties relating to the export of goods from the territory of the United States to or through the territory of Canada.
- With respect to temporary entry into the territory of Canada, United States customs brokers performing brokerage duties relating to the export of goods from the territory of Canada to or through the territory of the United States.
- Customs brokers providing consulting services regarding the facilitation of the import or export of goods.

#### **After-Sales Service**

- Installers, repair and maintenance personnel, and supervisors, possessing specialized knowledge essential to a seller's contractual obligation, performing services or training workers to perform services, pursuant to a warranty or other service contract incidental to the sale of commercial or industrial equipment or machinery, including computer software, purchased from an enterprise located outside the territory of the Party into which temporary entry is sought, during the life of the warranty or service agreement.

#### **General Service**

- Professionals engaging in a business activity at a professional level in a profession set out in Appendix 1603.D.1.
- Management and supervisory personnel engaging in a commercial transaction for an enterprise located in the territory of another Party.
- Financial services personnel (insurers, bankers or investment brokers) engaging in commercial transactions for an enterprise located in the territory of another Party.
- Public relations and advertising personnel consulting with business associates, or attending or participating in conventions.

- Tourism personnel (tour and travel agents, tour guides or tour operators) attending or participating in conventions or conducting a tour that has begun in the territory of another Party.
- Tour bus operators entering the territory of a Party:
  - (a) with a group of passengers on a bus tour that has begun in, and will return to, the territory of another Party;
  - (b) to meet a group of passengers on a bus tour that will end, and the predominant portion of which will take place, in the territory of another Party; or
  - (c) with a group of passengers on a bus tour to be unloaded in the territory of the Party into which temporary entry is sought, and returning with no passengers or reloading with the group for transportation to the territory of another Party.
- Translators or interpreters performing services as employees of an enterprise located in the territory of another Party.

### **Definitions**

For purposes of this Appendix:

**territory of another Party** means the territory of a Party other than the territory of the Party into which temporary entry is sought;

**tour bus operator** means a natural person, including relief personnel accompanying or following to join, necessary for the operation of a tour bus for the duration of a trip; and

**transportation operator** means a natural person, other than a tour bus operator, including relief personnel accompanying or following to join, necessary for the operation of a vehicle for the duration of a trip.

**Appendix 1603.A.3**

**Existing Immigration Measures**

1. In the case of Canada, the *Immigration Act*, R.S.C. 1985 c. I-2, as amended, and subsection 19(1) of the *Immigration Regulations, 1978*, SOR/78-172, as amended.
2. In the case of the United States, section 101(a)(15)(B) of the *Immigration and Nationality Act, 1952*, as amended.
3. In the case of Mexico, Chapter III of the *Ley General de Poblacion, 1974*, as amended.

**Appendix 1603.D.1**

**Professionals**

<b>PROFESSION<sup>1</sup></b>	<b>MINIMUM EDUCATION REQUIREMENTS AND ALTERNATIVE CREDENTIALS</b>
<b>General</b>	
Accountant	Baccalaureate or Licenciatura Degree; or C.P.A., C.A., C.G.A. or C.M.A.
Architect	Baccalaureate or Licenciatura Degree; or state/provincial license <sup>2</sup>
Computer Systems Analyst	Baccalaureate or Licenciatura Degree; or Post-Secondary Diploma <sup>3</sup> or Post-Secondary Certificate <sup>4</sup> , and three years experience
Disaster Relief Insurance Claims Adjuster (claims adjuster employed by an insurance company located in the territory of a Party, or an independent claims adjuster)	Baccalaureate or Licenciatura Degree, and successful completion of training in the appropriate areas of insurance adjustment pertaining to disaster relief claims; or three years experience in claims adjustment and successful completion of training in the appropriate areas of insurance adjustment pertaining to disaster relief claims
Economist	Baccalaureate or Licenciatura Degree
Engineer	Baccalaureate or Licenciatura Degree; or state/provincial license

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<sup>1</sup> A business person seeking temporary entry under this Appendix may also perform training functions relating to the profession, including conducting seminars.

<sup>2</sup> "State/provincial licence" and "state/provincial/federal licence" mean any document issued by a state, provincial or federal government, as the case may be, or under its authority, but not by a local government, that permits a person to engage in a regulated activity or profession.

<sup>3</sup> "Post-Secondary Diploma" means a credential issued, on completion of two or more years of post-secondary education, by an accredited academic institution in Canada or the United States.

<sup>4</sup> "Post-Secondary Certificate" means a certificate issued, on completion of two or more years of post-secondary education at an academic institution, by the federal government of Mexico or a state government in Mexico, an academic institution recognized by the federal government or a state government, or an academic institution created by federal or state law.

<b>Forester</b>	Baccalaureate or Licenciatura Degree; or state/provincial license
<b>Graphic Designer</b>	Baccalaureate or Licenciatura Degree; or Post-Secondary Diploma or Post-Secondary Certificate, and three years experience
<b>Hotel Manager</b>	Baccalaureate or Licenciatura Degree in hotel/restaurant management; or Post-Secondary Diploma or Post-Secondary Certificate in hotel/restaurant management, and three years experience in hotel/restaurant management
<b>Industrial Designer</b>	Baccalaureate or Licenciatura Degree; or Post-Secondary Diploma or Post-Secondary Certificate, and three years experience
<b>Interior Designer</b>	Baccalaureate or Licenciatura Degree; or Post-Secondary Diploma or Post-Secondary Certificate, and three years experience
<b>Land Surveyor</b>	Baccalaureate or Licenciatura Degree; or state/provincial/federal license
<b>Landscape Architect</b>	Baccalaureate or Licenciatura Degree
<b>Lawyer (including Notary in the Province of Quebec)</b>	LL.B., J.D., LL.L., B.C.L. or Licenciatura Degree (five years); or membership in a state/provincial bar
<b>Librarian</b>	M.L.S. or B.L.S. (for which another Baccalaureate or Licenciatura Degree was a prerequisite)
<b>Management Consultant</b>	Baccalaureate or Licenciatura Degree; or equivalent professional experience as established by statement, or professional credential, attesting to five years experience as a management consultant, or five years experience in a field of specialty related to the consulting agreement
<b>Mathematician (including Statistician)</b>	Baccalaureate or Licenciatura Degree
<b>Range Manager/ Range Conservationalist</b>	Baccalaureate or Licenciatura Degree
<b>Research Assistant (working in a post-secondary educational institution)</b>	Baccalaureate or Licenciatura Degree



Scientific Technician/Technologist <sup>1</sup>	Possession of (a) theoretical knowledge of any of the following disciplines: agricultural sciences, astronomy, biology, chemistry, engineering, forestry, geology, geophysics, meteorology or physics; and (b) the ability to solve practical problems in any of those disciplines, or the ability to apply principles of any of those disciplines to basic or applied research
Social Worker	Baccalaureate or Licenciatura Degree
Sylviculturist (including Forestry Specialist)	Baccalaureate or Licenciatura Degree
Technical Publications Writer	Baccalaureate or Licenciatura Degree; or Post-Secondary Diploma or Post-Secondary Certificate, and three years experience
Urban Planner (including Geographer)	Baccalaureate or Licenciatura Degree
Vocational Counsellor	Baccalaureate or Licenciatura Degree
<b>Medical/Allied Professional</b>	
Dentist	D.D.S., D.M.D., Doctor en Odontologia or Doctor en Cirugia Dental; or state/provincial license
Dietitian	Baccalaureate or Licenciatura Degree; or state/provincial license
Medical Laboratory Technologist (Canada)/Medical Technologist (Mexico and the United States) <sup>2</sup>	Baccalaureate or Licenciatura Degree; or Post-Secondary Diploma or Post-Secondary Certificate, and three years experience
Nutritionist	Baccalaureate or Licenciatura Degree
Occupational Therapist	Baccalaureate or Licenciatura Degree; or state/provincial license
Pharmacist	Baccalaureate or Licenciatura Degree; or state/provincial license

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<sup>1</sup> A business person in this category must be seeking temporary entry to work in direct support of professionals in agricultural sciences, astronomy, biology, chemistry, engineering, forestry, geology, geophysics, meteorology or physics.

<sup>2</sup> A business person in this category must be seeking temporary entry to perform in a laboratory chemical, biological, hematological, immunologic, microscopic or bacteriological tests and analyses for diagnosis, treatment or prevention of disease.

Physician (teaching or research only)	M.D. or Doctor en Medicina; or state/provincial license
Physiotherapist/Physical Therapist	Baccalaureate or Licenciatura Degree; or state/provincial license
Psychologist	State/provincial license; or Licenciatura Degree
Recreational Therapist	Baccalaureate or Licenciatura Degree
Registered Nurse	State/provincial license; or Licenciatura Degree
Veterinarian	D.V.M., D.M.V. or Doctor en Veterinaria; or state/provincial license
<b>Scientist</b>	
Agriculturist (including Agronomist)	Baccalaureate or Licenciatura Degree
Animal Breeder	Baccalaureate or Licenciatura Degree
Animal Scientist	Baccalaureate or Licenciatura Degree
Apiculturist	Baccalaureate or Licenciatura Degree
Astronomer	Baccalaureate or Licenciatura Degree
Biochemist	Baccalaureate or Licenciatura Degree
Biologist	Baccalaureate or Licenciatura Degree
Chemist	Baccalaureate or Licenciatura Degree
Dairy Scientist	Baccalaureate or Licenciatura Degree
Entomologist	Baccalaureate or Licenciatura Degree
Epidemiologist	Baccalaureate or Licenciatura Degree
Geneticist	Baccalaureate or Licenciatura Degree
Geologist	Baccalaureate or Licenciatura Degree
Geochemist	Baccalaureate or Licenciatura Degree
Geophysicist (including Oceanographer in Mexico and the United States)	Baccalaureate or Licenciatura Degree
Horticulturist	Baccalaureate or Licenciatura Degree
Meteorologist	Baccalaureate or Licenciatura Degree

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Pharmacologist	Baccalaureate or Licenciatura Degree
Physicist (including Oceanographer in Canada)	Baccalaureate or Licenciatura Degree
Plant Breeder	Baccalaureate or Licenciatura Degree
Poultry Scientist	Baccalaureate or Licenciatura Degree
Soil Scientist	Baccalaureate or Licenciatura Degree
Zoologist	Baccalaureate or Licenciatura Degree
<b>Teacher</b>	
College	Baccalaureate or Licenciatura Degree
Seminary	Baccalaureate or Licenciatura Degree
University	Baccalaureate or Licenciatura Degree

**Appendix 1603.D.4**

**United States**

1. Beginning on the date of entry into force of this Agreement as between the United States and Mexico, the United States shall annually approve as many as 5,500 initial petitions of business persons of Mexico seeking temporary entry under Section D of Annex 1603 to engage in a business activity at a professional level in a profession set out in Appendix 1603.D.1.
2. For purposes of paragraph 1, the United States shall not take into account:
  - (a) the renewal of a period of temporary entry;
  - (b) the entry of a spouse or children accompanying or following to join the principal business person;
  - (c) an admission under section 101(a)(15)(H)(i)(b) of the *Immigration and Nationality Act*, 1952, as may be amended, including the worldwide numerical limit established by section 214(g)(1)(A) of that Act; or
  - (d) an admission under any other provision of section 101(a)(15) of that Act relating to the entry of professionals.
3. Paragraphs 4 and 5 of Section D of Annex 1603 shall apply as between the United States and Mexico for no longer than:
  - (a) the period that such paragraphs or similar provisions may apply as between the United States and any other Party or non-Party; or
  - (b) 10 years after the date of entry into force of this Agreement as between such Parties,

whichever period is shorter.

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*Annex 1604.2*

**Annex 1604.2**

**Provision of Information**

The obligations under Article 1604(2) shall take effect with respect to Mexico one year after the date of entry into force of this Agreement.

**Annex 1608**

**Country - Specific Definitions**

For purposes of this Chapter:

**citizen** means, with respect to Mexico, a national or a citizen according to the existing provisions of Articles 30 and 34, respectively, of the Mexican Constitution; and

**existing** means, as between:

- (a) Canada and Mexico, and Mexico and the United States, in effect on the date of entry into force of this Agreement; and
- (b) Canada and the United States, in effect on January 1, 1989.

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**PART SIX  
INTELLECTUAL PROPERTY**

**Chapter Seventeen**

**Intellectual Property**

**Article 1701: Nature and Scope of Obligations**

1. Each Party shall provide in its territory to the nationals of another Party adequate and effective protection and enforcement of intellectual property rights, while ensuring that measures to enforce intellectual property rights do not themselves become barriers to legitimate trade.

2. To provide adequate and effective protection and enforcement of intellectual property rights, each Party shall, at a minimum, give effect to this Chapter and to the substantive provisions of:

- (a) the *Geneva Convention for the Protection of Producers of Phonograms Against Unauthorized Duplication of their Phonograms*, 1971 (Geneva Convention);
- (b) the *Berne Convention for the Protection of Literary and Artistic Works*, 1971 (Berne Convention);
- (c) the *Paris Convention for the Protection of Industrial Property*, 1967 (Paris Convention); and
- (d) the *International Convention for the Protection of New Varieties of Plants*, 1978 (UPOV Convention), or the *International Convention for the Protection of New Varieties of Plants*, 1991 (UPOV Convention).

If a Party has not acceded to the specified text of any such Conventions on or before the date of entry into force of this Agreement, it shall make every effort to accede.

3. Annex 1701.3 applies to the Parties specified in that Annex.

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### **Article 1702: More Extensive Protection**

A Party may implement in its domestic law more extensive protection of intellectual property rights than is required under this Agreement, provided that such protection is not inconsistent with this Agreement.

### **Article 1703: National Treatment**

1. Each Party shall accord to nationals of another Party treatment no less favorable than that it accords to its own nationals with regard to the protection and enforcement of all intellectual property rights. In respect of sound recordings, each Party shall provide such treatment to producers and performers of another Party, except that a Party may limit rights of performers of another Party in respect of secondary uses of sound recordings to those rights its nationals are accorded in the territory of such other Party.

2. No Party may, as a condition of according national treatment under this Article, require right holders to comply with any formalities or conditions in order to acquire rights in respect of copyright and related rights.

3. A Party may derogate from paragraph 1 in relation to its judicial and administrative procedures for the protection or enforcement of intellectual property rights, including any procedure requiring a national of another Party to designate for service of process an address in the Party's territory or to appoint an agent in the Party's territory, if the derogation is consistent with the relevant Convention listed in Article 1701(2), provided that such derogation:

- (a) is necessary to secure compliance with measures that are not inconsistent with this Chapter; and
- (b) is not applied in a manner that would constitute a disguised restriction on trade.

4. No Party shall have any obligation under this Article with respect to procedures provided in multilateral agreements concluded under the auspices of the World Intellectual Property Organization relating to the acquisition or maintenance of intellectual property rights.



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#### **Article 1704: Control of Abusive or Anticompetitive Practices or Conditions**

Nothing in this Chapter shall prevent a Party from specifying in its domestic law licensing practices or conditions that may in particular cases constitute an abuse of intellectual property rights having an adverse effect on competition in the relevant market. A Party may adopt or maintain, consistent with the other provisions of this Agreement, appropriate measures to prevent or control such practices or conditions.

#### **Article 1705: Copyright**

1. Each Party shall protect the works covered by Article 2 of the Berne Convention, including any other works that embody original expression within the meaning of that Convention. In particular:

- (a) all types of computer programs are literary works within the meaning of the Berne Convention and each Party shall protect them as such; and
- (b) compilations of data or other material, whether in machine readable or other form, which by reason of the selection or arrangement of their contents constitute intellectual creations, shall be protected as such.

The protection a Party provides under subparagraph (b) shall not extend to the data or material itself, or prejudice any copyright subsisting in that data or material.

2. Each Party shall provide to authors and their successors in interest those rights enumerated in the Berne Convention in respect of works covered by paragraph 1, including the right to authorize or prohibit:

- (a) the importation into the Party's territory of copies of the work made without the right holder's authorization;
- (b) the first public distribution of the original and each copy of the work by sale, rental or otherwise;
- (c) the communication of a work to the public; and
- (d) the commercial rental of the original or a copy of a computer program.

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Subparagraph (d) shall not apply where the copy of the computer program is not itself an essential object of the rental. Each Party shall provide that putting the original or a copy of a computer program on the market with the right holder's consent shall not exhaust the rental right.

3. Each Party shall provide that for copyright and related rights:

(a) any person acquiring or holding economic rights may freely and separately transfer such rights by contract for purposes of their exploitation and enjoyment by the transferee; and

(b) any person acquiring or holding such economic rights by virtue of a contract, including contracts of employment underlying the creation of works and sound recordings, shall be able to exercise those rights in its own name and enjoy fully the benefits derived from those rights.

4. Each Party shall provide that, where the term of protection of a work, other than a photographic work or a work of applied art, is to be calculated on a basis other than the life of a natural person, the term shall be not less than 50 years from the end of the calendar year of the first authorized publication of the work or, failing such authorized publication within 50 years from the making of the work, 50 years from the end of the calendar year of making.

5. Each Party shall confine limitations or exceptions to the rights provided for in this Article to certain special cases that do not conflict with a normal exploitation of the work and do not unreasonably prejudice the legitimate interests of the right holder.

6. No Party may grant translation and reproduction licenses permitted under the Appendix to the Berne Convention where legitimate needs in that Party's territory for copies or translations of the work could be met by the right holder's voluntary actions but for obstacles created by the Party's measures.

7. Annex 1705.7 applies to the Parties specified in that Annex.

#### **Article 1706: Sound Recordings**

1. Each Party shall provide to the producer of a sound recording the right to authorize or prohibit:

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- (a) the direct or indirect reproduction of the sound recording;
- (b) the importation into the Party's territory of copies of the sound recording made without the producer's authorization;
- (c) the first public distribution of the original and each copy of the sound recording by sale, rental or otherwise; and
- (d) the commercial rental of the original or a copy of the sound recording, except where expressly otherwise provided in a contract between the producer of the sound recording and the authors of the works fixed therein.

Each Party shall provide that putting the original or a copy of a sound recording on the market with the right holder's consent shall not exhaust the rental right.

2. Each Party shall provide a term of protection for sound recordings of at least 50 years from the end of the calendar year in which the fixation was made.

3. Each Party shall confine limitations or exceptions to the rights provided for in this Article to certain special cases that do not conflict with a normal exploitation of the sound recording and do not unreasonably prejudice the legitimate interests of the right holder.

#### **Article 1707: Protection of Encrypted Program-Carrying Satellite Signals**

Within one year from the date of entry into force of this Agreement, each Party shall make it:

- (a) a criminal offense to manufacture, import, sell, lease or otherwise make available a device or system that is primarily of assistance in decoding an encrypted program-carrying satellite signal without the authorization of the lawful distributor of such signal; and
- (b) a civil offense to receive, in connection with commercial activities, or further distribute, an encrypted program-carrying satellite signal that has been decoded without the authorization of the lawful distributor of the signal or to engage in any activity prohibited under subparagraph (a).

Each Party shall provide that any civil offense established under subparagraph (b) shall be actionable by any person that holds an interest in the content of such signal.

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#### **Article 1708: Trademarks**

1. For purposes of this Agreement, a trademark consists of any sign, or any combination of signs, capable of distinguishing the goods or services of one person from those of another, including personal names, designs, letters, numerals, colors, figurative elements, or the shape of goods or of their packaging. Trademarks shall include service marks and collective marks, and may include certification marks. A Party may require, as a condition for registration that a sign be visually perceptible.

2. Each Party shall provide to the owner of a registered trademark the right to prevent all persons not having the owner's consent from using in commerce identical or similar signs for goods or services that are identical or similar to those goods or services in respect of which the owner's trademark is registered, where such use would result in a likelihood of confusion. In the case of the use of an identical sign for identical goods or services, a likelihood of confusion shall be presumed. The rights described above shall not prejudice any prior rights, nor shall they affect the possibility of a Party making rights available on the basis of use.

3. A Party may make registrability depend on use. However, actual use of a trademark shall not be a condition for filing an application for registration. No Party may refuse an application solely on the ground that intended use has not taken place before the expiry of a period of three years from the date of application for registration.

4. Each Party shall provide a system for the registration of trademarks, which shall include:

- (a) examination of applications;
- (b) notice to be given to an applicant of the reasons for the refusal to register a trademark;
- (c) a reasonable opportunity for the applicant to respond to the notice;
- (d) publication of each trademark either before or promptly after it is registered; and
- (e) a reasonable opportunity for interested persons to petition to cancel the registration of a trademark.

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A Party may provide for a reasonable opportunity for interested persons to oppose the registration of a trademark.

5. The nature of the goods or services to which a trademark is to be applied shall in no case form an obstacle to the registration of the trademark.

6. Article 6<sup>bis</sup> of the Paris Convention shall apply, with such modifications as may be necessary, to services. In determining whether a trademark is well-known, account shall be taken of the knowledge of the trademark in the relevant sector of the public, including knowledge in the Party's territory obtained as a result of the promotion of the trademark. No Party may require that the reputation of the trademark extend beyond the sector of the public that normally deals with the relevant goods or services.

7. Each Party shall provide that the initial registration of a trademark be for a term of at least 10 years and that the registration be indefinitely renewable for terms of not less than 10 years when conditions for renewal have been met.

8. Each Party shall require the use of a trademark to maintain a registration. The registration may be canceled for the reason of non-use only after an uninterrupted period of at least two years of non-use, unless valid reasons based on the existence of obstacles to such use are shown by the trademark owner. Each Party shall recognize, as valid reasons for non-use, circumstances arising independently of the will of the trademark owner that constitute an obstacle to the use of the trademark, such as import restrictions on, or other government requirements for, goods or services identified by the trademark.

9. Each Party shall recognize use of a trademark by a person other than the trademark owner, where such use is subject to the owner's control, as use of the trademark for purposes of maintaining the registration.

10. No Party may encumber the use of a trademark in commerce by special requirements, such as a use that reduces the trademark's function as an indication of source or a use with another trademark.

11. A Party may determine conditions on the licensing and assignment of trademarks, it being understood that the compulsory licensing of trademarks shall not be permitted and that the owner of a registered trademark shall have the right to assign its trademark with or without the transfer of the business to which the trademark belongs.

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12. A Party may provide limited exceptions to the rights conferred by a trademark, such as fair use of descriptive terms, provided that such exceptions take into account the legitimate interests of the trademark owner and of other persons.

13. Each Party shall prohibit the registration as a trademark of words, at least in English, French or Spanish, that generically designate goods or services or types of goods or services to which the trademark applies.

14. Each Party shall refuse to register trademarks that consist of or comprise immoral, deceptive or scandalous matter, or matter that may disparage or falsely suggest a connection with persons, living or dead, institutions, beliefs or any Party's national symbols, or bring them into contempt or disrepute.

#### **Article 1709: Patents**

1. Subject to paragraphs 2 and 3, each Party shall make patents available for any inventions, whether products or processes, in all fields of technology, provided that such inventions are new, result from an inventive step and are capable of industrial application. For purposes of this Article, a Party may deem the terms "inventive step" and "capable of industrial application" to be synonymous with the terms "non-obvious" and "useful", respectively.

2. A Party may exclude from patentability inventions if preventing in its territory the commercial exploitation of the inventions is necessary to protect ordre public or morality, including to protect human, animal or plant life or health or to avoid serious prejudice to nature or the environment, provided that the exclusion is not based solely on the ground that the Party prohibits commercial exploitation in its territory of the subject matter of the patent.

3. A Party may also exclude from patentability:

- (a) diagnostic, therapeutic and surgical methods for the treatment of humans or animals;
- (b) plants and animals other than microorganisms; and
- (c) essentially biological processes for the production of plants or animals, other than non-biological and microbiological processes for such production.

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Notwithstanding subparagraph (b), each Party shall provide for the protection of plant varieties through patents, an effective scheme of sui generis protection, or both.

4. If a Party has not made available product patent protection for pharmaceutical or agricultural chemicals commensurate with paragraph 1:

- (a) as of January 1, 1992, for subject matter that relates to naturally occurring substances prepared or produced by, or significantly derived from, microbiological processes and intended for food or medicine, and
- (b) as of July 1, 1991, for any other subject matter,

that Party shall provide to the inventor of any such product or its assignee the means to obtain product patent protection for such product for the unexpired term of the patent for such product granted in another Party, as long as the product has not been marketed in the Party providing protection under this paragraph and the person seeking such protection makes a timely request.

5. Each Party shall provide that:

- (a) where the subject matter of a patent is a product, the patent shall confer on the patent owner the right to prevent other persons from making, using or selling the subject matter of the patent, without the patent owner's consent; and
- (b) where the subject matter of a patent is a process, the patent shall confer on the patent owner the right to prevent other persons from using that process and from using, selling, or importing at least the product obtained directly by that process, without the patent owner's consent.

6. A Party may provide limited exceptions to the exclusive rights conferred by a patent, provided that such exceptions do not unreasonably conflict with a normal exploitation of the patent and do not unreasonably prejudice the legitimate interests of the patent owner, taking into account the legitimate interests of other persons.

7. Subject to paragraphs 2 and 3, patents shall be available and patent rights enjoyable without discrimination as to the field of technology, the territory of the Party where the invention was made and whether products are imported or locally produced.

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8. A Party may revoke a patent only when:

- (a) grounds exist that would have justified a refusal to grant the patent; or
- (b) the grant of a compulsory license has not remedied the lack of exploitation of the patent.

9. Each Party shall permit patent owners to assign and transfer by succession their patents, and to conclude licensing contracts.

10. Where the law of a Party allows for use of the subject matter of a patent, other than that use allowed under paragraph 6, without the authorization of the right holder, including use by the government or other persons authorized by the government, the Party shall respect the following provisions:

- (a) authorization of such use shall be considered on its individual merits;
- (b) such use may only be permitted if, prior to such use, the proposed user has made efforts to obtain authorization from the right holder on reasonable commercial terms and conditions and such efforts have not been successful within a reasonable period of time. The requirement to make such efforts may be waived by a Party in the case of a national emergency or other circumstances of extreme urgency or in cases of public non-commercial use. In situations of national emergency or other circumstances of extreme urgency, the right holder shall, nevertheless, be notified as soon as reasonably practicable. In the case of public non-commercial use, where the government or contractor, without making a patent search, knows or has demonstrable grounds to know that a valid patent is or will be used by or for the government, the right holder shall be informed promptly;
- (c) the scope and duration of such use shall be limited to the purpose for which it was authorized;
- (d) such use shall be non-exclusive;
- (e) such use shall be non-assignable, except with that part of the enterprise or goodwill that enjoys such use;
- (f) any such use shall be authorized predominantly for the supply of the Party's domestic market;



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- (g) authorization for such use shall be liable, subject to adequate protection of the legitimate interests of the persons so authorized, to be terminated if and when the circumstances that led to it cease to exist and are unlikely to recur. The competent authority shall have the authority to review, on motivated request, the continued existence of these circumstances;
- (h) the right holder shall be paid adequate remuneration in the circumstances of each case, taking into account the economic value of the authorization;
- (i) the legal validity of any decision relating to the authorization shall be subject to judicial or other independent review by a distinct higher authority;
- (j) any decision relating to the remuneration provided in respect of such use shall be subject to judicial or other independent review by a distinct higher authority;
- (k) the Party shall not be obliged to apply the conditions set out in subparagraphs (b) and (f) where such use is permitted to remedy a practice determined after judicial or administrative process to be anticompetitive. The need to correct anticompetitive practices may be taken into account in determining the amount of remuneration in such cases. Competent authorities shall have the authority to refuse termination of authorization if and when the conditions that led to such authorization are likely to recur;
- (l) the Party shall not authorize the use of the subject matter of a patent to permit the exploitation of another patent except as a remedy for an adjudicated violation of domestic laws regarding anticompetitive practices.

11. Where the subject matter of a patent is a process for obtaining a product, each Party shall, in any infringement proceeding, place on the defendant the burden of establishing that the allegedly infringing product was made by a process other than the patented process in one of the following situations:

- (a) the product obtained by the patented process is new; or
- (b) a substantial likelihood exists that the allegedly infringing product was made by the process and the patent owner has been unable through reasonable efforts to determine the process actually used.

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In the gathering and evaluation of evidence, the legitimate interests of the defendant in protecting its trade secrets shall be taken into account.

12. Each Party shall provide a term of protection for patents of at least 20 years from the date of filing or 17 years from the date of grant. A Party may extend the term of patent protection, in appropriate cases, to compensate for delays caused by regulatory approval processes.

#### **Article 1710: Layout Designs of Semiconductor Integrated Circuits**

1. Each Party shall protect layout designs (topographies) of integrated circuits ("layout designs") in accordance with Articles 2 through 7, 12 and 16(3), other than Article 6(3), of the *Treaty on Intellectual Property in Respect of Integrated Circuits* as opened for signature on May 26, 1989.

2. Subject to paragraph 3, each Party shall make it unlawful for any person without the right holder's authorization to import, sell or otherwise distribute for commercial purposes any of the following:

- (a) a protected layout design;
- (b) an integrated circuit in which a protected layout design is incorporated; or
- (c) an article incorporating such an integrated circuit, only insofar as it continues to contain an unlawfully reproduced layout design.

3. No Party may make unlawful any of the acts referred to in paragraph 2 performed in respect of an integrated circuit that incorporates an unlawfully reproduced layout design, or any article that incorporates such an integrated circuit, where the person performing those acts or ordering those acts to be done did not know and had no reasonable ground to know, when it acquired the integrated circuit or article incorporating such an integrated circuit, that it incorporated an unlawfully reproduced layout design.

4. Each Party shall provide that, after the person referred to in paragraph 3 has received sufficient notice that the layout design was unlawfully reproduced, such person may perform any of the acts with respect to the stock on hand or ordered before such notice, but shall be liable to pay the right holder for doing so an amount equivalent to a reasonable royalty such as would be payable under a freely negotiated license in respect of such a layout design.

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5. No Party may permit the compulsory licensing of layout designs of integrated circuits.
6. Any Party that requires registration as a condition for protection of a layout design shall provide that the term of protection shall not end before the expiration of a period of 10 years counted from the date of:
  - (a) filing of the application for registration; or
  - (b) the first commercial exploitation of the layout design, wherever in the world it occurs.
7. Where a Party does not require registration as a condition for protection of a layout design, the Party shall provide a term of protection of not less than 10 years from the date of the first commercial exploitation of the layout design, wherever in the world it occurs.
8. Notwithstanding paragraphs 6 and 7, a Party may provide that the protection shall lapse 15 years after the creation of the layout design.
9. Annex 1710.9 applies to the Parties specified in that Annex.

#### **Article 1711: Trade Secrets**

1. Each Party shall provide the legal means for any person to prevent trade secrets from being disclosed to, acquired by, or used by others without the consent of the person lawfully in control of the information in a manner contrary to honest commercial practices, in so far as:
  - (a) the information is secret in the sense that it is not, as a body or in the precise configuration and assembly of its components, generally known among or readily accessible to persons that normally deal with the kind of information in question;
  - (b) the information has actual or potential commercial value because it is secret; and
  - (c) the person lawfully in control of the information has taken reasonable steps under the circumstances to keep it secret.

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2. A Party may require that to qualify for protection a trade secret must be evidenced in documents, electronic or magnetic means, optical discs, microfilms, films or other similar instruments.
3. No Party may limit the duration of protection for trade secrets, so long as the conditions in paragraph 1 exist.
4. No Party may discourage or impede the voluntary licensing of trade secrets by imposing excessive or discriminatory conditions on such licenses or conditions that dilute the value of the trade secrets.
5. If a Party requires, as a condition for approving the marketing of pharmaceutical or agricultural chemical products that utilize new chemical entities, the submission of undisclosed test or other data necessary to determine whether the use of such products is safe and effective, the Party shall protect against disclosure of the data of persons making such submissions, where the origination of such data involves considerable effort, except where the disclosure is necessary to protect the public or unless steps are taken to ensure that the data is protected against unfair commercial use.
6. Each Party shall provide that for data subject to paragraph 5 that are submitted to the Party after the date of entry into force of this Agreement, no person other than the person that submitted them may, without the latter's permission, rely on such data in support of an application for product approval during a reasonable period of time after their submission. For this purpose, a reasonable period shall normally mean not less than five years from the date on which the Party granted approval to the person that produced the data for approval to market its product, taking account of the nature of the data and the person's efforts and expenditures in producing them. Subject to this provision, there shall be no limitation on any Party to implement abbreviated approval procedures for such products on the basis of bioequivalence and bioavailability studies.
7. Where a Party relies on a marketing approval granted by another Party, the reasonable period of exclusive use of the data submitted in connection with obtaining the approval relied on shall begin with the date of the first marketing approval relied on.

#### **Article 1712: Geographical Indications**

1. Each Party shall provide, in respect of geographical indications, the legal means for interested persons to prevent:

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- (a) the use of any means in the designation or presentation of a good that indicates or suggests that the good in question originates in a territory, region or locality other than the true place of origin, in a manner that misleads the public as to the geographical origin of the good;
- (b) any use that constitutes an act of unfair competition within the meaning of Article 10<sup>bis</sup> of the Paris Convention.

2. Each Party shall, on its own initiative if its domestic law so permits or at the request of an interested person, refuse to register, or invalidate the registration of, a trademark containing or consisting of a geographical indication with respect to goods that do not originate in the indicated territory, region or locality, if use of the indication in the trademark for such goods is of such a nature as to mislead the public as to the geographical origin of the good.

3. Each Party shall also apply paragraphs 1 and 2 to a geographical indication that, although correctly indicating the territory, region or locality in which the goods originate, falsely represents to the public that the goods originate in another territory, region or locality.

4. Nothing in this Article shall be construed to require a Party to prevent continued and similar use of a particular geographical indication of another Party in connection with goods or services by any of its nationals or domiciliaries who have used that geographical indication in a continuous manner with regard to the same or related goods or services in that Party's territory, either:

- (a) for at least 10 years, or
- (b) in good faith,

before the date of signature of this Agreement.

5. Where a trademark has been applied for or registered in good faith, or where rights to a trademark have been acquired through use in good faith, either:

- (a) before the date of application of these provisions in that Party, or
- (b) before the geographical indication is protected in its Party of origin,

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no Party may adopt any measure to implement this Article that prejudices eligibility for, or the validity of, the registration of a trademark, or the right to use a trademark, on the basis that such a trademark is identical with, or similar to, a geographical indication.

6. No Party shall be required to apply this Article to a geographical indication if it is identical to the customary term in common language in that Party's territory for the goods or services to which the indication applies.

7. A Party may provide that any request made under this Article in connection with the use or registration of a trademark must be presented within five years after the adverse use of the protected indication has become generally known in that Party or after the date of registration of the trademark in that Party, provided that the trademark has been published by that date, if such date is earlier than the date on which the adverse use became generally known in that Party, provided that the geographical indication is not used or registered in bad faith.

8. No Party shall adopt any measure implementing this Article that would prejudice any person's right to use, in the course of trade, its name or the name of its predecessor in business, except where such name forms all or part of a valid trademark in existence before the geographical indication became protected and with which there is a likelihood of confusion, or such name is used in such a manner as to mislead the public.

9. Nothing in this Chapter shall be construed to require a Party to protect a geographical indication that is not protected, or has fallen into disuse, in the Party of origin.

#### **Article 1713: Industrial Designs**

1. Each Party shall provide for the protection of independently created industrial designs that are new or original. A Party may provide that:

- (a) designs are not new or original if they do not significantly differ from known designs or combinations of known design features; and
- (b) such protection shall not extend to designs dictated essentially by technical or functional considerations.

2. Each Party shall ensure that the requirements for securing protection for textile designs, in particular in regard to any cost, examination or publication, do not unreasonably

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impair a person's opportunity to seek and obtain such protection. A Party may comply with this obligation through industrial design law or copyright law.

3. Each Party shall provide the owner of a protected industrial design the right to prevent other persons not having the owner's consent from making or selling articles bearing or embodying a design that is a copy, or substantially a copy, of the protected design, when such acts are undertaken for commercial purposes.

4. A Party may provide limited exceptions to the protection of industrial designs, provided that such exceptions do not unreasonably conflict with the normal exploitation of protected industrial designs and do not unreasonably prejudice the legitimate interests of the owner of the protected design, taking into account the legitimate interests of other persons.

5. Each Party shall provide a term of protection for industrial designs of at least 10 years.

#### **Article 1714: Enforcement of Intellectual Property Rights: General Provisions**

1. Each Party shall ensure that enforcement procedures, as specified in this Article and Articles 1715 through 1718, are available under its domestic law so as to permit effective action to be taken against any act of infringement of intellectual property rights covered by this Chapter, including expeditious remedies to prevent infringements and remedies to deter further infringements. Such enforcement procedures shall be applied so as to avoid the creation of barriers to legitimate trade and to provide for safeguards against abuse of the procedures.

2. Each Party shall ensure that its procedures for the enforcement of intellectual property rights are fair and equitable, are not unnecessarily complicated or costly, and do not entail unreasonable time-limits or unwarranted delays.

3. Each Party shall provide that decisions on the merits of a case in judicial and administrative enforcement proceedings shall:

- (a) preferably be in writing and preferably state the reasons on which the decisions are based;
- (b) be made available at least to the parties in a proceeding without undue delay; and

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- (c) be based only on evidence in respect of which such parties were offered the opportunity to be heard.

4. Each Party shall ensure that parties in a proceeding have an opportunity to have final administrative decisions reviewed by a judicial authority of that Party and, subject to jurisdictional provisions in its domestic laws concerning the importance of a case, to have reviewed at least the legal aspects of initial judicial decisions on the merits of a case. Notwithstanding the above, no Party shall be required to provide for judicial review of acquittals in criminal cases.

5. Nothing in this Article or Articles 1715 through 1718 shall be construed to require a Party to establish a judicial system for the enforcement of intellectual property rights distinct from that Party's system for the enforcement of laws in general.

6. For the purposes of Articles 1715 through 1718, the term "right holder" includes federations and associations having legal standing to assert such rights.

#### **Article 1715: Specific Procedural and Remedial Aspects of Civil and Administrative Procedures**

1. Each Party shall make available to right holders civil judicial procedures for the enforcement of any intellectual property right covered by this Chapter. Each Party shall provide that:

- (a) defendants have the right to written notice that is timely and contains sufficient detail, including the basis of the claims;
- (b) parties in a proceeding are allowed to be represented by independent legal counsel;
- (c) the procedures do not include imposition of overly burdensome requirements concerning mandatory personal appearances;
- (d) all parties in a proceeding are duly entitled to substantiate their claims and to present relevant evidence; and
- (e) the procedures include a means to identify and protect confidential information.



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2. Each Party shall provide that its judicial authorities shall have the authority:
- (a) where a party in a proceeding has presented reasonably available evidence sufficient to support its claims and has specified evidence relevant to the substantiation of its claims that is within the control of the opposing party, to order the opposing party to produce such evidence, subject in appropriate cases to conditions that ensure the protection of confidential information;
  - (b) where a party in a proceeding voluntarily and without good reason refuses access to, or otherwise does not provide relevant evidence under that party's control within a reasonable period, or significantly impedes a proceeding relating to an enforcement action, to make preliminary and final determinations, affirmative or negative, on the basis of the evidence presented, including the complaint or the allegation presented by the party adversely affected by the denial of access to evidence, subject to providing the parties an opportunity to be heard on the allegations or evidence;
  - (c) to order a party in a proceeding to desist from an infringement, including to prevent the entry into the channels of commerce in their jurisdiction of imported goods that involve the infringement of an intellectual property right, which order shall be enforceable at least immediately after customs clearance of such goods;
  - (d) to order the infringer of an intellectual property right to pay the right holder damages adequate to compensate for the injury the right holder has suffered because of the infringement where the infringer knew or had reasonable grounds to know that it was engaged in an infringing activity;
  - (e) to order an infringer of an intellectual property right to pay the right holder's expenses, which may include appropriate attorney's fees; and
  - (f) to order a party in a proceeding at whose request measures were taken and who has abused enforcement procedures to provide adequate compensation to any party wrongfully enjoined or restrained in the proceeding for the injury suffered because of such abuse and to pay that party's expenses, which may include appropriate attorney's fees.
3. With respect to the authority referred to in subparagraph 2(c), no Party shall be obliged to provide such authority in respect of protected subject matter that is acquired or

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ordered by a person before that person knew or had reasonable grounds to know that dealing in that subject matter would entail the infringement of an intellectual property right.

4. With respect to the authority referred to in subparagraph 2(d), a Party may, at least with respect to copyrighted works and sound recordings, authorize the judicial authorities to order recovery of profits or payment of pre-established damages, or both, even where the infringer did not know or had no reasonable grounds to know that it was engaged in an infringing activity.

5. Each Party shall provide that, in order to create an effective deterrent to infringement, its judicial authorities shall have the authority to order that:

- (a) goods that they have found to be infringing be, without compensation of any sort, disposed of outside the channels of commerce in such a manner as to avoid any injury caused to the right holder or, unless this would be contrary to existing constitutional requirements, destroyed; and
- (b) materials and implements the predominant use of which has been in the creation of the infringing goods be, without compensation of any sort, disposed of outside the channels of commerce in such a manner as to minimize the risks of further infringements.

In considering whether to issue such an order, judicial authorities shall take into account the need for proportionality between the seriousness of the infringement and the remedies ordered as well as the interests of other persons. In regard to counterfeit goods, the simple removal of the trademark unlawfully affixed shall not be sufficient, other than in exceptional cases, to permit release of the goods into the channels of commerce.

6. In respect of the administration of any law pertaining to the protection or enforcement of intellectual property rights, each Party shall only exempt both public authorities and officials from liability to appropriate remedial measures where actions are taken or intended in good faith in the course of the administration of such laws.

7. Notwithstanding the other provisions of Articles 1714 through 1718, where a Party is sued with respect to an infringement of an intellectual property right as a result of its use of that right or use on its behalf, that Party may limit the remedies available against it to the payment to the right holder of adequate remuneration in the circumstances of each case, taking into account the economic value of the use.

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8. Each Party shall provide that, where a civil remedy can be ordered as a result of administrative procedures on the merits of a case, such procedures shall conform to principles equivalent in substance to those set out in this Article.

#### **Article 1716: Provisional Measures**

1. Each Party shall provide that its judicial authorities shall have the authority to order prompt and effective provisional measures:

- (a) to prevent an infringement of any intellectual property right, and in particular to prevent the entry into the channels of commerce in their jurisdiction of allegedly infringing goods, including measures to prevent the entry of imported goods at least immediately after customs clearance; and
- (b) to preserve relevant evidence in regard to the alleged infringement.

2. Each Party shall provide that its judicial authorities shall have the authority to require any applicant for provisional measures to provide to the judicial authorities any evidence reasonably available to that applicant that the judicial authorities consider necessary to enable them to determine with a sufficient degree of certainty whether:

- (a) the applicant is the right holder;
- (b) the applicant's right is being infringed or such infringement is imminent; and
- (c) any delay in the issuance of such measures is likely to cause irreparable harm to the right holder, or there is a demonstrable risk of evidence being destroyed.

Each Party shall provide that its judicial authorities shall have the authority to require the applicant to provide a security or equivalent assurance sufficient to protect the interests of the defendant and to prevent abuse.

3. Each Party shall provide that its competent authorities shall have the authority to require an applicant for provisional measures to provide other information necessary for the identification of the relevant goods by the authority that will execute the provisional measures.

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4. Each Party shall provide that its judicial authorities shall have the authority to order provisional measures on an ex parte basis, in particular where any delay is likely to cause irreparable harm to the right holder, or where there is a demonstrable risk of evidence being destroyed.

5. Each Party shall provide that where provisional measures are adopted by that Party's judicial authorities on an ex parte basis:

- (a) a person affected shall be given notice of those measures without delay but in any event no later than immediately after the execution of the measures;
- (b) a defendant shall, on request, have those measures reviewed by that Party's judicial authorities for the purpose of deciding, within a reasonable period after notice of those measures is given, whether the measures shall be modified, revoked or confirmed, and shall be given an opportunity to be heard in the review proceedings.

6. Without prejudice to paragraph 5, each Party shall provide that, on the request of the defendant, the Party's judicial authorities shall revoke or otherwise cease to apply the provisional measures taken on the basis of paragraphs 1 and 4 if proceedings leading to a decision on the merits are not initiated:

- (a) within a reasonable period as determined by the judicial authority ordering the measures where the Party's domestic law so permits; or
- (b) in the absence of such a determination, within a period of no more than 20 working days or 31 calendar days, whichever is longer.

7. Each Party shall provide that, where the provisional measures are revoked or where they lapse due to any act or omission by the applicant, or where the judicial authorities subsequently find that there has been no infringement or threat of infringement of an intellectual property right, the judicial authorities shall have the authority to order the applicant, on request of the defendant, to provide the defendant appropriate compensation for any injury caused by these measures.

8. Each Party shall provide that, where a provisional measure can be ordered as a result of administrative procedures, such procedures shall conform to principles equivalent in substance to those set out in this Article.

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#### **Article 1717: Criminal Procedures and Penalties**

1. Each Party shall provide criminal procedures and penalties to be applied at least in cases of willful trademark counterfeiting or copyright piracy on a commercial scale. Each Party shall provide that penalties available include imprisonment or monetary fines, or both, sufficient to provide a deterrent, consistent with the level of penalties applied for crimes of a corresponding gravity.
2. Each Party shall provide that, in appropriate cases, its judicial authorities may order the seizure, forfeiture and destruction of infringing goods and of any materials and implements the predominant use of which has been in the commission of the offense.
3. A Party may provide criminal procedures and penalties to be applied in cases of infringement of intellectual property rights, other than those in paragraph 1, where they are committed wilfully and on a commercial scale.

#### **Article 1718: Enforcement of Intellectual Property Rights at the Border**

1. Each Party shall, in conformity with this Article, adopt procedures to enable a right holder, who has valid grounds for suspecting that the importation of counterfeit trademark goods or pirated copyright goods may take place, to lodge an application in writing with its competent authorities, whether administrative or judicial, for the suspension by the customs administration of the release of such goods into free circulation. No Party shall be obligated to apply such procedures to goods in transit. A Party may permit such an application to be made in respect of goods that involve other infringements of intellectual property rights, provided that the requirements of this Article are met. A Party may also provide for corresponding procedures concerning the suspension by the customs administration of the release of infringing goods destined for exportation from its territory.
2. Each Party shall require any applicant who initiates procedures under paragraph 1 to provide adequate evidence:
  - (a) to satisfy that Party's competent authorities that, under the domestic laws of the country of importation, there is prima facie an infringement of its intellectual property right; and
  - (b) to supply a sufficiently detailed description of the goods to make them readily recognizable by the customs administration.

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The competent authorities shall inform the applicant within a reasonable period whether they have accepted the application and, if so, the period for which the customs administration will take action.

3. Each Party shall provide that its competent authorities shall have the authority to require an applicant under paragraph 1 to provide a security or equivalent assurance sufficient to protect the defendant and the competent authorities and to prevent abuse. Such security or equivalent assurance shall not unreasonably deter recourse to these procedures.

4. Each Party shall provide that, where pursuant to an application under procedures adopted pursuant to this Article, its customs administration suspends the release of goods involving industrial designs, patents, integrated circuits or trade secrets into free circulation on the basis of a decision other than by a judicial or other independent authority, and the period provided for in paragraphs 6 through 8 has expired without the granting of provisional relief by the duly empowered authority, and provided that all other conditions for importation have been complied with, the owner, importer or consignee of such goods shall be entitled to their release on the posting of a security in an amount sufficient to protect the right holder against any infringement. Payment of such security shall not prejudice any other remedy available to the right holder, it being understood that the security shall be released if the right holder fails to pursue its right of action within a reasonable period of time.

5. Each Party shall provide that its customs administration shall promptly notify the importer and the applicant when the customs administration suspends the release of goods pursuant to paragraph 1.

6. Each Party shall provide that its customs administration shall release goods from suspension if within a period not exceeding 10 working days after the applicant under paragraph 1 has been served notice of the suspension:

- (a) the customs administration has not been informed that a party other than the defendant has initiated proceedings leading to a decision on the merits of the case, or
- (b) a competent authority has taken provisional measures prolonging the suspension,

provided that all other conditions for importation or exportation have been met. Each Party shall provide that, in appropriate cases, the customs administration may extend the suspension by another 10 working days.

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7. Each Party shall provide that if proceedings leading to a decision on the merits of the case have been initiated, a review, including a right to be heard, shall take place on request of the defendant with a view to deciding, within a reasonable period, whether the measures shall be modified, revoked or confirmed.

8. Notwithstanding paragraphs 6 and 7, where the suspension of the release of goods is carried out or continued in accordance with a provisional judicial measure, Article 1716(6) shall apply.

9. Each Party shall provide that its competent authorities shall have the authority to order the applicant under paragraph 1 to pay the importer, the consignee and the owner of the goods appropriate compensation for any injury caused to them through the wrongful detention of goods or through the detention of goods released pursuant to paragraph 6.

10. Without prejudice to the protection of confidential information, each Party shall provide that its competent authorities shall have the authority to give the right holder sufficient opportunity to have any goods detained by the customs administration inspected in order to substantiate its claims. Each Party shall also provide that its competent authorities have the authority to give the importer an equivalent opportunity to have any such goods inspected. Where the competent authorities have made a positive determination on the merits of a case, a Party may provide the competent authorities the authority to inform the right holder of the names and addresses of the consignor, the importer and the consignee, and of the quantity of the goods in question.

11. Where a Party requires its competent authorities to act on their own initiative and to suspend the release of goods in respect of which they have acquired prima facie evidence that an intellectual property right is being infringed:

- (a) the competent authorities may at any time seek from the right holder any information that may assist them to exercise these powers;
- (b) the importer and the right holder shall be promptly notified of the suspension by the Party's competent authorities, and where the importer lodges an appeal against the suspension with competent authorities, the suspension shall be subject to the conditions, with such modifications as may be necessary, set out in paragraphs 6 through 8; and
- (c) the Party shall only exempt both public authorities and officials from liability to appropriate remedial measures where actions are taken or intended in good faith.

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12. Without prejudice to other rights of action open to the right holder and subject to the defendant's right to seek judicial review, each Party shall provide that its competent authorities shall have the authority to order the destruction or disposal of infringing goods in accordance with the principles set out in Article 1715(5). In regard to counterfeit goods, the authorities shall not allow the re-exportation of the infringing goods in an unaltered state or subject them to a different customs procedure, other than in exceptional circumstances.

13. A Party may exclude from the application of paragraphs 1 through 12 small quantities of goods of a non-commercial nature contained in travellers' personal luggage or sent in small consignments that are not repetitive.

14. Annex 1718.14 applies to the Parties specified in that Annex.

#### **Article 1719: Cooperation and Technical Assistance**

1. The Parties shall provide each other on mutually agreed terms with technical assistance and shall promote cooperation between their competent authorities. Such cooperation shall include the training of personnel.

2. The Parties shall cooperate with a view to eliminating trade in goods that infringe intellectual property rights. For this purpose, each Party shall establish and notify the other Parties of contact points in its federal government and shall exchange information concerning trade in infringing goods.

#### **Article 1720: Protection of Existing Subject Matter**

1. Except as required under Article 1705(7), this Agreement does not give rise to obligations in respect of acts that occurred before the date of application of the relevant provisions of this Agreement for the Party in question.

2. Except as otherwise provided for in this Agreement, each Party shall apply this Agreement to all subject matter existing on the date of application of the relevant provisions of this Agreement for the Party in question and that is protected in a Party on such date, or that meets or subsequently meets the criteria for protection under the terms of this Chapter. In respect of this paragraph and paragraphs 3 and 4, a Party's obligations with respect to existing works shall be solely determined under Article 18 of the Berne Convention and with respect to the rights of producers of sound recordings in existing sound recordings shall be



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determined solely under Article 18 of that Convention, as made applicable under this Agreement.

3. Except as required under Article 1705(7), and notwithstanding the first sentence of paragraph 2, no Party may be required to restore protection to subject matter that, on the date of application of the relevant provisions of this Agreement for the Party in question, has fallen into the public domain in its territory.

4. In respect of any acts relating to specific objects embodying protected subject matter that become infringing under the terms of laws in conformity with this Agreement, and that were begun or in respect of which a significant investment was made, before the date of entry into force of this Agreement for that Party, any Party may provide for a limitation of the remedies available to the right holder as to the continued performance of such acts after the date of application of this Agreement for that Party. In such cases, the Party shall, however, at least provide for payment of equitable remuneration.

5. No Party shall be obliged to apply Article 1705(2)(d) or 1706(1)(d) with respect to originals or copies purchased prior to the date of application of the relevant provisions of this Agreement for that Party.

6. No Party shall be required to apply Article 1709(10), or the requirement in Article 1709(7) that patent rights shall be enjoyable without discrimination as to the field of technology, to use without the authorization of the right holder where authorization for such use was granted by the government before the text of the Draft Final Act Embodying the Results of the Uruguay Round of Multilateral Trade Negotiations became known.

7. In the case of intellectual property rights for which protection is conditional on registration, applications for protection that are pending on the date of application of the relevant provisions of this Agreement for the Party in question shall be permitted to be amended to claim any enhanced protection provided under this Agreement. Such amendments shall not include new matter.

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**Article 1721: Definitions**

1. For purposes of this Chapter:

**confidential information** includes trade secrets, privileged information and other materials exempted from disclosure under the Party's domestic law.

2. For purposes of this Agreement:

**encrypted program-carrying satellite signal** means a program-carrying satellite signal that is transmitted in a form whereby the aural or visual characteristics, or both, are modified or altered for the purpose of preventing the unauthorized reception, by persons without the authorized equipment that is designed to eliminate the effects of such modification or alteration, of a program carried in that signal;

**geographical indication** means any indication that identifies a good as originating in the territory of a Party, or a region or locality in that territory, where a particular quality, reputation or other characteristic of the good is essentially attributable to its geographical origin;

**in a manner contrary to honest commercial practices** means at least practices such as breach of contract, breach of confidence and inducement to breach, and includes the acquisition of undisclosed information by other persons who knew, or were grossly negligent in failing to know, that such practices were involved in the acquisition;

**intellectual property rights** refers to copyright and related rights, trademark rights, patent rights, rights in layout designs of semiconductor integrated circuits, trade secret rights, plant breeders' rights, rights in geographical indications and industrial design rights;

**nationals of another Party** means, in respect of the relevant intellectual property right, persons who would meet the criteria for eligibility for protection provided for in the Paris Convention (1967), the Berne Convention (1971), the Geneva Convention (1971), the International Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations (1961), the UPOV Convention (1978), the UPOV Convention (1991) or the *Treaty on Intellectual Property in Respect of Integrated Circuits*, as if each Party were a party to those Conventions, and with respect to intellectual property rights that are not the subject of these Conventions, "nationals of another Party" shall be understood to be at least individuals who are citizens or permanent residents of that Party and also includes any other natural person referred to in Annex 201.1 (Country-Specific Definitions);

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**public includes, with respect to rights of communication and performance of works provided for under Articles 11, 11<sup>bis</sup>(1) and 14(1)(ii) of the Berne Convention, with respect to dramatic, dramatico-musical, musical and cinematographic works, at least, any aggregation of individuals intended to be the object of, and capable of perceiving, communications or performances of works, regardless of whether they can do so at the same or different times or in the same or different places, provided that such an aggregation is larger than a family and its immediate circle of acquaintances or is not a group comprising a limited number of individuals having similarly close ties that has not been formed for the principal purpose of receiving such performances and communications of works; and**

**secondary uses of sound recordings means the use directly for broadcasting or for any other public communication of a sound recording.**

**Annex 1701.3**

**Intellectual Property Conventions**

1. Mexico shall:
  - (a) make every effort to comply with the substantive provisions of the 1978 or 1991 *UPOV Convention* as soon as possible and shall do so no later than two years after the date of signature of this Agreement; and
  - (b) accept from the date of entry into force of this Agreement applications from plant breeders for varieties in all plant genera and species and grant protection, in accordance with such substantive provisions, promptly after complying with subparagraph (a).
2. Notwithstanding Article 1701(2)(b), this Agreement confers no rights and imposes no obligations on the United States with respect to Article 6<sup>bis</sup> of the Berne Convention, or the rights derived from that Article.

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*Annex 1705.7*

**Annex 1705.7**

**Copyright**

The United States shall provide protection to motion pictures produced in another Party's territory that have been declared to be in the public domain pursuant to 17 U.S.C section 405. This obligation shall apply to the extent that it is consistent with the Constitution of the United States, and is subject to budgetary considerations.

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*Annex 1710.9*

**Annex 1710.9**

**Layout Designs**

**Mexico shall make every effort to implement the requirements of Article 1710 as soon as possible, and shall do so no later than four years after the date of entry into force of this Agreement.**

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*Annex 1718.14*

**Annex 1718.14**

**Enforcement of Intellectual Property Rights**

Mexico shall make every effort to comply with the requirements of Article 1718 as soon as possible and shall do so no later than three years after the date of signature of this Agreement.

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**PART SEVEN  
ADMINISTRATIVE AND INSTITUTIONAL PROVISIONS**

**Chapter Eighteen**

**Publication, Notification and Administration of Laws**

**Article 1801: Contact Points**

Each Party shall designate a contact point to facilitate communications between the Parties on any matter covered by this Agreement. On the request of another Party, the contact point shall identify the office or official responsible for the matter and assist, as necessary, in facilitating communication with the requesting Party.

**Article 1802: Publication**

1. Each Party shall ensure that its laws, regulations, procedures and administrative rulings of general application respecting any matter covered by this Agreement are promptly published or otherwise made available in such a manner as to enable interested persons and Parties to become acquainted with them.
2. To the extent possible, each Party shall:
  - (a) publish in advance any such measure that it proposes to adopt; and
  - (b) provide interested persons and Parties a reasonable opportunity to comment on such proposed measures.

**Article 1803: Notification and Provision of Information**

1. To the maximum extent possible, each Party shall notify any other Party with an interest in the matter of any proposed or actual measure that the Party considers might materially affect the operation of this Agreement or otherwise substantially affect that other Party's interests under this Agreement.



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2. On request of another Party, a Party shall promptly provide information and respond to questions pertaining to any actual or proposed measure, whether or not that other Party has been previously notified of that measure.
3. Any notification or information provided under this Article shall be without prejudice as to whether the measure is consistent with this Agreement.

#### **Article 1804: Administrative Proceedings**

With a view to administering in a consistent, impartial and reasonable manner all measures of general application affecting matters covered by this Agreement, each Party shall ensure that in its administrative proceedings applying measures referred to in Article 1802 to particular persons, goods or services of another Party in specific cases that:

- (a) wherever possible, persons of another Party that are directly affected by a proceeding are provided reasonable notice, in accordance with domestic procedures, when a proceeding is initiated, including a description of the nature of the proceeding, a statement of the legal authority under which the proceeding is initiated and a general description of any issues in controversy;
- (b) such persons are afforded a reasonable opportunity to present facts and arguments in support of their positions prior to any final administrative action, when time, the nature of the proceeding and the public interest permit; and
- (c) its procedures are in accordance with domestic law.

#### **Article 1805: Review and Appeal**

1. Each Party shall adopt or maintain judicial, quasi-judicial or administrative tribunals or procedures for the purpose of the prompt review and, where warranted, correction of final administrative actions regarding matters covered by this Agreement. Such tribunals shall be impartial and independent of the office or authority entrusted with administrative enforcement and shall not have any substantial interest in the outcome of the matter.
2. Each Party shall ensure that, in any such tribunals or procedures, the parties to the proceeding are provided with the right to:
  - (a) a reasonable opportunity to support or defend their respective positions; and

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- (b) a decision based on the evidence and submissions of record or, where required by domestic law, the record compiled by the administrative authority.

3. Each Party shall ensure, subject to appeal or further review as provided in its domestic law, that such decisions shall be implemented by, and shall govern the practice of, the offices or authorities with respect to the administrative action at issue.

#### **Article 1806: Definitions**

For purposes of this Chapter:

**administrative ruling of general application** means an administrative ruling or interpretation that applies to all persons and fact situations that fall generally within its ambit and that establishes a norm of conduct but does not include:

- (a) a determination or ruling made in an administrative or quasi-judicial proceeding that applies to a particular person, good or service of another Party in a specific case; or
- (b) a ruling that adjudicates with respect to a particular act or practice.

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## **Chapter Nineteen**

### **Review and Dispute Settlement in Antidumping and Countervailing Duty Matters**

#### **Article 1901: General Provisions**

1. Article 1904 applies only with respect to goods that the competent investigating authority of the importing Party, applying the importing Party's antidumping or countervailing duty law to the facts of a specific case, determines are goods of another Party.
2. For purposes of Articles 1903 and 1904, panels shall be established in accordance with the provisions of Annex 1901.2.
3. Except for Article 2203 (Entry into Force), no provision of any other Chapter of this Agreement shall be construed as imposing obligations on a Party with respect to the Party's antidumping law or countervailing duty law.

#### **Article 1902: Retention of Domestic Antidumping Law and Countervailing Duty Law**

1. Each Party reserves the right to apply its antidumping law and countervailing duty law to goods imported from the territory of any other Party. Antidumping law and countervailing duty law include, as appropriate for each Party, relevant statutes, legislative history, regulations, administrative practice and judicial precedents.
2. Each Party reserves the right to change or modify its antidumping law or countervailing duty law, provided that in the case of an amendment to a Party's antidumping or countervailing duty statute:
  - (a) such amendment shall apply to goods from another Party only if the amending statute specifies that it applies to goods from that Party or from the Parties to this Agreement;
  - (b) the amending Party notifies in writing the Parties to which the amendment applies of the amending statute as far in advance as possible of the date of enactment of such statute;

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- (c) following notification, the amending Party, on request of any Party to which the amendment applies, consults with that Party prior to the enactment of the amending statute; and
- (d) such amendment, as applicable to that other Party, is not inconsistent with
  - (i) the *General Agreement on Tariffs and Trade (GATT)*, the *Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade* (the Antidumping Code) or the *Agreement on the Interpretation and Application of Articles VI, XVI and XXIII of the General Agreement on Tariffs and Trade* (the Subsidies Code), or any successor agreement to which all the original signatories to this Agreement are party, or
  - (ii) the object and purpose of this Agreement and this Chapter, which is to establish fair and predictable conditions for the progressive liberalization of trade between the Parties to this Agreement while maintaining effective and fair disciplines on unfair trade practices, such object and purpose to be ascertained from the provisions of this Agreement, its preamble and objectives, and the practices of the Parties.

#### **Article 1903: Review of Statutory Amendments**

1. A Party to which an amendment of another Party's antidumping or countervailing duty statute applies may request in writing that such amendment be referred to a binational panel for a declaratory opinion as to whether:

- (a) the amendment does not conform to the provisions of Article 1902(2)(d)(i) or (ii); or
- (b) such amendment has the function and effect of overturning a prior decision of a panel made pursuant to Article 1904 and does not conform to the provisions of Article 1902(2)(d)(i) or (ii).

Such declaratory opinion shall have force or effect only as provided in this Article.

2. The panel shall conduct its review in accordance with the procedures of Annex 1903.2.

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3. In the event that the panel recommends modifications to the amending statute to remedy a non-conformity that it has identified in its opinion:

- (a) the two Parties shall immediately begin consultations and shall seek to achieve a mutually satisfactory solution to the matter within 90 days of the issuance of the panel's final declaratory opinion. Such solution may include seeking corrective legislation with respect to the statute of the amending Party;
- (b) if corrective legislation is not enacted within nine months from the end of the 90-day consultation period referred to in subparagraph (a) and no other mutually satisfactory solution has been reached, the Party that requested the panel may
  - (i) take comparable legislative or equivalent executive action, or
  - (ii) terminate this Agreement with regard to the amending Party upon 60-day written notice to that Party.

#### **Article 1904: Review of Final Antidumping and Countervailing Duty Determinations**

1. As provided in this Article, each Party shall replace judicial review of final antidumping and countervailing duty determinations with binational panel review.

2. An involved Party may request that a panel review, based upon the administrative record, a final antidumping or countervailing duty determination of a competent investigating authority of an importing Party to determine whether such determination was in accordance with the antidumping or countervailing duty law of the importing Party. For this purpose, the antidumping or countervailing duty law consists of the relevant statutes, legislative history, regulations, administrative practice and judicial precedents to the extent that a court of the importing Party would rely on such materials in reviewing a final determination of the competent investigating authority. Solely for purposes of the panel review provided for in this Article, the antidumping and countervailing duty statutes of the Parties, as those statutes may be amended from time to time, are incorporated into and made part of this Agreement.

3. The panel shall apply the standard of review set out in Annex 1911 and the general legal principles that a court of the importing Party otherwise would apply to a review of a determination of the competent investigating authority.

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4. A request for a panel shall be made in writing to the other involved Party within 30 days following the date of publication of the final determination in question in the official journal of the importing Party. In the case of final determinations that are not published in the official journal of the importing Party, the importing Party shall immediately notify the other involved Party of such final determination where it involves goods from the other involved Party, and the other involved Party may request a panel within 30 days of receipt of such notice. Where the competent investigating authority of the importing Party has imposed provisional measures in an investigation, the other involved Party may provide notice of its intention to request a panel under this Article, and the Parties shall begin to establish a panel at that time. Failure to request a panel within the time specified in this paragraph shall preclude review by a panel.

5. An involved Party on its own initiative may request review of a final determination by a panel and shall, on request of a person who would otherwise be entitled under the law of the importing Party to commence domestic procedures for judicial review of that final determination, request such review.

6. The panel shall conduct its review in accordance with the procedures established by the Parties pursuant to paragraph 14. Where both involved Parties request a panel to review a final determination, a single panel shall review that determination.

7. The competent investigating authority that issued the final determination in question shall have the right to appear and be represented by counsel before the panel. Each Party shall provide that other persons who, pursuant to the law of the importing Party, otherwise would have had the right to appear and be represented in a domestic judicial review proceeding concerning the determination of the competent investigating authority, shall have the right to appear and be represented by counsel before the panel.

8. The panel may uphold a final determination, or remand it for action not inconsistent with the panel's decision. Where the panel remands a final determination, the panel shall establish as brief a time as is reasonable for compliance with the remand, taking into account the complexity of the factual and legal issues involved and the nature of the panel's decision. In no event shall the time permitted for compliance with a remand exceed an amount of time equal to the maximum amount of time (counted from the date of the filing of a petition, complaint or application) permitted by statute for the competent investigating authority in question to make a final determination in an investigation. If review of the action taken by the competent investigating authority on remand is needed, such review shall be before the same panel, which shall normally issue a final decision within 90 days of the date on which such remand action is submitted to it.

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9. The decision of a panel under this Article shall be binding on the involved Parties with respect to the particular matter between the Parties that is before the panel.

10. This Agreement shall not affect:

- (a) the judicial review procedures of any Party; or
- (b) cases appealed under those procedures,

with respect to determinations other than final determinations.

11. A final determination shall not be reviewed under any judicial review procedures of the importing Party if an involved Party requests a panel with respect to that determination within the time limits set out in this Article. No Party may provide in its domestic legislation for an appeal from a panel decision to its domestic courts.

12. This Article shall not apply where:

- (a) neither involved Party seeks panel review of a final determination;
- (b) a revised final determination is issued as a direct result of judicial review of the original final determination by a court of the importing Party in cases where neither involved Party sought panel review of that original final determination; or
- (c) a final determination is issued as a direct result of judicial review that was commenced in a court of the importing Party before the date of entry into force of this Agreement.

13. Where, within a reasonable time after the panel decision is issued, an involved Party alleges that:

- (a) (i) a member of the panel was guilty of gross misconduct, bias, or a serious conflict of interest, or otherwise materially violated the rules of conduct,
- (ii) the panel seriously departed from a fundamental rule of procedure, or

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- (iii) the panel manifestly exceeded its powers, authority or jurisdiction set out in this Article, for example by failing to apply the appropriate standard of review, and
- (b) any of the actions set out in subparagraph (a) has materially affected the panel's decision and threatens the integrity of the binational panel review process,

that Party may avail itself of the extraordinary challenge procedure set out in Annex 1904.13.

14. To implement the provisions of this Article, the Parties shall adopt rules of procedure by January 1, 1994. Such rules shall be based, where appropriate, upon judicial rules of appellate procedure, and shall include rules concerning the content and service of requests for panels; a requirement that the competent investigating authority transmit to the panel the administrative record of the proceeding; the protection of business proprietary, government classified, and other privileged information (including sanctions against persons participating before panels for improper release of such information); participation by private persons; limitations on panel review to errors alleged by the Parties or private persons; filing and service; computation and extensions of time; the form and content of briefs and other papers; pre- and post-hearing conferences; motions; oral argument; requests for rehearing; and voluntary terminations of panel reviews. The rules shall be designed to result in final decisions within 315 days of the date on which a request for a panel is made, and shall allow:

- (a) 30 days for the filing of the complaint;
- (b) 30 days for designation or certification of the administrative record and its filing with the panel;
- (c) 60 days for the complainant to file its brief;
- (d) 60 days for the respondent to file its brief;
- (e) 15 days for the filing of reply briefs;
- (f) 15 to 30 days for the panel to convene and hear oral argument; and
- (g) 90 days for the panel to issue its written decision.



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15. In order to achieve the objectives of this Article, the Parties shall amend their antidumping and countervailing duty statutes and regulations with respect to antidumping or countervailing duty proceedings involving goods of the other Parties, and other statutes and regulations to the extent that they apply to the operation of the antidumping and countervailing duty laws. In particular, without limiting the generality of the foregoing, each Party shall:

- (a) amend its statutes or regulations to ensure that existing procedures concerning the refund, with interest, of antidumping or countervailing duties operate to give effect to a final panel decision that a refund is due;
- (b) amend its statutes or regulations to ensure that its courts shall give full force and effect, with respect to any person within its jurisdiction, to all sanctions imposed pursuant to the laws of the other Parties to enforce provisions of any protective order or undertaking that such other Party has promulgated or accepted in order to permit access for purposes of panel review or of the extraordinary challenge procedure to confidential, personal, business proprietary or other privileged information;
- (c) amend its statutes or regulations to ensure that
  - (i) domestic procedures for judicial review of a final determination may not be commenced until the time for requesting a panel under paragraph 4 has expired, and
  - (ii) as a prerequisite to commencing domestic judicial review procedures to review a final determination, a Party or other person intending to commence such procedures shall provide notice of such intent to the Parties concerned and to other persons entitled to commence such review procedures of the same final determination no later than 10 days prior to the latest date on which a panel may be requested; and
- (d) make the further amendments set out in its Schedule to Annex 1904.15.

#### **Article 1905: Safeguarding the Panel Review System**

1. Where a Party alleges that the application of another Party's domestic law:
  - (a) has prevented the establishment of a panel requested by the complaining Party;

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- (b) has prevented a panel requested by the complaining Party from rendering a final decision;
- (c) has prevented the implementation of the decision of a panel requested by the complaining Party or denied it binding force and effect with respect to the particular matter that was before the panel; or
- (d) has resulted in a failure to provide opportunity for review of a final determination by a panel or court of competent jurisdiction that is independent of the competent investigating authorities, that examines the basis for the competent investigating authority's determination and whether the competent investigating authority properly applied domestic antidumping and countervailing duty law in reaching the challenged determination, and that employs the relevant standard of review identified in Article 1911,

the Party may request in writing consultations with the other Party regarding the allegations. The consultations shall begin within 15 days of the date of the request.

2. If the matter has not been resolved within 45 days of the request for consultations, or such other period as the consulting Parties may agree, the complaining Party may request the establishment of a special committee.
3. Unless otherwise agreed by the disputing Parties, the special committee shall be established within 15 days of a request and perform its functions in a manner consistent with this Chapter.
4. The roster for special committees shall be that established under Annex 1904.13.
5. The special committee shall comprise three members selected in accordance with the procedures set out in Annex 1904.13.
6. The Parties shall establish rules of procedure in accordance with the principles set out in Annex 1905.6.
7. Where the special committee makes an affirmative finding in respect of one of the grounds specified in paragraph 1, the complaining Party and the Party complained against shall begin consultations within 10 days thereafter and shall seek to achieve a mutually satisfactory solution within 60 days of the issuance of the committee's report.

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8. If, within the 60-day period, the Parties are unable to reach a mutually satisfactory solution to the matter, or the Party complained against has not demonstrated to the satisfaction of the special committee that it has corrected the problem or problems with respect to which the committee has made an affirmative finding, the complaining Party may suspend:

- (a) the operation of Article 1904 with respect to the Party complained against; or
- (b) the application to the Party complained against of such benefits under this Agreement as may be appropriate under the circumstances.

9. In the event that a complaining Party suspends the operation of Article 1904 with respect to the Party complained against, the latter Party may reciprocally suspend the operation of Article 1904. If either Party decides to suspend the operation of Article 1904, it shall provide written notice of such suspension to the other Party.

10. At the request of the Party complained against, the special committee shall reconvene to determine whether:

- (a) the suspension of benefits by the complaining Party pursuant to subparagraph 8(b) is manifestly excessive; or
- (b) the Party complained against has corrected the problem or problems with respect to which the committee has made an affirmative finding.

The special committee shall, within 45 days of the request, present a report to both Parties containing its determination. Where the special committee determines that the Party complained against has corrected the problem or problems, any suspension effected by the complaining Party or the Party complained against, or both, pursuant to paragraph 8 or 9 shall be terminated.

11. If the special committee makes an affirmative finding in respect of one of the grounds specified in paragraph 1, then effective as of the day following the date of issuance of the special committee's report:

- (a) binational panel or extraordinary challenge committee review under Article 1904 shall be stayed
  - (i) in the case of review of any final determination of the complaining Party requested by the Party complained against, if such review was

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requested after the date on which consultations were requested pursuant to paragraph 1, and in no case later than 150 days prior to an affirmative finding by the special committee, or

(ii) in the case of review of any final determination of the Party complained against requested by the complaining Party, at the request of the complaining Party; and

(b) the time set out in Article 1904(4) or Annex 1904.13 for requesting panel or committee review shall not run unless and until resumed in accordance with paragraph 12.

12. If either Party suspends the operation of Article 1904 pursuant to paragraph 8(a), the panel or committee review stayed under paragraph 11(a) shall be terminated and the challenge to the final determination shall be irrevocably referred to the appropriate domestic court for decision, as provided below:

- (a) in the case of review of any final determination of the complaining Party requested by the Party complained against, at the request of either Party, or of a party to the panel review under Article 1904; or
- (b) in the case of review of any final determination of the Party complained against requested by the complaining Party, at the request of the complaining Party, or of a person of the complaining Party that is a party to the panel review under Article 1904.

If either Party suspends the operation of Article 1904 pursuant to paragraph 8(a), any running of time suspended under paragraph 11(b) shall resume.

If the suspension of Article 1904 does not become effective, panel or committee review stayed under paragraph 11(a), and any running of time suspended under paragraph 11(b), shall resume.

#### **Article 1906: Prospective Application**

This Chapter shall apply only prospectively to:

- (a) final determinations of a competent investigating authority made after the date of entry into force of this Agreement; and

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- (b) with respect to declaratory opinions under Article 1903, amendments to antidumping or countervailing duty statutes enacted after the date of entry into force of this Agreement.

#### **Article 1907: Consultations**

1. The Parties shall consult annually, or on the request of any Party, to consider any problems that may arise with respect to the implementation or operation of this Chapter and recommend solutions, where appropriate. The Parties shall each designate one or more officials, including officials of the competent investigating authorities, to be responsible for ensuring that consultations occur, when required, so that the provisions of this Chapter are carried out expeditiously.

2. The Parties further agree to consult on:

- (a) the potential to develop more effective rules and disciplines concerning the use of government subsidies; and
- (b) the potential for reliance on a substitute system of rules for dealing with unfair transborder pricing practices and government subsidization.

3. The competent investigating authorities of the Parties shall consult annually, or on the request of any Party, and may submit reports to the Commission, where appropriate. In the context of these consultations, the Parties agree that it is desirable in the administration of antidumping and countervailing duty laws to:

- (a) publish notice of initiation of investigations in the importing Party's official journal, setting forth the nature of the proceeding, the legal authority under which the proceeding is initiated, and a description of the goods at issue;
- (b) provide notice of the times for submissions of information and for decisions that the competent investigating authorities are expressly required by statute or regulations to make;
- (c) provide explicit written notice and instructions as to the information required from interested parties and reasonable time to respond to requests for information;
- (d) accord reasonable access to information, noting that in this context

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- (i) "reasonable access" means access during the course of the investigation, to the extent practicable, so as to permit an opportunity to present facts and arguments as set out in paragraph (e); when it is not practicable to provide access to information during the investigation in such time as to permit an opportunity to present facts and arguments, reasonable access shall mean in time to permit the adversely affected party to make an informed decision as to whether to seek judicial or panel review, and
- (ii) "access to information" means access to representatives determined by the competent investigating authority to be qualified to have access to information received by that competent investigating authority, including access to confidential (business proprietary) information, but does not include information of such high degree of sensitivity that its release would lead to substantial and irreversible harm to the owner or which is required to be kept confidential in accordance with domestic legislation of a Party; any privileges arising under the domestic law of the importing Party relating to communications between the competent investigating authorities and a lawyer in the employ of, or providing advice to, those authorities may be maintained;
- (e) provide an opportunity for interested parties to present facts and arguments, to the extent time permits, including an opportunity to comment on the preliminary determination of dumping or of subsidization;
- (f) protect confidential (business proprietary) information received by the competent investigating authority to ensure that there is no disclosure except to representatives determined by the competent investigating authority to be qualified;
- (g) prepare administrative records, including recommendations of official advisory bodies that may be required to be kept, and any record of *ex parte* meetings that may be required to be kept;
- (h) provide disclosure of relevant information, including an explanation of the calculation or the methodology used to determine the margin of dumping or the amount of the subsidy, on which any preliminary or final determination of dumping or of subsidization is based, within a reasonable time after a request by interested parties;

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- (i) provide a statement of reasons concerning the final determination of dumping or subsidization; and
- (j) provide a statement of reasons for final determinations concerning material injury to a domestic industry, threat of material injury to a domestic industry or material retardation of the establishment of such an industry.

Inclusion of an item in subparagraphs (a) through (j) is not intended to serve as guidance to a binational panel reviewing a final antidumping or countervailing duty determination pursuant to Article 1904 in determining whether such determination was in accordance with the antidumping or countervailing duty law of the importing Party.

#### **Article 1908: Special Secretariat Provisions**

1. The Parties shall establish a section within the Secretariat established pursuant to Article 2002 to facilitate the operation of this Chapter, including the work of panels or committees that may be convened pursuant to this Chapter.
2. The Secretaries of the Secretariat shall act jointly to provide administrative assistance to all panels or committees established pursuant to this Chapter. The Secretary for the Section of the Party in which a panel or committee proceeding is held shall prepare a record thereof and shall preserve an authentic copy of the same in that Party's Section office. Such Secretary shall, on request, provide to the Secretary for the Section of any other Party a copy of such portion of the record as is requested, except that only public portions of the record shall be provided to the Secretary for the Section of any Party that is not an involved Party.
3. Each Secretary shall receive and file all requests, briefs and other papers properly presented to a panel or committee in any proceeding before it that is instituted pursuant to this Chapter and shall number in numerical order all requests for a panel or committee. The number given to a request shall be the file number for briefs and other papers relating to such request.
4. The Secretary for the Section of the Party in which a panel or committee proceeding is held shall forward to the Secretary for the Section of the other involved Party copies of all official letters, documents or other papers received or filed with that Party's Section office pertaining to any proceeding before a panel or committee, except for the administrative

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record, which shall be handled in accordance with paragraph 1. The Secretary for the Section of an involved Party shall provide on request to the Secretary for the Section of a Party that is not an involved Party in the proceeding a copy of such public documents as are requested.

#### **Article 1909: Code of Conduct**

The Parties shall, by the date of entry into force of this Agreement, exchange letters establishing a code of conduct for panelists and members of committees established pursuant to Articles 1903, 1904 and 1905.

#### **Article 1910: Miscellaneous**

On request of another Party, the competent investigating authority of a Party shall provide to the other Party copies of all public information submitted to it for purposes of an antidumping or countervailing duty investigation with respect to goods of that other Party.

#### **Article 1911: Definitions**

For purposes of this Chapter:

**administrative record** means, unless otherwise agreed by the Parties and the other persons appearing before a panel:

- (a) all documentary or other information presented to or obtained by the competent investigating authority in the course of the administrative proceeding, including any governmental memoranda pertaining to the case, and including any record of ex parte meetings as may be required to be kept;
- (b) a copy of the final determination of the competent investigating authority, including reasons for the determination;
- (c) all transcripts or records of conferences or hearings before the competent investigating authority; and
- (d) all notices published in the official journal of the importing Party in connection with the administrative proceeding;



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**antidumping statute** as referred to in Articles 1902 and 1903 means "antidumping statute" of a Party as defined in Annex 1911;

**competent investigating authority** means "competent investigating authority" of a Party as defined in Annex 1911;

**countervailing duty statute** as referred to in Articles 1902 and 1903 means "countervailing duty statute" of a Party as defined in Annex 1911;

**domestic law** for purposes of Article 1905(1) means a Party's constitution, statutes, regulations and judicial decisions to the extent they are relevant to the antidumping and countervailing duty laws;

**final determination** means "final determination" of a Party as defined in Annex 1911;

**foreign interests** includes exporters or producers of the Party whose goods are the subject of the proceeding or, in the case of a countervailing duty proceeding, the government of the Party whose goods are the subject of the proceeding;

**general legal principles** includes principles such as standing, due process, rules of statutory construction, mootness and exhaustion of administrative remedies;

**goods of a Party** means domestic products as these are understood in the *General Agreement on Tariffs and Trade*;

**importing Party** means the Party that issued the final determination;

**interested parties** includes foreign interests;

**involved Party** means:

- (a) the importing Party; or
- (b) a Party whose goods are the subject of the final determination;

**remand** means a referral back for a determination not inconsistent with the panel or committee decision; and

**standard of review** means the "standard of review" for each Party as defined in Annex 1911.

**Annex 1901.2**

**Establishment of Binational Panels**

1. On the date of entry into force of this Agreement, the Parties shall establish and thereafter maintain a roster of individuals to serve as panelists in disputes under this Chapter. The roster shall include judges or former judges to the fullest extent practicable. The Parties shall consult in developing the roster, which shall include at least 75 candidates. Each Party shall select at least 25 candidates, and all candidates shall be citizens of Canada, Mexico or the United States. Candidates shall be of good character, high standing and repute, and shall be chosen strictly on the basis of objectivity, reliability, sound judgment and general familiarity with international trade law. Candidates shall not be affiliated with a Party, and in no event shall a candidate take instructions from a Party. The Parties shall maintain the roster, and may amend it, when necessary, after consultations.
2. A majority of the panelists on each panel shall be lawyers in good standing. Within 30 days of a request for a panel, each involved Party shall appoint two panelists, in consultation with the other involved Party. The involved Parties normally shall appoint panelists from the roster. If a panelist is not selected from the roster, the panelist shall be chosen in accordance with and be subject to the criteria of paragraph 1. Each involved Party shall have the right to exercise four preemptory challenges, to be exercised simultaneously and in confidence, disqualifying from appointment to the panel up to four candidates proposed by the other involved Party. Preemptory challenges and the selection of alternative panelists shall occur within 45 days of the request for the panel. If an involved Party fails to appoint its members to a panel within 30 days or if a panelist is struck and no alternative panelist is selected within 45 days, such panelist shall be selected by lot on the 31st or 46th day, as the case may be, from that Party's candidates on the roster.
3. Within 55 days of the request for a panel, the involved Parties shall agree on the selection of a fifth panelist. If the involved Parties are unable to agree, they shall decide by lot which of them shall select, by the 61st day, the fifth panelist from the roster, excluding candidates eliminated by preemptory challenges.
4. Upon appointment of the fifth panelist, the panelists shall promptly appoint a chairman from among the lawyers on the panel by majority vote of the panelists. If there is no majority vote, the chairman shall be appointed by lot from among the lawyers on the panel.

5. Decisions of the panel shall be by majority vote and based upon the votes of all members of the panel. The panel shall issue a written decision with reasons, together with any dissenting or concurring opinions of panelists.
6. Panelists shall be subject to the code of conduct established pursuant to Article 1909. If an involved Party believes that a panelist is in violation of the code of conduct, the involved Parties shall consult and if they agree, the panelist shall be removed and a new panelist shall be selected in accordance with the procedures of this Annex.
7. When a panel is convened pursuant to Article 1904 each panelist shall be required to sign:
  - (a) an application for protective order for information supplied by the United States or its persons covering business proprietary and other privileged information;
  - (b) an undertaking for information supplied by Canada or its persons covering confidential, personal, business proprietary and other privileged information; or
  - (c) an undertaking for information supplied by Mexico or its persons covering confidential, business proprietary and other privileged information.
8. Upon a panelist's acceptance of the obligations and terms of an application for protective order or disclosure undertaking, the importing Party shall grant access to the information covered by such order or disclosure undertaking. Each Party shall establish appropriate sanctions for violations of protective orders or disclosure undertakings issued by or given to any Party. Each Party shall enforce such sanctions with respect to any person within its jurisdiction. Failure by a panelist to sign a protective order or disclosure undertaking shall result in disqualification of the panelist.
9. If a panelist becomes unable to fulfill panel duties or is disqualified, proceedings of the panel shall be suspended pending the selection of a substitute panelist in accordance with the procedures of this Annex.
10. Subject to the code of conduct established pursuant to Article 1909, and provided that it does not interfere with the performance of the duties of such panelist, a panelist may engage in other business during the term of the panel.
11. While acting as a panelist, a panelist may not appear as counsel before another panel.

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*Annex 1901.2*

12. With the exception of violations of protective orders or disclosure undertakings, signed pursuant to paragraph 7, panelists shall be immune from suit and legal process relating to acts performed by them in their official capacity.

**Annex 1903.2**

**Panel Procedures Under Article 1903**

1. The panel shall establish its own rules of procedure unless the Parties otherwise agree prior to the establishment of that panel. The procedures shall ensure a right to at least one hearing before the panel, as well as the opportunity to provide written submissions and rebuttal arguments. The proceedings of the panel shall be confidential, unless the two Parties otherwise agree. The panel shall base its decisions solely upon the arguments and submissions of the two Parties.
2. Unless the Parties to the dispute otherwise agree, the panel shall, within 90 days after its chairman is appointed, present to the two Parties an initial written declaratory opinion containing findings of fact and its determination pursuant to Article 1903.
3. If the findings of the panel are affirmative, the panel may include in its report its recommendations as to the means by which the amending statute could be brought into conformity with the provisions of Article 1902(2)(d). In determining what, if any, recommendations are appropriate, the panel shall consider the extent to which the amending statute affects interests under this Agreement. Individual panelists may provide separate opinions on matters not unanimously agreed. The initial opinion of the panel shall become the final declaratory opinion, unless a Party to the dispute requests a reconsideration of the initial opinion pursuant to paragraph 4.
4. Within 14 days of the issuance of the initial declaratory opinion, a Party to the dispute disagreeing in whole or in part with the opinion may present a written statement of its objections and the reasons for those objections to the panel. In such event, the panel shall request the views of both Parties and shall reconsider its initial opinion. The panel shall conduct any further examination that it deems appropriate, and shall issue a final written opinion, together with dissenting or concurring views of individual panelists, within 30 days of the request for reconsideration.
5. Unless the Parties to the dispute otherwise agree, the final declaratory opinion of the panel shall be made public, along with any separate opinions of individual panelists and any written views that either Party may wish to be published.
6. Unless the Parties to the dispute otherwise agree, meetings and hearings of the panel shall take place at the office of the amending Party's Section of the Secretariat.

**Annex 1904.13**

**Extraordinary Challenge Procedure**

1. The involved Parties shall establish an extraordinary challenge committee, composed of three members, within 15 days of a request pursuant to Article 1904(13). The members shall be selected from a 15-person roster comprised of judges or former judges of a federal judicial court of the United States or a judicial court of superior jurisdiction of Canada, or a federal judicial court of Mexico. Each Party shall name five persons to this roster. Each involved Party shall select one member from this roster and the involved Parties shall decide by lot which of them shall select the third member from the roster.
2. The Parties shall establish by the date of entry into force of the Agreement rules of procedure for committees. The rules shall provide for a decision of a committee within 90 days of its establishment.
3. Committee decisions shall be binding on the Parties with respect to the particular matter between the Parties that was before the panel. After examination of the legal and factual analysis underlying the findings and conclusions of the panel's decision in order to determine whether one of the grounds set out in Article 1904(13) has been established, and upon finding that one of those grounds has been established, the committee shall vacate the original panel decision or remand it to the original panel for action not inconsistent with the committee's decision; if the grounds are not established, it shall deny the challenge and, therefore, the original panel decision shall stand affirmed. If the original decision is vacated, a new panel shall be established pursuant to Annex 1901.2.

**Annex 1904.15**

**Amendments to Domestic Laws**

**Schedule of Canada**

1. Canada shall amend sections 56 and 58 of the *Special Import Measures Act*, as amended, to allow the United States or Mexico or a United States or a Mexican manufacturer, producer, or exporter, without regard to payment of duties, to make a written request for a re-determination; and section 59 to require the Deputy Minister to make a ruling on a request for a redetermination within one year of a request to a designated officer or other customs officer.

2. Canada shall amend section 18.3(1) of the *Federal Court Act*, as amended, to render that section inapplicable to the United States and to Mexico; and shall provide in its statutes or regulations that persons (including producers of goods subject to an investigation) have standing to ask Canada to request a panel review where such persons would be entitled to commence domestic procedures for judicial review if the final determination were reviewable by the Federal Court pursuant to section 18.1(4).

3. Canada shall amend the *Special Import Measures Act*, as amended, and any other relevant provisions of law, to provide that the following actions of the Deputy Minister shall be deemed for the purposes of this Article to be final determinations subject to judicial review:

- (a) a determination by the Deputy Minister pursuant to section 41;
- (b) a re-determination by the Deputy Minister pursuant to section 59; and
- (c) a review by the Deputy Minister of an undertaking pursuant to section 53(1).

4. Canada shall amend Part II of the *Special Import Measures Act*, as amended, to provide for binational panel review respecting goods of Mexico and the United States.

5. Canada shall amend Part II of the *Special Import Measures Act*, as amended, to provide for definitions related to this Chapter, as may be required.

6. Canada shall amend Part II of the *Special Import Measures Act*, as amended, to permit the governments of Mexico and the United States to request binational panel review of final determinations respecting goods of Mexico and the United States.
7. Canada shall amend Part II of the *Special Import Measures Act*, as amended, to provide for the establishment of binational panels requested to review final determinations in respect of goods of Mexico and the United States.
8. Canada shall amend Part II of the *Special Import Measures Act*, as amended, to provide that binational panel review of a final determination shall be conducted in accordance with this Chapter.
9. Canada shall amend Part II of the *Special Import Measures Act*, as amended, to provide that an extraordinary challenge proceeding shall be requested and conducted in accordance with Article 1904 and Annex 1904.13.
10. Canada shall amend Part II of the *Special Import Measures Act*, as amended, to provide for a code of conduct, immunity for anything done or omitted to be done during the course of panel proceedings, the signing of and compliance with disclosure undertakings respecting confidential information, and remuneration for members of panels and committees established pursuant to this Chapter.
11. Canada shall make such amendments as are necessary to establish a Canadian Secretariat for this Agreement and generally to facilitate the operation of this Chapter and the work of the binational panels, extraordinary challenge committees and special committees convened under this Chapter.

#### Schedule of Mexico

Mexico shall amend its antidumping and countervailing duty statutes and regulations, and other statutes and regulations to the extent that they apply to the operation of the antidumping and countervailing duty laws, to provide the following:

- (a) elimination of the possibility of imposing duties within the five-day period after the acceptance of a petition;
- (b) substitution of the term *Resolución de Inicio* ("Initial Resolution") for the term *Resolución Provisional* ("Provisional Resolution") and the term *Resolución*



*Provisional* ("Provisional Resolution") for the term *Resolución que revisa a la Resolución Provisional* ("Resolution Reviewing the Provisional Resolución");

- (c) full participation in the administrative process for interested parties, as well as the right to administrative appeal and judicial review of final determinations of investigations, reviews, product coverage or other final decisions affecting them;
- (d) elimination of the possibility of imposing provisional duties before the issuance of a preliminary determination;
- (e) the right to immediate access to review of final determinations by binational panels for interested parties, without the need to exhaust first the administrative appeal;
- (f) explicit and adequate timetables for determinations of the competent investigating authority and for the submission of questionnaires, evidence and comments by interested parties, as well as an opportunity for them to present facts and arguments in support of their positions prior to any final determination, to the extent time permits, including an opportunity to be adequately informed in a timely manner of and to comment on all aspects of preliminary determinations of dumping or subsidization;
- (g) written notice to interested parties of any of the actions or resolutions rendered by the competent investigating authority, including initiation of an administrative review as well as its conclusion;
- (h) disclosure meetings with interested parties by the competent investigating authority conducting its investigations and reviews, within seven calendar days after the date of publication in the *Diario Oficial de la Federación* ("Federal Official Journal") of preliminary and final determinations, to explain the margins of dumping and the amount of subsidies calculations and to provide the interested parties with copies of sample calculations and, if used, computer programs;
- (i) timely access by eligible counsel of interested parties during the course of the proceeding (including disclosure meetings) and on appeal, either before a national tribunal or a panel, to all information contained in the administrative record of the proceeding, including confidential information, excepting proprietary information of such a high degree of sensitivity that its release

would lead to substantial and irreversible harm to the owner as well as government classified information, subject to an undertaking for confidentiality that strictly forbids use of the information for personal benefit and its disclosure to persons who are not authorized to receive such information; and for sanctions that are specific to violations of undertakings in proceedings before national tribunals or panels;

- (j) timely access by interested parties during the course of the proceeding, to all non-confidential information contained in the administrative record and access to such information by interested parties or their representatives in any proceeding after 90 days following the issuance of the final determination;
- (k) a mechanism requiring that any person submitting documents to the competent investigating authority shall simultaneously serve on interested persons, including foreign interests, any submissions after the complaint;
- (l) preparation of summaries of *ex parte* meetings held between the competent investigating authority and any interested party and the inclusion in the administrative record of such summaries, which shall be made available to parties to the proceeding; if such summaries contain business proprietary information, the documents must be disclosed to a party's representative under an undertaking to ensure confidentiality;
- (m) maintenance by the competent investigating authority of an administrative record as defined in this Chapter and a requirement that the final determination be based solely on the administrative record;
- (n) informing interested parties in writing of all data and information the administering authority requires them to submit for the investigation, review, product coverage proceeding, or other antidumping or countervailing duty proceeding;
- (o) the right to an annual individual review on request by the interested parties through which they can obtain their own dumping margin or countervailing duty rate, or can change the margin or rate they received in the investigation or a previous review, reserving to the competent investigating authority the ability to initiate a review, at any time, on its own motion and requiring that the competent investigating authority issue a notice of initiation within a reasonable period of time after the request;

- (p) application of determinations issued as a result of judicial, administrative, or panel review, to the extent they are relevant to interested parties in addition to the plaintiff, so that all interested parties will benefit;
- (q) issuance of binding decisions by the competent investigating authority if an interested party seeks clarification outside the context of an antidumping or countervailing duty investigation or review with respect to whether a particular product is covered by an antidumping or countervailing duty order;
- (r) a detailed statement of reasons and the legal basis for final determinations in a manner sufficient to permit interested parties to make an informed decision as to whether to seek judicial or panel review, including an explanation of methodological or policy issues raised in the calculation of dumping or subsidization;
- (s) written notice to interested parties and publication in the *Diario Oficial de la Federación* ("Federal Official Journal") of initiation of investigations setting forth the nature of the proceeding, the legal authority under which the proceeding is initiated, and a description of the product at issue;
- (t) documentation in writing of all advisory bodies' decisions or recommendations, including the basis for the decisions, and release of such written decisions to parties to the proceeding; all decisions or recommendations of any advisory body shall be placed in the administrative record and made available to parties to the proceeding; and
- (u) a standard of review to be applied by binational panels as set out in its Schedule to Annex 1911.

#### Schedule of the United States

1. The United States shall amend section 301 of the *Customs Courts Act of 1980*, as amended, and any other relevant provisions of law, to eliminate the authority to issue declaratory judgments in any civil action involving an antidumping or countervailing duty proceeding regarding a class or kind of Canadian or Mexican merchandise.
2. The United States shall amend section 405(a) of the *United States-Canada Free-Trade Agreement Implementation Act of 1988*, to provide that the interagency group established under section 242 of the *Trade Expansion Act of 1962* shall prepare a list of individuals

qualified to serve as members of binational panels, extraordinary challenge committees and special committees convened under this Chapter.

3. The United States shall amend section 405(b) of the *United States-Canada Free-Trade Agreement Implementation Act of 1988*, to provide that panelists selected to serve on panels or committees convened pursuant to this Chapter, and individuals designated to assist such appointed individuals, shall not be considered employees of the United States.

4. The United States shall amend section 405(c) of the *United States-Canada Free-Trade Agreement Implementation Act of 1988*, to provide that panelists selected to serve on panels or committees convened pursuant to this Chapter, and individuals designated to assist the individuals serving on such panels or committees, shall be immune from suit and legal process relating to acts performed by such individuals in their official capacity and within the scope of their functions as such panelists or committee members, except with respect to the violation of protective orders described in section 777f(d)(3) of the *Tariff Act of 1930*.

5. The United States shall amend section 405(d) of the *United States-Canada Free-Trade Agreement Implementation Act of 1988*, to establish a United States Secretariat to facilitate the operation of this Chapter and the work of the binational panels, extraordinary challenge committees and special committees convened under this Chapter.

6. The United States shall amend section 407 of the *United States-Canada Free-Trade Agreement Implementation Act of 1988*, to provide on that an extraordinary challenge committee convened pursuant to Article 1904 and Annex 1904.13 shall have authority to obtain information in the event of an allegation that a member of a binational panel was guilty of gross misconduct, bias, or a serious conflict of interest, or otherwise materially violated the rules of conduct, and for the committee to summon the attendance of witnesses, order the taking of depositions and obtain the assistance of any district or territorial court of the United States in aid of the committee's investigation.

7. The United States shall amend section 408 of the *United States-Canada Free-Trade Agreement Implementation Act of 1988*, to provide that, in the case of a final determination of a competent investigating authority of Mexico, as well as Canada, the filing with the United States Secretary of a request for binational panel review by a person described in Article 1904(5) shall be deemed, upon receipt of the request by the Secretary, to be a request for binational panel review within the meaning of Article 1904(4).

8. The United States shall amend section 516A of the *Tariff Act of 1930* to provide that judicial review of antidumping or countervailing duty cases regarding Mexican, as well as

Canadian, merchandise shall not be commenced in the Court of International Trade if binational panel review is requested.

9. The United States shall amend section 516A(a) of the *Tariff Act of 1930* to provide that the time limits for commencing an action in the Court of International Trade with regard to antidumping or countervailing duty proceedings involving Mexican or Canadian merchandise shall not begin to run until the 31st day after the date of publication in the *Federal Register* of notice of the final determination or the antidumping duty order.

10. The United States shall amend section 516A(g) of the *Tariff Act of 1930* to provide, in accordance with the terms of this Chapter, for binational panel review of antidumping and countervailing duty cases involving Mexican or Canadian merchandise. Such amendment shall provide that if binational panel review is requested such review will be exclusive.

11. The United States shall amend section 516A(g) of the *Tariff Act of 1930* to provide that the competent investigating authority shall, within the period specified by any panel formed to review a final determination regarding Mexican or Canadian merchandise, take action not inconsistent with the decision of the panel or committee.

12. The United States shall amend section 777 of the *Tariff Act of 1930* to provide for the disclosure to authorized persons under protective order of proprietary information in the administrative record, if binational panel review of a final determination regarding Mexican or Canadian merchandise is requested.

13. The United States shall amend section 777 of the *Tariff Act of 1930* to provide for the imposition of sanctions on any person who the competent investigating authority finds to have violated a protective order issued by the competent investigating authority of the United States or disclosure undertakings entered into with an authorized agency of Mexico or with a competent investigating authority of Canada to protect proprietary material during binational panel review.

**Annex 1905.6**

**Special Committee Procedures**

The Parties shall establish rules of procedure by the date of entry into force of this Agreement in accordance with the following principles:

- (a) the procedures shall assure a right to at least one hearing before the special committee as well as the opportunity to provide initial and rebuttal written submissions;
- (b) the procedures shall assure that the special committee shall prepare an initial report typically within 60 days of the appointment of the last member, and shall afford the Parties 14 days to comment on that report prior to issuing a final report 30 days after presentation of the initial report;
- (c) the special committee's hearings, deliberations, and initial report, and all written submissions to and communications with the special committee shall be confidential;
- (d) unless the Parties to the dispute otherwise agree, the decision of the special committee shall be published 10 days after it is transmitted to the disputing Parties, along with any separate opinions of individual members and any written views that either Party may wish to be published; and
- (e) unless the Parties to the dispute otherwise agree, meetings and hearings of the special committee shall take place at the office of the Section of the Secretariat of the Party complained against.

**Annex 1911**

**Country-Specific Definitions**

For purposes of this Chapter:

**antidumping statute means:**

- (a) in the case of Canada, the relevant provisions of the *Special Import Measures Act*, as amended, and any successor statutes;
- (b) in the case of the United States, the relevant provisions of Title VII of the *Tariff Act of 1930*, as amended, and any successor statutes;
- (c) in the case of Mexico, the relevant provisions of the *Ley Reglamentaria del Artículo 131 de la Constitución Política de los Estados Unidos Mexicanos en Materia de Comercio Exterior* ("Foreign Trade Act Implementing Article 131 of the Constitution of the United Mexican States"), as amended, and any successor statutes; and
- (d) the provisions of any other statute that provides for judicial review of final determinations under subparagraph (a), (b) or (c), or indicates the standard of review to be applied to such determinations;

**competent investigating authority means:**

- (a) in the case of Canada
  - (i) the Canadian International Trade Tribunal, or its successor, or
  - (ii) the Deputy Minister of National Revenue for Customs and Excise as defined in the *Special Import Measures Act*, or the Deputy Minister's successor;
- (b) in the case of the United States
  - (i) the International Trade Administration of the United States Department of Commerce, or its successor, or

- (ii) the United States International Trade Commission, or its successor; and
- (c) in the case of Mexico, the designated authority within the *Secretaría de Comercio y Fomento Industrial* ("Secretariat of Trade and Industrial Development"), or its successor;

**countervailing duty statute means:**

- (a) in the case of Canada, the relevant provisions of the *Special Import Measures Act*, as amended, and any successor statutes;
- (b) in the case of the United States, section 303 and the relevant provisions of Title VII of the *Tariff Act of 1930*, as amended, and any successor statutes;
- (c) in the case of Mexico, the relevant provisions of the *Ley Reglamentaria del Artículo 131 de la Constitución Política de los Estados Unidos Mexicanos en Materia de Comercio Exterior* ("Foreign Trade Act Implementing Article 131 of the Constitution of the United Mexican States"), as amended, and any successor statutes; and
- (d) the provisions of any other statute that provides for judicial review of final determinations under subparagraph (a), (b) or (c), or indicates the standard of review to be applied to such determinations;

**final determination means:**

- (a) in the case of Canada
  - (i) an order or finding of the Canadian International Trade Tribunal under subsection 43(1) of the *Special Import Measures Act*,
  - (ii) an order by the Canadian International Trade Tribunal under subsection 76(4) of the *Special Import Measures Act*, continuing an order or finding made under subsection 43(1) of the Act with or without amendment,
  - (iii) a determination by the Deputy Minister of National Revenue for Customs and Excise pursuant to section 41 of the *Special Import Measures Act*,



- (iv) a re-determination by the Deputy Minister pursuant to section 59 of the *Special Import Measures Act*,
  - (v) a decision by the Canadian International Trade Tribunal pursuant to subsection 76(3) of the *Special Import Measures Act* not to initiate a review,
  - (vi) a reconsideration by the Canadian International Trade Tribunal pursuant to subsection 91(3) of the *Special Import Measures Act*, and
  - (vii) a review by the Deputy Minister of an undertaking pursuant to subsection 53(1) of the *Special Import Measures Act*;
- (b) in the case of the United States
- (i) a final affirmative determination by the International Trade Administration of the United States Department of Commerce or by the United States International Trade Commission under section 705 or 735 of the *Tariff Act of 1930*, as amended, including any negative part of such a determination,
  - (ii) a final negative determination by the International Trade Administration of the United States Department of Commerce or by the United States International Trade Commission under section 705 or 735 of the *Tariff Act of 1930*, as amended, including any affirmative part of such a determination,
  - (iii) a final determination, other than a determination in (iv), under section 751 of the *Tariff Act of 1930*, as amended,
  - (iv) a determination by the United States International Trade Commission under section 751(b) of the *Tariff Act of 1930*, as amended, not to review a determination based upon changed circumstances, and
  - (v) a final determination by the International Trade Administration of the United States Department of Commerce as to whether a particular type of merchandise is within the class or kind of merchandise described in an existing finding of dumping or antidumping or countervailing duty order; and

- (c) in the case of the Mexico,
  - (i) a final resolution regarding antidumping or countervailing duties investigations by the *Secretaría de Comercio y Fomento Industrial* ("Secretariat of Trade and Industrial Development"), pursuant to Article 13 of the *Ley Reglamentaria del Artículo 131 de la Constitución Política de los Estados Unidos Mexicanos en Materia de Comercio Exterior* ("Foreign Trade Act Implementing Article 131 of the Constitution of the United Mexican States"), as amended,
  - (ii) a final resolution regarding an annual administrative review of antidumping or countervailing duties by the *Secretaría de Comercio y Fomento Industrial* ("Secretariat of Trade and Industrial Development"), as described in paragraph (o) of its Schedule to Annex 1904.15, and
  - (iii) a final resolution by the *Secretaría de Comercio y Fomento Industrial* ("Secretariat of Trade and Industrial Development") as to whether a particular type of merchandise is within the class or kind of merchandise described in an existing antidumping or countervailing duty resolution; and

standard of review means the following standards, as may be amended from time to time by the relevant Party:

- (a) in the case of Canada, the grounds set out in subsection 18.1(4) of the *Federal Court Act* with respect to all final determinations;
- (b) in the case of the United States,
  - (i) the standard set out in section 516A(b)(1)(B) of the *Tariff Act of 1930*, as amended, with the exception of a determination referred to in (ii), and
  - (ii) the standard set out in section 516A(b)(1)(A) of the *Tariff Act of 1930*, as amended, with respect to a determination by the United States International Trade Commission not to initiate a review pursuant to section 751(b) of the *Tariff Act of 1930*, as amended; and

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- (c) in the case of the Mexico, the standard set out in Article 238 of the *Código Fiscal de la Federación* ("Federal Fiscal Code"), or any successor statutes, based solely on the administrative record.

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**Chapter Twenty**  
**Institutional Arrangements**  
**and Dispute Settlement Procedures**

**Section A - Institutions**

**Article 2001: The Free Trade Commission**

1. The Parties hereby establish the Free Trade Commission, comprising cabinet-level representatives of the Parties or their designees.
2. The Commission shall:
  - (a) supervise the implementation of this Agreement;
  - (b) oversee its further elaboration;
  - (c) resolve disputes that may arise regarding its interpretation or application;
  - (d) supervise the work of all committees and working groups established under this Agreement, referred to in Annex 2001.2; and
  - (e) consider any other matter that may affect the operation of this Agreement.
3. The Commission may:
  - (a) establish, and delegate responsibilities to, ad hoc or standing committees, working groups or expert groups;
  - (b) seek the advice of non-governmental persons or groups; and
  - (c) take such other action in the exercise of its functions as the Parties may agree.
4. The Commission shall establish its rules and procedures. All decisions of the Commission shall be taken by consensus, except as the Commission may otherwise agree.
5. The Commission shall convene at least once a year in regular session. Regular sessions of the Commission shall be chaired successively by each Party.

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**Article 2002: The Secretariat**

1. The Commission shall establish and oversee a Secretariat comprising national Sections.
2. Each Party shall:
  - (a) establish a permanent office of its Section;
  - (b) be responsible for
    - (i) the operation and costs of its Section, and
    - (ii) the remuneration and payment of expenses of panelists and members of committees and scientific review boards established under this Agreement, as set out in Annex 2002.2;
  - (c) designate an individual to serve as Secretary for its Section, who shall be responsible for its administration and management; and
  - (d) notify the Commission of the location of its Section's office.
3. The Secretariat shall:
  - (a) provide assistance to the Commission;
  - (b) provide administrative assistance to
    - (i) panels and committees established under Chapter Nineteen (Review and Dispute Settlement in Antidumping and Countervailing Duty Matters), in accordance with the procedures established pursuant to Article 1908, and
    - (ii) panels established under this Chapter, in accordance with procedures established pursuant to Article 2012; and

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- (c) as the Commission may direct
  - (i) support the work of other committees and groups established under this Agreement, and
  - (ii) otherwise facilitate the operation of this Agreement.

## **Section B - Dispute Settlement**

### **Article 2003: Cooperation**

The Parties shall at all times endeavor to agree on the interpretation and application of this Agreement, and shall make every attempt through cooperation and consultations to arrive at a mutually satisfactory resolution of any matter that might affect its operation.

### **Article 2004: Recourse to Dispute Settlement Procedures**

Except for the matters covered in Chapter Nineteen (Review and Dispute Settlement in Antidumping and Countervailing Duty Matters) and as otherwise provided in this Agreement, the dispute settlement provisions of this Chapter shall apply with respect to the avoidance or settlement of all disputes between the Parties regarding the interpretation or application of this Agreement or wherever a Party considers that an actual or proposed measure of another Party is or would be inconsistent with the obligations of this Agreement or cause nullification or impairment in the sense of Annex 2004.

### **Article 2005: GATT Dispute Settlement**

1. Subject to paragraphs 2, 3 and 4, disputes regarding any matter arising under both this Agreement and the *General Agreement on Tariffs and Trade*, any agreement negotiated thereunder, or any successor agreement (GATT), may be settled in either forum at the discretion of the complaining Party.
2. Before a Party initiates a dispute settlement proceeding in the GATT against another Party on grounds that are substantially equivalent to those available to that Party under this Agreement, that Party shall notify any third Party of its intention. If a third Party wishes to have recourse to dispute settlement procedures under this Agreement regarding the matter, it

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shall inform promptly the notifying Party and those Parties shall consult with a view to agreement on a single forum. If those Parties cannot agree, the dispute normally shall be settled under this Agreement.

3. In any dispute referred to in paragraph 1 where the responding Party claims that its action is subject to Article 104 (Relation to Environmental and Conservation Agreements) and requests in writing that the matter be considered under this Agreement, the complaining Party may, in respect of that matter, thereafter have recourse to dispute settlement procedures solely under this Agreement.

4. In any dispute referred to in paragraph 1 that arises under Section B of Chapter Seven (Sanitary and Phytosanitary Measures) or Chapter Nine (Standards-Related Measures):

- (a) concerning a measure adopted or maintained by a Party to protect its human, animal or plant life or health, or to protect its environment, and
- (b) that raises factual issues concerning the environment, health, safety or conservation, including directly related scientific matters,

where the responding Party requests in writing that the matter be considered under this Agreement, the complaining Party may, in respect of that matter, thereafter have recourse to dispute settlement procedures solely under this Agreement.

5. The responding Party shall deliver a copy of a request made pursuant to paragraph 3 or 4 to the other Parties and to its Section of the Secretariat. Where the complaining Party has initiated dispute settlement proceedings regarding any matter subject to paragraph 3 or 4, the responding Party shall deliver its request no later than 15 days thereafter. On receipt of such request, the complaining Party shall promptly withdraw from participation in those proceedings and may initiate dispute settlement procedures under Article 2007.

6. Once dispute settlement procedures have been initiated under Article 2007 or dispute settlement proceedings have been initiated under the GATT, the forum selected shall be used to the exclusion of the other, unless a Party makes a request pursuant to paragraph 3 or 4.

7. For purposes of this Article, dispute settlement proceedings under the GATT are deemed to be initiated by a Party's request for a panel, such as under Article XXIII:2 of the *General Agreement on Tariffs and Trade 1947*, or for a committee investigation, such as under Article 20.1 of the Customs Valuation Code.

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### *Consultations*

#### **Article 2006: Consultations**

1. Any Party may request in writing consultations with any other Party regarding any actual or proposed measure or any other matter that it considers might affect the operation of this Agreement.
2. The requesting Party shall deliver the request to the other Parties and to its Section of the Secretariat.
3. Unless the Commission otherwise provides in its rules and procedures established under Article 2001(4), a third Party that considers it has a substantial interest in the matter shall be entitled to participate in the consultations on delivery of written notice to the other Parties and to its Section of the Secretariat.
4. Consultations on matters regarding perishable agricultural goods shall commence within 15 days of the date of delivery of the request.
5. The consulting Parties shall make every attempt to arrive at a mutually satisfactory resolution of any matter through consultations under this Article or other consultative provisions of this Agreement. To this end, the consulting Parties shall:
  - (a) provide sufficient information to enable a full examination of how the actual or proposed measure or other matter might affect the operation of this Agreement;
  - (b) treat any confidential or proprietary information exchanged in the course of consultations on the same basis as the Party providing the information; and
  - (c) seek to avoid any resolution that adversely affects the interests under this Agreement of any other Party.

### *Initiation of Procedures*

#### **Article 2007: Commission - Good Offices, Conciliation and Mediation**

1. If the consulting Parties fail to resolve a matter pursuant to Article 2006 within:
  - (a) 30 days of delivery of a request for consultations,



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- (b) 45 days of delivery of such request if any other Party has subsequently requested or has participated in consultations regarding the same matter,
- (c) 15 days of delivery of a request for consultations in matters regarding perishable agricultural goods, or
- (d) such other period as they may agree,

any such Party may request in writing a meeting of the Commission.

2. A Party may also request in writing a meeting of the Commission where:

- (a) it has initiated dispute settlement proceedings under the GATT regarding any matter subject to Article 2005(3) or (4), and has received a request pursuant to Article 2005(5) for recourse to dispute settlement procedures under this Chapter; or
- (b) consultations have been held pursuant to Article 513 (Working Group on Rules of Origin), Article 723 (Sanitary and Phytosanitary Measures - Technical Consultations) and Article 914 (Standards-Related Measures - Technical Consultations).

3. The requesting Party shall state in the request the measure or other matter complained of and indicate the provisions of this Agreement that it considers relevant, and shall deliver the request to the other Parties and to its Section of the Secretariat.

4. Unless it decides otherwise, the Commission shall convene within 10 days of delivery of the request and shall endeavor to resolve the dispute promptly.

5. The Commission may:

- (a) call on such technical advisers or create such working groups or expert groups as it deems necessary,
- (b) have recourse to good offices, conciliation, mediation or such other dispute resolution procedures, or
- (c) make recommendations,

as may assist the consulting Parties to reach a mutually satisfactory resolution of the dispute.

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6. Unless it decides otherwise, the Commission shall consolidate two or more proceedings before it pursuant to this Article regarding the same measure. The Commission may consolidate two or more proceedings regarding other matters before it pursuant to this Article that it determines are appropriate to be considered jointly.

*Panel Proceedings*

**Article 2008: Request for an Arbitral Panel**

1. If the Commission has convened pursuant to Article 2007(4), and the matter has not been resolved within:

- (a) 30 days thereafter,
- (b) 30 days after the Commission has convened in respect of the matter most recently referred to it, where proceedings have been consolidated pursuant to Article 2007(6), or
- (c) such other period as the consulting Parties may agree,

any consulting Party may request in writing the establishment of an arbitral panel. The requesting Party shall deliver the request to the other Parties and to its Section of the Secretariat.

2. On delivery of the request, the Commission shall establish an arbitral panel.

3. A third Party that considers it has a substantial interest in the matter shall be entitled to join as a complaining Party on delivery of written notice of its intention to participate to the disputing Parties and its Section of the Secretariat. The notice shall be delivered at the earliest possible time, and in any event no later than seven days after the date of delivery of a request by a Party for the establishment of a panel.

4. If a third Party does not join as a complaining Party in accordance with paragraph 3, it normally shall refrain thereafter from initiating or continuing:

- (a) a dispute settlement procedure under this Agreement, or
- (b) a dispute settlement proceeding in the GATT on grounds that are substantially equivalent to those available to that Party under this Agreement,

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regarding the same matter in the absence of a significant change in economic or commercial circumstances.

5. Unless otherwise agreed by the disputing Parties, the panel shall be established and perform its functions in a manner consistent with the provisions of this Chapter.

#### **Article 2009: Roster**

1. The Parties shall establish and maintain a roster of up to 30 individuals who are willing and able to serve as panelists. The roster members shall be appointed by consensus for terms of three years, and may be reappointed.

2. Roster members shall:

- (a) have expertise or experience in law, international trade, other matters covered by this Agreement or the resolution of disputes arising under international trade agreements, and shall be chosen strictly on the basis of objectivity, reliability and sound judgment;
- (b) be independent of, and not be affiliated with or take instructions from, any Party; and
- (c) comply with a code of conduct to be established by the Commission.

#### **Article 2010: Qualifications of Panelists**

1. All panelists shall meet the qualifications set out in Article 2009(2).

2. Individuals may not serve as panelists for a dispute in which they have participated pursuant to Article 2007(5).

#### **Article 2011: Panel Selection**

1. Where there are two disputing Parties, the following procedures shall apply:

- (a) The panel shall comprise five members.

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- (b) The disputing Parties shall endeavor to agree on the chair of the panel within 15 days of the delivery of the request for the establishment of the panel. If the disputing Parties are unable to agree on the chair within this period, the disputing Party chosen by lot shall select within five days as chair an individual who is not a citizen of that Party.
- (c) Within 15 days of selection of the chair, each disputing Party shall select two panelists who are citizens of the other disputing Party.
- (d) If a disputing Party fails to select its panelists within such period, such panelists shall be selected by lot from among the roster members who are citizens of the other disputing Party.

2. Where there are more than two disputing Parties, the following procedures shall apply:

- (a) The panel shall comprise five members.
- (b) The disputing Parties shall endeavor to agree on the chair of the panel within 15 days of the delivery of the request for the establishment of the panel. If the disputing Parties are unable to agree on the chair within this period, the Party or Parties on the side of the dispute chosen by lot shall select within 10 days a chair who is not a citizen of such Party or Parties.
- (c) Within 15 days of selection of the chair, the Party complained against shall select two panelists, one of whom is a citizen of a complaining Party, and the other of whom is a citizen of another complaining Party. The complaining Parties shall select two panelists who are citizens of the Party complained against.
- (d) If any disputing Party fails to select a panelist within such period, such panelist shall be selected by lot in accordance with the citizenship criteria of subparagraph (c).

3. Panelists shall normally be selected from the roster. Any disputing Party may exercise a peremptory challenge against any individual not on the roster who is proposed as a panelist by a disputing Party within 15 days after the individual has been proposed.

4. If a disputing Party believes that a panelist is in violation of the code of conduct, the disputing Parties shall consult and if they agree, the panelist shall be removed and a new panelist shall be selected in accordance with this Article.

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#### **Article 2012: Rules of Procedure**

1. The Commission shall establish Model Rules of Procedure, in accordance with the following principles:
  - (a) the procedures shall assure a right to at least one hearing before the panel as well as the opportunity to provide initial and rebuttal written submissions; and
  - (b) the panel's hearings, deliberations and initial report, and all written submissions to and communications with the panel shall be confidential.
2. Unless the disputing Parties otherwise agree, the panel shall conduct its proceedings in accordance with the Model Rules of Procedure.
3. Unless the disputing Parties otherwise agree within 20 days from the date of the delivery of the request for the establishment of the panel, the terms of reference shall be:

"To examine, in the light of the relevant provisions of the Agreement, the matter referred to the Commission (as set out in the request for a Commission meeting) and to make findings, determinations and recommendations as provided in Article 2016(2)."
4. If a complaining Party wishes to argue that a matter has nullified or impaired benefits, the terms of reference shall so indicate.
5. If a disputing Party wishes the panel to make findings as to the degree of adverse trade effects on any Party of any measure found not to conform with the obligations of the Agreement or to have caused nullification or impairment in the sense of Annex 2004, the terms of reference shall so indicate.

#### **Article 2013: Third Party Participation**

A Party that is not a disputing Party, on delivery of a written notice to the disputing Parties and to its Section of the Secretariat, shall be entitled to attend all hearings, to make written and oral submissions to the panel and to receive written submissions of the disputing Parties.

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#### **Article 2014: Role of Experts**

On request of a disputing Party, or on its own initiative, the panel may seek information and technical advice from any person or body that it deems appropriate, provided that the disputing Parties so agree and subject to such terms and conditions as such Parties may agree.

#### **Article 2015: Scientific Review Boards**

1. On request of a disputing Party or, unless the disputing Parties disapprove, on its own initiative, the panel may request a written report of a scientific review board on any factual issue concerning environmental, health, safety or other scientific matters raised by a disputing Party in a proceeding, subject to such terms and conditions as such Parties may agree.

2. The board shall be selected by the panel from among highly qualified, independent experts in the scientific matters, after consultations with the disputing Parties and the scientific bodies set out in the Model Rules of Procedure established pursuant to Article 2012(1).

3. The participating Parties shall be provided:

- (a) advance notice of, and an opportunity to provide comments to the panel on, the proposed factual issues to be referred to the board; and
- (b) a copy of the board's report and an opportunity to provide comments on the report to the panel.

4. The panel shall take the board's report and any comments by the Parties on the report into account in the preparation of its report.

#### **Article 2016: Initial Report**

1. Unless the disputing Parties otherwise agree, the panel shall base its report on the submissions and arguments of the Parties and on any information before it pursuant to Article 2014 or 2015.

2. Unless the disputing Parties otherwise agree, the panel shall, within 90 days after the last panelist is selected or such other period as the Model Rules of Procedure established

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pursuant to Article 2012(1) may provide, present to the disputing Parties an initial report containing:

- (a) findings of fact, including any findings pursuant to a request under Article 2012(5);
  - (b) its determination as to whether the measure at issue is or would be inconsistent with the obligations of this Agreement or cause nullification or impairment in the sense of Annex 2004, or any other determination requested in the terms of reference; and
  - (c) its recommendations, if any, for resolution of the dispute.
3. Panelists may furnish separate opinions on matters not unanimously agreed.
  4. A disputing Party may submit written comments to the panel on its initial report within 14 days of presentation of the report.
  5. In such an event, and after considering such written comments, the panel, on its own initiative or on the request of any disputing Party, may:
    - (a) request the views of any participating Party;
    - (b) reconsider its report; and
    - (c) make any further examination that it considers appropriate.

#### **Article 2017: Final Report**

1. The panel shall present to the disputing Parties a final report, including any separate opinions on matters not unanimously agreed, within 30 days of presentation of the initial report, unless the disputing Parties otherwise agree.
2. No panel may, either in its initial report or its final report, disclose which panelists are associated with majority or minority opinions.
3. The disputing Parties shall transmit to the Commission the final report of the panel, including any report of a scientific review board established under Article 2015, as well as any written views that a disputing Party desires to be appended, on a confidential basis within a reasonable period of time after it is presented to them.

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4. Unless the Commission decides otherwise, the final report of the panel shall be published 15 days after it is transmitted to the Commission.

### *Implementation of Panel Reports*

#### **Article 2018: Implementation of Final Report**

1. On receipt of the final report of a panel, the disputing Parties shall agree on the resolution of the dispute, which normally shall conform with the determinations and recommendations of the panel, and shall notify their Sections of the Secretariat of any agreed resolution of any dispute.
2. Wherever possible, the resolution shall be non-implementation or removal of a measure not conforming with this Agreement or causing nullification or impairment in the sense of Annex 2004 or, failing such a resolution, compensation.

#### **Article 2019: Non-Implementation - Suspension of Benefits**

1. If in its final report a panel has determined that a measure is inconsistent with the obligations of this Agreement or causes nullification or impairment in the sense of Annex 2004 and the Party complained against has not reached agreement with any complaining Party on a mutually satisfactory resolution pursuant to Article 2018(1) within 30 days of receiving the final report, such complaining Party may suspend the application to the Party complained against of benefits of equivalent effect until such time as they have reached agreement on a resolution of the dispute.
2. In considering what benefits to suspend pursuant to paragraph 1:
  - (a) a complaining Party should first seek to suspend benefits in the same sector or sectors as that affected by the measure or other matter that the panel has found to be inconsistent with the obligations of this Agreement or to have caused nullification or impairment in the sense of Annex 2004; and
  - (b) a complaining Party that considers it is not practicable or effective to suspend benefits in the same sector or sectors may suspend benefits in other sectors.
3. On the written request of any disputing Party delivered to the other Parties and its Section of the Secretariat, the Commission shall establish a panel to determine whether the level of benefits suspended by a Party pursuant to paragraph 1 is manifestly excessive.



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4. The panel proceedings shall be conducted in accordance with the Model Rules of Procedure. The panel shall present its determination within 60 days after the last panelist is selected or such other period as the disputing Parties may agree.

### **Section C - Domestic Proceedings and Private Commercial Dispute Settlement**

#### **Article 2020: Referrals of Matters from Judicial or Administrative Proceedings**

1. If an issue of interpretation or application of this Agreement arises in any domestic judicial or administrative proceeding of a Party that any Party considers would merit its intervention, or if a court or administrative body solicits the views of a Party, that Party shall notify the other Parties and its Section of the Secretariat. The Commission shall endeavor to agree on an appropriate response as expeditiously as possible.

2. The Party in whose territory the court or administrative body is located shall submit any agreed interpretation of the Commission to the court or administrative body in accordance with the rules of that forum.

3. If the Commission is unable to agree, any Party may submit its own views to the court or administrative body in accordance with the rules of that forum.

#### **Article 2021: Private Rights**

No Party may provide for a right of action under its domestic law against any other Party on the ground that a measure of another Party is inconsistent with this Agreement.

#### **Article 2022: Alternative Dispute Resolution**

1. Each Party shall, to the maximum extent possible, encourage and facilitate the use of arbitration and other means of alternative dispute resolution for the settlement of international commercial disputes between private parties in the free trade area.

2. To this end, each Party shall provide appropriate procedures to ensure observance of agreements to arbitrate and for the recognition and enforcement of arbitral awards in such disputes.

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3. A Party shall be deemed to be in compliance with paragraph 2 if it is a party to and is in compliance with the 1958 *United Nations Convention on the Recognition and Enforcement of Foreign Arbitral Awards* or the 1975 *Inter-American Convention on International Commercial Arbitration*.

4. The Commission shall establish an Advisory Committee on Private Commercial Disputes comprising persons with expertise or experience in the resolution of private international commercial disputes. The Committee shall report and provide recommendations to the Commission on general issues referred to it by the Commission respecting the availability, use and effectiveness of arbitration and other procedures for the resolution of such disputes in the free trade area.

**Annex 2001.2**

**Committees and Working Groups**

**A. Committees:**

1. Committee on Trade in Goods (Article 316)
2. Committee on Trade in Worn Clothing (Annex 300-B, Section 9.1)
3. Committee on Agricultural Trade (Article 706)
  - Advisory Committee on Private Commercial Disputes Regarding Agricultural Goods (Article 707)
4. Committee on Sanitary and Phytosanitary Measures (Article 722)
5. Committee on Standards-Related Measures (Article 913)
  - Land Transportation Standards Subcommittee (Article 913(5))
  - Telecommunications Standards Subcommittee (Article 913(5))
  - Automotive Standards Council (Article 913(5))
  - Subcommittee on Labelling of Textile and Apparel Goods (Article 913(5))
6. Committee on Small Business (Article 1021)
7. Financial Services Committee (Article 1412)
8. Advisory Committee on Private Commercial Disputes (Article 2022(4))

**B. Working Groups:**

1. Working Group on Rules of Origin (Article 513)
  - Customs Subgroup (Article 513(6))

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2. Working Group on Agricultural Subsidies (Article 705(6))
3. Bilateral Working Group (Mexico - United States) (Annex 703.2(A)(25))
4. Bilateral Working Group (Canada - Mexico) (Annex 703.2(B)(13))
5. Working Group on Trade and Competition (Article 1504)
6. Temporary Entry Working Group (Article 1605)

**C. Other Committees and Working Groups Established under this Agreement**

**Annex 2002.2**

**Remuneration and Payment of Expenses**

1. The Commission shall establish the amounts of remuneration and expenses that will be paid to the panelists, committee members and members of scientific review boards.
2. The remuneration of panelists or committee members and their assistants, members of scientific review boards, their travel and lodging expenses, and all general expenses of panels, committees or scientific review boards shall be borne equally by:
  - (a) in the case of panels or committees established under Chapter Nineteen (Review and Dispute Settlement in Antidumping and Countervailing Duty Matters), the involved Parties, as they are defined in Article 1911; or
  - (b) in the case of panels and scientific review boards established under this Chapter, the disputing Parties.
3. Each panelist or committee member shall keep a record and render a final account of the person's time and expenses, and the panel, committee or scientific review board shall keep a record and render a final account of all general expenses. The Commission shall establish amounts of remuneration and expenses that will be paid to panelists and committee members.

**Annex 2004**

**Nullification and Impairment**

1. If any Party considers that any benefit it could reasonably have expected to accrue to it under any provision of:

- (a) Part Two (Trade in Goods), except for those provisions of Annex 300-A (Automotive Sector) or Chapter Six (Energy) relating to investment,
- (b) Part Three (Technical Barriers to Trade),
- (c) Chapter Twelve (Cross-Border Trade in Services), or
- (d) Part Six (Intellectual Property),

is being nullified or impaired as a result of the application of any measure that is not inconsistent with this Agreement, the Party may have recourse to dispute settlement under this Chapter.

2. A Party may not invoke:

- (a) paragraph (1)(a) or (b), to the extent that the benefit arises from any cross-border trade in services provision of Part Two, or
- (b) paragraph (1)(c) or (d),

with respect to any measure subject to an exception under Article 2101 (General Exceptions).

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## **PART EIGHT OTHER PROVISIONS**

### **Chapter Twenty-One**

#### **Exceptions**

##### **Article 2101: General Exceptions**

1. For purposes of:
  - (a) Part Two (Trade in Goods), except to the extent that a provision of that Part applies to services or investment, and
  - (b) Part Three (Technical Barriers to Trade), except to the extent that a provision of that Part applies to services,

GATT Article XX and its interpretative notes, or any equivalent provision of a successor agreement to which all Parties are party, are incorporated into and made part of this Agreement. The Parties understand that the measures referred to in GATT Article XX(b) include environmental measures necessary to protect human, animal or plant life or health, and that GATT Article XX(g) applies to measures relating to the conservation of living and non-living exhaustible natural resources.

2. Provided that such measures are not applied in a manner that would constitute a means of arbitrary or unjustifiable discrimination between countries where the same conditions prevail or a disguised restriction on trade between the Parties, nothing in:
  - (a) Part Two (Trade in Goods), to the extent that a provision of that Part applies to services,
  - (b) Part Three (Technical Barriers to Trade), to the extent that a provision of that Part applies to services,
  - (c) Chapter Twelve (Cross-Border Trade in Services), and
  - (d) Chapter Thirteen (Telecommunications),

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shall be construed to prevent the adoption or enforcement by any Party of measures necessary to secure compliance with laws or regulations that are not inconsistent with the provisions of this Agreement, including those relating to health and safety and consumer protection.

#### **Article 2102: National Security**

1. Subject to Articles 607 (Energy - National Security Measures) and 1018 (Government Procurement - Exceptions), nothing in this Agreement shall be construed:

- (a) to require any Party to furnish or allow access to any information the disclosure of which it determines to be contrary to its essential security interests;
- (b) to prevent any Party from taking any actions that it considers necessary for the protection of its essential security interests
  - (i) relating to the traffic in arms, ammunition and implements of war and to such traffic and transactions in other goods, materials, services and technology undertaken directly or indirectly for the purpose of supplying a military or other security establishment,
  - (ii) taken in time of war or other emergency in international relations, or
  - (iii) relating to the implementation of national policies or international agreements respecting the non-proliferation of nuclear weapons or other nuclear explosive devices; or
- (c) to prevent any Party from taking action in pursuance of its obligations under the United Nations Charter for the maintenance of international peace and security.

#### **Article 2103: Taxation**

1. Except as set out in this Article, nothing in this Agreement shall apply to taxation measures.



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2. Nothing in this Agreement shall affect the rights and obligations of any Party under any tax convention. In the event of any inconsistency between the provisions of this Agreement and any such convention, the provisions of that convention shall prevail to the extent of the inconsistency.

3. Notwithstanding paragraph 2:

- (a) Article 301 (Market Access - National Treatment) and such other provisions of this Agreement as are necessary to give effect to that Article shall apply to taxation measures to the same extent as does Article III of the GATT; and
- (b) Article 314 (Market Access - Export Taxes) and Article 604 (Energy - Export Taxes) shall apply to taxation measures.

4. Subject to paragraph 2:

- (a) Article 1202 (Cross-Border Trade in Services - National Treatment) and Article 1405 (Financial Services - National Treatment) shall apply to taxation measures on income, capital gains or on the taxable capital of corporations, and to those taxes listed in paragraph 1 of Annex 2103.4, that relate to the purchase or consumption of particular services, and
- (b) Articles 1102 and 1103 (Investment - National Treatment and Most-Favored Nation Treatment), Articles 1202 and 1203 (Cross-Border Trade in Services - National Treatment and Most-Favored Nation Treatment) and Articles 1405 and 1406 (Financial Services - National Treatment and Most-Favored Nation Treatment) shall apply to all taxation measures, other than those on income, capital gains or on the taxable capital of corporations, taxes on estates, inheritances, gifts and generation-skipping transfers and those taxes listed in paragraph 1 of Annex 2103.4,

except that nothing in those Articles shall apply

- (c) any most-favored-nation obligation with respect to an advantage accorded by a Party pursuant to a tax convention,
- (d) to a non-conforming provision of any existing taxation measure,

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- (e) to the continuation or prompt renewal of a non-conforming provision of any existing taxation measure,
- (f) to an amendment to a non-conforming provision of any existing taxation measure to the extent that the amendment does not decrease its conformity, at the time of the amendment, with any of those Articles,
- (g) to any new taxation measure aimed at ensuring the equitable and effective imposition or collection of taxes and that does not arbitrarily discriminate between persons, goods or services of the Parties or arbitrarily nullify or impair benefits accorded under those Articles, in the sense of Annex 2004, or
- (h) to the measures listed in paragraph 2 of Annex 2103.4.

5. Subject to paragraph 2 and without prejudice to the rights and obligations of the Parties under paragraph 3, Article 1106(3), (4) and (5) (Investment - Performance Requirements) shall apply to taxation measures.

6. Article 1110 (Investment - Expropriation) shall apply to taxation measures except that no investor may invoke that Article as the basis for a claim under Article 1116 or 1117, where it has been determined pursuant to this paragraph that the measure is not an expropriation. The investor shall refer the issue of whether the measure is not an expropriation for a determination to the appropriate competent authorities set out in Annex 2104.6 at the time that it gives notice under Article 1119. If the competent authorities do not agree to consider the issue or, having agreed to consider it, fail to agree that the measure is not an expropriation within a period of six months of such referral, the investor may submit its claim to arbitration under Article 1120.

#### **Article 2104: Balance of Payments**

1. Nothing in this Agreement shall be construed to prevent a Party from adopting or maintaining measures that restrict transfers where the Party experiences serious balance of payments difficulties, or the threat thereof, and such restrictions are consistent with paragraphs 2 through 4 and are:

- (a) consistent with paragraph 5 to the extent they are imposed on other transfers than cross-border trade in financial services; or

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- (b) consistent with paragraphs 6 and 7 to the extent they are imposed on cross-border trade in financial services.

*General Rules*

2. As soon as practicable after a Party imposes a measure under this Article, the Party shall:

- (a) submit any current account exchange restrictions to the IMF for review under Article VIII of the Articles of Agreement of the IMF; and
- (b) enter into good faith consultations with the IMF on economic adjustment measures to address the fundamental underlying economic problems causing the difficulties; and
- (c) adopt or maintain economic policies consistent with such consultations.

3. A measure adopted or maintained under this Article shall:

- (a) avoid unnecessary damage to the commercial, economic or financial interests of another Party;
- (b) not be more burdensome than necessary to deal with the balance of payments difficulties or threat thereof;
- (c) be temporary and be phased out progressively as the balance of payments situation improves;
- (d) be consistent with paragraph 2(c) and with the Articles of Agreement of the IMF; and
- (e) be applied on a national treatment or most-favored-nation treatment basis, whichever is better.

4. A Party may adopt or maintain a measure under this Article that gives priority to services that are essential to its economic program, provided that a Party may not impose a measure for the purpose of protecting a specific industry or sector unless the measure is consistent with paragraph 2(c) and with Article VIII(3) of the Articles of Agreement of the IMF.

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*Restrictions on Transfers Other than Cross-Border Trade in Financial Services*

5. Restrictions imposed on transfers, other than on cross-border trade in financial services,
- (a) where imposed on payments for current international transactions, shall be consistent with Article VIII(3) of the Articles of Agreement of the IMF;
  - (b) where imposed on international capital transactions, shall be consistent with Article VI of the Articles of Agreement of the IMF and be imposed only in conjunction with measures imposed on current international transactions under paragraph 2(a); or
  - (c) where imposed on transfers covered by Article 1109 (Investment - Transfers) and transfers related to trade in goods, may not substantially impede transfers from being made in a freely usable currency at a market rate of exchange; and
  - (d) may not take the form of tariff surcharges, quotas, licenses or similar measures.

*Restrictions on Cross-Border Trade in Financial Services*

6. A Party imposing a restriction on cross-border trade in financial services:
- (a) may not impose more than one measure on any transfer, unless consistent with paragraph 2(c) and with Article VIII(3) of the Articles of Agreement of the IMF; and
  - (b) shall promptly notify and consult with the other Parties to assess the balance of payments situation of the Party and the measures it has adopted, taking into account among other elements
    - (i) the nature and extent of the balance of payments difficulties of the Party,
    - (ii) the external economic and trading environment of the Party, and
    - (iii) alternative corrective measures that may be available.
7. In consultations under paragraph 6(b), the Parties shall:

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- (a) consider if measures adopted under this Article comply with paragraph 3, in particular paragraph 3(c); and
- (b) accept all findings of statistical and other facts presented by the IMF relating to foreign exchange, monetary reserves and balance of payments, and shall base their conclusions on the assessment by the IMF of the balance of payments situation the Party adopting the measures.

**Article 2105: Disclosure of Information**

Nothing in this Agreement shall be construed to require a Party to furnish or allow access to information the disclosure of which would impede law enforcement or would be contrary to the Party's law protecting personal privacy or the financial affairs and accounts of individual customers of financial institutions.

**Article 2106: Cultural Industries**

Annex 2106 applies to the Parties specified in that Annex with respect to cultural industries.

**Article 2107: Definitions**

For purposes of this Chapter:

**cultural industries** means persons engaged in any of the following activities:

- (a) the publication, distribution, or sale of books, magazines, periodicals or newspapers in print or machine readable form but not including the sole activity of printing or typesetting any of the foregoing;
- (b) the production, distribution, sale or exhibition of film or video recordings;
- (c) the production, distribution, sale or exhibition of audio or video music recordings;
- (d) the publication, distribution or sale of music in print or machine readable form; or

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- (e) radio communication in which the transmissions are intended for direct reception by the general public, and all radio, television and cable broadcasting undertakings and all satellite programming and broadcast network services;

**international capital transactions** means "international capital transactions" as defined under the Articles of Agreement of the IMF;

**IMF** means the International Monetary Fund;

**payments for current international transactions** means "payments for current international transactions" as defined under the Articles of Agreement of the IMF;

**tax convention** means a convention for the avoidance of double taxation or other international taxation agreement or arrangement;

**taxes and taxation measures do not include:**

- (a) a "customs duty" as defined in Article 318 (Market Access - Definitions); or
- (b) the measures listed in exceptions (b), (c), (d) and (e) of that definition; and

**transfers** means international transactions and related international transfers and payments.

**Annex 2103.4**

**Specific Taxation Measures**

1. For purposes of Article 2103(4)(a) and (b), the listed tax is the asset tax under the *Asset Tax Law* ("Ley del Impuesto al Activo") of Mexico.
2. For purposes of Article 2103(4)(h), the listed tax is any excise tax on insurance premiums adopted by Mexico to the extent that such tax would, if levied by Canada or the United States, be covered by Article 2103(4)(d), (e) or (f).

**Annex 2104.6**

**Competent Authorities**

1. For purposes of this Chapter: competent authority means
  - (a) in the case of Canada, the Assistant Deputy Minister for Tax Policy, Department of Finance;
  - (b) in the case of Mexico, the Deputy Minister of Revenue of the Ministry of Finance and Public Credit ("Secretaría de Hacienda y Crédito Público");
  - (c) in the case of the United States, the Assistant Secretary of the Treasury (Tax Policy), Department of the Treasury.



**Annex 2106**

**Cultural Industries**

Notwithstanding any other provision of this Agreement, as between Canada and the United States, any measure adopted or maintained with respect to cultural industries, except as specifically provided in Article 302 (Market Access - Tariff Elimination), and any measure of equivalent commercial effect taken in response, shall be governed under this Agreement exclusively in accordance with the provisions of the *Canada - United States Free Trade Agreement*. The rights and obligations between Canada and any other Party with respect to such measures shall be identical to those applying between Canada and the United States.

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## **Chapter Twenty-Two**

### **Final Provisions**

#### **Article 2201: Annexes**

The Annexes to this Agreement constitute an integral part of this Agreement.

#### **Article 2202: Amendments**

1. The Parties may agree on any modification of or addition to this Agreement.
2. When so agreed, and approved in accordance with the applicable legal procedures of each Party, a modification or addition shall constitute an integral part of this Agreement.

#### **Article 2203: Entry into Force**

This Agreement shall enter into force on January 1, 1994, on an exchange of written notifications certifying the completion of necessary legal procedures.

#### **Article 2204: Accession**

1. Any country or group of countries may accede to this Agreement subject to such terms and conditions as may be agreed between such country or countries and the Commission and following approval in accordance with the applicable legal procedures of each country.
2. This Agreement shall not apply as between any Party and any acceding country or group of countries if, at the time of accession, either does not consent to such application.

#### **Article 2205: Withdrawal**

A Party may withdraw from this Agreement six months after it provides written notice of withdrawal to the other Parties. If a Party withdraws, the Agreement shall remain in force for the remaining Parties.

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**Article 2206: Authentic Texts**

The English, French and Spanish texts of this Agreement are equally authentic.

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**NOTES**

1. **Article 301 (Market Access - National Treatment):** "goods of the Party" as used in paragraph 2 includes goods produced in the state or province of that Party.

2. **Article 302(1) (Tariff Elimination)** is not intended to prevent any Party from modifying its non-NAFTA tariffs on originating goods for which no NAFTA tariff preference is claimed.

3. **Article 302(1) and (2) (Tariff Elimination)** are not intended to prevent a Party from maintaining or increasing a customs duty as may be authorized by any dispute settlement provision of the GATT or any agreement negotiated under the GATT.

4. **Article 307(1) (Market Access - Goods Re-Entered after Repair or Alteration)** does not cover goods imported in bond, into foreign-trade zones or in similar status, that are exported for repairs and are not re-imported in bond into foreign-trade zones or in similar status.

5. **Article 307(1) (Market Access - Goods Re-Entered after Repair or Alteration):** for purposes of this paragraph, alteration includes laundering used textile and apparel goods and sterilizing previously sterilized textile and apparel goods.

6. **Article 318 (Market Access - Definitions):** 10-digit items set out in the Tariff Schedule of Canada are included for statistical purposes only.

7. **Article 318 (Market Access - Definitions):** "repair and alteration" -- an operation or process that is part of the production or assembly of an unfinished good into a finished good is not a repair or alteration of the unfinished good; a component of a good is a good that may be subject to repair or alteration.

8. **Annex 300-A (Trade and Investment in the Automotive Sector), Appendix 300-A.2 - Mexico:** citations to the Auto Decree and the Auto Decree Implementing Regulations included in parentheses are provided for purposes of reference only.

9. **Annex 300-A, Appendix 300-A.1 - Canada:** Paragraphs 1 and 2 shall not be construed to modify the rights and obligations set out in Chapter Ten of the Canada-United States Free Trade Agreement, except with respect to the application of the NAFTA rules of origin shall replace the Canada - United States Free

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Trade Agreement rules of origin for purposes of Article 1005(1).

10. **Annex 300-B (Textile and Apparel Goods) Section 1 (Scope and Coverage):** the general provisions of Chapter Two (Definitions), Chapter Three (Market Access), Chapter Four (Rules of Origin) and Chapter Eight (Emergency Action) are subject to the specific rules for textiles and apparel goods set out in the Annex.

11. **Annex 300-B - Section 2 (Tariff Elimination):** with respect to paragraph 1, "as otherwise provided in this Agreement" refers to such provisions as Section 4, Article 802 (Global Emergency Action), and Chapter 22 (General Exceptions).

12. **Annex 300-B Sections 4 and 5 - Bilateral Emergency Actions (Tariff Actions):** for purposes of Sections 4 and 5:

- (a) "increased quantities" is intended to be interpreted more broadly than the standard provided in Article 801(1), which considers imports "in absolute terms" only. For purposes of these Sections, "increased quantities" is intended to be interpreted in the same manner as this standard is interpreted in the draft Agreement on Textiles and Clothing, contained in the Draft Final Act Embodying the Results of the Uruguay Round of Multilateral Trade Negotiations (GATT document MTN.TNC/W/FA) issued by the Director-General of the GATT on December 20, 1991 ("Draft Uruguay Round Agreement on Textiles and Clothing"); and
- (b) "serious damage" is intended as a less stringent standard than "serious injury" under Article 801(1). The "serious damage" standard is drawn from the Draft Uruguay Round Agreement on Textiles and Clothing. The factors to be considered in determining whether the standard has been met are set out in Section 4.2 and are also drawn from that Draft. "Serious damage" is to be interpreted in the light of its meaning in Annex A of the Multifiber Arrangement or any successor agreement.

13. **Annex 300-B, Appendix 3.1, paragraph 17:** for purposes of applying paragraph 17, the determination of the component that determines the tariff classification of the good shall be based on GRI 3(b) of the Harmonized System, and if the component cannot be determined on the basis of GRI 3(b), then the determination will be based on GRI 3(c) or, if GRI 3(c) is inapplicable, then GRI 4. When the component that determines the tariff classification is a blend of two or more yarns or fibers, all yarns and, where applicable, fibers, in that component are to be considered.

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14. **Annex 300-B - Section 5 (Bilateral Emergency Actions - Quantitative Restrictions):** in paragraph 5(c), the term "equitable treatment" is intended to have the same meaning as it has in customary practice under the Multifiber Arrangement.

15. **Annex 300-B - Section 7, paragraph 1(c) (Review and Revision of Rules of Origin):** for subheading 6212.10, the rule and paragraph 1 shall not be applied if the Parties agree, prior to entry into force of this Agreement, on measures to ease the administrative burden and reduce costs associated with the application of the rule for headings 62.06 through 62.11 to the apparel in subheading 6212.10.

16. **Annex 300-B - Section 7, paragraph (2)(d)(ii) (Review and Revision of Rules of Origin):** with respect to provisions (a) through (i) of the rule for subheadings 6205.20 through 6205.30, prior to the entry into force of this Agreement the Parties will extend cooperation as necessary in an effort to encourage production in the free trade area of shirting fabrics specifically identified in the rule.

17. **Annex 300-B - Schedule 3.1.3. (Conversion Factors):** the conversion factors in this Schedule are those used for imports into the United States. Canada and Mexico may develop their own conversion factors by mutual agreement for trade between them.

18. **Article 703 (Agriculture - Market Access):** the most-favored-nation rate as of July 1, 1991 is the over-quota tariff rate specified in Annex 302.2.

19. **Article 401 (Rules of Origin - Originating Goods):** the Uniform Regulations will clarify that the the phrase "specifically describes" is intended solely to prevent Article 401(d) from being used to qualify a part of another part, where the heading or subheading covers the final good, the part of another part and the other part.

20. **Article 402 (Rules of Origin - Regional Value Content):** the Uniform Regulations will clarify that:

(a) Article 402(4) applies to intermediate materials, and that VNM in paragraphs 2 and 3 does not include

(i) the value of any non-originating materials used by another producer to produce an originating material that is subsequently acquired and used in the production of the good by the producer of the good, and

(ii) the value of non-originating materials used by the

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producer to produce an originating self-produced material that is designated by the producer as an intermediate material pursuant to Article 402(10);

- (b) with respect to paragraph 4, where an originating intermediate material is subsequently used by the producer with non-originating materials (whether or not produced by the producer) to produce the good, the value of such non-originating materials shall be included in the VNM of the good;
- (c) with respect to paragraph 8, sales promotion, marketing and after-sales service costs, royalties, shipping and packing costs, and non-allowable interest costs included in the value of materials used in the production of the good are not subtracted out of the net cost in the numerator of the calculation under Article 402(3);
- (d) with respect to paragraph 10, an intermediate material used by another producer in the production of a material that is subsequently acquired and used by the producer of the good shall not be taken into account in applying the limitation set out in that paragraph;
- (e) with respect to paragraph 10, if a producer designates a self-produced material as an originating intermediate material and the Customs Administration of the importing Party subsequently determines that the intermediate material is not originating, the producer may rescind the designation and recalculate the value content of the good accordingly; in such a case, the producer shall retain its rights of appeal or review with regard to the determination of the origin of the intermediate material; and
- (f) under paragraph 11, with respect to any self-produced material that is not designated as an intermediate material, only the value of non-originating materials used to produce the self-produced material shall be included in VNM of the good.

21. Article 403 (Rules of Origin - Automotive Goods):

- (a) for purposes of paragraph 1, "first person in the territory of a Party" means the first person who uses the imported good in production or resells the imported good.
- (b) with respect to paragraph 2(a), the Uniform Regulations

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will clarify that when the producer produces a material listed in Annex 403.2, the producer may designate a self-produced material used in the production of that material listed in that Annex as an intermediate material in accordance with the conditions set out in Article 402(10); and

(c) for purposes of paragraph 2,

(i) a producer may not designate as an intermediate material any assembly, including a component identified in Annex 403.2, containing one or more of the materials listed in Annex 403.2, and

(ii) a producer of a material listed in Annex 403.2 may designate a self-produced material used in the production of that material as an intermediate material, in accordance with the provisions of Article 402(10).

22. **Article 405(6) (Rules of Origin - De Minimis):** for purposes of applying paragraph 6, the determination of the component that determines the tariff classification of the good shall be based on GRI 3(b) of the Harmonized System, and if the component can not be determined on the basis of GRI 3(b), then the determination will be based on GRI 3(c) and then GRI 4. When the component that determines the classification is a blend of two or more yarns, or, where applicable, fibers, all those yarns or fibers are subject to this Article.

23. **Article 413 (Rules of Origin - Interpretation and Application):** the 1992 Harmonized System is the basis for the rules of origin of this Agreement, amended by the new tariff subheading and tariff items created for rules of origin purposes.

24. **Article 415 (Rules of Origin - Definitions):** the Uniform Regulations will ensure that transaction value will capture transactions in which suppliers sell to other suppliers of the producer.

25. **Article 514 (Customs Procedures - Definitions):** the Uniform Regulations will clarify that "determination of origin" includes a denial of preferential tariff treatment under Article 506(4), and that such denial is subject to review and appeal.

26. **Article 603, paragraphs 1 through 5 (Energy)** shall be interpreted consistently with Article 309.

27. **Annex 703.2 (Market Access - Section A - Mexico and the United States):** this quota replaces Mexico's current access



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under the "first tier" of the U.S. tariff rate quota as described in Additional Note 3(b)(i) of Chapter 17 of the Harmonized Tariff Schedule of the United States prior to the date of entry into force of this Agreement.

28. **Annex 703.2 (Agriculture Market Access - Section A - Mexico and the United States):** the United States operates a re-export program under Additional U.S. Note 3 to Chapter 17 of the U.S. Harmonized Tariff Schedule and under 7 C.F.R. Part 1530 (subparts A and B).

29. **Annex 703.2 (Market Access - Section B - Canada and Mexico):** the incorporation in paragraph 6 is not intended to override the exceptions to Articles 301 and 309 set out in Canada's and Mexico's respective Schedules to Annex 301.3.

30. **Article 906(4) and (6) (Compatibility and Equivalence):** are not intended to restrict the right of the importing Party to revise its measures.

31. **Article 908(2) (Conformity Assessment)** does not treat the issue of membership in the Parties' respective conformity assessment bodies.

32. **Article 915 (Standards-Related Measures - Definitions):** the definition of "standard" shall be interpreted to mean --

- (a) characteristics for a good or a service,
- (b) characteristics, rules or guidelines for
  - (i) processes or production methods relating to such good, or
  - (ii) operating methods relating to such service, and
- (c) provisions specifying terminology, symbols, packaging, marking or labelling for
  - (i) a good or its related process or production method, or
  - (ii) a service or its related operating method, for common and repeated use, including explanatory and other related provisions,

set out in a document approved by a standardizing body, with which compliance is not mandatory.

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33. **Article 915 (Standards-Related Measures - Definitions):** the definition of "technical regulation" shall be interpreted to mean --

- (a) characteristics or their related processes and production methods for a good,
- (b) characteristics for a service or its related operating methods, or
- (c) provisions specifying terminology, symbols, packaging, marking, or labelling for
  - (i) a good or its related process or production method, or
  - (ii) a service or its related operating method,

set out in a document, including applicable administrative, explanatory and other related provisions, with which compliance is mandatory.

34. **Annex 1001.2c (Government Procurement - Country Specific Thresholds)** Canada and the United States will consult regarding this Annex before the entry into force of this Agreement.

35. **Article 1101 (Investment - Scope and Coverage):** this Chapter covers investments existing on the date of entry into force of this Agreement as well as investments made or acquired thereafter.

36. **Article 1101(3) (Investment - Scope and Coverage):** to the extent that a Party permits investment in the activities set out in Annex III, such investments shall be entitled to the protection of Chapter Eleven (Investment).

37. **Article 1106 (Investment-Performance Requirements):** Article 1106 does not preclude enforcement of any commitment, undertaking or requirement between private parties.

38. **Article 1501 (Competition Law):** no investor may have recourse to investor-state arbitration under the Investment Chapter for any matter arising under this Article.

39. **Article 1502 (Monopolies and State Enterprises):** nothing in this Article shall be construed to prevent a monopoly from charging different prices in different geographic markets, where such differences are based on normal commercial considerations, such as to take account of supply and demand conditions in those

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markets.

40. Article 1502(3) (Monopolies and State Enterprises): a "delegation" includes a legislative grant, and a government order, directive, or other act transferring to the monopoly, or authorizing the exercise by the monopoly of, governmental authority.

41. Article 1502(3)(b) (Monopolies and State Enterprises): differences in pricing between classes of customers, between affiliated and non-affiliated firms, and cross-subsidization are not in themselves inconsistent with this provision; rather, they are subject to this subparagraph when they are used as instruments of anticompetitive behavior by the monopoly firm.

42. Article 2005(2) (GATT Dispute Settlement): this obligation is not intended to be subject to dispute settlement under this Chapter.

43. New Agreed Note: in applying the definition of "used" in Article 415, the Parties do not intend to apply the definition of "consumed" of Article 318.

44 [Paragraph 8 is not intended to preclude adjustment of a tariff preference level for imports into the United States from Canada, if such adjustment is mutually agreed between Canada and the United States.]

Annex 401

Section A - General Interpretative Note

For purposes of interpreting the rules of origin set out in this Annex:

- (a) the specific rule, or specific set of rules, that applies to a particular heading, subheading or tariff item is set out immediately adjacent to the heading, subheading or tariff item;
- (b) a rule applicable to a tariff item shall take precedence over a rule applicable to the heading or subheading which is parent to that tariff item;
- (c) a requirement of a change in tariff classification applies only to non-originating materials;
- (d) reference to weight in the rules for goods provided for in Chapters 1 through 24 of the Harmonized System means dry weight unless otherwise specified in the Harmonized System;
- (e) the word "or" shall be disjunctive wherever it immediately follows a semi-colon;
- (f) paragraph 1 of Article 405 (De Minimis) does not apply to:
  - (i) certain non-originating materials used in the production of goods provided for in the following tariff provisions: Chapter 4 of the Harmonized System, heading 15.01 through 15.08, 15.12, 15.14, 15.15 or 17.01 through 17.03, subheading 1806.10, tariff item 1901.10.aa (infant preparations containing over 10 percent by weight of milk solids), 1901.20.aa (mixes and doughs, containing over 25 percent by weight of butterfat, not put up for retail sale) or 1901.90.aa (dairy preparations containing over 10 percent by weight of milk solids), subheading 2009.11 through 2009.30 or 2009.90, heading 21.05, tariff item 2101.10.aa (instant coffee, not flavored), 2106.90.bb (concentrated fruit or vegetable juice of any single fruit or vegetable, fortified with minerals or vitamins), 2106.90.cc (concentrated mixtures of fruit or vegetable juice, fortified with minerals or vitamins), 2106.90.dd (preparations containing over 10 percent by weight of milk solids), 2202.90.aa (fruit or vegetable juice of any single fruit or

vegetable, fortified with minerals or vitamins), 2202.90.bb (mixtures of fruit or vegetable juices, fortified with minerals or vitamins) or 2202.90.cc (beverages containing milk), heading 22.07 through 22.08, tariff item 2309.90.aa (animal feeds containing over 10 percent by weight of milk solids and less than 6 percent by weight of grain or grain products) or 7321.11.aa (gas stove or range), subheading 8415.10, 8415.81 through 8415.83, 8418.10 through 8418.21, 8418.29 through 8418.40, 8421.12, 8422.11, 8450.11 through 8450.20, 8451.21 through 8451.29, or Canadian tariff 8479.89.91, U.S. tariff item 8479.89.aa (trash compactors), Mexican tariff item 8479.82.03, or 8516.60.aa (electric stove or range);

- (ii) a printed circuit assembly that is a non-originating material used in the production of a good where the applicable change in tariff classification for the good places restrictions on the use of such non-originating material; and
  - (iii) a non-originating material used in the production of a good provided for in Chapters 1 through 27 of the Harmonized System unless the non-originating material is provided for in a different subheading than the good for which origin is being determined.
- (g) paragraph 6 of Article 405 (De Minimis) applies to a good provided for in Chapters 50 through 63.
- (h) the following definitions apply:

**chapter** means a chapter of the Harmonized System;

**heading** means the first four digits in the tariff classification number under the Harmonized System;

**section** means a section of the Harmonized System;

**subheading** means the first six digits in the tariff classification number under the Harmonized System; and

**tariff Item** means the first eight digits in the tariff classification number under the Harmonized System as implemented by each Party.

**Section B - Specific Rules of Origin**

- Section I - Live Animals; Animal Products (Chapters 1-5)**
- Chapter 1 Live Animals**
- 01.01-01.06 A change to heading 01.01 through 01.06 from any other chapter.
- Chapter 2 Meat and Edible Meat Offal**
- 02.01-02.10 A change to heading 02.01 through 02.10 from any other chapter.
- Chapter 3 Fish and Crustaceans, Molluscs and Other Aquatic Invertebrates**
- 03.01-03.07 A change to heading 03.01 through 03.07 from any other chapter.
- Chapter 4 Dairy Produce; Birds' Eggs; Natural Honey; Edible Products of Animal Origin, Not Elsewhere Specified or Included**
- 04.01-04.10 A change to heading 04.01 through 04.10 from any other chapter, except from Canadian tariff item 1901.90.31<sup>1</sup>, U.S. tariff item 1901.90.31, 1901.90.41 or 1901.90.81 or Mexican tariff item 1901.90.03.
- Chapter 5 Products of Animal Origin, Not Elsewhere Specified or Included**
- 05.01-05.11 A change to heading 05.01 through 05.11 from any other chapter.
- Section II Vegetable Products (Chapters 6-14)**
- Note: Agricultural and horticultural goods grown in the territory of a Party shall be treated as originating in the territory of that Party even if grown from seed or bulbs imported from a non-Party.*
- Chapter 6 Live Trees and Other Plants; Bulbs, Roots and the Like; Cut Flowers and Ornamental Foliage**
- 06.01-06.04 A change to heading 06.01 through 06.04 from any other chapter.

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<sup>1</sup> 1901.90.aa Can1901.90.31, U.S.1901.90.31, 1901.90.41, 1901.90.81, Mex1901.90.03 Dairy preparations containing over 10% by weight of milk solids.

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<b>Chapter 7</b>	<b>Edible Vegetables and Certain Roots and Tubers</b>
07.01-07.14	A change to heading 07.01 through 07.14 from any other chapter.
<b>Chapter 8</b>	<b>Edible Fruit and Nuts; Peel of Citrus Fruit or Melons</b>
08.01-08.14	A change to heading 08.01 through 08.14 from any other chapter.
<b>Chapter 9</b>	<b>Coffee, Tea, Maté and Spices</b>
09.01-09.10	A change to heading 09.01 through 09.10 from any other chapter.
<b>Chapter 10</b>	<b>Cereals</b>
10.01-10.08	A change to heading 10.01 through 10.08 from any other chapter.
<b>Chapter 11</b>	<b>Products of the Milling Industry; Malt; Starches; Insulin; Wheat Gluten</b>
11.01-11.09	A change to heading 11.01 through 11.09 from any other chapter.
<b>Chapter 12</b>	<b>Oil Seeds and Oleaginous Fruits; Miscellaneous Grains, Seeds and Fruit; Industrial or Medicinal Plants; Straw and Fodder</b>
12.01-12.14	A change to heading 12.01 through 12.14 from any other chapter.
<b>Chapter 13</b>	<b>Lac; Gums, Resins and Other Vegetable Saps and Extracts</b>
13.01-13.02	A change to heading 13.01 through 13.02 from any other chapter.
<b>Chapter 14</b>	<b>Vegetable Plaiting Materials; Vegetable Products Not Elsewhere Specified or Included</b>
14.01-14.04	A change to heading 14.01 through 14.04 from any other chapter.

**Section III**

**Animal or Vegetable Fats and Oils and Their Cleavage Products; Prepared Edible Fats; Animal or Vegetable Waxes (Chapter 15)**

**Chapter 15**

**Animal or Vegetable Fats and Oils and Their Cleavage Products; Prepared Edible Fats; Animal or Vegetable Waxes**

15.01-15.18

A change to heading 15.01 through 15.18 from any other chapter.

1519.11-1519.13

A change to subheading 1519.11 through 1519.13 from any other heading, except from heading 15.20.

1519.19

A change to subheading 1519.19 from any other subheading.

1519.20

A change to subheading 1519.20 from any other heading, except from heading 15.20.

1520.10

A change to subheading 1520.10 from any other heading, except from heading 15.19.

1520.90

A change to subheading 1520.90 from any other subheading.

15.21-15.22

A change to heading 15.21 through 15.22 from any other chapter.

**Section IV**

**Prepared Foodstuffs; Beverages, Spirits and Vinegar; Tobacco and Manufactured Tobacco Substitutes (Chapters 16-24)**

**Chapter 16**

**Preparations of Meat, of Fish or of Crustaceans, Molluscs or Other Aquatic Invertebrates**

16.01-16.05

A change to heading 16.01 through 16.05 from any other chapter.

**Chapter 17**

**Sugars and Sugar Confectionery**

17.01-17.03

A change to heading 17.01 through 17.03 from any other chapter.

17.04

A change to heading 17.04 from any other heading.

**Chapter 18**

**Cocoa and Cocoa Preparations**

18.01-18.05

A change to heading 18.01 through 18.05 from any other chapter.



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1806.10

1806.10.aa<sup>2</sup> A change to Canadian tariff item 1806.10.10, U.S. tariff item 1806.10.41 or 1806.10.42 or Mexican tariff item 1806.10.01 from any other heading.

1806.10 A change to subheading 1806.10 from any other heading, provided that the non-originating sugar of Chapter 17 constitutes no more than 35 percent by weight of the sugar and the non-originating cocoa powder of heading 18.05 constitutes no more than 35 percent by weight of the cocoa powder.

1806.20 A change to subheading 1806.20 from any other heading.

1806.31 A change to subheading 1806.31 from any other subheading.

1806.32 A change to subheading 1806.32 from any other heading.

1806.90 A change to subheading 1806.90 from any other subheading.

**Chapter 19 Preparations of Cereals, Flour, Starch or Milk; Pastrycooks' Products**

1901.10

1901.10.aa<sup>3</sup> A change to Canadian tariff item 1901.10.31, U.S. tariff item 1901.10.10 or Mexican tariff item 1901.10.01 from any other chapter, except from Chapter 4.

1901.10 A change to subheading 1901.10 from any other chapter.

1901.20

1901.20.aa<sup>4</sup> A change to Canadian tariff item 1901.20.11 or 1901.20.21, U.S. tariff item 1901.20.10 or Mexican tariff item 1901.20.02 from any other chapter, except from Chapter 4.

1901.20 A change to subheading 1901.20 from any other chapter.

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- <sup>2</sup> 1806.10.aa Can1806.10.10, U.S.1806.10.41, 1806.10.42, Mex1806.10.01 Containing 90% or more by weight of sugar.
- <sup>3</sup> 1901.10.aa Can1901.10.31, U.S.1901.10.10, Mex1901.10.01 Containing over 10% by weight of milk solids.
- <sup>4</sup> 1901.20.aa Can1901.20.11, 1901.20.21, U.S.1901.20.10, Mex1901.20.02 Containing over 25% by weight of butterfat, not put up for retail sale.

1901.90

1901.90.aa A change to Canadian tariff item 1901.90.31, U.S. tariff item 1901.90.31, 1901.90.41 or 1901.90.81 or Mexican tariff item 1901.90.03 from any other chapter, except from Chapter 4.

1901.90 A change to subheading 1901.90 from any other chapter.

19.02-19.05 A change to heading 19.02 through 19.05 from any other chapter.

**Chapter 20 Preparations of Vegetables, Fruit, Nuts or Other Parts of Plants**

**Note:** *Fruit, nut and vegetable preparations of Chapter 20 that have been prepared or preserved merely by freezing, by packing (including canning) in water, brine or natural juices, or by roasting, either dry or in oil (including processing incidental to freezing, packing, or roasting), shall be treated as a good of the country in which the fresh good was produced.*

20.01-20.07 A change to heading 20.01 through 20.07 from any other chapter.

2008.11

2008.11.aa<sup>5</sup> A change to Canadian tariff item 2008.11.20, U.S. tariff item 2008.11.aa or Mexican tariff item 2008.11.01 from any other heading, except from heading 12.02.

2008.11 A change to subheading 2008.11 from any other chapter.

2008.19-2008.99 A change to subheading 2008.19 through 2008.99 from any other chapter.

2009.11-2009.30 A change to subheading 2009.11 through 2009.30 from any other chapter, except from heading 08.05.

2009.40-2009.80 A change to subheading 2009.40 through 2009.80 from any other chapter.

2009.90 A change to subheading 2009.90 from any other chapter; or  
 A change to subheading 2009.90 from any other subheading within Chapter 20, whether or not there is also a change from any other chapter, provided that a single juice ingredient, or juice ingredients from a single non-Party, constitute in single strength form no more than 60 percent by volume of the good.

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<sup>5</sup> 2008.11.aa Can2008.11.20, Mex2008.11.01 Peanuts, blanched.

## Chapter 21

## Miscellaneous Edible Preparations

## 21.01

2101.10.aa<sup>6</sup> A change to Canadian tariff item 2101.10.11, U.S. tariff item 2101.10.25 or Mexican tariff item 2101.10.01 from any other chapter, provided that the non-originating coffee of Chapter 9 constitutes no more than 60 percent by weight of the good.

## 21.01

A change to heading 21.01 from any other chapter.

## 21.02

A change to heading 21.02 from any other chapter.

## 2103.10

A change to subheading 2103.10 from any other chapter.

## 2103.20

2103.20.aa<sup>7</sup>

A change to Canadian tariff item 2103.20.10, U.S. tariff item 2103.20.20 or Mexican tariff item 2103.20.01 from any other chapter, except from subheading 2002.90.

## 2103.20

A change to subheading 2103.20 from any other chapter.

## 2103.30-2103.90

A change to subheading 2103.30 through 2103.90 from any other chapter.

## 21.04

A change to heading 21.04 from any other chapter.

## 21.05

A change to heading 21.05 from any other heading, except from Chapter 4 or Canadian tariff item 1901.90.31, U.S. tariff item 1901.90.31, 1901.90.41 or 1901.90.81 or Mexican tariff item 1901.90.03.

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<sup>6</sup> 2101.10.aa Can2101.10.11, U.S.2101.10.25, Mex2101.10.01 Instant coffee, not flavoured.

<sup>7</sup> 2103.20.aa Can2103.20.10, U.S.2103.20.20, Mex2103.20.01 Ketchup.

21.06

- 2106.90.bb<sup>8</sup> A change to Canadian tariff item 2106.90.91, U.S. tariff items 2106.90.16 through 2106.90.19A or Mexican tariff item 2106.90.06 from any other chapter, except from heading 08.05 or 20.09 or Canadian tariff item 2202.90.31<sup>9</sup>, U.S. tariff item 2202.90.30, 2202.90.35 or 2202.90.39A or Mexican tariff item 2202.90.02.
- 2106.90.cc A change to Canadian tariff item 2106.90.92, U.S. tariff item 2106.90.19B or Mexican tariff item 2106.90.07 from any other chapter, except from heading 20.09 or Canadian tariff item 2202.90.32, U.S. tariff item 2202.90.39B or Mexican tariff item 2202.90.03; or
- A change to Canadian tariff item 2106.90.92, U.S. tariff item 2106.90.19B or Mexican tariff item 2106.90.07 from any other subheading within Chapter 21, heading 20.09 or Canadian tariff item 2202.90.32, U.S. tariff item 2202.90.39B or Mexican tariff item 2202.90.03, whether or not there is also a change from any other chapter, provided that a single juice ingredient, or juice ingredients from a single non-Party, constitute in single strength form no more than 60 percent by volume of the good.
- 2106.90.dd<sup>10</sup> A change to Canadian tariff item 2106.90.32, U.S. tariff item 2106.90.dd or Mexican tariff item 2106.90.08 from any other chapter, except from Chapter 4 or Canadian tariff item 1901.90.31, U.S. tariff item 1901.90.31, 1901.90.41 or 1901.90.81 or Mexican tariff item 1901.90.30.
- 21.06 A change to heading 21.06 from any other chapter.

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<sup>8</sup> Concentrated fruit or vegetable juices, fortified with minerals or vitamins:

2106.90.bb Can2106.90.91, U.S.2106.90.16 through 2106.90.19A, Mex2106.90.06 Of any single fruit or vegetable

2106.90.cc Can2106.90.92, U.S.2106.90.19B, Mex2106.90.07 Of mixtures of fruit or vegetable juices

<sup>9</sup> Fruit or vegetable juices, fortified with minerals or vitamins:

2202.90.aa Can2202.90.31, U.S.2202.90.30 through 2202.90.39S, Mex2202.90.02 Of any single fruit or vegetable

2202.90.bb Can2202.90.32, U.S.2202.90.39B, Mex2202.90.03 Of mixtures of fruit or vegetable juices

<sup>10</sup> 2106.90.dd Can2106.90.32, Mex2106.90.08 Containing over 10% by weight of milk solids.

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**Chapter 22**

**Beverages, Spirits and Vinegar**

22.01

A change to heading 22.01 from any other chapter.

2202.10

A change to subheading 2202.10 from any other chapter.

2202.90

2202.90.aa

A change to Canadian tariff item 2202.90.31, U.S. tariff items 2202.90.30 through 2202.90.39A or Mexican tariff item 2202.90.02 from any other chapter, except from heading 08.05 or 20.09 or Canadian tariff item 2106.90.91, U.S. tariff item 2106.90.16 or 2106.90.19A or Mexican tariff item 2106.90.06.

2202.90.bb

A change to Canadian tariff item 2202.90.32, U.S. tariff item 2202.90.39B or Mexican tariff item 2202.90.03 from any other chapter, except from heading 20.09 or Canadian tariff item 2106.90.92, U.S. tariff item 2106.90.19B or Mexican tariff item 2106.90.07; or

A change to Canadian tariff item 2202.90.32, U.S. tariff item 2202.90.39B or Mexican tariff item 2202.90.03 from any other subheading within Chapter 22, heading 20.09 or Canadian tariff item 2106.90.92, U.S. tariff item 2106.90.19B or Mexican tariff item 2106.90.07, whether or not there is also a change from any other chapter, provided that a single juice ingredient, or juice ingredients from a single non-Party, constitute in single strength form no more than 60 percent by volume of the good.

2202.90.cc<sup>11</sup>

A change to Canadian tariff item 2202.90.40, U.S. tariff item 2202.90.10 or 2202.90.20 or Mexican tariff item 2202.90.04 from any other chapter, except from Chapter 4 or Canadian tariff item 1901.90.31, U.S. tariff item 1901.90.31, 1901.90.41 or 1901.90.81 or Mexican tariff item 1901.90.03.

2202.90

A change to subheading 2202.90 from any other chapter.

22.03-22.09

A change to heading 22.03 through 22.09 from any other heading outside that group.

**Chapter 23**

**Residues and Waste From the Food Industries; Prepared Animal Fodder**

23.01-23.08

A change to heading 23.01 through 23.08 from any other chapter.

2309.10

A change to subheading 2309.10 from any other heading.

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<sup>11</sup> 2202.90.cc Can2202.90.40, U.S.2202.90.10, 2202.90.20, Mex2202.90.04 Beverages containing milk.

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2309.90

2309.90.aa<sup>12</sup>

A change to Canadian tariff item 2309.90.31 or 2309.90.32, U.S. tariff item 2309.90.aa or Mexican tariff item 2309.90.10 from any other heading, except from Chapter 4 or Canadian tariff item 1901.90.31, U.S. tariff item 1901.90.31, 1901.90.41 or 1901.90.81 or Mexican tariff item 1901.90.03.

2309.90

A change to subheading 2309.90 from any other heading.

Chapter 24

Tobacco and Manufactured Tobacco Substitutes

24.01-24.03<sup>13</sup>

A change to heading 24.01 through 24.03 from any other chapter or from Canadian tariff item 2401.10.10<sup>14</sup> or 2403.91.10<sup>15</sup>, U.S. tariff item 2401.10.aa or 2403.91.aa or Mexican tariff item 2401.10.01 or 2403.91.01.

Section V

Mineral Products (Chapters 25-27)

Chapter 25

Salt; Sulphur; Earths and Stone; Plastering Materials, Lime and Cement

25.01-25.30

A change to heading 25.01 through 25.30 from any other chapter.

Chapter 26

Ores, Slag and Ash

26.01-26.21

A change to heading 26.01 through 26.21 from any other chapter.

Chapter 27

Mineral Fuels, Mineral Oils and Products of Their Distillation; Bituminous Substances; Mineral Waxes

27.01-27.03

A change to heading 27.01 through 27.03 from any other chapter.

27.04

A change to heading 27.04 from any other heading.

27.05-27.09

A change to heading 27.05 through 27.09 from any other chapter.

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<sup>12</sup> 2309.90.aa Can2309.90.31, 2309.90.32, Mex2309.90.10 Containing over 10% by weight of milk solids and less than 6% by weight of grain or grain products.

<sup>13</sup> In applying the provisions of Article 405 to goods of heading 24.02, the reference to "seven percent" shall be replaced with "nine percent".

<sup>14</sup> 2401.10.aa Can2401.10.10, Mex2401.10.01 Wrapper tobacco.

<sup>15</sup> 2403.91.aa Can2403.91.10, 2403.91.01 Of a kind used as wrapper tobacco.

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- 27.10-27.15                    A change to heading 27.10 through 27.15 from any other heading outside that group.
- 27.16                            A change to heading 27.16 from any other heading.
- Section VI**                    **Products of the Chemical or Allied Industries**  
**(Chapters 28-38)**
- Chapter 28**                    **Inorganic Chemicals; Organic or Inorganic Compounds of Precious Metals, of Rare-Earth Metals, of Radioactive Elements or of Isotopes**
- 28.01-28.24                    A change to subheading 2801.10 through 2824.90 from any other chapter, except from Chapters 28 through 38; or
- A change to subheading 2801.10 through 2824.90 from any other subheading within Chapters 28 through 38, including another subheading within that group, whether or not there is also a change from any other chapter, provided there is a regional value content of not less than:
- (a)     60 percent where the transaction value method is used, or
- (b)     50 percent where the net cost method is used.
- 2825.10-2825.60                A change to subheading 2825.10 through 2825.60 from any other chapter, except from Chapters 28 through 38; or
- A change to subheading 2825.10 through 2825.60 from any other subheading within Chapters 28 through 38, including another subheading within that group, whether or not there is also a change from any other chapter, provided there is a regional value content of not less than:
- (a)     60 percent where the transaction value method is used, or
- (b)     50 percent where the net cost method is used.
- 2825.70                            A change to subheading 2825.70 from any other subheading, except from subheading 2613.10.
- 2825.80-2825.90                A change to subheading 2825.80 through 2825.90 from any chapter, except from Chapters 28 through 38; or
- A change to subheading 2825.80 through 2825.90 from any other subheading within Chapters 28 through 38, including another subheading within that group, whether or not there is also a change from any other chapter, provided there is a regional value content of not less than:
- (a)     60 percent where the transaction value method is used, or
- (b)     50 percent where the net cost method is used.

28.26-28.29

A change to subheading 2826.11 through 2829.90 from any other chapter, except from Chapters 28 through 38; or

A change to subheading 2826.11 through 2829.90 from any other subheading within Chapters 28 through 38, including another subheading within that group, whether or not there is also a change from any other chapter, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

2830.10-2830.30

A change to subheading 2830.10 through 2830.30 from any other chapter, except from Chapters 28 through 38; or

A change to subheading 2830.10 through 2830.30 from any other subheading within Chapters 28 through 38, including another subheading within that group, whether or not there is also a change from any other chapter, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

2830.90

A change to subheading 2830.90 from any other subheading, except from subheading 2613.90.

28.31-28.40

A change to subheading 2831.10 through 2840.30 from any other chapter, except from Chapters 28 through 38; or

A change to subheading 2831.10 through 2840.30 from any other subheading within Chapters 28 through 38, including another subheading within that group, whether or not there is also a change from any other chapter, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

2841.10-2841.60

A change to subheading 2841.10 through 2841.60 from any other chapter, except from Chapters 28 through 38; or

A change to subheading 2841.10 through 2841.60 from any other subheading within Chapters 28 through 38, including another subheading within that group, whether or not there is also a change from any other chapter, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.



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- 2841.70 A change to subheading 2841.70 from any other subheading, except from subheading 2613.10.
- 2841.80-2841.90 A change to subheading 2841.80 through 2841.90 from any other chapter, except from Chapters 28 through 38; or
- A change to subheading 2841.80 through 2841.90 from any other subheading within Chapters 28 through 38, including another subheading within that group, whether or not there is also a change from any other chapter, provided there is a regional value content of not less than:
- (a) 60 percent where the transaction value method is used, or
  - (b) 50 percent where the net cost method is used.
- 28.42-28.51 A change to subheading 2842.10 through 2851.00 from any other chapter, except from Chapters 28 through 38; or
- A change to subheading 2842.10 through 2851.00 from any other subheading within Chapters 28 through 38, including another subheading within that group, whether or not there is also a change from any other chapter, provided there is a regional value content of not less than:
- (a) 60 percent where the transaction value method is used, or
  - (b) 50 percent where the net cost method is used.
- Chapter 29 **Organic Chemicals**
- 29.01-29.42 A change to subheading 2901.10 through 2942.00 from any other chapter, except from Chapters 28 through 38; or
- A change to subheading 2901.10 through 2942.00 from any other subheading within Chapters 28 through 38, including another subheading within that group, whether or not there is also a change from any other chapter, provided there is a regional value content of not less than:
- (a) 60 percent where the transaction value method is used, or
  - (b) 50 percent where the net cost method is used.
- Chapter 30 **Pharmaceutical Products**
- 30.01 A change to subheading 3001.10 through 3001.90 from any other heading; or
- A change to subheading 3001.10 through 3001.90 from any other subheading within heading 30.01, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

30.02

A change to subheading 3002.10 through 3002.90 from any other heading; or

A change to subheading 3002.10 through 3002.90 from any other subheading within heading 30.02, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

30.03

A change to subheading 3003.10 through 3003.90 from any other heading; or

A change to subheading 3003.10 through 3003.90 from any other subheading within heading 30.03, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

30.04

A change to subheading 3004.10 through 3004.90 from any other heading, except from heading 30.03; or

A change to subheading 3004.10 through 3004.90 from any other subheading within heading 30.04, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

30.05

A change to subheading 3005.10 through 3005.90 from any other heading; or

A change to subheading 3005.10 through 3005.90 from any other subheading within heading 30.05, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

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30.06

A change to subheading 3006.10 through 3006.60 from any other heading; or

A change to subheading 3006.10 through 3006.60 from any other subheading within heading 30.06, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

Chapter 31

Fertilisers

31.01-31.05

A change to subheading 3101.00 through 3105.90 from any other chapter; or

A change to subheading 3101.00 through 3105.90 from any other subheading within Chapter 31, whether or not there is also a change from any other chapter, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

Chapter 32

Tanning or Dyeing Extracts; Tannins and Their Derivatives; Dyes, Pigments and Other Colouring Matter; Paints and Varnishes; Putty and Other Mastics; Inks

32.01-32.03

A change to subheading 3201.10 through 3203.00 from any other chapter, except from Chapters 28 through 38; or

A change to subheading 3201.10 through 3203.00 from any other subheading within Chapters 28 through 38, including another subheading within that group, whether or not there is also a change from any other chapter, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

3204.11-3204.16

A change to subheading 3204.11 through 3204.16 from any other chapter, except from Chapters 28 through 38; or

A change to subheading 3204.11 through 3204.16 from any other subheading within Chapters 28 through 38, including another subheading within that group, whether or not there is also a change from any other chapter, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

3204.17

For any colour, as defined under the Colour Index, identified in the following List of Colours, a change to subheading 3204.17 from any other subheading.

**List of Colours**

pigment yellow: 1, 3, 16, 55, 61, 62, 65, 73, 74, 75, 81, 97, 120, 151, 152, 154, 156, and 175

pigment orange: 4, 5, 13, 34, 36, 60, and 62

pigment red: 2, 3, 5, 12, 13, 14, 17, 18, 19, 22, 23, 24, 31, 32, 48, 49, 52, 53, 57, 63, 112, 119, 133, 146, 170, 171, 175, 176, 183, 185, 187, 188, 208, and 210; or

For any colour, as defined under the Colour Index, not identified in the List of Colours:

- (a) a change to subheading 3204.17 from any other subheading, except from Chapter 29; or
- (b) a change to subheading 3204.17 from any other subheading within Chapter 29, whether or not there is also a change from any other subheading, provided there is a regional value content of not less than:
  - (i) 60 percent where the transaction value method is used, or
  - (ii) 50 percent where the net cost method is used.

3204.19-3204.90

A change to subheading 3204.19 through 3204.90 from any other chapter, except from Chapters 28 through 38; or

A change to subheading 3204.19 through 3204.90 from any other subheading within Chapters 28 through 38, including another subheading within that group, whether or not there is also a change from any other chapter, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

- 32.05 A change to heading 32.05 from any other heading.
- 32.06-32.07 A change to subheading 3206.10 through 3207.40 from any other chapter, except from Chapters 28 through 38; or
- A change to subheading 3206.10 through 3207.40 from any other subheading within Chapters 28 through 38, including another subheading within that group, whether or not there is also a change from any other chapter, provided there is a regional value content of not less than:
- (a) 60 percent where the transaction value method is used, or
  - (b) 50 percent where the net cost method is used.
- 32.08-32.10 A change to heading 32.08 through 32.10 from any other heading outside that group.
- 32.11-32.12 A change to heading 32.11 through 32.12 from any other heading outside that group.
- 32.13-32.15 A change to heading 32.13 through 32.15 from any other heading outside that group, except from heading 32.08 through 32.10.
- Chapter 33** **Essential Oils and Resinoids; Perfumery, Cosmetic or Toilet Preparations**
- 33.01 A change to subheading 3301.11 through 3301.90 from any other chapter; or
- A change to subheading 3301.11 through 3301.90 from any other subheading within Chapter 33, whether or not there is also a change from any other chapter, provided there is a regional value content of not less than:
- (a) 60 percent where the transaction value method is used, or
  - (b) 50 percent where the net cost method is used.
- 33.02 A change to heading 33.02 from any other heading, except from heading 22.07 through 22.08.
- 33.03 A change to heading 33.03 from any other chapter; or
- A change to heading 33.03 from any other heading within Chapter 33, whether or not there is also a change from any other chapter, provided there is a regional value content of not less than:
- (a) 60 percent where the transaction value method is used, or
  - (b) 50 percent where the net cost method is used.

33.04-33.07

A change to subheading 3304.10 through 3307.90 from any other heading outside that group; or

A change to subheading 3304.10 through 3307.90 from any other subheading within that group, whether or not there is also a change from any other heading outside that group, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

**Chapter 34**

**Soap, Organic Surface-active Agents, Washing Preparations, Lubricating Preparations, Artificial Waxes, Prepared Waxes, Polishing or Scouring Preparations, Candles and Similar Articles, Modelling Pastes, "Dental Waxes" and Dental Preparations with a Basis of Plaster**

34.01

A change to subheading 3401.11 through 3401.20 from any other heading; or

A change to subheading 3401.11 through 3401.20 from any other subheading within heading 34.01, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 65 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

3402.11-3402.19

A change to subheading 3402.11 through 3402.19 from any other heading; or

A change to subheading 3402.11 through 3402.19 from any other subheading within heading 34.02, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 65 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

3402.20-3402.90

A change to subheading 3402.20 through 3402.90 from any other subheading outside that group; or

A change to subheading 3402.20 through 3402.90 from any other subheading within that group, whether or not there is also a change from any other subheading outside that group, provided there is a regional value content of not less than:

- (a) 65 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

34.03

A change to subheading 3403.11 through 3403.99 from any other heading; or

A change to subheading 3403.11 through 3403.99 from any other subheading within heading 34.03, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 65 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

34.04

A change to subheading 3404.10 through 3404.90 from any other heading; or

A change to subheading 3404.10 through 3404.90 from any other subheading within heading 34.04, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 65 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

34.05

A change to subheading 3405.10 through 3405.90 from any other heading; or

A change to subheading 3405.10 through 3405.90 from any other subheading within heading 34.05, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 65 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

34.06-34.07

A change to heading 34.06 through 34.07 from any other heading, including another heading within that group.

Chapter 35

Albuminoidal Substances; Modified Starches; Glues; Enzymes

35.01

A change to subheading 3501.10 through 3501.90 from any other heading; or

A change to subheading 3501.10 through 3501.90 from any other subheading within heading 35.01, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 65 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

- 35.02                   A change to subheading 3502.10 through 3502.90 from any other heading; or
- A change to subheading 3502.10 through 3502.90 from any other subheading within heading 35.02, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a)     65 percent where the transaction value method is used, or
  - (b)     50 percent where the net cost method is used.
- 35.03-35.04           A change to heading 35.03 through 35.04 from any other heading, including another heading within that group.
- 35.05                   A change to subheading 3505.10 through 3505.20 from any other heading; or
- A change to subheading 3505.10 through 3505.20 from any other subheading within heading 35.05, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a)     65 percent where the transaction value method is used, or
  - (b)     50 percent where the net cost method is used.
- 35.06                   A change to subheading 3506.10 through 3506.99 from any other heading; or
- A change to subheading 3506.10 through 3506.99 from any other subheading within heading 35.06, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a)     65 percent where the transaction value method is used, or
  - (b)     50 percent where the net cost method is used.
- 35.07                   A change to subheading 3507.10 through 3507.90 from any other heading; or
- A change to subheading 3507.10 through 3507.90 from any other subheading within heading 35.07, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a)     65 percent where the transaction value method is used, or
  - (b)     50 percent where the net cost method is used.
- Chapter 36**           **Explosives; Pyrotechnic Products; Matches; Pyrophoric Alloys; Certain Combustible Preparations**
- 36.01-36.03           A change to heading 36.01 through 36.03 from any other heading, including another heading within that group.



36.04 A change to subheading 3604.10 through 3604.90 from any other heading; or  
A change to subheading 3604.10 through 3604.90 from any other subheading within heading 36.04, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 65 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

36.05 A change to heading 36.05 from any other heading.

36.06 A change to subheading 3606.10 through 3606.90 from any other heading; or  
A change to subheading 3606.10 through 3606.90 from any other subheading within heading 36.06, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 65 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

**Chapter 37 Photographic or Cinematographic Goods**

37.01-37.03 A change to heading 37.01 through 37.03 from any other chapter.

37.04 A change to heading 37.04 from any other heading.

37.05-37.06 A change to heading 37.05 through 37.06 from any other heading outside that group.

37.07 A change to subheading 3707.10 through 3707.90 from any other chapter; or  
A change to subheading 3707.10 through 3707.90 from any other subheading within Chapter 37, including another subheading within that group, whether or not there is also a change from any other chapter, provided there is a regional value content of not less than:

- (a) 65 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

**Chapter 38 Miscellaneous Chemical Products**

38.01-38.07 A change to subheading 3801.10 through 3807.00 from any other chapter, except from Chapters 28 through 38; or

A change to subheading 3801.10 through 3807.00 from any other subheading within Chapters 28 through 38, including another subheading within that group, whether or not there is also a change from any other chapter, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

38.08 *Note:*

*A material, imported into the territory of a Party for use in the production of a good classified under heading 38.08, shall be treated as a material originating in the territory of a Party if:*

- (a) *such material is eligible, in the territories of both that Party and the Party to whose territory the good is exported, for duty-free treatment at the rates provided for most-favored-nations; or*
- (b) *the good is exported to the territory of the United States and such material would, if imported into the territory of the United States, be free of duty under a trade agreement that is not subject to a competitive need limitation.*

A change to heading 38.08 from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used and the good contains no more than one active ingredient, or 80 percent where the transaction value method is used and the good contains more than one active ingredient; or
- (b) 50 percent where the net cost method is used and the good contains no more than one active ingredient, or 70 percent where the net cost method is used and the good contains more than one active ingredient.

38.09-38.23

A change to subheading 3809.10 through 3823.90 from any other chapter, except from Chapters 28 through 38; or

A change to subheading 3809.10 through 3823.90 from any other subheading within Chapters 28 through 38, including another subheading within that group, whether or not there is also a change from any other chapter, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

**Section VII - Plastics and Articles Thereof; Rubber and Articles Thereof  
(Chapters 39-40)**

**Chapter 39 Plastics and Articles Thereof**

**39.01-39.20** A change to heading 39.01 through 39.20 from any other heading, including another heading within that group, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

**3921.11-3921.13** A change to subheading 3921.11 through 3921.13 from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

**3921.14** A change to subheading 3921.14 from any other heading, except from subheading 3920.20 or 3920.71. In addition, the regional value content must be not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

**3921.19** A change to subheading 3921.19 from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

**3921.90** A change to subheading 3921.90 from any other heading, except from subheading 3920.20 or 3920.71. In addition, the regional value content percentage must be not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

**39.22** A change to heading 39.22 from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

3923.10-3923.21

A change to subheading 3923.10 through 3923.21 from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

3923.29

A change to subheading 3923.29 from any other heading, except from subheading 3920.20 or 3920.71. In addition, the regional value content percentage must be not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

3923.30-3923.90

A change to subheading 3923.30 through 3923.90 from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

39.24-39.26

A change to heading 39.24 through 39.26 from any other heading, including another heading within that group, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

Chapter 40

Rubber and Articles Thereof

40.01-40.06

A change to heading 40.01 through 40.06 from any other chapter; or

A change to heading 40.01 through 40.06 from any other heading within Chapter 40, including another heading within that group, whether or not there is also a change from any other chapter, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

40.07-40.08

A change to heading 40.07 through 40.08 from any other heading outside that group.

4009.10-4009.40<sup>16</sup>

A change to subheading 4009.10 through 4009.40 from any other heading, except from heading 40.10 through 40.17.

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<sup>16</sup> If the good is for use in a motor vehicle of Chapter 87, the provisions of Article 403 may apply.

4009.50<sup>17</sup>

A change to tubes, pipes or hoses of subheading 4009.50, of a kind used for motor vehicles of heading 87.02 for the transport of 15 or fewer persons, motor cars or other motor vehicles of heading 87.03, motor vehicles of subheading 8704.21 or 8704.31 or motorcycles of heading 87.11, from any other heading, except from heading 40.10 through 40.17; or

A change to tubes, pipes or hoses of subheading 4009.50, of a kind used for motor vehicles of heading 87.02 for the transport of 15 or fewer persons, motor cars or other motor vehicles of heading 87.03, motor vehicles of subheading 8704.21 or 8704.31 or motorcycles of heading 87.11, from subheading 4009.10 through 4017.00, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction method is used, or
- (b) 50 percent where the net cost method is used; or

A change to tubes, pipes or hoses of subheading 4009.50, other than those of a kind used for motor vehicles of heading 87.02 for the transport of 15 or fewer persons, motor cars or other motor vehicles of heading 87.03, motor vehicles of subheading 8704.21 or 8704.31 or motorcycles of heading 87.11 from any other heading, except from heading 40.10 through 40.17

40.10-40.11<sup>18</sup>

A change to heading 40.10 through 40.11 from any other heading, except from heading 40.09 through 40.17.

4012.10

A change to subheading 4012.10 from any other subheading, except from Canadian tariff item 4012.20.20<sup>19</sup>, U.S. tariff item 4012.20.15 or 4012.20.18 or Mexican tariff item 4012.20.01.

4012.20-4012.90

A change to subheading 4012.20 through 4012.90 from any other heading, except from heading 40.09 through 40.17.

40.13-40.15

A change to heading 40.13 through 40.15 from any other heading, except from heading 40.09 through 40.17.

4016.10-4016.92

A change to subheading 4016.10 through 4016.92 from any other heading, except from heading 40.09 through 40.17.

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<sup>17</sup> If the good is for use in a motor vehicle of Chapter 87, the provisions of Article 403 may apply.

<sup>18</sup> If the good provided for in subheading 4010.10 or heading 40.11 is for use in a motor vehicle of Chapter 87, the provisions of Article 403 may apply.

<sup>19</sup> 4012.20.aa Can4012.20.20, U.S.4012.20.15, 4012.20.18, Mex4012.20.01 Of a kind used on vehicles, including tractors, for the on-highway transport of passengers or goods, or on vehicles of heading 87.05.

4016.93<sup>20</sup>

4016.93.aa<sup>21</sup> A change to Canadian tariff item 4016.93.10, U.S. tariff item 4016.93.10 or Mexican tariff item 4016.93.04 from any other heading, except from Canadian tariff item 4008.19.10<sup>22</sup> or 4008.29.10<sup>23</sup>, U.S. tariff item 4008.19.05 or 4008.29.10 or Mexican tariff item 4008.19.01 or 4008.29.01.

4016.93 A change to subheading 4016.93 from any other heading, except from heading 40.09 through 40.17.

4016.94-4016.95 A change to subheading 4016.94 through 4016.95 from any other heading, except from heading 40.09 through 40.17.

4016.99<sup>24</sup>

4016.99.aa<sup>25</sup> A change to Canadian tariff item 4016.99.30, U.S. tariff item 4016.99.aa or Mexican tariff item 4016.99.10 from any other subheading, provided there is a regional value content of not less than 50 percent under the net cost method.

4016.99 A change to subheading 4016.99 from any other heading, except from heading 40.09 through 40.17.

40.17 A change to heading 40.17 from any other heading, except from heading 40.09 through 40.16.

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<sup>20</sup> If the good is for use in a motor vehicle of Chapter 87, the provisions of Article 403 may apply.

<sup>21</sup> 4016.93.aa Can4016.93.10, U.S.4016.93.10, Mex4016.93.04 Of a kind used in the automotive goods of Chapter 87.

<sup>22</sup> 4008.19.aa Can4008.19.10, U.S.4008.19.05, Mex4008.19.01 Profile shapes.

<sup>23</sup> 4008.29.aa Can4008.29.10, U.S.4008.29.10, Mex4008.29.01 Profile shapes.

<sup>24</sup> If the good is for use in a motor vehicle of Chapter 87, the provisions of Article 403 may apply.

<sup>25</sup> 4016.99.aa Can4016.99.30, Mex4016.99.10 Vibration control goods of a kind used in the vehicles of headings 87.01 through 87.05.

**Section VIII****Raw Hides and Skins, Leather, Furskins and Articles Thereof; Saddlery and Harness; Travel Goods, Handbags and Similar Containers; Articles of Animal Gut (Other Than Silk-worm Gut) (Chapters 41-43)****Chapter 41****Raw Hides and Skins (Other Than Furskins) and Leather**

41.01-41.03

A change to heading 41.01 through 41.03 from any other chapter.

41.04

A change to heading 41.04 from any other heading, except from heading 41.05 through 41.11.

41.05

A change to heading 41.05 from Canadian tariff item 4105.19.10<sup>26</sup>, U.S. tariff item 4105.19.10 or Mexican tariff item 4105.19.01, heading 41.01 through 41.03 or any other chapter.

41.06

A change to heading 41.06 from Canadian tariff item 4106.19.10<sup>27</sup>, U.S. tariff item 4106.19.10 or Mexican tariff item 4106.19.01, heading 41.01 through 41.03 or any other chapter.

41.07

A change to heading 41.07 from Canadian tariff item 4107.10.10<sup>28</sup>, U.S. tariff item 4107.10.10 or Mexican tariff item 4107.10.02, heading 41.01 through 41.03 or any other chapter.

41.08-41.11

A change to heading 41.08 through 41.11 from any other heading, except from heading 41.04 through 41.11.

**Chapter 42****Articles of Leather; Saddlery and Harness; Travel Goods, Handbags and Similar Containers; Articles of Animal Gut (Other Than Silk-Worm Gut)**

42.01

A change to heading 42.01 from any other chapter.

4202.11

A change to subheading 4202.11 from any other chapter.

4202.12

A change to subheading 4202.12 from any other chapter, except from heading 54.07, 54.08 or 55.12 through 55.16.

4202.19-4202.21

A change to subheading 4202.19 through 4202.21 from any other chapter.

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<sup>26</sup> 4105.19.aa      Can4105.19.10, U.S.4105.19.10, Mex4105.19.01      Wet blue.

<sup>27</sup> 4106.19.aa      Can4106.19.10, U.S.4106.19.10, Mex4106.19.01      Wet blue.

<sup>28</sup> 4107.10.aa      Can4107.10.10, U.S.4107.10.10, Mex4107.10.02      Wet blue.

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- 4202.22 A change to subheading 4202.22 from any other chapter, except from heading 54.07, 54.08 or 55.12 through 55.16.
- 4202.29-4202.31 A change to subheading 4202.29 through 4202.31 from any other chapter.
- 4202.32 A change to subheading 4202.32 from any other chapter, except from heading 54.07, 54.08 or 55.12 through 55.16.
- 4202.39-4202.91 A change to subheading 4202.39 through 4202.91 from any other chapter.
- 4202.92 A change to subheading 4202.92 from any other chapter, except from heading 54.07, 54.08 or 55.12 through 55.16.
- 4202.99 A change to subheading 4202.99 from any other chapter.
- 42.03-42.06 A change to heading 42.03 through 42.06 from any other chapter.
- Chapter 43** **Furskins and Artificial Fur; Manufactures Thereof**
- 43.01 A change to heading 43.01 from any other chapter.
- 43.02 A change to heading 43.02 from any other heading.
- 43.03-43.04 A change to heading 43.03 through 43.04 from any other heading outside that group.

**Section IX - Wood and Articles of Wood; Wood Charcoal; Cork and Articles of Cork; Manufactures of Straw, of Esparto or of Other Plaiting Materials; Basketware and Wickerwork (Chapters 44-46)**

- Chapter 44** **Wood and Articles of Wood; Wood Charcoal**
- 44.01-44.21 A change to heading 44.01 through 44.21 from any other heading, including another heading within that group.
- Chapter 45** **Cork and Articles of Cork**
- 45.01-45.02 A change to heading 45.01 through 45.02 from any other chapter.
- 45.03-45.04 A change to heading 45.03 through 45.04 from any other heading outside that group.



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- Chapter 46**                                   **Manufactures of Straw, of Esparto or of Other Plaiting Materials; Basketware and Wickerwork**
- 46.01                                        A change to heading 46.01 from any other chapter.
- 46.02                                        A change to heading 46.02 from any other heading.
- Section X**                               **Pulp of Wood or of other Fibrous Cellulosic Material; Waste and Scrap of Paper or Paperboard; Paper and Paperboard and Articles Thereof (Chapters 47-49)**
- Chapter 47**                               **Pulp of Wood or of Other Fibrous Cellulosic Material; Waste and Scrap of Paper or Paperboard**
- 47.01-47.07                               A change to heading 47.01 through 47.07 from any other chapter.
- Chapter 48**                               **Paper and Paperboard; Articles of Paper Pulp, of Paper or of Paperboard**
- 48.01-48.07                               A change to heading 48.01 through 48.07 from any other chapter.
- 48.08-48.09                               A change to heading 48.08 through 48.09 from any other heading outside that group.
- 48.10-48.13                               A change to heading 48.10 through 48.13 from any other chapter.
- 48.14-48.15                               A change to heading 48.14 through 48.15 from any other heading outside that group.
- 48.16                                        A change to heading 48.16 from any other heading, except from heading 48.09.
- 48.17-48.23                               A change to heading 48.17 through 48.23 from any other heading outside that group.
- Chapter 49**                               **Printed Books, Newspapers, Pictures and Other Products of the Printing Industry; Manuscripts, Typescripts and Plans**
- 49.01-49.11                               A change to heading 49.01 through 49.11 from any other chapter.

**Section XI - Textiles and Textile Articles (Chapters 50-63)**

**Note:** *The textile and apparel rules should be read in conjunction with Annex 300-B (Textile and Apparel Goods). For purposes of these rules, the term "wholly" means that the good is made entirely or solely of the named material.*

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|-------------------|--|
| <b>Chapter 50</b> | <b>Silk</b>  |
| 50.01-50.03       | A change to heading 50.01 through 50.03 from any other chapter.  |
| 50.04-50.06       | A change to heading 50.04 through 50.06 from any other heading outside that group.   |
| 50.07             | A change to heading 50.07 from any other heading.  |
| <b>Chapter 51</b> | <b>Wool, Fine or Coarse Animal Hair; Horsehair Yarn and Woven Fabric</b>   |
| 51.01-51.05       | A change to heading 51.01 through 51.05 from any other chapter.  |
| 51.06-51.10       | A change to heading 51.06 through 51.10 from any other heading outside that group.   |
| 51.11-51.13       | A change to heading 51.11 through 51.13 from any other heading outside that group, except from heading 51.06 through 51.10, 52.05 through 52.06, 54.01 through 54.04 or 55.09 through 55.10. |
| <b>Chapter 52</b> | <b>Cotton</b>  |
| 52.01-52.07       | A change to heading 52.01 through 52.07 from any other chapter, except from heading 54.01 through 54.05 or 55.01 through 55.07.  |
| 52.08-52.12       | A change to heading 52.08 through 52.12 from any other heading outside that group, except from heading 51.06 through 51.10, 52.05 through 52.06, 54.01 through 54.04 or 55.09 through 55.10. |
| <b>Chapter 53</b> | <b>Other Vegetable Textile Fibers; Paper Yarn and Woven Fabrics of Paper Yarn</b>  |
| 53.01-53.05       | A change to heading 53.01 through 53.05 from any other chapter.  |
| 53.06-53.08       | A change to heading 53.06 through 53.08 from any other heading outside that group.   |

- 53.09 A change to heading 53.09 from any other heading, except from heading 53.07 through 53.08.
- 53.10-53.11 A change to heading 53.10 through 53.11 from any other heading outside that group, except from heading 53.07 through 53.08.
- Chapter 54 Man-Made Filaments**
- 54.01-54.06 A change to heading 54.01 through 54.06 from any other chapter, except from heading 52.01 through 52.03 or 55.01 through 55.07.
- 54.07
- 5407.60.aa<sup>29</sup> A change to Canadian tariff item 5407.60.10, U.S. tariff item 5407.60.22 or Mexican tariff item 5407.60.02 from Canadian tariff item 5402.43.10<sup>30</sup> or 5402.52.10<sup>31</sup>, U.S. tariff item 5402.43.10 or 5402.52.10, Mexican tariff item 5402.43.01 or 5402.52.02 or any other chapter, except from heading 51.06 through 51.10, 52.05 through 52.06 or 55.09 through 55.10.
- 54.07 A change to heading 54.07 from any other chapter, except from heading 51.06 through 51.10, 52.05 through 52.06 or 55.09 through 55.10.
- 54.08 A change to heading 54.08 from any other chapter, except from heading 51.06 through 51.10, 52.05 through 52.06 or 55.09 through 55.10.
- Chapter 55 Man-Made Staple Fibers**
- 55.01-55.11 A change to heading 55.01 through 55.11 from any other chapter, except from heading 52.01 through 52.03 or 54.01 through 54.05.
- 55.12-55.16 A change to heading 55.12 through 55.16 from any other heading outside that group, except from heading 51.06 through 51.10, 52.05 through 52.06, 54.01 through 54.04 or 55.09 through 55.10.

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<sup>29</sup> 5407.60.aa Can5407.60.10, U.S.5407.60.22, Mex5407.60.02 Wholly of polyester, of single yarns measuring not less than 75 decitex but not more than 80 decitex, having 24 filaments per yarn and with a twist of 900 or more turns per metre.

<sup>30</sup> 5402.43.aa Can5402.43.10, U.S.5402.43.10, Mex5402.43.01 Wholly of polyester, measuring not less than 75 decitex but not more than 80 decitex, and having 24 filaments per yarn.

<sup>31</sup> 5402.52.aa Can5402.52.10, U.S.5402.52.10, Mex5402.52.02 Wholly of polyester, measuring not less than 75 decitex but not more than 80 decitex, and having 24 filaments per yarn.

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**Chapter 56**

**Wadding, Felt and Nonwovens; Special Yarns; Twine, Cordage, Ropes and Cables and Articles Thereof**

56.01-56.09

A change to heading 56.01 through 56.09 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, or Chapters 54 through 55.

**Chapter 57<sup>32</sup>**

**Carpets and Other Textile Floor Coverings**

57.01-57.05

A change to heading 57.01 through 57.05 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.08 or 53.11, Chapter 54, or heading 55.08 through 55.16.

**Chapter 58**

**Special Woven Fabrics; Tufted Textile Fabrics; Lace; Tapestries; Trimmings; Embroidery**

58.01-58.11

A change to heading 58.01 through 58.11 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, or Chapters 54 through 55.

**Chapter 59**

**Impregnated, Coated, Covered or Laminated Textile Fabrics; Textile Articles of a Kind Suitable For Industrial Use**

59.01

A change to heading 59.01 from any other chapter, except from heading 51.11 through 51.13, 52.08 through 52.12, 53.10 through 53.11, 54.07 through 54.08 or 55.12 through 55.16.

59.02

A change to heading 59.02 from any other heading, except from heading 51.06 through 51.13, 52.04 through 52.12 or 53.06 through 53.11, or Chapters 54 through 55.

59.03-59.08

A change to heading 59.03 through 59.08 from any other chapter, except from heading 51.11 through 51.13, 52.08 through 52.12, 53.10 through 53.11, 54.07 through 54.08 or 55.12 through 55.16.

59.09

A change to heading 59.09 from any other chapter, except from heading 51.11 through 51.13, 52.08 through 52.12 or 53.10 through 53.11, Chapter 54, or heading 55.12 through 55.16.

59.10

A change to heading 59.10 from any other heading, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, or Chapters 54 through 55.

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<sup>32</sup> See also Annex 300-B (Textile and Apparel Goods), Appendix 6(A).

59.11 A change to heading 59.11 from any other chapter, except from heading 51.11 through 51.13, 52.08 through 52.12, 53.10 through 53.11, 54.07 through 54.08 or 55.12 through 55.16.

**Chapter 60 Knitted or Crocheted Fabrics**

60.01-60.02 A change to heading 60.01 through 60.02 from any other chapter, except from heading 51.06 through 51.13, Chapter 52, heading 53.07 through 53.08 or 53.10 through 53.11, or Chapters 54 through 55.

**Chapter 61<sup>33</sup> Articles of Apparel and Clothing Accessories, Knitted or Crocheted**

**Note 1:** *A change to any of the following heading or subheading for visible lining fabrics:*

*51.11 through 51.12, 5208.31 through 5208.59, 5209.31 through 5209.59, 5210.31 through 5210.59, 5211.31 through 5211.59, 5212.13 through 5212.15, 5212.23 through 5212.25, 5407.42 through 5407.44, 5407.52 through 5407.54, 5407.60, 5407.72 through 5407.74, 5407.82 through 5407.84, 5407.92 through 5407.94, 5408.22 through 5408.24 (excluding Canadian tariff item 5408.22.10<sup>34</sup>, 5408.23.10<sup>35</sup> or 5408.24.10<sup>36</sup>, U.S. tariff item 5408.22.aa, 5408.23.aa or 5408.24.aa, Mexican tariff item 5408.22.04, 5408.23.05 or 5408.24.01), 5408.32 through 5408.34, 5512.19, 5512.29, 5512.99, 5513.21 through 5513.49, 5514.21 through 5515.99, 5516.12 through 5516.14, 5516.22 through 5516.24, 5516.32 through 5516.34, 5516.42 through 5516.44, 5516.92 through 5516.94, 6001.10, 6001.92, 6002.43 or 6002.91 through 6002.93,*

*from any other heading outside that group.*

<sup>33</sup> See also Annex 300-B (Textile and Apparel Goods), Appendix 6(A).

<sup>34</sup> 5408.22.aa Can5408.22.10, Mex5408.22.04 Of cuprammonium rayon.

<sup>35</sup> 5408.23.aa Can5408.23.10, Mex5408.23.05 Of cuprammonium rayon.

<sup>36</sup> 5408.24.aa Can5408.24.10, Mex5408.24.01 Of cuprammonium rayon.

**Note 2:**

*For purposes of determining the origin of a good of this Chapter, the rule applicable to that good shall only apply to the component that determines the tariff classification of the good and such component must satisfy the tariff change requirements set out in the rule for that good. If the rule requires that the good must also satisfy the tariff change requirements for visible lining fabrics listed in Note 1 to this Chapter, such requirement shall only apply to the visible lining fabric in the main body of the garment, excluding sleeves, which covers the largest surface area, and shall not apply to removable linings.*

6101.10-6101.30

A change to subheading 6101.10 through 6101.30 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54, or heading 55.08 through 55.16 or 60.01 through 60.02, provided that:

- (a) the good is both cut (or knit to shape) and sewn or otherwise assembled in the territory of one or more of the Parties, and
- (b) the visible lining fabric listed in Note 1 to Chapter 61 satisfies the tariff change requirements provided therein.

6101.90

A change to subheading 6101.90 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54, or heading 55.08 through 55.16 or 60.01 through 60.02, provided that the good is both cut (or knit to shape) and sewn or otherwise assembled in the territory of one or more of the Parties.

6102.10-6102.30

A change to subheading 6102.10 through 6102.30 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54, or heading 55.08 through 55.16 or 60.01 through 60.02, provided that:

- (a) the good is both cut (or knit to shape) and sewn or otherwise assembled in the territory of one or more of the Parties, and
- (b) the visible lining fabric listed in Note 1 to Chapter 61 satisfies the tariff change requirements provided therein.

6102.90

A change to subheading 6102.90 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54, or heading 55.08 through 55.16 or 60.01 through 60.02, provided that the good is both cut (or knit to shape) and sewn or otherwise assembled in the territory of one or more of the Parties.

6103.11-6103.12

A change to subheading 6103.11 through 6103.12 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54, or heading 55.08 through 55.16 or 60.01 through 60.02, provided that:

- (a) the good is both cut (or knit to shape) and sewn or otherwise assembled in the territory of one or more of the Parties, and
- (b) the visible lining fabric listed in Note 1 to Chapter 61 satisfies the tariff change requirements provided therein.

6103.19

6103.19.aa<sup>37</sup>

A change to Canadian tariff item 6103.19.90, U.S. tariff item 6103.19.40 or Mexican tariff item 6103.19.02 or 6103.19.99 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54, or heading 55.08 through 55.16 or 60.01 through 60.02, provided that the good is both cut (or knit to shape) and sewn or otherwise assembled in the territory of one or more of the Parties.

6103.19

A change to subheading 6103.19 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54, or heading 55.08 through 55.16 or 60.01 through 60.02, provided that:

- (a) the good is both cut (or knit to shape) and sewn or otherwise assembled in the territory of one or more of the Parties, and
- (b) the visible lining fabric listed in Note 1 to Chapter 61 satisfies the tariff change requirements provided therein.

6103.21-6103.29

A change to subheading 6103.21 through 6103.29 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54, or heading 55.08 through 55.16 or 60.01 through 60.02, provided that:

- (a) the good is both cut (or knit to shape) and sewn or otherwise assembled in the territory of one or more of the Parties, and
- (b) with respect to a garment described in heading 61.01 or a jacket or a blazer described in heading 61.03, of wool, fine animal hair, cotton or man-made fibers, imported as part of an ensemble of these subheading, the visible lining fabric listed in Note 1 to Chapter 61

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<sup>37</sup> 6103.19.aa Can6103.19.90, U.S.6103.19.40, Mex6103.19.02, 6103.19.99 Of textile materials other than artificial fibres or cotton.

satisfies the tariff change requirements provided therein.

6103.31-6103.33

A change to subheading 6103.31 through 6103.33 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54, or heading 55.08 through 55.16 or 60.01 through 60.02, provided that:

- (a) the good is both cut (or knit to shape) and sewn or otherwise assembled in the territory of one or more of the Parties, and
- (b) the visible lining fabric listed in Note 1 to Chapter 61 satisfies the tariff change requirements provided therein.

6103.39

6103.39.aa<sup>38</sup>

A change to Canadian tariff item 6103.39.90, U.S. tariff item 6103.39.20 or Mexican tariff item 6103.39.02 or 6103.39.99 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54, or heading 55.08 through 55.16 or 60.01 through 60.02, provided that the good is both cut (or knit to shape) and sewn or otherwise assembled in the territory of one or more of the Parties.

6103.39

A change to subheading 6103.39 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54, or heading 55.08 through 55.16 or 60.01 through 60.02, provided that:

- (a) the good is both cut (or knit to shape) and sewn or otherwise assembled in the territory of one or more of the Parties, and
- (b) the visible lining fabric listed in Note 1 to Chapter 61 satisfies the tariff change requirements provided therein.

6103.41-6103.49

A change to subheading 6103.41 through 6103.49 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54, or heading 55.08 through 55.16 or 60.01 through 60.02, provided that the good is both cut (or knit to shape) and sewn or otherwise assembled in the territory of one or more of the Parties.

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<sup>38</sup> 6103.39.aa Can6103.39.90, U.S.6103.39.20, Mex6103.39.02, 6103.39.99 Of other than artificial fibres.



6104.11-6104.13

A change to subheading 6104.11 through 6104.13 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54, or heading 55.08 through 55.16 or 60.01 through 60.02, provided that:

- (a) the good is both cut (or knit to shape) and sewn or otherwise assembled in the territory of one or more of the Parties, and
- (b) the visible lining fabric listed in Note 1 to Chapter 61 satisfies the tariff change requirements provided therein.

6104.19

6104.19.aa<sup>39</sup>

A change to Canadian tariff item 6104.19.90, U.S. tariff item 6104.19.20 or Mexican tariff item 6104.19.02 or 6104.19.99 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54, or heading 55.08 through 55.16 or 60.01 through 60.02, provided that the good is both cut (or knit to shape) and sewn or otherwise assembled in the territory of one or more of the Parties.

6104.19

A change to subheading 6104.19 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54, or heading 55.08 through 55.16 or 60.01 through 60.02, provided that:

- (a) the good is both cut (or knit to shape) and sewn or otherwise assembled in the territory of one or more of the Parties, and
- (b) the visible lining fabric listed in Note 1 to Chapter 61 satisfies the tariff change requirements provided therein.

6104.21-6104.29

A change to subheading 6104.21 through 6104.29 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54, or heading 55.08 through 55.16 or 60.01 through 60.02, provided that:

- (a) the good is both cut (or knit to shape) and sewn or otherwise assembled in the territory of one or more of the Parties, and
- (b) with respect to a garment described in heading 61.02, a jacket or a blazer described in heading 61.04, or a skirt described in heading 61.04, of wool, fine animal hair, cotton or man-made fibers, imported as part of an ensemble of these subheading, the visible

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<sup>39</sup> 6104.19.aa Can6104.19.90, U.S.6104.19.20, Mex6104.19.02, 6104.19.99 Of other than artificial fibres.

lining fabric listed in Note 1 to Chapter 61 satisfies the tariff change requirements provided therein.

6104.31-6104.33

A change to subheading 6104.31 through 6104.33 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54, or heading 55.08 through 55.16 or 60.01 through 60.02, provided that:

- (a) the good is both cut (or knit to shape) and sewn or otherwise assembled in the territory of one or more of the Parties, and
- (b) the visible lining fabric listed in Note 1 to Chapter 61 satisfies the tariff change requirements provided therein.

6104.39

6104.39.aa<sup>40</sup>

A change to Canadian tariff item 6104.39.90, U.S. tariff item 6104.39.20, Mexican tariff item 6104.39.02 or 6104.39.99 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54, or heading 55.08 through 55.16 or 60.01 through 60.02, provided that the good is both cut (or knit to shape) and sewn or otherwise assembled in the territory of one or more of the Parties.

6104.39

A change to subheading 6104.39 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54, or heading 55.08 through 55.16 or 60.01 through 60.02, provided that:

- (a) the good is both cut (or knit to shape) and sewn or otherwise assembled in the territory of one or more of the Parties, and
- (b) the visible lining fabric listed in Note 1 to Chapter 61 satisfies the tariff change requirements provided therein.

6104.41-6104.49

A change to subheading 6104.41 through 6104.49 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54, or heading 55.08 through 55.16 or 60.01 through 60.02, provided that the good is both cut (or knit to shape) and sewn or otherwise assembled in the territory of one or more of the Parties.

6104.51-6104.53

A change to subheading 6104.51 through 6104.53 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07

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<sup>40</sup> 6104.39.aa Can6104.39.90, U.S.6104.39.20, Mex6104.39.02, 6104.39.99 Of other than artificial fibres.

through 53.08 or 53.10 through 53.11, Chapter 54, or heading 55.08 through 55.16 or 60.01 through 60.02, provided that:

- (a) the good is both cut (or knit to shape) and sewn or otherwise assembled in the territory of one or more of the Parties, and
- (b) the visible lining fabric listed in Note 1 to Chapter 61 satisfies the tariff change requirements provided therein.

6104.59

6104.59.aa<sup>41</sup>

A change to Canadian tariff item 6104.59.90, U.S. tariff item 6104.59.20 or Mexican tariff item 6104.59.03 or 6104.59.93 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54, or heading 55.08 through 55.16 or 60.01 through 60.02, provided that the good is both cut (or knit to shape) and sewn or otherwise assembled in the territory of one or more of the Parties.

6104.59

A change to subheading 6104.59 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54, or heading 55.08 through 55.16 or 60.01 through 60.02, provided that:

- (a) the good is both cut (or knit to shape) and sewn or otherwise assembled in the territory of one or more of the Parties, and
- (b) the visible lining fabric listed in Note 1 to Chapter 61 satisfies the tariff change requirements provided therein.

6104.61-6104.69

A change to subheading 6104.61 through 6104.69 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54, or heading 55.08 through 55.16 or 60.01 through 60.02, provided that the good is both cut (or knit to shape) and sewn or otherwise assembled in the territory of one or more of the Parties.

61.05-61.06

A change to heading 61.05 through 61.06 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54, or heading 55.08 through 55.16 or 60.01 through 60.02, provided that the good is both cut (or knit to shape) and sewn or otherwise assembled in the territory of one or more of the Parties.

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<sup>41</sup> 6104.59.aa Can6104.59.90, U.S.6104.59.20, Mex6104.59.03, 6104.59.93 Of other than artificial fibres.

6107.11-6107.19

A change to subheading 6107.11 through 6107.19 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54, or heading 55.08 through 55.16 or 60.01 through 60.02, provided that the good is both cut (or knit to shape) and sewn or otherwise assembled in the territory of one or more of the Parties.

6107.21

A change to subheading 6107.21 from:

- (a) Canadian tariff item 6002.92.10<sup>42</sup>, U.S. tariff item 6002.92.10 or Mexican tariff item 6002.92.01, provided that the good, exclusive of collar, cuffs, elastic or laces, is wholly of such fabric and the good is both cut and sewn or otherwise assembled in the territory of one or more of the Parties, or
- (b) any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54, or heading 55.08 through 55.16 or 60.01 through 60.02, provided that the good is both cut (or knit to shape) and sewn or otherwise assembled in the territory of one or more of the Parties.

6107.22-6107.29

A change to subheading 6107.22 through 6107.29 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54, or heading 55.08 through 55.16 or 60.01 through 60.02, provided that the good is both cut (or knit to shape) and sewn or otherwise assembled in the territory of one or more of the Parties.

6107.91

A change to subheading 6107.91 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54, or heading 55.08 through 55.16 or 60.01 through 60.02, provided that the good is both cut (or knit to shape) and sewn or otherwise assembled in the territory of one or more of the Parties.

6107.92-6107.99

A change to subheading 6107.92 through 6107.99 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54, or heading 55.08 through 55.16 or 60.01 through 60.02, provided that the good is both cut (or knit to shape) and sewn or otherwise assembled in the territory of one or more of the Parties.

6108.11-6108.19

A change to subheading 6108.11 through 6108.19 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54, or heading 55.08 through

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<sup>42</sup> 6002.92.aa

Can6002.92.10, U.S.6002.92.10, Mex6002.92.01 Circular knit, wholly of cotton singles yarns exceeding 100 metric number.

55.16 or 60.01 through 60.02, provided that the good is both cut (or knit to shape) and sewn or otherwise assembled in the territory of one or more of the Parties.

6108.21

A change to subheading 6108.21 from:

- (a) Canadian tariff item 6002.92.10, U.S. tariff item 6002.92.10 or Mexican tariff item 6002.92.01, provided that the good, exclusive of collar, cuffs or waistband, is wholly of such fabric and the good is both cut and sewn or otherwise assembled in the territory of one or more of the Parties, or
- (b) any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54, or heading 55.08 through 55.16 or 60.01 through 60.02, provided that the good is both cut (or knit to shape) and sewn or otherwise assembled in the territory of one or more of the Parties.

6108.22-6108.29

A change to subheading 6108.22 through 6108.29 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54, or heading 55.08 through 55.16 or 60.01 through 60.02, provided that the good is both cut (or knit to shape) and sewn or otherwise assembled in the territory of one or more of the Parties.

6108.31

A change to subheading 6108.31 from:

- (a) Canadian tariff item 6002.92.10, U.S. tariff item 6002.92.10 or Mexican tariff item 6002.92.01, provided that the good, exclusive of collar, cuffs or waistband, is wholly of such fabric and the good is both cut and sewn or otherwise assembled in the territory of one or more of the Parties, or
- (b) any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54, or heading 55.08 through 55.16 or 60.01 through 60.02, provided that the good is both cut (or knit to shape) and sewn or otherwise assembled in the territory of one or more of the Parties.

6108.32-6108.39

A change to subheading 6108.32 through 6108.39 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54, or heading 55.08 through 55.16 or 60.01 through 60.02, provided that the good is both cut (or knit to shape) and sewn or otherwise assembled in the territory of one or more of the Parties.

6108.91

A change to subheading 6108.91 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or

53.10 through 53.11, Chapter 54, or heading 55.08 through 55.16 or 60.01 through 60.02, provided that the good is both cut (or knit to shape) and sewn or otherwise assembled in the territory of one or more of the Parties.

61.09-61.17

A change to heading 61.09 through 61.17 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54, or heading 55.08 through 55.16 or 60.01 through 60.02, provided that the good is both cut (or knit to shape) and sewn or otherwise assembled in the territory of one or more of the Parties.

Chapter 62

Articles of Apparel and Clothing Accessories, Not Knitted or Crocheted

Note 1:

*A change to any of the following heading or subheading for visible lining fabrics:*

*51.11 through 51.12, 5208.31 through 5208.59, 5209.31 through 5209.59, 5210.31 through 5210.59, 5211.31 through 5211.59, 5212.13 through 5212.15, 5212.23 through 5212.25, 5407.42 through 5407.44, 5407.52 through 5407.54, 5407.60, 5407.72 through 5407.74, 5407.82 through 5407.84, 5407.92 through 5407.94, 5408.22 through 5408.24 (excluding Canadian tariff item 5408.22.10, 5408.23.10 or 5408.24.10, U.S. tariff item 5408.22.aa, 5408.23.aa or 5408.24.aa or Mexican tariff item 5408.22.04, 5408.23.05 or 5408.24.01), 5408.32 through 5408.34, 5512.19, 5512.29, 5512.99, 5513.21 through 5513.49, 5514.21 through 5515.99, 5516.12 through 5516.14, 5516.22 through 5516.24, 5516.32 through 5516.34, 5516.42 through 5516.44, 5516.92 through 5516.94, 6001.10, 6001.92, 6002.43 or 6002.91 through 6002.93,*

*from any other heading outside that group.*

Note 2:

*Apparel goods of this Chapter shall be considered to originate if they are both cut and sewn or otherwise assembled in the territory of one or more of the Parties and if the fabric of the outer shell, exclusive of collars or cuffs, is wholly of one or more of the following:*

- (a) *Velveteen fabrics of subheading 5801.23, containing 85 per cent or more by weight of cotton;*
- (b) *Corduroy fabrics of subheading 5801.22, containing 85 per cent or more by weight of cotton and containing more than 7.5 wales per centimetre;*
- (c) *Fabrics of subheading 5111.11 or 5111.19, if hand-woven, with a*

*loom width of less than 76 cm, woven in the United Kingdom in accordance with the rules and regulations of the Harris Tweed Association, Ltd., and so certified by the Association;*

- (d) *Fabrics of subheading 5112.30, weighing not more than 340 grams per square metre, containing wool, not less than 20 per cent by weight of fine animal hair and not less than 15 per cent by weight of man-made staple fibers; and*
- (e) *Batiste fabrics of subheading 5513.11 or 5513.21, of square construction, of single yarns exceeding 76 metric count, containing between 60 and 70 warp ends and filling picks per square centimetre, of a weight not exceeding 110 grams per square metre.*

**Note 3:**

*For purposes of determining the origin of a good of this Chapter, the rule applicable to that good shall only apply to the fabric that determines the tariff classification of the good and such fabric must satisfy the tariff change requirements set out in the rule for that good. If the rule requires that the good must also satisfy the tariff change requirements for visible lining fabrics listed in Note 1 to this Chapter, such requirement shall only apply to the visible lining fabric in the body of the garment, excluding sleeves, which covers the largest surface area, and shall not apply to removable linings.*

**6201.11-6201.13**

A change to subheading 6201.11 through 6201.13 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54, or heading 55.08 through 55.16, 58.01 through 58.02 or 60.01 through 60.02, provided that:

- (a) the good is both cut and sewn or otherwise assembled in the territory of one or more of the Parties, and
- (b) the visible lining fabric listed in Note 1 to Chapter 62 satisfies the tariff change requirements provided therein.

**6201.19**

A change to subheading 6201.19 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54, or heading 55.08 through 55.16, 58.01 through 58.02 or 60.01 through 60.02, provided that the good is both cut and sewn or otherwise assembled in the territory of one or more of the Parties.

**6201.91-6201.93**

A change to subheading 6201.91 through 6201.93 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54, or heading 55.08 through 55.16, 58.01 through 58.02 or 60.01 through 60.02, provided that:

- (a) the good is both cut and sewn or otherwise assembled in the territory

of one or more of the Parties, and

- (b) the visible lining fabric listed in Note 1 to Chapter 62 satisfies the tariff change requirements provided therein.

6201.99

A change to subheading 6201.99 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54, or heading 55.08 through 55.16, 58.01 through 58.02 or 60.01 through 60.02, provided that the good is both cut and sewn or otherwise assembled in the territory of one or more of the Parties.

6202.11-6202.13

A change to subheading 6202.11 through 6202.13 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54, or heading 55.08 through 55.16, 58.01 through 58.02 or 60.01 through 60.02, provided that:

- (a) the good is both cut and sewn or otherwise assembled in the territory of one or more of the Parties, and
- (b) the visible lining fabric listed in Note 1 to Chapter 62 satisfies the tariff change requirements provided therein.

6202.19

A change to subheading 6202.19 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54, or heading 55.08 through 55.16, 58.01 through 58.02 or 60.01 through 60.02, provided that the good is both cut and sewn or otherwise assembled in the territory of one or more of the Parties.

6202.91-6202.93

A change to subheading 6202.91 through 6202.93 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54, or heading 55.08 through 55.16, 58.01 through 58.02 or 60.01 through 60.02, provided that:

- (a) the good is both cut and sewn or otherwise assembled in the territory of one or more of the Parties, and
- (b) the visible lining fabric listed in Note 1 to Chapter 62 satisfies the tariff change requirements provided therein.

6202.99

A change to subheading 6202.99 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54, or heading 55.08 through 55.16, 58.01 through 58.02 or 60.01 through 60.02, provided that the good is both cut and sewn or otherwise assembled in the territory of one or more of the Parties.

6203.11-6203.12

A change to subheading 6203.11 through 6203.12 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54, or heading 55.08 through



55.16, 58.01 through 58.02 or 60.01 through 60.02, provided that:

- (a) the good is both cut and sewn or otherwise assembled in the territory of one or more of the Parties, and
- (b) the visible lining fabric listed in Note 1 to Chapter 62 satisfies the tariff change requirements provided therein.

6203.19

6203.19.aa<sup>49</sup>

A change to Canadian tariff item 6203.19.90, U.S. tariff item 6203.19.40 or Mexican tariff item 6203.19.02 or 6203.19.99 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54, or heading 55.08 through 55.16, 58.01 through 58.02 or 60.01 through 60.02, provided that the good is both cut and sewn or otherwise assembled in the territory of one or more of the Parties.

6203.19

A change to subheading 6203.19 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54, or heading 55.08 through 55.16, 58.01 through 58.02 or 60.01 through 60.02, provided that:

- (a) the good is both cut and sewn or otherwise assembled in the territory of one or more of the Parties, and
- (b) the visible lining fabric listed in Note 1 to Chapter 62 satisfies the tariff change requirements provided therein.

6203.21-6203.29

A change to subheading 6203.21 through 6203.29 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54, or heading 55.08 through 55.16, 58.01 through 58.02 or 60.01 through 60.02, provided that:

- (a) the good is both cut and sewn or otherwise assembled in the territory of one or more of the Parties, and
- (b) with respect to a garment described in heading 62.01 or a jacket or a blazer described in heading 62.03, of wool, fine animal hair, cotton or man-made fibers, imported as part of an ensemble of these subheading, the visible lining fabric listed in Note 1 to Chapter 62 satisfies the tariff change requirements provided therein.

6203.31-6203.33

A change to subheading 6203.31 through 6203.33 from any other chapter,

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<sup>49</sup> 6203.19.aa Can6203.19.90, U.S.6203.19.40, Mex6203.19.02, 6203.19.99 Of other than of cotton or artificial fibres.

except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54, or heading 55.08 through 55.16, 58.01 through 58.02 or 60.01 through 60.02, provided that:

- (a) the good is both cut and sewn or otherwise assembled in the territory of one or more of the Parties, and
- (b) the visible lining fabric listed in Note 1 to Chapter 62 satisfies the tariff change requirements provided therein.

6203.39

6203.39.aa<sup>44</sup>

A change to Canadian tariff item 6203.39.90, U.S. tariff item 6203.39.40 or Mexican tariff item 6203.39.02 or 6203.39.99 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54, or heading 55.08 through 55.16, 58.01 through 58.02 or 60.01 through 60.02, provided that the good is both cut and sewn or otherwise assembled in the territory of one or more of the Parties.

6203.39

A change to subheading 6203.39 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54, or heading 55.08 through 55.16, 58.01 through 58.02 or 60.01 through 60.02, provided that:

- (a) the good is both cut and sewn or otherwise assembled in the territory of one or more of the Parties, and
- (b) the visible lining fabric listed in Note 1 to Chapter 62 satisfies the tariff change requirements provided therein.

6203.41-6203.49

A change to subheading 6203.41 through 6203.49 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54, or heading 55.08 through 55.16, 58.01 through 58.02 or 60.01 through 60.02, provided that the good is both cut and sewn or otherwise assembled in the territory of one or more of the Parties.

6204.11-6204.13

A change to subheading 6204.11 through 6204.13 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54, or heading 55.08 through 55.16, 58.01 through 58.02 or 60.01 through 60.02, provided that:

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<sup>44</sup> 6203.39.aa Can6203.39.90, U.S.6203.39.40, Mex6203.39.02, 6203.39.99 . Of other than artificial fibres.

- (a) the good is both cut and sewn or otherwise assembled in the territory of one or more of the Parties, and
- (b) the visible lining fabric listed in Note 1 to Chapter 62 satisfies the tariff change requirements provided therein.

6204.19

6204.19.aa<sup>45</sup>

A change to Canadian tariff item 6204.19.90, U.S. tariff item 6204.19.30 or Mexican tariff item 6204.19.02 or 6204.19.99 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54, or heading 55.08 through 55.16, 58.01 through 58.02 or 60.01 through 60.02, provided that the good is both cut and sewn or otherwise assembled in the territory of one or more of the Parties.

6204.19

A change to subheading 6204.19 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54, or heading 55.08 through 55.16, 58.01 through 58.02 or 60.01 through 60.02, provided that:

- (a) the good is both cut and sewn or otherwise assembled in the territory of one or more of the Parties, and
- (b) the visible lining fabric listed in Note 1 to Chapter 62 satisfies the tariff change requirements provided therein.

6204.21-6204.29

A change to subheading 6204.21 through 6204.29 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54, or heading 55.08 through 55.16, 58.01 through 58.02 or 60.01 through 60.02, provided that:

- (a) the good is both cut and sewn or otherwise assembled in the territory of one or more of the Parties, and
- (b) with respect to a garment described in heading 62.02, a jacket or a blazer described in heading 62.04, or a skirt described in heading 62.04, of wool, fine animal hair, cotton or man-made fibers, imported as part of an ensemble of these subheadings, the visible lining fabric listed in Note 1 to Chapter 62 satisfies the tariff change requirements provided therein.

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<sup>45</sup> 6204.19.aa Can6204.19.90, U.S.6204.19.30, Mex6204.19.02, 6204.19.99 Of other than artificial fibres.

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6204.31-6204.33

A change to subheading 6204.31 through 6204.33 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54, or heading 55.08 through 55.16, 58.01 through 58.02 or 60.01 through 60.02, provided that:

- (a) the good is both cut and sewn or otherwise assembled in the territory of one or more of the Parties, and
- (b) the visible lining fabric listed in Note 1 to Chapter 62 satisfies the tariff change requirements provided therein.

6204.39

6204.39.aa<sup>46</sup>

A change to Canadian tariff item 6204.39.90, U.S. tariff item 6204.39.60 or 6204.39.80 or Mexican tariff item 6204.39.02 or 6204.39.99 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54, or heading 55.08 through 55.16, 58.01 through 58.02 or 60.01 through 60.02, provided that the good is both cut and sewn or otherwise assembled in the territory of one or more of the Parties.

6204.39

A change to subheading 6204.39 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54, or heading 55.08 through 55.16, 58.01 through 58.02 or 60.01 through 60.02, provided that:

- (a) the good is both cut and sewn or otherwise assembled in the territory of one or more of the Parties, and
- (b) the visible lining fabric listed in Note 1 to Chapter 62 satisfies the tariff change requirements provided therein.

6204.41-6204.49

A change to subheading 6204.41 through 6204.49 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54, or heading 55.08 through 55.16, 58.01 through 58.02 or 60.01 through 60.02, provided that the good is both cut and sewn or otherwise assembled in the territory of one or more of the Parties.

6204.51-6204.53

A change to subheading 6204.51 through 6204.53 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54, or heading 55.08 through 55.16, 58.01 through 58.02 or 60.01 through 60.02, provided that:

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<sup>46</sup> 6204.39.aa Can6204.39.90, U.S.6204.39.60, 6204.39.80, Mex6204.39.02 Of other than artificial fibres.

- (a) the good is both cut and sewn or otherwise assembled in the territory of one or more of the Parties, and
- (b) the visible lining fabric listed in Note 1 to Chapter 62 satisfies the tariff change requirements provided therein.

6204.59

6204.59.aa<sup>47</sup>

A change to Canadian tariff item 6204.59.90, U.S. tariff item 6204.59.40 or Mexican tariff item 6204.59.02 or 6204.59.99 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54, or heading 55.08 through 55.16, 58.01 through 58.02 or 60.01 through 60.02, provided that the good is both cut and sewn or otherwise assembled in the territory of one or more of the Parties.

6204.59

A change to subheading 6204.59 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54, or heading 55.08 through 55.16, 58.01 through 58.02 or 60.01 through 60.02, provided that:

- (a) the good is both cut and sewn or otherwise assembled in the territory of one or more of the Parties, and
- (b) the visible lining fabric listed in Note 1 to Chapter 62 satisfies the tariff change requirements provided therein.

6204.61-6204.69

A change to subheading 6204.61 through 6204.69 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54, or heading 55.08 through 55.16, 58.01 through 58.02 or 60.01 through 60.02, provided that the good is both cut and sewn or otherwise assembled in the territory of one or more of the Parties.

6205.10

A change to subheading 6205.10 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54, or heading 55.08 through 55.16, 58.01 through 58.02 or 60.01 through 60.02, provided that the good is both cut and sewn or otherwise assembled in the territory of one or more of the Parties.

6205.20-6205.30 Note:

*Men's or boys' shirts of cotton or man-made fibers shall be considered to originate if they are both cut and assembled in the territory of one or more of the Parties and if the fabric of the outer shell, exclusive of collars or cuffs, is wholly of one or more of the following:*

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<sup>47</sup> 6204.59.aa Can6204.59.90, U.S.6204.59.40, Mex6204.59.02, 6204.59.99 Of other than artificial fibres.

- (a) *Fabrics of subheading 5208.21, 5208.22, 5208.29, 5208.31, 5208.32, 5208.39, 5208.41, 5208.42, 5208.49, 5208.51, 5208.52 or 5208.59, of average yarn number exceeding 135 metric;*
- (b) *Fabrics of subheading 5513.11 or 5513.21, not of square construction, containing more than 70 warp ends and filling picks per square centimetre, of average yarn number exceeding 70 metric;*
- (c) *Fabrics of subheading 5210.21 or 5210.31, not of square construction, containing more than 70 warp ends and filling picks per square centimetre, of average yarn number exceeding 70 metric;*
- (d) *Fabrics of subheading 5208.22 or 5208.32, not of square construction, containing more than 75 warp ends and filling picks per square centimetre, of average yarn number exceeding 65 metric;*
- (e) *Fabrics of subheading 5407.81, 5407.82 or 5407.83, weighing less than 170 grams per square metre, having a dobby weave created by a dobby attachment;*
- (f) *Fabrics of subheading 5208.42 or 5208.49, not of square construction, containing more than 85 warp ends and filling picks per square centimetre, of average yarn number exceeding 85 metric;*
- (g) *Fabrics of subheading 5208.51, of square construction, containing more than 75 warp ends and filling picks per square centimetre, made with single yarns, of average yarn number 95 or greater metric;*
- (h) *Fabrics of subheading 5208.41, of square construction, with a gingham pattern, containing more than 85 warp ends and filling picks per square centimetre, made with single yarns, of average yarn number 95 or greater metric, and characterized by a check effect produced by the variation in colour of the yarns in the warp and filling; and*
- (i) *Fabrics of subheading 5208.41, with the warp coloured with vegetable dyes, and the filling yarns white or coloured with vegetable dyes, of an average yarn number greater than 65 metric number.*

A change to subheading 6205.20 through 6205.30 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54, or heading 55.08 through 55.16, 58.01 through 58.02 or 60.01 through 60.02, provided that the good is both cut and sewn or otherwise assembled in the territory of one or more of the Parties.

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6205.90

A change to subheading 6205.90 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54, or heading 55.08 through 55.16, 58.01 through 58.02 or 60.01 through 60.02, provided that the good is both cut and sewn or otherwise assembled in the territory of one or more of the Parties.

62.06-62.11

A change to heading 62.06 through 62.11 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54, or heading 55.08 through 55.16, 58.01 through 58.02 or 60.01 through 60.02, provided that the good is both cut and sewn or otherwise assembled in the territory of one or more of the Parties.

6212.10

A change to subheading 6212.10 from any other chapter, provided that the good is both cut and sewn or otherwise assembled in the territory of one or more of the Parties.

6212.20-6212.90

A change to subheading 6212.20 through 6212.90 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54, or heading 55.08 through 55.16, 58.01 through 58.02 or 60.01 through 60.02, provided that the good is both cut and sewn or otherwise assembled in the territory of one or more of the Parties.

62.13-62.17

A change to heading 62.13 through 62.17 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54, or heading 55.08 through 55.16, 58.01 through 58.02 or 60.01 through 60.02, provided that the good is both cut and sewn or otherwise assembled in the territory of one or more of the Parties.

Chapter 63

Other Made Up Textile Articles; Sets; Worn Clothing and Worn Textile Articles; Rags

Note 1:

*For purposes of determining the origin of a good of this Chapter, the rule applicable to that good shall only apply to the component that determines the tariff classification of the good and such component must satisfy the tariff change requirements set out in the rule for that good.*

63.01-63.02

A change to heading 63.01 through 63.02 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapters 54 through 55, or heading 58.01 through 58.02 or 60.01 through 60.02, provided that the good is both cut (or knit to shape) and sewn or otherwise assembled in the territory of one or more of the Parties.

63.03

6303.92.aa<sup>48</sup>

A change to Canadian tariff item 6303.92.10, U.S. tariff item 6302.92.aa or Mexican tariff item 6302.92.01 from Canadian tariff item 5402.43.10 or 5402.52.10, U.S. tariff item 5402.43.10 or 5402.52.10 or Mexican tariff item 5402.43.01 or 5402.52.02 or any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapters 54 through 55, or heading 58.01 through 58.02 or 60.01 through 60.02, provided that the good is both cut and sewn or otherwise assembled in the territory of one or more of the Parties.

63.03

A change to heading 63.03 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapters 54 through 55, or heading 58.01 through 58.02 or 60.01 through 60.02, provided that the good is both cut (or knit to shape) and sewn or otherwise assembled in the territory of one or more of the Parties.

63.04-63.10

A change to heading 63.04 through 63.10 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapters 54 through 55, or heading 58.01 through 58.02 or 60.01 through 60.02, provided that the good is both cut (or knit to shape) and sewn or otherwise assembled in the territory of one or more of the Parties.

**Section XII -**

**Footwear, Headgear, Umbrellas, Sun Umbrellas, Walking-Sticks, Seat-Sticks, Whips, Riding-Crops and Parts Thereof; Prepared Feathers and Articles Made Therewith; Artificial Flowers; Articles of Human Hair (Chapters 64-67)**

**Chapter 64**

**Footwear, Gaiters and the Like; Parts of Such Articles**

6401.10-6406.10

A change to subheading 6401.10 through 6406.10 from any other subheading outside that group, provided there is a regional value content of not less than 55 percent under the net cost method.

6406.20-6406.99

A change to subheading 6406.20 through 6406.99 from any other chapter.

**Chapter 65**

**Headgear and Parts Thereof**

65.01-65.02

A change to heading 65.01 through 65.02 from any other chapter.

<sup>48</sup> 6303.92.aa

Can6303.92.10, Mex6303.92.01 Made up from fabrics described in Canadian tariff item 5407.60.10, U.S. tariff item 5407.60.22 or Mexican tariff item 5407.60.02.



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- 65.03-65.07 A change to heading 65.03 through 65.07 from any heading outside that group.
- Chapter 66** **Umbrellas, Sun Umbrellas, Walking-Sticks, Seat-Sticks, Whips, Riding-Crops and Parts Thereof**
- 66.01 A change to heading 66.01 from any other heading, except from a combination of both:
- (a) subheading 6603.20; and
  - (b) heading 39.20 through 39.21, 50.07, 51.11 through 51.13, 52.08 through 52.12, 53.09 through 53.11, 54.07 through 54.08, 55.12 through 55.16, 56.02 through 56.03, 58.01 through 58.11, 59.01 through 59.11, 60.01 through 60.02.
- 66.02 A change to heading 66.02 from any other heading.
- 66.03 A change to heading 66.03 from any other chapter.
- Chapter 67** **Prepared Feathers and Down and Articles Made of Feathers or of Down; Artificial Flowers; Articles of Human Hair**
- 67.01
- 6701.00.aa<sup>49</sup> A change to Canadian tariff item 6701.00.10, U.S. tariff item 6701.00.10 or Mexican tariff item 6701.00.01 or 6701.00.02 from any other tariff item.
- 67.01 A change to heading 67.01 from any other chapter.
- 67.02 A change to heading 67.02 from any other heading.
- 67.03 A change to heading 67.03 from any other chapter.
- 67.04 A change to heading 67.04 from any other heading.
- Section XIII -** **Articles of Stone, Plaster, Cement, Asbestos, Mica or Similar Materials; Ceramic Products; Glass and Glassware (Chapters 68-70)**
- Chapter 68** **Articles of Stone, Plaster, Cement, Asbestos, Mica or Similar Materials**
- 68.01-68.11 A change to heading 68.01 through 68.11 from any other chapter.

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<sup>49</sup> 6701.00.aa Can6701.00.10, U.S.6701.00.10, Mex6701.00.01, 6701.00.02 Articles of feathers or down.

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6812.10	A change to subheading 6812.10 from any other chapter.
6812.20	A change to subheading 6812.20 from any other subheading.
6812.30-6812.40	A change to subheading 6812.30 through 6812.40 from any other subheading outside that group.
6812.50	A change to subheading 6812.50 from any other subheading.
6812.60-6812.90	A change to subheading 6812.60 through 6812.90 from any other subheading outside that group.
68.13	A change to heading 68.13 from any other heading.
68.14-68.15	A change to heading 68.14 through 68.15 from any other chapter.
<b>Chapter 69</b>	<b>Ceramic Products</b>
69.01-69.14	A change to heading 69.01 through 69.14 from any other chapter.
<b>Chapter 70</b>	<b>Glass and Glassware</b>
70.01-70.02	A change to heading 70.01 through 70.02 from any other chapter.
70.03-70.09 <sup>50</sup>	A change to heading 70.03 through 70.09 from any other heading outside that group.
70.10-70.20	A change to heading 70.10 through 70.20 from any other heading, except from heading 70.07 through 70.20.
<b>Section XIV -</b>	<b>Natural or Cultured Pearls, Precious or Semi-precious Stones, Precious Metals, Metals Clad with Precious Metal, and Articles Thereof; Imitation Jewellery; Coin (Chapter 71)</b>
<b>Chapter 71</b>	<b>Natural or Cultured Pearls, Precious or Semi-Precious Stones, Precious Metals, Metals Clad with Precious Metal, and Articles Thereof; Imitation Jewellery; Coin (Chapter 71)</b>
71.01-71.12	A change to heading 71.01 through 71.12 from any other chapter.

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<sup>50</sup> If the good provided for in subheading 7007.11, 7007.21 or 7009.10 is for use in a motor vehicle of Chapter 87, the provisions of Article 403 may apply.

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71.13-71.18

**Note:** *Pearls, temporarily or permanently strung but without the addition of clasps or other ornamental features of precious metals or stones, shall be treated as a good of the country in which the pearls were obtained.*

A change to heading 71.13 through 71.18 from any other heading outside that group.

**Section XV - Base Metals and Articles of Base Metal (Chapters 72-83)**

**Chapter 72**

**Iron and Steel**

72.01

A change to heading 72.01 from any other chapter.

7202.11-7202.60

A change to subheading 7202.11 through 7202.60 from any other chapter.

7202.70

A change to subheading 7202.70 from any other chapter, except from subheading 2613.10.

7202.80-7202.99

A change to subheading 7202.80 through 7202.99 from any other chapter.

72.03-72.05

A change to heading 72.03 through 72.05 from any other chapter.

72.06-72.07

A change to heading 72.06 through 72.07 from any other heading outside that group.

72.08-72.16

A change to heading 72.08 through 72.16 from any other heading outside that group.

72.17

A change to heading 72.17 from any other heading, except from heading 72.13 through 72.15.

72.18-72.22

A change to heading 72.18 through 72.22 from any other heading outside that group.

72.23

A change to heading 72.23 from any other heading, except from heading 72.21 through 72.22.

72.24-72.28

A change to heading 72.24 through 72.28 from any other heading outside that group.

72.29

A change to heading 72.29 from any other heading, except from heading 72.27 through 72.28.

**Chapter 73**

**Articles of Iron or Steel**

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- 73.01-73.03 A change to heading 73.01 through 73.03 from any other chapter.
- 7304.10-7304.39 A change to subheading 7304.10 through 7304.39 from any other chapter.
- 7304.41
- 7304.41.aa<sup>51</sup> A change to Canadian tariff item 7304.41.10, U.S. tariff item 7304.41.10 or Mexican tariff item 7304.41.02 or 7304.41.03 from subheading 7304.49 or any other chapter.
- 7304.41 A change to subheading 7304.41 from any other chapter.
- 7304.49-7304.90 A change to subheading 7304.49 through 7304.90 from any other chapter.
- 73.05-73.07 A change to heading 73.05 through 73.07 from any other chapter.
- 73.08 A change to heading 73.08 from any other heading, except for changes resulting from the following processes performed on angles, shapes, or sections of heading 72.16:
- (a) drilling, punching, notching, cutting, cambering, or sweeping, whether performed individually or in combination;
  - (b) adding attachments or weldments for composite construction;
  - (c) adding attachments for handling purposes;
  - (d) adding weldments, connectors or attachments to H-sections or I-sections; provided that the maximum dimension of the weldments, connectors, or attachments is not greater than the dimension between the inner surfaces of the flanges of the H-sections or I-sections
  - (e) painting, galvanizing, or otherwise coating; or
  - (f) adding a simple base plate without stiffening elements, individually or in combination with drilling, punching, notching, or cutting, to create an article suitable as a column.
- 73.09-73.11 A change to heading 73.09 through 73.11 from any other heading outside that group.
- 73.12-73.14 A change to heading 73.12 through 73.14 from any other heading, including another heading within that group.

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<sup>51</sup> 7304.41.aa Can7304.41.10, U.S.7304.41.10, Mex7304.41.02, 7304.41.03 Of an external diameter of less than 19 mm.

- 7315.11-7315.12 A change to subheading 7315.11 through 7315.12 from any other heading; or  
 A change to subheading 7315.11 through 7315.12 from subheading 7315.19, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:  
 (a) 60 percent where the transaction value method is used, or  
 (b) 50 percent where the net cost method is used.
- 7315.19 A change to subheading 7315.19 from any other heading.
- 7315.20-7315.89 A change to subheading 7315.20 through 7315.89 from any other heading; or  
 A change to subheading 7315.20 through 7315.89 from subheading 7315.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:  
 (a) 60 percent where the transaction value method is used, or  
 (b) 50 percent where the net cost method is used.
- 7315.90 A change to subheading 7315.90 from any other heading.
- 73.16 A change to heading 73.16 from any other heading, except from heading 73.12 or 73.15.
- 73.17-73.18 A change to heading 73.17 through 73.18 from any other heading outside that group.
- 73.19-73.20 A change to heading 73.19 through 73.20 from any other heading outside that group.
- 7321.11
- 7321.11.aa<sup>52</sup> A change to Canadian tariff item 7321.11.19, U.S. tariff item 7321.11.30 or Mexican tariff item 7321.11.02 from any other subheading, except from Canadian tariff item 7321.90.51<sup>53</sup>, 7321.90.52 or 7321.90.53, U.S. tariff

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<sup>52</sup> 7321.11.aa Can7321.11.19, U.S.7321.11.30, Mex7321.11.02 Stoves or ranges (other than portable).

<sup>53</sup> 7321.90 Parts:  
 Of stoves or ranges (other than portable):  
 7321.90.aa Can7321.90.51, U.S.7321.90.32, Mex7321.90.05 Cooking chambers, whether or not assembled  
 7321.90.bb Can7321.90.52, U.S.7321.90.34, Mex7321.90.06 Top surface panels with or without

item 7321.90.32, 7321.90.34 or 7321.90.36 or Mexican tariff item 7321.90.05, 7321.90.06 or 7321.90.07.

7321.11

A change to subheading 7321.11 from any other heading; or

A change to subheading 7321.11 from subheading 7321.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

7321.12-7321.83

A change to subheading 7321.12 through 7321.83 from any other heading; or

A change to subheading 7321.12 through 7321.83 from subheading 7321.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

7321.90

7321.90.aa

A change to Canadian tariff item 7321.90.51, U.S. tariff item 7321.90.32 or Mexican tariff item 7321.90.05 from any other tariff item.

7321.90.bb

A change to Canadian tariff item 7321.90.52, U.S. tariff item 7321.90.34 or Mexican tariff item 7321.90.06 from any other tariff item.

7321.90.cc

A change to Canadian tariff item 7321.90.53, U.S. tariff item 7321.90.36 or Mexican tariff item 7321.90.07 from any other tariff item.

7321.90

A change to subheading 7321.90 from any other heading.

73.22-73.23

A change to heading 73.22 through 73.23 from any other heading outside that group.

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7321.90.cc

burners or controls

Can7321.90.53, U.S.7321.90.36, Mex7321.90.07 Door assemblies, incorporating at least two of the following: inner panel, outer panel, window, insulation.

- 7324.10-7324.29      A change to subheading 7324.10 through 7324.29 from any other heading; or
- A change to subheading 7324.10 through 7324.29 from subheading 7324.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 60 percent where the transaction value method is used, or
  - (b) 50 percent where the net cost method is used.
- 7324.90      A change to subheading 7324.90 from any other heading.
- 73.25-73.26      A change to heading 73.25 through 73.26 from any other heading outside that group.
- Chapter 74      Copper and Articles Thereof**
- 74.01-74.02      A change to heading 74.01 through 74.02 from any other chapter.
- 74.03      A change to heading 74.03 from any other chapter; or
- A change to heading 74.03 from any of Canadian tariff item 7404.00.11, 7404.00.21 or 7404.11.91<sup>54</sup>, U.S. tariff item 7404.00.10 or Mexican tariff item 7404.00.03 or heading 74.01 or 74.02, whether or not there is also a change from any other chapter, provided there is a regional value content of not less than:
- (a) 60 percent where the transaction value method is used, or
  - (b) 50 percent where the net cost method is used.
- 74.04      No required change in tariff classification to heading 74.04, provided the waste and scrap are wholly obtained or produced entirely in the territory of one or more of the Parties as defined in Article 415 (h) of this Chapter.
- 74.05-74.07      A change to heading 74.05 through 74.07 from any other chapter; or
- A change to heading 74.05 through 74.07 from any of Canadian tariff item 7404.00.11, 7404.00.21 or 7404.00.91, U.S. tariff item 7404.00.10 or Mexican tariff item 7404.00.03 or heading 74.01 or 74.02, whether or not there is also a change from any other chapter, provided there is a regional value content of not less than:
- (a) 60 percent where the transaction value method is used, or
  - (b) 50 percent where the net cost method is used.

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<sup>54</sup> 7404.00.aa      Can7404.00.11, 7404.00.21, 7404.00.91, U.S.7404.00.10, Mex7404.00.01, 7404.00.02  
Spent anodes; waste and scrap with a copper content of less than 94% by weight.

7408.11

7408.11.aa<sup>55</sup> A change to Canadian tariff item 7408.11.11 or 7408.11.12, U.S. tariff item 7408.11.60 or Mexican tariff item 7408.11.01 from any other chapter; or

A change to Canadian tariff item 7408.11.11 or 7408.11.12, U.S. tariff item 7408.11.60 or Mexican tariff item 7408.11.01 from any of Canadian tariff item 7404.00.11, 7404.00.21 or 7404.00.91, U.S. tariff item 7404.00.10 or Mexican tariff item 7404.00.03 or heading 74.01 or 74.02, whether or not there is also a change from any other chapter, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

7408.11 A change to subheading 7408.11 from any other heading, except from heading 74.07.

7408.19-7408.29 A change to subheading 7408.19 through 7408.29 from any other heading, except from heading 74.07.

74.09 A change to heading 74.09 from any other heading.

74.10 A change to heading 74.10 from any other heading, except from heading 74.09.

74.11 A change to heading 74.11 from any other heading, except from heading 74.09 or Canadian tariff item 7407.10.13, 7407.10.22<sup>56</sup>, 7407.21.13, 7407.21.22<sup>57</sup>, 7407.22.14, 7407.22.22<sup>58</sup>, 7407.29.13, or 7407.29.22<sup>59</sup>, U.S. tariff item 7407.10.20, 7407.21.20, 7407.22.20 or 7407.29.20 or Mexican tariff item 7407.10.03, 7407.21.03, 7407.22.03 or 7407.29.03.

74.12 A change to heading 74.12 from any other heading, except from heading 74.11.

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<sup>55</sup> 7408.11.aa Can7408.11.11, 7408.11.12, U.S.7408.11.60, Mex7408.11.01 With a maximum cross-sectional dimension not exceeding 9.5 mm.

<sup>56</sup> 7407.10.aa Can 7407.10.13, 7407.10.22, U.S. 7407.10.20, Mex 7407.10.02 Hollow profiles.

<sup>57</sup> 7407.21.aa Can 7407.21.13, 7407.21.22, U.S. 7407.21.20, Mex 7407.21.02 Hollow profiles.

<sup>58</sup> 7407.22.aa Can 7407.22.14, 7407.22.22, U.S. 7407.22.20, Mex 7407.22.02 Hollow profiles.

<sup>59</sup> 7407.29.aa Can 7407.29.13, 7407.29.22, U.S. 7407.29.20, Mex 7407.29.02 Hollow profiles.



74.13	A change to heading 74.13 from any other heading, except from heading 74.07 through 74.08; or  A change to heading 74.13 from any of heading 74.07 through 74.08, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:  (a) 60 percent where the transaction value method is used, or (b) 50 percent where the net cost method is used.
74.14-74.18	A change to heading 74.14 through 74.18 from any other heading, including another heading within that group.
7419.10	A change to subheading 7419.10 from any other heading, except from heading 74.07.
7419.91-7419.99	A change to subheading 7419.91 through 7419.99 from any other heading.
<b>Chapter 75</b>	<b>Nickel and Articles Thereof</b>
75.01-75.04	A change to heading 75.01 through 75.04 from any other chapter.
75.05	A change to heading 75.05 from any other heading.
75.06	
7506.10.aa <sup>60</sup>	A change to Canadian tariff item 7506.10.22, U.S. tariff item 7506.10.50 or Mexican tariff item 7506.10.01 from any other tariff item.
7506.20.aa <sup>61</sup>	A change to Canadian tariff item 7506.20.92, U.S. tariff item 7506.20.50 or Mexican tariff item 7506.20.01 from any other tariff item.
75.06	A change to heading 75.06 from any other heading.
75.07-75.08	A change to heading 75.07 through 75.08 from any other heading outside that group.

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<sup>60</sup> 7506.10.aa Can 7506.10.22, U.S. 7506.10.50, Mex 7506.10.01 Foil, not exceeding 0.15 mm in thickness.

<sup>61</sup> 7506.20.aa Can 7506.20.92, U.S. 7506.20.50, Mex 7506.20.01 Foil, not exceeding 0.15 mm in thickness.

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**Chapter 76**

**Aluminum and Articles Thereof**

76.01-76.03

A change to heading 76.01 through 76.03 from any other chapter.

76.04-76.06

A change to heading 76.04 through 76.06 from any other heading outside that group.

76.07

A change to heading 76.07 from any other heading.

76.08-76.09

A change to heading 76.08 through 76.09 from any other heading outside that group.

76.10-76.13

A change to heading 76.10 through 76.13 from any other heading, including another heading within that group.

76.14

A change to heading 76.14 from any other heading, except from heading 76.04 through 76.05.

76.15-76.16

A change to heading 76.15 through 76.16 from any other heading, including another heading within that group.

**Chapter 78**

**Lead and Articles Thereof**

78.01-78.02

A change to heading 78.01 through 78.02 from any other chapter.

78.03-78.06

A change to heading 78.03 through 78.06 from any other chapter; or

A change to heading 78.03 through 78.06 from any other heading within Chapter 78, including another heading within that group, whether or not there is also a change from any other chapter, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

**Chapter 79**

**Zinc and Articles Thereof**

79.01-79.03

A change to heading 79.01 through 79.03 from any other chapter.

79.04-79.07

A change to heading 79.04 through 79.07 from any other chapter; or

A change to heading 79.04 through 79.07 from any other heading within Chapter 79, including another heading within that group, whether or not there

is also a change from any other chapter, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

<b>Chapter 80</b>	<b>Tin and Articles Thereof</b>
80.01-80.02	A change to heading 80.01 through 80.02 from any other chapter.
80.03-80.04	A change to heading 80.03 through 80.04 from any other heading outside that group.
80.05-80.07	A change to heading 80.05 through 80.07 from any other heading outside that group.
<b>Chapter 81</b>	<b>Other Base Metals; Cermets; Articles Thereof</b>
8101.10-8101.91	A change to subheading 8101.10 through 8101.91 from any other chapter.
8101.92	A change to subheading 8101.92 from any other subheading.
8101.93	A change to subheading 8101.93 from any other chapter.
8101.99	A change to subheading 8101.99 from any other subheading.
8102.10-8102.91	A change to subheading 8102.10 through 8102.91 from any other chapter.
8102.92	A change to subheading 8102.92 from any other subheading.
8102.93	A change to subheading 8102.93 from any other subheading, except from Canadian tariff item 8102.92.10 <sup>62</sup> , U.S. tariff item 8102.92.10 or Mexican tariff item 8102.92.01.
8102.99	A change to subheading 8102.99 from any other subheading.
8103.10	A change to subheading 8103.10 from any other chapter.
8103.90	A change to subheading 8103.90 from any other subheading.
8104.11-8104.30	A change to subheading 8104.11 through 8104.30 from any other chapter.
8104.90	A change to subheading 8104.90 from any other subheading.

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<sup>62</sup> 8102.92.aa Can8102.92.10, U.S.8102.92.10, Mex8102.92.01 Bars and rods.

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8105.10	A change to subheading 8105.10 from any other chapter.
8105.90	A change to subheading 8105.90 from any other subheading.
81.06	A change to heading 81.06 from any other chapter.
8107.10	A change to subheading 8107.10 from any other chapter.
8107.90	A change to subheading 8107.90 from any other subheading.
8108.10	A change to subheading 8108.10 from any other chapter.
8108.90	A change to subheading 8108.90 from any other subheading.
8109.10	A change to subheading 8109.10 from any other chapter.
8109.90	A change to subheading 8109.90 from any other subheading.
81.10	A change to heading 81.10 from any other chapter.
81.11	
8111.00.aa <sup>63</sup>	A change to Canadian tariff item 8111.00.21, 8111.00.22, 8111.00.40, U.S. tariff item 8111.00.60 or Mexican tariff item 8111.00.01 from any other tariff item.
81.11	A change to heading 81.11 from any other chapter.
81.12-81.13	A change to heading 81.12 through 81.13 from any other chapter.
Chapter 82	<b>Tools, Implements, Cutlery, Spoons and Forks, of Base Metal; Parts Thereof of Base Metal</b>
82.01-82.15	A change to heading 82.01 through 82.15 from any other chapter.

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<sup>63</sup> 8111.00.aa Can 8111.00.21, 8111.00.22, 8111.00.40, U.S. 8111.00.60, Mex 8111.00.01 Manganese powders and articles of manganese.

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**Chapter 83**

**Miscellaneous Articles of Base Metal**

8301.10-8301.50

A change to subheading 8301.10 through 8301.50 from any chapter; or

A change to subheading 8301.10 through 8301.50 from subheading 8301.60, whether or not there is also a change from any other chapter, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

8301.60-8301.70

A change to subheading 8301.60 through 8301.70 from any other chapter.

83.02-83.04

A change to heading 83.02 through 83.04 from any other heading.

8305.10-8305.20

A change to subheading 8305.10 through 8305.20 from any other chapter; or

A change to subheading 8305.10 through 8305.20 from subheading 8305.90, whether or not there is also a change from any other chapter, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

8305.90

A change to subheading 8305.90 from any other heading.

83.06-83.07

A change to heading 83.06 through 83.07 from any other chapter.

8308.10-8308.20

A change to subheading 8308.10 through 8308.20 from any other chapter; or

A change to subheading 8308.10 through 8308.20 from subheading 8308.90, whether or not there is also a change from any other chapter, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

8308.90

A change to subheading 8308.90 from any other heading.

83.09-83.10

A change to heading 83.09 through 83.10 from any other chapter.

8311.10-8311.30

A change to subheading 8311.10 through 8311.30 from any other chapter; or

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A change to subheading 8311.10 through 8311.30 from subheading 8311.90, whether or not there is also a change from any other chapter, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

8311.90

A change to subheading 8311.90 from any other heading.

**Section XVI - Machinery and Mechanical Appliances; Electrical Equipment; Parts Thereof; Sound Recorders and Reproducers, Television Image and Sound Recorders and Reproducers, and Parts and Accessories of Such Articles (Chapters 84-85)**

**Chapter 84**

**Nuclear Reactors, Boilers, Machinery and Mechanical Appliances; Parts Thereof**

**Note 1:** *For purposes of this Chapter, the term, "printed circuit assembly", means a good consisting of one or more printed circuits of heading 85.34 with one or more active elements assembled thereon, with or without passive elements. For purposes of this Note, "active elements" means diodes, transistors and similar semiconductor devices, whether or not photosensitive, of heading 85.41, and integrated circuits and microassemblies of heading 85.42.*

**Note 2:** *Canadian tariff item 8473.30.30, U.S. tariff item 8473.30.cc or Mexican tariff item 8473.30.02 covers the following parts for printers of subheading 8471.92:*

- (a) *control or command assemblies, incorporating at least two of the following: printed circuit assembly; hard or flexible (floppy) disc drive; keyboard; user interface;*
- (b) *light source assemblies, incorporating at least two of the following: light emitting diode assembly; gas laser; mirror polygon assembly; base casting;*
- (c) *laser imaging assemblies, incorporating at least two of the following: photoreceptor belt or cylinder; toner receptacle unit; toner developing unit; charge/discharge unit; cleaning unit;*
- (d) *image fixing assemblies, incorporating at least two of the following: fuser; pressure roller; heating element; release oil dispenser; cleaning unit; electrical control;*

- (e) *ink jet marking assemblies, incorporating at least two of the following: thermal print head; ink dispensing unit; nozzle and reservoir unit; ink heater;*
- (f) *maintenance/sealing assemblies, incorporating at least two of the following: vacuum unit; ink jet covering unit; sealing unit; purging unit;*
- (g) *paper handling assemblies, incorporating at least two of the following: paper transport belt; roller; print bar; carriage; gripper roller; paper storage unit; exit tray;*
- (h) *thermal transfer imaging assemblies, incorporating at least two of the following: thermal print head; cleaning unit; supply or take-up roller;*
- (ij) *ionographic imaging assemblies, incorporating at least two of the following: ion generation and emitting unit; air assist unit; printed circuit assembly; charge receptor belt or cylinder; toner receptacle unit; toner distribution unit; developer receptacle and distribution unit; developing unit; charge/discharge unit; cleaning unit; or*
- (k) *combinations of the above specified assemblies.*

8401.10-8401.30

A change to subheading 8401.10 through 8401.30 from any other heading; or

A change to subheading 8401.10 through 8401.30 from subheading 8401.40, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

8401.40

A change to subheading 8401.40 from any other heading.

8402.11-8402.20

A change to subheading 8402.11 through 8402.20 from any other heading; or

A change to subheading 8402.11 through 8402.20 from subheading 8402.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

8402.90

A change to subheading 8402.90 from any other heading; or

No required change in tariff classification to subheading 8402.90, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

8403.10

A change to subheading 8403.10 from any other heading; or

A change to subheading 8403.10 from subheading 8403.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

8403.90

A change to subheading 8403.90 from any other heading.

8404.10-8404.20

A change to subheading 8404.10 through 8404.20 from any other heading; or

A change to subheading 8404.10 through 8404.20 from subheading 8404.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

8404.90

A change to subheading 8404.90 from any other heading.

8405.10

A change to subheading 8405.10 from any other heading; or

A change to subheading 8405.10 from subheading 8405.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

8405.90

A change to subheading 8405.90 from any other heading.

8406.11-8406.19

A change to subheading 8406.11 through 8406.19 from any other subheading outside that group, except from Canadian tariff item 8406.90.22<sup>64</sup>,

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<sup>64</sup> 8406.90.aa Can8406.90.22, 8406.90.32, U.S.8406.90.20, 8406.90.50, Mex8406.90, 8406.90.01 Rotors, finished for final assembly.



8406.90.24<sup>65</sup>, 8406.90.32 or 8406.90.34, U.S. tariff item 8406.90.20, 8406.90.40, 8406.90.50 or 8406.90.70 or Mexican tariff item 8406.90.01 or 8406.90.02.

8406.90

8406.90.aa

A change to Canadian tariff item 8406.90.22 or 8406.90.32, U.S. tariff item 8406.90.20 or 8406.90.50 or Mexican tariff item 8406.90.01 from Canadian tariff item 8406.90.21 or 8406.90.31, U.S. tariff item 8406.90.30 or 8406.90.60 or Mexican tariff item 8406.90.03<sup>66</sup>, or any other heading.

8406.90.bb

A change to Canadian tariff item 8406.90.24 or 8406.90.34, U.S. tariff item 8406.90.40 or 8406.90.70 or Mexican tariff item 8406.90.02 from any other tariff item.

8406.90

A change to subheading 8406.90 from any other heading.

84.07-84.08<sup>67</sup>

A change to heading 84.07 through 84.08 from any other heading, including another heading within that group, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

8409.10<sup>68</sup>

A change to subheading 8409.10 from any other heading.

8409.91<sup>69</sup>

A change to subheading 8409.91 from any other heading; or

No required change in tariff classification to subheading 8409.91, provided there is a regional value content of not less than:

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<sup>65</sup> 8406.90.bb Can8406.90.24, 8406.90.34, U.S.8406.90.40, 8406.90.70, Mex8406.90.02 Blades, rotating or stationary.

<sup>66</sup> 8406.90.cc Can8406.90.21, 8406.90.31, U.S.8406.90.30, 8306.90.60, Mex8406.90.03 Rotors, not further advanced than cleaned or machined for removal of fins, gates, sprues, and risers, or to permit location in finishing machinery.

<sup>67</sup> If the good is for use in a motor vehicle of Chapter 87, the provisions of Article 403 may apply.

<sup>68</sup> If the good is for use in a motor vehicle of Chapter 87, the provisions of Article 403 may apply.

<sup>69</sup> If the good is for use in a motor vehicle of Chapter 87, the provisions of Article 403 may apply.

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- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

8409.99<sup>70</sup>

A change to subheading 8409.99 from any other heading; or

No required change in tariff classification to subheading 8409.99, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

8410.11-8410.13

A change to subheading 8410.11 through 8410.13 from any other heading; or

A change to subheading 8410.11 through 8410.13 from subheading 8410.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

8410.90

A change to subheading 8410.90 from any other heading.

8411.11-8411.82

A change to subheading 8411.11 through 8411.82 from any other heading; or

A change to subheading 8411.11 through 8411.82 from any of subheading 8411.91 through 8411.99, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

8411.91-8411.99

A change to subheading 8411.91 through 8411.99 from any other heading.

8412.10-8412.80

A change to subheading 8412.10 through 8412.80 from any other heading; or

A change to subheading 8412.10 through 8412.80 from subheading 8412.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

8412.90

A change to subheading 8412.90 from any other heading.

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<sup>70</sup> If the good is for use in a motor vehicle of Chapter 87, the provisions of Article 403 may apply.

- 8413.11-8413.82<sup>71</sup> A change to subheading 8413.11 through 8413.82 from any other heading; or
- A change to subheading 8413.11 through 8413.82 from any of subheading 8413.91 through 8413.92, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 60 percent where the transaction value method is used, or
  - (b) 50 percent where the net cost method is used.
- 8413.91 A change to subheading 8413.91 from any other heading.
- 8413.92 A change to subheading 8413.92 from any other heading; or
- No required change in tariff classification to subheading 8413.92, provided there is a regional value content of not less than:
- (a) 60 percent where the transaction value method is used, or
  - (b) 50 percent where the net cost method is used.
- 8414.10-8414.20 A change to subheading 8414.10 through 8414.20 from any other heading; or
- A change to subheading 8414.10 through 8414.20 from subheading 8414.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 60 percent where the transaction value method is used, or
  - (b) 50 percent where the net cost method is used.
- 8414.30 A change to subheading 8414.30 from any other subheading, except from Canadian tariff item 8414.90.21 or 8414.90.51<sup>72</sup>, U.S. tariff item 8414.90.20 or Mexican tariff item 8414.90.06 or 8418.90.14.
- 8414.40-8414.80<sup>73</sup> A change to subheading 8414.40 through 8414.80 from any other heading; or
- A change to subheading 8414.40 through 8414.80 from subheading 8414.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

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<sup>71</sup> If the good is for use in a motor vehicle of Chapter 87, the provisions of Article 403 may apply.

<sup>72</sup> 8414.90.aa Can8414.90.21, 8414.90.51, U.S.8414.90.20, Mex8418.90.06, 8418.90.14 Stators and rotors of goods of subheading 8414.30.

<sup>73</sup> If the good provided for in subheading 8414.59 is for use in a motor vehicle of Chapter 87, the provisions of Article 403 may apply.

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

8414.90

A change to subheading 8414.90 from any other heading; or

No required change in tariff classification to subheading 8414.90, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

8415.10

A change to subheading 8415.10 from any other subheading, except from Canadian tariff item 8415.90.11<sup>74</sup>, 8415.90.21, 8415.90.31 or 8415.90.41, U.S. tariff item 8415.90.aa or Mexican tariff item 8415.90.01 or from assemblies incorporating at least two of the following: compressor, condenser, evaporator, connecting tubing.

8415.81-8415.83<sup>75</sup>

A change to subheading 8415.81 through 8415.83 from any other subheading outside that group, except from Canadian tariff item 8415.90.11, 8415.90.21, 8415.90.31 or 8415.90.41, U.S. tariff item 8415.90.aa or Mexican tariff item 8415.90.01 or from assemblies incorporating at least two of the following: compressor, condenser, evaporator, connecting tubing; or

A change to subheading 8415.81 through 8415.83 from any of Canadian tariff item 8415.90.11, 8415.90.21, 8415.90.31 or 8415.90.41, U.S. tariff item 8415.90.aa or Mexican tariff item 8415.90.01 or assemblies incorporating at least two of the following: compressor, condenser, evaporator, connecting tubing, whether or not there is also a change from any other subheading outside that group, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

8415.90

8415.90.aa

A change to Canadian tariff item 8415.90.11, 8415.90.21, 8415.90.31 or 8415.90.41, U.S. tariff item 8415.90.aa or Mexican tariff item 8415.90.aa from any other tariff item.

8415.90

A change to subheading 8415.90 from any other heading.

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<sup>74</sup> 8415.90.aa Can8415.90.11, 8415.90.21, 8415.90.31, 8415.90.41, Mex8415.90.01 Chassis, chassis bases and outer cabinets.

<sup>75</sup> If the good is for use in a motor vehicle of Chapter 87, the provisions of Article 403 may apply.

- 8416.10-8416.30      A change to subheading 8416.10 through 8416.30 from any other heading; or
- A change to subheading 8416.10 through 8416.30 from subheading 8416.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 60 percent where the transaction value method is used, or
  - (b) 50 percent where the net cost method is used.
- 8416.90      A change to subheading 8416.90 from any other heading.
- 8417.10-8417.80      A change to subheading 8417.10 through 8417.80 from any other heading; or
- A change to subheading 8417.10 through 8417.80 from subheading 8417.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 60 percent where the transaction value method is used, or
  - (b) 50 percent where the net cost method is used.
- 8417.90      A change to subheading 8417.90 from any other heading.
- 8418.10-8418.21      A change to subheading 8418.10 through 8418.21 from any other subheading, except from subheading 8418.91 or Canadian tariff item 8418.99.11<sup>76</sup>, 8418.99.21, 8418.99.31, 8418.99.41 or 8418.99.51, U.S. tariff item 8418.99.aa or Mexican tariff item 8418.99.12, or from assemblies incorporating at least two of the following: compressor, condenser, evaporator, connecting tubing.
- 8418.22      A change to subheading 8418.22 from any other heading; or
- A change to subheading 8418.22 from any of subheading 8418.91 through 8418.99, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 60 percent where the transaction value method is used, or
  - (b) 50 percent where the net cost method is used.
- 8418.29-8418.40      A change to subheading 8418.29 through 8418.40 from any other subheading outside that group, except from subheading 8418.91 or Canadian tariff item 8418.99.11, 8418.99.21, 8418.99.31, 8418.99.41 or 8418.99.51, U.S. tariff item 8418.99.aa or Mexican tariff item 8418.99.12, or from assemblies

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<sup>76</sup> 8418.99.aa      Can8418.99.11, 8418.99.21, 8418.99.31, 8418.99.41, 8418.99.51, Mex8418.99.12  
Door assemblies incorporating at least two of the following: inner panel; outer panel;  
insulation, hinges; handles.

incorporating at least two of the following: compressor, condenser, evaporator, connecting tubing.

8418.50-8418.69

A change to subheading 8418.50 through 8418.69 from any other heading; or

A change to subheading 8418.50 through 8418.69 from any of subheading 8418.91 through 8418.99, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

8418.91

A change to subheading 8418.91 from any other subheading.

8418.99

8418.99.aa

A change to Canadian tariff item 8418.99.11, 8418.99.21, 8418.99.31, 8418.99.41 or 8418.99.51, U.S. tariff item 8418.99.aa or Mexican tariff item 8418.99.12 from any other tariff item.

8418.99

A change to subheading 8418.99 from any other heading.

8419.11-8419.89

A change to subheading 8419.11 through 8419.89 from any other heading; or

A change to subheading 8419.11 through 8419.89 from subheading 8419.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

8419.90

A change to subheading 8419.90 from any other heading; or

No required change in tariff classification to subheading 8419.90, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

8420.10

A change to subheading 8420.10 from any other heading; or

A change to subheading 8420.10 from any of subheading 8420.91 through 8420.99, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

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- 8420.91-8420.99 A change to subheading 8420.91 through 8420.99 from any other heading.
- 8421.11 A change to subheading 8421.11 from any other heading; or
- A change to subheading 8421.11 from subheading 8421.91, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 60 percent where the transaction value method is used, or
  - (b) 50 percent where the net cost method is used.
- 8421.12 A change to subheading 8421.12 from any other subheading, except from Canadian tariff item 8421.91.11<sup>77</sup>, 8421.91.12<sup>78</sup> or 8537.10.10<sup>79</sup>, U.S. tariff item 8421.91.aa, 8421.91.bb or 8537.10.aa or Mexican tariff item 8421.91.02, 8421.91.03 or 8537.10.05.
- 8421.19-8421.39<sup>80</sup> A change to subheading 8421.19 through 8421.39 from any other heading; or
- A change to subheading 8421.19 through 8421.39 from any of subheading 8421.91 through 8421.99, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 60 percent where the transaction value method is used, or
  - (b) 50 percent where the net cost method is used.
- 8421.91
- 8421.91.aa A change to Canadian tariff item 8421.91.11, U.S. tariff item 8421.91.aa or Mexican tariff item 8421.91.02 from any other tariff item.
- 8421.91.bb A change to Canadian tariff item 8421.91.12, U.S. tariff item 8421.91.bb or Mexican tariff item 8421.91.03 from any other tariff item.
- 8421.91 A change to subheading 8421.91 from any other heading.

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<sup>77</sup> 8421.91.aa Can8421.91.11, Mex8421.91.02 Drying chambers for the goods of subheading 8421.12 and other parts of clothes-dryers incorporating drying chambers.

<sup>78</sup> 8421.91.bb Can8421.91.12, Mex8421.91.03 Furniture designed to receive the goods of subheading 8421.12.

<sup>79</sup> 8537.10.aa Can8537.10.10, 8537.10.05 Assembled with outer housing or supports, for the goods of headings 84.21, 84.22, 84.50 and 85.16.

<sup>80</sup> If the good provided for in subheading 8421.39 is for use in a motor vehicle of Chapter 87, the provisions of Article 403 may apply.

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8421.99

A change to subheading 8421.99 from any other heading; or

No required change in tariff classification to subheading 8421.99, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

8422.11

A change to subheading 8422.11 from any other subheading, except from Canadian tariff item 8422.90.11<sup>81</sup>, 8422.90.12<sup>82</sup>, 8422.90.22, 8422.90.23 or 8537.10.10, U.S. tariff item 8422.90.aa, 8422.90.bb or 8537.10.aa or Mexican tariff item 8422.90.05, 8422.90.06 or 8537.10.05, or from water circulation systems incorporating a pump, whether or not motorized, and auxiliary apparatus for controlling, filtering, or dispersing a spray.

8422.19-8422.40

A change to subheading 8422.19 through 8422.40 from any other heading; or

A change to subheading 8422.19 through 8422.40 from subheading 8422.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

8422.90

8422.90.aa

A change to Canadian tariff item 8422.90.11 or 8422.90.22, U.S. tariff item 8422.90.aa or Mexican tariff item 8422.90.05 from any other tariff item.

8422.90.bb

A change to Canadian tariff item 8422.90.12 or 8422.90.23, U.S. tariff item 8422.90.bb or Mexican tariff item 8422.90.06 from any other tariff item.

8422.90

A change to subheading 8422.90 from any other heading.

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<sup>81</sup> 8422.90.aa Can8422.90.11, 8422.90.22, Mex8422.90.05 Water containment chambers for the goods of subheading 8422.11 and other parts of dishwashing machines of the household type incorporating water containment chambers.

<sup>82</sup> 8422.90.bb Can8422.90.12, 8422.90.23, Mex8422.90.06 Door assemblies for the goods of subheading 8422.11.



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8423.10-8423.89

A change to subheading 8423.10 through 8423.89 from any other heading; or

A change to subheading 8423.10 through 8423.89 from subheading 8423.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

8423.90

A change to subheading 8423.90 from any other heading.

8424.10-8424.89

A change to subheading 8424.10 through 8424.89 from any other heading; or

A change to subheading 8424.10 through 8424.89 from subheading 8424.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

8424.90

A change to subheading 8424.90 from any other heading.

84.25-84.26

A change to heading 84.25 through 84.26 from any other heading, except from heading 84.31; or

A change to heading 84.25 through 84.26 from heading 84.31, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

8427.10

8427.10.aa<sup>83</sup>

A change to Canadian tariff item 8427.10.10, U.S. tariff item 8427.10.aa or Mexican tariff item 8427.10.03 from any other heading, except from subheading 8431.20 or 8483.40 or heading 85.01; or

A change to Canadian tariff item 8427.10.10, U.S. tariff item 8427.10.aa or Mexican tariff item 8427.10.03 from any of subheading 8431.20 or 8483.40 or heading 85.01, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

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<sup>83</sup> 8427.10.aa Can8427.10.10, Mex8427.10.03 Rider-type, counterbalanced fork-lift trucks.

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

8427.10

A change to subheading 8427.10 from any other heading, except from subheading 8431.20; or

A change to subheading 8427.10 from subheading 8431.20, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

8427.20

8427.20.aa<sup>84</sup>

A change to Canadian tariff item 8427.20.10, U.S. tariff item 8427.20.aa or Mexican tariff item 8427.20.04 from any other heading, except from heading 84.07 or 84.08 or subheading 8431.20 or 8483.40; or

A change to Canadian tariff item 8427.20.10, U.S. tariff item 8427.20.aa or Mexican tariff item 8427.20.04 from any of heading 84.07 or 84.08 or subheading 8431.20 or 8483.40, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

8427.20

A change to subheading 8427.20 from any other heading, except from subheading 8431.20; or

A change to subheading 8427.20 from subheading 8431.20, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

8427.90

A change to subheading 8427.90 from any other heading, except from subheading 8431.20; or

A change to subheading 8427.90 from subheading 8431.20, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

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<sup>84</sup> 8427.20.aa Can8427.20.10, Mex8427.20.04 Rider-type, counterbalanced fork-lift trucks.

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- (a) 60 percent where the transaction value method is used, or
  - (b) 50 percent where the net cost method is used.
  
- 84.28-84.30                   A change to heading 84.28 through 84.30 from any other heading outside that group, except from heading 84.31; or  
  
A change to heading 84.28 through 84.30 from heading 84.31, whether or not there is also a change from any other heading outside that group, provided there is a regional value content of not less than:
  - (a) 60 percent where the transaction value method is used, or
  - (b) 50 percent where the net cost method is used.
  
- 8431.10                   A change to subheading 8431.10 from any other heading; or  
  
No required change in tariff classification to subheading 8431.10, provided there is a regional value content of not less than:
  - (a) 60 percent where the transaction value method is used, or
  - (b) 50 percent where the net cost method is used.
  
- 8431.20                   A change to subheading 8431.20 from any other heading.
  
- 8431.31                   A change to subheading 8431.31 from any other heading; or  
  
No required change in tariff classification to subheading 8431.31, provided there is a regional value content of not less than:
  - (a) 60 percent where the transaction value method is used, or
  - (b) 50 percent where the net cost method is used.
  
- 8431.39                   A change to subheading 8431.39 from any other heading; or  
  
No required change in tariff classification to subheading 8431.39, provided there is a regional value content of not less than:
  - (a) 60 percent where the transaction value method is used, or
  - (b) 50 percent where the net cost method is used.
  
- 8431.41-8431.42           A change to subheading 8431.41 through 8431.42 from any other heading.
  
- 8431.43                   A change to subheading 8431.43 from any other heading; or  
  
No required change in tariff classification to subheading 8431.43, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

8431.49

A change to subheading 8431.49 from any other heading; or

No required change in tariff classification to subheading 8431.49, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

8432.10-8432.80

A change to subheading 8432.10 through 8432.80 from any other heading; or

A change to subheading 8432.10 through 8432.80 from subheading 8432.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

8432.90

A change to subheading 8432.90 from any other heading.

8433.11-8433.60

A change to subheading 8433.11 through 8433.60 from any other heading; or

A change to subheading 8433.11 through 8433.60 from subheading 8433.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

8433.90

A change to subheading 8433.90 from any other heading.

8434.10-8434.20

A change to subheading 8434.10 through 8434.20 from any other heading; or

A change to subheading 8434.10 through 8434.20 from subheading 8434.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

8434.90

A change to subheading 8434.90 from any other heading.

8435.10

A change to subheading 8435.10 from any other heading; or

A change to subheading 8435.10 from subheading 8435.90, whether or not there is also a change from any other heading, provided there is a regional

value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

8435.90

A change to subheading 8435.90 from any other heading.

8436.10-8436.80

A change to subheading 8436.10 through 8436.80 from any other heading; or

A change to subheading 8436.10 through 8436.80 from any of subheading 8436.91 through 8436.99, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

8436.91-8436.99

A change to subheading 8436.91 through 8436.99 from any other heading.

8437.10-8437.80

A change to subheading 8437.10 through 8437.80 from any other heading; or

A change to subheading 8437.10 through 8437.80 from subheading 8437.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

8437.90

A change to subheading 8437.90 from any other heading.

8438.10-8438.80

A change to subheading 8438.10 through 8438.80 from any other heading; or

A change to subheading 8438.10 through 8438.80 from subheading 8438.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

8438.90

A change to subheading 8438.90 from any other heading.

8439.10-8439.30

A change to subheading 8439.10 through 8439.30 from any other heading; or

A change to subheading 8439.10 through 8439.30 from any of subheading 8439.91 through 8439.99, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

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8439.91-8439.99

A change to subheading 8439.91 through 8439.99 from any other heading.

8440.10

A change to subheading 8440.10 from any other heading; or

A change to subheading 8440.10 from subheading 8440.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

8440.90

A change to subheading 8440.90 from any other heading.

8441.10-8441.80

A change to subheading 8441.10 through 8441.80 from any other heading; or

A change to subheading 8441.10 through 8441.80 from subheading 8441.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

8441.90

A change to subheading 8441.90 from any other heading; or

No required change in tariff classification to subheading 8441.90, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

8442.10-8442.30

A change to subheading 8442.10 through 8442.30 from any other heading; or

A change to subheading 8442.10 through 8442.30 from any of subheading 8442.40 through 8442.50, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

8442.40-8442.50

A change to subheading 8442.40 through 8442.50 from any other heading.

8443.11-8443.50

A change to subheading 8443.11 through 8443.50 from any other heading; or

A change to subheading 8443.11 through 8443.50 from any of subheading 8443.60 or 8443.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- 8443.60
- (a) 60 percent where the transaction value method is used, or
  - (b) 50 percent where the net cost method is used.
- A change to subheading 8443.60 from any other heading; or
- A change to subheading 8443.60 from subheading 8443.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 60 percent where the transaction value method is used, or
  - (b) 50 percent where the net cost method is used.
- 8443.90
- A change to subheading 8443.90 from any other heading.
- 84.44-84.47
- A change to heading 84.44 through 84.47 from any other heading outside that group, except from heading 84.48; or
- A change to heading 84.44 through 84.47 from heading 84.48, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 60 percent where the transaction value method is used, or
  - (b) 50 percent where the net cost method is used.
- 8448.11-8448.19
- A change to subheading 8448.11 through 8448.19 from any other heading; or
- A change to subheading 8448.11 through 8448.19 from any of subheading 8448.20 through 8448.59, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 60 percent where the transaction value method is used, or
  - (b) 50 percent where the net cost method is used.
- 8448.20-8448.59
- A change to subheading 8448.20 through 8448.59 from any other heading.
- 84.49
- A change to heading 84.49 from any other heading.
- 8450.11-8450.20
- A change to subheading 8450.11 through 8450.20 from any other subheading outside that group, except from Canadian tariff item 8450.90.11<sup>85</sup>, 8450.90.12<sup>86</sup>, 8450.90.21, 8450.90.22, 8450.90.31, 8450.99.32, 8450.90.41, 8450.90.42 or 8537.10.10, U.S. tariff item 8450.90.aa, 8450.90.bb or 8537.10.aa or Mexican tariff item 8450.90.01, 8450.90.02 or

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<sup>85</sup> 8450.90.aa Can8450.90.11, 8450.90.21, 8450.90.31, 8450.90.41, Mex8450.90.01 Tubs or assemblies.

<sup>86</sup> 8450.90.bb Can8450.90.12, 8450.90.22, 8450.90.32, 8450.90.42, Mex8450.90.02 Furniture designed to receive the goods of subheadings 8450.11 through 8450.20.

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8537.10.05, or from washer assemblies incorporating at least two of the following: agitator, motor, transmission, clutch.

8450.90

8450.90.aa A change to Canadian tariff item 8450.90.11, 8450.90.21, 8450.99.31 or 8450.90.41, U.S. tariff item 8450.90.aa or Mexican tariff item 8450.90.01 from any other tariff item.

8450.90.bb A change to Canadian tariff item 8450.90.12, 8450.90.22, 8450.99.32 or 8450.90.42, U.S. tariff item 8450.90.bb or Mexican tariff item 8450.90.02 from any other tariff item.

8450.90 A change to subheading 8450.90 from any other heading.

8451.10

A change to subheading 8451.10 from any other heading; or

A change to subheading 8451.10 from subheading 8451.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

8451.21-8451.29

A change to subheading 8451.21 through 8451.29 from any other subheading outside that group, except from Canadian tariff item 8451.90.11<sup>87</sup>, 8451.90.12<sup>88</sup>, 8451.90.21, 8451.90.22, 8451.90.31 or 8451.90.32, U.S. tariff item 8451.90.aa or 8451.90.bb or Mexican tariff item 8451.90.01 or 8451.90.02, or subheading 8537.10.

8451.30-8451.80

A change to subheading 8451.30 through 8451.80 from any other heading; or

A change to subheading 8451.30 through 8451.80 from subheading 8451.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

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<sup>87</sup> 8451.90.aa Can 8451.90.11, 8451.90.21, 8451.90.31, Mex 8451.90.01 Drying chambers for the goods of subheadings 8451.21 or 8451.29, and other parts of drying machines incorporating drying chambers.

<sup>88</sup> 8451.90.bb Can 8451.90.12, 8451.90.22, 8451.90.32, Mex 8451.90.02 Furniture designed to receive the goods of subheading 8451.21 or 8451.29.



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8451.90

8451.90.aa

A change to Canadian tariff item 8451.90.11, 8451.90.21 or 8451.90.31, U.S. tariff item 8451.90.aa or Mexican tariff item 8451.90.01 from any other tariff item.

8451.90.bb

A change to Canadian tariff item 8451.90.12, 8451.90.22 or 8451.90.32, U.S. tariff item 8451.90.bb or Mexican tariff item 8451.90.02 from any other tariff item.

8451.90

A change to subheading 8451.90 from any other heading.

8452.10-8452.30

A change to subheading 8452.10 through 8452.30 from any other heading; or

A change to subheading 8452.10 through 8452.30 from any of subheading 8452.40 or 8452.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

8452.40-8452.90

A change to subheading 8452.40 through 8452.90 from any other heading.

8453.10-8453.80

A change to subheading 8453.10 through 8453.80 from any other heading; or

A change to subheading 8453.10 through 8453.80 from subheading 8453.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

8453.90

A change to subheading 8453.90 from any other heading.

8454.10-8454.30

A change to subheading 8454.10 through 8454.30 from any other heading; or

A change to subheading 8454.10 through 8454.30 from subheading 8454.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

8454.90

A change to subheading 8454.90 from any other heading.

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8455.10-8455.22

A change to subheading 8455.10 through 8455.22 from any other subheading outside that group, except from Canadian tariff item 8455.90.10<sup>89</sup>, U.S. tariff item 8455.90.aa or Mexican tariff item 8455.90.01.

8455.30

A change to subheading 8455.30 from any other heading; or

A change to subheading 8455.30 from subheading 8455.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

8455.90

A change to subheading 8455.90 from any other heading.

8456.10

A change to subheading 8456.10 from any other heading, except from more than one of the following:

- Canadian tariff item 8466.93.11<sup>90</sup> or 8466.93.91, U.S. tariff 8466.93.aa or Mexican tariff item 8466.93.04,
- subheading 8537.10,
- subheading 9013.20.

8456.20-8456.90

A change to subheading 8456.20 through 8456.90 from any other heading, except from more than one of the following:

- subheading 8413.50 through 8413.60,
- Canadian tariff item 8466.93.11 or 8466.93.91, U.S. tariff item 8466.93.aa or Mexican tariff item 8466.93.04,
- subheading 8501.32 or 8501.52,
- subheading 8537.10.

84.57

A change to heading 84.57 from any other heading, except from heading 84.59 or from more than one of the following:

- subheading 8413.50 through 8413.60,
- Canadian tariff item 8466.93.11 or 8466.93.91, U.S. tariff item 8466.93.aa or Mexican tariff item 8466.93.04,
- subheading 8501.32 or 8501.52,
- subheading 8537.10.

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<sup>89</sup> 8455.90.aa Can8455.90.10, Mex8455.90.01 Castings or weldments, individually weighing less than 90 tons, for the machines of heading 84.55.

<sup>90</sup> 8466.93.aa Can8466.93.11, 8466.93.91, Mex8466.93.04 Bed, base, table, head, tail, saddle, cradle, cross slide, column, arm, saw arm, wheelhead, tailstock, headstock, ram, frame, work-arbour support, and C-frame castings, weldments or fabrications.

8458.11

A change to subheading 8458.11 from any other heading, except from more than one of the following:

- subheading 8413.50 through 8413.60,
- Canadian tariff item 8466.93.11 or 8466.93.91, U.S. tariff item 8466.93.aa or Mexican tariff item 8466.93.04,
- subheading 8501.32 or 8501.52,
- subheading 8537.10.

8458.19

A change to subheading 8458.19 from any other heading, except from Canadian tariff 8466.93.11 or 8466.93.91, U.S. tariff item 8466.93.aa or Mexican tariff item 8466.93.04 or subheading 8501.32 or 8501.52.

8458.91

A change to subheading 8458.91 from any other heading, except from more than one of the following:

- subheading 8413.50 through 8413.60,
- Canadian tariff item 8466.93.11 or 8466.93.91, U.S. tariff item 8466.93.aa or Mexican tariff item 8466.93.04,
- subheading 8501.32 or 8501.52,
- subheading 8537.10.

8458.99

A change to subheading 8458.99 from any other heading, except from Canadian tariff 8466.93.11 or 8466.93.91, U.S. tariff item 8466.93.aa or Mexican tariff item 8466.93.04 or subheading 8501.32 or 8501.52.

8459.10

A change to subheading 8459.10 from any other heading, except from Canadian tariff 8466.93.11 or 8466.93.91, U.S. tariff item 8466.93.aa or Mexican tariff item 8466.93.04 or subheading 8501.32 or 8501.52.

8459.21

A change to subheading 8459.21 from any other heading, except from more than one of the following:

- subheading 8413.50 through 8413.60,
- Canadian tariff item 8466.93.11 or 8466.93.91, U.S. tariff item 8466.93.aa or Mexican tariff item 8466.93.04,
- subheading 8501.32 or 8501.52,
- subheading 8537.10; or

A change to subheading 8459.21 from more than one of the following:

- subheading 8413.50 through 8413.60,
- Canadian tariff item 8466.93.11 or 8466.93.91, U.S. tariff item 8466.93.aa or Mexican tariff item 8466.93.04,
- subheading 8501.32 or 8501.52,
- subheading 8537.10,

whether or not there is also a change from any other heading, provided there

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is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

8459.29

A change to subheading 8459.29 from any other heading, except from Canadian tariff 8466.93.11 or 8466.93.91, U.S. tariff item 8466.93.aa or Mexican tariff item 8466.93.04 or subheading 8501.32 or 8501.52.

8459.31

A change to subheading 8459.31 from any other heading, except from more than one of the following:

- subheading 8413.50 through 8413.60,
- Canadian tariff item 8466.93.11 or 8466.93.91, U.S. tariff item 8466.93.aa or Mexican tariff item 8466.93.04,
- subheading 8501.32 or 8501.52,
- subheading 8537.10; or

A change to subheading 8459.31 from more than one of the following:

- subheading 8413.50 through 8413.60,
- Canadian tariff item 8466.93.11 or 8466.93.91, U.S. tariff item 8466.93.aa or Mexican tariff item 8466.93.04,
- subheading 8501.32 or 8501.52,
- subheading 8537.10,

whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

8459.39

A change to subheading 8459.39 from any other heading, except from Canadian tariff 8466.93.11 or 8466.93.91, U.S. tariff item 8466.93.aa or Mexican tariff item 8466.93.04 or subheading 8501.32 or 8501.52.

8459.40-8459.51

A change to subheading 8459.40 through 8459.51 from any other heading, except from more than one of the following:

- subheading 8413.50 through 8413.60,
- Canadian tariff item 8466.93.11 or 8466.93.91, U.S. tariff item 8466.93.aa or Mexican tariff item 8466.93.04,
- subheading 8501.32 or 8501.52,
- subheading 8537.10; or

A change to subheading 8459.40 through 8459.51 from more than one of the following:

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- subheading 8413.50 through 8413.60,
- Canadian tariff item 8466.93.11 or 8466.93.91, U.S. tariff item 8466.93.aa or Mexican tariff item 8466.93.04,
- subheading 8501.32 or 8501.52,
- subheading 8537.10,

whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

8459.59

A change to subheading 8459.59 from any other heading, except from Canadian tariff 8466.93.11 or 8466.93.91, U.S. tariff item 8466.93.aa or Mexican tariff item 8466.93.04 or subheading 8501.32 or 8501.52.

8459.61

A change to subheading 8459.61 from any other heading, except from more than one of the following:

- subheading 8413.50 through 8413.60,
- Canadian tariff item 8466.93.11 or 8466.93.91, U.S. tariff item 8466.93.aa or Mexican tariff item 8466.93.04,
- subheading 8501.32 or 8501.52,
- subheading 8537.10; or

A change to subheading 8459.61 from more than one of the following:

- subheading 8413.50 through 8413.60,
- Canadian tariff item 8466.93.11 or 8466.93.91, U.S. tariff item 8466.93.aa or Mexican tariff item 8466.93.04,
- subheading 8501.32 or 8501.52,
- subheading 8537.10,

whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

8459.69

A change to subheading 8459.69 from any other heading, except from Canadian tariff 8466.93.11 or 8466.93.91, U.S. tariff item 8466.93.aa or Mexican tariff item 8466.93.04 or subheading 8501.32 or 8501.52.

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8459.70

8459.70.aa<sup>91</sup>

A change to Canadian tariff item 8459.70.10, U.S. tariff item 8459.70.aa or Mexican tariff item 8459.70.03 from any other heading, except from more than one of the following:

- subheading 8413.50 through 8413.60,
- Canadian tariff item 8466.93.11 or 8466.93.91, U.S. tariff item 8466.93.aa or Mexican tariff item 8466.93.04,
- subheading 8501.32 or 8501.52,
- subheading 8537.10; or

A change to Canadian tariff item 8459.70.10, U.S. tariff item 8459.70.aa or Mexican tariff item 8459.70.03 from more than one of the following:

- subheading 8413.50 through 8413.60,
- Canadian tariff item 8466.93.11 or 8466.93.91, U.S. tariff item 8466.93.aa or Mexican tariff item 8466.93.04,
- subheading 8501.32 or 8501.52,
- subheading 8537.10,

whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

8459.70

A change to subheading 8459.70 from any other heading, except from Canadian tariff 8466.93.11 or 8466.93.91, U.S. tariff item 8466.93.aa or Mexican tariff item 8466.93.04 or subheading 8501.32 or 8501.52.

8460.11

A change to subheading 8460.11 from any other heading, except from more than one of the following:

- subheading 8413.50 through 8413.60,
- Canadian tariff item 8466.93.11 or 8466.93.91, U.S. tariff item 8466.93.aa or Mexican tariff item 8466.93.04,
- subheading 8501.32 or 8501.52,
- subheading 8537.10.

8460.19

A change to subheading 8460.19 from any other heading, except from Canadian tariff 8466.93.11 or 8466.93.91, U.S. tariff item 8466.93.aa or Mexican tariff item 8466.93.04 or subheading 8501.32 or 8501.52.

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<sup>91</sup> 8459.70.aa Can8459.70.10, Mex8459.70.03 Numerically controlled.

- 8460.21 A change to subheading 8460.21 from any other heading, except from more than one of the following:
- subheading 8413.50 through 8413.60,
  - Canadian tariff item 8466.93.11 or 8466.93.91, U.S. tariff item 8466.93.aa or Mexican tariff item 8466.93.04,
  - subheading 8501.32 or 8501.52,
  - subheading 8537.10.
- 8460.29 A change to subheading 8460.29 from any other heading, except from Canadian tariff 8466.93.11 or 8466.93.91, U.S. tariff item 8466.93.aa or Mexican tariff item 8466.93.04 or subheading 8501.32 or 8501.52.
- 8460.31 A change to subheading 8460.31 from any other heading, except from more than one of the following:
- subheading 8413.50 through 8413.60,
  - Canadian tariff item 8466.93.11 or 8466.93.91, U.S. tariff item 8466.93.aa or Mexican tariff item 8466.93.04,
  - subheading 8501.32 or 8501.52,
  - subheading 8537.10.
- 8460.39 A change to subheading 8460.39 from any other heading, except from Canadian tariff 8466.93.11 or 8466.93.91, U.S. tariff item 8466.93.aa or Mexican tariff item 8466.93.04 or subheading 8501.32 or 8501.52.
- 8460.40
- 8460.40.aa<sup>92</sup> A change to Canadian tariff item 8460.40.10, U.S. tariff item 8460.40.aa or Mexican tariff item 8460.40.02 from any other heading, except from more than one of the following:
- subheading 8413.50 through 8413.60,
  - Canadian tariff item 8466.93.11 or 8466.93.91, U.S. tariff item 8466.93.aa or Mexican tariff item 8466.93.04,
  - subheading 8501.32 or 8501.52,
  - subheading 8537.10.
- 8460.40 A change to subheading 8460.40 from any other heading, except from Canadian tariff 8466.93.11 or 8466.93.91, U.S. tariff item 8466.93.aa or Mexican tariff item 8466.93.04 or subheading 8501.32 or 8501.52.

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<sup>92</sup> 8460.40.aa Can8460.40.10, Mex8460.40.02 Numerically controlled.

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8460.90

8460.90.aa<sup>93</sup>

A change to Canadian tariff item 8460.90.11 or 8460.90.91, U.S. tariff item 8460.90.aa or Mexican tariff item 8460.90.03 from any other heading, except from more than one of the following:

- subheading 8413.50 through 8413.60,
- Canadian tariff item 8466.93.11 or 8466.93.91, U.S. tariff item 8466.93.aa or Mexican tariff item 8466.93.04,
- subheading 8501.32 or 8501.52,
- subheading 8537.10.

8460.90

A change to subheading 8460.90 from any other heading, except from Canadian tariff 8466.93.11 or 8466.93.91, U.S. tariff item 8466.93.aa or Mexican tariff item 8466.93.04 or subheading 8501.32 or 8501.52.

8461.10

8461.10.aa<sup>94</sup>

A change to Canadian tariff item 8461.10.10, U.S. tariff item 8461.10.aa or Mexican tariff item 8461.10.03 from any other heading, except from more than one of the following:

- subheading 8413.50 through 8413.60,
- Canadian tariff item 8466.93.11 or 8466.93.91, U.S. tariff item 8466.93.aa or Mexican tariff item 8466.93.04,
- subheading 8501.32 or 8501.52,
- subheading 8537.10.

8461.10

A change to subheading 8461.10 from any other heading, except from Canadian tariff item 8466.93.11 or 8466.93.91, U.S. tariff item 8466.93.aa or Mexican tariff item 8466.93.04.

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<sup>93</sup> 8460.90.aa Can8460.90.11, 8460.90.91, Mex8460.90.03 Numerically controlled.

<sup>94</sup> 8461.10.aa Can8461.10.10, Mex8461.10.03 Numerically controlled.



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8461.20

8461.20.aa<sup>95</sup>

A change to Canadian tariff item 8461.20.11 or 8461.20.21, U.S. tariff item 8461.20.aa or Mexican tariff item 8461.20.01 from any other heading, except from more than one of the following:

- subheading 8413.50 through 8413.60,
- Canadian tariff item 8466.93.11 or 8466.93.91, U.S. tariff item 8466.93.aa or Mexican tariff item 8466.93.04,
- subheading 8501.32 or 8501.52,
- subheading 8537.10.

8461.20

A change to subheading 8461.20 from any other heading, except from Canadian tariff item 8466.93.11 or 8466.93.91, U.S. tariff item 8466.93.aa or Mexican tariff item 8466.93.04.

8461.30

8461.30.aa<sup>96</sup>

A change to Canadian tariff item 8461.30.10, U.S. tariff item 8461.30.aa or Mexican tariff item 8461.30.01 from any other heading, except from more than one of the following:

- subheading 8413.50 through 8413.60,
- Canadian tariff item 8466.93.11 or 8466.93.91, U.S. tariff item 8466.93.aa or Mexican tariff item 8466.93.04,
- subheading 8501.32 or 8501.52,
- subheading 8537.10.

8461.30

A change to subheading 8461.30 from any other heading, except from Canadian tariff item 8466.93.11 or 8466.93.91, U.S. tariff item 8466.93.aa or Mexican tariff item 8466.93.04.

8461.40

A change to subheading 8461.40 from any other heading, except from Canadian tariff item 8466.93.11 or 8466.93.91, U.S. tariff item 8466.93.aa or Mexican tariff item 8466.93.04.

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<sup>95</sup> 8461.20.aa Can8461.20.11, 8461.20.21, Mex8461.20.01 Numerically controlled.

<sup>96</sup> 8461.30.aa Can8461.30.10, Mex8461.30.01 Numerically controlled.

8461.50

8461.50.aa<sup>97</sup>

A change to Canadian tariff item 8461.50.10, U.S. tariff item 8461.50.aa or Mexican tariff item 8461.50.03 from any other heading, except from more than one of the following:

- subheading 8413.50 through 8413.60,
- Canadian tariff item 8466.93.11 or 8466.93.91, U.S. tariff item 8466.93.aa or Mexican tariff item 8466.93.04,
- subheading 8501.32 or 8501.52,
- subheading 8537.10.

8461.50

A change to subheading 8461.50 from any other heading, except from Canadian tariff item 8466.93.11 or 8466.93.91, U.S. tariff item 8466.93.aa or Mexican tariff item 8466.93.04.

8461.90

8461.90.aa<sup>98</sup>

A change to Canadian tariff item 8461.90.11 or 8461.90.91, U.S. tariff item 8461.90.aa or Mexican tariff item 8461.90.02 from any other heading, except from more than one of the following:

- subheading 8413.50 through 8413.60,
- Canadian tariff item 8466.93.11 or 8466.93.91, U.S. tariff item 8466.93.aa or Mexican tariff item 8466.93.04,
- subheading 8501.32 or 8501.52,
- subheading 8537.10.

8461.90

A change to subheading 8461.90 from any other heading, except from Canadian tariff item 8466.93.11 or 8466.93.91, U.S. tariff item 8466.93.aa or Mexican tariff item 8466.93.04.

8462.10

A change to subheading 8462.10 from any other heading, except from Canadian tariff item 8466.94.11 or 8466.94.91<sup>99</sup>, U.S. tariff item 8466.94.aa or Mexican tariff item 8466.94.02.

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<sup>97</sup> 8461.50.aa Can8461.50.10, 8461.50.03 Numerically controlled.

<sup>98</sup> 8461.90.aa Can8461.90.11, 8461.90.91, 8461.90.02 Numerically controlled.

<sup>99</sup> 8466.94.aa Can8466.94.11, 8466.94.91, Mex8466.94.02 Bed, base, table, column, cradle, frame, bolster, crown, slide, fly wheel, rod, tailstock and headstock castings, weldments or fabrications.

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- 8462.21                   A change to subheading 8462.21 from any other heading, except from more than one of the following:
- subheading 8413.50 through 8413.60,
  - Canadian tariff item 8466.94.11 or 8466.94.91, U.S. tariff item 8466.94.aa or Mexican tariff item 8466.94.02,
  - subheading 8501.32 or 8501.52,
  - subheading 8537.10.
- 8462.29                   A change to subheading 8462.29 from any other heading, except from Canadian tariff item 8466.94.11 or 8466.94.91, U.S. tariff item 8466.94.aa or Mexican tariff item 8466.94.02.
- 8462.31                   A change to subheading 8462.31 from any other heading, except from more than one of the following:
- subheading 8413.50 through 8413.60,
  - Canadian tariff item 8466.94.11 or 8466.94.91, U.S. tariff item 8466.94.aa or Mexican tariff item 8466.94.02,
  - subheading 8501.32 or 8501.52,
  - subheading 8537.10.
- 8462.39                   A change to subheading 8462.29 from any other heading, except from Canadian tariff item 8466.94.11 or 8466.94.91, U.S. tariff item 8466.94.aa or Mexican tariff item 8466.94.02.
- 8462.41                   A change to subheading 8462.41 from any other heading, except from more than one of the following:
- subheading 8413.50 through 8413.60,
  - Canadian tariff item 8466.94.11 or 8466.94.91, U.S. tariff item 8466.94.aa or Mexican tariff item 8466.94.02,
  - subheading 8501.32 or 8501.52,
  - subheading 8537.10.
- 8462.49                   A change to subheading 8462.49 from any other heading, except from Canadian tariff item 8466.94.11 or 8466.94.91, U.S. tariff item 8466.94.aa or Mexican tariff item 8466.94.02.

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8462.91

8462.91.aa<sup>100</sup>

A change to Canadian tariff item 8462.91.10, U.S. tariff item 8462.91.aa, Mexican tariff item 8462.91.05 from any other heading, except from more than one of the following:

- subheading 8413.50 through 8413.60,
- Canadian tariff item 8466.94.11 or 8466.94.91, U.S. tariff item 8466.94.aa or Mexican tariff item 8466.94.02,
- subheading 8501.32 or 8501.52,
- subheading 8537.10.

8462.91

A change to subheading 8462.91 from any other heading, except from Canadian tariff item 8466.94.11 or 8466.94.91, U.S. tariff item 8466.94.aa or Mexican tariff item 8466.94.02.

8462.99

8462.99.aa<sup>101</sup>

A change to Canadian tariff item 8462.99.10, U.S. tariff item 8462.99.aa or Mexican tariff item 8462.99.05 from any other heading, except from more than one of the following:

- subheading 8413.50 through 8413.60,
- Canadian tariff item 8466.94.11 or 8466.94.91, U.S. tariff item 8466.94.aa or Mexican tariff item 8466.94.02,
- subheading 8501.32 or 8501.52,
- subheading 8537.10.

8462.99

A change to subheading 8462.99 from any other heading, except from Canadian tariff item 8466.94.11 or 8466.94.91, U.S. tariff item 8466.94.aa or Mexican tariff item 8466.94.02.

84.63

A change to heading 84.63 from any other heading, except from Canadian tariff 8466.94.11 or 8466.94.91, U.S. tariff item 8466.94.aa or Mexican tariff item 8466.94.02 or subheading 8501.32 or 8501.52.

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<sup>100</sup> 8462.91.aa Can8462.91.10, Mex8462.91.05 Numerically controlled.

<sup>101</sup> 8462.99.aa Can8462.99.10, Mex8462.99.05 Numerically controlled.

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- 84.64 A change to heading 84.64 from any other heading, except from subheading 8466.91; or
- A change to heading 84.64 from subheading 8466.91, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 60 percent where the transaction value method is used, or
  - (b) 50 percent where the net cost method is used.
- 84.65 A change to heading 84.65 from any other heading, except from subheading 8466.92; or
- A change to heading 84.65 from subheading 8466.92, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 60 percent where the transaction value method is used, or
  - (b) 50 percent where the net cost method is used.
- 84.66 A change to heading 84.66 from any other heading.
- 8467.11-8467.89 A change to subheading 8467.11 through 8467.89 from any other heading; or
- A change to subheading 8467.11 through 8467.89 from any of subheading 8467.91, 8467.92 or 8467.99, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 60 percent where the transaction value method is used, or
  - (b) 50 percent where the net cost method is used.
- 8467.91-8467.99 A change to subheading 8467.91 through 8467.99 from any other heading.
- 8468.10-8468.80 A change to subheading 8468.10 through 8468.80 from any other heading; or
- A change to subheading 8468.10 through 8468.80 from subheading 8468.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 60 percent where the transaction value method is used, or
  - (b) 50 percent where the net cost method is used.
- 8468.90 A change to subheading 8468.90 from any other heading.

84.69

8469.10.aa<sup>102</sup>

A change to Canadian tariff item 8469.10.20, U.S. tariff item 8469.10.aa or Mexican tariff item 8469.10.02 from any other heading, except from heading 84.73; or

A change to Canadian tariff item 8469.10.20, U.S. tariff item 8469.10.aa or Mexican tariff item 8469.10.02 from heading 84.73, whether or not there is also a change from any other heading, provided there is a regional value content of not less than 50 percent under the net cost method.

84.69

A change to heading 84.69 from any other heading, except from heading 84.73; or

A change to heading 84.69 from heading 84.73, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

84.70

A change to heading 84.70 from any other heading, except from heading 84.73; or

A change to heading 84.70 from heading 84.73, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

8471.10

A change to subheading 8471.10 from any other heading, except from heading 84.73; or

A change to subheading 8471.10 from heading 84.73, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

8471.20-8471.91

A change to subheading 8471.20 through 8471.91 from any other subheading outside that group.

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<sup>102</sup> 8469.10.aa

Can8469.10.20, Mex8469.10.02 Word processing machines.

8471.92

- 8471.92.aa<sup>103</sup> A change to Canadian tariff item 8471.92.31, U.S. tariff item 8471.92.aa or Mexican tariff item 8471.92.02 from any other subheading, except from subheading 8540.30.
- 8471.92.bb<sup>104</sup> A change to Canadian tariff item 8471.92.21, U.S. tariff item 8471.92.bb or Mexican tariff item 8471.92.03 from any other tariff item, except from Canadian tariff item 8473.30.10<sup>105</sup>, 8473.30.21 or 8473.30.22<sup>106</sup>, U.S. tariff item 8473.30.aa or 8473.30.cc or Mexican tariff item 8473.30.02 or 8473.30.03.
- 8471.92.cc A change to Canadian tariff item 8471.92.22, U.S. tariff item 8471.92.cc or Mexican tariff item 8471.92.99 from any other tariff item, except from Canadian tariff item 8473.30.21 or 8473.30.22, U.S. tariff item 8473.30.aa or Mexican tariff item 8473.30.03.
- 8471.92.dd A change to Canadian tariff item 8471.92.23, U.S. tariff item 8471.92.dd or Mexican tariff item 8471.92.04 from any other tariff item, except from Canadian tariff item 8473.30.10, 8473.30.21 or 8473.30.22, U.S. tariff item 8473.30.aa or 8473.30.cc or Mexican tariff item 8473.30.02 or 8473.30.03.
- 8471.92.ee A change to Canadian tariff item 8471.92.24, U.S. tariff item 8471.92.ee or Mexican tariff item 8471.92.05 from any other tariff item, except from Canadian tariff item 8473.30.10, U.S. tariff item 8473.30.cc or Mexican tariff item 8473.30.02.
- 8471.92.ff A change to Canadian tariff item 8471.92.25, U.S. tariff item 8471.92.ff or Mexican tariff item 8471.92.06 from any other tariff item, except from

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- <sup>103</sup> 8471.92.aa Can8471.92.31, Mex8471.92.02 Colour cathode-ray tube monitors.
  - <sup>104</sup> Printer units:
    - Laser:
    - 8471.92.bb Can8471.92.21, Mex8471.92.03 Capable of producing more than 20 pages per minute
    - 8471.92.cc Can8471.92.22, Mex8471.92.99 Other
    - 8471.92.dd Can8471.92.23, Mex8471.92.04 Light bar type electronic
    - 8471.92.ee Can8471.92.24, Mex8471.92.05 Ink jet
    - 8471.92.ff Can8471.92.25, Mex8471.92.06 Thermal transfer
    - 8471.92.gg Can8471.92.26, Mex8471.92.07 Ionographic
  - <sup>105</sup> 8473.30.cc Can8473.30.10, Mex8473.30.02 Other parts for printers of subheading 8471.92, specified in Note 2 to Chapter 84.
  - <sup>106</sup> 8473.30.aa Can8473.30.21, 8473.30.22, Mex8473.30.03 Printed circuit assemblies, other than parts of printers specified in Note 2 to Chapter 84.

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- Canadian tariff item 8473.30.10, U.S. tariff item 8473.30.cc or Mexican tariff item 8473.30.02.
- 8471.92.gg A change to Canadian tariff item 8471.92.26, U.S. tariff item 8471.92.gg or Mexican tariff item 8471.92.07 from any other tariff item, except from Canadian tariff item 8473.30.10, U.S. tariff item 8473.30.cc or Mexican tariff item 8473.30.02.
- 8471.92 A change to subheading 8471.92 from any other subheading.
- 8471.93 A change to subheading 8471.93 from any other subheading.
- 8471.99
- 8471.99.aa<sup>107</sup> A change to Canadian tariff item 8471.99.91, U.S. tariff item 8471.99.15 or Mexican tariff item 8471.99.01 from any other tariff item.
- 8471.99.bb<sup>108</sup> A change to Canadian tariff item 8471.99.92, U.S. tariff item 8471.99.32 or 8471.99.34 or Mexican tariff item 8471.99.02 from any other tariff item.
- 8471.99.cc<sup>109</sup> A change to Canadian tariff item 8471.99.98, U.S. tariff item 8471.99.60 or Mexican tariff item 8471.99.03 from any other tariff item.
- 8471.99 A change to any other tariff item within subheading 8471.99 from Canadian tariff item 8471.99.91, 8471.99.92 or 8471.99.93, U.S. tariff item 8471.99.15, 8471.99.32, 8471.99.34 or 8471.99.60 or Mexican tariff item 8471.99.01, 8471.99.02 or 8471.99.03, or any other subheading.

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<sup>107</sup> 8471.99.aa Can8471.99.91, U.S.8471.99.15, Mex8471.99.01 Control or adapter units.

<sup>108</sup> 8471.99.bb Can8471.99.92, U.S.8471.99.32, 8471.99.34, Mex8471.99.02 Power supplies.

<sup>109</sup> 8471.99.cc Can8471.99.98, U.S.8471.99.60, Mex8471.99.03 Other units suitable for physical incorporation into automatic data processing machines or units thereof.



84.72 A change to heading 84.72 from any other heading, except from heading 84.73; or

A change to heading 84.72 from heading 84.73, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

8473.10

8473.10.aa<sup>110</sup> A change to Canadian tariff item 8473.10.91, U.S. tariff item 8473.10.aa or Mexican tariff item 8473.10.01 from any other heading.

8473.10.bb<sup>111</sup> A change to Canadian tariff item 8473.10.92 or 8473.10.93, U.S. tariff item 8473.10.bb or Mexican tariff item 8473.10.02 from any other heading; or

No required change in tariff classification to Canadian tariff item 8473.10.92 or 8473.10.93, U.S. tariff item 8473.10.bb or Mexican tariff item 8473.10.02, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

8473.21 A change to subheading 8473.21 from any other heading; or

No required change in tariff classification to subheading 8473.21, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

8473.29 A change to subheading 8473.29 from any other heading; or

No required change in tariff classification to subheading 8473.29, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

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<sup>110</sup> 8473.10.aa Can8473.10.91, Mex8473.10.01 Parts for word processing machines of heading 84.69.

<sup>111</sup> 8473.10.bb Can8473.10.92, 8473.10.93, Mex8473.10.02 Parts of other machines of heading 84.69.

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8473.30

8473.30.aa A change to Canadian tariff item 8473.30.21 or 8473.30.22, U.S. tariff item 8473.30.aa or Mexican tariff item 8473.30.03 from any other tariff item.

8473.30.bb<sup>112</sup> A change to Canadian tariff item 8473.30.23 or 8473.30.29, U.S. tariff item 8473.30.bb or Mexican tariff item 8473.30.04 from any other tariff item.

8473.30.cc A change to Canadian tariff item 8473.30.10, U.S. tariff item 8473.30.cc or Mexican tariff item 8473.30.02 from any other tariff item.

8473.30 A change to subheading 8473.30 from any other heading.

8473.40 A change to subheading 8473.40 from any other heading; or

No required change in tariff classification to subheading 8473.40, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

8474.10-8474.80 A change to subheading 8474.10 through 8474.80 from any other heading; or

A change to subheading 8474.10 through 8474.80 from subheading 8474.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

8474.90 A change to subheading 8474.90 from any other heading; or

No required change in tariff classification to subheading 8474.90, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

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<sup>112</sup> 8473.30.bb

Can8473.30.23, 8473.30.29, Mex8473.30.04 Parts and accessories, including face plates and lock latches, of printed circuit assemblies of tariff item 8473.30.aa, not elsewhere classified.

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8475.10-8475.20

A change to subheading 8475.10 through 8475.20 from any other heading; or

A change to subheading 8475.10 through 8475.20 from subheading 8475.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

8475.90

A change to subheading 8475.90 from any other heading.

8476.11-8476.19

A change to subheading 8476.11 through 8476.19 from any other heading; or

A change to subheading 8476.11 through 8476.19 from subheading 8476.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

8476.90

A change to subheading 8476.90 from any other heading.

8477.10

A change to subheading 8477.10 from any other subheading, except from Canadian tariff item 8477.90.11<sup>113</sup> or 8477.90.21, U.S. tariff item 8477.90.aa or Mexican tariff item 8477.90.01 or from more than one of the following:

- Canadian tariff item 8477.90.12<sup>114</sup> or 8477.90.22, U.S. tariff item 8477.90.bb or Mexican tariff item 8477.90.02,
- subheading 8537.10.

8477.20

A change to subheading 8477.20 from any other subheading, except from Canadian tariff item 8477.90.11 or 8477.90.21, U.S. tariff item 8477.90.aa or Mexican tariff item 8477.90.01 or from more than one of the following:

- Canadian tariff item 8477.90.12 or 8477.90.23, U.S. tariff item 8477.90.bb or Mexican tariff item 8477.90.02,
- subheading 8537.10.

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<sup>113</sup> 8477.90.aa Can8477.90.11, 8477.90.21, Mex8477.90.01 Base, bed, platen, clamp cylinder, ram and injection castings, weldments and fabrications.

<sup>114</sup> 8477.90.bb Can8477.90.12, 8477.90.22, Mex8477,90,02 Barrel screws.

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8477.30

A change to subheading 8477.30 from any other subheading, except from Canadian tariff item 8477.90.11 or 8477.90.21, U.S. tariff item 8477.90.aa or Mexican tariff item 8477.90.01 or from more than one of the following:

- Canadian tariff item 8477.90.13 or 8477.90.23<sup>115</sup>, U.S. tariff item 8477.90.cc or Mexican tariff item 8477.90.03,
- subheading 8537.10.

8477.40-8477.80

A change to subheading 8477.40 through 8477.80 from any other heading; or

A change to subheading 8477.40 through 8477.80 from subheading 8477.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

8477.90

A change to subheading 8477.90 from any other heading.

8478.10

A change to subheading 8478.10 from any other heading; or

A change to subheading 8478.10 from subheading 8478.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

8478.90

A change to subheading 8478.90 from any other heading.

8479.10-8479.81

A change to subheading 8479.10 through 8479.81 from any other heading; or

A change to subheading 8479.10 through 8479.81 from subheading 8479.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

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<sup>115</sup> 8477.90.cc

Can8477.90.13, 8477.90.23, Mex8477.90.03 Hydraulic assemblies incorporating at least two or more of the following: manifold; valves; pump; oil cooler.

8479.82

8479.82.aa<sup>116</sup>

A change to Mexican tariff item 8479.82.03 from any other tariff item, except from Canadian tariff item 8479.90.61<sup>117</sup>, 8479.90.62, 8479.90.63 or 8479.90.64, U.S. tariff item 8479.90.aa, 8479.90.bb, 8479.90.cc or 8479.90.dd or Mexican tariff item 8479.90.17, 8479.90.18, 8479.90.19 or 8479.90.20, or combinations thereof.

8479.82

A change to subheading 8479.82 from any other heading; or

A change to subheading 8479.82 from subheading 8479.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

8479.89

8479.89.aa<sup>118</sup>

A change to Canadian tariff item 8479.89.91 or U.S. tariff item 8479.89.aa from any other tariff item, except from Canadian tariff item 8479.90.61, 8479.90.62, 8479.90.63 or 8479.90.64, U.S. tariff item 8479.90.aa, 8479.90.bb, 8479.90.cc or 8479.90.dd or Mexican tariff item 8479.90.17, 8479.90.18, 8479.90.19 or 8479.90.20, or combinations thereof.

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<sup>116</sup> 8479.82.aa Mex8479.82.03 Trash compactors.  
Mexico has a tariff item in subheading 8479.82 for trash compactors. U.S. and Canada classify trash compactors under subheading 8479.89.

<sup>117</sup> Parts of trash compactors:  
8479.90.aa Can8479.90.61, Mex8479.90.17 Frame assemblies incorporating at least two of the following: baseplate; side frames; power screws; front plates  
8479.90.bb Can8479.90.62, Mex8479.90.18 Ram assemblies incorporating a ram wrapper and/or ram cover  
8479.90.cc Can8479.90.63, Mex8479.90.19 Container assemblies incorporating at least two of the following: container bottom; container wrapper; slide track; container front  
8479.90.dd Can8479.90.64, Mex8479.90.20 Cabinets or cases.

<sup>118</sup> 8479.89.aa Can8479.89.91 Trash compactors.  
Canada and the U.S. classify trash compactors under subheading 8479.89.

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- 8479.89                    A change to subheading 8479.89 from any other heading; or
- A change to subheading 8479.89 from subheading 8479.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a)     60 percent where the transaction value method is used, or
- (b)     50 percent where the net cost method is used.
- 8479.90
- 8479.90.aa                A change to Canadian tariff item 8479.90.61, U.S. tariff item 8479.90.aa or Mexican tariff item 8479.90.17 from any other tariff item.
- 8479.90.bb                A change to Canadian tariff item 8479.90.62, U.S. tariff item 8479.90.bb or Mexican tariff item 8479.90.18 from any other tariff item.
- 8479.90.cc                A change to Canadian tariff item 8479.90.63, U.S. tariff item 8479.90.cc or Mexican tariff item 8479.90.19 from any other tariff item.
- 8479.90.dd                A change to Canadian tariff item 8479.90.64, U.S. tariff item 8479.90.dd or Mexican tariff item 8479.90.20 from any other tariff item.
- 8479.90                    A change to subheading 8479.90 from any other heading.
- 84.80                      A change to heading 84.80 from any other heading.
- 8481.10-8481.80<sup>119</sup>     A change to subheading 8481.10 through 8481.80 from any other heading; or
- A change to subheading 8481.10 through 8481.80 from subheading 8481.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a)     60 percent where the transaction value method is used, or
- (b)     50 percent where the net cost method is used.
- 8481.90                    A change to subheading 8481.90 from any other heading.

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<sup>119</sup> If the good provided for in subheading 8481.20, 8481.30 or 8481.80 is for use in a motor vehicle of Chapter 87, the provisions of Article 403 may apply.

8482.10-8482.80<sup>120</sup>

A change to subheading 8482.10 through 8482.80 from any other subheading outside that group, except from Canadian tariff item 8482.99.11<sup>121</sup> or 8482.99.91, U.S. tariff item 8482.99.aa or Mexican tariff item 8482.99.03; or

A change to subheading 8482.10 through 8482.80 from Canadian tariff item 8482.99.11 or 8482.99.91, U.S. tariff item 8482.99.aa or Mexican tariff item 8482.99.03, whether or not there is also a change from any other subheading outside that group, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

8482.91-8482.99

A change to subheading 8482.91 through 8482.99 from any other heading.

8483.10<sup>122</sup>

A change to subheading 8483.10 from any other heading; or

A change to subheading 8483.10 from subheading 8483.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

8483.20<sup>123</sup>

A change to subheading 8483.20 from any other subheading, except from subheading 8482.10 through 8482.80, Canadian tariff item 8482.99.11 or 8482.99.91, U.S. tariff item 8482.99.aa or Mexican tariff item 8482.99.03 or subheading 8483.90; or

A change to subheading 8483.20 from any of subheading 8482.10 through 8482.80, Canadian tariff item 8482.99.11 or 8482.99.91, U.S. tariff item 8482.99.aa or Mexican tariff item 8482.99.03 or subheading 8483.90, whether or not there is also a change from any other subheading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

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<sup>120</sup> If the good is for use in a motor vehicle of Chapter 87, the provisions of Article 403 may apply.

<sup>121</sup> 8482.99.aa      Can8482.99.11, 8482.99.91, Mex8482.99.03      Inner or outer rings or races.

<sup>122</sup> If the good is for use in a motor vehicle of Chapter 87, the provisions of Article 403 may apply.

<sup>123</sup> If the good is for use in a motor vehicle of Chapter 87, the provisions of Article 403 may apply.

8483.30<sup>124</sup>

A change to subheading 8483.30 from any other heading; or

A change to subheading 8483.30 from subheading 8483.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

8483.40-8483.60<sup>125</sup>

A change to subheading 8483.40 through 8483.60 from any other subheading outside that group, except from subheading 8482.10 through 8482.80, Canadian tariff item 8482.99.11 or 8482.99.91, U.S. tariff item 8482.99.aa or Mexican tariff item 8482.99.03 or subheading 8483.90; or

A change to subheading 8483.40 through 8483.60 from any of subheading 8482.10 through 8482.80, Canadian tariff item 8482.99.11 or 8482.99.91, U.S. tariff item 8482.99.aa or Mexican tariff item 8482.99.03 or subheading 8483.90, whether or not there is also a change from any other subheading outside that group, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

8483.90

A change to subheading 8483.90 from any other heading.

84.84-84.85

A change to heading 84.84 through 84.85 from any other heading, including another heading within that group.

## Chapter 85

**Electrical Machinery and Equipment and Parts Thereof; Sound Recorders and Reproducers, Television Image and Sound Recorders and Reproducers, and Parts and Accessories of Such Articles**

**Note 1:**

*For purposes of this Chapter, the term, "printed circuit assembly", means a good consisting of one or more printed circuits of heading 85.34 with one or more active elements assembled thereon, with or without passive elements. For purposes of this Note, "active elements" means diodes, transistors and similar semiconductor devices, whether or not photosensitive, of heading 85.41, and integrated circuits and microassemblies of heading 85.42.*

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<sup>124</sup> If the good is for use in a motor vehicle of Chapter 87, the provisions of Article 403 may apply.

<sup>125</sup> If the good provided for in subheading 8483.40 or 8483.50 is for use in a motor vehicle of Chapter 87, the provisions of Article 403 may apply.



## Note 2:

*Canadian tariff item 8517.90.11, U.S. tariff item 8517.90.h3 or Mexican tariff item 8517.90.10 covers the following parts for facsimile machines:*

- (a) control or command assemblies, incorporating at least two of the following: printed circuit assembly; modem; hard or flexible (floppy) disc drive; keyboard; user interface;*
- (b) optics module assemblies, incorporating at least two of the following: optics lamp; charge couples device and appropriate optics; lenses; mirror;*
- (c) laser imaging assemblies, incorporating at least two of the following: photoreceptor belt or cylinder; toner receptacle unit; toner developing unit; charge/discharge unit; cleaning unit;*
- (d) ink jet marking assemblies, incorporating at least two of the following: thermal print head; ink dispensing unit; nozzle and reservoir unit; ink heater;*
- (e) thermal transfer imaging assemblies, incorporating at least two of the following: thermal print head; cleaning unit; supply or take-up roller;*
- (f) ionographic imaging assemblies, incorporating at least two of the following: ion generation and emitting unit; air assist unit; printed circuit assembly; charge receptor belt or cylinder; toner receptacle unit; toner distribution unit; developer receptacle and distribution unit; developing unit; charge/discharge unit; cleaning unit;*
- (g) image fixing assemblies, incorporating at least two of the following: fuser; pressure roller; heating element; release oil dispenser; cleaning unit; electrical control;*
- (h) paper handling assemblies, incorporating at least two of the following: paper transport belt; roller; print bar; carriage; gripper roller; paper storage unit; exit tray; or*
- (i) combinations of the above specified assemblies.*

Note 3: *For purposes of this Chapter:*

- (a) *references to "high definition" as it applies to television receivers and cathode-ray tubes refers to goods having*
  - (i) *an aspect ratio of the screen equal to or greater than 16:9, and*
  - (ii) *a viewing screen capable of displaying more than 700 scanning lines; and*
- (b) *the video display diagonal is determined by measuring the maximum straight line dimension across the visible portion of the face plate used for displaying video.*

Note 4: *Canadian tariff item 8529.90.32, U.S. tariff item 8529.90.cc or Mexican tariff item 8529.90.18 covers the following parts of television receivers:*

- (a) *Video intermediate (IF) amplifying and detecting systems;*
- (b) *Video processing and amplification systems;*
- (c) *Synchronizing and deflection circuitry;*
- (d) *Tuners and tuner control systems;*
- (e) *Audio detection and amplification systems.*

Note 5: *For purposes of Canadian tariff item 8540.91.10, U.S. tariff item 8540.91.11 or Mexican tariff item 8540.91.aa, the term "front panel assembly" refers to an assembly which consists of a glass panel and a shadow mask or aperture grille, attached for ultimate use, which is suitable for incorporation into a colour cathode-ray television picture tube (including video monitor cathode-ray tube), and which has undergone the necessary chemical and physical processes for imprinting phosphors on the glass panel with sufficient precision to render a video image when excited by a stream of electrons.*

85.01<sup>126</sup>

A change to heading 85.01 from any other heading, except from Canadian tariff item 8503.00.11<sup>127</sup> through 8503.00.19 or 8503.00.21 through 8503.00.29, U.S. tariff item 8503.00.h1 or Mexican tariff item 8503.00.01 or 8503.00.05; or

A change to heading 85.01 from Canadian tariff item 8503.00.11 through 8503.00.19 or 8503.00.21 through 8503.00.29, U.S. tariff item 8503.00.aa or Mexican tariff item 8503.00.01 or 8503.00.05, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

85.02

A change to heading 85.02 from any other heading, except from heading 84.06, 84.11, 85.01 or 85.03; or

A change to heading 85.02 from any of heading 84.06, 84.11, 85.01 or 85.03, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

85.03

A change to heading 85.03 from any other heading.

8504.10-8504.34

A change to subheading 8504.10 through 8504.34 from any other heading; or

A change to subheading 8504.10 through 8504.34 from subheading 8504.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

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<sup>126</sup> If the good provided for in subheading 8501.10, 8501.20, 8501.31 or 8501.32 is for use in a motor vehicle or Chapter 87, the provisions of Article 403 may apply.

<sup>127</sup> 8503.00.aa Can8503.00.11 through 8503.00.19, 8503.00.21 through 8503.00.29 Stators and rotors for the goods of heading 85.01.

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8504.40<sup>128</sup>

8504.40.aa A change to Canadian tariff item 8504.40.40, U.S. tariff item 8504.40.aa or Mexican tariff item 8504.40.12 from any other subheading.

8504.40.bb A change to Canadian tariff item 8504.40.50, U.S. tariff item 8504.40.bb or Mexican tariff item 8504.40.13 from any other subheading, except from Canadian tariff item 8504.90.11 through 8504.90.16, U.S. tariff item 8504.90.aa or Mexican tariff item 8504.90.07.

8504.40 A change to subheading 8504.40 from any other heading; or

A change to subheading 8504.40 from subheading 8504.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

8504.50

A change to subheading 8504.50 from any other heading; or

A change to subheading 8504.50 from subheading 8504.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

8504.90

8504.90.bb A change to Canadian tariff item 8504.90.80, U.S. tariff item 8504.90.bb or Mexican tariff item 8504.90.bb from any other tariff item.

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<sup>128</sup> For goods of subheading 8504.40 and 8504.90

8504.40.aa Can8504.40.40, Mex8504.40.12 Power supplies for the automatic data processing machines of heading 84.71. (The U.S. classifies all power supplies principally or solely used with ADP machines in heading 84.71.)

8504.40.bb Can8504.40.50, Mex8504.40.13 Speed controllers for electric motors.

8504.90.aa Can8504.90.11 through 8504.90.16, Mex8504.90.07 Printed circuit assemblies.

8504.90.bb Can8504.90.80, Mex8504.90.08 Other parts of power supplies for automatic data processing machines of heading 84.71.

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- 8504.90 A change to subheading 8504.90 from any other heading.
- 8505.11-8505.30 A change to subheading 8505.11 through 8505.30 from any other heading; or  
A change to subheading 8505.11 through 8505.30 from subheading 8505.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:  
(a) 60 percent where the transaction value method is used, or  
(b) 50 percent where the net cost method is used.
- 8505.90 A change to subheading 8505.90 from any other heading.
- 8506.11-8506.20 A change to subheading 8506.11 through 8506.20 from any other heading; or  
A change to subheading 8506.11 through 8506.20 from subheading 8506.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:  
(a) 60 percent where the transaction value method is used, or  
(b) 50 percent where the net cost method is used.
- 8506.90 A change to subheading 8506.90 from any other heading.
- 8507.10-8507.80<sup>129</sup> A change to subheading 8507.10 through 8507.80 from any other heading; or  
A change to subheading 8507.10 through 8507.80 from subheading 8507.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:  
(a) 60 percent where the transaction value method is used, or  
(b) 50 percent where the net cost method is used.
- 8507.90 A change to subheading 8507.90 from any other heading.
- 8508.10-8508.80 A change to subheading 8508.10 through 8508.80 from any other subheading outside that group, except from heading 85.01 or Canadian tariff item 8508.90.10<sup>130</sup>, U.S. tariff item 8508.90.aa or Mexican tariff item 8508.90.01; or  
A change to subheading 8508.10 through 8508.80 from any of heading 85.01 or Canadian tariff item 8508.90.10, U.S. tariff item 8508.90.aa or Mexican tariff item 8508.90.01, whether or not there is also a change from any other

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<sup>129</sup> If the good is for use in a motor vehicle of Chapter 87, the provisions of Article 403 may apply.

<sup>130</sup> 8508.90.aa Can8508.90.10, Mex8508.90.01 Housings.

subheading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

8508.90

A change to subheading 8508.90 from any other heading.

8509.10-8509.40

A change to subheading 8509.10 through 8509.40 from any other subheading outside that group, except from heading 85.01 or Canadian tariff item 8509.90.11<sup>131</sup>, 8509.90.21, 8509.90.31 or 8509.90.41, U.S. tariff item 8509.90.aa or Mexican tariff item 8509.90.02; or

A change to subheading 8509.10 through 8509.40 from any of heading 85.01 or Canadian tariff item 8509.90.11, 8509.90.21, 8509.90.31 or 8509.90.41, U.S. tariff item 8509.90.aa or Mexican tariff item 8509.90.02, whether or not there is also a change from any other subheading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

8509.80

A change to subheading 8509.80 from any other heading; or

A change to subheading 8509.80 from subheading 8509.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

8509.90

A change to subheading 8509.90 from any other heading.

8510.10-8510.20

A change to subheading 8510.10 through 8510.20 from any other heading; or

A change to subheading 8510.10 through 8510.20 from subheading 8510.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

8510.90

A change to subheading 8510.90 from any other heading.

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<sup>131</sup> 8509.90.aa Can8509.90.11, 8509.90.21, 8509.90.31, 8509.90.41, Mex8509.90.02 Housings.

- 8511.10-8511.80<sup>132</sup> A change to subheading 8511.10 through 8511.80 from any other heading; or  
A change to subheading 8511.10 through 8511.80 from subheading 8511.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:  
(a) 60 percent where the transaction value method is used, or  
(b) 50 percent where the net cost method is used.
- 8511.90 A change to subheading 8511.90 from any other heading.
- 8512.10-8512.40<sup>133</sup> A change to subheading 8512.10 through 8512.40 from any other heading; or  
A change to subheading 8512.10 through 8512.40 from subheading 8512.90, whether or not there is also a change from any other heading, provided there is also a regional value content of not less than:  
(a) 60 percent where the transaction value method is used, or  
(b) 50 percent where the net cost method is used.
- 8512.90 A change to subheading 8512.90 from any other heading.
- 8513.10 A change to subheading 8513.10 from any other heading; or  
A change to subheading 8513.10 from subheading 8513.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:  
(a) 60 percent where the transaction value method is used, or  
(b) 50 percent where the net cost method is used.
- 8513.90 A change to subheading 8513.90 from any other heading.
- 8514.10-8514.40 A change to subheading 8514.10 through 8514.40 from any other heading; or  
A change to subheading 8514.10 through 8514.40 from subheading 8514.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:  
(a) 60 percent where the transaction value method is used, or  
(b) 50 percent where the net cost method is used.

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<sup>132</sup> If the good provided for in subheading 8511.30, 8511.40 or 8511.50 is for use in a motor vehicle of Chapter 87, the provisions of Article 403 may apply.

<sup>133</sup> If the good provided for in subheading 8512.20 or 8512.40 is for use in a motor vehicle of Chapter 87, the provisions of Article 403 may apply.

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- 8514.90 A change to subheading 8514.90 from any other heading.
- 8515.11-8515.80 A change to subheading 8515.11 through 8515.80 from any other heading; or  
A change to subheading 8515.11 through 8515.80 from subheading 8515.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:  
(a) 60 percent where the transaction value method is used, or  
(b) 50 percent where the net cost method is used.
- 8515.90 A change to subheading 8515.90 from any other heading.
- 8516.10-8516.29 A change to subheading 8516.10 through 8516.29 from subheading 8516.80 or any other heading; or  
A change to subheading 8516.10 through 8516.29 from subheading 8516.90, whether or not there is also a change from any of subheading 8516.80 or any other heading, provided there is a regional value content of not less than:  
(a) 60 percent where the transaction value method is used, or  
(b) 50 percent where the net cost method is used.
- 8516.31 A change to subheading 8516.31 from any other subheading, except from subheading 8516.80 or heading 85.01.
- 8516.32 A change to subheading 8516.32 from subheading 8516.80 or from any other heading; or  
A change to subheading 8516.32 from subheading 8516.90, whether or not there is also a change from any of subheading 8516.80 or any other heading, provided there is a regional value content of not less than:  
(a) 60 percent where the transaction value method is used, or  
(b) 50 percent where the net cost method is used.
- 8516.33 A change to subheading 8516.33 from any other subheading, except from subheading 8516.80, heading 85.01 or Canadian tariff item 8516.90.21<sup>134</sup>, U.S. tariff item 8516.90.aa or Mexican tariff item 8516.90.07.

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<sup>134</sup> 8516.90.aa

Can8516.90.21, 8516.90.07 Housings for the goods of subheading 8516.33.



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- 8516.40 A change to subheading 8516.40 from any other subheading, except from heading 84.02, subheading 8481.40 or Canadian tariff item 8516.90.71<sup>135</sup>, U.S. tariff item 8516.90.bb or Mexican tariff item 8516.90.08.
- 8516.50 A change to subheading 8516.50 from any other subheading, except from Canadian tariff item 8516.90.41<sup>136</sup> or 8516.90.42<sup>137</sup>, U.S. tariff item 8516.90.cc or 8516.90.dd or Mexican tariff item 8516.90.09 or 8516.90.10.
- 8516.60
- 8516.60.aa<sup>138</sup> A change to Canadian tariff item 8516.60.20, U.S. tariff item 8516.60.aa or Mexican tariff item 8516.60.02 from any other tariff item, except from Canadian tariff item 8516.90.51<sup>139</sup>, 8516.90.52, 8516.90.53 or 8537.10.10<sup>140</sup>, U.S. tariff item 8516.90.ee, 8516.90.ff, 8516.90.gg or 8537.10.aa or Mexican tariff item 8516.90.11, 8516.90.12, 8516.90.13 or 8537.10.05.
- 8516.60 A change to subheading 8516.60 from subheading 8516.80 or any other heading; or

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- <sup>135</sup> 8516.90.bb Can8516.90.71, Mex8517.90.08 Housings and steel bases for the goods of subheading 8516.40.
- <sup>136</sup> 8516.90.dd Can8516.90.41, Mex8516.90.10 Printed circuit assemblies for the goods of subheading 8516.50.
- <sup>137</sup> 8516.90.cc Can8516.90.42, Mex8516.90.09 Assemblies of the goods of subheading 8516.50, incorporating at least two of the following: cooking chamber; structural supporting chassis; door; outer case.
- <sup>138</sup> 8516.60.aa Can8516.60.20, Mex8516.60.02 Ovens, cooking stoves, and ranges.
- <sup>139</sup> For the goods of tariff item 8516.60.aa:
- 8516.90.ee Can8516.90.51, Mex8516.90.11 Cooking chambers, whether or not assembled.
- 8516.90.ff Can8516.90.52, Mex8516.90.12 Top surface panels with or without heating elements or controls.
- 8516.90.gg Can8516.90.53, Mex8516.90.13 Door assemblies incorporating at least two of the following: inner panel; outer panel; window; insulation.
- <sup>140</sup> 8537.10.aa Can8537.10.10, Mex8537.10.05 Assembled with outer housing or supports, for the goods of heading 84.21, 84.22, 84.50 or 85.16.

A change to subheading 8516.60 from subheading 8516.90, whether or not there is also a change from any of subheading 8516.80 or any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

8516.71

A change to subheading 8516.71 from subheading 8516.80 or any other heading; or

A change to subheading 8516.71 from subheading 8516.90, whether or not there is also a change from any of subheading 8516.80 or any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

8516.72

A change to subheading 8516.72 from any other subheading, except from Canadian tariff item 8516.90.62<sup>141</sup>, U.S. tariff item 8516.90.hh or Mexican tariff item 8516.90.03 or subheading 9032.10; or

A change to subheading 8516.72 from any of Canadian tariff item 8516.90.61 or 8516.90.62, U.S. tariff item 8516.90.hh or Mexican tariff item 8516.90.03 or subheading 9032.10, whether or not there is also a change from any other subheading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

8516.79

A change to subheading 8516.79 from subheading 8516.80 or from any other heading; or

A change to subheading 8516.79 from subheading 8516.90, whether or not there is also a change from any of subheading 8516.80 or any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

8516.80

A change to subheading 8516.80 from any other heading; or

A change to subheading 8516.80 from subheading 8516.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

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<sup>141</sup> 8516.90.hh      Can8516.90.62, Mex8516.90.03      Housings for toasters.

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- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

8516.90

- 8516.90.cc A change to Canadian tariff item 8516.90.42, U.S. tariff item 8516.90.cc or Mexican tariff item 8516.90.09 from any other tariff item.
- 8516.90.dd A change to Canadian tariff item 8516.90.41, U.S. tariff item 8516.90.dd or Mexican tariff item 8516.90.10 from any other tariff item.
- 8516.90.ee A change to Canadian tariff item 8516.90.51, U.S. tariff item 8516.90.ee or Mexican tariff item 8516.90.11 from any other tariff item.
- 8516.90.ff A change to Canadian tariff item 8516.90.52, U.S. tariff item 8516.90.ff or Mexican tariff item 8516.90.12 from any other tariff item.
- 8516.90.gg A change to Canadian tariff item 8516.90.53, U.S. tariff item 8516.90.gg or Mexican tariff item 8516.90.13 from any other tariff item.
- 8516.90 A change to subheading 8516.90 from any other heading.

- 8517.10<sup>142</sup> A change to subheading 8517.10 from any other subheading, except from Canadian tariff item 8517.90.21 or 8517.90.91, U.S. tariff item 8517.90.aa or 8517.90.ee or Mexican tariff item 8517.90.12 or 8517.90.15.
- 8517.20-8517.30 A change to subheading 8517.20 through 8517.30 from any other subheading, including another subheading within that group, provided that, with respect to printed circuit assemblies (PCAs) of Canadian tariff item 8473.30.21, 8473.30.22, 8517.90.22, 8517.90.23 or 8517.90.91, U.S. tariff item 8473.30.aa, 8517.90.bb or 8517.90.ee or Mexican tariff item 8473.30.03, 8517.90.13 or 8517.90.15:
- (a) except as provided in subparagraph (b), for each multiple of nine PCAs, or any portion thereof, that is contained in the good, only one PCA may be a non-originating PCA, and

<sup>142</sup> Heading 85.17 Nomenclature, including new tariff items

- 8517.10 Telephone sets.  
 8517.20 Teleprinters.  
 8517.30 Telephonic or telegraphic switching apparatus  
 8517.40.aa Can8517.40.10, Mex8517.40.02 Modems, of a kind used with data processing machines of heading 84.71.  
 8517.40.bb Can8517.40.91, 8517.40.03 Other apparatus for carrier-current line systems, telephonic.  
 8517.40.cc Can8517.40.92, 8517.40.04 Other apparatus for carrier-current line systems, telegraphic.  
 8517.81 Other apparatus, telephonic.  
 8517.81.aa Mex8517.81.05 Facsimile machines.  
 (Mexico has a current provision under subheading 8517.81 (8517.81.05) for facsimile machines.)  
 8517.82 Other apparatus, telegraphic.  
 8517.82.aa Can8517.82.10 Facsimile machines.  
 8517.90 Parts  
 Parts of facsimile machines:  
 8517.90.cc Can8517.90.11, Mex8517.90.10 Parts specified in Note 2 to Chapter 85.  
 8517.90.hh Can8517.90.19, Mex8517.90.11 Other parts.  
 Other parts, incorporating printed circuit assemblies:  
 8517.90.aa Can8517.90.21, Mex8517.90.12 Parts for telephone sets.  
 8517.90.bb Can8517.90.22, 8517.90.23, Mex8517.90.13 Parts for goods of subheadings 8517.20, 8517.30, 8517.81 and tariff item 8517.40.bb.  
 8517.90.dd Can8517.90.24, 8517.90.25, 8517.90.26, Mex8517.90.14 Other.  
 Other parts:  
 8517.90.ee Can8517.90.91, Mex8517.90.15 Printed circuit assemblies.  
 8517.90.fff Can8517.90.92, Mex8517.90.16 Other, including face plates and lock latches, for printed circuit assemblies.  
 8517.90.gg Can8517.90.93, 8517.90.94, 8517.90.95, 8517.17.90, Mex8517.90.99 Other.

- (b) if the good contains less than three PCAs, all of the PCAs must be originating PCAs.

8517.40

8517.40.bb

A change to Canadian tariff item 8517.40.91, U.S. tariff item 8517.40.bb or Mexican tariff item 8517.40.bb from any other subheading, provided that, with respect to printed circuit assemblies (PCAs) of Canadian tariff item 8473.30.21, 8473.30.22, 8517.90.23 or 8517.90.91, U.S. tariff item 8473.30.aa, 8517.90.bb or 8517.90.ee or Mexican tariff item 8473.30.03, 8517.90.13 or 8517.90.15:

- (a) except as provided in subparagraph ((b), for each multiple of nine PCAs, or any portion thereof, that is contained in the good, only one PCA may be a non-originating PCA, and
- (b) if the good contains less than three PCAs, all of the PCAs must be originating PCAs.

8517.40

A change to subheading 8517.40 from any other subheading.

8517.81

8517.81.aa

A change to Mexican tariff item 8517.81.05 from any other tariff item, except from Canadian tariff item 8517.90.11, U.S. tariff item 8517.90.cc or Mexican tariff item 8517.90.10.

8517.81

A change to subheading 8517.81 from any other subheading, provided that, with respect to printed circuit assemblies (PCAs) of Canadian tariff item 8473.30.21, 8473.30.22, 8517.90.23 or 8517.90.91, U.S. tariff item 8473.30.aa, 8517.90.bb or 8517.90.ee or Mexican tariff item 8473.30.03, 8517.90.13 or 8517.90.15:

- (a) except as provided in subparagraph ((b), for each multiple of nine PCAs, or any portion thereof, that is contained in the good, only one PCA may be a non-originating PCA, and
- (b) if the good contains less than three PCAs, all of the PCAs must be originating PCAs.

8517.82

8517.82.aa

A change to Canadian tariff item 8517.82.10 or U.S. tariff item 8517.82.aa from any other tariff item, except from Canadian tariff item 8517.90.11, U.S. tariff item 8517.90.cc or Mexican tariff item 8517.90.10.

8517.82

A change to subheading 8517.82 from any other subheading.

8517.90

8517.90.aa A change to Canadian tariff item 8517.90.21, U.S. tariff item 8517.90.aa or Mexican tariff item 8517.90.12 from any other tariff item, except from Canadian tariff item 8517.90.91, U.S. tariff item 8517.90.ee or Mexican tariff item 8517.90.15.

8517.90.bb A change to Canadian tariff item 8517.90.22, 8517.90.23, 8517.90.24 or 8517.90.27, U.S. tariff item 8517.90.bb or Mexican tariff item 8517.90.13 from any other tariff item, provided that, with respect to printed circuit assemblies (PCAs) of Canadian tariff item 8473.30.21, 8473.30.22, 8517.90.24, 8517.90.25, 8517.90.26 or 8517.90.91, U.S. tariff item 8473.30.aa, 8517.90.ee or Mexican tariff item 8473.30.03, 8517.90.14 or 8517.90.15:

- (a) except as provided in subparagraph (b), for each multiple of nine PCAs, or any portion thereof, that is contained in the good, only one PCA may be a non-originating PCA, and
- (b) if the good contains less than three PCAs, all of the PCAs must be originating PCAs.

8517.90.cc A change to Canadian tariff item 8517.90.11, U.S. tariff item 8517.90.cc or Mexican tariff item 8517.90.10 from any other tariff item.

8517.90.dd A change to Canadian tariff item 8517.90.24, 8517.90.25 or 8517.90.26,, U.S. tariff item 8517.90.dd or Mexican tariff item 8517.90.14 from any other tariff item.

8517.90.ee A change to Canadian tariff item 8517.90.91, U.S. tariff item 8517.90.ee or Mexican tariff item 8517.90.15 from any other tariff item.

8517.90.ff A change to Canadian tariff item 8517.90.92, U.S. tariff item 8517.90.ff or Mexican tariff item 8517.90.16 from any other heading.

8517.90.gg A change to Canadian tariff item 8517.90.93, 8517.90.94, 8517.90.95 or 8517.90.96, U.S. tariff item 8517.90.gg or Mexican tariff item 8517.90.99 from Canadian tariff item 8517.90.92, U.S. tariff item 8517.90.ff or Mexican tariff item 8517.90.16 or any other heading.

8517.90 A change to subheading 8517.90 from any other heading.

8518.10-8518.21 A change to subheading 8518.10 through 8518.21 from any other heading; or  
A change to subheading 8518.10 through 8518.21 from subheading 8518.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

8518.22

A change to subheading 8518.22 from any other heading; or

A change to subheading 8518.22 from any of subheading 8518.29 or 8518.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

8518.29

A change to subheading 8518.29 from any other heading; or

A change to subheading 8518.29 from subheading 8518.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

8518.30

8518.30.aa<sup>143</sup>

A change to Canadian tariff item 8518.30.10, U.S. tariff item 8518.30.10 or Mexican tariff item 8518.30.03 from any other tariff item.

8518.30

A change to subheading 8518.30 from any other heading; or

A change to subheading 8518.30 from subheading 8518.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

8518.40-8518.50

A change to subheading 8518.40 through 8518.50 from any other heading; or

A change to subheading 8518.40 through 8518.50 from subheading 8518.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

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<sup>143</sup> 8518.30.aa Can8518.30.10, Mex8518.30.03 Telephone handsets.

- 8518.90 A change to subheading 8518.90 from any other heading.
- 8519.10-8519.99<sup>144</sup> A change to subheading 8519.10 through 8519.99 from any other subheading, including another subheading within that group, except from Canadian tariff item 8522.90.32<sup>145</sup> or 8522.90.39, U.S. tariff item 8522.90.aa or Mexican tariff item 8522.90.14.
- 8520.10-8520.90 A change to subheading 8520.10 through 8520.90 from any other subheading, including another subheading within that group, except from Canadian tariff item 8522.90.31, 8522.90.32, 8522.90.33, 8522.90.34 or 8522.90.39, U.S. tariff item 8522.90.aa or Mexican tariff item 8522.90.14.
- 8521.10-8521.90 A change to subheading 8521.10 through 8521.90 from any other subheading, including another subheading within that group, except from Canadian tariff item 8522.90.31, 8522.90.32, 8522.90.35 or 8522.90.39, U.S. tariff item 8522.90.aa or Mexican tariff item 8522.90.14.
- 85.22 A change to heading 85.22 from any other heading.
- 85.23-85.24 A change to heading 85.23 through 85.24 from any other heading, including another heading within that group.
- 8525.10-8525.20 A change to subheading 8525.10 through 8525.20 from any other subheading, provided that, with respect to printed circuit assemblies (PCAs) of Canadian tariff item 8529.90.10<sup>146</sup>, U.S. tariff item 8529.90.aa or Mexican tariff item 8529.90.16:
- (a) except as provided in subparagraph ((b), for each multiple of nine PCAs, or any portion thereof, that is contained in the good, only one PCA may be a non-originating PCA, and
  - (b) if the good contains less than three PCAs, all of the PCAs must be originating PCAs.

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<sup>144</sup> If the good provided for in subheading 8519.91 is for use in a motor vehicle of Chapter 87, the provisions of Article 403 may apply.

<sup>145</sup> 8522.90.aa Can8522.90.31, 8522.90.32, 8522.90.33, 8522.90.34, 8522.90.35, 8522.90.39, Mex8522.90.14 Printed circuit assemblies for the apparatus provided for in headings 85.19, 85.20 and 85.21.

<sup>146</sup> 8529.90.aa Can8529.90.10, Mex8529.90.16 Printed circuit assemblies for goods classified under headings 85.25 through 85.28, other than printed circuit assemblies of tariff item 8529.90.cc or 8529.90.dd.



8525.30

8525.30.aa<sup>147</sup>

A change to Canadian tariff item 8525.30.11 or 8525.30.21, U.S. tariff item 8525.30.aa or Mexican tariff item 8525.30.03 from any other tariff item, except from Canadian tariff item 8525.30.12 or 8525.30.22<sup>148</sup>, U.S. tariff item 8525.30.bb or Mexican tariff item 8525.30.04.

8525.30

A change to subheading 8525.30 from any other subheading, except from Canadian tariff item 8529.90.10, U.S. tariff item 8529.90.aa or Mexican tariff item 8529.90.16.

8526.10

A change to subheading 8526.10 from any other subheading, except from subheading 8525.20, Canadian tariff item 8529.90.20<sup>149</sup>, U.S. tariff item 8529.90.bb or Mexican tariff item 8529.90.17 or from more than two of the following:

- subheading 8529.10,
- radar display unit<sup>150</sup>,
- Canadian tariff item 8529.90.10, U.S. tariff item 8529.90.aa or Mexican tariff item 8529.90.16.

8526.91-8526.92

A change to subheading 8526.91 through 8526.92 from any other heading, except from heading 85.29; or

A change to subheading 8526.91 through 8526.92 from heading 85.29, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

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<sup>147</sup> 8525.30.aa Can8525.30.11, 8525.30.21, Mex8525.30.03 Gyrostabilized television cameras.

<sup>148</sup> 8525.30.bb Can8525.30.12, 8525.30.22, Mex8525.30.04 Studio television cameras, excluding shoulder-carried and other portable cameras.

<sup>149</sup> 8529.90.bb Can8529.90.20, Mex8517.90.17 Transceiver assemblies for the apparatus of subheading 8526.10, not elsewhere specified.

<sup>150</sup> Tariff items to be developed.

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8527.11-8527.39<sup>151</sup>

A change to subheading 8527.11 through 8527.39 from any other subheading, including another subheading within that group, except from Canadian tariff item 8529.90.10, U.S. tariff item 8529.90.aa or Mexican tariff item 8529.90.16.

8527.90

A change to subheading 8527.90 from any other subheading, provided that, with respect to printed circuit assemblies (PCAs) of Canadian tariff item 8529.90.10, U.S. tariff item 8529.90.aa or Mexican tariff item 8529.90.16:

- (a) except as provided in subparagraph ((b), for each multiple of nine PCAs, or any portion thereof, that is contained in the good, only one PCA may be a non-originating PCA, and
- (b) if the good contains less than three PCAs, all of the PCAs must be originating PCAs.

8528.10

8528.10.aa<sup>152</sup>

A change to Canadian tariff item 8528.10.21 or 8528.10.30, U.S. tariff item 8528.10.aa or Mexican tariff item 8528.10.01 from any other heading, except from Canadian tariff item 8529.90.10, 8529.90.31<sup>153</sup> or 8529.90.32<sup>154</sup>, U.S. tariff item 8529.90.aa, 8529.90.cc or 8529.90.dd or Mexican tariff item 8529.90.16, 8529.90.18 or 8529.90.19.

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<sup>151</sup> If the good provided for in subheading 8527.21 or 8527.29 is for use in a motor vehicle of Chapter 87, the provisions of Article 403 may apply.

<sup>152</sup> 8528.10.aa Can8528.10.21, 8528.10.30, Mex8528.10.01 Non-high definition television receivers, having a single picture tube intended for direct viewing (non-projection type), with a video display diagonal not exceeding 14 inches (35.56 cm).

<sup>153</sup> 8529.90.dd Can8529.90.31, 8529.90.19 Combinations of parts of television receivers specified in Note 4 to Chapter 85.

<sup>154</sup> 8529.90.cc Can8529.90.32, Mex8529.90.18 Parts of television receivers specified in Note 4 to Chapter 85.

8528.10.bb<sup>155</sup> A change to Canadian tariff item 8528.10.22 or 8528.10.40, U.S. tariff item 8528.10.bb or Mexican tariff item 8528.10.02 from Canadian tariff item 8528.10.10<sup>156</sup>, U.S. tariff item 8528.10.gg or Mexican tariff item 8528.10.07 or any other heading, except from Canadian tariff item 8540.11.22<sup>157</sup>, U.S. tariff item 8540.11.aa or Mexican tariff item 8540.11.aa.

**Note:** *Commencing on January 1, 1999, the above rule of origin for tariff item 8528.10.bb shall be replaced by the following:*

8528.10.bb A change to Canadian tariff item 8528.10.22 or 8528.10.40, U.S. tariff item 8528.10.bb or Mexican tariff item 8528.10.02 from any other heading, except from Canadian tariff item 8540.11.22, U.S. tariff item 8540.11.aa or Mexican tariff item 8540.11.07.

8528.10.cc<sup>158</sup> A change to Canadian tariff item 8528.10.24 or 8528.10.60, U.S. tariff item 8528.10.cc or Mexican tariff item 8528.10.03 from Canadian tariff item 8528.10.10, U.S. tariff item 8528.10.gg or Mexican tariff item 8528.10.07 or any other heading, except from Canadian tariff item 8540.12.90<sup>159</sup>, U.S. tariff item 8540.12.aa or Mexican tariff item 8540.12.99.

8528.10.dd<sup>160</sup> A change to Canadian tariff item 8528.10.23 or 8528.10.50, U.S. tariff item 8528.10.dd or Mexican tariff item 8528.10.04 from Canadian tariff item 8528.10.10, U.S. tariff item 8528.10.gg or Mexican tariff item 8528.10.07 or any other heading, except from Canadian tariff item 8540.11.11 or

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- <sup>155</sup> 8528.10.bb Can8528.10.22, 8528.10.40 Non-high definition television receivers having a single picture tube intended for direct viewing (non-projection type), with a video display diagonal exceeding 14 inches (35.56 cm).
- <sup>156</sup> 8528.10.gg Can8528.10.10, Mex8528.10.07 Incomplete or unfinished television receivers (including assemblies consisting of all the parts specified in Note 4 to Chapter 85 plus a power supply), not incorporating a cathode-ray tube, flat panel screen or similar display.
- <sup>157</sup> 8540.11.aa Can8540.11.22 Non-high definition, for non-projection televisions, having a video display diagonal exceeding 14 inches (35.56 cm).
- 8540.11.bb Can8540.11.21 Non-high definition, for non-projection televisions, having a video display diagonal not exceeding 14 inches (35.56 cm).
- <sup>158</sup> 8528.10.cc Can8528.10.24, 8528.10.60, Mex8528.10.03 Non-high definition television receivers, projection type, with cathode ray-tube.
- <sup>159</sup> 8540.12.aa Can8540.12.90, Mex8540.12.99 Non-high definition, projection type.
- <sup>160</sup> 8528.10.dd Can8528.10.23, 8528.10.50, Mex8528.10.04 High definition television receivers, non-projection type, with cathode-ray tube.

8540.11.12<sup>161</sup>, U.S. tariff item 8540.11.cc or 8540.11.dd or Mexican tariff item 8540.11.cc or 8540.11.dd. In addition, no more than half the numbers of semiconductors of Canadian tariff item 8542.11.10<sup>162</sup>, U.S. tariff item 8542.11.aa or Mexican tariff item 8542.11.02, used in the television receiver component, may be non-originating; or

A change to Canadian tariff item 8528.10.23 or 8528.10.50, U.S. tariff item 8528.10.dd or Mexican tariff item 8528.10.04 from Canadian tariff item 8528.10.10, U.S. tariff item 8528.10.gg or Mexican tariff item 8528.10.07 or any other heading, except from Canadian tariff item 8540.11.11 or 8540.11.12, U.S. tariff item 8540.11.cc or 8540.11.dd or Mexican tariff item 8540.11.cc or dd. In addition, the regional value content must be not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

8528.10.ee<sup>163</sup>

A change to Canadian tariff item 8528.10.25 or 8528.10.70, U.S. tariff item 8528.10.ee or Mexican tariff item 8528.10.05 from Canadian tariff item 8528.10.10, U.S. tariff item 8528.10.gg or Mexican tariff item 8528.10.07 or any other heading, except from Canadian tariff item 8540.12.10<sup>164</sup>, U.S. tariff item 8540.12.bb or Mexican tariff item 8540.12.01. In addition, no more than half the number of semiconductors of Canadian tariff item 8542.11.10, U.S. tariff item 8542.11.aa or Mexican tariff item 8542.11.04, used in the television receiver component, may be non-originating; or

A change to Canadian tariff item 8528.10.25 or 8528.10.70, U.S. tariff item 8528.10.ee or Mexican tariff item 8528.10.05 from Canadian tariff item 8528.10.10, U.S. tariff item 8528.10.gg or Mexican tariff item 8528.10.07

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<sup>161</sup>	8540.11.cc	Can8540.11.12 High definition, having a video display diagonal exceeding 14 inches (35.56 cm).
	8540.11.dd	Can8540.11.11 High definition, having a video display diagonal not exceeding 14 inches (35.56 cm).
<sup>162</sup>	8542.11.aa	Can8542.11.10 Monolithic integrated circuits for high definition television, having greater than 100,000 gates.
<sup>163</sup>	8528.10.ee	Can8528.10.25, 8528.10.70, Mex8528.10.05 High definition television receivers, projection type, with cathode-ray tube.
<sup>164</sup>	8540.12.bb	Can8540.12.10, Mex8540.12.01 High definition, projection type..

or any other heading, except from Canadian tariff item 8540.12.10, U.S. tariff item 8540.12.bb or Mexican tariff item 8540.12.01. In addition, the regional value content must be not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

8528.10.ff <sup>165</sup>	A change to Canadian tariff item 8528.10.26 or 8528.10.80, U.S. tariff item 8528.10.ff or Mexican tariff item 8528.10.06 from Canadian tariff item 8528.10.10, U.S. tariff item 8528.10.gg or Mexican tariff item 8528.10.07 or any other heading, except from Canadian tariff item 8529.90.40 <sup>166</sup> , U.S. tariff item 8529.90.ee or Mexican tariff item 8529.90.20.
8528.10.gg	A change to Canadian tariff item 8528.10.10, U.S. tariff item 8528.10.gg or Mexican tariff item 8528.10.07 from any other heading.
8528.10	A change to subheading 8528.10 from any other heading.
8528.20	A change to subheading 8528.20 from any other heading, provided that, with respect to printed circuit assemblies (PCAs) of Canadian tariff item 8529.90.10, U.S. tariff item 8529.90.aa or Mexican tariff item 8529.90.16: <ul style="list-style-type: none"> <li>(a) except as provided in subparagraph ((b), for each multiple of nine PCAs, or any portion thereof, that is contained in the good, only one PCA may be a non-originating PCA, and</li> <li>(b) if the good contains less than three PCAs, all of the PCAs must be originating PCAs.</li> </ul>
8529.10	A change to subheading 8529.10 from any other heading.
8529.90	
8529.90.aa	A change to Canadian tariff item 8529.90.10, U.S. tariff item 8529.90.aa or Mexican tariff item 8529.90.16 from any other tariff item.
8529.90.bb	A change to Canadian tariff item 8529.90.20, U.S. tariff item 8529.90.bb or Mexican tariff item 8529.90.17 from any other tariff item.
8529.90.cc	A change to Canadian tariff item 8529.90.32, U.S. tariff item 8529.90.cc or Mexican tariff item 8529.90.18 from any other tariff item.

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<sup>165</sup> 8528.10.ff Can8528.10.26, 8528.10.80, Mex8528.10.06 Television receivers, with flat panel screen.

<sup>166</sup> 8529.90.ee Can8529.90.40 Flat panel screen assemblies for the goods of tariff item 8528.10.ff.

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8529.90.dd	A change to Canadian tariff item 8529.90.31, U.S. tariff item 8529.90.dd or Mexican tariff item 8529.90.19 from any other tariff item:
8529.90.ee	A change to Canadian tariff item 8529.90.40, U.S. tariff item 8529.90.ee or Mexican tariff item 8529.90.20 from any other tariff item.
8529.90.ff <sup>167</sup>	A change to Canadian tariff item 8529.90.50, U.S. tariff item 8529.90.ff or Mexican tariff item 8529.90.21 from any other tariff item.
8529.90.gg <sup>168</sup>	A change to Canadian tariff item 8529.90.60, U.S. tariff item 8529.90.gg or Mexican tariff item 8529.90.22 from any other heading; or  No required change in tariff classification to Canadian tariff item 8529.90.60, U.S. tariff item 8529.90.gg or Mexican tariff item 8529.90.22, provided there is a regional value content of not less than:  (a) 60 percent where the transaction value method is used, or (b) 50 percent where the net cost method is used.
8529.90	A change to subheading 8529.90 from any other heading.
8530.10-8530.80	A change to subheading 8530.10 through 8530.80 from any other heading; or  A change to subheading 8530.10 through 8530.80 from subheading 8530.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:  (a) 60 percent where the transaction value method is used, or (b) 50 percent where the net cost method is used.
8530.90	A change to subheading 8530.90 from any other heading.
8531.10	A change to subheading 8531.10 from any other subheading, except from Canadian tariff item 8531.90.11 or 8531.90.21 <sup>169</sup> , U.S. tariff item 8531.90.aa or Mexican tariff item 8531.90.03.

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<sup>167</sup> 8529.90.ff Can8529.90.50 Parts and accessories, including face plates and lock latches, of printed circuit assemblies of tariff item 8529.90.aa, not elsewhere specified.

<sup>168</sup> 8529.90.gg Can8529.90.60 Other parts for goods of headings 85.25 and 85.27 (except parts of cellular telephones).

<sup>169</sup> 8531.90.aa Can8531.90.11, 8531.90.21, Mex8531.90.03 Printed circuit assemblies.

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8531.20

A change to subheading 8531.20 from any other heading; or

A change to subheading 8531.20 from subheading 8531.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

8531.80

8531.80.aa<sup>170</sup>

A change to U.S. tariff item 8531.80.aa from any other subheading, provided that, with respect to printed circuit assemblies (PCAs) of Canadian tariff item 8531.90.11 or 8531.90.21, U.S. tariff item 8531.90.aa or Mexican tariff item 8531.90.03:

- (a) except as provided in subparagraph (b), for each multiple of nine PCAs, or any portion thereof, that is contained in the good, only one PCA may be a non-originating PCA, and
- (b) if the good contains less than three PCAs, all of the PCAs must be originating PCAs.

8531.80

A change to subheading 8531.80 from any other heading; or

A change to subheading 8531.80 from subheading 8531.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

8531.90

A change to subheading 8531.90 from any other heading.

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<sup>170</sup> 8531.80.aa Paging alert devices.

Canada and Mexico classify the articles in 8527.90 (Canadian tariff item 8527.90.90). U.S. classifies some in 8527.90.80.10 (which display information received by radio communications) and others in 8531.80.00.35 (which merely sound an alarm). The desire is to have the same treatment applicable to the goods wherever classified. Thus, the U.S. will have to make a breakout for these devices in subheading 8531.80.

- 8532.10 A change to subheading 8532.10 from any other heading; or
- A change to subheading 8532.10 from subheading 8532.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 60 percent where the transaction value method is used, or  
 (b) 50 percent where the net cost method is used.
- 8532.21-8532.30 A change to subheading 8532.21 through 8532.30 from any other subheading, including another subheading within that group.
- 8532.90 A change to subheading 8532.90 from any other heading.
- 8533.10-8533.39 A change to subheading 8533.10 through 8533.39 from any other subheading, including another subheading within that group.
- 8533.40 A change to subheading 8533.40 from any other subheading, except from Canadian tariff item 8533.90.11<sup>171</sup>, U.S. tariff item 8533.90.aa or Mexican tariff item 8533.90.02.
- 8533.90 A change to subheading 8533.90 from any other heading.
- 85.34 A change to heading 85.34 from any other heading.
- 85.35
- 8535.90.aa<sup>172</sup> A change to Canadian tariff item 8535.90.30, U.S. tariff item 8535.90.aa or Mexican tariff item 8535.90.08 or 8535.90.20 from any other tariff item, except from Canadian tariff item 8538.90.20<sup>173</sup>, U.S. tariff item 8538.90.aa or Mexican tariff item 8538.90.12; or
- A change to Canadian tariff item 8535.90.30, U.S. tariff item 8535.90.aa or Mexican tariff item 8535.90.08 or 8535.90.20 from Canadian tariff item 8538.90.20, U.S. tariff item 8538.90.aa or Mexican tariff item 8538.90.12, whether or not there is also a change from any other tariff item, provided there is a regional value content of not less than:

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<sup>171</sup> 8533.90.aa Can8533.90.11, Mex8533.90.02 For the goods of subheading 8533.40, of ceramic or metallic materials, electrically or mechanically reactive to changes in temperature.

<sup>172</sup> 8535.90.aa Can8535.90.30, Mex8535.90.08, 8535.90.20 Motor starters and motor overload protectors.

<sup>173</sup> 8538.90.aa Can8538.90.20, Mex8538.90.12 For the goods of tariff item 8535.90.aa, 8536.30.aa or 8536.50.aa (Mexican tariff item 8536.90.07 or 8536.90.27), of ceramic or metallic materials, electrically or mechanically reactive to changes in temperature.



- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

85.35

A change to heading 85.35 from any other heading, except from Canadian tariff item 8538.90.30<sup>174</sup> or 8538.90.40<sup>175</sup>, U.S. tariff item 8538.90.bb or 8538.90.cc or Mexican tariff item 8538.90.13 or 8538.90.14; or

A change to heading 85.35 from any of Canadian tariff items 8538.90.30 or 8538.90.40, U.S. tariff items 8538.90.bb or 8538.90.cc or Mexican tariff items 8538.90.13 or 8538.90.14, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

85.36<sup>176</sup>

8536.30.aa<sup>177</sup>

A change to Canadian tariff item 8536.30.12 or U.S. tariff item 8536.30.aa from any other tariff item, except from Canadian tariff item 8538.90.20, U.S. tariff item 8538.90.aa or Mexican tariff item 8538.90.12; or

A change to Canadian tariff item 8536.30.12 or U.S. tariff item 8536.30.aa from Canadian tariff item 8538.90.20, U.S. tariff item 8538.90.aa or Mexican tariff item 8538.90.12, whether or not there is also a change from any other tariff item, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

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<sup>174</sup> 8538.90.bb      Can8538.90.30, Mex8538.90.13    Printed circuit assemblies.

<sup>175</sup> 8538.90.cc      Can8538.90.40, Mex8538.90.14    Moulded parts.

<sup>176</sup> If the good provided for in subheading 8536.50 or 8536.90 is for use in a motor vehicle of Chapter 87, the provisions of Article 403 may apply.

<sup>177</sup> 8536.30.aa      Can8536.30.12    Motor overload protectors.

8536.50.aa<sup>178</sup>

A change to Canadian tariff item 8536.50.21 or 8536.50.29 or U.S. tariff item 8536.50.aa from any other tariff item, except from Canadian tariff item 8538.90.20, U.S. tariff item 8538.90.aa or Mexican tariff item 8538.90.12; or

A change to Canadian tariff item 8536.50.21 or 8536.50.29 or U.S. tariff item 8536.50.aa from Canadian tariff item 8538.90.20, U.S. tariff item 8538.90.aa or Mexican tariff item 8538.90.12, whether or not there is also a change from any other tariff item, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

8536.90.aa<sup>179</sup>

A change to Mexican tariff item 8536.90.07 or 8536.90.27 from any other tariff item, except from Canadian tariff item 8538.90.20, U.S. tariff item 8538.90.aa or Mexican tariff item 8538.90.12; or

A change to Mexican tariff item 8536.90.07 or 8536.90.27 from Canadian tariff item 8538.90.20, U.S. tariff item 8538.90.aa or Mexican tariff item 8538.90.12, whether or not there is also a change from any other tariff item, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

85.36

A change to heading 85.36 from any other heading, except from Canadian tariff item 8538.90.30 or 8538.90.40, U.S. tariff item 8538.90.bb or 8538.90.cc or Mexican tariff item 8538.90.13 or 8538.90.14; or

A change to heading 85.36 from any of Canadian tariff items 8538.90.30 or 8538.90.40, U.S. tariff items 8538.90.bb or 8538.90.cc or Mexican tariff items 8538.90.13 or 8538.90.14, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

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<sup>178</sup> 8536.50.aa Can8536.50.21, 8536.50.29 Motor starters.

Mexico believes that the motor starters are properly classified in subheading 8536.90. Mexican tariff has two provisions in subheading 8536.90 for motor starters.

<sup>179</sup> 8536.90.aa Mex8536.90.07, 8536.90.27 Motor starters and motor overload protectors.

- 85.37<sup>180</sup> A change to heading 85.37 from any other heading, except from Canadian tariff item 8538.90.30 or 8538.90.40, U.S. tariff item 8538.90.bb or 8538.90.cc or Mexican tariff item 8538.90.13 or 8538.90.14; or
- A change to heading 85.37 from any of Canadian tariff items 8538.90.30 or 8538.90.40, U.S. tariff items 8538.90.bb or 8538.90.cc or Mexican tariff items 8538.90.13 or 8538.90.14, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 60 percent where the transaction value method is used, or
  - (b) 50 percent where the net cost method is used.
- 85.38 A change to heading 85.38 from any other heading.
- 8539.10-8539.40<sup>181</sup> A change to subheading 8539.10 through 8539.40 from any other heading; or
- A change to subheading 8539.10 through 8539.40 from subheading 8539.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 60 percent where the transaction value method is used, or
  - (b) 50 percent where the net cost method is used.
- 8539.90 A change to subheading 8539.90 from any other heading.
- 8540.11
- 8540.11.aa<sup>182</sup> A change to Canadian tariff item 8540.11.22, U.S. tariff item 8540.11.aa or Mexican tariff item 8540.11.aa from any other subheading, except from more than one of the following:
- Canadian tariff item 8540.91.10<sup>183</sup>, U.S. tariff item 8540.91.11 or Mexican tariff item 8540.91.03,

<sup>180</sup> If the good provided for in subheading 8537.10 is for use in a motor vehicle of Chapter 87, the provisions of Article 403 may apply.

<sup>181</sup> If the good provided for in subheading 8539.10 or 8539.21 is for use in a motor vehicle of Chapter 87, the provisions of Article 403 may apply.

<sup>182</sup> 8540.11.aa Can8540.11.22 Non-high definition, for non-projection televisions, having a video display diagonal exceeding 14 inches (35.56 cm).  
(Previously mentioned with respect to tariff item 8528.10.bb)

<sup>183</sup> 8540.91.aa Can8540.91.10, Mex8540.91.03 Front panel assemblies.

- Canadian tariff item 7011.20.10<sup>184</sup>, U.S. tariff item 7011.20.11 or Mexican tariff item 7011.20.aa.
- 8540.11.bb<sup>185</sup> A change to Canadian tariff item 8540.11.21, U.S. tariff item 8540.11.bb or Mexican tariff item 8540.11.bb from any other subheading, except from more than one of the following:
- Canadian tariff item 8540.91.10, U.S. tariff item 8540.91.11 or Mexican tariff item 8540.91.03,
  - Canadian tariff item 7011.20.10, U.S. tariff item 7011.20.11 or Mexican tariff item 7011.20.aa.
- 8540.11.cc<sup>186</sup> A change to Canadian tariff item 8540.11.12, U.S. tariff item 8540.11.cc or Mexican tariff item 8540.11.cc from any other subheading, except from Canadian tariff item 8540.91.10, U.S. tariff item 8540.91.11 or Mexican tariff item 8540.91.03.
- 8540.11.dd<sup>187</sup> A change to Canadian tariff item 8540.11.11, U.S. tariff item 8540.11.dd or Mexican tariff item 8540.11.dd from any other subheading, except from Canadian tariff item 8540.91.10, U.S. tariff item 8540.91.11 or Mexican tariff item 8540.91.03.
- 8540.11 A change to subheading 8540.11 from any other heading; or
- A change to subheading 8540.11 from subheading 8540.91, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 60 percent where the transaction value method is used, or
  - (b) 50 percent where the net cost method is used.

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<sup>184</sup> 7011.20.aa Can7011.20.10 Cones.

<sup>185</sup> 8540.11.bb Can8540.11.21 Non-high definition, for non-projection televisions, having a video display diagonal not exceeding 14 inches (35.56 cm).  
(Previously mentioned with respect to tariff item 8528.10.bb)

<sup>186</sup> 8540.11.cc Can8540.11.12 High definition, having a video display diagonal exceeding 14 inches (35.56 cm).  
(Previously mentioned with respect to tariff item 8528.10.dd)

<sup>187</sup> 8540.11.dd Can8540.11.11 High definition, having a video display diagonal not exceeding 14 inches (35.56 cm).  
(Previously mentioned with respect to tariff item 8528.10.dd)

8540.12

8540.12.aa<sup>188</sup>

A change to Canadian tariff item 8540.12.90, U.S. tariff item 8540.12.aa or Mexican tariff item 8540.12.99 from any other subheading, except from more than one of the following:

- Canadian tariff item 8540.91.10, U.S. tariff item 8540.91.11 or Mexican tariff item 8540.91.03,
- Canadian tariff item 7011.20.10, U.S. tariff item 7011.20.11 or Mexican tariff item 7011.20.aa.

8540.12.a2<sup>189</sup>

A change to Canadian tariff item 8540.12.10, U.S. tariff item 8540.12.bb or Mexican tariff item 8540.12.01 from any other subheading, except from Canadian tariff item 8540.91.10, U.S. tariff item 8540.91.11 or Mexican tariff item 8540.91.03.

8540.12

A change to subheading 8540.12 from any other heading; or

A change to subheading 8540.12 from subheading 8540.91, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

8540.20

A change to subheading 8540.20 from any other heading; or

A change to subheading 8540.20 from any of subheading 8540.91 through 8540.99, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

8540.30

A change to subheading 8540.30 from any other subheading, except from Canadian tariff item 8540.91.10, U.S. tariff item 8540.91.11 or Mexican tariff item 8540.91.03.

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<sup>188</sup> 8540.12.aa Can8540.12.90, Mex8540.12.99 Non-high definition.  
(Previously mentioned with respect to tariff item 8528.10.cc)

<sup>189</sup> 8540.12.bb Can8540.12.10, Mex8540.12.01 High definition.  
(Previously mentioned with respect to tariff item 8528.10.ee)

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- 8540.41-8540.49 A change to subheading 8540.41 through 8540.49 from any other subheading outside of that group, except from Canadian tariff item 8540.99.10<sup>190</sup>, U.S. tariff item 8540.99.aa or Mexican tariff item 8540.99.05.
- 8540.81-8540.89 A change to subheading 8540.81 through 8540.89 from any other subheading, including another subheading within that group.
- 8540.91
- 8540.91.aa A change to Canadian tariff item 8540.91.10, U.S. tariff item 8540.91.11 or Mexican tariff item 8540.91.03 from any other tariff item.
- 8540.91 A change to subheading 8540.91 from any other heading.
- 8540.99
- 8540.99.aa A change to Canadian tariff item 8540.99.10, U.S. tariff item 8540.99.aa or Mexican tariff item 8540.99.05 from any other tariff item.
- 8540.99 A change to subheading 8540.99 from any other heading.
- 85.41-85.42 **Note:** *Notwithstanding Article 411 (Transshipment), goods qualifying under the rule below as originating goods may undergo further production outside the territory of the Parties and, when imported into the territory of a Party, will originate in the territory of a Party, provided that such further production did not result in a change to a subheading outside of heading 85.41 or 85.42.*
- A change to subheading 8541.10 through 8542.90 from any other subheading, including another subheading within that group.
- 8543.10-8543.30 A change to subheading 8543.10 through 8543.30 from any other heading; or
- A change to subheading 8543.10 through 8543.30 from subheading 8543.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

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<sup>190</sup> 8540.99.aa

Can8540.99.10, Mex8540.99.05 Electron guns; radio frequency (RF) interaction structures for microwave tubes of subheadings 8540.41 through 8540.49.

8543.80

8543.80.aa<sup>191</sup>

A change to Canadian tariff item 8543.80.60, U.S. tariff item 8543.80.aa or Mexican tariff item 8543.80.20 from any other subheading, except from subheading 8504.40 or Canadian tariff item 8543.90.11<sup>192</sup>, 8543.90.12, 8543.90.13 or 8543.90.14, U.S. tariff item 8543.90.aa or Mexican tariff item 8543.90.01; or

A change to Canadian tariff item 8543.80.60, U.S. tariff item 8543.80.aa or Mexican tariff item 8543.80.20 from any of subheading 8504.40 or Canadian tariff items 8543.90.11, 8543.90.12, 8543.90.13 or 8543.90.14, U.S. tariff item 8543.90.aa or Mexican tariff item 8543.90.01, whether or not there is also a change from any other subheading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

8543.80

A change to subheading 8543.80 from any other heading; or

A change to subheading 8543.80 from subheading 8543.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

8543.90

A change to subheading 8543.90 from any other heading.

8544.11-8544.60<sup>193</sup>

A change to subheading 8544.11 through 8544.60 from any other subheading, except from heading 74.08, 74.13, 76.05 or 76.14; or

A change to subheading 8544.11 through 8544.60 from any of heading 74.08, 74.13, 76.05 or 76.14, whether or not there is also a change from any other subheading, provided there is also a regional value content of not less than:

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<sup>191</sup> 8543.80.aa Can8543.80.60, Mex8543.80.20 Microwave amplifiers.

<sup>192</sup> 8543.90.aa Can8543.90.11, 8543.90.12, 8543.90.13, 8543.90.14, Mex8543.90.01 Printed circuit assemblies.

<sup>193</sup> If the good provided for in subheading 8544.30 is for use in a motor vehicle of Chapter 87, the provisions of Article 403 may apply.

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

8544.70

A change to subheading 8544.70 from any other subheading, except from heading 90.01 or 70.02; or

A change to subheading 8544.70 from any of heading 90.01 or 70.02, whether or not there is also a change from any other subheading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

85.45-85.48

A change to heading 85.45 through 85.48 from any other heading, including another heading within that group.

**Section XVII - Vehicles, Aircraft, Vessels and Associated Transport Equipment (Chapters 86-89)**

**Chapter 86**

**Railway or Tramway Locomotives, Rolling-Stock and Parts Thereof; Railway or Tramway Track Fixtures and Fittings and Parts Thereof; Mechanical (Including Electro-Mechanical) Traffic Signalling Equipment of all Kinds**

86.01-86.06

A change to heading 86.01 through 86.06 from any other heading, including another heading within that group, except from heading 86.07; or

A change to heading 86.01 through 86.06 from heading 86.07, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

8607.11-8607.12

A change to subheading 8607.11 through 8607.12 from any other heading.

8607.19

8607.19.aa<sup>194</sup>

A change to Canadian tariff item 8607.19.11, U.S. tariff item 8607.19.12 or Mexican tariff item 8607.19.02 or 8607.19.06 from any other heading; or

A change to Canadian tariff item 8607.19.11, U.S. tariff item 8607.19.12 or Mexican tariff item 8607.19.02 or 8607.19.06 from Canadian tariff item

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<sup>194</sup> 8607.19.aa Can8607.19.11, U.S. 8607.19.12, Mex 8607.19.02, 8607.19.06 Axles.



8607.19.13<sup>195</sup>, U.S. tariff item 8607.19.16 or Mexican tariff item 8607.19.07, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

8607.19.cc<sup>196</sup>

A change to Canadian tariff item 8607.19.12, U.S. tariff item 8607.19.22 or Mexican tariff item 8607.19.03 from any other heading; or

A change to Canadian tariff item 8607.19.12, U.S. tariff item 8607.19.22 or Mexican tariff item 8607.19.03 from Canadian tariff item 8607.19.13<sup>197</sup>, U.S. tariff item 8607.19.26 or Mexican tariff item 8607.19.07, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

8607.19

A change to subheading 8607.19 from any other heading.

8607.21-8607.99

A change to subheading 8607.21 through 8607.99 from any other heading.

86.08-86.09

A change to heading 86.08 through 86.09 from any other heading, including another heading within that group.

Chapter 87

**Vehicles Other Than Railway or Tramway Rolling-Stock, and Parts and Accessories Thereof**

87.01<sup>198</sup>

A change to heading 87.01 from any other heading, provided there is a regional value content of not less than 50 percent under the net cost method.

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<sup>195</sup> 8607.19.bb Can 8607.19.13, U.S. 8607.19.16, Mex 8607.19.99 Parts of axles.

<sup>196</sup> 8607.19.cc Can 8607.19.12, U.S. 8607.19.22, Mex 8607.19.03 Wheels, whether or not fitted with axles.

<sup>197</sup> 8607.19.dd Can 8607.19.13, U.S. 8607.19.26, Mex 8607.19.99 Parts of wheels.

<sup>198</sup> The provisions of Article 403 apply.

87.02<sup>199</sup>

- 8702.10.aa<sup>200</sup> A change to Canadian tariff item 8702.10.10, U.S. tariff item 8702.10.aa or Mexican tariff item 8702.10.03 from any other heading, provided there is a regional value content of not less than 50 percent under the net cost method.
- 8702.10.bb<sup>201</sup> A change to Canadian tariff item 8702.10.90, U.S. tariff item 8702.10.bb or Mexican tariff item 8702.10.01 or 8702.10.02 from any other heading, provided there is a regional value content of not less than 50 percent under the net cost method.
- 8702.90.aa<sup>202</sup> A change to Canadian tariff item 8702.90.10, U.S. tariff item 8702.90.aa or Mexican tariff item 8702.90.04 from any other heading, provided there is a regional value content of not less than 50 percent under the net cost method.
- 8702.90.a2<sup>203</sup> A change to Canadian tariff item 8702.90.90, U.S. tariff item 8702.90.bb or Mexican tariff item 8702.90.01, 8702.90.02 or 8702.90.03 from any other heading, provided there is a regional value content of not less than 50 percent under the net cost method.
- 8703.10 A change to subheading 8703.10 from any other heading, provided there is a regional value content of not less than:
- (a) 60 percent where the transaction value method is used, or
  - (b) 50 percent where the net cost method is used.
- 8703.21-8703.90<sup>204</sup> A change to subheading 8703.21 through 8703.90 from any other heading, provided there is a regional value content of not less than 50 percent under the net cost method.

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<sup>199</sup> The provisions of Article 403 apply.

<sup>200</sup> 8702.10.aa Can8702.10.10, Mex8702.10.03 Designed for the transport of 16 or more persons, including the driver.

<sup>201</sup> 8702.10.bb Can8702.10.90, Mex8702.10.01, 8702.10.02 Other.

<sup>202</sup> 8702.90.aa Can8702.90.10, Mex8702.90.04 Designed for the transport of 16 or more persons, including the driver.

<sup>203</sup> 8702.90.bb Can8702.90.90, Mex8702.90.01, 8702.90.02, 8702.90.03 Other.

<sup>204</sup> The provisions of Article 403 apply.

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- 8704.10<sup>205</sup> A change to subheading 8704.10 from any other heading, provided there is a regional value content of not less than 50 percent under the net cost method.
- 8704.21<sup>206</sup> A change to subheading 8704.21 from any other heading, provided there is a regional value content of not less than 50 percent under the net cost method.
- 8704.22-8407.23<sup>207</sup> A change to subheading 8704.22 through 8704.23 from any other heading, provided there is a regional value content of not less than 50 percent under the net cost method.
- 8704.31<sup>208</sup> A change to subheading 8704.31 from any other heading, provided there is a regional value content of not less than 50 percent under the net cost method.
- 8704.32-8704.90<sup>209</sup> A change to subheading 8704.32 through 8704.90 from any other heading, provided there is a regional value content of not less than 50 percent under the net cost method.
- 87.05<sup>210</sup> A change to heading 87.05 from any other heading, provided there is a regional value content of not less than 50 percent under the net cost method.
- 87.06<sup>211</sup>
- 8706.00.aa<sup>212</sup> A change to Canadian tariff item 8706.00.20, U.S. tariff item 8706.00.aa or Mexican tariff item 8706.00.02 from any other chapter, provided there is a regional value content of not less than 50 percent under the net cost method.

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<sup>205</sup> The provisions of Article 403 apply.

<sup>206</sup> The provisions of Article 403 apply.

<sup>207</sup> The provisions of Article 403 apply.

<sup>208</sup> The provisions of Article 403 apply.

<sup>209</sup> The provisions of Article 403 apply.

<sup>210</sup> The provisions of Article 403 apply.

<sup>211</sup> The provisions of Article 403 apply.

<sup>212</sup> 8706.00.aa Can8706.00.20, Mex8706.00.02 Chassis of vehicles of heading 87.03 and subheadings 8704.21 and 8407.31.

- 8706.00.a<sup>213</sup> A change to Canadian tariff item 8706.00.10 or 8706.00.90, U.S. tariff item 8706.00.bb or Mexican tariff item 8706.00.99 from any other chapter, provided there is a regional value content of not less than 50 percent under the net cost method.
- 87.07<sup>214</sup> A change to heading 87.07 from any other chapter; or  
A change to heading 87.07 from heading 87.08, whether or not there is also a change from any other chapter, provided there is a regional value content of not less than 50 percent under the net cost method.
- 8708.10<sup>215</sup> A change to subheading 8708.10 from any other heading; or  
A change to subheading 8708.10 from subheading 8708.99, whether or not there is also a change from any other heading, provided there is a regional value content of not less than 50 percent under the net cost method.
- 8708.21<sup>216</sup> A change to subheading 8708.21 from any other heading; or  
A change to subheading 8708.21 from subheading 8708.99, whether or not there is also a change from any other heading, provided there is a regional value content of not less than 50 percent under the net cost method.
- 8708.29<sup>217</sup> A change to subheading 8708.29 from any other heading; or  
No required change in tariff classification to subheading 8708.29, provided there is a regional value content of not less than 50 percent under the net cost method.
- 8708.31 A change to subheading 8708.31 from any other heading; or  
A change to subheading 8708.31 from any of subheading 8708.39 or 8708.99, whether or not there is also a change from any other heading, provided there is a regional value content of not less than 50 percent under the net cost method.

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<sup>213</sup> 8706.00.bb Can8706.00.10, 8706.00.90, Mex8706.00.99 Chassis for other vehicles.

<sup>214</sup> The provisions of Article 403 apply.

<sup>215</sup> The provisions of Article 403 apply.

<sup>216</sup> The provisions of Article 403 apply.

<sup>217</sup> The provisions of Article 403 apply.

8708.39<sup>218</sup>

A change to subheading 8708.39 from any other heading; or

A change to subheading 8708.39 from any of subheading 8708.31 or 8708.99, whether or not there is also a change from any other heading, provided there is a regional value content of not less than 50 percent under the net cost method.

8708.40<sup>219</sup>

A change to subheading 8708.40 from any other heading; or

A change to subheading 8708.40 from subheading 8708.99, whether or not there is also a change from any other heading, provided there is a regional value content of not less than 50 percent under the net cost method.

8708.50<sup>220</sup>

8708.50.aa<sup>221</sup>

A change to Canadian tariff item 8708.50.20, U.S. tariff item 8708.50.50 or Mexican tariff item 8708.50.06 from any other heading, except from subheading 8482.10 through 8482.80; or

A change to Canadian tariff item 8708.50.20, U.S. tariff item 8708.50.50 or Mexican tariff item 8708.50.06 from any of subheading 8482.10 through 8482.80 or 8708.99, whether or not there is also a change from any other heading, provided there is a regional value content of not less than 50 percent under the net cost method.

8708.50

A change to subheading 8708.50 from any other heading; or

A change to subheading 8708.50 from subheading 8708.99, whether or not there is also a change from any other heading, provided there is a regional value content of not less than 50 percent under the net cost method.

8708.60<sup>222</sup>

8708.60.aa<sup>223</sup>

A change to Canadian tariff item 8708.60.20, U.S. tariff item 8708.60.aa or Mexican tariff item 8708.60.07 from any other heading, except from

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<sup>218</sup> The provisions of Article 403 apply.

<sup>219</sup> The provisions of Article 403 apply.

<sup>220</sup> The provisions of Article 403 apply.

<sup>221</sup> 8708.50.aa Can8708.50.20, Mex8708.50.06 For vehicles of heading 87.03.

<sup>222</sup> The provisions of Article 403 apply.

<sup>223</sup> 8708.60.aa Can8708.60.20, Mex8708.60.07 For vehicles of heading 87.03.

subheading 8482.10 through 8482.80; or

A change to Canadian tariff item 8708.60.20, U.S. tariff item 8708.60.aa or Mexican tariff item 8708.60.07 from any of subheading 8482.10 through 8482.80 or 8708.99, whether or not there is also a change from any other heading, provided there is a regional value content of not less than 50 percent under the net cost method.

8708.60

A change to subheading 8708.60 from any other heading; or

A change to subheading 8708.60 from subheading 8708.99, whether or not there is also a change from any other heading, provided there is a regional value content of not less than 50 percent under the net cost method.

8708.70<sup>224</sup>

A change to subheading 8708.70 from any other heading; or

A change to subheading 8708.70 from subheading 8708.99, whether or not there is also a change from any other heading, provided there is a regional value content of not less than 50 percent under the net cost method.

8708.80<sup>225</sup>

8708.80.aa<sup>226</sup>

A change to Canadian tariff item 8708.80.10, U.S. tariff item 8708.80.aa or Mexican tariff item 8708.80.04 from any other subheading, provided there is a regional value content of not less than 50 percent under the net cost method.

8708.80

A change to subheading 8708.80 from any other heading; or

A change to subheading 8708.80 from subheading 8708.99, whether or not there is also a change from any other heading, provided there is a regional value content of not less than 50 percent of the net cost method.

8708.91<sup>227</sup>

A change to subheading 8708.91 from any other heading; or

A change to subheading 8708.91 from subheading 8708.99, whether or not there is also a change from any other heading, provided there is a regional value content of not less than 50 percent of the net cost method.

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<sup>224</sup> The provisions of Article 403 apply.

<sup>225</sup> The provisions of Article 403 apply.

<sup>226</sup> 8708.80.aa      Can8708.80.10, Mex8708.80.04      McPherson Struts.

<sup>227</sup> The provisions of Article 403 apply.

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8708.92<sup>228</sup>

A change to subheading 8708.92 from any other heading; or

A change to subheading 8708.92 from subheading 8708.99, whether or not there is also a change from any other heading, provided there is a regional value content of not less than 50 percent under the net cost method.

8708.93<sup>229</sup>

A change to subheading 8708.93 from any other heading; or

A change to subheading 8708.93 from subheading 8708.99, whether or not there is also a change from any other heading, provided there is a regional value content of not less than 50 percent under the net cost method.

8708.94<sup>230</sup>

A change to subheading 8708.94 from any other heading; or

A change to subheading 8708.94 from subheading 8708.99, whether or not there is also a change from any other heading, provided there is a regional value content of not less than 50 percent under the net cost method.

8708.99<sup>231</sup>

8708.99.aa<sup>232</sup>

A change to Canadian tariff item 8708.99.92, U.S. tariff item 8708.99.40 or Mexican tariff item 8708.99.42 from any other subheading, provided there is a regional value content of not less than 50 percent under the net cost method.

8708.99.bb<sup>233</sup>

A change to Canadian tariff item 8708.99.93, U.S. tariff item 8708.99.bb or Mexican tariff item 8708.99.43 from any other heading, except from subheading 8482.10 through 8482.80 or Canadian tariff item 8482.99.11<sup>234</sup> or 8482.99.91, U.S. tariff item 8482.99.aa or Mexican tariff item 8482.99.03; or

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<sup>228</sup> The provisions of Article 403 apply.

<sup>229</sup> The provisions of Article 403 apply.

<sup>230</sup> The provisions of Article 403 apply.

<sup>231</sup> The provisions of Article 403 apply.

<sup>232</sup> 8708.99.a1      Can8708.99.92, Mex8708.99.42      Vibration control goods containing rubber.

<sup>233</sup> 8708.99.bb      Can8708.99.93, 8708.99.43      Double flanged wheel hub units incorporating ball bearings.

<sup>234</sup> 8482.99.aa      Can8482.99.11, 8482.99.91      Inner or outer rings or races.

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A change to Canadian tariff item 8708.99.93, U.S. tariff item 8708.99.bb or Mexican tariff item 8708.99.43 from any of subheading 8482.10 through 8482.80 or Canadian tariff item 8482.99.11 or 8482.99.91, U.S. tariff item 8482.99.aa or Mexican tariff item 8482.99.03, whether or not there is also a change from any other heading, provided there is a regional value content of not less than 50 percent under the net cost method.

- 8708.99                   A change to subheading 8708.99 from any other heading; or
- No required change in tariff classification to subheading 8708.99, provided there is a regional value content of not less than 50 percent under the net cost method.
- 8709.11-8709.19       A change to subheading 8709.11 through 8709.19 from any other heading; or
- A change to subheading 8709.11 through 8709.19 from subheading 8709.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a)     60 percent where the transaction value method is used, or
  - (b)     50 percent where the net cost method is used.
- 8709.90                A change to subheading 8709.90 from any other heading.
- 87.10                   A change to heading 87.10 from any other heading.
- 87.11                   A change to heading 87.11 from any other heading, except from heading 87.14; or
- A change to heading 87.11 from heading 87.14, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a)     60 percent where the transaction value method is used, or
  - (b)     50 percent where the net cost method is used.
- 87.12                   A change to heading 87.12 from any other heading, except from heading 87.14; or
- A change to heading 87.12 from heading 87.14, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a)     60 percent where the transaction value method is used, or
  - (b)     50 percent where the net cost method is used.
- 87.13                   A change to heading 87.13 from any other heading, except from heading 87.14; or



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A change to heading 87.13 from heading 87.14, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

87.14

A change to heading 87.14 from any other heading.

87.15

A change to heading 87.15 from any other heading.

8716.10-8716.80

A change to subheading 8716.10 through 8716.80 from any other heading; or

A change to subheading 8716.10 through 8716.80 from subheading 8716.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

8716.90

A change to subheading 8716.90 from any other heading.

Chapter 88

**Aircraft, Spacecraft, and Parts Thereof**

8801.10-8803.90

A change to subheading 8801.10 through 8803.90 from any other subheading, including another subheading within that group.

88.04-88.05

A change to heading 88.04 through 88.05 from any other heading, including another heading within that group.

Chapter 89

**Ships, Boats and Floating Structures**

89.01-89.02

A change to heading 89.01 through 89.02 from any other chapter; or

A change to heading 89.01 through 89.02 from any other heading within Chapter 89, including another heading within that group, whether or not there is also a change from any other chapter, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

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89.03

A change to heading 89.03 from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

89.04-89.05

A change to heading 89.04 through 89.05 from any other chapter; or

A change to heading 89.04 through 89.05 from any other heading within Chapter 89, including another heading within that group, whether or not there is also a change from any other chapter, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

89.06-89.08

A change to heading 89.06 through 89.08 from any other heading, including another heading within that group.

## Section XVIII-

### **Optical, Photographic, Cinematographic, Measuring, Checking, Precision, Medical or Surgical Instruments and Apparatus; Clocks and Watches; Musical Instruments; Parts and Accessories Thereof (Chapters 90-92)**

#### Chapter 90

**Optical, Photographic, Cinematographic, Measuring, Checking, Precision, Medical or Surgical Instruments and Apparatus; Parts and Accessories Thereof**

**Note 1:** *For purposes of this Chapter, the term, "printed circuit assembly", means a good consisting of one or more printed circuits of heading 85.34 with one or more active elements assembled thereon, with or without passive elements. For purposes of this Note, "active elements" means diodes, transistors and similar semiconductor devices, whether or not photosensitive, of heading 85.41, and integrated circuits and microassemblies of heading 85.42.*

**Note 2:** *The origin of the goods of Chapter 90 shall be determined without regard to the origin of any automatic data processing machines or units thereof of heading 84.71, or parts and accessories thereof of heading 84.73, which may be included therewith.*

**Note 3:** *Canadian tariff item 9009.90.10, U.S. tariff item 9009.90.aa or Mexican tariff item 9009.90.02 covers the following parts for photo-copying apparatus of subheading 9009.12:*

- (a) *imaging assemblies, incorporating at least two of the following: photoreceptor belt or cylinder; toner receptacle unit; toner distribution unit; developer receptacle unit; developer distribution unit; charge/discharge unit; cleaning unit;*
- (b) *optics assemblies, incorporating at least two of the following: lens; mirror; illumination source; document exposure glass;*
- (c) *user control assemblies, incorporating at least two of the following: printed circuit assembly; power supply; user input keyboard; wiring harness; display unit (cathode ray type or flat panel);*
- (d) *image fixing assemblies, incorporating at least two of the following: fuser; pressure roller; heating element; release oil dispenser; cleaning unit; electrical control;*
- (e) *paper handling assemblies, incorporating at least two of the following: paper transport belt; roller; print bar; carriage; gripper roller; paper storage unit; exit tray; or*
- (e) *combinations of the above specified assemblies.*

9001.10 A change to subheading 9001.10 from any other chapter, except from heading 70.02; or

A change to subheading 9001.10 from heading 70.02, whether or not there is also a change from any other chapter, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

9001.20-9001.90 A change to subheading 9001.20 through 9001.90 from any other heading.

90.02 A change to heading 90.02 from any other heading.

9003.11-9003.19 A change to subheading 9003.11 through 9003.19 from any other heading; or

A change to subheading 9003.11 through 9003.19 from subheading 9003.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

9003.90

A change to subheading 9003.90 from any other heading.

90.04

A change to heading 90.04 from any other chapter; or

A change to heading 90.04 from any other heading within Chapter 90, whether or not there is also a change from any other chapter, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

9005.10-9005.80

A change to subheading 9005.10 through 9005.80 from any other subheading, except from heading 90.01 through 90.02.

9005.90

A change to subheading 9005.90 from any other heading.

9006.10-9006.69

A change to subheading 9006.10 through 9006.69 from any other heading; or

A change to subheading 9006.10 through 9006.69 from any of subheading 9006.91 or 9006.99, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

9006.91-9006.99

A change to subheading 9006.91 through 9006.99 from any other heading.

9007.11

A change to subheading 9007.11 from any other heading; or

A change to subheading 9007.11 from subheading 9007.91, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

9007.19

9007.19.aa<sup>235</sup>

A change to Canadian tariff item 9007.19.10, U.S. tariff item 9007.19.aa or Mexican tariff item 9007.19.01 from any other tariff item.

9007.19

A change to subheading 9007.19 from any other heading; or

A change to subheading 9007.19 from subheading 9007.91, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

9007.21-9007.29

A change to subheading 9007.21 through 9007.29 from any other heading; or

A change to subheading 9007.21 through 9007.29 from subheading 9007.92, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

9007.91

A change to subheading 9007.91 from any other heading.

9007.92

A change to subheading 9007.92 from any other heading; or

No required change in tariff classification to subheading 9007.92, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

9008.10-9008.40

A change to subheading 9008.10 through 9008.40 from any other heading; or

A change to subheading 9008.10 through 9008.40 from subheading 9008.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

9008.90

A change to subheading 9008.90 from any other heading.

9009.11

A change to subheading 9009.11 from any other subheading.

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<sup>235</sup> 9007.19.aa Can9007.19.10, Mex9007.19.01 Gyrostabilized.

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- 9009.12 A change to subheading 9009.12 from any other tariff item, except from Canadian tariff item 9009.90.10<sup>236</sup>, U.S. tariff item 9009.90.aa or Mexican tariff item 9009.90.02.
- 9009.21-9009.30 A change to subheading 9009.21 through 9009.30 from any other subheading, including another subheading within that group.
- 9009.90
- 9009.90.aa A change to Canadian tariff item 9009.90.10, U.S. tariff item 9009.90.aa or Mexican tariff item 9009.90.02 from Canadian tariff item 9009.90.90<sup>237</sup>, U.S. tariff item 9009.90.bb or Mexican tariff item 9009.90.99 or from any other heading, provided that at least one of the components of such assembly named in Note 3 to Chapter 90 is originating.
- 9009.90 A change to subheading 9009.90 from any other heading.
- 9010.10-9010.30 A change to subheading 9010.10 through 9010.30 from any other heading; or
- A change to subheading 9010.10 through 9010.30 from subheading 9010.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 60 percent where the transaction value method is used, or  
(b) 50 percent where the net cost method is used.
- 9010.90 A change to subheading 9010.90 from any other heading.
- 9011.10-9011.80 A change to subheading 9011.10 through 9011.80 from any other heading; or
- A change to subheading 9011.10 through 9011.80 from subheading 9011.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 60 percent where the transaction value method is used, or  
(b) 50 percent where the net cost method is used.
- 9011.90 A change to subheading 9011.90 from any other heading.
- 9012.10 A change to subheading 9012.10 from any other heading; or

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<sup>236</sup> 9009.90.aa Can9009.90.10, Mex9009.90.02 Parts of photo-copying apparatus of subheading 9009.12 specified in Note 3 to Chapter 90.

<sup>237</sup> 9009.90.bb Can9009.90.90, 9009.90.99 Other.

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A change to subheading 9012.10 from subheading 9012.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

9012.90

A change to subheading 9012.90 from any other heading.

9013.10-9013.80

A change to subheading 9013.10 through 9013.80 from any other heading; or

A change to subheading 9013.10 through 9013.80 from subheading 9013.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

9013.90

A change to subheading 9013.90 from any other heading.

9014.10-9014.80

A change to subheading 9014.10 through 9014.80 from any other heading; or

A change to subheading 9014.10 through 9014.80 from subheading 9014.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

9014.90

A change to subheading 9014.90 from any other heading.

9015.10-9015.80

A change to subheading 9015.10 through 9015.80 from any other heading; or

A change to subheading 9015.10 through 9015.80 from subheading 9015.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

9015.90

A change to subheading 9015.90 from any other heading; or

No required change in tariff classification to subheading 9015.90, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

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- 90.16 A change to heading 90.16 from any other heading.
- 9017.10-9017.80 A change to subheading 9017.10 through 9017.80 from any other heading; or  
A change to subheading 9017.10 through 9017.80 from subheading 9017.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:  
(a) 60 percent where the transaction value method is used, or  
(b) 50 percent where the net cost method is used.
- 9017.90 A change to subheading 9017.90 from any other heading.
- 9018.11
- 9018.11.aa<sup>238</sup> A change to Canadian tariff item 9018.11.10, U.S. tariff item 9018.11.aa or Mexican tariff item 9018.11.01 from any other tariff item, except from Canadian tariff item 9018.11.91<sup>239</sup>, U.S tariff item 9018.11 bb or Mexican tariff item 9018.11.02.
- 9018.11 A change to subheading 9018.11 from any other heading.
- 9018.19
- 9018.19.aa<sup>240</sup> A change to Canadian tariff item 9018.19.10, U.S. tariff item 9018.19.aa or Mexican tariff item 9018.19.16 from any other tariff item, except from Canadian tariff item 9018.19.91<sup>241</sup>, U.S tariff item 9018.19.bb or Mexican tariff item 9018.19.17.
- 9018.19 A change to subheading 9018.19 from any other heading.
- 9018.20-9018.50 A change to subheading 9018.20 through 9018.50 from any other heading.
- 9018.90
- 9018.90.aa<sup>242</sup> A change to Canadian tariff item 9018.90.10, U.S. tariff item 9018.90.aa or

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<sup>238</sup> 9018.11.aa Can9018.11.10, 9018.11.01 Electrocardiographs.

<sup>239</sup> 9018.11.bb Can9018.11.91, Mex9018.11.02 Printed circuit assemblies.

<sup>240</sup> 9018.19.aa Can9018.19.10, Mex9018.19.16 Patient monitoring systems.

<sup>241</sup> 9018.19.bb Can9018.19.91, Mex9018.19.17 Printed circuit assemblies for parameter acquisition modules.

<sup>242</sup> 9018.90.aa Can9018.90.10, Mex9018.90.25 Defibrillators.



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Mexican tariff item 9018.90.25 from any other tariff item, except from Canadian tariff item 9018.90.91<sup>243</sup>, U.S. tariff item 9018.90.bb or Mexican tariff item 9018.90.26.

9018.90	A change to subheading 9018.90 from any other heading.
90.19-90.21	A change to heading 90.19 through 90.21 from any other heading outside that group.
9022.11	A change to subheading 9022.11 from any other subheading, except from Canadian tariff item 9022.90.10 <sup>244</sup> , U.S. tariff item 9022.90.aa or Mexican tariff item 9022.90.04.
9022.19	A change to subheading 9022.19 from any other subheading, except from subheading 9022.30 or Canadian tariff item 9022.90.10, U.S. tariff item 9022.90.aa or Mexican tariff item 9022.90.04.
9022.21	A change to subheading 9022.21 from any other subheading, except from Canadian tariff item 9022.90.20 <sup>245</sup> , U.S. tariff item 9022.90.bb or Mexican tariff item 9022.90.05.
9022.29-9022.30	A change to subheading 9022.29 through 9022.30 from any other heading; or A change to subheading 9022.29 through 9022.30 from subheading 9022.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than: (a) 60 percent where the transaction value method is used, or (b) 50 percent where the net cost method is used.
9022.90	
9022.90.aa	A change to Canadian tariff item 9022.90.10, U.S. tariff item 9022.90.aa or Mexican tariff item 9022.90.04 from any other tariff item.
9022.90	A change to subheading 9022.90 from any other heading; or No required change in tariff classification to subheading 9022.90, provided there is a regional value content of not less than:

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<sup>243</sup> 9018.90.bb	Can9018.90.91, Mex9018.90.26	Printed circuit assemblies for the goods of tariff item 9018.90.aa.
<sup>244</sup> 9022.90.aa	Can9022.90.10, Mex9022.90.04	Radiation generator units.
<sup>245</sup> 9022.90.bb	Can9022.90.20, Mex9022.90.05	Radiation beam delivery units.

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

90.23

A change to heading 90.23 from any other heading.

9024.10-9024.80

A change to subheading 9024.10 through 9024.80 from any other heading; or

A change to subheading 9024.10 through 9024.80 from subheading 9024.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

9024.90

A change to subheading 9024.90 from any other heading.

9025.11-9025.80

A change to subheading 9025.11 through 9025.80 from any other heading; or

A change to subheading 9025.11 through 9025.80 from subheading 9025.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

9025.90

A change to subheading 9025.90 from any other heading.

9026.10-9026.80

A change to subheading 9026.10 through 9026.80 from any other heading; or

A change to subheading 9026.10 through 9026.80 from subheading 9026.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

9026.90

A change to subheading 9026.90 from any other heading.

9027.10-9027.50

A change to subheading 9027.10 through 9027.50 from any other heading; or

A change to subheading 9027.10 through 9027.50 from subheading 9027.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

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9027.80

9027.80.aa<sup>246</sup>

A change to Canadian tariff item 9027.80.20, U.S. tariff item 9027.80.aa or Mexican tariff item 9027.80.08 from any other subheading, except from subheading 8505.19 or Canadian tariff item 9027.90.30<sup>247</sup>, U.S. tariff item 9027.90.aa or Mexican tariff item 9027.90.04.

9027.80

A change to subheading 9027.80 from any other heading; or

A change to subheading 9027.80 from subheading 9027.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

9027.90

A change to subheading 9027.90 from any other heading.

9028.10-9028.30

A change to subheading 9028.10 through 9028.30 from any other heading; or

A change to subheading 9028.10 through 9028.30 from subheading 9028.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

9028.90

A change to subheading 9028.90 from any other heading.

9029.10-9029.20

A change to subheading 9029.10 through 9029.20 from any other heading; or

A change to subheading 9029.10 through 9029.20 from subheading 9029.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

9029.90

A change to subheading 9029.90 from any other heading.

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<sup>246</sup> 9027.80.aa Can9027.80.20, Mex9027.80.08 Nuclear magnetic resonance instruments.

<sup>247</sup> 9027.90.aa Can9027.90.30 Printed circuit assemblies for the goods of subheading 9027.80.

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9030.10

A change to subheading 9030.10 from any other heading; or

A change to subheading 9030.10 from subheading 9030.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

9030.20-9030.39

A change to subheading 9030.20 through 9030.39 from any other subheading, including another subheading within that group, except from Canadian tariff item 9030.90.21<sup>248</sup> or 9030.90.23, U.S. tariff item 9030.90.h1 or Mexican tariff item 9030.90.02.

9030.40-9030.89

A change to subheading 9030.40 through 9030.89 from any other heading; or

A change to subheading 9030.40 through 9030.89 from subheading 9030.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

9030.90

A change to subheading 9030.90 from any other heading.

9031.10-9031.40

A change to subheading 9031.10 through 9031.40 from any other heading; or

A change to subheading 9031.10 through 9031.40 from subheading 9031.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

9031.80<sup>249</sup>

9031.80.aa<sup>250</sup>

A change to Canadian tariff item 9031.80.40, U.S. tariff item 9031.80.aa or Mexican tariff item 9031.80.06 from any other tariff item, except from

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<sup>248</sup> 9030.90.aa Can9030.90.21, 9030.90.23, Mex9030.90.02 Printed circuit assemblies.

<sup>249</sup> If the good is for use in a motor vehicle of Chapter 87, the provisions of Article 403 may apply.

<sup>250</sup> 9031.80.aa Can9031.80.40, Mex9031.80.06 Coordinate-measuring machines.

subheading 8537.10 or Canadian tariff item 9031.90.61<sup>251</sup>, U.S. tariff item 9031.90.aa or Mexican tariff item 9031.90.02.

9031.80

A change to subheading 9031.80 from any other heading; or

A change to subheading 9031.80 from subheading 9031.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

9031.90

A change to subheading 9031.90 from any other heading.

9032.10-9032.89<sup>252</sup>

A change to subheading 9032.10 through 9032.89 from any other heading; or

A change to subheading 9032.10 through 9032.89 from subheading 9032.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

9032.90

A change to subheading 9032.90 from any other heading.

90.33

A change to heading 90.33 from any other heading.

Chapter 91

Clocks and Watches and Parts Thereof

91.01-91.07

A change to heading 91.01 through 91.07 from any other chapter; or

A change to heading 91.01 through 91.10 from heading 91.14, whether or not there is also a change from any other chapter, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

91.08-91.10

A change to heading 91.08 through 91.10 from any other heading, including another heading within that group, provided there is a regional value content

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<sup>251</sup> 9031.90.aa      Can9031.90.61, Mex9031.90.02      Bases and frames for the goods of tariff item 9031.80.aa.

<sup>252</sup> If the good provided for in subheading 9032.89 is for use in a motor vehicle of Chapter 87, the provisions of Article 403 may apply.

of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

9111.10-9111.80

A change to subheading 9111.10 through 9111.80 from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used; or

A change to subheading 9111.10 through 9111.80 from subheading 9111.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

9111.90

A change to subheading 9111.90 from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

9112.10-9112.80

A change to subheading 9112.10 through 9112.80 from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used; or

A change to subheading 9112.10 through 9112.80 from subheading 9112.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

9112.90

A change to subheading 9112.90 from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

91.13

A change to heading 91.13 from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

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91.14

A change to heading 91.14 from any other heading.

**Chapter 92**

**Musical Instruments; Parts and Accessories of Such Articles**

92.01-92.08

A change to heading 92.01 through 92.08 from any other chapter; or

A change to heading 92.01 through 92.08 from heading 92.09, whether or not there is also a change from any other chapter, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

92.09

A change to heading 92.09 from any other heading.

**Section XIX -**

**Arms and Ammunition; Parts and Accessories Thereof (Chapter 93)**

**Chapter 93**

**Arms and Ammunition; Parts and Accessories Thereof**

93.01-93.04

A change to heading 93.01 through 93.04 from any other chapter; or

A change to heading 93.01 through 93.04 from heading 93.05, whether or not there is also a change from any other chapter, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

93.05

A change to heading 93.05 from any other heading.

93.06-93.07

A change to heading 93.06 through 93.07 from any other chapter.

**Section XX- Miscellaneous Manufactured Articles (Chapters 94-96)**

**Chapter 94**

**Furniture; Bedding, Mattresses, Mattress Supports, Cushions and Similar Stuffed Furnishings; Lamps and Lighting Fittings, Not Elsewhere Specified or Included; Illuminated Signs, Illuminated Name-Plates and the Like; Prefabricated Buildings**

9401.10-9401.80<sup>253</sup>

A change to subheading 9401.10 through 9401.80 from any other chapter; or

A change to subheading 9401.10 through 9401.80 from subheading 9401.90, whether or not there is also a change from any other chapter, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

9401.90

A change to subheading 9401.90 from any other heading.

94.02

A change to heading 94.02 from any other chapter.

9403.10-9403.80

A change to subheading 9403.10 through 9403.80 from any other chapter; or

A change to subheading 9403.10 through 9403.80 from subheading 9403.90, whether or not there is also a change from any other chapter, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

9403.90

A change to subheading 9403.90 from any other heading.

9404.10-9404.30

A change to subheading 9404.10 through 9404.30 from any other chapter.

9404.90

A change to subheading 9404.90 from any other chapter, except from heading 50.07, 51.11 through 51.13, 52.08 through 52.12, 53.09 through 53.11, 54.07 through 54.08 or 55.12 through 55.16.

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<sup>253</sup> If the good provided for in subheading 9401.20 is for use in a motor vehicle of Chapter 87, the provisions of Article 403 may apply.



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9405.10-9405.60

A change to subheading 9405.10 through 9405.60 from any other chapter; or

A change to subheading 9405.10 through 9405.60 from any of subheading 9405.91 through 9405.99, whether or not there is also a change from any other chapter, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

9405.91-9405.99

A change to subheading 9405.91 through 9405.99 from any other heading.

94.06

A change to heading 94.06 from any other chapter.

**Chapter 95**

**Toys, Games and Sports Requisites; Parts and Accessories Thereof**

95.01

A change to heading 95.01 from any other chapter.

9502.10

A change to subheading 9502.10 from any other chapter; or

A change to subheading 9502.10 from any of subheading 9502.91 through 9502.99, whether or not there is also a change from any other chapter, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

9502.91-9502.99

A change to subheading 9502.91 through 9502.99 from any other heading.

95.03-95.05

A change to heading 95.03 through 95.05 from any other chapter.

9506.11-9506.29

A change to subheading 9506.11 through 9506.29 from any other chapter.

- 9506.31<sup>254</sup> A change to subheading 9506.31 from any other chapter; or  
A change to subheading 9506.31 from subheading 9506.39, whether or not there is also a change from any other chapter, provided there is a regional value content of not less than:  
(a) 60 percent where the transaction value method is used, or  
(b) 50 percent where the net cost method is used.
- 9506.32 A change to subheading 9506.32 from any other chapter.
- 9506.39  
9506.39.aa<sup>255</sup> A change to Mexican tariff item 9506.39.01 from any other chapter; or  
A change to Mexican tariff item 9506.39.aa from any other tariff item, whether or not there is also a change from any other chapter, provided there is a regional value content of not less than:  
(a) 60 percent where the transaction value method is used, or  
(b) 50 percent where the net cost method is used.
- 9506.39 A change to subheading 9506.39 from any other chapter.
- 9506.40-9506.99 A change to subheading 9506.40 through 9506.99 from any other chapter.
- 95.07-95.08 A change to heading 95.07 through 95.08 from any other chapter.
- Chapter 96 Miscellaneous Manufactured Articles
- 96.01-96.05 A change to heading 96.01 through 96.05 from any other chapter.
- 9606.10 A change to subheading 9606.10 from any other chapter.

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<sup>254</sup> 9506.31 U.S. and Canada classify golf clubs, whether or not in sets, in subheading 9506.31. Parts of golf clubs are classified in subheading 9506.39.

Mexico classifies in subheading 9506.31 only complete sets of golf clubs; individual golf clubs and parts of golf clubs are classified in subheading 9506.39.

<sup>255</sup> 9506.39.aa Mex9506.39.01 Individual golf clubs.  
(Tariff classification applicable only to goods entering Mexico.)

- 9606.21-9606.29      A change to subheading 9606.21 through 9606.29 from any other chapter; or
- A change to subheading 9606.21 through 9606.29 from subheading 9606.30, whether or not there is also a change from any other chapter, provided there is a regional value content of not less than:
- (a)      60 percent where the transaction value method is used, or
  - (b)      50 percent where the net cost method is used.
- 9606.30      A change to subheading 9606.30 from any other heading.
- 9607.11-9607.19      A change to subheading 9607.11 through 9607.19 from any other chapter; or
- A change to subheading 9607.11 through 9607.19 from subheading 9607.20, whether or not there is also a change from any other chapter, provided there is a regional value content of not less than:
- (a)      60 percent where the transaction value method is used, or
  - (b)      50 percent where the net cost method is used.
- 9607.20      A change to subheading 9607.20 from any other heading.
- 9608.10-9608.50      A change to subheading 9608.10 through 9608.50 from any other chapter; or
- A change to subheading 9608.10 through 9608.50 from any of subheading 9608.60 through 9608.99, whether or not there is also a change from any other chapter, provided there is a regional value content of not less than:
- (a)      60 percent where the transaction value method is used, or
  - (b)      50 percent where the net cost method is used.
- 9608.60-9608.99      A change to subheading 9608.60 through 9608.99 from any other heading.
- 96.09-96.12      A change to heading 96.09 through 96.12 from any other chapter.
- 9613.10-9613.80      A change to subheading 9613.10 through 9613.80 from any other chapter; or
- A change to subheading 9613.10 through 9613.80 from subheading 9613.90, whether or not there is also a change from any other chapter, provided there is a regional value content of not less than:
- (a)      60 percent where the transaction value method is used, or
  - (b)      50 percent where the net cost method is used.
- 9613.90      A change to subheading 9613.90 from any other heading.
- 9614.10      A change to subheading 9614.10 from any other chapter.

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- 9614.20                    A change to subheading 9614.20 from any other subheading, except from subheading 9614.90.
- 9614.90                    A change to subheading 9614.90 from any other heading.
- 9615.11-9615.19            A change to subheading 9615.11 through 9615.19 from any other chapter; or  
A change to subheading 9615.11 through 9615.19 from subheading 9615.90, whether or not there is also a change from any other chapter, provided there is a regional value content of not less than:
- (a)     60 percent where the transaction value method is used, or
  - (b)     50 percent where the net cost method is used.
- 9615.90                    A change to subheading 9615.90 from any other heading.
- 96.16-96.18                A change to heading 96.16 through 96.18 from any other chapter.

**Section XXI- Works of Art, Collectors' Pieces and Antiques (Chapter 97)**

**Chapter 97**

**Works of Art, Collectors' Pieces and Antiques**

- 97.01-97.06                A change to heading 97.01 through 97.06 from any other chapter.

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