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TEXT OF FREE TRADE AGREEMENT  
BETWEEN  
CANADA AND ISRAEL

Dept. of External Affairs  
Min. des Affaires extérieures  
OCT 20 1999  
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**PREAMBLE**

The Government of the State of Israel and the Government of Canada

**DESIRING** to strengthen their economic relations and to promote economic development;

**WISHING** to create a framework for promoting investment and cooperation;

**RESOLVED** to foster the development of their trade with due regard to fair conditions of competition;

**RECALLING** the mutual interest of the Government of the State of Israel and the Government of Canada in reinforcement of the multilateral trading system as reflected in the WTO;

**RECALLING** that the Government of Canada and the Government of the State of Israel entered into a Memorandum of Understanding on September 27, 1976 which established a Joint Economic Commission, which was continued under a Memorandum of Understanding on Economic Cooperation entered into on August 5, 1993;

**WISHING** to establish a free trade area between the two countries through the removal of trade barriers;

**DECLARING** their readiness to explore other possibilities for extending their economic relations to other fields not covered by this Agreement;

**HAVE AGREED** as follows:

57029085

**PART ONE  
GENERAL PART**

**Chapter One**

**Objectives**

**Article 1.1: Establishment of the Free Trade Area**

The Parties to this Agreement, consistent with Article XXIV of the *General Agreement on Tariffs and Trade 1994*, as specified in Annex 1A of the *Agreement Establishing the World Trade Organization*, hereby establish a free trade area.

**Article 1.2: Objective**

1. The objective of this Agreement, as elaborated more specifically in its provisions, is to eliminate barriers to trade in, and facilitate the movement of, goods between the territories of the Parties, and thereby to promote conditions of fair competition and increase substantially investment opportunities in the free trade area.
2. The Parties shall interpret and apply the provisions of this Agreement in the light of its objective set out in paragraph 1 and in accordance with applicable rules of international law.
3. Each Party shall administer in a consistent, impartial and reasonable manner all laws, regulations, decisions and rulings affecting matters covered by this Agreement.

**Article 1.3: Relation to Other Agreements**

1. The Parties affirm their existing rights and obligations with respect to each other under the *Agreement Establishing the World Trade Organization*, (hereinafter referred to as the WTO Agreement), including the *General Agreement on Tariffs and Trade 1994*, (hereinafter referred to as GATT 1994), and its successor agreements and other agreements to which both Parties are party.
2. In the event of any inconsistency between this Agreement and such other agreements, this Agreement shall prevail to the extent of the inconsistency, except as otherwise provided in this Agreement.

#### **Article 1.4: Definitions of General Application**

1. For the purposes of this Agreement, unless otherwise specified:

**enterprise** means any entity constituted or organized under applicable law, whether or not for profit, and whether privately-owned or governmentally-owned, including any corporation, trust, partnership, sole proprietorship, joint venture or other association;

**good of a Party** means a domestic good as this is understood in the GATT 1994 or such a good as the Parties may agree, and includes an originating good of that Party;

**Harmonized System** means the Harmonized Commodity Description and Coding System, including its General Rules of Interpretation, Section Notes and Chapter Notes, as adopted and implemented by the Parties in their respective tariff laws;

**originating good or material** means a good or material that qualifies as originating under Chapter Three;

**person** means a natural person or an enterprise; and

**territory** means:

- (a) with respect to Canada the territory to which its customs laws apply, including any areas beyond the territorial seas of Canada within which, in accordance with international law and its domestic law, Canada may exercise rights with respect to the seabed and subsoil and their natural resources;
- (b) with respect to Israel the territory where its customs laws are applied;

2. The rights and obligations of the Parties relating to the observance of this Agreement by regional and local governments shall be governed by Article XXIV:12 of the GATT 1994.

**PART TWO  
TRADE IN GOODS**

**Chapter Two**

**Tariff Elimination and Related Matters**

**TARIFF ELIMINATION**

**Article 2.1: Tariff Elimination**

1. Except as otherwise provided in this Agreement, neither Party may increase any existing customs duty, or adopt any customs duty, or any charge of equivalent effect on an originating good to which paragraph 2 applies.
2. Except as otherwise provided in this Agreement, each Party shall,
  - (a) by January 1, 1997, eliminate its customs duties on originating goods listed in Chapters 25 to 97 of the Harmonized System with the exception of the tariff items listed in Annex 2.1.1 and
  - (b) in the case of originating goods listed in Chapters 1 to 24 of the Harmonized System eliminate or reduce duties on goods in accordance with Annex 2.1.2.

**RELATED MATTERS**

**Article 2.2: Customs Duties: Repair and Alteration**

1. Neither Party may apply a customs duty to a good, regardless of its origin, that re-enters its territory after that good has been exported from its territory to the territory of the other Party for repair or alteration, regardless of whether such repair or alteration could be performed in its territory.
2. Neither Party may apply a customs duty to a good, regardless of its origin, imported temporarily from the territory of the other Party for repair or alteration.

3. The Parties shall comply with the requirements set out in Annex 2.2.3, as amended by the Parties from time to time, to verify that the repair or alteration has been performed in the territory of one of the Parties.

#### **Article 2.3: Definitions**

For purposes of this Chapter:

**customs duty** includes any customs or import duty and a charge of any kind imposed in connection with the importation of a good, including any form of surtax or surcharge in connection with such importation, but does not include any:

- (a) charge equivalent to an internal tax imposed consistently with Article III:2 of the GATT 1994 as specified in, or any equivalent provision of a successor agreement to which both Parties are party, in respect of like, directly competitive or substitutable goods of the Party, or in respect of goods from which the imported good has been manufactured or produced in whole or in part;
- (b) antidumping or countervailing duty that is applied in accordance with the WTO Agreement, including the GATT 1994 pursuant to a Party's domestic law; and
- (c) fee or other charge in connection with importation commensurate with the cost of services rendered.

**existing customs duty** means the rate of duty applicable to imports from the other Party on January 1, 1996.

**repair or alteration** does not include an operation or process that either destroys the essential characteristics of a good or creates a new or commercially different good.

**Annex 2.1.1**

1. Each Party agrees to phase out by July 1, 1999, the Most Favoured Nation rate of duty in effect on January 1, 1996 on the goods listed below, by the following percentages of those rates:

- |    |                 |     |
|----|-----------------|-----|
| a) | January 1, 1997 | 10% |
| b) | July 1, 1997    | 30% |
| c) | July 1, 1998    | 30% |
| d) | July 1, 1999    | 30% |

**Canada**

Women's or girls' swimwear in tariff items:

6112.41.00  
6112.49.00  
6211.12.00

**Israel**

Woven cotton fabric in tariff items:

5209.32.00  
5209.39.00  
5209.42.00

2. Article 2.1(2) does not apply to goods provided for in headings 35.01 and 35.02.

## ANNEX 2.1.2A CANADA

HS NO.	DESCRIPTION OF GOODS	DUTY	SPECIFIC PROVISIONS
06.01 to 06.04	Live plants, bulbs, cut flowers, foliage	Free	Except for roses set out in 0603.10.20
0603.10.20	Roses, fresh	Free	Tariff Quota of not less than 90,000 dozen; any roses over quota are to be subject to the MFN rate of duty
0701.10	Seed potatoes	Free	
0709.90	Other fresh vegetables	Free	Except for goods set out in 0709.90.51 and 0709.90.52 (sweet corn-on-cob), which are to be subject to the GPT or MFN rate of duty, whichever applies
07.12	Dried vegetables	Free	Except for garlic ex 0712.90.90, which is to be subject to the MFN rate of duty
0713.10	Peas, dried	Free	
0713.33	Kidney beans, dried, including white pea beans	Free	
0806.10	Grapes, fresh	Free	
0810.20	Raspberries, blackberries, mulberries and loganberries, fresh	Free	
0810.30	Black, white or red currants and gooseberries, fresh	Free	
0810.40	Cranberries, bilberries and other fruits of the genus <i>Vaccinium</i> , fresh	Free	

## ANNEX 2.1.2A CANADA

HS NO.	DESCRIPTION OF GOODS	DUTY	SPECIFIC PROVISIONS
09.04	Pepper of the genus <i>Piper</i> , dried or crushed or ground fruits of the genus <i>Capsicum</i> or the genus <i>Pimenta</i>	Free	
09.10	Ginger and other spices	Free	
1001.10.10	Durum wheat, within access commitment	Free	
1001.90.10	Other wheat, within access commitment	Free	
1003.00.11	Barley, for malting, within access commitment	Free	
1003.00.91	Other barley, within access commitment	Free	
1005.90.10	Yellow dent corn (maize)	Free	
1101.00.10	Wheat or meslin flour, within access commitment	Free	
11.06	Flour, meal and powder of leguminous vegetables	Free	
1107.10.11	Malt, not roasted, whole, within access commitment	Free	
1107.10.91	Malt, not roasted, other, within access commitment	Free	
1107.20.11	Malt, roasted, whole, within access commitment	Free	
1107.20.91	Malt, roasted, other, within access commitment	Free	
1212.30	Apricot, peach or plum stones and kernels	Free	
1214.10	Lucerne (alfalfa) meal and pellets	Free	
13.02	Vegetable saps and extracts; pectic substances, mucilages and thickeners	Free	
1601.00.31	Sausages and similar products of turkey, within access commitment	Free	

**ANNEX 2.1.2A CANADA**

HS NO.	DESCRIPTION OF GOODS	DUTY	SPECIFIC PROVISIONS
1601.00.99	Beef sausages and similar products	Free	
1602.31.92	Specially defined mixtures of turkey	10%	
1602.50.99	Other prepared meat of bovine animals	Free	
1604.11	Prepared salmon	Free	
ex 1604.20.90	Gefilte fish	Free	
17.01 to 17.04	Sugars and sugar confectionery	Free	Except for glucose and glucose syrup set out in 1702.30, which are to be subject to the MFN rate of duty
18.01 to 18.06	Cocoa and cocoa preparations	Free	Except for 1806.20.32 and 1806.90.12 (chocolate ice cream mix or ice milk mix), over access commitment in each case, which are to be subject to the MFN rate of duty
1901.10	Baby food (retail)	Free	
1902.11.11	Uncooked pasta, containing eggs, within access commitment	4%	
1902.11.90	Uncooked pasta, containing eggs, with less than 25% wheat content	4%	
1902.19.91	Uncooked pasta, other, within access commitment	4%	
1902.19.99	Uncooked pasta, other, with less than 25% wheat content	4%	
1902.40.10	Couscous, in packages not exceeding 11.34 kg.	5%	

## ANNEX 2.1.2A CANADA

HS NO.	DESCRIPTION OF GOODS	DUTY	SPECIFIC PROVISIONS
1902.40.20	Couscous, bulk or packages greater than 11.34 kg.	3%	
20.01	Vegetables, fruits, nuts, preserved by vinegar	Free	
2005.70.90	Olives, prepared or preserved, other than ripe olives in brine	6%	Duty to be reduced to 5% on January 1, 1998
2005.90.99	Other vegetables, prepared or preserved	Free	Except for carrots which are to be subject to the MFN rate of duty
20.06	Fruit, vegetables, nuts preserved by sugar	Free	
20.07	Jams, fruit jellies and marmalades	Free	
2008.11.10	Peanut butter	Free	
2008.11.20	Peanuts, blanched	Free	
2008.11.90	Peanuts, other	Free	
2008.19	Other nuts, including mixtures	Free	
ex 2008.40	Pear chips	Free	
ex 2008.99	Apple chips	Free	
2009.11	Orange juice, frozen	Free	
2009.19	Orange juice, not frozen	Free	
2009.20	Grapefruit juice	Free	
2009.80.11	Passion fruit juice	Free	
2009.80.12	Prune juice	Free	
2009.80.19	Juice of other single fruit	Free	
2009.90.20	Orange and grapefruit juice mixture, not dehydrated	Free	

## ANNEX 2.1.2A CANADA

HS NO.	DESCRIPTION OF GOODS	DUTY	SPECIFIC PROVISIONS
21.01	Extracts, essences and concentrates of coffee, tea or maté, chicory and coffee substitutes	Free	
2103.10	Soya sauce	Free	
2103.30	Mustard flour and meal and prepared mustard	Free	
2103.90	Other sauces and preparations	Free	
21.04	Soups and broths and preparations therefor; homogenized composite food preparations and substances	Free	
2106.10	Protein concentrates	Free	
22.03	Beer	Free	
ex 22.04	Kosher wine	Free	
ex 22.05	Kosher vermouth	Free	
22.08	Spirits	Free	Except for 2208.30.00 (whiskies) which is to be subject to the GPT or MFN rate of duty, whichever applies

## ANNEX 2.1.2B ISRAEL

HS NO.	DESCRIPTION OF GOODS	DUTY	SPECIFIC PROVISIONS
0105.12.90	Live turkey chicks, parent and grandparent stock	0%	No increase in duty without prior consultation
02.02	Bovine meat, frozen	0%	A Tariff Quota of not less than 2,000 tonnes
0206.20	Edible offal of bovine animals, frozen		
0303.10	Pacific salmon, frozen	0%	
0303.22	Atlantic salmon, frozen	0%	
0304.20	Fish fillets frozen	0%	Except for trout set out in ex 0304.20
0305.41	Pacific salmon, smoked	0%	
0305.42	Herrings, smoked	0%	
0511.10	Bovine semen	0%	No increase in duty without prior consultation
06.01 to 06.04	Live plants, bulbs, cut flowers, foliage	0%	Except for roses set out in 0603.10
0603.10	Roses, fresh	0%	A Tariff Quota of not less than 10 tonnes
0701.10	Seed potatoes	0%	A Tariff Quota of not less than 1,000 tonnes
07.12	Dried vegetables	0%	Except for garlic set out in 0712.90.10
0713.10	Peas, dried	0%	A Tariff Quota of not less than 10,000 tonnes
0713.33	Kidney beans, dried, including white pea beans		
0713.40	Lentils, dried		
0810.20	Raspberries, blackberries, mulberries and loganberries, fresh	0%	A Tariff Quota of not less than 150 tonnes
0810.30	Black, white or red currants and gooseberries, fresh		
0810.40	Cranberries, bilberries and other fruits of the genus <i>Vaccinium</i> , fresh		

## ANNEX 2.1.2B ISRAEL

HS NO.	DESCRIPTION OF GOODS	DUTY	SPECIFIC PROVISIONS
0811.20	Raspberries, blackberries, mulberries, loganberries, black, white or red currants and gooseberries, frozen	14%	
ex 0811.90	Blueberries, frozen	14%	
1001.10	Durum wheat	0%	A Tariff Quota of not less than 150,000 tonnes. Non-feed wheat of 1001.90 is subject to local purchase requirements
1001.90	Other wheat and meslin		
10.02	Rye	0%	A Tariff Quota of not less than 200,000 tonnes
10.03	Barley		
10.04	Oats		
1005.10.90 1005.90.00	Maize (corn, except popping corn)		
1008.30	Canary seed	0%	A Tariff Quota of not less than 100 tonnes
11.01	Wheat or meslin flour	0%	A Tariff Quota of not less than 10,000 tonnes
1105.10	Potato flour, meal and powder	8%	
1105.20	Potato flakes, granules and pellets	8%	
1106.10 1106.20	Flour, meal and powder of leguminous vegetables	0%	
11.07	Malt, whether or not roasted	0%	A Tariff Quota of not less than 9,000 tonnes
12.05	Rape (canola) or colza seeds	0%	
1207.50	Mustard seeds	0%	
1212.30	Apricot, peach or plum stones and kernels	0%	
1214.10	Lucerne (alfalfa) meal and pellets	0%	
1301.10	Lac	0%	
13.02	Vegetable saps and extracts; pectic substances, mucilages and thickeners	0%	

## ANNEX 2.1.2B ISRAEL

HS NO.	DESCRIPTION OF GOODS	DUTY	SPECIFIC PROVISIONS
15.14	Rape (canola), colza or mustard oil	13%	
1601.00.90	Beef sausages and similar products	0%	
ex 1602.50.90	Other prepared meat of bovine animals, excluding containing over 20 percent poultry meat	0%	
1604.11	Prepared salmon	0%	
17.01 to 17.04	Sugars and sugar confectionery	0%	Except for glucose and glucose syrup set out in 1702.30, which are to be subject to the MFN rate of duty
18.01 to 18.06	Cocoa and cocoa preparations	0%	
1901.10	Baby food (retail)	0%	
1902.11	Uncooked pasta, containing eggs	8¢US/kg	
1902.19	Uncooked pasta, other	8¢US/kg	
20.01	Vegetables, fruits, nuts preserved by vinegar	0%	
2005.90	Other vegetables, prepared or preserved	0%	Except for carrots set out in 2005.90.30, which are to be subject to the MFN rate of duty
20.06	Fruit, vegetables, nuts preserved by sugar	0%	
20.07	Jams, fruit jellies and marmalades	0%	
2008.11.10	Ground nuts - food preparation (including peanut butter)	0%	
2008.99	Fruits, other, prepared	12%	
2009.80	Juice of other single fruit	0%	
21.01	Extracts, essences and concentrates of coffee, tea or maté, chicory and coffee substitutes	0%	
2103.10	Soya sauce	0%	

## ANNEX 2.1.2B ISRAEL

HS NO.	DESCRIPTION OF GOODS	DUTY	SPECIFIC PROVISIONS
2103.30	Mustard flour and meal and prepared mustard	0%	
2103.90	Other sauces and preparations	0%	
21.04	Soups and broths and preparations therefor; homogenized composite food preparations and substances	0%	
2106.10	Protein concentrates	0%	
22.03	Beer	0%	
22.08	Spirits	0%	Except for 2208.20.00 (Brandy) which is to be subject to the MFN rate of duty
2309.10.10	Animal feeds	12%	
2309.10.20		8%	
2309.10.90		2%	
2309.90.10		12%	
2309.90.20		8%	
2309.90.30		12%	
2309.90.90		2%	

### General Notes to Annexes 2.1.2A and 2.1.2B

1. The "HS No." column sets out those tariff items, subheadings, headings or chapters, as appropriate, with respect to which duty is being reduced or removed.
2. The goods described in the column entitled "Description of Goods" are representative only, except where the respective HS No. is prefaced by "ex", wherein the description sets out all those goods subject to the level of duty in the Duty column.
3. The "Duty" column sets out the rate of duty that shall be effective by January 1, 1997, applicable to the goods classified within the appropriate HS No., subject to the specific provisions.
4. The "Specific Provisions" column sets out any qualifications to the "Description of Goods" and the rate of duty for that HS No.

### Annex 2.2.3

#### Requirements Concerning Verification of Repairs and Alterations

Upon reimportation into the territory of a Party of a good that has been exported to the territory of the other Party for repair or alteration, an importer shall submit:

- (a) an invoice or a written statement from the person who performed the repair or alteration, setting out a detailed description of and the value of the repair or alteration; and
- (b) proof of exportation of the good to the territory of the other Party.

## Chapter Three

### Rules of Origin

#### Rules for Originating Goods:

#### Article 3.1: Basic Rules for Originating Goods

Except as otherwise provided in this Chapter, a good shall originate in the territory of a Party where:

- (a) the good is wholly obtained or produced entirely in the territory of one or both of the Parties, as defined in Article 3.13;
- (b) each of the non-originating materials used in the production of the good undergoes an applicable change in tariff classification set out in the rule for that good in Annex 3.1, and the good satisfies any other applicable requirement set out in that rule, as a result of production occurring entirely in the territory of one or both of the Parties;
- (c) the good satisfies, as a result of production occurring entirely in the territory of one or both of the Parties, the applicable requirements set out in the rule for the good in Annex 3.1 where no change in tariff classification is required in that rule;
- (d) the good is produced entirely in the territory of one or both of the Parties exclusively from originating materials; or
- (e) except for a good provided for in Chapters 61 through 63 of the Harmonized System, the good is produced entirely in the territory of one or both of the Parties but one or more of the non-originating materials provided for as parts under the Harmonized System that are used in the production of the good do not undergo a change in tariff classification because
  - (i) the heading for the good provides for and specifically describes both the good itself and its parts and is not further subdivided into subheadings, or
  - (ii) the subheading for the good provides for and specifically describes both the good itself and its parts,

provided that at least one category of identical or similar materials provided for in that heading or subheading be originating;

and the good satisfies all other applicable requirements of this Chapter.

### **Article 3.2: De Minimis Rule for Originating Goods**

1. Except as provided in paragraphs 2 and 3, a good shall also originate in the territory of a Party where the value of all the non-originating materials used in the production of a good that do not undergo an applicable change in tariff classification set out in the rule for the good in Annex 3.1 is not more than ten per cent of the value of the good, adjusted to an F.O.B. basis at the point of direct shipment, provided that the good satisfies all other applicable requirements of this Chapter.

2. Paragraph 1 does not apply to:

- (a) a non-originating material provided for in Chapter 4 or tariff item 1901.90.aa of the Harmonized System that is used in the production of a good provided for in Chapter 4, tariff item 1901.20.aa, 1901.90.aa, heading 21.05, tariff item 2106.90.cc, 2202.90.cc or 2309.90.aa of the Harmonized System;
- (b) a non-originating material provided for in subheading 0201.10 through 0201.30 or 0202.10 through 0202.30 of the Harmonized System that is used in the production of a good provided for in Chapter 16 of the Harmonized System;
- (c) a printed circuit assembly that is a non-originating material used in the production of a good where the applicable rule in Annex 3.1 places restrictions on the consideration of such non-originating material for the purpose of determining whether the good originates;
- (d) a non-originating material used in the production of a good provided for in Chapters 1 through 19, heading 20.01 through 20.08, subheading 2009.90, heading 21.01 through 21.05, subheading 2106.10, tariff item 2106.90.bb, heading 22.01, tariff item 2202.90.bb or heading 22.03 through 22.07 of the Harmonized System, unless that non-originating material is provided for in a different subheading than the good for which origin is being determined under this Chapter;

- (e) a non-originating material provided for in Chapters 50 through 64 of the Harmonized System that is used in the production of a good provided for in Chapters 50 through 64 of the Harmonized System; or
- (f) a non-originating material used in the production of a good provided for in subheading 3824.90, 8406.10 through 8406.82, 8415.10 through 8415.83, 8418.10 through 8418.69, 8421.12, 8422.11, 8450.11 through 8450.20, 8451.21 through 8451.29, heading 84.56 through 84.61, 84.62 through 84.63, subheading 8477.10 through 8477.20, 8477.30, heading 84.83, 85.01, subheading 8502.11 through 8502.39, 8516.31, 8516.33, 8516.40, tariff item 8516.60.aa, subheading 8516.72, 8526.10 or 8540.71 through 8540.79 of the Harmonized System.

3. Where Annex 3.1 sets out two or more alternative rules for a good, paragraph 1 shall apply only if the determination of whether the good is an originating good is being made under the first rule set out for that good.

**Article 3.3: Rules Regarding Accessories, Spare Parts and Tools, Indirect Materials, and Packaging and Packing Materials and Containers**

1. For purposes of determining whether a good is an originating good, the following materials shall be deemed to be originating materials without regard to where the materials are produced:

- (a) accessories, spare parts or tools delivered with the good that form part of the good's standard accessories, spare parts or tools, provided that the accessories, spare parts or tools are not invoiced separately from the good and the quantities and value of the accessories, spare parts or tools are customary for the good;
- (b) indirect materials used in the production of the good;
- (c) packaging materials and containers in which the good is packaged for retail sale, provided that the packaging materials and containers are classified under the Harmonized System with the good that is packaged within; and
- (d) packing materials and containers in which the good is packed for shipment.

2. For purposes of applying other Chapters of this Agreement to the materials referred to in subparagraphs 1(a), (c) and (d), these materials shall be deemed to originate if the good referred to in paragraph 1 originates.

## Exceptions to the Rules

### Article 3.4: Non-Qualifying Operations

A good shall not be considered to be an originating good merely by reason of:

- (a) any work, process or practice in respect of which it may be demonstrated, on the basis of a preponderance of evidence, that the object was to circumvent this Chapter;
- (b) minor processing; or
- (c) a change in tariff classification that is the result of
  - (i) a change in end use of the good, or
  - (ii) collecting parts so that the collection of parts is classified as if it were an assembled good pursuant to Rule 2(a) of the General Rules for the interpretation of the Harmonized System.

### Article 3.5: Direct Shipment and Transshipment

1. Except as provided in paragraph 2, an originating good that is exported from the territory of a Party shall maintain its originating status only if:

- (a) the good is shipped directly from the territory of one Party to the territory of the other Party;
- (b) the good is transhipped through the territory of a non-Party, provided that
  - (i) the good does not undergo further production or any other operation in the territory of that non-Party, other than unloading, splitting up of loads, reloading or any other operation necessary to preserve it in good condition or to transport the good to the territory of a Party, and
  - (ii) the good remains under customs control in the territory of any non-Party through which the good is transported to the territory of a Party; or

- (c) subject to Article 5.12(4), the good is transhipped through the territory of a non-Party with which each Party has entered separately into a free trade agreement under Article XXIV of the GATT 1994 before this Agreement enters into force and does not undergo further production other than minor processing in the territory of that non-Party.

2. Subject to Article 5.12(5), with regard to any specifically identified good that is agreed upon by the Parties after the date of entry into force of this Agreement, an originating good that is transhipped through the territory of a non-Party with which each Party has entered separately into a free trade agreement under Article XXIV of the GATT 1994 before this Agreement enters into force may undergo more than minor processing in the territory of that non-Party, provided that the good meets any specifically designated conditions, as agreed by the Parties, regarding the production in the territory of that non-Party.

#### **Article 3.6: Third Country Materials for Originating Goods**

Where each Party has entered separately into a free trade agreement under Article XXIV of the GATT 1994 with the same non-Party before this Agreement enters into force, a good, which, if imported into the territory of one of the Parties under such free trade agreement with that non-Party, would qualify for tariff preferences under that agreement, shall be considered to be an originating good under this Chapter when imported into the territory of the other Party and used as a material in the production of another good in the territory of that other Party.

#### **Application and Interpretation:**

#### **Article 3.7: Fungible Goods and Materials**

For purposes of determining whether a good is an originating good,

- (a) where originating materials and non-originating materials that are fungible materials are used in the production of the good, the determination of whether the materials are originating materials may, at the choice of the producer of the good, be made on the basis of any of the applicable inventory management methods set out in Annex 3.7;
- (b) where originating goods and non-originating goods that are fungible goods are physically combined or mixed in inventory in the territory of a Party and, prior to exportation to the territory of the other Party, do not undergo

production or any other operation in the territory of the Party in which they were physically combined or mixed in inventory, other than unloading, reloading or any other operation necessary to preserve the goods in good condition or to transport the goods to the territory of the other Party, the determination of whether the good is an originating good may, at the choice of the exporter of the good, be made on the basis of any of the applicable inventory management methods set out in Annex 3.7; and

- (c) where originating goods and non-originating goods that are fungible goods are physically combined or mixed in inventory in the territory of a Party and, prior to acquisition by a person in the territory of that Party, do not undergo production or any other operation in the territory of that Party, other than unloading, reloading or any other operation necessary to preserve the goods in good condition or to transport the goods to that person, the determination of whether the good is an originating good may, at the choice of the person who physically combined or mixed in inventory the fungible goods, be made on the basis of any of the applicable inventory management methods set out in Annex 3.7.

#### **Article 3.8: Self-Produced Materials**

For purposes of determining whether a good is an originating good, the producer of a good may, at the producer's choice, designate any self-produced material that is used in the production of the good as a material to be taken into account as an originating or non-originating material, as the case may be, in determining whether the good satisfies the applicable requirements of Article 3.1.

#### **Article 3.9: Tariff Classification**

For purposes of this Chapter, the basis for tariff classification is the Harmonized System.

#### **Article 3.10: Category of Identical or Similar Materials and Other Requirements Under Articles 3.1(b) and (c)**

1. For purposes of determining whether a good is an originating good under Article 3.1(b), where a rule for a good in Annex 3.1 specifies the requirement that at least one category of identical or similar materials used in the production of the good be originating:

- (a) only those materials that are provided for in the specific tariff provisions identified as providing for those materials in that rule and that are used in the production of the good shall be considered as materials for the purpose of determining whether that requirement is satisfied;
- (b) a category of identical or similar materials shall consist of a single material only if no other material used in the production of the good is identical or similar to that single material; and
- (c) the specific tariff provisions referred to in subparagraph (a) shall not include the tariff provision which provides for the good itself.

2. For purposes of determining whether a good is an originating good under Article 3.1(c), where the rule for a good in Annex 3.1 specifies that no change in tariff classification is required and specifies the requirement that at least one category of identical or similar materials used in the production of the good be originating:

- (a) only the materials that are provided for in the same tariff provision as the good and that are used in the production of the good shall be considered as materials for the purposes of determining whether the requirement that at least one category of identical or similar materials be originating is satisfied; and
- (b) a category of identical or similar materials shall consist of a single material only if no other material used in the production of the good is identical or similar to that single material.

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

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

- (a) only the parts that are provided for in the same tariff provision as the good and that are used in the production of the good shall be considered as parts for the purposes of determining whether the requirement that at least one category of identical or similar materials be originating is satisfied;
- (b) the determination of whether a heading or subheading under the Harmonized System provides for and specifically describes both a good and its parts shall be made on the basis of the nomenclature of the heading or subheading and the relevant Section or Chapter Notes, in accordance with the General Rules for the Interpretation of the Harmonized System;

- (c) a category of identical or similar materials shall consist of a single material only if no other material used in the production of the good is identical or similar to that single material; and
- (d) Article 3.1(e) does not apply for purposes of determining whether a part provided for in a heading referred to in Article 3.1(e)(i) or in a subheading referred to in Article 3.1(e)(ii) is an originating good.

### Article 3.12: De Minimis Calculation and Application

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

2. For purposes of Article 3.2(1), the *de minimis* content of a good shall be calculated as follows:

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

where

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

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

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

3. For purposes of Article 3.2(1) and paragraph 2, the value of a good shall be:

- (a) the transaction value of the good, determined in accordance with Article 1 of the Customs Valuation Code; or
- (b) in the event that there is no transaction value or the transaction value of the material is unacceptable under Article 1 of the Customs Valuation Code, determined in accordance with Articles 2 through 7 of the Customs Valuation Code.

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

**Article 3.13: Definitions**

For purposes of this Chapter:

**adjusted to an F.O.B. basis means, with respect to a good, adjusted by**

- (a) deducting
  - (i) the costs of transporting the good after it is shipped from the point of direct shipment,
  - (ii) the costs of unloading, loading, handling and insurance that are associated with that transportation, and
  - (iii) the cost of packing materials and containers,

where those costs are included in the transaction value of the good, and

- (b) adding
  - (i) the costs of transporting the good from the place of production to the point of direct shipment,
  - (ii) the costs of loading, unloading, handling and insurance that are associated with that transportation, and
  - (iii) the costs of loading the good for shipment at the point of direct shipment,

where those costs are not included in the transaction value of the good;

**category of identical or similar materials means those materials that are identical materials or similar materials with respect to each other and that are used in the production of the good for which origin is being determined under this Chapter;**

**Customs Valuation Code means the *Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade 1994* under the *Final Act Embodying the Results of the Uruguay Round of Multilateral Trade Negotiations*;**

**direct shipment means transporting or conveying a good from one Party to the other Party on a through bill of lading to a consignee in that other Party;**

**fungible goods or materials** means goods or materials that are interchangeable for commercial purposes with other goods or materials, as the case may be, and the properties of which are essentially identical;

**good is wholly obtained or produced entirely in the territory of one or both of the Parties** means:

- (a) a mineral good extracted in the territory of one or both of the Parties;
- (b) a vegetable and other good harvested in the territory of one or both of the Parties;
- (c) a live animal born and raised in the territory of one or both of the Parties;
- (d) a good obtained from hunting, trapping or fishing in the territory of one or both of the Parties;
- (e) a fish, shellfish and other marine life taken from the sea by vessels registered or recorded with a Party and flying its flag;
- (f) a good produced on board factory ships from a good referred to in subparagraph (e), provided such factory ships are registered or recorded with that Party and fly its flag;
- (g) a good taken by a Party or a person of a Party from the seabed or beneath the seabed outside territorial waters, provided that a Party has rights to exploit such seabed;
- (h) a good taken from outer space, provided that the good is obtained by a Party or a person of a Party and does not undergo production outside the territories of the Parties;
- (i) waste and scrap derived from
  - (i) production in the territory of one or both of the Parties, or
  - (ii) used goods collected in the territory of one or both of the Parties, provided such goods are fit only for the recovery of raw materials; and
- (j) a good produced in the territory of one or both of the Parties exclusively from goods referred to in subparagraphs (a) through (i), or from their derivatives, at any stage of production;

**identical materials** means, with respect to a material, materials that are the same as that material in all respects, including physical characteristics, quality and reputation but excluding minor differences in appearance;

**indirect material** means a good used in the production, testing or inspection of a good but not physically incorporated into the good, or a good used in the maintenance of buildings or the operation of equipment associated with the production of a good, and includes

- (a) fuel and energy,
- (b) tools, dies and moulds,
- (c) spare parts and materials used in the maintenance of equipment and buildings,
- (d) lubricants, greases, compounding materials and other materials used in production or used to operate equipment and buildings,
- (e) gloves, glasses, footwear, clothing, safety equipment and supplies,
- (f) equipment, devices and supplies used for testing or inspecting the other goods,
- (g) catalysts and solvents, and
- (h) any other goods that are not incorporated into the good but the use of which in the production of the good can reasonably be demonstrated to be part of that production;

**material** means a good that is used in the production of another good, and includes a part or an ingredient;

**minor processing** means, with respect to a good:

- (a) mere dilution with water or any other substance that does not materially alter the characteristics of the good,
- (b) cleaning, including removal of rust, grease, paint or any other coating,
- (c) applying any preservative or decorative coating, including any lubricant, protective encapsulation, preservative or decorative paint, or metallic coating,
- (d) trimming, filing or cutting off small amounts of excess material,

- (e) packing or repacking of the good for transport, storage or sale,
- (f) packaging or repackaging of the good for retail sale,
- (g) repairs or alterations, washing, laundering or sterilizing,
- (h) textile decorative processes incidental to the production of textile goods, other than apparel, such as edge pinking, whipping, folding and rolling, fringing, fringe knotting, piping, bordering, minor embroidery, hemstitching, embossing, dyeing or printing, or other similar processes, or
- (i) ornamental or finishing operations incidental to apparel assembly and designed to enhance the marketing appeal or the ease of care of the good, such as embroidery, hemstitching, sewn appliqué work, stone or acid washing, printing, piece dyeing, preshrinking, permanent pressing, the attachment of accessories, notions, trimmings or findings, or other similar operations;

**non-originating good or material** means a good or material that does not qualify as originating under this Chapter;

**point of direct shipment** means the location from which a producer of a good normally ships that good to the buyer of the good;

**packaging materials and containers** means materials and containers in which a good is packaged for retail sale;

**packing materials and containers** means materials and containers that are used to protect a good during transportation, but does not include packaging materials and containers;

**producer** means a person who grows, mines, harvests, fishes, traps, hunts, manufactures, processes or assembles a good;

**production** means growing, mining, harvesting, fishing, trapping, hunting, manufacturing, processing or assembling a good;

**self-produced material** means a material that is produced by the producer of a good and used in the production of that good;

**similar materials** means, with respect to a material, materials that, although not alike in all respects, have similar characteristics and component materials that enable the materials to perform the same functions and to be commercially interchangeable with that material when used in the production of a good;

**transaction value** means the price actually paid or payable for the good or material with respect to the transaction between the producer of the good and the buyer of the good or the seller of the material, respectively, adjusted in accordance with paragraphs 1, 3 and 4 of Article 8 of the Customs Valuation Code; and

**used** means used or consumed in the production of a good.

## Annex 3.7

### Inventory Management Methods

#### Part 1

#### Fungible Materials

##### 1: Definitions and Interpretation

For purposes of this Part,

**average method** means the method by which the origin of fungible materials withdrawn from materials inventory is based on the ratio, calculated under Section 4, of originating materials and non-originating materials in materials inventory;

**FIFO method** means the method by which the origin of fungible materials first received in materials inventory is considered to be the origin of fungible materials first withdrawn from materials inventory;

**LIFO method** means the method by which the origin of fungible materials last received in materials inventory is considered to be the origin of fungible materials first withdrawn from materials inventory;

**materials inventory** means,

- (a) with respect to a producer of a good, an inventory of fungible materials that are used in the production of the good, and
- (b) with respect to a person from whom the producer of the good acquired such fungible materials, an inventory from which fungible materials are sold or otherwise transferred to the producer of the good;

**opening inventory** means the materials inventory at the time an inventory management method is chosen; and

**origin identifier** means any mark that identifies fungible materials as originating materials or non-originating materials.

## **2: General**

1. The inventory management methods for determining whether fungible materials referred to in Article 3.7(1)(a) are originating materials are the following:

- (a) specific identification method;
- (b) FIFO method;
- (c) LIFO method; and
- (d) average method.

2. Where a producer of a good or a person from whom the producer acquired the materials that are used in the production of the good chooses an inventory management method referred to in paragraph 1, that method, including the averaging period chosen in the case of the averaging method, shall be used from the time the choice is made until the end of the fiscal year of the producer or person.

## **3: Specific Identification Method**

1. Except as otherwise provided under paragraph 2, where the producer or person referred to in Section 2(2) chooses the specific identification method, the producer or person shall physically segregate, in materials inventory, originating materials that are fungible materials from non-originating materials that are fungible materials.

2. Where originating materials or non-originating materials that are fungible materials are marked with an origin identifier, the producer or person need not physically segregate those materials under paragraph 1 if the origin identifier remains visible throughout the production of the good.

## **4: Average Method**

1. Where the producer or person referred to in Section 2(2) chooses the average method, the origin of fungible materials withdrawn from materials inventory is determined on the basis of the ratio of originating materials and non-originating materials in materials inventory that is calculated under paragraphs 2 and 3.

2. The ratio is calculated with respect to a one-month or three-month period, at the choice of the producer or person, by dividing

- (a) the sum of

- (i) the total units of originating materials or non-originating materials that are fungible materials and that were in materials inventory at the beginning of the preceding one-month or three-month period, and
- (ii) the total units of originating materials or non-originating materials that are fungible materials and that were received in materials inventory during that preceding one-month or three-month period,

by

(b) the sum of

- (i) the total units of originating materials and non-originating materials that are fungible materials and that were in materials inventory at the beginning of the preceding one-month or three-month period, and
- (ii) the total units of originating materials and non-originating materials that are fungible materials and that were received in materials inventory during that preceding one-month or three-month period.

3. The ratio calculated with respect to a preceding one-month or three-month period under paragraph 2 is applied to the fungible materials remaining in materials inventory at the end of the preceding one-month or three-month period.

#### **5: Manner of Dealing with Opening Inventory**

1. Except as otherwise provided under paragraphs 2 and 3, where the producer or person referred to in Section 2(2) has fungible materials in opening inventory, the origin of those fungible materials is determined by

- (a) identifying, in the books of the producer or person, the latest receipts of fungible materials that add up to the amount of fungible materials in opening inventory;
- (b) determining the origin of the fungible materials that make up those receipts; and
- (c) considering the origin of those fungible materials to be the origin of the fungible materials in opening inventory.

2. Where the producer or person chooses the specific identification method and has, in opening inventory, originating materials or non-originating materials that are fungible materials and that are marked with an origin identifier, the origin of those fungible materials is determined on the basis of the origin identifier.

3. The producer or person may consider all fungible materials in opening inventory to be non-originating materials.

## Part II

### Fungible Goods

#### 6: Definitions and Interpretation

For purposes of this Part,

**average method** means the method by which the origin of fungible goods withdrawn from finished goods inventory is based on the ratio, calculated under Section 9, of originating goods and non-originating goods in finished goods inventory;

**FIFO method** means the method by which the origin of fungible goods first received in finished goods inventory is considered to be the origin of fungible goods first withdrawn from finished goods inventory;

**finished goods inventory** means an inventory from which fungible goods are sold or otherwise transferred to another person;

**LIFO method** means the method by which the origin of fungible goods last received in finished goods inventory is considered to be the origin of fungible goods first withdrawn from finished goods inventory;

**opening inventory** means the finished goods inventory at the time an inventory management method is chosen; and

**origin identifier** means any mark that identifies fungible goods as originating goods or non-originating goods.

## **7: General**

1. The inventory management methods for determining whether fungible goods referred to in Article 3.7(1)(b) or (c) are originating goods are the following:

- (a) specific identification method;
- (b) FIFO method;
- (c) LIFO method; and
- (d) average method.

2. Where an exporter of a good or a person from whom the exporter acquired the good chooses an inventory management method referred to in paragraph 1, that method, including the averaging period chosen in the case of the averaging method, shall be used from the time the choice is made until the end of the fiscal year of the exporter or person.

## **8: Specific Identification Method**

1. Except as provided under paragraph 2, where the exporter or person referred to in Section 7(2) chooses the specific identification method, the exporter or person shall physically segregate, in finished goods inventory, originating goods that are fungible goods from non-originating goods that are fungible goods.

2. Where originating goods or non-originating goods that are fungible goods are marked with an origin identifier, the exporter or person need not physically segregate those goods under paragraph 1 if the origin identifier is visible on the fungible goods.

## **9: Average Method**

1. Where the exporter or person referred to in Section 7(2) chooses the average method, the origin of each shipment of fungible goods withdrawn from finished goods inventory during a one-month or three-month period, at the choice of the exporter or person, is determined on the basis of the ratio of originating goods and non-originating goods in finished goods inventory for the preceding one-month or three-month period that is calculated by dividing

- (a) the sum of
  - (i) the total units of originating goods or non-originating goods that are fungible goods and that were in finished goods inventory at the beginning of the preceding one-month or three-month period, and
  - (ii) the total units of originating goods or non-originating goods that are fungible goods and that were received in finished goods inventory during that preceding one-month or three-month period,

by

- (b) the sum of
  - (i) the total units of originating goods and non-originating goods that are fungible goods and that were in finished goods inventory at the beginning of the preceding one-month or three-month period, and
  - (ii) the total units of originating goods and non-originating goods that are fungible goods and that were received in finished goods inventory during that preceding one-month or three-month period.

2. The ratio calculated with respect to a preceding month or three-month period under paragraph 1 is applied to the fungible goods remaining in finished goods inventory at the end of the preceding month or three-month period.

#### **10: Manner of Dealing with Opening Inventory**

1. Except as otherwise provided under paragraphs 2 and 3, where the exporter or person referred to in Section 7(2) has fungible goods in opening inventory, the origin of those fungible goods is determined by

- (a) identifying, in the books of the exporter or person, the latest receipts of fungible goods that add up to the amount of fungible goods in opening inventory;
- (b) determining the origin of the fungible goods that make up those receipts; and
- (c) considering the origin of those fungible goods to be the origin of the fungible goods in opening inventory.

2. Where the exporter or person chooses the specific identification method and has, in opening inventory, originating goods or non-originating goods that are fungible goods and that are marked with an origin identifier, the origin of those fungible goods is determined on the basis of the origin identifier.

3. The exporter or person may consider all fungible goods in opening inventory to be non-originating goods.

## **Annex 3.12.5**

### **Methods for Determining the Value of Non-Originating Materials Under Article 3.2(1) Where Identical Materials or Fungible Materials Are Used in the Production of the Good**

#### **1: Definitions and Interpretation**

For purposes of this Annex, with respect to non-originating materials referred to in Article 3.2(1):

**FIFO method** means the method by which the value of non-originating materials first received in materials inventory, determined in accordance with Article 3.12(6), is considered to be the value of non-originating materials used in the production of the good first shipped to the buyer of the good;

**LIFO method** means the method by which the value of non-originating materials last received in materials inventory, determined in accordance with Article 3.12(6), is considered to be the value of non-originating materials used in the production of the good first shipped to the buyer of the good;

**materials inventory** means, with respect to a single plant of the producer of a good, an inventory of non-originating materials that are identical materials and that are used in the production of the good; and

**rolling average method** means the method by which the value of non-originating materials used in the production of a good that is shipped to the buyer of the good is based on the average value, calculated in accordance with paragraph 3, of the non-originating materials in materials inventory.

#### **2: General**

1. The methods for determining the value of non-originating materials that are identical materials or fungible materials and that are referred to in Article 3.12(5) are the following:

- (a) FIFO method;
- (b) LIFO method; and
- (c) rolling average method.

2. Where a producer of a good chooses, with respect to non-originating materials that are identical materials or fungible materials, any of the methods referred to in paragraph 1, the producer may not use another of those methods with respect to any other non-originating materials that are identical materials or fungible materials, as the case may be, and that are used in the production of that good or in the production of any other good with respect to which the calculation under Article 3.12(2) has been made.

3. Where a producer of a good produces the good in more than one plant, the method chosen by the producer shall be used with respect to all plants of the producer in which the good is produced.

4. The method chosen by the producer to determine the value of non-originating materials may be chosen at any time during the producer's fiscal year and may not be changed during that fiscal year.

### **3: Average Value for Rolling Average Method**

1. The average value of non-originating materials that are identical materials or fungible materials and that are used in the production of a good that is shipped to the buyer of the goods is calculated by dividing

(a) the total value of non-originating materials that are identical materials or fungible materials, as the case may be, and that are in materials inventory prior to the shipment of the good, determined in accordance with Article 3.12(6),

by

(b) the total units of those non-originating materials in materials inventory prior to the shipment of the good.

2. The average value calculated under paragraph 1 is applied to the remaining units of non-originating materials in materials inventory.

## Chapter Four

### National Treatment and Other Border Measures

#### NATIONAL TREATMENT

##### Article 4.1: National Treatment

1. Each Party shall accord national treatment to the goods of the other Party in accordance with Article III of the GATT 1994, including its interpretative notes, and to this end Article III of GATT 1994 and its interpretative notes, or any equivalent provision of a successor agreement to which both Parties are party, are incorporated into and made part of this Agreement.
2. Paragraph 1 does not apply to the measures set out in Annex 4.1.

#### TECHNICAL BARRIERS TO TRADE

##### Article 4.2: Technical Barriers to Trade

1. The rights and obligations of the Parties relating to standards-related measures shall be governed by the *Agreement on Technical Barriers to Trade*, part of Annex 1A of the *WTO Agreement*.
2. The Parties shall endeavour to enter into an agreement on mutual recognition respecting conformity assessment.

##### Article 4.3: Sanitary and Phytosanitary Measures

1. The rights and obligations of the Parties relating to sanitary and phytosanitary measures shall be governed by the *Agreement on the Application of Sanitary and Phytosanitary Measures*, part of Annex 1A of the *WTO Agreement*.

## **BORDER MEASURES**

### **Article 4.4: Import and Export Restrictions**

1. Except as otherwise provided in this Agreement, neither Party may adopt or maintain any prohibition or restriction on the importation of any good of the other Party or on the exportation or sale for export of any good destined for the territory of the other Party, except in accordance with Article XI of GATT 1994, including its interpretative notes. To this end Article XI of GATT 1994 and its interpretative notes, or any equivalent provisions of a successor agreements to which both Parties are party, are incorporated into and made a part of this Agreement.

2. The Parties reaffirm that the GATT 1994 rights and obligations incorporated by paragraph 1 prohibit, in any circumstances in which any other form of restriction is prohibited, export price requirements and, except as permitted in enforcement of countervailing and antidumping orders and undertakings, import price requirements.

3. In the event that a Party adopts or maintains a prohibition or restriction on the importation from or exportation to a non-Party of a good, nothing in this Agreement shall be construed to prevent the Party from:

- (a) limiting or prohibiting the importation from the territory of the other Party of such good of that non-Party; or
- (b) requiring as a condition of export of such good of the Party to the territory of the other Party, that the good not be re-exported to the non-Party, directly or indirectly, without being consumed in the territory of the other Party.

4. In the event that a Party adopts or maintains a prohibition or restriction on the importation of a good from a non-Party, the Parties shall consult, on request of the other Party, with a view to avoiding undue interference with or distortion of pricing, marketing and distribution arrangements in the other Party.

5. Paragraphs 1 through 4 shall not apply to the measures set out in Annex 4.1.

## EMERGENCY ACTION

### Article 4.5: Bilateral Emergency Actions

1. Subject to paragraphs 2 and 3, if a good originating in the territory of one Party is, as a result of the reduction or elimination of a duty provided for in Chapter Two, being imported into the territory of the other Party in such increased quantities, in absolute terms, and under such conditions so that the imports of such good from the exporting Party alone constitute a substantial cause of serious injury to a domestic industry producing a like or directly competitive good, the importing Party may, to the extent necessary to remedy the injury:

- (a) suspend the further reduction of any rate of duty provided for under this Agreement on such good; or
- (b) increase the rate of duty on such good to a level not to exceed the lesser of:
  - (i) the most-favoured nation (MFN) rate of duty in effect at the time,
  - (ii) the *applicable MFN or GPT* rate of duty in effect on the day immediately preceding the date of the entry into force of this Agreement.

2. The following conditions and limitations shall apply to an action authorized by paragraph 1:

- (a) notification and consultation shall precede the action;
- (b) no action shall be maintained for a period exceeding three years;
- (c) no action may be taken or maintained by a Party against any particular good originating in the territory of the other Party after July 1, 1999; and
- (d) upon the termination of the action, the rate of duty shall be the rate which would have been in effect but for the action.

3. The Party taking an action pursuant to this Article may provide to the Party against whose good the action is taken mutually agreed trade liberalizing compensation in the form of concessions having substantially equivalent trade effects or equivalent to the value of the additional duties expected to result from the action. If the Parties are unable to agree on compensation, the Party against whose good the action is taken may take action having trade effects substantially equivalent to the action taken under paragraph 1.

#### **Article 4.6: Global Emergency Actions**

1. The Parties retain their rights and obligations under Article XIX of the GATT 1994 or any safeguard agreement pursuant thereto except those regarding compensation or retaliation and exclusion from an action to the extent that such rights or obligations are inconsistent with this Article. A Party taking emergency action under Article XIX or any such agreement shall exclude from the action imports of a good from the other Party unless:

- (a) imports from the other Party account for a substantial share of total imports; and
- (b) imports from the other Party, contribute importantly to the serious injury, or threat thereof, caused by imports.

2. In determining whether:

- (a) imports from the other Party account for a substantial share of total imports, those imports normally shall not be considered to account for a substantial share of total imports if the other Party is not among the top five suppliers of the good subject to the proceeding, measured in terms of import share during the most recent three-year period; and
- (b) imports from the other Party contribute importantly to the serious injury, or threat thereof, the competent investigating authority shall consider such factors as the change in the import share of the other Party, and the level and change in the level of imports from the other Party. In this regard, imports from the other Party normally shall not be deemed to contribute importantly to a serious injury or threat thereof if the growth rate of imports from the other Party during the period in which the injurious surge in imports occurred is appreciably lower than the growth rate of total imports from all sources over the same period.

3. A Party taking such action, from which a good from the other Party is initially excluded, pursuant to paragraph 1, shall have the right subsequently to include that good from the other Party in the action in the event that the competent investigating authority determines that a surge in imports of such good from the other Party undermines the effectiveness of the action.

4. A Party shall, without delay, deliver written notice to the other Party of the institution of a proceeding that may result in emergency action under paragraph 1 or 3.
5. Neither Party may impose restrictions on a good in an action under paragraph 1 or 3:
  - (a) without delivery of prior written notice to the Commission, and without adequate opportunity for consultation with the other Party against whose good the action is proposed to be taken, as far in advance of taking the action as practicable; and
  - (b) that would have the effect of reducing imports of such good from a Party below the trend of imports of the good from that Party over a recent representative base period with allowance for reasonable growth.
6. The Party taking an action pursuant to this Article may provide to the Party against whose good the action is taken mutually agreed trade liberalizing compensation in the form of concessions having substantially equivalent trade effects or equivalent to the value of the additional duties expected to result from the action. If the Parties are unable to agree on compensation, the Party against whose good the action is taken may take action having trade effects substantially equivalent to the action taken under paragraph 1 or 3.

#### **Article 4.7: Export Taxes**

1. Neither Party may adopt or maintain any duty, tax or other charge on the export of any good to the territory of the other Party, unless such duty, tax or charge is adopted or maintained on any such good when destined for domestic consumption.
2. Paragraph 1 does not apply to the measures set out in Annex 4.1.

#### **Article 4.8: Temporary Entry of Business Persons**

In view of the preferential trading relationship between the Parties, the Parties will facilitate temporary entry on a reciprocal basis for business persons who are otherwise qualified for entry under applicable measures of the Parties relating to public health, safety and national security and governed by the principles established in the *General Agreement on Trade in Services*, Annex 1B of the *WTO Agreement*, in particular the *Annex on Movement of Natural Persons Supplying Services under the Agreement*.

## CONSULTATIONS

### Article 4.9: Consultations

1. The Parties shall meet on the request of either Party to consider any matter arising under this Chapter.
2. Where a Party requests consultations under paragraph 1, the Parties may refer the matter for non-binding technical advice or recommendations to a committee or working group, including an *ad hoc* committee or working group, or to another forum.
3. Where the Parties have consulted pursuant to this Article, the consultations shall, on the agreement of the Parties, constitute consultations under Article 8.6.

## Annex 4.1

### Exceptions to Article 4.1

#### Section A - Canadian Measures

1. Article 4.1 shall not apply to controls by Canada on the export of logs of all species.
2. Article 4.1 shall not apply to controls by Canada on the export of unprocessed fish pursuant to the following existing statutes, as amended as of August 12, 1992:
  - (a) *New Brunswick Fish Processing Act*, R.S.N.B. c. F-18.01 (1982), and *Fisheries Development Act*, S.N.B. c. F-15.1 (1977);
  - (b) *Newfoundland Fish Inspection Act*, R.S.N. 1990, c. F-12;
  - (c) *Nova Scotia Fisheries Act*, S.N.S. 1977, c. 9;
  - (d) *Prince Edward Island Fish Inspection Act*, R.S.P.E.I. 1988, c. F-13; and
  - (e) *Quebec Marine Products Processing Act*, No. 38, S.Q. 1987, c. 51.
3. Article 4.1 shall not apply to:
  - (a) measures by Canada respecting the exportation of liquor for delivery into any country into which the importation of liquor is prohibited by law under the existing provisions of the *Export Act*, R.S.C. 1985, c. E-18, as amended,
  - (b) Canadian excise duties on absolute alcohol used in manufacturing under the existing provisions of the *Excise Act*, R.S.C. 1985, c. E-14, as amended, and
  - (c) measures by Canada prohibiting the use of foreign or non-duty paid ships in the coasting trade of Canada unless granted a license under the *Coasting Trade Act*, S.C. 1992, c. 31,

to the extent that such provisions were mandatory legislation at the time of Canada's accession to the GATT 1947 and have not been amended so as to decrease their conformity with the GATT 1994.

4. Article 4.1 shall not apply to:

- (a) the continuation or prompt renewal of a non-conforming provision of any statute referred to in paragraph 2 or 3; and
- (b) the amendment to a non-conforming provision of any statute referred to in paragraph 2 or 3 to the extent that the amendment does not decrease the conformity of the provision with Article 4.1.

#### **Section B - Israeli Measures**

1. Article 4.1 shall not apply to:

- (a) controls and charges maintained by Israel on the export of metal waste and scrap;
- (b) controls on imports of plastic, rubber, paper, metal and glass that are maintained by Israel for ecological purposes;
- (c) subject to Israeli law, imports of meat not approved by the Chief Rabbinate; and
- (d) controls maintained by Israel on the import of used clothing and made-up textile seconds.

## Chapter Five

### Customs Procedures

#### *Section A - Certification of Origin*

##### **Article 5.1: Certificate of Origin**

1. The Parties shall establish, prior to the implementation of this Agreement, a Certificate of Origin for the purpose of certifying that a good being exported from the territory of a Party into the territory of the other Party qualifies as an originating good, and may thereafter revise the Certificate by agreement.
2. Each Party may require that a Certificate of Origin for a good imported into its territory be completed at the option of the exporter in an official language of either Party.
3. Each Party shall:
  - (a) require that, for a Certificate of Origin to be considered valid by the Party into whose territory a good is imported with respect to which a claim for preferential tariff treatment is made, the Certificate be completed and signed by the exporter of that good in the territory of the Party from which the good is exported; and
  - (b) provide that, where an exporter in its territory is not the producer of the good, the exporter may complete and sign a Certificate on the basis of
    - (i) its knowledge of whether the good qualifies as an originating good, or
    - (ii) its reasonable reliance on the producer's written representation that the good qualifies as an originating good.
4. Each Party shall provide that a Certificate of Origin that has been completed and signed by an exporter in the territory of the other Party may, at the option of that exporter, be applicable to:
  - (a) a single importation of a good into the Party's territory, or
  - (b) multiple importations of identical goods into the Party's territory that occur within a specified period, not exceeding 12 months, set out therein by the exporter.

## **Article 5.2: Obligations Regarding Importations**

1. Except as otherwise provided in this Chapter, each Party shall require an importer in its territory that claims preferential tariff treatment for a good imported into its territory from the territory of the other Party to:

- (a) make a written declaration, based on a valid Certificate of Origin, that the good qualifies as an originating good;
- (b) have the Certificate in its possession at the time the declaration is made;
- (c) provide, on the request of that Party's customs administration,
  - (i) a copy of the Certificate,
  - (ii) documentary evidence such as bills of lading or waybills that indicate the shipping route and all points of shipment and transshipment prior to the importation of the good into its territory, and
  - (iii) where the good is shipped through or transhipped in the territory of a non-Party referred to in Article 3.5(1)(b), a copy of the customs control documents that indicate, to the satisfaction of the customs administration, that the good remained under customs control while in the territory of such non-Party; and
- (d) promptly make a corrected declaration and pay any duties owing where the importer has reason to believe that a Certificate on which a declaration was based contains information that is not correct.

2. Each Party shall provide that, where an importer in its territory claims preferential tariff treatment for a good imported into its territory from the territory of the other Party, the Party may deny preferential tariff treatment to the good if the importer fails to comply with any requirement under this Chapter.

3. Each Party shall provide that, where a good would have qualified as an originating good when it was imported into the territory of that Party but the importer of the good did not have a valid Certificate of Origin for such good at the time of its importation, the importer of the good may, within a period of not less than three months after the date on which the good was imported, apply for a refund of any excess duties paid as the result of the good not having been accorded preferential tariff treatment, provided that the importer:

- (a) if required by that Party, declared at the time of importation of the good that such good would qualify as an originating good; and
- (b) present
  - (i) a written declaration that the good qualified as an originating good at the time of importation,
  - (ii) a copy of the Certificate of Origin, and
  - (iii) such other documentation relating to the importation of the good as that Party may require.

### **Article 5.3: Obligations Regarding Exportations**

#### **1. Each Party shall provide that:**

- (a) an exporter in its territory shall provide a copy of the Certificate to its customs administration on request; and
- (b) an exporter in its territory that has completed and signed a Certificate of Origin, and that has reason to believe that the Certificate contains information that is not correct, shall promptly notify in writing all persons to whom the Certificate was given by the exporter of any change that could affect the accuracy or validity of the Certificate.

#### **2. Each Party:**

- (a) shall provide that a false certification by an exporter in its territory that a good to be exported to the territory of the other Party qualifies as an originating good shall have the same legal consequences, with appropriate modifications, as would apply to an importer in its territory for a contravention of its customs laws and regulations regarding the making of a false statement or representation; and
- (b) may apply such measures as the circumstances may warrant where an exporter in its territory fails to comply with any requirement of this Chapter.

#### **Article 5.4: Exceptions**

Each Party shall provide that a Certificate of Origin shall not be required for:

- (a) a commercial importation of a good whose value does not exceed \$1,600 Canadian or its equivalent amount in New Israeli Shekels (NIS) or such higher amount as it may establish, except that it may require that the invoice accompanying the importation include a statement by the exporter of the good certifying that the good qualifies as an originating good, or
- (b) an importation of a good for which the Party into whose territory the good is imported has waived the requirement for a Certificate of Origin,

provided that the importation does not form part of a series of importations that may reasonably be considered to have been undertaken or arranged for the purpose of avoiding the certification requirements of this Chapter.

#### ***Section B - Administration and Enforcement***

#### **Article 5.5: Records**

Each Party shall provide that:

- (a) an exporter in its territory that completes and signs a Certificate of Origin shall maintain in its territory, for five years after the date on which the Certificate was signed or for such longer period as the Party may specify, all records relating to the origin of a good for which preferential tariff treatment was claimed in the territory of the other Party, including records associated with:
  - (i) the purchase of, cost of, value of, and payment for, the good that is exported from its territory,
  - (ii) the sourcing of, purchase of, cost of, value of, and payment for, all materials, including indirect materials, used in the production of the good that is exported from its territory, and

- (iii) the production of the good in the form in which the good is exported from its territory; and
- (b) an importer claiming preferential tariff treatment for a good imported into the Party's territory shall maintain in that territory, for five years after the date of importation of the good or for such longer period as the Party may specify, such documentation, including a copy of the Certificate, as the Party may require relating to the importation of the good.

#### **Article 5.6: Origin Verifications**

1. For purposes of determining whether a good imported into its territory from the territory of the other Party qualifies as an originating good, a Party may, through its customs administration, conduct a verification of origin, subject to paragraph 2, by means of:

- (a) written questionnaires to an exporter or a producer in the territory of that other Party for purposes of obtaining the information on the basis of which a Certificate of Origin referred to in Article 5.1 was completed and signed;
- (b) visits to the premises of an exporter or a producer in the territory of that other Party for purposes of reviewing the records referred to in Article 5.5 and to observe the facilities used in the production of the good; or
- (c) such other procedures as the Parties may agree.

2. Notwithstanding any other treaties, agreements or memoranda of understanding between the Parties as contemplated under Article 5.11(3), where, pursuant to paragraph 10, a Party notifies the other Party that the origin verifications referred to in paragraph 1 are required to be conducted by its customs administration on behalf of the other Party, such verifications shall be conducted, subject to the procedures, conditions and time frames set out in Annex 5.6.2, in accordance with the verification standards and framework established under Article 5.11.

3. Prior to conducting a verification visit referred to in paragraph 1(b), the customs administration of the Party proposing to conduct the visit or, where the circumstances contemplated under paragraph 2 exist, the customs administration of the Party acting on behalf of the other Party, as the case may be, shall deliver a written notification of the intention to conduct a visit at least 30 days in advance of the date of the proposed visit to the exporter or producer whose premises are to be visited and obtain the written consent of that exporter or producer to such visit.

4. The notification referred to in paragraph 3 shall include:

- (a) the identity of the customs administration issuing the notification and, where the circumstances referred to under paragraph 2 exist, the identity of the customs administration on whose behalf the notification is being sent;
- (b) the name of the exporter or producer whose premises are to be visited;
- (c) the date and place of the proposed verification visit;
- (d) the object and scope of the proposed verification visit, including specific reference to the good that is the subject of the verification;
- (e) the names and titles of the officials performing the verification visit; and
- (f) the legal authority for the verification visit.

5. Where an origin verification referred to under paragraph 1 is to be conducted by the customs administration of the Party into whose territory a good was imported, the customs administration of that Party shall:

- (a) in the case of a written questionnaire, deliver a copy of the questionnaire; or
- (b) in the case of a verification visit, not less than 30 days prior to conducting the visit, deliver a copy of the written notification referred to paragraph 3,

to the customs administration of the Party from whose territory the good was exported.

6. Where an exporter or producer does not respond to a written questionnaire or does not give its written consent to a proposed verification visit within 30 days of delivery to the exporter or producer of the questionnaire or of the notification referred to in paragraph 3, as the case may be, or fails to provide sufficient information in response to a questionnaire or denies access to the records referred to in Article 5.5 during the conduct of a visit, the Party into whose territory the good was imported may deny preferential tariff treatment to the good that was the subject of the origin verification.

7. Each Party shall provide that, where its customs administration receives notification, pursuant to paragraph 5, from the customs administration of the other Party or is contacted to conduct a verification visit on behalf of that other Party, pursuant to Annex 5.6.2(1), it may, within 15 days of receipt of the notification or from the date of contact, as the case may be, postpone the proposed verification visit for a period not exceeding 60 days from the date of such receipt or contact, or for such longer period as the Parties may agree.

8. Each Party shall provide that, where its customs administration conducts a verification visit pursuant to paragraph 1(b) or where a verification visit is required to be conducted on its behalf by the customs administration of the Party from whose territory the goods were exported pursuant to paragraph 2, the exporter or producer whose goods are the subject of the verification visit may designate two observers to be present during the visit, provided that:

- (a) the observers do not participate in a manner other than as observers; and
- (b) the failure by the exporter or producer to designate observers shall not result in the postponement of the verification visit.

9. The customs administration of the Party into whose territory the good is imported, regardless of the manner in which, under either paragraph 1 or 2, a verification of origin is conducted, shall provide the exporter or producer whose good is the subject of the verification with a written determination of whether the good qualifies as an originating good, including the findings of fact and the legal basis on which the determination was made.

10. Each Party shall, before this Agreement enters into force, notify the other Party as to whether an origin verification referred to under paragraph 1 is required to be conducted in its territory by:

- (a) the customs administration of the other Party; or
- (b) its customs administration on behalf of that other Party.

11. Notwithstanding paragraph 10, either Party may, at any time after the Agreement enters into force, upon 60 days notice to the other Party, change the manner in which an origin verification is required to be conducted in its territory from subparagraph 10(a) to (b) or vice versa, as the case may be.

#### **Article 5.7: Confidentiality**

1. Each Party shall maintain, in accordance with its law, the confidentiality of confidential business information collected pursuant to this Chapter and shall protect that information from disclosure that could prejudice the competitive position of the persons providing the information.

2. The confidential business information collected by a Party pursuant to this Chapter may only be disclosed in accordance with the Mutual Assistance Agreement concerning customs matters to be concluded by the Parties.

## Article 5.8: Advance Rulings

1. Each Party shall, through its customs administration, provide for the issuance of written advance rulings, prior to the importation of a good into its territory, to an importer in its territory or an exporter or producer in the territory of the other Party, on the basis of the facts and circumstances presented by such importer, exporter or producer of the good, concerning whether the good qualifies as an originating good under the requirements of Chapter Three.
2. Each Party shall provide that its customs administration:
  - (a) may, at any time during the course of an evaluation of an application for an advance ruling, request supplemental information from the person requesting the ruling; and
  - (b) shall, after it has obtained all necessary information from the person requesting an advance ruling, issue the ruling within 120 days.
3. Subject to paragraph 4, each Party shall apply an advance ruling to importations into its territory of the good for which the ruling was requested, beginning on the date of its issuance or such later date as may be specified in the ruling.
4. The Party issuing an advance ruling may modify or revoke the ruling:
  - (a) if the ruling is based on an error
    - (i) of fact, or
    - (ii) in the tariff classification of a good or a material that is the subject of the ruling;
  - (b) if there is a change in the material facts or circumstances on which the ruling is based;
  - (c) to conform with a modification of Chapter Three; or
  - (d) to conform with a judicial decision or a change in its domestic law.

## **Article 5.9: Penalties**

Each Party shall maintain measures imposing criminal, civil or administrative penalties for violations of its laws and regulations relating to this Chapter.

### *Section C - Review and Appeal of Origin Determinations*

## **Article 5.10: Review and Appeal**

1. Each Party shall grant substantially the same rights of review and appeal with respect to a decision relating to the origin of imported goods represented as meeting the requirements of Chapter Three as are provided with respect to the tariff classification of imported goods.
2. Each Party shall provide that the rights of review and appeal referred to in paragraph 1 shall include access to:
  - (a) at least one level of administrative review independent of the official or office responsible for the determination under review; and
  - (b) in accordance with its domestic law, judicial or quasi-judicial review of the determination or decision taken at the final level of administrative review.

### *Section D - Cooperation*

## **Article 5.11: Cooperation**

1. In furtherance of their mutual interest in ensuring the effective administration of the certification process established under Articles 5.1, 5.2 and 5.3, the Parties shall cooperate fully in the verification of origin certification and in the enforcement of their respective laws in accordance with this Agreement.
2. Pursuant to paragraph 1, the Parties shall:

- (a) cooperate in developing verification standards and a framework to ensure that both Parties act consistently in determining that goods imported into their respective territories meet the rules of origin set out in Chapter Three; and
  - (b) exchange information to assist each other in the tariff classification, valuation and determination of origin, for tariff preference and country of origin marking purposes, of imported and exported goods.
3. In furtherance of their mutual interest in the prevention, investigation and repression of unlawful acts, the Parties shall cooperate fully in the enforcement of their respective customs laws in accordance with this Agreement and with other treaties, agreements and memoranda of understanding between them.
4. Each Party shall, to the extent allowed by its law with respect to the confidentiality of information, notify the other Party of any determination, measure or ruling, including, to the greatest extent practicable, any that is prospective in application, that:
- (a) establishes an administrative policy or principle that is likely to influence future determinations of origin; or
  - (b) changes the scope of an existing administrative policy, principle, precedential decision, regulation or rule of general application regarding determinations of origin.

**Article 5.12: Working Group on Rules of Origin and Other Customs-Related Market Access Issues**

1. The Parties hereby establish a Working Group on Rules of Origin and Other Customs-Related Market Access Issues, comprising representatives of each Party, to ensure the effective administration of Chapter Three and this Chapter and any other customs-related provisions of this Agreement.
2. The Working Group shall meet on the request of either Party.
3. The Working Group shall:
- (a) monitor the administration by the Parties of Chapter Three and this Chapter to ensure uniform interpretation;
  - (b) endeavour to agree, at the request of either Party, on any proposed modification of or addition to Annex 2.2.3, Chapter Three or this Chapter;

- (c) propose to the Parties any modification of or addition to Chapter Three, this Chapter or any other provision of this Agreement as may be required to conform with any change to the Harmonized System;
  - (d) endeavour to agree on:
    - (i) the uniform interpretation, application and administration of Chapter Three and this Chapter,
    - (ii) tariff classification and valuation matters relating to determinations of origin,
    - (iii) revisions to the Certificate of Origin,
    - (iv) any other matter referred to it by either Party,
    - (v) any other customs-related matter arising under this Agreement; and
  - (e) consider any proposed customs-related administrative and operational change that may effect the flow of trade between the Parties.
4. The Parties agree that Article 3.5(1)(c) shall enter into effect only upon:
- (a) the agreement by the Parties on the method of verification by a customs administration that a good has undergone no further production other than minor processing in the territory of a non-Party referred to in Article 3.5(1)(c), based on the principles of Article 5.6;
  - (b) the establishment by the Parties of a Declaration of Minor Processing for the purpose of certifying that the good has undergone no further production other than minor processing in the territory of a non-Party referred to in Article 3.5(1)(c); and
  - (c) the establishment by the Parties of an obligation regarding the completion of the Declaration of Minor Processing and the obligations regarding importations, exportations and record-keeping with regard to a good that undergoes minor processing referred to Article 3.5(1)(c), based on the principles set out in Articles 5.1 to 5.5.
5. The Parties agree that Article 3.5(2) shall enter into effect only upon:

- (a) the agreement by the Parties on the method of verification by a customs administration that a good has undergone more than minor processing in the territory of a non-Party referred to in Article 3.5(2), based on the principles of Article 5.6;
- (b) the establishment by the Parties of a Declaration of Major Processing for the purpose of certifying that the good has undergone more than minor processing in the territory of a non-Party referred to in Article 3.5(2);
- (c) the establishment by the Parties of an obligation regarding the completion of the Declaration of Major Processing and the obligations regarding importations, exportations and record-keeping with regard to a good that undergoes more than minor processing referred to Article 3.5(2), based on the principles set out in Articles 5.1 to 5.5.

6. The Parties will endeavour to reach agreement on the matters described in paragraph 4 before this Agreement enters into force.

7. The Parties shall review the rules of origin within two years of the date of entry into force of this Agreement, with a view to further liberalization of bilateral trade, with particular regard to:

- (a) further minor production in third countries of originating goods with respect to specifically identified goods and specifically designated production processes, including minor processing and simple assembly of textile products; and
- (b) specific goods that undergo significant production in the territory of one of the Parties.

8. Where a Party considers that a rule of origin for a good requires modification on the basis that the good undergoes significant production in its territory, it shall submit a proposed modification along with supporting rationale and studies to the other Party for that other Party's consideration.

#### **Article 5.13: Definitions**

For purposes of this Chapter:

**identical goods** means goods that are the same in all respects, including physical characteristics, quality and reputation, irrespective of minor differences in appearance that are not relevant to a determination of origin of those goods under Chapter Three.

**Annex 5.6.2**

**Procedures Regarding an Origin Verification Conducted by the  
Customs Administration of a Party on Behalf of the Other Party  
Pursuant to Article 5.6(2)**

1. Where the circumstances contemplated under Article 5.6(2) exist, the customs administration of the Party into whose territory a good is imported shall initiate an origin verification by sending

- (a) the written questionnaire; or
- (b) a letter requesting that a verification visit be conducted on its behalf

to the office designated for such purpose by the customs administration of the Party from whose territory the good is exported.

2. On receipt of a written questionnaire or a letter referred to in paragraph 1, the customs administration of the Party from whose territory the good was exported shall:

- (a) in the case of a questionnaire, forward a true copy thereof to the exporter or producer whose good is subject to the origin verification for completion and signature within 30 days from the date of delivery to such exporter or producer; and
- (b) in the case of a letter, on the basis of information provided therein, prepare and send the notification referred to in Article 5.6(3) to the exporter or producer whose good is subject to the verification visit and obtain the written consent thereof within 30 days from the date of delivery of the notification to that exporter or producer.

3. The customs administration of the Party from whose territory the good was exported shall:

- (a) notify the customs administration of the Party that initiated the origin verification under paragraph 1 of the date on which the questionnaire or the written notification referred to under paragraph 2 was delivered to the exporter or producer whose good is the subject of the origin verification; and

- (b) upon the 30th day after the date referred to in subparagraph 3(a), either
  - (i) forward the completed questionnaire or written consent, as the case may be, to the customs administration of the Party that initiated the origin verification under paragraph 1, or
  - (ii) advise the customs administration of that Party that the questionnaire or written consent, as the case may be, has not been received from the exporter or producer whose good is the subject of the origin verification.

4. Where the exporter or producer of the good that is the subject of the verification consents to a verification visit as contemplated by Article 5.6(3), officials of the customs administration of the Party that initiated the verification under paragraph 1 may be present in the offices of the customs administration of the other Party for purposes of directing the manner in which the verification visit is to proceed.

5. The customs administration of the Party from whose territory a good is exported shall, in conducting a origin verification on behalf of the other Party pursuant to this Annex, assume all ordinary expenses associated with conducting the origin verification within its territory except travel and incidental expenses of officials travelling to the territory of that Party as contemplated under paragraph 4.

6. The customs administration of the Party from whose territory a good is exported shall, in conducting an origin verification on behalf of the other Party pursuant to this Annex, if requested by that other Party pursuant to a Customs Mutual Assistance Agreement, certify or authenticate, in the manner required by that other Party, copies of any documents and records obtained during the course of conducting the origin verification.

**PART THREE  
GOVERNMENT PROCUREMENT**

**Chapter Six**

**Government Procurement**

**Article 6.1: Government Procurement**

The rights and obligations of the Parties relating to government procurement shall be governed by the *Agreement on Government Procurement*, Annex 4 of the *WTO Agreement*, as of the date of its entry into force for the Parties.

**Article 6.2: Further Liberalization**

The Parties will endeavour to negotiate further liberalization of access by suppliers of the other Party to their government procurement.

**PART FOUR  
CONDUCT OF BUSINESS**

**Chapter Seven**

**Competition Policy**

**Article 7.1: 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 fulfilment 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 between 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. Neither Party may have recourse to dispute settlement under this Agreement for any matter arising under this Article.

**Article 7.2: 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 the other Party, the Party shall:
  - (a) wherever possible, provide prior written notification to the other Party of the designation; and
  - (b) endeavour 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.

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, 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) acts solely in accordance with commercial considerations in its purchase or sale of the monopoly good in the relevant market, including with regard to price, quality, availability, marketability, transportation and other terms and conditions of purchase or sale; and
- (c) 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 affects the other Party, including through the discriminatory provision of the monopoly good, cross-subsidization or predatory conduct.

4. Paragraph 3 does not apply to procurement by governmental agencies of goods for governmental purposes and not with a view to commercial resale or with a view to use in the production of goods 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, 1997.

### **Article 7.3: State Enterprises**

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

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 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.

#### **Article 7.4: Definitions**

For purposes of this Chapter:

**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;

**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, and

**state enterprise** means an enterprise owned, or controlled through ownership interests, by a Party and with respect to Canada, means a Crown corporation within the meaning of the *Financial Administration Act* (Canada), as amended from time to time, and a Crown corporation within the meaning of any comparable provincial law or equivalent entity that is incorporated under other applicable provincial law.

**PART FIVE  
ADMINISTRATIVE AND INSTITUTIONAL PROVISIONS**

**Chapter Eight**

**Article 8.1: Application**

1. This Chapter applies with respect to the avoidance or settlement of all disputes regarding the interpretation or application of this Agreement or wherever a Party considers that an actual or proposed measure of the other Party is or would be inconsistent with the obligations of this Agreement or cause nullification or impairment in the sense of Annex 8.1 unless the Parties agree to use another procedure in any particular case.
2. Disputes arising under both this Agreement and the *WTO Agreement*, including the *General Agreement on Tariffs and Trade 1994 (WTO)*, and its successor agreements, to which both Parties are party, may be settled in either forum, according to the rules of that forum, at the discretion of the complaining Party.
3. Once the dispute settlement provisions of this Agreement or the WTO have been initiated pursuant to Article 8.7 or the WTO with respect to any matter, the procedure initiated shall be used to the exclusion of any other.

**Article 8.2: The Commission**

1. The Parties hereby establish the Canada-Israel Trade Commission (The Commission) to supervise the implementation of this Agreement, to resolve disputes that may arise over its interpretation and application, to oversee its further elaboration, and to consider any other matter that may affect its operation.
2. The Commission shall comprise representatives of both Parties. The principal representative of each Party shall be the cabinet-level officer or Minister primarily responsible for international trade, or a person designated by the cabinet-level officer or Minister.
3. The Commission shall convene at least once a year in regular session to review the functioning of this Agreement. Regular sessions of the Commission shall be held alternately in the two countries.

4. The Commission may establish, and delegate responsibilities to, ad hoc or standing committees or working groups and seek the advice of non-governmental individuals or groups.

5. The Commission may establish its rules and procedures. All decisions of the Commission shall be taken by consensus.

#### **Article 8.3: Administrative Support to the Trade Commission and Dispute Resolution Panels**

1. Each Party shall identify an agency, division or branch of its government ("designated agency") to facilitate the operation of this Chapter and to provide administrative assistance to panels established under this Chapter.

2. Where a Party has requested a Commission meeting under Article 8.7(1), the designated agency of the Party complained against shall be responsible for providing support to any mediator or to any panel established to deal with the dispute.

3. During a panel proceeding the Parties shall exchange documents by sending them to the designated agency to be filed and forwarded to the other Party. The designated agency shall administer the Code of Conduct for panelists established pursuant to Article 8.8, and provide administrative support for panels by arranging for hearing rooms, the production of panel reports and the payment of panelists. The designated agency may also provide administrative support for the Commission if so directed by the Commission.

#### **Article 8.4: Contact Points**

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

#### **Article 8.5: Publication, Notification and Provision of Information**

1. Each party shall, to the extent possible, publish promptly, all laws, regulations, procedures and administrative rulings of general application respecting matters covered by this Agreement.

2. Each Party shall, to the extent possible, publish, consistent with Article X of GATT 1994, any law, regulation, procedure or administrative ruling of general application that it proposes to adopt respecting the matters covered by this Agreement.
3. Each Party shall, to the extent possible, provide written notice, in an official language of either Party, to the other Party of any proposed or actual measure that might materially affect the operation of this Agreement. The notice shall include, where appropriate, a description of the reasons for the proposed or actual measure.
4. The written notice shall be given as far in advance as possible of the implementation of the measure. If prior notice is not possible, the Party implementing the measure shall provide written notice to the other Party as soon as possible after implementation.
5. On request of the other Party, a Party shall promptly provide information and respond to questions pertaining to any actual or proposed measure, whether or not previously notified.
6. The provision of written notice shall be without prejudice as to whether the measure is consistent with this Agreement.

#### **Article 8.6: Consultations**

1. Either Party may request consultations regarding any actual or proposed measure or any other matter that it considers affects the operation of this Agreement, whether or not the matter has been notified in accordance with Article 8.5.
2. The 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.
3. Each Party shall treat any confidential or proprietary information exchanged in the course of consultations on the same basis as the Party providing the information.

#### **Article 8.7: Initiation of Procedures**

1. If the Parties fail to resolve a matter through consultations within 30 days of delivery of a request for consultations under Article 8.6, either Party may request in writing a meeting of the Commission. The request shall state the matter complained of, and shall indicate what provisions of this Agreement are considered relevant. Unless otherwise

agreed, the Commission shall convene within 20 days after delivery of a request and shall endeavour to resolve the dispute promptly.

2. The Commission may call on such technical advisers as it deems necessary, or on the assistance of a mediator acceptable to both Parties, in an effort to reach a mutually satisfactory resolution of the dispute.

#### **Article 8.8: Code of Conduct**

The Parties shall, by the date of the entry into force of this Agreement, exchange letters establishing a Code of Conduct for panelists appointed pursuant to Article 8.9.

#### **Article 8.9: Panel Procedures**

1. Panels shall be established in accordance with the provisions of Annex 8.9.

2. If a dispute has been referred to the Commission under Article 8.7 and has not been resolved within a period of 30 days after the Commission has convened or within such other period as the Commission has agreed, the Commission, on the request of either Party, shall establish a panel of experts to consider the matter and to make findings, determinations and, if requested by either Party, recommendations concerning the removal of a measure found not to conform with the Agreement. A panel shall be deemed to be established from the date of delivery to the other Party of the request of a Party.

3. The panel proceedings commenced at the request of one Party shall take place in the territory of the other Party or in a jointly agreed location.

4. Unless the 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 such findings, determinations and recommendations if requested as are provided in this Article."

If the complaining Party, having raised it during the Commission meeting, wishes to argue that a matter has nullified or impaired benefits, the terms of reference shall so indicate.

5. The Commission shall, at its first meeting or shortly thereafter, establish Model Rules of Procedure. The Model Rules of Procedure shall:

- (a) assure a right to at least one hearing before the panel and the opportunity to provide written submissions and rebuttal arguments;
- (b) permit counsel chosen by a Party to advise that Party during panel proceedings including hearings;
- (c) require that a Party's positions be presented by official spokespersons of that Party; and
- (d) set out provisions concerning confidentiality of the panel's hearings, deliberations and initial report, and written submissions to and communications with the panel.

Unless otherwise agreed by the Parties, the panel shall conduct its proceedings in accordance with the Model Rules of Procedure and shall base its decision on the arguments and submissions of the Parties.

6. Unless the Parties otherwise agree, the panel shall, within 3 months after its Chairperson is appointed, present to the Parties an initial report containing findings of fact, its determination as to whether the measure at issue is or would be inconsistent with the obligations of this Agreement or cause nullification and impairment in the sense of Annex 8.1, and its recommendations, if any, for resolution of the dispute. Where feasible, the panel shall afford the Parties opportunity to comment on its preliminary findings of fact prior to completion of its report. If requested in the terms of reference for the panel, the panel shall also present findings as to the degree of adverse trade effect on the other Party of any measure found not to conform with the obligations of the Agreement.

7. Within 30 days of issuance of the initial report of the panel, a Party disagreeing in whole or in part may present a written statement of its objections and the reasons for those objections to the Commission and the panel. In such an event, the panel on its own motion or at the request of the Commission or either Party may request the views of both Parties, reconsider its report, make any further examination that it deems appropriate and issue a final report, together with any separate opinions, within 60 days of issuance of the initial report.

8. Unless the Commission agrees otherwise, the final report of the panel shall be published along with any separate opinions, and any written views that either Party desires to be published, within 15 days after it is presented to the Commission.

9. On receipt of the final report of the panel, the Commission shall agree on the resolution of the dispute, which normally shall conform with the report of the panel. Whenever 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 8.1 or, failing such a resolution, agreed compensation.

10. 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 8.1 and the Party complained against has not reached agreement with the complaining Party on a mutually satisfactory resolution pursuant to paragraph 9 within 30 days of receiving the final report if the measure was found to be inconsistent with this Agreement or within 180 days if the measure was found to cause nullification or impairment, the 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.

11. In considering what benefits to suspend pursuant to paragraph 9:

- (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 8.1; 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.

12. On the written request of the Party complained against delivered to the complaining Party and to its designated agency, the panel which made the determination shall determine whether the level or extent of benefits suspended by the complaining Party pursuant to paragraph 10 is manifestly excessive.

13. The panel proceedings pursuant to paragraph 12 shall be conducted in accordance with the Model Rules of Procedure. The panel shall present its determination within 60 days of the date the Party complained against made the request or such other period as the disputing Parties may agree.

#### **Article 8.10: Private Rights**

Neither Party may provide for a right of action under its domestic law against the other Party on the ground that a measure of the other Party is inconsistent with this Agreement.

## Annex 8.1

### Nullification and Impairment

1. If a Party considers that the application of any measure, that is not inconsistent with the provisions of this Agreement, causes nullification or impairment of any benefit reasonably expected to accrue to that Party, directly or indirectly under the provisions of this Agreement, that Party may, with a view to the satisfactory resolution of the matter, invoke the consultation provisions of Article 8.6 and, if it considers it appropriate, proceed to dispute settlement pursuant to Article 8.7.

2. Paragraph 1 shall not apply to Article 10.5.

## Annex 8.9

1. The Commission shall develop and maintain a roster of individuals who are willing and able to serve as panelists. Wherever possible, panelists shall be chosen from this roster. In all cases, panelists shall be chosen strictly on the basis of objectivity, reliability and sound judgment and, where appropriate, have expertise in the particular matter under consideration. Panelists shall not be affiliated with or take instructions from either Party.
2. The remuneration of panelists, their travel and lodging expenses, and all general expenses of the panel shall be borne equally by the Parties. Each panelist shall keep a record and render a final account of his time and expenses, and the panel 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 the panelists.
3. The panel shall be composed of three members, who may be citizens of Canada or Israel. Within 45 days of establishment of the panel, each Party, in consultation with the other Party, shall choose one member of the panel, and the Commission shall endeavour to agree on the third member who shall chair the panel. If a Party fails to appoint its panelists within 45 days, such panelists shall be selected by lot from among its citizens on the roster described in paragraph 1. If the Commission is unable to agree on the Chairperson of the panel then each Party shall nominate a candidate for Chairperson and the Chairperson shall be selected by lot from the nominees agreed upon by the Parties.
4. Panelists may furnish separate opinions on matters not unanimously agreed.
5. No panel may, either in its initial report or its final report, disclose which panelists are associated with majority or minority opinions.
6. Panelists shall be subject to the Code of Conduct established pursuant to Article 8.8. If a Party believes that a panelist is in violation of the Code of Conduct, the Parties shall consult and if the Parties agree, the panelist shall be removed and a new panelist shall be selected in accordance with the procedures of this Annex.
7. If a panelist becomes unable to fulfil 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.

**PART SIX  
OTHER PROVISIONS**

**Chapter Nine**

**Further Elaboration**

**Article 9.1: Intellectual Property Rights**

The rights and obligations of the Parties relating to intellectual property rights shall be governed by the *Agreement on Trade-Related Aspects of Intellectual Property Rights*, Annex 1C of the *WTO Agreement*, and any subsequent amendments to that Agreement.

**Article 9.2: Subsidies and Countervailing Measures**

1. The rights and obligations of the Parties relating to subsidies and countervailing measures shall be governed by the *Agreement on Subsidies and Countervailing Measures*, part of Annex 1A of the *WTO Agreement*.
2. The rights and obligations of the Parties relating to the application of antidumping measures shall be governed by the *Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994*, part of Annex 1A of the *WTO Agreement*.
3. Each Party reserves the right to apply its antidumping law and countervailing duty law to goods imported from the territory of the other Party in conformity with the principles of the agreements referred to in paragraphs 1 and 2. Antidumping law and countervailing duty law include, as appropriate for each Party, relevant statutes, legislative history, regulations, administrative practice and judicial precedents.

## Chapter Ten

### Exceptions

#### Article 10.1: General Exceptions

Article XX of GATT 1994 and its interpretative notes, or any equivalent provision of a successor agreement to which both Parties are party, are incorporated into and made part of this Agreement. The Parties understand that the measures referred to in Article XX(b) of GATT 1994 also include environmental measures necessary to protect human, animal or plant life or health, and that Article XX(g) of GATT 1994 applies to measures relating to the conservation of living and non-living exhaustible natural resources.

#### Article 10.2: National Security

1. Nothing in this Agreement shall be construed:

- (a) to require either party to furnish or allow access to any information the disclosure of which would be contrary to its essential security interests;
- (b) to prevent either Party from taking any actions 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 biological, chemical, nuclear weapons or other nuclear explosive devices; or
- (c) to prevent either Party from taking action in pursuance of its obligations under the United Nations Charter for the maintenance of international peace and security.

### **Article 10.3: Taxation**

1. Except as provided in this Article, nothing in this Agreement shall apply to taxation measures.
2. Nothing in this Agreement shall affect the rights and obligations of a Party under any tax convention. In the event of any inconsistency between this Agreement and any such convention, that convention shall prevail to the extent of the inconsistency.
3. Notwithstanding paragraph 2:
  - (a) Article 4.1 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 1994; and
  - (b) Article 4.7 shall apply to taxation measures.

### **Article 10.4: Balance of Payments**

The rights and obligations of the Parties relating to balance of payments shall be governed by the *Understanding on the Balance-of-Payments Provisions of the General Agreement on Tariffs and Trade 1994*, part of Annex 1A of the *WTO Agreement*.

### **Article 10.5: Cultural Industries**

Measures affecting cultural industries are exempt from the provisions of this Agreement, except as specifically provided in Article 2.1.

### **Article 10.6: 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
- (e) radiocommunications 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;

**tax convention** means a convention for the avoidance of double taxation or other international taxation agreement or arrangement;

**taxation measures do not include:**

- (a) a "customs duty" as defined in Article 2.3; or
- (b) the measures listed in exceptions (b) and (c) of that definition; and

**transfers** means international transactions and related international transfers and payments.

## Chapter Eleven

### General and Final Provisions

#### Article 11.1: Annexes

The Annexes to this Agreement constitute an integral part of this Agreement.

#### Article 11.2: 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.
3. Notwithstanding Article 11.1, the annexes to this Agreement may be amended by the Commission through an exchange of letters confirming the amendment.

#### Article 11.3: Entry into Force

1. This Agreement shall enter into force on January 1, 1997, subject to the completion of the necessary legal procedures by each Party, through an exchange of written notifications through diplomatic channels certifying such completion.

#### Article 11.4: Duration and Termination

This Agreement shall remain in force unless terminated by either Party on six month's notice to the other Party.

#### Article 11.5: Further Liberalization of Trade

With a view to enhancing the free trade area established under this Agreement, the Parties agree that, within two years of the date of its entry into force, they will enter into further discussions to seek additional means of expanding the scope of liberalized trade in the free trade area through the further removal of tariffs and other barriers to trade between the Parties.

**Article 11.6: Authentic Texts**

The English, French and Hebrew texts of this Agreement are equally authentic.

**IN WITNESS WHEREOF**, the undersigned, being duly authorized by their respective Governments, have signed this Agreement.

## **Annex 3.1**

### **Specific Rules of Origin**

#### **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; and
- (d) 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 (Chapter 1-5)

#### Chapter 1: Live Animals

A change to this chapter from any other chapter.

#### Chapter 2: Meat and Edible Meat Offal

A change to this chapter from any other chapter.

#### Chapter 3: Fish and Crustaceans, Molluscs and Other Aquatic Invertebrates

A change to a subheading of this chapter from any other subheading, including another subheading within this chapter.

#### Chapter 4: Dairy Produce; Birds' Eggs; Natural Honey; Edible Products of Animal Origin, Not Elsewhere Specified or Included

A change to this chapter from any other chapter, except from tariff item 1901.90.aa.

#### Chapter 5: Products of Animal Origin, Not Elsewhere Specified or Included

A change to a subheading of this chapter from any other subheading, including another subheading within this chapter.

**SECTION II VEGETABLE PRODUCTS (Chapter 6-14)**

**Note to Chapters 6 through 14:** *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, bulbs, rootstock, cuttings, slips or other live parts of plants imported from a non-Party.*

**Chapter 6: Live Trees and Other Plants; Bulbs, Roots and the Like; Cut Flowers and Ornamental Foliage**

A change to a subheading of this chapter from any other subheading, including another subheading within this chapter.

**Chapter 7: Edible Vegetables and Certain Roots and Tubers**

A change to this chapter from any other chapter.

**Chapter 8: Edible Fruit and Nuts; Peel of Citrus Fruit or Melons**

A change to this chapter from any other chapter.

**Chapter 9: Coffee, Tea, Maté and Spices**

09.01 A change to a subheading of this heading from any other subheading, including another subheading within this heading.

09.02

0902.10.aa A change to this tariff item from subheading 0902.20.

0902.30.aa A change to this tariff item from subheading 0902.40.

09.02 A change to this heading from any other chapter.

09.03-09.09 A change to any of these headings from any other chapter; or

A change to crushed, ground or powdered items of any of headings 09.04-09.09 from any other tariff item, provided that the crushed, ground or powdered items of any of headings 09.04-09.09 are put up for retail sale.

09.10

A change to this heading from any other chapter;

A change to crushed, ground or powdered items of this heading from any other tariff item, provided that the crushed, ground or powdered items of this heading are put up for retail sale; or

A change to subheading 0910.91 from any other subheading, provided that a single non-originating spice ingredient constitutes not more than 60 per cent by weight of the product.

**Chapter 10: Cereals**

A change to this chapter from any other chapter.

**Chapter 11: Products of the Milling Industry; Malt; Starches; Inulin; Wheat Gluten**

A change to this chapter from any other chapter.

**Chapter 12: Oil Seeds and Oleaginous Fruits; Miscellaneous Grains, Seeds and Fruit; Industrial or Medicinal Plants; Straw and Fodder**

12.01-12.10 A change to any of these headings from any other chapter.

12.11

1211.10.aa A change to this tariff item from any other tariff item.

1211.20.aa A change to this tariff item from any other tariff item.

1211.90.aa A change to this tariff item from any other tariff item.

12.11 A change to this heading from any other chapter.

12.12-12.14 A change to any of these headings from any other chapter.

**Chapter 13: Lac; Gums, Resins and Other Vegetable Saps and Extracts**

A change to a heading of this chapter from any other heading, including another heading within this chapter.

**Chapter 14: Vegetable Plaiting Materials; Vegetable Products Not Elsewhere Specified or Included**

A change to this chapter from any other chapter.

**SECTION III ANIMAL OR VEGETABLE FAT 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**

A change to this chapter from any other chapter.

**SECTION IV PREPARED FOODSTUFFS; BEVERAGES, SPIRITS AND VINEGAR; TOBACCO AND MANUFACTURED TOBACCO SUBSTITUTES (Chapter 16-24)**

**Chapter 16: Preparations of Meat, of Fish or Crustaceans, Molluscs or Other Aquatic Invertebrates**

A change to this chapter from any other chapter, except from any of subheadings 0201.10-0201.30 and 0202.10-0202.30; or

A change to this chapter from any of subheadings 0201.10-0201.30 and 0202.10-0202.30, provided that the change involves cooking, smoking or similar types of curing of any material provided for in any of subheadings 0201.10-0201.30 and 0202.10-0202.30.

**Chapter 17: Sugars and Sugar Confectionery**

17.01-17.02 A change to any of these headings from any other chapter.

17.03-17.04 A change to any of these headings from any heading outside this group.

**Chapter 18: Cocoa and Cocoa Preparations**

18.01-18.04 A change to any of these headings from any other chapter.

18.05 A change to this heading from any other heading, except from heading 18.03.

18.06 A change to a subheading of this heading from any other subheading, including another subheading within this heading.

**Chapter 19: Preparations of Cereals, Flour, Starch or Milk; Pastrycooks' Products**

1901.10 A change to this subheading from any other chapter.

1901.20

1901.20.aa A change to this tariff item from any other chapter, except from Chapter 4.

1901.20 A change to this subheading from any other chapter.

1901.90

1901.90.aa A change to this tariff item from any other chapter, except from Chapter 4.

1901.90 A change to this subheading from any other chapter.

19.02-19.05 A change to any of these headings from any other chapter.

**Chapter 20: Preparations of Vegetables, Fruit, Nuts or Other Parts of Plants**

**Note:** *A fruit, nut or vegetable preparation of Chapter 20 that has 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 an originating good only if the value of fresh goods that are wholly produced or obtained entirely in the territory of one or more of the Parties constitute at least 90 per cent of the value of all fresh goods used in the production of the fruit, nut or vegetable preparation.*

20.01-20.08 A change to any of these headings from any other chapter.

2009.11-2009.80 A change to any of these subheadings from any other chapter.

2009.90 A change to this subheading from any other chapter; or

A change to this subheading 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 per cent by volume of the good.

**Chapter 21: Miscellaneous Edible Preparations**

21.01-21.04 A change to any of these headings from any other chapter

21.05 A change to this heading from any other heading, except from Chapter 4 or tariff item 1901.90.aa.

21.06

2106.90.aa A change to this tariff item from any other chapter, except from heading 20.09 or any of tariff items 2202.90.aa and 2202.90.bb.

2106.90.bb A change to this tariff item from any other chapter, except from heading 20.09 or any of tariff items 2202.90.aa and 2202.90.bb; or

A change to this tariff item from any other subheading within Chapter 21 or heading 20.09, 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 per cent by volume of the good.

2106.90.cc A change to this tariff item from any other chapter, except from Chapter 4 or tariff item 1901.90.aa.

2106.90.dd A change to this tariff item from any other tariff item, except from any of headings 22.03-22.09.

21.06 A change to this heading from any other chapter.

**Chapter 22: Beverages, Spirits and Vinegar**

22.01 A change to this heading from any other chapter.

2202.10 A change to this subheading from any other chapter.

2202.90

2202.90.aa A change to this tariff item from any other chapter, except from heading 20.09 or any of tariff items 2106.90.aa and 2106.90.bb.

2202.90.bb A change to this tariff item from any other chapter, except from heading 20.09 or any of tariff items 2106.90.aa and 2106.90.bb; or

A change to this tariff item from any other subheading within Chapter 22 or heading 20.09, 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 per cent by volume of the good.

2202.90.cc A change to this tariff item from any other chapter, except from Chapter 4 or tariff item 1901.90.aa.

2202.90 A change to this subheading from any other chapter.

22.03-22.09 A change to any of these headings from any heading outside this group.

**Chapter 23: Residues and Waste From the Food Industries; Prepared Animal Fodder**

23.01-23.08 A change to any of these headings from any other heading, including another heading within this group.

2309.10 A change to this subheading from any other heading.

2309.90

2309.90.aa A change to this tariff item from any other heading, except from Chapter 4 or tariff item 1901.90.aa.

2309.90 A change to this subheading from any other heading.

**Chapter 24: Tobacco and Manufactured Tobacco Substitutes**

A change to a heading of this chapter from any other heading, including another heading within this chapter.

**SECTION V MINERAL PRODUCTS (Chapter 25-27)**

**Chapter 25: Salt; Sulphur; Earths and Stone Plastering Materials, Lime and Cement**

A change to a heading of this chapter from any other heading, including another heading within this chapter.

**Chapter 26: Ores, Slag and Ash**

A change to a subheading of this chapter from any other subheading, including another subheading within this chapter.

**Chapter 27: Mineral Fuels, Mineral Oils and Products of Their Distillation; Bituminous Substances; Mineral Waxes**

**Note:** *For the purposes of this chapter, "chemical reaction" means a process in which chemical bonds in molecules are broken and new chemical bonds are formed between the fragmented molecules or added elements so that one or more of the original bonds no longer link the same chemical elements or functional groups.*

27.01-27.09 A change to any of these headings from any other chapter.

27.10-27.15 A change to any of these headings from any heading outside this group; or  
A change to a good of heading 27.10 from any other good of heading 27.10, whether or not there is also a change from any other heading, provided that the change is the result of a chemical reaction.

**SECTION VI PRODUCTS OF THE CHEMICAL OR ALLIED INDUSTRIES (Chapter 28-38)**

**Chapter 28: Inorganic Chemicals; Organic or Inorganic Compounds of Precious Metals, or Rare-Earth Metals, or Radioactive Elements or of Isotopes**

A change to a subheading of this chapter from any other subheading, including another subheading within this chapter.

**Chapter 29: Organic Chemicals**

29.01-29.33 A change to a subheading of any of these headings from any other subheading, including another subheading within these headings.

2934.10-2934.90 A change to any of these subheadings from any other subheading, including another subheading within this group; or

A change to nucleic acids of subheading 2934.90 from other heterocyclic compounds of subheading 2934.90.

29.35-29.42 A change to a subheading of any of these headings from any other subheading, including another subheading within these headings.

**Chapter 30:      Pharmaceutical Products**

A change to a subheading of this chapter from any other subheading, including another subheading within this chapter.

**Chapter 31:      Fertilisers**

A change to a subheading of this chapter from any other subheading, including another subheading within this chapter.

**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 any of these headings from any other chapter.

3204.11-3204.17 A change to any of these subheadings from any other chapter.

3204.19 A change to this subheading from any other heading.

3204.20-3204.90 A change to any of these subheadings from any other chapter.

32.05-32.07 A change to any of these headings from any other chapter.

32.08-32.10 A change to any of these headings from any heading outside this group.

32.11-32.12 A change to any of these headings from any heading outside this group.

32.13 A change to this heading from any other heading, except from any of headings 32.08-32.10.

32.14-32.15 A change to any of these headings from any heading outside this group.

**Chapter 33: Essential Oils and Resinoids: Perfumery, Cosmetic or Toilet Preparations**

- 33.01 A change to this heading from any other heading.
- 33.02 A change to this heading from any other heading, except from any of headings 22.07-22.08.
- 33.03 A change to this heading from any other heading, except from heading 33.02.
- 33.04-33.05 A change to any of these headings from any other heading, including another heading within this group.
- 33.06
- 3306.20 A change to this subheading from any other subheading, except from Chapter 54.
- 33.06 A change to this heading from any other heading.
- 33.07 A change to this heading from any other heading.

**Chapter 34: Soap, Organic Surface-Active Agents, Washing Preparations, Lubricating Preparations, Artificial Waxes, Prepared Waxes, Polishing or Scouring Preparations, Candles and Similar Articles, Modelling Paste, "Dental Waxes" and Dental Preparations with a Basis of Plaster**

- 34.01 A change to this heading from any other heading.
- 34.02 A change to this heading from any other heading, except from heading 38.17.
- 34.03-34.07 A change to a subheading of any of these headings from any other subheading, including another subheading within these headings.

**Chapter 35: Albuminoidal Substances; Modified Starches; Glues; Enzymes**

- 3501.10-3501.90 A change to any of these subheadings from any other subheading, including another subheading within this group.

3502.11-3502.19 A change to any of these subheadings from any subheading outside this group.

3502.20-3502.90 A change to any of these subheadings from any other subheading, including another subheading within this group.

3503.00-3507.90 A change to any of these subheadings from any other subheading, including another subheading within this group.

**Chapter 36: Explosives; Pyrotechnic Products; Matches; Pyrophoric Alloys; Certain Combustible Preparations**

A change to a heading of this chapter from any other heading, including another heading within this chapter.

**Chapter 37: Photographic or Cinematographic Goods**

37.01-37.03 A change to any of these headings from any other chapter.

37.04-37.06 A change to any of these headings from any other heading, including another heading within this group.

37.07 A change to this heading from any other chapter.

**Chapter 38: Miscellaneous Chemical Products**

38.01-38.02 A change to a subheading of any of these headings from any other subheading, including another subheading within these headings.

38.03-38.04 A change to any of these headings from any other heading, including another heading within this group.

38.05-38.06 A change to a subheading of any of these headings from any other subheading, including another subheading within these headings.

38.07 A change to this heading from any other heading.

- 38.08-38.12 A change to a subheading of any of these headings from any other subheading, including another subheading within these headings.
- 38.13-38.14 A change to any of these headings from any other heading, including another heading within this group.
- 38.15 A change to a subheading of this heading from any other subheading, including another subheading within this heading.
- 38.16 A change to this heading from any other heading.
- 38.17 A change to a subheading of this heading from any other subheading, including another subheading within this heading.
- 38.18-38.22 A change to any of these headings from any other heading, including another heading within this group.
- 38.23 A change to this heading from any other heading, except from Chapter 15.
- 3824.10-3824.60 A change to any of these subheadings from any other subheading, including another subheading within this group.
- 3824.90 A change to this subheading from any other subheading, provided that non-originating materials constitute no more than 60 per cent by weight of the good.

**SECTION VII PLASTICS AND ARTICLES THEREOF; RUBBER AND ARTICLES THEREOF (Chapter 39-40)**

**Chapter 39: Plastics and Articles Thereof**

- 39.01-39.15 A change to any of these headings from any other heading, including another heading within this group; or
- A change to a subheading of any of these headings from any other subheading, including another subheading within these headings, whether or not there is also a change from any other heading, provided that non-

originating polymer materials provided for in Chapter 39 constitute no more than 60 per cent by weight of the total polymer content.

39.16-39.21 A change to any of these headings from any heading outside this group.

39.22-39.26 A change to any of these headings from any heading outside this group.

**Chapter 40: Rubber and Articles Thereof**

40.01-40.04 A change to a subheading of any of these headings from any other subheading, including another subheading within these headings.

40.05 A change to this heading from any other chapter.

40.06 A change to this heading from any other heading, except from heading 40.05.

40.07-40.08 A change to any of these headings from any heading outside this group.

40.09-40.17 A change to any of these headings from any heading outside this group.

**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) (Chapter 41-43)**

**Chapter 41: Raw Hides and Skins, (Other than Furskins) and Leather**

41.01-41.03 A change to any of these headings from any other chapter.

41.04-41.07 A change to any of these headings from any heading outside this group.

41.08-41.11 A change to any of these headings from any other heading, except from any of headings 41.04-41.11.

**Chapter 42: Article of Leather; Saddlery and Harness Travel Goods, Handbags and similar Containers; Articles of Animal Gut (Other than Silk-Worm Gut)**

A change to this chapter from any other chapter.

**Chapter 43: Furskins and Artificial Fur; Manufactures thereof**

43.01 A change to this heading from any other chapter.

43.02 A change to this heading from any other heading.

43.03-43.04 A change to any of these headings from any heading outside this 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 (Chapter 44-46)**

**Chapter 44: Wood and Articles of Wood; Wood Charcoal**

A change to a heading of this chapter from any other heading, including another heading within this chapter.

**Chapter 45: Cork and Articles of Cork**

A change to a subheading of this chapter from any other subheading, including another subheading within this chapter.

**Chapter 46: Manufactures of Straw, of Esparto or of other Plaiting materials; Basketware and Wickerwork**

A change to a heading of this chapter from any other heading, including another heading within this chapter.

**SECTION X PULP OF WOOD OR OF OTHER FIBROUS CELLULOSIC MATERIAL;  
WASTE AND SCRAP OF PAPER OR PAPERBOARD; PAPER AND  
PAPERBOARD AND ARTICLES THEREOF (CHAPTER 47-49)**

**Chapter 47: Pulp of Wood or of Other Fibrous Cellulosic Material; Waste and Scrap of Paper or Paperboard**

A change to a subheading of this chapter from any other subheading, including another subheading within this chapter.

**Chapter 48: Paper and Paperboard; Articles of Paper Pulp, of Paper or of Paperboard**

A change to a heading of this chapter from any other heading, including another heading within this chapter.

**Chapter 49: Printed Books, Newspaper, Pictures and Other Products of the Printing Industry; Manuscripts, Typescripts and Plans**

A change to this chapter from any other chapter.

**SECTION XI TEXTILES AND TEXTILE ARTICLES (Chapter 50-63)**

**Chapter 50: Silk**

50.01-50.03 A change to any of these headings from any other chapter.

50.04-50.06 A change to any of these headings from any heading outside this group.

50.07 A change to this heading from any other heading.

**Chapter 51: Wool, Fine or Coarse Animal Hair; Horsehair Yarn and Woven Fabric**

51.01-51.05 A change to any of these headings from any other chapter.

51.06-51.10 A change to any of these headings from any heading outside this group.

51.11-51.13 A change to any of these headings from any heading outside this group.

**Chapter 52: Cotton**

52.01-52.03 A change to any of these headings from any other chapter.

52.04 A change to this heading from any other heading, except from any of headings 52.05-52.07; or

A change to this heading from any of headings 52.05-52.07, whether or not there is also a change from any other heading, provided that the change is the result of dyeing or bleaching, and lubrication and precision winding.

52.05-52.07 A change to any of these headings from any heading outside this group, except from heading 52.04.

52.08-52.12 A change to any of these headings from any heading outside this group.

**Chapter 53: Other Vegetable Textile Fibres; Paper Yarn and Woven Fabrics of Paper Yarn**

53.01-53.05 A change to any of these headings from any other chapter.

53.06-53.08 A change to any of these headings from any heading outside this group.

53.09-53.11 A change to any of these headings from any heading outside this group.

**Chapter 54: Man-Made Filaments**

54.01 A change to this heading from any other chapter; or

A change to this heading from tariff item 5402.41.bb or subheading 5402.42, whether or not there is also a change from any other chapter, provided that the change involves texturizing, lubrication, dyeing and precision winding.

54.02-54.03 A change to any of these headings from any other chapter.

- 54.04-54.06 A change to any of these headings from any other chapter.
- 54.07-54.08 A change to any of these headings from any heading outside this group.

**Chapter 55: Man-Made Staple Fibres**

- 55.01-55.07 A change to any of these headings from any other chapter, except from any of headings 54.01-54.05.
- 55.08 A change to this heading from any other heading, except from any of headings 55.09-55.11; or
- A change to this heading from any of headings 55.09-55.11, whether or not there is also a change from any other heading, provided that the change is the result of dyeing or bleaching, and lubrication and precision winding.
- 55.09-55.11 A change to any of these headings from any heading outside this group, except from heading 55.08.
- 55.12-55.16 A change to any of these headings from any heading outside this group.

**Chapter 56: Wadding, Felt and Nonwovens; Special Yarns; Twine, Cordage, Ropes and Cables and Articles Thereof**

- 56.01 A change to this heading from any other heading.
- 56.02-56.05 A change to any of these headings from any heading outside this group.
- 56.06 A change to this heading from any other heading, except from any of headings 50.04-50.05, 51.06-51.08, 52.04-52.06, 53.06-53.08, 54.01-54.05 and 55.08-55.10.
- 56.07 A change to twine, cordage, ropes and cables, neither plaited or braided, nor covered or sheathed with rubber or plastics, of this heading from any other heading, except from any of headings 50.04-50.05, 51.06-51.08, 51.10, 52.04-52.06, 53.06-53.08, 54.01-54.05 and 55.08-55.10; or

A change to twine, cordage, ropes and cables, either plaited or braided, or covered or sheathed with rubber or plastics, of this heading, from any other heading.

56.08 A change to this heading from any other heading, except from heading 58.04.

56.09 A change to this heading from any other heading, except from any of headings 50.04-50.05, 51.06-51.08, 51.10, 52.04-52.06, 53.06-53.08, 54.01-54.05, 55.08-55.10 and 56.04-56.07.

**Chapter 57: Carpets and Other Textile Floor Coverings**

A change to this chapter from any other chapter.

**Chapter 58: Special Woven Fabrics; Tufted Textile Fabrics; Lace; Tapestries; Trimmings; Embroidery**

58.01-58.02 A change to any of these headings from any heading outside this group.

58.03-58.05 A change to any of these headings from any other heading, including another heading within this group.

5806.10-5806.39 A change to any of these subheadings from any other heading, except from any of headings 50.07, 51.11-51.13, 52.08-52.12, 53.09-53.11, 54.07-54.08, 55.12-55.16 and 58.01.

5806.40 A change to this subheading from any other heading.

58.07 A change to labels and similar articles of this heading from any other heading, except from any of headings 50.07, 51.11-51.13, 52.08-52.12, 53.09-53.11, 54.07-54.08, and 55.12-55.16 and subheadings 5806.10-5806.39; or

A change to badges and similar articles of this heading from any other heading, except from subheading 6307.90.

5808.10 A change to this subheading from any other heading.

- 5808.90 A change to ornamental trimmings of this subheading from any other heading; or
- A change to tassels, pompons, and similar articles of this subheading from any other heading, except from any of headings 50.04-50.05, 51.06-51.09, 52.04-52.06, 53.06-53.08, 54.01-54.05, 55.08-55.10 and 56.04-56.06.
- 58.09 A change to this heading from any other heading.
- 58.10 A change of the ground fabric to this heading from any other chapter, except from any of headings 50.07, 51.11-51.13, 52.08-52.12, 53.09-53.11, 54.07-54.08, 55.12-55.16, 56.02-56.03, 58.04, 58.06 and 60.01-60.02; or
- A change of the ground fabric to this heading from any other heading, provided that the weight of the embroidery equals or exceeds seven per cent of the weight of the ground fabric.
- 58.11 A change to this heading from any other heading, except from printed fabric, dyed fabric or fabric made of coloured yarn, of any of Chapters 51, 52 and 54-60.

**Chapter 59: Impregnated, Coated Covered or Laminated Textile Fabrics; Textile Articles of a kind suitable for Industrial Use**

- 59.01-59.02 A change to any of these headings from any other heading, including another heading within this group.
- 59.03 A change to this heading from any other heading, except from any of headings 50.07, 51.11-51.13, 52.08-52.12, 53.09-53.11, 54.07-54.08, 55.12-55.16, 58.03, 58.08, and 60.02 and subheadings 5806.10-5806.39;
- A change to woven fabric of this heading from any other heading, provided that the impregnation, coating, covering or lamination accounts for at least 15 per cent of the total weight of the fabric; or
- A change to knitted fabric of this heading from any other heading, provided that the impregnation, coating, covering, or lamination accounts for at least 20 per cent of the total weight of the fabric.

59.04-59.06 A change to any of these headings from any other heading, including another heading within this group.

59.07 A change to this heading from any other heading, except from any of headings 50.07, 51.11-51.13, 52.08-52.12, 53.09-53.11, 54.07-54.08, 55.12-55.16, 58.03, 58.08, and 60.02 and subheadings 5806.10-5806.39;

A change to woven fabric of this heading from any other heading, provided that the impregnation, coating, covering or lamination accounts for at least 15 per cent of the total weight of the fabric; or

A change to knitted fabric of this heading from any other heading, provided that the impregnation, coating, covering, or lamination accounts for at least 20 per cent of the total weight of the fabric.

59.08-59.10 A change to any of these headings from any other heading, including another heading within this group.

59.11 A change to this heading from any other heading, except from any of headings 56.02-56.03.

#### **Chapter 60: Knitted or Crocheted Fabrics**

60.01 A change to this heading from any other heading; or

A change to fabric of this heading, impregnated, coated, covered, or laminated with rubber, plastics, or other substances, from other fabric of heading 60.01, provided that the impregnation, coating, covering, or lamination accounts for at least 20 per cent of the total weight of the fabric.

60.02 A change to this heading from any other heading.

#### **Chapter 61: Articles of Apparel and Clothing Accessories, Knitted or Crocheted**

**Note 1:** *For the purposes of this chapter, "substantial assembly" means the sewing together or other assembly of:*

- a) *all the major garment parts of a good of this chapter; or*
- b) *six or more major or other garment parts of a good of this chapter.*

**Note 2:** *For the purposes of this chapter, "major garment parts" means integral components of the garment, but does not include such parts as collars, cuffs, waistbands, plackets, pockets, linings, paddings, accessories, or the like.*

A change to garment parts of this chapter from any other chapter, except from subheading 6307.90.

A change to any good of this chapter, other than garment parts, from any other chapter; or

A change to any good of this chapter, other than garment parts, from garment parts of this chapter, whether or not there is also a change from any other chapter, provided that the change is the result of substantial assembly.

**Chapter 62: Articles of Apparel and Clothing Accessories Not Knitted or Crocheted**

**Note 1:** *For the purposes of this chapter, "substantial assembly" means the sewing together or other assembly of:*

- a) *all the major garment parts of a good of this chapter; or*
- b) *six or more major or other garment parts of a good of this chapter.*

**Note 2:** *For the purposes of this chapter, "major garment parts" means integral components of the garment, but does not include such parts as collars, cuffs, waistbands, plackets, pockets, linings, paddings, accessories, or the like.*

A change to garment parts of this chapter from any other chapter, except from subheading 6307.90.

A change to any good of this chapter, other than garment parts, from any other chapter; or

A change to any good of this chapter, other than garment parts, from garment parts of this chapter, whether or not there is also a change from any other chapter, provided that the change is the result of substantial assembly.

**Chapter 63: Other Made Up Textile Articles; Sets; Worn Clothing and Worn Textile Articles; Rags**

6301.10 A change to this subheading from any other heading.

6301.20-6301.90 A change to any of these subheadings from any other heading, except from any of headings 50.07, 51.11-51.13, 52.08-52.12, 53.09-53.11, 54.07-54.08,

55.12-55.16, 56.02-56.03, 58.01-58.02, 58.09-58.10, 59.03, 59.07 and 60.01-60.02.

63.02

A change to this heading from any other chapter, except from any of headings 50.07, 51.11-51.13, 52.08-52.12, 53.09-53.11, 54.07-54.08, 55.12-55.16, 56.02-56.03, 58.01-58.04, 58.09-58.11, 59.03, 59.07 and 60.01-60.02;

A change to this heading from any of headings 50.07, 51.11-51.13, 52.08-52.12, 53.09-53.11, 54.07-54.08, 55.12-55.16, 56.02-56.03, 58.01-58.04, 58.09-58.11, 59.03, 59.07 and 60.01-60.02, provided that the change involves printing or dyeing and two or more of the following operations: bleaching, shrinking, fulling, napping, decatizing, permanent stiffening, weighting, permanent embossing or moireing;

A change to quilted goods of this heading from any other heading, except from subheading 6307.90, provided that the change involves both the cutting of the top and bottom fabrics, and the assembly of the quilted goods; or

A change to other goods of this heading from any other heading, provided that the change involves at least cutting on all sides, hemming all cut edges, and a substantial amount of either sewing or other assembly operations.

63.03

A change to this heading from any other chapter, except from any of headings 50.07, 51.11-51.13, 52.08-52.12, 53.09-53.11, 54.07-54.08, 55.12-55.16, 56.02-56.03, 58.01-58.04, 58.06, 58.09-58.10, 59.03, 59.06-59.07 and 60.01-60.02;

A change to this heading from any of headings 50.07, 51.11-51.13, 52.08-52.12, 53.09-53.11, 54.07-54.08, 55.12-55.16, 56.02-56.03, 58.01-58.04, 58.06, 58.09-58.10, 59.03, 59.06-59.07 and 60.01-60.02, provided that the change involves printing or dyeing and two or more of the following operations: bleaching, shrinking, fulling, napping, decatizing, permanent stiffening, weighting, permanent embossing or moireing;

A change to quilted goods of this heading from any other heading, except from subheading 6307.90, provided that the change involves both the cutting of the top and bottom fabrics, and the assembly of the quilted goods; or

A change to curtains, drapes, or curtain or bed valances, other than quilted goods, of this heading from any other heading, provided that the change involves at least cutting on all sides, hemming all cut edges, and a substantial amount of either sewing or other assembly operations.

63.04 A change to this heading from any other chapter, except from any of headings 50.07, 51.11-51.13, 52.08-52.12, 53.09-53.11, 54.07-54.08, 55.12-55.16, 56.02-56.03, 58.01-58.04, 58.06, 58.09-58.10, 59.03, 59.06-59.07 and 60.01-60.02;

A change to this heading from any of headings 50.07, 51.11-51.13, 52.08-52.12, 53.09-53.11, 54.07-54.08, 55.12-55.16, 56.02-56.03, 58.01-58.04, 58.06, 58.09-58.10, 59.03, 59.06-59.07 and 60.01-60.02, provided that the change involves printing or dyeing and two or more of the following operations: bleaching, shrinking, fulling, napping, decating, permanent stiffening, weighting, permanent embossing or moireing;

A change to quilted goods of this heading from any other heading, provided that the change involves both the cutting of the top and bottom fabrics, and the entire assembly of the quilted goods; or

A change to pillow covers and pillow shams of this heading from any other heading.

63.05 A change to this heading from any other heading, except from any of headings 50.07, 51.11-51.13, 52.08-52.12, 53.09-53.11, 54.07-54.08, 55.12-55.16, 56.02-56.03, 58.01, 58.04, 58.06, 58.09-58.11, 59.03-59.06, 59.07 and 60.01-60.02.

6306.11-6306.19 A change to awnings of any of these subheadings from any other chapter; or

A change to tarpaulins and sunblinds of any of these subheadings from any other heading, except from any of headings 50.07, 51.11-51.13, 52.08-52.12, 53.09-53.11, 54.07-54.08, 55.12-55.16, 56.03, 58.01-58.02, 58.09-58.11, 59.03, 59.06-59.07 and 60.01-60.02.

6306.21-6306.49 A change to any of these subheadings from any other chapter.

- 6306.91-6306.99 A change to any of these subheadings from any other chapter, except from any of headings 50.07, 51.11-51.13, 52.08-52.12, 53.09-53.11, 54.07-54.08, 55.12-55.16, 56.03, 58.01-58.02, 58.09-58.11, 59.03, 59.06-59.07 and 60.01-60.02; or
- A change to any of these subheadings from any other heading, except from subheading 6307.90, provided that the change involves more than cutting and hemming processes.
- 6307.10 A change to this subheading from any other heading, except from any of headings 50.07, 51.11-51.13, 52.08-52.12, 53.09-53.11, 54.07-54.08, 55.12-55.16, 56.02-56.03, 58.01-58.04, 58.06, 58.09-58.11, 59.03, 59.07 and 60.01-60.02.
- 6307.20 A change to this subheading from any other heading.
- 6307.90 A change to this subheading from any other chapter, except from any of headings 50.07, 51.11-51.13, 52.08-52.12, 53.09-53.11, 54.07-54.08, 55.12-55.16, 56.02-56.03, 58.01-58.04, 58.06, 58.09-58.11, 59.03, 59.07 and 60.01-60.02; or
- A change to this subheading from any other heading, provided that the change involves at least cutting and a substantial amount of either sewing or other assembly operations.
- 63.08 A change to this heading from any other heading, provided that either the fabric or the yarn originates.
- 63.09 A change to this heading from any other heading, provided that the goods were last collected and packaged for shipment in the territory.
- 63.10 A change to worn out articles of this heading from any other heading, provided that they were last collected and packaged for shipment in the territory; or
- A change to other goods of this heading from any other heading, provided that the change involves more than cutting and hemming processes.

**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 (Chapter 64-67)**

**Chapter 64: Footwear, Gaiters and the Like; Parts of Such Articles**

64.01-64.05 A change to any of these headings from any heading outside this group, except from subheading 6406.10.

64.06 A change to this heading from any other chapter.

**Chapter 65: Headgear and Parts Thereof**

65.01-65.02 A change to any of these headings from any heading outside this group.

65.03-65.06 A change to any of these headings from any heading outside this group, except from any of headings 65.01-65.02;

A change to any of these headings from heading 65.01, provided that the change is the result of a blocking process; or

A change to any of these headings from heading 65.02, provided that the change is the result of at least three processing steps such as dyeing, blocking, trimming or adding a sweatband.

65.07 A change to this heading from any other heading.

**Chapter 66: Umbrellas, Sun Umbrellas, Walking-Sticks, Seat-Sticks, Whips, Riding-Crops and Parts Thereof**

66.01 A change to this heading from any other heading, except from more than one of the following:

- subheading 6603.20,
- any of headings 39.20-39.21, 50.07, 51.11-51.13, 52.08-52.12, 53.09-53.11, 54.07-54.08, 55.12-55.16, 56.02-56.03, 58.01-58.11, 59.01-59.11 and 60.01-60.02.

66.02 A change to this heading from any other heading.

66.03 A change to this heading from any other chapter.

**Chapter 67: Prepared Feathers and Down and Articles Made of Feathers or of Down; Artificial Flowers; Articles of Human Hair**

67.01-67.03 A change to any of these headings from any other chapter; or

A change to articles of feather or down of any of these headings from feathers or down of any of these headings.

67.04 A change to this heading from any other heading.

**SECTION XIII ARTICLES OF STONE, PLASTER, CEMENT, ASBESTOS, MICA OR SIMILAR MATERIALS; CERAMIC PRODUCTS; GLASS AND GLASSWARE (Chapter 68-70)**

**Chapter 68: Articles of Stone, Plaster, Cement, Asbestos, Mica, or similar Materials**

68.01-68.11 A change to any of these headings from any other chapter.

6812.10 A change to this subheading from any other chapter.

6812.20-6812.90 A change to any of these subheadings from any other heading.

68.13 A change to this heading from any other heading.

68.14-68.15 A change to any of these headings from any other chapter.

**Chapter 69: Ceramic Products**

69.01-69.07 A change to any of these headings from any other chapter.

69.08 A change to this heading from any other heading.

69.09-69.14 A change to any of these headings from any other chapter.

**Chapter 70: Glass and Glassware**

70.01-70.02 A change to any of these headings from any other chapter.

70.03-70.09 A change to any of these headings from any heading outside this group.

70.10-70.20 A change to any of these headings from any other heading, except from any of headings 70.07-70.20.

**SECTION XIV NATURAL OR CULTURED PEARLS, PRECIOUS OR SEMI-PRECIOUS STONES, PRECIOUS METALS, METALS CLAD WITH PRECIOUS METAL, AND ARTICLES THEREOF; IMITATION JEWELLERY; COIN (Chapter 71)**

**Chapter 71: Natural or Cultured Pearls, Precious or Semi-Precious Stones, Precious Metals, Metals clad with Precious Metal, and Articles Thereof; Imitation Jewellery; Coin**

71.01-71.12 A change to any of these headings from any other heading, including another heading within this group, except from any of headings 71.07, 71.09 and 71.11.

71.13 A change to this heading from any other heading, except from any of headings 71.14-71.18; or

A change to finished or complete articles of jewellery of this heading from parts or unfinished or incomplete articles of jewellery of this heading, provided that the precious or semi-precious stones provided for in any of headings 71.02-71.04 used in the production of the good have been cut and polished in the territory of a Party.

71.14-71.18 A change to any of these headings from any heading outside this group.

**SECTION XV      BASE METALS AND ARTICLES OF BASE METAL (Chapter 72-83)**

**Chapter 72:      Iron and Steel**

**72.01-72.07**            A change to any of these headings from any other heading, including another heading within this group.

**72.08-72.16**            A change to any of these headings from any heading outside this group.

**72.17**                    A change to this heading from any other heading, except from any of headings 72.13-72.15; or

A change to this heading from any of headings 72.13-72.15, whether or not there is also a change from any other heading, provided that the cross-sectional area of the rod is reduced by at least 50 per cent.

**72.18**                    A change to this heading from any other heading.

**72.19-72.20**            A change to any of these headings from any heading outside this group.

**72.21-72.22**            A change to any of these headings from any heading outside this group.

**72.23**                    A change to this heading from any other heading, except from any of headings 72.21-72.22; or

A change to this heading from any of headings 72.21-72.22, whether or not there is also a change from any other heading, provided that the cross-sectional area of the rod is reduced by at least 50 per cent.

**72.24**                    A change to this heading from any other heading.

**72.25-72.26**            A change to any of these headings from any heading outside this group.

**72.27-72.28**            A change to any of these headings from any heading outside this group.

**72.29**                    A change to this heading from any other heading, except from any of headings 72.27-72.28; or

A change to this heading from any of headings 72.27-72.28, whether or not there is also a change from any other heading, provided that the cross-sectional area of the rod is reduced by at least 50 per cent.

**Chapter 73: Articles of Iron and Steel**

73.01-73.03 A change to any of these headings from any other heading, including another heading within this group.

7304.10-7304.39 A change to any of these subheadings from any other heading.

7304.41

7304.41.aa A change to this tariff item from subheading 7304.49 or any other heading.

7304.41 A change to this subheading from any other heading.

7304.49-7304.90 A change to any of these subheadings from any other heading.

73.05-73.07 A change to any of these headings from any other heading, including another heading within this group.

73.08 A change to this heading from any other heading, except 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 or not 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 any of these headings from any heading outside this group.
- 73.12-73.14 A change to any of these headings from any other heading, including another heading within this group.
- 73.15 A change to a subheading of this heading from any other subheading.
- 73.16 A change to this heading from any other heading, except from any of headings 73.12 and 73.15.
- 73.17-73.20 A change to any of these headings from any other heading, including another heading within this group.
- 7321.11-7321.83 A change to any of these subheadings from any other subheading, including another subheading within this group.
- 7321.90 A change to this subheading from any other subheading.
- 73.22-73.23 A change to any of these headings from any other heading, including another heading within this group.
- 73.24 A change to a subheading of this heading from any other subheading, including another subheading within this heading.
- 73.25 A change to this heading from any other heading.

**Chapter 74: Copper and Articles Thereof**

- 74.01-74.07 A change to any of these headings from any other heading, including another heading within this group.
- 74.08 A change to this heading from any other heading, except from heading 74.07; or  
 A change to this heading from heading 74.07, whether or not there is also a change from any other heading, provided that the cross-sectional area of the rod is reduced by at least 50 per cent.
- 74.09 A change to this heading from any other heading.

- 74.10 A change to this heading from any other heading, except from heading 74.09.
- 74.11 A change to this heading from any other heading, except from heading 74.08.
- 74.12-74.19 A change to any of these headings from any other heading, including another heading within this group.

**Chapter 75: Nickel and Articles Thereof**

- 75.01-75.04 A change to any of these headings from any other heading, including another heading within this group.
- 7505.11-7505.12 A change to any of these subheadings from any other subheading, including another subheading within this group.
- 7505.21-7505.22 A change to any of these subheadings from any other subheading, including another subheading within this group, except from any of subheadings 7505.11-7505.12; or
- A change to any of these subheadings from any of subheadings 7505.11-7505.12, whether or not there is also a change from any other subheading, provided that the cross-sectional area of the rod is reduced by at least 50 per cent.
- 75.06-75.08 A change to any of these headings from any other heading, including another heading within this group.

**Chapter 76: Aluminum and Articles Thereof**

- 76.01-76.04 A change to any of these headings from any other heading, including another heading within this group.
- 76.05 A change to this heading from any other heading, except from heading 76.04; or

- A change to this heading from heading 76.04, whether or not there is also a change from any other heading, provided that the cross-sectional area of the rod is reduced by at least 50 per cent.
- 76.06-76.07 A change to any of these headings from any other heading, including another heading within this group.
- 76.08-76.09 A change to any of these headings from any heading outside this group.
- 76.10-76.13 A change to any of these headings from any other heading, including another heading within this group.
- 76.14 A change to this heading from any other heading, except from heading 76.05.
- 76.15-76.16 A change to any of these headings from any other heading, including another heading within this group.

**Chapter 78: Lead and Articles Thereof**

- 78.01-78.03 A change to any of these headings from any other heading, including another heading within this group; or
- A change to wire of heading 78.03 from any other good of that heading.
- 78.04 A change to a subheading of this heading from any other subheading, including another subheading within this heading; or
- A change to any of the following goods of this heading from any other goods of this heading, whether or not there is also a change from any other subheading: powder, except from flakes; flakes, except from powder; plates, except from sheets or strip; sheets, except from plates or strip; strip, except from sheets or plates.
- 78.05-78.06 A change to any of these headings from any other heading, including another heading within this group; or

A change to any of the following goods of any of these headings from any other goods of these headings, whether or not there is also a change from any other heading: tubes, except from pipes; pipes, except from tubes; tube or pipe fittings, except from tubes or pipes; cables, stranded wire or plaited band.

**Chapter 79: Zinc and Articles Thereof**

79.01-79.06 A change to any of these headings from any other heading, including another heading within this group; or

A change to any of the following goods of any of these headings from any other goods of these headings, whether or not there is also a change from any other heading: matte, unwrought; powder, except from flakes; flakes, except from powder; bars, except from rods or profiles; profiles, except from rods or bars; rods, except from bars or profiles; wire; plates, except from sheets or strip; sheets, except from plates or strip; strip, except from sheets or plates; foil, except from sheets or strip; tubes, except from pipes; pipes, except from tubes; tube or pipe fittings, except from tubes or pipes.

79.07 A change to this heading from any other heading.

**Chapter 80: Tin and Articles Thereof**

80.01 A change to this heading from any other heading.

80.02-80.04 A change to any of these headings from any other heading, including another heading within this group; or

A change to any of the following goods of any of these headings from any other goods of these headings, whether or not there is also a change from any other heading: bars, except from rods or profiles; rods, except from bars or profiles; profiles, except from rods or bars; wire; plates, except from sheets or strip; sheets, except from plates or strip; strip, except from sheets or plates.

80.05 A change to this heading from any other heading.

80.06-80.07 A change to any of these headings from any other heading, including another heading within this group; or

A change to any of the following goods of any of these headings from any other goods of these headings, whether or not there is also a change from any other heading: tubes, except from pipes; pipes, except from tubes; tube or pipe fittings, except from tubes or pipes; cable, stranded wire or plaited band.

**Chapter 81: Other Base Metals; Cermets; Articles Thereof**

**Note:** *Waste and scrap are goods of the country in which they are collected.*

81.01 A change to a subheading of this heading from any other subheading, including another subheading within this heading.

8102.10-8102.92 A change to any of these subheadings from any other subheading, including another subheading within this group.

8102.93 A change to this subheading from any other subheading, except from subheading 8102.92.

8102.99 A change to this subheading from any other subheading.

81.03-81.13 A change to a subheading of any of these headings from any other subheading, including another subheading within these headings.

**Chapter 82: Tools, Implements, Cutlery, Spoons and Forks, of Base Metal**

82.01 A change to this heading from any other chapter.

8202.10-8202.20 A change to any of these subheadings from any other chapter.

8202.31 A change to this subheading from any other chapter; or

A change to this subheading from subheading 8202.39, whether or not there is also a change from any other chapter, provided that at least one category of identical or similar materials provided for in subheading 8202.39 be originating.

- 8202.39-8202.99 A change to any of these subheadings from any other chapter.
- 82.03-82.06 A change to any of these headings from any other chapter.
- 8207.13 A change to this subheading from any other chapter; or
- A change to this subheading from subheading 8207.19, whether or not there is also a change from any other chapter, provided that at least one category of identical or similar materials provided for in subheading 8207.19 be originating.
- 8207.19-8207.90 A change to any of these subheadings from any other chapter.
- 82.08-82.10 A change to any of these headings from any other chapter.
- 8211.10 A change to this subheading from any other chapter.
- 8211.91-8211.93 A change to any of these subheadings from any other chapter; or
- A change to any of these subheadings from subheading 8211.95, whether or not there is also a change from any other chapter, provided that at least one category of identical or similar materials provided for in subheading 8211.95 be originating.
- 8211.94-8211.95 A change to any of these subheadings from any other chapter.
- 82.12-82.15 A change to any of these headings from any other chapter.
- Chapter 83: Miscellaneous Articles of Base Metal**
- 8301.10-8301.50 A change to any of these subheadings from any other heading; or
- A change to any of subheadings 8301.10-8301.50 from subheading 8301.60, whether or not there is also a change from any other heading, provided that at least one category of identical or similar materials provided for in subheading 8301.60 be originating.
- 8301.60-8301.70 A change to any of these subheadings from any other heading.

83.02-83.05 A change to a subheading of any of these headings from any other subheading, including another subheading within these headings.

83.06-83.11 A change to any of these headings from any other chapter.

**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 (Chapter 84-85)**

**Chapter 84: Nuclear Reactors, Boilers, Machinery and Mechanical Appliances; Parts Thereof**

84.01 A change to a subheading of this heading from any other subheading, including another subheading within this heading.

8402.11-8402.12 A change to any of these subheadings from any subheading outside this group.

8402.19-8402.20 A change to any of these subheadings from any other subheading, including another subheading within this group.

8402.90 A change to this subheading from any other heading, except from any of headings 73.03, 73.04, 73.05 and 73.06; or

A change to this subheading from any of headings 73.03, 73.04, 73.05 and 73.06, whether or not there is also a change from any other heading, provided that the change involves bending to shape.

8403.10 A change to this subheading from any other subheading.

8403.90 A change to this subheading from any other heading, except from any of headings 73.03, 73.04, 73.05 and 73.06; or

A change to this subheading from any of headings 73.03, 73.04, 73.05 and 73.06, whether or not there is also a change from any other heading, provided that the change involves bending to shape.

- 8404.10-8404.20 A change to any of these subheadings from any other subheading outside this group.
- 8404.90 A change to this subheading from any other heading, except from any of headings 73.03, 73.04, 73.05 and 73.06; or  
A change to this subheading from any of headings 73.03, 73.04, 73.05 and 73.06, whether or not there is also a change from any other heading, provided that the change involves bending to shape.
- 8405.10 A change to this subheading from any other subheading.
- 8405.90 A change to this subheading from any other heading, except from any of headings 73.03, 73.04, 73.05 and 73.06; or  
A change to this subheading from any of headings 73.03, 73.04, 73.05 and 73.06, whether or not there is also a change from any other heading, provided that the change involves bending to shape.
- 8406.10-8406.82 A change to any of these subheadings from any other subheading outside this group, except from tariff item 8406.90.aa.
- 8406.90
- 8406.90.aa A change to this tariff item from tariff item 8406.90.bb.
- 8406.90 A change to this subheading from any other heading.
- 84.07-84.08 A change to any of these headings from any heading outside this group, except from heading 84.09; or  
A change to any of these headings from heading 84.09, whether or not there is also a change from any heading outside this group, provided that at least one category of identical or similar materials provided for in heading 84.09 be originating.
- 84.09 A change to this heading from any other heading; or  
No change in tariff classification required to heading 84.09, provided that at least one category of identical or similar materials provided for in heading 84.09 be originating.

- 8410.11-8410.13 A change to any of these subheadings from any subheading outside this group.
- 8410.90 A change to this subheading from any other heading; or  
No change in tariff classification required to subheading 8410.90, provided that at least one category of identical or similar materials provided for in subheading 8410.90 be originating.
- 8411.11-8411.82 A change to any of these subheadings from any subheading outside this group.
- 8411.91-8411.99 A change to any of these subheadings from any subheading outside this group.
- 84.12 A change to this heading from any other heading; or  
A change to any of subheadings 8412.10-8412.80 from subheading 8412.90, whether or not there is also a change from any other heading, provided that at least one category of identical or similar materials provided for in subheading 8412.90 be originating.
- 84.13 A change to this heading from any other heading; or  
A change to any of subheadings 8413.11-8413.82 from any of subheadings 8413.91-8413.99, whether or not there is also a change from any other heading, provided that at least one category of identical or similar materials provided for in any of subheadings 8413.91-8413.99 be originating.
- 84.14 A change to this heading from any other heading; or  
A change to any of subheadings 8414.10-8414.80 from subheading 8414.90, whether or not there is also a change from any other heading, provided that at least one category of identical or similar materials provided for in subheading 8414.90 be originating.

- 8415.10-8415.83 A change to any of these subheadings from any subheading outside this group, except from more than one of the following:
- subheading 8415.90,
  - assemblies incorporating more than two of the following: compressor, condenser, evaporator, connecting tubing.
- 8415.90
- 8415.90.aa A change to this tariff item from any other tariff item.
- 8415.90 A change to this subheading from any other heading.
- 84.16 A change to this heading from any other heading; or
- A change to any of subheadings 8416.10-8416.30 from subheading 8416.90, whether or not there is also a change from any other heading, provided that at least one category of identical or similar materials provided for in subheading 8416.90 be originating.
- 84.17 A change to this heading from any other heading; or
- A change to any of subheadings 8417.10-8417.80 from subheading 8417.90, whether or not there is also a change from any other heading, provided that at least one category of identical or similar materials provided for in subheading 8417.90 be originating.
- 8418.10-8418.69 A change to any of these subheadings from any subheading outside that group, except from more than one of the following:
- subheading 8418.91,
  - tariff item 8418.99.aa,
  - assemblies incorporating more than two of the compressor/generator, the condenser, the evaporator or connecting tubing.
- 8418.91 A change to this subheading from any other subheading.
- 8418.99
- 8418.99.aa A change to this tariff item from any other tariff item.

- 8418.99 A change to this subheading from any other subheading.
- 8419.11-8419.89 A change to any of these subheadings from any other heading; or  
 A change to any of these subheadings from subheading 8419.90, provided that at least one category of identical or similar materials provided for in subheading 8419.90 be originating.
- 8419.90 A change to this subheading from any other heading, except from any of headings 73.03, 73.04, 73.05 and 73.06; or  
 A change to this subheading from any of headings 73.03, 73.04, 73.05 and 73.06, whether or not there is also a change from any other subheading, provided that the change involves bending to shape.
- 84.20 A change to this heading from any other heading; or  
 A change to subheading 8420.10 from any of subheadings 8420.91-8420.99, whether or not there is also a change from any other heading, provided that at least one category of identical or similar materials provided for in any of subheadings 8420.91-8420.99 be originating.
- 8421.11 A change to this subheading from any other subheading, except from any of subheadings 8421.91-8421.99; or  
 A change to this subheading from any of subheadings 8421.91-8421.99, whether or not there is also a change from any other subheading, provided that at least one category of identical or similar materials provided for in any of subheadings 8421.91-8421.99 be originating.
- 8421.12 A change to this subheading from any other subheading, except from any of tariff items 8421.91.aa, 8421.91.bb and 8537.10.aa.
- 8421.19-8421.39 A change to any of these subheadings from any other heading.
- 8421.91
- 8421.91.aa A change to this tariff item from any other tariff item.
- 8421.91.bb A change to this tariff item from any other tariff item.

- 8421.91 A change to this subheading from any other heading.
- 8421.99 A change to this subheading from any other heading.
- 8422.11 A change to this subheading from any other subheading, except from any of tariff items 8422.90.aa, 8422.90.bb and 8537.10.aa or 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 any of these subheadings from any other heading.
- 8422.90
- 8422.90.aa A change to this tariff item from any other tariff item.
- 8422.90.bb A change to this tariff item from any other tariff item.
- 8422.90 A change to this subheading from any other subheading.
- 84.23 A change to this heading from any other heading; or
- A change to any of subheadings 8423.10-8423.89 from subheading 8423.90, whether or not there is also a change from any other heading, provided that at least one category of identical or similar materials provided for in subheading 8423.90 be originating.
- 84.24 A change to this heading from any other heading; or
- A change to any of subheadings 8424.10-8424.89 from subheading 8424.90, whether or not there is also a change from any other heading, provided that at least one category of identical or similar materials provided for in subheading 8424.90 be originating.
- 84.25-84.31 A change to any of these headings from any heading outside this group; or
- A change to any of headings 84.25-84.30 from heading 84.31, whether or not there is also a change from any heading outside this group, provided that at least one category of identical or similar materials provided for in heading 84.31 be originating.

- 84.32 A change to this heading from any other heading; or
- A change to any of subheadings 8432.10-8432.80 from subheading 8432.90, whether or not there is also a change from any other heading, provided that at least one category of identical or similar materials provided for in subheading 8432.90 be originating.
- 84.33 A change to this heading from any other heading; or
- A change to any of subheadings 8433.11-8433.60 from subheading 8433.90, whether or not there is also a change from any other heading, provided that at least one category of identical or similar materials provided for in subheading 8433.90 be originating.
- 84.34 A change to this heading from any other heading; or
- A change to any of subheadings 8434.10-8434.20 from subheading 8434.90, whether or not there is also a change from any other heading, provided that at least one category of identical or similar materials provided for in subheading 8434.90 be originating.
- 84.35 A change to this heading 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 that at least one category of identical or similar materials provided for in subheading 8435.90 be originating.
- 84.36 A change to this heading from any other heading; or
- A change to any of subheadings 8436.10-8436.80 from any of subheadings 8436.91-8436.99, whether or not there is also a change from any other heading, provided that at least one category of identical or similar materials provided for in any of subheadings 8436.91-8436.99 be originating.
- 84.37 A change to this heading from any other heading; or
- A change to subheading 8437.10 from subheading 8437.90, whether or not there is also a change from any other heading, provided that at least one category of identical or similar materials provided for in subheading 8437.90 be originating.

- 84.38 A change to this heading from any other heading; or
- A change to any of subheadings 8438.10-8438.80 from subheading 8438.90, whether or not there is also a change from any other heading, provided that at least one category of identical or similar materials provided for in subheading 8438.90 be originating.
- 84.39 A change to this heading from any other heading; or
- A change to any of subheadings 8439.10-8439.30 from any of subheadings 8439.91-8439.99, whether or not there is also a change from any other heading, provided that at least one category of identical or similar materials provided for in any of subheadings 8439.91-8439.99 be originating.
- 84.40 A change to this heading 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 that at least one category of identical or similar materials provided for in subheading 8440.90 be originating.
- 84.41 A change to this heading from any other heading; or
- A change to any of subheadings 8441.10-8441.80 from subheading 8441.90, whether or not there is also a change from any other heading, provided that at least one category of identical or similar materials provided for in subheading 8441.90 be originating.
- 84.42 A change to a subheading of this heading from any other subheading, including another subheading within this heading.
- 84.43 A change to this heading from any other heading; or
- A change to any of subheadings 8443.11-8443.60 from subheading 8443.90, whether or not there is also a change from any other heading, provided that at least one category of identical or similar materials provided for in subheading 8443.90 be originating.

- 84.44-84.48            A change to any of these headings from any heading outside this group; or
- A change to any of headings 84.44-84.47 from heading 84.48, whether or not there is also a change from any heading outside this group, provided that at least one category of identical or similar materials provided for in heading 84.48 be originating.
- 84.49                    A change to this heading from any other heading.
- 8450.11-8450.20        A change to any of these subheadings from any subheading outside this group, except from any of tariff items 8450.90.aa, 8450.90.bb and 8537.10.aa or washer assemblies incorporating more than two of the agitator, the motor, the transmission, and the clutch.
- 8450.90
- 8450.90.aa            A change to this tariff item from any other tariff item.
- 8450.90.bb            A change to this tariff item from any other tariff item.
- 8450.90                A change to this subheading from any other subheading.
- 8451.10                A change to this subheading from any other heading; or
- A change to this subheading from subheading 8451.90, provided that at least one category of identical or similar materials provided for in subheading 8451.90 be originating.
- 8451.21-8451.29        A change to any of these subheadings from any subheading outside this group, except from any of tariff items 8451.90.aa and 8451.90.bb or subheading 8537.10.
- 8451.30-8451.80        A change to any of these subheadings from any other heading; or
- A change to any of these subheadings from subheading 8451.90, whether or not there is also a change from any other heading, provided that at least one category of identical or similar materials provided for in subheading 8451.90 be originating.

8451.90

8451.90.aa A change to this tariff item from any other tariff item.

8451.90.bb A change to this tariff item from any other tariff item.

8451.90 A change to this subheading from any other heading.

84.52 A change to this heading from any other heading; or

A change to any of subheadings 8452.10-8452.29 from any of subheadings 8452.30-8452.90, whether or not there is also a change from any other heading, provided that at least one category of identical or similar materials provided for in any of subheadings 8452.30-8452.90 be originating.

84.53 A change to this heading from any other heading; or

A change to any of subheadings 8453.10-8453.80 from subheading 8453.90, whether or not there is also a change from any other heading, provided that at least one category of identical or similar materials provided for in subheading 8453.90 be originating.

84.54 A change to this heading from any other heading; or

A change to any of subheadings 8454.10-8454.30 from subheading 8454.90, whether or not there is also a change from any other heading, provided that at least one category of identical or similar materials provided for in subheading 8454.90 be originating.

84.55 A change to this heading from any other heading; or

A change to any of subheadings 8455.10-8455.22 from any of subheadings 8455.30-8455.90, whether or not there is also a change from any other heading, provided that at least one category of identical or similar materials provided for in any of subheadings 8455.30-8455.90 be originating.

84.56-84.61

A change to numerically controlled goods of any of these headings from any other heading, including another heading within this group, except from more than three of the following:

- any of subheadings 8413.50-8413.60,
- tariff item 8466.93.aa,
- any of subheadings 8501.32 and 8501.52,
- subheading 8537.10; or

A change to other goods of any of these headings from any other heading, including another heading within this group, except from more than two of the following:

- any of subheadings 8413.50-8413.60,
- tariff item 8466.93.aa,
- any of subheadings 8501.32 and 8501.52.

84.62-84.63

A change to numerically controlled goods of any of these headings from any other heading, including another heading within this group, except from more than three of the following:

- any of subheadings 8413.50-8413.60,
- tariff item 8466.94.aa,
- any of subheadings 8501.32 and 8501.52,
- subheading 8537.10; or

A change to other goods of any of these headings from any other heading, including another heading within this group, except from more than two of the following:

- any of subheadings 8413.50-8413.60,
- tariff item 8466.94.aa,
- any of subheadings 8501.32 and 8501.52.

84.64

A change to this heading from any other heading, except from subheading 8466.91; or

A change to this heading from subheading 8466.91, provided that at least one category of identical or similar materials provided for in subheading 8466.91 be originating.

- 84.65 A change to this heading from any other heading, except from subheading 8466.92; or
- A change to this heading from subheading 8466.92, provided that at least one category of identical or similar materials provided for in subheading 8466.92 be originating.
- 84.66 A change to this heading from any other heading.
- 84.67 A change to this heading from any other heading; or
- A change to any of subheadings 8467.11-8467.89 from any of subheadings 8467.91-8467.99, whether or not there is also a change from any other heading, provided that at least one category of identical or similar materials provided for in any of subheadings 8467.91-8467.99 be originating.
- 84.68 A change to this heading from any other heading; or
- A change to any of subheadings 8468.10-8468.80 from subheading 8468.90, whether or not there is also a change from any other heading, provided that at least one category of identical or similar materials provided for in subheading 8468.90 be originating.
- 84.69-84.70 A change to any of these headings from any other heading outside this group, except from heading 84.73; or
- A change to any of these headings from heading 84.73, whether or not there is also a change from any other heading outside this group, provided that at least one category of identical or similar materials provided for in heading 84.73 be originating.
- 8471.10 A change to this subheading from any other subheading.
- 8471.30-8471.41 A change to any of these subheadings from any subheading outside this group, except from any of subheadings 8471.49-8471.50.
- 8471.49 A change to this subheading from any other subheading, except from any of subheadings 8471.30-8471.41 and 8471.50-8471.90.
- 8471.50 A change to this subheading from any other subheading, except from any of subheadings 8471.30-8471.49.

- 8471.60 A change to this subheading from any other subheading, except from subheading 8471.49.
- 8471.70 A change to this subheading from any other subheading, except from subheading 8471.49.
- 8471.80
- 8471.80.aa A change to this tariff item from any other tariff item, except from subheading 8471.49.
- 8471.80.cc A change to this tariff item from any other tariff item, except from subheading 8471.49.
- 8471.80 A change to any other tariff item of subheading 8471.80 from any of tariff items 8471.80.aa and 8471.80.cc or any other subheading, except from subheading 8471.49.
- 8471.90 A change to this subheading from any other subheading, except from subheading 8471.49.
- 84.72 A change to this heading from any other heading, except from heading 84.73; or
- A change to this heading from heading 84.73, whether or not there is also a change from any other heading, provided that at least one category of identical or similar materials provided for in heading 84.73 be originating.
- 8473.10-8473.29 A change to any of these subheadings from any subheading outside this group; or
- No change in tariff classification required to any of subheadings 8473.10-8473.29, provided that at least one category of identical or similar materials provided for in any of subheadings 8473.10-8473.29 be originating.
- 8473.30
- 8473.30.aa A change to this tariff item from any other tariff item.
- 8473.30.bb A change to this tariff item from any other tariff item.

8473.30

A change to this subheading from any other subheading; or

No change in tariff classification required to subheading 8473.30, provided that at least one category of identical or similar materials provided for in subheading 8473.30 be originating.

8473.40-8473.50

A change to any of these subheadings from any subheading outside this group; or

No change in tariff classification required to any of subheadings 8473.40-8473.50, provided that at least one category of identical or similar materials provided for in any of subheadings 8473.40-8473.50 be originating.

84.74

A change to this heading from any other heading; or

A change to any of subheadings 8474.10-8474.80 from subheading 8474.90, whether or not there is also a change from any other heading, provided that at least one category of identical or similar materials provided for in subheading 8474.90 be originating.

84.75

A change to this heading from any other heading; or

A change to any of subheadings 8475.10-8475.29 from subheading 8475.90, whether or not there is also a change from any other heading, provided that at least one category of identical or similar materials provided for in subheading 8475.90 be originating.

84.76

A change to this heading from any other heading; or

A change to any of subheadings 8476.21-8476.89 from subheading 8476.90, whether or not there is also a change from any other heading, provided that at least one category of identical or similar materials provided for in subheading 8476.90 be originating.

8477.10-8477.20

A change to any of these subheadings from any other subheading, including another subheading within this group, except from more than one of the following:

- goods of subheading 8537.10 or barrel screws for use solely or principally with the goods of any of subheadings 8477.10-8477.20,

- bases, beds, platens, clamp cylinders, ram and injection castings, weldments and fabrications for use solely or principally with the goods of any of subheadings 8477.10-8477.20.

8477.30

A change to this subheading from any other subheading, except from more than one of the following:

- bases, beds, platens, clamp cylinders, ram and injection castings, weldments and fabrications for use solely or principally with the goods of subheading 8477.30,
- goods of subheading 8537.10 or hydraulic assemblies consisting of two or more of manifold, pump, valves, oil cooler.

8477.40-8477.90

A change to any of these subheadings from any other heading; or

A change to subheading 8477.40 from subheading 8477.90, whether or not there is also a change from any other heading, provided that at least one category of identical or similar materials provided for in subheading 8477.90 be originating.

84.78

A change to this heading 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 that at least one category of identical or similar materials provided for in subheading 8478.90 be originating.

84.79

A change to this heading from any other heading; or

A change to any of subheadings 8479.10-8479.89 from subheading 8479.90, whether or not there is also a change from any other heading, provided that at least one category of identical or similar materials provided for in subheading 8479.90 be originating.

84.80

A change to this heading from any other heading.

- 84.81 A change to this heading from any other heading; or
- A change to any of subheadings 8481.10-8481.80 from subheading 8481.90, whether or not there is also a change from any other heading, provided that at least one category of identical or similar materials provided for in subheading 8481.90 be originating.
- 84.82 A change to a subheading of this heading from any other subheading, including another subheading within this heading, except from tariff item 8482.99.aa.
- 84.83 A change to a subheading of this heading from any other subheading, including another subheading within this heading, except from more than one of the following:
- any of subheadings 8482.10-8482.80,
  - subheading 8483.90; or
- A change to a subheading of this heading from any of subheadings 8482.10-8482.80 and subheading 8483.90, whether or not there is also a change from any other subheading, provided that at least one category of identical or similar materials provided for in subheading 8483.90 be originating.
- 84.84 A change to a subheading of this heading from any other subheading, including another subheading within this heading.
- 84.85 A change to this heading from any other heading.

**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 provided for in 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, provide for in heading 85.41, and integrated circuits and microassemblies provided for in heading 85.42.*

**Note 2:** *For purposes of applying the rule of origin for a good provided for in heading 85.17 or any of subheadings 8525.10 through 8525.20, the following shall be disregarded when determining the number of printed circuit assemblies (PCAs) and parts incorporating PCAs contained in the good:*

- (i) PCAs that are designed solely or principally for controlling or operating a display unit, such as a Liquid Crystal Display (LCD) or Light Emitting Diode (LED), regardless of the tariff classification of such PCAs; and*
- (ii) a display unit incorporating PCAs described in subparagraph (i), regardless of the tariff classification of the display unit or the PCAs described in subparagraph (i) that are incorporated into the display unit, provided that the display unit does not contain any other PCAs that are designed solely or principally for use in a good provided for in heading 85.17 or any of subheadings 8525.10 through 8525.20.*

*For purposes of clarity, a PCA that, in addition to controlling or operating a display unit, is designed to operate or control other telephonic functions shall be included when determining the number of PCAs or parts incorporating a PCA contained in the good if that PCA is provided for in tariff item 8517.90.dd or that part (incorporating PCAs) is provided for in any of tariff items 8517.90.aa and 8517.90.bb.*

**Note 3:** *For purposes of applying the rule of origin for a good provided for in any of subheadings 8517.21 through 8517.50, tariff item 8517.80.aa and subheadings 8525.10 through 8525.20, the following shall be disregarded when determining the number of printed circuit assemblies (PCAs) and parts incorporating PCAs contained in the good:*

- (i) PCAs provided for in tariff item 8517.90.dd that are incorporated into a part provided for in tariff item 8517.90.bb that is used in the production of a good provided for in any of subheadings 8517.21 through 8517.50 and tariff item 8517.80.aa; and*
- (ii) PCAs provided for in tariff item 8529.90.aa that are incorporated into a part provided for in tariff item 8529.90.ff that is used in the production of a good provided for in any of subheadings 8525.10 through 8525.20.*

**Note 4:** *For purposes of applying the rule of origin for a good provided for in any of subheadings 8517.11 through 8517.19 and tariff item 8517.90.aa, printed circuit assemblies (PCAs) that are designed solely or principally for operating the mechanisms of a push button dial pad or keyboard on a telephone shall be disregarded when determining the number of PCAs contained in the good, regardless of the tariff classification of such PCAs.*

*For purposes of clarity, a PCA that, in addition to operating the mechanisms of a push button dial pad or keyboard, is designed to operate or control other telephonic functions shall be included when determining the number of PCAs contained in the good if that PCA is provided for in tariff item 8517.90.dd or is contained in a part (incorporating PCAs) provided for in tariff item 8517.90.aa.*

85.01 A change to this heading from any other heading, except from tariff item 8503.00.aa.

8502.11-8502.39 A change to any of these subheadings from any subheading outside this group, except from more than one of the following:

- any of subheadings 8406.81-8406.82, headings 84.07-84.08 and subheadings 8411.81-8411.82,
- heading 85.01.

8502.40 A change to this subheading from any other heading, except from heading 85.03; or

A change to this subheading from heading 85.03, whether or not there is also a change from any other heading, provided that at least one category of identical or similar materials provided for in heading 85.03 be originating.

85.03 A change to heading 85.03 from any other heading.

8504.10-8504.34 A change to any of these subheadings from any other heading; or

A change to any of these subheadings from subheading 8504.90, whether or not there is also a change from any other heading, provided that at least one category of identical or similar materials provided for in subheading 8504.90 be originating.

8504.40

8504.40.aa A change to this tariff item from any other tariff item.

8504.40 A change to this subheading from any other heading; or

A change to this subheading from subheading 8504.90, whether or not there is also a change from any other heading, provided that at least one category of identical or similar materials provided for in subheading 8504.90 be originating.

8504.50

A change to this subheading from any other heading; or

A change to this subheading from subheading 8504.90, whether or not there is also a change from any other heading, provided that at least one category of identical or similar materials provided for in subheading 8504.90 be originating.

8504.90

8504.90.aa A change to this tariff item from any other tariff item.

8504.90 A change to this subheading from any other heading.

85.05

A change to this heading from any other heading; or

A change to any of subheadings 8505.11-8505.30 from subheading 8505.90, whether or not there is also a change from any other heading, provided that at least one category of identical or similar materials provided for in subheading 8505.90 be originating.

85.06

A change to this heading from any other heading, except from tariff item 8548.10.aa; or

A change to any of subheadings 8506.10-8506.80 from subheading 8506.90, whether or not there is also a change from any other heading, except from tariff item 8548.10.aa, provided that at least one category of identical or similar materials provided for in subheading 8506.90 be originating.

- 85.07 A change to this heading from any other heading, except from tariff item 8548.10.aa; or
- A change to any of subheadings 8507.10-8507.80 from subheading 8507.90, whether or not there is also a change from any other heading, except from tariff item 8548.10.aa, provided that at least one category of identical or similar materials provided for in subheading 8507.90 be originating.
- 85.08 A change to this heading from any other heading, except from heading 85.01; or
- A change to any of subheadings 8508.10-8508.80 from heading 85.01 or subheading 8508.90, whether or not there is also a change from any other subheading, provided that at least one category of identical or similar materials provided for in heading 85.01 or subheading 8508.90 be originating.
- 85.09 A change to this heading from any other heading, except from heading 85.01; or
- A change to any of subheadings 8509.10-8509.80 from heading 85.01 or subheading 8509.90, whether or not there is also a change from any other heading, provided that at least one category of identical or similar materials provided for in heading 85.01 or subheading 8509.90 be originating.
- 85.10 A change to this heading from any other heading; or
- A change to any of subheadings 8510.10-8510.30 from subheading 8510.90, whether or not there is also a change from any other heading, provided that at least one category of identical or similar materials provided for in subheading 8510.90 be originating.
- 85.11 A change to this heading from any other heading; or
- A change to any of subheadings 8511.10-8511.80 from subheading 8511.90, whether or not there is also a change from any other heading, provided that at least one category of identical or similar materials provided for in 8511.90 be originating.

- 85.12 A change to this heading from any other heading; or
- A change to any of subheadings 8512.10-8512.40 from subheading 8512.90, whether or not there is also a change from any other heading, provided that at least one category of identical or similar materials provided for in subheading 8512.90 be originating.
- 85.13 A change to this heading 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 that at least one category of identical or similar materials provided for in subheading 8513.90 be originating.
- 85.14 A change to this heading from any other heading; or
- A change to any of subheadings 8514.10-8514.40 from subheading 8514.90, whether or not there is also a change from any other heading, provided that at least one category of identical or similar materials provided for in subheading 8514.90 be originating.
- 85.15 A change to this heading from any other heading; or
- A change to any of subheadings 8515.11-8515.80 from subheading 8515.90, whether or not there is also a change from any other heading, provided that at least one category of identical or similar materials provided for in subheading 8515.90 be originating.
- 8516.10-8516.29 A change to any of these subheadings from subheading 8516.80 or any other heading; or
- A change to any of these subheadings from subheading 8516.90, whether or not there is also a change from subheading 8516.80 or any other heading, provided that at least one category of identical or similar materials provided for in subheading 8516.90 be originating.
- 8516.31 A change to this subheading from any other subheading, except from more than one of the following:
- subheading 8516.80,
  - heading 85.01.

8516.32

A change to this subheading from any other heading; or

A change to this subheading from subheading 8516.90, whether or not there is also a change from any other heading, provided that at least one category of identical or similar materials provided for in subheading 8516.90 be originating.

8516.33

A change to this subheading from any other subheading, except from more than one of the following:

- heading 85.01,
- subheading 8516.80,
- tariff item 8516.90.aa.

8516.40

A change to this subheading from any other subheading, except from more than one of the following:

- heading 84.02,
- subheading 8481.40,
- tariff item 8516.90.bb.

8516.50

A change to this subheading from any other subheading, except from more than one of the following:

- tariff item 8516.90.cc,
- tariff item 8516.90.dd.

8516.60

8516.60.aa

A change to this tariff item from any other tariff item, except from any of tariff items 8516.90.ee, 8516.90.ff and 8516.90.gg or subheading 8537.10.

8516.60

A change to this subheading from any other heading; or

A change to this subheading from subheading 8516.90, whether or not there is also a change from any other heading, provided that at least one category of identical or similar materials provided for in subheading 8516.90 be originating.

8516.71

A change to this subheading from any other heading; or

A change to this subheading from subheading 8516.90, whether or not there is also a change from any other heading, provided that at least one category of identical or similar materials provided for in subheading 8516.90 be originating.

8516.72

A change to this subheading from any other subheading, except from more than one of the following:

- subheading 9032.10,
- tariff item 8516.90.hh.

8516.79-8516.80

A change to any of these subheadings from any other heading; or

A change to any of these subheadings from subheading 8516.90, whether or not there is also a change from any other heading, provided that at least one category of identical or similar materials provided for in subheading 8516.90 be originating.

8516.90

8516.90.cc

8516.90.dd

8516.90.ee

8516.90.ff

8516.90.gg

A change to any of these tariff items from any other tariff item, including another tariff item within this group.

8516.90

A change to this subheading from any other heading.

8517.11-8517.19

A change to any of these subheadings from any subheading outside this group, provided that, with respect to printed circuit assemblies (PCAs) provided for in tariff item 8517.90.dd, including such PCAs contained in a part provided for in tariff item 8517.90.aa that is used in the production of the good:

- (a) except as provided in subparagraph (b), for each multiple of two PCAs, or any portion thereof, that is contained in the good, one of the PCAs must be an originating PCA, and

- (b) if the good contains only one PCA, that PCA must be an originating PCA.

8517.21 A change to this subheading from any other subheading.

8517.22-8517.50 A change to any of these subheadings from any other subheading, including another subheading within this group, provided that, with respect to printed circuit assemblies (PCAs) provided for in tariff item 8517.90.dd or parts (incorporating PCAs) provided for in tariff item 8517.90.bb:

- (a) except as provided in subparagraph (b), for each multiple of three PCAs or parts incorporating PCAs, or any portion thereof, that is contained in the good, one of the PCAs or parts incorporating PCAs must be an originating PCA or part incorporating PCAs, and
- (b) if the good contains only one PCA or part incorporating PCAs, that PCA or part incorporating PCAs must be an originating PCA or part incorporating PCAs.

8517.80

8517.80.aa A change to this tariff item from any other subheading, provided that, with respect to printed circuit assemblies (PCAs) provided for in tariff item 8517.90.dd or parts (incorporating PCAs) provided for in tariff item 8517.90.bb:

- (a) except as provided in subparagraph (b), for each multiple of three PCAs or parts incorporating PCAs, or any portion thereof, that is contained in the good, one of the PCAs or parts incorporating PCAs must be an originating PCA or part incorporating PCAs, and
- (b) if the good contains only one PCA or part incorporating PCAs, that PCA or part incorporating PCAs must be an originating PCA or part incorporating PCAs.

8517.80 A change to this subheading from any other subheading.

8517.90

8517.90.aa A change to this tariff item from any other tariff item, provided that, with respect to printed circuit assemblies (PCAs) provided for in tariff item 8517.90.dd:

- (a) except as provided in subparagraph (b), for each multiple of two PCAs, or any portion thereof, that is contained in the good, one of the PCAs must be an originating PCA, and
- (b) if the good contains only one PCA, that PCA must be an originating PCA.

8517.90.bb A change to this tariff item from any other tariff item.

8517.90.cc A change to this tariff item from any other tariff item.

8517.90.dd A change to this tariff item from any other tariff item.

8517.90.ee A change to this tariff item from any other heading.

8517.90.gg A change to this tariff item from tariff item 8517.90.ee or any other heading.

8517.90 A change to this subheading from any other heading.

8518.10 A change to this subheading from any other heading; or

A change to this subheading from subheading 8518.90, whether or not there is also a change from any other heading, provided that at least one category of identical or similar materials provided for in subheading 8518.90 be originating.

8518.21-8518.22 A change to any of these subheadings from any other heading; or

A change to any of these subheadings from any of subheadings 8518.29 and 8518.90, whether or not there is also a change from any other heading, provided that at least one category of identical or similar materials provided for in any of subheadings 8518.29 and 8518.90 be originating.

8518.29 A change to this subheading from any other subheading.

- 8518.30
- 8518.30.aa A change to this tariff item from any other tariff item.
- 8518.30 A change to this subheading from any other heading; or
- A change to this subheading from subheading 8518.90, whether or not there is also a change from any other heading, provided that at least one category of identical or similar materials provided for in subheading 8518.90 be originating.
- 8518.40-8518.50 A change to any of these subheadings from any other heading; or
- A change to any of these subheadings from subheading 8518.90, whether or not there is also a change from any other heading, provided that at least one category of identical or similar materials provided for in subheading 8518.90 be originating.
- 8518.90 A change to this subheading from any other heading.
- 85.19-85.21 A change to any of these headings from any heading outside this group, except from heading 85.22; or
- A change to any of these headings from heading 85.22, provided that at least one category of identical or similar materials provided for in heading 85.22 be originating.
- 85.22-85.24 A change to any of these headings from any other heading, including another heading within this group.
- 8525.10-8525.20 A change to any of these subheadings from any subheading outside this group, provided that, with respect to printed circuit assemblies (PCAs) provided for in tariff item 8529.90.aa or parts (incorporating PCAs) provided for in tariff item 8529.90.ff:
- (a) except as provided in subparagraph (b), for each multiple of three PCAs or parts incorporating PCAs, or any portion thereof, that is contained in the good, one of the PCAs or parts incorporating PCAs must be an originating PCA or part incorporating PCAs, and

- (b) if the good contains only one PCA or part incorporating PCAs, that PCA or part incorporating PCAs must be an originating PCA or part incorporating PCAs.

8525.30

8525.30.aa A change to this tariff item from any other tariff item.

8525.30 A change to this subheading from any other subheading.

8525.40

A change to this subheading from any other heading, except from heading 85.29; or

A change to this subheading from heading 85.29, whether or not there is also a change from any other heading, provided that at least one category of identical or similar materials provided for in heading 85.29 be originating.

8526.10

A change to this subheading from any other subheading, except from more than one of the following:

- subheading 8525.20,
- tariff item 8529.90.bb.

8526.91-8526.92

A change to any of these subheadings from any other heading, except from heading 85.29; or

A change to any of these subheadings from heading 85.29, whether or not there is also a change from any other heading, provided that at least one category of identical or similar materials provided for in heading 85.29 be originating.

8527.12-8527.90

A change to any of these subheadings from any other heading, except from heading 85.29; or

A change to any of these subheadings from heading 85.29, whether or not there is also a change from any other heading, provided that at least one category of identical or similar materials provided for in heading 85.29 be originating.

8528.12

8528.12.aa A change to this tariff item from tariff item 8528.12.gg or any other heading, except from any of subheadings 8540.11-8540.12.

8528.12.gg A change to this tariff item from any other heading.

8528.13

A change to this subheading from any other heading, except from heading 85.29; or

A change to this subheading from heading 85.29, whether or not there is also a change from any other heading, provided that at least one category of identical or similar materials provided for in heading 85.29 be originating.

8528.21

8528.21.aa A change to this tariff item from tariff item 8528.21.gg or any other heading, except from any of subheadings 8540.11-8540.12.

8528.21.gg A change to this tariff item from any other heading.

8528.22

A change to this subheading from any other heading, except from heading 85.29; or

A change to this subheading from heading 85.29, whether or not there is also a change from any other heading, provided that at least one category of identical or similar materials provided for in heading 85.29 be originating.

8528.30

8528.30.aa A change to this tariff item from tariff item 8528.30.gg or any other heading, except from any of subheadings 8540.11-8540.12.

8528.30.gg A change to this tariff item from any other heading.

8528.30.hh A change to this tariff item from any other heading, except from heading 85.29; or

A change to this tariff item from heading 85.29, whether or not there is also a change from any other heading, provided that at least one category of identical or similar materials provided for in heading 85.29 be originating.

- 8529.10 A change to this subheading from any other heading.
- 8529.90
- 8529.90.aa A change to this tariff item from any other tariff item.
- 8529.90.bb A change to this tariff item from any other tariff item.
- 8529.90.cc A change to this tariff item from any other tariff item.
- 8529.90.dd A change to this tariff item from any other tariff item.
- 8529.90.ee A change to this tariff item from any other tariff item.
- 8529.90.ff A change to this tariff item from any other tariff item.
- 8529.90 A change to this subheading from any other heading; or  
No change in tariff classification required to subheading 8529.90, provided that at least one category of identical or similar materials provided for in subheading 8529.90 be originating.
- 85.30 A change to this heading from any other heading; or  
A change to any of subheadings 8530.10-8530.80 from subheading 8530.90, whether or not there is also a change from any other heading, provided that at least one category of identical or similar materials provided for in subheading 8530.90 be originating.
- 85.31 A change to this heading from any other heading; or  
A change to any of subheadings 8531.10-8531.80 from subheading 8531.90, whether or not there is also a change from any other heading, provided that at least one category of identical or similar materials provided for in subheading 8531.90 be originating.

- 85.32 A change to this heading from any other heading; or
- A change to any of subheadings 8532.10-8532.30 from subheading 8532.90, whether or not there is also a change from any other heading, provided that at least one category of identical or similar materials provided for in subheading 8532.90 be originating.
- 85.33 A change to this heading from any other heading; or
- A change to any of subheadings 8533.10-8533.40 from subheading 8533.90, whether or not there is also a change from any other heading, provided that at least one category of identical or similar materials provided for in subheading 8533.90 be originating.
- 85.34 A change to this heading from any other heading.
- 85.35-85.37 A change to any of these headings from any other heading, including another heading within this group, except from heading 85.38; or
- A change to any of these headings from heading 85.38, whether or not there is also a change from any other heading, provided that at least one category of identical or similar materials provided for in heading 85.38 be originating.
- 85.38 A change to this heading from any other heading.
- 85.39 A change to this heading from any other heading; or
- A change to any of subheadings 8539.10-8539.49 from subheading 8539.90, whether or not there is also a change from any other heading, provided that at least one category of identical or similar materials provided for in subheading 8539.90 be originating.
- 8540.11-8540.60 A change to any of these subheadings from any subheading outside this group.
- 8540.71-8540.79 A change to any of these subheadings from any subheading outside this group, except from tariff item 8540.99.aa.
- 8540.81-8540.89 A change to any of these subheadings from any other subheading, including another subheading within this group.

8540.91

8540.91.aa A change to this tariff item from any other tariff item

8540.91 A change to this subheading from any other heading.

8540.99

8540.99.aa A change to this tariff item from any other tariff item

8540.99 A change to this subheading from any other heading.

85.41-85.42

**Note:** *Notwithstanding Article 3.5 (Transshipment Through Third Countries) a good provided for in any of subheadings 8541.10-8541.60 and 8542.12-8542.50 qualifying under the rule below as an originating good 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 this group.*

A change to a subheading of any of these headings from any other subheading, including another subheading within these headings.

85.43

A change to this heading from any other heading; or

A change to any of subheadings 8543.11-8543.89 from subheading 8543.90, whether or not there is also a change from any other heading, provided that at least one category of identical or similar materials provided for in subheading 8543.90 be originating.

8544.11-8544.60

A change to any of these subheadings from any subheading outside this group.

8544.70

A change to this subheading from any other subheading.

85.45-85.47

A change to any of these headings from any other heading, including another heading within this group.

85.48

8548.10 A change to this subheading from any other chapter.

8548.90 A change to this subheading from any other heading.

**SECTION XVII VEHICLES, AIRCRAFT, VESSELS AND ASSOCIATED TRANSPORT EQUIPMENT (Chapter 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 any of these headings from any other heading, including another heading within this group.

86.07 A change to this heading from any other heading; or

A change to any of subheadings 8607.11-8607.12 from any of subheadings 8607.19-8607.99, provided that at least one category of identical or similar materials provided for in any of subheadings 8607.19-8607.99 be originating.

86.08-86.09 A change to any of these headings from any other heading, including another heading within this group.

**Chapter 87: Vehicles Other Than Railway or Tramway Rolling-Stock, and Parts and Accessories Thereof**

87.01-87.02 A change to any of these headings from any heading outside this group.

87.03-87.04 A change to any of these headings from any heading outside this group, except from heading 87.06.

87.05-87.07 A change to any of these headings from any other heading, including another heading within this group.

- 8708.10-8708.21 A change to any of these subheadings from any subheading outside this group.
- 8708.29 A change to this subheading from any other subheading; or  
No change in tariff classification required to subheading 8708.29, provided that at least one category of identical or similar materials provided for in subheading 8708.29 be originating.
- 8708.31-8708.39 A change to any of these subheadings from any subheading outside this group.
- 8708.40-8708.94 A change to any of these subheadings from any subheading outside this group, except from subheading 8708.99; or  
A change to any of these subheadings from another subheading within this group or from subheading 8708.99, whether or not there is also a change from any subheading outside this group, provided that at least one category of identical or similar materials provided for in the other subheading within this group or subheading 8708.99 be originating.
- 8708.99 A change to this subheading from any other subheading; or  
No change in tariff classification required to subheading 8708.99, provided that at least one category of identical or similar materials provided for in subheading 8708.99 be originating.
- 87.09 A change to this heading from any other heading; or  
A change to any of subheadings 8709.10-8709.19 from subheading 8709.90, whether or not there is also a change from any other heading, provided that at least one category of identical or similar materials provided for in subheading 8709.90 be originating.
- 87.10-87.13 A change to any of these headings from any heading outside this group, except from heading 87.14; or  
A change to any of these headings from heading 87.14, whether or not there is also a change from any heading outside this group, provided that at least one category of identical or similar materials provided for in heading 87.14 be originating.

87.14-87.15 A change to any of these headings from any other heading, including another heading in this group.

87.16 A change to this heading from any other heading; or  
A change to any of subheadings 8716.10-8716.80 from subheading 8716.90, whether or not there is also a change from any other heading, provided that at least one category of identical or similar materials provided for in subheading 8716.90 be originating.

**Chapter 88: Aircraft, Spacecraft and Parts Thereof**

A change to a subheading of this chapter from any other subheading, including another subheading within this chapter.

**Chapter 89: Ships, Boats and Floating Structures**

89.01-89.04 A change to any of these headings from any heading outside this group.

89.05 A change to this heading from any other chapter.

89.06-89.07 A change to any of these headings from any other heading, including another heading within this group, except from any of headings 89.03 and 89.05.

89.08 A change to this heading from any other chapter.

**SECTION XVIII OPTICAL, PHOTOGRAPHIC, CINEMATOGRAPHIC, MEASURING, CHECKING, PRECISION, MEDICAL OR SURGICAL INSTRUMENTS AND APPARATUS; CLOCKS AND WATCHES; MUSICAL INSTRUMENTS; PARTS AND ACCESSORIES THEREOF (Chapter 90-92)**

**Chapter 90: Optical, Photographic, Cinematographic, Measuring, Checking, Precision, Medical or Surgical Instruments and Apparatus; Parts and Accessories Thereof**

90.01 A change to this heading from any other heading.

- 90.02 A change to this heading from any other heading, except from heading 90.01.
- 90.03 A change to this heading from any other heading, except from heading 90.04; or  
A change to any of subheadings 9003.11-9003.19 from subheading 9003.90, provided that either the fronts or the temples are domestically produced.
- 90.04 A change to this heading from any other heading, except from more than one of headings 90.01 and 90.03.
- 90.05 A change to this heading from any other heading, except from any of headings 90.01-90.02; or  
A change to any of subheadings 9005.10-9005.80 from subheading 9005.90, whether or not there is also a change from any other heading, provided that at least one category of identical or similar materials provided for in subheading 9005.90 be originating.
- 90.06 A change to this heading from any other heading; or  
A change to any of subheadings 9006.10-9006.69 from any of subheadings 9006.91-9006.99, whether or not there is also a change from any other heading, provided that at least one category of identical or similar materials provided for in any of subheadings 9006.91-9006.99 be originating.
- 90.07 A change to this heading from any other heading; or  
A change to any of subheadings 9007.11-9007.20 from any of subheadings 9007.91-9007.92, whether or not there is also a change from any other heading, provided that at least one category of identical or similar materials provided for in any of subheadings 9007.91-9007.92 be originating.
- 90.08 A change to this heading from any other heading; or  
A change to any of subheadings 9008.10-9008.40 from subheading 9008.90, whether or not there is also a change from any other heading, provided that at least one category of identical or similar materials provided for in subheading 9008.90 be originating.

9009.11-9009.30

A change to any of these subheadings from any other heading; or

A change to any of these subheadings from subheading 9009.90, whether or not there is also a change from any other heading, provided that at least one category of identical or similar materials provided for in subheading 9009.90 be originating.

9009.90

A change to this subheading from any other heading; or

No change in tariff classification required to subheading 9009.90, provided that at least one category of identical or similar materials provided for in subheading 9009.90 be originating.

90.10

A change to this heading from any other heading; or

A change to any of subheadings 9010.10-9010.60 from subheading 9010.90, whether or not there is also a change from any other heading, provided that at least one category of identical or similar materials provided for in subheading 9010.90 be originating.

90.11

A change to this heading from any other heading; or

A change to any of subheadings 9011.20-9011.80 from subheading 9011.90, whether or not there is also a change from any other heading, provided that at least one category of identical or similar materials provided for in subheading 9011.90 be originating.

90.12

A change to this heading from any other heading; or

A change to subheading 9012.10 from subheading 9012.90, whether or not there is also a change from any other heading, provided that at least one category of identical or similar materials provided for in subheading 9012.90 be originating.

90.13

A change to this heading from any other heading; or

A change to any of subheadings 9013.10-9013.80 from subheading 9013.90, whether or not there is also a change from any other heading, provided that at least one category of identical or similar materials provided for in subheading 9013.90 be originating.

- 90.14 A change to this heading from any other heading; or
- A change to any of subheadings 9014.10-9014.80 from subheading 9014.90, whether or not there is also a change from any other heading, provided that at least one category of identical or similar materials provided for in subheading 9014.90 be originating.
- 90.15 A change to this heading from any other heading; or
- A change to any of subheadings 9015.10-9015.80 from subheading 9015.90, whether or not there is also a change from any other heading, provided that at least one category of identical or similar materials provided for in subheading 9015.90 be originating.
- 90.16 A change to this heading from any other heading.
- 90.17 A change to this heading from any other heading; or
- A change to any of subheadings 9017.10-9017.80 from subheading 9017.90, whether or not there is also a change from any other heading, provided that at least one category of identical or similar materials provided for in subheading 9017.90 be originating.
- 90.18 A change to a subheading of this heading from any other subheading, including another subheading within this heading.
- 90.19-90.21 A change to any of these headings from any other heading, including another heading within this group.
- 90.22 A change to a subheading of this heading from any other subheading, including another subheading within this heading.
- 90.23 A change to this heading from any other heading.
- 90.24 A change to this heading from any other heading; or
- A change to any of subheadings 9024.10-9024.80 from subheading 9024.90, whether or not there is also a change from any other heading, provided that at least one category of identical or similar materials provided for in subheading 9024.90 be originating.

- 90.25                    A change to this heading from any other heading; or
- A change to any of subheadings 9025.11-9025.80 from subheading 9025.90, whether or not there is also a change from any other heading, provided that at least one category of identical or similar materials provided for in subheading 9025.90 be originating.
- 90.26                    A change to this heading from any other heading; or
- A change to any of subheadings 9026.10-9026.80 from subheading 9026.90, whether or not there is also a change from any other heading, provided that at least one category of identical or similar materials provided for in subheading 9026.90 be originating.
- 90.27                    A change to this heading from any other heading; or
- A change to any of subheadings 9027.10-9027.80 from subheading 9027.90, whether or not there is also a change from any other heading, provided that at least one category of identical or similar materials provided for in subheading 9027.90 be originating.
- 90.28                    A change to this heading from any other heading; or
- A change to any of subheadings 9028.10-9028.30 from subheading 9028.90, whether or not there is also a change from any other heading, provided that at least one category of identical or similar materials provided for in subheading 9028.90 be originating.
- 90.29                    A change to this heading from any other heading; or
- A change to any of subheadings 9029.10-9029.20 from subheading 9029.90, whether or not there is also a change from any other heading, provided that at least one category of identical or similar materials provided for in subheading 9029.90 be originating.
- 90.30                    A change to this heading from any other heading; or
- A change to any of subheadings 9030.10-9030.89 from subheading 9030.90, whether or not there is also a change from any other heading, provided that at least one category of identical or similar materials provided for in subheading 9030.90 be originating.

90.31 A change to this heading from any other heading; or  
A change to any of subheadings 9031.10-9031.80 from subheading 9031.90, whether or not there is also a change from any other heading, provided that at least one category of identical or similar materials provided for in subheading 9031.90 be originating.

90.32 A change to this heading from any other heading; or  
A change to any of subheadings 9032.10-9032.89 from subheading 9032.90, whether or not there is also a change from any other heading, provided that at least one category of identical or similar materials provided for in subheading 9032.90 be originating.

90.33 A change to this heading from any other heading.

**Chapter 91: Clocks and Watches and Parts Thereof**

A change to a subheading of this chapter from any other subheading, including another subheading within this chapter.

**Chapter 92: Musical Instruments; Parts and Accessories of such Articles**

A change to a subheading of this chapter from any other subheading, including another subheading within this chapter.

**SECTION XIX ARMS AND AMMUNITION; PARTS AND ACCESSORIES THEREOF  
(Chapter 93)**

**Chapter 93: Arm and Ammunition; Parts and Accessories thereof**

A change to a heading of this chapter from any other heading, including another heading within this chapter.

**SECTION XX MISCELLANEOUS MANUFACTURED ARTICLES (Chapter 94-96)**

**Chapter 94: Furniture; Bedding, Mattresses, Mattress Supports, Cushions and Similar Stuffed Furnishings; Lamps and Lighting fittings, Not Elsewhere Specified or Included; Illuminated Name-Plates and the Like; Prefabricated Buildings**

94.01 A change to this heading from any other heading, except from heading 94.03; or

A change to any of subheadings 9401.10-9401.80 from any of subheadings 9401.90 and 9403.90, whether or not there is also a change from any other heading, provided that at least one category of identical or similar materials provided for in any of subheadings 9401.90 and 9403.90 be originating.

94.02 A change to this heading from any other heading, except from any of headings 94.01 and 94.03; or

A change to this heading from any of headings 94.01 and 94.03, whether or not there is also a change from any other heading, provided that at least one category of identical or similar materials provided for in any of headings 94.01 and 94.03 be originating.

94.03 A change to this heading from any other heading, except from heading 94.01; or

A change to this heading from heading 94.01, whether or not there is also a change from any other heading, provided that at least one category of identical or similar materials provided for in heading 94.01 be originating.

94.04 A change to this heading from any other chapter, except from subheading 6307.90.

94.05-94.06 A change to a subheading of any of these headings from any other subheading, including another subheading within these headings.

**Chapter 95: Toys, Games and Sports Requisites; Parts and Accessories Thereof**

A change to a subheading of this chapter from any other subheading, including another subheading within this chapter.

**Chapter 96: Miscellaneous Manufactured Articles**

96.01-96.05 A change to any of these headings from any other heading, including another heading within this group.

96.06-96.13 A change to a subheading of any of these headings from any other subheading, including another subheading within these headings.

9614.20

9614.20.aa A change to this tariff item from any other subheading.

9614.20 A change to this subheading from tariff item 9614.20.aa or any other subheading.

96.15-96.18 A change to a subheading of any of these headings from any other subheading, including another subheading within these headings.

**SECTION XXI WORKS OF ART, COLLECTORS' PIECES AND ANTIQUES (Chapter 97)**

**Chapter 97: Works of Art, Collectors' Pieces and Antiques**

A change to a subheading of this chapter from any other subheading, including another subheading within this chapter.

## NEW TARIFF ITEMS FOR CANADA-ISRAEL FTA

TARIFF ITEM	CANADA	ISRAEL	DESCRIPTION
0902.10.aa	0902.10.10	09.02.1010	Tea in bags for individual servings
0902.30.aa	0902.30.10	09.02.3010	Tea in bags for individual servings
1211.10.aa	1211.10.10	12.11.1010	Herbal tea in bags for individual servings
1211.20.aa	1211.20.10	12.11.2010	Herbal tea in bags for individual servings
1211.90.aa	1211.90.10	12.11.9010	Herbal tea in bags for individual servings
1901.20.aa	1901.20.11 1901.20.12 1901.20.21 1901.20.22	19.01.2011 19.01.2021 19.01.2091	Mixes and doughs, containing over 25 per cent by weight of butterfat, not put up for retail sale
1901.90.aa	1901.90.51 1901.90.52 1901.90.53 1901.90.54	19.01.9011 19.01.9021 19.01.9031 19.01.9041 19.01.9091	Dairy preparations containing over 50 per cent by weight of milk solids
2106.90.aa	2106.90.91	21.06.9095	Concentrated fruit or vegetable juices, fortified with minerals or vitamins: Of any single fruit or vegetable
2106.90.bb	2106.91.92	21.06.9096	Of mixtures of fruit or vegetable juices
2106.90.cc	2106.90.31 2106.90.32 2106.90.93 2106.90.94	21.06.9097	Preparations containing over 50 per cent by weight of milk solids
2106.90.dd	2106.90.96	21.06.9098	Compound alcoholic preparations, not based on one or more odoriferous substances, with an alcoholic strength exceeding 0.5% by volume, of a kind used for the manufacture of beverages
2202.90.aa	2202.90.31	22.02.9010	Fruit or vegetable juices, fortified with minerals or vitamins: Of any single fruit or vegetable
2202.90.bb	2202.90.32	22.02.9020	Of mixtures of fruit or vegetable juices
2202.90.cc	2202.90.41 2202.90.42 2202.90.43 2202.90.49	22.02.90.30	Beverages containing milk
2309.90.aa	2309.90.31 2309.90.33 2309.90.35	23.09.9091	Animal feeds containing over 50 per cent by weight of milk solids
5402.41.bb	5402.41.11 5402.41.91	54.02.4110	Partially oriented yarn of nylon or other polyamides
7304.41.aa	7304.41.10	73.04.4110	Cold-drawn or cold-rolled (cold-reduced) seamless stainless steel tubes, pipes and hollow profiles of an external diameter of less than 19mm

8406.90.aa	8406.90.22 8406.90.32	84.06.9010	Rotors, finished for final assembly
8406.90.bb	8406.90.21 8406.90.31	84.06.9020	Rotors, not further advanced than cleaned or machined for removal of fins, gates, sprues or risers, or to permit location in finishing machinery
8415.90.aa	8415.90.11 8415.90.21 8415.90.31 8415.90.41	84.15.9021 84.15.9091	Chassis, chassis bases or outer cabinets of the goods of subheadings 8415.10-8415.83
8418.99.aa	8418.99.11 8418.99.21 8418.99.31 8418.99.41 8418.99.51	84.18.9991	Door assemblies incorporating at least two of the following: inner panel, outer panel, insulation, hinges or handles
8421.91.aa	8421.91.11	84.21.9111	Drying chambers of the goods of subheading 8421.12 and other parts of clothes dryers incorporating drying chambers
8421.91.bb	8421.91.12	84.21.9112	Furniture designed to receive the goods of subheading 8421.12
8422.90.aa	8422.90.11 8422.90.22	84.22.9011	Water containment chambers for the goods of subheading 8422.11 and other parts of dishwashing machines of the household type incorporating water containment chambers
8422.90.bb	8422.90.12 8422.90.23	84.22.90.12	Door assemblies for the goods of subheading 8422.11
8450.90.aa	8450.90.11 8450.90.21 8450.90.31 8450.90.41	84.50.9010	Tubs or tub assemblies of the goods of subheadings 8450.11-8450.20
8450.90.bb	8450.90.12 8450.90.22 8450.90.32 8450.90.42	84.50.9020	Furniture designed to receive the goods of subheadings 8450.11-8450.20
8451.90.aa	8451.90.11 8451.90.21 8451.90.31	84.51.9011	Drying chambers for the goods of subheadings 8451.21-8451.29 and other parts of drying machines incorporating drying chambers
8451.90.bb	8451.90.12 8451.90.22 8451.90.32	84.51.9012	Furniture designed to receive the goods of subheadings 8451.21-8451.29
8466.93.aa	8466.93.11 8466.93.91	84.66.9320	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
8466.94.aa	8466.94.11 8466.94.91	84.66.9420	Bed, base, table, column, cradle, frame, bolster, crown, slide, rod, tailstock and headstock castings, weldments or fabrications
8471.80.aa	8471.80.10	84.71.8030	Control or adapter units
8471.80.cc	8471.80.91	84.71.8040	Other units suitable for physical incorporation into automatic data processing machines, or units thereof
8473.30.aa	8473.30.21 8473.30.22	84.73.3010	Printed circuit assemblies, other than for power supplies, for automatic data processing machines of heading 84.71
8473.30.bb	8473.30.23	84.73.3020	Parts and accessories of printed circuit assemblies, including face plates and lock latches

8482.99.aa	8482.99.11 8482.99.91	84.82.9910	Inner or outer races or rings
8503.00.aa	8503.00.11 8503.00.12 8503.00.13 8503.00.14 8503.00.15 8503.00.16 8503.00.17 8503.00.18 8503.00.19	85.03.0011 85.03.0021 85.03.0091	Stators or rotors of the goods of heading 85.01
8504.40.aa	8504.40.40	85.04.4060  85.04.6021 85.04.6031 85.04.6091	Power supplies for automatic data processing machines of heading 84.71
8504.90.aa	8504.90.80	85.04.9011 85.04.9021 85.04.9031 85.04.9039	Other parts of power supplies for automatic data processing machines of heading 84.71 (parts other than printed circuit assemblies)
8516.60.aa	8516.60.20	85.16.6021 85.16.6031 85.16.6091	Ovens, cooking stoves and ranges
8516.90.aa	8516.90.21	85.16.9091	Housings of the goods of subheading 8516.33
8516.90.bb	8516.90.71	85.16.9092	Housings and steel bases of the goods of subheading 8516.40
8516.90.cc	8516.90.42	85.16.9093	Assemblies for the goods of subheading 8516.50, incorporating more than one of the following: cooking chamber; space structural supporting chassis; door; outer case
8516.90.dd	8516.90.41	85.16.9094	Printed circuit assemblies for the goods of subheading 8516.50
8516.90.ee	8516.90.51	85.16.9095	Cooking chambers, whether or not assembled
8516.90.ff	8516.90.52	85.16.9096	Top surface panels, whether or not with heating elements or controls
8516.90.gg	8516.90.53	85.16.9097	Door assemblies, incorporating more than one of the inner panel, outer panel, window, insulation
8516.90.hh	8516.90.61 8516.90.62	85.16.9098	Housings for goods of subheading 8516.72
8517.80.aa	8517.80.10	85.17.8011 85.17.8021 85.17.8031 85.17.8091	Telephonic

8517.90.aa	8517.90.41	85.17.9021	Parts, incorporating printed circuit assemblies, for telephone sets of subheadings 8517.11-8517.19
8517.90.bb	8517.90.42 8517.90.43 8517.90.44	85.17.9022	Parts, incorporating printed circuit assemblies, for goods of subheadings 8517.22-8517.50 or tariff item 8517.80.aa
8517.90.cc	8517.90.39 8517.90.45 8517.90.46	85.17.9023	Other parts incorporating printed circuit assemblies (i.e. other parts than parts classified under tariff item 8517.90.aa or 8517.90.bb)
8517.90.dd	8517.90.11 8517.90.12 8517.90.13 8517.90.14	85.17.9091	Printed circuit assemblies for goods of heading 85.17
8517.90.ee	8517.90.21 8517.90.22 8517.90.23 8517.90.24	85.17.9092	Parts, including face plates and lock latches, for printed circuit assemblies
8517.90.gg	8517.90.91 8517.90.92 8517.90.93	85.17.9093	Other parts, other
8518.30.aa	8518.30.10	85.30.3021 85.30.3091	Telephone handsets
8525.30.aa	8525.30.11	85.25.3091	Gyrostabilized television cameras
8528.12.aa	8528.12.91 8528.12.92 8528.12.93 8528.12.94 8528.12.95 8528.12.96 8528.12.97 8528.12.99	85.28.1211 85.28.1212 85.28.1213	Television receivers, other than unfinished or incomplete receivers classified under tariff item 8528.12.gg
8528.12.gg	8528.12.10	85.28.1221 85.28.1222 85.28.1223	Incomplete or unfinished television receivers, including assemblies for television receivers consisting of video intermediate (IF) amplifying and detecting systems, video processing and amplification systems, synchronizing and deflection circuitry, tuners and tuner control systems and audio detection and amplification systems, plus a power supply, but not incorporating a cathode-ray tube, flat panel screen or similar display

8528.21.aa	8528.21.91 8528.21.92 8528.21.93 8528.21.94 8528.21.95 8528.21.96 8528.21.99	85.28.2131 85.28.2132 85.28.2133	Video monitors, other than unfinished or incomplete monitors classified under tariff item 8528.21.gg
8528.21.gg	8528.21.10	85.28.2134	Incomplete or unfinished video monitors, including assemblies for video monitors consisting of video intermediate (IF) amplifying and detecting systems, video processing and amplification systems, synchronizing and deflection circuitry and audio detection and amplification systems, plus a power supply, but not incorporating a cathode-ray tube, flat panel screen or similar display
8528.30.aa	8528.30.21 8528.30.22 8528.30.23 8528.30.29	85.28.3012 85.28.9012	Video projectors, colour, other than unfinished or incomplete projectors classified under tariff item 8528.30.gg
8528.30.gg	8528.30.10	85.28.3013 85.28.9013	Incomplete or unfinished colour video projectors, including assemblies for video projectors consisting of video intermediate (IF) amplifying and detecting systems, video processing and amplification systems, synchronizing and deflection circuitry and audio detection and amplification systems, plus a power supply, but not incorporating a cathode-ray tube, flat panel screen or similar display
8528.30.hh	8528.30.30	85.28.3014 85.28.9014	Black and white or other monochrome video projectors
8529.90.aa	8529.90.11 8529.90.12	85.29.9031 85.29.9032	Printed circuit assemblies of the goods of subheading 8525.10-8525.20
8529.90.bb	8529.90.20	85.29.9041 85.29.9091	Transceiver assemblies for the apparatus of subheading 8526.10, not elsewhere specified
8529.90.cc	8529.90.38 8529.90.39	85.29.9092 85.29.9093	The following parts of television receivers, video monitors and video projectors: (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
8529.90.dd	8529.90.31 8529.90.32	85.29.9094	Combinations of parts of 8529.90.cc
8529.90.ee	8529.90.51 8529.90.52 8529.90.53 8529.90.54 8529.90.55	85.29.9095	Parts, including face plates and lock latches, of printed circuit assemblies
8529.90.ff	8529.90.61	85.29.9096	Parts, incorporating printed circuit assemblies, of goods of subheading 8525.10-8525.20



8537.10.aa	8537.10.11 8537.10.19 8537.10.41 8537.10.49	85.37.1021 85.37.1041 85.37.1091	Assembled with outer housings or supports for the goods of headings 84.21,84.22,84.50 or 85.16
8540.91.aa	8540.91.10	85.40.9112	Front panel assemblies
8540.99.aa	8540.99.10	85.40.9910	Electron guns or radio frequency (RF) interaction structures for microwave tubes of subheading 8540.71-8540.79
8548.10.aa	8548.10.10	85.48.1010	Spent primary cells, spent primary batteries and spent electric accumulators
9614.20.aa	9614.20.20	96.14.2010	Roughly shaped blocks of wood or root, for the manufacture of pipes

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Text of Free Trade Agreement between  
Canada and Israel. --

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