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CANADA-CHILE FREE TRADE AGREEMENT

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PREAMBLE

The Government of Canada and the Government of the Republic of Chile (Chile),
resolved to:

STRENGTHEN the special bonds of friendship and cooperation among their nations;

CONTRIBUTE to the harmonious development and expansion of world and regional trade and provide a catalyst to broader international cooperation;

CREATE an expanded and secure market for the goods and services produced in their territories;

REDUCE distortions to trade;

ESTABLISH clear and mutually advantageous rules governing their trade;

ENSURE a predictable commercial framework for business planning and investment;

BUILD on their respective rights and obligations under the *Marrakesh Agreement Establishing the World Trade Organization* and other multilateral and bilateral instruments of cooperation;

ENHANCE the competitiveness of their firms in global markets;

CREATE new employment opportunities and improve working conditions and living standards in their respective territories;

UNDERTAKE each of the preceding in a manner consistent with environmental protection and conservation;

PRESERVE their flexibility to safeguard the public welfare;

PROMOTE sustainable development;

STRENGTHEN the development and enforcement of environmental laws and regulations;

PROTECT, enhance and enforce basic workers' rights;

FACILITATE the accession of Chile to the *North American Free Trade Agreement*; and

CONTRIBUTE to hemispheric integration;

HAVE AGREED as follows:

**PART ONE
GENERAL PART**

Chapter A

Objectives

Article A-01: Establishment of the Free Trade Area

The Parties to this Agreement, consistent with Article XXIV of the *General Agreement on Tariffs and Trade 1994* and Article V of the *General Agreement on Trade in Services* which are part of the *Marrakesh Agreement Establishing the World Trade Organization*, hereby establish a free trade area.

Article A-02: Objectives

1. The objectives of this Agreement, as elaborated more specifically through its principles and rules, including national treatment, most-favoured-nation treatment and transparency, are to:

- (a) eliminate barriers to trade in, and facilitate the cross-border movement of, goods and services between the territories of the Parties;
- (b) promote conditions of fair competition in the free trade area;
- (c) increase substantially investment opportunities in the territories of the Parties;
- (d) create effective procedures for the implementation and application of this Agreement, for its joint administration and for the resolution of disputes; and
- (e) establish a framework for further bilateral, regional and multilateral cooperation to expand and enhance the benefits of this Agreement.

2. The Parties shall interpret and apply the provisions of this Agreement in the light of its objectives set out in paragraph 1 and in accordance with applicable rules of international law.

Article A-03: Relation to Other Agreements

1. The Parties affirm their existing rights and obligations with respect to each other under the *Marrakesh Agreement Establishing the World Trade Organization* and other agreements to which such 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 A-04: Relation to Environmental and Conservation Agreements

In the event of any inconsistency between this Agreement and the specific trade obligations set out in:

- (a) the *Convention on International Trade in Endangered Species of Wild Fauna and Flora*, done at Washington, March 3, 1973, as amended June 22, 1979;
- (b) the *Montreal Protocol on Substances that Deplete the Ozone Layer*, done at Montreal, September 16, 1987, as amended June 29, 1990; or
- (c) the *Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal*, done at Basel, March 22, 1989,

such obligations shall prevail to the extent of the inconsistency, provided that where a Party has a choice among equally effective and reasonably available means of complying with such obligations, the Party chooses the alternative that is the least inconsistent with the other provisions of this Agreement.

Article A-05: Extent of Obligations

The Parties shall ensure that all necessary measures are taken in order to give effect to the provisions of this Agreement, including their observance, except as otherwise provided in this Agreement, by provincial governments.

Chapter B

General Definitions

Article B-01: Definitions of General Application

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

Canada-United States Free Trade Agreement means the *Canada-United States Free Trade Agreement*, done on January 2, 1988;

citizen means a citizen as defined in Annex B-01.1 for the Party specified in that Annex;

Commission means the Free Trade Commission established under Article N-01(1) (The Free Trade Commission);

Customs Valuation Code means the *Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade 1994*, including its interpretative notes, which is part of the WTO Agreement;

days means calendar days, including weekends and holidays;

Dispute Settlement Understanding (DSU) means the *Understanding on Rules and Procedures Governing the Settlement of Disputes*, which is part of the WTO Agreement;

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;

enterprise of a Party means an enterprise constituted or organized under the law of a Party;

existing means in effect on the date of entry into force of this Agreement;

GATS means the *General Agreement on Trade in Services*, which is part of the WTO Agreement;

GATT 1994 means the *General Agreement on Tariffs and Trade 1994*, which is part of the WTO Agreement;

Generally Accepted Accounting Principles means the recognized consensus or substantial authoritative support in the territory of a Party with respect to the recording of revenues, expenses, costs, assets and liabilities, disclosure of information and preparation of financial statements. These standards may be broad guidelines of general application as well as detailed standards, practices and procedures;

goods of a Party means domestic products as these are understood in the *GATT 1994* or such goods as the Parties may agree, and includes originating goods of that Party;¹

Harmonized System (HS) 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;

measure includes any law, regulation, procedure, requirement or practice;

¹ A good of a Party may include materials of other countries.

NAFTA means the *North American Free Trade Agreement*, done on December 17, 1992;

national means a natural person who is a citizen or permanent resident of a Party and any other natural person referred to in Annex B-01.1;

originating means qualifying under the rules of origin set out in Chapter D (Rules of Origin);

person means a natural person or an enterprise;

person of a Party means a national, or an enterprise of a Party;

province means a province of Canada, and includes the Yukon Territory and the Northwest Territories and their successors,

Secretariat means the Secretariat established under Article N-02(1) (The Secretariat);

state enterprise means an enterprise that is owned, or controlled through ownership interests, by a Party;

territory means for a Party the territory of that Party as set out in Annex B-01.1;

TRIPS Agreement means the *Agreement on Trade-Related Aspects of Intellectual Property Rights*, which is part of the WTO Agreement; and

WTO Agreement means the *Marrakesh Agreement Establishing the World Trade Organization*, done on April 15, 1994.

2. For purposes of this Agreement, unless otherwise specified, a reference to a province includes local governments of that province.
3. Country-specific definitions of **national government** are set out in Annex B-01.1.

Annex B-01.1

Country-Specific Definitions

For purposes of this Agreement, unless otherwise specified:

citizen means:

- (a) with respect to Canada, a natural person who is a citizen of Canada under the *Citizenship Act*, R.S.C. 1985, c. C-29, as amended from time to time or under any successor legislation; and
- (b) with respect to Chile, a Chilean as defined in Article 10 of the *Political Constitution of the Republic of Chile* ("Constitución Política de la República de Chile");

national also includes, with respect to Chile, a Chilean as defined in Article 10 of the *Political Constitution of the Republic of Chile* ("Constitución Política de la República de Chile"); and

national government means:

- (a) with respect to Canada, the Government of Canada; and
- (b) with respect to Chile, the Government of the Republic of Chile;

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; and
- (b) with respect to Chile, the land, maritime, and air space under its sovereignty, and the exclusive economic zone and the continental shelf over which it exercises sovereign rights and jurisdiction in accordance with international law and its domestic law.

**PART TWO
TRADE IN GOODS**

Chapter C

National Treatment and Market Access for Goods

Article C-00: Scope and Coverage

This Chapter applies to trade in goods of a Party, including:

- (a) goods covered by Annex C-00-A (Trade and Investment in the Automotive Sector); and
- (b) goods covered by Annex C-00-B (Textile and Apparel Goods),

except as provided in such Annex.

Section I - National Treatment

Article C-01: 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 the 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. The provisions of paragraph 1 regarding national treatment shall mean, with respect to a province, treatment no less favourable than the most favourable treatment accorded by such province to any like, directly competitive or substitutable goods, as the case may be, of the Party of which it forms a part.¹

3. Paragraphs 1 and 2 do not apply to the measures set out in Annex C-01.3.

Section II - Tariffs

Article C-02: Tariff Elimination²

1. Except as otherwise provided in this Agreement, neither Party may increase any existing customs duty, or adopt any customs duty, on a good.³

¹ "Goods of the Party" includes goods produced in a province of that Party.

² For the purpose of Article C-02, a good may refer to an originating good or a good which benefits from tariff elimination under a TPL.

³ This paragraph is not intended to prevent either Party from modifying its tariffs outside this Agreement on goods for which no tariff preference is claimed under this Agreement. This paragraph does not prevent either Party from raising a tariff back to an agreed level in accordance with the phase-out schedule in this Agreement following a unilateral reduction.

2. Except as otherwise provided in this Agreement, each Party shall progressively eliminate its customs duties on goods in accordance with its Schedule to Annex C-02.2.⁴
3. On the request of a Party, the Parties shall consult to consider accelerating the elimination of customs duties set out in their Schedules. An agreement between the Parties to accelerate the elimination of a customs duty on a good shall supersede any duty rate or staging category determined pursuant to their Schedules for such good when approved by each such Party in accordance with its applicable legal procedures.
4. Except as otherwise provided in this Agreement, either Party may adopt or maintain import measures to allocate in-quota imports made pursuant to a tariff rate quota set out in Annex C-02.2, provided that such measures do not have trade restrictive effects on imports additional to those caused by the imposition of the tariff rate quota.
5. On written request of either Party, a Party applying or intending to apply measures pursuant to paragraph 4 shall consult to review the administration of those measures.

Article C-03: Waiver of Customs Duties

1. Neither Party may adopt any new waiver of customs duties, or expand with respect to existing recipients or extend to any new recipient the application of an existing waiver of customs duties, where the waiver is conditioned, explicitly or implicitly, on the fulfilment of a performance requirement.
2. Except as set out in Annex C-03.2, neither Party may, explicitly or implicitly, condition on the fulfilment of a performance requirement the continuation of any existing waiver of customs duties.
3. If a waiver or a combination of waivers of customs duties granted by a Party with respect to goods for commercial use by a designated person can be shown by the other Party to have an adverse impact on the commercial interests of a person of that Party, or of a person owned or controlled by a person of that Party that is located in the territory of the Party granting the waiver, or on the other Party's economy, the Party granting the waiver shall either cease to grant it or make it generally available to any importer.
4. This Article shall not apply to drawback and duty deferral programs.

Article C-04: Temporary Admission of Goods

1. Each Party shall grant duty-free temporary admission, including exemption from fees as specified in Annex C-04.1 for:
 - (a) professional equipment necessary for carrying out the business activity, trade or profession of a business person who qualifies for temporary entry pursuant to Chapter K (Temporary Entry for Business Persons);
 - (b) equipment for the press or for sound or television broadcasting and cinematographic equipment;
 - (c) goods imported for sports purposes and goods intended for display or demonstration; and
 - (d) commercial samples and advertising films,

⁴ Paragraphs 1 and 2 of this Article are not intended to prevent either Party from maintaining or increasing a customs duty as may be authorized by any dispute settlement provision of the WTO Agreement or any agreement under the WTO Agreement.

imported from the territory of the other Party, regardless of their origin and regardless of whether like, directly competitive or substitutable goods are available in the territory of the Party.

2. Except as otherwise provided in this Agreement, neither Party may condition the duty-free temporary admission of a good referred to in paragraph 1(a), (b) or (c), other than to require that such good:

- (a) be imported by a national or resident of the other Party who seeks temporary entry;
- (b) be used solely by or under the personal supervision of such person in the exercise of the business activity, trade or profession of that person;
- (c) not be sold or leased while in its territory;
- (d) be accompanied by a bond in an amount no greater than 110 per cent of the charges that would otherwise be owed on entry or final importation, or by another form of security, releasable on exportation of the good, except that a bond for customs duties shall not be required for an originating good;⁵
- (e) be capable of identification when exported;
- (f) be exported on the departure of that person or within such other period of time as is reasonably related to the purpose of the temporary admission; and
- (g) be imported in no greater quantity than is reasonable for its intended use.

3. Except as otherwise provided in this Agreement, neither Party may condition the duty-free temporary admission of a good referred to in paragraph 1(d), other than to require that such good:

- (a) be imported solely for the solicitation of orders for goods, or services provided from the territory, of the other Party or a non-Party;
- (b) not be sold, leased or put to any use other than exhibition or demonstration while in its territory;
- (c) be capable of identification when exported;
- (d) be exported within such period as is reasonably related to the purpose of the temporary admission; and
- (e) be imported in no greater quantity than is reasonable for its intended use.

4. Where a good is temporarily admitted duty free under paragraph 1 and any condition the Party imposes under paragraph 2 and 3 has not been fulfilled, a Party may impose:

- (a) the customs duty and any other charge that would be owed on entry or final importation of the good; and
- (b) any applicable criminal, civil or administrative penalties that the circumstances may warrant.

⁵ Where another form of monetary security is used, it shall not be more burdensome than the bonding requirement referred to in this subparagraph. Where a Party uses a non-monetary form of security, it shall not be more burdensome than existing forms of security used by that Party.

5. Subject to Chapters G (Investment) and H (Cross-Border Trade in Services):
- (a) each Party shall allow a vehicle or container used in international traffic that enters its territory from the territory of the other Party to exit its territory on any route that is reasonably related to the economic and prompt departure of such vehicle or container;
 - (b) neither Party may require any bond or impose any penalty or charge solely by reason of any difference between the port of entry and the port of departure of a vehicle or container;
 - (c) neither Party may condition the release of any obligation, including any bond, that it imposes in respect of the entry of a vehicle or container into its territory on its exit through any particular port of departure; and
 - (d) neither Party may require that the vehicle or carrier bringing a container from the territory of the other Party into its territory be the same vehicle or carrier that takes such container to the territory of the other Party.
6. For purposes of paragraph 5, "vehicle" means a truck, a truck tractor, tractor, trailer unit or trailer, a locomotive, or a railway car or other railroad equipment.

Article C-05: Duty-Free Entry of Certain Commercial Samples and Printed Advertising Materials

Each Party shall grant duty-free entry to commercial samples of negligible value, and to printed advertising materials, imported from the territory of the other Party, regardless of their origin, but may require that:

- (a) such samples be imported solely for the solicitation of orders for goods, or services provided from the territory, of the other Party or a non-Party; or
- (b) such advertising materials be imported in packets that each contain no more than one copy of each such material and that neither such materials nor packets form part of a larger consignment.

Article C-06: Goods Re-Entered after Repair or 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.⁶
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.

Article C-07 Most-Favoured-Nation Rates of Duty on Certain Goods

1. Each Party shall eliminate its most-favoured-nation tariff applied to the goods indicated in the Harmonized System tariff items set out in Annex C-07.

⁶ This paragraph does not cover goods imported in bond, into foreign-trade zones, or in similar status, that are exported for repair and are not re-imported in bond, into foreign trade zones, or in similar status.

2. The schedule set out in Annex C-07 provides for the elimination of the most-favoured-nation tariff of each Party for the affected goods no later than January 1, 1999.

Section III - Non-Tariff Measures

Article C-08: 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 the GATT 1994, including its interpretative notes, and to this end Article XI of the 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 a part of this Agreement.
2. The Parties understand 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, on request of the other Party, shall consult 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 C-01.3 and Annex C-08.

Article C-09: Customs User Fees

Neither Party may adopt or maintain any customs user fee of the type referred to in Annex C-09 for originating goods.

Article C-10: Wine and Distilled Spirits

1. Neither Party may adopt or maintain any measure requiring that distilled spirits imported from the territory of the other Party for bottling be blended with any distilled spirits of the Party.
2. Annex C-10.2 applies to other measures relating to wine and distilled spirits.

Article C-11: Geographical Indications

As set out in Annex C-11 and taking into account the TRIPS Agreement, the Parties shall protect the geographical indications for the products specified in that Annex.

Article C-12: Export Taxes

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.

Article C-13: Other Export Measures

1. Except as set out in Annex C-08, a Party may adopt or maintain a restriction otherwise justified under Articles XI:2(a) or XX(g), (i) or (j) of the GATT 1994 with respect to the export of a good of the Party to the territory of the other Party, only if:

- (a) the restriction does not reduce the proportion of the total export shipments of the specific good made available to the other Party relative to the total supply of that good of the Party maintaining the restriction as compared to the proportion prevailing in the most recent 36-month period for which data are available prior to the imposition of the measure, or in such other representative period on which the Parties may agree;
- (b) the Party does not impose a higher price for exports of a good to the other Party than the price charged for such good when consumed domestically, by means of any measure, such as licenses, fees, taxation and minimum price requirements. The foregoing provision does not apply to a higher price that may result from a measure taken pursuant to subparagraph (a) that only restricts the volume of exports; and
- (c) the restriction does not require the disruption of normal channels of supply to the other Party or normal proportions among specific goods or categories of goods supplied to the other Party.

2. The Parties shall cooperate in the maintenance and development of effective controls on the export of each other's goods to a non-Party in implementing this Article.

Article C-14: Export Subsidies on Agricultural Goods

1. The Parties share the objective of the multilateral elimination of export subsidies for agricultural goods and shall cooperate in an effort to achieve such an agreement.

2. Effective January 1, 2003, neither Party shall introduce or maintain any export subsidy on any agricultural goods originating in, or shipped from, its territory that are exported directly or indirectly to the territory of the other Party.

3. Where an exporting Party considers that a non-Party is exporting an agricultural good to the territory of the other Party with the benefit of export subsidies, the importing Party shall, on written request of the exporting Party, consult with the exporting Party with a view to agreeing on specific measures that the importing Party may adopt to counter the effect of any such subsidized imports. During the period before January 1, 2003, if the importing Party adopts the agreed-upon measures, the exporting Party shall refrain from applying, or immediately cease to apply, any export subsidy to exports of such good to the territory of the importing Party.

4. Until January 1, 2003, should a Party introduce or re-introduce a subsidy on exports of an agricultural good, the other Party may increase the rate of duty on such exports up to the applied most-favoured-nation tariff in effect at that time.

Section IV - Consultations

Article C-15: Consultations and Committee on Trade in Goods and Rules of Origin

1. The Parties hereby establish a Committee on Trade in Goods and Rules of Origin, comprising representatives of each Party.
2. The Committee shall meet at least once each year, and at any other time on the request of either Party or the Commission, to ensure the effective implementation and administration of this Chapter, Chapter D, Chapter E and the Uniform Regulations. In this regard, the Committee shall:
 - (a) monitor the implementation and administration by the Parties of this Chapter, Chapter D, Chapter E and the Uniform Regulations to ensure their uniform interpretation;
 - (b) at the request of either party, review and endeavour to agree on, any proposed modification of or addition to this Chapter, Chapter D, Chapter E or the Uniform Regulations;
 - (c) recommend to the Commission any modification of or addition to this Chapter, Chapter D, Chapter E or the Uniform Regulations and to any other provision of this Agreement as may be required to conform with any change to the Harmonized System; and
 - (d) consider any other matter relating to the implementation and administration by the Parties of this Chapter, Chapter D, Chapter E and the Uniform Regulations referred to it by
 - (i) a Party,
 - (ii) the Customs Sub-Committee established under Article E-13, or
 - (iii) the Sub-Committee on Agriculture established under paragraph 4.
3. If the Committee fails to resolve a matter referred to it pursuant to paragraph 2 (b) or (d) within 30 days of such referral, either Party may request a meeting of the Commission under Article N-07.
4. The Parties hereby establish a Sub-Committee on Agriculture that shall:
 - (a) provide a forum for the Parties to consult on issues relating to market access for agricultural goods, including wine and alcoholic beverages;
 - (b) monitor the implementation and administration of this Chapter, Chapter D, and the Uniform Regulations as they affect agricultural goods;
 - (c) meet annually or whenever so requested by either Party;
 - (d) refer to the Committee any matter under sub-paragraph (b) on which it has been unable to reach agreement;

- (e) submit to the Committee for its consideration any agreement reached under this paragraph;
- (f) report annually to the Committee; and
- (g) follow-up and promote cooperation in matters relating to agricultural goods.

5. Each Party shall to the greatest extent practicable, take all necessary measures to implement any modification of or addition to this Agreement within 180 days of the date on which the Commission agrees on the modification or addition.

6. The Parties shall convene on the request of either Party a meeting of their officials responsible for customs, immigration, inspection of food and agricultural products, border inspection facilities, and regulation of transportation for the purpose of addressing issues related to movement of goods through the Parties' ports of entry.

7. Nothing in this Chapter shall be construed to prevent a Party from issuing a determination of origin or an advance ruling relating to a matter under consideration by the Committee or from taking such other action as it considers necessary, pending a resolution of the matter under this Agreement.

Article C-16: Customs Valuation Code

The Customs Valuation Code shall govern the customs valuation rules applied by the Parties to their reciprocal trade. The Parties agree that they will not make use in their reciprocal trade of the options and reservations permitted under Article 20 and paragraphs 2, 3 and 4 of Annex III of the Customs Valuation Code.

Article C-17: Price Band System

1. Chile may maintain its Price Band System as established in Article 12 of Law 18.525 for the products covered by that Law and listed in Annex C-17.1. Chile shall not incorporate new products in the Price Band System or modify the method by which it is calculated and applied in a manner that makes it more trade restrictive than it was on November 13, 1996.

2. With respect to soft wheat flour, the multiplication factor provided for in Article 12 of Law 18.525 shall be established by statute and for a period not less than three years, consistent with Article 14 of that Law.

3. The tariff reductions in the Schedule of Chile to Annex C-02.2 for the products covered by Law 18.525 shall apply only to the ad-valorem tariff component and not to the specific duties or rebates that could result from the application of Law 18.525.

Section V - Definitions

Article C-18: Definitions

For purposes of this Chapter:

advertising films means recorded visual media, with or without sound-tracks, consisting essentially of images showing the nature or operation of goods or services offered for sale or lease by a person established or resident in the territory of any Party, provided that the films are of a kind suitable for exhibition to prospective customers but not for broadcast to the

general public, and provided that they are imported in packets that each contain no more than one copy of each film and that do not form part of a larger consignment;

agricultural goods means a good provided for in any of the following:⁷

- (a) Harmonized System (HS) Chapters 1 through 24 (other than a fish or fish product); or
- (b)
- | | | |
|---------------|----------------|---|
| HS subheading | 2905.43 | manitol |
| HS subheading | 2905.44 | sorbitol |
| HS heading | 33.01 | essential oils |
| HS headings | 35.01 to 35.05 | albuminoidal substances,
modified starches, glues |
| HS subheading | 3809.10 | finishing agents |
| HS subheading | 3823.60 | sorbitol n.e.p. |
| HS headings | 41.01 to 41.03 | hides and skins |
| HS heading | 43.01 | raw furskins |
| HS headings | 50.01 to 50.03 | raw silk and silk waste |
| HS headings | 51.01 to 51.03 | wool and animal hair |
| HS headings | 52.01 to 52.03 | raw cotton, cotton waste and
cotton carded or combed |
| HS heading | 53.01 | raw flax |
| HS heading | 53.02 | raw hemp; |

commercial samples of negligible value means commercial samples having a value, individually or in the aggregate as shipped, of not more than one U.S. dollar, or the equivalent amount in the currency of either of the Parties, or so marked, torn, perforated or otherwise treated that they are unsuitable for sale or for use except as commercial samples;

consumed means:

- (a) actually consumed; or
- (b) further processed or manufactured so as to result in a substantial change in value, form or use of the good or in the production of another good;

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, 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) anti-dumping or countervailing duty that is applied pursuant to a Party's domestic law and not applied inconsistently with Chapter M (Anti-dumping and Countervailing Duty Matters);
- (c) fee or other charge in connection with importation commensurate with the cost of services rendered; and
- (d) premium offered or collected on an imported good arising out of any tendering system in respect of the administration of quantitative import restrictions, tariff rate quotas or tariff preference levels;

⁷ For purposes of reference only, descriptions are provided next to the corresponding tariff provision.

distilled spirits include distilled spirits and distilled spirit-containing beverages;

drawback program includes measures under which a Party refunds in whole or in part the amount of customs duties paid, or waives or reduces the amount of customs duties owed, on a good imported into its territory on condition that the good is:

- (a) subsequently exported to the territory of the other Party;
- (b) used as a material in the production of another good that is subsequently exported to the territory of the other Party; or
- (c) substituted by an identical or similar good used as a material in the production of another good that is subsequently exported to the territory of the other Party;

duty deferral program includes measures such as those governing foreign-trade zones, "regímenes de zonas francas y regímenes aduaneros especiales", temporary importations under bond, bonded warehouses, "maquiladoras" and inward processing programs;

duty-free means free of customs duties;

goods imported for sports purposes means sports requisites for use in sports contests, demonstrations or training in the territory of the Party into whose territory such goods are imported;

goods intended for display or demonstration includes their component parts, ancillary apparatus and accessories;

local area network apparatus means a good dedicated for use solely or principally to permit the interconnection of automatic data processing machines and units thereof for a network that is used primarily for the sharing of resources such as central processor units, data storage devices and input or output units, including in-line repeaters, converters, concentrators, bridges and routers, and printed circuit assemblies for physical incorporation into automatic data processing machines and units thereof suitable for use solely or principally with a private network, and providing for the transmission, receipt, error-checking, control, signal conversion or correction functions for non-voice data to move through a local area network;

performance requirement means a requirement that:

- (a) a given level or percentage of goods or services be exported;
- (b) domestic goods or services of the Party granting a waiver of customs duties be substituted for imported goods or services;
- (c) a person benefitting from a waiver of customs duties purchase other goods or services in the territory of the Party granting the waiver or accord a preference to domestically produced goods or services;
- (d) a person benefitting from a waiver of customs duties produce goods or provide services, in the territory of the Party granting the waiver, with a given level or percentage of domestic content; or
- (e) relates in any way the volume or value of imports to the volume or value of exports or to the amount of foreign exchange inflows;

printed advertising materials means those goods classified in Chapter 49 of the Harmonized System, including brochures, pamphlets, leaflets, trade catalogues, yearbooks published by trade associations, tourist promotional materials and posters, that are used to promote,

publicize or advertise a good or service, are essentially intended to advertise a good or service, and are supplied free of charge;

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;⁸

total export shipments means all shipments from total supply to users located in the territory of the other Party;

total supply means all shipments, whether intended for domestic or foreign users, from:

- (a) domestic production;
- (b) domestic inventory; and
- (c) other imports as appropriate; and

waiver of customs duties means a measure that waives otherwise applicable customs duties on any good imported from any country, including the territory of the other Party.

⁸ An operation or process that is part of the production or assembly of an unfinished good into a finished good is not a repair or alteration of the unfinished good; a component of a good is a good that may be subject to repair or alteration.

Annex C-01.3

Exceptions to Articles C-01 and C-08

Section I - Canadian Measures

1. Articles C-01 and C-08 shall not apply to controls by Canada on the export of logs of all species.

2. Articles C-01 and C-08 shall not apply to controls by Canada on the export of unprocessed fish pursuant to the following existing statutes, as amended:

- (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. Without prejudice to Chile's rights under the WTO Agreement, Articles C-01 and C-08 shall not apply to:

- (a) measures by Canada respecting the importation of any goods enumerated or referred to in Schedule VII of the *Customs Tariff*, R.S.C. 1985, c. 41 (3rd Supp.), as amended;
- (b) 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;
- (c) 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
- (d) 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 *General Agreement on Tariffs and Trade*, 1947, and have not been amended so as to decrease their conformity with the GATT 1994.

4. Articles C-01 and C-08 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 Articles C-01 and C-08.

Section II - Chilean Measures

Used Vehicles:

Chile may continue to prohibit imports of used vehicles provided for in the following Chilean tariff items:

8701.20.00	8704.21.70
8702.10.10	8704.21.80
8702.10.90	8704.21.90
8702.90.10	8704.22.10
8702.90.20	8704.22.20
8702.90.90	8704.22.30
8703.21.10	8704.22.60
8703.21.90	8704.22.70
8703.22.10	8704.22.80
8703.22.90	8704.22.90
8703.23.10	8704.23.10
8703.23.90	8704.23.40
8703.24.10	8704.23.50
8703.24.90	8704.23.60
8703.31.10	8704.23.90
8703.31.90	8704.31.10
8703.32.10	8704.31.20
8703.32.90	8704.31.30
8703.33.10	8704.31.60
8703.33.90	8704.31.70
8703.90.10	8704.31.80
8703.90.90	8704.31.90
8704.21.10	8704.32.10
8704.21.20	8704.32.20
8704.21.30	8704.32.30
8704.21.60	

8704.32.60

8704.32.70

8704.32.80

8704.32.90

8704.90.10

8704.90.20

8704.90.30

8704.90.60

8704.90.70

8704.90.80

8704.90.90

For purposes of this Annex:

used vehicle means a vehicle of a model year earlier than the year in which the Import Declaration for the vehicle is accepted by the Chilean Customs Service, ("Servicio Nacional de Aduanas"), except where the Import Declaration is accepted prior to April 30 in the current year and the vehicle is of the immediately preceding model year, regardless of the kilometres that the vehicle has travelled.

Annex C-02.2

Tariff Elimination

1. The method for determining the interim rate of customs duty at each stage of reduction for an item is indicated for the item in each Party's Schedule attached to this Annex.
2. For the purpose of the elimination of customs duties in accordance with Article C-02, interim staged rates shall be rounded down, except as set out in each Party's Schedule attached to this Annex, at least to the nearest tenth of a percentage point or, if the rate of duty is expressed in monetary units, at least to the nearest 0.001 of the official monetary unit of the Party.
3. **Tariff rate quota** means a mechanism that provides for the application of a customs duty at a certain rate to imports of a particular good up to a specified quantity (in-quota quantity), and at a different rate to imports of that good that exceed that quantity. The in-quota quantities which are set out in the Annexes correspond to calendar years, except where otherwise indicated. If the entry into force of the Agreement corresponds to a date after January 1, 1997 and before December 31 of the same year, the in-quota quantity will be prorated on a proportional basis for the remainder of the calendar year.

Schedule of Canada

(TARIFF SCHEDULE ATTACHED AS SEPARATE VOLUME)

Schedule of Chile

(TARIFF SCHEDULE ATTACHED AS SEPARATE VOLUME)

Annex C-03.2

Continuation of Existing Waivers of Customs Duties

Canada

For purposes of Article C-03(2), Canada may:

- (a) condition on the fulfilment of a performance requirement the waiver of customs duties under any measure in effect on or before January 1, 1989, on any goods entered or withdrawn from warehouse for consumption before January 1, 1998;
- (b) grant waivers of customs duties as set out in Annex C-00-A (Trade and Investment in the Automotive Sector); and
- (c) maintain the measures referred to in Article 1002(1) and (4) (as they refer to Annex 1002.1, Part Two), Article 1002(2) and Part Two (Export-Based Waivers of Customs Duties) of Annex 1002.1 of the Canada-United States Free Trade Agreement.

Chile

For the purposes of Article C-03.2, Chile may maintain:

- (a) until December 31, 1999 the customs duty exemption measures under Article 3 of Law 18.483; and
- (b) until December 31, 1998
 - (i) fiscal credit measures, ("crédito fiscal"), under Articles 9 and 10 of Law 18.483, and
 - (ii) fiscal credit measures, ("crédito fiscal"), for exports of domestic components under Articles 11, 11bis, 12 and 12bis of Law 18.483,

provided that the benefits under these measures are available only to automotive manufacturers as defined under Article 1(h) of Law 18.483 registered with the Automotive Commission ("Comisión Automotriz") as of January 1, 1996 and that, as of that date, such benefits are not expanded nor any new benefits provided under these measures.

Annex C-04.1

Temporary Admission of Goods

The temporary admission of goods from Canada specified in paragraph 1 of Article C-04 shall not be subject to payment of the fee established in Article 139 of the Chilean Customs Ordinance (*Ordenanza de Aduanas*) contained in Decree with Force of Law 30 of the Ministry of Finance, Official Gazette, April 13, 1983, ("Decreto con Fuerza de Ley 30 del Ministerio de Hacienda, Diario Oficial, 13 abril 1983").

Annex C-07

Most-Favoured-Nation Rates of Duty on
Certain Automatic Data Processing Goods and Their Parts

1. List of tariff provisions and MFN tariff elimination dates for Article C-07:⁹

Automatic Data Processing
Machines (ADP)

<u>Tariff Item</u>	<u>Canada</u>	<u>Chile</u>
8471.10.00	c	b
8471.30.00	c	b
8471.41.00	c	b
8471.49.00	n.a.	b
8471.49.10	c	n.a.
8471.49.20	c	n.a.
8471.49.31	a	n.a.
8471.49.32	a	n.a.
8471.49.33	a	n.a.
8471.49.34	a	n.a.
8471.49.35	a	n.a.
8471.49.36	a	n.a.
8471.49.39	a	n.a.
8471.49.41	c	n.a.
8471.49.42	c	n.a.
8471.49.49	c	n.a.
8471.49.51	c	n.a.
8471.49.52	a	n.a.
8471.49.59	c	n.a.
8471.49.61	a	n.a.
8471.49.69	c	n.a.
8471.49.71	c	n.a.
8471.49.72	c	n.a.
8471.49.79	c	n.a.
8471.50.00	c	b
8471.60.00	n.a.	b
8471.60.10	c	n.a.
8471.60.21	a	n.a.
8471.60.22	a	n.a.
8471.60.23	a	n.a.
8471.60.24	a	n.a.
8471.60.25	a	n.a.
8471.60.26	a	n.a.
8471.60.29	a	n.a.
8471.60.31	c	n.a.
8471.60.32	c	n.a.
8471.60.39	c	n.a.
8471.60.40	c	n.a.
8471.60.50	a	n.a.
8471.60.90	c	n.a.

⁹ The elimination of the MFN tariff is as follows:

"a" denotes elimination by November 18, 1996;

"b" denotes elimination on the date of entry into force of this Agreement;

"c" denotes elimination not later than January 1, 1999;

"n.a." denotes that the Item does not exist in the Party's tariff schedule.

8471.70.00	n.a.	b
8471.70.10	a	n.a.
8471.70.90	c	n.a.
8471.80.00	n.a.	b
8471.80.10	c	n.a.
8471.80.91	c	n.a.
8471.80.99	c	n.a.
8471.90.00	n.a.	b
8471.90.10	a	n.a.
8471.90.90	c	n.a.

Parts of Computers

<u>Tariff Item</u>	<u>Canada</u>	<u>Chile</u>
8473.30.00	n.a.	b
8473.30.10	a	n.a.
8473.30.21	a	n.a.
8473.30.22	a	n.a.
8473.30.23	a	n.a.
8473.30.91	a	n.a.
8473.30.99	a	n.a.

Computer Power Supplies

<u>Tariff Item</u>	<u>Canada</u>	<u>Chile</u>
8504.40.00	n.a.	b
8504.40.40	c	n.a.
8504.90.00	n.a.	b
8504.90.14	a	n.a.
8504.90.80	a	n.a.

Metal Oxide Varistors

<u>Tariff Item</u>	<u>Canada</u>	<u>Chile</u>
8533.40.10	a	b

Diodes, Transistors and Similar Semiconductor Devices; Photosensitive Semiconductor Devices; Light Emitting Diodes; Mounted Piezo-electric Crystals

<u>Tariff Item</u>	<u>Canada</u>	<u>Chile</u>
8541.10.00	n.a.	b
8541.10.10	a	n.a.
8541.10.90	a	n.a.
8541.21.00	a	b
8541.29.00	a	b
8541.30.00	n.a.	b
8541.30.11	a	n.a.
8541.30.19	a	n.a.
8541.30.20	a	n.a.
8541.40.00	n.a.	b
8541.40.10	a	n.a.
8541.40.90	a	n.a.
8541.50.00	a	b

8541.60.00	a	b
8541.90.00	a	b

**Electronic Integrated Circuits
and Microassemblies**

<u>Tariff Item</u>	<u>Canada</u>	<u>Chile</u>
8542.12.00	a	b
8542.13.00	n.a.	b
8542.13.10	a	n.a.
8542.13.90	a	n.a.
8542.14.00	n.a.	b
8542.14.10	a	n.a.
8542.14.90	a	n.a.
8542.19.00	n.a.	b
8542.19.10	a	n.a.
8542.19.90	a	n.a.
8542.30.00	a	b
8542.40.00	a	b
8542.50.00	a	b
8542.90.00	a	b

2. The Parties agree that local area network apparatus is provided for under heading 84.71 of the Harmonized System.

3. For greater certainty, in Article C-07, most-favoured-nation (MFN) rate of duty does not include any other concessionary rate of duty.

Annex C-08

Import and Export Measures

Chile

1. Chile reserves the right not to apply Articles C-08 and C-13 to the copper and other reserves for national industry and authorized entities, according to the provisions of Articles 7, 8 and 9 of Law 16.624.
2. Notwithstanding paragraph 1, Chile shall bring the provisions of Law 16.624 into conformity with this Agreement within two years of the entry into force of the Agreement.

Annex C-09

Existing Customs User Fees

Chile

Chile shall not levy the charges established under:

- (a) Article 190 of Law 16.464; or
- (b) Article 62 of Supreme Decree 172 of the Undersecretariat of Aviation, Official Gazette, April 10, 1974, Regulation of Aeronautical Rates and Duties, ("Decreto Supremo 172 de la Subsecretaría de Aviación, Diario Oficial, abril 10, 1974, Reglamento de Tasas Aeronáuticas e Impuestos"),

on originating goods, effective on the date of entry into force of the Agreement.

Annex C-10.2

Wine and Distilled Spirits

Canada

1. Except as provided in paragraphs 3 through 6, in respect of any measure related to the internal sale and distribution of wine and distilled spirits, Article C-01 shall not apply to:
 - (a) a non-conforming provision of any existing measure;
 - (b) the continuation or prompt renewal of a non-conforming provision of any existing measure; or
 - (c) an amendment to a non-conforming provision of any existing measure to the extent that the amendment does not decrease its conformity with Article C-01.
2. The Party asserting that paragraph 1 applies to one of its measures shall have the burden of establishing the validity of such assertion.
3.
 - (a) Any measure related to the listing of wine and distilled spirits of the other Party shall
 - (i) conform with Article C-01,
 - (ii) be transparent, non-discriminatory and provide for prompt decision on any listing application, prompt written notification of such decision to the applicant and, in the case of a negative decision, provide for a statement of the reason for refusal,
 - (iii) establish administrative appeal procedures for listing decisions that provide for prompt, fair and objective rulings,
 - (iv) be based on normal commercial considerations,
 - (v) not create disguised barriers to trade, and
 - (vi) be published and made generally available to persons of the other Party;
 - (b) Notwithstanding paragraph 3(a) and Article C-01, and provided that listing measures of British Columbia otherwise conform with paragraph 3(a) and Article C-01, automatic listing measures in the province of British Columbia may be maintained provided they apply only to existing estate wineries producing less than 30,000 gallons of wine annually and meeting the existing content rule.
4.
 - (a) Where the distributor is a public entity, the entity may charge the actual cost-of-service differential between wine or distilled spirits of the other Party and domestic wine or distilled spirits. Any such differential shall not exceed the actual amount by which the audited cost of service for the wine or distilled spirits of the exporting Party exceeds the audited cost of service for the wine or distilled spirits of the importing Party;
 - (b) Notwithstanding Article C-01, Article I (Definitions) except for the definition of "distilled spirits", Article IV.3 (Wine), and Annexes A, B, and C, of the *Agreement between Canada and the European Economic Community*

concerning Trade and Commerce in Alcoholic Beverages, dated February 28, 1989, shall apply with such changes as the circumstances may require;

- (c) All discriminatory mark-ups on distilled spirits shall be eliminated immediately on the date of entry into force of this Agreement. Cost-of-service differential mark-ups as described in subparagraph (a) shall be permitted;
 - (d) Any other discriminatory pricing measure shall be eliminated on the date of entry into force of this Agreement.
5. (a) Any measure related to distribution of wine or distilled spirits of the other Party shall conform with Article C-01;
- (b) Notwithstanding subparagraph (a), and provided that distribution measures otherwise ensure conformity with Article C-01, a Party may
- (i) maintain or introduce a measure limiting on-premise sales by a winery or distillery to those wines or distilled spirits produced on its premises, and
 - (ii) maintain a measure requiring existing private wine store outlets in the provinces of Ontario and British Columbia to discriminate in favour of wine of those provinces to a degree no greater than the discrimination required by such existing measure;
- (c) Nothing in this Agreement shall prohibit the Province of Quebec from requiring that any wine sold in grocery stores in Quebec be bottled in Quebec, provided that alternative outlets are provided in Quebec for the sale of wine of the other Party, whether or not such wine is bottled in Quebec.

6. Unless otherwise specifically provided in this Annex, the Parties retain their rights and obligations under the GATT 1994 and agreements negotiated under the WTO Agreement.

7. The Parties will refer issues related to this Annex to the Subcommittee on Agriculture established under Article C-15.

8. For purposes of this Annex:

wine includes wine and wine-containing beverages.

Annex C-11

Geographical Indications

1. Immediately upon obtaining protection for the geographical indication Chilean Pisco ("Pisco Chileno") in Canada under the *Trade-marks Act*, Chile shall protect the geographical indication "Canadian Whisky" and shall not permit the import or sale of any product as "Canadian Whisky" unless it has been manufactured in Canada in accordance with the laws and regulations of Canada, governing the manufacture of "Canadian Whisky" for consumption in Canada.
2. Until Chile fully implements its obligations under the TRIPS Agreement, and in order to protect the "Canadian Whisky" referred to above, Chile shall prohibit the importation of any product marked "Canadian Whisky" unless that product is accompanied by a certification from the competent Canadian authority that the product complies with the Canadian requirements referred to in paragraph 1.

Annex C-17.1

Price Band System

The products covered by Law 18.525, in accordance with the Chilean tariff classification, are the following¹⁰:

Wheat and Wheat Flour

1001.9000

1101.0000

Edible Vegetable Oils

1507.1000

1507.9000

1508.1000

1508.9000

1509.1000

1509.9000

1510.0000

1511.1000

1511.9000

1512.1110

1512.1120

1512.1910

1512.1920

1512.2100

1512.2900

1513.1100

1513.1900

1513.2100

1513.2900

1514.1000

1514.9000

1515.2100

1515.2900

1515.5000

1515.9000

Sugar

1701.1100

1701.1200

1701.9100

1701.9900

¹⁰ Oil Seed Seeds. The following products are mentioned in this Law, but the Price Band System is not applied to them nor have they been subject to this System: 1201.0000; 1202.1000; 1202.2000; 1203.0000; 1204.0000; 1205.0000; 1206.0000; 1207.1000; 1207.2000; 1207.3000; 1207.4000; 1207.5000; 1207.6000; 1207.9100; 1207.9200; 1207.9900.

Annex C-00-A

Trade and Investment in the Automotive Sector

Canada

*Existing Measures*¹¹

1. Canada may maintain with the United States of America the *Agreement Concerning Automotive Products between the Government of Canada and the Government of the United States of America*, signed at Johnson City, Texas, January 16, 1965 and entered into force on September 16, 1966, in accordance with Article 1001, and Article 1002(1) and (4) (as they refer to Annex 1002.1, Part One), and Annex 1002.1, Part One (Waivers of Customs Duties) of the Canada - United States Free Trade Agreement, which provisions are incorporated into and made a part of the NAFTA for such purpose.
2. For greater certainty, the differences in treatment pursuant to paragraph 1 shall not be considered to be inconsistent with Article G-03 (Investment - Most-Favoured-Nation Treatment).

¹¹ Paragraphs 1 and 2 shall not be construed to modify the rights and obligations set out in Chapter Ten of the Canada-United States Free Trade Agreement.

Annex C-00-B

Textile and Apparel Goods

Section 1: Scope and Coverage¹

1. This Annex applies to the textile and apparel goods set out in Appendix 1.1.
2. In the event of any inconsistency between this Agreement and the WTO Agreement on Textiles and Clothing or any other existing or future agreement applicable to trade in textile or apparel goods, this Agreement shall prevail to the extent of the inconsistency, unless the Parties agree otherwise.

Section 2: Duty-free Treatment of Certain Goods

The Parties may identify at any time particular textile and apparel goods that they mutually agree fall within:

- (a) hand-loomed fabrics of a cottage industry;
- (b) hand-made cottage industry goods made of such hand-loomed fabrics; or
- (c) traditional folklore handicraft goods.

The importing Party shall grant duty-free treatment to goods so identified, if certified by the competent authority of the exporting Party.

Section 3: Bilateral Emergency Actions (Tariff Actions)²

1. Subject to paragraphs 2 through 5 and during the transition period only, if, as a result of the reduction or elimination of a duty provided for in this Agreement, a textile or apparel good originating in the territory of a Party, or a good that has been integrated into the WTO and entered under a tariff preference level set out in Appendix 5.1, is being imported into the territory of the other Party in such increased quantities, in absolute terms or relative to the domestic market for that good, and under such conditions as to cause serious damage, or actual threat thereof, to a domestic industry producing a like or directly competitive good, the importing Party may, to the minimum extent necessary to remedy the damage or actual threat thereof:

¹ The general provisions of Chapter B (Definitions), Chapter C (Market Access), Chapter D (Rules of Origin) and Chapter F (Emergency Action) are subject to the specific rules for textiles and apparel goods set out in this Annex.

² For purposes of Sections 3 and 4:

(a) "increased quantities" is intended to be interpreted more broadly than the standard provided in Article F-01.1, which considers imports "in absolute terms" only. For purposes of these Sections, "increased quantities" is intended to be interpreted in the same manner as this standard is interpreted in the WTO Agreement on Textiles and Clothing; and

(b) "serious damage" is intended as a less stringent standard than "serious injury" under Article F-01.1. The "serious damage" standard is drawn from the WTO Agreement on Textiles and Clothing. The factors to be considered in determining whether the standard has been met are set out in Section 3.2 and are also drawn from that Agreement. "Serious damage" is to be interpreted in the light of its meaning in that Agreement.

- (a) suspend the further reduction of any rate of duty provided for under this Agreement on the good; or
 - (b) increase the rate of duty on the good to a level not to exceed the lesser of
 - (i) the most-favoured-nation (MFN) applied rate of duty in effect at the time the action is taken, and
 - (ii) the MFN applied rate of duty in effect on the day immediately preceding the date of entry into force of this Agreement.
2. In determining serious damage, or actual threat thereof, the Party:
- (a) shall examine the effect of increased imports on the particular industry, as reflected in changes in such relevant economic variables as output, productivity, utilization of capacity, inventories, market share, exports, wages, employment, domestic prices, profits and investment, none of which is necessarily decisive; and
 - (b) shall not consider changes in technology or consumer preference as factors supporting a determination of serious damage or actual threat thereof.
3. A Party shall deliver without delay to the other Party written notice of its intent to take such action, and on request shall enter into consultations with that Party.
4. The following conditions and limitations apply to any emergency action taken under this Section:
- (a) no action may be maintained for a period exceeding three years or, except with the consent of the Party against whose good the action is taken, have effect beyond the expiration of the transition period;
 - (b) no action may be taken by a Party against any particular good originating in the territory of the other Party more than once during the transition period; and
 - (c) on termination of the action, the rate of duty shall be the rate that, according to the Schedule for the staged elimination of the tariff, would have been in effect one year after the initiation of the action, and beginning January 1 of the year following the termination of the action, at the option of the Party that has taken the action
 - (i) the rate of duty shall conform to the applicable rate set out in that Party's Schedule to Annex C-02.2, or
 - (ii) the tariff shall be eliminated in equal annual stages ending on the date set out in that Party's Schedule to Annex C-02.2 for the elimination of the tariff.
5. The Party taking an action under this Section shall provide to the other Party 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. Such concessions shall be limited to the textile and apparel goods set out in Appendix 1.1, unless the Parties otherwise agree. If the Parties are unable to agree on compensation, the exporting Party may take tariff action having trade effects substantially equivalent to the action taken under this Section against any goods imported from the other Party. The Party taking the tariff action shall only apply the action for the minimum period necessary to achieve the substantially equivalent effects.

Section 4: Bilateral Emergency Actions (Quantitative Restrictions)

1. A Party may take bilateral emergency action against non-originating textile or apparel goods of the other Party in accordance with this Section and Appendix 4.1.

2. If a Party considers that a non-originating textile or apparel good, including a good entered under a tariff preference level set out in Appendix 5.1, is being imported into its territory from the other Party in such increased quantities, in absolute terms or relative to the domestic market for that good, under such conditions as to cause serious damage, or actual threat thereof, to a domestic industry producing a like or directly competitive good in the importing Party, the importing Party may request consultations with the other Party with a view to eliminating the serious damage or actual threat thereof.

3. The Party requesting consultations shall include in its request for consultations the reasons that it considers demonstrate that such serious damage or actual threat thereof to its domestic industry is resulting from the imports of the other Party, including the latest data concerning such damage or threat.

4. In determining serious damage, or actual threat thereof, the Party shall apply Section 3(2).

5. The Parties shall begin consultations within 60 days of the request for consultations and shall endeavour to agree on a mutually satisfactory level of restraint on exports of the particular good within 90 days of the request, unless the Parties agree to extend this period. In reaching a mutually satisfactory level of export restraint, the Parties shall:

- (a) consider the situation in the market in the importing Party;
- (b) consider the history of trade in textile and apparel goods between the Parties, including previous levels of trade; and
- (c) seek to ensure that the textile and apparel goods imported from the territory of the exporting Party are accorded equitable treatment as compared with treatment accorded like textile and apparel goods from non-Party suppliers.³

6. If the Parties do not agree on a mutually satisfactory level of export restraint, the Party requesting consultations may impose annual quantitative restrictions on imports of the good from the territory of the other Party, subject to paragraphs 7 through 13.

7. Any quantitative restriction imposed under paragraph 6 shall be no less than the sum of:

- (a) the quantity of the good imported into the territory of the Party requesting consultations from the other Party, as reported in general import statistics of the importing Party, during the first 12 of the most recent 14 months preceding the month in which the request for consultations was made; and
- (b) 20 per cent of such quantity for cotton, man-made fibre and other non-cotton vegetable fibre good categories, and six per cent for wool good categories.

8. The first period of any quantitative restriction imposed under paragraph 6 shall begin on the day after the date on which the request for consultations was made and terminate at the end of the calendar year in which the quantitative restriction is imposed. Any quantitative restriction that is imposed for a first period of less than 12 months shall be prorated to correspond to the time remaining in the calendar year in which the restriction is imposed, and the prorated amount may be adjusted in accordance with the flexibility provisions set out in Appendix 4.1.

³ In paragraph 5(c), the term "equitable treatment" is intended to have the same meaning as it has in customary practice under the *WTO Agreement on Textiles and Clothing*.

9. For each successive calendar year that the quantitative restriction imposed under paragraph 6 remains in effect, the Party imposing it shall:

- (a) increase it by six per cent for cotton, man-made fibre and non-cotton vegetable fibre textile and apparel goods, and by two per cent for wool textile and apparel goods, and
- (b) accelerate the growth rate for quantitative restrictions on cotton, man-made fibre and non-cotton vegetable fibre textile and apparel goods as required by the WTO Agreement on Textiles and Clothing,

and the flexibility provisions set out in Appendix 4.1 apply.

10. A quantitative restriction imposed under paragraph 6 before July 1 in any calendar year may remain in effect for the remainder of that year, plus two additional calendar years. Such a restriction imposed on or after July 1 in any calendar year may remain in effect for the remainder of that year, plus three additional calendar years. No such restriction may remain in effect beyond the transition period.

11. Neither Party may take an emergency action under this Section with respect to any particular textile or apparel non-originating good against which a quantitative restriction is in effect.

12. Neither Party may adopt or maintain a quantitative restriction under this Section on a particular textile or apparel good that otherwise would be permitted under this Annex, if that Party is required to eliminate such measure under the WTO Agreement on Textiles and Clothing.

13. Neither Party may take a bilateral emergency action after the expiration of the transition period with respect to cases of serious damage, or actual threat thereof, to domestic industry arising from the operation of this Agreement except with the consent of the other Party.

Section 5: Special Provisions

Appendix 5.1 sets out special provisions applicable to certain textile and apparel goods.

Section 6: Definitions

For purposes of this Annex:

average yarn number, as applied to woven fabrics of cotton or man-made fibres, means the average yarn number of the yarns contained therein. In computing the average yarn number, the length of the yarn is considered to be equal to the distance covered by it in the fabric, with all clipped yarn being measured as if continuous and with the count being taken of the total single yarns in the fabric including the single yarns in any multiple (folded) or cabled yarns. The weight shall be taken after any excessive sizing is removed by boiling or other suitable process. Any of the following formulas can be used to determine the average yarn number:

$$N = \frac{BYT}{1,000} , \quad \frac{100T}{Z'} , \quad \frac{BT}{Z} \quad \text{or} \quad \frac{ST}{10}$$

when:

N is the average yarn number,
B is the breadth (width) of the fabric in centimetres,
Y is the metres (linear) of the fabric per kilogram,
T is the total single yarns per square centimetre,
S is the square metres of fabric per kilogram,
Z is the grams per linear metre of fabric, and
Z' is the grams per square metre of fabric.

Fractions in the resulting "average yarn number" shall be disregarded;

exporting Party means the Party from whose territory a textile or apparel good is exported;

flexibility provisions means the provisions set out in Appendix 4.1;

importing Party means the Party into whose territory a textile or apparel good is imported;

integrated into the WTO means subject to the obligations of the WTO Agreement;

product category means a grouping of textile or apparel goods defined in the *Correlation: Textile and Apparel Categories with the Harmonized Tariff Schedule of the United States, 1995* (or successor publication), published by the United States Department of Commerce, International Trade Administration, Office of Textiles and Apparel, Trade and Data Division, Washington, D.C.;

specific limit means a level of exports for a particular textile or apparel good that may be adjusted in accordance with Appendix 4.1;

square metres equivalent (SME) means that unit of measurement that results from the application of the conversion factors set out in Appendix 5.2 to a primary unit of measure such as unit, dozen or kilogram;

tariff preference level (TPL) means a mechanism that provides for the application of a customs duty at a preferential rate to imports of a particular good up to a specified quantity, and at a different rate to imports of that good that exceed that quantity;

transition period means the six-year period beginning on the date of entry into force of this Agreement;

wool apparel means:

- (a) apparel in chief weight of wool;
- (b) woven apparel in chief weight of man-made fibres containing 36 per cent or more by weight of wool; and
- (c) knitted or crocheted apparel in chief weight of man-made fibres containing 23 per cent or more by weight of wool;

wool fabric means:

- (a) fabric in chief weight of wool;
- (b) woven fabric in chief weight of man-made fibres containing 36 per cent or more by weight of wool; and
- (c) knitted or crocheted fabric in chief weight of man-made fibres containing 23 per cent or more by weight of wool; and

WTO Agreement on Textiles and Clothing means the *Agreement on Textiles and Clothing* which is part of the WTO Agreement.

Appendix 1.1

List of Goods Covered by Annex C-00-B

Note: For purposes of reference only, descriptions are provided next to the corresponding item. For legal purposes, coverage shall be determined according to the terms of the Harmonized System.

HS No. Description

Chapter 30 Pharmaceutical Products

3005.90 Wadding, gauze, bandages and the like

Chapter 39 Plastics and articles thereof

ex 3921.12 (Woven, knitted or non-woven fabric coated, covered or laminated with plastics)

ex 3921.13

ex 3921.90

Chapter 42 Articles of leather; saddlery and harness; travel goods, handbags and similar containers

ex 4202.12 (Luggage, handbags and flatgoods with an outer surface predominantly of textile materials)

ex 4202.22

ex 4202.32

ex 4202.92

Chapter 50 Silk

5004.00 Silk yarn (other than yarn spun from silk waste) not for retail sale

5005.00 Yarn spun from silk waste, not for retail sale

5006.00 Silk yarn and yarn spun from silk waste, for retail sale; silk-worm gut

5007.10 Woven fabric of noil silk

5007.20 Woven fabric of silk or silk waste, other than noil silk, 85% or more of such fibres

5007.90 Woven fabric of silk, nes

Chapter 51 Wool, fine or coarse animal hair, horsehair yarn and fabric

5105.10 Carded wool

5105.21 Combed wool in fragments

5105.29 Wool tops and other combed wool, other than combed wool in fragments

5105.30 Fine animal hair, carded or combed

5106.10 Yarn of carded wool, $\geq 85\%$ wool, not for retail sale

5106.20 Yarn of carded, wool, $< 85\%$ wool, not for retail sale

5107.10 Yarn of combed wool, $\geq 85\%$ wool, not for retail sale

5107.20 Yarn of combed wool, $< 85\%$ wool, not for retail sale

5108.10 Yarn of carded fine animal hair, not for retail sale

5108.20 Yarn of combed fine animal hair, not for retail sale

5109.10 Yarn of wool or of fine animal hair, $\geq 85\%$ wool and fine animal hair, for retail sale

5109.90 Yarn of wool/of fine animal hair, $< 85\%$ wool and fine animal hair, for retail sale

5110.00 Yarn of coarse animal hair or of horsehair

HS No.	Description
5111.11	Woven fabric of carded wool or fine animal hair, $\geq 85\%$ wool and fine animal hair, ≤ 300 g/m ²
5111.19	Woven fabric of carded wool or fine animal hair, $\geq 85\%$ wool or fine animal hair, > 300 g/m ²
5111.20	Woven fabric of carded wool or fine animal hair, $< 85\%$ wool or fine animal hair, with man-made fibres
5111.30	Woven fabric of carded wool or fine animal hair, $< 85\%$ wool or fine animal hair, with man-made fibres
5111.90	Woven fabric of carded wool or fine animal hair, $< 85\%$ wool or fine animal hair, nes
5112.11	Woven fabric of combed wool or fine animal hair, $\geq 85\%$ wool or fine animal hair, ≤ 200 g/m ²
5112.19	Woven fabric of combed wool or fine animal hair, $\geq 85\%$ wool or fine animal hair, > 200 g/m ²
5112.20	Woven fabric of combed wool or fine animal hair, $< 85\%$ wool or fine animal hair, with man-made filament
5112.30	Woven fabric of combed wool or fine animal hair, $< 85\%$ wool or fine animal hair, with man-made fibres
5112.90	Woven fabric of combed wool or fine animal hair, $< 85\%$ wool or fine animal hair, nes
5113.00	Woven fabric of coarse animal hair or of horsehair

Chapter 52 Cotton

5203.00	Cotton, carded or combed
5204.11	Cotton sewing thread $\geq 85\%$ cotton, not for retail sale
5204.19	Cotton sewing thread, $< 85\%$ cotton, not for retail sale
5204.20	Cotton sewing thread, for retail sale
5205.11	Cotton yarn, $\geq 85\%$ cotton, single, uncombed, ≥ 714.29 decitex, not for retail sale
5205.12	Cotton yarn, $\geq 85\%$ cotton, single, uncombed, $714.29 > \text{decitex} \geq 232.56$, not for retail sale
5205.13	Cotton yarn, $\geq 85\%$ cotton, single, uncombed, $232.56 > \text{decitex} \geq 192.31$, not for retail sale
5205.14	Cotton yarn, $\geq 85\%$ cotton, single, uncombed, $192.31 > \text{decitex} \geq 125$, not for retail sale
5205.15	Cotton yarn, $\geq 85\%$ cotton, single, uncombed, < 125 decitex, not for retail sale
5205.21	Cotton yarn, $\geq 85\%$ cotton, single, combed, ≥ 714.29 , not for retail sale
5205.22	Cotton yarn, $\geq 85\%$ cotton, single, combed, $714.29 > \text{decitex} \geq 232.56$, not for retail sale
5205.23	Cotton yarn, $\geq 85\%$ cotton, single, combed, $232.56 > \text{decitex} \geq 192.31$, not for retail sale
5205.24	Cotton yarn, $\geq 85\%$ cotton, single, combed, $192.31 > \text{decitex} \geq 125$, not for retail sale
5205.26	Cotton yarn, $\geq 85\%$ cotton, single, combed, $125 > \text{decitex} \geq 106.38$, not for retail sale
5205.27	Cotton yarn, $\geq 85\%$ cotton, single, combed, $106.38 > \text{decitex} \geq 83.33$, not for retail sale
5205.28	Cotton yarn, $\geq 85\%$ cotton, single, combed, < 83.33 decitex, not for retail sale
5205.31	Cotton yarn, $\geq 85\%$ cotton, multiple, uncombed, ≥ 714.29 decitex, not for retail sale, nes
5205.32	Cotton yarn, $\geq 85\%$ cotton, multiple, uncombed, $714.29 > \text{decitex} \geq 232.56$, not for retail sale, nes
5205.33	Cotton yarn, $\geq 85\%$ cotton, multiple, uncombed, $232.56 > \text{decitex} \geq 192.31$, not for retail sale, nes

HS No.	Description
5205.34	Cotton yarn, $\geq 85\%$ cotton, multiple, uncombed, $192.31 > \text{decitex} \geq 125$, not for retail sale, nes
5205.35	Cotton yarn, $\geq 85\%$ cotton, multiple, uncombed, $< 125 \text{ decitex}$, not for retail sale, nes
5205.41	Cotton yarn, $\geq 85\%$ cotton, multiple, combed, $\geq 714.29 \text{ decitex}$, not for retail sale, nes
5205.42	Cotton yarn, $\geq 85\%$ cotton, multiple, combed, $714.29 > \text{decitex} \geq 232.56$, not for retail sale, nes
5205.43	Cotton yarn, $\geq 85\%$ cotton, multiple, combed, $232.56 > \text{decitex} \geq 192.31$, not for retail sale, nes
5205.44	Cotton yarn, $\geq 85\%$ cotton, multiple, combed, $192.31 > \text{decitex} \geq 125$, not for retail sale, nes
5205.46	Cotton yarn, $\geq 85\%$ cotton, multiple, combed, $125 > \text{decitex} \geq 106.38$, not for retail sale, nes
5205.47	Cotton yarn, $\geq 85\%$ cotton, multiple, combed, $106.38 > \text{decitex} \geq 83.33$, not for retail sale, nes
5205.48	Cotton yarn, $< 85\%$ cotton, single, uncombed, $< 83.33 \text{ decitex}$, not for retail sale
5206.11	Cotton yarn, $< 85\%$ cotton, single, uncombed, ≥ 714.29 , not for retail sale
5206.12	Cotton yarn, $< 85\%$ cotton, single, uncombed, $714.29 > \text{decitex} \geq 232.56$, not for retail sale
5206.13	Cotton yarn, $< 85\%$ cotton, single, uncombed, $232.56 > \text{decitex} \geq 192.31$, not for retail sale
5206.14	Cotton yarn, $< 85\%$ cotton, single, uncombed, $192.31 > \text{decitex} \geq 125$, not for retail sale
5206.15	Cotton yarn, $< 85\%$ cotton, single, uncombed, $< 125 \text{ decitex}$, not for retail sale
5206.21	Cotton yarn, $< 85\%$ cotton, single, combed, $\geq 714.29 \text{ decitex}$, not for retail sale
5206.22	Cotton yarn, $< 85\%$ cotton, single, combed, $714.29 > \text{decitex} \geq 232.56$, not for retail sale
5206.23	Cotton yarn, $< 85\%$ cotton, single, combed, $232.56 > \text{decitex} \geq 192.31$, not for retail sale
5206.24	Cotton yarn, $< 85\%$ cotton, single, combed, $192.31 > \text{decitex} \geq 125$, not for retail sale
5206.25	Cotton yarn, $< 85\%$ cotton, single, combed, $< 125 \text{ decitex}$, not for retail sale
5206.31	Cotton yarn, $< 85\%$ cotton, multiple, uncombed, ≥ 714.29 , not for retail sale, nes
5206.32	Cotton yarn, $< 85\%$ cotton, multiple, uncombed, $714.29 > \text{decitex} \geq 232.56$, not for retail sale, nes
5206.33	Cotton yarn, $< 85\%$ cotton, multiple, uncombed, $232.56 > \text{decitex} \geq 192.31$, not for retail sale, nes
5206.34	Cotton yarn, $< 85\%$ cotton, multiple, uncombed, $192.31 > \text{decitex} \geq 125$, not for retail sale, nes
5206.35	Cotton yarn, $< 85\%$ cotton, multiple, uncombed, $< 125 \text{ decitex}$, not for retail sale, nes
5206.41	Cotton yarn, $< 85\%$ cotton, multiple, combed, ≥ 714.29 , not for retail sale, nes
5206.42	Cotton yarn, $< 85\%$ cotton, multiple, combed, $714.29 > \text{decitex} \geq 232.56$, not for retail sale, nes
5206.43	Cotton yarn, $< 85\%$ cotton, multiple, combed, $232.56 > \text{decitex} \geq 192.31$, not for retail sale, nes
5206.44	Cotton yarn, $< 85\%$ cotton, multiple, combed, $192.31 > \text{decitex} \geq 125$, not for retail sale, nes
5206.45	Cotton yarn, $< 85\%$ cotton, multiple, combed, $< 125 \text{ decitex}$, not for retail sale, nes
5207.10	Cotton yarn (other than sewing thread) $\geq 85\%$ cotton, for retail sale

HS No.	Description
5207.90	Cotton yarn (other than sewing thread) < 85% cotton, for retail sale
5208.11	Plain weave cotton fabric, ≤ 85% cotton, ≤ 100g/m ² , unbleached
5208.12	Plain weave cotton fabric, ≤ 85% cotton, > 100g/m ² , ≤ 200g/m ² , unbleached
5208.13	Twill weave cotton fabric, ≥ 85% cotton, ≤ 200g/m ² , unbleached
5208.19	Woven fabric of cotton, ≥ 85% cotton, ≤ 200g/m ² , unbleached, nes
5208.21	Plain weave cotton fabric, ≥ 85% cotton, ≤ 100g/m ² , bleached
5208.22	Plain weave cotton fabric, ≥ 85% cotton, > 100g/m ² , ≤ 200g/m ² , bleached
5208.23	Twill weave cotton fabric, ≥ 85% cotton, ≤ 200g/m ² , bleached
5208.29	Woven fabric of cotton, ≥ 85% cotton, ≤ 200g/m ² , bleached, nes
5208.31	Plain weave cotton fabric, ≥ 85% cotton, ≤ 100g/m ² , dyed
5208.32	Plain weave cotton fabric, ≥ 85% cotton, > 100g/m ² , ≤ 200g/m ² , dyed
5208.33	Twill weave cotton fabric, ≥ 85% cotton, ≤ 200g/m ² , dyed
5208.39	Woven fabric of cotton, ≥ 85% cotton, ≤ 200g/m ² , dyed, nes
5208.41	Plain weave cotton fabric, ≥ 85% cotton, ≤ 100g/m ² , yarn dyed
5208.42	Plain weave cotton fabric, ≥ 85% cotton, > 100g/m ² , ≤ 200 g/m ² , yarn dyed
5208.43	Twill weave cotton fabric, ≥ 85% cotton, ≤ 200g/m ² , yarn dyed
5208.49	Woven fabric of cotton, ≥ 85% cotton, ≤ 200g/m ² , yarn dyed, nes
5208.51	Plain weave cotton fabric, ≥ 85% cotton, ≤ 100g/m ² , printed
5208.52	Plain weave cotton fabric, ≥ 85% cotton, > 100g/m ² , ≤ 200 g/m ² , printed
5208.53	Twill weave cotton fabric, ≥ 85% cotton, ≤ 200g/m ² , printed
5208.59	Woven fabric of cotton, ≥ 85% cotton, ≤ 200g/m ² , printed, nes
5209.11	Plain weave cotton fabric, ≥ 85% cotton, > 200g/m ² , unbleached
5209.12	Twill weave cotton fabric, ≥ 85% cotton, > 200g/m ² , unbleached
5209.19	Woven fabric of cotton, ≥ 85% cotton, > 200g/m ² , unbleached, nes
5209.21	Plain weave cotton fabric, ≥ 85% cotton, > 200g/m ² , bleached
5209.22	Twill weave cotton fabric, ≥ 85% cotton, > 200g/m ² , bleached
5209.29	Woven fabric of cotton, ≥ 85% cotton, > 200g/m ² , bleached, nes
5209.31	Plain weave cotton fabric, ≥ 85% cotton, > 200g/m ² , dyed
5209.32	Twill weave cotton fabric, ≥ 85% cotton, > 200g/m ² , dyed
5209.39	Woven fabric of cotton, ≥ 85% cotton, > 200g/m ² , dyed, nes
5209.41	Plain weave cotton fabric, ≥ 85% cotton, > 200g/m ² , yarn dyed
5209.42	Blue denim fabric of cotton, ≥ 85% cotton, > 200g/m ²
5209.43	Twill weave cotton fabric, other than denim, ≥ 85% cotton, > 200g/m ² , yarn dyed
5209.49	Woven fabric of cotton, ≥ 85% cotton, > 200g/m ² , yarn dyed, nes
5209.51	Plain weave cotton fabric, ≥ 85% cotton, > 200g/m ² , printed
5209.52	Twill weave cotton fabric, ≥ 85% cotton, > 200g/m ² , printed
5209.59	Woven fabric of cotton, ≥ 85% cotton, > 200g/m ² , printed, nes
5210.11	Plain weave cotton fabric, < 85% cotton, with man-made fibre, ≤ 200g/m ² , unbleached
5210.12	Twill weave cotton fabric, < 85% cotton, with man-made fibre, ≤ 200g/m ² , unbleached
5210.19	Woven fabric of cotton, < 85% cotton, with man-made fibre, ≤ 200g/m ² , unbleached, nes
5210.21	Plain weave cotton fabric, < 85% cotton, with man-made fibre, ≤ 200g/m ² , bleached
5210.22	Twill weave cotton fabric, < 85% cotton, with man-made fibre, ≤ 200g/m ² , bleached
5210.29	Woven fabric of cotton, < 85% cotton, with man-made fibre, ≤ 200g/m ² , bleached, nes
5210.31	Plain weave cotton fabric, < 85% cotton, with man-made fibre, ≤ 200g/m ² , dyed
5210.32	Twill weave cotton fabric, < 85% cotton, with man-made fibre, ≤ 200g/m ² , dyed

HS No.	Description
5210.39	Woven fabric of cotton, < 85% cotton, with man-made fibre, ≤200g/m2, dyed, nes
5210.41	Plain weave cotton fabric, < 85% cotton, with man-made fibre, ≤200g/m2, yarn dyed
5210.42	Twill weave cotton fabric, < 85% cotton, with man-made fibre, ≤200g/m2, yarn dyed
5210.49	Woven fabric of cotton, < 85% cotton, with man-made fibre, ≤200g/m2, yarn dyed, nes
5210.51	Plain weave cotton fabric, < 85% cotton, with man-made fibre, ≤200g/m2, printed
5210.52	Twill weave cotton fabric, < 85% cotton, with man-made fibre, ≤200g/m2, printed
5210.59	Woven fabric of cotton, < 85% cotton, with man-made fibre, ≤200g/m2, printed, nes
5211.11	Plain weave cotton fabric, < 85% cotton, with man-made fibre, > 200g/m2, unbleached
5211.12	Twill weave cotton fabric, < 85% cotton, with man-made fibre, > 200g/m2, unbleached
5211.19	Woven fabric of cotton, < 85% cotton, with man-made fibre, > 200g/m2, unbleached, nes
5211.21	Plain weave cotton fabric, < 85% cotton, with man-made fibre, > 200g/m2, bleached
5211.22	Twill weave cotton fabric, < 85% cotton, with man-made fibre, > 200g/m2, bleached
5211.29	Woven fabric of cotton, < 85% cotton, with man-made fibre, > 200g/m2, bleached, nes
5211.31	Plain weave cotton fabric, < 85% cotton, with man-made fibre, > 200g/m2, dyed
5211.32	Twill weave cotton fabric, < 85% cotton, with man-made fibre, > 200g/m2, dyed
5211.39	Woven fabric of cotton, < 85% cotton, with man-made fibre, > 200g/m2, dyed, nes
5211.41	Plain weave cotton fabric, < 85% cotton, with man-made fibre, > 200g/m2, yarn dyed
5211.42	Blue denim fabric of cotton, < 85% cotton, with man-made fibre, > 200g/m2
5211.43	Twill weave cotton fabric, other than denim, < 85% cotton, with man-made fibre, > 200g/m2, yarn dyed
5211.49	Woven fabric of cotton, < 85% cotton, with man-made fibre, > 200g/m2, yarn dyed, nes
5211.51	Plain weave cotton fabric, < 85% cotton, with man-made fibre, > 200g/m2, printed
5211.52	Twill weave cotton fabric, < 85% cotton, with man-made fibre, > 200g/m2, printed
5211.59	Woven fabric of cotton, < 85% cotton, with man-made fibre, > 200g/m2, printed, nes
5212.11	Woven fabric of cotton, weighing ≤200g/m2, unbleached, nes
5212.12	Woven fabric of cotton, weighing ≤200g/m2, bleached, nes
5212.13	Woven fabric of cotton, weighing ≤200g/m2, dyed, nes
5212.14	Woven fabric of cotton, ≤200g/m2, of yarns of different colours, nes
5212.15	Woven fabric of cotton, weighing ≤200g/m2, printed, nes
5212.21	Woven fabric of cotton, weighing > 200g/m2, unbleached, nes
5212.22	Woven fabric of cotton, weighing > 200g/m2, bleached, nes
5212.23	Woven fabric of cotton, weighing > 200g/m2, dyed, nes
5212.24	Woven fabric of cotton, > 200g/m2, of yarns of different colours, nes
5212.25	Woven fabric of cotton, weighing > 200g/m2, printed, nes

HS No.	Description
Chapter 53 Other vegetable textile fibres; paper yarn and woven fabric of paper yarn	
5306.10	Flax yarn, single
5306.20	Flax yarn, multiple
5307.10	Yarn of jute or of other textile bast fibres, single
5307.20	Yarn of jute or other textile bast fibres, multiple
5308.20	True hemp yarn
5308.90	Yarn of other vegetable textile fibres
5309.11	Woven fabric, $\geq 85\%$ flax, unbleached or bleached
5309.19	Woven fabric, $\geq 85\%$ flax, other than unbleached or bleached
5309.21	Woven fabric of flax, $< 85\%$ flax, unbleached or bleached
5309.29	Woven fabric of flax, $< 85\%$ flax, other than unbleached or bleached
5310.10	Woven fabric of jute or of other textile bast fibres, unbleached
5310.90	Woven fabric of jute or of other textile bast fibres, other than unbleached
5311.00	Woven fabric of other vegetable textile fibres; woven fabric of paper yarn
Chapter 54 Man-made filaments	
5401.10	Sewing thread of synthetic filaments
5401.20	Sewing thread of artificial filaments
5402.10	High tenacity yarn (other than sewing thread), nylon or other polyamide fibre, not for retail sale
5402.20	High tenacity yarn (other than sewing thread), of polyester filaments, not for retail sale
5402.31	Textured yarn nes, of nylon or other polyamide fibre, ≤ 50 tex/single yarn, not for retail sale
5402.32	Textured yarn nes, of nylon or other polyamide fibre, > 50 tex/single yarn, not for retail sale
5402.33	Textured yarn nes, of polyester filaments, not for retail sale
5402.39	Textured yarn of synthetic filaments, nes, not for retail sale
5402.41	Yarn of nylon or other polyamide fibre, single, untwisted, nes, not for retail sale
5402.42	Yarn of polyester filaments, partially oriented, single, nes, not for retail sale
5402.43	Yarn of polyester filaments, single, untwisted, nes, not for retail sale
5402.49	Yarn of synthetic filaments, single, untwisted, nes, not for retail sale
5402.51	Yarn of nylon or other polyamide fibre, single, > 50 turns per metre, not for retail sale
5402.52	Yarn of polyester filaments, single, > 50 turns per metre, not for retail sale
5402.59	Yarn of synthetic filaments, single, > 50 turns per metre, nes, not for retail sale
5402.61	Yarn of nylon or other polyamide fibre, multiple, nes, not for retail sale
5402.62	Yarn of polyester filaments, multiple, nes, not for retail sale
5402.69	Yarn of synthetic filaments, multiple, nes, not for retail sale
5403.10	High tenacity yarn (other than sewing thread), of viscose rayon filaments, not for retail sale
5403.20	Textured yarn nes, of artificial filaments, not for retail sale
5403.31	Yarn of viscose rayon filaments, single, untwisted, nes, not for retail sale
5403.32	Yarn of viscose rayon filaments, single, > 120 turns per metre, nes, not for retail sale
5403.33	Yarn of cellulose acetate filaments, single, nes, not for retail sale
5403.39	Yarn of artificial filaments, single, nes, not for retail sale
5403.41	Yarn of viscose rayon filaments, multiple, nes, not for retail sale
5403.42	Yarn of cellulose acetate filaments, multiple, nes, not for retail sale
5403.49	Yarn of artificial filaments, multiple, nes, not for retail sale
5404.10	Synthetic monofilament, ≥ 67 decitex, no cross sectional dimension > 1 mm
5404.90	Strip and the like of synthetic textile material of an apparent width ≤ 5 mm
5405.00	Artificial monofil, 67 decitex, cross sectional dimension > 1 mm; strip of art. tex. mat. width ≤ 5 mm

HS No.	Description
5406.10	Yarn of synthetic filaments (other than sewing thread), for retail sale
5406.20	Yarn of artificial filaments (other than sewing thread), for retail sale
5407.10	Woven fabric of high tenacity filament yarn of nylon or other polyamides, or polyester
5407.20	Woven fabric obtained from strip or the like of synthetic textile materials
5407.30	Fabric specified in Note 9 Section XI (layers of parallel synthetic textile yarn)
5407.41	Woven fabric, $\geq 85\%$ nylon or other polyamide filaments, unbleached or bleached, nes
5407.42	Woven fabric, $\geq 85\%$ nylon or other polyamide filaments, dyed, nes
5407.43	Woven fabric, $\geq 85\%$ nylon or other polyamide filaments, yarn dyed, nes
5407.44	Woven fabric, $\geq 85\%$ nylon or other polyamide filaments, printed, nes
5407.51	Woven fabric, $\geq 85\%$ textured polyester filaments, unbleached or bleached, nes
5407.52	Woven fabric, $\geq 85\%$ textured polyester filaments, dyed, nes
5407.53	Woven fabric, $\geq 85\%$ textured polyester filaments, yarn dyed, nes
5407.54	Woven fabric, $\geq 85\%$ textured polyester filaments, printed, nes
5407.61	Woven fabric, $\geq 85\%$ non-textured polyester filaments, nes
5407.69	Woven fabric, $\geq 85\%$ other polyester filaments, nes
5407.71	Woven fabric, $\geq 85\%$ synthetic filaments, unbleached or bleached, nes
5407.72	Woven fabric, $\geq 85\%$ synthetic filaments, dyed, nes
5407.73	Woven fabric, $\geq 85\%$ synthetic filaments, yarn dyed, nes
5407.74	Woven fabric, $\geq 85\%$ synthetic filaments, printed, nes
5407.81	Woven fabric of synthetic filaments, $< 85\%$ syn. filaments, with cotton, unbl or bl, nes
5407.82	Woven fabric of synthetic filaments, $< 85\%$ with cotton, dyed, nes
5407.83	Woven fabric of synthetic filaments, $< 85\%$ with cotton, yarn dyed, nes
5407.84	Woven fabric of synthetic filaments, $< 85\%$ with cotton, printed, nes
5407.91	Woven fabric of synthetic filaments, unbleached or bleached, nes
5407.92	Woven fabric of synthetic filaments, dyed, nes
5407.93	Woven fabric of synthetic filaments, yarn dyed, nes
5407.94	Woven fabric of synthetic filaments, printed, nes
5408.10	Woven fabric of high tenacity filament yarn of viscose rayon
5408.21	Woven fabric, $\geq 85\%$ artificial filament or strip, unbleached or bleached, nes
5408.22	Woven fabric, $\geq 85\%$ artificial filament or strip, dyed, nes
5408.23	Woven fabric, $\geq 85\%$ artificial filament or strip, yarn dyed, nes
5408.24	Woven fabric, $\geq 85\%$ artificial filament or strip, printed, nes
5408.31	Woven fabric of artificial filaments, unbleached or bleached, nes
5408.32	Woven fabric of artificial filaments, dyed, nes
5408.33	Woven fabric of artificial filaments, yarn dyed, nes
5408.34	Woven fabric of artificial filaments, printed, nes

Chapter 55 Man-made staple fibres

5501.10	Filament tow of nylon or other polyamides
5501.20	Filament tow of polyesters
5501.30	Filament tow of acrylic or modacrylic
5501.90	Synthetic filament tow, nes
5502.00	Artificial filament tow
5503.10	Staple fibres of nylon or other polyamides, not carded or combed
5503.20	Staple fibres of polyesters, not carded or combed
5503.30	Staple fibres of acrylic or modacrylic, not carded or combed
5503.40	Staple fibres of polypropylene, not carded or combed
5503.90	Synthetic staple fibres, not carded or combed, nes
5504.10	Staple fibres of viscose, not carded or combed
5504.90	Artificial staple fibres, other than viscose, not carded or combed
5505.10	Waste of synthetic fibres

HS No.	Description
5505.20	Waste of artificial fibres
5506.10	Staple fibres of nylon or other polyamides, carded or combed
5506.20	Staple fibres of polyesters, carded or combed
5506.30	Staple fibres of acrylic or modacrylic, carded or combed
5506.90	Synthetic staple fibres, carded or combed, nes
5507.00	Artificial staple fibres, carded or combed
5508.10	Sewing thread of synthetic staple fibres
5508.20	Sewing thread of artificial staple fibres
5509.11	Yarn, $\geq 85\%$ nylon or other polyamide staple fibres, single, not for retail sale
5509.12	Yarn, $\geq 85\%$ nylon or other polyamide staple fibres, multiple, not for retail sale, nes
5509.21	Yarn, $\geq 85\%$ of polyester staple fibres, single, not for retail sale
5509.22	Yarn, $\geq 85\%$ of polyester staple fibres, multiple, not for retail sale, nes
5509.31	Yarn, $\geq 85\%$ of acrylic or modacrylic staple fibres, single, not for retail sale
5509.32	Yarn, $\geq 85\%$ acrylic/modacrylic staple fibres, multiple, not for retail sale, nes
5509.41	Yarn, $\geq 85\%$ of other synthetic staple fibres, single, not for retail sale
5509.42	Yarn, $\geq 85\%$ of other synthetic staple fibres, multiple, not for retail sale, nes
5509.51	Yarn of polyester staple fibres mixed with artificial staple fibre, not for retail sale, nes
5509.52	Yarn of polyester staple fibre mixed with wool or fine animal hair, not for retail sale, nes
5509.53	Yarn of polyester staple fibres mixed with cotton, not for retail sale, nes
5509.59	Yarn of polyester staple fibres, not for retail sale, nes
5509.61	Yarn of acrylic staple fibre mixed with wool or fine animal hair, not for retail sale, nes
5509.62	Yarn of acrylic staple fibres mixed with cotton, not for retail sale, nes
5509.69	Yarn of acrylic staple fibres, not for retail sale, nes
5509.91	Yarn of other synthetic staple fibres mixed with wool or fine animal hair, not for retail sale, nes
5509.92	Yarn of other synthetic staple fibres mixed with cotton, not for retail sale, nes
5509.99	Yarn of other synthetic staple fibres, not for retail sale, nes
5510.11	Yarn, $\geq 85\%$ of artificial staple fibres, single, not for retail sale
5510.12	Yarn, $\geq 85\%$ of artificial staple fibres, multiple, not for retail sale, nes
5510.20	Yarn of artificial staple fibre mixed with wool/fine animal hair, not for retail sale, nes
5510.30	Yarn of artificial staple fibres mixed with cotton, not for retail sale, nes
5510.90	Yarn of artificial staple fibres, not for retail sale, nes
5511.10	Yarn, $\geq 85\%$ of synthetic staple fibres, other than sewing thread, for retail sale
5511.20	Yarn, $< 85\%$ of synthetic staple fibres, for retail sale, nes
5511.30	Yarn of artificial fibres (other than sewing thread), for retail sale
5512.11	Woven fabric, $\geq 85\%$ of polyester staple fibres, unbleached or bleached
5512.19	Woven fabric, $\geq 85\%$ of polyester staple fibres, other than unbleached or bleached
5512.21	Woven fabric, $\geq 85\%$ of acrylic staple fibres, unbleached or bleached
5512.29	Woven fabric, $\geq 85\%$ of acrylic staple fibres, other than unbleached or bleached
5512.91	Woven fabric, $\geq 85\%$ of other synthetic staple fibres, unbleached or bleached
5512.99	Woven fabric, $\geq 85\%$ of other synthetic staple fibres, other than unbleached or bleached
5513.11	Plain weave polyester fabric, $< 85\%$ syn stple fibre, with cot, $\leq 170\text{g/m}^2$, unbl or bl

HS No.	Description
5513.12	Twill weave polyester staple fibre fabric, <85% syn. staple fibre, with cotton, ≤170g/m2, unbl or bl
5513.13	Woven polyester fabric, <85% synthetic stple fibre, with cotton, ≤170g/m2, unbl or bl, nes
5513.19	Woven fabric of other synthetic staple fibre, <85% syn. stpl fib, with cotton, ≤170g/m2, unbl or bl
5513.21	Plain weave polyester staple fibre fabric, <85% synthetic staple fibre, with cotton, ≤170g/m2, dyed
5513.22	Twill weave polyester staple fibre fabric, <85% synthetic staple fibre, with cotton, ≤170g/m2, dyed
5513.23	Woven fabric of polyester staple fibre, <85% syn. staple fibre, with cotton, ≤170g/m2, dyed, nes
5513.29	Woven fabric of other synthetic staple fibre, <85% syn. staple fibre, with cotton, ≤170g/m2, dyed
5513.31	Plain weave polyester staple fibre fabric, <85% syn. staple fibre, with cotton, ≤170g/m2, yarn dyed
5513.32	Twill weave polyester staple fibre fabric, <85% syn. staple fibre, with cotton, ≤170g/m2, yarn dyed
5513.33	Woven fabric of polyester staple fibre, <85% syn. staple fibre, with cotton, ≤170g/m2, dyed nes
5513.39	Woven fabric of other synthetic staple fibre, <85% syn. staple fibre, with cotton, ≤170g/m2, yarn dyed
5513.41	Plain weave polyester staple fibre fabric, <85% syn. stpl fibre, with cotton, ≤170g/m2, printed
5513.42	Twill weave polyester staple fibre fabric, <85% syn. staple fibre, with cotton, ≤170g/m2, printed
5513.43	Woven fabric of polyester staple fibre, <85% syn staple fibre, with cotton, ≤170g/m2, printed, nes
5513.49	Woven fabric of other synthetic staple fibre, <85% syn. staple fibre, with cotton, ≤170g/m2, printed
5514.11	Plain weave polyester staple fibre fabric, <85% syn. staple fibre, with cotton, >170g/m2, unbl or bl
5514.12	Twill weave polyester staple fibre fabric, <85% syn. staple fibre, with cotton, >170g/m2, unbl or bl
5514.13	Woven fabric of polyester staple fibre, <85% syn. stpl fibre, with cotton, >170g/m2, unbl or bl, nes
5514.19	Woven fabric of other synthetic staple fibre, <85% syn stpl. fib, with cotton, >170g/m2, unbl or bl
5514.21	Plain weave polyester staple fibre fabric, <85% syn staple fibre, with cotton, >170g/m2, dyed
5514.22	Twill weave polyester staple fibre fabric, <85% synthetic staple fibre, with cotton, >170g/m2, dyed
5514.23	Woven fabric of polyester staple fibre, <85% synthetic staple fibre, with cotton, >170g/m2, dyed
5514.29	Woven fabric of other synthetic staple fibre, <85% synthetic staple fibre, with cotton, >170g/m2, dyed
5514.31	Plain weave polyester staple fibre fabric, <85% syn. staple fibre, with cotton, >170g/m2, yarn dyed
5514.32	Twill weave polyester staple fibre fabric, <85% mixed with cotton, >170g/m2, yarn dyed
5514.33	Woven fabric of polyester staple fibre, <85% syn. staple fibre, with cotton, >170g/m2, yarn dyed nes
5514.39	Woven fabric of other synthetic staple fibre, <85% syn. stpl fibre, with cotton, >170g/m2, yarn dyed
5514.41	Plain weave polyester staple fibre fabric, <85% synthetic staple fibre, with cotton, >170g/m2, printed
5514.42	Twill weave polyester staple fibre fabric, <85% synthetic staple fibre, with cotton, >170g/m2, printed

HS No.	Description
5514.43	Woven fabric of polyester staple fibres < 85% syn. staple fibre, with cotton, > 170g/m ² , printed, nes
5514.49	Woven fabric of other synthetic staple fibre, < 85% syn. staple fibre, with cotton, > 170g/m ² , printed
5515.11	Woven fabric of polyester staple fibre, with viscose rayon staple fibre, nes
5515.12	Woven fabric of polyester staple fibre, with man-made filaments, nes
5515.13	Woven fabric of polyester staple fibre, with wool or fine animal hair, nes
5515.19	Woven fabric of polyester staple fibre, nes
5515.21	Woven fabric of acrylic staple fibre, with man-made filaments, nes
5515.22	Woven fabric of acrylic staple fibre, with wool or fine animal hair, nes
5515.29	Woven fabric of acrylic or modacrylic staple fibres, nes
5515.91	Woven fabric of other synthetic staple fibre, with man-made filaments, nes
5515.92	Woven fabric of other synthetic staple fibre, with wool or fine animal hair, nes
5515.99	Woven fabric of synthetic staple fibres, nes
5516.11	Woven fabric, ≥ 85% artificial staple fibre, unbleached or bleached
5516.12	Woven fabric, ≥ 85% artificial staple fibre, dyed
5516.13	Woven fabric, ≥ 85% artificial staple fibre, yarn dyed
5516.14	Woven fabric, ≥ 85% artificial staple fibre, printed
5516.21	Woven fabric of artificial staple fibre, < 85% artificial staple fibre, with man-made fib, unbl or bl
5516.22	Woven fabric of artificial staple fibre, < 85% artificial staple fibre, with man-made fib, dyed
5516.23	Woven fabric of artificial staple fibre, < 85% artificial staple fibre, with man-made fib, yarn dyed
5516.24	Woven fabric of artificial staple fibre, < 85% artificial staple fibre, with man-made fib, printed
5516.31	Woven fabric of artificial staple fibre, < 85% art stpl fibre, with wool/fine animal hair, unbl or bl
5516.32	Woven fabric of artificial staple fibre, < 85% art staple fibre, mixed mainly or solely with wool/fine animal hair, dyed
5516.33	Woven fabric of artificial staple fibre, < 85% art staple fibre, mixed mainly or solely with wool/fine animal hair, yarn dyed
5516.34	Woven fabric of artificial staple fibre, < 85% art staple fibre, mixed mainly or solely with wool/fine animal hair, printed
5516.41	Woven fabric of artificial staple fibre, < 85% artificial staple fibre, with cotton, unbl or bl
5516.42	Woven fabric of artificial staple fibre, < 85% artificial staple fibre, with cotton, dyed
5516.43	Woven fabric of artificial staple fibre, < 85% artificial staple fibre, with cotton, yarn dyed
5516.44	Woven fabric of artificial staple fibre, < 85% artificial staple fibre, with cotton, printed
5516.91	Woven fabric of artificial staple fibre, unbleached or bleached, nes
5516.92	Woven fabric of artificial staple fibre, dyed, nes
5516.93	Woven fabric of artificial staple fibre, yarn dyed, nes
5516.94	Woven fabric of artificial staple fibre, printed, nes

Chapter 56 Wadding, felt and nonwovens; special yarns, twine, cordage, ropes and cables and articles thereof

5601.10	Sanitary articles of wadding of textile materials, including sanitary towels, tampons, and diapers
5601.21	Wadding of cotton and articles thereof, other than sanitary articles
5601.22	Wadding of man-made fibres and articles thereof, other than sanitary articles
5601.29	Wadding of other textile materials and articles thereof, other than sanitary articles
5601.30	Textile flock and dust and mill neps

HS No.	Description
5602.10	Needleloom felt and stitch-bonded fibre fabric
5602.21	Felt other than needleloom, of wool or fine animal hair, not impregnated, coated, covered or laminated
5602.29	Felt other than needleloom, of other textile materials, not impregnated, coated, covered or laminated
5602.90	Felt of textile materials, nes
5603.11	Nonwovens, whether or not impregnated, coated, covered or laminated, of man-made filaments, $\leq 25\text{g/m}^2$
5603.12	Nonwovens, whether or not impregnated, coated, covered or laminated, of man-made filaments, $> 25\text{g/m}^2$ but $\leq 70\text{g/m}^2$
5603.13	Nonwovens, whether or not impregnated, coated, covered or laminated, of man-made filaments, $> 70\text{g/m}^2$ but $\leq 150\text{g/m}^2$
5603.14	Nonwovens, whether or not impregnated, coated, covered or laminated, of man-made filaments, $> 150\text{g/m}^2$
5603.91	Nonwovens, whether or not impregnated, coated, covered or laminated, other, $\leq 25\text{g/m}^2$
5603.92	Nonwovens, whether or not impregnated, coated, covered or laminated, other, $> 25\text{g/m}^2$ but $\leq 70\text{g/m}^2$
5603.93	Nonwovens, whether or not impregnated, coated, covered or laminated, other, $> 70\text{g/m}^2$ but $\leq 150\text{g/m}^2$
5603.94	Nonwovens, whether or not impregnated, coated, covered or laminated, other, $> 150\text{g/m}^2$
5604.10	Rubber thread and cord, textile covered
5604.20	High tenacity yarn of polyester, nylon other polyamide, viscose rayon, impregnated or coated
5604.90	Textile yarn, strip, impregnated, coated, covered or sheathed with rubber or plastics nes
5605.00	Metallized yarn, being textile yarn combined with metal thread, strip, or powder
5606.00	Gimped yarn nes; chenille yarn; loop wale-yarn
5607.10	Twine, cordage, ropes and cables, of jute or other textile bast fibres
5607.21	Binder or baler twine, of sisal or other textile fibres of the genus Agave
5607.29	Twine nes, cordage, ropes and cables, of sisal textile fibres
5607.30	Twine, cordage, ropes and cables, of abaca or other hard (leaf) fibres
5607.41	Binder or baler twine, of polyethylene or polypropylene
5607.49	Twine nes, cordage, ropes and cables, of polyethylene or polypropylene
5607.50	Twine, cordage, ropes and cables, of other synthetic fibres
5607.90	Twine, cordage, ropes and cables, of other materials
5608.11	Made up fishing nets, of man-made textile materials
5608.19	Knotted netting of twine, cordage, or rope, and other made up nets of man-made textile materials
5608.90	Knotted netting of twine, cordage, or rope, nes, and made up nets of other textile materials
5609.00	Articles of yarn, strip, twine, cordage, rope and cables, nes

Chapter 57 Carpets and other textile floor coverings

5701.10	Carpets of wool or fine animal hair, knotted
5701.90	Carpets of other textile materials, knotted
5702.10	Kelem, Schumacks, Karamanie and similar textile hand-woven rugs
5702.20	Floor coverings of coconut fibres (coir)
5702.31	Carpets of wool or fine animal hair, of woven pile construction, not made up, nes
5702.32	Carpets of man-made textile materials, of woven pile construction, not made up, nes
5702.39	Carpets of other textile materials, of woven pile construction, not made up, nes

HS No.	Description
5702.41	Carpets of wool or fine animal hair, of woven pile construction, made up, nes
5702.42	Carpets of man-made textile materials, of woven pile construction, made up, nes
5702.49	Carpets of other textile materials, of woven pile construction, made up, nes
5702.51	Carpets of wool or fine animal hair, woven, not made up, nes
5702.52	Carpets of man-made textile materials, woven, not made up, nes
5702.59	Carpets of other textile materials, woven, not made up, nes
5702.91	Carpets of wool or fine animal hair, woven, made up, nes
5702.92	Carpets of man-made textile materials, woven, made up, nes
5702.99	Carpets of other textile materials, woven, made up, nes
5703.10	Carpets of wool or fine animal hair, tufted
5703.20	Carpets of nylon or other polyamide, tufted
5703.30	Carpets of other man-made textile materials, tufted
5703.90	Carpets of other textile materials, tufted
5704.10	Tiles of felt of textile materials, having a maximum surface area of 0.3 m ²
5704.90	Carpets of felt of textile materials, nes
5705.00	Carpets and other textile floor coverings, nes

Chapter 58 Special woven fabrics; tufted textile fabrics; lace; tapestries; trimmings; embroidery

5801.10	Woven pile fabric of wool or fine animal hair, other than terry and narrow fabric
5801.21	Woven uncut weft pile fabric of cotton, other than terry and narrow fabric
5801.22	Cut corduroy fabric of cotton, other than narrow fabric
5801.23	Woven weft pile fabric of cotton, nes
5801.24	Woven warp pile fabric of cotton, epingle (uncut), other than terry and narrow fabric
5801.25	Woven warp pile fabric of cotton, cut, other than terry and narrow fabric
5801.26	Chenille fabric of cotton, other than narrow fabric
5801.31	Woven uncut weft pile fabric of manmade fibres, other than terry and narrow fabric
5801.32	Cut corduroy fabric of man-made fibres, other than narrow fabric
5801.33	Woven weft pile fabric of man-made fibres, nes
5801.34	Woven warp pile fabric of man-made fibre, epingle (uncut), other than terry and narrow fabric
5801.35	Woven warp pile fabric of man-made fibre, cut, other than terry and narrow fabric
5801.36	Chenille fabric of man-made fibres, other than narrow fabric
5801.90	Woven pile fabric and chenille fabric of other textile materials, other than terry and narrow fabric
5802.11	Terry toweling and similar woven terry fabric of cotton, other than narrow fabric, unbleached
5802.19	Terry toweling and similar woven terry fabric of cotton, other than unbleached or narrow fabric
5802.20	Terry toweling and similar woven terry fabric of other textile materials, other than narrow fabric
5802.30	Tufted textile fabric, other than products of heading No 57.03
5803.10	Gauze of cotton, other than narrow fabric
5803.90	Gauze of other textile material, other than narrow fabric
5804.10	Tulles and other net fabric, not including woven, knitted or crocheted fabric
5804.21	Mechanically made lace of man-made fibre, in the piece, in strips or motifs
5804.29	Mechanically made lace of other textile materials, in the piece, in strips or in motifs
5804.30	Hand-made lace, in the piece, in strips or in motifs
5805.00	Hand-woven tapestries and needle-worked tapestries, whether or not made up
5806.10	Narrow woven pile fabric and narrow chenille fabric

HS No.	Description
5806.20	Narrow woven fabric, containing $\geq 5\%$ elastomeric yarn or rubber thread, nes
5806.31	Narrow woven fabric of cotton, nes
5806.32	Narrow woven fabric of man-made fibres, nes
5806.39	Narrow woven fabric of other textile materials, nes
5806.40	Fabric consisting of warp without weft, assembled by means of an adhesive
5807.10	Labels, badges and similar woven articles of textile materials
5807.90	Labels, badges and similar articles, not woven, of textile materials, nes
5808.10	Braids in the piece
5808.90	Ornamental trimmings in the piece, other than knit; tassels, pompons and similar articles
5809.00	Woven fabric of metal thread or metallized yarn, for apparel, and homefurnishings, nes
5810.10	Embroidery without visible ground, in the piece, in strips or in motifs
5810.91	Embroidery of cotton, in the piece, in strips or in motifs, nes
5810.92	Embroidery of man-made fibres, in the piece, in strips or in motifs, nes
5810.99	Embroidery of other textile materials, in the piece, in strips or motifs, nes
5811.00	Quilted textile products in the piece

Chapter 59 Impregnated, coated, covered, laminated textile fabric; textile articles suitable for industrial use

5901.10	Textile fabric coated with gum, of a kind used for outer covers of books or the like
5901.90	Tracing cloth; prepared painting canvas; stiffened textile fabric for hats, nes
5902.10	Tire cord fabric of high tenacity nylon or other polyamide yarn
5902.20	Tire cord fabric of high tenacity polyester yarn
5902.90	Tire cord fabric made of high tenacity viscose rayon yarn
5903.10	Textile fabric impregnated, coated, covered, or laminated with polyvinyl chloride, nes
5903.20	Textile fabric impregnated, coated, covered, or laminated with polyurethane, nes
5903.90	Textile fabric impregnated, coated, covered, or laminated with plastics, nes
5904.10	Linoleum, whether or not cut to shape
5904.91	Floor coverings, other than linoleum, with a base of needleloom felt or nonwovens
5904.92	Floor coverings, other than linoleum, with other textile base
5905.00	Textile wall coverings
5906.10	Rubberized textile adhesive tape of a width not exceeding 20 cm
5906.91	Rubberized textile knitted or crocheted fabric, nes
5906.99	Rubberized textile fabric, nes
5907.00	Textile fabric impregnated, coated, covered, nes; painted canvas for theatre use, backdrops, etc.
5908.00	Textile wicks for lamps, stoves, candles or the like; gas mantles and knitted gas mantle fabric
5909.00	Textile hose-piping and similar textile tubing
5910.00	Transmission or conveyor belts or belting of textile material whether or not reinforced
5911.10	Felt and felt-lined woven fabric combined with rubber, leather, or other material, for technical uses
5911.20	Textile bolting cloth, whether or not made up
5911.31	Textile fabric, endless or linked, for paper-making or similar machines, weighing < 650 g/m ²
5911.32	Textile fabric, endless or linked, for paper-making or similar machines, weighing ≥ 650 g/m ²
5911.40	Textile straining cloth used in oil presses or the like, including of human hair
5911.90	Textile products and articles for technical uses, nes

HS No. Description

Chapter 60 Knitted or crocheted fabrics

6001.10	Long pile knitted or crocheted textile fabric
6001.21	Looped pile knitted or crocheted fabric, of cotton
6001.22	Looped pile knitted or crocheted fabric, of man-made fibres
6001.29	Looped pile knitted or crocheted fabric, of other textile materials
6001.91	Pile knitted or crocheted fabric, of cotton, nes
6001.92	Pile knitted or crocheted fabric, of man-made fibre, nes
6001.99	Pile knitted or crocheted fabric, of other textile materials, nes
6002.10	Knitted or crocheted textile fabric, width ≤ 30 cm, $\geq 5\%$ of elastomeric yarn or rubber thread, nes
6002.20	Knitted or crocheted textile fabric, width not exceeding 30 cm, nes
6002.30	Knitted or crocheted textile fabric, width > 30 cm, $\geq 5\%$ of elastomeric yarn or rubber thread, nes
6002.41	Warp knitted fabric, of wool or fine animal hair, nes
6002.42	Warp knitted fabric, of cotton, nes
6002.43	Warp knitted fabric, of man-made fibres, nes
6002.49	Warp knitted fabric, of other materials, nes
6002.91	Knitted or crocheted fabric, of wool or of fine animal hair, nes
6002.92	Knitted or crocheted fabric, of cotton, nes
6002.93	Knitted or crocheted fabric, of manmade fibres, nes
6002.99	Knitted or crocheted fabric, of other materials, nes

Chapter 61 Articles of apparel and clothing accessories, knitted or crocheted

6101.10	Men's or boys' overcoats, anoraks, and sim articles, of wool or fine animal hair, knitted or crocheted
6101.20	Men's or boys' overcoats, anoraks, and similar articles, of cotton, knitted or crocheted
6101.30	Men's or boys' overcoats, anoraks, and similar articles, of man-made fibres, knitted or crocheted
6101.90	Men's or boys' overcoats, anoraks, and sim articles, of other textile materials, knitted or crocheted
6102.10	Women's or girls' overcoats, anoraks and sim art, of wool or fine animal hair, knitted or crocheted
6102.20	Women's or girls' overcoats, anoraks and similar articles, of cotton, knitted or crocheted
6102.30	Women's or girls' overcoats, anoraks and similar articles, of man-made fibres, knitted or crocheted
6102.90	Women's or girls' overcoats, anoraks and sim art, of other textile materials, knitted or crocheted
6103.11	Men's or boys' suits, of wool or fine animal hair, knitted or crocheted
6103.12	Men's or boys' suits, of synthetic fibres, knitted or crocheted
6103.19	Men's or boys' suits, of other textile materials, knitted or crocheted
6103.21	Men's or boys' ensembles, of wool or fine animal hair, knitted or crocheted
6103.22	Men's or boys' ensembles, of cotton, knitted or crocheted
6103.23	Men's or boys' ensembles, of synthetic fibres, knitted or crocheted
6103.29	Men's or boys' ensembles, of other textile materials, knitted or crocheted
6103.31	Men's or boys' jackets and blazers, of wool or fine animal hair, knitted or crocheted
6103.32	Men's or boys' jackets and blazers, of cotton, knitted or crocheted
6103.33	Men's or boys' jackets and blazers, of synthetic fibres, knitted or crocheted
6103.39	Men's or boys' jackets and blazers, of other textile materials, knitted or crocheted
6103.41	Men's or boys' trousers and shorts, of wool or fine animal hair, knitted or crocheted
6103.42	Men's or boys' trousers and shorts, of cotton, knitted or crocheted
6103.43	Men's or boys' trousers and shorts, of synthetic fibres, knitted or crocheted

HS No.	Description
6103.49	Men's or boys' trousers and shorts, of other textile materials, knitted or crocheted
6104.11	Women's or girls' suits, of wool or fine animal hair, knitted or crocheted
6104.12	Women's or girls' suits, of cotton, knitted or crocheted
6104.13	Women's or girls' suits, of synthetic fibres, knitted or crocheted
6104.19	Women's or girls' suits, of other textile materials, knitted or crocheted
6104.21	Women's or girls' ensembles, of wool or fine animal hair, knitted or crocheted
6104.22	Women's or girls' ensembles, of cotton, knitted or crocheted
6104.23	Women's or girls' ensembles, of synthetic fibres, knitted or crocheted
6104.29	Women's or girls' ensembles, of other textile materials, knitted or crocheted
6104.31	Women's or girls' jackets, of wool or fine animal hair, knitted or crocheted
6104.32	Women's or girls' jackets, of cotton, knitted or crocheted
6104.33	Women's or girls' jackets, of synthetic fibres, knitted or crocheted
6104.39	Women's or girls' jackets, of other textile materials, knitted or crocheted
6104.41	Women's or girls' dresses, of wool or fine animal hair, knitted or crocheted
6104.42	Women's or girls' dresses, of cotton, knitted or crocheted
6104.43	Women's or girls' dresses, of synthetic fibres, knitted or crocheted
6104.44	Women's or girls' dresses, of artificial fibres, knitted or crocheted
6104.49	Women's or girls' dresses, of other textile materials, knitted or crocheted
6104.51	Women's or girls' skirts, of wool or fine animal hair, knitted or crocheted
6104.52	Women's or girls' skirts, of cotton, knitted or crocheted
6104.53	Women's or girls' skirts, of synthetic fibres, knitted or crocheted
6104.59	Women's or girls' skirts, of other textile materials, knitted or crocheted
6104.61	Women's or girls' trousers and shorts, of wool or fine animal hair, knitted or crocheted
6104.62	Women's or girls' trousers and shorts, of cotton, knitted or crocheted
6104.63	Women's or girls' trousers and shorts, of synthetic fibres, knitted or crocheted
6104.69	Women's or girls' trousers and shorts, of other textile materials, knitted or crocheted
6105.10	Men's or boys' shirts, of cotton, knitted or crocheted
6105.20	Men's or boys' shirts, of man-made fibres, knitted or crocheted
6105.90	Men's or boys' shirts, of other textile materials, knitted or crocheted
6106.10	Women's or girls' blouses and shirts, of cotton, knitted or crocheted
6106.20	Women's or girls' blouses and shirts, of man-made fibres, knitted or crocheted
6106.90	Women's or girls' blouses and shirts, of other materials, knitted or crocheted
6107.11	Men's or boys' underpants and briefs, of cotton, knitted or crocheted
6107.12	Men's or boys' underpants and briefs, of man-made fibres, knitted or crocheted
6107.19	Men's or boys' underpants and briefs, of other textile materials, knitted or crocheted
6107.21	Men's or boys' nightshirts and pajamas, of cotton, knitted or crocheted
6107.22	Men's or boys' nightshirts and pajamas, of man-made fibres, knitted or crocheted
6107.29	Men's or boys' nightshirts and pajamas, of other textile materials, knitted or crocheted
6107.91	Men's or boys' underpants, briefs, robes, and similar articles of cotton, knitted or crocheted
6107.92	Men's or boys' underpants, briefs, robes, and sim articles of man-made fibres, knitted or crocheted
6107.99	Men's or boys' underwear, briefs, robes, and sim art of other textile materials, knitted or crocheted
6108.11	Women's or girls' slips and petticoats, of man-made fibres, knitted or crocheted
6108.19	Women's or girls' slips and petticoats, of other textile materials, knitted or crocheted

HS No.	Description
6108.21	Women's or girls' briefs and panties, of cotton, knitted or crocheted
6108.22	Women's or girls' briefs and panties, of man-made fibres, knitted or crocheted
6108.29	Women's or girls' briefs and panties, of other textile materials, knitted or crocheted
6108.31	Women's or girls' nightdresses and pajamas, of cotton, knitted or crocheted
6108.32	Women's or girls' nightdresses and pajamas, of man-made fibres, knitted or crocheted
6108.39	Women's or girls' nightdresses and pajamas, of other textile materials, knitted or crocheted
6108.91	Women's or girls' robes, dressing gowns, and similar articles of cotton, nes, knitted or crocheted
6108.92	Women's or girls' robes, dressing gowns, and sim art of man-made fibres, nes, knitted or crocheted
6108.99	Women's or girls' robes, dressing gowns, and sim art of other tex materials, nes, knitted or crocheted
6109.10	T-shirts, singlets, tank tops, and similar garments, of cotton, knitted or crocheted
6109.90	T-shirts, singlets, tank tops, and similar garments, of other textile materials, knitted or crocheted
6110.10	Sweaters, pullovers, sweatshirts, and sim articles of wool or fine animal hair, knitted or crocheted
6110.20	Sweaters, pullovers, sweatshirts, and similar articles of cotton, knitted or crocheted
6110.30	Sweaters, pullovers, sweatshirts, and similar articles of man-made fibres, knitted or crocheted
6110.90	Sweaters, pullovers, sweatshirts, and sim articles of other textile materials, knitted or crocheted
6111.10	Babies' garments and clothing accessories of wool or fine animal hair, knitted or crocheted
6111.20	Babies' garments and clothing accessories of cotton, knitted or crocheted
6111.30	Babies' garments and clothing accessories of synthetic fibres, knitted or crocheted
6111.90	Babies' garments and clothing accessories of other textile materials, knitted or crocheted
6112.11	Track suits, of cotton, knitted or crocheted
6112.12	Track suits, of synthetic fibres, knitted or crocheted
6112.19	Track suits, of other textile materials, knitted or crocheted
6112.20	Ski suits, of textile materials, knitted or crocheted
6112.31	Men's or boys' swimwear, of synthetic fibres, knitted or crocheted
6112.39	Men's or boys' swimwear, of other textile materials, knitted or crocheted
6112.41	Women's or girls' swimwear, of synthetic fibres, knitted or crocheted
6112.49	Women's or girls' swimwear, of other textile materials, knitted or crocheted
6113.00	Garments made up of impregnated, coated, covered or laminated textile knitted or crocheted fabric
6114.10	Garments of wool or fine animal hair, knitted or crocheted, nes
6114.20	Garments of cotton, knitted or crocheted, nes
6114.30	Garments of man-made fibres, knitted or crocheted, nes
6114.90	Garments of other textile materials, knitted or crocheted, nes
6115.11	Panty hose and tights, of synthetic fibre yarn, <67 decitex/single yarn, knitted or crocheted
6115.12	Panty hose and tights, of synthetic fibre yarn, ≥67 decitex/single yarn, knitted or crocheted
6115.19	Panty hose and tights, of other textile materials, knitted or crocheted
6115.20	Women full or knee length hosiery, of textile yarn, <67 decitex/single yarn, knitted or crocheted
6115.91	Hosiery nes, of wool or fine animal hair, knitted or crocheted
6115.92	Hosiery nes, of cotton, knitted or crocheted
6115.93	Hosiery nes, of synthetic fibres, knitted or crocheted
6115.99	Hosiery nes, of other textile materials, knitted or crocheted

HS No.	Description
6116.10	Gloves or mittens, impregnated, coated or covered with plastics or rubber, knitted or crocheted
6116.91	Gloves or mittens, nes, of wool or fine animal hair, knitted or crocheted
6116.92	Gloves or mittens, nes, of cotton, knitted or crocheted
6116.93	Gloves or mittens, nes, of synthetic fibres, knitted or crocheted
6116.99	Gloves or mittens, nes, of other textile materials, knitted or crocheted
6117.10	Shawls, scarves, veils and the like, of textile materials, knitted or crocheted
6117.20	Ties, bow ties and cravats, of textile materials, knitted or crocheted
6117.80	Clothing accessories nes, of textile materials, knitted or crocheted
6117.90	Parts of garments or clothing accessories, of textile materials, knitted or crocheted

Chapter 62 Articles of apparel and clothing accessories, not knitted or crocheted

6201.11	Men's or boys' overcoats, and similar articles of wool or fine animal hair, not knitted or crocheted
6201.12	Men's or boys' overcoats, and similar articles of cotton, not knitted or crocheted
6201.13	Men's or boys' overcoats, and similar articles of man-made fibres, not knitted or crocheted
6201.19	Men's or boys' overcoats, and similar articles of other textile materials, not knitted or crocheted
6201.91	Men's or boys' anoraks and similar articles, of wool or fine animal hair, not knitted or crocheted
6201.92	Men's or boys' anoraks and similar articles, of cotton, not knitted or crocheted
6201.93	Men's or boys' anoraks and similar articles, of man-made fibres, not knitted or crocheted
6201.99	Men's or boys' anoraks and similar articles, of other textile materials, not knitted or crocheted
6202.11	Women's or girls' overcoats and similar articles of wool or fine animal hair not knitted or crocheted
6202.12	Women's or girls' overcoats and similar articles of cotton, not knitted or crocheted
6202.13	Women's or girls' overcoats and similar articles of man-made fibres, not knitted or crocheted
6202.19	Women's or girls' overcoats and similar articles of other textile mat, not knitted or crocheted
6202.91	Women's or girls' anoraks and similar article of wool or fine animal hair, not knitted or crocheted
6202.92	Women's or girls' anoraks and similar article of cotton, not knitted or crocheted
6202.93	Women's or girls' anoraks and similar article of man-made fibres, not knitted or crocheted
6202.99	Women's or girls' anoraks and similar article of other textile materials, not knitted or crocheted
6203.11	Men's or boys' suits, of wool or fine animal hair, not knitted or crocheted
6203.12	Men's or boys' suits, of synthetic fibres, not knitted or crocheted
6203.19	Men's or boys' suits, of other textile materials, not knitted or crocheted
6203.21	Men's or boys' ensembles, of wool or fine animal hair, not knitted or crocheted
6203.22	Men's or boys' ensembles, of cotton, not knitted or crocheted
6203.23	Men's or boys' ensembles, of synthetic fibres, not knitted or crocheted
6203.29	Men's or boys' ensembles, of other textile materials, not knitted or crocheted
6203.31	Men's or boys' jackets and blazers, of wool or fine animal hair, not knitted or crocheted
6203.32	Men's or boys' jackets and blazers, of cotton, not knitted or crocheted

HS No.	Description
6203.33	Men's or boys' jackets and blazers, of synthetic fibres, not knitted or crocheted
6203.39	Men's or boys' jackets and blazers, of other textile materials, not knitted or crocheted
6203.41	Men's or boys' trousers and shorts, of wool or fine animal hair, not knitted or crocheted
6203.42	Men's or boys' trousers and shorts, of cotton, not knitted or crocheted
6203.43	Men's or boys' trousers and shorts, of synthetic fibres, not knitted or crocheted
6203.49	Men's or boys' trousers and shorts, of other textile materials, not knitted or crocheted
6204.11	Women's or girls' suits, of wool or fine animal hair, not knitted or crocheted
6204.12	Women's or girls' suits, of cotton, not knitted or crocheted
6204.13	Women's or girls' suits, of synthetic fibres, not knitted or crocheted
6204.19	Women's or girls' suits, of other textile materials, not knitted or crocheted
6204.21	Women's or girls' ensembles, of wool or fine animal hair, not knitted or crocheted
6204.22	Women's or girls' ensembles, of cotton, not knitted or crocheted
6204.23	Women's or girls' ensembles, of synthetic fibres, not knitted or crocheted
6204.29	Women's or girls' ensembles, of other textile materials, not knitted or crocheted
6204.31	Women's or girls' jackets, of wool or fine animal hair, not knitted or crocheted
6204.32	Women's or girls' jackets, of cotton, not knitted or crocheted
6204.33	Women's or girls' jackets, of synthetic fibres, not knitted or crocheted
6204.39	Women's or girls' jackets, of other textile materials, not knitted or crocheted
6204.41	Women's or girls' dresses, of wool or fine animal hair, not knitted or crocheted
6204.42	Women's or girls' dresses, of cotton, not knitted or crocheted
6204.43	Women's or girls' dresses, of synthetic fibres, not knitted or crocheted
6204.44	Women's or girls' dresses, of artificial fibres, not knitted or crocheted
6204.49	Women's or girls' dresses, of other textile materials, not knitted or crocheted
6204.51	Women's or girls' skirts, of wool or fine animal hair, not knitted or crocheted
6204.52	Women's or girls' skirts, of cotton, not knitted or crocheted
6204.53	Women's or girls' skirts, of synthetic fibres, not knitted or crocheted
6204.59	Women's or girls' skirts, of other textile materials, not knitted or crocheted
6204.61	Women's or girls' trousers and shorts, of wool or fine animal hair, not knitted or crocheted
6204.62	Women's or girls' trousers and shorts, of cotton, not knitted or crocheted
6204.63	Women's or girls' trousers and shorts, of synthetic fibres, not knitted or crocheted
6204.69	Women's or girls' trousers and shorts, of other textile materials, not knitted or crocheted
6205.10	Men's or boys' shirts, of wool or fine animal hair, not knitted or crocheted
6205.20	Men's or boys' shirts, of cotton, not knitted or crocheted
6205.30	Men's or boys' shirts, of man-made fibres, not knitted or crocheted
6205.90	Men's or boys' shirts, of other textile materials, not knitted or crocheted
6206.10	Women's or girls' blouses and shirts, of silk or silk waste, not knitted or crocheted
6206.20	Women's or girls' blouses and shirts, of wool or fine animal hair, not knitted or crocheted
6206.30	Women's or girls' blouses and shirts, of cotton, not knitted or crocheted
6206.40	Women's or girls' blouses and shirts, of man-made fibres, not knitted or crocheted

HS No.	Description
6206.90	Women's or girls' blouses and shirts, of other textile materials, not knitted or crocheted
6207.11	Men's or boys' underpants and briefs, of cotton, not knitted or crocheted
6207.19	Men's or boys' underpants and briefs, of other textile materials, not knitted or crocheted
6207.21	Men's or boys' nightshirts and pajamas, of cotton, not knitted or crocheted
6207.22	Men's or boys' nightshirts and pajamas, of man-made fibres, not knitted or crocheted
6207.29	Men's or boys' nightshirts and pajamas, of other textile materials, not knitted or crocheted
6207.91	Men's or boys' robes, dressing gowns, and similar articles of cotton, not knitted or crocheted
6207.92	Men's or boys' robes, dressing gowns, and sim art of man-made fibres, not knitted or crocheted
6207.99	Men's or boys' robes, dressing gowns, and similar articles of other textile materials, not knit
6208.11	Women's or girls' slips and petticoats, of man-made fibres, not knitted or crocheted
6208.19	Women's or girls' slips and petticoats, of other textile materials, not knitted or crocheted
6208.21	Women's or girls' nightdresses and pajamas, of cotton, not knitted or crocheted
6208.22	Women's or girls' nightdresses and pajamas, of man-made fibres, not knitted or crocheted
6208.29	Women's or girls' nightdresses and pajamas, of other textile materials, not knitted or crocheted
6208.91	Women's or girls' panties, robes, and similar articles of cotton, not knitted or crocheted
6208.92	Women's or girls' panties, robes, and similar articles of man-made fibres, not knitted or crocheted
6208.99	Women's or girls' panties, robes, and sim art of other textile materials, not knitted or crocheted
6209.10	Babies' garments and clothing accessories of wool or fine animal hair, not knitted or crocheted
6209.20	Babies' garments and clothing accessories of cotton, not knitted or crocheted
6209.30	Babies' garments and clothing accessories of synthetic fibres, not knitted or crocheted
6209.90	Babies' garments and clothing accessories of other textile materials, not knitted or crocheted
6210.10	Garments made up of textile felts and of nonwoven textile fabric
6210.20	Men's or boys' overcoats and similar articles of impreg, coated, covered etc, textile fabric
6210.30	Women's or girls' overcoats and sim art, of impregnated, coated, covered, or laminated woven fabric
6210.40	Men's or boys' garments nes, made up of impregnated, coated, covered, or laminated woven fabric
6210.50	Women's or girls' garments nes, of impregnated, coated, covered, or laminated woven fabric
6211.11	Men's or boys' swimwear, of textile materials not knitted or crocheted
6211.12	Women's or girls' swimwear, of textile materials, not knitted or crocheted
6211.20	Ski suits, of textile materials, not knitted or crocheted
6211.31	Men's or boys' garments nes, of wool or fine animal hair, not knitted or crocheted
6211.32	Men's or boys' garments nes, of cotton, not knitted or crocheted
6211.33	Men's or boys' garments nes, of man-made fibres, not knitted or crocheted
6211.39	Men's or boys' garments nes, of other textile materials, not knitted or crocheted

HS No.	Description
6211.41	Women's or girls' garments nes, of wool or fine animal hair, not knitted or crocheted
6211.42	Women's or girls' garments nes, of cotton, not knitted or crocheted
6211.43	Women's or girls' garments nes, of man-made fibres, not knitted or crocheted
6211.49	Women's or girls' garments nes, of other textile materials, not knitted or crocheted
6212.10	Brassieres and parts thereof, of textile materials, whether or not knitted or crocheted
6212.20	Girdles, panty girdles and parts thereof, of textile materials, whether or not knitted or crocheted
6212.30	Corselettes and parts thereof, of textile materials, whether or not knitted or crocheted
6212.90	Corsets, braces and sim articles and parts, of textile materials, whether or not knitted or crocheted
6213.10	Handkerchiefs, of silk or silk waste, not knitted or crocheted
6213.20	Handkerchiefs, of cotton, not knitted or crocheted
6213.90	Handkerchiefs, of other textile materials, not knitted or crocheted
6214.10	Shawls, scarves, veils and the like, of silk or silk waste, not knitted or crocheted
6214.20	Shawls, scarves, veils and the like, of wool or fine animal hair, not knitted or crocheted
6214.30	Shawls, scarves, veils and the like, of synthetic fibres, not knitted or crocheted
6214.40	Shawls, scarves, veils and the like, of artificial fibres, not knitted or crocheted
6214.90	Shawls, scarves, veils and the like, of other textile materials, not knitted or crocheted
6215.10	Ties, bow ties and cravats, of silk or silk waste, not knitted or crocheted
6215.20	Ties, bow ties and cravats, of man-made fibres, not knitted or crocheted
6215.90	Ties, bow ties and cravats, of other textile materials, not knitted or crocheted
6216.00	Gloves, mittens and mitts, of textile materials, not knitted or crocheted
6217.10	Clothing accessories of textile materials, not knitted or crocheted, nes
6217.90	Parts of garments or of clothing accessories of textile materials, not knitted or crocheted, nes

Chapter 63 Other made up textile articles; needlecraft sets; worn clothing and worn textile articles; rags

6301.10	Electric blankets, of textile materials
6301.20	Blankets (other than electric) and travelling rugs, of wool or fine animal hair
6301.30	Blankets (other than electric) and travelling rugs, of cotton
6301.40	Blankets (other than electric) and travelling rugs, of synthetic fibres
6301.90	Blankets (other than electric) and travelling rugs, of other textile materials
6302.10	Bed linen, of textile knitted or crocheted or crocheted materials
6302.21	Bed linen, of cotton, printed, not knitted or crocheted
6302.22	Bed linen, of man-made fibres, printed, not knitted or crocheted
6302.29	Bed linen, of other textile materials, printed, not knitted or crocheted
6302.31	Bed linen, of cotton, nes
6302.32	Bed linen, of man-made fibres, nes
6302.39	Bed linen, of other textile materials, nes
6302.40	Table linen, of textile knitted or crocheted materials
6302.51	Table linen, of cotton, not knitted or crocheted
6302.52	Table linen, of flax, not knitted or crocheted
6302.53	Table linen, of man-made fibres, not knitted or crocheted
6302.59	Table linen, of other textile materials, not knitted or crocheted
6302.60	Toilet and kitchen linen, of terry toweling or similar terry fabric, of cotton

HS No.	Description
6302.91	Toilet and kitchen linen, of cotton, nes
6302.92	Toilet and kitchen linen, of flax
6302.93	Toilet and kitchen linen, of man-made fibres
6302.99	Toilet and kitchen linen, of other textile materials
6303.11	Curtains, interior blinds and curtain or bed valances, of cotton, knitted or crocheted
6303.12	Curtains, interior blinds and curtain or bed valances, of synthetic fibre, knitted or crocheted
6303.19	Curtains, interior blinds and curtain or bed valances, other textile materials, knitted or crocheted
6303.91	Curtains, interior blinds and curtain or bed valances, of cotton, not knitted or crocheted
6303.92	Curtains, interior blinds and curtain or bed valances, of synthetic fibre, not knitted or crocheted
6303.99	Curtains, interior blinds and curtain or bed valances, of other tex mat, not knitted or crocheted
6304.11	Bedspreads of textile materials, nes, knitted or crocheted
6304.19	Bedspreads of textile materials, nes, not knitted or crocheted
6304.91	Furnishing articles nes, of textile materials, knitted or crocheted
6304.92	Furnishing articles nes, of cotton, not knitted or crocheted
6304.93	Furnishing articles nes, of synthetic fibres, not knitted or crocheted
6304.99	Furnishing articles nes, of other textile materials, not knitted or crocheted
6305.10	Sacks and bags of jute or of other textile bast fibres
6305.20	Sacks and bags of cotton
6305.32	Sacks and bags of man-made textile materials - flexible intermediate bulk containers
6305.33	Sacks and bags of polyethylene or polypropylene strips
6305.39	Sacks and bags of other man-made textile materials
6305.90	Sacks and bags of other textile materials
6306.11	Tarpaulins, awnings and sunblinds, of cotton
6306.12	Tarpaulins, awnings and sunblinds, of synthetic fibres
6306.19	Tarpaulins, awnings and sunblinds, of other textile materials
6306.21	Tents, of cotton
6306.22	Tents, of synthetic fibres
6306.29	Tents, of other textile materials
6306.31	Sails, of synthetic fibres
6306.39	Sails, of other textile materials
6306.41	Pneumatic mattresses, of cotton
6306.49	Pneumatic mattresses, of other textile materials
6306.91	Camping goods nes, of cotton
6306.99	Camping goods nes, of other textile materials
6307.10	Floor-cloths, dish-cloths, dusters and similar cleaning cloths, of textile materials
6307.20	Life jackets and life belts, of textile materials
6307.90	Made up articles, of textile materials, nes, including dress patterns
6308.00	Sets of woven fabric and yarn, for rugs, tapestries, and similar textile articles, for retail sale
6309.00	Worn clothing and other worn articles

Chapter 64 Footwear, gaiters, and the like; parts of such articles

ex 6405.20	Footwear with soles and uppers of wool felt
ex 6406.10	Footwear uppers of which the external surface is $\geq 50\%$ textile material
ex 6406.99	Leg warmers and gaiters of textile materials

Chapter 65 Headgear and parts thereof

6501.00	Hat-forms, hat bodies and hoods of felt; plateaux and manchons of felt
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HS No.	Description
6502.00	Hat-shapes, plaited or made by assembling strips of any material
6503.00	Felt hats and other felt headgear
6504.00	Hats and other headgear, plaited or made by assembling strips of any material
6505.90	Hats and other headgear, knitted or made up from lace, or other textile materials

Chapter 66 Umbrellas, sun umbrellas, walking sticks, seatsticks, whips, riding-crops and parts thereof

6601.10	Umbrellas and sun umbrellas, garden type
6601.91	Other umbrella types, telescopic shaft
6601.99	Other umbrellas

Chapter 70 Glass and glassware

ex 7019.19	Yarn of fibre glass
7019.40	Woven fabric of rovings
7019.51	Other woven fabric, of a width ≤ 30 cm
7019.52	Other woven fabric, of a width > 30 cm, plain weave, weighing < 250 g/m ² , of filaments measuring per single yarn ≤ 136 tex
7019.59	Other woven fabric, other

Chapter 88 Aircraft, spacecraft, and parts thereof

8804.00	Parachutes; their parts and accessories
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Chapter 91 Clocks and watches and parts thereof

9113.90	Watch straps, bands and bracelets of textile materials
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Chapter 94 Furniture; bedding, mattresses, mattress supports, cushions and similar stuffed furnishings

ex 9404.90	Pillow and cushions of cotton; quilts; eiderdowns; comforters and sim articles of textile materials
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Chapter 95 Toys, games and sports requisites; parts and accessories thereof

9502.91	Garments for dolls
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Chapter 96 Miscellaneous manufactured articles

ex 9612.10	Woven ribbons, of man-made fibres, other than those < 30 mm wide and permanently in cartridges
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Appendix 4.1

Flexibility Provisions

1. Adjustments to annual specific limits (SLs), may be made as follows:
 - (a) the exporting Party may increase the SL for a calendar year by no more than six per cent ("swing").
 - (b) in addition to any increase of its SL under subparagraph (a), the exporting Party may increase its unadjusted SL for that year by no more than 11 per cent by allocating to such SL for that calendar year (the "receiving year") an unused portion ("shortfall") of the corresponding SL for the previous calendar year ("carryover") or a portion of the corresponding SL for the following calendar year ("carryforward"), as follows:
 - (i) subject to subparagraph (iii), the exporting Party may utilize carryover, as available, up to 11 per cent of the unadjusted SL for the receiving year,
 - (ii) the exporting Party may utilize carryforward charged against the corresponding SL for the following calendar year, up to six per cent of the unadjusted SL for the receiving year,
 - (iii) the combination of the exporting Party's carryover and carryforward shall not exceed 11 per cent of the unadjusted SL in the receiving year, and
 - (iv) carryover may be utilized only following confirmation by the importing Party that sufficient shortfall exists. If the importing Party does not consider that sufficient shortfall exists, it shall promptly provide data to the exporting Party to support that view. Where substantial statistical differences exist between the import and export data on which the shortfall is computed, the Parties shall seek to resolve these differences promptly.

Appendix 5.1

Special Provisions

Preferential Tariff Treatment for Non-Originating Goods of the Other Party

Apparel and Made-Up Goods

1. (a) Each Party shall apply the rate of duty applicable to originating goods set out in its Schedule to Annex C-02.2, up to the annual quantities specified in Schedule 5.B.1, in SME, to apparel goods provided for in Chapters 61 and 62 that are both cut (or knit to shape) and sewn or otherwise assembled in the territory of a Party from fabric or yarn produced or obtained outside the free trade area, and that meet other applicable conditions for preferred tariff treatment under this Agreement. The SME shall be determined in accordance with the conversion factors set out in Appendix 5.2.
- (b) The annual tariff preference levels (TPLs) set out in Schedule 5.B.1 for cotton or man-made fibre apparel shall be increased annually by two per cent for six consecutive years beginning January 1, 1998.
- (c) The annual tariff preference levels (TPLs) set out in Schedule 5.B.1 for wool apparel shall be increased annually by two per cent for six consecutive years beginning January 1, 1998.

Fabric and Made-Up Goods

2. (a) Each Party shall apply the rate of duty applicable to originating goods set out in its Schedule to Annex C-02.2, up to the annual quantities specified in Schedule 5.B.2, in SME, to cotton or man-made fibre fabric and cotton or man-made fibre made-up textile goods provided for in Chapters 52 through 55 (excluding goods containing 36% or more by weight of wool or fine animal hair), 58, 60, and 63 that are woven or knit in a Party from yarn produced or obtained outside the free trade area, or knit in a Party from yarn spun in a Party from fibre produced or obtained outside the free trade area, and to goods of subheading 9404.90 that are finished and cut and sewn or otherwise assembled from fabrics of subheadings 5208.11 through 5208.29, 5209.11 through 5209.29, 5210.11 through 5210.29, 5211.11 through 5211.29, 5212.11, 5212.12, 5212.21, 5212.22, 5407.41, 5407.51, 5407.71, 5407.81, 5407.91, 5408.21, 5408.31, 5512.11, 5512.21, 5512.91, 5513.11 through 5513.19, 5514.11 through 5514.19, 5516.11, 5516.21, 5516.31, 5516.41 or 5516.91 produced or obtained outside the free trade area, and that meet other applicable conditions for preferred tariff treatment under this Agreement. The SME shall be determined in accordance with the conversion factors set out in Appendix 5.2.
- (b) Each Party shall apply the rate of duty applicable to originating goods set out in its Schedule to Annex C-02.2, up to the annual quantities specified in Schedule 5.B.2, in SME, to wool fabric and wool made-up textile goods provided for in Chapters 51 through 55 (containing 36% or more by weight of wool or fine animal hair), 58, 60 and 63 that are woven or knit in a Party from yarn produced or obtained outside the free trade area or, knit in a Party from yarn spun in a Party from fibre produced or obtained outside the free trade area, and that meet other applicable conditions for preferred tariff treatment under this Agreement. The SME shall be determined in accordance with the conversion factors set out in Appendix 5.2.

Spun Yarn

3. Each Party shall apply the rate of duty applicable to originating goods set out in its Schedule to Annex C-02.2, up to the annual quantities specified in Schedule 5.B.3, in kilograms (kg), to cotton or man-made fibre yarns provided for in headings 52.05 through 52.07 or 55.09 through 55.11 that are spun in a Party from fibre of headings 52.01 through 52.03 or 55.01 through 55.07, produced or obtained outside the free trade area and that meet other applicable conditions for preferred tariff treatment under this Agreement.

4. Textile or apparel goods that enter the territory of a Party under paragraph 1, 2 or 3 shall not be considered to be originating goods.

Certification Requirements

5. The Parties shall, prior to the date on which the Agreement enters into force, for purposes of determining eligibility for the TPLs provided under this Annex, consult on the documentation or certification requirements, if any, for importation of the goods for which the benefit of a TPL is being claimed.

Review and Consultations

6. Trade in the goods referred to in paragraphs 1, 2 and 3 shall be monitored by the Parties. On request of any Party wishing to adjust any annual TPL, based on the ability to obtain supplies of particular fibres, yarns and fabrics, as appropriate, that can be used to produce originating goods, the Parties shall consult with a view to adjusting such level. Any adjustment in the TPL requires the mutual consent of the Parties.

Schedule 5.B.1

**Preferential Tariff Treatment for Non-Originating
Apparel and Made-Up Goods**

Imports into Canada:	from Chile
(a) Cotton or Man-made fibre apparel	2,000,000 SMEs
(b) Wool apparel	100,000 SMEs
Imports into Chile:	from Canada
(a) Cotton or Man-made fibre apparel	2,000,000 SMEs
(b) Wool apparel	100,000 SMEs

Schedule 5.B.2

**Preferential Tariff Treatment for Non-Originating
Fabrics and Made-Up Goods**

Imports into Canada	from Chile
(a) Cotton or Man-made fibre fabrics and made-up goods	1,000,000 SMEs
(b) Wool fabrics and made- up goods	250,000 SMEs
Imports into Chile	from Canada
(a) Cotton or Man-made fibre fabrics and made-up goods	1,000,000 SMEs
(b) Wool fabrics and made- up goods	250,000 SMEs

Schedule 5.B.3

**Preferential Tariff Treatment for Non-Originating
Cotton or Man-made Fibre Spun Yarn**

Imports into Canada	from Chile 500,000 kg
Imports into Chile	from Canada 500,000 kg

Appendix 5.2

Conversion Factors⁴

1. This Schedule applies to restrictions and consultation levels applied pursuant to Sections 3 and 4 and Appendix 5.1.
2. Unless otherwise provided in this Annex, or as may be mutually agreed between the Parties with respect to trade between them, the rates of conversion into SME set out in paragraphs 3 through 6 shall apply.
3. The following conversion factors shall apply to the goods covered by the following U.S. categories:

U.S. Category	Conversion Factor	Description	Primary Unit of Measure
200	6.60	YARN FOR RETAIL SALE, SEWING THREAD	KG
201	6.50	SPECIALTY YARNS	KG
218	1.00	FABRIC OF YARNS OF DIFFERENT COLOURS	SM
219	1.00	DUCK FABRIC	SM
220	1.00	FABRIC OF SPECIAL WEAVE	SM
222	6.00	KNIT FABRIC	KG
223	14.00	NON-WOVEN FABRIC	KG
224	1.00	PILE & TUFTED FABRIC	SM
225	1.00	BLUE DENIM FABRIC	SM
226	1.00	CHEESECLOTH, BATISTE, LAWN & VOILE	SM
227	1.00	OXFORD CLOTH	SM
229	13.60	SPECIAL PURPOSE FABRIC	KG
237	19.20	PLAYSUITS, SUNSUITS, ETC	DZ
239	6.30	BABIES' GARMENTS & CLOTHING ACCESS.	KG
300	8.50	CARDED COTTON YARN	KG
301	8.50	COMBED COTTON YARN	KG
313	1.00	COTTON SHEETING FABRIC	SM
314	1.00	COTTON POPLIN & BROADCLOTH FABRIC	SM
315	1.00	COTTON PRINTCLOTH FABRIC	SM
317	1.00	COTTON TWILL FABRIC	SM
326	1.00	COTTON SATEEN FABRIC	SM
330	1.40	COTTON HANDKERCHIEFS	DZ
331	2.90	COTTON GLOVES AND MITTENS	DPR
332	3.80	COTTON HOSIERY	DPR
333	30.30	M&B SUIT-TYPE COATS, COTTON	DZ
334	34.50	OTHER M&B COATS, COTTON	DZ
335	34.50	W&G COTTON COATS	DZ
336	37.90	COTTON DRESSES	DZ
338	6.00	M&B COTTON KNIT SHIRTS	DZ
339	6.00	W&G COTTON KNIT SHIRTS/BLOUSES	DZ
340	20.10	M&B COTTON SHIRTS, NOT KNIT	DZ
341	12.10	W&G COTTON SHIRTS/BLOUSES, NOT KNIT	DZ
342	14.90	COTTON SKIRTS	DZ
345	30.80	COTTON SWEATERS	DZ
347	14.90	M&B COTTON TROUSERS/BREECHES/SHORTS	DZ
348	14.90	W&G COTTON TROUSERS/BREECHES/SHORTS	DZ
349	4.00	BRASSIERES, OTHER BODY SUPPORT GARMENTS	DZ
350	42.60	COTTON DRESSING GOWNS, ROBES ETC.	DZ
351	43.50	COTTON NIGHTWEAR/PAJAMAS	DZ
352	9.20	COTTON UNDERWEAR	DZ
353	34.50	M&B COTTON DOWN-FILLED COATS	DZ
354	34.50	W&G COTTON DOWN-FILLED COATS	DZ
359	8.50	OTHER COTTON APPAREL	KG
360	0.90	COTTON PILLOWCASES	NO
361	5.20	COTTON SHEETS	NO
362	5.80	OTHER COTTON BEDDING	NO

⁴ For purposes of this Appendix only, references to U.S. Harmonized System Statistical Provisions are based on the 1992 Harmonized System.

U.S. Category	Conversion Factor	Description	Primary Unit of Measure
363	0.40	COTTON TERRY & OTHER PILE TOWELS	NO
369	8.50	OTHER COTTON MANUFACTURES	KG
400	3.70	WOOL YARN	KG
410	1.00	WOOL WOVEN FABRIC	SM
414	2.80	OTHER WOOL FABRIC	KG
431	1.80	WOOL GLOVES/MITTENS	DPR
432	2.30	WOOL HOSIERY	DPR
433	30.10	M&B WOOL SUIT-TYPE COATS	DZ
434	45.10	OTHER M&B WOOL COATS	DZ
435	45.10	W&G WOOL COATS	DZ
436	41.10	WOOL DRESSES	DZ
438	12.50	WOOL KNIT SHIRTS/BLOUSES	DZ
439	6.30	BABIES' WOOL GARM/CLOTHING ACCESS.	KG
440	20.10	WOOL SHIRTS/BLOUSES, NOT-KNIT	DZ
442	15.00	WOOL SKIRTS	DZ
443	3.76	M&B WOOL SUITS	NO
444	3.76	W&G WOOL SUITS	NO
445	12.40	M&B WOOL SWEATERS	DZ
446	12.40	W&G WOOL SWEATERS	DZ
447	15.00	M&B WOOL TROUSERS/BREECHES/SHORTS	DZ
448	15.00	W&G WOOL TROUSERS/BREECHES/SHORTS	DZ
459	3.70	OTHER WOOL APPAREL	KG
464	2.40	WOOL BLANKETS	KG
465	1.00	WOOL FLOOR COVERINGS	SM
469	3.70	OTHER WOOL MANUFACTURES	KG
600	6.50	TEXTURED FILAMENT YARN	KG
603	6.30	YARN ≥85% ARTIFICIAL STAPLE FIBRE	KG
604	7.60	YARN ≥85% SYNTHETIC STAPLE FIBRE	KG
606	20.10	NON-TEXTURED FILAMENT YARN	KG
607	6.50	OTHER STAPLE FIBRE YARN	KG
611	1.00	WOVEN FABRIC ≥85% ARTIFICIAL STAPLE	SM
613	1.00	MMF SHEETING FABRIC	SM
614	1.00	MMF POPLIN & BROADCLOTH FABRIC	SM
615	1.00	MMF PRINTCLOTH FABRIC	SM
617	1.00	MMF TWILL AND SATEEN FABRIC	SM
618	1.00	WOVEN ARTIFICIAL FILAMENT FABRIC	SM
619	1.00	POLYESTER FILAMENT FABRIC	SM
620	1.00	OTHER SYNTHETIC FILAMENT FABRIC	SM
621	14.40	IMPRESSION FABRIC	KG
622	1.00	GLASS FIBRE FABRIC	SM
624	1.00	WOVEN MMF FABRIC, 15% TO 36% WOOL	SM
625	1.00	MMF STAPLE/FILAMENT POPLIN & BROADCLOTH FABRIC	SM
626	1.00	MMF STAPLE/FILAMENT PRINTCLOTH FABRIC	SM
627	1.00	MMF STAPLE/FILAMENT SHEETING FABRIC	SM
628	1.00	MMF STAPLE/FILAMENT TWILL/SATEEN FABRIC	SM
629	1.00	OTHER MMF STAPLE/FILAMENT FABRIC	SM
630	1.40	MMF HANDKERCHIEFS	DZ
631	2.90	MMF GLOVES AND MITTENS	DPR
632	3.80	MMF HOSIERY	DPR
633	30.30	M&B MMF SUIT-TYPE COATS	DZ
634	34.50	OTHER M&B MMF COATS	DZ
635	34.50	W&G MMF COATS	DZ
636	37.90	MMF DRESSES	DZ
638	15.00	M&B MMF KNIT SHIRTS	DZ
639	12.50	W&G MMF KNIT SHIRTS & BLOUSES	DZ
640	20.10	M&B NOT-KNIT MMF SHIRTS	DZ
641	12.10	W&G NOT-KNIT MMF SHIRTS & BLOUSES	DZ
642	14.90	MMF SKIRTS	DZ
643	3.76	M&B MMF SUITS	NO
644	3.76	W&G MMF SUITS	NO
645	30.80	M&B MMF SWEATERS	DZ
646	30.80	W&G MMF SWEATERS	DZ
647	14.90	M&B MMF TROUSERS/BREECHES/SHORTS	DZ
648	14.90	W&G MMF TROUSERS/BREECHES/SHORTS	DZ
649	4.00	MMF BRAS & OTHER BODY SUPPORT GARMENTS	DZ
650	42.60	MMF ROBES, DRESSING GOWNS, ETC.	DZ
651	43.50	MMF NIGHTWEAR & PAJAMAS	DZ
652	13.40	MMF UNDERWEAR	DZ

U.S. Category	Conversion Factor	Description	Primary Unit of Measure
653	34.50	M&B MMF DOWN-FILLED COATS	DZ
654	34.50	W&G MMF DOWN-FILLED COATS	DZ
659	14.40	OTHER MMF APPAREL	KG
665	1.00	MMF FLOOR COVERINGS	SM
666	14.40	OTHER MMF FURNISHINGS	KG
669	14.40	OTHER MMF MANUFACTURES	KG
670	3.70	MMF FLAT GOODS, HANDBAGS, LUGGAGE	KG
800	8.50	YARN, SILK BLENDS/VEGETABLE FIBRE	KG
810	1.00	WOVEN FABRIC, SILK BLENDS/VEGETABLE FIBRE	SM
831	2.90	GLOVES & MITTENS, SILK BLENDS/VEGETABLE FIBRE	DPR
832	3.80	HOSIERY, SILK BLENDS/VEGETABLE FIBRE	DPR
833	30.30	M&B SUIT-TYPE COATS, SILK BLENDS/VEGETABLE FIBRE	DZ
834	34.50	OTHER M&B COATS, SILK BLENDS/VEGETABLE FIBRE	DZ
835	34.50	W&G COATS, SILK BLENDS/VEGETABLE FIBRE	DZ
836	37.90	DRESSES, SILK BLENDS/VEGETABLE FIBRE	DZ
838	11.70	KNIT SHIRTS & BLOUSES, SILK BLENDS/VEGETABLE FIBRE	DZ
839	6.30	BABIES' GARM & CLOTHING ACCESSORIES, SILK/VEG FIBRE	KG
840	16.70	NOT-KNIT SHIRTS & BLOUSES, SILK BLENDS/ VEGETABLE FIBRE	DZ
842	14.90	SKIRTS, SILK BLENDS/VEGETABLE FIBRES	DZ
843	3.76	M&B SUITS, SILK BLENDS/VEGETABLE FIBRE	NO
844	3.76	W&G SUITS, SILK BLENDS/VEGETABLE FIBRE	NO
845	30.80	SWEATERS, NON-COTTON VEGETABLE FIBRES	DZ
846	30.80	SWEATERS, SILK BLENDS	DZ
847	14.90	TROUSERS/BREECHES/SHORTS, SILK BLENDS/ VEGETABLE FIBRE	DZ
850	42.60	ROBES, DRESSING GOWNS, ETC, SILK BLENDS/ VEGETABLE FIBRE	DZ
851	43.50	NIGHTWEAR & PYJAMAS, SILK BLENDS/VEGETABLE FIBRE	DZ
852	11.30	UNDERWEAR, SILK BLENDS/VEGETABLE FIBRE	DZ
858	6.60	NECKWEAR, SILK BLENDS/VEGETABLE FIBRE	KG
859	12.50	OTHER SILK BLEND/VEGETABLE FIBRE APPAREL	KG
863	0.40	TOWELS, SILK BLENDS/VEGETABLE FIBRES	NO
870	3.70	LUGGAGE, SILK BLENDS/VEGETABLE FIBRES	KG
871	3.70	HANDBAGS & FLATGOODS, SILK BLENDS/VEGETABLE FIBRE	KG
899	11.10	OTHER SILK BLENDS/VEGETABLE FIBRE MANUFACTURES	KG

4. The following conversion factors shall apply to the following goods not covered by a U.S. category:

U.S. Harmonized System Statistical Provision	Conversion Factor	Primary Unit of Measure	Description
5208.31.2000	1.00	SM	WOVEN FABRIC, 85% > COTTON, <100G/M2 CERTIFIED HAND-LOOM FABRIC, DYED
5208.32.1000	1.00	SM	WOVEN FABRIC, 85% > COTTON, 100-200G/M2 CERTIFIED HAND-LOOM FABRIC, DYED
5208.41.2000	1.00	SM	WOVEN FABRIC, ≥85% COTTON ≤100G/M2 CERTIFIED HAND-LOOM, YARNS OF DIFFERENT COLOURS
5208.42.1000	1.00	SM	WOVEN FABRIC, ≥85% COTTON 100-200G/M2 CERTIFIED HAND-LOOM, YARNS OF DIFFERENT COLOURS
5208.51.2000	1.00	SM	WOVEN FABRIC, 85% > COTTON ≤100G/M2 PLAIN WEAVE, CERTIFIED HAND-LOOM, PRINTED
5208.52.1000	1.00	SM	WOVEN FABRIC, ≥85% COTTON 100-200G/M2 PLAIN WEAVE, CERTIFIED HAND-LOOM, PRINTED
5209.31.3000	1.00	SM	WOVEN FABRIC, 85% > COTTON >200G/M2 PLAIN WEAVE, CERTIFIED HAND-LOOM, DYED
5209.41.3000	1.00	SM	WOVEN FABRIC, 85% > COTTON >200G/M2, PLAIN WEAVE, YARNS OF DIFFERENT COLOURS
5209.51.3000	1.00	SM	WOVEN FABRIC, >85% COTTON >200G/M2, PLAIN WEAVE, CERTIFIED HAND-LOOM, PRINTED
5307.10.0000	8.50	KG	YARN, JUTE OR OTHER TEXTILE BAST FIBRE (EXCLUDING FLAX/HEMP/RAMIE), SINGLE

U.S. Harmonized System Statistical Provision	Conversion Factor	Primary Unit of Measure	Description
5307.20.0000	8.50	KG	YARN, JUTE OR OTHER TEXTILE BAST FIBRE (EX. FLAX/HEMP/RAMIE), MULTIPLE/CABLE
5308.10.0000	8.50	KG	YARN, COIR
5308.30.0000	8.50	KG	YARN, PAPER
5310.10.0020	1.00	SM	WOVEN FABRIC, JUTE OR OTHER TEXTILE BAST FIBRE (EX FLAX/HEMP/RAMIE), ≤130CM WIDE, UNBLEACHED
5310.10.0040	1.00	SM	WOVEN FABRIC, JUTE OR OTHER TEXTILE BAST FIBRE (EX FLAX/HEMP/RAMIE) >130 TO ≤250 CM WIDE, UNBLEACHED
5310.10.0060	1.00	SM	WOVEN FABRIC, JUTE OR OTHER TEXTILE BAST FIBRE (EX FLAX/HEMP/RAMIE), >250 CM WIDE, UNBLEACHED
5310.90.0000	1.00	SM	WOVEN FABRIC, JUTE OR OTHER TEXTILE BAST FIBRE (EXCLUDING FLAX/HEMP/RAMIE), NES
5311.00.6000	1.00	SM	WOVEN FABRIC OF PAPER YARN
5402.10.3020	20.10	KG	NYLON HIGH TENACITY YARN, <5 TURNS PER METRE, NOT FOR RETAIL SALE
5402.20.3020	20.10	KG	POLYESTER HIGH TENACITY YARN, <5 TURNS PER METRE, NOT FOR RETAIL SALE
5402.41.0010	20.10	KG	NYLON MULTIFILAMENT YARN, PARTIALLY ORIENTED, UNTWIST/TWIST <5 TURNS/METRE, NOT FOR RETAIL SALE
5402.41.0020	20.10	KG	NYLON MONO/MULTIFILAMENT YARN, UNTWIST/TWIST <5 TURNS/METRE, NOT FOR RETAIL SALE, NES
5402.41.0030	20.10	KG	NYLON MONO/MULTIFILAMENT YARN, UNTWIST/TWIST <5 TURNS/METRE, NOT FOR RETAIL SALE
5402.42.0000	20.10	KG	POLYESTER YARN, PARTIALLY ORIENTED, UNTWIST/TWIST ≤ 50 TURNS/METRE, NOT FOR RETAIL SALE
5402.43.0020	20.10	KG	POLYESTER YARN, MONOFILAMENT, UNTWIST/TWIST ≤5 TURNS/METRE, NOT FOR RETAIL SALE
5402.49.0010	20.10	KG	POLYETHYLENE/POLYPROPYLENE FILAMENT YARN, UNTWIST/TWIST <5 TURNS/METRE, NOT FOR RETAIL SALE
5402.49.0050	20.10	KG	SYNTHETIC FILAMENT YARN, UNTWIST/TWIST <5 TURNS/METRE, NOT FOR RETAIL SALE, NES
5403.10.3020	20.10	KG	VISCOSE RAYON HIGH TENACITY FILAMENT YARN, UNTWIST/TWIST <5 TURNS/METRE, NOT FOR RETAIL SALE
5403.31.0020	20.10	KG	VISCOSE RAYON FILAMENT YARN, SINGLE, UNTWIST/TWIST <5 TURNS/METRE, NOT FOR RETAIL SALE
5403.33.0020	20.10	KG	CELLULOSE ACETATE FILAMENT YARN, SINGLE, UNTWIST/TWIST <5 TURNS/METRE, NOT FOR RETAIL SALE
5403.39.0020	20.10	KG	ARTIFICIAL FILAMENT YARN, UNTWIST/TWIST <5 TURNS/METRE, NOT FOR RETAIL SALE, NES
5404.10.1000	20.10	KG	SYNTHETIC MONOFILAMENT RACKET STRINGS, ≥67 DECITEX, CROSS-SECT. DIMENSION >1MM
5404.10.2020	20.10	KG	NYLON MONOFILAMENT, ≥67 DECITEX, CROSS-SECTIONAL DIMENSION >1MM,
5404.10.2040	20.10	KG	POLYESTER MONOFILAMENT, >67 DECITEX, CROSS-SECTIONAL DIMENSION >1MM
5404.10.2090	20.10	KG	SYNTHETIC MONOFILAMENT ≥67 DECITEX, CROSS-SECTIONAL DIMENSION >1MM, NES
5404.90.0000	20.10	KG	SYNTHETIC STRIP WIDTH ≤5MM
5405.00.3000	20.10	KG	ARTIFICIAL MONOFILAMENT, ≥67 DECITEX, CROSS-SECTIONAL DIMENSION ≤ 1MM
5405.00.6000	20.10	KG	ARTIFICIAL STRIP AND THE LIKE, WIDTH ≤ 5MM
5407.30.1000	1.00	SM	WOVEN SYNTHETIC FILAMENT FABRIC WITH YARN AT ACUTE/RIGHT ANGLES, >60% PLASTIC
5501.10.0000	7.60	KG	NYLON/OTHER POLYAMIDE FILAMENT TOW
5501.20.0000	7.60	KG	POLYESTER FILAMENT TOW
5501.30.0000	7.60	KG	ACRYLIC OR MODACRYLIC FILAMENT TOW
5501.90.0000	7.60	KG	SYNTHETIC FILAMENT TOW, NES
5502.00.0000	6.30	KG	ARTIFICIAL FILAMENT TOW

U.S. Harmonized System Statistical Provision	Conversion Factor	Primary Unit of Measure	Description
5503.10.0000	7.60	KG	NYLON/OTHER POLYAMIDE STAPLE FIBRES NOT CARDED/COMBED OR OTHERWISE PROCESSED
5503.20.0000	7.60	KG	POLYESTER STAPLE FIBRES NOT CARDED/COMBED, OR OTHERWISE PROCESSED
5503.30.0000	7.60	KG	ACRYLIC/MODOACRYLIC STAPLE FIBRES, NOT CARDED/COMBED OR OTHERWISE PROCESSED
5503.40.0000	7.60	KG	POLYPROPYLENE STAPLE FIBRES NOT CARDED/COMBED OR OTHERWISE PROCESSED
5503.90.0000	7.60	KG	SYNTHETIC STAPLE FIBRE NOT CARDED/COMBED, OR OTHERWISE PROCESSED, NES
5504.10.0000	6.30	KG	VISCOSE RAYON STAPLE FIBRES NOT CARDED/COMBED OR OTHERWISE PROCESSED
5504.90.0000	6.30	KG	ARTIFICIAL STAPLE FIBRES NOT CARDED/COMBED OR OTHERWISE PROCESSED, NES
5505.10.0020	7.60	KG	WASTE, NYLON AND OTHER POLYAMIDES
5505.10.0040	7.60	KG	WASTE, POLYESTER
5505.10.0060	7.60	KG	WASTE, MMF SYNTHETIC FIBRES, NES
5505.20.0000	6.30	KG	WASTE, MMF ARTIFICIAL FIBRES
5506.10.0000	7.60	KG	NYLON/OTHER POLYAMIDES FIBRES, CARDED/COMBED OR OTHERWISE PROCESSED
5506.20.0000	7.60	KG	POLYESTER STAPLE FIBRE, CARDED/COMBED, OR OTHERWISE PROCESSED
5506.30.0000	7.60	KG	ACRYLIC/MODOACRYLIC STAPLE FIBRE, CARDED/COMBED OR OTHERWISE PROCESSED
5506.90.0000	7.60	KG	SYNTHETIC STAPLE FIBRE CARDED/COMBED OR OTHERWISE PROCESSED, NES
5507.00.0000	6.30	KG	ARTIFICIAL STAPLE FIBRES, CARDED/COMBED, OR OTHERWISE PROCESSED
5801.90.2010	1.00	SM	WOVEN PILE FABRIC, >85% SILK OR SILK WASTE
5802.20.0010	1.00	SM	TERRY TOWELLING FABRIC, >85% SILK OR SILK WASTE
5802.30.0010	1.00	SM	TUFTED TEXTILE FABRIC, >85% SILK OR SILK WASTE
5803.90.4010	1.00	SM	GAUZE, >85% SILK OR SILK WASTE
5804.10.0010	11.10	KG	TULLES & OTHER NETTING FABRIC, KNIT OR CROCHETED, >85% SILK OR SILK WASTE
5804.29.0010	11.10	KG	LACE IN THE PIECE/STRIP/MOTIF, >85% SILK OR SILK WASTE
5804.30.0010	11.10	KG	HAND-MADE LACE IN PIECE/STRIP/MOTIF, >85% SILK OR SILK WASTE
5805.00.1000	1.00	SM	HAND-WOVEN TAPESTRIES FOR WALLHANGINGS, VALUED AT >\$215/SM
5805.00.2000	1.00	SM	HAND-WOVEN TAPESTRIES, NES, WOOL, CERTIFIED HAND-LOOMED
5805.00.4090	1.00	SM	HAND-WOVEN TAPESTRIES, NES
5806.10.3010	11.10	KG	NARROW WOVEN PILE & CHENILLE FABRIC, >85% SILK OR SILK WASTE
5806.39.3010	11.10	KG	NARROW WOVEN FABRIC, NOT PILE, >85% SILK OR SILK WASTE
5806.40.0000	13.60	KG	NARROW FABRIC, WARP WITHOUT WEFT WITH AN ADHESIVE (BOLDUCS)
5807.10.1090	11.10	KG	WOVEN LABELS, TEXTILE MATERIALS, NOT EMBROIDERED, NOT COTTON OR MMF
5807.10.2010	8.50	KG	WOVEN BADGES AND SIMILAR ARTICLES, COTTON, NOT EMBROIDERED
5807.10.2020	14.40	KG	WOVEN BADGES/SIMILAR ARTICLES, MMF, NOT EMBROIDERED
5807.10.2090	11.10	KG	WOVEN BADGES/SIMILAR ARTICLES, TEXTILE MATERIALS, NOT EMBROIDERED, NOT COTTON/MMF
5807.90.1090	11.10	KG	NOT-WOVEN LABELS OF TEXTILE MATERIALS, NOT EMBROIDERED, NOT COTTON/MMF
5807.90.2010	8.50	KG	NOT-WOVEN BADGES/SIMILAR ARTICLES, COTTON, NOT EMBROIDERED
5807.90.2020	14.40	KG	NOT-WOVEN BADGES/SIMILAR ARTICLES, MMF, NOT EMBROIDERED
5807.90.2090	11.10	KG	NOT-WOVEN BADGES/SIMILAR ARTICLES, TEX MATERIALS, NOT EMBROIDERED, NOT COTTON/MMF

U.S. Harmonized System Statistical Provision	Conversion Factor	Primary Unit of Measure	Description
5808.10.2090	11.10	KG	BRAIDS IN PIECE FOR HEADWEAR, OTHER TEXTILE MATERIALS, NES, NOT KNIT OR EMBROIDERED
5808.10.3090	11.10	KG	BRAID IN PIECE, NES, NES
5808.90.0090	11.10	KG	ORNAMENTAL TRIMMING IN PIECE, TEXTILE MATERIALS, NOT KNIT OR EMBROIDERED, NOT COTTON/MMF
5810.92.0040	14.40	KG	EMBROIDERED BADGES/EMBLEMS/MOTIFS WITH VISIBLE GROUND, MMF
5810.99.0090	11.10	KG	EMBROIDERY PIECES/STRIPS/MOTIFS WITH VISIBLE GROUND, TEXTILE MATERIALS, NES
5811.00.4000	1.00	SM	QUILTED PIECES, 1 ≥ LAYER TEXTILE MATERIALS, TEXTILE MATERIALS, NES
6001.99.0010	1.00	SM	KNIT OR CROCHETED PILE FABRIC ≥85% SILK OR SILK WASTE
6002.99.0010	11.10	KG	KNIT OR CROCHETED FABRIC, NES ≥85% SILK OR SILK WASTE
6301.90.0020	11.10	NO	BLANKET/TRAVELLING RUGS, >85% SILK OR SILK WASTE
6302.29.0010	11.10	NO	BED LINEN, PRINTED >85% SILK OR SILK WASTE
6302.39.0020	11.10	NO	BED LINEN, NES, >85% SILK OR SILK WASTE
6302.99.1000	11.10	NO	LINEN, NES, >85% SILK OR SILK WASTE
6303.99.0030	11.10	NO	CURTAINS, INTERIOR BLINDS, NOT KNIT OR CROCHETED, >85% SILK OR SILK WASTE
6304.19.3030	11.10	NO	BEDSPREADS, NOT KNIT OR CROCHETED, >85% SILK OR SILK WASTE
6304.91.0060	11.10	NO	FURNISHING ARTICLES, NES, KNIT OR CROCHETED >85% SILK OR SILK WASTE
6304.99.1000	1.00	SM	WALL HANGINGS, WOOL OR FINE ANIMAL HAIR, CERTIFIED HAND-LOOMED/FOLKLORE, NOT KNIT
6304.99.2500	11.10	KG	WALL HANGINGS, JUTE, NOT KNIT
6304.99.4000	3.70	KG	PILLOW COVERS, WOOL OR FINE ANIMAL HAIR, CERTIFIED HAND-LOOMED/FOLKLORE
6304.99.6030	11.10	KG	OTHER FURNISHING ARTICLES, NOT KNIT, NES >85% SILK OR SILK WASTE
6305.10.0000	11.10	KG	SACKS & BAGS, JUTE/BAST FIBRES
6306.21.0000	8.50	KG	TENTS OF COTTON
6306.22.1000	14.40	NO	BACKPACK TENTS, SYNTHETIC FIBRES
6306.22.9010	14.40	KG	SCREEN HOUSES, SYNTHETIC FIBRES
6306.29.0000	14.40	KG	TENTS, TEXTILE MATERIALS NES
6306.31.0000	14.40	KG	SAILS, SYNTHETIC FIBRES
6306.39.0000	8.50	KG	SAILS, TEXTILE MATERIALS NES
6306.41.0000	8.50	KG	PNEUMATIC MATTRESSES, COTTON
6306.49.0000	14.40	KG	PNEUMATIC MATTRESSES, TEXTILE MATERIALS NES
6306.91.0000	8.50	KG	CAMPING GOODS NES, COTTON
6306.99.0000	14.40	KG	CAMPING GOODS, TEXTILE MATERIALS NES
6307.10.2030	8.50	KG	CLEANING CLOTHS NES
6307.20.0000	11.40	KG	LIFEJACKETS AND LIFEBELTS
6307.90.6010	8.50	KG	PERINEAL TOWELS, FABRIC WITH PAPER BASE
6307.90.6090	8.50	KG	OTHER SURGICAL DRAPES, FABRIC WITH PAPER BASE
6307.90.7010	14.40	KG	SURGICAL DRAPES, DISPOSAL & NONWOVEN MMF
6307.90.7020	8.50	KG	SURGICAL DRAPES NES
6307.90.7500	8.50	NO	TOYS FOR PETS, TEXTILE MATERIALS
6307.90.8500	8.50	KG	WALL BANNERS, MANMADE FIBRES
6307.90.9425	14.50	NO	NATIONAL FLAGS OF THE UNITED STATES
6307.90.9435	14.50	NO	NATIONAL FLAGS OF NATIONS OTHER THAN THE UNITED STATES
6307.90.9490	14.50	KG	OTHER MADE-UP ARTICLES NES
6309.00.0010	8.50	KG	WORN CLOTHING & OTHER WORN ARTICLES
6309.00.0020	8.50	KG	WORN CLOTHING & OTHER WORN ARTICLES, NES
6310.10.1000	3.70	KG	RAGS/SCRAP/TWINE/CORDAGE/ROPE/CABLES, SORTED, WOOL OR FINE ANIMAL HAIR
6310.10.2010	8.50	KG	RAGS/SCRAP/TWINE/CORDAGE/ROPE/CABLES, SORTED, COTTON
6310.10.2020	14.40	KG	RAGS/SCRAP/TWINE/CORDAGE/ROPE/CABLES, SORTED, MMF

U.S. Harmonized System Statistical Provision	Conversion Factor	Primary Unit of Measure	Description
6310.10.2030	11.10	KG	RAGS/SCRAP/TWINE/CORDAGE/ROPE/CABLES, SORTED, NOT COTTON/MMF
6310.90.1000	3.70	KG	RAGS/SCRAP/TWINE/CORDAGE/ROPE/CABLES, NOT SORTED, WOOL OR FINE ANIMAL HAIR
6310.90.2000	8.50	KG	RAGS/SCRAP/TWINE/CORDAGE/ROPE/CABLES, NOT SORTED, NOT WOOL
6501.00.30	4.4	DZ	HAT FORMS/BODIES, NOT BLOCKED, NO BRIMS, FUR, MEN'S AND BOYS'
6501.00.60	4.4	DZ	HAT FORMS/BODIES, NOT BLOCKED, NO BRIMS, FUR, WOMEN'S AND GIRLS'
6502.00.20	18.7	DZ	HAT SHAPES, ASSEMBLED FROM STRIPS, VEGETABLE FIBRE, SEWED
6502.00.40	18.7	DZ	HAT SHAPES, PLAITED OR ASSEMBLED FROM STRIPS, VEGETABLE FIBRE, NOT-SEWED, NOT BLEACHED/COLOURED
6502.00.60	18.7	DZ	HAT SHAPES, PLAITED OR ASSEMBLED FROM STRIPS, VEGETABLE FIBRE, NOT-SEWED, BLEACHED/COLOURED
6503.00.30	5.8	DZ	FELT HATS AND OTHER HEADGEAR, MEN'S AND BOYS'
6503.00.60	5.8	DZ	FELT HATS AND OTHER HEADGEAR, NES
6504.00.30	7.5	DZ	HATS AND OTHER HEADGEAR, ASSEMBLED FROM STRIPS, VEGETABLE FIBRE, SEWED
6504.00.60	7.5	DZ	HATS AND OTHER HEADGEAR, ASSEMBLED FROM STRIPS
6601.10.00	17.9	DZ	GARDEN OR SIMILAR UMBRELLAS
6601.91.00	17.8	DZ	OTHER UMBRELLAS, TELESCOPIC SHAFT
6601.99.00	11.2	DZ	OTHER UMBRELLAS, NES

5. (a) The primary unit of measure for the following tariff items in U.S. category 666 shall be NO and shall be converted into SME by a factor of 5.5:

6301.10.0000	ELECTRIC BLANKETS
6301.40.0010	BLANKETS (NOT ELECTRIC) & TRAVEL RUGS OF SYNTHETIC FIBRE, WOVEN
6301.40.0020	BLANKETS (NOT ELECTRIC) & TRAVEL RUGS OF SYNTHETIC FIBRE, NES
6301.90.0010	BLANKETS AND TRAVELLING RUGS OF ARTIFICIAL FIBRE
6302.10.0020	BED LINEN, KNITTED OR CROCHETED FABRIC, EXCLUDING COTTON
6302.22.1030	SHEETS WITH TRIM, NAPPED, PRINTED, MANMADE FIBRE
6302.22.1040	SHEETS WITH TRIM, NOT NAPPED, PRINTED, MANMADE FIBRE
6302.22.1050	BOLSTER CASES WITH TRIM, PRINTED, MANMADE FIBRE
6302.22.1060	BED LINEN WITH TRIM, PRINTED, MANMADE FIBRE, NES
6302.22.2020	SHEETS, NOT TRIMMED, PRINTED, MANMADE FIBRE
6302.22.2030	BED LINEN, NOT TRIMMED, PRINTED, MANMADE FIBRE, NES
6302.32.1030	SHEETS WITH TRIM, NAPPED, MANMADE FIBRE
6302.32.1040	SHEETS WITH TRIM, NOT NAPPED, MANMADE FIBRE
6302.32.1050	BOLSTER CASES WITH TRIM, MANMADE FIBRE
6302.32.1060	BED LINEN WITH TRIM, MANMADE FIBRE, NES
6302.32.2030	SHEETS, NOT TRIMMED, NAPPED, MANMADE FIBRE
6302.32.2040	SHEETS NOT TRIMMED, NOT NAPPED, MANMADE FIBRE
6302.32.2050	BOLSTER CASES, NOT TRIMMED, MANMADE FIBRE
6302.32.2060	BED LINEN NES, MANMADE FIBRE
6304.11.2000	BEDSPREADS, KNIT/CROCHETED, MANMADE FIBRE
6304.19.1500	BEDSPREADS WITH TRIM, MANMADE FIBRE, NES
6304.19.2000	BEDSPREADS, MANMADE FIBRE, NES

(b) The primary unit of measure for the following tariff items in U.S. category 666 shall be NO and shall be converted into SME by a factor of 0.9:

6302.22.1010	PILLOWCASES WITH TRIM, PRINTED, NAPPED, MANMADE FIBRE
6302.22.1020	PILLOWCASES WITH TRIM, PRINTED, NOT NAPPED, MANMADE FIBRE
6302.22.2010	PILLOWCASES, NOT TRIMMED, PRINTED, MANMADE FIBRE
6302.32.1010	PILLOWCASES WITH TRIM, NAPPED, MANMADE FIBRE
6302.32.1020	PILLOWCASES WITH TRIM, NOT NAPPED, MANMADE FIBRE
6302.32.2010	PILLOWCASES, NOT TRIMMED, NAPPED, MANMADE FIBRE
6302.32.2020	PILLOWCASES NOT TRIMMED, NOT NAPPED, MANMADE FIBRE

6. The primary unit of measure for garment parts of subheadings 6117.90 and 6217.90 shall be KG and shall be converted into SME by applying the following factors:

Cotton apparel	8.50
Wool apparel	3.70
Man-made fibre apparel	14.40
Other non-cotton vegetable fibre apparel	12.50

7. For the purposes of this Schedule:

DPR means dozen pair;
DZ means dozen;
KG means kilogram;
NO means number; and
SM means square metre.

Appendix 6

Country-Specific Definitions

Definitions Specific to Canada

general import statistics means statistics issued by Statistics Canada or, where available, import permit data provided by the Export and Import Permits Bureau of the Department of Foreign Affairs and International Trade, or their successors.

Definitions Specific to Chile

general import statistics means statistics issued by the Central Bank (*Banco Central*) provided by the Ministry of Foreign Affairs of Chile, or their successors.

Chapter D

Rules of Origin

Article D-01: 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 D-16;
- (b) each of the non-originating materials used in the production of the good undergoes an applicable change in tariff classification set out in Annex D-01 as a result of production occurring entirely in the territory of one or both of the Parties, or the good otherwise satisfies the applicable requirements of that Annex where no change in tariff classification is required, and the good satisfies all other applicable requirements of this Chapter;
- (c) the good is produced entirely in the territory of one or both of the Parties exclusively from originating materials; or
- (d) 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 that are used in the production of the good do not undergo a change in tariff classification because
 - (i) the good was imported into the territory of a Party in an unassembled or a disassembled form but was classified as an assembled good pursuant to Rule 2(a) of the General Rules for the Interpretation of the Harmonized System, or
 - (ii) 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 the subheading for the good provides for and specifically describes both the good itself and its parts,

provided that the regional value content of the good, determined in accordance with Article D-02, is not less than 35 per cent where the transaction value method is used, or is not less than 25 per cent where the net cost method is used, and that the good satisfies all other applicable requirements of this Chapter.¹

Article D-02: Regional Value Content

1. Except as provided in paragraph 5, each Party shall provide that the regional value content of a good shall be calculated, at the choice of the exporter or producer of the good, on the basis of either the transaction value method set out in paragraph 2 or the net cost method set out in paragraph 3.

¹ The phrase "specifically describes" is intended solely to prevent Article D-01(d) from being used to qualify a part of another part, where the heading or subheading covers the final good, the part made from the other part and the other part.

2. Each Party shall provide that an exporter or producer may calculate the regional value content of a good on the basis of the following transaction value method:

$$RVC = \frac{TV - VNM}{TV} \times 100$$

where

RVC is the regional value content, expressed as a percentage;

TV is the transaction value of the good adjusted to a F.O.B. basis; and

VNM is the value of non-originating materials used by the producer in the production of the good.

3. Each Party shall provide that an exporter or producer may calculate the regional value content of a good on the basis of the following net cost method:

$$RVC = \frac{NC - VNM}{NC} \times 100$$

where

RVC is the regional value content, expressed as a percentage;

NC is the net cost of the good; and

VNM is the value of non-originating materials used by the producer in the production of the good.

4. The value of non-originating materials used by the producer in the production of a good shall not, for purposes of calculating the regional value content of the good under paragraph 2 or 3, include the value of non-originating materials used to produce originating materials that are subsequently used in the production of the good.²

² Article D-02(4) applies to intermediate materials, and VNM in paragraphs 2 and 3 does not include:

- (i) the value of any non-originating materials used by another producer to produce an originating material that is subsequently acquired and used in the production of the good by the producer of the good, and
- (ii) the value of non-originating materials used by the producer to produce an originating self-produced material that is designated by the producer as an intermediate material pursuant to Article D-02(10).

With respect to paragraph 4, where an originating intermediate material is subsequently used by the producer with non-originating materials (whether or not produced by the producer) to produce the good, the value of such non-originating materials shall be included in the VNM of the good.

Under paragraph 4, with respect to any self-produced material that is not designated as an intermediate material, only the value of non-originating materials used to produce the self-

5. Each Party shall provide that an exporter or producer shall calculate the regional value content of a good solely on the basis of the net cost method set out in paragraph 3 where:

- (a) there is no transaction value for the good;
- (b) the transaction value of the good is unacceptable under Article 1 of the Customs Valuation Code;
- (c) the good is sold by the producer to a related person and the volume, by units of quantity, of sales of identical or similar goods to related persons during the six-month period immediately preceding the month in which the good is sold exceeds 85 per cent of the producer's total sales of such goods during that period;
- (d) the good is
 - (i) a motor vehicle,
 - (ii) identified in Annex D-03.1 and is for use in a motor vehicle, or
 - (iii) provided for in subheading 6401.10 through 6406.10;
- (e) the exporter or producer chooses to accumulate the regional value content of the good in accordance with Article D-04; or
- (f) the good is designated as an intermediate material under paragraph 10 and is subject to a regional value-content requirement.

6. If an exporter or producer of a good calculates the regional value content of the good on the basis of the transaction value method set out in paragraph 2 and a Party subsequently notifies the exporter or producer, during the course of a verification pursuant to Chapter E (Customs Procedures), that the transaction value of the good, or the value of any material used in the production of the good, is required to be adjusted or is unacceptable under Article 1 of the Customs Valuation Code, the exporter or producer may then also calculate the regional value content of the good on the basis of the net cost method set out in paragraph 3.

7. Nothing in paragraph 6 shall be construed to prevent any review or appeal available under Article E-10 (Review and Appeal) of an adjustment to or a rejection of:

- (a) the transaction value of a good; or
- (b) the value of any material used in the production of a good.

8. For purposes of calculating the net cost of a good under paragraph 3, the producer of the good may:

- (a) calculate the total cost incurred with respect to all goods produced by that producer, subtract any sales promotion, marketing and after-sales service costs, royalties, shipping and packing costs, and non-allowable interest costs that are included in the total cost of all such goods, and then reasonably allocate the resulting net cost of those goods to the good;
- (b) calculate the total cost incurred with respect to all goods produced by that producer, reasonably allocate the total cost to the good, and then subtract any sales promotion, marketing and after-sales service costs, royalties,

produced material shall be included in the VNM of the good.

shipping and packing costs and non-allowable interest costs that are included in the portion of the total cost allocated to the good; or

- (c) reasonably allocate each cost that forms part of the total cost incurred with respect to the good so that the aggregate of these costs does not include any sales promotion, marketing and after-sales service costs, royalties, shipping and packing costs, and non-allowable interest costs,

provided that the allocation of all such costs is consistent with the provisions regarding the reasonable allocation of costs set out in the Uniform Regulations, established under Article E-11 (Customs Procedures - Uniform Regulations).³

9. Except as provided in paragraph 11, the value of a material used in the production of a good 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, taxes and customs brokerage fees on the material paid in the territory of one or both of the Parties, and
 - (iii) the cost of waste and spoilage resulting from the use of the material in the production of the good, less the value of renewable scrap or by-product.

10. Any self-produced material that is used in the production of a good may be designated by the producer of the good as an intermediate material for the purpose of calculating the regional value content of the good under paragraph 2 or 3, provided that where the intermediate material is subject to a regional value-content requirement, no other self-produced material subject to a regional value-content requirement used in the production of that intermediate material may itself be designated by the producer as an intermediate material.⁴

³ With respect to paragraph 8, sales promotion, marketing and after-sales service costs, royalties, shipping and packing costs, and non-allowable interest costs included in the value of materials used in the production of the good are not subtracted out of the net cost in the calculation under Article D-02(3).

⁴ With respect to paragraph 10, an intermediate material used by another producer in the production of a material that is subsequently acquired and used by the producer of the good shall not be taken into account in applying the proviso set out in that paragraph, except where two or more producers accumulate their production under Article D-04.

With respect to paragraph 10, if a producer designates a self-produced material as an originating intermediate material and the Customs Administration of the importing Party subsequently determines that the intermediate material is not originating, the producer may rescind the designation and recalculate the value content of the good accordingly. In such a case, the producer shall retain its rights of appeal or review with regard to the determination of the origin of the intermediate material.

11. The value of an intermediate material shall be:

- (a) the total cost incurred with respect to all goods produced by the producer of the good that can be reasonably allocated to that intermediate material; or
- (b) the aggregate of each cost that forms part of the total cost incurred with respect to that intermediate material that can be reasonably allocated to that intermediate material.

12. The value of an indirect material shall be based on the Generally Accepted Accounting Principles applicable in the territory of the Party in which the good is produced.

13. Notwithstanding the regional value-content requirement specified in an applicable rule in Annex D-01 for the tariff provision under which a good is classified, a good shall be an originating good where:

- (a) the good is provided in tariff item 6402.19.aa (sports footwear with rubber or plastic soles and uppers, for golf, hiking, running or curling), subheading 6402.99, tariff item 6403.19.aa (sports footwear with leather uppers, for riding, golf, hiking, climbing, curling, bowling, skating or training), subheading 6403.40 or 6403.91, tariff item 6404.11.aa (hiking footwear with rubber soles and canvas uppers), 6404.11.bb (hiking footwear with plastic soles and canvas uppers) or 6404.19.aa (shoes or sandals with plastic soles and canvas uppers) or subheading 6406.10;
- (b) each of the non-originating materials used in the production of the good undergoes the change of tariff classification specified in the applicable rule in Annex D-01 for that tariff provision;
- (c) the regional value content of that good is not less than
 - (i) 40 per cent under the net cost method for the period January 1, 1997, to December 31, 1997,
 - (ii) 45 per cent under the net cost method for the period January 1, 1998, to December 31, 1998,
 - (iii) 50 per cent under the net cost method for the period January 1, 1999, to December 31, 1999, and
 - (iv) 55 per cent under the net cost method on January 1, 2000, and thereafter; and
- (d) the good meets any other applicable requirements set out in this Chapter.

14. Notwithstanding the regional value-content requirement specified in an applicable rule in Annex D-01 for the tariff provision under which a good is classified, a good shall be an originating good where:

- (a) the good is provided for in heading 64.01, subheading 6402.12, tariff item 6402.19.bb (sports footwear with rubber or plastic soles and uppers, for soccer, other football, baseball or bowling), subheading 6402.20 through 6402.91 or 6403.12, tariff item 6403.19.bb (sports footwear with leather uppers, for soccer, other football or baseball) or 6403.19.cc (sports footwear with leather uppers, for other purposes), subheading 6403.20 through 6403.30, 6403.51 through 6403.59 or 6403.99, tariff item 6404.11.cc (sports footwear with rubber soles and canvas uppers, for soccer, training or tennis), 6404.11.dd (sports footwear with plastic soles

and canvas uppers, for soccer, training or tennis) or 6404.19.bb (shoes or sandals with rubber soles and canvas uppers), subheading 6404.20, heading 64.05 or subheading 6406.20 through 6406.99;

- (b) each of the non-originating materials used in the production of the good undergoes the change of tariff classification specified in the applicable rule in Annex D-01 for that tariff provision;
- (c) the regional value content of that good is not less than
 - (i) 40 per cent under the net cost method for the period January 1, 1997, to December 31, 1997,
 - (ii) 47.5 per cent under the net cost method for the period January 1, 1998, to December 31, 1998, and
 - (iii) 55 per cent under the net cost method on January 1, 1999, and thereafter; and
- (d) the good meets any other applicable requirements set out in this Chapter.

Article D-03: Automotive Goods

1. Notwithstanding the regional value-content requirement specified in an applicable rule in Annex D-01 for the tariff provision under which a good is classified, a good shall be an originating good where:

- (a) the good is provided for in a tariff provision identified in Annex D-03.1;
- (b) the good is for use in a motor vehicle;
- (c) each of the non-originating materials used in the production of the good undergoes the change of tariff classification specified in the applicable rule in Annex D-01 for that tariff provision;
- (d) the regional value content of that good is not less than 30 per cent under the net cost method; and
- (e) the good meets any other applicable requirements set out in this Chapter.

2. For purposes of calculating the regional value content of a motor vehicle, the producer may average its calculation over its fiscal year, using any one of the following categories, on the basis of either all motor vehicles in the category or only those motor vehicles in the category that are exported to the territory of the other Party:

- (a) the same model line of motor vehicles in the same class of vehicles produced in the same plant in the territory of a Party;
- (b) the same class of motor vehicles produced in the same plant in the territory of a Party;
- (c) the same model line of motor vehicles produced in the territory of a Party;
or
- (d) if applicable, the basis set out in Annex D-03.2.

3. For purposes of calculating the regional value content for any or all goods provided for in a tariff provision listed in Annex D-03.1 produced in the same plant, the producer of the good may:

- (a) average its calculation
 - (i) over the fiscal year of the motor vehicle producer to whom the good is sold,
 - (ii) over any quarter or month, or
 - (iii) over its fiscal year, if the good is sold as an aftermarket part;
- (b) calculate the average referred to in subparagraph (a) separately for any or all goods sold to one or more motor vehicle producers; or
- (c) with respect to any calculation under this paragraph, calculate separately for those goods that are exported to the territory of the other Party.

Article D-04: Accumulation

1. For purposes of determining whether a good is an originating good, the production of the good in the territory of one or both of the Parties by one or more producers shall, at the choice of the exporter or producer of the good for which preferential tariff treatment is claimed, be considered to have been performed in the territory of either of the Parties by that exporter or producer, provided that:

- (a) all non-originating materials used in the production of the good undergo an applicable tariff classification change set out in Annex D-01, and the good satisfies any applicable regional value-content requirement, entirely in the territory of one or both of the Parties; and
- (b) the good satisfies all other applicable requirements of this Chapter.

2. For purposes of Article D-02(10), the production of a producer that chooses to accumulate its production with that of other producers under paragraph 1 shall be considered to be the production of a single producer.

Article D-05: De Minimis

1. Except as provided in paragraphs 3 through 6, a good shall be considered to be an originating good if the value of all non-originating materials used in the production of the good that do not undergo an applicable change in tariff classification set out in Annex D-01 is not more than 9 per cent of the transaction value of the good, adjusted to a F.O.B. basis, or, if the transaction value of the good is unacceptable under Article 1 of the Customs Valuation Code, the value of all such non-originating materials is not more than 9 per cent of the total cost of the good, provided that:

- (a) if the good is subject to a regional value-content requirement, the value of such non-originating materials shall be taken into account in calculating the regional value content of the good; and
- (b) the good satisfies all other applicable requirements of this Chapter.

2. A good that is otherwise subject to a regional value-content requirement shall not be required to satisfy such requirement if the value of all non-originating materials used in the production of the good is not more than 9 per cent of the transaction value of the

good, adjusted to a F.O.B. basis, or, if the transaction value of the good is unacceptable under Article 1 of the Customs Valuation Code, the value of all non-originating materials is not more than 9 per cent of the total cost of the good, provided that the good satisfies all other applicable requirements of this Chapter.

3. Paragraph 1 does not apply to:

- (a) a non-originating material provided for in Chapter 4 of the Harmonized System or tariff item 1901.90.aa (dairy preparations containing over 10 per cent by weight of milk solids) that is used in the production of a good provided for in Chapter 4 of the Harmonized System;
- (b) a non-originating material provided for in Chapter 4 of the Harmonized System or tariff item 1901.90.aa (dairy preparations containing over 10 per cent by weight of milk solids) that is used in the production of a good provided for in tariff item 1901.10.aa (infant preparations containing over 10 per cent by weight of milk solids), 1901.20.aa (mixes and doughs, containing over 25 per cent by weight of butterfat, not put up for retail sale), 1901.90.aa (dairy preparations containing over 10 per cent by weight of milk solids), heading 21.05 or tariff item 2106.90.dd (preparations containing over 10 per cent by weight of milk solids), 2202.90.cc (beverages containing milk) or 2309.90.aa (animal feeds containing over 10 per cent by weight of milk solids);
- (c) a non-originating material provided for in Chapter 15 of the Harmonized System that is used in the production of a good provided for in heading 15.01 through 15.08, 15.12, 15.14 or 15.15;
- (d) a non-originating material provided for in heading 17.01 that is used in the production of a good provided for in heading 17.01 through 17.03;
- (e) a non-originating material provided for in Chapter 17 of the Harmonized System or heading 18.05 that is used in the production of a good provided for in subheading 1806.10;
- (f) a non-originating material provided for in heading 22.03 through 22.07 that is used in the production of a good provided for in heading 22.03 through 22.07 or subheading 2208.20;
- (g) a non-originating material used in the production of a good provided for in tariff item 7321.11.aa (gas stove or range), subheading 8415.10, 8415.20 through 8415.83, 8418.10 through 8418.21, 8418.29 through 8418.40, 8421.12, 8422.11, 8450.11 through 8450.20 or 8451.21 through 8451.29, heading 84.56 through 84.63 or 84.77, tariff item 8516.60.aa (electric stove or range) or subheading 8526.10;
- (h) a non-originating material provided for in tariff item 8548.10.aa (spent primary cells, spent primary batteries and spent electric accumulators) that is used in the production of a good provided for in heading 85.06 or 85.07; or
- (i) a printed circuit assembly, including a part that incorporates a printed circuit assembly, that is a non-originating material used in the production of a good where the applicable change in tariff classification for the good, as set out in Annex D-01, places restrictions on the use of such non-originating material.

4. Paragraph 1 does not apply to a non-originating single juice ingredient provided for in heading 20.09 that is used in the production of a good provided for in tariff item

2106.90.cc (concentrated mixtures of fruit or vegetable juice, fortified with minerals or vitamins) or 2202.90.bb (mixtures of fruit or vegetable juices, fortified with minerals or vitamins).

5. Paragraph 1 does not apply to a non-originating material used in the production of a good provided for in Chapter 1 through 21 of the Harmonized System unless the non-originating material is provided for in a different subheading than the good for which origin is being determined under this Article.

6. A good provided for in Chapter 50 through 63 of the Harmonized System that does not originate because certain fibres or yarns used in the production of the component of the good that determines the tariff classification of the good do not undergo an applicable change in tariff classification set out in Annex D-01, shall nonetheless be considered to originate if the total weight of all such fibres or yarns in that component is not more than 9 per cent of the total weight of that component.⁵

Article D-06: Fungible Goods and Materials

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

- (a) where originating and non-originating fungible materials are used in the production of a good, the determination of whether the materials are originating need not be made through the identification of any specific fungible material, but may be determined on the basis of any of the inventory management methods set out in the Uniform Regulations; and
- (b) where originating and non-originating fungible goods are commingled and exported in the same form, the determination may be made on the basis of any of the inventory management methods set out in the Uniform Regulations.

Article D-07: Accessories, Spare Parts and Tools

Accessories, spare parts or tools delivered with the good that form part of the good's standard accessories, spare parts, or tools, shall be considered as originating if the good originates and shall be disregarded in determining whether all the non-originating materials used in the production of the good undergo the applicable change in tariff classification set out in Annex D-01, provided that:

- (a) the accessories, spare parts or tools are not invoiced separately from the good;
- (b) the quantities and value of the accessories, spare parts or tools are customary for the good; and
- (c) if the good is subject to a regional value-content requirement, the value of the accessories, spare parts or tools shall be taken into account as originating or non-originating materials, as the case may be, in calculating the regional value content of the good.

⁵ For purposes of applying paragraph 6, the identification of the component that determines the tariff classification of the good shall be based on General Rules for the Interpretation of the Harmonized System. When the component that determines the tariff classification is a blend of two or more yarns or fibres, all yarns and, where applicable, fibres, in that component are to be taken into account.

Article D-08: Indirect Materials

An indirect material shall be considered to be an originating material without regard to where it is produced.

Article D-09: Packaging Materials and Containers for Retail Sale

Packaging materials and containers in which a good is packaged for retail sale shall, if classified with the good, be disregarded in determining whether all the non-originating materials used in the production of the good undergo the applicable change in tariff classification set out in Annex D-01, and, if the good is subject to a regional value-content requirement, the value of such packaging materials and containers shall be taken into account as originating or non-originating materials, as the case may be, in calculating the regional value content of the good.

Article D-10: Packing Materials and Containers for Shipment

Packing materials and containers in which a good is packed for shipment shall be disregarded in determining whether:

- (a) the non-originating materials used in the production of the good undergo an applicable change in tariff classification set out in Annex D-01; and
- (b) the good satisfies a regional value-content requirement.

Article D-11: Transshipment

A good shall not be considered to be an originating good by reason of having undergone production that satisfies the requirements of Article D-01 if, subsequent to that production, the good undergoes further production or any other operation outside the territories of the Parties, other than unloading, reloading or any other operation necessary to preserve it in good condition or to transport the good to the territory of a Party.

Article D-12: Non-Qualifying Operations

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

- (a) mere dilution with water or another substance that does not materially alter the characteristics of the good; or
- (b) any production or pricing 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.

Article D-13: Interpretation and Application

For purposes of this Chapter:

- (a) the basis for tariff classification in this Chapter is the Harmonized System⁶;

⁶ The rules of origin under Chapter D are based on the 1996 Harmonized System, with each Party's tariff schedule amended to incorporate the new tariff items created for rules of origin purposes.

- (b) where a good referred to by a tariff item number is described in parentheses following the tariff item number, the description is provided for purposes of reference only;
- (c) where applying Article D-01(d), 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;
- (d) in applying the Customs Valuation Code under this Chapter
 - (i) 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,
 - (ii) the provisions of this Chapter shall take precedence over the Customs Valuation Code to the extent of any difference, and
 - (iii) the definitions in Article D-16 shall take precedence over the definitions in the Customs Valuation Code to the extent of any difference; and
- (e) all costs referred to in this Chapter shall be recorded and maintained in accordance with the Generally Accepted Accounting Principles applicable in the territory of the Party in which the good is produced.

Article D-14: Consultation and Modifications

1. The Parties shall consult regularly to ensure that this Chapter is administered effectively, uniformly and consistently with the spirit and objectives of this Agreement, and shall cooperate in the administration of this Chapter in accordance with Chapter E.
2. A Party that considers that this Chapter requires modification to take into account developments in production processes or other matters may submit a proposed modification along with supporting rationale and any studies to the other Party for consideration and any appropriate action under Chapter E.

Article D-15: NAFTA Accession

Upon the accession of Chile to the NAFTA, the rules of origin in this Chapter shall be replaced by the rules of origin to be negotiated as part of the terms of the accession of Chile to the NAFTA.

Article D-16: Definitions

For purposes of this Chapter:

class of motor vehicles means any one of the following categories of motor vehicles:

- (a) motor vehicles provided for in subheading 8701.20, tariff item 8702.10.aa or 8702.90.aa (vehicles for the transport of 16 or more persons), subheading 8704.10, 8704.22, 8704.23, 8704.32 or 8704.90 or heading 87.05;

- (b) motor vehicles provided for in subheading 8701.10 or 8701.30 through 8701.90;
- (c) motor vehicles provided for in tariff item 8702.10.bb or 8702.90.bb (vehicles for the transport of 15 or fewer persons) or subheading 8704.21 or 8704.31; or
- (d) motor vehicles provided for in subheading 8703.21 through 8703.90;

F.O.B. means free on board, regardless of the mode of transportation, at the point of direct shipment by the seller to the buyer;

fungible goods or fungible materials means goods or materials that are interchangeable for commercial purposes and whose properties are essentially identical;

goods wholly obtained or produced entirely in the territory of one or both of the Parties means:

- (a) mineral goods extracted in the territory of one or both of the Parties;
- (b) vegetable goods, as such goods are defined in the Harmonized System, harvested in the territory of one or both of the Parties;
- (c) live animals born and raised in the territory of one or both of the Parties;
- (d) goods obtained from hunting, trapping or fishing in the territory of one or both of the Parties;
- (e) goods (fish, shellfish and other marine life) taken from the sea by vessels registered or recorded with a Party and flying its flag;
- (f) goods produced on board factory ships from the goods referred to in subparagraph (e) provided such factory ships are registered or recorded with that Party and fly its flag;
- (g) goods 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) goods taken from outer space, provided they are obtained by a Party or a person of a Party and not processed in a non-Party;
- (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) goods 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 or similar goods means "identical goods" and "similar goods", respectively, as defined in the Customs Valuation Code;

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, including:

- (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 goods;
- (g) catalysts and solvents; and
- (h) any other goods that are not incorporated into the good but whose use in the production of the good can reasonably be demonstrated to be a part of that production;

intermediate material means a material that is self-produced and used in the production of a good, and designated pursuant to Article D-02(10);

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

model line means a group of motor vehicles having the same platform or model name;

motor vehicle means a motor vehicle provided for in heading 87.01 or 87.02, subheading 8703.21 through 8703.90 or heading 87.04 and 87.05;

net cost means total cost minus sales promotion, marketing and after-sales service costs, royalties, shipping and packing costs, and non-allowable interest costs that are included in the total cost;

net cost of a good means the net cost that can be reasonably allocated to a good using one of the methods set out in Article D-02(8);

non-allowable interest costs means interest costs incurred by a producer that exceed 700 basis points above the applicable national government interest rate identified in the Uniform Regulations for comparable maturities;

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

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;

reasonably allocate means to apportion in a manner appropriate to the circumstances;

related person means a person related to another person on the basis that:

- (a) they are officers or directors of one another's businesses;
- (b) they are legally recognized partners in business;
- (c) they are employer and employee;
- (d) any person directly or indirectly owns, controls or holds 25 per cent or more of the outstanding voting stock or shares of each of them;
- (e) one of them directly or indirectly controls the other;
- (f) both of them are directly or indirectly controlled by a third person; or
- (g) they are members of the same family (members of the same family are natural or adoptive children, brothers, sisters, parents, grandparents, or spouses);

royalties means payments of any kind, including payments under technical assistance or similar agreements, made as consideration for the use or right to use any copyright, literary, artistic, or scientific work, patent, trademark, design, model, plan, secret formula or process, excluding those payments under technical assistance or similar agreements that can be related to specific services such as:

- (a) personnel training, without regard to where performed; and
- (b) if performed in the territory of one or both of the Parties, engineering, tooling, die-setting, software design and similar computer services, or other services;

sales promotion, marketing and after-sales service costs means the following costs related to sales promotion, marketing and after-sales service:

- (a) sales and marketing promotion; media advertising; advertising and market research; promotional and demonstration materials; exhibits; sales conferences, trade shows and conventions; banners; marketing displays; free samples; sales, marketing and after-sales service literature (product brochures, catalogues, technical literature, price lists, service manuals, sales aid information); establishment and protection of logos and trademarks; sponsorships; wholesale and retail restocking charges; entertainment;
- (b) sales and marketing incentives; consumer, retailer or wholesaler rebates; merchandise incentives;
- (c) salaries and wages, sales commissions, bonuses, benefits (for example, medical, insurance, pension), travelling and living expenses, membership and professional fees, for sales promotion, marketing and after-sales service personnel;
- (d) recruiting and training of sales promotion, marketing and after-sales service personnel, and after-sales training of customers' employees, where such costs are identified separately for sales promotion, marketing and after-sales service of goods on the financial statements or cost accounts of the producer;
- (e) product liability insurance;
- (f) office supplies for sales promotion, marketing and after-sales service of goods, where such costs are identified separately for sales promotion,

marketing and after-sales service of goods on the financial statements or cost accounts of the producer;

- (g) telephone, mail and other communications, where such costs are identified separately for sales promotion, marketing and after-sales service of goods on the financial statements or cost accounts of the producer;
- (h) rent and depreciation of sales promotion, marketing and after-sales service offices and distribution centres;
- (i) property insurance premiums, taxes, cost of utilities, and repair and maintenance of sales promotion, marketing and after-sales service offices and distribution centres, where such costs are identified separately for sales promotion, marketing and after-sales service of goods on the financial statements or cost accounts of the producer; and
- (j) payments by the producer to other persons for warranty repairs;

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

shipping and packing costs means the costs incurred in packing a good for shipment and shipping the good from the point of direct shipment to the buyer, excluding costs of preparing and packaging the good for retail sale;

total cost means all product costs, period costs and other costs incurred in the territory of one or both of the Parties;

transaction value means the price actually paid or payable for a good or material with respect to a transaction of the producer of the good, adjusted in accordance with the principles of paragraphs 1, 3 and 4 of Article 8 of the Customs Valuation Code, regardless of whether the good or material is sold for export; and

used means used or consumed in the production of goods.

Annex D-03.1

List of Tariff Provisions for Article D-03(1)

Note: For purposes of reference only, descriptions are provided next to the corresponding tariff provision.

TARIFF PROVISION	DESCRIPTION
4009.50	Tubes, pipes and hoses, of vulcanized rubber
4016.99.aa	Vibration control goods, of a kind used in the vehicles of heading 87.01 through 87.05
8301.20.00	Locks of a kind used for motor vehicles
8407.33.00	Engines of a cylinder capacity exceeding 250cc but not exceeding 1000cc, for vehicles of Chapter 87
8407.34	Engines of a cylinder capacity exceeding 1000cc, for vehicles of Chapter 87
8408.20	Diesel engines, for vehicles of Chapter 87
8409.91	Parts of engines
8409.99	Parts of engines
8413.30.aa	Fuel pumps for internal combustion piston engines
8413.60.00	Rotary positive displacement pumps
8414.59.00	Fans
8414.80.aa	Turbo-chargers and superchargers, for motor vehicles
8415.20	Air conditioning machines, for motor vehicles
8421.23.00	Oil or petrol-filters for internal combustion engines
8421.31.aa	Air filters for motor vehicles
8421.39.aa	Catalytic converters
8425.39.aa	Automotive winches
8425.42.00	Jacks and hoists, hydraulic, for raising vehicles
8425.49.00	Jacks and hoists, for raising vehicles
8431.10.aa	Parts used with certain machinery of heading 84.25
8481.20.00	Valves for oleohydraulic or pneumatic transmissions
8481.30.aa	Check valves, for automotive use

TARIFF PROVISION	DESCRIPTION
8481.80.aa	Valves, for automotive use
8482.10	Ball bearings
8482.20	Tapered roller bearings
8482.30.00	Spherical roller bearings
8482.40.00	Needle roller bearings
8482.50.00	Cylindrical roller bearings
8482.80.aa	Other ball/roller bearings, for use in motor vehicles of Chapter 87
8483.10.aa	Transmission shafts and cranks, for automotive use
8483.20.00	Bearing housings
8483.30.00	Bearing housings and plain shaft bearings
8483.40	Gears and gearing
8483.50.aa	Flywheels and pulleys, for automotive use
8483.60.aa	Clutches and shaft couplings, for automotive use
8501.10	Electric motors of an input not exceeding 37.5 W
8501.20	Universal AC/DC motors of an output exceeding 37.5 W
8501.31	DC motors and generators of an output not exceeding 750 W
8501.32	DC motors and generators of an output exceeding 750 W but not exceeding 75 KW
8507.10.00	Batteries (lead-acid)
8507.20	Batteries (lead-acid)
8507.30	Batteries (nickel-cadmium)
8507.40	Batteries (nickel-iron)
8507.80	Other batteries
8511.10.00	Spark plugs
8511.20.aa	Ignition magnetos, magneto-dynamos and magnetic flywheels for internal combustion engines
8511.30.00	Distributors and ignition coils
8511.40.00	Starter motors and dual purpose starter-generators
8511.50.00	Other generators
8511.80.00	Other electrical ignition or starting equipment
8512.20.00	Lighting or visual signalling equipment
8512.30.00	Sound signalling equipment
8512.40.00	Windscreen wipers, defrosters and demisters
8516.10.aa	Immersion heaters designed for automotive installation
8536.41.aa	Relays (automotive signalling flashers)
8536.50.aa	Motor starters, for automotive use
8536.50.bb	Other switches, for automotive use
8536.90.aa	Other apparatus, for automotive use
8537.10.bb	Motor control centres, for automotive use
8539.10.aa	Sealed beam lamp units for use in motor vehicles of Chapter 87
8539.21.aa	Tungsten halogen, for automotive use
8539.29.aa	Other filament lamps for voltage not exceeding 31 V

TARIFF PROVISION	DESCRIPTION
8544.30	Wiring sets
8544.41.aa	Electric conductors fitted with connectors for a voltage not exceeding 80 V, for automotive use
87.06	Chassis fitted with engines, for motor vehicles of 87.01 to 87.05
87.07	Bodies (including cabs), for motor vehicles of 87.01 to 87.05
8708.10.aa	Bumpers, but not parts thereof
8708.29.aa	Body stampings
8708.29.bb	Inflators and modules for airbags
8708.29.cc	Door assemblies
8708.29.dd	Airbags for use in motor vehicles
8708.29.ee	Other parts and accessories not elsewhere classified under subheading 8708.29
8708.50.aa	For vehicles of heading 87.03
8708.60.aa	For vehicles of heading 87.03
8708.70.aa	Road wheels, but not parts or accessories thereof
8708.80.aa	McPherson Struts
8708.93.aa	Clutches, but not parts thereof
8708.99.aa	Vibration control goods containing rubber
8708.99.bb	Doubled flanged wheel hub units incorporating ball bearings
8708.99.cc	Airbags for use in motor vehicles, where not provided for under subheading 8708.29
8708.99.dd	Half-shafts and drive shafts
8708.99.ee	Other parts for powertrains
8708.99.ff	Parts for suspension systems
8708.99.gg	Parts for steering systems
8708.99.hh	Other parts and accessories not elsewhere classified under subheading 8708.99
9017.80	Other instruments, for measuring
9026.10	Instruments for measuring or checking the flow or level of liquids
9031.80	Other instruments, appliances and machines
9032.10	Thermostats
9032.20.00	Manostats
9032.89	Other instruments and apparatus
9104.00.00	Instrument panel clocks
9401.20.00	Seats for motor vehicles

**Regional Value-Content Calculation for
Related Motor Vehicle Producer**

1. For the purpose of Article D-03, in determining whether motor vehicles produced by a motor vehicle producer in the territory of a Party and imported into the territory of the other Party qualify as originating goods, the producer may average its calculation of the regional value content of a class of motor vehicles or a model line of motor vehicles produced in a fiscal year in the territory of a Party ("the territory of production") by that producer for sale in the territory of the other Party with the calculation of the regional value content of the corresponding class of motor vehicles or model line of motor vehicles produced in the territory of production by a related producer in the fiscal year that corresponds most closely to the producer's fiscal year, provided that:

- (a) the related group acquires 75 per cent or more by unit of quantity of the class of motor vehicles or model line of motor vehicles, as the case may be, that the producer has produced in the territory of a Party in that fiscal year for sale in the territory of the other Party;
- (b) the producer and the related producer each produced motor vehicles in the territory of the same Party at any time up to two years from the date of coming into force of this Agreement; and
- (c) where a producer otherwise qualifies under this Annex, notice of such qualification has been provided by the Party referred to in paragraph (b) to the other Party no later than two years from the date of coming into force of this Agreement.

2. If the related group acquires less than 75 per cent by unit by quantity of the class of motor vehicles or model line of motor vehicles, as the case may be, that the producer has produced in the territory of a Party in that fiscal year for sale in the territory of the other Party, the producer may average in the manner set out in paragraph 1 only those motor vehicles that are acquired by the related producer for distribution under the marque of either the producer or the related group.

3. In calculating the regional value content of motor vehicles produced by the producer in the territory of a Party, the producer may choose to average the calculation in paragraph 1 or 2 over a period of two fiscal years in the event that any motor vehicle assembly plant operated by the producer or any motor vehicle assembly plant operated by the related producer with which the producer is averaging its regional value content is closed for more than two consecutive months:

- (a) for the purpose of re-tooling for a model change, or
- (b) as the result of any event or circumstance (other than the imposition of anti-dumping and countervailing duties, or an interruption of operations resulting from a labour strike, lock-out, labour dispute, picketing or boycott of or by employees), that the producer or the related producer could not reasonably have been expected to avert by corrective action or by exercise of due care and diligence, including a shortage of materials, failure of utilities, or inability to obtain or delay in obtaining raw materials, parts, fuel or utilities.

The averaging may be for the producer's fiscal year in which a motor vehicle producer's or a related producer's plant with which the producer is averaging is closed and either the

previous or subsequent fiscal year. In the event that the period of closure spans two fiscal years, the averaging may be only for those two fiscal years.

4. For the purposes of this Annex, where as a result of an amalgamation, reorganization, division or similar transaction:

- (a) a motor vehicle producer (the "successor producer") acquires all or substantially all of the assets used by the related group; and
- (b) the successor producer, directly or indirectly controls, or is controlled by, the related group, or both the successor producer and the related group are controlled by the same person,

the successor producer shall be deemed to be the related producer.

5. For the purposes of this Annex:

- (a) a motor vehicle producer is related to another motor vehicle producer when it owns 50 per cent or more of the common voting stock of the other motor vehicle producer at the beginning of the other motor vehicle producer's fiscal year;
- (b) **marque** means the trade name used by a separate marketing division of a producer of motor vehicles and any related persons or joint ventures in which the producer participates;
- (c) **producer** means a motor vehicle producer;
- (d) **related group** means a related producer and any subsidiary directly or indirectly owned by it or by any combination thereof; and
- (e) **related producer** means a motor vehicle producer that is related to another motor vehicle producer within the meaning of subparagraph (a).

Annex D-01

Specific Rules of Origin

Section I- General Interpretative Note

For purposes of interpreting the rules of origin set out in this Annex:

- (a) the new tariff items created for purposes of Chapter D, shown generically in the specific rules of origin by eight-digit numbers comprising six numeric and two alpha characters, refer to the Party-specific tariff items shown in the table following Section II of this Annex;
- (b) 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;
- (c) 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;
- (d) a requirement of a change in tariff classification applies only to non-originating materials;
- (e) reference to weight in the rules for goods provided for in Chapters 1 through 24 of the Harmonized System means dry weight unless otherwise specified in the Harmonized System;
- (f) paragraph 1 of Article D-05 (De Minimis) does not apply to:
 - (i) certain non-originating materials used in the production of goods provided for in the following tariff provisions: Chapter 4 of the Harmonized System, heading 15.01 through 15.08, 15.12, 15.14, 15.15 or 17.01 through 17.03, subheading 1806.10, tariff item 1901.10.aa (infant preparations containing over 10 per cent by weight of milk solids), 1901.20.aa (mixes and doughs, containing over 25 per cent by weight of butterfat, not put up for retail sale) or 1901.90.aa (dairy preparations containing over 10 per cent by weight of milk solids), tariff item 2106.90.cc (concentrated mixtures of fruit or vegetable juice, fortified with minerals or vitamins), 2106.90.dd (preparations containing over 10 per cent by weight of milk solids), 2202.90.bb (mixtures of fruit or vegetable juices, fortified with minerals or vitamins) or 2202.90.cc (beverages containing milk), heading 22.03 through 22.07, subheading 2208.20, tariff item 2309.90.aa (animal feeds containing over 10 per cent by weight of milk solids) or 7321.11.aa (gas stove or range), subheading 8415.10, 8415.20 through 8415.83, 8418.10 through 8418.21, 8418.29 through 8418.40, 8421.12, 8422.11, 8450.11 through 8450.20 or 8451.21 through 8451.29, heading 84.56 through 84.63 or 84.77, tariff item 8516.60.aa (electric stove or range) or subheading 8526.10,
 - (ii) a non-originating material provided for in tariff item 8548.10.aa (spent primary cells, spent primary batteries and spent electric accumulators) that is used in the production of a good provided for in heading 85.06 or 85.07,
 - (iii) a printed circuit assembly, including a part that incorporates a printed circuit assembly, that is a non-originating material used in the production of a good where the applicable change in tariff

classification for the good places restrictions on the use of such non-originating material, or

(iv) a non-originating material used in the production of a good provided for in Chapters 1 through 21 of the Harmonized System unless the non-originating material is provided for in a different subheading than the good for which origin is being determined;

(g) paragraph 6 of Article D-05 (De Minimis) applies to a good provided for in Chapters 50 through 63; and

(h) the following definitions apply:

chapter means a chapter of the Harmonized System;

heading means the first four digits in the tariff classification number under the Harmonized System;

section means a section of the Harmonized System;

subheading means the first six digits in the tariff classification number under the Harmonized System; and

tariff item means the first eight digits in the tariff classification number under the Harmonized System as implemented by each Party.

Section II - Specific Rules of Origin

Section I - Live Animals; Animal Products (Chapter 1-5)

- Chapter 1** **Live Animals**
01.01-01.06 A change to heading 01.01 through 01.06 from any other chapter.
- Chapter 2** **Meat and Edible Meat Offal**
02.01-02.10 A change to heading 02.01 through 02.10 from any other chapter.
- Chapter 3** **Fish and Crustaceans, Molluscs and Other Aquatic Invertebrates**
03.01-03.07 A change to heading 03.01 through 03.07 from any other chapter.
- Chapter 4** **Dairy Produce; Birds' Eggs; Natural Honey; Edible Products of Animal Origin, Not Elsewhere Specified or Included**
04.01-04.10 A change to heading 04.01 through 04.10 from any other chapter, except from tariff item 1901.90.aa.
- Chapter 5** **Products of Animal Origin, Not Elsewhere Specified or Included**
05.01-05.11 A change to heading 05.01 through 05.11 from any other chapter.

Section II - Vegetable Products (Chapter 6-14)

Note: *Agricultural and horticultural goods grown in the territory of a Party shall be treated as originating in the territory of that Party even if grown from seed, 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**
06.01-06.04 A change to heading 06.01 through 06.04 from any other chapter.
- Chapter 7** **Edible Vegetables and Certain Roots and Tubers**
07.01-07.14 A change to heading 07.01 through 07.14 from any other chapter.
- Chapter 8** **Edible Fruit and Nuts; Peel of Citrus Fruit or Melons**
08.01-08.14 A change to heading 08.01 through 08.14 from any other chapter.
- Chapter 9** **Coffee, Tea, Maté and Spices**
09.01-09.10 A change to heading 09.01 through 09.10 from any other chapter.
- Chapter 10** **Cereals**
10.01-10.08 A change to heading 10.01 through 10.08 from any other chapter.
- Chapter 11** **Products of the Milling Industry; Malt; Starches; Inulin; Wheat Gluten**

11.01-11.09	A change to heading 11.01 through 11.09 from any other chapter.
Chapter 12	Oil Seeds and Oleaginous Fruits; Miscellaneous Grains, Seeds and Fruit; Industrial or Medicinal Plants; Straw and Fodder
12.01-12.14	A change to heading 12.01 through 12.14 from any other chapter.
Chapter 13	Lac; Gums, Resins and Other Vegetable Saps and Extracts
13.01-13.02	A change to heading 13.01 through 13.02 from any other chapter.
Chapter 14	Vegetable Plaiting Materials; Vegetable Products Not Elsewhere Specified or Included
14.01-14.04	A change to heading 14.01 through 14.04 from any other chapter.
Section III	- Animal or Vegetable Fats and Oils and Their Cleavage Products; Prepared Edible Fats; Animal or Vegetable Waxes (Chapter 15)
Chapter 15	Animal or Vegetable Fats and Oils and Their Cleavage Products; Prepared Edible Fats; Animal or Vegetable Waxes
15.01-15.18	A change to heading 15.01 through 15.18 from any other chapter, except from heading 38.23.
15.20	A change to heading 15.20 from any other heading, except from heading 38.23.
15.21-15.22	A change to heading 15.21 through 15.22 from any other chapter.
Section IV	- Prepared Foodstuffs; Beverages, Spirits and Vinegar; Tobacco and Manufactured Tobacco Substitutes (Chapter 16-24)
Chapter 16	Preparations of Meat, of Fish or of Crustaceans, Molluscs or Other Aquatic Invertebrates
16.01-16.05	A change to heading 16.01 through 16.05 from any other chapter.
Chapter 17	Sugars and Sugar Confectionery
17.01-17.03	A change to heading 17.01 through 17.03 from any other chapter.
17.04	A change to heading 17.04 from any other heading.
Chapter 18	Cocoa and Cocoa Preparations
18.01-18.05	A change to heading 18.01 through 18.05 from any other chapter.
1806.10	
1806.10.aa	A change to tariff item 1806.10.aa from any other heading.
1806.10	A change to subheading 1806.10 from any other heading, provided that the non-originating sugar of Chapter 17 constitutes no more than 35 per cent by weight of the sugar and the non-originating cocoa powder of heading 18.05 constitutes no more than 35 per cent by weight of the cocoa powder.

1806.20	A change to subheading 1806.20 from any other heading.
1806.31	A change to subheading 1806.31 from any other subheading.
1806.32	A change to subheading 1806.32 from any other heading.
1806.90	A change to subheading 1806.90 from any other subheading.
Chapter 19	Preparations of Cereals, Flour, Starch or Milk; Pastrycooks' Products
1901.10	
1901.10.aa	A change to tariff item 1901.10.aa from any other chapter, except from Chapter 4.
1901.10	A change to subheading 1901.10 from any other chapter.
1901.20	
1901.20.aa	A change to tariff item 1901.20.aa from any other chapter, except from Chapter 4.
1901.20	A change to subheading 1901.20 from any other chapter.
1901.90	
1901.90.aa	A change to tariff item 1901.90.aa from any other chapter, except from Chapter 4.
1901.90	A change to subheading 1901.90 from any other chapter.
19.02-19.03	A change to heading 19.02 through 19.03 from any other chapter.
1904.10	A change to subheading 1904.10 from any other chapter.
1904.20	A change to subheading 1904.20 from any other subheading, except from Chapter 20.
1904.90	A change to subheading 1904.90 from any other chapter.
19.05	A change to heading 19.05 from any other chapter.
Chapter 20	Preparations of Vegetables, Fruit, Nuts or Other Parts of Plants
	<i>Note: Fruit, nut and vegetable preparations of Chapter 20 that have been prepared or preserved merely by freezing, by packing (including canning) in water, brine or natural juices, or by roasting, either dry or in oil (including processing incidental to freezing, packing, or roasting), shall be treated as an originating good only if the fresh good were wholly produced or obtained entirely in the territory of one or both of the Parties.</i>
20.01-20.07	A change to heading 20.01 through 20.07 from any other chapter.
2008.11	
2008.11.aa	A change to tariff item 2008.11.aa from any other heading, except from heading 12.02.
2008.11	A change to subheading 2008.11 from any other chapter.
2008.19-2008.99	A change to subheading 2008.19 through 2008.99 from any other chapter.

- 2009.11-2009.30 A change to subheading 2009.11 through 2009.30 from any other chapter, except from heading 08.05.
- 2009.40-2009.80 A change to subheading 2009.40 through 2009.80 from any other chapter.
- 2009.90 A change to subheading 2009.90 from any other chapter; or
 A change to subheading 2009.90 from any other subheading within Chapter 20, whether or not there is also a change from any other chapter, provided that a single juice ingredient, or juice ingredients from a single non-Party, constitute in single strength form no more than 60 per cent by volume of the good.

Chapter 21

Miscellaneous Edible Preparations

21.01

2101.11.aa

A change to tariff item 2101.11.aa from any other chapter, provided that the non-originating coffee of Chapter 9 constitutes no more than 60 per cent by weight of the good.

21.01

A change to heading 21.01 from any other chapter.

21.02

A change to heading 21.02 from any other chapter.

2103.10

A change to subheading 2103.10 from any other chapter.

2103.20

2103.20.aa

A change to tariff item 2103.20.aa from any other chapter, except from subheading 2002.90.

2103.20

A change to subheading 2103.20 from any other chapter.

2103.30-2103.90

A change to subheading 2103.30 through 2103.90 from any other chapter.

21.04

A change to heading 21.04 from any other chapter.

21.05

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

21.06

2106.90.bb

A change to tariff item 2106.90.bb from any other chapter, except from heading 08.05 or 20.09 or tariff item 2202.90.aa.

2106.90.cc

A change to tariff item 2106.90.cc from any other chapter, except from heading 20.09 or tariff item 2202.90.bb; or

A change to tariff item 2106.90.cc from any other subheading within Chapter 21, heading 20.09 or tariff item 2202.90.bb, 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.dd

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

2106.90.ee

A change to tariff item 2106.90.ee from any other tariff item, except from heading 22.03 through 22.09.

21.06

A change to heading 21.06 from any other chapter.

Chapter 22	Beverages, Spirits and Vinegar
22.01	A change to heading 22.01 from any other chapter.
2202.10	A change to subheading 2202.10 from any other chapter.
2202.90	
2202.90.aa	A change to tariff item 2202.90.aa from any other chapter, except from heading 08.05 or 20.09 or tariff item 2106.90.bb.
2202.90.bb	A change to tariff item 2202.90.bb from any other chapter, except from heading 20.09 or tariff item 2106.90.cc; or A change to tariff item 2202.90.bb from any other subheading within Chapter 22, heading 20.09, or tariff item 2106.90.cc, 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 tariff item 2202.90.cc from any other chapter, except from Chapter 4 or tariff item 1901.90.aa.
2202.90	A change to subheading 2202.90 from any other chapter.
22.03-22.09	A change to heading 22.03 through 22.09 from any heading outside that group, except from tariff item 2106.90.ee.
Chapter 23	Residues and Waste From the Food Industries; Prepared Animal Fodder
23.01-23.08	A change to heading 23.01 through 23.08 from any other chapter.
2309.10	A change to subheading 2309.10 from any other heading.
2309.90	
2309.90.aa	A change to tariff item 2309.90.aa from any other heading, except from Chapter 4 or tariff item 1901.90.aa.
2309.90	A change to subheading 2309.90 from any other heading.
Chapter 24	Tobacco and Manufactured Tobacco Substitutes
24.01-24.03	A change to heading 24.01 through 24.03 from tariff item 2401.10.aa, 2401.20.aa or 2403.91.aa or any other chapter.
Section V	Mineral Products (Chapter 25-27)
Chapter 25	Salt; Sulphur; Earths and Stone; Plastering Materials, Lime and Cement
25.01-25.30	A change to heading 25.01 through 25.30 from any other chapter.
Chapter 26	Ores, Slag and Ash
26.01-26.21	A change to heading 26.01 through 26.21 from any other chapter.

Chapter 27	Mineral Fuels, Mineral Oils and Products of Their Distillation; Bituminous Substances; Mineral Waxes
27.01-27.03	A change to heading 27.01 through 27.03 from any other chapter.
27.04	A change to heading 27.04 from any other heading.
27.05-27.09	A change to heading 27.05 through 27.09 from any other chapter.
27.10-27.15	A change to heading 27.10 through 27.15 from any heading outside that group.
27.16	A change to heading 27.16 from any other heading.

Section VI - Products of the Chemical or Allied Industries (Chapter 28-38)

Chapter 28	Inorganic Chemicals; Organic or Inorganic Compounds of Precious Metals, of Rare-Earth Metals, of Radioactive Elements or of Isotopes
2801.10-2801.30	A change to subheading 2801.10 through 2801.30 from any other subheading, including another subheading within that group.
28.02-28.03	A change to heading 28.02 through 28.03 from any other heading, including another heading within that group.
2804.10-2804.50	A change to subheading 2804.10 through 2804.50 from any other subheading, including another subheading within that group.
2804.61-2804.69	A change to subheading 2804.61 through 2804.69 from any subheading outside that group; or A change to subheading 2804.61 through 2804.69 from any other subheading within that group, whether or not there is also a change from any subheading outside that group, provided there is a regional value content of not less than: (a) 60 per cent where the transaction value method is used, or (b) 50 per cent where the net cost method is used.
2804.70-2804.90	A change to subheading 2804.70 through 2804.90 from any other subheading, including another subheading within that group.
2805.11-2805.40	A change to subheading 2805.11 through 2805.40 from any other subheading, including another subheading within that group.
2806.10	A change to subheading 2806.10 from any other subheading, except from subheading 2801.10; or A change to subheading 2806.10 from subheading 2801.10, whether or not there is also a change from any other subheading, provided there is a regional value content of not less than: (a) 60 per cent where the transaction value method is used, or (b) 50 per cent where the net cost method is used.
2806.20	A change to subheading 2806.20 from any other subheading.
28.07-28.08	A change to heading 28.07 through 28.08 from any other heading, including another heading within that group.
2809.10-2814.20	A change to subheading 2809.10 through 2814.20 from any other subheading, including another subheading within that group.

- 2815.11-2815.12 A change to subheading 2815.11 through 2815.12 from any other heading; or
- A change to subheading 2815.11 through 2815.12 from any other subheading within heading 28.15, including another subheading within that group, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 60 per cent where the transaction value method is used, or
- (b) 50 per cent where the net cost method is used.
- 2815.20 A change to subheading 2815.20 from any other subheading.
- 2815.30 A change to subheading 2815.30 from any other subheading, except from subheading 2815.11 through 2815.20; or
- A change to subheading 2815.30 from subheading 2815.11 through 2815.20, whether or not there is also a change from any other subheading, provided there is a regional value content of not less than:
- (a) 60 per cent where the transaction value method is used, or
- (b) 50 per cent where the net cost method is used.
- 2816.10-2818.30 A change to subheading 2816.10 through 2818.30 from any other subheading, including another subheading within that group.
- 2819.10 A change to subheading 2819.10 from any other heading; or
- A change to subheading 2819.10 from subheading 2819.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 60 per cent where the transaction value method is used, or
- (b) 50 per cent where the net cost method is used.
- 2819.90 A change to subheading 2819.90 from any other subheading.
- 2820.10 A change to subheading 2820.10 from any other heading; or
- A change to subheading 2820.10 from subheading 2820.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 60 per cent where the transaction value method is used, or
- (b) 50 per cent where the net cost method is used.
- 2820.90 A change to subheading 2820.90 from any other subheading.
- 2821.10-2821.20 A change to subheading 2821.10 through 2821.20 from any other heading; or
- A change to subheading 2821.10 through 2821.20 from any other subheading within that group, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- a) 60 per cent where the transaction value method is used, or
- b) 50 per cent where the net cost method is used.
- 28.22-28.23 A change to heading 28.22 through 28.23 from any other heading, including another heading within that group.
- 2824.10-2824.90 A change to subheading 2824.10 through 2824.90 from any other heading; or

- A change to subheading 2824.10 through 2824.90 from any other subheading within that group, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 60 per cent where the transaction value method is used, or
 - (b) 50 per cent where the net cost method is used.
- 2825.10-2828.90 A change to subheading 2825.10 through 2828.90 from any other subheading, including another subheading within that group.
- 2829.11 A change to subheading 2829.11 from any other subheading.
- 2829.19-2829.90 A change to subheading 2829.19 through 2829.90 from any other chapter, except from Chapter 28 through 38; or
- A change to subheading 2829.19 through 2829.90 from any other subheading within Chapter 28 through 38, including another subheading within that group, whether or not there is also a change from any other chapter, provided there is a regional value content of not less than:
- (a) 60 per cent where the transaction value method is used, or
 - (b) 50 per cent where the net cost method is used.
- 2830.10-2835.39 A change to subheading 2830.10 through 2835.39 from any other subheading, including another subheading within that group.
- 2836.10 A change to subheading 2836.10 from any other subheading.
- 2836.20-2836.30 A change to subheading 2836.20 through 2836.30 from any subheading outside that group; or
- A change to subheading 2836.20 through 2836.30 from any other subheading within that group, whether or not there is also a change from any subheading outside that group, provided there is a regional value content of not less than:
- (a) 60 per cent where the transaction value method is used, or
 - (b) 50 per cent where the net cost method is used.
- 2836.40-2836.99 A change to subheading 2836.40 through 2836.99 from any other subheading, including another subheading within that group.
- 2837.11-2850.00 A change to subheading 2837.11 through 2850.00 from any other subheading, including another subheading within that group.
- 28.51 A change to heading 28.51 from any other chapter, except from Chapter 28 through 38; or
- A change to heading 28.51 from any other subheading within Chapter 28 through 38, whether or not there is also a change from any other chapter, provided there is a regional value content of not less than:
- (a) 60 per cent where the transaction value method is used, or
 - (b) 50 per cent where the net cost method is used.

Chapter 29

Organic Chemicals

- 2901.10-2901.29 A change to subheading 2901.10 through 2901.29 from any other subheading, including another subheading within that group.
- 2902.11-2902.44 A change to subheading 2902.11 through 2902.44 from any other subheading, including another subheading within that group.

- 2902.50 A change to subheading 2902.50 from any other subheading, except from subheading 2902.60; or
- A change to subheading 2902.50 from subheading 2902.60, whether or not there is also a change from any other subheading, provided there is a regional value content of not less than:
- (a) 60 per cent where the transaction value method is used, or
 - (b) 50 per cent where the net cost method is used.
- 2902.60-2902.90 A change to subheading 2902.60 through 2902.90 from any other subheading, including another subheading within that group.
- 2903.11-2903.30 A change to subheading 2903.11 through 2903.30 from any other subheading, including another subheading within that group, except from heading 29.01 through 29.02; or
- A change to subheading 2903.11 through 2903.30 from heading 29.01 through 29.02, whether or not there is also a change from any other subheading, including another subheading within subheading 2903.11 through 2903.30; provided there is a regional value content of not less than:
- (a) 60 per cent where the transaction value method is used, or
 - (b) 50 per cent where the net cost method is used.
- 2903.41-2903.69 A change to subheading 2903.41 through 2903.69 from any other subheading, including another subheading within that group, except from heading 29.01 through 29.02; or
- A change to subheading 2903.41 through 2903.69 from heading 29.01 through 29.02, whether or not there is also a change from any other subheading, including another subheading within subheading 2903.41 through 2903.69, provided there is a regional value content of not less than:
- (a) 60 per cent where the transaction value method is used, or
 - (b) 50 per cent where the net cost method is used.
- 2904.10-2904.90 A change to subheading 2904.10 through 2904.90 from any other subheading, including another subheading within that group, except from heading 29.01 through 29.03; or
- A change to subheading 2904.10 through 2904.90 from heading 29.01 through 29.03, whether or not there is also a change from any other subheading, including another subheading within subheading 2904.10 through 2904.90, provided there is a regional value content of not less than:
- (a) 60 per cent where the transaction value method is used, or
 - (b) 50 per cent where the net cost method is used.
- 2905.11-2907.30 A change to subheading 2905.11 through 2907.30 from any other subheading, including another subheading within that group.
- 2908.10-2908.90 A change to subheading 2908.10 through 2908.90 from any other heading, except from heading 29.07; or
- A change to subheading 2908.10 through 2908.90 from any other subheading within that group or heading 29.07, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 60 per cent where the transaction value method is used, or
 - (b) 50 per cent where the net cost method is used.

- 2909.11-2909.20 A change to subheading 2909.11 through 2909.20 from any other heading; or
- A change to subheading 2909.11 through 2909.20 from any other subheading within heading 29.09, including another subheading within that group, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 60 per cent where the transaction value method is used, or
 - (b) 50 per cent where the net cost method is used.
- 2909.30 A change to subheading 2909.30 from any other subheading.
- 2909.41-2909.60 A change to subheading 2909.41 through 2909.60 from any other heading; or
- A change to subheading 2909.41 through 2909.60 from any other subheading within heading 29.09, including another subheading within that group, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 60 per cent where the transaction value method is used, or
 - (b) 50 per cent where the net cost method is used.
- 2910.10-2911.00 A change to subheading 2910.10 through 2911.00 from any other subheading, including another subheading within that group.
- 2912.11 A change to subheading 2912.11 from any other subheading.
- 2912.12 A change to subheading 2912.12 from any other subheading, except from subheading 2901.21; or
- A change to subheading 2912.12 from subheading 2901.21, whether or not there is also a change from any other subheading, provided there is a regional value content of not less than:
- (a) 60 per cent where the transaction value method is used, or
 - (b) 50 per cent where the net cost method is used.
- 2912.13-2912.50 A change to subheading 2912.13 through 2912.50 from any other subheading, including another subheading within that group.
- 2912.60 A change to subheading 2912.60 from any other subheading, except from subheading 2912.11; or
- A change to subheading 2912.60 from subheading 2912.11, whether or not there is also a change from any other subheading, provided there is a regional value content of not less than:
- (a) 60 per cent where the transaction value method is used, or
 - (b) 50 per cent where the net cost method is used.
- 29.13 A change to heading 29.13 from any other heading, except from heading 29.12; or
- A change to heading 29.13 from heading 29.12, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 60 per cent where the transaction value method is used, or
 - (b) 50 per cent where the net cost method is used.
- 2914.11-2914.70 A change to subheading 2914.11 through 2914.70 from any other subheading, including another subheading within that group.
- 2915.11 A change to subheading 2915.11 from any other subheading.

- 2915.12 A change to subheading 2915.12 from any other subheading, except from subheading 2915.11; or
- A change to subheading 2915.12 from subheading 2915.11, whether or not there is also a change from any other subheading, provided there is a regional value content of not less than:
- (a) 60 per cent where the transaction value method is used, or
 - (b) 50 per cent where the net cost method is used.
- 2915.13 A change to subheading 2915.13 from any other subheading.
- 2915.21 A change to subheading 2915.21 from any other subheading, except from subheading 2912.12; or
- A change to subheading 2915.21 from subheading 2912.12, whether or not there is also a change from any other subheading, provided there is a regional value content of not less than:
- (a) 60 per cent where the transaction value method is used, or
 - (b) 50 per cent where the net cost method is used.
- 2915.22-2915.31 A change to subheading 2915.22 through 2915.31 from any other subheading, including another subheading within that group, except from subheading 2915.21; or
- A change to subheading 2915.22 through 2915.31 from subheading 2915.21, whether or not there is also a change from any other subheading, including another subheading within that group, provided there is a regional value content of not less than:
- (a) 60 per cent where the transaction value method is used, or
 - (b) 50 per cent where the net cost method is used.
- 2915.32 A change to subheading 2915.32 from any other subheading.
- 2915.33-2915.34 A change to subheading 2915.33 through 2915.34 from any other subheading, including another subheading within that group, except from subheading 2915.21, or
- A change to subheading 2915.33 through 2915.34 from subheading 2915.21, whether or not there is also a change from any other subheading, including another subheading within that group, provided there is a regional value content of not less than:
- (a) 60 per cent where the transaction value method is used, or
 - (b) 50 per cent where the net cost method is used.
- 2915.35 A change to subheading 2915.35 from any other subheading.
- 2915.39-2915.40 A change to subheading 2915.39 through 2915.40 from any other subheading, including another subheading within that group, except from subheading 2915.21; or
- A change to subheading 2915.39 through 2915.40 from subheading 2915.21, whether or not there is also a change from any other subheading, including another subheading within that group, provided there is a regional value content of not less than:
- (a) 60 per cent where the transaction value method is used, or
 - (b) 50 per cent where the net cost method is used.
- 2915.50-2915.70 A change to subheading 2915.50 through 2915.70 from any other subheading, including another subheading within that group.
- 2915.90 A change to subheading 2915.90 from any other subheading; or

- A change to valproic salts of subheading 2915.90 from valproic acids of subheading 2915.90.
- 2916.11-2917.39 A change to subheading 2916.11 through 2917.39 from any other subheading, including another subheading within that group.
- 2918.11-2918.21 A change to subheading 2918.11 through 2918.21 from any other subheading, including another subheading within that group.
- 2918.22-2918.23 A change to subheading 2918.22 through 2918.23 from any other subheading, including another subheading within that group, except from subheading 2918.21; or
- A change to subheading 2918.22 through 2918.23 from subheading 2918.21, whether or not there is also a change from any other subheading, including another subheading within that group, provided there is a regional value content of not less than:
- (a) 60 per cent where the transaction value method is used, or
(b) 50 per cent where the net cost method is used.
- 2918.29-2918.30 A change to subheading 2918.29 through 2918.30 from any other subheading, including another subheading within that group; or
- A change to parabens of subheading 2918.29 from p-hydroxybenzoic acid of subheading 2918.29.
- 2918.90 A change to subheading 2918.90 from any other subheading, except from subheading 2908.10 or 2915.40; or
- A change to subheading 2918.90 from subheading 2908.10 or 2915.40, whether or not there is also a change from any other subheading, provided there is a regional value content of not less than:
- (a) 60 per cent where the transaction value method is used, or
(b) 50 per cent where the net cost method is used.
- 29.19 A change to heading 29.19 from any other heading.
- 2920.10-2920.90 A change to subheading 2920.10 through 2920.90 from any other subheading, including another subheading within that group.
- 2921.11-2921.12 A change to subheading 2921.11 through 2921.12 from any other heading, except from heading 29.01, 29.02, 29.04, 29.16, 29.17 or 29.26; or
- A change to subheading 2921.11 through 2921.12 from any other subheading within heading 29.21, including another subheading within that group, or heading 29.01, 29.02, 29.04, 29.16, 29.17 or 29.26, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 60 per cent where the transaction value method is used, or
(b) 50 per cent where the net cost method is used.
- 2921.19 A change to subheading 2921.19 from any other subheading.
- 2921.21-2921.29 A change to subheading 2921.21 through 2921.29 from any other heading, except from heading 29.01, 29.02, 29.04, 29.16, 29.17 or 29.26; or
- A change to subheading 2921.21 through 2921.29 from any other subheading within heading 29.21, including another subheading within that group, or heading 29.01, 29.02, 29.04, 29.16, 29.17 or 29.26, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 per cent where the transaction value method is used, or
(b) 50 per cent where the net cost method is used.
- 2921.30 A change to subheading 2921.30 from any other subheading.
- 2921.41-2921.59 A change to subheading 2921.41 through 2921.59 from any other heading, except from heading 29.01, 29.02, 29.04, 29.16, 29.17 or 29.26; or
- A change to subheading 2921.41 through 2921.59 from any other subheading within heading 29.21, including another subheading within that group, or heading 29.01, 29.02, 29.04, 29.16, 29.17 or 29.26, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 60 per cent where the transaction value method is used, or
(b) 50 per cent where the net cost method is used.
- 2922.11-2922.50 A change to subheading 2922.11 through 2922.50 from any other heading, except from heading 29.05 through 29.21; or
- A change to subheading 2922.11 through 2922.50 from any other subheading within that group or heading 29.05 through 29.21, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 60 per cent where the transaction value method is used, or
(b) 50 per cent where the net cost method is used.
- 2923.10-2923.90 A change to subheading 2923.10 through 2923.90 from any other subheading, including another subheading within that group.
- 2924.10 A change to subheading 2924.10 from any other subheading.
- 2924.21 A change to subheading 2924.21 from any other subheading, except from subheading 2917.20; or
- A change to subheading 2924.21 from subheading 2917.20, whether or not there is also a change from any other subheading, provided there is a regional value content of not less than:
- (a) 60 per cent where the transaction value method is used, or
(b) 50 per cent where the net cost method is used.
- 2924.22-2924.29 A change to subheading 2924.22 through 2924.29 from any subheading outside that group, except from subheading 2917.20; or
- A change to subheading 2924.22 through 2924.29 from any other subheading within that group or subheading 2917.20, whether or not there is also a change from any subheading outside that group, provided there is a regional value content of not less than:
- (a) 60 per cent where the transaction value method is used, or
(b) 50 per cent where the net cost method is used.
- 2925.11-2928.00 A change to subheading 2925.11 through 2928.00 from any other subheading, including another subheading within that group.
- 2929.10-2929.90 A change to subheading 2929.10 through 2929.90 from any other subheading, including another subheading within that group, except from heading 29.21; or
- A change to subheading 2929.10 through 2929.90 from heading 29.21, whether or not there is also a change from any other subheading, including another subheading within that group, provided there is a regional value content of not less than:

- (a) 60 per cent where the transaction value method is used, or
(b) 50 per cent where the net cost method is used.
- 2930.10-2930.90 A change to subheading 2930.10 through 2930.90 from any other subheading, including another subheading within that group.
- 29.31 A change to heading 29.31 from any other heading.
- 2932.11-2932.99 A change to subheading 2932.11 through 2932.99 from any other heading; or
- A change to subheading 2932.11 through 2932.99 from any other subheading within that group, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 60 per cent where the transaction value method is used, or
(b) 50 per cent where the net cost method is used.
- 2933.11-2933.69 A change to subheading 2933.11 through 2933.69 from any other heading; or
- A change to subheading 2933.11 through 2933.69 from any other subheading within heading 29.33, including another subheading within that group, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 60 per cent where the transaction value method is used, or
(b) 50 per cent where the net cost method is used.
- 2933.71 A change to subheading 2933.71 from any other chapter, except from Chapter 28 through 38; or
- A change to subheading 2933.71 from any other subheading within Chapter 28 through 38, whether or not there is also a change from any other chapter, provided there is a regional value content of not less than:
- (a) 60 per cent where the transaction value method is used, or
(b) 50 per cent where the net cost method is used.
- 2933.79-2933.90 A change to subheading 2933.79 through 2933.90 from any other heading; or
- A change to subheading 2933.79 through 2933.90 from any other subheading within heading 29.33, including another subheading within that group, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 60 per cent where the transaction value method is used, or
(b) 50 per cent where the net cost method is used.
- 2934.10-2934.90 A change to subheading 2934.10 through 2934.90 from any other subheading, including another subheading within that group; or
- A change to nucleic acids of subheading 2934.90 from other heterocyclic compounds of subheading 2934.90.
- 29.35 A change to heading 29.35 from any other heading.
- 2936.10-2936.90 A change to subheading 2936.10 through 2936.90 from any other heading; or
- A change to subheading 2936.10 through 2936.90 from any other subheading within that group, whether or not there is also a change from

any other heading, provided there is a regional value content of not less than:

- (a) 60 per cent where the transaction value method is used, or
- (b) 50 per cent where the net cost method is used.

2937.10-2937.99

A change to subheading 2937.10 through 2937.99 from any other chapter, except from Chapter 28 through 38; or

A change to subheading 2937.10 through 2937.99 from any other subheading within Chapter 28 through 38, including another subheading within that group, whether or not there is also a change from any other chapter, provided there is a regional value content of not less than:

- (a) 60 per cent where the transaction value method is used, or
- (b) 50 per cent where the net cost method is used.

2938.10-2938.90

A change to subheading 2938.10 through 2938.90 from any other heading, except from heading 29.40; or

A change to subheading 2938.10 through 2938.90 from any other subheading within that group or heading 29.40, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 per cent where the transaction value method is used, or
- (b) 50 per cent where the net cost method is used.

2939.10-2939.90

A change to subheading 2939.10 through 2939.90 from any other subheading, including another subheading within that group.

29.40

A change to heading 29.40 from any other heading, except from heading 29.38; or

A change to heading 29.40 from heading 29.38, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 per cent where the transaction value method is used, or
- (b) 50 per cent where the net cost method is used.

2941.10-2941.90

A change to subheading 2941.10 through 2941.90 from any other chapter, except from Chapter 28 through 38; or

A change to subheading 2941.10 through 2941.90 from any other subheading within Chapter 28 through 38, including another subheading within that group, whether or not there is also a change from any other chapter, provided there is a regional value content of not less than:

- (a) 60 per cent where the transaction value method is used, or
- (b) 50 per cent where the net cost method is used.

29.42

A change to heading 29.42 from any other chapter, except from Chapter 28 through 38; or

A change to heading 29.42 from any other heading within Chapter 28 through 38, whether or not there is also a change from any other chapter, provided there is a regional value content of not less than:

- (a) 60 per cent where the transaction value method is used, or
- (b) 50 per cent where the net cost method is used.

Chapter 30	Pharmaceutical Products
3001.10-3006.60	A change to subheading 3001.10 through 3006.60 from any other subheading, including another subheading within that group.
Chapter 31	Fertilizers
31.01	A change to heading 31.01 from any other heading.
3102.10-3105.90	A change to subheading 3102.10 through 3105.90 from any other subheading, including another subheading within that group.
Chapter 32	Tanning or Dyeing Extracts; Tannins and Their Derivatives; Dyes, Pigments and Other Colouring Matter; Paints and Varnishes; Putty and Other Mastics; Inks
3201.10-3202.90	A change to subheading 3201.10 through 3202.90 from any other subheading, including another subheading within that group.
32.03	A change to heading 32.03 from any other heading.
3204.11-3204.90	A change to subheading 3204.11 through 3204.90 from any other subheading, including another subheading within that group.
32.05	A change to heading 32.05 from any other heading.
3206.11-3207.40	A change to subheading 3206.11 through 3207.40 from any other subheading, including another subheading within that group.
32.08-32.10	A change to heading 32.08 through 32.10 from any heading outside that group.
32.11	A change to heading 32.11 from any other heading.
3212.10-3212.90	A change to subheading 3212.10 through 3212.90 from any other subheading, including another subheading within that group.
32.13	A change to heading 32.13 from any other heading.
3214.10-3214.90	A change to subheading 3214.10 through 3214.90 from any other subheading, including another subheading within that group.
32.15	A change to heading 32.15 from any other heading.
Chapter 33	Essential Oils and Resinoids; Perfumery, Cosmetic or Toilet Preparations
3301.11	A change to subheading 3301.11 from any other subheading.
3301.12-3301.13	A change to subheading 3301.12 through 3301.13 from any other chapter; or A change to subheading 3301.12 through 3301.13 from any other subheading within Chapter 33, including another subheading within that group, whether or not there is also a change from any other chapter, provided there is a regional value content of not less than: (a) 60 per cent where the transaction value method is used, or (b) 50 per cent where the net cost method is used.
3301.14	A change to subheading 3301.14 from any other subheading.
3301.19	A change to subheading 3301.19 from any other chapter; or

A change to subheading 3301.19 from any other subheading within Chapter 33, whether or not there is also a change from any other chapter, provided there is a regional value content of not less than:

- (a) 60 per cent where the transaction value method is used, or
- (b) 50 per cent where the net cost method is used.

3301.21-3301.26

A change to subheading 3301.21 through 3301.26 from any other subheading, including another subheading within that group.

3301.29-3301.90

A change to subheading 3301.29 through 3301.90 from any other chapter; or

A change to subheading 3301.29 through 3301.90 from any other subheading within Chapter 33, including another subheading within that group, whether or not there is also a change from any other chapter, provided there is a regional value content of not less than:

- (a) 60 per cent where the transaction value method is used, or
- (b) 50 per cent where the net cost method is used.

33.02

A change to heading 33.02 from any other heading, except from heading 22.07 through 22.08.

33.03

A change to heading 33.03 from any other chapter; or

A change to heading 33.03 from any other heading within Chapter 33, whether or not there is also a change from any other chapter, provided there is a regional value content of not less than:

- (a) 60 per cent where the transaction value method is used, or
- (b) 50 per cent where the net cost method is used.

3304.10-3305.90

A change to subheading 3304.10 through 3305.90 from any heading outside that group, except from heading 33.06 through 33.07; or

A change to subheading 3304.10 through 3305.90 from any other subheading within that group or heading 33.06 through 33.07, whether or not there is also a change from any heading outside that group, provided there is a regional value content of not less than:

- (a) 60 per cent where the transaction value method is used, or
- (b) 50 per cent where the net cost method is used.

3306.10

A change to subheading 3306.10 from any other heading, except from heading 33.04 through 33.05 or 33.07; or

A change to subheading 3306.10 from heading 33.04 through 33.05 or 33.07, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 per cent where the transaction value method is used, or
- (b) 50 per cent where the net cost method is used.

3306.20

A change to subheading 3306.20 from any other subheading, except from heading 52.01 through 52.03, Chapter 54 or heading 55.01 through 55.07.

3306.90

A change to subheading 3306.90 from any other heading, except from heading 33.04 through 33.05 or 33.07; or

A change to subheading 3306.90 from heading 33.04 through 33.05 or 33.07, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 per cent where the transaction value method is used, or

- (b) 50 per cent where the net cost method is used.
- 3307.10-3307.90 A change to subheading 3307.10 through 3307.90 from any other heading, except from heading 33.04 through 33.06; or
- A change to subheading 3307.10 through 3307.90 from heading 33.04 through 33.06, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 60 per cent where the transaction value method is used, or
(b) 50 per cent where the net cost method is used.
- Chapter 34 Soap, Organic Surface-active Agents, Washing Preparations, Lubricating Preparations, Artificial Waxes, Prepared Waxes, Polishing or Scouring Preparations, Candles and Similar Articles, Modelling Pastes, "Dental Waxes" and Dental Preparations with a Basis of Plaster
- 3401.11-3401.20 A change to subheading 3401.11 through 3401.20 from any other heading; or
- A change to subheading 3401.11 through 3401.20 from any other subheading within heading 34.01, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 65 per cent where the transaction value method is used, or
(b) 50 per cent where the net cost method is used.
- 3402.11-3402.12 A change to subheading 3402.11 through 3402.12 from any other heading, except to linear alkylbenzene sulfonic acid or linear alkylbenzene sulfonates of subheading 3402.11 from linear alkylbenzene of subheading 3817.10; or
- A change to subheading 3402.11 through 3402.12 from any other subheading, including another subheading within heading 34.02, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 65 per cent where the transaction value method is used, or
(b) 50 per cent where the net cost method is used.
- 3402.13 A change to subheading 3402.13 from any other subheading.
- 3402.19 A change to subheading 3402.19 from any other heading; or
- A change to subheading 3402.19 from any other subheading within heading 34.02, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 65 per cent where the transaction value method is used, or
(b) 50 per cent where the net cost method is used.
- 3402.20-3402.90 A change to subheading 3402.20 through 3402.90 from any subheading outside that group; or
- A change to subheading 3402.20 through 3402.90 from any other subheading within that group, whether or not there is also a change from any subheading outside that group, provided there is a regional value content of not less than:
- (a) 65 per cent where the transaction value method is used, or
(b) 50 per cent where the net cost method is used.

3403.11-3403.99	A change to subheading 3403.11 through 3403.99 from any other subheading, including another subheading within that group.
3404.10-3404.90	A change to subheading 3404.10 through 3404.90 from any other subheading, including another subheading within that group.
3405.10-3405.40	A change to subheading 3405.10 through 3405.40 from any other subheading, including another subheading within that group.
3405.90	A change to subheading 3405.90 from any other heading; or A change to subheading 3405.90 from any other subheading within heading 34.05, whether or not there is also a change from any other heading, provided there is a regional value content of not less than: (a) 65 per cent where the transaction value method is used, or (b) 50 per cent where the net cost method is used.
34.06-34.07	A change to heading 34.06 through 34.07 from any other heading, including another heading within that group.
Chapter 35	Albuminoidal Substances; Modified Starches; Glues; Enzymes
3501.10-3501.90	A change to subheading 3501.10 through 3501.90 from any other subheading, including another subheading within that group.
3502.11-3502.19	A change to subheading 3502.11 through 3502.19 from any subheading outside that group.
3502.20-3502.90	A change to subheading 3502.20 through 3502.90 from any other subheading, including another subheading within that group.
35.03-35.04	A change to heading 35.03 through 35.04 from any other heading, including another heading within that group.
3505.10-3505.20	A change to subheading 3505.10 through 3505.20 from any other heading; or A change to subheading 3505.10 through 3505.20 from any other subheading within heading 35.05, whether or not there is also a change from any other heading, provided there is a regional value content of not less than: (a) 65 per cent where the transaction value method is used, or (b) 50 per cent where the net cost method is used.
3506.10-3506.99	A change to subheading 3506.10 through 3506.99 from any other heading; or A change to subheading 3506.10 through 3506.99 from any other subheading within heading 35.06, whether or not there is also a change from any other heading, provided there is a regional value content of not less than: (a) 65 per cent where the transaction value method is used, or (b) 50 per cent where the net cost method is used.
3507.10-3507.90	A change to subheading 3507.10 through 3507.90 from any other subheading, including another subheading within that group.

Chapter 36	Explosives; Pyrotechnic Products; Matches; Pyrophoric Alloys; Certain Combustible Preparations
36.01-36.03	A change to heading 36.01 through 36.03 from any other heading, including another heading within that group.
3604.10-3604.90	A change to subheading 3604.10 through 3604.90 from any other heading; or A change to subheading 3604.10 through 3604.90 from any other subheading within heading 36.04, whether or not there is also a change from any other heading, provided there is a regional value content of not less than: (a) 65 per cent where the transaction value method is used, or (b) 50 per cent where the net cost method is used.
36.05	A change to heading 36.05 from any other heading.
3606.10	A change to subheading 3606.10 from any other subheading.
3606.90	A change to subheading 3606.90 from any other heading; or A change to subheading 3606.90 from any other subheading within heading 36.06, whether or not there is also a change from any other heading, provided there is a regional value content of not less than: (a) 65 per cent where the transaction value method is used, or (b) 50 per cent where the net cost method is used.
Chapter 37	Photographic or Cinematographic Goods
37.01-37.03	A change to heading 37.01 through 37.03 from any other chapter.
37.04	A change to heading 37.04 from any other heading.
37.05-37.06	A change to heading 37.05 through 37.06 from any heading outside that group.
3707.10-3707.90	A change to subheading 3707.10 through 3707.90 from any other chapter; or A change to subheading 3707.10 through 3707.90 from any other subheading within Chapter 37, including another subheading within that group, whether or not there is also a change from any other chapter, provided there is a regional value content of not less than: (a) 65 per cent where the transaction value method is used, or (b) 50 per cent where the net cost method is used.
Chapter 38	Miscellaneous Chemical Products
3801.10-3801.90	A change to subheading 3801.10 through 3801.90 from any other subheading, including another subheading within that group.
3802.10-3802.90	A change to subheading 3802.10 through 3802.90 from any other heading; or A change to subheading 3802.10 through 3802.90 from any other subheading within heading 38.02, whether or not there is also a change from any other heading, provided there is a regional value content of not less than: (a) 60 per cent where the transaction value method is used, or

- (b) 50 per cent where the net cost method is used.
- 38.03-38.04 A change to heading 38.03 through 38.04 from any other heading, including another heading within that group.
- 3805.10-3805.90 A change to subheading 3805.10 through 3805.90 from any other subheading, including another subheading within that group.
- 3806.10-3806.90 A change to subheading 3806.10 through 3806.90 from any other subheading, including another subheading within that group.
- 38.07 A change to heading 38.07 from any other heading.
- 38.08 A change to heading 38.08 from any other heading.
- 3809.10 A change to subheading 3809.10 from any other subheading, except from subheading 3505.10; or
- A change to subheading 3809.10 from subheading 3505.10, whether or not there is also a change from any other subheading, provided there is a regional value content of not less than:
- (a) 60 per cent where the transaction value method is used, or
(b) 50 per cent where the net cost method is used.
- 3809.91-3809.92 A change to subheading 3809.91 through 3809.92 from any other subheading, including another subheading within that group.
- 3809.93 A change to subheading 3809.93 from any other heading; or
- A change to subheading 3809.93 from any other subheading within heading 38.09, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 60 per cent where the transaction value method is used, or
(b) 50 per cent where the net cost method is used.
- 3810.10-3810.90 A change to subheading 3810.10 through 3810.90 from any other chapter, except from Chapter 28 through 38; or
- A change to subheading 3810.10 through 3810.90 from any other subheading within Chapter 28 through 38, including another subheading within that group, whether or not there is also a change from any other chapter, provided there is a regional value content of not less than:
- (a) 60 per cent where the transaction value method is used, or
(b) 50 per cent where the net cost method is used.
- 3811.11-3811.19 A change to subheading 3811.11 through 3811.19 from any other chapter, except from Chapter 28 through 38; or
- A change to subheading 3811.11 through 3811.19 from any other subheading within Chapter 28 through 38, including another subheading within that group, whether or not there is also a change from any other chapter, provided there is a regional value content of not less than:
- (a) 60 per cent where the transaction value method is used, or
(b) 50 per cent where the net cost method is used.
- 3811.21-3811.29 A change to subheading 3811.21 through 3811.29 from any other subheading, including another subheading within that group.
- 3811.90 A change to subheading 3811.90 from any other chapter, except from Chapter 28 through 38; or

- A change to subheading 3811.90 from any other subheading within Chapter 28 through 38, whether or not there is also a change from any other chapter, provided there is a regional value content of not less than:
- (a) 60 per cent where the transaction value method is used, or
 - (b) 50 per cent where the net cost method is used.
- 3812.10-3812.30 A change to subheading 3812.10 through 3812.30 from any other chapter, except from Chapter 28 through 38; or
- A change to subheading 3812.10 through 3812.30 from any other subheading within Chapter 28 through 38, including another subheading within that group, whether or not there is also a change from any other chapter, provided there is a regional value content of not less than:
- (a) 60 per cent where the transaction value method is used, or
 - (b) 50 per cent where the net cost method is used.
- 38.13-38.14 A change to heading 38.13 through 38.14 from any other heading, including another heading within that group.
- 3815.11-3815.90 A change to subheading 3815.11 through 3815.90 from any other subheading, including another subheading within that group.
- 38.16 A change to heading 38.16 from any other chapter, except from Chapter 28 through 38; or
- A change to heading 38.16 from any other subheading within Chapter 28 through 38, whether or not there is also a change from any other chapter, provided there is a regional value content of not less than:
- (a) 60 per cent where the transaction value method is used, or
 - (b) 50 per cent where the net cost method is used.
- 3817.10-3817.20 A change to subheading 3817.10 through 3817.20 from any other subheading, including another subheading within that group.
- 38.18-38.19 A change to heading 38.18 through 38.19 from any other heading, including another heading within that group.
- 38.20 A change to heading 38.20 from any other heading, except from subheading 2905.31 or 2905.49; or
- A change to heading 38.20 from subheading 2905.31 or 2905.49, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 60 per cent where the transaction value method is used, or
 - (b) 50 per cent where the net cost method is used.
- 38.21 A change to heading 38.21 from any other heading, except from heading 35.03; or
- A change to heading 38.21 from heading 35.03, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 60 per cent where the transaction value method is used, or
 - (b) 50 per cent where the net cost method is used.
- 38.22 A change to heading 38.22 from any other chapter, except from Chapter 28 through 38; or
- A change to heading 38.22 from any other subheading within Chapter 28 through 38, whether or not there is also a change from any other chapter, provided there is a regional value content of not less than:

- (a) 40 per cent where the transaction value method is used, or
 - (b) 30 per cent where the net cost method is used.
- 3823.11-3823.13 A change to subheading 3823.11 through 3823.13 from any other heading, except from heading 15.20.
- 3823.19 A change to subheading 3823.19 from any other subheading.
- 3823.70 A change to subheading 3823.70 from any other heading, except from heading 15.20.
- 3824.10-3824.20 A change to subheading 3824.10 through 3824.20 from any other subheading, including another subheading within that group.
- 3824.30 A change to subheading 3824.30 from any other subheading, except from heading 28.49; or
- A change to subheading 3824.30 from heading 28.49, whether or not there is also a change from any other subheading, provided there is a regional value content of not less than:
- (a) 60 per cent where the transaction value method is used, or
 - (b) 50 per cent where the net cost method is used.
- 3824.40-3824.60 A change to subheading 3824.40 through 3824.60 from any other subheading, including another subheading within that group.
- 3824.71-3824.90 A change to subheading 3824.71 through 3824.90 from any other chapter, except from Chapter 28 through 38; or
- A change to subheading 3824.71 through 3824.90 from any other subheading within Chapter 28 through 38, including another subheading within that group, whether or not there is also a change from any other chapter, provided there is a regional value content of not less than:
- (a) 60 per cent where the transaction value method is used, or
 - (b) 50 per cent where the net cost method is used.

**Section VII - Plastics and Articles Thereof; Rubber and Articles Thereof
(Chapter 39-40)**

Chapter 39 Plastics and Articles Thereof

- 39.01-39.20 A change to heading 39.01 through 39.20 from any other heading, including another heading within that group, provided there is a regional value content of not less than:
- (a) 60 per cent where the transaction value method is used, or
 - (b) 50 per cent where the net cost method is used.
- 3921.11-3921.13 A change to subheading 3921.11 through 3921.13 from any other heading, provided there is a regional value content of not less than:
- (a) 60 per cent where the transaction value method is used, or
 - (b) 50 per cent where the net cost method is used.

- 3921.14 A change to subheading 3921.14 from any other heading, except from subheading 3920.20 or 3920.71. In addition, the regional value content must be not less than:
- (a) 60 per cent where the transaction value method is used, or
 - (b) 50 per cent where the net cost method is used.
- 3921.19 A change to subheading 3921.19 from any other heading, provided there is a regional value content of not less than:
- (a) 60 per cent where the transaction value method is used, or
 - (b) 50 per cent where the net cost method is used.
- 3921.90 A change to subheading 3921.90 from any other heading, except from subheading 3920.20 or 3920.71. In addition, the regional value content must be not less than:
- (a) 60 per cent where the transaction value method is used, or
 - (b) 50 per cent where the net cost method is used.
- 39.22 A change to heading 39.22 from any other heading, provided there is a regional value content of not less than:
- (a) 60 per cent where the transaction value method is used, or
 - (b) 50 per cent where the net cost method is used.
- 3923.10-3923.21 A change to subheading 3923.10 through 3923.21 from any other heading, provided there is a regional value content of not less than:
- (a) 60 per cent where the transaction value method is used, or
 - (b) 50 per cent where the net cost method is used.
- 3923.29 A change to subheading 3923.29 from any other heading, except from subheading 3920.20 or 3920.71. In addition, the regional value content must be not less than:
- (a) 60 per cent where the transaction value method is used, or
 - (b) 50 per cent where the net cost method is used.
- 3923.30-3923.90 A change to subheading 3923.30 through 3923.90 from any other heading, provided there is a regional value content of not less than:
- (a) 60 per cent where the transaction value method is used, or
 - (b) 50 per cent where the net cost method is used.
- 39.24-39.26 A change to heading 39.24 through 39.26 from any other heading, including another heading within that group, provided there is a regional value content of not less than:
- (a) 60 per cent where the transaction value method is used, or
 - (b) 50 per cent where the net cost method is used.

Chapter 40

Rubber and Articles Thereof

40.01-40.06

A change to heading 40.01 through 40.06 from any other chapter; or

A change to heading 40.01 through 40.06 from any other heading within Chapter 40, including another heading within that group, whether or not there is also a change from any other chapter, provided there is a regional value content of not less than:

- (a) 55 per cent where the transaction value method is used, or
- (b) 45 per cent where the net cost method is used.

40.07-40.08	A change to heading 40.07 through 40.08 from any heading outside that group.
4009.10-4009.40	A change to subheading 4009.10 through 4009.40 from any other heading, except from heading 40.10 through 40.17.
4009.50 ¹	<p>A change to tubes, pipes or hoses of subheading 4009.50, of a kind for use in a motor vehicle provided for in tariff item 8702.10.bb or 8702.90.bb, subheading 8703.21 through 8703.90, 8704.21 or 8704.31 or heading 87.11, from any other heading, except from heading 40.10 through 40.17;</p> <p>A change to tubes, pipes or hoses of subheading 4009.50, of a kind for use in a motor vehicle provided for in tariff item 8702.10.bb or 8702.90.bb, subheading 8703.21 through 8703.90, 8704.21 or 8704.31 or heading 87.11, from subheading 4009.10 through 4017.00, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:</p> <p>(a) 40 per cent where the transaction method is used, or (b) 30 per cent where the net cost method is used; or</p> <p>A change to tubes, pipes or hoses of subheading 4009.50, other than those of a kind for use in a motor vehicle provided for in tariff item 8702.10.bb or 8702.90.bb, subheading 8703.21 through 8703.90, 8704.21 or 8704.31 or heading 87.11, from any other heading, except from heading 40.10 through 40.17.</p>
40.10-40.11	A change to heading 40.10 through 40.11 from any heading outside that group, except from heading 40.09 or 40.12 through 40.17.
4012.10	A change to subheading 4012.10 from any other subheading, except from tariff item 4012.20.aa.
4012.20-4012.90	A change to subheading 4012.20 through 4012.90 from any other heading, except from heading 40.09 through 42.11 or 40.13 through 40.17.
40.13-40.15	A change to heading 40.13 through 40.15 from any heading outside that group, except from heading 40.09 through 40.12 or 40.16 through 40.17.
4016.10-4016.92	A change to subheading 4016.10 through 4016.92 from any other heading, except from heading 40.09 through 40.15 or 40.17.
4016.93	
4016.93.aa	A change to tariff item 4016.93.aa from any other heading, except from tariff item 4008.19.aa or 4008.29.aa.
4016.93	A change to subheading 4016.93 from any other heading, except from heading 40.09 through 40.15 or 40.17.
4016.94-4016.95	A change to subheading 4016.94 through 4016.95 from any other heading, except from heading 40.09 through 40.15 or 40.17.

¹

If the good is for use in a motor vehicle, the provisions of Article D-03 may apply.

4016.99²

4016.99.aa A change to tariff item 4016.99.aa from any other subheading, provided there is a regional value content of not less than 30 per cent under the net cost method.

4016.99 A change to subheading 4016.99 from any other heading, except from heading 40.09 through 40.15 or 40.17.

40.17 A change to heading 40.17 from any other heading, except from heading 40.09 through 40.16.

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 heading 41.01 through 41.03 from any other chapter.

41.04 A change to heading 41.04 from any other heading, except from heading 41.05 through 41.11.

41.05 A change to heading 41.05 from heading 41.01 through 41.03, tariff item 4105.19.aa or any other chapter.

41.06 A change to heading 41.06 from heading 41.01 through 41.03, tariff item 4106.19.aa or any other chapter.

41.07 A change to heading 41.07 from heading 41.01 through 41.03, tariff item 4107.10.aa or any other chapter.

41.08-41.11 A change to heading 41.08 through 41.11 from any heading outside that group, except from heading 41.04 through 41.07.

Chapter 42 Articles of Leather; Saddlery and Harness; Travel Goods, Handbags and Similar Containers; Articles of Animal Gut (Other Than Silk-Worm Gut)

42.01 A change to heading 42.01 from any other chapter.

4202.11 A change to subheading 4202.11 from any other chapter.

4202.12 A change to subheading 4202.12 from any other chapter, except from heading 54.07, 54.08 or 55.12 through 55.16 or tariff item 5903.10.aa, 5903.20.aa, 5903.90.aa, 5906.99.aa or 5907.00.aa.

4202.19-4202.21 A change to subheading 4202.19 through 4202.21 from any other chapter.

4202.22 A change to subheading 4202.22 from any other chapter, except from heading 54.07, 54.08 or 55.12 through 55.16 or tariff item 5903.10.aa, 5903.20.aa, 5903.90.aa, 5906.99.aa or 5907.00.aa.

4202.29-4202.31 A change to subheading 4202.29 through 4202.31 from any other chapter.

²

If the good is for use in a motor vehicle, the provisions of Article D-03 may apply.

4202.32	A change to subheading 4202.32 from any other chapter, except from heading 54.07, 54.08 or 55.12 through 55.16 or tariff item 5903.10.aa, 5903.20.aa, 5903.90.aa, 5906.99.aa or 5907.00.aa.
4202.39-4202.91	A change to subheading 4202.39 through 4202.91 from any other chapter.
4202.92	A change to subheading 4202.92 from any other chapter, except from heading 54.07, 54.08 or 55.12 through 55.16 or tariff item 5903.10.aa, 5903.20.aa, 5903.90.aa, 5906.99.aa or 5907.00.aa.
4202.99	A change to subheading 4202.99 from any other chapter.
42.03-42.06	A change to heading 42.03 through 42.06 from any other chapter.
Chapter 43	Furskins and Artificial Fur; Manufactures Thereof
43.01	A change to heading 43.01 from any other chapter.
43.02	A change to heading 43.02 from any other heading.
43.03-43.04	A change to heading 43.03 through 43.04 from any heading outside that group.

Section IX - Wood and Articles of Wood; Wood Charcoal; Cork and Articles of Cork; Manufactures of Straw, of Esparto or of Other Plaiting Materials; Basketware and Wickerwork (Chapter 44-46)

Chapter 44	Wood and Articles of Wood; Wood Charcoal
44.01-44.21	A change to heading 44.01 through 44.21 from any other heading, including another heading within that group.
Chapter 45	Cork and Articles of Cork
45.01-45.02	A change to heading 45.01 through 45.02 from any other chapter.
45.03-45.04	A change to heading 45.03 through 45.04 from any heading outside that group.
Chapter 46	Manufactures of Straw, of Esparto or of Other Plaiting Materials; Basketware and Wickerwork
46.01	A change to heading 46.01 from any other chapter.
46.02	A change to heading 46.02 from any other heading.

Section X - Pulp of Wood or of other Fibrous Cellulosic Material; Waste and Scrap of Paper or Paperboard; Paper and Paperboard and Articles Thereof (Chapter 47-49)

Chapter 47	Pulp of Wood or of Other Fibrous Cellulosic Material; Waste and Scrap of Paper or Paperboard
47.01-47.07	A change to heading 47.01 through 47.07 from any other chapter.

Chapter 48	Paper and Paperboard; Articles of Paper Pulp, of Paper or of Paperboard
48.01-48.07	A change to heading 48.01 through 48.07 from any other chapter.
48.08-48.09	A change to heading 48.08 through 48.09 from any heading outside that group.
48.10-48.13	A change to heading 48.10 through 48.13 from any other chapter.
48.14-48.15	A change to heading 48.14 through 48.15 from any heading outside that group.
48.16	A change to heading 48.16 from any other heading, except from heading 48.09.
48.17-48.23	A change to heading 48.17 through 48.23 from any heading outside that group.
Chapter 49	Printed Books, Newspapers, Pictures and Other Products of the Printing Industry; Manuscripts, Typescripts and Plans
49.01-49.11	A change to heading 49.01 through 49.11 from any other chapter.

Section XI - Textiles and Textile Articles (Chapter 50-63)

Note: *The textile and apparel rules should be read in conjunction with Annex C-00-B (Textile and Apparel Goods.). For purposes of these rules, the term "wholly" means that the good is made entirely or solely of the named material.*

Chapter 50	Silk
50.01-50.03	A change to heading 50.01 through 50.03 from any other chapter.
50.04-50.06	A change to heading 50.04 through 50.06 from any heading outside that group.
50.07	A change to heading 50.07 from any other heading.
Chapter 51	Wool, Fine or Coarse Animal Hair; Horsehair Yarn and Woven Fabric
51.01-51.05	A change to heading 51.01 through 51.05 from any other chapter.
51.06-51.10	A change to heading 51.06 through 51.10 from any heading outside that group.
51.11-51.13	A change to heading 51.11 through 51.13 from any heading outside that group, except from heading 51.06 through 51.10, 52.05 through 52.06, 54.01 through 54.04 or 55.09 through 55.10.
Chapter 52	Cotton
52.01-52.07	A change to heading 52.01 through 52.07 from any other chapter, except from heading 54.01 through 54.05 or 55.01 through 55.07.

52.08-52.12	A change to heading 52.08 through 52.12 from any heading outside that group, except from heading 51.06 through 51.10, 52.05 through 52.06, 54.01 through 54.04 or 55.09 through 55.10.
Chapter 53	Other Vegetable Textile Fibres; Paper Yarn and Woven Fabrics of Paper Yarn
53.01-53.05	A change to heading 53.01 through 53.05 from any other chapter.
53.06-53.08	A change to heading 53.06 through 53.08 from any heading outside that group.
53.09	A change to heading 53.09 from any other heading, except from heading 53.07 through 53.08.
53.10-53.11	A change to heading 53.10 through 53.11 from any heading outside that group, except from heading 53.07 through 53.08.
Chapter 54	Man-Made Filaments
54.01-54.06	A change to heading 54.01 through 54.06 from any other chapter, except from heading 52.01 through 52.03 or 55.01 through 55.07.
54.07	
5407.61.aa	A change to tariff item 5407.61.aa from tariff item 5402.43.aa or 5402.52.aa, or any other chapter, except from heading 51.06 through 51.10, 52.05 through 52.06 or 55.09 through 55.10.
54.07	A change to heading 54.07 from any other chapter, except from heading 51.06 through 51.10, 52.05 through 52.06 or 55.09 through 55.10.
54.08	A change to heading 54.08 from any other chapter, except from heading 51.06 through 51.10, 52.05 through 52.06 or 55.09 through 55.10.
Chapter 55	Man-Made Staple Fibres
55.01-55.11	A change to heading 55.01 through 55.11 from any other chapter, except from heading 52.01 through 52.03 or 54.01 through 54.05.
55.12-55.16	A change to heading 55.12 through 55.16 from any heading outside that group, except from heading 51.06 through 51.10, 52.05 through 52.06, 54.01 through 54.04 or 55.09 through 55.10.
Chapter 56	Wadding, Felt and Nonwovens; Special Yarns; Twine, Cordage, Ropes and Cables and Articles Thereof
56.01-56.09	A change to heading 56.01 through 56.09 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11 or Chapter 54 through 55.
Chapter 57	Carpets and Other Textile Floor Coverings
57.01-57.05	A change to heading 57.01 through 57.05 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.08 or 53.11, Chapter 54 or heading 55.08 through 55.16.

Chapter 58	Special Woven Fabrics; Tufted Textile Fabrics; Lace; Tapestries; Trimmings; Embroidery
58.01-58.11	A change to heading 58.01 through 58.11 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11 or Chapter 54 through 55.
Chapter 59	Impregnated, Coated, Covered or Laminated Textile Fabrics; Textile Articles of a Kind Suitable For Industrial Use
59.01	A change to heading 59.01 from any other chapter, except from heading 51.11 through 51.13, 52.08 through 52.12, 53.10 through 53.11, 54.07 through 54.08 or 55.12 through 55.16.
59.02	A change to heading 59.02 from any other heading, except from heading 51.06 through 51.13, 52.04 through 52.12 or 53.06 through 53.11 or Chapter 54 through 55.
59.03-59.08	A change to heading 59.03 through 59.08 from any other chapter, except from heading 51.11 through 51.13, 52.08 through 52.12, 53.10 through 53.11, 54.07 through 54.08 or 55.12 through 55.16.
59.09	A change to heading 59.09 from any other chapter, except from heading 51.11 through 51.13, 52.08 through 52.12 or 53.10 through 53.11, Chapter 54 or heading 55.12 through 55.16.
59.10	A change to heading 59.10 from any other heading, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11 or Chapter 54 through 55.
59.11	A change to heading 59.11 from any other chapter, except from heading 51.11 through 51.13, 52.08 through 52.12, 53.10 through 53.11, 54.07 through 54.08 or 55.12 through 55.16.
Chapter 60	Knitted or Crocheted Fabrics
60.01-60.02	A change to heading 60.01 through 60.02 from any other chapter, except from heading 51.06 through 51.13, Chapter 52, heading 53.07 through 53.08 or 53.10 through 53.11 or Chapter 54 through 55.
Chapter 61	Articles of Apparel and Clothing Accessories, Knitted or Crocheted
Note 1:	<i>A change to any of the following headings or subheadings for visible lining fabrics:</i> 51.11 through 51.12, 5208.31 through 5208.59, 5209.31 through 5209.59, 5210.31 through 5210.59, 5211.31 through 5211.59, 5212.13 through 5212.15, 5212.23 through 5212.25, 5407.42 through 5407.44, 5407.52 through 5407.54, 5407.61, 5407.72 through 5407.74, 5407.82 through 5407.84, 5407.92 through 5407.94, 5408.22 through 5408.24 (excluding tariff item 5408.22.aa, 5408.23.aa or 5408.24.aa), 5408.32 through 5408.34, 5512.19, 5512.29, 5512.99, 5513.21 through 5513.49, 5514.21 through 5515.99, 5516.12 through 5516.14, 5516.22 through 5516.24, 5516.32 through 5516.34, 5516.42 through 5516.44, 5516.92 through 5516.94, 6001.10, 6001.92, 6002.43 or 6002.91 through 6002.93, from any heading outside that group.
Note 2:	<i>For purposes of determining the origin of a good of this Chapter, the rule applicable to that good shall only apply to the component that determines</i>

the tariff classification of the good and such component must satisfy the tariff change requirements set out in the rule for that good. If the rule requires that the good must also satisfy the tariff change requirements for visible lining fabrics listed in Note 1 to this Chapter, such requirements shall only apply to the visible lining fabric in the main body of the garment, excluding sleeves, which covers the largest surface area, and shall not apply to removable linings.

6101.10-6101.30

A change to subheading 6101.10 through 6101.30 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54 or heading 55.08 through 55.16 or 60.01 through 60.02, provided that:

- (a) the good is both cut (or knit to shape) and sewn or otherwise assembled in the territory of one or both of the Parties, and
- (b) the visible lining fabric listed in Note 1 to Chapter 61 satisfies the tariff change requirements provided therein.

6101.90

A change to subheading 6101.90 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54 or heading 55.08 through 55.16 or 60.01 through 60.02, provided that the good is both cut (or knit to shape) and sewn or otherwise assembled in the territory of one or both of the Parties.

6102.10-6102.30

A change to subheading 6102.10 through 6102.30 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54 or heading 55.08 through 55.16 or 60.01 through 60.02, provided that:

- (a) the good is both cut (or knit to shape) and sewn or otherwise assembled in the territory of one or both of the Parties, and
- (b) the visible lining fabric listed in Note 1 to Chapter 61 satisfies the tariff change requirements provided therein.

6102.90

A change to subheading 6102.90 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54 or heading 55.08 through 55.16 or 60.01 through 60.02, provided that the good is both cut (or knit to shape) and sewn or otherwise assembled in the territory of one or both of the Parties.

6103.11-6103.12

A change to subheading 6103.11 through 6103.12 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54 or heading 55.08 through 55.16 or 60.01 through 60.02, provided that:

- (a) the good is both cut (or knit to shape) and sewn or otherwise assembled in the territory of one or both of the Parties, and
- (b) the visible lining fabric listed in Note 1 to Chapter 61 satisfies the tariff change requirements provided therein.

6103.19

6103.19.aa

A change to tariff item 6103.19.aa from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54 or heading 55.08 through 55.16 or 60.01 through 60.02, provided that the good is both cut (or knit to shape) and sewn or otherwise assembled in the territory of one or both of the Parties.

6103.19

A change to subheading 6103.19 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54 or heading 55.08 through 55.16 or 60.01 through 60.02, provided that:

- (a) the good is both cut (or knit to shape) and sewn or otherwise assembled in the territory of one or both of the Parties, and
- (b) the visible lining fabric listed in Note 1 to Chapter 61 satisfies the tariff change requirements provided therein.

6103.21-6103.29

A change to subheading 6103.21 through 6103.29 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54 or heading 55.08 through 55.16 or 60.01 through 60.02, provided that:

- (a) the good is both cut (or knit to shape) and sewn or otherwise assembled in the territory of one or both of the Parties, and
- (b) with respect to a garment described in heading 61.01 or a jacket or a blazer described in heading 61.03, of wool, fine animal hair, cotton or man-made fibres, imported as part of an ensemble of these subheadings, the visible lining fabric listed in Note 1 to Chapter 61 satisfies the tariff change requirements provided therein.

6103.31-6103.33

A change to subheading 6103.31 through 6103.33 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54 or heading 55.08 through 55.16 or 60.01 through 60.02, provided that:

- (a) the good is both cut (or knit to shape) and sewn or otherwise assembled in the territory of one or both of the Parties, and
- (b) the visible lining fabric listed in Note 1 to Chapter 61 satisfies the tariff change requirements provided therein.

6103.39

6103.39.aa

A change to tariff item 6103.39.aa from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54 or heading 55.08 through 55.16 or 60.01 through 60.02, provided that the good is both cut (or knit to shape) and sewn or otherwise assembled in the territory of one or both of the Parties.

6103.39

A change to subheading 6103.39 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54 or heading 55.08 through 55.16 or 60.01 through 60.02, provided that:

- (a) the good is both cut (or knit to shape) and sewn or otherwise assembled in the territory of one or both of the Parties, and
- (b) the visible lining fabric listed in Note 1 to Chapter 61 satisfies the tariff change requirements provided therein.

6103.41-6103.49

A change to subheading 6103.41 through 6103.49 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54 or heading 55.08 through 55.16 or 60.01 through 60.02, provided that the good is both cut (or knit to shape) and sewn or otherwise assembled in the territory of one or both of the Parties.

6104.11-6104.13

A change to subheading 6104.11 through 6104.13 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54 or heading 55.08 through 55.16 or 60.01 through 60.02, provided that:

- (a) the good is both cut (or knit to shape) and sewn or otherwise assembled in the territory of one or both of the Parties, and
- (b) the visible lining fabric listed in Note 1 to Chapter 61 satisfies the tariff change requirements provided therein.

6104.19

6104.19.aa

A change to tariff item 6104.19.aa from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54 or heading 55.08 through 55.16 or 60.01 through 60.02, provided that the good is both cut (or knit to shape) and sewn or otherwise assembled in the territory of one or both of the Parties.

6104.19

A change to subheading 6104.19 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54 or heading 55.08 through 55.16 or 60.01 through 60.02, provided that:

- (a) the good is both cut (or knit to shape) and sewn or otherwise assembled in the territory of one or both of the Parties, and
- (b) the visible lining fabric listed in Note 1 to Chapter 61 satisfies the tariff change requirements provided therein.

6104.21-6104.29

A change to subheading 6104.21 through 6104.29 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54 or heading 55.08 through 55.16 or 60.01 through 60.02, provided that:

- (a) the good is both cut (or knit to shape) and sewn or otherwise assembled in the territory of one or both of the Parties, and
- (b) with respect to a garment described in heading 61.02, a jacket or a blazer described in heading 61.04 or a skirt described in heading 61.04, of wool, fine animal hair, cotton or man-made fibres, imported as part of an ensemble of these subheadings, the visible lining fabric listed in Note 1 to Chapter 61 satisfies the tariff change requirements provided therein.

6104.31-6104.33

A change to subheading 6104.31 through 6104.33 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54 or heading 55.08 through 55.16 or 60.01 through 60.02, provided that:

- (a) the good is both cut (or knit to shape) and sewn or otherwise assembled in the territory of one or both of the Parties, and
- (b) the visible lining fabric listed in Note 1 to Chapter 61 satisfies the tariff change requirements provided therein.

6104.39

6104.39.aa

A change to tariff item 6104.39.aa from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54 or heading 55.08 through 55.16 or 60.01 through 60.02, provided that the good is both cut (or knit to shape) and sewn or otherwise assembled in the territory of one or both of the Parties.

6104.39

A change to subheading 6104.39 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54 or heading 55.08 through 55.16 or 60.01 through 60.02, provided that:

- (a) the good is both cut (or knit to shape) and sewn or otherwise assembled in the territory of one or both of the Parties, and
- (b) the visible lining fabric listed in Note 1 to Chapter 61 satisfies the tariff change requirements provided therein.

6104.41-6104.49

A change to subheading 6104.41 through 6104.49 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54 or heading 55.08 through 55.16 or 60.01 through 60.02, provided that the good is both cut

(or knit to shape) and sewn or otherwise assembled in the territory of one or both of the Parties.

6104.51-6104.53

A change to subheading 6104.51 through 6104.53 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54 or heading 55.08 through 55.16 or 60.01 through 60.02, provided that:

- (a) the good is both cut (or knit to shape) and sewn or otherwise assembled in the territory of one or both of the Parties, and
- (b) the visible lining fabric listed in Note 1 to Chapter 61 satisfies the tariff change requirements provided therein.

6104.59

6104.59.aa

A change to tariff item 6104.59.aa from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54 or heading 55.08 through 55.16 or 60.01 through 60.02, provided that the good is both cut (or knit to shape) and sewn or otherwise assembled in the territory of one or both of the Parties.

6104.59

A change to subheading 6104.59 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54 or heading 55.08 through 55.16 or 60.01 through 60.02, provided that:

- (a) the good is both cut (or knit to shape) and sewn or otherwise assembled in the territory of one or both of the Parties, and
- (b) the visible lining fabric listed in Note 1 to Chapter 61 satisfies the tariff change requirements provided therein.

6104.61-6104.69

A change to subheading 6104.61 through 6104.69 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54 or heading 55.08 through 55.16 or 60.01 through 60.02, provided that the good is both cut (or knit to shape) and sewn or otherwise assembled in the territory of one or both of the Parties.

61.05-61.06

A change to heading 61.05 through 61.06 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54 or heading 55.08 through 55.16 or 60.01 through 60.02, provided that the good is both cut (or knit to shape) and sewn or otherwise assembled in the territory of one or both of the Parties.

6107.11-6107.19

A change to subheading 6107.11 through 6107.19 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54 or heading 55.08 through 55.16 or 60.01 through 60.02, provided that the good is both cut (or knit to shape) and sewn or otherwise assembled in the territory of one or both of the Parties.

6107.21

A change to subheading 6107.21 from tariff item 6002.92.aa, provided that the good, exclusive of collar, cuffs, waistband or elastic, is wholly of such fabric and the good is both cut and sewn or otherwise assembled in the territory of one or both of the Parties; or

A change to subheading 6107.21 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54 or heading 55.08 through 55.16 or 60.01 through 60.02, provided that the good is both cut (or knit to shape) and sewn or otherwise assembled in the territory of one or both of the Parties.

- 6107.22-6107.99 A change to subheading 6107.22 through 6107.99 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54 or heading 55.08 through 55.16 or 60.01 through 60.02, provided that the good is both cut (or knit to shape) and sewn or otherwise assembled in the territory of one or both of the Parties.
- 6108.11-6108.19 A change to subheading 6108.11 through 6108.19 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54 or heading 55.08 through 55.16 or 60.01 through 60.02, provided that the good is both cut (or knit to shape) and sewn or otherwise assembled in the territory of one or both of the Parties.
- 6108.21 A change to subheading 6108.21 from tariff item 6002.92.aa, provided that the good, exclusive of waistband, elastic or lace, is wholly of such fabric and the good is both cut and sewn or otherwise assembled in the territory of one or both of the Parties; or
- A change to subheading 6108.21 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54 or heading 55.08 through 55.16 or 60.01 through 60.02, provided that the good is both cut (or knit to shape) and sewn or otherwise assembled in the territory of one or both of the Parties.
- 6108.22-6108.29 A change to subheading 6108.22 through 6108.29 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54 or heading 55.08 through 55.16 or 60.01 through 60.02, provided that the good is both cut (or knit to shape) and sewn or otherwise assembled in the territory of one or both of the Parties.
- 6108.31 A change to subheading 6108.31 from tariff item 6002.92.aa, provided that the good, exclusive of collar, cuffs, waistband, elastic or lace, is wholly of such fabric and the good is both cut and sewn or otherwise assembled in the territory of one or both of the Parties; or
- A change to subheading 6108.31 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54 or heading 55.08 through 55.16 or 60.01 through 60.02, provided that the good is both cut (or knit to shape) and sewn or otherwise assembled in the territory of one or both of the Parties.
- 6108.32-6108.39 A change to subheading 6108.32 through 6108.39 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54 or heading 55.08 through 55.16 or 60.01 through 60.02, provided that the good is both cut (or knit to shape) and sewn or otherwise assembled in the territory of one or both of the Parties.
- 6108.91-6108.99 A change to subheading 6108.91 through 6108.99 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54 or heading 55.08 through 55.16 or 60.01 through 60.02, provided that the good is both cut (or knit to shape) and sewn or otherwise assembled in the territory of one or both of the Parties.
- 61.09-61.11 A change to heading 61.09 through 61.11 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54 or heading 55.08 through 55.16 or 60.01 through 60.02, provided that the good is both cut (or knit to shape) and sewn or otherwise assembled in the territory of one or both of the Parties.

6112.11-6112.19

A change to subheading 6112.11 through 6112.19 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54 or heading 55.08 through 55.16 or 60.01 through 60.02, provided that the good is both cut (or knit to shape) and sewn or otherwise assembled in the territory of one or both of the Parties.

6112.20

A change to subheading 6112.20 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54 or heading 55.08 through 55.16 or 60.01 through 60.02, provided that:

- (a) the good is both cut (or knit to shape) and sewn or otherwise assembled in the territory of one or both of the Parties, and
- (b) with respect to a garment described in heading 61.01, 61.02, 62.01 or 62.02, of wool, fine animal hair, cotton or man-made fibres, imported as part of a ski-suit of this subheading, the visible lining fabric listed in Note 1 to Chapter 61 satisfies the tariff change requirements provided therein.

6112.31-6112.49

A change to subheading 6112.31 through 6112.49 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54 or heading 55.08 through 55.16 or 60.01 through 60.02, provided that the good is both cut (or knit to shape) and sewn or otherwise assembled in the territory of one or both of the Parties.

61.13-61.17

A change to heading 61.13 through 61.17 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54 or heading 55.08 through 55.16 or 60.01 through 60.02, provided that the good is both cut (or knit to shape) and sewn or otherwise assembled in the territory of one or both of the Parties.

Chapter 62

Articles of Apparel and Clothing Accessories, Not Knitted or Crocheted

Note 1:

A change to any of the following headings or subheadings for visible lining fabrics:

51.11 through 51.12, 5208.31 through 5208.59, 5209.31 through 5209.59, 5210.31 through 5210.59, 5211.31 through 5211.59, 5212.13 through 5212.15, 5212.23 through 5212.25, 5407.42 through 5407.44, 5407.52 through 5407.54, 5407.61, 5407.72 through 5407.74, 5407.82 through 5407.84, 5407.92 through 5407.94, 5408.22 through 5408.24 (excluding tariff item 5408.22.aa, 5408.23.aa or 5408.24.aa), 5408.32 through 5408.34, 5512.19, 5512.29, 5512.99, 5513.21 through 5513.49, 5514.21 through 5515.99, 5516.12 through 5516.14, 5516.22 through 5516.24, 5516.32 through 5516.34, 5516.42 through 5516.44, 5516.92 through 5516.94, 6001.10, 6001.92, 6002.43 or 6002.91 through 6002.93,

from any heading outside that group.

Note 2:

Apparel goods of this Chapter shall be considered to originate if they are both cut and sewn or otherwise assembled in the territory of one or both of the Parties and if the fabric of the outer shell, exclusive of collars or cuffs, is wholly of one or more of the following:

- (a) *Velveteen fabrics of subheading 5801.23, containing 85 per cent or more by weight of cotton;*

- (b) *Corduroy fabrics of subheading 5801.22, containing 85 per cent or more by weight of cotton and containing more than 7.5 wales per centimetre;*
- (c) *Fabrics of subheading 5111.11 or 5111.19, if hand-woven, with a loom width of less than 76 cm, woven in the United Kingdom in accordance with the rules and regulations of the Harris Tweed Association, Ltd., and so certified by the Association;*
- (d) *Fabrics of subheading 5112.30, weighing not more than 340 grams per square metre, containing wool, not less than 20 per cent by weight of fine animal hair and not less than 15 per cent by weight of man-made staple fibres; or*
- (e) *Batiste fabrics of subheading 5513.11 or 5513.21, of square construction, of single yarns exceeding 76 metric count, containing between 60 and 70 warp ends and filling picks per square centimetre, of a weight not exceeding 110 grams per square metre.*

Note 3:

For purposes of determining the origin of a good of this Chapter, the rule applicable to that good shall only apply to the component that determines the tariff classification of the good and such component must satisfy the tariff change requirements set out in the rule for that good. If the rule requires that the good must also satisfy the tariff change requirements for visible lining fabrics listed in Note 1 to this Chapter, such requirement shall only apply to the visible lining fabric in the main body of the garment, excluding sleeves, which covers the largest surface area, and shall not apply to removable linings.

6201.11-6201.13

A change to subheading 6201.11 through 6201.13 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54 or heading 55.08 through 55.16, 58.01 through 58.02 or 60.01 through 60.02, provided that:

- (a) the good is both cut and sewn or otherwise assembled in the territory of one or both of the Parties, and
- (b) the visible lining fabric listed in Note 1 to Chapter 62 satisfies the tariff change requirements provided therein.

6201.19

A change to subheading 6201.19 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54 or heading 55.08 through 55.16, 58.01 through 58.02 or 60.01 through 60.02, provided that the good is both cut and sewn or otherwise assembled in the territory of one or both of the Parties.

6201.91-6201.93

A change to subheading 6201.91 through 6201.93 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54 or heading 55.08 through 55.16, 58.01 through 58.02 or 60.01 through 60.02, provided that:

- (a) the good is both cut and sewn or otherwise assembled in the territory of one or both of the Parties, and
- (b) the visible lining fabric listed in Note 1 to Chapter 62 satisfies the tariff change requirements provided therein.

6201.99

A change to subheading 6201.99 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54 or heading 55.08 through 55.16, 58.01 through 58.02 or 60.01 through 60.02, provided that the good is both cut and sewn or otherwise assembled in the territory of one or both of the Parties.

- 6202.11-6202.13 A change to subheading 6202.11 through 6202.13 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54 or heading 55.08 through 55.16, 58.01 through 58.02 or 60.01 through 60.02, provided that:
- (a) the good is both cut and sewn or otherwise assembled in the territory of one or both of the Parties, and
 - (b) the visible lining fabric listed in Note 1 to Chapter 62 satisfies the tariff change requirements provided therein.
- 6202.19 A change to subheading 6202.19 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54 or heading 55.08 through 55.16, 58.01 through 58.02 or 60.01 through 60.02, provided that the good is both cut and sewn or otherwise assembled in the territory of one or both of the Parties.
- 6202.91-6202.93 A change to subheading 6202.91 through 6202.93 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54 or heading 55.08 through 55.16, 58.01 through 58.02 or 60.01 through 60.02, provided that:
- (a) the good is both cut and sewn or otherwise assembled in the territory of one or both of the Parties, and
 - (b) the visible lining fabric listed in Note 1 to Chapter 62 satisfies the tariff change requirements provided therein.
- 6202.99 A change to subheading 6202.99 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54 or heading 55.08 through 55.16, 58.01 through 58.02 or 60.01 through 60.02, provided that the good is both cut and sewn or otherwise assembled in the territory of one or both of the Parties.
- 6203.11-6203.12 A change to subheading 6203.11 through 6203.12 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54 or heading 55.08 through 55.16, 58.01 through 58.02 or 60.01 through 60.02, provided that:
- (a) the good is both cut and sewn or otherwise assembled in the territory of one or both of the Parties, and
 - (b) the visible lining fabric listed in Note 1 to Chapter 62 satisfies the tariff change requirements provided therein.
- 6203.19
- 6203.19.aa A change to tariff item 6203.19.aa from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54 or heading 55.08 through 55.16, 58.01 through 58.02 or 60.01 through 60.02, provided that the good is both cut and sewn or otherwise assembled in the territory of one or both of the Parties.
- 6203.19 A change to subheading 6203.19 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54 or heading 55.08 through 55.16, 58.01 through 58.02 or 60.01 through 60.02, provided that:
- (a) the good is both cut and sewn or otherwise assembled in the territory of one or both of the Parties, and
 - (b) the visible lining fabric listed in Note 1 to Chapter 62 satisfies the tariff change requirements provided therein.

6203.21-6203.29

A change to subheading 6203.21 through 6203.29 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54 or heading 55.08 through 55.16, 58.01 through 58.02 or 60.01 through 60.02, provided that:

- (a) the good is both cut and sewn or otherwise assembled in the territory of one or both of the Parties, and
- (b) with respect to a garment described in heading 62.01 or a jacket or a blazer described in heading 62.03, of wool, fine animal hair, cotton or man-made fibres, imported as part of an ensemble of these subheadings, the visible lining fabric listed in Note 1 to Chapter 62 satisfies the tariff change requirements provided therein.

6203.31-6203.33

A change to subheading 6203.31 through 6203.33 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54 or heading 55.08 through 55.16, 58.01 through 58.02 or 60.01 through 60.02, provided that:

- (a) the good is both cut and sewn or otherwise assembled in the territory of one or both of the Parties, and
- (b) the visible lining fabric listed in Note 1 to Chapter 62 satisfies the tariff change requirements provided therein.

6203.39

6203.39.aa

A change to tariff item 6203.39.aa from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54 or heading 55.08 through 55.16, 58.01 through 58.02 or 60.01 through 60.02, provided that the good is both cut and sewn or otherwise assembled in the territory of one or both of the Parties.

6203.39

A change to subheading 6203.39 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54 or heading 55.08 through 55.16, 58.01 through 58.02 or 60.01 through 60.02, provided that:

- (a) the good is both cut and sewn or otherwise assembled in the territory of one or both of the Parties, and
- (b) the visible lining fabric listed in Note 1 to Chapter 62 satisfies the tariff change requirements provided therein.

6203.41-6203.49

A change to subheading 6203.41 through 6203.49 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54 or heading 55.08 through 55.16, 58.01 through 58.02 or 60.01 through 60.02, provided that the good is both cut and sewn or otherwise assembled in the territory of one or both of the Parties.

6204.11-6204.13

A change to subheading 6204.11 through 6204.13 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54 or heading 55.08 through 55.16, 58.01 through 58.02 or 60.01 through 60.02, provided that:

- (a) the good is both cut and sewn or otherwise assembled in the territory of one or both of the Parties, and
- (b) the visible lining fabric listed in Note 1 to Chapter 62 satisfies the tariff change requirements provided therein.

6204.19

- 6204.19.aa A change to tariff item 6204.19.aa from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54 or heading 55.08 through 55.16, 58.01 through 58.02 or 60.01 through 60.02, provided that the good is both cut and sewn or otherwise assembled in the territory of one or both of the Parties.
- 6204.19 A change to subheading 6204.19 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54 or heading 55.08 through 55.16, 58.01 through 58.02 or 60.01 through 60.02, provided that:
- (a) the good is both cut and sewn or otherwise assembled in the territory of one or both of the Parties, and
 - (b) the visible lining fabric listed in Note 1 to Chapter 62 satisfies the tariff change requirements provided therein.
- 6204.21-6204.29 A change to subheading 6204.21 through 6204.29 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54 or heading 55.08 through 55.16, 58.01 through 58.02 or 60.01 through 60.02, provided that:
- (a) the good is both cut and sewn or otherwise assembled in the territory of one or both of the Parties, and
 - (b) with respect to a garment described in heading 62.02, a jacket or a blazer described in heading 62.04 or a skirt described in heading 62.04, of wool, fine animal hair, cotton or man-made fibres, imported as part of an ensemble of these subheadings, the visible lining fabric listed in Note 1 to Chapter 62 satisfies the tariff change requirements provided therein.
- 6204.31-6204.33 A change to subheading 6204.31 through 6204.33 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54 or heading 55.08 through 55.16, 58.01 through 58.02 or 60.01 through 60.02, provided that:
- (a) the good is both cut and sewn or otherwise assembled in the territory of one or both of the Parties, and
 - (b) the visible lining fabric listed in Note 1 to Chapter 62 satisfies the tariff change requirements provided therein.
- 6204.39
- 6204.39.aa A change to tariff item 6204.39.aa from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54 or heading 55.08 through 55.16, 58.01 through 58.02 or 60.01 through 60.02, provided that the good is both cut and sewn or otherwise assembled in the territory of one or both of the Parties.
- 6204.39 A change to subheading 6204.39 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54 or heading 55.08 through 55.16, 58.01 through 58.02 or 60.01 through 60.02, provided that:
- (a) the good is both cut and sewn or otherwise assembled in the territory of one or both of the Parties, and
 - (b) the visible lining fabric listed in Note 1 to Chapter 62 satisfies the tariff change requirements provided therein.
- 6204.41-6204.49 A change to subheading 6204.41 through 6204.49 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54 or heading 55.08 through 55.16, 58.01 through 58.02 or 60.01 through 60.02, provided

that the good is both cut and sewn or otherwise assembled in the territory of one or both of the Parties.

6204.51-6204.53

A change to subheading 6204.51 through 6204.53 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54 or heading 55.08 through 55.16, 58.01 through 58.02 or 60.01 through 60.02, provided that:

- (a) the good is both cut and sewn or otherwise assembled in the territory of one or both of the Parties, and
- (b) the visible lining fabric listed in Note 1 to Chapter 62 satisfies the tariff change requirements provided therein.

6204.59

6204.59.aa

A change to tariff item 6204.59.aa from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54 or heading 55.08 through 55.16, 58.01 through 58.02 or 60.01 through 60.02, provided that the good is both cut and sewn or otherwise assembled in the territory of one or both of the Parties.

6204.59

A change to subheading 6204.59 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54 or heading 55.08 through 55.16, 58.01 through 58.02 or 60.01 through 60.02, provided that:

- (a) the good is both cut and sewn or otherwise assembled in the territory of one or both of the Parties, and
- (b) the visible lining fabric listed in Note 1 to Chapter 62 satisfies the tariff change requirements provided therein.

6204.61-6204.69

A change to subheading 6204.61 through 6204.69 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54 or heading 55.08 through 55.16, 58.01 through 58.02 or 60.01 through 60.02, provided that the good is both cut and sewn or otherwise assembled in the territory of one or both of the Parties.

6205.10

A change to subheading 6205.10 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54 or heading 55.08 through 55.16, 58.01 through 58.02 or 60.01 through 60.02, provided that the good is both cut and sewn or otherwise assembled in the territory of one or both of the Parties.

6205.20-6205.30 Note:

Men's or boys' shirts of cotton or man-made fibres shall be considered to originate if they are both cut and assembled in the territory of one or both of the Parties and if the fabric of the outer shell, exclusive of collars or cuffs, is wholly of one or more of the following:

- (a) *Fabrics of subheading 5208.21, 5208.22, 5208.29, 5208.31, 5208.32, 5208.39, 5208.41, 5208.42, 5208.49, 5208.51, 5208.52 or 5208.59, of average yarn number³ exceeding 135 metric;*
- (b) *Fabrics of subheading 5513.11 or 5513.21, not of square construction, containing more than 70 warp ends and filling picks per square centimetre, of average yarn number exceeding 70 metric;*

³

For definition of "average yarn number" see Annex C-00-B, Section 6.

- (c) *Fabrics of subheading 5210.21 or 5210.31, not of square construction, containing more than 70 warp ends and filling picks per square centimetre, of average yarn number exceeding 70 metric;*
- (d) *Fabrics of subheading 5208.22 or 5208.32, not of square construction, containing more than 75 warp ends and filling picks per square centimetre, of average yarn number exceeding 65 metric;*
- (e) *Fabrics of subheading 5407.81, 5407.82 or 5407.83, weighing less than 170 grams per square metre, having a dobby weave created by a dobby attachment;*
- (f) *Fabrics of subheading 5208.42 or 5208.49, not of square construction, containing more than 85 warp ends and filling picks per square centimetre, of average yarn number exceeding 85 metric;*
- (g) *Fabrics of subheading 5208.51, of square construction, containing more than 75 warp ends and filling picks per square centimetre, made with single yarns, of average yarn number 95 or greater metric;*
- (h) *Fabrics of subheading 5208.41, of square construction, with a gingham pattern, containing more than 85 warp ends and filling picks per square centimetre, made with single yarns, of average yarn number 95 or greater metric, and characterized by a check effect produced by the variation in colour of the yarns in the warp and filling; or*
- (i) *Fabrics of subheading 5208.41, with the warp coloured with vegetable dyes, and the filling yarns white or coloured with vegetable dyes, of average yarn number greater than 65 metric.*

A change to subheading 6205.20 through 6205.30 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54 or heading 55.08 through 55.16, 58.01 through 58.02 or 60.01 through 60.02, provided that the good is both cut and sewn or otherwise assembled in the territory of one or both of the Parties.

6205.90

A change to subheading 6205.90 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54 or heading 55.08 through 55.16, 58.01 through 58.02 or 60.01 through 60.02, provided that the good is both cut and sewn or otherwise assembled in the territory of one or both of the Parties.

62.06-62.10

A change to heading 62.06 through 62.10 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54 or heading 55.08 through 55.16, 58.01 through 58.02 or 60.01 through 60.02, provided that the good is both cut and sewn or otherwise assembled in the territory of one or both of the Parties.

6211.11-6211.12

A change to subheading 6211.11 through 6211.12 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54 or heading 55.08 through 55.16, 58.01 through 58.02 or 60.01 through 60.02, provided that the good is both cut and sewn or otherwise assembled in the territory of one or both of the Parties.

6211.20

A change to subheading 6211.20 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08

or 53.10 through 53.11, Chapter 54 or heading 55.08 through 55.16, 58.01 through 58.02 or 60.01 through 60.02, provided that:

- (a) the good is both cut and sewn or otherwise assembled in the territory of one or both of the Parties, and
- (b) with respect to a garment described in heading 61.01, 61.02, 62.01 or 62.02, of wool, fine animal hair, cotton or man-made fibres, imported as part of a ski-suit of this subheading, the visible lining fabric listed in Note 1 to Chapter 62 satisfies the tariff change requirements provided therein.

6211.31-6211.49

A change to subheading 6211.31 through 6211.49 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54 or heading 55.08 through 55.16, 58.01 through 58.02 or 60.01 through 60.02, provided that the good is both cut and sewn or otherwise assembled in the territory of one or both of the Parties.

6212.10

A change to subheading 6212.10 from any other chapter, provided that the good is both cut and sewn or otherwise assembled in the territory of one or both of the Parties.

6212.20-6212.90

A change to subheading 6212.20 through 6212.90 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54 or heading 55.08 through 55.16, 58.01 through 58.02 or 60.01 through 60.02, provided that the good is both cut and sewn or otherwise assembled in the territory of one or both of the Parties.

62.13-62.17

A change to heading 62.13 through 62.17 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54 or heading 55.08 through 55.16, 58.01 through 58.02 or 60.01 through 60.02, provided that the good is both cut and sewn or otherwise assembled in the territory of one or both of the Parties.

Chapter 63

Other Made Up Textile Articles; Sets; Worn Clothing and Worn Textile Articles; Rags

Note:

For purposes of determining the origin of a good of this Chapter, the rule applicable to that good shall only apply to the component that determines the tariff classification of the good and such component must satisfy the tariff change requirements set out in the rule for that good.

63.01-63.02

A change to heading 63.01 through 63.02 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54 through 55 or heading 58.01 through 58.02 or 60.01 through 60.02, provided that the good is both cut (or knit to shape) and sewn or otherwise assembled in the territory of one or both of the Parties.

63.03

6303.92.aa

A change to tariff item 6303.92.aa from tariff item 5402.43.aa or 5402.52.aa or any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54 through 55 or heading 58.01 through 58.02 or 60.01 through 60.02, provided that the good is both cut and sewn or otherwise assembled in the territory of one or both of the Parties.

63.03

A change to heading 63.03 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54 through 55 or heading 58.01 through 58.02 or 60.01 through 60.02, provided that the good is both cut (or knit to shape)

and sewn or otherwise assembled in the territory of one or both of the Parties.

63.04-63.10 A change to heading 63.04 through 63.10 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 53.07 through 53.08 or 53.10 through 53.11, Chapter 54 through 55 or heading 58.01 through 58.02 or 60.01 through 60.02, provided that the good is both cut (or knit to shape) and sewn or otherwise assembled in the territory of one or both of the Parties.

Section XII - Footwear, Headgear, Umbrellas, Sun Umbrellas, Walking-Sticks, Seat-Sticks, Whips, Riding-Crops and Parts Thereof; Prepared Feathers and Articles Made Therewith; Artificial Flowers; Articles of Human Hair (Chapter 64-67)

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

Note: *For the period January 1, 1997, to December 31, 1999, the provisions of Article D-02 (13) or (14) may apply.*

64.01-64.05 A change to heading 64.01 through 64.05 from any heading outside that group, except from subheading 6406.10, provided there is a regional value content of not less than 55 per cent under the net cost method.

6406.10 A change to subheading 6406.10 from any other subheading, except from heading 64.01 through 64.05, provided there is a regional value content of not less than 55 per cent under the net cost method.

6406.20-6406.99 A change to subheading 6406.20 through 6406.99 from any other chapter.

Chapter 65 Headgear and Parts Thereof

65.01-65.02 A change to heading 65.01 through 65.02 from any other chapter.

65.03-65.07 A change to heading 65.03 through 65.07 from any heading outside that group.

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

66.01 A change to heading 66.01 from any other heading, except from a combination of both:

- (a) subheading 6603.20; and
- (b) heading 39.20 through 39.21, 50.07, 51.11 through 51.13, 52.08 through 52.12, 53.09 through 53.11, 54.07 through 54.08, 55.12 through 55.16, 56.02 through 56.03, 58.01 through 58.11, 59.01 through 59.11, 60.01 through 60.02.

66.02 A change to heading 66.02 from any other heading.

66.03 A change to heading 66.03 from any other chapter.

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

67.01

6701.00.aa A change to tariff item 6701.00.aa from any other tariff item.

67.01	A change to heading 67.01 from any other chapter.
67.02	A change to heading 67.02 from any other heading.
67.03	A change to heading 67.03 from any other chapter.
67.04	A change to heading 67.04 from any other heading.
Section XIII -	Articles of Stone, Plaster, Cement, Asbestos, Mica or Similar Materials; Ceramic Products; Glass and Glassware (Chapter 68-70)
Chapter 68	Articles of Stone, Plaster, Cement, Asbestos, Mica or Similar Materials
68.01-68.11	A change to heading 68.01 through 68.11 from any other chapter.
6812.10	A change to subheading 6812.10 from any other chapter.
6812.20	A change to subheading 6812.20 from any other subheading.
6812.30-6812.40	A change to subheading 6812.30 through 6812.40 from any subheading outside that group.
6812.50	A change to subheading 6812.50 from any other subheading.
6812.60-6812.90	A change to subheading 6812.60 through 6812.90 from any subheading outside that group.
68.13	A change to heading 68.13 from any other heading.
68.14-68.15	A change to heading 68.14 through 68.15 from any other chapter.
Chapter 69	Ceramic Products
69.01-69.14	A change to heading 69.01 through 69.14 from any other chapter.
Chapter 70	Glass and Glassware
70.01-70.02	A change to heading 70.01 through 70.02 from any other chapter.
70.03-70.09	A change to heading 70.03 through 70.09 from any heading outside that group.
70.10-70.20	A change to heading 70.10 through 70.20 from any other heading, except from heading 70.07 through 70.20.
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 (Chapter 71)
71.01-71.12	A change to heading 71.01 through 71.12 from any other chapter.

71.13-71.18

Note: *Pearls, permanently strung but without the addition of clasps or other ornamental features of precious metals or stones, shall be treated as an originating good only if the pearls were obtained in the territory of one or both of the Parties.*

A change to heading 71.13 through 71.18 from any heading outside that group, except from tariff item 7101.10.aa or 7101.22.aa.

Section XV - Base Metals and Articles of Base Metal (Chapter 72-83)

Chapter 72

Iron and Steel

72.01

A change to heading 72.01 from any other chapter.

7202.11-7202.60

A change to subheading 7202.11 through 7202.60 from any other chapter.

7202.70

A change to subheading 7202.70 from any other chapter, except from subheading 2613.10.

7202.80-7202.99

A change to subheading 7202.80 through 7202.99 from any other chapter.

72.03-72.05

A change to heading 72.03 through 72.05 from any other chapter.

72.06-72.07

A change to heading 72.06 through 72.07 from any heading outside that group.

72.08-72.16

A change to heading 72.08 through 72.16 from any heading outside that group.

72.17

A change to heading 72.17 from any other heading, except from heading 72.13 through 72.15.

72.18-72.22

A change to heading 72.18 through 72.22 from any heading outside that group.

72.23

A change to heading 72.23 from any other heading, except from heading 72.21 through 72.22.

72.24-72.28

A change to heading 72.24 through 72.28 from any heading outside that group.

72.29

A change to heading 72.29 from any other heading, except from heading 72.27 through 72.28.

Chapter 73

Articles of Iron or Steel

73.01-73.03

A change to heading 73.01 through 73.03 from any other chapter.

7304.10-7304.39

A change to subheading 7304.10 through 7304.39 from any other chapter.

7304.41

7304.41.aa

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

7304.41

A change to subheading 7304.41 from any other chapter.

7304.49-7304.90

A change to subheading 7304.49 through 7304.90 from any other chapter.

73.05-73.07

A change to heading 73.05 through 73.07 from any other chapter.

- 73.08 A change to heading 73.08 from any other heading, except for changes resulting from the following processes performed on angles, shapes, or sections of heading 72.16:
- (a) drilling, punching, notching, cutting, cambering, or sweeping, whether performed individually or in combination;
 - (b) adding attachments or weldments for composite construction;
 - (c) adding attachments for handling purposes;
 - (d) adding weldments, connectors or attachments to H-sections or I-sections, provided that the maximum dimension of the weldments, connectors, or attachments is not greater than the dimension between the inner surfaces of the flanges of the H-sections or I-sections;
 - (e) painting, galvanizing, or otherwise coating; or
 - (f) adding a simple base plate without stiffening elements, individually or in combination with drilling, punching, notching, or cutting, to create an article suitable as a column.
- 73.09-73.11 A change to heading 73.09 through 73.11 from any heading outside that group.
- 73.12-73.14 A change to heading 73.12 through 73.14 from any other heading, including another heading within that group.
- 7315.11-7315.12 A change to subheading 7315.11 through 7315.12 from any other heading; or
- A change to subheading 7315.11 through 7315.12 from subheading 7315.19, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 60 per cent where the transaction value method is used, or
 - (b) 50 per cent where the net cost method is used.
- 7315.19 A change to subheading 7315.19 from any other heading.
- 7315.20-7315.89 A change to subheading 7315.20 through 7315.89 from any other heading; or
- A change to subheading 7315.20 through 7315.89 from subheading 7315.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 60 per cent where the transaction value method is used, or
 - (b) 50 per cent where the net cost method is used.
- 7315.90 A change to subheading 7315.90 from any other heading.
- 73.16 A change to heading 73.16 from any other heading, except from heading 73.12 or 73.15.
- 73.17-73.18 A change to heading 73.17 through 73.18 from any heading outside that group.
- 73.19-73.20 A change to heading 73.19 through 73.20 from any heading outside that group.
- 7321.11
- 7321.11.aa A change to tariff item 7321.11.aa from any other subheading, except from tariff item 7321.90.aa, 7321.90.bb or 7321.90.cc.

7321.11	A change to subheading 7321.11 from any other heading; or A change to subheading 7321.11 from subheading 7321.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than: (a) 60 per cent where the transaction value method is used, or (b) 50 per cent where the net cost method is used.
7321.12-7321.83	A change to subheading 7321.12 through 7321.83 from any other heading; or A change to subheading 7321.12 through 7321.83 from subheading 7321.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than: (a) 60 per cent where the transaction value method is used, or (b) 50 per cent where the net cost method is used.
7321.90	
7321.90.aa	A change to tariff item 7321.90.aa from any other tariff item.
7321.90.bb	A change to tariff item 7321.90.bb from any other tariff item.
7321.90.cc	A change to tariff item 7321.90.cc from any other tariff item.
7321.90	A change to subheading 7321.90 from any other heading.
73.22-73.23	A change to heading 73.22 through 73.23 from any heading outside that group.
7324.10-7324.29	A change to subheading 7324.10 through 7324.29 from any other heading; or A change to subheading 7324.10 through 7324.29 from subheading 7324.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than: (a) 60 per cent where the transaction value method is used, or (b) 50 per cent where the net cost method is used.
7324.90	A change to subheading 7324.90 from any other heading.
73.25-73.26	A change to heading 73.25 through 73.26 from any heading outside that group.
Chapter 74	Copper and Articles Thereof
74.01-74.02	A change to heading 74.01 through 74.02 from any other chapter.
74.03	A change to heading 74.03 from any other chapter; or A change to heading 74.03 from heading 74.01 through 74.02 or tariff item 7404.00.aa, whether or not there is also a change from any other chapter, provided there is a regional value content of not less than: (a) 60 per cent where the transaction value method is used, or (b) 50 per cent where the net cost method is used.
74.04	No required change in tariff classification to heading 74.04, provided the waste and scrap are wholly obtained or produced entirely in the territory of one or both of the Parties as defined in Article D-16 of this Chapter.

74.05-74.07	<p>A change to heading 74.05 through 74.07 from any other chapter; or</p> <p>A change to heading 74.05 through 74.07 from heading 74.01 through 74.02 or tariff item 7404.00.aa, whether or not there is also a change from any other chapter, provided there is a regional value content of not less than:</p> <p>(a) 60 per cent where the transaction value method is used, or (b) 50 per cent where the net cost method is used.</p>
7408.11	<p>A change to heading 74.05 through 74.07 from any other chapter; or</p> <p>A change to heading 74.05 through 74.07 from heading 74.01 through 74.02 or tariff item 7404.00.aa, whether or not there is also a change from any other chapter, provided there is a regional value content of not less than:</p> <p>(a) 60 per cent where the transaction value method is used, or (b) 50 per cent where the net cost method is used.</p>
7408.11.aa	<p>A change to heading 74.05 through 74.07 from any other chapter; or</p> <p>A change to heading 74.05 through 74.07 from heading 74.01 through 74.02 or tariff item 7404.00.aa, whether or not there is also a change from any other chapter, provided there is a regional value content of not less than:</p> <p>(a) 60 per cent where the transaction value method is used, or (b) 50 per cent where the net cost method is used.</p>
7408.11	<p>A change to subheading 7408.11 from any other heading, except from heading 74.07.</p>
7408.19-7408.29	<p>A change to subheading 7408.19 through 7408.29 from any other heading, except from heading 74.07.</p>
74.09	<p>A change to heading 74.09 from any other heading.</p>
74.10	<p>A change to heading 74.10 from any other heading, except from heading 74.09.</p>
74.11	<p>A change to heading 74.11 from any other heading, except from tariff item 7407.10.aa, 7407.21.aa, 7407.22.aa or 7407.29.aa or heading 74.09.</p>
74.12	<p>A change to heading 74.12 from any other heading, except from heading 74.11.</p>
74.13	<p>A change to heading 74.13 from any other heading, except from heading 74.07 through 74.08; or</p> <p>A change to heading 74.13 from heading 74.07 through 74.08, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:</p> <p>(a) 60 per cent where the transaction value method is used, or (b) 50 per cent where the net cost method is used.</p>
74.14-74.18	<p>A change to heading 74.14 through 74.18 from any other heading, including another heading within that group.</p>
7419.10	<p>A change to subheading 7419.10 from any other heading, except from heading 74.07.</p>
7419.91-7419.99	<p>A change to subheading 7419.91 through 7419.99 from any other heading.</p>
Chapter 75	<p>Nickel and Articles Thereof</p>
75.01-75.04	<p>A change to heading 75.01 through 75.04 from any other chapter.</p>
75.05	<p>A change to heading 75.05 from any other heading.</p>

75.06	
7506.10.aa	A change to tariff item 7506.10.aa from any other tariff item.
7506.20.aa	A change to tariff item 7506.20.aa from any other tariff item.
75.06	A change to heading 75.06 from any other heading.
75.07-75.08	A change to heading 75.07 through 75.08 from any heading outside that group.
Chapter 76	Aluminum and Articles Thereof
76.01-76.03	A change to heading 76.01 through 76.03 from any other chapter.
76.04-76.06	A change to heading 76.04 through 76.06 from any heading outside that group.
76.07	A change to heading 76.07 from any other heading.
76.08-76.09	A change to heading 76.08 through 76.09 from any heading outside that group.
76.10-76.13	A change to heading 76.10 through 76.13 from any other heading, including another heading within that group.
76.14	A change to heading 76.14 from any other heading, except from heading 76.04 through 76.05.
76.15-76.16	A change to heading 76.15 through 76.16 from any other heading, including another heading within that group.
Chapter 78	Lead and Articles Thereof
78.01-78.02	A change to heading 78.01 through 78.02 from any other chapter.
78.03-78.06	A change to heading 78.03 through 78.06 from any other chapter; or A change to heading 78.03 through 78.06 from any other heading within Chapter 78, including another heading within that group, whether or not there is also a change from any other chapter, provided there is a regional value content of not less than: (a) 60 per cent where the transaction value method is used, or (b) 50 per cent where the net cost method is used.
Chapter 79	Zinc and Articles Thereof
79.01-79.03	A change to heading 79.01 through 79.03 from any other chapter.
79.04-79.05	A change to heading 79.04 through 79.05 from any other chapter; or A change to heading 79.04 through 79.05 from any other heading within Chapter 79, including another heading within that group, whether or not

there is also a change from any other chapter, provided there is a regional value content of not less than:

- (a) 60 per cent where the transaction value method is used, or
- (b) 50 per cent where the net cost method is used.

79.06-79.07

A change to heading 79.06 through 79.07 from any other chapter; or

A change to heading 79.06 through 79.07 from any other heading within Chapter 79, including another heading within that group, whether or not there is also a change from any other chapter, provided there is a regional value content of not less than:

- (a) 50 per cent where the transaction value method is used, or
- (b) 40 per cent where the net cost method is used.

Chapter 80

Tin and Articles Thereof

80.01-80.02

A change to heading 80.01 through 80.02 from any other chapter.

80.03-80.04

A change to heading 80.03 through 80.04 from any heading outside that group.

80.05-80.07

A change to heading 80.05 through 80.07 from any heading outside that group.

Chapter 81

Other Base Metals; Cermets; Articles Thereof

8101.10-8101.91

A change to subheading 8101.10 through 8101.91 from any other chapter.

8101.92

A change to subheading 8101.92 from any other subheading.

8101.93

A change to subheading 8101.93 from any other chapter.

8101.99

A change to subheading 8101.99 from any other subheading.

8102.10-8102.91

A change to subheading 8102.10 through 8102.91 from any other chapter.

8102.92

A change to subheading 8102.92 from any other subheading.

8102.93

A change to subheading 8102.93 from any other subheading, except from tariff item 8102.92.aa.

8102.99

A change to subheading 8102.99 from any other subheading.

8103.10

A change to subheading 8103.10 from any other chapter.

8103.90

A change to subheading 8103.90 from any other subheading.

8104.11-8104.30

A change to subheading 8104.11 through 8104.30 from any other chapter.

8104.90

A change to subheading 8104.90 from any other subheading.

8105.10

A change to subheading 8105.10 from any other chapter.

8105.90

A change to subheading 8105.90 from any other subheading.

81.06

A change to heading 81.06 from any other chapter.

8107.10

A change to subheading 8107.10 from any other chapter.

8107.90

A change to subheading 8107.90 from any other subheading.

8108.10

A change to subheading 8108.10 from any other chapter.

8108.90	A change to subheading 8108.90 from any other subheading.
8109.10	A change to subheading 8109.10 from any other chapter.
8109.90	A change to subheading 8109.90 from any other subheading.
81.10	A change to heading 81.10 from any other chapter.
81.11	
8111.00.aa	A change to tariff item 8111.00.aa from any other tariff item.
81.11	A change to heading 81.11 from any other chapter.
81.12-81.13	A change to heading 81.12 through 81.13 from any other chapter.
Chapter 82	Tools, Implements, Cutlery, Spoons and Forks, of Base Metal; Parts Thereof of Base Metal
82.01	A change to heading 82.01 from any other chapter.
8202.10-8202.20	A change to subheading 8202.10 through 8202.20 from any other chapter.
8202.31	A change to subheading 8202.31 from any other chapter; or A change to subheading 8202.31 from subheading 8202.39, whether or not there is also a change from any other chapter, provided there is a regional value content of not less than: (a) 60 per cent where the transaction value method is used, or (b) 50 per cent where the net cost method is used.
8202.39-8202.99	A change to subheading 8202.39 through 8202.99 from any other chapter.
82.03-82.06	A change to heading 82.03 through 82.06 from any other chapter.
8207.13	A change to subheading 8207.13 from any other chapter; or A change to subheading 8207.13 from subheading 8207.19 or heading 82.09, whether or not there is also a change from any other chapter, provided there is a regional value content of not less than: (a) 60 per cent where the transaction value method is used, or (b) 50 per cent where the net cost method is used.
8207.19-8207.90	A change to subheading 8207.19 through 8207.90 from any other chapter.
82.08-82.10	A change to heading 82.08 through 82.10 from any other chapter.
8211.10	A change to subheading 8211.10 from any other chapter.
8211.91-8211.93	A change to subheading 8211.91 through 8211.93 from any other chapter; or A change to subheading 8211.91 through 8211.93 from subheading 8211.95, whether or not there is also a change from any other chapter, provided there is a regional value content of not less than: (a) 60 per cent where the transaction value method is used, or (b) 50 per cent where the net cost method is used.
8211.94-8211.95	A change to subheading 8211.94 through 8211.95 from any other chapter.
82.12-82.15	A change to heading 82.12 through 82.15 from any other chapter.

Chapter 83

Miscellaneous Articles of Base Metal

8301.10

A change to subheading 8301.10 from any other chapter; or

A change to subheading 8301.10 from subheading 8301.60, whether or not there is also a change from any other chapter, provided there is a regional value content of not less than:

- (a) 60 per cent where the transaction value method is used, or
- (b) 50 per cent where the net cost method is used.

8301.20⁴

A change to subheading 8301.20 from any other chapter; or

A change to subheading 8301.20 from subheading 8301.60, whether or not there is also a change from any other chapter, provided there is a regional value content of not less than 30 per cent under the net cost method.

8301.30-8301.50

A change to subheading 8301.30 through 8301.50 from any other chapter; or

A change to subheading 8301.30 through 8301.50 from subheading 8301.60, whether or not there is also a change from any other chapter, provided there is a regional value content of not less than:

- (a) 60 per cent where the transaction value method is used, or
- (b) 50 per cent where the net cost method is used.

8301.60-8301.70

A change to subheading 8301.60 through 8301.70 from any other chapter.

83.02-83.04

A change to heading 83.02 through 83.04 from any other heading, including another heading within that group.

8305.10-8305.20

A change to subheading 8305.10 through 8305.20 from any other chapter; or

A change to subheading 8305.10 through 8305.20 from subheading 8305.90, whether or not there is also a change from any other chapter, provided there is a regional value content of not less than:

- (a) 60 per cent where the transaction value method is used, or
- (b) 50 per cent where the net cost method is used.

8305.90

A change to subheading 8305.90 from any other heading.

83.06-83.07

A change to heading 83.06 through 83.07 from any other chapter.

8308.10-8308.20

A change to subheading 8308.10 through 8308.20 from any other chapter; or

A change to subheading 8308.10 through 8308.20 from subheading 8308.90, whether or not there is also a change from any other chapter, provided there is a regional value content of not less than:

- (a) 60 per cent where the transaction value method is used, or
- (b) 50 per cent where the net cost method is used.

8308.90

A change to subheading 8308.90 from any other heading.

83.09-83.10

A change to heading 83.09 through 83.10 from any other chapter.

4

If a good provided for in subheading 8301.20 is for use in a motor vehicle, the provisions of Article D-03 may apply.

8311.10-8311.30

A change to subheading 8311.10 through 8311.30 from any other chapter, or

A change to subheading 8311.10 through 8311.30 from subheading 8311.90, whether or not there is also a change from any other chapter, provided there is a regional value content of not less than:

- (a) 60 per cent where the transaction value method is used, or
- (b) 50 per cent where the net cost method is used.

8311.90

A change to subheading 8311.90 from any other heading.

Section XVI -

Machinery and Mechanical Appliances; Electrical Equipment; Parts Thereof; Sound Recorders and Reproducers, Television Image and Sound Recorders and Reproducers, and Parts and Accessories of Such Articles (Chapter 84-85)

Chapter 84

Nuclear Reactors, Boilers, Machinery and Mechanical Appliances; Parts Thereof

Note 1:

For purposes of this Chapter, the term "printed circuit assembly" means a good consisting of one or more printed circuits of heading 85.34 with one or more active elements assembled thereon, with or without passive elements. For purposes of this Note, "active elements" means diodes, transistors and similar semiconductor devices, whether or not photosensitive, of heading 85.41 and integrated circuits and microassemblies of heading 85.42.

Note 2:

Tariff item 8473.30.cc covers the following parts for printers of subheading 8471.60:

- (a) *control or command assemblies, incorporating more than one of the following: printed circuit assembly; hard or flexible (floppy) disc drive; keyboard; user interface;*
- (b) *light source assemblies, incorporating more than one of the following: light emitting diode assembly; gas laser; mirror polygon assembly; base casting;*
- (c) *laser imaging assemblies, incorporating more than one of the following: photoreceptor belt or cylinder; toner receptacle unit; toner developing unit; charge/discharge unit; cleaning unit;*
- (d) *image fixing assemblies, incorporating more than one of the following: fuser; pressure roller; heating element; release oil dispenser; cleaning unit; electrical control;*
- (e) *ink jet marking assemblies, incorporating more than one of the following: thermal print head; ink dispensing unit; nozzle and reservoir unit; ink heater;*
- (f) *maintenance/sealing assemblies, incorporating more than one of the following: vacuum unit; ink jet covering unit; sealing unit; purging unit;*
- (g) *paper handling assemblies, incorporating more than one of the following: paper transport belt; roller; print bar; carriage; gripper roller; paper storage unit; exit tray;*
- (h) *thermal transfer imaging assemblies, incorporating more than one of the following: thermal print head; cleaning unit; supply or take-up roller;*

- (i) *ionographic imaging assemblies, incorporating more than one of the following: ion generation and emitting unit; air assist unit; printed circuit assembly; charge receptor belt or cylinder; toner receptacle unit; toner distribution unit; developer receptacle and distribution unit; developing unit; charge/discharge unit; cleaning unit; or*
 - (j) *combinations of the above specified assemblies.*
- 8401.10-8401.30 A change to subheading 8401.10 through 8401.30 from any other subheading outside that group.
- 8401.40 A change to subheading 8401.40 from any other heading.
- 8402.11 A change to subheading 8402.11 from any other heading; or
- A change to subheading 8402.11 from subheading 8402.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 60 per cent where the transaction value method is used, or
 - (b) 50 per cent where the net cost method is used.
- 8402.12-8402.20 A change to subheading 8402.12 through 8402.20 from any other heading; or
- A change to subheading 8402.12 through 8402.20 from subheading 8402.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 35 per cent where the transaction value method is used, or
 - (b) 25 per cent where the net cost method is used.
- 8402.90 A change to subheading 8402.90 from any other heading; or
- No required change in tariff classification to subheading 8402.90, provided there is a regional value content of not less than:
- (a) 35 per cent where the transaction value method is used, or
 - (b) 25 per cent where the net cost method is used.
- 8403.10 A change to subheading 8403.10 from any other heading; or
- A change to subheading 8403.10 from subheading 8403.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 35 per cent where the transaction value method is used, or
 - (b) 25 per cent where the net cost method is used.
- 8403.90 A change to subheading 8403.90 from any other heading.
- 8404.10-8404.20 A change to subheading 8404.10 through 8404.20 from any other heading; or
- A change to subheading 8404.10 through 8404.20 from subheading 8404.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 35 per cent where the transaction value method is used, or
 - (b) 25 per cent where the net cost method is used.
- 8404.90 A change to subheading 8404.90 from any other heading.
- 8405.10 A change to subheading 8405.10 from any other heading; or

A change to subheading 8405.10 from subheading 8405.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 35 per cent where the transaction value method is used, or
- (b) 25 per cent where the net cost method is used.

8405.90	A change to subheading 8405.90 from any other heading.
8406.10-8406.82	A change to subheading 8406.10 through 8406.82 from any subheading outside that group, except from tariff item 8406.90.aa or 8406.90.bb.
8406.90	
8406.90.aa	A change to tariff item 8406.90.aa from tariff item 8406.90.cc or any other heading.
8406.90.bb	A change to tariff item 8406.90.bb from any other tariff item.
8406.90	A change to subheading 8406.90 from any other heading.
8407.10-8407.29	A change to subheading 8407.10 through 8407.29 from any other heading.
8407.31-8407.34 ⁵	A change to subheading 8407.31 through 8407.34 from any other heading, provided there is a regional value content of not less than 30 per cent under the net cost method is used.
8407.90	A change to subheading 8407.90 from any other heading.
8408.10	A change to subheading 8408.10 from any other heading.
8408.20 ⁶	A change to subheading 8408.20 from any other heading, provided there is a regional value content of not less than 30 per cent where the net cost method is used.
8408.90	A change to subheading 8408.90 from any other heading.
8409.10	A change to subheading 8409.10 from any other heading.
8409.91 ⁷	A change to subheading 8409.91 from any other heading; or No required change in tariff classification to subheading 8409.91, provided there is a regional value content of not less than: (a) 35 per cent where the transaction value method is used, or (b) 25 per cent where the net cost method is used.
8409.99 ⁸	A change to subheading 8409.99 from any other heading; or No required change in tariff classification to subheading 8409.99, provided there is a regional value content of not less than: (a) 35 per cent where the transaction value method is used, or (b) 25 per cent where the net cost method is used.
8410.11-8410.13	A change to subheading 8410.11 through 8410.13 from any other heading; or

⁵ If the good is for use in a motor vehicle, the provisions of Article D-03 may apply.
⁶ If the good is for use in a motor vehicle, the provisions of Article D-03 may apply.
⁷ If the good is for use in a motor vehicle, the provisions of Article D-03 may apply.
⁸ If the good is for use in a motor vehicle, the provisions of Article D-03 may apply.

A change to subheading 8410.11 through 8410.13 from subheading 8410.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 35 per cent where the transaction value method is used, or
- (b) 25 per cent where the net cost method is used.

8410.90

A change to subheading 8410.90 from any other heading.

8411.11-8411.82

A change to subheading 8411.11 through 8411.82 from any other heading; or

A change to subheading 8411.11 through 8411.82 from subheading 8411.91 through 8411.99, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 35 per cent where the transaction value method is used, or
- (b) 25 per cent where the net cost method is used.

8411.91-8411.99

A change to subheading 8411.91 through 8411.99 from any other heading.

8412.10-8412.80

A change to subheading 8412.10 through 8412.80 from any other heading; or

A change to subheading 8412.10 through 8412.80 from subheading 8412.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 35 per cent where the transaction value method is used, or
- (b) 25 per cent where the net cost method is used.

8412.90

A change to subheading 8412.90 from any other heading.

8413.11-8413.82⁹

A change to subheading 8413.11 through 8413.82 from any other heading; or

A change to subheading 8413.11 through 8413.82 from subheading 8413.91 through 8413.92, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 35 per cent where the transaction value method is used, or
- (b) 25 per cent where the net cost method is used.

8413.91

A change to subheading 8413.91 from any other heading.

8413.92

A change to subheading 8413.92 from any other heading; or

No required change in tariff classification to subheading 8413.92, provided there is a regional value content of not less than:

- (a) 35 per cent where the transaction value method is used, or
- (b) 25 per cent where the net cost method is used.

8414.10-8414.20

A change to subheading 8414.10 through 8414.20 from any other heading; or

A change to subheading 8414.10 through 8414.20 from subheading 8414.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 35 per cent where the transaction value method is used, or

⁹

If the good provided for in subheading 8413.30 or 8413.60 is for use in a motor vehicle, the provisions of Article D-03 may apply.

- (b) 25 per cent where the net cost method is used.
- 8414.30 A change to subheading 8414.30 from any other subheading, except from tariff item 8414.90.aa.
- 8414.40-8414.80¹⁰ A change to subheading 8414.40 through 8414.80 from any other heading; or
- A change to subheading 8414.40 through 8414.80 from subheading 8414.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 35 per cent where the transaction value method is used, or
(b) 25 per cent where the net cost method is used.
- 8414.90 A change to subheading 8414.90 from any other heading; or
- No required change in tariff classification to subheading 8414.90, provided there is a regional value content of not less than:
- (a) 35 per cent where the transaction value method is used, or
(b) 25 per cent where the net cost method is used.
- 8415.10 A change to subheading 8415.10 from any other subheading, except from tariff item 8415.90.aa or from assemblies incorporating more than one of the following: compressor, condenser, evaporator, connecting tubing.
- 8415.20¹¹ A change to subheading 8415.20 from any other subheading, except from subheading 8415.81 through 8415.83 or tariff item 8415.90.aa or assemblies incorporating more than one of the following: compressor, condenser, evaporator, connecting tubing; or
- A change to subheading 8415.20 from tariff item 8415.90.aa or assemblies incorporating more than one of the following: compressor, condenser, evaporator, connecting tubing, whether or not there is also a change from any other subheading, except from subheading 8415.81 through 8415.83, provided there is a regional value content of not less than 30 per cent under the net cost method.
- 8415.81-8415.83 A change to subheading 8415.81 through 8415.83 from any other subheading, except from subheading 8415.20 or tariff item 8415.90.aa or assemblies incorporating more than one of the following: compressor, condenser, evaporator, connecting tubing; or
- A change to subheading 8415.81 through 8415.83 from tariff item 8415.90.aa or assemblies incorporating more than one of the following: compressor, condenser, evaporator, connecting tubing, whether or not there is also a change from any other subheading, except from subheading 8415.20, provided there is a regional value content of not less than:
- (a) 35 per cent where the transaction value method is used, or
(b) 25 per cent where the net cost method is used.
- 8415.90
- 8415.90.aa A change to tariff item 8415.90.aa from any other tariff item.
- 8415.90 A change to subheading 8415.90 from any other heading.

¹⁰ If the good provided for in subheading 8414.59 or 8414.80 is for use in a motor vehicle, the provisions of Article D-03 may apply.

¹¹ If the good provided for in subheading 8415.20 is for use in a motor vehicle, the provisions of Article D-03 may apply.

- 8416.10-8416.30 A change to subheading 8416.10 through 8416.30 from any other heading; or
- A change to subheading 8416.10 through 8416.30 from subheading 8416.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 35 per cent where the transaction value method is used, or
 - (b) 25 per cent where the net cost method is used.
- 8416.90 A change to subheading 8416.90 from any other heading.
- 8417.10-8417.80 A change to subheading 8417.10 through 8417.80 from any other heading; or
- A change to subheading 8417.10 through 8417.80 from subheading 8417.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 35 per cent where the transaction value method is used, or
 - (b) 25 per cent where the net cost method is used.
- 8417.90 A change to subheading 8417.90 from any other heading.
- 8418.10-8418.21 A change to subheading 8418.10 through 8418.21 from any subheading outside that group, except from subheading 8418.91 or tariff item 8418.99.aa or assemblies incorporating more than one of the following: compressor, condenser, evaporator, connecting tubing.
- 8418.22 A change to subheading 8418.22 from any other heading; or
- A change to subheading 8418.22 from subheading 8418.91 through 8418.99, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 35 per cent where the transaction value method is used, or
 - (b) 25 per cent where the net cost method is used.
- 8418.29-8418.40 A change to subheading 8418.29 through 8418.40 from any subheading outside that group, except from subheading 8418.91 or tariff item 8418.99.aa or assemblies incorporating more than one of the following: compressor, condenser, evaporator, connecting tubing.
- 8418.50-8418.69 A change to subheading 8418.50 through 8418.69 from any other heading; or
- A change to subheading 8418.50 through 8418.69 from subheading 8418.91 through 8418.99, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 35 per cent where the transaction value method is used, or
 - (b) 25 per cent where the net cost method is used.
- 8418.91 A change to subheading 8418.91 from any other subheading.
- 8418.99
- 8418.99.aa A change to tariff item 8418.99.aa from any other tariff item.
- 8418.99 A change to subheading 8418.99 from any other heading.

8419.11-8419.89	<p>A change to subheading 8419.11 through 8419.89 from any other heading; or</p> <p>A change to subheading 8419.11 through 8419.89 from subheading 8419.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:</p> <p>(a) 35 per cent where the transaction value method is used, or (b) 25 per cent where the net cost method is used.</p>
8419.90	<p>A change to subheading 8419.90 from any other heading; or</p> <p>No required change in tariff classification to subheading 8419.90, provided there is a regional value content of not less than:</p> <p>(a) 35 per cent where the transaction value method is used, or (b) 25 per cent where the net cost method is used.</p>
8420.10	<p>A change to subheading 8420.10 from any other heading; or</p> <p>A change to subheading 8420.10 from subheading 8420.91 through 8420.99, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:</p> <p>(a) 35 per cent where the transaction value method is used, or (b) 25 per cent where the net cost method is used.</p>
8420.91-8420.99	<p>A change to subheading 8420.91 through 8420.99 from any other heading.</p>
8421.11	<p>A change to subheading 8421.11 from any other heading; or</p> <p>A change to subheading 8421.11 from subheading 8421.91 through 8421.99, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:</p> <p>(a) 35 per cent where the transaction value method is used, or (b) 25 per cent where the net cost method is used.</p>
8421.12	<p>A change to subheading 8421.12 from any other subheading, except from tariff item 8421.91.aa, 8421.91.bb or 8537.10.aa.</p>
8421.19-8421.39 ¹²	<p>A change to subheading 8421.19 through 8421.39 from any other heading; or</p> <p>A change to subheading 8421.19 through 8421.39 from subheading 8421.91 through 8421.99, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:</p> <p>(a) 35 per cent where the transaction value method is used, or (b) 25 per cent where the net cost method is used.</p>
8421.91	
8421.91.aa	<p>A change to tariff item 8421.91.aa from any other tariff item.</p>
8421.91.bb	<p>A change to tariff item 8421.91.bb from any other tariff item.</p>
8421.91	<p>A change to subheading 8421.91 from any other heading.</p>
8421.99	<p>A change to subheading 8421.99 from any other heading; or</p>

¹²

If the good provided for in subheading 8421.23, 8421.31 or 8421.39 is for use in a motor vehicle, the provisions of Article D-03 may apply.

No required change in tariff classification to subheading 8421.99, provided there is a regional value content of not less than:

- (a) 35 per cent where the transaction value method is used, or
- (b) 25 per cent where the net cost method is used.

8422.11

A change to subheading 8422.11 from any other subheading, except from tariff item 8422.90.aa, 8422.90.bb or 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 subheading 8422.19 through 8422.40 from any other heading; or

A change to subheading 8422.19 through 8422.40 from subheading 8422.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 35 per cent where the transaction value method is used, or
- (b) 25 per cent where the net cost method is used.

8422.90

8422.90.aa

A change to tariff item 8422.90.aa from any other tariff item.

8422.90.bb

A change to tariff item 8422.90.bb from any other tariff item.

8422.90

A change to subheading 8422.90 from any other heading.

8423.10-8423.89

A change to subheading 8423.10 through 8423.89 from any other heading; or

A change to subheading 8423.10 through 8423.89 from subheading 8423.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 35 per cent where the transaction value method is used, or
- (b) 25 per cent where the net cost method is used.

8423.90

A change to subheading 8423.90 from any other heading.

8424.10-8424.89

A change to subheading 8424.10 through 8424.89 from any other heading; or

A change to subheading 8424.10 through 8424.89 from subheading 8424.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 35 per cent where the transaction value method is used, or
- (b) 25 per cent where the net cost method is used.

8424.90

A change to subheading 8424.90 from any other heading.

84.25-84.26¹³

A change to heading 84.25 through 84.26 from any other heading, including another heading within that group, except from heading 84.31; or

A change to heading 84.25 through 84.26 from heading 84.31, whether or not there is also a change from any other heading, including another heading within that group, provided there is a regional value content of not less than:

¹³

If the good provided for in subheading 8425.39, 8425.42 or 8425.49 in a motor vehicle, the provisions of Article D-03 may apply.

- (a) 35 per cent where the transaction value method is used, or
- (b) 25 per cent where the net cost method is used.

8427.10

8427.10.aa

A change to tariff item 8427.10.aa from any other heading, except from subheading 8431.20 or 8483.40 or heading 85.01; or

A change to tariff item 8427.10.aa from subheading 8431.20 or 8483.40 or heading 85.01, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 35 per cent where the transaction value method is used, or
- (b) 25 per cent where the net cost method is used.

8427.10

A change to subheading 8427.10 from any other heading, except from subheading 8431.20; or

A change to subheading 8427.10 from subheading 8431.20, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 35 per cent where the transaction value method is used, or
- (b) 25 per cent where the net cost method is used.

8427.20

8427.20.aa

A change to tariff item 8427.20.aa from any other heading, except from heading 84.07 through 84.08 or subheading 8431.20 or 8483.40; or

A change to tariff item 8427.20.aa from heading 84.07 through 84.08 or subheading 8431.20 or 8483.40, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 35 per cent where the transaction value method is used, or
- (b) 25 per cent where the net cost method is used.

8427.20

A change to subheading 8427.20 from any other heading, except from subheading 8431.20; or

A change to subheading 8427.20 from subheading 8431.20, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 35 per cent where the transaction value method is used, or
- (b) 25 per cent where the net cost method is used.

8427.90

A change to subheading 8427.90 from any other heading, except from subheading 8431.20; or

A change to subheading 8427.90 from subheading 8431.20, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 35 per cent where the transaction value method is used, or
- (b) 25 per cent where the net cost method is used.

84.28

A change to heading 84.28 from any other heading, except from heading 84.29 through 84.31; or

A change to heading 84.28 from heading 84.31, whether or not there is also a change from any other heading except from heading 84.29 through 84.30, provided there is a regional value content of not less than:

- (a) 35 per cent where the transaction value method is used, or

- (b) 25 per cent where the net cost method is used.
- 8429.11-8429.52 A change to subheading 8429.11 through 8429.52 from any other heading, except from heading 84.28 or 84.30 through 84.31; or
- A change to subheading 8429.11 through 8429.52 from heading 84.31, whether or not there is also a change from any other heading except from heading 84.28 or 84.30, provided there is a regional value content of not less than:
- (a) 35 per cent where the transaction value method is used, or
(b) 25 per cent where the net cost method is used.
- 8429.59 A change to subheading 8429.59 from any other heading, except from heading 84.28 or 84.30 through 84.31; or
- A change to subheading 8429.59 from heading 84.31, whether or not there is also a change from any other heading except from heading 84.28 or 84.30, provided there is a regional value content of not less than:
- (a) 60 per cent where the transaction value method is used, or
(b) 50 per cent where the net cost method is used.
- 84.30 A change to heading 84.30 from any other heading, except from heading 84.28 through 84.29 or 84.31; or
- A change to heading 84.30 from heading 84.31, whether or not there is also a change from any other heading, except from heading 84.28 through 84.29, provided there is a regional value content of not less than:
- (a) 35 per cent where the transaction value method is used, or
(b) 25 per cent where the net cost method is used.
- 84.31¹⁴ A change to heading 84.31 from any other heading; or
- No required change in tariff classification to heading 84.31, provided there is a regional value content of not less than:
- (a) 35 per cent where the transaction value method is used, or
(b) 25 per cent where the net cost method is used.
- 8432.10-8432.80 A change to subheading 8432.10 through 8432.80 from any other heading; or
- A change to subheading 8432.10 through 8432.80 from subheading 8433.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 35 per cent where the transaction value method is used, or
(b) 25 per cent where the net cost method is used.
- 8432.90 A change to subheading 8432.90 from any other heading.
- 8433.11-8433.60 A change to subheading 8433.11 through 8433.60 from any other heading; or
- A change to subheading 8433.11 through 8433.60 from subheading 8433.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 35 per cent where the transaction value method is used, or
(b) 25 per cent where the net cost method is used.

¹⁴

If the good provided for in subheading 8431.10 is for use in a motor vehicle, the provisions of Article D-03 may apply.

8433.90	A change to subheading 8433.90 from any other heading.
8434.10-8434.20	A change to subheading 8434.10 through 8434.20 from any other heading; or A change to subheading 8434.10 through 8434.20 from subheading 8433.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than: (a) 35 per cent where the transaction value method is used, or (b) 25 per cent where the net cost method is used.
8434.90	A change to subheading 8434.90 from any other heading.
8435.10	A change to subheading 8435.10 from any other heading; or A change to subheading 8435.10 from subheading 8435.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than: (a) 35 per cent where the transaction value method is used, or (b) 25 per cent where the net cost method is used.
8435.90	A change to subheading 8435.90 from any other heading.
8436.10-8436.80	A change to subheading 8436.10 through 8436.80 from any other heading; or A change to subheading 8436.10 through 8436.80 from subheading 8436.91 through 8436.99, whether or not there is also a change from any other heading, provided there is a regional value content of not less than: (a) 35 per cent where the transaction value method is used, or (b) 25 per cent where the net cost method is used.
8436.91-8436.99	A change to subheading 8436.91 through 8436.99 from any other heading.
8437.10-8437.80	A change to subheading 8437.10 through 8437.80 from any other heading; or A change to subheading 8437.10 through 8437.80 from subheading 8437.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than: (a) 35 per cent where the transaction value method is used, or (b) 25 per cent where the net cost method is used.
8437.90	A change to subheading 8437.90 from any other heading.
8438.10-8438.80	A change to subheading 8438.10 through 8438.80 from any other heading; or A change to subheading 8438.10 through 8438.80 from subheading 8438.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than: (a) 35 per cent where the transaction value method is used, or (b) 25 per cent where the net cost method is used.
8438.90	A change to subheading 8438.90 from any other heading.
8439.10-8439.30	A change to subheading 8439.10 through 8439.30 from any other heading; or

A change to subheading 8439.10 through 8439.30 from subheading 8439.91 through 8439.99, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 35 per cent where the transaction value method is used, or
- (b) 25 per cent where the net cost method is used.

8439.91-8439.99

A change to subheading 8439.91 through 8439.99 from any other heading.

8440.10

A change to subheading 8440.10 from any other heading; or

A change to subheading 8440.10 from subheading 8440.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 35 per cent where the transaction value method is used, or
- (b) 25 per cent where the net cost method is used.

8440.90

A change to subheading 8440.90 from any other heading.

8441.10-8441.80

A change to subheading 8441.10 through 8441.80 from any other heading; or

A change to subheading 8441.10 through 8441.80 from subheading 8441.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 35 per cent where the transaction value method is used, or
- (b) 25 per cent where the net cost method is used.

8441.90

A change to subheading 8441.90 from any other heading; or

No required change in tariff classification to subheading 8441.90, provided there is a regional value content of not less than:

- (a) 35 per cent where the transaction value method is used, or
- (b) 25 per cent where the net cost method is used.

8442.10-8442.30

A change to subheading 8442.10 through 8442.30 from any other heading; or

A change to subheading 8442.10 through 8442.30 from subheading 8442.40 through 8442.50, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 35 per cent where the transaction value method is used, or
- (b) 25 per cent where the net cost method is used

8442.40-8442.50

A change to subheading 8442.40 through 8442.50 from any other heading.

8443.11-8443.59

A change to subheading 8443.11 through 8443.59 from any other heading; or

A change to subheading 8443.11 through 8443.59 from subheading 8443.60 through 8443.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 35 per cent where the transaction value method is used, or
- (b) 25 per cent where the net cost method is used

8443.60

A change to subheading 8443.60 from any other heading; or

- A change to subheading 8443.60 from subheading 8443.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 35 per cent where the transaction value method is used, or
 - (b) 25 per cent where the net cost method is used
- 8443.90 A change to subheading 8443.90 from any other heading.
- 84.44-84.47 A change to heading 84.44 through 84.47 from any heading outside that group, except from heading 84.48; or
- A change to heading 84.44 through 84.47 from heading 84.48, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 35 per cent where the transaction value method is used, or
 - (b) 25 per cent where the net cost method is used.
- 8448.11-8448.19 A change to subheading 8448.11 through 8448.19 from any other heading; or
- A change to subheading 8448.11 through 8448.19 from subheading 8448.20 through 8448.59, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 35 per cent where the transaction value method is used, or
 - (b) 25 per cent where the net cost method is used.
- 8448.20-8448.59 A change to subheading 8448.20 through 8448.59 from any other heading.
- 84.49 A change to heading 84.49 from any other heading.
- 8450.11-8450.20 A change to subheading 8450.11 through 8450.20 from any subheading outside that group, except from tariff item 8450.90.aa, 8450.90.bb or 8537.10.aa or washer assemblies incorporating more than one of the following: agitator, motor, transmission, clutch.
- 8450.90
- 8450.90.aa A change to tariff item 8450.90.aa from any other tariff item.
- 8450.90.bb A change to tariff item 8450.90.bb from any other tariff item.
- 8450.90 A change to subheading 8450.90 from any other heading.
- 8451.10 A change to subheading 8451.10 from any other heading; or
- A change to subheading 8451.10 from subheading 8451.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 35 per cent where the transaction value method is used, or
 - (b) 25 per cent where the net cost method is used.
- 8451.21-8451.29 A change to subheading 8451.21 through 8451.29 from any subheading outside that group, except from tariff item 8451.90.aa or 8451.90.bb or subheading 8537.10.
- 8451.30-8451.80 A change to subheading 8451.30 through 8451.80 from any other heading; or
- A change to subheading 8451.30 through 8451.80 from subheading 8451.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 35 per cent where the transaction value method is used, or
 (b) 25 per cent where the net cost method is used.
- 8451.90
- 8451.90.aa A change to tariff item 8451.90.aa from any other tariff item.
- 8451.90.bb A change to tariff item 8451.90.bb from any other tariff item.
- 8451.90 A change to subheading 8451.90 from any other heading.
- 8452.10-8452.30 A change to subheading 8452.10 through 8452.30 from any other heading; or
- A change to subheading 8452.10 through 8452.30 from subheading 8452.40 through 8452.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 35 per cent where the transaction value method is used, or
 (b) 25 per cent where the net cost method is used.
- 8452.40-8452.90 A change to subheading 8452.40 through 8452.90 from any other heading.
- 8453.10-8453.80 A change to subheading 8453.10 through 8453.80 from any other heading; or
- A change to subheading 8453.10 through 8453.80 from subheading 8453.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 35 per cent where the transaction value method is used, or
 (b) 25 per cent where the net cost method is used.
- 8453.90 A change to subheading 8453.90 from any other heading.
- 8454.10-8454.30 A change to subheading 8454.10 through 8454.30 from any other heading; or
- A change to subheading 8454.10 through 8454.30 from subheading 8454.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 35 per cent where the transaction value method is used, or
 (b) 25 per cent where the net cost method is used.
- 8454.90 A change to subheading 8454.90 from any other heading.
- 8455.10-8455.22 A change to subheading 8455.10 through 8455.22 from any subheading outside that group, except from tariff item 8455.90.aa.
- 8455.30 A change to subheading 8455.30 from any other subheading, except from subheading 8455.10 through 8455.22.
- 8455.90 A change to subheading 8455.90 from any other heading.
- 8456.10 A change to subheading 8456.10 from any other heading, except from more than two of the following:
- tariff item 8466.93.aa,
 - subheading 8537.10,
 - subheading 9013.20.
- 8456.20-8456.99 A change to subheading 8456.20 through 8456.99 from any other heading, except from more than three of the following:

- subheading 8413.50 through 8413.60,
 - tariff item 8466.93.aa,
 - subheading 8501.32 or 8501.52,
 - subheading 8537.10.
- 84.57 A change to heading 84.57 from any other heading, except from heading 84.59 or more than three of the following:
- subheading 8413.50 through 8413.60,
 - tariff item 8466.93.aa,
 - subheading 8501.32 or 8501.52,
 - subheading 8537.10.
- 8458.11 A change to subheading 8458.11 from any other heading, except from more than three of the following:
- subheading 8413.50 through 8413.60,
 - tariff item 8466.93.aa,
 - subheading 8501.32 or 8501.52,
 - subheading 8537.10.
- 8458.19 A change to subheading 8458.19 from any other heading, except from more than one of the following:
- tariff item 8466.93.aa,
 - subheading 8501.32 or 8501.52.
- 8458.91 A change to subheading 8458.91 from any other heading, except from more than three of the following:
- subheading 8413.50 through 8413.60,
 - tariff item 8466.93.aa,
 - subheading 8501.32 or 8501.52,
 - subheading 8537.10.
- 8458.99 A change to subheading 8458.99 from any other heading, except from more than one of the following:
- tariff item 8466.93.aa,
 - subheading 8501.32 or 8501.52.
- 8459.10 A change to subheading 8459.10 from any other heading, except from more than one of the following:
- tariff item 8466.93.aa,
 - subheading 8501.32 or 8501.52.
- 8459.21 A change to subheading 8459.21 from any other heading, except from more than three of the following:
- subheading 8413.50 through 8413.60,
 - tariff item 8466.93.aa,
 - subheading 8501.32 or 8501.52,
 - subheading 8537.10.
- 8459.29 A change to subheading 8459.29 from any other heading, except from more than one of the following:
- tariff item 8466.93.aa,
 - subheading 8501.32 or 8501.52.

- 8459.31 A change to subheading 8459.31 from any other heading, except from more than three of the following:
- subheading 8413.50 through 8413.60,
 - tariff item 8466.93.aa,
 - subheading 8501.32 or 8501.52,
 - subheading 8537.10.
- 8459.39 A change to subheading 8459.39 from any other heading, except from more than one of the following:
- tariff item 8466.93.aa,
 - subheading 8501.32 or 8501.52.
- 8459.40-8459.51 A change to subheading 8459.40 through 8459.51 from any other heading, except from more than three of the following:
- subheading 8413.50 through 8413.60,
 - tariff item 8466.93.aa,
 - subheading 8501.32 or 8501.52,
 - subheading 8537.10.
- 8459.59 A change to subheading 8459.59 from any other heading, except from more than one of the following:
- tariff item 8466.93.aa,
 - subheading 8501.32 or 8501.52.
- 8459.61 A change to subheading 8459.61 from any other heading, except from more than three of the following:
- subheading 8413.50 through 8413.60,
 - tariff item 8466.93.aa,
 - subheading 8501.32 or 8501.52,
 - subheading 8537.10.
- 8459.69 A change to subheading 8459.69 from any other heading, except from more than one of the following:
- tariff item 8466.93.aa,
 - subheading 8501.32 or 8501.52.
- 8459.70
- 8459.70.aa A change to tariff item 8459.70.aa from any other heading, except from more than three of the following:
- subheading 8413.50 through 8413.60,
 - tariff item 8466.93.aa,
 - subheading 8501.32 or 8501.52,
 - subheading 8537.10.
- 8459.70 A change to subheading 8459.70 from any other heading, except from more than one of the following:
- tariff item 8466.93.aa,
 - subheading 8501.32 or 8501.52.
- 8460.11 A change to subheading 8460.11 from any other heading, except from more than three of the following:
- subheading 8413.50 through 8413.60,
 - tariff item 8466.93.aa,
 - subheading 8501.32 or 8501.52,
 - subheading 8537.10.

- 8460.19 A change to subheading 8460.19 from any other heading, except from more than one of the following:
- tariff item 8466.93.aa,
 - subheading 8501.32 or 8501.52.
- 8460.21 A change to subheading 8460.21 from any other heading, except from more than three of the following:
- subheading 8413.50 through 8413.60,
 - tariff item 8466.93.aa,
 - subheading 8501.32 or 8501.52,
 - subheading 8537.10.
- 8460.29 A change to subheading 8460.29 from any other heading, except from more than one of the following:
- tariff item 8466.93.aa,
 - subheading 8501.32 or 8501.52.
- 8460.31 A change to subheading 8460.31 from any other heading, except from more than three of the following:
- subheading 8413.50 through 8413.60,
 - tariff item 8466.93.aa,
 - subheading 8501.32 or 8501.52,
 - subheading 8537.10.
- 8460.39 A change to subheading 8460.39 from any other heading, except from more than one of the following:
- tariff item 8466.93.aa,
 - subheading 8501.32 or 8501.52.
- 8460.40
- 8460.40.aa A change to tariff item 8460.40.aa from any other heading, except from more than three of the following:
- subheading 8413.50 through 8413.60,
 - tariff item 8466.93.aa,
 - subheading 8501.32 or 8501.52,
 - subheading 8537.10.
- 8460.40 A change to subheading 8460.40 from any other heading, except from more than one of the following:
- tariff item 8466.93.aa,
 - subheading 8501.32 or 8501.52.
- 8460.90
- 8460.90.aa A change to tariff item 8460.90.aa from any other heading, except from more than three of the following:
- subheading 8413.50 through 8413.60,
 - tariff item 8466.93.aa,
 - subheading 8501.32 or 8501.52,
 - subheading 8537.10.
- 8460.90 A change to subheading 8460.90 from any other heading, except from more than one of the following:
- tariff item 8466.93.aa,
 - subheading 8501.32 or 8501.52.

8461.10

8461.10.aa

A change to tariff item 8461.10.aa from any other heading, except from more than three of the following:

- subheading 8413.50 through 8413.60,
- tariff item 8466.93.aa,
- subheading 8501.32 or 8501.52,
- subheading 8537.10.

8461.10

A change to subheading 8461.10 from any other heading, except from tariff item 8466.93.aa.

8461.20

8461.20.aa

A change to tariff item 8461.20.aa from any other heading, except from more than three of the following:

- subheading 8413.50 through 8413.60,
- tariff item 8466.93.aa,
- subheading 8501.32 or 8501.52,
- subheading 8537.10.

8461.20

A change to subheading 8461.20 from any other heading, except from tariff item 8466.93.aa.

8461.30

8461.30.aa

A change to tariff item 8461.30.aa from any other heading, except from more than three of the following:

- subheading 8413.50 through 8413.60,
- tariff item 8466.93.aa,
- subheading 8501.32 or 8501.52,
- subheading 8537.10.

8461.30

A change to subheading 8461.30 from any other heading, except from tariff item 8466.93.aa.

8461.40

A change to subheading 8461.40 from any other heading, except from tariff item 8466.93.aa.

8461.50

8461.50.aa

A change to tariff item 8461.50.aa from any other heading, except from more than three of the following:

- subheading 8413.50 through 8413.60,
- tariff item 8466.93.aa,
- subheading 8501.32 or 8501.52,
- subheading 8537.10.

8461.50

A change to subheading 8461.50 from any other heading, except from tariff item 8466.93.aa.

8461.90

8461.90.aa

A change to tariff item 8461.90.aa from any other heading, except from more than three of the following:

- subheading 8413.50 through 8413.60,
- tariff item 8466.93.aa,
- subheading 8501.32 or 8501.52,
- subheading 8537.10.

- 8461.90 A change to subheading 8461.90 from any other heading, except from tariff item 8466.93.aa.
- 8462.10 A change to subheading 8462.10 from any other heading, except from more than one of the following:
- tariff item 8466.94.aa,
 - tariff item 8483.50.aa.
- 8462.21 A change to subheading 8462.21 from any other heading, except from more than four of the following:
- subheading 8413.50 through 8413.60,
 - tariff item 8466.94.aa,
 - tariff item 8483.50.aa,
 - subheading 8501.32 or 8501.52,
 - subheading 8537.10.
- 8462.29 A change to subheading 8462.29 from any other heading, except from more than one of the following:
- tariff item 8466.94.aa,
 - tariff item 8483.50.aa.
- 8462.31 A change to subheading 8462.31 from any other heading, except from more than four of the following:
- subheading 8413.50 through 8413.60,
 - tariff item 8466.94.aa,
 - tariff item 8483.50.aa,
 - subheading 8501.32 or 8501.52,
 - subheading 8537.10.
- 8462.39 A change to subheading 8462.39 from any other heading, except from more than one of the following:
- tariff item 8466.94.aa,
 - tariff item 8483.50.aa.
- 8462.41 A change to subheading 8462.41 from any other heading, except from more than four of the following:
- subheading 8413.50 through 8413.60,
 - tariff item 8466.94.aa,
 - tariff item 8483.50.aa,
 - subheading 8501.32 or 8501.52,
 - subheading 8537.10.
- 8462.49 A change to subheading 8462.49 from any other heading, except from more than one of the following:
- tariff item 8466.94.aa,
 - tariff item 8483.50.aa.
- 8462.91
- 8462.91.aa A change to tariff item 8462.91.aa from any other heading, except from more than four of the following:
- subheading 8413.50 through 8413.60,
 - tariff item 8466.94.aa,
 - tariff item 8483.50.aa,
 - subheading 8501.32 or 8501.52,
 - subheading 8537.10.

- 8462.91 A change to subheading 8462.91 from any other heading, except from more than one of the following:
- tariff item 8466.94.aa,
 - tariff item 8483.50.aa.
- 8462.99
- 8462.99.aa A change to tariff item 8462.99.aa from any other heading, except from more than four of the following:
- subheading 8413.50 through 8413.60,
 - tariff item 8466.94.aa,
 - tariff item 8483.50.aa,
 - subheading 8501.32 or 8501.52,
 - subheading 8537.10.
- 8462.99 A change to subheading 8462.99 from any other heading, except from more than one of the following:
- tariff item 8466.94.aa,
 - tariff item 8483.50.aa.
- 84.63 A change to heading 84.63 from any other heading, except from more than two of the following:
- tariff item 8466.94.aa,
 - tariff item 8483.50.aa,
 - subheading 8501.32 or 8501.52.
- 84.64 A change to heading 84.64 from any other heading, except from subheading 8466.91; or
- A change to heading 84.64 from subheading 8466.91, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 35 per cent where the transaction value method is used, or
 - (b) 25 per cent where the net cost method is used.
- 84.65 A change to heading 84.65 from any other heading, except from subheading 8466.92; or
- A change to heading 84.65 from subheading 8466.92, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 35 per cent where the transaction value method is used, or
 - (b) 25 per cent where the net cost method is used.
- 84.66 A change to heading 84.66 from any other heading.
- 8467.11-8467.89 A change to subheading 8467.11 through 8467.89 from any other heading; or
- A change to subheading 8467.11 through 8467.89 from subheading 8467.91, 8467.92 or 8467.99, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 35 per cent where the transaction value method is used, or
 - (b) 25 per cent where the net cost method is used.
- 8467.91-8467.99 A change to subheading 8467.91 through 8467.99 from any other heading.

- 8468.10-8468.80 A change to subheading 8468.10 through 8468.80 from any other heading; or
- A change to subheading 8468.10 through 8468.80 from subheading 8468.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 35 per cent where the transaction value method is used, or
 - (b) 25 per cent where the net cost method is used.
- 8468.90 A change to subheading 8468.90 from any other heading.
- 8469.11-8469.30 A change to subheading 8469.11 through 8469.30 from any other heading, except from heading 84.73; or
- A change to subheading 8469.11 through 8469.30 from heading 84.73, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 35 per cent where the transaction value method is used, or
 - (b) 25 per cent where the net cost method is used.
- 84.70 A change to heading 84.70 from any other heading, except from heading 84.73; or
- A change to heading 84.70 from heading 84.73, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 35 per cent where the transaction value method is used, or
 - (b) 25 per cent where the net cost method is used.
- 8471.10 A change to subheading 8471.10 from any other heading, except from heading 84.73; or
- A change to subheading 8470.10 from heading 84.73, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 35 per cent where the transaction value method is used, or
 - (b) 25 per cent where the net cost method is used.
- 8471.30-8471.41 A change to subheading 8471.30 through 8471.41 from any subheading outside that group, except from subheading 8471.49 through 8471.50.
- 8471.49 **Note:** *The origin of each unit presented within a system shall be determined as though each unit were presented separately and were classified under the appropriate tariff provision for that unit. For purposes of this Note, the term "unit presented within a system" shall mean:*
- (a) *a separate unit as described in Note 5(B) to Chapter 84 of the Harmonized System; or*
 - (b) *any other separate machine that is presented and classified with a system under subheading 8471.49.*
- 8471.50 A change to subheading 8471.50 from any other subheading, except from subheading 8471.30 through 8471.49.
- 8471.60 A change to subheading 8471.60 from any other subheading, except from subheading 8471.49.
- 8471.70 A change to subheading 8471.70 from any other subheading, except from subheading 8471.49.

8471.80	
8471.80.aa	A change to tariff item 8471.80.aa from any other tariff item, except from subheading 8471.49.
8471.80.cc	A change to tariff item 8471.80.cc from any other tariff item, except from subheading 8471.49.
8471.80	A change to any other tariff item within subheading 8471.80 from tariff item 8471.80.aa or 8471.80.cc or any other subheading, except from subheading 8471.49.
8471.90	A change to subheading 8471.90 from any other subheading.
84.72	A change to heading 84.72 from any other heading, except from heading 84.73; or A change to heading 84.72 from heading 84.73, whether or not there is also a change from any other heading, provided there is a regional value content of not less than: (a) 35 per cent where the transaction value method is used, or (b) 25 per cent where the net cost method is used.
8473.10	
8473.10.aa	A change to tariff item 8473.10.aa from any other heading.
8473.10.bb	A change to tariff item 8473.10.bb from any other heading; or No required change in tariff classification to tariff item 8473.10.bb, provided there is a regional value content of not less than: (a) 35 per cent where the transaction value method is used, or (b) 25 per cent where the net cost method is used.
8473.10	A change to subheading 8473.10 from any other heading.
8473.21	A change to subheading 8473.21 from any other heading; or No required change in tariff classification to subheading 8473.21, provided there is a regional value content of not less than: (a) 35 per cent where the transaction value method is used, or (b) 25 per cent where the net cost method is used.
8473.29	A change to subheading 8473.29 from any other heading; or No required change in tariff classification to subheading 8473.29, provided there is a regional value content of not less than: (a) 35 per cent where the transaction value method is used, or (b) 25 per cent where the net cost method is used.
8473.30	
8473.30.aa	A change to tariff item 8473.30.aa from any other tariff item.
8473.30.bb	A change to tariff item 8473.30.bb from any other tariff item.
8473.30.cc	A change to tariff item 8473.30.cc from any other tariff item.
8473.30	A change to subheading 8473.30 from any other heading.
8473.40	A change to subheading 8473.40 from any other heading; or

No required change in tariff classification to subheading 8473.40, provided there is a regional value content of not less than:

- (a) 35 per cent where the transaction value method is used, or
- (b) 25 per cent where the net cost method is used.

8473.50

8473.50.aa

A change to tariff item 8473.50.aa from any other tariff item.

8473.50.bb

A change to tariff item 8473.50.bb from any other tariff item.

8473.50

Note: *The alternative rule which contains a regional value content requirement does not apply to a part or accessory provided for in subheading 8473.50 if that part or accessory is used in the production of a good provided for in subheading 8469.11 or heading 84.71.*

A change to subheading 8473.50 from any other heading; or

No required change in tariff classification to subheading 8473.50, provided there is a regional value content of not less than:

- (a) 35 per cent where the transaction value method is used, or
- (b) 25 per cent where the net cost method is used.

8474.10-8474.80

A change to subheading 8474.10 through 8474.80 from any other heading; or

A change to subheading 8474.10 through 8474.80 from subheading 8474.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 35 per cent where the transaction value method is used, or
- (b) 25 per cent where the net cost method is used.

8474.90

A change to subheading 8474.90 from any other heading; or

No required change in tariff classification to subheading 8474.90, provided there is a regional value content of not less than:

- (a) 35 per cent where the transaction value method is used, or
- (b) 25 per cent where the net cost method is used.

8475.10-8475.29

A change to subheading 8475.10 through 8475.29 from any other heading; or

A change to subheading 8475.10 through 8475.29 from subheading 8475.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 35 per cent where the transaction value method is used, or
- (b) 25 per cent where the net cost method is used.

8475.90

A change to subheading 8475.90 from any other heading.

8476.21-8476.89

A change to subheading 8476.21 through 8476.89 from any other heading; or

A change to subheading 8476.21 through 8476.89 from subheading 8476.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 35 per cent where the transaction value method is used, or
- (b) 25 per cent where the net cost method is used.

- 8476.90 A change to subheading 8476.90 from any other heading.
- 8477.10 A change to subheading 8477.10 from any other subheading, except from more than two of the following:
- tariff item 8477.90.aa,
 - tariff item 8477.90.bb,
 - subheading 8537.10.
- 8477.20 A change to subheading 8477.20 from any other subheading, except from more than two of the following:
- tariff item 8477.90.aa,
 - tariff item 8477.90.bb,
 - subheading 8537.10.
- 8477.30 A change to subheading 8477.30 from any other subheading, except from more than two of the following:
- tariff item 8477.90.aa,
 - tariff item 8477.90.cc,
 - subheading 8537.10.
- 8477.40-8477.80 A change to subheading 8477.40 through 8477.80 from any other heading; or
- A change to subheading 8477.40 through 8477.80 from subheading 8477.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 35 per cent where the transaction value method is used, or
 - (b) 25 per cent where the net cost method is used.
- 8477.90 A change to subheading 8477.90 from any other heading.
- 8478.10 A change to subheading 8478.10 from any other subheading.
- 8478.90 A change to subheading 8478.90 from any other heading.
- 8479.10-8479.20 A change to subheading 8479.10 through 8479.20 from any other heading; or
- A change to subheading 8479.10 through 8479.20 from subheading 8479.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 35 per cent where the transaction value method is used, or
 - (b) 25 per cent where the net cost method is used.
- 8479.30 A change to subheading 8479.30 from any other heading; or
- A change to subheading 8479.30 from subheading 8479.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 60 per cent where the transaction value method is used, or
 - (b) 50 per cent where the net cost method is used.
- 8479.40-8479.82 A change to subheading 8479.40 through 8479.82 from any other heading; or
- A change to subheading 8479.40 through 8479.82 from subheading 8479.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 35 per cent where the transaction value method is used, or

(b) 25 per cent where the net cost method is used.

8479.89

8479.89.aa

A change to tariff item 8479.89.aa from any other tariff item, except from tariff item 8479.90.aa, 8479.90.bb, 8479.90.cc or 8479.90.dd or combinations thereof.

8479.89

A change to subheading 8479.89 from any other heading; or

A change to subheading 8479.89 from subheading 8479.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

(a) 35 per cent where the transaction value method is used, or

(b) 25 per cent where the net cost method is used.

8479.90

8479.90.aa

A change to tariff item 8479.90.aa from any other tariff item.

8479.90.bb

A change to tariff item 8479.90.bb from any other tariff item.

8479.90.cc

A change to tariff item 8479.90.cc from any other tariff item.

8479.90.dd

A change to tariff item 8479.90.dd from any other tariff item.

8479.90

A change to subheading 8479.90 from any other heading.

84.80

A change to heading 84.80 from any other heading.

8481.10-8481.80¹⁵

A change to subheading 8481.10 through 8481.80 from any other heading; or

A change to subheading 8481.10 through 8481.80 from subheading 8481.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

(a) 35 per cent where the transaction value method is used, or

(b) 25 per cent where the net cost method is used.

8481.90

A change to subheading 8481.90 from any other heading.

8482.10-8482.80¹⁶

A change to subheading 8482.10 through 8482.80 from any subheading outside that group, except from tariff item 8482.99.aa; or

A change to subheading 8482.10 through 8482.80 from tariff item 8482.99.aa, whether or not there is also a change from any subheading outside that group, provided there is a regional value content of not less than:

(a) 35 per cent where the transaction value method is used, or

(b) 25 per cent where the net cost method is used.

8482.91-8482.99

A change to subheading 8482.91 through 8482.99 from any other heading.

8483.10¹⁷

A change to subheading 8483.10 from any other heading; or

¹⁵ If the good provided for in subheading 8481.20, 8481.30 or 8481.80 is for use in a motor vehicle, the provisions of Article D-03 may apply.

¹⁶ If the good is for use in a motor vehicle, the provisions of Article D-03 may apply.

¹⁷ If the good is for use in a motor vehicle, the provisions of Article D-03 may apply.

A change to subheading 8483.10 from subheading 8483.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 35 per cent where the transaction value method is used, or
- (b) 25 per cent where the net cost method is used.

8483.20¹⁸

A change to subheading 8483.20 from any other subheading, except from subheading 8482.10 through 8482.80, tariff item 8482.99.aa or subheading 8483.90; or

A change to subheading 8483.20 from subheading 8482.10 through 8482.80, tariff item 8482.99.aa or subheading 8483.90, whether or not there is also a change from any other subheading, provided there is a regional value content of not less than:

- (a) 35 per cent where the transaction value method is used, or
- (b) 25 per cent where the net cost method is used.

8483.30¹⁹

A change to subheading 8483.30 from any other heading; or

A change to subheading 8483.30 from subheading 8483.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 35 per cent where the transaction value method is used, or
- (b) 25 per cent where the net cost method is used.

8483.40-8483.60²⁰

A change to subheading 8483.40 through 8483.60 from any subheading outside that group, except from subheading 8482.10 through 8482.80, tariff item 8482.99.aa or subheading 8483.90; or

A change to subheading 8483.40 through 8483.60 from subheading 8482.10 through 8482.80, tariff item 8482.99.aa or subheading 8483.90, whether or not there is also a change from any subheading outside that group, provided there is a regional value content of not less than:

- (a) 35 per cent where the transaction value method is used, or
- (b) 25 per cent where the net cost method is used.

8483.90

A change to subheading 8483.90 from any other heading.

84.84-84.85

A change to heading 84.84 through 84.85 from any other heading, including another heading within that group.

Chapter 85

Electrical Machinery and Equipment and Parts Thereof; Sound Recorders and Reproducers, Television Image and Sound Recorders and Reproducers, and Parts and Accessories of Such Articles

Note 1:

For purposes of this Chapter, the term "printed circuit assembly" means a good consisting of one or more printed circuits of heading 85.34 with one or more active elements assembled thereon, with or without passive elements. For purposes of this Note, "active elements" means diodes, transistors and similar semiconductor devices, whether or not photosensitive, of heading 85.41 and integrated circuits and microassemblies of heading 85.42.

Note 2:

Tariff item 8517.90.cc covers the following parts for facsimile machines:

¹⁸

If the good is for use in a motor vehicle, the provisions of Article D-03 may apply.

¹⁹

If the good is for use in a motor vehicle, the provisions of Article D-03 may apply.

²⁰

If the good is for use in a motor vehicle, the provisions of Article D-03 may apply.

- (a) control or command assemblies, incorporating more than one of the following: printed circuit assembly; modem; hard or flexible (floppy) disc drive; keyboard; user interface;
- (b) optics module assemblies, incorporating more than one of the following: optics lamp; charge couples device and appropriate optics; lenses; mirror;
- (c) laser imaging assemblies, incorporating more than one of the following: photoreceptor belt or cylinder; toner receptacle unit; toner developing unit; charge/discharge unit; cleaning unit;
- (d) ink jet marking assemblies, incorporating more than one of the following: thermal print head; ink dispensing unit; nozzle and reservoir unit; ink heater;
- (e) thermal transfer imaging assemblies, incorporating more than one of the following: thermal print head; cleaning unit; supply or take-up roller;
- (f) ionographic imaging assemblies, incorporating more than one of the following: ion generation and emitting unit; air assist unit; printed circuit assembly; charge receptor belt or cylinder; toner receptacle unit; toner distribution unit; developer receptacle and distribution unit; developing unit; charge/discharge unit; cleaning unit;
- (g) image fixing assemblies, incorporating more than one of the following: fuser; pressure roller; heating element; release oil dispenser; cleaning unit; electrical control;
- (h) paper handling assemblies, incorporating more than one of the following: paper transport belt; roller; print bar; carriage; gripper roller; paper storage unit; exit tray; or
- (i) combinations of the above specified assemblies.

Note 3:

For purposes of this Chapter:

- (a) references to "high definition" as it applies to television receivers and cathode-ray tubes refers to goods having
 - (i) an aspect ratio of the screen equal to or greater than 16:9, and
 - (ii) a viewing screen capable of displaying more than 700 scanning lines; and
- (b) the video display diagonal is determined by measuring the maximum straight line dimension across the visible portion of the face plate used for displaying video.

Note 4:

Tariff item 8529.90.cc covers 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.

Note 5:

For purposes of tariff item 8540.91.aa, the term "front panel assembly" refers to:

- (a) with respect to a colour cathode-ray television picture tube, video monitor tube or video projector tube, an assembly which consists

of a glass panel and a shadow mask or aperture grille, attached for ultimate use, which is suitable for incorporation into a colour cathode-ray television picture tube, video monitor tube or video projector tube and which has undergone the necessary chemical and physical processes for imprinting phosphors on the glass panel with sufficient precision to render a video image when excited by a stream of electrons; or

- (b) *with respect to a monochrome cathode-ray television picture tube, video monitor tube or video projector tube, an assembly which consists of either a glass panel or a glass envelope, which is suitable for incorporation into a monochrome cathode-ray television picture tube, video monitor tube or video projector tube and which has undergone the necessary chemical and physical processes for imprinting phosphors on the glass panel or glass envelope with sufficient precision to render a video image when excited by a stream of electrons.*

Note 6:

The origin of a television combination unit shall be determined in accordance with the rule that would be applicable to such unit if it were solely a television receiver.

85.01²¹

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

A change to heading 85.01 from tariff item 8503.00.aa, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 35 per cent where the transaction value method is used, or
(b) 25 per cent where the net cost method is used.

85.02

A change to heading 85.02 from any other heading, except from heading 84.06, 84.11, 85.01 or 85.03; or

A change to heading 85.02 from heading 84.06, 84.11, 85.01 or 85.03, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 35 per cent where the transaction value method is used, or
(b) 25 per cent where the net cost method is used.

85.03

A change to heading 85.03 from any other heading.

8504.10-8504.34

A change to subheading 8504.10 through 8504.34 from any other heading; or

A change to subheading 8504.10 through 8504.34 from subheading 8504.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 35 per cent where the transaction value method is used, or
(b) 25 per cent where the net cost method is used.

8504.40

8504.40.aa

A change to tariff item 8504.40.aa from any other tariff item, except from subheading 8471.49.

²¹

If the good provided for in subheading 8501.10, 8501.20, 8501.31 or 8501.32 is for use in a motor vehicle, the provisions of Article D-03 may apply.

- 8504.40.bb A change to tariff item 8504.40.bb from any other subheading, except from tariff item 8504.90.aa.
- 8504.40 A change to subheading 8504.40 from any other heading; or
A change to subheading 8504.40 from subheading 8504.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
(a) 35 per cent where the transaction value method is used, or
(b) 25 per cent where the net cost method is used.
- 8504.50 A change to subheading 8504.50 from any other heading; or
A change to subheading 8504.50 from subheading 8504.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
(a) 35 per cent where the transaction value method is used, or
(b) 25 per cent where the net cost method is used.
- 8504.90
- 8504.90.bb A change to tariff item 8504.90.bb from any other tariff item.
- 8504.90 A change to subheading 8504.90 from any other heading.
- 8505.11-8505.30 A change to subheading 8505.11 through 8505.30 from any other heading; or
A change to subheading 8505.11 through 8505.30 from subheading 8505.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
(a) 35 per cent where the transaction value method is used, or
(b) 25 per cent where the net cost method is used.
- 8505.90 A change to subheading 8505.90 from any other heading.
- 8506.10-8506.80 A change to subheading 8506.10 through 8506.80 from any other heading, except from tariff item 8548.10.aa; or
A change to subheading 8506.10 through 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 there is a regional value content of not less than:
(a) 35 per cent where the transaction value method is used, or
(b) 25 per cent where the net cost method is used.
- 8506.90 A change to subheading 8506.90 from any other heading, except from tariff item 8548.10.aa.
- 8507.10-8507.80²² A change to subheading 8507.10 through 8507.80 from any other heading, except from tariff item 8548.10.aa; or
A change to subheading 8507.10 through 8507.80 from subheading 8507.90, whether or not there is also a change from any other heading, except from tariff item 8548.10.aa, provided there is a regional value content of not less than:
(a) 35 per cent where the transaction value method is used, or
(b) 25 per cent where the net cost method is used.

8507.90	A change to subheading 8507.90 from any other heading, except from tariff item 8548.10.aa.
8508.10-8508.80	<p>A change to subheading 8508.10 through 8508.80 from any subheading outside that group, except from heading 85.01 or tariff item 8508.90.aa; or</p> <p>A change to subheading 8508.10 through 8508.80 from heading 85.01 or tariff item 8508.90.aa, whether or not there is also a change from any subheading outside that group, provided there is a regional value content of not less than:</p> <p>(a) 35 per cent where the transaction value method is used, or (b) 25 per cent where the net cost method is used.</p>
8508.90	A change to subheading 8508.90 from any other heading.
8509.10-8509.40	<p>A change to subheading 8509.10 through 8509.40 from any subheading outside that group, except from heading 85.01 or tariff item 8509.90.aa; or</p> <p>A change to subheading 8509.10 through 8509.40 from heading 85.01 or tariff item 8509.90.aa, whether or not there is also a change from any subheading outside that group, provided there is a regional value content of not less than:</p> <p>(a) 35 per cent where the transaction value method is used, or (b) 25 per cent where the net cost method is used.</p>
8509.80	<p>A change to subheading 8509.80 from any other heading; or</p> <p>A change to subheading 8509.80 from subheading 8509.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:</p> <p>(a) 35 per cent where the transaction value method is used, or (b) 25 per cent where the net cost method is used.</p>
8509.90	A change to subheading 8509.90 from any other heading.
8510.10-8510.30	<p>A change to subheading 8510.10 through 8510.30 from any other heading; or</p> <p>A change to subheading 8510.10 through 8510.30 from subheading 8510.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:</p> <p>(a) 35 per cent where the transaction value method is used, or (b) 25 per cent where the net cost method is used.</p>
8510.90	A change to subheading 8510.90 from any other heading.
8511.10-8511.80 ²³	<p>A change to subheading 8511.10 through 8511.80 from any other heading; or</p> <p>A change to subheading 8511.10 through 8511.80 from subheading 8511.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:</p> <p>(a) 35 per cent where the transaction value method is used, or (b) 25 per cent where the net cost method is used.</p>
8511.90	A change to subheading 8511.90 from any other heading.

²³

If the good is for use in a motor vehicle, the provisions of Article D-03 may apply.

8512.10-8512.40 ²⁴	<p>A change to subheading 8512.10 through 8512.40 from any other heading; or</p> <p>A change to subheading 8512.10 through 8512.40 from subheading 8512.90, whether or not there is also a change from any other heading, provided there is also a regional value content of not less than:</p> <p>(a) 35 per cent where the transaction value method is used, or (b) 25 per cent where the net cost method is used.</p>
8512.90	A change to subheading 8512.90 from any other heading.
8513.10	<p>A change to subheading 8513.10 from any other heading; or</p> <p>A change to subheading 8513.10 from subheading 8513.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:</p> <p>(a) 35 per cent where the transaction value method is used, or (b) 25 per cent where the net cost method is used.</p>
8513.90	A change to subheading 8513.90 from any other heading.
8514.10-8514.40	<p>A change to subheading 8514.10 through 8514.40 from any other heading; or</p> <p>A change to subheading 8514.10 through 8514.40 from subheading 8514.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:</p> <p>(a) 35 per cent where the transaction value method is used, or (b) 25 per cent where the net cost method is used.</p>
8514.90	A change to subheading 8514.90 from any other heading.
8515.11-8515.80	<p>A change to subheading 8515.11 through 8515.80 from any other heading; or</p> <p>A change to subheading 8515.11 through 8515.80 from subheading 8515.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:</p> <p>(a) 35 per cent where the transaction value method is used, or (b) 25 per cent where the net cost method is used.</p>
8515.90	A change to subheading 8515.90 from any other heading.
8516.10-8516.29 ²⁵	<p>A change to subheading 8516.10 through 8516.29 from subheading 8516.80 or any other heading; or</p> <p>A change to subheading 8516.10 through 8516.29 from subheading 8516.90, whether or not there is also a change from subheading 8516.80 or any other heading, provided there is a regional value content of not less than:</p> <p>(a) 35 per cent where the transaction value method is used, or (b) 25 per cent where the net cost method is used.</p>
8516.31	A change to subheading 8516.31 from any other subheading, except from subheading 8516.80 or heading 85.01.

²⁴ If the good provided for in subheading 8512.20, 8512.30 or 8512.40 is for use in a motor vehicle, the provisions of Article D-03 may apply.

²⁵ If the good provided for in subheading 8516.10 is for use in a motor vehicle, the provisions of Article D-03 may apply.

- 8516.32 A change to subheading 8516.32 from subheading 8516.80 or any other heading; or
- A change to subheading 8516.32 from subheading 8516.90, whether or not there is also a change from subheading 8516.80 or any other heading, provided there is a regional value content of not less than:
- (a) 35 per cent where the transaction value method is used, or
 - (b) 25 per cent where the net cost method is used.
- 8516.33 A change to subheading 8516.33 from any other subheading, except from heading 85.01, subheading 8516.80 or tariff item 8516.90.aa.
- 8516.40 A change to subheading 8516.40 from any other subheading, except from heading 84.02, subheading 8481.40 or tariff item 8516.90.bb.
- 8516.50 A change to subheading 8516.50 from any other subheading, except from tariff item 8516.90.cc or 8516.90.dd.
- 8516.60
- 8516.60.aa A change to tariff item 8516.60.aa from any other tariff item, except from tariff item 8516.90.ee, 8516.90.ff, 8516.90.gg or 8537.10.aa.
- 8516.60 A change to subheading 8516.60 from subheading 8516.80 or any other heading; or
- A change to subheading 8516.60 from subheading 8516.90, whether or not there is also a change from subheading 8516.80 or any other heading, provided there is a regional value content of not less than:
- (a) 35 per cent where the transaction value method is used, or
 - (b) 25 per cent where the net cost method is used.
- 8516.71 A change to subheading 8516.71 from subheading 8516.80 or any other heading; or
- A change to subheading 8516.71 from subheading 8516.90, whether or not there is also a change from subheading 8516.80 or any other heading, provided there is a regional value content of not less than:
- (a) 35 per cent where the transaction value method is used, or
 - (b) 25 per cent where the net cost method is used.
- 8516.72 A change to subheading 8516.72 from any other subheading, except from tariff item 8516.90.hh or subheading 9032.10; or
- A change to subheading 8516.72 from tariff item 8516.90.hh or subheading 9032.10, whether or not there is also a change from any other subheading, provided there is a regional value content of not less than:
- (a) 35 per cent where the transaction value method is used, or
 - (b) 25 per cent where the net cost method is used.
- 8516.79 A change to subheading 8516.79 from subheading 8516.80 or any other heading; or
- A change to subheading 8516.79 from subheading 8516.90, whether or not there is also a change from subheading 8516.80 or any other heading, provided there is a regional value content of not less than:
- (a) 35 per cent where the transaction value method is used, or
 - (b) 25 per cent where the net cost method is used.
- 8516.80 A change to subheading 8516.80 from any other heading; or

A change to subheading 8516.80 from subheading 8516.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 35 per cent where the transaction value method is used, or
- (b) 25 per cent where the net cost method is used.

8516.90	
8516.90.cc	A change to tariff item 8516.90.cc from any other tariff item.
8516.90.dd	A change to tariff item 8516.90.dd from any other tariff item.
8516.90.ee	A change to tariff item 8516.90.ee from any other tariff item.
8516.90.ff	A change to tariff item 8516.90.ff from any other tariff item.
8516.90.gg	A change to tariff item 8516.90.gg from any other tariff item.
8516.90	A change to subheading 8516.90 from any other heading.
8517.11	A change to subheading 8517.11 from any other subheading, except from tariff item 8517.90.aa or 8517.90.ee.
8517.19	
8517.19.aa	A change to tariff item 8517.19.aa from any other subheading, provided that, with respect to printed circuit assemblies (PCAs) of tariff item 8473.30.aa, 8517.90.aa, 8517.90.bb or 8517.90.ee: <ul style="list-style-type: none">(a) except as provided in subparagraph (b), for each multiple of three PCAs, or any portion thereof, that is contained in the good, only one PCA may be a non-originating PCA, and(b) if the good contains less than three PCAs, all of the PCAs must be originating PCAs.
8517.19	A change to subheading 8517.19 from any other subheading, except from tariff item 8517.90.aa or 8517.90.ee.
8517.21	A change to subheading 8517.21 from any other subheading, except from tariff item 8517.90.cc.
8517.22-8517.30	A change to subheading 8517.22 through 8517.30 from any other subheading, including another subheading within that group, provided that, with respect to printed circuit assemblies (PCAs) of tariff item 8473.30.aa, 8517.90.bb or 8517.90.ee: <ul style="list-style-type: none">(a) except as provided in subparagraph (b), for each multiple of three PCAs, or any portion thereof, that is contained in the good, only one PCA may be a non-originating PCA, and(b) if the good contains less than three PCAs, all of the PCAs must be originating PCAs.
8517.50	
8517.50.aa	A change to tariff item 8517.50.aa from any other subheading.
8517.50.bb	A change to tariff item 8517.50.bb from any other subheading, provided that, with respect to printed circuit assemblies (PCAs) of tariff item 8473.30.aa, 8517.90.bb or 8517.90.ee: <ul style="list-style-type: none">(a) except as provided in subparagraph (b), for each multiple of three PCAs, or any portion thereof, that is contained in the good, only one PCA may be a non-originating PCA, and(b) if the good contains less than three PCAs, all of the PCAs must be originating PCAs.

- 8517.50 A change to subheading 8517.50 from any other subheading.
- 8517.80
- 8517.80.aa A change to tariff item 8517.80.aa from any other subheading, provided that, with respect to printed circuit assemblies (PCAs) of tariff item 8473.30.aa, 8517.90.bb or 8517.90.ee:
- (a) except as provided in subparagraph (b), for each multiple of three PCAs, or any portion thereof, that is contained in the good, only one PCA may be a non-originating PCA, and
 - (b) if the good contains less than three PCAs, all of the PCAs must be originating PCAs.
- 8517.80 A change to subheading 8517.80 from any other subheading.
- 8517.90
- 8517.90.aa A change to tariff item 8517.90.aa from any other tariff item, except from tariff item 8517.90.ee.
- 8517.90.bb A change to tariff item 8517.90.bb from any other tariff item, provided that, with respect to printed circuit assemblies (PCAs) of tariff item 8473.30.aa, 8517.90.dd or 8517.90.ee:
- (a) except as provided in subparagraph (b), for each multiple of three PCAs, or any portion thereof, that is contained in the good, only one PCA may be a non-originating PCA, and
 - (b) if the good contains less than three PCAs, all of the PCAs must be originating PCAs.
- 8517.90.cc A change to tariff item 8517.90.cc from any other tariff item.
- 8517.90.dd A change to tariff item 8517.90.dd from any other tariff item.
- 8517.90.ee A change to tariff item 8517.90.ee from any other tariff item.
- 8517.90.ff A change to tariff item 8517.90.ff from any other heading.
- 8517.90.gg A change to tariff item 8517.90.gg from tariff item 8517.90.ff or any other heading.
- 8517.90 A change to subheading 8517.90 from any other heading.
- 8518.10-8518.21 A change to subheading 8518.10 through 8518.21 from any other heading; or
- A change to subheading 8518.10 through 8518.21 from subheading 8518.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 35 per cent where the transaction value method is used, or
 - (b) 25 per cent where the net cost method is used.
- 8518.22 A change to subheading 8518.22 from any other heading; or
- A change to subheading 8518.22 from subheading 8518.29 or 8518.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 35 per cent where the transaction value method is used, or
 - (b) 25 per cent where the net cost method is used.
- 8518.29 A change to subheading 8518.29 from any other heading; or

A change to subheading 8518.29 from subheading 8518.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 35 per cent where the transaction value method is used, or
- (b) 25 per cent where the net cost method is used.

8518.30

8518.30.aa

A change to tariff item 8518.30.aa from any other tariff item.

8518.30

A change to subheading 8518.30 from any other heading; or

A change to subheading 8518.30 from subheading 8518.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 35 per cent where the transaction value method is used, or
- (b) 25 per cent where the net cost method is used.

8518.40-8518.50

A change to subheading 8518.40 through 8518.50 from any other heading; or

A change to subheading 8518.40 through 8518.50 from subheading 8518.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 35 per cent where the transaction value method is used, or
- (b) 25 per cent where the net cost method is used.

8518.90

A change to subheading 8518.90 from any other heading.

8519.10-8519.99

A change to subheading 8519.10 through 8519.99 from any other subheading, including another subheading within that group.

8520.10-8520.90

A change to subheading 8520.10 through 8520.90 from any other subheading, including another subheading within that group.

8521.10-8521.90

A change to subheading 8521.10 through 8521.90 from any other subheading, including another subheading within that group.

85.22

A change to heading 85.22 from any other heading.

85.23-85.24

A change to heading 85.23 through 85.24 from any other heading, including another heading within that group.

8525.10-8525.20

A change to subheading 8525.10 through 8525.20 from any subheading outside that group, provided that, with respect to printed circuit assemblies (PCAs) of tariff item 8529.90.aa:

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

8525.30

8525.30.aa

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

8525.30

A change to subheading 8525.30 from any other subheading.

8525.40

A change to subheading 8525.40 from any other subheading.

8526.10

A change to subheading 8526.10 from any other subheading, except from subheading 8525.20 or more than three of the following:

- display unit provided for in subheading 8471.60 or 8529.90, incorporating a cathode-ray tube, flat panel screen or similar display,
- subheading 8529.10,
- tariff item 8529.90.aa,
- tariff item 8529.90.bb.

8526.91-8526.92

A change to subheading 8526.91 through 8526.92 from any other heading, except from heading 85.29; or

A change to subheading 8526.91 through 8526.92 from heading 85.29, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 35 per cent where the transaction value method is used, or
- (b) 25 per cent where the net cost method is used.

8527.12-8527.39

A change to subheading 8527.12 through 8527.39 from any other subheading, including another subheading within that group.

8527.90

A change to subheading 8527.90 from any other subheading, provided that, with respect to printed circuit assemblies (PCAs) of tariff item 8529.90.aa:

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

8528.12

8528.12.aa

A change to tariff item 8528.12.aa from any other heading, except from tariff item 8529.90.aa, 8529.90.cc or 8529.90.dd.

8528.12.bb

A change to tariff item 8528.12.bb from tariff item 8528.12.gg or any other heading, except from tariff item 8540.11.aa or more than one of the following:

- tariff item 7011.20.aa,
- tariff item 8540.91.aa.

Note: Commencing on January 1, 1999, the above rule of origin for tariff item 8528.12.bb shall be replaced by the following:

8528.12.bb

A change to tariff item 8528.12.bb from any other heading, except from tariff item 8529.90.dd or 8540.11.aa or more than one of the following:

- tariff item 7011.20.aa,
- tariff item 8540.91.aa.

Note: The following rule applies to a good of tariff item 8528.12.cc incorporating a picture tube of tariff item 8540.12.aa that incorporates a glass panel referred to in subparagraph (b) of Note 5 of Chapter 85 and a glass cone provided for in tariff item 7011.20.aa:

8528.12.cc

A change to tariff item 8528.12.cc from tariff item 8528.12.gg or any other heading, except from tariff item 8540.12.aa or more than one of the following:

- tariff item 7011.20.aa,
- tariff item 8540.91.aa.

Note: *The following rule applies to a good of tariff item 8528.12.cc incorporating a picture tube of tariff item 8540.12.aa that incorporates a glass envelope referred to in subparagraph (b) of Note 5 of Chapter 85:*

- 8528.12.cc A change to tariff item 8528.12.cc from tariff item 8528.12.gg or any other heading, except from tariff item 8540.12.aa or 8540.91.aa.
- 8528.12.dd A change to tariff item 8528.12.dd from tariff item 8528.12.gg or any other heading, except from tariff item 8540.11.cc, 8540.11.dd or 8540.91.aa. In addition, no more than half the number of semiconductors of tariff item 8542.13.aa, 8542.14.aa or 8542.19.aa, used in the television receiver component, may be non-originating; or
- A change to tariff item 8528.12.dd from tariff item 8528.12.gg or any other heading, except from tariff item 8540.11.cc, 8540.11.dd or 8540.91.aa. In addition, the regional value content must be not less than:
- (a) 60 per cent where the transaction value method is used, or
 - (b) 50 per cent where the net cost method is used.
- 8528.12.ee A change to tariff item 8528.12.ee from tariff item 8528.12.gg or any other heading, except from tariff item 8540.12.bb or 8540.91.aa. In addition, no more than half the number of semiconductors of tariff item 8542.13.aa, 8542.14.aa or 8542.19.aa, used in the television receiver component, may be non-originating; or
- A change to tariff item 8528.12.ee from tariff item 8528.12.gg or any other heading, except from tariff item 8540.12.bb or 8540.91.aa. In addition, the regional value content must be not less than:
- (a) 60 per cent where the transaction value method is used, or
 - (b) 50 per cent where the net cost method is used.
- 8528.12.ff A change to tariff item 8528.12.ff from tariff item 8528.12.gg or any other heading, except from tariff item 8529.90.ee.
- 8528.12.gg A change to tariff item 8528.12.gg from any other heading, except from tariff item 8529.90.dd.
- 8528.12 A change to subheading 8528.12 from tariff item 8528.12.gg or any other heading, provided there is a regional value content of not less than:
- (a) 60 per cent where the transaction value method is used, or
 - (b) 50 per cent where the net cost method is used.
- 8528.13 A change to subheading 8528.13 from any other heading, provided that, with respect to printed circuit assemblies (PCAs) of tariff item 8529.90.aa or 8529.90.cc:
- (a) except as provided in subparagraph (b), for each multiple of nine PCAs, or any portion thereof, that is contained in the good, only one PCA may be a non-originating PCA, and
 - (b) if the good contains less than three PCAs, all of the PCAs must be originating PCAs.
- 8528.21
- 8528.21.aa A change to tariff item 8528.21.aa from any other heading, except from tariff item 8529.90.aa, 8529.90.cc or 8529.90.dd.
- 8528.21.bb A change to tariff item 8528.21.bb from tariff item 8528.21.gg or any other heading, except from tariff item 8540.11.aa or more than one of the following:
- tariff item 7011.20.aa,

- tariff item 8540.91.aa.
- Note:** *Commencing on January 1, 1999, the above rule of origin for tariff item 8528.21.bb shall be replaced by the following:*
- 8528.21.bb A change to tariff item 8528.21.bb from any other heading, except from tariff item 8529.90.dd or 8540.11.aa or more than one of the following:
- tariff item 7011.20.aa,
 - tariff item 8540.91.aa.
- Note:** *The following rule applies to a good of tariff item 8528.21.cc incorporating a picture tube of tariff item 8540.12.aa that incorporates a glass panel referred to in subparagraph (b) of Note 5 of Chapter 85 and a glass cone provided for in tariff item 7011.20.aa:*
- 8528.21.cc A change to tariff item 8528.21.cc from tariff item 8528.21.gg or any other heading, except from tariff item 8540.12.aa or more than one of the following:
- tariff item 7011.20.aa,
 - tariff item 8540.91.aa.
- Note:** *The following rule applies to a good of tariff item 8528.21.cc incorporating a picture tube of tariff item 8540.12.aa that incorporates a glass envelope referred to in subparagraph (b) of Note 5 of Chapter 85:*
- 8528.21.cc A change to tariff item 8528.21.cc from tariff item 8528.21.gg or any other heading, except from tariff item 8540.12.aa or 8540.91.aa.
- 8528.21.dd A change to tariff item 8528.21.dd from tariff item 8528.21.gg or any other heading, except from tariff item 8540.11.cc, 8540.11.dd or 8540.91.aa. In addition, no more than half the number of semiconductors of tariff item 8542.13.aa, 8542.14.aa or 8542.19.aa, used in the video monitor component, may be non-originating; or
- A change to tariff item 8528.21.dd from tariff item 8528.21.gg or any other heading, except from tariff item 8540.11.cc, 8540.11.dd or 8540.91.aa. In addition, the regional value content must be not less than:
- (a) 60 per cent where the transaction value method is used, or
 - (b) 50 per cent where the net cost method is used.
- 8528.21.ee A change to tariff item 8528.21.ee from tariff item 8528.21.gg or any other heading, except from tariff item 8540.12.bb or 8540.91.aa. In addition, no more than half the number of semiconductors of tariff item 8542.13.aa, 8542.14.aa or 8542.19.aa, used in the video monitor component, may be non-originating; or
- A change to tariff item 8528.21.ee from tariff item 8528.21.gg or any other heading, except from tariff item 8540.12.bb or 8540.91.aa. In addition, the regional value content must be not less than:
- (a) 60 per cent where the transaction value method is used, or
 - (b) 50 per cent where the net cost method is used.
- 8528.21.ff A change to tariff item 8528.21.ff from tariff item 8528.21.gg or any other heading, except from tariff item 8529.90.ee.
- 8528.21.gg A change to tariff item 8528.21.gg from any other heading, except from tariff item 8529.90.dd.
- 8528.21 A change to subheading 8528.21 from tariff item 8528.21.gg or any other heading, provided there is a regional value content of not less than:

- (a) 60 per cent where the transaction value method is used, or
 (b) 50 per cent where the net cost method is used.
- 8528.22 A change to subheading 8528.22 from any other heading, provided that, with respect to printed circuit assemblies (PCAs) of tariff item 8529.90.aa or 8529.90.cc:
- (a) except as provided in subparagraph (b), for each multiple of nine PCAs, or any portion thereof, that is contained in the good, only one PCA may be a non-originating PCA, and
 (b) if the good contains less than three PCAs, all of the PCAs must be originating PCAs.
- 8528.30
- Note: *The following rule applies to a good of tariff item 8528.30.cc incorporating a picture tube of tariff item 8540.12.aa that incorporates a glass panel referred to in subparagraph (b) of Note 5 of Chapter 85 and a glass cone provided for in tariff item 7011.20.aa:*
- 8528.30.cc A change to change to tariff item 8528.30.cc from tariff item 8528.30.gg or any other heading, except from tariff item 8540.12.aa or more than one of the following:
- tariff item 7011.20.aa,
 - tariff item 8540.91.aa.
- Note: *The following rule applies to a good of tariff item 8528.30.cc incorporating a picture tube of tariff item 8540.12.aa that incorporates a glass envelope referred to in subparagraph (b) of Note 5 of Chapter 85:*
- 8528.30.cc A change to tariff item 8528.30.cc from tariff item 8528.30.gg or any other heading, except from tariff item 8540.12.aa or 8540.91.aa.
- 8528.30.ee A change to tariff item 8528.30.ee from tariff item 8528.30.gg or any other heading, except from tariff item 8540.12.bb or 8540.91.aa. In addition, no more than half the number of semiconductors of tariff item 8542.13.aa, 8542.14.aa or 8542.19.aa, used in the video projector component, may be non-originating; or
- A change to tariff item 8528.30.ee from tariff item 8528.30.gg or any other heading, except from tariff item 8540.12.bb or 8540.91.aa. In addition, the regional value content must be not less than:
- (a) 60 per cent where the transaction value method is used, or
 (b) 50 per cent where the net cost method is used.
- 8528.30.ff A change to tariff item 8528.30.ff from tariff item 8528.30.gg or any other heading, except from tariff item 8529.90.ee.
- 8528.30.gg A change to tariff item 8528.30.gg from any other heading, except from tariff item 8529.90.dd.
- 8528.30 A change to subheading 8528.30 from tariff item 8528.30.gg or any other heading, provided there is a regional value content of not less than:
- (a) 60 per cent where the transaction value method is used, or
 (b) 50 per cent where the net cost method is used.
- 8529.10 A change to subheading 8529.10 from any other heading.
- 8529.90
- 8529.90.aa A change to tariff item 8529.90.aa from any other tariff item.

8529.90.bb	A change to tariff item 8529.90.bb from any other tariff item.
8529.90.cc	A change to tariff item 8529.90.cc from any other tariff item.
8529.90.dd	A change to tariff item 8529.90.dd from any other tariff item.
8529.90.ee	A change to tariff item 8529.90.ee from any other tariff item.
8529.90.ff	A change to tariff item 8529.90.ff from any other tariff item.
8529.90.gg	A change to tariff item 8529.90.gg from any other heading; or No required change in tariff classification to tariff item 8529.90.gg, provided there is a regional value content of not less than: (a) 35 per cent where the transaction value method is used, or (b) 25 per cent where the net cost method is used.
8529.90	A change to subheading 8529.90 from any other heading.
8530.10-8530.80	A change to subheading 8530.10 through 8530.80 from any other heading; or A change to subheading 8530.10 through 8530.80 from subheading 8530.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than: (a) 35 per cent where the transaction value method is used, or (b) 25 per cent where the net cost method is used.
8530.90	A change to subheading 8530.90 from any other heading.
8531.10	A change to subheading 8531.10 from any other subheading.
8531.20-8531.80	A change to subheading 8531.20 through 8531.80 from any other heading; or A change to subheading 8531.20 through 8531.80 from subheading 8531.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than: (a) 35 per cent where the transaction value method is used, or (b) 25 per cent where the net cost method is used.
8531.90	A change to subheading 8531.90 from any other heading.
8532.10	A change to subheading 8532.10 from any other heading; or A change to subheading 8532.10 from subheading 8532.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than: (a) 60 per cent where the transaction value method is used, or (b) 50 per cent where the net cost method is used.
8532.21-8532.30	A change to subheading 8532.21 through 8532.30 from any other subheading, including another subheading within that group.
8532.90	A change to subheading 8532.90 from any other heading.
8533.10-8533.39	A change to subheading 8533.10 through 8533.39 from any other subheading, including another subheading within that group.
8533.40	A change to subheading 8533.40 from any other subheading, except from tariff item 8533.90.aa.

8533.90	A change to subheading 8533.90 from any other heading.
85.34	A change to heading 85.34 from any other heading.
85.35	
8535.90.aa	A change to tariff item 8535.90.aa from any other tariff item, except from tariff item 8538.90.aa; or A change to tariff item 8535.90.aa from tariff item 8538.90.aa, whether or not there is also a change from any other tariff item, provided there is a regional value content of not less than: (a) 60 per cent where the transaction value method is used, or (b) 50 per cent where the net cost method is used.
85.35	A change to heading 85.35 from any other heading, except from tariff item 8538.90.bb or 8538.90.cc; or A change to heading 85.35 from tariff item 8538.90.bb or 8538.90.cc, whether or not there is also a change from any other heading, provided there is a regional value content of not less than: (a) 60 per cent where the transaction value method is used, or (b) 50 per cent where the net cost method is used.
85.36 ²⁶	
8536.30.aa	A change to tariff item 8536.30.aa from any other tariff item, except from tariff item 8538.90.aa; or A change to tariff item 8536.30.aa from tariff item 8538.90.aa, whether or not there is also a change from any other tariff item, provided there is a regional value content of not less than: (a) 60 per cent where the transaction value method is used, or (b) 50 per cent where the net cost method is used.
8536.41.aa	A change to tariff item 8536.41.aa from any other tariff item, except from tariff item 8538.90.aa; or A change to tariff item 8536.41.aa from tariff item 8538.90.aa, whether or not there is also a change from any other tariff item, provided there is a regional value content of not less than 30 per cent under the net cost method.
8536.50.aa	A change to tariff item 8536.50.aa from any other tariff item, except from tariff item 8538.90.aa; or A change to tariff item 8536.50.aa from tariff item 8538.90.aa, whether or not there is also a change from any other tariff item, provided there is a regional value content of not less than 30 per cent under the net cost method.
8536.50.bb	A change to tariff item 8536.50.bb from any other tariff item, except from tariff item 8538.90.aa; or A change to tariff item 8536.50.bb from tariff item 8538.90.aa, whether or not there is also a change from any other tariff item, provided there is a regional value content of not less than 30 per cent under the net cost method.

²⁶

If the good provided for in subheading 8536.41, 8536.50 or 8536.90 is for use in a motor vehicle, the provisions of Article D-03 may apply.

8536.90.aa	<p>A change to tariff item 8536.90.aa from any other tariff item, except from tariff item 8538.90.aa; or</p> <p>A change to tariff item 8536.90.aa from tariff item 8538.90.aa, whether or not there is also a change from any other tariff item, provided there is a regional value content of not less than 30 per cent under the net cost method.</p>
85.36	<p>A change to heading 85.36 from any other heading, except from tariff item 8538.90.bb or 8538.90.cc; or</p> <p>A change to heading 85.36 from tariff item 8538.90.bb or 8538.90.cc, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:</p> <p>(a) 60 per cent where the transaction value method is used, or (b) 50 per cent where the net cost method is used.</p>
85.37 ²⁷	
8537.10.bb	<p>A change to tariff item 8537.10.bb from any other heading, except from tariff item 8538.90.bb or 8538.90.cc; or</p> <p>A change to tariff item 8537.10.bb from tariff item 8538.90.bb or 8538.90.cc, whether or not there is also a change from any other heading, provided there is a regional value content of not less than 30 per cent under the net cost method.</p>
85.37	<p>A change to heading 85.37 from any other heading, except from tariff item 8538.90.bb or 8538.90.cc; or</p> <p>A change to heading 85.37 from tariff item 8538.90.bb or 8538.90.cc, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:</p> <p>(a) 60 per cent where the transaction value method is used, or (b) 50 per cent where the net cost method is used.</p>
85.38	A change to heading 85.38 from any other heading.
8539.10-8539.49 ²⁸	<p>A change to subheading 8539.10 through 8539.49 from any other heading; or</p> <p>A change to subheading 8539.10 through 8539.49 from subheading 8539.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:</p> <p>(a) 35 per cent where the transaction value method is used, or (b) 25 per cent where the net cost method is used.</p>
8539.90	A change to subheading 8539.90 from any other heading.
8540.11	
8540.11.aa	<p>A change to tariff item 8540.11.aa from any other subheading, except from more than one of the following:</p> <ul style="list-style-type: none"> - tariff item 7011.20.aa, - tariff item 8540.91.aa.

²⁷ If the good provided for in subheading 8537.10 is for use in a motor vehicle, the provisions of Article D-03 may apply.

²⁸ If the good provided for in subheading 8539.10, 8539.21 or 8539.29 is for use in a motor vehicle, the provisions of Article D-03 may apply.

- 8540.11.bb A change to tariff item 8540.11.bb from any other subheading, except from more than one of the following:
- tariff item 7011.20.aa,
 - tariff item 8540.91.aa.
- 8540.11.cc A change to tariff item 8540.11.cc from any other subheading, except from tariff item 8540.91.aa.
- 8540.11.dd A change to tariff item 8540.11.dd from any other subheading, except from tariff item 8540.91.aa.
- 8540.11 A change to subheading 8540.11 from any other heading; or
- A change to subheading 8540.11 from subheading 8540.91, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 60 per cent where the transaction value method is used, or
 - (b) 50 per cent where the net cost method is used.
- 8540.12
- Note: *The following rule applies to a good of tariff item 8540.12.aa incorporating a glass panel referred to in subparagraph (b) of Note 5 of Chapter 85 and a glass cone provided for in tariff item 7011.20.aa:*
- 8540.12.aa A change to tariff item 8540.12.aa from any other subheading, except from more than one of the following:
- tariff item 7011.20.aa,
 - tariff item 8540.91.aa.
- Note: *The following rule applies to a good of tariff item 8540.12.aa incorporating a glass envelope referred to in subparagraph (b) of Note 5 of Chapter 85:*
- 8540.12.aa A change to tariff item 8540.12.aa from any other subheading, except from tariff item 8540.91.aa.
- 8540.12.bb A change to tariff item 8540.12.bb from any other subheading, except from tariff item 8540.91.aa.
- 8540.12 A change to subheading 8540.12 from any other heading; or
- A change to subheading 8540.12 from subheading 8540.91, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 60 per cent where the transaction value method is used, or
 - (b) 50 per cent where the net cost method is used.
- 8540.20 A change to subheading 8540.20 from any other heading; or
- A change to subheading 8540.20 from subheading 8540.91 through 8540.99, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 60 per cent where the transaction value method is used, or
 - (b) 50 per cent where the net cost method is used.
- 8540.40-8540.60 A change to subheading 8540.40 through 8540.60 from any subheading outside that group, except from tariff item 8540.91.aa.

- 8540.71-8540.79 A change to subheading 8540.71 through 8540.79 from any subheading outside that group, except from tariff item 8540.99.aa.
- 8540.81-8540.89 A change to subheading 8540.81 through 8540.89 from any other subheading, including another subheading within that group.
- 8540.91
- 8540.91.aa A change to tariff item 8540.91.aa from any other tariff item.
- 8540.91 A change to subheading 8540.91 from any other heading.
- 8540.99
- 8540.99.aa A change to tariff item 8540.99.aa from any other tariff item.
- 8540.99 A change to subheading 8540.99 from any other heading.
- 8541.10-8542.90 **Note:** *Notwithstanding Article D-11 (Transshipment), a good provided for in subheading 8541.10 through 8541.60 or 8542.12 through 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 of that group.*
- A change to subheading 8541.10 through 8542.90 from any other subheading, including another subheading within that group.
- 8543.11-8543.81 A change to subheading 8543.11 through 8543.81 from any other heading; or
- A change to subheading 8543.11 through 8543.81 from subheading 8543.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 35 per cent where the transaction value method is used, or
 (b) 25 per cent where the net cost method is used.
- 8543.89
- 8543.89.aa A change to tariff item 8543.89.aa from any other subheading, except from subheading 8504.40 or tariff item 8543.90.aa; or
- A change to tariff item 8543.89.aa from subheading 8504.40 or tariff item 8543.90.aa, whether or not there is also a change from any other subheading, provided there is a regional value content of not less than:
- (a) 35 per cent where the transaction value method is used, or
 (b) 25 per cent where the net cost method is used.
- 8543.89 A change to subheading 8543.89 from any other heading; or
- A change to subheading 8543.89 from subheading 8543.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 35 per cent where the transaction value method is used, or
 (b) 25 per cent where the net cost method is used.
- 8543.90 A change to subheading 8543.90 from any other heading.

8544.11-8544.60²⁹

A change to subheading 8544.11 through 8544.60 from any subheading outside that group, except from heading 74.08, 74.13, 76.05 or 76.14; or

A change to subheading 8544.11 through 8544.60 from any other subheading within that group or heading 74.08, 74.13, 76.05 or 76.14, whether or not there is also a change from any other subheading, provided there is a regional value content of not less than:

- (a) 35 per cent where the transaction value method is used, or
- (b) 25 per cent where the net cost method is used.

8544.70

A change to subheading 8544.70 from any other subheading, except from heading 70.02 or 90.01; or

A change to subheading 8544.70 from heading 70.02 or 90.01, whether or not there is also a change from any other subheading, provided there is a regional value content of not less than:

- (a) 35 per cent where the transaction value method is used, or
- (b) 25 per cent where the net cost method is used.

85.45-85.47

A change to heading 85.45 through 85.47 from any other heading, including another heading within that group.

8548.10

A change to subheading 8548.10 from any other chapter.

8548.90

A change to subheading 8548.90 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

A change to heading 86.01 from any other heading, except from heading 86.07; or

A change to heading 86.01 from heading 86.07, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 35 per cent where the transaction value method is used, or
- (b) 25 per cent where the net cost method is used.

8602.10

A change to subheading 8602.10 from any other heading, except from heading 86.07; or

A change to subheading 8602.10 from heading 86.07, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 30 per cent where the transaction value method is used, or
- (b) 25 per cent where the net cost method is used.

²⁹

If the good provided for in subheading 8544.30 or 8544.41 is for use in a motor vehicle, the provisions of Article D-03 may apply.

- 8602.90 A change to subheading 8602.90 from any other heading, except from heading 86.07; or
- A change to subheading 8602.90 from heading 86.07, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 35 per cent where the transaction value method is used, or
 - (b) 25 per cent where the net cost method is used.
- 86.03 A change to heading 86.03 from any other heading, except from heading 86.07; or
- A change to heading 86.03 from heading 86.07, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 40 per cent where the transaction value method is used, or
 - (b) 30 per cent where the net cost method is used.
- 86.04 A change to heading 86.04 from any other heading, except from heading 86.07; or
- A change to heading 86.04 from heading 86.07, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 35 per cent where the transaction value method is used, or
 - (b) 25 per cent where the net cost method is used.
- 86.05 A change to heading 86.05 from any other heading, except from heading 86.07; or
- A change to heading 86.05 from heading 86.07, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 40 per cent where the transaction value method is used, or
 - (b) 30 per cent where the net cost method is used.
- 86.06 A change to heading 86.06 from any other heading, except from heading 86.07; or
- A change to heading 86.06 from heading 86.07, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 35 per cent where the transaction value method is used, or
 - (b) 25 per cent where the net cost method is used.
- 8607.11-8607.12 A change to subheading 8607.11 through 8607.12 from any other heading.
- 8607.19
- 8607.19.aa A change to tariff item 8607.19.aa from any other heading; or
- A change to tariff item 8607.19.aa from tariff item 8607.19.bb, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 35 per cent where the transaction value method is used, or
 - (b) 25 per cent where the net cost method is used.
- 8607.19.cc A change to tariff item 8607.19.cc from any other heading; or

A change to tariff item 8607.19.cc from tariff item 8607.19.dd, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 35 per cent where the transaction value method is used, or
- (b) 25 per cent where the net cost method is used.

8607.19	A change to subheading 8607.19 from any other heading.
8607.21-8607.99	A change to subheading 8607.21 through 8607.99 from any other heading.
86.08-86.09	A change to heading 86.08 through 86.09 from any other heading, including another heading within that group.
Chapter 87	Vehicles Other Than Railway or Tramway Rolling-Stock, and Parts and Accessories Thereof
Note:	<i>The provisions of Article D-03 apply to a good provided for in heading 87.01 through 87.02, subheading 8703.21 through 8703.90 or heading 87.04 through 87.08.</i>
87.01	A change to heading 87.01 from any other heading, provided there is a regional value content of not less than 20 per cent under the net cost method.
87.02	A change to heading 87.02 from any other heading, provided there is a regional value content of not less than 20 per cent under the net cost method.
8703.10	A change to subheading 8703.10 from any other heading, provided there is a regional value content of not less than: <ul style="list-style-type: none">(a) 35 per cent where the transaction value method is used, or(b) 25 per cent where the net cost method is used.
8703.21-8703.90	A change to subheading 8703.21 through 8703.90 from any other heading, provided there is a regional value content of not less than 20 per cent under the net cost method.
87.04	A change to heading 87.04 from any other heading, provided there is a regional value content of not less than 20 per cent under the net cost method.
87.05	A change to heading 87.05 from any other heading, provided there is a regional value content of not less than 20 per cent under the net cost method.
87.06	A change to heading 87.06 from any other chapter, provided there is a regional value content of not less than 30 per cent under the net cost method.
87.07	A change to heading 87.07 from any other chapter; or A change to heading 87.07 from heading 87.08, whether or not there is also a change from any other chapter, provided there is a regional value content of not less than 30 per cent under the net cost method.
8708.10	A change to subheading 8708.10 from any other heading; or A change to subheading 8708.10 from subheading 8708.99, whether or not there is also a change from any other heading, provided there is a regional value content of not less than 30 per cent under the net cost method.

- 8708.21 A change to subheading 8708.21 from any other heading; or
- A change to subheading 8708.21 from subheading 8708.99, whether or not there is also a change from any other heading, provided there is a regional value content of not less than 30 per cent under the net cost method.
- 8708.29 A change to subheading 8708.29 from any other heading; or
- No required change in tariff classification to subheading 8708.29, provided there is a regional value content of not less than 30 per cent under the net cost method.
- 8708.31 A change to subheading 8708.31 from any other heading; or
- A change to subheading 8708.31 from subheading 8708.39 or 8708.99, whether or not there is also a change from any other heading, provided there is a regional value content of not less than 30 per cent under the net cost method.
- 8708.39 A change to subheading 8708.39 from any other heading; or
- A change to subheading 8708.39 from subheading 8708.31 or 8708.99, whether or not there is also a change from any other heading, provided there is a regional value content of not less than 30 per cent under the net cost method.
- 8708.40 A change to subheading 8708.40 from any other heading; or
- A change to subheading 8708.40 from subheading 8708.99, whether or not there is also a change from any other heading, provided there is a regional value content of not less than 30 per cent under the net cost method.
- 8708.50
- 8708.50.aa A change to tariff item 8708.50.aa from any other heading, except from subheading 8482.10 through 8482.80; or
- A change to tariff item 8708.50.aa from subheading 8482.10 through 8482.80 or 8708.99, whether or not there is also a change from any other heading, provided there is a regional value content of not less than 30 per cent under the net cost method.
- 8708.50 A change to subheading 8708.50 from any other heading; or
- A change to subheading 8708.50 from subheading 8708.99, whether or not there is also a change from any other heading, provided there is a regional value content of not less than 30 per cent under the net cost method.
- 8708.60
- 8708.60.aa A change to tariff item 8708.60.aa from any other heading, except from subheading 8482.10 through 8482.80; or
- A change to tariff item 8708.60.aa from subheading 8482.10 through 8482.80 or 8708.99, whether or not there is also a change from any other heading, provided there is a regional value content of not less than 30 per cent under the net cost method.

- 8708.60 A change to subheading 8708.60 from any other heading; or
- A change to subheading 8708.60 from subheading 8708.99, whether or not there is also a change from any other heading, provided there is a regional value content of not less than 30 per cent under the net cost method.
- 8708.70 A change to subheading 8708.70 from any other heading; or
- A change to subheading 8708.70 from subheading 8708.99, whether or not there is also a change from any other heading, provided there is a regional value content of not less than 30 per cent under the net cost method.
- 8708.80
- 8708.80.aa A change to tariff item 8708.80.aa from any other subheading, provided there is a regional value content of not less than 30 per cent under the net cost method.
- 8708.80 A change to subheading 8708.80 from any other heading; or
- A change to subheading 8708.80 from subheading 8708.99, whether or not there is also a change from any other heading, provided there is a regional value content of not less than 30 per cent under the net cost method.
- 8708.91 A change to subheading 8708.91 from any other heading; or
- A change to subheading 8708.91 from subheading 8708.99, whether or not there is also a change from any other heading, provided there is a regional value content of not less than 30 per cent under the net cost method.
- 8708.92 A change to subheading 8708.92 from any other heading; or
- A change to subheading 8708.92 from subheading 8708.99, whether or not there is also a change from any other heading, provided there is a regional value content of not less than 30 per cent under the net cost method.
- 8708.93 A change to subheading 8708.93 from any other heading; or
- A change to subheading 8708.93 from subheading 8708.99, whether or not there is also a change from any other heading, provided there is a regional value content of not less than 30 per cent under the net cost method.
- 8708.94 A change to subheading 8708.94 from any other heading; or
- A change to subheading 8708.94 from subheading 8708.99, whether or not there is also a change from any other heading, provided there is a regional value content of not less than 30 per cent under the net cost method.
- 8708.99
- 8708.99.aa A change to tariff item 8708.99.aa from any other subheading, provided there is a regional value content of not less than 30 per cent under the net cost method.
- 8708.99.bb A change to tariff item 8708.99.bb from any other heading, except from subheading 8482.10 through 8482.80 or tariff item 8482.99.aa; or
- A change to tariff item 8708.99.bb from subheading 8482.10 through 8482.80 or tariff item 8482.99.aa, whether or not there is also a change

	from any other heading, provided there is a regional value content of not less than 30 per cent under the net cost method.
8708.99	A change to subheading 8708.99 from any other heading; or No required change in tariff classification to subheading 8708.99, provided there is a regional value content of not less than 30 per cent under the net cost method.
8709.11-8709.19	A change to subheading 8709.11 through 8709.19 from any other heading; or A change to subheading 8709.11 through 8709.19 from subheading 8709.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than: (a) 35 per cent where the transaction value method is used, or (b) 25 per cent where the net cost method is used.
8709.90	A change to subheading 8709.90 from any other heading.
87.10	A change to heading 87.10 from any other heading.
87.11-87.13	A change to heading 87.11 through 87.13 from any other heading, including another heading with that group, except from heading 87.14; or A change to heading 87.11 through 87.13 from heading 87.14, whether or not there is also a change from any other heading, including another heading within that group, provided there is a regional value content of not less than: (a) 35 per cent where the transaction value method is used, or (b) 25 per cent where the net cost method is used.
87.14-87.15	A change to heading 87.14 through 87.15 from any other heading, including another heading within that group.
8716.10-8716.80	A change to subheading 8716.10 through 8716.80 from any other heading; or A change to subheading 8716.10 through 8716.80 from subheading 8716.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than: (a) 35 per cent where the transaction value method is used, or (b) 25 per cent where the net cost method is used.
8716.90	A change to subheading 8716.90 from any other heading.
Chapter 88	Aircraft, Spacecraft, and Parts Thereof
8801.10-8803.90	A change to subheading 8801.10 through 8803.90 from any other subheading, including another subheading within that group.
88.04-88.05	A change to heading 88.04 through 88.05 from any other heading, including another heading within that group.
Chapter 89	Ships, Boats and Floating Structures
89.01-89.02	A change to heading 89.01 through 89.02 from any other chapter; or A change to heading 89.01 through 89.02 from any other heading within Chapter 89, including another heading within that group, whether or not

there is also a change from any other chapter, provided there is a regional value content of not less than:

- (a) 60 per cent where the transaction value method is used, or
- (b) 50 per cent where the net cost method is used.

89.03

A change to heading 89.03 from any other heading, provided there is a regional value content of not less than:

- (a) 35 per cent where the transaction value method is used, or
- (b) 25 per cent where the net cost method is used.

89.04-89.05

A change to heading 89.04 through 89.05 from any other chapter; or

A change to heading 89.04 through 89.05 from any other heading within Chapter 89, including another heading within that group, whether or not there is also a change from any other chapter, provided there is a regional value content of not less than:

- (a) 60 per cent where the transaction value method is used, or
- (b) 50 per cent where the net cost method is used.

89.06-89.08

A change to heading 89.06 through 89.08 from any other heading, including another heading within that group.

Section XVIII - Optical, Photographic, Cinematographic, Measuring, Checking, Precision, Medical or Surgical Instruments and Apparatus; Clocks and Watches; Musical Instruments; Parts and Accessories Thereof (Chapter 90-92)

Chapter 90

Optical, Photographic, Cinematographic, Measuring, Checking, Precision, Medical or Surgical Instruments and Apparatus; Parts and Accessories Thereof

Note 1:

For purposes of this Chapter, the term "printed circuit assembly" means a good consisting of one or more printed circuits of heading 85.34 with one or more active elements assembled thereon, with or without passive elements. For purposes of this Note, "active elements" means diodes, transistors and similar semiconductor devices, whether or not photosensitive, of heading 85.41 and integrated circuits and microassemblies of heading 85.42.

Note 2:

The origin of the goods of Chapter 90 shall be determined without regard to the origin of any automatic data processing machines or units thereof of heading 84.71, or parts and accessories thereof of heading 84.73, which may be included therewith.

Note 3:

Tariff item 9009.90.aa covers the following parts for photocopying apparatus of subheading 9009.12:

- (a) *imaging assemblies, incorporating more than one of the following: photoreceptor belt or cylinder; toner receptacle unit; toner distribution unit; developer receptacle unit; developer distribution unit; charge/discharge unit; cleaning unit;*
- (b) *optics assemblies, incorporating more than one of the following: lens; mirror; illumination source; document exposure glass;*

- (c) *user control assemblies, incorporating more than one of the following: printed circuit assembly; power supply; user input keyboard; wiring harness; display unit (cathode-ray type or flat panel);*
 - (d) *image fixing assemblies, incorporating more than one of the following: fuser; pressure roller; heating element; release oil dispenser; cleaning unit; electrical control;*
 - (e) *paper handling assemblies, incorporating more than one of the following: paper transport belt; roller; print bar; carriage; gripper roller; paper storage unit; exit tray; or*
 - (f) *combinations of the above specified assemblies.*
- 9001.10 A change to subheading 9001.10 from any other chapter, except from subheading 8544.70.
- 9001.20-9001.90 A change to subheading 9001.20 through 9001.90 from any other heading.
- 90.02 A change to heading 90.02 from any other heading, except from heading 90.01.
- 9003.11-9003.19 A change to subheading 9003.11 through 9003.19 from any other subheading outside that group.
- 9003.90 A change to subheading 9003.90 from any other heading.
- 90.04 A change to heading 90.04 from any other heading.
- 9005.10-9005.80 A change to subheading 9005.10 through 9005.80 from any subheading outside that group.
- 9005.90 A change to subheading 9005.90 from any other heading.
- 9006.10-9006.69 A change to subheading 9006.10 through 9006.69 from any other subheading outside that group.
- 9006.91-9006.99 A change to subheading 9006.91 through 9006.99 from any other heading.
- 9007.11 A change to subheading 9007.11 from any other subheading except from subheading 9007.19 through 9007.20.
- 9007.19
- 9007.19.aa A change to tariff item 9007.19.aa from any other tariff item.
- 9007.19 A change to subheading 9007.19 from any other subheading except from subheading 9007.11 or 9007.20.
- 9007.20 A change to subheading 9007.20 from any other subheading except from subheading 9007.11 through 9007.19.
- 9007.91 A change to subheading 9007.91 from any other heading.
- 9007.92 A change to subheading 9007.92 from any other heading; or
- No required change in tariff classification to subheading 9007.92, provided there is a regional value content of not less than:
- (a) 35 per cent where the transaction value method is used, or
 - (b) 25 per cent where the net cost method is used.

9008.10-9008.40	A change to subheading 9008.10 through 9008.40 from any other subheading outside that group.
9008.90	A change to subheading 9008.90 from any other heading.
9009.11-9009.30	A change to subheading 9009.11 through 9009.30 from any other subheading, including another subheading within that group.
9009.90	
9009.90.aa	A change to tariff item 9009.90.aa from tariff item 9009.90.bb or any other heading, provided that at least one of the components of such assembly named in Note 3 to Chapter 90 is originating.
9009.90	A change to subheading 9009.90 from any other heading.
9010.10-9010.60	A change to subheading 9010.10 through 9010.60 from any other subheading outside that group.
9010.90	A change to subheading 9010.90 from any other heading.
9011.10-9011.80	A change to subheading 9011.10 through 9011.80 from any other subheading outside that group.
9011.90	A change to subheading 9011.90 from any other heading.
9012.10	A change to subheading 9012.10 from any other subheading.
9012.90	A change to subheading 9012.90 from any other heading.
9013.10-9013.80	A change to subheading 9013.10 through 9013.80 from any other subheading outside that group.
9013.90	A change to subheading 9013.90 from any other heading.
9014.10-9014.80	A change to subheading 9014.10 through 9014.80 from any other subheading outside that group.
9014.90	A change to subheading 9014.90 from any other heading.
9015.10-9015.80	A change to subheading 9015.10 through 9015.80 from any other any other subheading outside that group.
9015.90	A change to subheading 9015.90 from any other heading; or No required change in tariff classification to subheading 9015.90, provided there is a regional value content of not less than: (a) 35 per cent where the transaction value method is used, or (b) 25 per cent where the net cost method is used.
90.16	A change to heading 90.16 from any other heading.
9017.10-9017.80 ³⁰	A change to subheading 9017.10 through 9017.80 from any other heading; or A change to subheading 9017.10 through 9017.80 from subheading 9017.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than: (a) 60 per cent where the transaction value method is used, or (b) 50 per cent where the net cost method is used.

³⁰

If the good provided for in subheading 9017.80 is for use in a motor vehicle, the provisions of Article D-03 may apply.

- 9017.90 A change to subheading 9017.90 from any other heading.
- 9018.11
- 9018.11.aa A change to tariff item 9018.11.aa from any other tariff item.
- 9018.11 A change to subheading 9018.11 from any other heading.
- 9018.12-9018.14 A change to subheading 9018.12 through 9018.14 from any other heading.
- 9018.19
- 9018.19.aa A change to tariff item 9018.19.aa from any other tariff item.
- 9018.19 A change to subheading 9018.19 from any other heading.
- 9018.20-9018.50 A change to subheading 9018.20 through 9018.50 from any other heading.
- 9018.90
- 9018.90.aa A change to tariff item 9018.90.aa from any other tariff item.
- 9018.90 A change to subheading 9018.90 from any other heading.
- 90.19-90.21 A change to heading 90.19 through 90.21 from any heading outside that group.
- 9022.12-9022.30 A change to subheading 9022.12 through 9022.30 from any subheading outside that group.
- 9022.90
- 9022.90.aa A change to tariff item 9022.90.aa from any other tariff item.
- 9022.90 A change to subheading 9022.90 from any other heading; or
No required change in tariff classification to subheading 9022.90, provided there is a regional value content of not less than:
- (a) 35 per cent where the transaction value method is used, or
(b) 25 per cent where the net cost method is used.
- 90.23 A change to heading 90.23 from any other heading.
- 9024.10-9024.80 A change to subheading 9024.10 through 9024.80 from any other heading; or
A change to subheading 9024.10 through 9024.80 from subheading 9024.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 35 per cent where the transaction value method is used, or
(b) 25 per cent where the net cost method is used.
- 9024.90 A change to subheading 9024.90 from any other heading.
- 9025.11-9025.80 A change to subheading 9025.11 through 9025.80 from any other heading; or
A change to subheading 9025.11 through 9025.80 from subheading 9025.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 35 per cent where the transaction value method is used, or

	(b)	25 per cent where the net cost method is used.
9025.90		A change to subheading 9025.90 from any other heading.
9026.10-9026.80 ³¹		A change to subheading 9026.10 through 9026.80 from any other heading; or
		A change to subheading 9026.10 through 9026.80 from subheading 9026.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
	(a)	35 per cent where the transaction value method is used, or
	(b)	25 per cent where the net cost method is used.
9026.90		A change to subheading 9026.90 from any other heading.
9027.10		A change to subheading 9027.10 from any other heading; or
		A change to subheading 9027.10 from subheading 9027.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
	(a)	35 per cent where the transaction value method is used, or
	(b)	25 per cent where the net cost method is used.
9027.20		A change to subheading 9027.20 from any other subheading, except from subheading 9027.10 or subheading 9027.30 through 9027.80.
9027.30		A change to subheading 9027.30 from any other subheading, except from subheading 9027.10 through 9027.20 or subheading 9027.40 through 9027.80.
9027.40-9027.50		A change to subheading 9027.40 through 9027.50 from any other heading; or
		A change to subheading 9027.40 through 9027.50 from subheading 9027.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
	(a)	35 per cent where the transaction value method is used, or
	(b)	25 per cent where the net cost method is used.
9027.80		
9027.80.aa		A change to tariff item 9027.80.aa from any other subheading.
9027.80		A change to subheading 9027.80 from any other heading; or
		A change to subheading 9027.80 from subheading 9027.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
	(a)	35 per cent where the transaction value method is used, or
	(b)	25 per cent where the net cost method is used.
9027.90		A change to subheading 9027.90 from any other heading.
9028.10-9028.30		A change to subheading 9028.10 through 9028.30 from any other heading; or

³¹

If the good provided for in subheading 9026.10 is for use in a motor vehicle, the provisions of Article D-03 may apply.

A change to subheading 9028.10 through 9028.30 from subheading 9028.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 35 per cent where the transaction value method is used, or
- (b) 25 per cent where the net cost method is used.

9028.90

A change to subheading 9028.90 from any other heading.

9029.10-9029.20

A change to subheading 9029.10 through 9029.20 from any other subheading, including another subheading within that group.

9029.90

A change to subheading 9029.90 from any other heading.

9030.10

A change to subheading 9030.10 from any other heading; or

A change to subheading 9030.10 from subheading 9030.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 per cent where the transaction value method is used, or
- (b) 50 per cent where the net cost method is used.

9030.20-9030.39

A change to subheading 9030.20 through 9030.39 from any other subheading, including another subheading within that group.

9030.40-9030.89

A change to subheading 9030.40 through 9030.89 from any other heading; or

A change to subheading 9030.40 through 9030.89 from subheading 9030.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 35 per cent where the transaction value method is used, or
- (b) 25 per cent where the net cost method is used.

9030.90

A change to subheading 9030.90 from any other heading.

9031.10-9031.30

A change to subheading 9031.10 through 9031.30 from any other heading; or

A change to subheading 9031.10 through 9031.30 from subheading 9031.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 35 per cent where the transaction value method is used, or
- (b) 25 per cent where the net cost method is used.

9031.41

A change to subheading 9031.41 from any other heading; or

A change to subheading 9031.41 from subheading 9031.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 35 per cent where the transaction value method is used, or
- (b) 25 per cent where the net cost method is used.

9031.49

9031.49.aa

A change to tariff item 9031.49.aa from any other tariff item.

9031.49

A change to subheading 9031.49 from any other heading; or

A change to subheading 9031.49 from subheading 9031.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 35 per cent where the transaction value method is used, or
 (b) 25 per cent where the net cost method is used.
- 9031.80³² A change to subheading 9031.80 from any other heading; or
- A change to subheading 9031.80 from subheading 9031.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 35 per cent where the transaction value method is used, or
 (b) 25 per cent where the net cost method is used.
- 9031.90 A change to subheading 9031.90 from any other heading.
- 9032.10-9032.89³³ A change to subheading 9032.10 through 9032.89 from any other heading; or
- A change to subheading 9032.10 through 9032.89 from subheading 9032.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
- (a) 35 per cent where the transaction value method is used, or
 (b) 25 per cent where the net cost method is used.
- 9032.90 A change to subheading 9032.90 from any other heading.
- 90.33 A change to heading 90.33 from any other heading.
- Chapter 91** **Clocks and Watches and Parts Thereof**
- 91.01-91.03 A change to heading 91.01 through 91.03 from any other chapter; or
- A change to heading 91.01 through 91.03 from any heading outside that group, whether or not there is also a change from any other chapter, provided there is a regional value content of not less than:
- (a) 60 per cent where the transaction value method is used, or
 (b) 50 per cent where the net cost method is used.
- 91.04³⁴ A change to heading 91.04 from any other chapter; or
- A change to heading 91.04 from any other heading within Chapter 91, whether or not there is also a change from any other chapter, provided there is a regional value content of not less than 30 per cent under the net cost method.
- 91.05-91.07 A change to heading 91.05 through 91.07 from any other chapter; or
- A change to heading 91.05 through 91.07 from any heading outside that group, whether or not there is also a change from any other chapter, provided there is a regional value content of not less than:
- (a) 60 per cent where the transaction value method is used, or
 (b) 50 per cent where the net cost method is used.
- 91.08-91.10 A change to heading 91.08 through 91.10 from any other heading, including another heading within that group, provided there is a regional value content of not less than:

³²

If the good is for use in a motor vehicle, the provisions of Article D-03 may apply.

³³

If the good provided for in subheading 9032.10, 9032.20 or 9032.89 is for use in a motor vehicle, the provisions of Article D-03 may apply.

³⁴

If the good provided for in heading 91.04 is for use in a motor vehicle, the provisions of Article D-03 may apply.

- (a) 60 per cent where the transaction value method is used, or
 (b) 50 per cent where the net cost method is used.
- 9111.10-9111.80 A change to subheading 9111.10 through 9111.80 from subheading 9111.90 or any other heading, provided there is a regional value content of not less than:
 (a) 60 per cent where the transaction value method is used, or
 (b) 50 per cent where the net cost method is used.
- 9111.90 A change to subheading 9111.90 from any other heading, provided there is a regional value content of not less than:
 (a) 60 per cent where the transaction value method is used, or
 (b) 50 per cent where the net cost method is used.
- 9112.10-9112.80 A change to subheading 9112.10 through 9112.80 from subheading 9112.90 or any other heading, provided there is a regional value content of not less than:
 (a) 60 per cent where the transaction value method is used, or
 (b) 50 per cent where the net cost method is used.
- 9112.90 A change to subheading 9112.90 from any other heading, provided there is a regional value content of not less than:
 (a) 60 per cent where the transaction value method is used, or
 (b) 50 per cent where the net cost method is used.
- 91.13 A change to heading 91.13 from any other heading, provided there is a regional value content of not less than:
 (a) 60 per cent where the transaction value method is used, or
 (b) 50 per cent where the net cost method is used.
- 91.14 A change to heading 91.14 from any other heading.
- Chapter 92** **Musical Instruments; Parts and Accessories of Such Articles**
- 92.01-92.08 A change to heading 92.01 through 92.08 from any other chapter; or
 A change to heading 92.01 through 92.08 from heading 92.09, whether or not there is also a change from any other chapter, provided there is a regional value content of not less than:
 (a) 60 per cent where the transaction value method is used, or
 (b) 50 per cent where the net cost method is used.
- 92.09 A change to heading 92.09 from any other heading.
- Section XIX - Arms and Ammunition; Parts and Accessories Thereof (Chapter 93)**
- Chapter 93** **Arms and Ammunition; Parts and Accessories Thereof**
- 93.01-93.04 A change to heading 93.01 through 93.04 from any other chapter; or
 A change to heading 93.01 through 93.04 from heading 93.05, whether or not there is also a change from any other chapter, provided there is a regional value content of not less than:
 (a) 60 per cent where the transaction value method is used, or

- (b) 50 per cent where the net cost method is used.
- 93.05 A change to heading 93.05 from any other heading.
- 93.06-93.07 A change to heading 93.06 through 93.07 from any other chapter.

Section XX - Miscellaneous Manufactured Articles (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 Signs, Illuminated Name-Plates and the Like; Prefabricated Buildings
- 9401.10 A change to subheading 9401.10 from any other chapter; or
A change to subheading 9401.10 from subheading 9401.90, whether or not there is also a change from any other chapter, provided there is a regional value content of not less than:
 - (a) 60 per cent where the transaction value method is used, or
 - (b) 50 per cent where the net cost method is used.
- 9401.20³⁵ A change to subheading 9401.20 from any other chapter; or
A change to subheading 9401.20 from subheading 9401.90, whether or not there is also a change from any other chapter, provided there is a regional value content of not less than 30 per cent under the net cost method.
- 9401.30-9401.80 A change to subheading 9401.30 through 9401.80 from any other chapter; or
A change to subheading 9401.30 through 9401.80 from subheading 9401.90, whether or not there is also a change from any other chapter, provided there is a regional value content of not less than:
 - (a) 60 per cent where the transaction value method is used, or
 - (b) 50 per cent where the net cost method is used.
- 9401.90 A change to subheading 9401.90 from any other heading.
- 94.02 A change to heading 94.02 from any other chapter.
- 9403.10-9403.80 A change to subheading 9403.10 through 9403.80 from any other chapter; or
A change to subheading 9403.10 through 9403.80 from subheading 9403.90, whether or not there is also a change from any other chapter, provided there is a regional value content of not less than:
 - (a) 60 per cent where the transaction value method is used, or
 - (b) 50 per cent where the net cost method is used.
- 9403.90 A change to subheading 9403.90 from any other heading.
- 9404.10-9404.30 A change to subheading 9404.10 through 9404.30 from any other chapter.

³⁵

If the good provided for in subheading 9401.20 is for use in a motor vehicle, the provisions of Article D-03 may apply.

9404.90	A change to subheading 9404.90 from any other chapter, except from heading 50.07, 51.11 through 51.13, 52.08 through 52.12, 53.09 through 53.11, 54.07 through 54.08 or 55.12 through 55.16.
9405.10-9405.60	A change to subheading 9405.10 through 9405.60 from any other chapter; or A change to subheading 9405.10 through 9405.60 from subheading 9405.91 through 9405.99, whether or not there is also a change from any other chapter, provided there is a regional value content of not less than: (a) 60 per cent where the transaction value method is used, or (b) 50 per cent where the net cost method is used.
9405.91-9405.99	A change to subheading 9405.91 through 9405.99 from any other heading.
94.06	A change to heading 94.06 from any other chapter.
Chapter 95	Toys, Games and Sports Requisites; Parts and Accessories Thereof
95.01	A change to heading 95.01 from any other chapter.
9502.10	A change to subheading 9502.10 from any other chapter; or A change to subheading 9502.10 from subheading 9502.91 through 9502.99, whether or not there is also a change from any other chapter, provided there is a regional value content of not less than: (a) 60 per cent where the transaction value method is used, or (b) 50 per cent where the net cost method is used.
9502.91-9502.99	A change to subheading 9502.91 through 9502.99 from any other heading.
95.03-95.05	A change to heading 95.03 through 95.05 from any other chapter.
9506.11-9506.29	A change to subheading 9506.11 through 9506.29 from any other chapter.
9506.31	A change to subheading 9506.31 from any other chapter; or A change to subheading 9506.31 from subheading 9506.39, whether or not there is also a change from any other chapter, provided there is a regional value content of not less than: (a) 60 per cent where the transaction value method is used, or (b) 50 per cent where the net cost method is used.
9506.32-9506.39	A change to subheading 9506.32 through 9506.39 from any other chapter.
9506.40-9506.99	A change to subheading 9506.40 through 9506.99 from any other chapter.
95.07-95.08	A change to heading 95.07 through 95.08 from any other chapter.
Chapter 96	Miscellaneous Manufactured Articles
96.01-96.05	A change to heading 96.01 through 96.05 from any other chapter.
9606.10	A change to subheading 9606.10 from any other chapter.

- 9606.21-9606.29 A change to subheading 9606.21 through 9606.29 from any other chapter;
or
A change to subheading 9606.21 through 9606.29 from subheading 9606.30, whether or not there is also a change from any other chapter, provided there is a regional value content of not less than:
(a) 60 per cent where the transaction value method is used, or
(b) 50 per cent where the net cost method is used.
- 9606.30 A change to subheading 9606.30 from any other heading.
- 9607.11-9607.19 A change to subheading 9607.11 through 9607.19 from any other chapter;
or
A change to subheading 9607.11 through 9607.19 from subheading 9607.20, whether or not there is also a change from any other chapter, provided there is a regional value content of not less than:
(a) 60 per cent where the transaction value method is used, or
(b) 50 per cent where the net cost method is used.
- 9607.20 A change to subheading 9607.20 from any other heading.
- 9608.10-9608.50 A change to subheading 9608.10 through 9608.50 from any other chapter;
or
A change to subheading 9608.10 through 9608.50 from subheading 9608.60 through 9608.99, whether or not there is also a change from any other chapter, provided there is a regional value content of not less than:
(a) 60 per cent where the transaction value method is used, or
(b) 50 per cent where the net cost method is used.
- 9608.60-9608.99 A change to subheading 9608.60 through 9608.99 from any other heading.
- 96.09-96.12 A change to heading 96.09 through 96.12 from any other chapter.
- 9613.10-9613.80 A change to subheading 9613.10 through 9613.80 from any other chapter;
or
A change to subheading 9613.10 through 9613.80 from subheading 9613.90, whether or not there is also a change from any other chapter, provided there is a regional value content of not less than:
(a) 60 per cent where the transaction value method is used, or
(b) 50 per cent where the net cost method is used.
- 9613.90 A change to subheading 9613.90 from any other heading.
- 9614.20
9614.20.aa A change to tariff item 9614.20.aa from any other chapter.
- 9614.20 A change to subheading 9614.20 from tariff item 9614.20.aa or any other subheading, except from subheading 9614.90.
- 9614.90 A change to subheading 9614.90 from any other heading.
- 9615.11-9615.19 A change to subheading 9615.11 through 9615.19 from any other chapter;
or
A change to subheading 9615.11 through 9615.19 from subheading 9615.90, whether or not there is also a change from any other chapter, provided there is a regional value content of not less than:

- (a) 60 per cent where the transaction value method is used, or
- (b) 50 per cent where the net cost method is used.

9615.90 A change to subheading 9615.90 from any other heading.

96.16-96.18 A change to heading 96.16 through 96.18 from any other chapter.

Section XXI - Works of Art, Collectors' Pieces and Antiques (Chapter 97)

Chapter 97 Works of Art, Collectors' Pieces and Antiques

97.01-97.06 A change to heading 97.01 through 97.06 from any other chapter.

TARIFF ITEMS FOR CANADA-CHILE FREE TRADE AGREEMENT³⁶

TARIFF ITEM	CANADA	CHILE	DESCRIPTION
1806.10.aa	1806.10.10	1806.1010	Containing 90 per cent or more by weight of sugar
1901.10.aa	1901.10.31	1901.1010	Containing over 10 per cent by weight of milk solids
1901.20.aa	1901.20.11 1901.20.12 1901.20.21 1901.20.22	1901.2010	Containing over 25 per cent by weight of butterfat, not put up for retail sale
1901.90.aa	1901.90.31 1901.90.32 1901.90.33 1901.90.34 1901.90.39	1901.9010	Dairy preparations containing over 10 per cent by weight of milk solids
2008.11.aa	2008.11.20	2008.1110	Peanuts, blanched
2101.11.aa	2101.11.10	2101.1110	Instant coffee, not flavoured
2103.20.aa	2103.20.10	2103.2010	Ketchup
2106.90.bb	2106.90.91	2106.9030	Concentrated fruit or vegetable juices, fortified with minerals or vitamins: Of any single fruit or vegetable
2106.90.cc	2106.90.92	2106.9040	Of mixtures of fruit or vegetable juices
2106.90.dd	2106.90.31 2106.90.32 2106.90.33 2106.90.34 2106.90.35 2106.90.93 2106.90.94 2106.90.95	2106.9050	Containing over 10 per cent by weight of milk solids
2106.90.ee	2106.90.96	2106.9060	Compound preparations, with an alcoholic strength exceeding 0.5 per cent by volume, of a kind used in the manufacture of beverages
2202.90.aa	2202.90.31	2202.9010	Fruit or vegetable juices, fortified with minerals or vitamins: Of any single fruit or vegetable
2202.90.bb	2202.90.32	2202.9020	Of mixtures of fruit or vegetable juices
2202.90.cc	2202.90.41 2202.90.42 2202.90.43 2202.90.49	2202.9030	Beverages containing milk
2309.90.aa	2309.90.31 2309.90.32 2309.90.33 2309.90.35 2309.90.36	2309.9020	Containing over 10 per cent by weight of milk solids
2401.10.aa	2401.10.10	2401.1010	Wrapper tobacco
2401.20.aa	2401.20.11	2401.2010	Wrapper tobacco, partly or wholly stemmed/stripped
2403.91.aa	2403.91.10	2403.9110	Of a kind used as wrapper tobacco

³⁶ This table identifies the new eight-digit tariff classification provisions that have been created solely for purposes of application of the rules of origin under Chapter D. In the case of Chile in particular, these new tariff provisions do not apply to the benefits provided under Law 18.480 and therefore do not grant any new or additional rights under Law 18.480.

TARIFF ITEM	CANADA	CHILE	DESCRIPTION
4008.19.aa	4008.19.10	4008.1911 4008.1921	Profile shapes
4008.29.aa	4008.29.10	4008.2911 4008.2921	Profile shapes
4012.20.aa	4012.20.20	4012.2010	Of a kind used on vehicles, including tractors, for the on-highway transport of passengers or goods, or on vehicles of heading 87.05
4016.93.aa	4016.93.10	4016.9310	Of a kind for use in automotive goods of Chapter 87
4016.99.aa	4016.99.30	4016.9920	Vibration control goods of a kind used in the vehicles of heading 87.01 through 87.05
4105.19.aa	4105.19.10	4105.1910	Wet blue
4106.19.aa	4106.19.10	4106.1910	Wet blue
4107.10.aa	4107.10.10	4107.1010	Wet blue
5402.43.aa	5402.43.10	5402.4310	Wholly of polyester, measuring not less than 75 decitex but not more than 80 decitex, and having 24 filaments per yarn
5402.52.aa	5402.52.10	5402.5210	Wholly of polyester, measuring not less than 75 decitex but not more than 80 decitex, and having 24 filaments per yarn
5407.61.aa	5407.61.10	5407.6110	Wholly of polyester, of single yarns measuring not less than 75 decitex but not more than 80 decitex, having 24 filaments per yarn and with a twist of 900 or more turns per metre
5408.22.aa	5408.22.10	5408.2210	Of cuprammonium rayon
5408.23.aa	5408.23.10	5408.2310	Of cuprammonium rayon
5408.24.aa	5408.24.10	5408.2410	Of cuprammonium rayon
5903.10.aa	5903.10.20	5903.1011 5903.1091	Of man-made fibres
5903.20.aa	5903.20.20	5903.2011 5903.2091	Of man-made fibres
5903.90.aa	5903.90.20	5903.9011 5903.9091	Of man-made fibres
5906.99.aa	5906.99.20	5906.9910	Of man-made fibres
5907.00.aa	5907.00.13	5907.0011 5907.0091	Of man-made fibres
6002.92.aa	6002.92.10	6002.9210	Circular knit, wholly of cotton yarns exceeding 100 metric number per single yarn
6103.19.aa	6103.19.90	6103.1920	Of textile materials other than artificial fibres or cotton
6103.39.aa	6103.39.90	6103.3990	Of other than artificial fibres
6104.19.aa	6104.19.90	6104.1990	Of other than artificial fibres
6104.39.aa	6104.39.90	6104.3910	Of other than artificial fibres
6104.59.aa	6104.59.90	6104.5910	Of other than artificial fibres
6203.19.aa	6203.19.90	6203.1990	Of other than cotton or artificial fibres
6203.39.aa	6203.39.90	6203.3990	Of other than artificial fibres
6204.19.aa	6204.19.90	6204.1990	Of other than artificial fibres
6204.39.aa	6204.39.90	6204.3990	Of other than artificial fibres

TARIFF ITEM	CANADA	CHILE	DESCRIPTION
6204.59.aa	6204.59.90	6204.5990	Of other than artificial fibres
6303.92.aa	6303.92.10	6303.9210	Made up from fabrics described in tariff item 5407.61.aa
6402.19.aa	6402.19.90	6402.1910	Sports footwear with rubber or plastic soles and uppers, for golf, hiking, running or curling
6402.19.bb	6402.19.10	6402.1920	Sports footwear with rubber or plastic soles and uppers, for soccer, other football, baseball or bowling
6403.19.aa	6403.19.20	6403.1910	Sports footwear with leather uppers, for riding, golf, hiking, climbing, curling, bowling, skating or training
6403.19.bb	6403.19.10	6403.1920	Sports footwear with leather uppers, for soccer, other football or baseball
6403.19.cc	6403.19.90	6403.1930	Sports footwear with leather uppers, other
6404.11.aa	6404.11.11	6404.1110	Hiking footwear with rubber soles and canvas uppers
6404.11.bb	6404.11.91	6404.1120	Hiking footwear with plastic soles and canvas uppers
6404.11.cc	6404.11.19	6404.1130	Sports footwear with rubber soles and canvas uppers, for soccer, training or tennis
6404.11.dd	6404.11.99	6404.1140	Sports footwear with plastic soles and canvas uppers, for soccer, training or tennis
6404.19.aa	6404.19.90	6404.1910	Shoes or sandals with plastic soles and canvas uppers
6404.19.bb	6404.19.10	6404.1920	Shoes or sandals with rubber soles and canvas uppers
6701.00.aa	6701.00.10	6701.0010	Articles of feathers or down
7011.20.aa	7011.20.10	7011.2010	Cones
7101.10.aa	7101.10.10	7101.1010	Graded and temporarily strung for convenience of transport
7101.22.aa	7101.22.10	7101.2210	Graded and temporarily strung for convenience of transport
7304.41.aa	7304.41.10	7304.4110	Of an external diameter of less than 19 mm
7321.11.aa	7321.11.19	7321.1120	Stoves or ranges (other than portable)
7321.90.aa	7321.90.51	7321.9010	Parts: Of stoves or ranges (other than portable): Cooking chambers, whether or not assembled
7321.90.bb	7321.90.52	7321.9020	Top surface panels with or without burners or control
7321.90.cc	7321.90.53	7321.9030	Door assemblies, incorporating more than one of the following: inner panel, outer panel, window, insulation
7404.00.aa	7404.00.11 7404.00.21 7404.00.91	7404.0010	Spent anodes; waste and scrap with a copper content of less than 94 per cent by weight
7407.10.aa	7407.10.13 7407.10.22	7407.1010	Hollow profiles
7407.21.aa	7407.21.13 7407.21.22	7407.2110	Hollow profiles
7407.22.aa	7407.22.14 7407.22.22	7407.2210	Hollow profiles
7407.29.aa	7407.29.13 7407.29.22	7407.2910	Hollow profiles

TARIFF ITEM	CANADA	CHILE	DESCRIPTION
7408.11.aa	7408.11.11 7408.11.12	7408.1110	With a maximum cross-sectional dimension not exceeding 9.5 mm
7506.10.aa	7506.10.22	7506.1010	Foil, not exceeding 0.15 mm in thickness
7506.20.aa	7506.20.92	7506.2010	Foil, not exceeding 0.15 mm in thickness
8102.92.aa	8102.92.10	8102.9210	Bars and rods
8111.00.aa	8111.00.21 8111.00.22 8111.00.40	8111.0010	Manganese powders and articles of manganese
8406.90.aa	8406.90.22 8406.90.32	8406.9010	Rotors, finished for final assembly
8406.90.bb	8406.90.24 8406.90.34	8406.9020	Blades, rotating or stationary
8406.90.cc	8406.90.21 8406.90.31	8406.9030	Rotors, not further advanced than cleaned or machined for removal of fins, gates, sprues, and risers, or to permit location in finishing machinery
8413.30.aa	8413.30.10	8413.3010	Fuel pumps for internal combustion piston engines
8414.80.aa	8414.80.10	8414.8010	Turbochargers and superchargers for motor vehicles
8414.90.aa	8414.90.21 8414.90.51	8414.9010	Stators and rotors of goods of subheading 8414.30
8415.90.aa	8415.90.11 8415.90.21 8415.90.31 8415.90.41	8415.9010	Chassis, chassis bases and outer cabinets
8418.99.aa	8418.99.11 8418.99.21 8418.99.31 8418.99.41 8418.99.51	8418.9910	Door assemblies incorporating more than one of the following: inner panel; outer panel; insulation; hinges; handles
8421.31.aa	8421.31.90	8421.3110	Air filters for motor vehicles
8421.39.aa	8421.39.20	8421.3910	Catalytic converters
8421.91.aa	8421.91.11	8421.9110	Drying chambers for the goods of subheading 8421.12 and other parts of clothes-dryers incorporating drying chambers
8421.91.bb	8421.91.12	8421.9120	Furniture designed to receive the goods of subheading 8421.12
8422.90.aa	8422.90.11 8422.90.22	8422.9010	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	8422.9020	Door assemblies for the goods of subheading 8422.11
8525.39.aa	8425.39.10	8425.3910	Automotive winches
8427.10.aa	8427.10.10	8427.1010	Rider-type, counterbalanced fork-lift trucks
8427.20.aa	8427.20.10	8427.2010	Rider-type, counterbalanced fork-lift trucks
8431.10.aa	8431.10.10 8431.10.20	8431.1010	Parts used with machinery of heading 84.25

TARIFF ITEM	CANADA	CHILE	DESCRIPTION
8450.90.aa	8450.90.11 8450.90.21 8450.90.31 8450.90.41	8450.9010	Tubs and tub assemblies
8450.90.bb	8450.90.12 8450.90.22 8450.90.32 8450.90.42	8450.9020	Furniture designed to receive the goods of subheading 8450.11 through 8450.20
8451.90.aa	8451.90.11 8451.90.21 8451.90.31	8451.9010	Drying chambers for the goods of subheading 8451.21 or 8451.29 and other parts of drying machines incorporating drying chambers
8451.90.bb	8451.90.12 8451.90.22 8451.90.32	8451.9020	Furniture designed to receive the goods of subheading 8451.21 or 8451.29
8455.90.aa	8455.90.10	8455.9010	Castings or weldments, individually weighing less than 90 tons, for the machines of heading 84.55
8459.70.aa	8459.70.10	8459.7010	Numerically controlled
8460.40.aa	8460.40.10	8460.4010	Numerically controlled
8460.90.aa	8460.90.11 8460.90.91	8460.9011 8460.9091	Numerically controlled
8461.10.aa	8461.10.10	8461.1010	Numerically controlled
8461.20.aa	8461.20.11 8461.20.21	8461.2010	Numerically controlled
8461.30.aa	8461.30.10	8461.3010	Numerically controlled
8461.50.aa	8461.50.10	8461.5010	Numerically controlled
8461.90.aa	8461.90.11 8461.90.91	8461.9010	Numerically controlled
8462.91.aa	8462.91.10	8462.9110	Numerically controlled
8462.99.aa	8462.99.10	8462.9910	Numerically controlled
8466.93.aa	8466.93.11 8466.93.91	8466.9310	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	8466.9410	Bed, base, table, column, cradle, frame, bolster, crown, slide, rod, tailstock and headstock castings, weldments or fabrications
8471.80.aa	8471.80.10	8471.8010	Control or adapter units
8471.80.cc	8471.80.91	8471.8020	Other units suitable for physical incorporation into automatic data processing machines or units thereof
8473.10.aa	8473.10.91	8473.1010	Parts for word processing machines of heading 84.69
8473.10.bb	8473.10.92 8473.10.93	8473.1020	Parts of other machines of heading 84.69
8473.30.aa	8473.30.21 8473.30.22	8473.3010	Printed circuit assemblies
8473.30.bb	8473.30.23	8473.3020	Parts and accessories, including face plates and lock latches, of printed circuit assemblies
8473.30.cc	8473.30.10	8473.3030	Other parts for printers of subheading 8471.60, specified in Note 3 of Chapter 84.

TARIFF ITEM	CANADA	CHILE	DESCRIPTION
8473.50.aa	8473.50.10	8473.5010	Printed circuit assemblies
8473.50.bb	8473.50.20	8473.5020	Parts and accessories, including face plates and lock latches, of printed circuit assemblies
8477.90.aa	8477.90.11 8477.90.21	8477.9010	Base, bed, platen, clamp cylinder, ram and injection castings, weldments, and fabrications
8477.90.bb	8477.90.12 8477.90.22	8477.9020	Barrel screws
8477.90.cc	8477.90.13 8477.90.23	8477.9030	Hydraulic assemblies incorporating more than one of the following: manifold, valves, pump, oil cooler
8479.89.aa	8479.89.91	8479.8930	Trash compactors
8479.90.aa	8479.90.61	8479.9010	Frame assemblies incorporating more than one of the following: baseplate, side frames, power screws, front plates
8479.90.bb	8479.90.62	8479.9020	Ram assemblies incorporating a ram wrapper and/or ram cover
8479.90.cc	8479.90.63	8479.9030	Container assemblies incorporating more than one of the following: container bottom, container wrapper, slide track, container front
8479.90.dd	8479.90.64	8479.9040	Cabinet or cases
8481.30.aa	8481.30.90	8481.3090	Check valves, for automotive use
8481.80.aa	8481.80.99	8481.8099	Valves, for automotive use
8482.80.aa	8482.80.10	8482.8010	Other ball/roller bearings, for use with motor vehicles of Chapter 87
8482.99.aa	8482.99.11 8482.99.91	8482.9910	Inner or outer rings or races
8483.10.aa	8483.10.10 8483.10.90	8483.1010	Transmission shafts and cranks, for automotive use
8483.50.aa	8483.50.20	8483.5010	Fly wheels
8483.60.aa	8483.60.90	8483.6010	Clutches and shaft couplings, for automotive use
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	8503.0010	Stators and rotors for the goods of heading 85.01
8504.40.aa	8504.40.40	8504.4010	Power supplies for the automatic data processing machines of heading 84.71
8504.40.bb	8504.40.50	8504.4020	Speed drive controllers for electric motors
8504.90.aa	8504.90.12 8504.90.13 8504.90.14 8504.90.15 8504.90.16 8504.90.17	8504.9010	Printed circuit assemblies for the goods of subheadings 8504.40 and 8504.90.
8504.90.bb	8504.90.80	8504.9020	Other parts of power supplies for automatic data processing machines of heading 84.71
8508.90.aa	8508.90.10	8508.9010	Housings

TARIFF ITEM	CANADA	CHILE	DESCRIPTION
8509.90.aa	8509.90.11 8509.90.21 8509.90.31 8509.90.32 8509.90.41	8509.9010	Housings
8511.20.aa	8511.20.10	8511.2010	Ignition magnetos, magneto-dynamos and magnetic flywheels for internal combustion engines
8516.10.aa	8516.10.10	8516.1010	Immersion heaters designed for automotive installation
8516.60.aa	8516.60.20	8516.6010	Ovens, cooking stoves and ranges
8516.90.aa	8516.90.21	8516.9010	Housings for the goods of subheading 8516.33
8516.90.bb	8516.90.71	8516.9020	Housings and steel bases for the goods of subheading 8516.40
8516.90.cc	8516.90.42	8516.9030	Assemblies for the goods of subheading 8516.50, incorporating more than one of the following: cooking chamber; structural supporting chassis; door; outer case
8516.90.dd	8516.90.41	8516.9040	Printed circuit assemblies for the goods of subheading 8516.50
8516.90.ee	8516.90.51	8516.9050	For the goods of tariff item 8516.60.aa: Cooking chambers whether or not assembled
8516.90.ff	8516.90.52	8516.9060	Top surface panels with or without heating elements or controls
8516.90.gg	8516.90.53	8516.9070	Door assemblies incorporating more than one of the following: inner panel; outer panel; window; insulation
8516.90.hh	8516.90.61	8516.9080	Housings for toasters
8517.19.aa	8517.19.10	8517.1910	Videophones
8517.50.aa	8517.50.10	8517.5010	Modems, of a kind used with data processing machines of heading 84.71
8517.50.bb	8517.50.21 8517.50.31	8517.5020	Telephonic
8517.80.aa	8517.80.10	8517.8010	Telephonic apparatus

TARIFF ITEM	CANADA	CHILE	DESCRIPTION
8517.90.cc	8517.90.31	8517.9010	Parts of facsimile machines: Parts of facsimile machines specified in Note 2 to Chapter 85
8517.90.hh	8517.90.39	8517.9020	Other
8517.90.aa	8517.90.41	8517.9030	Other parts incorporating printed circuit assemblies: Parts for telephone sets
8517.90.bb	8517.90.43 8517.90.44	8517.9040	Parts for goods of subheadings 8517.22 and 8517.30 and tariff item 8517.50.bb
8517.90.dd	8517.90.42 8517.90.45 8517.90.46	8517.9050	Other
8517.90.ee	8517.90.11 8517.90.12 8517.90.13 8517.90.14	8517.9060	Other parts: Printed circuit assemblies
8517.90.ff	8517.90.21 8517.90.22 8517.90.23 8517.90.24	8517.9070	Parts, including face plates and lock latches, for printed circuit assemblies
8517.90.gg	8517.90.91 8517.90.92 8517.90.93	8517.9090	Other
8518.30.aa	8518.30.10	8518.3010	Telephone handsets
8525.30.aa	8525.30.11 8525.30.21	8525.3010	Gyrostabilized television cameras
8525.30.bb	8525.30.12 8525.30.22	8525.3020	Studio television cameras, excluding shoulder-carried and other portable cameras
8527.90.aa	8527.90.91	8527.9010	Paging alert devices
8528.12.aa	8528.12.91	8528.1210	Non-high definition, having a single picture tube intended for direct viewing (non-projection type), with a video display diagonal not exceeding 14 inches (35.56 cm)
8528.12.bb	8528.12.92 8528.12.93	8528.1220	Non-high definition, having a single picture tube intended for direct viewing (non-projection type), with a video display diagonal exceeding 14 inches (35.56 cm)
8528.12.cc	8528.12.95	8528.1230	Non-high definition, projection type, with cathode-ray tube
8528.12.dd	8528.12.94	8528.1240	High definition, non-projection type, with cathode-ray tube
8528.12.ee	8528.12.96	8528.1250	High definition, projection type, with cathode-ray tube
8528.12.ff	8528.12.97	8528.1260	With flat panel screen
8528.12.gg	8528.12.10	8528.1270	Incomplete or unfinished (including assemblies for television receivers consisting of all the parts specified in Note 4 to Chapter 85 plus a power supply), not incorporating a cathode-ray tube, flat panel screen or similar display

TARIFF ITEM	CANADA	CHILE	DESCRIPTION
8528.21.aa	8528.21.91	8528.2110	Non-high definition, having a single picture tube intended for direct viewing (non-projection type), with a video display diagonal not exceeding 14 inches (35.56 cm)
8528.21.bb	8528.21.92	8528.2120	Non-high definition, having a single picture tube intended for direct viewing (non-projection type), with a video display diagonal exceeding 14 inches (35.56 cm)
8528.21.cc	8528.21.94	8528.2130	Non-high definition, projection type, with cathode-ray tube
8528.21.dd	8528.21.93	8528.2140	High definition, non-projection type, with cathode-ray tube
8528.21.ee	8528.21.95	8528.2150	High definition, projection type, with cathode-ray tube
8528.21.ff	8528.21.96	8528.2160	With flat panel screen
8528.21.gg	8528.21.10	8528.2170	Incomplete or unfinished (including assemblies for video monitors consisting of the parts specified in subparagraphs (a), (b), (c) and (e) in Note 4 to Chapter 85 plus a power supply), not incorporating a cathode-ray tube, flat panel screen or similar display
8528.30.cc	8528.30.21	8528.3010	Non-high definition, projection type, with cathode-ray tube
8528.30.ee	8528.30.22	8528.3020	High definition, projection type, with cathode-ray tube
8528.30.ff	8528.30.23	8528.3030	With flat panel screen
8528.30.gg	8528.30.10	8528.3040	Incomplete or unfinished (including assemblies for video projectors consisting of the parts specified in subparagraphs (a), (b), (c) and (e) in Note 4 to Chapter 85 plus a power supply), not incorporating a cathode-ray tube, flat panel screen or similar display
8529.90.aa	8529.90.11 8529.90.12 8529.90.13 8529.90.14 8529.90.15	8529.9010	Printed circuit assemblies for goods classified under heading 85.25 through 85.28
8529.90.bb	8529.90.20	8529.9020	Transceiver assemblies for the apparatus of subheading 8526.10, not elsewhere specified
8529.90.cc	8529.90.38 8529.90.39	8529.9030	Parts specified in Note 4 to Chapter 85, other than printed circuit assemblies classified under tariff item 8529.90.aa
8529.90.dd	8529.90.31 8529.90.32	8529.9040	Combinations of parts specified in Note 4 to Chapter 85
8529.90.ee	8529.90.40	8529.9050	Flat panel screen assemblies for the goods of tariff item 8528.12.ff, 8528.21.ff or 8528.30.ff
8529.90.ff	8529.90.51 8529.90.52 8529.90.53 8529.90.54 8529.90.55	8529.9060	Parts, including face plates and lock latches, of printed circuit assemblies
8529.90.gg	8529.90.60	8529.9070	Other parts of goods of headings 85.25 and 85.27 (except parts of cellular telephones)
8531.90.aa	8531.90.11 8531.90.21	8531.9010	Printed circuit assemblies
8533.40.aa	8533.40.10	8533.4011	Metal oxide varistors
8533.90.aa	8533.90.11	8533.9010	For the goods of subheading 8533.40, of ceramic or metallic materials, electrically or mechanically reactive to changes in temperature
8535.90.aa	8535.90.30	8535.9020	Motor starters and motor overload protectors
8536.30.aa	8536.30.12	8536.3010	Motor overload protectors

TARIFF ITEM	CANADA	CHILE	DESCRIPTION
8536.41.aa	8536.41.91	8536.4110	Relays (automotive signalling flashers)
8536.50.aa	8536.50.28	8536.5011	Motor starters, for automotive use
8536.50.bb	8536.50.92	8536.5091	Other switches, for automotive use
8536.90.aa	8536.90.50	8536.9011 8536.9091	Other apparatus, for automotive use
8537.10.aa	8537.10.11 8537.10.19 8537.10.41 8537.10.49	8537.1010	Assembled with outer housing or supports, for the goods of heading 84.21, 84.22, 84.50 or 85.16
8537.10.bb	8537.10.38	8537.1020	Motor control centres for automotive use
8538.90.aa	8538.90.20	8538.9010	For the goods of tariff item 8535.90.aa, 8536.30.aa or 8536.50.aa, of ceramic or metallic materials, electrically or mechanically reactive to changes in temperature
8538.90.bb	8538.90.30	8538.9020	Printed circuit assemblies
8538.90.cc	8538.90.60	8538.9030	Moulded parts
8539.10.aa	8539.10.10	8539.1010	Sealed beam lamp units for use in motor vehicles of Chapter 87
8539.21.aa	8539.21.90	8539.2110	Tungsten halogen, for automotive use
8539.29.aa	8539.29.21	8539.2911 8539.2991	Other filament lamps for voltage not exceeding 31 V
8540.11.aa	8540.11.22	8540.1110	Non-high definition, non-projection, having a video display diagonal exceeding 14 inches (35.56 cm)
8540.11.bb	8540.11.21	8540.1120	Non-high definition, non-projection, having a video display diagonal not exceeding 14 inches (35.56 cm)
8540.11.cc	8540.11.12	8540.1130	High definition, having a video display diagonal exceeding 14 inches (35.56 cm)
8540.11.dd	8540.11.11	8540.1140	High definition, having a video display diagonal not exceeding 14 inches (35.56 cm)
8540.12.aa	8540.12.90	8540.1290	Non-high definition
8540.12.bb	8540.12.10	8540.1210	High definition
8540.91.aa	8540.91.10	8540.9110	Front panel assemblies
8540.99.aa	8540.99.10	8540.9910	Electron guns; radio frequency (RF) interaction structures for microwave tubes of subheading 8540.71 through 8540.79
8542.13.aa	8542.13.10	8542.1310	Monolithic integrated circuits for high definition television, having greater than 100,000 gates
8542.14.aa	8542.14.10	8542.1410	Monolithic integrated circuits for high definition television, having greater than 100,000 gates
8542.19.aa	8542.19.10	8542.1910	Monolithic integrated circuits for high definition television, having greater than 100,000 gates
8543.89.aa	8543.89.60	8543.8910	Microwave amplifiers
8543.90.aa	8543.90.11 8543.90.12 8543.90.13 8543.90.14	8543.9010	Printed circuit assemblies
8544.41.aa	8544.41.00	8544.4130	Electric conductors fitted with connectors for a voltage not exceeding 80 V, for automotive use

TARIFF ITEM	CANADA	CHILE	DESCRIPTION
8548.10.aa	8548.10.10	8548.1010	Spent primary cells, spent primary batteries and spent electric accumulators
8607.19.aa	8607.19.11	8607.1910	Axles
8607.19.bb	8607.19.13	8607.1920	Parts of axles
8607.19.cc	8607.19.12	8607.1930	Wheels, whether or not fitted with axles
8607.19.dd	8607.19.13	8607.1940	Parts of wheels
8702.10.aa	8702.10.10	8702.1090	Designed for the transport of 16 or more persons, including the driver
8702.10.bb	8702.10.90	8702.1010	Other
8702.90.aa	8702.90.10	8702.9020 8702.9090	Designed for the transport of 16 or more persons, including the driver
8702.90.bb	8702.90.90	8702.9010	Other
8708.10.aa	8708.10.10	8708.1010	Bumpers, but not parts thereof
8708.29.aa	8708.29.11 8708.29.96	8708.2910	Body stampings
8708.29.bb	8708.29.97	8708.2920	Inflators and modules for airbags
8708.29.cc	8708.29.12 8708.29.20	8708.2930	Door assemblies
8708.29.dd	8708.29.98	8708.2910	Airbags for use in motor vehicles
8708.29.ee	8708.29.19 8708.29.92 8708.29.93 8708.29.94 8708.29.95 8708.29.99	8708.2920	Other parts and accessories not elsewhere classified under subheading 8708.29
8708.50.aa	8708.50.20	8708.5010	For vehicles of heading 87.03
8708.60.aa	8708.60.20	8708.6010	For vehicles of heading 87.03
8708.70.aa	8708.70.11 8708.70.91	8708.7010	Road wheels, but not parts or accessories thereof
8708.80.aa	8708.80.10	8708.8010	McPherson Struts
8708.93.aa	8708.93.11 8708.93.91	8708.9310	Clutches, but not parts thereof

TARIFF ITEM	CANADA	CHILE	DESCRIPTION
8708.99.aa	8708.99.15 8708.99.25 8708.99.96	8708.9910	Vibration control goods containing rubber
8708.99.bb	8708.99.16 8708.99.26 8708.99.97	8708.9920	Doubled flanged wheel hub units incorporating ball bearings
8708.99.dd	8708.99.11 8708.99.21 8708.99.92	8708.9930	Half-shafts and drive shafts
8708.99.ee	8708.99.12 8708.99.22 8708.99.93	8708.9940	Other parts for powertrains
8708.99.ff	8708.99.13 8708.99.23 8708.99.94	8708.9950	Parts for suspension systems
8708.99.gg	8708.99.14 8708.99.24 8708.99.95	8708.9960	Parts for steering systems
8708.99.hh	8708.99.19 8708.99.29 8708.99.99	8708.9990	Other parts and accessories not elsewhere classified under subheading 8708.99
9007.19.aa	9007.19.10	9007.1910	Gyrostabilized
9009.90.aa	9009.90.10	9009.9010	Parts of photocopying apparatus of subheading 9009.12 specified in Note 3 to Chapter 90
9009.90.bb	9009.90.90	9009.9090	Other
9018.11.aa	9018.11.10	9018.1110	Electrocardiographs
9018.19.aa	9018.19.10	9018.1910	Patient monitoring systems
9018.90.aa	9018.90.10	9018.9010	Defibrillators
9022.90.aa	9022.90.10	9022.9010	Radiation generator units
9027.80.aa	9027.80.20	9027.8010	Nuclear magnetic resonance instruments
9027.90.aa	9027.90.31 9027.90.32 9027.90.33	9027.9010	Printed circuit assemblies for the goods of subheading 9027.80
9031.49.aa	9031.49.10	9031.4910	Coordinate-measuring machines
9614.20aa	9614.20.20	9614.2010	Roughly shaped blocks of wood or root, for the manufacture of pipes

Chapter E

Customs Procedures

Section I - Certification of Origin

Article E-01: Certificate of Origin

1. The Parties shall establish by the date of entry into force 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 in a language required under its law.
3. Each Party shall:
 - (a) require an exporter in its territory to complete and sign a Certificate of Origin for any exportation of a good for which an importer may claim preferential tariff treatment on importation of the good into the territory of the other Party; 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,
 - (ii) its reasonable reliance on the producer's written representation that the good qualifies as an originating good, or
 - (iii) a completed and signed Certificate for the good voluntarily provided to the exporter by the producer.
4. Nothing in paragraph 3 shall be construed to require a producer to provide a Certificate of Origin to an exporter.
5. Each Party shall provide that a Certificate of Origin that has been completed and signed by an exporter or a producer in the territory of the other Party that is 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 or producer,shall be accepted by its customs administration for four years after the date on which the Certificate was signed.
6. For any originating good that is imported into the territory of a Party on or after the date of entry into force of this Agreement, each Party shall accept a Certificate of Origin that has been completed and signed prior to that date by the exporter or producer of that good.

Article E-02: 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, a copy of the Certificate; 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:

- (a) the Party may deny preferential tariff treatment to the good if the importer fails to comply with any requirement under this Chapter; and
- (b) the importer shall not be subject to penalties for the making of an incorrect declaration, if it voluntarily makes a corrected declaration pursuant to paragraph 1(d).

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 no claim for preferential tariff treatment was made at that time, the importer of the good may, no later than one year 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, on presentation of:

- (a) a written declaration that the good qualified as an originating good at the time of importation;
- (b) a copy of the Certificate of Origin; and
- (c) such other documentation relating to the importation of the good as that Party may require.

Article E-03: 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 US\$1,000 or its equivalent amount in the Party's currency, or such higher amount as it may establish, except that it may require that the invoice accompanying the importation include a statement certifying that the good qualifies as an originating good;
- (b) a non-commercial importation of a good whose value does not exceed US\$1,000 or its equivalent amount in the Party's currency, or such higher amount as it may establish; or
- (c) 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 Articles E-01 and E-02.

Article E-04: Obligations Regarding Exportations

1. Each Party shall provide that:
 - (a) an exporter in its territory, or a producer in its territory that has provided a copy of a Certificate of Origin to that exporter pursuant to Article E-01(3)(b)(iii), shall provide a copy of the Certificate to its customs administration on request; and
 - (b) an exporter or a producer 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 or producer 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 or a producer 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 or a producer in its territory fails to comply with any requirement of this Chapter.
3. Neither Party may impose penalties on an exporter or a producer in its territory that voluntarily provides written notification pursuant to paragraph (1)(b) with respect to the making of an incorrect certification.

Section II - Administration and Enforcement

Article E-05: Records

Each Party shall provide that:

- (a) an exporter or a producer 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 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 E-06: 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 solely by means of:

- (a) written questionnaires to an exporter or a producer in the territory of the other Party;
- (b) visits to the premises of an exporter or a producer in the territory of the other Party to review the records referred to in Article E-05(a) and observe the facilities used in the production of the good; or
- (c) such other procedure as the Parties may agree.

2. Prior to conducting a verification visit pursuant to paragraph (1)(b), a Party shall, through its customs administration:

- (a) deliver a written notification of its intention to conduct the visit to
 - (i) the exporter or producer whose premises are to be visited,
 - (ii) the customs administration of the other Party, and
 - (iii) if requested by the other Party, the embassy of the other Party in the territory of the Party proposing to conduct the visit; and
- (b) obtain the written consent of the exporter or producer whose premises are to be visited.

3. The notification referred to in paragraph 2 shall include:

- (a) the identity of the customs administration issuing the notification;
- (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.

4. Where an exporter or a producer has not given its written consent to a proposed verification visit within 30 days of receipt of notification pursuant to paragraph 2, the

notifying Party may deny preferential tariff treatment to the good that would have been the subject of the visit.

5. Each Party shall provide that, where its customs administration receives notification pursuant to paragraph 2, the customs administration may, within 15 days of receipt of the notification, postpone the proposed verification visit for a period not exceeding 60 days from the date of such receipt, or for such longer period as the Parties may agree.

6. A Party shall not deny preferential tariff treatment to a good based solely on the postponement of a verification visit pursuant to paragraph 5.

7. Each Party shall permit an exporter or a producer whose good is the subject of a verification visit by the other Party to 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 of the exporter or producer to designate observers shall not result in the postponement of the visit.

8. Each Party shall, through its customs administration, where conducting a verification of origin involving a regional value content, de minimis calculation or any other provision in Chapter D (Rules of Origin) to which Generally Accepted Accounting Principles may be relevant, apply such principles as are applicable in the territory of the Party from which the good was exported.

9. The Party conducting a verification 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 findings of fact and the legal basis for the determination.

10. Where verifications by a Party indicate a pattern of conduct by an exporter or a producer of false or unsupported representations that a good imported into its territory qualifies as an originating good, the Party may withhold preferential tariff treatment to identical goods exported or produced by such person until that person establishes compliance with Chapter D (Rules of Origin).

11. Each Party shall provide that where it determines that a certain good imported into its territory does not qualify as an originating good based on a tariff classification or a value applied by the Party to one or more materials used in the production of the good, which differs from the tariff classification or value applied to the materials by the other Party, the Party's determination shall not become effective until it notifies in writing both the importer of the good and the person that completed and signed the Certificate of Origin for the good of its determination.

12. A Party shall not apply a determination made under paragraph 11 to an importation made before the effective date of the determination where:

- (a) the customs administration of the other Party has issued an advance ruling under Article E-09 or any other ruling on the tariff classification or on the value of such materials, or has given consistent treatment to the entry of the materials under the tariff classification or value at issue, on which a person is entitled to rely; and
- (b) the advance ruling, other ruling or consistent treatment was given prior to notification of the determination.

13. If a Party denies preferential tariff treatment to a good pursuant to a determination made under paragraph 11, it shall postpone the effective date of the denial for a period not exceeding 90 days where the importer of the good, or the person who completed and signed the Certificate of Origin for the good, demonstrates that it has relied in good faith to its detriment on the tariff classification or value applied to such materials by the customs administration of the other Party.

Article E-07: 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 pursuant to this Chapter may only be disclosed to those authorities responsible for the administration and enforcement of determinations of origin, and of customs and revenue matters.

Article E-08: Penalties

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

2. Nothing in Article E-02(2), E-04(3) or E-06(6) shall be construed to prevent a Party from applying such measures as the circumstances may warrant.

Section III - Advance Rulings

Article E-09: Advance Rulings

1. Each Party shall, through its customs administration, provide for the expeditious 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 a 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:

- (a) whether materials imported from a non-Party used in the production of a good undergo an applicable change in tariff classification set out in Annex D-01 as a result of production occurring entirely in the territory of one or both of the Parties;
- (b) whether a good satisfies a regional value-content requirement under either the transaction value method or the net cost method set out in Chapter D (Rules of Origin);
- (c) for the purpose of determining whether a good satisfies a regional value-content requirement under Chapter D, the appropriate basis or method for value to be applied by an exporter or a producer in the territory of the other Party, in accordance with the principles of the Customs Valuation Code, for calculating the transaction value of the good or of the materials used in the production of the good;
- (d) for the purpose of determining whether a good satisfies a regional value-content requirement under Chapter D, the appropriate basis or method for reasonably allocating costs, in accordance with the allocation methods set

out in the Uniform Regulations, for calculating the net cost of the good or the value of an intermediate material;

- (e) whether a good qualifies as an originating good under Chapter D;
 - (f) whether a good that re-enters its territory after the good has been exported from its territory to the territory of the other Party for repair or alteration qualifies for duty-free treatment in accordance with Article C-06 (Goods Re-Entered after Repair or Alteration);
 - (g) whether a good referred to in Annex C-00-B (Textiles and Apparel Goods) satisfies the conditions set out in Appendix 5.1 of that Annex regarding eligibility for a tariff preference level (TPL) referred to therein; or
 - (h) such other matters as the Parties may agree.
2. Each Party shall adopt or maintain procedures for the issuance of advance rulings, including a detailed description of the information reasonably required to process an application for a ruling.
3. 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;
 - (b) shall, after it has obtained all necessary information from the person requesting an advance ruling, issue the ruling within the periods specified in the Uniform Regulations; and
 - (c) shall, where the advance ruling is unfavourable to the person requesting it, provide to that person a full explanation of the reasons for the ruling.
4. Subject to paragraph 6, 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.
5. Each Party shall provide to any person requesting an advance ruling the same treatment, including the same interpretation and application of provisions of Chapter D regarding a determination of origin, as it provided to any other person to whom it issued an advance ruling, provided that the facts and circumstances are identical in all material respects.
6. The issuing Party may modify or revoke an advance ruling:
- (a) if the ruling is based on an error
 - (i) of fact,
 - (ii) in the tariff classification of a good or a material that is the subject of the ruling,
 - (iii) in the application of a regional value-content requirement under Chapter D, or
 - (iv) in the application of the rules for determining whether a good that re-enters its territory after the good has been exported from its territory to the territory of the other Party for repair or alteration qualifies for duty-free treatment under Article C-06;

- (b) if the ruling is not in accordance with an interpretation agreed by the Parties regarding Chapter C (National Treatment and Market Access for Goods) or Chapter D;
- (c) if there is a change in the material facts or circumstances on which the ruling is based;
- (d) to conform with a modification of Chapter C, Chapter D, this Chapter or the Uniform Regulations; or
- (e) to conform with a judicial decision or a change in its domestic law.

7. Each Party shall provide that any modification or revocation of an advance ruling shall be effective on the date on which the modification or revocation is issued, or on such later date as may be specified therein, and shall not be applied to importations of a good that have occurred prior to that date, unless the person to whom the advance ruling was issued has not acted in accordance with its terms and conditions.

8. Notwithstanding paragraph 7, the issuing Party shall postpone the effective date of such modification or revocation for a period not exceeding 90 days where the person to whom the advance ruling was issued demonstrates that it has relied in good faith to its detriment on that ruling.

9. Each Party shall provide that where its customs administration examines the regional value content of a good for which it has issued an advance ruling pursuant to subparagraph 1(c), (d) or (f), it shall evaluate whether:

- (a) the exporter or producer has complied with the terms and conditions of the advance ruling;
- (b) the exporter's or producer's operations are consistent with the material facts and circumstances on which the advance ruling is based; and
- (c) the supporting data and computations used in applying the basis or method for calculating value or allocating cost were correct in all material respects.

10. Each Party shall provide that where its customs administration determines that any requirement in paragraph 9 has not been satisfied, it may modify or revoke the advance ruling as the circumstances may warrant.

11. Each Party shall provide that, where the person to whom an advance ruling was issued demonstrates that it used reasonable care and acted in good faith in presenting the facts and circumstances on which the ruling was based, and where the customs administration of a Party determines that the ruling was based on incorrect information, the person to whom the ruling was issued shall not be subject to penalties.

12. Each Party shall provide that where it issues an advance ruling to a person that has misrepresented or omitted material facts or circumstances on which the ruling is based or has failed to act in accordance with the terms and conditions of the ruling, the Party may apply such measures as the circumstances may warrant.

Section IV - Review and Appeal of Origin Determinations and Advance Rulings

Article E-10: Review and Appeal

1. Each Party shall grant substantially the same rights of review and appeal of determinations of origin and advance rulings by its customs administration as it provides to importers in its territory to any person:

- (a) who completes and signs a Certificate of Origin for a good that has been the subject of a determination of origin; or
- (b) who has received an advance ruling pursuant to Article E-09(1).

2. Further to Articles L-04 (Administrative Proceedings) and L-05 (Review and Appeal), 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 V - Uniform Regulations

Article E-11: Uniform Regulations

1. The Parties shall establish, and implement through their respective laws or regulations by the date of entry into force of this Agreement, and at any time thereafter, upon agreement of the Parties, Uniform Regulations regarding the interpretation, application and administration of Chapter D, this Chapter and other matters as may be agreed by the Parties.

2. Each Party shall implement any modification of or addition to the Uniform Regulations no later than 180 days after the Parties agree on such modification or addition, or such other period as the Parties may agree.

Section VI - Cooperation

Article E-12: Cooperation

1. Each Party shall notify the other Party of the following determinations, measures and rulings, including to the greatest extent practicable those that are prospective in application:

- (a) a determination of origin issued as the result of a verification conducted pursuant to Article E-06(1);
- (b) a determination of origin that the Party is aware is contrary to
 - (i) a ruling issued by the customs administration of the other Party with respect to the tariff classification or value of a good, or of materials used in the production of a good, or the reasonable allocation of

costs where calculating the net cost of a good, that is the subject of a determination of origin, or

- (ii) consistent treatment given by the customs administration of the other Party with respect to the tariff classification or value of a good, or of materials used in the production of a good, or the reasonable allocation of costs where calculating the net cost of a good, that is the subject of a determination of origin;
- (c) a measure establishing or significantly modifying an administrative policy that is likely to affect future determinations of origin; and
- (d) an advance ruling, or a ruling modifying or revoking an advance ruling, pursuant to Article E-09.

2. The Parties shall cooperate:

- (a) in the enforcement of their respective customs-related laws or regulations implementing this Agreement, and under any customs mutual assistance agreement or other customs-related agreement to which they are party;
- (b) for purposes of the detection and prevention of unlawful transshipments of textile and apparel goods of a non-Party, in the enforcement of prohibitions or quantitative restrictions, including the verification by a Party, in accordance with the procedures set out in this Chapter, of the capacity for production of goods by an exporter or a producer in the territory of the other Party, provided that the customs administration of the Party proposing to conduct the verification, prior to conducting the verification
 - (i) obtains the consent of the other Party, and
 - (ii) provides notification to the exporter or producer whose premises are to be visited,

except that procedures for notifying the exporter or producer whose premises are to be visited shall be in accordance with such other procedures as the Parties may agree;

- (c) to the extent practicable and for purposes of facilitating the flow of trade between them, in such customs-related matters as the collection and exchange of statistics regarding the importation and exportation of goods, the harmonization of documentation used in trade, the standardization of data elements, the acceptance of an international data syntax and the exchange of information; and
- (d) to the extent practicable, in the storage and transmission of customs-related documentation.

Article E-13: The Customs Sub-Committee

1. The Parties hereby establish a Customs Sub-Committee, comprising representatives of each Party's customs administration. The Sub-Committee shall meet at least once each year, and at any other time on the request of either Party and shall:

- (a) endeavour to agree on

- (i) the uniform interpretation, application and administration of Article C-04, C-05 and C-06, Chapter D, this Chapter, and the Uniform Regulations,
 - (ii) tariff classification and valuation matters relating to determinations of origin,
 - (iii) equivalent procedures and criteria for the request, approval, modification, revocation and implementation of advance rulings,
 - (iv) revisions to the Certificate of Origin,
 - (v) any other matter referred to it by a Party or the Committee on Trade in Goods and Rules of Origin established under Article C-15(1), and
 - (vi) any other customs-related matter arising under this Agreement;
- (b) consider
- (i) the harmonization of customs-related automation requirements and documentation, and
 - (ii) proposed customs-related administrative and operational changes that may affect the flow of trade between the Parties' territories;
- (c) report periodically to the Committee on Trade in Goods and Rules of Origin and notify it of any agreement reached under this paragraph; and
- (d) refer to the Committee on Trade in Goods and Rules of Origin any matter on which it has been unable to reach agreement within 60 days of referral of the matter to it pursuant to subparagraph (a)(v).

2. Nothing in this Chapter shall be construed to prevent a Party from issuing a determination of origin or an advance ruling relating to a matter under consideration by the Customs Sub-Committee or from taking such other action as it considers necessary, pending a resolution of the matter under this Agreement.

Article E-14: Definitions

For purposes of this Chapter:

commercial importation means the importation of a good into the territory of a Party for the purpose of sale, or any commercial, industrial or other like use;

customs administration means the competent authority that is responsible under the law of a Party for the administration of customs laws and regulations;

determination of origin¹ means a determination as to whether a good qualifies as an originating good in accordance with Chapter D;

exporter in the territory of a Party means an exporter located in the territory of a Party and an exporter required under this Chapter to maintain records in the territory of that Party regarding exportations of a good;

¹ The Uniform Regulations will clarify that "determination of origin" includes a denial of preferential tariff treatment under Article E-06(4), and that such denial is subject to review and appeal.

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 D;

importer in the territory of a Party means an importer located in the territory of a Party and an importer required under this Chapter to maintain records in the territory of that Party regarding importations of a good;

intermediate material means "intermediate material" as defined in Article D-16;

material means "material" as defined in Article D-16;

net cost of a good means "net cost of a good" as defined in Article D-16;

preferential tariff treatment means the duty rate applicable to an originating good;

producer means "producer" as defined in Article D-16;

production means "production" as defined in Article D-16;

transaction value means "transaction value" as defined in Article D-16;

Uniform Regulations means "Uniform Regulations" established under Article E-11;

used means "used" as defined in Article D-16; and

value means value of a good or material for purposes of calculating customs duties or for purposes of applying Chapter D.

Chapter F

Emergency Action

Article F-01: Bilateral Actions

1. Subject to paragraphs 2 through 4, and during the transition period only, if a good originating in the territory of a Party, as a result of the reduction or elimination of a duty provided for in this Agreement, is being imported into the territory of the other Party in such increased quantities, in absolute terms, and under such conditions that the imports of the good from that Party alone constitute a substantial cause of serious injury, or threat thereof, to a domestic industry producing a like or directly competitive good, the Party into whose territory the good is being imported may, to the minimum extent necessary to remedy or prevent the injury:

- (a) suspend the further reduction of any rate of duty provided for under this Agreement on the good;
- (b) increase the rate of duty on the good to a level not to exceed the lesser of
 - (i) the most-favoured-nation (MFN) applied rate of duty in effect at the time the action is taken, and
 - (ii) the MFN applied rate of duty in effect on the day immediately preceding the date of entry into force of this Agreement; or
- (c) in the case of a duty applied to a good on a seasonal basis, increase the rate of duty to a level not to exceed the MFN applied rate of duty that was in effect on the good for the corresponding season immediately preceding the date of entry into force of this Agreement.

2. The following conditions and limitations shall apply to a proceeding that may result in emergency action under paragraph 1:

- (a) a Party shall, without delay, deliver to the other Party written notice of, and a request for consultations regarding, the institution of a proceeding that could result in emergency action against a good originating in the territory of the other Party;
- (b) any such action shall be initiated no later than one year after the date of institution of the proceeding;
- (c) no action may be maintained
 - (i) for a period exceeding three years, or
 - (ii) beyond the expiration of the transition period, except with the consent of the Party against whose good the action is taken;
- (d) no action may be taken by a Party against any particular good originating in the territory of the other Party more than once during the transition period; and
- (e) on the termination of the action, the rate of duty shall be the rate that, according to the Party's Schedule to Annex C-02.2 for the staged elimination of the tariff, would have been in effect one year after the initiation of the action, and beginning January 1 of the year following the termination of the action, at the option of the Party that has taken the action

- (i) the rate of duty shall conform to the applicable rate set out in its Schedule to Annex C-02.2, or
- (ii) the tariff shall be eliminated in equal annual stages ending on the date set out in its Schedule to Annex C-02.2 for the elimination of the tariff.

3. A Party may take a bilateral emergency action after the expiration of the transition period to deal with cases of serious injury, or threat thereof, to a domestic industry arising from the operation of this Agreement only with the consent of the other Party.

4. The Party taking an action under this Article shall provide to the other Party 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 tariff action having trade effects substantially equivalent to the action taken under this Article. The Party taking the tariff action shall apply the action only for the minimum period necessary to achieve the substantially equivalent effects.

5. This Article does not apply to emergency actions respecting goods covered by Annex C-00-B (Textile and Apparel Goods).

Article F-02: Global Actions

1. Each Party retains its rights and obligations under Article XIX of the GATT 1994 and the *Agreement on Safeguards* of the WTO Agreement except those regarding compensation or retaliation and exclusion from an action to the extent that such rights or obligations are inconsistent with this Article. Any Party taking an emergency action under Article XIX of the GATT 1994 and the *Agreement on Safeguards* of the WTO Agreement shall exclude imports of a good from the other Party from the action 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 that 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 of the other Party. In this regard, imports from a Party normally shall not be deemed to contribute importantly to serious injury, or the threat thereof, if the growth rate of imports from a 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, as far in advance of taking the action as practicable; and
- (b) that would have the effect of reducing imports of such good from the other 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 shall provide to the other Party 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 F-03: Administration of Emergency Action Proceedings

1. Each Party shall ensure the consistent, impartial and reasonable administration of its laws, regulations, decisions and rulings governing all emergency action proceedings.

2. Each Party shall entrust determinations of serious injury, or threat thereof, in emergency action proceedings to a competent investigating authority, subject to review by judicial or administrative tribunals, to the extent provided by domestic law. Negative injury determinations shall not be subject to modification, except by such review. The competent investigating authority empowered under domestic law to conduct such proceedings should be provided with the necessary resources to enable it to fulfill its duties.

3. Each Party shall adopt or maintain equitable, timely, transparent and effective procedures for emergency action proceedings, in accordance with the requirements set out in Annex F-03.3.

4. This Article does not apply to emergency actions taken under Annex C-00-B (Textile and Apparel Goods).

Article F-04: Dispute Settlement in Emergency Action Matters

Neither Party may request the establishment of an arbitral panel under Article N-08 (Request for an Arbitral Panel) regarding any proposed emergency action.

Article F-05: Definitions

For purposes of this Chapter:

competent investigating authority means the "competent investigating authority" of a Party as defined in Annex F-05;

contribute importantly means an important cause, but not necessarily the most important cause;

critical circumstances means circumstances where delay would cause damage that would be difficult to repair;

domestic industry means the producers as a whole of the like or directly competitive good operating in the territory of a Party;

emergency action does not include any emergency action pursuant to a proceeding instituted prior to the entry into force of this Agreement;

good originating in the territory of a Party means an originating good;

serious injury means a significant overall impairment of a domestic industry;

surge means a significant increase in imports over the trend for a recent representative base period;

threat of serious injury means serious injury that, on the basis of facts and not merely on allegation, conjecture or remote possibility, is clearly imminent; and

transition period means the 6-year period beginning on January 1, 1997, except where the tariff elimination for the good against which the action is taken occurs over a longer period of time, in which case the transition period shall be the period of the staged tariff elimination for that good.

Administration of Emergency Action Proceedings

Institution of a Proceeding

1. An emergency action proceeding may be instituted by a petition or complaint by entities specified in domestic law. The entity filing the petition or complaint shall demonstrate that it is representative of the domestic industry producing a good like or directly competitive with the imported good.
2. A Party may institute a proceeding on its own motion or request the competent investigating authority to conduct a proceeding.

Contents of a Petition or Complaint

3. Where the basis for an investigation is a petition or complaint filed by an entity representative of a domestic industry, the petitioning entity shall, in its petition or complaint, provide the following information to the extent that such information is publicly available from governmental or other sources, or best estimates and the basis therefor if such information is not available:
 - (a) product description - the name and description of the imported good concerned, the tariff subheading under which that good is classified, its current tariff treatment and the name and description of the like or directly competitive domestic good concerned;
 - (b) representativeness -
 - (i) the names and addresses of the entities filing the petition or complaint, and the locations of the establishments in which they produce the domestic good,
 - (ii) the percentage of domestic production of the like or directly competitive good that such entities account for and the basis for claiming that they are representative of an industry, and
 - (iii) the names and locations of all other domestic establishments in which the like or directly competitive good is produced;
 - (c) import data - import data for each of the five most recent full years that form the basis of the claim that the good concerned is being imported in increased quantities, either in absolute terms or relative to domestic production as appropriate;
 - (d) domestic production data - data on total domestic production of the like or directly competitive good for each of the five most recent full years;
 - (e) data showing injury - quantitative and objective data indicating the nature and extent of injury to the concerned industry, such as data showing changes in the level of sales, prices, production, productivity, capacity utilization, market share, profits and losses, and employment;
 - (f) cause of injury - an enumeration and description of the alleged causes of the injury, or threat thereof, and a summary of the basis for the assertion that increased imports, either actual or relative to domestic production, of the imported good are causing or threatening to cause serious injury, supported by pertinent data; and

- (g) criteria for inclusion - quantitative and objective data indicating the share of imports accounted for by imports from the territory of the other Party and the petitioner's views on the extent to which such imports are contributing importantly to the serious injury, or threat thereof, caused by imports of that good.

4. Petitions or complaints, except to the extent that they contain confidential business information, shall promptly be made available for public inspection on being filed.

Notice Requirement

5. On instituting an emergency action proceeding, the competent investigating authority shall publish notice of the institution of the proceeding in the official journal of the Party. The notice shall identify the petitioner or other requester, the imported good that is the subject of the proceeding and its tariff subheading, the nature and timing of the determination to be made, the time and place of the public hearing, dates of deadlines for filing briefs, statements and other documents, the place at which the petition and any other documents filed in the course of the proceeding may be inspected, and the name, address and telephone number of the office to be contacted for more information.

6. With respect to an emergency action proceeding instituted on the basis of a petition or complaint filed by an entity asserting that it is representative of the domestic industry, the competent investigating authority shall not publish the notice required by paragraph 5 without first assessing carefully that the petition or complaint meets the requirements of paragraph 3, including representativeness.

Public Hearing

7. In the course of each proceeding, the competent investigating authority shall:

- (a) hold a public hearing, after providing reasonable notice, to allow all interested parties, and any association whose purpose is to represent the interests of consumers in the territory of the Party instituting the proceeding, to appear in person or by counsel, to present evidence and to be heard on the questions of serious injury, or threat thereof, and the appropriate remedy; and
- (b) provide an opportunity to all interested parties and any such association appearing at the hearing to cross-question interested parties making presentations at that hearing.

Confidential Information

8. The competent investigating authority shall adopt or maintain procedures for the treatment of confidential information, protected under domestic law, that is provided in the course of a proceeding, including a requirement that interested parties and consumer associations providing such information furnish non-confidential written summaries thereof, or where they indicate that the information cannot be summarized, the reasons why a summary cannot be provided.

Evidence of Injury and Causation

9. In conducting its proceeding the competent investigating authority shall gather, to the best of its ability, all relevant information appropriate to the determination it must make. It shall evaluate all relevant factors of an objective and quantifiable nature having a bearing on the situation of that industry, including the rate and amount of the increase in imports of the good concerned, in absolute and relative terms as appropriate, the share of the domestic market taken by increased imports, and changes in the level of sales, production, productivity, capacity utilization, profits and losses, and employment. In

making its determination, the competent investigating authority may also consider other economic factors, such as changes in prices and inventories, and the ability of firms in the industry to generate capital.

10. The competent investigating authority shall not make an affirmative injury determination unless its investigation demonstrates, on the basis of objective evidence, the existence of a clear causal link between increased imports of the good concerned and serious injury, or threat thereof. Where factors other than increased imports are causing injury to the domestic industry at the same time, such injury shall not be attributed to increased imports.

Deliberation and Report

11. Except in critical circumstances and in global actions involving perishable agricultural goods, the competent investigating authority, before making an affirmative determination in an emergency action proceeding, shall allow sufficient time to gather and consider the relevant information, hold a public hearing and provide an opportunity for all interested parties and consumer associations to prepare and submit their views.

12. The competent investigating authority shall publish promptly a report, including a summary thereof in the official journal of the Party, setting out its findings and reasoned conclusions on all pertinent issues of law and fact. The report shall describe the imported good and its tariff item number, the standard applied and the finding made. The statement of reasons shall set out the basis for the determination, including a description of:

- (a) the domestic industry seriously injured or threatened with serious injury;
- (b) information supporting a finding that imports are increasing, the domestic industry is seriously injured or threatened with serious injury, and increasing imports are causing or threatening serious injury; and
- (c) if provided for by domestic law, any finding or recommendation regarding the appropriate remedy and the basis therefor.

13. In its report, the competent investigating authority shall not disclose any confidential information provided pursuant to any undertaking concerning confidential information that may have been made in the course of the proceedings.

Country-Specific Definitions

For purposes of this Chapter:

competent investigating authority means:

- (a) in the case of Canada, the Canadian International Trade Tribunal, or its successor; and
- (b) in the case of Chile, the National Commission in Charge of the Investigation of the Existence of Price Distortions in Imported Goods (“Comisión Nacional Encargada de Investigar la Existencia de Distorsiones en el Precio de las Mercaderías Importadas”), or its successor.

PART THREE
INVESTMENT, SERVICES AND RELATED MATTERS

Chapter G

Investment

Section I - Investment

Article G-01: Scope and Coverage¹

1. This Chapter applies to measures adopted or maintained by a Party relating to:
 - (a) investors of the other Party;
 - (b) investments of investors of the other Party in the territory of the Party; and
 - (c) with respect to Articles G-06 and G-14, all investments in the territory of the Party.
2. This Chapter does not apply to measures adopted or maintained by a Party relating to investors of the other Party, and investments of such investors, in financial institutions in the Party's territory.
3.
 - (a) Notwithstanding paragraph 2, Articles G-09, G-10 and Section II for breaches by a Party of Articles G-09 and G-10 shall apply to investors of the other Party, and investments of such investors, in financial institutions in the Party's territory, which have obtained the appropriate authorization.
 - (b) The Parties agree to seek further liberalization as set out in Annex G-01.3(b).
4. Nothing in this Chapter shall be construed to prevent a Party from providing a service or performing a function such as law enforcement, correctional services, income security or insurance, social security or insurance, social welfare, public education, public training, health, and child care, in a manner that is not inconsistent with this Chapter.

Article G-02: National Treatment

1. Each Party shall accord to investors of the other Party treatment no less favourable than that it accords, in like circumstances, to its own investors with respect to the establishment, acquisition, expansion, management, conduct, operation, and sale or other disposition of investments.
2. Each Party shall accord to investments of investors of the other Party treatment no less favourable than that it accords, in like circumstances, to investments of its own investors with respect to the establishment, acquisition, expansion, management, conduct, operation, and sale or other disposition of investments.
3. The treatment accorded by a Party under paragraphs 1 and 2 means, with respect to a province, treatment no less favourable than the most favourable treatment accorded, in like circumstances, by that province to investors, and to investments of investors, of the Party of which it forms a part.

¹ This Chapter covers investments existing on the date of entry into force of this Agreement as well as investments made or acquired thereafter.

4. For greater certainty, no Party may:
 - (a) impose on an investor of the other Party a requirement that a minimum level of equity in an enterprise in the territory of the Party be held by its nationals, other than nominal qualifying shares for directors or incorporators of corporations; or
 - (b) require an investor of the other Party, by reason of its nationality, to sell or otherwise dispose of an investment in the territory of the Party.

Article G-03: Most-Favoured-Nation Treatment

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

Article G-04: Standard of Treatment

1. Each Party shall accord to investors of the other Party and to investments of investors of the other Party the better of the treatment required by Articles G-02 and G-03.
2. Annex G-04.2 sets out certain specific obligations by the Party specified in that Annex.

Article G-05: Minimum Standard of Treatment

1. Each Party shall accord to investments of investors of the other Party treatment in accordance with international law, including fair and equitable treatment and full protection and security.
2. Without prejudice to paragraph 1 and notwithstanding Article G-08(7)(b), each Party shall accord to investors of the other Party, and to investments of investors of the other Party, non-discriminatory treatment with respect to measures it adopts or maintains relating to losses suffered by investments in its territory owing to armed conflict or civil strife.
3. Paragraph 2 does not apply to existing measures relating to subsidies or grants that would be inconsistent with Article G-02 but for Article G-08(7)(b).

Article G-06: Performance Requirements²

1. Neither Party may impose or enforce any of the following requirements, or enforce any commitment or undertaking, in connection with the establishment, acquisition, expansion, management, conduct or operation of an investment of an investor of a Party or of a non-Party in its territory:

² Article G-06 does not preclude enforcement of any commitment, undertaking or requirement between private parties.

- (a) to export a given level or percentage of goods or services;
- (b) to achieve a given level or percentage of domestic content;
- (c) to purchase, use or accord a preference to goods produced or services provided in its territory, or to purchase goods or services from persons in its territory;
- (d) to relate in any way the volume or value of imports to the volume or value of exports or to the amount of foreign exchange inflows associated with such investment;
- (e) to restrict sales of goods or services in its territory that such investment produces or provides by relating such sales in any way to the volume or value of its exports or foreign exchange earnings;
- (f) to transfer technology, a production process or other proprietary knowledge to a person in its territory, except when the requirement is imposed or the commitment or undertaking is enforced by a court, administrative tribunal or competition authority to remedy an alleged violation of competition laws or to act in a manner not inconsistent with other provisions of this Agreement; or
- (g) to act as the exclusive supplier of the goods it produces or services it provides to a specific region or world market.

2. A measure that requires an investment to use a technology to meet generally applicable health, safety or environmental requirements shall not be construed to be inconsistent with paragraph 1(f). For greater certainty, Articles G-02 and G-03 apply to the measure.

3. Neither Party may condition the receipt or continued receipt of an advantage, in connection with an investment in its territory of an investor of a Party or of a non-Party, on compliance with any of the following requirements:

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

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

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

6. Provided that such measures are not applied in an arbitrary or unjustifiable manner, or do not constitute a disguised restriction on international trade or investment,

nothing in paragraph 1(b) or (c) or 3(a) or (b) shall be construed to prevent a Party from adopting or maintaining measures, including environmental measures:

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

Article G-07: Senior Management and Boards of Directors

1. Neither Party may require that an enterprise of that Party that is an investment of an investor of the other Party appoint to senior management positions individuals of any particular nationality.
2. A Party may require that a majority of the board of directors, or any committee thereof, of an enterprise of that Party that is an investment of an investor of the other Party, be of a particular nationality, or resident in the territory of the Party, provided that the requirement does not materially impair the ability of the investor to exercise control over its investment.

Article G-08: Reservations and Exceptions

1. Articles G-02, G-03, G-06 and G-07 do not apply to:
 - (a) any existing non-conforming measure that is maintained by
 - (i) a Party at the national or provincial level, as set out in its Schedule to Annex I, or
 - (ii) a local government;
 - (b) the continuation or prompt renewal of any non-conforming measure referred to in subparagraph (a); or
 - (c) an amendment to any non-conforming measure referred to in subparagraph (a) to the extent that the amendment does not decrease the conformity of the measure, as it existed immediately before the amendment, with Articles G-02, G-03, G-06 and G-07.
2. Articles G-02, G-03, G-06 and G-07 do not apply to any measure that a Party adopts or maintains with respect to sectors, subsectors or activities, as set out in its Schedule to Annex II.
3. Neither Party may, under any measure adopted after the date of entry into force of this Agreement and covered by its Schedule to Annex II, require an investor of the other Party, by reason of its nationality, to sell or otherwise dispose of an investment existing at the time the measure becomes effective.
4. Articles G-02 and G-03 do not apply to any measure that is an exception to, or derogation from, a Party's obligations under the TRIPS Agreement, as specifically provided for in that agreement.
5. Article G-03 does not apply to treatment accorded by a Party pursuant to agreements, or with respect to sectors, set out in its Schedule to Annex III.

6. Articles G-02, G-03 and G-07 do not apply to:
 - (a) procurement by a Party or a state enterprise; or
 - (b) subsidies or grants provided by a Party or a state enterprise, including government-supported loans, guarantees and insurance.

7. The provisions of:
 - (a) Article G-06(1)(a), (b) and (c), and (3)(a) and (b) do not apply to qualification requirements for goods or services with respect to export promotion and foreign aid programs;
 - (b) Article G-06(1)(b), (c), (f) and (g), and (3)(a) and (b) do not apply to procurement by a Party or a state enterprise; and
 - (c) Article G-06(3)(a) and (b) do not apply to requirements imposed by an importing Party relating to the content of goods necessary to qualify for preferential tariffs or preferential quotas.

Article G-09: Transfers

1. Except as provided in Annex G-09.1, each Party shall permit all transfers relating to an investment of an investor of the other Party in the territory of the Party to be made freely and without delay. Such transfers include:
 - (a) profits, dividends, interest, capital gains, royalty payments, management fees, technical assistance and other fees, returns in kind and other amounts derived from the investment;
 - (b) proceeds from the sale of all or any part of the investment or from the partial or complete liquidation of the investment;
 - (c) payments made under a contract entered into by the investor, or its investment, including payments made pursuant to a loan agreement;
 - (d) payments made pursuant to Article G-10; and
 - (e) payments arising under Section II.

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

3. Neither Party may require its investors to transfer, or penalize its investors that fail to transfer, the income, earnings, profits or other amounts derived from, or attributable to, investments in the territory of the other Party.

4. Notwithstanding paragraphs 1 and 2, a Party may prevent a transfer through the equitable, non-discriminatory and good faith application of its laws relating to:
 - (a) bankruptcy, insolvency or the protection of the rights of creditors;
 - (b) issuing, trading or dealing in securities;
 - (c) criminal or penal offenses;
 - (d) reports of transfers of currency or other monetary instruments; or

- (e) ensuring the satisfaction of judgments in adjudicatory proceedings.

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

6. Notwithstanding paragraph 1, a Party may restrict transfers of returns in kind in circumstances where it could otherwise restrict such transfers under this Agreement, including as set out in paragraph 4.

Article G-10: Expropriation and Compensation

1. Neither Party may directly or indirectly nationalize or expropriate an investment of an investor of the other Party in its territory or take a measure tantamount to nationalization or expropriation of such an investment ("expropriation"), except:

- (a) for a public purpose;
- (b) on a non-discriminatory basis;
- (c) in accordance with due process of law and Article G-05(1); and
- (d) on payment of compensation in accordance with paragraphs 2 through 6.

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

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

4. If payment is made in a G7 currency, compensation shall include interest at a commercially reasonable rate for that currency from the date of expropriation until the date of actual payment.

5. If a Party elects to pay in a currency other than a G7 currency, the amount paid on the date of payment, if converted into a G7 currency at the market rate of exchange prevailing on that date, shall be no less than if the amount of compensation owed on the date of expropriation had been converted into that G7 currency at the market rate of exchange prevailing on that date, and interest had accrued at a commercially reasonable rate for that G7 currency from the date of expropriation until the date of payment.

6. On payment, compensation shall be freely transferable as provided in Article G-09.

7. This Article does not apply to the issuance of compulsory licences granted in relation to intellectual property rights, or to the revocation, limitation or creation of intellectual property rights, to the extent that such issuance, revocation, limitation or creation is consistent with the TRIPS Agreement.

8. For purposes of this Article and for greater certainty, a non-discriminatory measure of general application shall not be considered a measure tantamount to an expropriation of a debt security or loan covered by this Chapter solely on the ground that the measure imposes costs on the debtor that cause it to default on the debt.

Article G-11: Special Formalities and Information Requirements

1. Nothing in Article G-02 shall be construed to prevent a Party from adopting or maintaining a measure that prescribes special formalities in connection with the establishment of investments by investors of the other Party, such as a requirement that investors be residents of the Party or that investments be legally constituted under the laws or regulations of the Party, provided that such formalities do not materially impair the protections afforded by a Party to investors of the other Party and investments of investors of the other Party pursuant to this Chapter.

2. Notwithstanding Articles G-02 or G-03, a Party may require an investor of the other Party, or its investment in its territory, to provide routine information concerning that investment solely for informational or statistical purposes. The Party shall protect such business information that is confidential from any disclosure that would prejudice the competitive position of the investor or the investment. Nothing in this paragraph shall be construed to prevent a Party from otherwise obtaining or disclosing information in connection with the equitable and good faith application of its law.

Article G-12: Relation to Other Chapters

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

2. A requirement by a Party that a service provider of the other Party post a bond or other form of financial security as a condition of providing a service into its territory does not of itself make this Chapter applicable to the provision of that cross-border service. This Chapter applies to that Party's treatment of the posted bond or financial security.

Article G-13: Denial of Benefits

1. A Party may deny the benefits of this Chapter to an investor of the other Party that is an enterprise of such Party and to investments of such investor if investors of a non-Party own or control the enterprise and the denying Party:

- (a) does not maintain diplomatic relations with the non-Party; or
- (b) adopts or maintains measures with respect to the non-Party that prohibit transactions with the enterprise or that would be violated or circumvented if the benefits of this Chapter were accorded to the enterprise or to its investments.

2. Subject to prior notification and consultation in accordance with Articles L-03 (Notification and Provision of Information) and N-06 (Consultations), a Party may deny the benefits of this Chapter to an investor of the other Party that is an enterprise of such Party and to investments of such investors if investors of a non-Party own or control the enterprise and the enterprise has no substantial business activities in the territory of the Party under whose law it is constituted or organized.

Article G-14: Environmental Measures

1. Nothing in this Chapter shall be construed to prevent a Party from adopting, maintaining or enforcing any measure otherwise consistent with this Chapter that it considers appropriate to ensure that investment activity in its territory is undertaken in a manner sensitive to environmental concerns.

2. The Parties recognize that it is inappropriate to encourage investment by relaxing domestic health, safety or environmental measures. Accordingly, a Party should not waive or otherwise derogate from, or offer to waive or otherwise derogate from, such measures as an encouragement for the establishment, acquisition, expansion or retention in its territory of an investment of an investor. If a Party considers that the other Party has offered such an encouragement, it may request consultations with the other Party and the two Parties shall consult with a view to avoiding any such encouragement.

Article G-15: Energy Regulatory Measures

Each Party shall seek to ensure that in the application of any energy regulatory measure, energy regulatory bodies within its territory avoid disruption of contractual relationships to the maximum extent practicable, and provide for orderly and equitable implementation appropriate to such measures.

Section II - Settlement of Disputes between a Party and an Investor of the Other Party

Article G-16: Purpose

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

Article G-17: Claim by an Investor of a Party on Its Own Behalf

1. An investor of a Party may submit to arbitration under this Section a claim that the other Party has breached an obligation under:

- (a) Section I or Article J-03(2) (State Enterprises), or
- (b) Article J-02(3)(a) (Monopolies and State Enterprises) where the monopoly has acted in a manner inconsistent with the Party's obligations under Section I,

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

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

Article G-18: Claim by an Investor of a Party on Behalf of an Enterprise

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

- (a) Section I or Article J-03(2) (State Enterprises), or

- (b) Article J-02(3)(a) (Monopolies and State Enterprises) where the monopoly has acted in a manner inconsistent with the Party's obligations under Section I,

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

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

3. Where an investor makes a claim under this Article and the investor or a non-controlling investor in the enterprise makes a claim under Article G-17 arising out of the same events that gave rise to the claim under this Article, and two or more of the claims are submitted to arbitration under Article G-21, the claims should be heard together by a Tribunal established under Article G-27, unless the Tribunal finds that the interests of a disputing party would be prejudiced thereby.

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

Article G-19: Settlement of a Claim through Consultation and Negotiation

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

Article G-20: Notice of Intent to Submit a Claim to Arbitration

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

- (a) the name and address of the disputing investor and, where a claim is made under Article G-18, the name and address of the enterprise;
- (b) the provisions of this Agreement alleged to have been breached and any other relevant provisions;
- (c) the issues and the factual basis for the claim; and
- (d) the relief sought and the approximate amount of damages claimed.

Article G-21: Submission of a Claim to Arbitration

1. Except as provided in Annex G-21.1, and provided that six months have elapsed since the events giving rise to a claim, a disputing investor may submit the claim to arbitration under:

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

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

Article G-22: Conditions Precedent to Submission of a Claim to Arbitration

1. A disputing investor may submit a claim under Article G-17 to arbitration only if:
 - (a) the investor consents to arbitration in accordance with the procedures set out in this Agreement; and
 - (b) the investor and, where the claim is for loss or damage to an interest in an enterprise of the other Party that is a juridical person that the investor owns or controls directly or indirectly, the enterprise, waive their right to initiate or continue before any administrative tribunal or court under the law of a Party, or other dispute settlement procedures, any proceedings with respect to the measure of the disputing Party that is alleged to be a breach referred to in Article G-17, except for proceedings for injunctive, declaratory or other extraordinary relief, not involving the payment of damages, before an administrative tribunal or court under the law of the disputing Party.
2. A disputing investor may submit a claim under Article G-18 to arbitration only if both the investor and the enterprise:
 - (a) consent to arbitration in accordance with the procedures set out in this Agreement; and
 - (b) waive their right to initiate or continue before any administrative tribunal or court under the law of a Party, or other dispute settlement procedures, any proceedings with respect to the measure of the disputing Party that is alleged to be a breach referred to in Article G-18, except for proceedings for injunctive, declaratory or other extraordinary relief, not involving the payment of damages, before an administrative tribunal or court under the law of the disputing Party.
3. A consent and waiver required by this Article shall be in writing, shall be delivered to the disputing Party and shall be included in the submission of a claim to arbitration.
4. Only where a disputing Party has deprived a disputing investor of control of an enterprise:
 - (a) a waiver from the enterprise under paragraph 1(b) or 2(b) shall not be required; and
 - (b) Annex G-21.1(b) shall not apply.

Article G-23: Consent to Arbitration

1. Each Party consents to the submission of a claim to arbitration in accordance with the procedures set out in this Agreement.
2. The consent given by paragraph 1 and the submission by a disputing investor of a claim to arbitration shall satisfy the requirement of:
 - (a) Chapter II of the ICSID Convention (Jurisdiction of the Centre) and the Additional Facility Rules for written consent of the parties;

- (b) Article II of the New York Convention for an agreement in writing; and
- (c) Article I of the Inter-American Convention for an agreement.

Article G-24: Number of Arbitrators and Method of Appointment

Except in respect of a Tribunal established under Article G-27, and unless the disputing parties otherwise agree, the Tribunal shall comprise three arbitrators, one arbitrator appointed by each of the disputing parties and the third, who shall be the presiding arbitrator, appointed by agreement of the disputing parties.

Article G-25: Constitution of a Tribunal When a Party Fails to Appoint an Arbitrator or the Disputing Parties Are Unable to Agree on a Presiding Arbitrator

1. The Secretary-General shall serve as appointing authority for an arbitration under this Section.
2. If a Tribunal, other than a Tribunal established under Article G-27, has not been constituted within 90 days from the date that a claim is submitted to arbitration, the Secretary-General, on the request of either disputing party, shall appoint, in his discretion, the arbitrator or arbitrators not yet appointed, except that the presiding arbitrator shall be appointed in accordance with paragraph 3.
3. The Secretary-General shall appoint the presiding arbitrator from the roster of presiding arbitrators referred to in paragraph 4, provided that the presiding arbitrator shall not be a national of the disputing Party or a national of the Party of the disputing investor. In the event that no such presiding arbitrator is available to serve, the Secretary-General shall appoint, from the ICSID Panel of Arbitrators, a presiding arbitrator who is not a national of either of the Parties.
4. On the date of entry into force of this Agreement, the Parties shall establish, and thereafter maintain, a roster of 30 presiding arbitrators, none of whom may be a national of a Party, meeting the qualifications of the Convention and rules referred to in Article G-21 and experienced in international law and investment matters. The roster members shall be appointed by mutual agreement.

Article G-26: Agreement to Appointment of Arbitrators

For purposes of Article 39 of the ICSID Convention and Article 7 of Schedule C to the ICSID Additional Facility Rules, and without prejudice to an objection to an arbitrator based on Article G-25(3) or on a ground other than nationality:

- (a) the disputing Party agrees to the appointment of each individual member of a Tribunal established under the ICSID Convention or the ICSID Additional Facility Rules;
- (b) a disputing investor referred to in Article G-17 may submit a claim to arbitration, or continue a claim, under the ICSID Convention or the ICSID Additional Facility Rules, only on condition that the disputing investor agrees in writing to the appointment of each individual member of the Tribunal; and
- (c) a disputing investor referred to in Article G-18(1) may submit a claim to arbitration, or continue a claim, under the ICSID Convention or the ICSID Additional Facility Rules, only on condition that the disputing investor and

the enterprise agree in writing to the appointment of each individual member of the Tribunal.

Article G-27: Consolidation

1. A Tribunal established under this Article shall be established under the UNCITRAL Arbitration Rules and shall conduct its proceedings in accordance with those Rules, except as modified by this Section.
2. Where a Tribunal established under this Article is satisfied that claims have been submitted to arbitration under Article G-21 that have a question of law or fact in common, the Tribunal may, in the interests of fair and efficient resolution of the claims, and after hearing the disputing parties, by order:
 - (a) assume jurisdiction over, and hear and determine together, all or part of the claims; or
 - (b) assume jurisdiction over, and hear and determine one or more of the claims, the determination of which it believes would assist in the resolution of the others.
3. A disputing party that seeks an order under paragraph 2 shall request the Secretary-General to establish a Tribunal and shall specify in the request:
 - (a) the name of the disputing Party or disputing investors against which the order is sought;
 - (b) the nature of the order sought; and
 - (c) the grounds on which the order is sought.
4. The disputing party shall deliver to the disputing Party or disputing investors against which the order is sought a copy of the request.
5. Within 60 days of receipt of the request, the Secretary-General shall establish a Tribunal comprising three arbitrators. The Secretary-General shall appoint the presiding arbitrator from the roster referred to in Article G-25(4). In the event that no such presiding arbitrator is available to serve, the Secretary-General shall appoint, from the ICSID Panel of Arbitrators, a presiding arbitrator who is not a national of either Party. The Secretary-General shall appoint the two other members from the roster referred to in Article G-25(4), and to the extent not available from that roster, from the ICSID Panel of Arbitrators, and to the extent not available from that Panel, in the discretion of the Secretary-General. One member shall be a national of the disputing Party and one member shall be a national of the Party of the disputing investors.
6. Where a Tribunal has been established under this Article, a disputing investor that has submitted a claim to arbitration under Article G-17 or G-18 and that has not been named in a request made under paragraph 3 may make a written request to the Tribunal that it be included in an order made under paragraph 2, and shall specify in the request:
 - (a) the name and address of the disputing investor;
 - (b) the nature of the order sought; and
 - (c) the grounds on which the order is sought.
7. A disputing investor referred to in paragraph 6 shall deliver a copy of its request to the disputing parties named in a request made under paragraph 3.

8. A Tribunal established under Article G-21 shall not have jurisdiction to decide a claim, or a part of a claim, over which a Tribunal established under this Article has assumed jurisdiction.

9. On application of a disputing party, a Tribunal established under this Article, pending its decision under paragraph 2, may order that the proceedings of a Tribunal established under Article G-21 be stayed, unless the latter Tribunal has already adjourned its proceedings.

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

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

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

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

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

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

Article G-28: Notice

A disputing Party shall deliver to the other Party:

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

Article G-29: Participation by a Party

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

Article G-30: Documents

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

- (a) the evidence that has been tendered to the Tribunal; and

- (b) the written argument of the disputing parties.

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

Article G-31: Place of Arbitration

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

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

Article G-32: Governing Law

1. A Tribunal established under this Section shall decide the issues in dispute in accordance with this Agreement and applicable rules of international law.

2. An interpretation by the Commission of a provision of this Agreement shall be binding on a Tribunal established under this Section.

Article G-33: Interpretation of Annexes

1. Where a disputing Party asserts as a defense that the measure alleged to be a breach is within the scope of a reservation or exception set out in Annex I, Annex II or Annex III, on request of the disputing Party, the Tribunal shall request the interpretation of the Commission on the issue. The Commission, within 60 days of delivery of the request, shall submit in writing its interpretation to the Tribunal.

2. Further to Article G-32(2), a Commission interpretation submitted under paragraph 1 shall be binding on the Tribunal. If the Commission fails to submit an interpretation within 60 days, the Tribunal shall decide the issue.

Article G-34: Expert Reports

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

Article G-35: Interim Measures of Protection

A Tribunal may order an interim measure of protection to preserve the rights of a disputing party, or to ensure that the Tribunal's jurisdiction is made fully effective, including an order to preserve evidence in the possession or control of a disputing party or to protect the Tribunal's jurisdiction. A Tribunal may not order attachment or enjoin the application of the measure alleged to constitute a breach referred to in Article G-17 or G-18. For purposes of this paragraph, an order includes a recommendation.

Article G-36: Final Award

1. Where a Tribunal makes a final award against a Party, the Tribunal may award, separately or in combination, only:

- (a) monetary damages and any applicable interest;
- (b) restitution of property, in which case the award shall provide that the disputing Party may pay monetary damages and any applicable interest in lieu of restitution.

A Tribunal may also award costs in accordance with the applicable arbitration rules.

2. Subject to paragraph 1, where a claim is made under Article G-18(1):

- (a) an award of restitution of property shall provide that restitution be made to the enterprise;
- (b) an award of monetary damages and any applicable interest shall provide that the sum be paid to the enterprise; and
- (c) the award shall provide that it is made without prejudice to any right that any person may have in the relief under applicable domestic law.

3. A Tribunal may not order a Party to pay punitive damages.

Article G-37: Finality and Enforcement of an Award

1. An award made by a Tribunal shall have no binding force except between the disputing parties and in respect of the particular case.

2. Subject to paragraph 3 and the applicable review procedure for an interim award, a disputing party shall abide by and comply with an award without delay.

3. A disputing party may not seek enforcement of a final award until:

- (a) in the case of a final award made under the ICSID Convention
 - (i) 120 days have elapsed from the date the award was rendered and no disputing party has requested revision or annulment of the award, or
 - (ii) revision or annulment proceedings have been completed; and
- (b) in the case of a final award under the ICSID Additional Facility Rules or the UNCITRAL Arbitration Rules
 - (i) three months have elapsed from the date the award was rendered and no disputing party has commenced a proceeding to revise, set aside or annul the award, or
 - (ii) a court has dismissed or allowed an application to revise, set aside or annul the award and there is no further appeal.

4. Each Party shall provide for the enforcement of an award in its territory.

5. If a disputing Party fails to abide by or comply with a final award, the Commission, on delivery of a request by a Party whose investor was a party to the

arbitration, shall establish a panel under Article N-08 (Request for an Arbitral Panel). The requesting Party may seek in such proceedings:

- (a) a determination that the failure to abide by or comply with the final award is inconsistent with the obligations of this Agreement; and
- (b) a recommendation that the Party abide by or comply with the final award.

6. A disputing investor may seek enforcement of an arbitration award under the ICSID Convention, the New York Convention or the Inter-American Convention regardless of whether proceedings have been taken under paragraph 5.

7. A claim that is submitted to arbitration under this Section shall be considered to arise out of a commercial relationship or transaction for purposes of Article I of the New York Convention and Article I of the Inter-American Convention.

Article G-38: General

Time when a Claim is Submitted to Arbitration

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

Service of Documents

2. Delivery of notice and other documents on a Party shall be made to the place named for that Party in Annex G-38.2.

Receipts under Insurance or Guarantee Contracts

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

Publication of an Award

4. Annex G-38.4 applies to the Parties specified in that Annex with respect to publication of an award.

Article G-39: Exclusions

1. Without prejudice to the applicability or non-applicability of the dispute settlement provisions of this Section or of Chapter N (Institutional Arrangements and Dispute Settlement Procedures) to other actions taken by a Party pursuant to Article O-02 (National Security), a decision by a Party to prohibit or restrict the acquisition of an investment in its territory by an investor of the other Party, or its investment, pursuant to that Article shall not be subject to such provisions.

2. The dispute settlement provisions of this Section and of Chapter N shall not apply to the matters referred to in Annex G-39.2.

Section III - Definitions

Article G-40: Definitions

For purposes of this Chapter:

disputing investor means an investor that makes a claim under Section II;

disputing parties means the disputing investor and the disputing Party;

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

disputing party means the disputing investor or the disputing Party;

energy and basic petrochemical goods refer to those goods classified under the Harmonized System as:

- (a) subheading 2612.10;
- (b) headings 27.01 through 27.06;
- (c) subheading 2707.50;
- (d) subheading 2707.99 (only with respect to solvent naphtha, rubber extender oils and carbon black feedstocks);
- (e) headings 27.08 and 27.09;
- (f) heading 27.10 (except for normal paraffin mixtures in the range of C₉ to C₁₅);
- (g) heading 27.11 (except for ethylene, propylene, butylene and butadiene in purities over 50 percent);
- (h) headings 27.12 through 27.16;
- (i) subheadings 2844.10 through 2844.50 (only with respect to uranium compounds classified under those subheadings);
- (j) subheadings 2845.10; and
- (k) subheading 2901.10 (only with respect to ethane, butanes, pentanes, hexanes, and heptanes);

energy regulatory measure means any measure by governmental entities that directly affects the transportation, transmission or distribution, purchase or sale, of an energy or basic petrochemical good;

enterprise means an "enterprise" as defined in Article B-01 (Definitions of General Application), and a branch of an enterprise;

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

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

existing means in effect on January 1, 1994 for Canada and December 29, 1995 for Chile;

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

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

ICSID means the International Centre for Settlement of Investment Disputes;

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

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

investment means:

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

- (i) contracts involving the presence of an investor's property in the territory of the Party, including turnkey or construction contracts, or concessions, or
- (ii) contracts where remuneration depends substantially on the production, revenues or profits of an enterprise;

but investment does not mean,

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

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

or

- (k) with respect to "loans" and "debt securities" referred to in subparagraphs (c) and (d) as it applies to investors of the other Party, and investments of such investors, in financial institution in the Party's territory
 - (i) a loan or debt security issued by a financial institution that is not treated as regulatory capital by the Party in whose territory the financial institution is located,
 - (ii) a loan granted by or debt security owned by a financial institution, other than a loan to or debt security of a financial institution referred to in subparagraph (i), and
 - (iii) a loan to, or debt security issued by, a Party or a state enterprise thereof;

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

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

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

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

person of a Party means "person of a Party" as defined in Chapter B (General Definitions) except that with respect to Article G-01(2) and (3), "persons of a Party" does not include a branch of an enterprise of a non-Party;

Secretary-General means the Secretary-General of ICSID;

transfers means transfers and international payments;

Tribunal means an arbitration tribunal established under Article G-21 or G-27; and

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

Annex G-01.3(b)

Further Liberalization

If the negotiations for Chile's accession to NAFTA have not been engaged within 15 months of the entry into force of this Agreement, the Parties shall commence negotiations with a view to entering into an agreement, based on Chapter 14 on Financial Services of the NAFTA, by no later than April 30, 1999.

Annex G-04.2

Standard of Treatment

1. Chile shall accord to an investor of Canada or an investment of such investor that is party to an investment contract pursuant to *Decree Law 600 of 1974* ("Decreto Ley 600 de 1974"), the better of the treatment required under this Agreement or granted under the contract pursuant to the said Decree Law.
2. Chile shall permit an investor of Canada or an investment of such investor, referred to in paragraph 1, to amend the investment contract in order to reflect the rights and obligations of this Agreement.

Annex G-09.1

1. For the purpose of preserving the stability of its currency, Chile reserves the right:

- (a) to maintain existing requirements that transfers from Chile of proceeds from the sale of all or any part of an investment of an investor of Canada or from the partial or complete liquidation of the investment may not take place until a period not to exceed
 - (i) in the case of an investment made pursuant to Law 18.657 *Foreign Capital Investment Fund Law* ("Ley 18.657, Ley Sobre Fondo de Inversiones de Capitales Extranjeros"), five years has elapsed from the date of transfer to Chile, or
 - (ii) subject to subparagraph (c)(iii), in all other cases, one year has elapsed from the date of transfer to Chile;
- (b) to apply a reserve requirement pursuant to Article 49 No. 2 of Law 18.840, *Organic Law of the Central Bank of Chile*, ("Ley 18.840; Ley Orgánica del Banco Central de Chile") on an investment of an investor of Canada, other than foreign direct investment, and on foreign credits relating to an investment, provided that such a reserve requirement shall not exceed 30 per cent of the amount of the investment, or the credit, as the case may be;
- (c) to adopt
 - (i) measures imposing a reserve requirement referred to in (b) for a period which shall not exceed two years from the date of transfer to Chile,
 - (ii) any reasonable measure consistent with paragraph 3 necessary to implement or to avoid circumvention of the measures under (a) or (b), and
 - (iii) measures, consistent with Article G-09 and this Annex, establishing future special voluntary investment programs in addition to the general regime for foreign investment in Chile, except that any such measures may restrict transfers from Chile of proceeds from the sale of all or any part of an investment of an investor of Canada or from the partial or complete liquidation of the investment for a period not to exceed 5 years from the date of transfer to Chile; and
- (d) to apply, pursuant to the Law 18.840, measures with respect to transfers relating to an investment of an investor of Canada that
 - (i) require that foreign exchange transactions for such transfers take place in the Formal Exchange Market,
 - (ii) require authorization for access to the Formal Exchange Market to purchase foreign currency, at the rate agreed upon by the parties to the transaction, which access shall be granted without delay when such transfers are:
 - (A) payments for current international transactions,
 - (B) proceeds from the sale of all or any part, and from the partial or complete liquidation of an investment of an investor of Canada, or

(C) payments pursuant to a loan provided they are made in accordance with the maturity dates originally agreed upon in the loan agreement, and

(iii) require that foreign currency be converted into Chilean pesos, at the rate agreed upon by the parties to the transaction, except for transfers referred to in (ii) (A) through (C) which are exempt from this requirement.

2. Where Chile proposes to adopt a measure referred to in paragraph 1(c), Chile shall, to the extent practicable:

(a) provide in advance to Canada the reasons for the proposed adoption of the measure as well as any relevant information in relation to the measure; and

(b) provide Canada with a reasonable opportunity to comment on the proposed measure.

3. A measure that is consistent with this Annex but inconsistent with Article G-02, shall be deemed not to contravene Article G-02 provided that, as required under existing Chilean law, it does not discriminate among investors that enter into transactions of the same nature.

4. This Annex applies to Law 18.840, to the *Decree Law 600* of 1974 ("Decreto Ley 600 de 1974") to Law 18.657 and any other law establishing a future special voluntary investment program consistent with sub-paragraph 1(c)(iii) and to the continuation or prompt renewal of such laws, and to amendments to those laws, to the extent that any such amendment does not decrease the conformity of the amended law with Article G-09(1) as it existed immediately before the amendment.

5. For the purposes of this Annex:

Chilean juridical person means an enterprise that is constituted or organized in Chile for profit in a form which under Chilean law is recognized as being a juridical person;

date of transfer means the settlement date when the funds that constitute the investment were converted into Chilean pesos, or the date of the importation of the equipment and technology;

existing means in effect on October 24, 1996;

foreign credit means any type of debt financing originating in foreign markets whatever its nature, form or maturity period;

foreign direct investment means an investment of an investor of Canada, other than a foreign credit, made in order:

(a) to establish a Chilean juridical person or to increase the capital of an existing Chilean juridical person with the purpose of producing an additional flow of goods or services, excluding purely financial flows; or

(b) to acquire equity of an existing Chilean juridical person and to participate in its management, but excludes such an investment that is of a purely financial character and that is designed only to gain indirect access to the financial market of Chile;

Formal Exchange Market means the market constituted by the banking entities and other institutions authorized by the competent authority; and

payments for current international transactions means "payments for current international transactions" as defined under the *Articles of Agreement of the International Monetary Fund*, and for greater certainty, does not include payments of principal pursuant to a loan which are not made in accordance with the maturity dates originally agreed upon in the loan agreement.

Annex G-21.1

Submission of a Claim to Arbitration

Chile

1. With respect to the submission of a claim to arbitration:

(a) an investor of Canada may not allege that Chile has breached an obligation under

(i) Section I or Article J-03(2) (State Enterprises), or

(ii) Article J-02(3)(a) (Monopolies and State Enterprises) where the monopoly has acted in a manner inconsistent with Chile's obligations under Section I,

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

(b) where an enterprise of Chile that is a juridical person that an investor of Canada owns or controls directly or indirectly alleges in proceedings before a Chilean court or administrative tribunal that Chile has breached an obligation under

(i) Section I or Article J-03(2) (State Enterprises), or

(ii) Article J-02(3)(a) (Monopolies and State Enterprises) where the monopoly has acted in a manner inconsistent with Chile's obligations under Section I,

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

2. For greater certainty, where an investor of Canada or an enterprise of Chile that is a juridical person that an investor of Canada owns or controls directly or indirectly makes an allegation referred to in paragraph 1(a) or (b) before a Chilean court or administrative tribunal, the selection of the Chilean court or administrative tribunal shall be final and such investor or enterprise may not thereafter allege the breach in an arbitration under this Section.

Annex G-38.2

Service of Documents on a Party Under Section II

Canada

The place for delivery of notice and other documents under this Section for Canada is:

Office of the Deputy Attorney General of Canada
Justice Building
239 Wellington Street
Ottawa, Ontario
K1A 0H8

This information shall be published in the *Canada Gazette*.

Chile

The place for delivery of notice and other documents under this Section for Chile is:

Dirección de Asuntos Jurídicos del Ministerio de Relaciones
Exteriores de la República de Chile
Morandé 441
Santiago, Chile

Annex G-38.4

Publication of an Award

Canada

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

Chile

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

Annex G-39.2

Exclusions from Dispute Settlement

Canada

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

Chapter H

Cross-Border Trade in Services

Article H-01: Scope and Coverage

1. This Chapter applies to measures adopted or maintained by a Party relating to cross-border trade in services by service providers of the other Party, including measures respecting:

- (a) the production, distribution, marketing, sale and delivery of a service;
- (b) the purchase or use of, or payment for, a service;
- (c) the access to and use of distribution and transportation systems in connection with the provision of a service;
- (d) the presence in its territory of a service provider of the other Party; and
- (e) the provision of a bond or other form of financial security as a condition for the provision of a service.

2. This Chapter does not apply to:

- (a) cross-border trade in financial services;
- (b) air services, including domestic and international air transportation services, whether scheduled or non-scheduled, and related services in support of air services, other than
 - (i) aircraft repair and maintenance services during which an aircraft is withdrawn from service, and
 - (ii) specialty air services;
- (c) procurement by a Party or a state enterprise; or
- (d) subsidies or grants provided by a Party or a state enterprise, including government-supported loans, guarantees and insurance.

3. Nothing in this Chapter shall be construed to:

- (a) impose any obligation on a Party with respect to a national of the other Party seeking access to its employment market, or employed on a permanent basis in its territory, or to confer any right on that national with respect to that access or employment; or
- (b) prevent a Party from providing a service or performing a function such as law enforcement, correctional services, income security or insurance, social security or insurance, social welfare, public education, public training, health, and child care, in a manner that is not inconsistent with this Chapter.

Article H-02: National Treatment

1. Each Party shall accord to service providers of the other Party treatment no less favourable than that it accords, in like circumstances, to its own service providers.

2. The treatment accorded by a Party under paragraph 1 means, with respect to a province, treatment no less favourable than the most favourable treatment accorded, in like circumstances, by that province to service providers of the Party of which it forms a part.

Article H-03: Most-Favoured-Nation Treatment

Each Party shall accord to service providers of the other Party treatment no less favourable than that it accords, in like circumstances, to service providers of any non-Party.

Article H-04: Standard of Treatment

Each Party shall accord to service providers of the other Party the better of the treatment required by Articles H-02 and H-03.

Article H-05: Local Presence

Neither Party may require a service provider of the other Party to establish or maintain a representative office or any form of enterprise, or to be resident, in its territory as a condition for the cross-border provision of a service.

Article H-06: Reservations

1. Articles H-02, H-03 and H-05 do not apply to:
 - (a) any existing non-conforming measure that is maintained by
 - (i) a Party at the national or provincial level, as set out in its Schedule to Annex I, or
 - (ii) a local government;
 - (b) the continuation or prompt renewal of any non-conforming measure referred to in subparagraph (a); or
 - (c) an amendment to any non-conforming measure referred to in subparagraph (a) to the extent that the amendment does not decrease the conformity of the measure, as it existed immediately before the amendment, with Articles H-02, H-03 and H-05.
2. Articles H-02, H-03 and H-05 do not apply to any measure that a Party adopts or maintains with respect to sectors, subsectors or activities, as set out in its Schedule to Annex II.

Article H-07: Quantitative Restrictions

1. Each Party shall set out in its Schedule to Annex IV any quantitative restriction that it maintains at the national or provincial level.
2. Each Party shall notify the other Party of any quantitative restriction that it adopts, other than at the local government level, after the date of entry into force of this Agreement and shall set out the restriction in its Schedule to Annex IV.

3. The Parties shall periodically, but in any event at least every two years endeavour to negotiate the liberalization or removal of the quantitative restrictions set out in Annex IV pursuant to paragraphs 1 and 2.

Article H-08: Liberalization of Non-Discriminatory Measures

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

Article H-09: Procedures

The Commission shall establish procedures for:

- (a) a Party to notify and include in its relevant Schedule
 - (i) quantitative restrictions in accordance with Article H-07(2),
 - (ii) commitments pursuant to Article H-08, and
 - (iii) amendments of measures referred to in Article H-06(1)(c); and
- (b) consultations on reservations, quantitative restrictions or commitments with a view to further liberalization.

Article H-10: Licensing and Certification

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

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

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

- (a) nothing in Article H-03 shall be construed to require the Party to accord such recognition to education, experience, licences or certifications obtained in the territory of the other Party; and
- (b) the Party shall afford the other Party an adequate opportunity to demonstrate that education, experience, licences or certifications obtained in the other Party's territory should also be recognized or to conclude an agreement or arrangement of comparable effect.

3. Each Party shall, within two years of the date of entry into force of this Agreement, eliminate any citizenship or permanent residency requirement set out in its

Schedule to Annex I that it maintains for the licensing or certification of professional service providers of the other Party. Where a Party does not comply with this obligation with respect to a particular sector, the other Party may, in the same sector and for such period as the non-complying Party maintains its requirement, solely have recourse to maintaining an equivalent requirement set out in its Schedule to Annex I or reinstating:

- (a) any such requirement at the national level that it eliminated pursuant to this Article; or
 - (b) on notification to the non-complying Party, any such requirement at the provincial level existing on the date of entry into force of this Agreement.
4. The Parties shall consult periodically with a view to determining the feasibility of removing any remaining citizenship or permanent residency requirement for the licensing or certification of each other's service providers.
5. Annex H-10.5 applies to measures adopted or maintained by a Party relating to the licensing or certification of professional service providers.

Article H-11: Denial of Benefits

1. A Party may deny the benefits of this Chapter to a service provider of the other Party where the Party establishes that:
- (a) the service is being provided by an enterprise owned or controlled by nationals of a non-Party, and the denying Party adopts or maintains measures with respect to the non-Party that prohibit transactions with the enterprise or that would be violated or circumvented if the benefits of this Chapter were accorded to the enterprise; or
 - (b) the cross-border provision of a transportation service covered by this Chapter is provided using equipment not registered by a Party.
2. Subject to prior notification and consultation in accordance with Articles L-03 (Notification and Provision of Information) and N-06 (Consultations), a Party may deny the benefits of this Chapter to a service provider of the other Party where the Party establishes that the service is being provided by an enterprise that is owned or controlled by persons of a non-Party and that has no substantial business activities in the territory of the other Party.

Article H-12: Definitions

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

2. For purposes of this Chapter:

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

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

but does not include the provision of a service in the territory of a Party by an investment, as defined in Article G-40 (Investment - Definitions), in that territory;

enterprise means an "enterprise" as defined in Article B-01 (Definitions of General Application), and a branch of an enterprise;

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

existing means in effect on January 1, 1994 for Canada and December 29, 1995 for Chile;

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

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

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

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

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

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

Annex H-10.5

Professional Services

Section I - General Provisions

Processing of Applications for Licences and Certifications

1. Each Party shall ensure that its competent authorities, within a reasonable time after the submission by a national of the other Party of an application for a licence or certification:

- (a) where the application is complete, make a determination on the application and inform the applicant of that determination; or
- (b) where the application is not complete, inform the applicant without undue delay of the status of the application and the additional information that is required under the Party's law.

Development of Professional Standards

2. The Parties shall encourage the relevant bodies in their respective territories to develop mutually acceptable standards and criteria for licensing and certification of professional service providers and to provide recommendations on mutual recognition to the Commission.

3. The standards and criteria referred to in paragraph 2 may be developed with regard to the following matters:

- (a) education - accreditation of schools or academic programs;
- (b) examinations - qualifying examinations for licensing, including alternative methods of assessment such as oral examinations and interviews;
- (c) experience - length and nature of experience required for licensing;
- (d) conduct and ethics - standards of professional conduct and the nature of disciplinary action for non-conformity with those standards;
- (e) professional development and re-certification - continuing education and ongoing requirements to maintain professional certification;
- (f) scope of practice - extent of, or limitations on, permissible activities;
- (g) local knowledge - requirements for knowledge of such matters as local laws, regulations, language, geography or climate; and
- (h) consumer protection - alternatives to residency requirements, including bonding, professional liability insurance and client restitution funds, to provide for the protection of consumers.

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

Temporary Licensing

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

Review

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

Section II - Foreign Legal Consultants

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

Consultations With Professional Bodies

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

- (a) the form of association or partnership between lawyers authorized to practice in its territory and foreign legal consultants;
- (b) the development of standards and criteria for the authorization of foreign legal consultants in conformity with Article H-10; and
- (c) other matters relating to the provision of foreign legal consultancy services.

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

Future Liberalization

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

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

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

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

- (a) assessing the implementation of paragraphs 2 through 5;
- (b) amending or removing, where appropriate, reservations on foreign legal consultancy services; and

- (c) assessing further work that may be appropriate regarding foreign legal consultancy services.

Section III - Temporary Licensing of Engineers

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

Chapter I

Telecommunications

Article I-01: Scope and Coverage

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

Article I-02: Access to and Use of Public Telecommunications Transport Networks and Services

1. Each Party shall ensure that persons of the other Party have access to and use of any public telecommunications transport network or service, including private leased circuits, offered in its territory or across its borders for the conduct of their business, on reasonable and non-discriminatory terms and conditions, including as set out in paragraphs 2 through 8.
2. Subject to paragraphs 6 and 7, each Party shall ensure that such persons are permitted to:

- (a) purchase or lease, and attach terminal or other equipment that interfaces with the public telecommunications transport network;
 - (b) interconnect private leased or owned circuits with public telecommunications transport networks in the territory, or across the borders, of that Party, including for use in providing dial-up access to and from their customers or users, or with circuits leased or owned by another person on terms and conditions mutually agreed by those persons;
 - (c) perform switching, signalling and processing functions; and
 - (d) use operating protocols of their choice.
3. Each Party shall ensure that:
- (a) the pricing of public telecommunications transport services reflects economic costs directly related to providing the services; and
 - (b) private leased circuits are available on a flat-rate pricing basis.

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

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

5. Further to Article O-01 (General Exceptions), nothing in this Chapter shall be construed to prevent a Party from adopting or enforcing any measure necessary to:

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

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

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

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

- (a) a restriction on resale or shared use of such services;
- (b) a requirement to use specified technical interfaces, including interface protocols, for interconnection with such networks or services;
- (c) a restriction on interconnection of private leased or owned circuits with such networks or services or with circuits leased or owned by another

person, where the circuits are used in the provision of public telecommunications transport networks or services; and

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

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

Article I-03: Conditions for the Provision of Enhanced or Value-Added Services

1. Each Party shall ensure that:

- (a) any licensing, permit, registration or notification procedure that it adopts or maintains relating to the provision of enhanced or value-added services is transparent and non-discriminatory, and that applications filed thereunder are processed expeditiously; and
- (b) information required under such procedures is limited to that necessary to demonstrate that the applicant has the financial solvency to begin providing services or to assess conformity of the applicant's terminal or other equipment with the Party's applicable standards or technical regulations.

2. Neither Party may require a person providing enhanced or value-added services to:

- (a) provide those services to the public generally;
- (b) cost-justify its rates;
- (c) file a tariff;
- (d) interconnect its networks with any particular customer or network; or
- (e) conform with any particular standard or technical regulation for interconnection other than for interconnection to a public telecommunications transport network.

3. Notwithstanding paragraph 2(c), a Party may require the filing of a tariff by:

- (a) such provider to remedy a practice of that provider that the Party has found in a particular case to be anticompetitive under its law; or
- (b) a monopoly to which Article I-05 applies.

Article I-04: Standards-Related Measures

1. Further to the WTO Agreement on Technical Barriers to Trade each Party shall ensure that its standards-related measures relating to the attachment of terminal or other equipment to the public telecommunications transport networks, including those measures relating to the use of testing and measuring equipment for conformity assessment procedures, are adopted or maintained only to the extent necessary to:

- (a) prevent technical damage to public telecommunications transport networks;

- (b) prevent technical interference with, or degradation of, public telecommunications transport services;
- (c) prevent electromagnetic interference, and ensure compatibility, with other uses of the electromagnetic spectrum;
- (d) prevent billing equipment malfunction; or
- (e) ensure users' safety and access to public telecommunications transport networks or services.

2. A Party may require approval for the attachment to the public telecommunications transport network of terminal or other equipment that is not authorized, provided that the criteria for that approval are consistent with paragraph 1.

3. Each Party shall ensure that the network termination points for its public telecommunications transport networks are defined on a reasonable and transparent basis.

4. Neither Party may require separate authorization for equipment that is connected on the customer's side of authorized equipment that serves as a protective device fulfilling the criteria of paragraph 1.

5. Further to the WTO Agreement on Technical Barriers to Trade each Party shall:

- (a) ensure that its conformity assessment procedures are transparent and non-discriminatory and that applications filed thereunder are processed expeditiously;
- (b) permit any technically qualified entity to perform the testing required under the Party's conformity assessment procedures for terminal or other equipment to be attached to the public telecommunications transport network, subject to the Party's right to review the accuracy and completeness of the test results; and
- (c) ensure that any measure that it adopts or maintains requiring persons to be authorized to act as agents for suppliers of telecommunications equipment before the Party's relevant conformity assessment bodies is non-discriminatory.

6. No later than one year after the date of entry into force of this Agreement, each Party shall adopt, as part of its conformity assessment procedures, provisions necessary to accept the test results from laboratories or testing facilities in the territory of the other Party for tests performed in accordance with the accepting Party's standards-related measures and procedures.

7. The Parties hereby establish a Committee on Telecommunications Standards, comprising representatives of each Party.

8. The Committee on Telecommunications Standards shall perform the functions set out in Annex I-04.

Article I-05: Monopolies¹

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

2. To prevent such anticompetitive conduct, each Party shall adopt or maintain effective measures, such as:

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

Article I-06: Transparency

Further to Article L-02 (Publication), each Party shall make publicly available its measures relating to access to and use of public telecommunications transport networks or services, including measures relating to:

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

Article I-07: Relation to Other Chapters

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

¹ For purposes of this Article, "monopoly" means an entity, including a consortium or government agency, that in any relevant market in the territory of a Party is maintained or designated as the sole provider of public telecommunications transport networks or services.

Article I-08: Relation to International Organizations and Agreements

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

Article I-09: Technical Cooperation and Other Consultations

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

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

Article I-10: Definitions

For purposes of this Chapter:

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

conformity assessment procedure means "conformity assessment procedure" as defined in the WTO Agreement on Technical Barriers to Trade and includes the procedures referred to in Annex I-10;

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

- (a) act on the format, content, code, protocol or similar aspects of a customer's transmitted information;
- (b) provide a customer with additional, different or restructured information; or
- (c) involve customer interaction with stored information;

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

intracorporate communications means telecommunications through which an enterprise communicates:

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

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

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

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

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

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

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

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

standard means a document, approved by a recognized body, that provides, for common and repeated use, rules, guidelines or characteristics for goods or related processes and production methods, or for services or related operating methods, with which compliance is not mandatory. It may also include or deal exclusively with terminology, symbols, packaging, marking or labelling requirements as they apply to a good, process, or production or operating method;

standards-related measure means a standard, technical regulation or conformity assessment procedure;

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

technical regulation means a document which lays down goods' characteristics or their related processes and production methods, or services' characteristics or their related operating methods, including the applicable administrative provisions, with which compliance is mandatory. It may also include or deal exclusively with terminology, symbols, packaging, marking or labelling requirements as they apply to a good, process, or production or operating method;

telecommunications service means a service provided by means of the transmission and reception of signals by any electromagnetic means, but does not mean the cable, broadcast or other electromagnetic distribution of radio or television programming to the public generally;

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

WTO Agreement on Technical Barriers to Trade means the *Agreement on Technical Barriers to Trade* which forms part of the WTO Agreement.

Annex I-04.8

Committee on Telecommunications Standards

1. The Committee on Telecommunications Standards, established under Article I-04(7), shall comprise representatives of each Party.
2. The Committee shall, within six months of the date of entry into force of this Agreement, develop a work program, including a timetable, for making compatible to the greatest extent possible, the standards-related measures of the Parties for authorized equipment as defined in Chapter I (Telecommunications).
3. The Committee may address other appropriate standards-related matters respecting telecommunications equipment or services and such other matters as it considers appropriate.
4. The Committee shall take into account relevant work carried out by the Parties in other fora, and that of non-governmental standardizing bodies.

Annex I-10

Conformity Assessment Procedures

For Canada:

Department of Industry, Standards and Interconnection Division
Certification Procedures (CP-01)

Department of Industry Act, S.C. 1995, c.1

Canada Transportation Act, S.C. 1996, c. 10

Radiocommunication Act, R.S.C. 1985, c. R-2, as amended by S.C. 1989, c. 17

Telecommunications Act, S.C. 1993, c.38

For Chile:

Undersecretariat of Telecommunications, Ministry of Transport and
Telecommunications
("Subsecretaría de Telecomunicaciones, Ministerio de Transportes y
Telecomunicaciones")

Law 18.168, Official Gazette, October 2, 1982, *General Law of
Telecommunications*
("Ley 18.168, Diario Oficial, octubre 2, 1982, *Ley General de
Telecomunicaciones*")

Supreme Decree 220 of the Ministry of Transport and Telecommunications,
Official Gazette, January 8, 1981, *Regulation on the Homologation of Telephone
Equipment*
(Decreto 220 de Ministerio de Transportes y Telecomunicaciones, Diario Oficial,
enero 8, 1981, "Reglamento de Homologación de Aparatos Telefónicos")

Chapter J

Competition Policy, Monopolies and State Enterprises

Article J-01: Competition Law¹

1. Each Party shall adopt or maintain measures to proscribe anti-competitive business conduct and take appropriate action with respect thereto, recognizing that such measures will enhance the fulfillment of the objectives of this Agreement. To this end the Parties shall consult from time to time about the effectiveness of measures undertaken by each Party.

2. Each Party recognizes the importance of cooperation and coordination among their authorities to further effective competition law enforcement in the free trade area. The Parties shall cooperate on issues of competition law enforcement policy, including mutual legal assistance, notification, consultation and exchange of information relating to the enforcement of competition laws and policies in the free trade area.

3. Neither Party may have recourse to dispute settlement under this Agreement for any matter arising under this Article.

Article J-02: Monopolies and State Enterprises²

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) endeavor to introduce at the time of the designation such conditions on the operation of the monopoly as will minimize or eliminate any nullification or impairment of benefits in the sense of Annex N-04 (Nullification and Impairment).

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

- (a) acts in a manner that is not inconsistent with the Party's obligations under this Agreement wherever such a monopoly exercises any regulatory, administrative or other governmental authority that the Party has delegated to it in connection with the monopoly good or service, such as the power to

¹ No investor may have recourse to investor-state arbitration under Section II (Settlement of Disputes between a Party and an Investor of the other Party) of Chapter G (Investment) for any matter arising under this Article.

² Nothing in this Article shall be construed to prevent a monopoly from charging different prices in different geographic markets, where such differences are based on normal commercial considerations, such as taking account of supply and demand conditions in those markets.

grant import or export licences, approve commercial transactions or impose quotas, fees or other charges;³

- (b) except to comply with any terms of its designation that are not inconsistent with subparagraph (c) or (d), acts solely in accordance with commercial considerations in its purchase or sale of the monopoly good or service in the relevant market, including with regard to price, quality, availability, marketability, transportation and other terms and conditions of purchase or sale;⁴
- (c) provides non-discriminatory treatment to investments of investors, to goods and to service providers of the other Party in its purchase or sale of the monopoly good or service in the relevant market; and
- (d) does not use its monopoly position to engage, either directly or indirectly, including through its dealings with its parent, its subsidiary or other enterprise with common ownership, in anticompetitive practices in a non-monopolized market in its territory that adversely affect an investment of an investor of the other Party, including through the discriminatory provision of the monopoly good or service, cross-subsidization or predatory conduct.

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

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

Article J-03: 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 under Chapter G (Investment) 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 licences, approve commercial transactions or impose quotas, fees or other charges.

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

³ A "delegation" includes a legislative grant, and a government order, directive or other act transferring to the monopoly, or authorizing the exercise by the monopoly of, governmental authority.

⁴ Differences in pricing between classes of customers, between affiliated and non-affiliated firms, and cross-subsidization are not in themselves inconsistent with the provision; rather, they are subject to this subparagraph when they are used as instruments of anticompetitive behaviour by the monopoly firm.

Article J-04: 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;

discriminatory provision includes treating:

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

in like circumstances;

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

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

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

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

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

state enterprise means, except as set out in Annex J-04, an enterprise owned, or controlled through ownership interests, by a Party.

Annex J-04

Country-Specific Definition of State Enterprises

For purposes of Article J-03(3), with respect to Canada, "state enterprise" means a Crown corporation within the meaning of the *Financial Administration Act* (Canada), a Crown corporation within the meaning of any comparable provincial law or equivalent entity that is incorporated under other applicable provincial law.

Chapter K

Temporary Entry for Business Persons

Article K-01: General Principles

Further to Article A-02 (Objectives), this Chapter reflects the preferential trading relationship between the Parties, the desirability of facilitating temporary entry on a reciprocal basis and of establishing transparent criteria and procedures for temporary entry, and the need to ensure border security and to protect the domestic labour force and permanent employment in their respective territories.

Article K-02: General Obligations

Each Party shall apply its measures relating to the provisions of this Chapter in accordance with Article K-01 and, in particular, shall apply expeditiously those measures so as to avoid unduly impairing or delaying trade in goods or services or conduct of investment activities under this Agreement.

Article K-03: Grant of Temporary Entry

1. Each Party shall grant temporary entry to business persons who are otherwise qualified for entry under applicable measures relating to public health and safety and national security, in accordance with this Chapter, including the provisions of Annex K-03 and Annex K-03.1.
2. A Party may refuse to issue an immigration document authorizing employment to a business person where the temporary entry of that person might affect adversely:
 - (a) the settlement of any labour dispute that is in progress at the place or intended place of employment; or
 - (b) the employment of any person who is involved in such dispute.
3. When a Party refuses pursuant to paragraph 2 to issue an immigration document authorizing employment, it shall:
 - (a) inform in writing the business person of the reasons for the refusal; and
 - (b) promptly notify the other Party in writing of the reasons for the refusal.
4. Each Party shall limit any fees for processing applications for temporary entry of business persons to the approximate cost of services rendered.

Article K-04: Provision of Information

1. Further to Article L-02 (Publication), each Party shall:
 - (a) provide to the other Party such materials as will enable it to become acquainted with its measures relating to this Chapter; and
 - (b) no later than one year after the date of entry into force of this Agreement, prepare, publish and make available in its own territory, and in the territory of the other Party, explanatory material in a consolidated document regarding the requirements for temporary entry under this Chapter in such a

manner as will enable business persons of the other Party to become acquainted with them.

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

Article K-05: Working Group

The Parties hereby establish a Temporary Entry Working Group, comprising representatives of each Party, including immigration officials, to consider the implementation and administration of this Chapter and any measures of mutual interest.

Article K-06: Dispute Settlement

1. A Party may not initiate proceedings under Article N-07 (Commission - Good Offices, Conciliation and Mediation) regarding a refusal to grant temporary entry under this Chapter or a particular case arising under Article K-02 unless:

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

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

Article K-07: Relation to Other Chapters

Except for this Chapter, Chapters A (Objectives), B (General Definitions), N (Institutional Arrangements and Dispute Settlement Procedures) and P (Final Provisions) and Articles L-01 (Contacts Points), L-02 (Publication), L-03 (Notification and Provision of Information) and L-04 (Administrative Proceedings), no provision of this Agreement shall impose any obligation on a Party regarding its immigration measures.

Article K-08: Definitions:

For purposes of this Chapter:

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

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

Annex K-03

Temporary Entry for Business Persons

Section I - Business Visitors

1. Each Party shall grant temporary entry to a business person seeking to engage in a business activity set out in Appendix K-03.I.1, without requiring that person to obtain an employment authorization, provided that the business person otherwise complies with existing immigration measures applicable to temporary entry, on presentation of:

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

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

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

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

3. Each Party shall grant temporary entry to a business person seeking to engage in a business activity other than those set out in Appendix K-03.I.1, without requiring that person to obtain an employment authorization, on a basis no less favourable than that provided under the existing provisions of the measures set out in Appendix K-03.I.3, provided that the business person otherwise complies with existing immigration measures applicable to temporary entry.

4. Neither Party may:

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

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

Section II - Traders and Investors

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

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

in a capacity that is supervisory, executive or involves essential skills, provided that the business person otherwise complies with existing immigration measures applicable to temporary entry.

2. Neither Party may:

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

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

Section III - Intra-Company Transferees

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

2. Neither Party may:

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

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

Section IV - Professionals

1. Each Party shall grant temporary entry and provide confirming documentation to a business person seeking to engage in a business activity at a professional level in a profession set out in Appendix K-03.IV.1, if the business person otherwise complies with existing immigration measures applicable to temporary entry, on presentation of:

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

2. Neither Party may:

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

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

4. Notwithstanding paragraphs 1 and 2, a Party may establish an annual numerical limit, which shall be set out in Appendix K-03.IV.4, regarding temporary entry of business persons of the other Party seeking to engage in business activities at a professional level in a profession set out in Appendix K-03.IV.1, if the Parties have not agreed otherwise prior to the date of entry into force of this Agreement. In establishing such a limit, the Party shall consult with the other Party.

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

- (a) shall, for each year after the first year after the date of entry into force of this Agreement, consider increasing the numerical limit set out in Appendix K-03.IV.4 by an amount to be established in consultation with the other Party, taking into account the demand for temporary entry under this Section;
- (b) shall not apply its procedures established pursuant to paragraph 1 to the temporary entry of a business person subject to the numerical limit, but may require the business person to comply with its other procedures applicable to the temporary entry of professionals; and
- (c) may, in consultation with the other Party, grant temporary entry under paragraph 1 to a business person who practices in a profession where accreditation, licensing, and certification requirements are mutually recognized by the Parties.

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

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

Annex K-03.1

1. Business persons who enter Chile under any of the categories set out in Annex K-03 shall be deemed to be engaged in activities which are in the country's interest.
2. Business persons who enter Chile under any of the categories set out in Annex K-03 and are issued a temporary visa shall have that temporary visa extended for subsequent periods provided the conditions on which it is based remain in effect, without requiring that person to apply for permanent residence.
3. Business persons who enter Chile may also obtain an identity card for foreigners.

Appendix K-03.I.1

Business Visitors

Research and Design

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

Growth, Manufacture and Production

- Purchasing and production management personnel conducting commercial transactions for an enterprise located in the territory of the other Party.

Marketing

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

Sales

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

Distribution

- Customs brokers providing consulting services regarding the facilitation of the import or export of goods.

After-sales Service

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

General Service

- Professionals engaging in a business activity at a professional level in a profession set out in Appendix K-03.IV.1.
- Management and supervisory personnel engaging in a commercial transaction for an enterprise located in the territory of the other Party.
- Financial services personnel (insurers, bankers or investment brokers) engaging in commercial transactions for an enterprise located in the territory of the other Party.
- Public relations and advertising personnel consulting with business associates, or attending or participating in conventions.

- Tourism personnel (tour and travel agents, tour guides or tour operators) attending or participating in conventions or conducting a tour that has begun in the territory of the other Party.
- Translators or interpreters performing services as employees of an enterprise located in the territory of the other Party.

Definitions

For purposes of this Appendix:

territory of the other Party means the territory of the Party other than the territory of the Party into which temporary entry is sought.

Appendix K-03.I.3

Existing Immigration Measures

1. In the case of Canada, subsection 19(1) of the *Immigration Regulations*, 1978, SOR/78-172, as amended, made under the *Immigration Act* R.S.C. 1985, c. I-2, as amended.
2. In the case of Chile, Title I, paragraph 6 of *Decree Law 1094*, Official Gazette, July 19, 1975, *Immigration Law* ("Decreto Ley 1094, Diario Oficial, julio 19, 1975, *Ley de Extranjería*"), and Title III of *Immigration Regulation* ("Decreto Supremo 597 del Ministerio del Interior, Diario Oficial noviembre 24, 1984, *Reglamento de Extranjería*").

Appendix K-03.IV.1

Professionals

PROFESSION ¹	MINIMUM EDUCATION REQUIREMENTS AND ALTERNATIVE CREDENTIALS ²
General	
Accountant	Baccalaureate or Licenciatura Degree; or C.P.A., C.A., C.G.A. or C.M.A.; or Contador auditor or Contador público (University Title) ³
Architect	Baccalaureate or Licenciatura Degree; or state/provincial licence ⁴

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

² **Accountant:**

C.P.A.: Certified Public Accountant; C.A.: Chartered Accountant; C.G.A.: Certified General Accountant; C.M.A.: Certified Management Accountant

Dentist:

D.D.S.: Doctor of Dental Surgery; D.M.D.: Doctor of Dental Medicine

Lawyer:

LL.B.: Bachelor of Laws; J.D.: Doctor of Jurisprudence (not a doctorate); LL.L: Licence en Droit (Québec universities and University of Ottawa); BCL: Bachelor of Civil Law

Librarian:

M.L.S.: Master of Library Science; B.L.S.: Bachelor of Library Science

Physician:

M.D.: Medical Doctor

Veterinarian:

D.V.M.: Doctor of Veterinary Medicine; D.M.V.: Docteur en Médecine Vétérinaire

³ "University Title" means any document conferred by universities recognized by the Government of Chile and shall be deemed to be equivalent to the Minimum Education Requirements and Alternative Credentials for that profession. In the case of the profession of Lawyer (Abogado), the title is conferred by the Supreme Court of Chile.

⁴ "State/provincial licence" and "state/provincial/national licence" mean any document issued by a provincial or national government, as the case may be, or under its authority, but not by a local government, that permits a person to engage in a regulated activity or profession.

Computer Systems Analyst	Baccalaureate or Licenciatura Degree; or Post-Secondary Diploma ⁵ or Post-Secondary Certificate ⁶ , and three years experience
Disaster Relief Insurance Claims Adjuster (claims adjuster employed by an insurance company located in the territory of a Party, or an independent claims adjuster)	Baccalaureate or Licenciatura Degree, and successful completion of training in the appropriate areas of insurance adjustment pertaining to disaster relief claims; or three years experience in claims adjustment and successful completion of training in the appropriate areas of insurance adjustment pertaining to disaster relief claims
Economist (including Commercial Engineer in Chile)	Baccalaureate or Licenciatura Degree
Engineer	Baccalaureate or Licenciatura Degree; or state/provincial licence
Forester	Baccalaureate or Licenciatura Degree; or state/provincial licence
Graphic Designer	Baccalaureate or Licenciatura Degree; or Post-Secondary Diploma or Post-Secondary Certificate, and three years experience
Hotel Manager	Baccalaureate or Licenciatura Degree in hotel/restaurant management; or Post-Secondary Diploma or Post-Secondary Certificate in hotel/restaurant management, and three years experience in hotel/restaurant management
Industrial Designer	Baccalaureate or Licenciatura Degree; or Post-Secondary Diploma or Post-Secondary Certificate, and three years experience
Interior Designer	Baccalaureate or Licenciatura Degree; or Post-Secondary Diploma or Post-Secondary Certificate, and three years experience

⁵ "Post-Secondary Diploma" means a credential issued, on completion of two or more years of post-secondary education, by an accredited academic institution in Canada or the United States of America.

⁶ "Post-Secondary Certificate" means a certificate issued, on completion of two or more years of post-secondary education at an academic institution:

- in the case of Mexico, by the federal government or a state government, an academic institution recognized by the federal government or a state government, or an academic institution created by federal or state law; and
- in the case of Chile, by an academic institution recognized by the Government of Chile.

Land Surveyor	Baccalaureate or Licenciatura Degree; or state/provincial/national licence
Landscape Architect	Baccalaureate or Licenciatura Degree
Lawyer (including Notary in the Province of Quebec)	LL.B., J.D., LL.L., B.C.L. or Licenciatura Degree (five years) or Abogado, or membership in a state/provincial bar
Librarian	M.L.S. or B.L.S. or Magister en Bibliotecología (for which another Baccalaureate or Licenciatura Degree was a prerequisite)
Management Consultant	Baccalaureate or Licenciatura Degree; or equivalent professional experience as established by statement or professional credential attesting to five years experience as a management consultant, or five years experience in a field of specialty related to the consulting agreement
Mathematician (including Statistician)	Baccalaureate or Licenciatura Degree
Range Manager/Range Conservationist	Baccalaureate or Licenciatura Degree
Research Assistant (working in a post-secondary educational institution)	Baccalaureate or Licenciatura Degree
Scientific Technician/Technologist ⁷	Possession of (a) theoretical knowledge of any of the following disciplines: agricultural sciences, astronomy, biology, chemistry, engineering, forestry, geology, geophysics, meteorology or physics; and (b) the ability to solve practical problems in any of those disciplines, or the ability to apply principles of any of those disciplines to basic or applied research
Social Worker	Baccalaureate or Licenciatura Degree or Asistente Social/Trabajador social (University Title)
Sylviculturist (including Forestry Specialist)	Baccalaureate or Licenciatura Degree
Technical Publications Writer	Baccalaureate or Licenciatura Degree; or Post-Secondary Diploma or Post-Secondary Certificate, and three years experience
Urban Planner (including Geographer)	Baccalaureate or Licenciatura Degree
Vocational Counsellor	Baccalaureate or Licenciatura Degree

⁷ A business person in this category must be seeking temporary entry to work in direct support of professionals in agricultural sciences, astronomy, biology, chemistry, engineering, forestry, geology, geophysics, meteorology or physics.

Medical/Allied Professional

Dentist	D.D.S., D.M.D., Doctor en Odontologia or Doctor en Cirugia Dental or Licenciatura en Odontologia; or state/provincial licence
Dietitian	Baccalaureate or Licenciatura Degree or Dietista Nutricional (University Title); or state/provincial licence
Medical Laboratory Technologist (Canada)/Medical Technologist (Chile, Mexico and the United States of America) ⁸	Baccalaureate or Licenciatura Degree; or Post-Secondary Diploma or Post-Secondary Certificate, and three years experience
Nutritionist	Baccalaureate or Licenciatura Degree or Nutricionista/Dietista Nutricional (University Title)
Occupational Therapist	Baccalaureate or Licenciatura Degree or Terapeuta Ocupacional (University Title); or state/provincial licence
Pharmacist	Baccalaureate or Licenciatura Degree; or state/provincial licence
Physician (teaching or research only)	M.D. or Doctor en Medicina or Médico Cirujano/ Médico (University Title); or state/provincial licence
Physiotherapist/Physical Therapist	Baccalaureate or Licenciatura Degree or Kinesiólogo/Kinesioterapeuta (University Title) ; or state/provincial licence
Psychologist	State/provincial licence; or Licenciatura Degree
Recreational Therapist	Baccalaureate or Licenciatura Degree
Registered Nurse	State/provincial licence, or Licenciatura Degree, or Enfermera (University Title)
Veterinarian	D.V.M., D.M.V. or Doctor en Veterinaria or Médico Veterinario (University Title); or state/provincial licence
Scientist	
Agriculturist (including Agronomist)	Baccalaureate or Licenciatura Degree
Animal Breeder	Baccalaureate or Licenciatura Degree

⁸ A business person in this category must be seeking temporary entry to perform in a laboratory chemical, biological, hematological, immunologic, microscopic or bacteriological tests and analyses for diagnosis, treatment or prevention of disease.

Animal Scientist	Baccalaureate or Licenciatura Degree
Apiculturist	Baccalaureate or Licenciatura Degree
Astronomer	Baccalaureate or Licenciatura Degree
Biochemist	Baccalaureate or Licenciatura Degree
Biologist	Baccalaureate or Licenciatura Degree
Chemist	Baccalaureate or Licenciatura Degree
Dairy Scientist	Baccalaureate or Licenciatura Degree
Entomologist	Baccalaureate or Licenciatura Degree
Epidemiologist	Baccalaureate or Licenciatura Degree
Geneticist	Baccalaureate or Licenciatura Degree
Geologist	Baccalaureate or Licenciatura Degree or Geólogo (University Title)
Geochemist	Baccalaureate or Licenciatura Degree
Geophysicist (including Oceanographer in Mexico and the United States of America)	Baccalaureate or Licenciatura Degree
Horticulturist	Baccalaureate or Licenciatura Degree
Meteorologist	Baccalaureate or Licenciatura Degree
Pharmacologist	Baccalaureate or Licenciatura Degree
Physicist (including Oceanographer in Canada and Chile)	Baccalaureate or Licenciatura Degree for Physicist; Oceanógrafo (University Title) for Oceanographer
Plant Breeder	Baccalaureate or Licenciatura Degree
Poultry Scientist	Baccalaureate or Licenciatura Degree
Soil Scientist	Baccalaureate or Licenciatura Degree
Zoologist	Baccalaureate or Licenciatura Degree
Teacher	
College	Baccalaureate or Licenciatura Degree
Seminary	Baccalaureate or Licenciatura Degree
University	Baccalaureate or Licenciatura Degree

Appendix K-03.IV.4

Notwithstanding Annex K-03.IV.4, for the purposes of this Agreement, neither Party shall establish an annual numerical limit regarding temporary entry of business persons of the other Party seeking to engage in business activities at a professional level set out in Appendix K-03.IV.1.

**PART FOUR
ADMINISTRATIVE AND INSTITUTIONAL PROVISIONS**

Chapter L

Publication, Notification and Administration of Laws

Article L-01: Contact Points

Each Party shall designate a contact point to facilitate communications between the Parties on any matter covered by this Agreement. On the request of 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 requesting Party.

Article L-02: Publication

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

Article L-03: Notification and Provision of Information

1. To the maximum extent possible, each Party shall notify the other Party of any proposed or actual measure that the Party considers might materially affect the operation of this Agreement or otherwise substantially affect the other Party's interests under this Agreement.
2. 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 the other Party has been previously notified of that measure.
3. Any notification or information provided under this Article shall be without prejudice as to whether the measure is consistent with this Agreement.

Article L-04: Administrative Proceedings

With a view to administering in a consistent, impartial and reasonable manner all measures of general application affecting matters covered by this Agreement, each Party shall ensure that in its administrative proceedings applying measures referred to in Article L-02 to particular persons, goods or services of the other Party in specific cases that:

- (a) wherever possible, persons of the other Party that are directly affected by a proceeding are provided reasonable notice, in accordance with domestic procedures, when a proceeding is initiated, including a description of the nature of the proceeding, a statement of the legal authority under which the

proceeding is initiated and a general description of any issues in controversy;

- (b) such persons are afforded a reasonable opportunity to present facts and arguments in support of their positions prior to any final administrative action, when time, the nature of the proceeding and the public interest permit; and
- (c) its procedures are in accordance with domestic law.

Article L-05: Review and Appeal

1. Each Party shall establish or maintain judicial, quasi-judicial or administrative tribunals or procedures for the purpose of the prompt review and, where warranted, correction of final administrative actions regarding matters covered by this Agreement. Such tribunals shall be impartial and independent of the office or authority entrusted with administrative enforcement and shall not have any substantial interest in the outcome of the matter.

2. Each Party shall ensure that, in any such tribunals or procedures, the parties to the proceeding are provided with the right to:

- (a) a reasonable opportunity to support or defend their respective positions; and
- (b) a decision based on the evidence and submissions of record or, where required by domestic law, the record compiled by the administrative authority.

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

Article L-06: Definitions

For purposes of this Chapter:

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

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

CHAPTER M

Anti-dumping and Countervailing Duty Matters

Article M-01: Reciprocal Exemption from the Application of Anti-dumping Duty Laws

1. Subject to Article M-03, as of the date of entry into force of this Agreement each Party agrees not to apply its domestic anti-dumping law to goods of the other Party. Specifically:

- (a) neither Party shall initiate any anti-dumping investigations or reviews with respect to goods of the other Party;
- (b) each Party shall terminate any ongoing anti-dumping investigations or inquiries in respect of such goods;
- (c) neither Party shall impose new anti-dumping duties or other measures in respect of such goods; and
- (d) each Party shall revoke all existing orders levying anti-dumping duties in respect of such goods.

2. Each Party shall amend, and publish as appropriate, its relevant domestic anti-dumping law in relation to goods of the other Party to ensure that the objectives of this Article are achieved.

Article M-02: Rules of Origin

Article M-01 applies only to goods that the competent investigating authority of the importing Party, applying the importing Party's anti-dumping law to the facts of a specific case, determines are goods of the other Party.

Article M-03: Phase-in Provisions

1. Article M-01 applies to all goods of the other Party as of:

- (a) the date on which the tariff of both Parties is eliminated at the subheading level; or
- (b) January 1, 2003,

whichever comes first.

2. For the purpose of paragraph 1, elimination at the subheading level occurs when the tariff for each eight-digit tariff line under the six-digit subheading is zero under this Agreement.

Article M-04: Exceptional Circumstances

1. Either Party may request, in writing, consultations with the other Party regarding exceptional circumstances that may arise with respect to the operation of this Chapter.

2. Exceptional circumstances may include significant changes in recent trading conditions.

3. The Parties shall enter into consultations within 10 days of receipt of a request and shall conclude such consultations within 30 days of such receipt, except where the matter involves perishable goods, in which case the consultations shall be concluded within 20 days.

4. In the consultations, the Parties shall make every attempt to arrive at a mutually satisfactory resolution of the particular matter, with a view to promptly restoring recent trading conditions. To this end, the Parties shall:

- (a) provide sufficient information to enable a full examination of the exceptional circumstances; and
- (b) treat any confidential or proprietary information exchanged in the course of consultations on the same basis as the Party providing the information.

5. These consultations shall be without prejudice to a Party's right to invoke any applicable government-to-government dispute settlement procedures available under this Agreement or the WTO Agreement.

Article M-05: Committee on Anti-dumping and Countervailing Measures

The Parties hereby establish a Committee on Anti-dumping and Countervailing Measures to:

- (a) consult with a view to defining subsidy disciplines further and eliminating the need for domestic countervailing duty measures on trade between them;
- (b) work together in multilateral fora, including the World Trade Organization, and in the context of negotiating Chile's full accession to the NAFTA and the establishment of a Free Trade Area of the Americas, with a view to improving trade remedy regimes to minimize their potential to impede trade;
- (c) consult on opportunities for working together with other like-minded countries with a view to expanding agreement on the elimination of the application of anti-dumping measures within free trade areas;
- (d) facilitate Chile's full accession to the NAFTA, and in particular Chapter Nineteen, by examining the current domestic anti-dumping and countervailing duty regimes and the operation of the Parties' legal systems, including judicial review of administrative agency decisions; and
- (e) meet annually, and on the request of either Party, to review the operation of this Chapter and other related matters including competition laws and policies.

Article M-06: Review

The Parties shall, not later than 5 years after the coming into force of this Agreement, meet to review this Chapter and to determine whether any changes should be made to its provisions.

Article M-07: Dispute Resolution

1. The dispute settlement provisions of Chapter N (Institutional Arrangements and Dispute Settlement Procedures) shall apply with respect to the avoidance or settlement of all disputes between the Parties regarding the interpretation or application of Articles M-01, M-02, M-03 or M-04 and paragraphs 7 through 9 of this Article.
2. Apart from this Chapter, no provision of this Agreement shall be construed as imposing obligations on a Party with respect to either Party's anti-dumping or countervailing duty law.
3. Except as otherwise provided in paragraph 1, all disputes between the Parties arising in respect of the application of anti-dumping measures or countervailing duty measures by either Party shall be settled in accordance with the WTO Agreement.
4. Where a dispute referred to in paragraph 3 involves, as disputing Parties, Canada and Chile exclusively, the Parties shall act in accordance with the following procedures consistent with the DSU:
 - (a) if a request for consultations under Article 4 of the DSU is made, the Parties shall enter into consultations within 10 days of receipt of the request and shall conclude such consultations within 30 days of such receipt, except where the matter involves perishable goods, in which case consultations shall be concluded within 20 days;
 - (b) a Party shall not object to the establishment of a panel that has been requested by the other Party under Article 6(1) of the DSU at the first meeting of the DSB at which the request is examined; and
 - (c) unless the Parties otherwise agree, the terms of reference of the panel shall be to determine whether the imposition of an anti-dumping measure or a countervailing duty measure against a good of the complaining Party by the Party complained against is in accordance with Article VI of the GATT 1994, or the *Agreement on Subsidies and Countervailing Measures* or the *Agreement on Implementation of Article VI of the GATT 1994*.
5. Unless the Parties otherwise agree, where a DSU panel issues a final report concluding that the imposition by either Canada or Chile of an anti-dumping measure or a countervailing duty measure against a good of the other Party is not in accordance with Article VI of the GATT 1994, or the *Agreement on Subsidies and Countervailing Measures* or the *Agreement on Implementation of Article VI of the GATT 1994*, the Party complained against shall direct its competent authorities to take action not inconsistent with the panel report with respect to the goods of the complaining Party, including, where appropriate, the refund, with interest, of the whole or part of the duty paid.
6. The final report of the DSU panel shall be deemed to be a final report of a panel under Article N-16.
7. The Party complained against shall not be required to take action pursuant to paragraph 5 until:
 - (a) the time period for notification to the DSB of a decision to appeal under Article 16(4) of the DSU has expired; or
 - (b) the panel report is adopted following completion of the appeal procedure under Article 17 of the DSU.
8. Following the expiration of the time period referred to in subparagraph 7(a) or the adoption of the panel report referred to in subparagraph 7(b), if the Party complained against

fails to comply with the final report of a DSU panel pursuant to paragraph 4 within a reasonable period of time, and no compensation has been offered in lieu thereof and no other mutually satisfactory resolution of the matter has been reached, the complaining Party may suspend the application to the Party complained against of benefits of equivalent effect under Article N-18 until such time as the matter is resolved.

9. If a Party chooses to suspend benefits in accordance with Article N-18 as well as under the DSU, the combined effect of such suspension of benefits may not be greater than the effect of the violation.

Article M-08: Definitions

For purposes of this Chapter:

Agreement on Implementation of Article VI of the GATT 1994 means the *Agreement on Implementation of Article VI of the General Agreement on Tariff and Trade 1994*, which forms part of the WTO Agreement;

Agreement on Subsidies and Countervailing Measures means the *Agreement on Subsidies and Countervailing Measures*, which forms part of the WTO Agreement;

Competent investigating authority means:

- (a) in the case of Canada
 - (i) the Canadian International Trade Tribunal or its successor; or
 - (ii) the Deputy Minister of National Revenue as defined in the Special Import Measures Act, as amended, or the Deputy Minister's successor; and
- (b) in the case of Chile, the National Commission for the Investigation of the Existence of Price Distortions in Imported Goods ("*Comisión Nacional Encargada de Investigar la Existencia de Distorsiones en el Precio de las Mercaderías Importadas*"), or its successor;

domestic anti-dumping law means a Party's relevant statutes, regulations and administrative guidelines;

DSB means the Dispute Settlement Body established in Article 2 of the DSU; and

reasonable period of time means the period necessary for review and the taking of action not inconsistent with the panel report, taking into account the factual and legal issues involved. In no event shall the reasonable period of time exceed an amount of time equal to the maximum permitted for investigation (from initiation to final order) to be carried out under the relevant WTO Agreements.

Chapter N
Institutional Arrangements
and Dispute Settlement Procedures

Section I - Institutions

Article N-01: The Free Trade Commission

1. The Parties hereby establish the Free Trade Commission, comprising cabinet-level representatives of the Parties or their designees.
2. The Commission shall:
 - (a) supervise the implementation of this Agreement;
 - (b) oversee its further elaboration;
 - (c) resolve disputes that may arise regarding its interpretation or application;
 - (d) supervise the work of all committees and working groups established under this Agreement, referred to in Annex N-01.2; and
 - (e) consider any other matter that may affect the operation of this Agreement.
3. The Commission may:
 - (a) establish, and delegate responsibilities to, ad hoc or standing committees, working groups or expert groups;
 - (b) seek the advice of non-governmental persons or groups; and
 - (c) take such other action in the exercise of its functions as the Parties may agree.
4. The Commission shall establish its rules and procedures. All decisions of the Commission shall be taken by mutual agreement.
5. The Commission shall convene at least once a year in regular session. Regular sessions of the Commission shall be chaired alternately by each Party.

Article N-02: The Secretariat

1. The Commission shall establish and oversee a Secretariat comprising national Sections.
2. Each Party shall:
 - (a) establish a permanent office of its Section;
 - (b) be responsible for
 - (i) the operation and costs of its Section, and

- (ii) the remuneration and payment of expenses of panelists and members of committees and scientific review boards established under this Agreement, as set out in Annex N-02.2;
 - (c) designate an individual to serve as Secretary for its Section, who shall be responsible for its administration and management; and
 - (d) notify the Commission of the location of its Section's office.
3. The Secretariat shall:
- (a) provide assistance to the Commission;
 - (b) provide administrative assistance to panels established under this Chapter, in accordance with procedures established pursuant to Article N-12; and
 - (c) as the Commission may direct
 - (i) support the work of other committees and groups established under this Agreement, and
 - (ii) otherwise facilitate the operation of this Agreement.

Section II - Dispute Settlement

Article N-03: Cooperation

The Parties shall at all times endeavour to agree on the interpretation and application of this Agreement, and shall make every attempt through cooperation and consultations to arrive at a mutually satisfactory resolution of any matter that might affect its operation.

Article N-04: Recourse to Dispute Settlement Procedures

Except as otherwise provided in this Agreement, the dispute settlement provisions of this Chapter shall apply with respect to the avoidance or settlement of all disputes between the Parties regarding the interpretation or application of this Agreement or wherever a Party considers that an actual or proposed measure of the other Party is or would be inconsistent with the obligations of this Agreement or cause nullification or impairment in the sense of Annex N-04.

Article N-05: WTO Dispute Settlement

1. Subject to paragraph 2, disputes regarding any matter arising under both this Agreement and the WTO Agreement, any agreement negotiated thereunder, or any successor agreement, may be settled in either forum at the discretion of the complaining Party.
2. In any dispute referred to in paragraph 1 where the responding Party claims that its action is subject to Article A-04 (Relation to Environmental and Conservation Agreements) and requests in writing that the matter be considered under this Agreement, the complaining Party may, in respect of that matter, thereafter have recourse to dispute settlement procedures solely under this Agreement.

3. The responding Party shall deliver a copy of a request made pursuant to paragraph 2 to its Section of the Secretariat and the other Party. Where the complaining Party has initiated dispute settlement proceedings regarding any matter subject to paragraph 2, the responding Party shall deliver its request no later than 15 days thereafter. On receipt of such request, the complaining Party shall promptly withdraw from participation in those proceedings and may initiate dispute settlement procedures under Article N-07.

4. Once dispute settlement procedures have been initiated under Article N-07 or dispute settlement proceedings have been initiated under the WTO Agreement, the forum selected shall be used to the exclusion of the other, unless a Party makes a request pursuant to paragraph 2.

5. For purposes of this Article, dispute settlement proceedings under the WTO Agreement are deemed to be initiated by a Party's request for a panel, such as under Article 6 of the DSU.

Consultations

Article N-06: Consultations

1. A Party may request in writing consultations with the other Party regarding any actual or proposed measure or any other matter that it considers might affect the operation of this Agreement.

2. The requesting Party shall deliver the request to its Section of the Secretariat and the other Party.

3. Consultations on matters regarding perishable agricultural goods shall commence within 15 days of the date of delivery of the request.

4. 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. To this end, the Parties shall:

- (a) provide sufficient information to enable a full examination of how the actual or proposed measure or other matter might affect the operation of this Agreement; and
- (b) treat any confidential or proprietary information exchanged in the course of consultations on the same basis as the Party providing the information.

Initiation of Procedures

Article N-07: Commission - Good Offices, Conciliation and Mediation

1. If the Parties fail to resolve a matter pursuant to Article N-06 within:

- (a) 30 days of delivery of a request for consultations;
- (b) 15 days of delivery of a request for consultations in matters regarding perishable agricultural goods; or
- (c) such other period as they may agree,

either Party may request in writing a meeting of the Commission.

2. A Party may also request in writing a meeting of the Commission where:

- (a) it has initiated dispute settlement proceedings under the WTO Agreement regarding any matter subject to Article N-05(2), and has received a request pursuant to Article N-05(3) for recourse to dispute settlement procedures under this Chapter; or
- (b) consultations have been held in the Committee on Trade in Goods and Rules of Origin pursuant to Article C-15.

3. The requesting Party shall state in the request the measure or other matter complained of and indicate the provisions of this Agreement that it considers relevant, and shall deliver the request to its Section of the Secretariat and the other Party.

4. Unless it decides otherwise, the Commission shall convene within 10 days of delivery of the request and shall endeavour to resolve the dispute promptly.

5. The Commission may:

- (a) call on such technical advisers or create such working groups or expert groups as it deems necessary;
- (b) have recourse to good offices, conciliation, mediation or such other dispute resolution procedures; or
- (c) make recommendations,

as may assist the Parties to reach a mutually satisfactory resolution of the dispute.

6. Unless it decides otherwise, the Commission shall consolidate two or more proceedings before it pursuant to this Article regarding the same measure. The Commission may consolidate two or more proceedings regarding other matters before it pursuant to this Article that it determines are appropriate to be considered jointly.

Panel Proceedings

Article N-08: Request for an Arbitral Panel

1. If the Commission has convened pursuant to Article N-07(4), and the matter has not been resolved within:

- (a) 30 days thereafter;
- (b) 30 days after the Commission has convened in respect of the matter most recently referred to it, where proceedings have been consolidated pursuant to Article N-07(6); or
- (c) such other period as the Parties may agree,

a Party may request in writing the establishment of an arbitral panel. The requesting Party shall deliver the request to its Section of the Secretariat and the other Party.

2. On delivery of the request, the Commission shall establish an arbitral panel.

3. Unless otherwise agreed by the Parties, the panel shall be established and perform its functions in a manner consistent with the provisions of this Chapter.

Article N-09: Roster

1. The Parties shall establish by January 1, 1998 at the latest and maintain a roster of up to 20 individuals, 4 of whom must not be citizens of either of the Parties, who are willing and able to serve as panelists. The roster members shall be appointed by agreement of the Parties for terms of three years, and may be reappointed.

2. Roster members shall:

- (a) have expertise or experience in law, international trade, other matters covered by this Agreement or the resolution of disputes arising under international trade agreements, and shall be chosen strictly on the basis of objectivity, reliability and sound judgment;
- (b) be independent of, and not be affiliated with or take instructions from, any Party; and
- (c) comply with a code of conduct to be established by the Commission.

Article N-10: Qualifications of Panelists

1. All panelists shall meet the qualifications set out in Article N-09(2).

2. Individuals may not serve as panelists for a dispute in which they have participated pursuant to Article N-07(5).

Article N-11: Panel Selection

1. The following procedures shall apply to panel selection:

- (a) The panel shall comprise five members;
- (b) The Parties shall endeavour to agree on the chair of the panel within 15 days of the delivery of the request for the establishment of the panel. If the Parties are unable to agree on the chair within this period, the Party chosen by lot shall select within five days as chair an individual who is not a citizen of a Party;
- (c) Within 15 days of selection of the chair, each Party shall select two panelists who are citizens of the other Party; and
- (d) If a Party fails to select its panelists within such period, such panelists shall be selected by lot from among the roster members who are citizens of the other Party.

2. Panelists shall normally be selected from the roster. A Party may exercise a peremptory challenge against any individual not on the roster who is proposed as a panelist by the other Party within 15 days after the individual has been proposed.

3. If a Party believes that a panelist is in violation of the code of conduct, the Parties shall consult and if they agree, the panelist shall be removed and a new panelist shall be selected in accordance with this Article.

Article N-12: Rules of Procedure

1. The Commission shall establish, by the date of entry into force of this Agreement, Model Rules of Procedure, in accordance with the following principles:
 - (a) the procedures shall assure a right to at least one hearing before the panel as well as the opportunity to provide initial and rebuttal written submissions; and
 - (b) the panel's hearings, deliberations and initial report, and all written submissions to and communications with the panel shall be confidential.
2. The Commission may amend from time to time the Model Rules of Procedure referred to in paragraph 1.
3. Unless the Parties otherwise agree, the panel shall conduct its proceedings in accordance with the Model Rules of Procedure.
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 findings, determinations and recommendations as provided in Article N-15(2)."
5. If the complaining Party wishes to argue that a matter has nullified or impaired benefits, the terms of reference shall so indicate.
6. If a Party wishes the panel to make findings as to the degree of adverse trade effects on a Party of any measure found not to conform with the obligations of the Agreement or to have caused nullification or impairment in the sense of Annex N-04, the terms of reference shall so indicate.

Article N-13: Role of Experts

On request of a Party, or on its own initiative, the panel may seek information and technical advice from any person or body that it deems appropriate, provided that the Parties so agree and subject to such terms and conditions as the Parties may agree.

Article N-14: Scientific Review Boards

1. On request of a Party or, unless the Parties disapprove, on its own initiative, the panel may request a written report of a scientific review board on any factual issue concerning environmental, health, safety or other scientific matters raised by a Party in a proceeding, subject to such terms and conditions as the Parties may agree.
2. The board shall be selected by the panel from among highly qualified, independent experts in the scientific matters, after consultations with the Parties and the scientific bodies set out in the Model Rules of Procedure established pursuant to Article N-12(1).
3. The Parties shall be provided:
 - (a) advance notice of, and an opportunity to provide comments to the panel on, the proposed factual issues to be referred to the board; and

- (b) a copy of the board's report and an opportunity to provide comments on the report to the panel.
4. The panel shall take the board's report and any comments by the Parties on the report into account in the preparation of its report.

Article N-15: Initial Report

1. Unless the Parties otherwise agree, the panel shall base its report on the submissions and arguments of the Parties and on any information before it pursuant to Article N-13 or N-14.
2. Unless the Parties otherwise agree, the panel shall, within 90 days after the last panelist is selected or such other period as the Model Rules of Procedure established pursuant to Article N-12(1) may provide, present to the Parties an initial report containing:
 - (a) findings of fact, including any findings pursuant to a request under Article N-12(6);
 - (b) its determination as to whether the measure at issue is or would be inconsistent with the obligations of this Agreement or cause nullification or impairment in the sense of Annex N-04, or any other determination requested in the terms of reference; and
 - (c) its recommendations, if any, for resolution of the dispute.
3. Panelists may furnish separate opinions on matters not unanimously agreed.
4. A Party may submit written comments to the panel on its initial report within 14 days of presentation of the report.
5. In such an event, and after considering such written comments, the panel, on its own initiative or on the request of a Party, may:
 - (a) request the views of a Party;
 - (b) reconsider its report; and
 - (c) make any further examination that it considers appropriate.

Article N-16: Final Report

1. The panel shall present to the Parties a final report, including any separate opinions on matters not unanimously agreed, within 30 days of presentation of the initial report, unless the Parties otherwise agree.
2. No panel may, either in its initial report or its final report, disclose which panelists are associated with majority or minority opinions.
3. The Parties shall transmit to the Commission the final report of the panel, including any report of a scientific review board established under Article N-14, as well as any written views that a Party desires to be appended, on a confidential basis within a reasonable period of time after it is presented to them.
4. Unless the Commission decides otherwise, the final report of the panel shall be published 15 days after it is transmitted to the Commission.

Implementation of Panel Reports

Article N-17: Implementation of Final Report

1. On receipt of the final report of a panel, the Parties shall agree on the resolution of the dispute, which normally shall conform with the determinations and recommendations of the panel, and shall notify their Sections of the Secretariat of any agreed resolution of any dispute.
2. Wherever possible, the resolution shall be non-implementation or removal of a measure not conforming with this Agreement or causing nullification or impairment in the sense of Annex N-04 or, failing such a resolution, compensation.

Article N-18: Non-Implementation - Suspension of Benefits

1. If in its final report a panel has determined that a measure is inconsistent with the obligations of this Agreement or causes nullification or impairment in the sense of Annex N-04 and the Party complained against has not reached agreement with the complaining Party on a mutually satisfactory resolution pursuant to Article N-17(1) within 30 days of receiving the final report, 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.
2. In considering what benefits to suspend pursuant to paragraph 1:
 - (a) the 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 N-04; and
 - (b) if the complaining Party considers that it is not practicable or effective to suspend benefits in the same sector or sectors, it may suspend benefits in other sectors.
3. On the written request of a Party delivered to its Section of the Secretariat and the other Party, the Commission shall establish a panel to determine whether the level of benefits suspended by a Party pursuant to paragraph 1 is manifestly excessive.
4. The panel proceedings shall be conducted in accordance with the Model Rules of Procedure. The panel shall present its determination within 60 days after the last panelist is selected or such other period as the Parties may agree.

Section III - Domestic Proceedings and Private Commercial Dispute Settlement

Article N-19: Referrals of Matters from Judicial or Administrative Proceedings

1. If an issue of interpretation or application of this Agreement arises, in any domestic judicial or administrative proceeding of a Party, that either Party considers would merit its intervention, or if a court or administrative body solicits the views of a Party, that Party shall notify its Section of the Secretariat and the other Party. The Commission shall endeavour to agree on an appropriate response as expeditiously as possible.

2. The Party in whose territory the court or administrative body is located shall submit any agreed interpretation of the Commission to the court or administrative body in accordance with the rules of that forum.

3. If the Commission is unable to agree, each Party may submit its own views to the court or administrative body in accordance with the rules of that forum.

Article N-20: 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.

Article N-21: Alternative Dispute Resolution

1. Each Party shall, to the maximum extent possible, encourage and facilitate the use of arbitration and other means of alternative dispute resolution for the settlement of international commercial disputes between private parties in the free trade area.

2. To this end, each Party shall provide appropriate procedures to ensure observance of agreements to arbitrate and for the recognition and enforcement of arbitral awards in such disputes.

3. A Party shall be deemed to be in compliance with paragraph 2 if it is a party to and is in compliance with the 1958 *United Nations Convention on the Recognition and Enforcement of Foreign Arbitral Awards* or the 1975 *Inter-American Convention on International Commercial Arbitration*.

4. The Commission shall establish an Advisory Committee on Private Commercial Disputes comprising persons with expertise or experience in the resolution of private international commercial disputes. The Committee shall report and provide recommendations to the Commission on general issues referred to it by the Commission respecting the availability, use and effectiveness of arbitration and other procedures for the resolution of such disputes in the free trade area.

Annex N-01.2

Committees and Working Groups

A. Committees:

1. Committee on Trade in Goods and Rules of Origin (Article C-15)
 - Sub-Committee on Agriculture (Article C-15(4))
 - Customs Sub-Committee (Article E-13)
2. Committee on Telecommunications Standards (Article I-04(7))
3. Committee on Anti-dumping and Countervailing Measures (Article M-05)
4. Advisory Committee on Private Commercial Disputes (Article N-21(4))

B. Working Group:

Temporary Entry Working Group (Article K-05)

Annex N-02.2

Remuneration and Payment of Expenses

1. The Commission shall establish the amounts of remuneration and expenses that will be paid to the panelists, committee members and members of scientific review boards.
2. The remuneration of panelists or committee members and their assistants, members of scientific review boards, their travel and lodging expenses, and all general expenses of panels, committees or scientific review boards shall be borne equally by the Parties.
3. Each panelist or committee member shall keep a record and render a final account of the person's time and expenses, and the panel, committee or scientific review board shall keep a record and render a final account of all general expenses.

Nullification and Impairment

1. If a Party considers that any benefit it could reasonably have expected to accrue to it under any provision of:

- (a) Part Two (Trade in Goods), except for those provisions of Annex C-00-A (Trade and Investment in the Automotive Sector) relating to investment; or
- (b) Chapter H (Cross-Border Trade in Services),

is being nullified or impaired as a result of the application of any measure that is not inconsistent with this Agreement, the Party may have recourse to dispute settlement under this Chapter.

2. A Party may not invoke:

- (a) paragraph 1(a), to the extent that the benefit arises from any cross-border trade in services provision of Part Two or Three; or
- (b) paragraph 1(b),

with respect to any measure subject to an exception under Article O-01 (General Exceptions).

PART FIVE OTHER PROVISIONS

Chapter O

Exceptions

Article O-01: General Exceptions

1. For purposes of Part Two (Trade in Goods), except to the extent that a provision of that Part applies to services or investment, Article XX of the 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 the GATT 1994 include environmental measures necessary to protect human, animal or plant life or health, and that Article XX(g) of the GATT 1994 applies to measures relating to the conservation of living and non-living exhaustible natural resources.

2. Provided that such measures are not applied in a manner that would constitute a means of arbitrary or unjustifiable discrimination between countries where the same conditions prevail or a disguised restriction on trade between the Parties, nothing in:

- (a) Part Two (Trade in Goods), to the extent that a provision of that Part applies to services;
- (b) Chapter H (Cross-Border Trade in Services); and
- (c) Chapter I (Telecommunications),

shall be construed to prevent the adoption or enforcement by either Party of measures necessary to secure compliance with laws or regulations that are not inconsistent with the provisions of this Agreement, including those relating to health and safety and consumer protection.

Article O-02: 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 it determines to be contrary to its essential security interests;
- (b) to prevent either Party from taking any actions that it considers necessary for the protection of its essential security interests
 - (i) relating to the traffic in arms, ammunition and implements of war and to such traffic and transactions in other goods, materials, services and technology undertaken directly or indirectly for the purpose of supplying a military or other security establishment,
 - (ii) taken in time of war or other emergency in international relations, or
 - (iii) relating to the implementation of national policies or international agreements respecting the non-proliferation of nuclear weapons or other nuclear explosive devices; or

- (c) to prevent either Party from taking action in pursuance of its obligations under the United Nations Charter for the maintenance of international peace and security.

Article O-03: Taxation

1. Except as set out in this Article and in Annex O-03.1, nothing in this Agreement shall apply to taxation measures.
2. Nothing in this Agreement shall affect the rights and obligations of either 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 C-01 (Market Access - National Treatment) and such other provisions of this Agreement as are necessary to give effect to that Article shall apply to taxation measures to the same extent as does Article III of the GATT 1994; and
 - (b) Article C-12 (Market Access - Export Taxes) shall apply to taxation measures.
4. Subject to paragraph 2:
 - (a) Article H-02 (Cross-Border Trade in Services - National Treatment) shall apply to taxation measures on income, capital gains or the taxable capital of corporations that relate to the purchase or consumption of particular services; and
 - (b) Articles G-02 and G-03 (Investment - National Treatment and Most-Favoured Nation Treatment) and Articles H-02 and H-03 (Cross-Border Trade in Services - National Treatment and Most-Favoured-Nation Treatment) shall apply to all taxation measures, other than those on income, capital gains or on the taxable capital of corporations, taxes on estates, inheritances, gifts and generation-skipping transfers,

except that nothing in those Articles shall apply:

- (c) any most-favoured-nation obligation with respect to an advantage accorded by a Party pursuant to a tax convention;
- (d) to a non-conforming provision of any existing taxation measure;
- (e) to the continuation or prompt renewal of a non-conforming provision of any existing taxation measure;
- (f) to an amendment to a non-conforming provision of any existing taxation measure to the extent that the amendment does not decrease its conformity, at the time of the amendment, with any of those Articles; or
- (g) to any new taxation measure aimed at ensuring the equitable and effective imposition or collection of taxes and that does not arbitrarily discriminate between persons, goods or services of the Parties or arbitrarily nullify or impair benefits accorded under those Articles, in the sense of Annex N-04.

5. Subject to paragraph 2 and without prejudice to the rights and obligations of the Parties under paragraph 3, Article G-06(3), (4) and (5) (Performance Requirements) shall apply to taxation measures.

6. Article G-10 (Expropriation and Compensation) shall apply to taxation measures except that no investor may invoke that Article as the basis for a claim under Article G-17 (Claim by an Investor of a Party on Its Own Behalf) or G-18 (Claim by an Investor of a Party on Behalf of an Enterprise), where it has been determined pursuant to this paragraph that the measure is not an expropriation. The investor shall refer the issue of whether the measure is not an expropriation for a determination to the appropriate competent authorities set out in Annex O-03.6 at the time that it gives notice under Article G-20 (Notice of Intent to Submit a Claim to Arbitration). If the competent authorities do not agree to consider the issue or, having agreed to consider it, fail to agree that the measure is not an expropriation within a period of six months of such referral, the investor may submit its claim to arbitration under Article G-21 (Submission of a Claim to Arbitration).

Article O-04: Balance of Payments

1. Nothing in this Agreement shall be construed to prevent a Party from adopting or maintaining measures that restrict transfers where the Party experiences serious balance of payments difficulties, or the threat thereof, and such restrictions are consistent with this Article.

2. As soon as practicable after a Party imposes a measure under this Article, the Party shall:

- (a) submit any current account exchange restrictions to the IMF for review under Article VIII of the Articles of Agreement of the IMF;
- (b) enter into good faith consultations with the IMF on economic adjustment measures to address the fundamental underlying economic problems causing the difficulties; and
- (c) adopt or maintain economic policies consistent with such consultations.

3. A measure adopted or maintained under this Article shall:

- (a) avoid unnecessary damage to the commercial, economic or financial interests of the other Party;
- (b) not be more burdensome than necessary to deal with the balance of payments difficulties or threat thereof;
- (c) be temporary and be phased out progressively as the balance of payments situation improves;
- (d) be consistent with paragraph 2(c) and with the Articles of Agreement of the IMF; and
- (e) be applied on a national treatment or most-favoured-nation treatment basis, whichever is better.

4. A Party may adopt or maintain a measure under this Article that gives priority to services that are essential to its economic program, provided that a Party may not impose a measure for the purpose of protecting a specific industry or sector unless the measure is consistent with paragraph 2(c) and with Article VIII(3) of the Articles of Agreement of the IMF.

5. Restrictions imposed on transfers:

- (a) where imposed on payments for current international transactions, shall be consistent with Article VIII(3) of the Articles of Agreement of the IMF;
- (b) where imposed on international capital transactions, shall be consistent with Article VI of the Articles of Agreement of the IMF and be imposed only in conjunction with measures imposed on current international transactions under paragraph 2(a);
- (c) where imposed on transfers covered by Article G-09 (Investment - Transfers) and transfers related to trade in goods, may not substantially impede transfers from being made in a freely usable currency at a market rate of exchange; and
- (d) may not take the form of tariff surcharges, quotas, licences or similar measures.

Article O-05: Disclosure of Information

Nothing in this Agreement shall be construed to require a Party to furnish or allow access to information the disclosure of which would impede law enforcement or would be contrary to the Party's law protecting personal privacy or the financial affairs and accounts of individual customers of financial institutions.

Article O-06: Cultural Industries

Annex O-06 applies to the Parties with respect to cultural industries.

Article O-07: 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;

international capital transactions means "international capital transactions" as defined under the Articles of Agreement of the IMF;

IMF means the International Monetary Fund;

payments for current international transactions means "payments for current international transactions" as defined under the Articles of Agreement of the IMF;

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

taxes and taxation measures do not include:

- (a) a "customs duty" as defined in Article C-18 (Market Access - Definitions);
or
- (b) the measures listed in exceptions (b), (c) and (d) of that definition; and

transfers means international transactions and related international transfers and payments.

Annex O-03.1

Double Taxation

1. The Parties agree to conclude a bilateral double taxation agreement within a reasonable time after the date that this Agreement enters into force.
2. The Parties agree that upon conclusion of a bilateral double taxation agreement, they will agree to an exchange of letters setting out the relationship between the double taxation agreement and Article O-03 of the Agreement.

Annex O-03.6

Competent Authorities

For purposes of this Chapter:

competent authority means

- (a) in the case of Canada, the Assistant Deputy Minister for Tax Policy, Department of Finance; and
- (b) in the case of Chile, the Director of the Internal Revenue Service, Ministry of Finance ("Director del Servicio de Impuestos Internos, Ministerio de Hacienda").

Annex O-06

Cultural Industries

Nothing in this Agreement shall be construed to apply to measures adopted or maintained by either Party with respect to cultural industries except as specifically provided in Article C-02 (Market Access - Tariff Elimination).

Chapter P

Final Provisions

Article P-01: Annexes, Appendices and Notes

The Annexes, Appendices and Notes to this Agreement constitute integral parts of this Agreement.

Article P-02: Amendments

1. The Parties may agree on any modification of or addition to this Agreement.
2. When so agreed, and approved in accordance with the applicable legal procedures of each Party, a modification or addition shall constitute an integral part of this Agreement.

Article P-03: Entry into Force

This Agreement shall enter into force on June 2, 1997, on an exchange of written notifications certifying the completion of necessary legal procedures.

Article P-04: Accession of Chile to the NAFTA

The Parties shall work toward the early accession of Chile to the NAFTA.

Article P-05: Duration and Termination

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

Article P-06: Authentic Texts

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

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

DONE in Santiago, on the 5th day of December, one thousand nine hundred ninety six, in duplicate, in the English, French and Spanish languages.

**FOR THE GOVERNMENT
OF CANADA**

**FOR THE GOVERNMENT
OF THE REPUBLIC OF CHILE**

NOTES

Chapter B

1. A good of a Party may include materials of other countries.

Chapter C

1. "Goods of the Party" includes goods produced in a province of that Party.
2. For the purpose of Article C-02, a good may refer to an originating good or a good which benefits from tariff elimination under a TPL.
3. This paragraph is not intended to prevent either Party from modifying its tariffs outside this Agreement on goods for which no tariff preference is claimed under this Agreement. This paragraph does not prevent either Party from raising a tariff back to an agreed level in accordance with the phase-out schedule in this Agreement following a unilateral reduction.
4. Paragraphs 1 and 2 of this Article are not intended to prevent either Party from maintaining or increasing a customs duty as may be authorized by any dispute settlement provision of the WTO Agreement or any agreement under the WTO Agreement.
5. Where another form of monetary security is used, it shall not be more burdensome than the bonding requirement referred to in this subparagraph. Where a Party uses a non-monetary form of security, it shall not be more burdensome than existing forms of security used by that Party.
6. This paragraph does not cover goods imported in bond, into foreign-trade zones, or in similar status, that are exported for repair and are not re-imported in bond, into foreign trade zones, or in similar status.
7. For purposes of reference only, descriptions are provided next to the corresponding tariff provision.
8. An operation or process that is part of the production or assembly of an unfinished good into a finished good is not a repair or alteration of the unfinished good; a component of a good is a good that may be subject to repair or alteration.
9. The elimination of the MFN tariff is as follows:
 - "a" denotes elimination by November 18, 1996;
 - "b" denotes elimination on the date of entry into force of this Agreement;
 - "c" denotes elimination not later than January 1, 1999;
 - "n.a." denotes that the Item does not exist in the Party's tariff schedule.
10. Oil Seed Seeds. The following products are mentioned in this Law, but the Price Band System is not applied to them nor have they been subject to this System: 1201.0000; 1202.1000; 1202.2000; 1203.0000; 1204.0000; 1205.0000; 1206.0000; 1207.1000; 1207.2000; 1207.3000; 1207.4000; 1207.5000; 1207.6000; 1207.9100; 1207.9200; 1207.9900.
11. Paragraphs 1 and 2 shall not be construed to modify the rights and obligations set out in Chapter Ten of the *Canada-United States Free Trade Agreement*.

Annex C-00-B

1. The general provisions of Chapter B (Definitions), Chapter C (Market Access), Chapter D (Rules of Origin) and Chapter F (Emergency Action) are subject to the specific rules for textiles and apparel goods set out in this Annex.
2. For purposes of Sections 3 and 4:
 - (a) "increased quantities" is intended to be interpreted more broadly than the standard provided in Article F-01.1, which considers imports "in absolute terms" only. For purposes of these Sections, "increased quantities" is intended to be interpreted in the same manner as this standard is interpreted in the *WTO Agreement on Textiles and Clothing*; and
 - (b) "serious damage" is intended as a less stringent standard than "serious injury" under Article F-01.1. The "serious damage" standard is drawn from the *WTO Agreement on Textiles and Clothing*. The factors to be considered in determining whether the standard has been met are set out in Section 3.2 and are also drawn from that Agreement. "Serious damage" is to be interpreted in the light of its meaning in that Agreement.
3. In paragraph 5(c), the term "equitable treatment" is intended to have the same meaning as it has in customary practice under the *WTO Agreement on Textiles and Clothing*.
4. For purposes of this Appendix only, references to U.S. Harmonized System Statistical Provisions are based on the 1992 Harmonized System.

Chapter D

1. The phrase "specifically describes" is intended solely to prevent Article D-01(d) from being used to qualify a part of another part, where the heading or subheading covers the final good, the part made from the other part and the other part.
2. Article D-02(4) applies to intermediate materials, and VNM in paragraphs 2 and 3 does not include:
 - (i) the value of any non-originating materials used by another producer to produce an originating material that is subsequently acquired and used in the production of the good by the producer of the good, and
 - (ii) the value of non-originating materials used by the producer to produce an originating self-produced material that is designated by the producer as an intermediate material pursuant to Article D-02(10).

With respect to paragraph 4, where an originating intermediate material is subsequently used by the producer with non-originating materials (whether or not produced by the producer) to produce the good, the value of such non-originating materials shall be included in the VNM of the good.

Under paragraph 4, with respect to any self-produced material that is not designated as an intermediate material, only the value of non-originating materials used to produce the self-produced material shall be included in the VNM of the good.

3. With respect to paragraph 8, sales promotion, marketing and after-sales service costs, royalties, shipping and packing costs, and non-allowable interest costs included in the value of materials used in the production of the good are not subtracted out of the net cost in the calculation under Article D-02(3).
4. With respect to paragraph 10, an intermediate material used by another producer in the production of a material that is subsequently acquired and used by the producer of the good shall not be taken into account in applying the proviso set out in that paragraph, except

where two or more producers accumulate their production under Article D-04.

With respect to paragraph 10, if a producer designates a self-produced material as an originating intermediate material and the Customs Administration of the importing Party subsequently determines that the intermediate material is not originating, the producer may rescind the designation and recalculate the value content of the good accordingly. In such a case, the producer shall retain its rights of appeal or review with regard to the determination of the origin of the intermediate material.

5. For purposes of applying paragraph 6, the determination of the component that determines the tariff classification of the good shall be based on General Rules for the Interpretation of the Harmonized System. When the component that determines the tariff classification is a blend of two or more yarns or fibres, all yarns and, where applicable, fibres, in that component are to be taken into account.

6. The rules of origin under Chapter D are based on the 1996 Harmonized System, with each Party's tariff schedule amended to incorporate the new tariff items created for rules of origin purposes.

Annex D-01

1. If the good is for use in a motor vehicle, the provisions of Article D-03 may apply.
2. If the good is for use in a motor vehicle, the provisions of Article D-03 may apply.
3. For definition of "average yarn number" see Annex C-00-B, Section 6.
4. If a good provided for in subheading 8301.20 is for use in a motor vehicle, the provisions of Article D-03 may apply.
5. If the good is for use in a motor vehicle, the provisions of Article D-03 may apply.
6. If the good is for use in a motor vehicle, the provisions of Article D-03 may apply.
7. If the good is for use in a motor vehicle, the provisions of Article D-03 may apply.
8. If the good is for use in a motor vehicle, the provisions of Article D-03 may apply.
9. If the good provided for in subheading 8413.30 or 8413.60 is for use in a motor vehicle, the provisions of Article D-03 may apply.
10. If the good provided for in subheading 8414.59 or 8414.80 is for use in a motor vehicle, the provisions of Article D-03 may apply.
11. If the good provided for in subheading 8415.20 is for use in a motor vehicle, the provisions of Article D-03 may apply.
12. If the good provided for in subheading 8421.23, 8421.31 or 8421.39 is for use in a motor vehicle, the provisions of Article D-03 may apply.
13. If the good provided for in subheading 8425.39, 8425.42 or 8425.49 in a motor vehicle, the provisions of Article D-03 may apply.
14. If the good provided for in subheading 8431.10 is for use in a motor vehicle, the provisions of Article D-03 may apply.
15. If the good provided for in subheading 8481.20, 8481.30 or 8481.80 is for use in a motor vehicle, the provisions of Article D-03 may apply.

16. If the good is for use in a motor vehicle, the provisions of Article D-03 may apply.
17. If the good is for use in a motor vehicle, the provisions of Article D-03 may apply.
18. If the good is for use in a motor vehicle, the provisions of Article D-03 may apply.
19. If the good is for use in a motor vehicle, the provisions of Article D-03 may apply.
20. If the good is for use in a motor vehicle, the provisions of Article D-03 may apply.
21. If the good provided for in subheading 8501.10, 8501.20, 8501.31 or 8501.32 is for use in a motor vehicle, the provisions of Article D-03 may apply.
22. If the good is for use in a motor vehicle, the provisions of Article D-03 may apply.
23. If the good is for use in a motor vehicle, the provisions of Article D-03 may apply.
24. If the good provided for in subheading 8512.20, 8512.30 or 8512.40 is for use in a motor vehicle, the provisions of Article D-03 may apply.
25. If the good provided for in subheading 8516.10 is for use in a motor vehicle, the provisions of Article D-03 may apply.
26. If the good provided for in subheading 8536.41, 8536.50 or 8536.90 is for use in a motor vehicle, the provisions of Article D-03 may apply.
27. If the good provided for in subheading 8537.10 is for use in a motor vehicle, the provisions of Article D-03 may apply.
28. If the good provided for in subheading 8539.10, 8539.21 or 8539.29 is for use in a motor vehicle, the provisions of Article D-03 may apply.
29. If the good provided for in subheading 8544.30 or 8544.41 is for use in a motor vehicle, the provisions of Article D-03 may apply.
30. If the good provided for in subheading 9017.80 is for use in a motor vehicle, the provisions of Article D-03 may apply.
31. If the good provided for in subheading 9026.10 is for use in a motor vehicle, the provisions of Article D-03 may apply.
32. If the good is for use in a motor vehicle, the provisions of Article D-03 may apply.
33. If the good provided for in subheading 9032.10, 9032.20 or 9032.89 is for use in a motor vehicle, the provisions of Article D-03 may apply.
34. If the good provided for in heading 91.04 is for use in a motor vehicle, the provisions of Article D-03 may apply.
35. If the good provided for in subheading 9401.20 is for use in a motor vehicle, the provisions of Article D-03 may apply.
36. This table identifies the new eight-digit tariff classification provisions that have been created solely for purposes of application of the rules of origin under Chapter D. In the case of Chile in particular, these new tariff provisions do not apply to the benefits provided under Law 18.480 and therefore do not grant any new or additional rights under Law 18.480.

Chapter E

1. The Uniform Regulations will clarify that "determination of origin" includes a denial of preferential tariff treatment under Article E-06(4), and that such denial is subject to review and appeal.

Chapter G

1. This Chapter covers investments existing on the date of entry into force of this Agreement as well as investments made or acquired thereafter.

2. Article G-06 does not preclude enforcement of any commitment, undertaking or requirement between private parties.

Chapter I

1. For purposes of this Article, "monopoly" means an entity, including a consortium or government agency, that in any relevant market in the territory of a Party is maintained or designated as the sole provider of public telecommunications transport networks or services.

Chapter J

1. No investor may have recourse to investor-state arbitration under the Investment Chapter for any matter arising under this Article.

2. Nothing in this Article shall be construed to prevent a monopoly from charging different prices in different geographic markets, where such differences are based on normal commercial considerations, such as taking account of supply and demand conditions in those markets.

3. A "delegation" includes a legislative grant, and a government order, directive or other act transferring to the monopoly, or authorizing the exercise by the monopoly of, governmental authority.

4. Differences in pricing between classes of customers, between affiliated and non-affiliated firms, and cross-subsidization are not in themselves inconsistent with the provision; rather, they are subject to this subparagraph when they are used as instruments of anticompetitive behaviour by the monopoly firm.

Chapter K

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

2. **Accountant:**

C.P.A.: Certified Public Accountant; C.A.: Chartered Accountant;

C.G.A.: Certified General Accountant; C.M.A.: Certified Management Accountant

Dentist:

D.D.S.: Doctor of Dental Surgery; D.M.D.: Doctor of Dental Medicine

Lawyer:

LL.B.: Bachelor of Laws; J.D.: Doctor of Jurisprudence (not a doctorate);

LL.L: Licence en Droit (Québec universities and University of Ottawa);

B.C.L.: Bachelor of Civil Law

Librarian:

M.L.S.: Master of Library Science; B.L.S.: Bachelor of Library Science

Physician:

M.D.: Medical Doctor

Veterinarian:

D.V.M.: Doctor of Veterinary Medicine; D.M.V.: Docteur en Médecine Vétérinaire

3. "University Title" means any document conferred by universities recognized by the Government of Chile and shall be deemed to be equivalent to the Minimum Education Requirements and Alternative Credentials for that profession. In the case of the profession of Lawyer (Abogado), the title is conferred by the Supreme Court of Chile.

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

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

6. "Post-Secondary Certificate" means a certificate issued, on completion of two or more years of post-secondary education at an academic institution:

- in the case of Mexico, by the federal government or a state government, an academic institution recognized by the federal government or a state government, or an academic institution created by federal or state law; and

- in the case of Chile, by an academic institution recognized by the Government of Chile.

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

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

ANNEX I

**RESERVATIONS FOR EXISTING MEASURES
AND LIBERALIZATION COMMITMENTS**

(CHAPTERS G AND H)

Annex I

1. The Schedule of a Party sets out, pursuant to Articles G-08(1) (Investment) and H-06(1) (Cross-Border Trade in Services), the reservations taken by that Party with respect to existing measures that do not conform with obligations imposed by:

- (a) Article G-02 or H-02 (National Treatment);
- (b) Article G-03 or H-03 (Most-Favored-Nation Treatment);
- (c) Article H-05 (Local Presence);
- (d) Article G-06 (Performance Requirements); or
- (e) Article G-07 (Senior Management and Boards of Directors),

and, in certain cases, sets out commitments for immediate or future liberalization.

2. Each reservation sets out the following elements:

- (a) **Sector** refers to the general sector in which the reservation is taken;
- (b) **Sub-Sector** refers to the specific sector in which the reservation is taken;
- (c) **Industry Classification** refers, where applicable, to the activity covered by the reservation according to domestic industry classification codes;
- (d) **Type of Reservation** specifies the obligation referred to in paragraph 1 for which a reservation is taken;
- (e) **Level of Government** indicates the level of government maintaining the measure for which a reservation is taken;
- (f) **Measures** identifies the laws, regulations or other measures, as qualified, where indicated, by the **Description** element, for which the reservation is taken. A measure cited in the **Measures** element
 - (i) means the measure as amended, continued or renewed as of the date of entry into force of this Agreement, and
 - (ii) includes any subordinate measure adopted or maintained under the authority of and consistent with the measure;
- (g) **Description** sets out commitments, if any, for liberalization on the date of entry into force of this Agreement, and the remaining non-conforming aspects of the existing measures for which the reservation is taken; and
- (h) **Phase-Out** sets out commitments, if any, for liberalization after the date of entry into force of this Agreement.

3. In the interpretation of a reservation, all elements of the reservation shall be considered. A reservation shall be interpreted in the light of the relevant provisions of the Chapters against which the reservation is taken. To the extent that:

- (a) the **Phase-Out** element provides for the phasing out of non-conforming aspects of measures, the **Phase-Out** element shall prevail over all other elements;

- (b) the Measures element is qualified by a liberalization commitment from the Description element, the Measures element as so qualified shall prevail over all other elements; and
- (c) the Measures element is not so qualified, the Measures element shall prevail over all other elements, unless any discrepancy between the Measures element and the other elements considered in their totality is so substantial and material that it would be unreasonable to conclude that the Measures element should prevail, in which case the other elements shall prevail to the extent of that discrepancy.

4. Where a Party maintains a measure that requires that a service provider be a citizen, permanent resident or resident of its territory as a condition to the provision of a service in its territory, a reservation for that measure taken with respect to Article H-02, H-03 or H-05 shall operate as a reservation with respect to Article G-02, G-03 or G-06 to the extent of that measure.

5. The listing of a measure in this Annex is without prejudice to a future claim that Annex II may apply to the measure or some application of the measure.

6. Unless otherwise stated in the Description element, a Chilean juridical person includes an enterprise of the other Party that is constituted or organized in Chile in a form which under Chilean law is recognized as being a juridical person.

7. For purposes of this Annex:

CPC means Central Product Classification (CPC) numbers as set out in Statistical Office of the United Nations, Statistical Papers, Series M, No. 77, *Provisional Central Product Classification*, 1991; and

SIC means with respect to Canada, Standard Industrial Classification (SIC) numbers as set out in Statistics Canada, *Standard Industrial Classification*, fourth edition, 1980.

**Annex I
Schedule of Canada**

Sector: Agriculture

Sub-Sector:

Industry Classification:

Type of Reservation: National Treatment (Article G-02)

Level of Government: Federal

Measures: *Farm Credit Corporation Act, S.C. 1993, c. 14*

Description: Investment

Loans by the Farm Credit Corporation may be made only to:

- (a) individuals who are Canadian citizens or permanent residents;
- (b) corporations related to farming in Canada controlled by Canadian citizens or permanent residents; or
- (c) cooperative farm associations, all members of which are Canadian citizens or permanent residents.

Phase-Out: None

Sector: All Sectors

Sub-Sector:

Industry Classification:

Type of Reservation: National Treatment (Articles G-02, H-02)
Most-Favoured Nation Treatment (Articles G-03, H-03)
Local Presence (Article H-05)
Performance Requirements (Article G-06)
Senior Management and Boards of Directors (Article G-07)

Level of Government: Provincial

Measures: All existing non-conforming measures of all provinces and territories

Description:

Phase-Out: None

Sector: All Sectors

Sub-Sector:

Industry Classification:

Type of Reservation: National Treatment (Article G-02)
Performance Requirements (Article G-06)
Senior Management and Boards of Directors (Article G-07)

Level of Government: Federal

Measures: *Investment Canada Act*, R.S.C. 1985, c. 28
(1st Supp.)

Investment Canada Regulations, SOR/85-611

As qualified by paragraphs 8 through 12 of the Description element

Description: Investment

1. Under the *Investment Canada Act*, the following acquisitions of Canadian businesses by "non-Canadians" are subject to review by the Director of Investments:

- (a) all direct acquisitions of Canadian businesses with assets of C\$5 million or more;
- (b) all indirect acquisitions of Canadian businesses with assets of C\$50 million or more; and
- (c) indirect acquisitions of Canadian businesses with assets between C\$5 million and C\$50 million that represent more than 50 percent of the value of the assets of all the entities the control of which is being acquired, directly or indirectly, in the transaction in question.

2. A "non-Canadian" is an individual, government or agency thereof or an entity that is not "Canadian". "Canadian" means a Canadian citizen or permanent resident, government in Canada or agency thereof or Canadian-controlled entity as provided for in the *Investment Canada Act*.

3. In addition, specific acquisitions or new businesses in designated types of business activities relating to Canada's cultural heritage or national identity, which are normally notifiable, may be reviewed if the Governor in Council authorizes a review in the public interest.

4. An investment subject to review under the *Investment Canada Act* may not be implemented unless the Minister responsible for the *Investment Canada Act* advises the applicant that the investment is likely to be of net benefit to Canada. Such a determination is made in accordance with six factors described in the Act, summarized as follows:

- (a) the effect of the investment on the level and nature of economic activity in Canada, including the effect on employment, on the utilization of parts, components and services produced in Canada, and on exports from Canada;
- (b) the degree and significance of participation by Canadians in the investment;
- (c) the effect of the investment on productivity, industrial efficiency, technological development and product innovation in Canada;
- (d) the effect of the investment on competition within any industry or industries in Canada;
- (e) the compatibility of the investment with national industrial, economic and cultural policies, taking into consideration industrial, economic and cultural policy objectives enunciated by the government or legislature of any province likely to be significantly affected by the investment; and
- (f) the contribution of the investment to Canada's ability to compete in world markets.

5. In making a net benefit determination, the Minister, through the Director of Investments, may review plans under which the applicant demonstrates the net benefit to Canada of the proposed acquisition. An applicant may also submit undertakings to the Minister in connection with any proposed acquisition which is the subject of review. In the event of noncompliance with an undertaking by an applicant, the Minister may seek a court order directing compliance or any other remedy authorized under the Act.

6. Non-Canadians who establish or acquire Canadian businesses, other than those described above, must notify the Director of Investments.

7. The Director of Investments will review an "acquisition of control", as defined in the *Investment Canada Act*, of a Canadian business by an investor of Chile if the value of the gross assets of the Canadian business is not less than the applicable threshold.

8. The review threshold applicable to investors of Chile, calculated as set out in the Phase-Out element, is higher than those described in paragraph 1. However, this higher review threshold does not apply in the following sectors: uranium production and ownership of uranium producing properties; financial services; transportation services; and cultural businesses.

9. Notwithstanding the definition of "investor of a Party" in Article G-39, only investors who are nationals, or entities controlled by nationals as provided for in the *Investment Canada Act*, of Chile may benefit from the higher review threshold.

10. An indirect "acquisition of control" of a Canadian business by an investor of Chile is not reviewable.

11. Notwithstanding Article G-06(1), Canada may impose requirements, or enforce any commitment or undertaking, in connection with the establishment, acquisition, expansion, conduct or operation of an investment of an investor of Chile or of a non-Party for the transfer of technology, production process or other proprietary knowledge to a national or enterprise, affiliated to the transferor, in Canada, in connection with the review of an acquisition of an investment under the *Investment Canada Act*.

12. Except for requirements, commitments or undertakings relating to technology transfer as set out in paragraph 11, Article G-06(1) shall apply to requirements, commitments or undertakings imposed or enforced under the *Investment Canada Act*. Article G-06(1) shall not be construed to apply to any requirement, commitment or undertaking imposed or enforced in connection with a review under the *Investment Canada Act*, to locate production, carry out research and development, employ or train workers, or to construct or expand particular facilities, in Canada.

Phase-Out:

For investors of Chile, the applicable threshold for the review of a direct acquisition of control of a Canadian business will be \$168 million dollars for the year 1996 and for each year thereafter the amount determined by the Minister in January of that year arrived at by using the following formula:

Annual Adjustment =

Current Nominal GDP
at Market Prices

Previous Year Nominal GDP
at Market Prices

X amount determined for
previous year

"Current Nominal GDP at Market Prices" means the average of the Nominal Gross Domestic Products at Market Prices for the most recent four consecutive quarters.

"Previous Year Nominal GDP at Market Prices" means the average of the Nominal Gross Domestic Product for the four consecutive quarters for the comparable period in the year preceding the year used in calculating the "Current Nominal GDP at Market Prices".

The amounts determined in this manner will be rounded to the nearest million dollars.

Sector: All Sectors

Sub-Sector:

Industry Classification:

Type of Reservation: National Treatment (Article G-02)
Senior Management and Boards of Directors (Article G-07)

Level of Government: Federal
Provincial

Measures: As set out in the **Description** element

Description: Investment

Canada or any province, when selling or disposing of its equity interests in, or the assets of, an existing state enterprise or an existing governmental entity, may prohibit or impose limitations on the ownership of such interests or assets, and on the ability of owners of such interests or assets to control any resulting enterprise, by investors of the other Party or of a non-Party or their investments. With respect to such a sale or other disposition, Canada or any province may adopt or maintain any measure relating to the nationality of senior management or members of the board of directors.

For purposes of this reservation:

(a) any measure maintained or adopted after the date of entry into force of this Agreement that, at the time of sale or other disposition, prohibits or imposes limitations on the ownership of equity interests or assets or imposes nationality requirements described in this reservation shall be deemed to be an existing measure; and

(b) "state enterprise" means an enterprise owned or controlled through ownership interests by Canada or a province and includes an enterprise established after the date of entry into force of this Agreement solely for the purposes of selling or disposing of equity interests in, or the assets of, an existing state enterprise or governmental entity.

Phase-Out: None

Sector: All Sectors

Sub-Sector:

Industry Classification:

Type of Reservation: National Treatment (Article G-02)

Level of Government: Federal

Measures: *Canada Business Corporations Act, R.S.C. 1985, c. C-44*

Canada Corporations Act, R.S.C. 1970, c. C-32

Canada Business Corporations Act Regulations, SOR/79-316

Description: Investment

"Constraints" may be placed on the issue, transfer and ownership of shares in federally incorporated corporations. The object is to permit corporations to meet Canadian ownership requirements, under certain laws set out in the *Canada Business Corporations Act Regulations*, in sectors where Canadian ownership is required as a condition to operate or to receive licenses, permits, grants, payments or other benefits. In order to maintain certain "Canadian" ownership levels, a corporation is permitted to sell shareholders' shares without the consent of those shareholders, and to purchase its own shares on the open market. "Canadian" is defined in the *Canada Business Corporations Act Regulations*.

Phase-Out: None

Sector: All Sectors

Sub-Sector:

Industry Classification:

Type of Reservation: Senior Management and Boards of Directors (Article G-07)

Level of Government: Federal

Measures: *Canada Business Corporations Act, R.S.C. 1985, c. C-44*
Canada Business Corporations Act Regulations, SOR/79-316
Canada Corporations Act, R.S.C. 1970, c. C-32
Special Acts of Parliament incorporating specific companies

Description: Investment

The *Canada Business Corporations Act* requires that a simple majority of the board of directors, or of a committee thereof, of a federally-incorporated corporation be resident Canadians. For purposes of the Act, "resident Canadian" means an individual who is a Canadian citizen ordinarily resident in Canada, a citizen who is a member of a class set out in the *Canada Business Corporations Act Regulations*, or a permanent resident as defined in the *Immigration Act* other than one who has been ordinarily resident in Canada for more than one year after he became eligible to apply for Canadian citizenship.

In the case of a holding corporation, not more than one-third of the directors need be resident Canadians if the earnings in Canada of the holding corporation and its subsidiaries are less than five percent of the gross earnings of the holding corporation and its subsidiaries.

Under the *Canada Corporations Act*, a simple majority of the elected directors of a Special Act corporation must be resident in Canada and citizens of a Commonwealth country. This requirement applies to every joint stock company incorporated subsequent to June 22, 1869 by any Special Act of Parliament.

Phase-Out: None

Sector: All Sectors

Sub-Sector:

Industry Classification:

Type of Reservation: National Treatment (Article G-02)

Level of Government: Federal

Measures: *Citizenship Act*, R.S.C. 1985, c. C-29

Foreign Ownership of Land Regulations, SOR/79-416

Description: Investment

The *Foreign Ownership of Land Regulations* are made pursuant to the *Citizenship Act* and the *Alberta Agricultural and Recreational Land Ownership Act*. In Alberta, an ineligible person or foreign-owned or controlled corporation may only hold an interest in controlled land consisting of not more than two parcels containing, in the aggregate, not more than 20 acres. An "ineligible person" is:

- (a) an individual who is not a Canadian citizen or permanent resident;
- (b) a foreign government or agency thereof; or
- (c) a corporation incorporated elsewhere than in Canada.

"Controlled land" means land in Alberta but does not include:

- (a) land of the Crown in right of Alberta;
- (b) land within a city, town, new town, village or summer village; and
- (c) mines or minerals.

Phase-Out: None

Sector: All Sectors

Sub-Sector:

Industry Classification:

Type of Reservation: National Treatment (Article G-02)

Level of Government: Federal

Measures: *Air Canada Public Participation Act*, R.S.C. 1985, c. 35 (4th Supp.)

Petro-Canada Public Participation Act, S.C. 1991, c. 10

Canadian Arsenals Limited Divestiture Authorization Act, S.C. 1986, c. 20

Eldorado Nuclear Limited Reorganization and Divestiture Act, S.C. 1988, c. 41

Nordion and Theratronics Divestiture Authorization Act, S.C. 1990, c. 4

Description: Investment

A "non-resident" may not own more than a specified percentage of the voting shares of the corporation to which each Act applies. For each company the restriction is as follows:

Air Canada: 25 per cent
Petro-Canada Inc: 25 per cent
Canadian Arsenals Limited: 25 per cent
Eldorado Nuclear Limited: 5 per cent
Nordion Limited: 25 per cent
Theratronics Limited: 49 per cent

"Non-resident" generally means:

- (a) an individual, other than a Canadian citizen, who is not ordinarily resident in Canada;
- (b) a corporation incorporated, formed or otherwise organized outside Canada;
- (c) the government of a foreign State or any political subdivision thereof, or a person empowered to perform a function or duty on behalf of such a government;
- (d) a corporation that is controlled directly or indirectly by non-residents as defined in any of paragraphs (a) through (c);
- (e) a trust
 - (i) established by a non-resident as defined in any of paragraphs (b) through (d), other than a trust for the administration of a pension fund for the

benefit of individuals a majority of whom are residents, or

(ii) in which non-residents as defined in any of paragraphs (a) through (d) have more than 50 percent of the beneficial interest; or

(f) a corporation that is controlled directly or indirectly by a trust referred to in paragraph (e).

Phase-Out:

None

Sector: All Sectors

Sub-Sector:

Industry Classification:

Type of Reservation: Local Presence (Article H-05)

Level of Government: Federal

Measures: *Export and Import Permits Act, R.S.C. 1985, c. E-19*

Description: Cross-Border Services
Only individuals ordinarily resident in Canada, enterprises having their head offices in Canada or branch offices in Canada of foreign enterprises may apply for and be issued import or export permits or transit authorization certificates for goods and related services subject to controls under the *Export and Import Permits Act*.

Phase-Out: None

Sector: Automotive

Sub-Sector:

Industry Classification:

Type of Reservation: Performance Requirements (Article G-06)

Level of Government: Federal

Measures: *Canada - United States Free Trade Agreement Implementation Act, S.C. 1988, c. 65*

Description: Investment

Canada may grant waivers of customs duties conditioned explicitly on the fulfillment of performance requirements:

- (a) to those manufacturers of automotive goods set out in Part One of Annex 1002.1 of the Canada - United States Free Trade Agreement, in accordance with the headnote to that Part; and
- (b) for the applicable periods specified in Article 1002(2) of the Canada - United States Free Trade Agreement to those manufacturers of automotive goods set out in Part Two of Annex 1002.1 of that Agreement.

Phase-Out:

- (a) None
- (b) Until January 1, 1998

Sector: Business Service Industries

Sub-Sector: Customs Brokerages and Brokers

Industry Classification: SIC 7794 Customs Brokers

Type of Reservation: National Treatment (Article H-02)
Local Presence (Article H-05)
Senior Management and Boards of Directors (Article G-07)

Level of Government: Federal

Measures: *Customs Act*, R.S.C. 1985, c. 1 (2nd Supp.)
Customs Brokers Licensing Regulations, SOR/86-1067

Description: Cross-Border Services and Investment

To be a licensed customs broker or brokerage in Canada:

- (a) an individual must be a Canadian citizen or permanent resident;
- (b) a corporation must be incorporated in Canada with a majority of its directors being Canadian citizens or permanent residents; and
- (c) a partnership must be composed of persons who are Canadian citizens or permanent residents, or corporations incorporated in Canada with a majority of their directors being Canadian citizens or permanent residents.

An individual who is not a licensed customs broker but who transacts business as a customs broker on behalf of a licensed customs broker or brokerage must be a Canadian citizen or permanent resident.

Phase-Out: None. Subject to discussion by the Parties two years after the date of entry into force of this Agreement.

Sector: Business Service Industries

Sub-Sector: Duty Free Shops

Industry Classification: SIC 6599 Other Retail Stores, Not Elsewhere Classified
(limited to duty free shops)

Type of Reservation: National Treatment (Articles G-02, H-02)
Local Presence (Article H-05)

Level of Government: Federal

Measures: *Customs Act, R.S.C. 1985, c. 1 (2nd Supp.)*
Duty Free Shop Regulations, SOR/86-1072

Description: Cross-Border Services and Investment

1. To be a licensed duty free shop operator at a land border crossing in Canada, an individual must:
 - (a) be a Canadian citizen or permanent resident;
 - (b) be of good character;
 - (c) be principally resident in Canada; and
 - (d) have resided in Canada for at least 183 days of the year preceding the year of application for the license.
2. To be a licensed duty free shop operator at a land border crossing in Canada, a corporation must:
 - (a) be incorporated in Canada; and
 - (b) have all of its shares beneficially owned by Canadian citizens or permanent residents who meet the requirements of paragraph 1.

Phase-Out: None

Sector: Business Service Industries

Sub-Sector: Examination Services relating to the Export and Import of Cultural Property

Industry Classification: SIC 999 Other Services, Not Elsewhere Classified (limited to cultural property examination services)

Type of Reservation: Local Presence (Article H-05)

Level of Government: Federal

Measures: *Cultural Property Export and Import Act*, R.S.C. 1985, c. C-51

Description: Cross-Border Services

Only a "resident of Canada" or an "institution" in Canada may be designated as an "expert examiner" of cultural property for purposes of the *Cultural Property Export and Import Act*. A "resident" of Canada is an individual who is ordinarily resident in Canada, or a corporation that has its head office in Canada or maintains one or more establishments in Canada to which employees employed in connection with the business of the corporation ordinarily report for work. An "institution" is an institution that is publicly owned and operated solely for the benefit of the public, that is established for educational or cultural purposes and that conserves objects and exhibits them.

Phase-Out: None

Sector: Business Service Industries

Sub-Sector: Patent Agents and Agencies

Industry Classification: SIC 999 Other Services, Not Elsewhere Classified (limited to patent agency)

Type of Reservation: National Treatment (Article H-02)
Local Presence (Article H-05)

Level of Government: Federal

Measures: *Patent Act*, R.S.C. 1985, c. P-4
Patent Rules, C.R.C. 1978, c. 1250
Patent Cooperation Treaty Regulations, SOR/89-453

Description: Cross-Border Services

To represent persons in the presentation and prosecution of applications for patents or in other business before the Patent Office, a patent agent must be resident in Canada and registered by the Patent Office.

A registered patent agent who is not resident in Canada must appoint a registered patent agent who is resident in Canada as an associate to prosecute an application for a patent.

An enterprise may be added to the patent register provided that it has at least one member who is also on the register.

Phase-Out: None.

Sector: Business Service Industries

Sub-Sector: Trade-Mark Agents

Industry Classification: SIC 999 Other Services, Not Elsewhere Classified (limited to trade-mark agency)

Type of Reservation: National Treatment (Article H-02)
Local Presence (Article H-05)

Level of Government: Federal

Measures: *Trade-Marks Act*, R.S.C. 1985, c. T-13
Trade-mark Regulations (1996), SOR/96-195

Description: Cross-Border Services

To represent persons in the presentation and prosecution of applications for trade-marks or in other business before the Trade-Mark Office, a trade-mark agent must be resident in Canada and registered by the Trade-Mark Office.

A registered trade-mark agent who is not resident in Canada must appoint a registered trade-mark agent who is resident in Canada as an associate to prosecute an application for a trade-mark.

Phase-Out: None

Sector: Energy

Sub-Sector: Oil and Gas

Industry Classification: SIC 071 Crude Petroleum and Natural Gas Industries

Type of Reservation: National Treatment (Article G-02)

Level of Government: Federal

Measures: *Federal Real Property Act, R.S.C. 1985, c. F-8.4*
Canada Oil and Gas Land Regulations, C.R.C. 1978, c. 1518

Description: Investment

This reservation applies to production licences issued with respect to "frontier lands" and "offshore areas" (areas not under provincial jurisdiction) as defined in the applicable measures.

Persons who hold oil and gas production licenses or shares therein for discoveries made after March 5, 1982 must be Canadian citizens ordinarily resident in Canada, permanent residents or corporations incorporated in Canada. No production licence may be issued for discoveries made after March 5, 1982 unless the Minister of Energy, Mines and Resources is satisfied that the Canadian ownership rate of the interest-owner in relation to the production licence on the date of issuance would not be less than 50 per cent. "Interest-owner" is defined in the *Canada Petroleum Resources Act* to mean "the interest holder who owns an interest or the group of interest holders who hold all the shares of an interest".

The Canadian ownership requirements for oil and gas production licenses for discoveries made prior to March 5, 1982, are set out in the *Canada Oil and Gas Land Regulations*.

Phase-Out: None

Sector: Energy

Sub-Sector: Oil and Gas

Industry Classification: SIC 071 Crude Petroleum and Natural Gas Industries

Type of Reservation: Local Presence (Article H-05)
Performance Requirements (Article G-06)

Level of Government: Federal

Measures: *Canada Oil and Gas Production and Conservation Act, R.S.C. 1985, c. O-7, as amended by Canada Oil and Gas Operations Act, S.C. 1992, c. 35*

Canada - Nova Scotia Offshore Petroleum Resources Accord Implementation Act, S.C. 1988, c. 28

Canada - Newfoundland Atlantic Accord Implementation Act, S.C. 1987, c. 3

Measures implementing Yukon Oil and Gas Accord

Measures implementing Northwest Territories Oil and Gas Accord

Description:

Cross-Border Services and Investment

1. Under the Canada Oil and Gas Operations Act, the approval of the Minister of Energy, Mines and Resources of a "benefits plan" is required to receive authorization to proceed with any oil and gas development project.
2. A "benefits plan" is a plan for the employment of Canadians and for providing Canadian manufacturers, consultants, contractors and service companies with a full and fair opportunity to participate on a competitive basis in the supply of goods and services used in any proposed work or activity referred to in the benefits plan.

The Act permits the Minister to impose an additional requirement on the applicant, as part of the benefits plan, to ensure that disadvantaged individuals or groups have access to training and employment opportunities or can participate in the supply of goods and services used in any proposed work referred to in the benefits plan.

3. The *Canada - Nova Scotia Offshore Petroleum Resources Accord Implementation Act* and the *Canada - Newfoundland Atlantic Accord Implementation Act* have the same requirement for a benefits plan but also require that the benefits plan ensure that:

- (a) prior to carrying out any work or activity in the offshore area, the corporation or other body submitting the plan establish in the applicable province an office where appropriate levels of decision-making are to take place;
- (b) expenditures be made for research and development to be carried out in the province, and for education and training to be provided in the province; and

(c) first consideration be given to goods produced or services provided from within the province, where those goods or services are competitive in terms of fair market price, quality and delivery.

4. The Boards administering the benefits plan under these Acts may also require that the plan include provisions to ensure that disadvantaged individuals or groups, or corporations owned or cooperatives operated by them, participate in the supply of goods and services used in any proposed work or activity referred to in the plan.

5. In addition, Canada may impose any requirement or enforce any commitment or undertaking for the transfer of technology, a production process or other proprietary knowledge to a person of Canada in connection with the approval of development projects under the applicable Acts.

6. Provisions similar to those set out above will be included in laws or regulations to implement the Yukon Oil and Gas Accord and Northwest Territories Oil and Gas Accord which for purposes of this reservation shall be deemed, once concluded, to be existing measures.

Phase-out:

None

Sector: Energy
Sub-Sector: Oil and Gas
Industry Classification: SIC 071 Crude Petroleum and Natural Gas Industries
Type of Reservation: Performance Requirements (Article G-06)
Level of Government: Federal
Measures: *Canada - Newfoundland Atlantic Accord Implementation Act, S.C. 1987, c. 3*

Hibernia Development Project Act, S.C. 1990, c. 41

Description: Investment

Pursuant to the *Hibernia Development Project Act*, Canada and the "Hibernia Project Owners" may enter into agreements whereby the Project Owners undertake to perform certain work in Canada and Newfoundland and to use their "best efforts" to achieve specific Canadian and Newfoundland "target levels" in relation to the provisions of any "benefit plan" required under the *Canada-Newfoundland Atlantic Accord Implementation Act*. "Benefits plans" are further described in Schedule of Canada, Annex I, page I-C-20.

In addition, Canada may impose in connection with the Hibernia project any requirement or enforce any commitment or undertaking for the transfer of technology, a production process or other proprietary knowledge to a national or enterprise in Canada.

Phase-Out: None

Sector: Energy

Sub-Sector: Uranium

Industry Classification: SIC 0616 Uranium Mines

Type of Reservation: National Treatment (Article G-02)
Most-Favoured-Nation Treatment (Article G-03)

Level of Government: Federal

Measures: *Investment Canada Act*, R.S.C. 1985, c. 28 (1st Supp.)
Investment Canada Regulations, SOR/85-611
Policy on Non-Resident Ownership in the Uranium Mining Sector, 1987

Description: Investment
Ownership by "non-Canadians", as defined in the *Investment Canada Act*, of a uranium mining property is limited to 49 per cent at the stage of first production. Exceptions to this limit may be permitted if it can be established that the property is in fact "Canadian-controlled" as defined in the *Investment Canada Act*.
Exemptions from the policy are permitted, subject to approval of the Governor in Council, only in cases where Canadian participants in the ownership of the property are not available. Investments in properties by non-Canadians, made prior to December 23, 1987 and that are beyond the permitted ownership level, may remain in place. No increase in non-Canadian ownership is permitted.

Phase-Out: None

Sector: Fisheries

Sub-Sector: Fish Harvesting and Processing

Industry Classification: SIC 031 Fishing Industry

Type of Reservation: National Treatment (Article G-02)
Most-Favored-Nation Treatment (Article G-03)

Level of Government: Federal

Measures: *Coastal Fisheries Protection Act*, R.S.C. 1985, c. C-33
Fisheries Act, R.S.C. 1985, c. F-14
Coastal Fisheries Protection Regulations, C.R.C. 1978, c. 413
Policy on Foreign Investment in the Canadian Fisheries Sector, 1985
Commercial Fisheries Licensing Policy

Description: Investment
Under the *Coastal Fisheries Protection Act*, foreign fishing vessels are prohibited from entering Canada's Exclusive Economic Zone except under authority of a licence or under treaty. "Foreign" vessels are those which are not "Canadian" as defined in the *Coastal Fisheries Protection Act*. Under the *Fisheries Act*, the Minister of Fisheries and Oceans has discretionary authority with respect to the issuance of licences.
Fish processing enterprises that have a foreign ownership level of more than 49 per cent are prohibited from holding Canadian commercial fishing licences.

Phase-Out: None

Sector: Fisheries

Sub-Sector: Fishing-Related Services

Industry Classification: SIC 032 Services Incidental to Fishing

Type of Reservation: National Treatment (Article H-02)
Most-Favored-Nation Treatment (Article H-03)

Level of Government: Federal

Measures: *Coastal Fisheries Protection Act, R.S.C. 1985, c. C-33*

Description: Cross-Border Services

Under the *Coastal Fisheries Protection Act*, the Department of Fisheries and Oceans is responsible for controlling the activities of foreign fishing vessels in Canada's Exclusive Economic Zone, including access to Canadian ports (port privileges).

In general, the Department grants such port privileges, including the purchase of fuel and supplies, ship repair, crew exchanges and transshipment of fish catches, only to fishing vessels from a country with which it has favourable fishery relations, based primarily on adherence by that country to Canadian and international conservation practices and policies. Exceptions to this general rule are permitted in cases of emergency ("force majeure") and where the specific provisions of bilateral fisheries treaties apply.

Phase-Out: None

Sector: Professional, Technical and Specialized Services

Sub-Sector: Professional Services

Industry Classification: SIC 862 Auditing Services

Type of Reservation: National Treatment (Article H-02)
Local Presence (Article H-05)

Level of Government: Federal

Measures: *Bank Act*, S.C. 1991, c. 46
Insurance Companies Act, S.C. 1991, c. 47
Cooperative Credit Associations Act, 1991, c. 48
Trust and Loan Companies Act, 1991, c. 45

Description: Cross-Border Services

Banks are required to have a firm of accountants to be auditors of the bank. A firm of accountants must be qualified as set out in the *Bank Act*. Among the qualifications required is that two or more members of the firm must be ordinarily resident in Canada and that the member of the firm jointly designated by the firm and the bank to conduct the audit must be ordinarily resident in Canada.

An insurance company, a cooperative credit association, and a trust or loan company require an auditor who can either be a natural person or a firm of accountants. An auditor of such an institution must be qualified as set out in the *Insurance Companies Act*, the *Cooperative Credit Associations Act* or the *Trust and Loan Companies Act*, as the case may be. In the case where a natural person is appointed to be the auditor of such a financial institution, among the qualifications required is that the person must be ordinarily resident in Canada. In the case where a firm of accountants is appointed to be the auditor of such a financial institution, the member of the firm jointly designated by the firm and the financial institution to conduct the audit must be ordinarily resident in Canada.

Phase-Out: None

Sector: Transportation
Sub-Sector: Air Transportation
Industry Classification: SIC 451 Air Transport Industries
Type of Reservation: National Treatment (Article G-02)
Most-Favored-Nation Treatment (Article G-03)
Senior Management and Boards of Directors (Article G-07)

Level of Government: Federal

Measures: *Canada Transportation Act, S.C. 1996, c. 10*
Aeronautics Act, R.S.C. 1985, c. A-2
Air Regulations, C.R.C. 1978, c. 2
Aircraft Marking and Registration Regulations, SOR/90-591

Description: Investment

Only "Canadians" may provide the following commercial air transportation services:

- (a) "domestic services" (air services between points, or from and to the same point, in the territory of Canada, or between a point in the territory of Canada and a point not in the territory of another country);
- (b) "scheduled international services" (scheduled air services between a point in the territory of Canada and a point in the territory of another country) where those services have been reserved to Canadian carriers under existing or future bilateral agreements; and
- (c) "non-scheduled international services" (non-scheduled air services between a point in the territory of Canada and a point in the territory of another country) where those services have been reserved to Canadian carriers under the *Canada Transportation Act*.

"Canadian" is defined in the *Canada Transportation Act* to mean a Canadian citizen or permanent resident, a government in Canada or agent thereof or any other person or entity that is controlled in fact by, and of which at least 75 per cent of the voting interests are owned and controlled by, persons otherwise meeting these requirements.

Regulations made under the *Aeronautics Act* also require that a Canadian air carrier operate Canadian-registered aircraft. To be qualified to register aircraft in Canada, a carrier must be a Canadian citizen or permanent resident, or a corporation incorporated and having its principal place of business in Canada, its chief executive officer and not fewer than two-thirds of its directors as Canadian citizens or permanent residents and not less than 75 percent of its voting interest owned and controlled by persons otherwise meeting these requirements. In addition, all commercial air services in Canada require a Canadian operating certificate to ensure their safety and security. An operating certificate for the provision of services

restricted to Canadian carriers is issued only to qualified persons.

A corporation incorporated in Canada but that does not meet the Canadian ownership and control requirements may only register a private aircraft when the corporation is the sole owner of the aircraft. The regulations also have the effect of limiting "non-Canadian" corporations operating foreign-registered private aircraft within Canada to the carriage of their own employees. For specialty air services, see Schedule of Canada, Annex II, page II-C-8.

Phase-Out:

None

Sector: Transportation

Sub-Sector: Air Transportation

Industry Classification: SIC 4513 Non-Scheduled Air Transport, Specialty, Industry

Type of Reservation: National Treatment (Articles G-02, H-02)
Local Presence (Article H-05)
Senior Management and Boards of Directors (Article G-07)

Level of Government: Federal

Measures: *Aeronautics Act, R.S.C. 1985, c. A-2*
Air Regulations, C.R.C. 1978, c. 2
Aircraft Marking and Registration Regulations, SOR/90-591
Foreign Air Carrier Certification Manual, TP 11524, and the Personnel Licensing Handbook, TP 193 (Department of Transport)
As qualified by paragraph 2 of the Description element

Description: Cross-Border Services

1. An operating certificate issued by the Department of Transport is required to provide specialty air services in the territory of Canada. The Department of Transport will issue an operating certificate to a person applying for authority to provide specialty air services, subject to compliance by that person with Canadian safety requirements. An operating certificate for the provision of aerial construction, heli-logging, aerial inspection, aerial surveillance, flight training, aerial sightseeing, and aerial spraying services is not issued to a person that is not Canadian as provided for in the applicable regulations. For Investment, see Schedule of Canada, Annex II, page II-C-8.

2. A person of Chile may obtain an operating certificate, subject to compliance by that person with Canadian safety requirements, for the provision of aerial mapping, aerial surveying, aerial photography, forest fire management, fire-fighting, aerial advertising, glider towing, parachute jumping, aerial construction, heli-logging, aerial inspection, aerial surveillance, flight training, and aerial sightseeing services.

Phase-Out: Beginning on January 1, 2000, a person of Chile will be permitted to obtain an operating certificate, subject to compliance by that person with Canadian safety requirements, for the provision of aerial spraying services.

Sector: Transportation

Sub-Sector: Air Transportation

Industry Classification: SIC 4523 Aircraft Servicing Industry
SIC 3211 Aircraft and Aircraft Parts Industry

Type of Reservation: Most-Favored-Nation Treatment (Article H-03)
Local Presence (H-05)

Level of Government: Federal

Measures: *Aeronautics Act*, R.S.C. 1985, c. A-2
Airworthiness Manual, chapters 573 and 575, made under the authority of *Air Regulations*, C.R.C. 1978, c. 2
Agreement Concerning Airworthiness Certification, Exchange of Letters between Canada and the United States, dated August 31, 1984, CTS 1984/26

Description: Cross-Border Services
Aircraft repair, overhaul or maintenance activities required to maintain the airworthiness of Canadian-registered aircraft must be performed by Canadian-certified persons (approved maintenance organizations and aircraft maintenance engineers). Certifications are not provided for persons located outside Canada, except sub-organizations of approved maintenance organizations that are themselves located in Canada.
Pursuant to an airworthiness agreement between Canada and the United States, Canada recognizes the certifications and oversight provided by the United States for all repair, overhaul and maintenance facilities and individuals performing the work located in the United States.

Phase-Out: None

Sector: Transportation

Sub-Sector: Land Transportation

Industry Classification: SIC 456 Truck Transport Industries
SIC 4572 Interurban and Rural Transit Systems Industry
SIC 4573 School Bus Operations Industry
SIC 4574 Charter and Sightseeing Bus Services Industry

Type of Reservation: National Treatment (Article H-02)
Local Presence (Article H-05)

Measures: *Motor Vehicle Transport Act, 1987, R.S.C. 1985, c. 29 (3rd Supp.), Parts I and II*
Canada Transportation Act, S.C. 1996, c.10
Customs Tariff, R.S.C. 1985, c. 41 (3rd Supp.)

Description: Cross-Border Services
Only persons of Canada, using Canadian-registered and either Canadian-built or duty-paid trucks or buses, may provide truck or bus services between points in the territory of Canada.

Phase-Out: None

Sector: Transportation

Sub-Sector: Water Transportation

Industry Classification: SIC 4541 Freight and Passenger Water Transport Industry
SIC 4542 Ferry Industry
SIC 4543 Marine Towing Industry
SIC 4549 Other Water Transport Industries
SIC 4553 Marine Salvage Industry
SIC 4559 Other Service Industries Incidental to Water Transport

Type of Reservation: National Treatment (Article H-02)
Most-Favored-Nation Treatment (Article H-03)
Local Presence (Article H-05)

Level of Government: Federal

Measures: *Canada Shipping Act, R.S.C. 1985, c. S-9, Part II*

Description: Cross-Border Services
To register a vessel in Canada for purposes of providing international maritime transportation services, the owner of that vessel must be:

- (a) a Canadian citizen or a citizen of a Commonwealth country; or
- (b) a corporation incorporated under the laws of, and having its principal place of business in, Canada or a Commonwealth country.

For domestic maritime transportation services (cabotage), see Schedule of Canada, Annex II, page II-C-9.

Phase-Out: None

Sector: Transportation

Sub-Sector: Water Transportation

Industry Classification: SIC 4541 Freight and Passenger Water Transport Industry
SIC 4542 Ferry Industry
SIC 4543 Marine Towing Industry
SIC 4549 Other Water Transport Industries
SIC 4553 Marine Salvage Industry
SIC 4554 Piloting Service, Water Transport Industry
SIC 4559 Other Service Industries Incidental to Water Transport

Type of Reservation: National Treatment (Article H-02)
Local Presence (Article H-05)

Level of Government: Federal

Measures: *Canada Shipping Act, R.S.C. 1985, c. S-9, Part II*

Description: Cross-Border Services

Masters, mates, engineers and certain ratings must be certified by the Department of Transport as ship's officers while engaged on a Canadian-registered vessel. Only Canadian citizens or permanent residents may be certified as ship's officers or ratings.

Phase-Out: None

Sector: Transportation

Sub-Sector: Water Transportation

Industry Classification: SIC 4554 Piloting Service, Water Transport Industry

Type of Reservation: National Treatment (Article H-02)
Local Presence (Article H-05)

Level of Government: Federal

Measures: *Pilotage Act, R.S.C. 1985, c. P-14*
General Pilotage Regulations, C.R.C. 1978, c. 1263
Atlantic Pilotage Authority Regulations, C.R.C. 1978, c. 1264
Laurentian Pilotage Authority Regulations, C.R.C. 1978, c. 1268
Great Lakes Pilotage Regulations, C.R.C. 1978, c. 1266
Pacific Pilotage Regulations, C.R.C. 1978, c. 1270

Description: Cross-Border Services
Subject to Schedule of Canada, Annex II, page II-C-13, a license issued by the relevant regional Pilotage Authority is required to provide pilotage services in the territory of Canada. Only Canadian citizens or permanent residents may obtain such a license. A permanent resident of Canada who has been issued a pilot's license must become a Canadian citizen within five years of receipt of the license in order to retain it.

Phase-Out: None

Sector: Transportation

Sub-Sector: Water Transportation

Industry Classification: SIC 454 Water Transport Industries

Type of Reservation: Local Presence (Article H-05)

Level of Government: Federal

Measures: *Shipping Conferences Exemption Act, 1987, R.S.C. 1985, c. 17 (3rd Supp.)*

Description: Cross-Border Services

Members of a shipping conference must maintain jointly an office or agency in the region of Canada where they operate. A shipping conference is an association of ocean carriers that has the purpose or effect of regulating rates and conditions for the transportation by those carriers of goods by water.

Phase-Out: None

Sector: Transportation

Sub-Sector: Water Transportation

Industry Classification: SIC 4541 Freight and Passenger Water Transport Industry
SIC 4542 Ferry Industry
SIC 4543 Marine Towing Industry

Type of Reservation: Most-Favored-Nation Treatment (Article H-03)

Level of Government: Federal

Measures: *Coasting Trade Act*, S.C. 1992, c. 31

Description: Cross-Border Services
The prohibitions under the *Coasting Trade Act*, set out in Schedule of Canada, Annex II, page II-C-11, do not apply to any vessel that is owned by the U.S. Government when used solely for the purpose of transporting goods owned by the U.S. Government from the territory of Canada to supply Distant Early Warning sites.

Phase-Out: None

Annex I
Schedule of Chile

Sector: All Sectors

Sub-Sector:

Industry Classification:

Type of Reservation: National Treatment (Article G-02)

Measures: *Decreto Ley 1.939, Diario Oficial, noviembre 10, 1977, Normas sobre adquisición, administración y disposición de bienes del Estado.*

Decreto con Fuerza de Ley 4 del Ministerio de Relaciones Exteriores, Diario Oficial, noviembre 10, 1967

Description: Investment

Chile when disposing of the ownership or any other right over State land may only do so to Chilean natural or juridical persons. State land for these purposes refers to State land up to a distance of 10 kilometres from the borderfront and up to a distance of 5 kilometres from the oceanfront.

Corporeal immovable property situated in borderland and declared "borderland zone" by virtue of *Decreto con Fuerza de Ley 4, 1967*, by the *Ministerio de Relaciones Exteriores* may not be acquired, either as property or in another quality, by natural persons with nationality in a neighbouring country or juridical persons with its principal seat in a neighbouring country or with 40 per cent or more of its capital belonging to such natural persons or its effective control is exercised by such natural persons.

Phase-Out:: None

Sector: All Sectors

Sub-Sector:

Industry Classification:

Type of Reservation: National Treatment (Article H-02)
Most-Favoured Nation Treatment (Article H-03)
Local Presence (Article H-05)

Measures: Additional non-conforming measures

Description: Cross-Border Services
Additional non-conforming measures with respect to a sector or sub-sector for which a reservation has not been taken pursuant to Article H-06(1) in Chile's Schedule to Annex I. This reservation does not include computer-related services, and technical testing and analysis services.

Phase-out: None

Sector: All Sectors

Sub-Sector:

Industry Classification:

Type of Reservation: National Treatment (Article G-02)
Senior Management and Boards of Directors (Article G-07)

Measures: As set out in the **Description** element

Description: Investment

Chile, when selling or disposing of its equity interests in, or the assets of, an existing state enterprise or an existing governmental entity, may prohibit or impose limitations on the ownership of such interests or assets, and on the ability of owners of such interests or assets to control any resulting enterprise, by investors of Canada or of a non-Party or their investments: With respect to such a sale or other disposition, Chile may adopt or maintain any measure relating to the nationality of senior management or members of the board of directors.

For purposes of this reservation:

- (a) any measure maintained or adopted after the date of entry into force of this Agreement that, at the time of sale or other disposition, prohibits or imposes limitations on the ownership of equity interests or assets or imposes nationality requirements described in this reservation shall be deemed to be an existing measure; and
- (b) "state enterprise" means an enterprise owned or controlled through ownership interests by Chile and includes an enterprise established after the date of entry into force of this Agreement solely for the purposes of selling or disposing of equity interests in, or the assets of, an existing state enterprise or governmental entity.

Phase-Out: None

Sector: All Sectors

Sub-Sector:

Industry Classification:

Type of Reservation: National Treatment (Article G-02)

Measures: *Decreto con Fuerza de Ley 1 del Ministerio del Trabajo y Prevision Social; Diario Oficial, enero 24, 1994, Código del Trabajo*

Description: Investment

A minimum of 85 per cent of employees who work for the same employer shall be Chilean natural persons. This rule applies to employers with more than 25 employees under a contract of employment (*contrato de trabajo*). Expert technical personnel, who cannot be replaced by national personnel, shall not be subject to this provision as determined by the *Dirección General del Trabajo*.

An employee shall be understood to mean any natural person who renders intellectual or material services, under dependence or subordination, pursuant to a contract of employment.

Phase-out: None

Sector: Automotive

Sub-Sector:

Industry Classification: CPC

Type of Reservation: Performance requirements (Article G-06)

Measures: *Ley 18.483*, Diario Oficial, diciembre 28, 1985, *Régimen Legal para la Industria Automotriz*

Description: Investment

In order to qualify for the benefits established in *Ley 18.483*, it is required to be registered in the *Registros de la Comisión Automotriz* and comply with the minimum national content, as set out in Annex C-03.2

Phase-Out: As set out in Annex C-03.2.

Sector: Business Services

Sub-Sector: Research Services

Industry Classification: CPC 851 Research and experimental development services on natural sciences and engineering
CPC 853 Interdisciplinary research and experimental development services
CPC 882 Services incidental to fishing

Type of Reservation: National Treatment (Article H-02)

Measures: *Decreto Supremo 711 del Ministerio de Defensa Nacional, Diario Oficial, octubre 15, 1975*

Description: Cross-Border Services

Foreign juridical persons or natural persons intending to conduct research in the Chilean 200-mile maritime zone, shall be required to submit a request six months in advance and shall comply with the requirements established by the corresponding regulations.

Phase-out: None

Sector: Business Services

Sub-Sector: Research Services

Industry Classification: CPC 851 Research and experimental development services on natural sciences and engineering
CPC 853 Interdisciplinary research and experimental development services
CPC 8675 Related scientific and technical consulting services

Type of Reservation: National Treatment (Article H-02)

Measures: *Decreto con Fuerza de Ley 11 del Ministerio de Relaciones Exteriores, Diario Oficial, diciembre 5, 1968*

Decreto 559 del Ministerio de Relaciones Exteriores, Diario Oficial, enero 24, 1968

Decreto con Fuerza de Ley 83 del Ministerio de Relaciones Exteriores, Diario Oficial, marzo 27, 1979

Description: Cross-Border Services

Natural persons representing foreign juridical persons or natural persons residing abroad and intending to perform explorations for work of a scientific or technical nature, or connected to mountain climbing in areas that are adjacent to Chilean borders shall apply for the appropriate authorization through a Chilean Consul in the corresponding country. The Chilean Consul shall then send such request directly to the *Dirección de Fronteras y Límites del Estado*. The *Dirección* shall determine whether one or more Chilean natural persons working in the appropriate related activities shall join the expedition in order to become acquainted with the studies to be undertaken.

The *Departamento de Operaciones de la Dirección de Fronteras y Límites del Estado* shall pronounce itself on whether to authorize or reject geographic or scientific explorations to be carried out by foreign juridical or natural persons in Chile. The *Dirección Nacional de Fronteras y Límites del Estado* shall authorize and will supervise all explorations involving work of a scientific or technical nature, or related to mountain climbing, that foreign juridical persons or natural persons residing abroad intend to carry out in areas adjacent to Chilean borders.

Phase-out: None

Sector: Business Services

Sub-Sector: Research in Social Sciences

Industry Classification: CPC 8675 Related scientific and technical consulting services

Type of Reservation: National Treatment (Article H-02)

Measures: Ley 17.288, Diario Oficial, febrero 4, 1970

Decreto Supremo 484 del Ministerio de Educación, Diario Oficial, abril 2, 1991

Description: Cross-Border Services

Foreign juridical persons or foreign natural persons intending to perform excavations, surveys, probings and/or collect anthropological, archaeological and paleontological material must apply for a permit from the *Consejo de Monumentos Nacionales*. In order to obtain the permit, the person in charge of the research must be engaged by a reliable foreign scientific institution and must be working in collaboration with a Chilean state-owned scientific organization or a Chilean university.

The aforementioned permit can be granted to Chilean researchers having the pertinent scientific background in archaeology, anthropology, paleontology, duly certified as appropriate, and who also have a research project and appropriate institutional sponsorship; and to foreign researchers provided that they are engaged by a reliable scientific institution and that they work in collaboration with a Chilean state-owned scientific organization or a Chilean university. Museum Directors or Curators acknowledged by the *Consejo de Monumentos Nacionales*, professional archaeologists, anthropologists or paleontologists, as appropriate, and the members of the *Sociedad Chilena de Arqueología* shall be authorized to perform salvage-related works. Salvage involves the urgent recovery of data or archaeological, anthropological or paleontological artifacts or species threatened by imminent loss.

Phase-out: None

Sector: Energy

Sub-Sector:

Industry Classification: CPC 12 Crude petroleum and natural gas
CPC 13 Uranium and Thorium minerals
CPC 14 Metallic minerals
CPC 16 Other minerals

Type of Reservation: National Treatment (Article G-02)
Performance Requirements (Article G-06)

Measures: *Constitución Política de la República de Chile*

*Ley 18.097, Diario Oficial, enero 21, 1982, Ley Orgánica
Constitucional sobre concesiones mineras*

Ley 18.248, Diario Oficial, octubre 14, 1983, Código de Minería

*Ley 16.319, Diario Oficial, octubre 23, 1965, que crea la
Comisión Chilena de Energía Nuclear*

Description: Investment

The exploration, exploitation and treatment (*beneficio*) of liquid or gaseous hydrocarbons, deposits of any kind existing in sea waters subject to national jurisdiction and deposits of any kind wholly or partially located in areas classified as important to national security with mining effects, which qualification shall be made by law only, can be the object of administrative concessions or special operating contracts, subject to the requirements and the conditions to be determined, in each case by a supreme decree of the President of the Republic. For greater certainty, it is understood that the term *beneficio* shall not include the storage, transportation or refining of the energy material referred to in this paragraph.

The production of nuclear energy for peaceful purposes may only be carried out by the *Comisión Chilena de Energía Nuclear* or, with its authorization, jointly with third persons. Should the *Comisión* deem it advisable to authorize, it may determine, in turn, the terms and conditions therein.

Phase-Out: None

Sector: Fisheries

Sub-Sector: Aquaculture

Industry Classification: CPC 04 Fish and other fishing products

Type of Reservation: National Treatment (Article G-02)

Measures: *Ley 18.892*, Diario Oficial, enero 21 1992, *Ley General de Pesca y Acuicultura*

Description: Investment

A concession or permit is required for the use of beaches, land adjacent to beaches (*terrenos de playas*), water-column (*porciones de agua*) and sea-bed lots (*fondos marinos*) to engage in aquaculture activities.

Only Chilean natural or juridical persons constituted in accordance with Chilean law and foreigners with permanent residency may be holders of a permit or concession to carry out aquaculture activities.

Phase-Out: None

Sector: Fisheries

Sub-Sector:

Industry Classification: CPC 04 Fish and other fishing products

Type of Reservation: National Treatment (Article G-02)
Most-Favoured-Nation Treatment (Article G-03)

Measures: *Ley 18.892*, Diario Oficial, enero 21, 1992, *Ley General de Pesca y Acuicultura*

Decreto Ley 2.222, Diario Oficial, mayo 31, 1978, *Ley de Navegación*

Description: Investment

In order to harvest and to catch hydrobiological species in interior waters, in the territorial sea and Exclusive Economic Zone of Chile, a permit issued by the *Subsecretaría de Pesca* is required.

Only Chilean natural persons or juridical persons constituted in accordance with Chilean law and foreigners with permanent residency may be holders of permits to harvest and to catch hydrobiological species.

Only Chilean vessels are permitted to fish in interior waters, in the Territorial sea and Chile's Exclusive Economic Zone. Chilean vessels are those defined in the *Ley de Navegación*.

Access to extractive industrial fishing activities shall be subject to the previous registration of the vessel in Chile.

Only a Chilean natural or juridical person may register a vessel in Chile. A juridical person must be constituted in Chile with principal domicile and real and effective seat in Chile with its president, manager and majority of the directors or administrators being Chilean natural persons. In addition, more than 50 percent of its equity capital must be held by Chilean natural or juridical persons. For these purposes, a juridical person with ownership participation in another juridical person that owns a vessel has to comply with all the aforementioned requisites.

A joint ownership (*comunidad*) may register a vessel if the majority of the joint owners are Chilean with domicile and residency in Chile. The administrators must be Chilean natural persons and the majority of the rights of the joint ownership (*comunidad*) must belong to a Chilean natural or juridical person. For these purposes, a juridical person with ownership participation in a joint ownership (*comunidad*) that owns a vessel, has to comply with all the aforementioned requisites.

An owner (natural or juridical person) of a fishing vessel registered in Chile prior to June 30, 1991, shall not be subject to the nationality requirement above mentioned.

Fishing vessels specifically authorized by the maritime authorities, pursuant to powers conferred by law in cases of

reciprocity granted to Chilean vessels by other States may be exempted from the above mentioned requisites on equivalent terms provided to Chilean vessels by that State.

Access to small scale fishing activities (*pesca artesanal*) shall be subject to registration in the *Registro de Pesca Artesanal*. Registration for small scale fishing (*pesca artesanal*) is only granted to Chilean natural persons and foreign natural persons with permanent residency, or a Chilean juridical person constituted by the aforementioned persons.

Phase-Out:

None

Sector: Mining

Subsector:

Industrial Classification: CPC 13 Uranium and Thorium minerals
CPC 14 Metallic minerals
CPC 16 Other minerals

Type of Reservation: National Treatment (Article G-02)
Performance Requirements (Article G-06)

Measures: *Constitución Política de la República de Chile*

Ley 18.097, Diario Oficial, enero 21, 1982, Ley Orgánica Constitucional sobre concesiones mineras

Ley 18.248, Diario Oficial, octubre 14, 1983, Código de Minería

Ley 16.319, Diario Oficial, octubre 23, 1965, que crea la Comisión Chilena de Energía Nuclear

Description: Investment

The State has the right of first refusal, at the customary market prices and terms, for the purchase of mineral products from mining operations in the country, when thorium or uranium are contained in significant amounts therein.

The State may demand that producers separate from mining products, the portion of substances which cannot be granted in mining concessions which exist, in significant amounts, in said products, and which can be economically and technically separated, for delivery to or for sale on behalf of the State. For these purposes, economically and technically separated requires that the costs incurred to recover the substances concerned through a sound technical procedure, and to commercialize and deliver the same shall be lower than its commercial value.

The exploration, exploitation and treatment ("beneficio") of lithium, deposits of any kind existing in sea waters subject to national jurisdiction and on deposits of any kind wholly or partially located in areas classified as important to national security with mining effects, which qualification shall be made by law only, can be the object of administrative concessions or special operating contracts, subject to the requirements and the conditions to be determined, in each case by a supreme decree of the President of the Republic.

Natural atomic materials and lithium extracted, and concentrates, derivatives and compounds of both of them, cannot be subject to any kind of juridical acts, unless executed or entered into by the *Comisión Chilena de Energía Nuclear*, with the same or with its prior authorization. Should the *Comisión* deem it advisable to grant the authorization, it shall determine, in turn, the conditions granted therein.

Phase-out: None

Sector: Professional, Technical and Specialized Services

Subsector: Professional Services

Industry Classification: CPC 86211 Financial Auditing Services (refers only to financial auditing or financial institutions)

Type of Reservation: National Treatment (Article H-02)
Local Presence (Article H-05)

Measures: *Ley 18.046*, Diario Oficial, octubre 22, 1981, *Ley de Sociedades Anónimas*

Decreto Supremo 587 del Ministerio de Hacienda, Diario Oficial, noviembre 13, 1982, *Reglamento de Sociedades Anónimas*

Decreto Ley 1097, Diario Oficial, julio 25, 1975

Decreto Ley 3.538, Diario Oficial, diciembre 23, 1980

Circular 2714, de 1982; Circular 1, octubre 17, 1989, de la *Superintendencia de Bancos e Instituciones Financieras*, capítulo 19 de la Recopilación de Normas de la *Superintendencia de Bancos e Instituciones Financieras*, sobre Auditores Externos

Circulares 327, junio 29, 1983 y 350, octubre 21, 1983, de la *Superintendencia de Bancos e Instituciones Financieras*

Description: Cross-Border Services

External auditors of financial institutions must be registered in the Registry of External Auditors kept by the Superintendencia de Bancos e Instituciones Financieras and the Superintendencia de Valores y Seguros. Only firms legally incorporated in Chile as partnerships (*sociedades de personas*) or associations (*asociaciones*) and whose main line of business is auditing services may be inscribed in the Registry.

Phase out: None

Sector: Professional Services

Sub-Sector: Engineering and Technicians

Industry Classification: CPC 8672 Engineering Services
CPC 8673 Integrated engineering services
CPC 8675 Related scientific and technical consulting services

Type of Reservation: National Treatment (Article H-02)

Measures: *Ley 12.851*, Diario Oficial, febrero 6, 1958

Description: Cross-Border Services

Engineers and technicians holding foreign degrees who have been hired to provide services in Chile will require an authorization, entailing registration in a special register, from the corresponding professional association (*colegio profesional*) and will be subject to the tutelage and the disciplinary authority of such association.

Sector: Professional Services

Sub-Sector: Legal Services

Industry Classification: CPC 861 Legal Services

Type of Reservation: National Treatment (Article H-02)

Measures: *Código Orgánico de Tribunales*
Decreto 110 del Ministerio de Justicia, Diario Oficial, marzo 20, 1979
Ley 18.120, Diario Oficial, mayo 18, 1982

Description: Cross-Border Services
Only Chileans shall be authorized to practice as lawyers.
Only lawyers shall be authorized to plead a case in Chilean courts and the first legal action or claim filed by each party shall be done so by a lawyer duly qualified to practise law. Among others, the following documents shall be drawn up solely by lawyers: drafting of articles of incorporation and amendments thereto, mutual termination of obligations or liquidation of corporations, liquidation of community property between spouses, distribution of property, articles of incorporation of juridical persons, of associations of irrigation channel members, of cooperative associations, agreements governing financial transactions, the issue of bonds by corporations, and requests asking for the juridical person for corporations and foundations.

Phase-out: None

Sector: Professional, Technical and Specialized Services

Sub-Sector: Justice - Ancillary Services

Industry Classification: CPC 861 Legal Services

Type of Reservation: National Treatment (Article H-02)
Local Presence (Article H-05)

Measures: *Código Orgánico de Tribunales*
Reglamento del Registro Conservador de Bienes Raíces
Ley 18.118, Diario Oficial, mayo 22, 1982
Decreto 197, del Ministerio de Economía, Diario Oficial, agosto 8, 1985
Ley 18.175, Diario Oficial, octubre 28, 1982

Description: Cross-Border Services

Justice ancillaries must have their residence in the same city or place where the court house for which they render services is domiciled.

Public defenders ("*defensores públicos*"), public notaries ("*notarios públicos*"), and custodians ("*conservadores*") must be Chilean natural persons and fulfill the same requirements that are needed to become a judge.

Archivists ("*archiveros*") and arbitrators at law ("*árbitros de derecho*") must be lawyers, and therefore, need to be Chilean natural persons.

Only Chilean natural persons with the right to vote and foreign natural persons with permanent residence and the right to vote can act as process servers ("*receptores judiciales*") and superior court attorneys ("*procuradores del número*").

Only Chilean natural persons, foreign natural persons with permanent residence in Chile or Chilean juridical persons may be public auctioneers ("*martilleros públicos*").

Receivers in bankruptcy ("*síndicos de quiebra*") must have a professional or technical degree granted by a university, or a professional or technical institute recognized by the State of Chile. Receivers in bankruptcy must have experience in the commercial, economic or juridical field of no less than three years and they must be duly authorized by the Ministry of Justice and can only work in the place where they reside.

Phase-out: None

Sector: Specialized Services

Sub-Sector: Customs Agents and Brokers

Industry Classification: CPC 748 Freight transport agency services
CPC 749 Other supporting and auxiliary transport services

Type of Reservation: National Treatment (Article H-02)
Local Presence (Article H-05)

Measures: *Decreto con Fuerza de Ley 30 del Ministerio de Hacienda,*
Diario Oficial; abril 13, 1983

Description: Cross-Border Services

Only Chilean natural persons may act as customs brokers or agents. These duties shall be carried out in person and with due diligence.

Phase-out: None

Sector: Specialized Services

Sub-Sector: Private Armed Guards

Industry Classification: CPC 873 Investigation and Security

Type of Reservation: National Treatment (Article H-02)

Measures: *Decreto 1.773 del Ministerio del Interior, Diario Oficial, noviembre 14, 1994*

Description: Cross-Border Services
Only Chilean natural persons shall be able to render services as private armed guards.

Phase-out: None

Sector: Sports Services, Industrial Fishing and Hunting

Sub-Sector:

Industry Classification: CPC 881 Services incidental to agriculture, hunting and forestry
CPC 882 Services incidental to fishing
CPC 96599 Otros servicios de esparcimiento.

Type of Reservation: Local Presence (Article H-05)

Measures: *Ley 17.798*, Diario Oficial, diciembre 6, 1977
Decreto Supremo 77 del Ministerio de Defensa Nacional, Diario Oficial, abril 29, 1982

Description: Cross-Border Services
Any person who own guns, explosives or similar substances must apply for registration to the appropriate authority for the corresponding domicile, for which purpose a request shall be submitted to the *Dirección General de Movilización Nacional del Ministerio de Defensa Nacional*.

Phase-out: None

Sector: Transportation

Sub-Sector: Air transportation

Industry Classification: CPC 734 Rental services of aircraft with operator
CPC 7469 Other complementary air services

Type of Reservation: National Treatment (Articles G-02, H-02)
Most-Favoured-Nation Treatment (Article H-03)
Local Presence (Article H-05)
Senior Management and Boards of Directors (Article G-07)

Measures: *Ley 18.916*, Diario Oficial, febrero 8, 1990, *Código Aeronáutico*

Decreto Ley 2.564, Diario Oficial, junio 22, 1979, *Normas sobre Aviación Comercial*

Decreto Supremo 624 del Ministerio de Defensa Nacional, Diario Oficial, enero 5, 1995

Ley 16.752, Diario Oficial, febrero 17, 1968

Decreto 34 del Ministerio de Defensa, Diario Oficial, febrero 10, 1968

Decreto Supremo 102 del Ministerio de Transportes y Telecomunicaciones, Diario Oficial, junio 17, 1981

Decreto Supremo 172 del Ministerio de Defensa Nacional, Diario Oficial, marzo 5, 1974

Decreto Supremo 37 del Ministerio de Defensa Nacional, Diario Oficial, diciembre 10, 1991

Decreto 234 del Ministerio de Defensa Nacional, Diario Oficial, junio 19, 1971

Description: Cross-Border Services and Investment

Only a Chilean natural or juridical person may register an aircraft in Chile. A juridical person must be constituted in Chile with principal domicile and real effective seat in Chile. In addition, a majority of its ownership must be held by Chilean natural or juridical persons, which in turn must comply with the aforementioned requisites.

The president, manager, majority of directors and/or administrators of the juridical person must be Chilean natural persons.

Foreign registered aircraft engaged in non-commercial activities may not remain in Chile more than 30 days of its date of entry into Chile, unless authorized by the *Dirección General de Aeronáutica Civil*. For greater clarity, this measure shall not apply to specialty air services as defined in Article H-12(2) of this Agreement, except for glider towing and parachute jumping.

In order to work as crew members on aircraft used by a Chilean aviation company, foreign aviation staff shall be required to first obtain a Chilean license with the appropriate permits enabling them to discharge the pertinent duties.

Foreign aviation personnel shall be allowed to work in that capacity in Chile provided that the license or authorization granted by a foreign country is validated by Chilean civil aviation authorities. In the absence of an international agreement regulating such validation, the license or authorization shall be granted under conditions of reciprocity. In that case, proof shall be submitted showing that the licenses or authorizations were issued or validated by the pertinent authorities in the State where the aircraft is registered, that the documents are in force and that the requirements for issuing or validating such licenses and authorizations meet or exceed the standards required in Chile for analogous cases.

Air transportation services may be provided by Chilean or foreign companies subject to the condition that, along the routes in which they operate, foreigners grant similar conditions to Chilean aviation companies when so requested. The *Junta Aeronáutica Civil*, by means of a substantiated resolution (*resolución fundada*), may terminate, suspend or limit domestic traffic services (cabotage) or any other class of commercial aviation services carried out solely in Chilean territory by foreign companies or aircraft if in their country of origin the right to equal treatment for Chilean companies and aircraft is denied.

Foreign civil aircraft not engaging in commercial transport activities or non-scheduled commercial air transport intending to enter Chilean territory, including its territorial waters, to fly over Chile and to make stop-overs for non-commercial purposes, shall be required to notify the *Dirección General de Aeronáutica Civil* at least twenty-four hours in advance. Commercial traffic aircraft not operating on a regular basis shall not be allowed to carry passengers, cargo or mail in Chilean territory without prior authorization by the *Junta de Aeronáutica Civil*.

Phase-Out:

None

Sector: Transportation

Sub-Sector: Land Transportation

Industry Classification: CPC 712 Other land transport services

Type of Reservation: National Treatment (Article H-02)
Most-Favoured Nation (Article H-03)
Local Presence (Article H-05)

Measures: *Decreto Supremo 212 del Ministerio de Transportes y Telecomunicaciones, Diario Oficial, noviembre 21, 1992*

Decreto 163 del Ministerio de Transportes y Telecomunicaciones, Diario Oficial, enero 4, 1985

Decreto Supremo 257 del Ministerio de Relaciones Exteriores, Diario Oficial, octubre 17, 1991

Description: Cross-Border Services

Ground transportation service providers must be registered with the *Registro Nacional* by means of an application submitted to the *Secretario Regional Ministerial de Transportes y Telecomunicaciones*. In the case of urban services, the request must be submitted to the *Secretario Regional* of the area where the services are to be rendered and, in the case of rural and inter-city services, in the region where the applicant resides. All information required by law must be included on the registration request and the following documents, among others, must be attached: photocopy of the National Identification card and in the case of juridical persons, public documents verifying incorporation, the name and domicile of the legal representative and a document certifying such status. Foreign natural and juridical persons authorized to provide international transportation in Chilean territory cannot provide local transportation services and/or participate, in any form, in such activities within Chilean territory.

Only companies with real and effective domicile and incorporated under the laws of the following countries can provide international land transportation between Chile, Argentina, Bolivia, Brasil, Peru, Uruguay and Paraguay. Furthermore, in the case of foreign juridical persons more than half of the capital and the effective control of such juridical persons must be in the hands of nationals of Chile, Argentina, Bolivia, Brasil, Peru, Uruguay or Paraguay to obtain a permit to provide international land transportation services.

Phase-out: None

Sector: Transportation

Sub-Sector: Land Transportation

Industry Classification: CPC 712 Other land transport services

Type of Reservation: National Treatment (Article H-02)
Most-Favoured-Nation Treatment (Article H-03)

Level of Government:

Measures: *Ley 18.290*, Diario Oficial, febrero 7, 1984
Decreto Supremo 485 del Ministerio de Relaciones Exteriores,
Diario Oficial, septiembre 7, 1960, *Convención de Ginebra*.

Description: Cross-Border Services

Motor vehicles with foreign licence plates entering Chile on a temporary basis under the provisions set forth in the "Convention on Highway Traffic" adopted in Geneva in 1949 shall be authorized to travel freely on Chilean territory for the period established in the above mentioned Convention, provided that they meet the requirements established by Chilean law.

Holders of valid international driving licences or certificates, issued by a foreign country pursuant to the Geneva Convention shall be authorized to travel throughout Chilean territory. Drivers of vehicles with foreign licence plates who hold international driving licences shall present, upon request by the authorities, documents proving that the vehicle is duly authorized for traffic in addition to the documents that authorize the holder to drive.

Phase-out: None

Sector: Transportation

Sub-Sector: Water transportation

Industry Classification: CPC 721 Transport services by sea-going vessels
CPC 722 Cargo transportation

Type of Reservation: National Treatment (Articles G-02, H-02)
Most-Favoured-Nation Treatment (Articles G-03, H-03)
Local Presence (Article H-05)
Senior Management and Boards of Directors (Article G-07)

Measures: *Decreto Ley 3.059*, Diario Oficial, diciembre 22, 1979, *Ley de Fomento a la Marina Mercante*

Decreto Supremo 24, Diario Oficial, marzo 10, 1986,
Reglamento del Decreto Ley 3.059

Decreto Ley 2.222, Diario Oficial, mayo 31, 1978, *Ley de Navegación*

Decreto Supremo 153, Diario Oficial, marzo 11, 1966, *Aprueba el Reglamento General de Matricula del Personal de Gente de Mar, Fluvial y Lacustre*

Código de Comercio

Description: Cross-Border Services and Investment

Only a Chilean natural or juridical person may register a vessel in Chile. A juridical person must be constituted with principal domicile and real and effective seat in Chile with its president, manager and majority of the directors or administrators being Chilean natural persons. In addition, more than 50 per cent of its equity capital must be held by Chilean natural or juridical persons. For these purposes, a juridical person with ownership participation in another juridical person that owns a vessel has to comply with all the aforementioned requisites.

A joint ownership (*comunidad*) may register a vessel if the majority of the joint owners are Chileans with domicile and residency in Chile, the administrators must be Chileans and the majority of the rights of the joint ownership must belong to a Chilean natural or juridical person. For these purposes, a juridical person with ownership participation in a joint ownership (*comunidad*) that owns a vessel has to comply with all the aforementioned requisites.

Special vessels owned by foreign natural or juridical persons domiciled in Chile may under certain conditions be registered in the country. For these purposes a special vessel does not include a fishing vessel. The conditions required are the following: domicile in Chile, principal head office in the country or undertaking a profession or commercial activity in a permanent way in Chile. The maritime authority may, for reasons of national security, impose certain special restrictions on the operation of these vessels.

The maritime authority may concede a better treatment based on the principle of reciprocity.

Cabotage is reserved to Chilean vessels. The maritime authority may concede a better treatment based on the principle of reciprocity with respect to the transportation of passengers and cargo on seas, rivers and lakes between points on the national territory and between such points and naval artifacts installed in territorial waters or in the Exclusive Economic Zone.

Foreign vessels shall be required to use pilotage, anchoring and harbor pilotage services when the maritime authorities so require it. In tugging activities or other maneuvers performed in Chilean ports, only tugboats flying the Chilean flag shall be used.

Captains shall be required to be Chilean nationals and to be acknowledged as such by the pertinent authorities. Officers on Chilean vessels shall be required to be Chilean natural persons registered in the Officers' Registry (Registro de oficiales). To become crew members of a Chilean vessel is required to be Chilean, to have the permit granted by the Maritime Authority and to be registered in the respective Registry. Professional titles and licenses granted by a foreign country shall be considered valid for the discharge of officers' duties on national vessels pursuant to a substantiated resolution (*resolución fundada*) issued by the Director.

Ship Captains ("*patrón de nave*") shall be Chilean nationals. The Ship Captains ("*patrón de nave*") is the natural person who, pursuant to the corresponding title awarded by the Director, is empowered to exercise command on smaller vessels and on certain special larger vessels.

Only Chilean nationals, or foreigners with domicile in Chile, shall be authorized to act as fishing boat Captains ("*patrones de Pesca*"), machinists ("*mecánicos-motoristas*"), machine operators ("*motoristas*"), sea-faring fishermen ("*marineros pescadores*"), small-scale fishermen ("*pescadores*"), industrial or maritime trade technical employees or workers, and as industrial and general ship service crews on fishing factories or fishing boats when so requested by ship operators ("*armadores*") in order to initiate such work.

In order to fly the national flag, the Captain of the ship, its officers and crew shall be required to be Chilean nationals. Nevertheless, the *Dirección Marítima*, on the basis of a substantiated resolution (*resolución fundada*), shall authorize the hiring of foreign personnel, on a temporary basis if essential, with the exception of the Captain who, at all times, shall be required to be a Chilean national.

Shipping agents or representatives of ship operators, owners or Captains, whether they are natural or juridical persons, shall be required to be Chilean nationals. Agents responsible for stowing and unstowing, and mooring, i.e., the persons responsible for moving the cargo from ship to port facilities and to overland transport vehicles and vice-versa, whether fully or in part, shall also be required to comply with this provision. Furthermore, the persons responsible for unloading and transferring goods and

generally using Chilean continental or insular ports, particularly with regard to fishing catches or to fishing catches processed on board shall also be required to be Chilean nationals.

Only a Chilean natural or juridical person shall be authorized to work in Chile as a multimodal operator.

Phase-out:

None

ANNEX II
RESERVATIONS FOR FUTURE MEASURES
(CHAPTERS G AND H)

Annex II

1. The Schedule of a Party sets out, pursuant to Articles G-08(3) (Investment) and H-06(3) (Cross-Border Trade in Services), the reservations taken by that Party with respect to specific sectors, sub-sectors or activities for which it may maintain existing, or adopt new or more restrictive, measures that do not conform with obligations imposed by:

- (a) Article G-02 or H-02 (National Treatment);
- (b) Article G-03 or H-03 (Most-Favoured-Nation Treatment);
- (c) Article H-05 (Local Presence);
- (d) Article G-06 (Performance Requirements); or
- (e) Article G-07 (Senior Management and Boards of Directors).

2. Each reservation sets out the following elements:

- (a) **Sector** refers to the general sector in which the reservation is taken;
- (b) **Sub-Sector** refers to the specific sector in which the reservation is taken;
- (c) **Industry Classification** refers, where applicable, to the activity covered by the reservation according to domestic industry classification codes;
- (d) **Type of Reservation** specifies the obligation referred to in paragraph 1 for which a reservation is taken;
- (e) **Description** sets out the scope of the sector, sub-sector or activities covered by the reservation; and
- (f) **Existing Measures** identifies, for transparency purposes, existing measures that apply to the sector, sub-sector or activities covered by the reservation.

3. In the interpretation of a reservation, all elements of the reservation shall be considered. The **Description** element shall prevail over all other elements.

4. Unless otherwise stated in the **Description** element, a Chilean juridical person includes an enterprise of the other Party that is constituted or organized in Chile in a form which under Chilean law is recognized as being a juridical person.

5. For purposes of this Annex:

CPC means Central Product Classification (CPC) numbers as set out in Statistical Office of the United Nations, Statistical Papers, Series M, No. 77, *Provisional Central Product Classification*, 1991; and

SIC means with respect to Canada, Standard Industrial Classification (SIC) numbers as set out in Statistics Canada, *Standard Industrial Classification*, fourth edition, 1980.

**Annex II
Schedule of Canada**

Sector: Aboriginal Affairs

Sub-Sector:

Industry Classification:

Type of Reservation: National Treatment (Articles G-02, H-02)
Most-Favoured-Nation Treatment (Articles G-03, H-03)
Local Presence (Article H-05)
Performance Requirements (Article G-06)
Senior Management and Boards of Directors (Article G-07)

Description: Cross-Border Services and Investment

Canada reserves the right to adopt or maintain any measure denying investors of Chile and their investments, or service providers of Chile, any rights or preferences provided to aboriginal peoples.

Existing Measures: *Constitution Act, 1982*, being Schedule B of the Canada Act 1982 (U.K.), 1982, c. 11

Sector: All Sectors

Sub-Sector:

Industry Classification:

Type of Reservation: National Treatment (Article G-02)

Description: Investment

Canada reserves the right to adopt or maintain any measure relating to residency requirements for the ownership by investors of Chile, or their investments, of oceanfront land.

Existing Measures:

Sector: Communications

Sub-Sector: Telecommunications Transport Networks and Services,
Radiocommunications and Submarine Cables

Industry Classification: CPC 752 Telecommunications Services
CPC 7543 Connection Services
CPC 7549 Other Telecommunications Services Not
Elsewhere Classified (limited to
telecommunications transport networks and
services)

Type of Reservation: National Treatment (Article G-02)
Most-Favoured-Nation Treatment (Article G-03)
Senior Management and Boards of Directors (Article G-07)

Description: Investment

Canada reserves the right to adopt or maintain any measure relating to investment in telecommunications transport networks and telecommunications transport services, radiocommunications and submarine cables, including ownership restrictions and measures concerning corporate officers and directors and place of incorporation.

This reservation does not apply to providers of enhanced or value-added services whose underlying telecommunications transmission facilities are leased from providers of public telecommunications transport networks.

Existing Measures: *Bell Canada Act, S.C. 1987, c. 19*

British Columbia Telephone Company Special Act, S.C. 1916, c. 66

Teleglobe Canada Reorganization and Divestiture Act, S.C. 1987, c. 12

Telesat Canada Reorganization and Divestiture Act, S.C. 1991, c. 52

Radiocommunication Act, R.S.C. 1985, c. R-2

Telegraphs Act, R.S.C. 1985, c. T-5

Telecommunications Policy Framework, 1987

Sector: Communications

Sub-Sector: Telecommunications Transport Networks and Services,
Radiocommunications and Submarine Cables

Industry Classification: CPC 752 Telecommunications Services (not including
enhanced or value-added services)
CPC 7543 Connection Services
CPC 7549 Other Telecommunications Services Not
Elsewhere Classified (limited to
telecommunications transport networks and
services)

Type of Reservation: National Treatment (Article H-02)
Most-Favoured-Nation Treatment (Article H-03)
Local Presence (Article H-05)

Description: Cross-Border Services

Canada reserves the right to adopt or maintain any measure relating to radiocommunications, submarine cables and the provision of telecommunications transport networks and telecommunications transport services. These measures may apply to such matters as market entry, spectrum assignment, tariffs, intercarrier agreements, terms and conditions of service, interconnection between networks and services, and routing requirements that impede the provision on a cross-border basis of telecommunications transport networks and telecommunications transport services, radiocommunications and submarine cables.

Telecommunications transport services typically involve the real-time transmission of customer-supplied information between two or more points without any end-to-end change in the form or content of the customer's information, whether or not such services are offered to the public generally. These services include voice and data services by wire, radiocommunications or any other electromagnetic means of transmission.

This reservation does not apply to measures relating to the cross-border provision of enhanced or value-added services.

Existing Measures: *Bell Canada Act, S.C. 1987, c. 19*

British Columbia Telephone Company Special Act, S.C. 1916, c. 66

Railway Act, R.S.C. 1985, c. R-3

Radiocommunication Act, R.S.C. 1985, c. R-2

Telegraphs Act, R.S.C. 1985, c. T-5

Telecommunications Policy Framework, 1987

Telecommunications Decisions, C.R.T.C., including (85-19), (90-3), (91-10), (91-21), (92-11) and (92-12)

Sector: Government Finance

Sub-Sector: Securities

Industry Classification: SIC 8152 Finance and Economic Administration

Type of Reservation: National Treatment (Article G-02)

Description: Investment
Canada reserves the right to adopt or maintain any measure relating to the acquisition, sale or other disposition by nationals of Chile of bonds, treasury bills or other kinds of debt securities issued by the Government of Canada, a province or local government.

Existing Measures: *Financial Administration Act, R.S.C. 1985, c. F-11*

Sector: Minority Affairs

Sub-Sector:

Industry Classification:

Type of Reservation: National Treatment (Articles G-02, H-02)
Local Presence (Article H-05)
Performance Requirements (Article G-06)
Senior Management and Boards of Directors (Article G-07)

Description: Cross-Border Services and Investment

Canada reserves the right to adopt or maintain any measure according rights or preferences to socially or economically disadvantaged minorities.

Existing Measures:

Sector: Social Services

Sub-Sector:

Industry Classification:

Type of Reservation: National Treatment (Articles G-02, H-02)
Most-Favoured-Nation Treatment (Article H-03)
Local Presence (Article H-05)
Senior Management and Boards of Directors (Article G-07)

Description: Cross-Border Services and Investment

Canada reserves the right to adopt or maintain any measure with respect to the provision of public law enforcement and correctional services, and the following services to the extent that they are social services established or maintained for a public purpose: income security or insurance, social security or insurance, social welfare, public education, public training, health, and child care.

Existing Measures:

Sector: Transportation

Sub-Sector: Air Transportation

Industry Classification: SIC 4513 Non-Scheduled Air Transport, Specialty Industry

Type of Reservation: National Treatment (Article G-02)
Most-Favoured-Nation Treatment (Article G-03)
Senior Management and Boards of Directors (Article G-07)

Description: Investment

Canada reserves the right to adopt or maintain any measure that restricts the acquisition or establishment of an investment in Canada for the provision of specialty air services to a Canadian national or a corporation incorporated and having its principal place of business in Canada, its chief executive officer and not fewer than two-thirds of its directors as Canadian nationals, and not less than 75 percent of its voting interest owned and controlled by persons otherwise meeting these requirements.

Existing Measures:

Aeronautics Act, R.S.C. 1985, c. A-2

Air Regulations, C.R.C. 1978, c. 2

Aircraft Marking and Registration Regulations, SOR/90-591

Sector: Transportation

Sub-Sector: Water Transportation

Industry Classification: SIC 4129 Other Heavy Construction (limited to dredging)
SIC 4541 Freight and Passenger Water Transport Industry
SIC 4542 Ferry Industry
SIC 4543 Marine Towing Industry
SIC 4549 Other Water Transport Industries
SIC 4552 Harbour and Port Operation Industries (limited to berthing, bunkering and other vessel operations in a port)
SIC 4553 Marine Salvage Industry
SIC 4554 Piloting Service, Water Transport Industry
SIC 4559 Other Service Industries Incidental to Water Transport (not including landside aspects of port activities)

Type of Reservation: National Treatment (Articles G-02, H-02)
Most-Favoured-Nation Treatment (Articles G-03, H-03)
Local Presence (Article H-05)
Performance Requirements (Article G-06)
Senior Management and Boards of Directors (Article G-07)

Description: Cross-Border Services and Investment

Canada reserves the right to adopt or maintain any measure relating to investment in or provision of maritime cabotage services, including:

- (a) the transportation of goods or passengers by vessel between points in the territory of Canada and in its Exclusive Economic Zone;
- (b) with respect to waters above the continental shelf, the transportation of goods or passengers in relation to the exploration, exploitation or transportation of the mineral or non-living natural resources of the continental shelf; and
- (c) the engaging by vessel in any maritime activity of a commercial nature in the territory of Canada and in its Exclusive Economic Zone and, with respect to waters above the continental shelf, in such other maritime activities of a commercial nature in relation to the exploration, exploitation or transportation of mineral or non-living natural resources of the continental shelf.

This reservation relates to, among other things, local presence requirements for service providers entitled to participate in these activities, criteria for the issuance of a temporary cabotage license to foreign vessels and limits on the number of cabotage licenses issued to foreign vessels.

Existing Measures: *Coasting Trade Act*, S.C. 1992, c. 31

Canada Shipping Act, R.S.C. 1985, c. S-9

Customs Act, R.S.C. 1985, c. 1 (2nd Supp.)

Customs and Excise Offshore Application Act, R.S.C. 1985, c. C-53

Sector: Transportation

Sub-Sector: Water Transportation

Industry Classification:

SIC 4541	Freight and Passenger Water Transport Industry
SIC 4542	Ferry Industry
SIC 4543	Marine Towing Industry
SIC 4549	Other Water Transport Industries
SIC 4551	Marine Cargo Handling Industry
SIC 4552	Harbour and Port Operation Industries
SIC 4553	Marine Salvage Industry
SIC 4554	Piloting Service, Water Transport Industry
SIC 4559	Other Service Industries Incidental to Water Transport

Type of Reservation: Most-Favoured-Nation Treatment (Article H-03)

Description: Cross-Border Services

Canada reserves the right to adopt or maintain any measure relating to the implementation of agreements, arrangements and other formal or informal undertakings with other countries with respect to maritime activities in waters of mutual interest in such areas as pollution control (including double hull requirements for oil tankers), safe navigation, barge inspection standards, water quality, pilotage, salvage, drug abuse control and maritime communications.

Existing Measures: *United States Wreckers Act*, R.S.C. 1985, c. U-3
Various agreements and arrangements, including:

- (a) Memorandum of Arrangements on Great Lakes Pilotage;
- (b) Canada - United States Joint Marine Pollution Contingency Plan;
- (c) Agreement with the United States on Loran "C" Service on the East and West Coasts; and
- (d) Denmark - Canada Joint Marine Pollution Circumpolar Agreement.

**Annex II
Schedule of Chile**

Sector: Aboriginal Affairs

Sub-Sector:

Industry Classification:

Type of Reservation: National Treatment (Articles G-02, H-02)
Most-Favoured-Nation Treatment (Articles G-03, H-03)
Local Presence (Article H-05)
Performance Requirements (Article G-06)
Senior Management and Boards of Directors (Article G-07)

Description: Cross-Border Services and Investment

Chile reserves the right to adopt or maintain any measure denying investors of Canada and their investments, or service providers of Canada, any rights or preferences provided to aboriginal peoples.

Existing Measures:

Sector: All Sectors

Sub-Sector:

Industry Classification:

Type of Reservation: National Treatment (Article G-02)

Description: Investment

Chile reserves the right to adopt or maintain any measure relating to residency requirements for the ownership by investors of the other Party, or their investments, of oceanfront land.

A Chilean natural person, a person resident in Chile or a Chilean juridical person may own or control land used for agriculture. Chile otherwise reserves the right to adopt or maintain any measure relating to the ownership or control of such land. In the case of a juridical person, the majority of each class of shares may be required to be owned by Chilean natural persons or persons resident in the country. A resident is considered a person residing in Chile for 183 days a year or more.

Existing Measures: *Decreto Ley 1.939, Diario Oficial, noviembre 10, 1977; Normas sobre Adquisición, administración y disposición de bienes de Estado*

Sector: Communications

Sub-Sector: Telecommunications Transport Networks and Services,
Radiocommunications and Submarine Cables

Industry Classification:

Type of Reservation: National Treatment (Article G-02)
Most-Favoured-Nation Treatment (Article G-03)
Senior Management and Board of Directors (Article G-07)

Description: Investment

Chile reserves the right to adopt or maintain any measure relating to investment in telecommunications transport networks and telecommunications transport services, radiocommunications and submarine cables, including ownership restrictions and measures concerning corporate officers and directors and place of incorporation.

This reservation does not apply to providers of enhanced or value-added services whose underlying telecommunications transmission facilities are leased from providers of public telecommunications transport networks.

Existing Measures:

Sector: Communications

Sub-Sector: Telecommunications Transport Networks and Services, and Radiocommunications and Submarine Cables

Industry Classification:

Type of Reservation: National Treatment (Article H-02)
Most-Favoured-Nation Treatment (Article H-03)
Local Presence (Article H-05)

Description: Cross-Border Services

Chile reserves the right to adopt or maintain any measure relating to radiocommunications, submarine cables and the provision of telecommunications transport networks and telecommunications transport services. These measures may apply to such matters as market entry, spectrum assignment, tariffs, intercarrier agreements, terms and conditions of service, interconnection between networks and services, and routing requirements that impede the provision, on a cross-border basis, of telecommunications transport networks and telecommunications transport services, radiocommunications and submarine cables.

Telecommunications transport services typically involve, the real time transmission of customer-supplied information between two or more points, without any end-to-end change in the form or content of the customer's information whether or not such services are offered to the public generally. These services include voice and data services by wire, radiocommunications or any other electromagnetic means of transmission.

This reservation does not apply to measures relating to the cross-border provision of enhanced or value-added services.

Existing Measures:

Sector: Construction Services

Sub-Sector:

Industry Classification: CPC 551
CPC 552

Type of Reservation: National Treatment (Article H-02)
Local Presence (Article H-05)

Level of Government:

Description: Cross-Border Services

Chile reserves the right to adopt or maintain any measure with respect to the provision of construction services rendered by foreign juridical persons or legal entities imposing requirements of residence, registration and/or any other form of local presence, or imposing the obligation of giving financial security for work as a condition for the provision of construction services.

Existing Measures:

Sector: Education

Sub-Sector:

Industry Classification: CPC 92 Education Services

Type of Reservation: National Treatment (Article H-02)
Most-Favoured-Nation Treatment (Article H-03)
Local Presence (Article H-05)

Description: Cross-Border Services

Chile reserves the right to adopt or maintain any measure relating to natural persons who render education services, including teachers and ancillary personnel rendering educational services in elementary education, kindergarten, pre-school, special education, primary and high school education, higher education, professional, technical, and university education, including educational establishments of any kind as well as sponsors of educational establishments, schools, lyceums, academies, training centres, professional and technical institutes, and/or universities.

This reservation does not apply to the provision of services related to second language training, corporate, business and industrial training and skill upgrading which includes consulting services relating to technical support and advice and curriculum and program development in education.

Existing Measures:

Sector: Environmental Services

Sub-Sector:

Industry Classification: CPC 94 Sewage and refuse disposal, sanitation and other environmental protection services

Type of Reservation: National Treatment (Article H-02)
Most-Favoured-Nation Treatment (Article H-03)
Local Presence (Article H-05)

Level of Government:

Description:

Cross-Border Services

Chile reserves the right to adopt or maintain any measure imposing the requirement that the production and distribution of potable water and the collection and disposal of waste water, sanitation services such as sewage, waste disposal and waste water treatment can only be provided by Chilean juridical persons.

This reservation does not apply to consultancy services contracted by Chilean juridical persons.

Existing Measures:

Sector: Fisheries

Sub-Sector: Fishing-Related Activities

Industry Classification: CPC 882 Services incidental to fishing
CPC 04 Fish and other fishing products

Type of Reservation: National Treatment (Article G-02, H-02)
Most-Favoured-Nation Treatment (Article H-03)

Description: Cross-Border Services and Investment

Chile retains the right to control the activities of foreign fishing, including fish landings, the first landing of fish processed at sea and access to Chilean ports (port privileges).

Chile reserves the right to control the use of beaches, land adjacent to beaches (*terrenos de playas*), water-columns (*porciones de agua*) and sea-bed lots (*fondos marinos*) for the issuance of maritime concessions. For greater certainty, "maritime concessions" does not include aquaculture.

Existing Measures: *Decreto Ley 2.222, Diario Oficial, mayo 31, 1978, Ley de Navegación*
Decreto con Fuerza de Ley 340, Diario Oficial, abril 6, 1960, sobre Concesiones Marítimas
Decreto Supremo 660 del Ministerio de Defensa Nacional, Diario Oficial, noviembre 28, 1988, Reglamento de Concesiones Marítimas

Sector: Government Finance
Sub-Sector: Securities
Industry Classification: CPC 91112 Administrative Services of Government -
Financial and Fiscal Services

Type of Reservation: National Treatment (Article G-02)

Description: Investment

Chile reserves the right to adopt or maintain any measure relating to the acquisition, sale or other disposition by nationals of Canada, of bonds, treasury bills or other kinds of debt securities issued by the Central Bank or Government of Chile.

Existing Measures:

Sector:

Minority Affairs

Sub-Sector:

Industry Classification:

Type of Reservation:

National Treatment (Articles G-02, H-02)
Most-Favoured-Nation Treatment (Article H-03)
Local Presence (Article H-05)
Performance Requirements (Article G-06)
Senior Management and Boards of Directors (Article G-07)

Description:

Cross-Border Services and Investment

Chile reserves the right to adopt or maintain any measure according rights or preferences to socially or economically disadvantaged minorities.

Existing Measures:

Sector: Social Services

Sub-Sector:

Industry Classification: CPC 913 Compulsory Social Security Services
CPC 92 Education Services
CPC 93 Health and Social Services

Type of Reservation: National Treatment (Articles G-02, H-02)
Most-Favoured-Nation Treatment (Article H-03)
Local Presence (Article H-05)
Senior Management and Board of Directors (Article G-07)

Description: Cross-Border Services and Investment

Chile reserves the right to adopt or maintain any measure with respect to the provision of public law enforcement and correctional services, and the following services to the extent that they are social services established or maintained for a public purpose: income security or insurance, social security or insurance, social welfare, public education, public training, health, and child care.

Existing Measures:

Sector: Professional, Technical and Specialized Services

Sub-Sector:

Industry Classification:

Type of Reservation: National Treatment (Articles G-02, H-02)
Local Presence (Article H-05)

Description: Investment and Cross-Border Services

Where Canada, at the federal or the provincial level, maintains a measure respecting citizenship, permanent residency or local presence in a sector, Chile reserves the right to adopt or maintain an equivalent measure with respect to such service providers in the same sector and for the same period of time as Canada, at the federal or provincial level, maintains the measure.

Existing Measures:

ANNEX III

**EXCEPTIONS TO MOST-FAVORED-NATION
TREATMENT (CHAPTER G)**

Annex III
Schedule of Canada

Canada takes an exception to Article G-03 for treatment accorded under all bilateral or multilateral international agreements in force or signed prior to the date of entry into force of this Agreement.

For international agreements in force or signed after the date of entry into force of this Agreement, Canada takes an exception to Article G-03 for treatment accorded under those agreements involving:

- (a) aviation;
- (b) fisheries;
- (c) maritime matters, including salvage; or
- (d) telecommunications transport networks and telecommunications transport services (this exception does not apply to measures covered by Chapter I (Telecommunications)).

For greater certainty, Article G-03 does not apply to any current or future foreign aid program to promote economic development, such as those governed by the Energy Economic Cooperation Program with Central America and the Caribbean (Pacto de San José) and the OECD Agreement on Export Credits.

**Annex III
Schedule of Chile**

Chile takes an exception to Article G-03 for treatment accorded under all bilateral or multilateral international agreements in force or signed prior to the date of entry into force of this Agreement.

For international agreements in force or signed after the date of entry into force of this Agreement, Chile takes an exception to Article G-03 for treatment accorded under those agreements involving:

- (a) aviation;
- (b) fisheries;
- (c) maritime matters, including salvage; or
- (d) telecommunications transport networks and telecommunications transport services (this exception does not apply to measures covered by Chapter I (Telecommunications)).

For greater certainty, Article G-03 does not apply to any current or future foreign aid program to promote economic development, including export credit practices in conformity with the interest rate provisions of the OECD Agreement on Export Credits.

ANNEX IV
QUANTITATIVE RESTRICTIONS
AND OTHER ITEMS
(CHAPTER H)

Annex IV

1. The Schedule of a Party sets out the non-discriminatory quantitative restrictions maintained by that Party pursuant to Article H-07.
2. Each entry sets out the following elements:
 - (a) **Sector** refers to the general sector in which the quantitative restriction is maintained;
 - (b) **Sub-Sector** refers to the specific sector in which the quantitative restriction is maintained;
 - (c) **Industry Classification** refers, where applicable, to the activity covered by the quantitative restriction according to domestic industry classification codes;
 - (d) **Level of Government** indicates the level of government maintaining the quantitative restriction;
 - (e) **Measures** identifies the measures under which the quantitative restriction is maintained; and
 - (f) **Description** sets out the scope of the sector, sub-sector or activities covered by the quantitative restriction.
3. For purposes of this Annex:

CPC means Central Product Classification (CPC) numbers as set out in Statistical Office of the United Nations, Statistical Papers, Series M, No. 77, *Provisional Central Product Classification*, 1991; and

SIC means with respect to Canada, Standard Industrial Classification (SIC) numbers as set out in Statistics Canada, *Standard Industrial Classification*, fourth edition, 1980.

Annex IV
Schedule of Canada

Sector: Communications

Sub-Sector: Postal Services

Industry Classification: SIC 4841 Postal Service Industry

Level of Government: Federal

Measures: *Canada Post Corporation Act, R.S.C. c. C-10*
Letter Definition Regulations, SOR/83-481

Description: Canada Post Corporation has the exclusive privilege to collect, transmit and deliver "letters", as defined in the *Letter Definition Regulations*, addressed in Canada, and its consent is required for other persons to sell stamps.

Sector: Communications

Sub-Sector: Radiocommunications

Industry Classification: CPC 752 Telecommunications

Level of Government: Federal

Measures: *Radiocommunication Act*, R.S.C. 1985, c. R-2

Description: A person that proposes to operate a private radio transmission system must obtain a license from the Department of Communications. The issuance of such a license is subject to spectrum availability and policies regarding its use. In general, priority is given to the use of the spectrum for the purpose of developing non-private networks.

Sector: Energy

Sub-Sector: Electricity Transmission

Industry Classification: SIC 4911 Electric Power Systems Industry

Level of Government: Federal

Measures: *National Energy Board Act, R.S.C. 1985, c. N-7*

Description: The approval of the National Energy Board is required for the construction and operation of international electricity transmission lines.

Sector: Energy

Sub-Sector: Oil and Gas Transportation

Industry Classification: SIC 461 Pipeline Transport Industry

Level of Government: Federal

Measures: *National Energy Board Act, R.S.C. 1985, c. N-7*

Description: The approval of the National Energy Board (NEB) is required for the construction and operation of all interprovincial or international pipelines for the transmission of oil or gas. A public hearing must be held and a certificate of public convenience and necessity issued where the pipeline in question is longer than 40 kilometres. Pipelines shorter than 40 kilometres may be authorized by an order without a public hearing. All modifications to and extensions of pipelines must be approved by the NEB.

All tolls for the transmission of oil and gas on NEB-regulated pipelines and all tariff matters must be filed with or approved by the NEB. A public hearing may be held to consider toll and tariff matters.

Sector: Food, Beverage and Drug Industries

Sub-Sector: Liquor, Wine and Beer Stores

Industry Classification: SIC 6021 Liquor Stores
SIC 6022 Wine Stores
SIC 6023 Beer Stores

Level of Government: Federal

Measures: *Importation of Intoxicating Liquors Act, R.S.C. 1985, c. I-3*

Description: The *Importation of Intoxicating Liquors Act* gives each provincial government an import monopoly on any intoxicating liquors entering its territory.

Sector: Gambling Operations

Sub-Sector: Lottery schemes

Industry Classification: SIC 966 Gambling Operations

Level of Government: Federal

Measures: *Criminal Code*, R.S.C. 1985, c. C-46

Description: The *Criminal Code* accords to each provincial government, either alone or in conjunction with the government of another province, the authority to create, operate, grant licenses to operate and regulate lottery schemes.

Sector: Transportation

Sub-Sector: Land Transportation

Industry Classification: SIC 457 Public Passenger Transit Systems

Level of Government: Federal (administration delegated to provinces)

Measures: *Canada Transportation Act, S.C. 1996, c. 10*

Description: Provincial transport boards have been delegated the authority to permit persons to provide extra-provincial (inter-provincial and cross-border) bus services in their respective provinces and territories on the same basis as local bus services. All provinces, except New Brunswick, Prince Edward Island and Yukon Territory, permit the provision of local and extra-provincial bus services on the basis of a public convenience and necessity test.

Annex IV
Schedule of Chile

Sector: Communications

Subsector: Postal Services

Industry Classification: CPC 7511 Postal Services

Measures: *Decreto con Fuerza de Ley 10 del Ministerio de Transportes y Telecomunicaciones, Diario Oficial, enero 30, 1982*

Description: According to Chilean law, *Empresa de Correos de Chile* is the company in charge of postage and delivery of both domestic and international postal services.

Sector: Communications

Subsector: Radiocommunications

Industry Classification: CPC 752 Telecommunications Services

Level of Government:

Measures: Ley 18.168, Diario Oficial, octubre 2, 1982

Description: A concession granted by Decreto Supremo or a permit issued by the *Subsecretaría de Telecomunicaciones* is required for the installation, operation and exploitation of telecommunication services. The use of radiotransmission systems will be authorized according to the spectrum availability and the respective policies.

Sector: Energy

Subsector: Electricity Transmission

Industry Classification: CPC 887 Services incidental to energy distribution

Level of Government:

Measures: *Decreto con Fuerza de Ley 1 del Ministerio de Minería,*
Diario Oficial, septiembre 13, 1982

Ley 18.410, Diario Oficial, mayo 22, 1985

Ley 19.474, Diario Oficial, septiembre 30, 1996, *Ley Orgánica del Ministerio de Obras Públicas*

Description:

The installation, operation and exploitation of electric distribution public service facilities may require a final concession granted by the *Ministerio de Economía* (Ministry of Economy) and a provisional concession granted by the *Superintendencia de Electricidad y Combustibles* (Electricity and Fuel Superintendency). The provisional concession is not a necessary requirement for the granting of a final concession. The installation of hydraulic power plants, electric substations and power transmission lines will be subject to the abovementioned procedures.

The use of streets, electricity lines and national public goods related to transport and distribution lines of electric energy that are not under a concession, are subject to an authorization granted by the corresponding Municipality.

Generation, transmission and distribution of electricity cannot be provided without prior communication to the *Superintendencia de Electricidad y Combustibles*.

Sector: Environmental Services

Subsector:

Industry Classification: CPC 9409 Other environmental protection services
n.e.c.

Level of Government:

Measures: Ley 18.302, Diario Oficial, mayo 2, 1984

Description: The Chilean Commission on Nuclear Energy (*Comisión Chilena de Energía Nuclear*) determines the number of persons with special authorization for working in each nuclear or radioactive facility, and in each plant, centre, laboratory or nuclear equipment.

Sector: Professional Services
Subsector: Legal Services
Industry Classification: CPC 861 Legal Services

Level of Government:

Measures: *Código Orgánico de Tribunales*

Description: The number of notaries public (*notarios públicos*), archivists (*archiveros*), superior court attorneys, process servers and supplementary judges (*procuradores del número, receptores judiciales y abogados integrantes*), as well as the number of real estate registrars (*conservadores de bienes raíces*), commerce registrars (*registros de comercio*), mining rights registrars (*registros de minas*), registrars of shareholders of mining corporations (*registros de accionistas de sociedades propiamente mineras*), water rights registrars (*registros de aguas*), channel associations registrars (*registros de asociaciones de canalistas*), registrars of chattel mortgage on farm machinery and livestock (*registros de prenda agraria*), registrars of chattel mortgage in industry products equipment (*registros de prenda industrial*), registrars of special chattel mortgages (*registros especiales de prenda*) will be determined by law or by the President of the Republic as provided by law.

Sector: Telecommunications

Subsector:

Industry Classification: CPC 752 Telecommunications Services

Level of Government:

Measures: Ley 18.168, Diario Oficial, octubre 2, 1982

Description: Maritime and Aeronautic telecommunications are authorized, installed, operated and controlled by the *Armada de Chile* (Chilean Navy) and the *Dirección General de Aeronáutica Civil* (Civil General Aeronautic Board) respectively.

Sector: Transportation
Subsector: Air Transportation
Industry Classification: CPC 746 Supporting services for air transport
Level of Government:

Measures: *Decreto con Fuerza de Ley 241 del Ministerio de Hacienda, Diario Oficial, abril 6, 1960*

Description: The *Junta de Aeronáutica Civil* (Civil Aeronautic Board) determines the general plan for airports and airfields as well as the facilities needed to assist and protect air traffic. An authorization issued by the *Junta de Aeronáutica Civil* is required to build, to operate or to maintain airports and airfields or any other aeronautic stations.

Sector: Transportation

Subsector: Air Transportation
Specialized Air Services

Industry Classification: CPC 86753 Surface surveying services

Level of Government:

Measures: *Decreto con Fuerza de Ley 2.090 del Ministerio de Defensa Nacional, Diario Oficial, septiembre 6, 1930*

Description: *The Instituto Geográfico Militar (Army Geographic Institute) and the Departamento de Navegación e Hidrografía de la Armada (Navy Department of Navigation and Hydrography) are exclusively entitled to draw all official maps and charts of the national territory.*

Sector: Water and Sewage Services

Subsector:

Industry Classification: CPC 940 Sewage and refuse disposal, sanitation and other environmental protection services

Level of Government:

Measures: *Decreto con Fuerza de Ley 382 del Ministerio de Obras Públicas, Diario Oficial, junio 21, 1989*

Description: The installation, construction and exploitation of public works intended for the supply and distribution of potable water, and the collection and disposal of sewage requires a concession granted by *Decreto Supremo* of the *Ministerio de Obras Públicas* (Ministry of Public Works) and is subject to the previous approval of the *Superintendencia de Servicios Sanitarios* (Superintendency of Water and Sewage Services).

ANNEX V
MISCELLANEOUS COMMITMENTS
(CHAPTER H)
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