

NAFTA RULES OF ORIGIN LIBERALIZATION

Annex 401 Proposals for Track III Consideration

Fish and Crustaceans

Chapter 3: Delete heading 03.01-03.07 and the rule of origin applicable thereto and replace with the following:

- 03.01- 03.04 A change to heading 03.01 through 03.04 from any other chapter.
(Formatting only - no change in intent)
- 0305.10-0305.30 A change to salted or dried goods of subheading 0305.10 through 0305.30 from any other subheading, including another subheading within that group, provided that goods of subheading 0305.20 through 0305.30 which have undergone only salting have a minimum salt content of 18 percent; or
- A change to any other good of subheading 0305.10 through 0305.30 from any other chapter.
- 0305.41-0305.49 A change to subheading 0305.41 through 0305.49 from any other chapter.
(Formatting only - no change in intent)
- 0305.51 A change to subheading 0305.51 from any other subheading.
- 0305.59 A change to haddock of subheading 0305.59 from any other subheading; or
- A change to any other good of subheading 0305.59 from any other chapter.
(Formatting only - no change in intent)
- 0305.61 A change to subheading 0305.61 from any other chapter.
(Formatting only - no change in intent)
- 0305.62 A change to subheading 0305.62 from any other subheading, provided that the good has a minimum salt content of 18 percent.
- 0305.63 A change to subheading 0305.63 from any other chapter.
(Formatting only - no change in intent)

- 0305.69 A change to coalfish (*Pollachius virens*) or haddock of subheading 0305.69 from any other subheading, provided that the good has a minimum salt content of 18 percent; or
- A change to any other good of subheading 0305.69 from any other chapter.
(Formatting only - no change in intent)
- 0306.11-0306.14 A change to subheading 0306.11 through 0306.14 from any other chapter.
(Formatting only – no change in intent)
- 0306.19 A change to subheading 0306.19 from any other subheading, except from subheading 0306.29.
- 0306.21-0306.22 A change to dried crustaceans of subheading 0306.21 through 0306.22, whether in shell or not, from crustaceans of the same subheading or any other chapter; or
- A change to any other good of subheading 0306.21 through 0306.22 from any other chapter.
- 0306.23 A change to subheading 0306.23 from any other chapter.
(Formatting only – no change in intent)
- 0306.24 A change to dried crabs of subheading 0306.24, whether in shell or not, from crabs of the same subheading or any other chapter; or
- A change to any other good of subheading 0306.24 from any other chapter.
(Formatting only – no change in intent).
- 0306.29 A change to subheading 0306.29 from any other subheading, except from subheading 0306.19.
- 0307.10-0307.99 A change to dried goods of subheading 0307.10 through 0307.99 from any other good of subheading 0307.10 through 0307.99 or any other chapter;
- A change to flours, meals or pellets of subheading 0307.99 from any other subheading; or
- A change to any other good of subheading 0307.10 through 0307.99 from any other chapter.

(Formatting only – no change in intent).

Herbs and Spices:

Marjoram, Savory and Cilantro

Chapter 7, 0712.90: Delete heading 07.01-07.14 and the rule of origin applicable thereto and replace with the following:

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|-----------------|--|
| 07.01-07.13 | A change to heading 07.01 through 07.13 from any other chapter.
<i>(Formatting only – no change in intent)</i> |
| 0712.10-0712.20 | A change to subheading 0712.10 through 0712.20 from any other chapter.
<i>(Formatting only – no change in intent)</i> |
| 0712.90 | A change to marjoram, savory or cilantro, crushed or ground, of subheading 0712.90 from marjoram, savory or cilantro, neither crushed nor ground, of subheading 0712.90 or any other chapter; or

A change to any other good of subheading 0712.90 from any other chapter. |

Allspice

Chapter 9, 0904.20: Delete the rule of origin applicable to subheading 0904.20 and replace with the following:

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|---------|--|
| 0904.20 | A change to allspice, crushed or ground, of subheading 0904.20 from allspice, neither crushed nor ground, of subheading 0904.20 or any other chapter; or

A change to any other good of subheading 0904.20 from any other chapter. |
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Thyme; Bay Leaves

Chapter 9, 0910.40: Delete the rule of origin applicable to subheading 0910.40 and replace with the following:

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|---------|--|
| 0910.40 | A change to a good, crushed or ground, of subheading 0910.40 from a good, neither crushed nor ground, of subheading 0910.40 or any other chapter; or |
|---------|--|

A change to any other good of subheading 0910.40 from any other chapter.

Celery Seeds; Basil, Rosemary and Sage

Chapter 12, 1209.91: Delete heading 12.08-12.14 and the rule of origin applicable thereto and replace with the following:

- 12.08 A change to heading 12.08 from any other chapter.
(Formatting only – no change in intent)

- 1209.10-1209.30 A change to subheading 1209.10 through 1209.30 from any other chapter.
(Formatting only – no change in intent)

- 1209.91 A change to celery seeds, crushed or ground, of subheading 1209.91 from celery seeds, neither crushed nor ground, of subheading 1209.91 or any other chapter; or

 A change to any other good of subheading 1209.91 from any other chapter.

- 1209.99 A change to subheading 1209.99 from any other chapter.
(Formatting only – no change in intent)

- 12.10 A change to heading 12.10 from any other chapter.
(Formatting only – no change in intent)

- 1211.10-1211.40 A change to subheading 1211.10 through 1211.40 from any other chapter.
(Formatting only – no change in intent)

- 1211.90 A change to basil, rosemary or sage, crushed or ground, of subheading 1211.90 from basil, rosemary or sage, neither crushed nor ground, of subheading 1211.90 or any other chapter; or

 A change to any other good of subheading 1211.90 from any other chapter.

Fish Oils

Chapter 15, 1517.90 – Delete heading 15.01-15.18 and the rule of origin applicable thereto and replace with the following:

- 15.01-15.16 A change to heading 15.01 through 15.16 from any other chapter, except from heading 38.23.
(Formatting only - no change in intent)
- 1517.10 A change to subheading 1517.10 from any other chapter, except from heading 38.23.
(Formatting only - no change in intent)
- 1517.90 A change to capsules of fish oil of subheading 1517.90 from non-encapsulated fish oil of subheading 1517.90 or any other chapter; or

A change to any other good of subheading 1517.90 from any other chapter, except from heading 38.23.
(Formatting only - no change in intent)
- 15.18 A change to heading 15.18 from any other chapter, except from heading 38.23.
(Formatting only - no change in intent)

Food Preparations, e.g., Flavouring Mixes, Soups, Sauces and Finished Meals

Chapter 21, 2103.90, 21.04, 2106.90: Delete the second rule of origin applicable to subheading 2103.90 and the rules applicable to heading 21.04, tariff item 2106.90.dd and heading 21.06 and replace with the following:

- 2103.90 A change to any other good of subheading 2103.90 from yeasts of subheading 2106.90 or any other heading, except from any other good of heading 21.06.
- 21.04 A change to heading 21.04 from yeasts of subheading 2106.90 or any other heading, except from any other good of heading 21.06.
- 21.06
- 2106.90.dd A change to tariff item 2106.90.dd from yeasts of subheading 2102.10, 2102.20 or 2106.90 or any other chapter, except from Chapter 4 or tariff item 1901.90.aa.
- 21.06 A change to any other good of heading 21.06 from yeasts of subheading 2102.10, 2102.20 or 2106.90 or any other chapter.

Oils, Petroleum Products and Bitumen

Chapter 27:

1. Add the following Note:

Note 1: *For purposes of heading 27.07, a “chemical reaction” is a process (including a biochemical process) which results in a molecule with a new structure by breaking intramolecular bonds and by forming new intramolecular bonds, or by altering the spatial arrangement of atoms in a molecule.*

The following are not considered to be chemical reactions for the purposes of this definition:

- (a) dissolving in water or other solvents;*
- (b) the elimination of solvents, including solvent water;*
or
- (c) the addition or elimination of water of crystallization.*

2. Renumber the existing ‘Note’ to “Note 2”.

3. Add the following Note:

Note 3: *For the purposes of heading 27.10, “direct blending” is defined as a refinery process whereby various petroleum streams from processing units and petroleum components from holding/storage tanks combine to create a finished product, with pre-determined parameters, classified under heading 27.10, provided that the non-originating material constitutes no more than 25 percent by volume of the good.*

4. Amend the following rules of origin:

27.05-27.09: Delete heading 27.05-27.09 and the rule of origin applicable thereto and replace with the following:

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|-----------------|---|
| 27.05-27.06 | A change to heading 27.05 through 27.06 from any other heading, including another heading within that group. |
| 2707.10-2707.99 | A change to subheading 2707.10 through 2707.99 from any other heading; or

A change to subheading 2707.10 through 2707.99 from any other subheading within heading 27.07, whether or not there is also a change from any other heading, provided that |

the good resulting from such change is the product of a chemical reaction.

27.08-27.09 A change to heading 27.08 through 27.09 from any other heading, including another heading within that group.

27.10: Delete the rules of origin applicable to heading 27.10 and replace with the following:

27.10 A change to heading 27.10 from any other heading, except from heading 27.11 through 27.15;

Production of any good of heading 27.10 as the result of atmospheric distillation, vacuum distillation, catalytic hydroprocessing, catalytic reforming, alkylation, catalytic cracking, thermal cracking, coking or isomerization; or

Production of any good of heading 27.10 as the result of direct blending, provided that (1) the non-originating material is classified in Chapter 27, (2) no component of that non-originating material is classified under heading 22.07, and (3) the non-originating material constitutes no more than 25 percent by volume of the good.

27.11-27.15: Delete heading 27.11-27.15 and the rule of origin applicable thereto and replace with the following:

2711.11 A change to a good of subheading 2711.11 from within that subheading or any other subheading, provided that the non-originating feedstock constitutes no more than 49 percent by volume of the good.

2711.12-2711.14 A change to a good of subheading 2711.12 through 2711.14 from within that subheading or any other subheading, including another subheading within that group, provided that the non-originating feedstock constitutes no more than 49 percent by volume of the good.

2711.19 A change to subheading 2711.19 from any other subheading, except from subheading 2711.29.

2711.21 A change to subheading 2711.21 from any other subheading, except from subheading 2711.11.

- 2711.29 A change to subheading 2711.29 from any other subheading, except from subheading 2711.12 through 2711.21.
- 27.12 A change to heading 27.12 from any other heading.
(Formatting only – no change in intent)
- 2713.11-2713.12 A change to subheading 2713.11 through 2713.12 from any other heading.
(Formatting only – no change in intent)
- 2713.20 A change to a good of subheading 2713.20 from within that subheading or any other subheading, provided that the non-originating feedstock constitutes no more than 49 percent by volume of the good.
- 2713.90 A change to subheading 2713.90 from any other heading, except from heading 27.10 through 27.12, subheading 2713.11 through 2713.20 or heading 27.14 through 27.15.
(Formatting only – no change in intent)
- 27.14 A change to heading 27.14 from any other heading.
(Formatting only – no change in intent)
- 27.15 A change to heading 27.15 from any other heading, except from subheading 2713.20 or heading 27.14.

Leather

Chapter 41, 41.14: Delete the rule of origin applicable to heading 41.14 and replace with the following:

- 41.14 A change to heading 41.14 from heading 41.01 through 41.03, subheading 4105.10, 4106.21, 4106.31 or 4106.91 or any other chapter.

Aluminium

Chapter 76, 76.01-76.03, 76.04-76.06: Delete headings 76.01-76.03 and 76.04-76.06 and the rules of origin applicable thereto and replace with the following:

- 76.01 A change to heading 76.01 from any other chapter.
(Formatting only – no change in intent)
- 76.02 A change to heading 76.02 from any other heading.

- 76.03 A change to heading 76.03 from any other chapter.
(Formatting only – no change in intent)
- 76.04 A change to heading 76.04 from any other heading.
- 76.05 A change to heading 76.05 from any other heading, except from heading 76.04; or

A change to heading 76.05 from heading 76.04, whether or not there is also a change from any other heading, provided that, if bar or rod is used, the cross-sectional area of the bar or rod is reduced by at least 50 percent.
- 76.06 A change to heading 76.06 from any other heading.

Chapter 76, 76.14: Delete the rule of origin applicable to heading 76.14 and replace with the following:

- 76.14 A change to heading 76.14 from any other heading, except from heading 76.05; or

A change to heading 76.14 from heading 76.05, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:
 - (a) 60 percent where the transaction value method is used, or
 - (b) 50 percent where the net cost method is used.

Diesel Engines

Chapter 84, 84.07-84.08: Delete headings 84.07-84.08 and the rule of origin applicable thereto and replace with the following:

- 84.07 A change to heading 84.07 from any other heading provided there is a regional value content of not less than:
 - (a) 60 percent where the transaction value method is used, or
 - (b) 50 percent where the net cost method is used.*(Formatting only - no change in intent)*
- 8408.10-8408.20 A change to subheading 8408.10 through 8408.20 from any other heading, including another heading within that group, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.
(Formatting only - no change in intent)

8408.90 A change to subheading 8408.90 from any other heading.

Other Gas Turbines and Parts

Chapter 84, 8411.11-8411.82, 8411.99: Delete the rules of origin applicable to subheading 8411.11-8411.82 and 8411.99 and replace with the following:

8411.11-8411.82 A change to subheading 8411.11 through 8411.82 from any subheading outside that group.

8411.91 A change to subheading 8411.91 from any other heading.
(Formatting only - no change in intent)

8411.99 A change to subheading 8411.99 from any other heading;
or

No required change in tariff classification to subheading 8411.99, provided there is a regional value content of not less than:

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

Valves

Chapter 84, 8481.40-8481.80: Delete subheading 8481.10-8481.80 and the rules of origin applicable thereto and replace with the following:

8481.10-8481.30 A change to subheading 8481.10 through 8481.30 from any other heading; or

A change to subheading 8481.10 through 8481.30 from subheading 8481.90, whether or not there is also a change from any other heading, provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.
(Formatting only - no change in intent)

8481.40–8481.80 A change to subheading 8481.40 through 8481.80 from any other heading; or

A change to subheading 8481.40 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) 45 percent where the transaction value method is used, or
- (b) 35 percent where the net cost method is used.

Parts for Electric Motors and Generators

Chapter 85, 85.03: Delete heading 85.03 and the rules of origin applicable thereto and replace with the following:

85.03 A change to heading 85.03 from any other heading; or

No required change in tariff classification to heading 85.03, provided there is a regional value content of not less than:

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

Electric Transformers

Chapter 85, 8504.10-8504.23, 8504.32-8504.34: Delete subheadings 8504.10-8504.34 and the rules of origin applicable thereto and replace with the following:

8504.10 A change to subheading 8504.10 from any other subheading.

8504.21–8504.23 A change to subheading 8504.21 through 8504.23 from subheading 8504.90 or any other heading.

8504.31 A change to subheading 8504.31 from any other heading; or

A change to subheading 8504.31 from subheading 8504.90, whether or not there is also a change from any other heading provided there is a regional value content of not less than:

- (a) 60 percent where the transaction value method is used, or
 - (b) 50 percent where the net cost method is used.
- (Formatting only - no change in intent)*

8504.32–8504.34 A change to subheading 8504.32 through 8504.34 from subheading 8504.90 or any other heading.

Primary Cells and Batteries

Chapter 85, 8506.10-8506.40, 8506.50-8506.80, 8506.90: Delete subheadings 8506.10-8506.80, 8506.90 and the rules of origin applicable thereto and replace with the following:

- 8506.10–8506.40 A change to subheading 8506.10 through 8506.40 from any other subheading, including another subheading within that group.
- 8506.50–8506.80 A change to subheading 8506.50 through 8506.80 from any subheading outside that group.
- 8506.90 A change to a good of subheading 8506.90 from within that subheading or any other subheading.

Electrical Apparatus for Line Telephony

Chapter 85, 8517.11-8517.90: Delete subheading 8517.11, tariff item 8517.19.aa, subheading 8517.19, 8517.21, 8517.22-8517.30, tariff item 8517.50.aa, 8517.50.bb, subheading 8517.50, tariff item 8517.80.aa, subheading 8517.80, tariff items 8517.90.aa through 8517.90.gg, subheading 8517.90 and the rules of origin applicable thereto and replace with the following:

- 8517.11–8517.80 A change to subheading 8517.11 through 8517.80 from any other subheading, including another subheading within that group.
- 8517.90 A change to subheading 8517.90 from any other subheading, or
- No required change in tariff classification to subheading 8517.90, provided there is a regional value content of not less than:
- (a) 60 percent where the transaction value method is used, or
 - (b) 50 percent where the net cost method is used.

Turntables, Record Players, Cassette Players

Chapter 85, 8519.10-8519.99: Delete subheadings 8519.10-8519.99 and the rule of origin applicable thereto and replace with the following:

8519.10-8519.99 A change to subheading 8519.10 through 8519.99 from any other subheading, including another subheading within that group.

Transmission Apparatus for Radio Telephony

Chapter 85, 8525.30, 8525.40: Delete the rules of origin applicable to 8525.30 and 8525.40 and replace with the following:

8525.30

8525.30.aa A change to tariff item 8525.30.aa from any other tariff item, except from tariff item 8525.30.bb.
(Existing rule - no change in intent)

8525.30 A change to subheading 8525.30 from any other subheading.

8525.40 A change to subheading 8525.40 from any other subheading.

Radar Apparatus

Chapter 85, 8526.10, 8526.91-8526.92: Delete subheadings 8526.10, 8526.91-8526.92 and the rules of origin applicable thereto and replace with the following:

8526.10-8526.92 A change to subheading 8526.10 through 8526.92 from any other subheading, including another subheading within that group.

Reception Apparatus for Radio Telephony

Chapter 85, 8527.90: Delete subheading 8527.90 and the rule of origin applicable thereto and replace with the following:

8527.90 A change to subheading 8527.90 from any other subheading.

Televisions

Chapter 85, 8528.12.dd, 8528.12.ee: Replace the rules of origin applicable to tariff items 8528.12.dd and 8528.12.ee with the following:

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|------------|--|
| 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. |
| 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. |

Chapter 85, 8528.21.dd, 8528.21.ee: Replace the rules of origin applicable to tariff items 8528.21.dd and 8528.21.ee with the following:

- | | |
|------------|--|
| 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. |
| 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. |

Chapter 85, 8528.30.ee: Replace the rules of origin applicable to tariff item 8528.30.ee with the following:

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|------------|--|
| 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. |
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Electric Sound or Visual Signaling Apparatus

Chapter 85, 8531.10, 8531.20: Delete subheadings 8531.10 and 8531.20 and the rules of origin applicable thereto and replace with the following:

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|-------------------|---|
| 8531.10 – 8531.20 | A change to subheading 8531.10 through 8531.20 from any other subheading, including another subheading within that group. |
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Alarms

Chapter 85, Chapter 85, 8531.80: Delete the rules of origin applicable to subheading 8531.80 and replace with the following:

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|---------|---|
| 8531.80 | A change to subheading 8531.80 from any other subheading. |
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Thermionic, Cold Cathode or Photocathode Tubes

Chapter 85, 8540.40-8540.60, 8540.71-8540.79, 8540.81-8540.89: Delete subheadings 8540.40-8540.60, 8540.71-8540.79 and 8540.81-8540.89 and the rules of origin applicable thereto and replace with the following:

8540.40–8540.60 A change to subheading 8540.40 through 8540.60 from any subheading outside that group.

8540.71-8540.89 A change to subheading 8540.71 through 8540.89 from any other subheading, including another subheading within that group.

Electrical Machines and Apparatus

Chapter 85, 8543.11-8543.19, 8543.20-8543.30 and 8543.40-8543.89: Delete subheadings 8543.11-8543.81, tariff item 8543.89.aa and subheading 8543.89 and the rules of origin applicable thereto and replace with the following:

8543.11-8543.19 A change to subheading 8543.11 through 8543.19 from any subheading outside that group.

8543.20-8543.30 A change to subheading 8543.20 through 8543.30 from any other subheading, including another subheading within that group.

8543.40-8543.89 A change to subheading 8543.40 through 8543.89 from any subheading outside that group.

Insulator Conductors

Chapter 85, 8544.51: Delete the rules of origin applicable to subheading 8544.11-8544.60 and replace with the following:

8544.11-8544.60 A change to subheading 8544.11 through 8544.60 from any subheading outside that group; or

A change to subheading 8544.11 through 8544.60 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) 45 percent where the transaction value method is used, or
- (b) 35 percent where the net cost method is used.

Rail Locomotives

Chapter 86, 86.01, 86.02: Delete heading 86.01-86.06 and the rules of origin applicable thereto and replace with the following:

86.01-86.02 A change to heading 86.01 through 86.02 from any other heading.

86.03-86.06 A change to heading 86.03 through 86.06 from any other heading, including another heading within that group, except from heading 86.07; or

A change to heading 86.03 through 86.06 from heading 86.07, 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) 60 percent where the transaction value method is used, or
- (b) 50 percent where the net cost method is used.

(Formatting only - no change in intent)

Truck Assemblies

Chapter 86, 8607.11-8607.12: Delete the rule of origin applicable to subheading 8607.11-8607.12 and replace with the following:

8607.11-8607.12 A change to subheading 8607.11 through 8607.12 from any subheading outside that group.

Locomotive Parts

Chapter 86, 8607.21-8607.99: Delete the rule of origin applicable to subheading 8607.21-8607.99 and replace with the following:

8607.21-8607.99 A change to subheading 8607.21 through 8607.99 from any other heading; or

No required change in tariff classification to any of subheading 8607.21 through 8607.99 provided there is a regional value content of not less than:

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

Electrocardiographs, and Parts and Accessories Thereof

Chapter 90, 9018.11-9018.90: Delete tariff item 9018.11.aa, subheadings 9018.11, 9018.12-9018.14, tariff item 9018.19.aa, subheadings 9018.19, 9018.20-9018.50, tariff item 9018.90.aa and subheading 9018.90 and the rules of origin applicable thereto and replace with the following:

9018.11-9018.90 A change to a good of any of subheading 9018.11 through 9018.90 from any other good within that subheading or any other subheading, including another subheading within that group.

Medical Appliances and Apparatus

Chapter 90, 9022.12-9022.30: Delete subheading 9022.12-9022.14, 9022.19, 9022.21, 9022.29-9022.30 and the rules of origin applicable thereto and replace with the following:

9022.12-9022.30 A change to subheading 9022.12 through 9022.30 from any other subheading including another subheading within that group; or

No required change in tariff classification to any of subheading 9019.10 through 9021.90, provided there is a regional value content of not less than:

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

Hydrometers and Similar Floating Instruments

Chapter 90, 9025.11 – 9025.80: Delete the rules of origin applicable to subheading 9025.11-9025.80 and replace with the following:

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) 45 percent where the transaction value method is used, or

- (b) 35 percent where the net cost method is used.

Other Instruments and Apparatus for Physical or Chemical Analysis

Chapter 90, 9027.80: Delete tariff item 9027.80.aa and subheading 9027.80 and the rules of origin applicable thereto and replace with the following:

9027.80 A change to subheading 9027.80 from any other subheading.

Automatic Regulating or Controlling Instruments

Chapter 90, 9032.10: Delete subheading 9032.10 and the rules of origin applicable thereto and replace with the following:

9032.10 A change to subheading 9032.10 from any other heading;
or

A change to a good of subheading 9032.10 from within that subheading or subheading 9032.89 through 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) 45 percent where the transaction value method is used, or
(b) 35 percent where the net cost method is used.

Time Switches with Clock or Watch Movement or with Synchronous Motor

Chapter 91, 91.01-91.06, 91.07: Delete heading 91.01-91.07 and the rules of origin applicable thereto and replace with the following:

91.01-91.06 A change to heading 91.01 through 91.06 from any other chapter; or

A change to heading 91.01 through 91.06 from heading 91.14, whether or not there is also a change from any other chapter, provided there is a regional value content of not less than:

(a) 60 percent where the transaction value method is used, or
(b) 50 percent where the net cost method is used.
(Formatting only, no change in intent)

- 91.07 A change to heading 91.07 from any other chapter; or
- A change to heading 91.07 from heading 91.14, whether or not there is also a change from any other chapter, provided there is a regional value content of not less than:
- (a) 45 percent where the transaction value method is used, or
 - (b) 35 percent where the net cost method is used.

Lighters

Chapter 96, 9613.80: Delete the rules of origin applicable to subheading 9613.10 - 9613.80 and replace with the following:

- 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) 45 percent where the transaction value method is used, or
 - (b) 35 percent where the net cost method is used.

De Minimis for Goods of Section VI, Products of the Chemical or Allied Industries (Chapter 28-38)

Section VI: Add the following footnote:

In applying the provisions of Article 405 to goods of Section VI, the reference to “seven percent” shall be replaced with “ten percent”.