

List of working or processing rules
required to be carried out on non-originating materials
in order that the product manufactured
can obtain originating status
(cf. first paragraph of section 4 of the Regulations)

Introductory notes

Foreword:

These notes shall apply where appropriate to all products manufactured using non-originating materials even if they are not subject to specific provisions in the following list but are subject instead to the change of heading rule set out in paragraph 1 of section 4.

Note 1:

1.1 The first two columns in the list describe the product obtained. The first column gives the heading number or chapter number used in the Harmonized System, and the second column gives the description of goods used in that System for that heading or chapter. For each entry in the first two columns a rule is specified in column 3. Where, in some cases, the entry in the first column is preceded by an “ex”, this signifies that the rule in column 3 only applies to the part of that heading or chapter as described in column 2.

1.2 Where several heading numbers are grouped together in column 1 or a chapter number is given and the description of products in column 2 is therefore given in general terms, the adjacent rule in column 3 applies to all products which, under the Harmonized System, are classified in headings of the chapter or in any of the headings grouped together in column 1.

1.3 Where there are different rules in the list applying to different products within a heading, each indent contains the description of that part of the heading covered by the adjacent rule in column 3.

Note 2:

2.1 When a heading or part of a heading is not in the list, the “change of heading” rule set out in paragraph 1 of section 4 applies. If a “change of heading” condition applies to any entry in the list, then it is covered by the rule in column 3.

2.2 The working or processing required by a rule in column 3 has to be carried out only in relation to the non-originating materials used. The restrictions included in column 3 likewise apply only to the non-originating materials used.

2.3 Where a rule states that “materials of any heading” may be used, materials of the same heading as the product may also be used, subject, however, to any specific limitations which may also be contained in the rule. However, the expression “manufacture from materials of any heading including other materials of heading ...” means that only materials classified in the same heading as the product of a different description than that of the product as given in column 2 of the list may be used.

2.4 If a product made from non-originating materials which has acquired originating status during manufacture by virtue of the change of heading rule or its own list rule is used as a material in the process of manufacture of another product, then the rule applicable to the product in which it is incorporated does not apply to it.

Example:

An engine of heading No 84.07, for which the rule states that the value of the non-originating materials which may be incorporated may not exceed 40 % of the ex-works price, is made from 'other alloy steel roughly shaped by forging' of heading No 72.24.

If this forging has been forged in the country concerned from a non-originating ingot then the forging has already acquired origin by virtue of the rule for heading No ex 72.24 in the list. It can then count as originating in the value calculation for the engine regardless of whether it was produced in the same factory or another. The value of the non-originating ingot is thus not taken into account when adding up the value of the non-originating materials used.

2.5 Even if the change of heading rule or the other rules in the list are satisfied, a product shall not acquire originating status if the processing carried out, taken as a whole, is insufficient within the meaning of section 5.

Note 3:

3.1 The rule in the list represents the minimum amount of working or processing required and the carrying out of more working or processing also confers originating status; conversely, the carrying out of less working or processing cannot confer origin. Thus if a rule says that non-originating material at a certain level of manufacture may be used, the use of such material at an earlier stage of manufacture is allowed and the use of such material at a later stage is not.

3.2 When a rule in the list specifies that a product may be manufactured from more than one material, this means that any one or more materials may be used. It does not require that all be used.

Example:

The rule for fabrics says that natural fibres may be used and that chemical materials, among other materials, may also be used. This does not mean that both have to be used; one can use one or the other or both.

If, however, a restriction applies to one material and other restrictions apply to other materials in the same rule, then the restrictions only apply to the materials actually used.

Example:

The rule for sewing machines specifies that both the thread tension mechanism used and the zigzag mechanism used must have originating status; these two restrictions only apply if the mechanisms concerned are actually incorporated into the sewing machine.

3.3 When a rule in the list specifies that a product must be manufactured from a particular material, the condition obviously does not prevent the use of other materials which, because of their inherent nature, cannot satisfy the rule.

Example:

The rule for prepared food under heading No 19.04 which specifically excludes the use of cereals or their derivatives does not prevent the use of mineral salts, chemicals and other additives which are not produced from cereals.

Example:

If an article is made from non-woven materials, and if the use of only non-originating yarn is allowed for this class of article, it is not possible to start from non-woven cloth - even if non-woven cloths cannot normally be made from yarn. In such cases, the starting material would normally be at the stage before yarn - that is the fibre stage.

See also note 5.2 in connection with textiles.

3.4 Where, in a rule in the list, two or more percentages are given for the maximum value of non-originating materials that can be used, these percentages cannot be added together. In other words, the maximum value of all the non-originating materials used can never exceed the highest of the percentages given. Furthermore, the individual percentages must not be exceeded in relation to the particular materials they apply to.

Note 4:

4.1 The term “natural fibres” is used in the list to refer to fibres other than artificial or synthetic fibres and is restricted to the stages before spinning takes place, including waste, and, unless otherwise specified, the term “natural fibres” includes fibres that have been carded, combed or otherwise processed but not spun.

4.2 The term “natural fibres” includes horsehair of heading No 05.03, silk of heading Nos 50.02 and 50.03 as well as the wool fibres, fine or coarse animal hair of heading Nos 51.01 to 51.05, the cotton fibres of heading Nos 52.01 to 52.03 and the other vegetable fibres of heading Nos 53.01 to 53.05.

4.3 The terms “textile pulp”, “chemical materials” and “paper-making materials” are used in the list to describe the materials not classified in chapters 50 to 63, which can be used to manufacture artificial, synthetic or paper fibres or yarns.

4.4 The term “man-made staple fibres” is used in the list to refer to synthetic or artificial filament tow, staple fibres or waste, of heading Nos 55.01 to 55.07.

Note 5:

5.1 Any non-textile trimmings and accessories or other materials used which contain textiles do not have to satisfy the conditions set out in column 3 even though they fall outside the scope of Note 3.3.

5.2 In accordance with Note 3.3, any non-originating non-textile trimmings and accessories or other product, which do not contain any textiles, may be used freely where they cannot be made from the materials listed in column 3.

Example:

If a rule in the list says that for a particular textile item, such as a blouse, yarn must be used, this does not prevent the use of metal items, such as buttons, because they cannot be made from textile materials. Similarly, this does not prevent the use of a zip, even though zips normally contain textiles.

5.3 Where a percentage rule applies, the value of trimmings and accessories must be taken into account when calculating the value of the non-originating materials incorporated.

Note 6:

6.1 For the purposes of headings ex 27.07, 27.13 to 27.15, ex 29.01, ex 29.02 and ex 34.03 the following are regarded as “special processes”:

- a. vacuum distillation;
- b. redistillation by a very thorough process of fractionation;
- c. cracking;
- d. reforming;
- e. extraction by means of selective solvents;
- f. a process involving all the following operations: processing using concentrated sulphuric acid, oleum or sulphuric anhydride; neutralization using alkaline agents, decolourization and purification using naturally active earth, activated earth, activated charcoal or bauxite;
- g. polymerization;
- h. alkylation;
- ij. isomerization.

6.2 For the purpose of headings ex 27.10, 27.11 and 27.12, the following are regarded as “special processes”:

- a. vacuum distillation;
- b. redistillation by a very thorough process of fractionation;
- c. cracking;
- d. reforming;
- e. extraction using selective solvents;
- f. a process involving all the following operations: processing using concentrated sulphuric acid, oleum or sulphuric anhydride; neutralization using alkaline agents, decolourization and purification using naturally active earth, activated earth, activated charcoal or bauxite;
- g. polymerization;
- h. alkylation;
- ij. isomerization;
- k. only applicable to heavy oils classified under heading 27.10: desulphurization using hydrogen which results in a reduction in the sulphur content in the processed product of at least 85 per cent (ASTM D 1266-59 T method);
- l. only applicable to products classified under heading 27.10: deparaffining other than by filtration;
- m. only applicable to heavy oils classified under heading 27.10: treatment using hydrogen at a pressure of more than 20 bars and a temperature of more than 250°C using a catalyst, when the hydrogen constitutes an active element in a

chemical reaction and is not merely used as a means of desulphurization. The further hydrogenation of lubricating oils under heading ex 27.10 (e.g. hydrofinishing or decolouring), especially to improve colour or stability, shall not, however, be regarded as a special process;

- n. only applicable to fuel oils classified under heading ex 27.10: atmospheric distillation, provided that less than 30 per cent by volume of these products distils (including losses) at 300°C in accordance with the ASTM D 86 method;
- o. only applicable to heavy oils other than gas oils or fuel oils classified under heading ex 27.10: processing by high-frequency electrical brush-discharge.

6.3 With regard to goods under headings ex 27.07, 27.13 to 27.15, ex 29.01, ex 29.02 and ex 34.03, simple operations such as cleaning, decanting, desalting, water separation, filtering, colouring, marking, mixing of products with varying sulphur content to obtain a certain level of sulphur content, or combinations of these or similar processes, shall not confer originating status.