

*What Every Member of the  
Trade Community Should Know About:*

# **Textile & Apparel Rules of Origin**



**AN INFORMED COMPLIANCE PUBLICATION**

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**U.S. CUSTOMS and BORDER PROTECTION**

**NOTICE:**

This publication is intended to provide guidance and information to the trade community. It reflects the position on or interpretation of the applicable laws or regulations by U.S. Customs and Border Protection (CBP) as of the date of publication, which is shown on the front cover. It does not in any way replace or supersede those laws or regulations. Only the latest official version of the laws or regulations is authoritative.

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## PREFACE

On December 8, 1993, Title VI of the North American Free Trade Agreement Implementation Act (Pub. L. 103-182, 107 Stat. 2057), also known as the Customs Modernization or “Mod” Act, became effective. These provisions amended many sections of the Tariff Act of 1930 and related laws.

Two new concepts that emerge from the Mod Act are “***informed compliance***” and “***shared responsibility***,” which are premised on the idea that in order to maximize voluntary compliance with laws and regulations of U.S. Customs and Border Protection, the trade community needs to be clearly and completely informed of its legal obligations. Accordingly, the Mod Act imposes a greater obligation on CBP to provide the public with improved information concerning the trade community’s rights and responsibilities under customs regulations and related laws. In addition, both the trade and U.S. Customs and Border Protection share responsibility for carrying out these requirements. For example, under Section 484 of the Tariff Act, as amended (19 U.S.C. 1484), the importer of record is responsible for using reasonable care to enter, classify and determine the value of imported merchandise and to provide any other information necessary to enable U.S. Customs and Border Protection to properly assess duties, collect accurate statistics, and determine whether other applicable legal requirements, if any, have been met. CBP is then responsible for fixing the final classification and value of the merchandise. An importer of record’s failure to exercise reasonable care could delay release of the merchandise and, in some cases, could result in the imposition of penalties.

The Office of Regulations and Rulings (ORR) has been given a major role in meeting the informed compliance responsibilities of U.S. Customs and Border Protection. In order to provide information to the public, CBP has issued a series of informed compliance publications on new or revised requirements, regulations or procedures, and a variety of classification and valuation issues.

This publication, prepared by the Textiles Branch, Commercial Rulings Division, ORR, is an informed compliance publication to advise the trade community on the rules for determining the country of origin of textile products. We sincerely hope that this material, together with seminars and increased access to rulings of U.S. Customs and Border Protection, will help the trade community to improve voluntary compliance with customs laws and to understand the relevant administrative processes.

The material in this publication is provided for general information purposes only. Because many complicated factors can be involved in customs issues, an importer may wish to obtain a ruling under Regulations of U.S. Customs and Border Protection, 19 C.F.R. Part 177, or to obtain advice from an expert who specializes in customs matters, for example, a licensed customs broker, attorney or consultant.

Comments and suggestions are welcomed and should be addressed to the Assistant Commissioner at the Office of Regulations and Rulings, U.S. Customs and Border Protection, 1300 Pennsylvania Avenue, NW, (Mint Annex), Washington, D.C. 20229.

Michael T. Schmitz,  
Assistant Commissioner  
Office of Regulations and Rulings

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## **RULES OF ORIGIN FOR TEXTILE AND APPAREL PRODUCTS**

### **INTRODUCTION**

Section 334 of the Uruguay Round Agreements Act (Pub. L. 103-465, codified as 19 U.S.C. §3592) established rules of origin for textile and apparel products which are imported into the Customs Territory of the United States. Except as otherwise provided by statute, these rules apply for purposes of the Customs laws and the administration of quantitative restrictions (quotas). The law required the Secretary of the Treasury to promulgate implementing regulations, which appear as section 102.21 of the Customs Regulations (19 CFR §102.21). Section 405 of the Trade and Development Act of 2000 (Pub. L. 106-200) amended Section 334 of the Uruguay Round Agreements Act to clarify the rules of origin for certain textile products. CBP has amended the regulations contained in 19 CFR §102.21 to reflect the changes mandated by Section 405.

This publication was adapted from material which was originally prepared to help CBP Attachés in foreign countries interpret and explain the §334 rules of origin to manufacturers and exporters. It has answers to many of the questions which CBP headquarters has received from both CBP field personnel and the trade. While it is only a guide, this publication provides the basis of the rules in a format which should be useful to importers and exporters. For that reason we are making the material available not only to CBP personnel, but to the trade as well.

It must be remembered that this publication does not supersede any Customs laws, regulations or rulings and should only be used as a general guide. If there are any technical questions, they should be addressed to the National Import Specialist responsible for the particular commodity. Addresses for these offices appear in the material which follows.

### **EFFECTIVE DATE**

The country of origin rules contained in 19 CFR §102.21 apply to textile and apparel products (see below for coverage) entered, or withdrawn from warehouse, for consumption on or after July 1, 1996. This date is set by law and does not provide for a grace period for shipments on the water, time entered into the port limits, entry rejects or any other exceptions except for certain pre-existing contracts entered into prior to July 20, 1994 which were required to be filed with the Commissioner of Customs and Border Protection. The country of origin rules, as amended by Section 405 of the Trade and Development Act of 2000, apply to goods entered or withdrawn from warehouse for consumption, on or after May 18, 2000.

## COVERAGE

The §334 country of origin rules for textile and apparel products apply to the textile items classified in Chapters 50 through 63 of the Harmonized Tariff System (HTS) and to the following textile items in the HTS classifications listed below:

3005.90	Wadding, gauze, bandages and the like (nonadhesive)
3921.12	Cellular plates, sheets, film, foil and strip of plastics of polymers of vinyl chloride, combined with textile materials
3921.13	Cellular plates, sheets, film, foil and strip of plastics, of polymers of polyurethanes, combined with textile materials
3921.90	Cellular plates, sheets, film, foil and strip of plastics of polymers, other, combined with textile materials
4202.12	Trunks, suitcases, vanity cases, attache cases, briefcases, school satchels and similar containers with outer surface of textile materials
4202.22	Handbags with outer surface of textile materials
4202.32	Articles carried in the pocket or handbag with outer surface of textiles
4202.92	Other containers of heading 4202 with outer surface of textile materials
6405.20	Footwear with soles and uppers of wool felt
6406.10	Footwear uppers with 50% or more of the external surface area of textile materials
6406.99	Leg warmers and gaiters of textile material
6501- 6505	Headwear of textiles
6601.10-99	Umbrellas
7019	Yarns and woven fabrics of glass fibers
8708.21	Safety seat belts for motor vehicles
8804	Parachutes; their parts and accessories
9113.90	Watch straps, bands and bracelets of textile materials
9404.90	Comforters, quilts, pillows and cushions, and similar articles of textile materials
9502.91	Doll clothing
9612.10	Woven typewriter ribbons or similar ribbons, of man-made fibers

**See 19 CFR §102.21(b)(5).**

## PRINCIPLES BEHIND THE RULES

### (1) General Rules

In general, except as otherwise provided for by law, a textile or apparel product, for purposes of Customs laws and the administration of quantitative restrictions, originates in a country, territory or insular possession according to the following rules:

### **(A) Wholly obtained or produced**

The country of origin is the country in which a textile or apparel product is **wholly obtained or produced** when the product is completely produced or manufactured in one country (except for *de minimis* materials as defined in 19 CFR §102.13).

### **(B) Yarn, Including Single and Multiple Yarns**

The country of origin of yarn, thread, twine, cordage, rope, cable or braiding is:

- (i) STAPLE yarn, etc. - the country in which **staple fibers are spun into yarn**
- (ii) FILAMENT yarn, etc. - the country in which **filament is extruded**
- (iii) PLIED, GIMPED AND CABLED yarns, etc. - the country in which the fibers or filaments used in the yarn are **spun or extruded**

### **(C) Fabric**

The country of origin of a FABRIC is the country in which the fabric is **woven, knitted, needled, tufted, felted, entangled or created by any other fabric making process**. (NOTE: A fabric making process is defined in 19 CFR §102.21(b)(2) as "any manufacturing operation that begins with polymers, fibers, filaments (including strips), yarns, twine, cordage, rope, or fabric strips and results in a textile fabric.")

NOTE: The country of origin of QUILTED FABRICS is the country in which the fabrics are formed (one of the specific exceptions listed below).

### **(D) All Other Textile Products**

The country of origin of all other textile and apparel products is the country in which the components of the product are **wholly assembled** (except for minor attachments such as buttons, beads, spangles, embroidery, etc., or minor subassemblies such as collars, cuffs, pockets, plackets, etc.).

NOTE: The rules generally provide that processing operations or assembly (particularly for apparel), not cutting components, confer country of origin (however, see pre-existing contracts above and the Israel and insular possession exceptions below).

## (2) Special rules

### (A) Specified HTS Classifications

Special rules govern the articles in the following 16 specified Harmonized Tariff System (HTS) classifications (the HTS classification is followed by a general description):

#### (i) Articles Produced from Yarns

5609 - the country of origin of articles made from yarn, strips, twine, cordage, rope or cables is the country in which the yarn, etc., is produced.

#### (ii) Articles Produced From Fabric

The country of origin of certain articles made from fabric in the following Harmonized Tariff System classifications is the country in which the fabric is produced:

5807	Labels, badges, emblems
5811	Quilted textile products in the piece ( <i>i.e.</i> , lengths or rolls of quilted fabrics)
6209.20	Baby diapers (cotton woven)
6213	Handkerchiefs
6214	Shawls, scarves, mufflers, mantillas, veils and the like
6301	Blankets, traveling rugs
6302	Bed Linen, table linen, toilet linen, kitchen linen
6303	Curtains, drapes, interior blinds, valances
6304	Bedspreads, furnishings
6305	Sacks and bags for packing
6306	Tarpaulins, awnings, sunblinds, tents, sails, camping goods
6307.10	Dust cloths, mop cloths, polishing cloths, shop towels, bar mops, dish cloths
6307.90	Labels, cords, tassels, corset and footwear lacings, toys for pets, wall banners, surgical towels, surgical drapes, tufted towels, pillow shells, quilt and comforter shells, national flags, moving pads, and other made up textile articles not specifically provided for elsewhere
6308	Needlecraft sets
9404.90	Comforters, quilts, pillows and cushions, and similar articles of textile materials

NOTE: The country of origin of certain articles is affected by special rules set forth in section 2(C) below.

**(B) Special rules govern knit-to-shape products.**

The country of origin of knit-to-shape products is the country in which **major parts are knitted or crocheted** directly to the shape used in the finished product.

Knit-to-shape means that the panels or parts (not including parts such as collars, cuffs, waistbands, plackets, pockets, linings, paddings, trim or similar parts) are knit to the shape used in the final assembly process (rather than knit into a tube or blanket of material that is cut to shape). Minor cutting, trimming or sewing does not affect whether components are knit to shape. Knit-to-shape applies when 50 percent or more of the exterior surface area (not including patch pockets, appliques, etc.) is formed by major parts that have been knitted or crocheted directly to the shape used in the good.

For hosiery, the addition of gussets or top elastics or the closing of toes does not affect the status of knit-to-shape.

**(C) Dyed and Printed Fabrics and Articles Made from Fabrics**

Special rules are applicable to certain fabrics and articles made from fabrics which are dyed and printed **when accompanied by two or more certain specified finishing operations.**

(i) Fabrics

The country of origin of fabric classified under the Harmonized Tariff Schedule as of silk, cotton, man-made fiber or vegetable fiber is the country in which the fabric is both dyed and printed when accompanied by two or more of the following finishing operations: bleaching, shrinking, fulling, napping, decatizing, permanent stiffening, weighting, permanent embossing or moireing.

(ii) Articles Made From Fabric

Notwithstanding the rule set forth in (A)(ii) above, the country of origin of certain articles made from fabric in the following eighteen (18) Harmonized Tariff Schedule classifications is the country in which the fabric is both dyed and printed when accompanied by two or more of the following finishing operations: bleaching, shrinking, fulling, napping, decatizing, permanent stiffening, weighting, permanent embossing or moireing, except for goods classified under such headings as of cotton or wool or consisting of fiber blends containing sixteen (16%) or more by weight of cotton (the HTS classifications are followed by general descriptions):

6117.100	knitted or crocheted shawls, scarves, mufflers, mantillas, veils and the like
6213	handkerchiefs, not knitted or crocheted

6214	shawls, scarves, mufflers, mantillas, veils and the like not knitted or crocheted
6302.22	printed bed linen, not knitted or crocheted, of man-made fibers
6302.29	printed bed linen, not knitted or crocheted, of other textile materials
6302.52	table linen, not knitted or crocheted, of flax
6302.53	table linen, not knitted or crocheted, of man-made fibers
6302.59	table linen, not knitted or crocheted, of other textile materials
6302.92	toilet and kitchen linen of flax
6302.93	toilet and kitchen linen of man-made fibers
6302.99	toilet and kitchen linen of other textile materials
6303.92	curtains, including drapes, interior blinds and bed valences, of synthetic fibers
6303.99	curtains, including drapes, interior blinds and bed valences, not knitted or crocheted, of other textile materials
6304.19	bedspreads, not knitted or crocheted
6304.93	other furnishing articles, not knitted or crocheted, of synthetic fibers
6304.99	other furnishing articles, not knitted or crocheted, of other textile materials
9404.90.85	quilts, eiderdowns, comforters and similar articles
9404.90.95	other articles of bedding and similar furnishings

### (3) Multi-country Rule

If the country of origin of a textile or apparel product cannot be determined by one of the above rules and the product is created as a result of processing in two or more countries, the country of origin is:

- (A) The country in which the **most important assembly or most important manufacturing process** occurs.

The most important processing operation must be determined on a **case-by-case basis** through binding rulings and court decisions. The resulting body of rulings and court decisions may serve as guidelines in the future.

- (B) **If the most important assembly or manufacturing process cannot be determined**, the country of origin is the **last country in which an important assembly or manufacturing operation occurred**.

For example: if the right half of a coat is assembled in one country and the left half is assembled in another country, and provided the processing steps in each country are equally balanced, then the country of origin is probably the country in which the two halves are sewn together (that is, the last country in which an important processing operation occurred) because each half is equally important.

More realistically, if one yarn of a plied yarn is produced in one country and the other yarn is produced in a second country, and the yarns are twisted to form a plied

yarn, then, assuming both yarns are equal in the final product, the country in which the yarns are twisted together is the country of origin because each yarn is equally important and you have to resort to the last country in which an important processing occurred.

Another example of when the last important processing rule would be used to determine origin is in the case of a tent in which the fabric for the roof and floor are produced in one country, the fabric for the walls is produced in another country, and all the fabrics are cut and assembled in a third country. As a tent is classified in heading 6306, according to the language of §334 its origin should be based on where the fabric for the tent is formed. But as the fabric is formed in different countries, and it is difficult to argue that fabric for roofs and floors is more important than fabric for walls, resort to the last important processing, *i.e.*, where the fabrics are cut and sewn into the tent, renders the origin determination.

Multi-country processing of goods often leads to origin determinations based upon the place where the most important processing operation occurred or, if that cannot be ascertained, the last place where an important processing operation occurred. Such determinations can only be made on a case-by-case basis, conditioned upon the specific facts in each case. As such, binding rulings should be requested from:

U.S. Customs and Border Protection  
Director, National Commodity Specialists Division  
One Penn Plaza, 10<sup>th</sup> Fl  
ATTN: Binding Rulings Section  
New York, New York 10119

The requestor should be sure to specify that the ruling is requested pursuant to the textile and apparel rules of origin in §334. Complete information should be supplied as to manufacturing and processing and a sample (or drawings if a sample is not practical) showing exact subassemblies or processing steps should be submitted with the request for a ruling. Rulings requested from New York will be answered within 30 days if information provided by the requestor is complete.

Initial rulings are issued by the National Commodity Specialists Division in New York while CBP Headquarters considers any appeals.

## **HIERARCHY OF RULES**

The above rules are arranged in a hierarchy to be applied in the following sequential order as specified in Customs Regulation §102.21 (c):

1. Textile or apparel products **wholly produced** in one country.

2. Each foreign material undergoes **requisite tariff shift** (as provided in Customs Regulation 102.21),

EXPLANATION:

All textile and apparel products are listed by 4-digit to 10-digit HTS classifications or groups of classifications in the tariff shift rules. The tariff shift rules simply explain the requirements to change the country of origin of textile and apparel products (as shown in the preceding section) by using tariff classifications rather than textile or apparel product descriptions. A tariff shift states that, for any given classification, to change the country of origin of a textile or apparel product there must be a shift from one Harmonized Tariff System (HTS) classification to another as listed in the tariff shift rules and/or the processing which occurs must meet any other requirement that is specified in the tariff shift rules in Customs Regulation §102.21(e).

EXAMPLE:

One group of classifications in the tariff shift rules is 5208 through 5212, which contains the classifications for cotton woven fabrics. The tariff shift rule for classifications 5208-5212 states that:

- (a) A change from greige fabric of heading 5208 through 5212 to finished fabric of heading 5208 through 5212 by both dyeing and printing when accompanied by two or more of the following finishing operations: bleaching, shrinking, fulling, napping, decating, permanent stiffening, weighting, permanent embossing, or moireing; or
- (b) If the country of origin cannot be determined under (1) above, a change of heading 5208 through 5212 from any classification outside that group, provided that the change is the result of a fabric making process.

To confer country of origin to a cotton fabric, a greige fabric must have been dyed and printed and accompanied by two or more specified finishing operations. For example, a greige fabric formed in China which is imported into Pakistan where it is dyed, printed, shrunk and permanently embossed will have its country of origin as Pakistan.

In the alternative, the creation of fabric must be from some product other than another cotton woven fabric; for example, the fabric could be formed from cotton yarns, or from polyester and cotton yarns, from fibers or any other product except cotton woven fabric (e.g. joining two narrow fabrics). The second requirement of creating a fabric from a fabric forming process must also be met. This tariff shift rule merely restates the fabric rule (in the section above) using tariff classification terms or definitions.

The result is that the determination of the country of origin is defined in **objective tariff classification shifts** rather than **subjective terms** such as “substantial assembly” or “new commercial product.” By using HTS classifications, there is no doubt when a change in the country of origin occurs. If a shipper knows the classification of a textile product he is exporting, he merely has to locate the classification in the tariff shift rules to see if the required change of classifications occurred when the product was produced or manufactured. If the tariff shift has occurred and any other listed requirement is met, then the country of origin is changed by the processing.

For example, the tariff classification for 5204 through 5207 (cotton yarns) states that the tariff shift must be from any other heading provided that the change or shift results from a spinning process. This defines the country of origin for spun yarns (see above). The tariff shift for 5208 through 5212 requires a shift from classifications for yarns, fibers or filaments that results from a fabric making process. Similarly, shifts for 6302 require that the country of origin of certain linens must be from the fabric forming process, i.e., the country in which the fabric was woven and not the country in which the fabric for the linens were cut and sewn, while certain other linens may originate in the country where the fabric comprising the good was both dyed and printed when accompanied by two or more specified finishing operations.

3. Textile or apparel products for which the **major parts are knit-to-shape**.
4. Textile or apparel products **wholly assembled** in one country **except** for the 16 specified exceptions.

When the product is manufactured in **two or more countries** and the country of origin **cannot** be determined by the four rules above, the country of origin is:

5. The country in which the **most important assembly or manufacturing process** occurs, and, if that cannot be determined,
6. The last country in which an **important assembly or manufacturing process** occurs.

**REMEMBER: Cutting will almost never confer country of origin.** For garments, the above rules are based on assembly operations, not on cutting.

## **SPECIAL EXCEPTIONS & CONSIDERATIONS**

### **Israel Free Trade Agreement**

Israel is an **exception** to the country of origin rules. The country of origin for textile and apparel products from Israel will continue to be determined by the rules set forth in § 12.130 (19 CFR § 12.130), e.g., the origin of most garments is the country in which the components are cut to shape, although for tailored or complex garments, the origin is the country in which the garments are wholly assembled. In T.D. 96-58,

published in the *Federal Register* on July 31, 1996, CBP explained how to determine the origin of textile and apparel products that are processed in Israel and another country. If Israel is determined not to be the country of origin under § 12.130 (19 CFR § 12.130), then the rules in § 102.21 are applied to determine the origin. As Israel cannot be found to be the country of origin under §102.21, the processing in Israel will be disregarded when applying the steps in §102.21.

## **Insular Possessions**

The §102.21 country of origin rules apply to the insular possessions of the United States. The rules will be used to determine whether the goods qualify as a product of the insular possession under General Note 3(a)(iv) of the Harmonized Tariff Schedule of the United States.

However, CBP will continue to follow past rulings to determine whether foreign fabric has been subjected to a “double substantial transformation” for purposes of the 50 percent foreign material content restriction under General Note 3(a)(iv). **Cutting will continue to be used to maintain current status in achieving a double substantial transformation.** The first portion of the substantial transformation test may occur when fabric is cut into components, while the second may occur when the components are assembled into wearing apparel. In determining whether the apparel meets the 50 percent foreign value limitation, **components which undergo a double substantial transformation are (and will continue to be) treated as materials produced in the insular possession rather than as foreign materials.**

## **Components Cut in the U. S. from Foreign Fabric and Assembled Abroad**

The value of components cut to shape (but not to length, width or both) in the U.S. from foreign fabric and exported for assembly abroad into an article that is then returned is **not** included in the dutiable value of the finished article imported into the U.S. (19 CFR §10.25).

- a. For textile and apparel products that do not have category numbers (e.g. umbrellas, parachutes), as well as all footwear and parts of footwear, assembled in a Caribbean Basin Initiative (CBI) country from components that were **cut to shape** (but not including pieces merely cut to length and/or width) **in the U.S. from foreign fabric**, the assembled textile articles are not subject to duty. (19 CFR §10.26).

This provision is necessary in the statute because under the country of origin rules cutting does not confer country of origin, and therefore components cut in the U.S. of foreign fabric are not considered to be U.S. products. The definition of textile and apparel products includes articles that were not considered as textile articles by the United States prior to implementation of the new World Trade Organization definitions. See the Annex to the Agreement on Textiles and Clothing. This provision continues the

current duty free treatment under U.S. Note 2(b), Subchapter II, Chapter 98 of the Harmonized Tariff Schedule of the United States.

- b. The **value of the components** cut in the U.S. from foreign fabric, **up to the 15 percent cap for U.S. origin materials**, may be applied toward determining the minimum 35 percent requirement to qualify for the benefits of CBI.

### **NAFTA Override**

Any **NAFTA override rules** currently in existence will **continue to be applied** if a NAFTA preference is claimed.

FOR EXAMPLE: China is the country of origin of *comforter shells* and also the country of origin of down used to fill the shells. Both of these components are sent to Canada where the down is inserted into the shells. The country of origin of the finished comforter **under the §334 rules of origin** is China. However, NAFTA provides for an override rule that applies *if a claim is made*. Because the processing in Canada (a NAFTA country) satisfies the NAFTA duty preference rule, *if a claim is made for duty preference at the time of entry (or within one year)*, the country of origin is Canada. The NAFTA preference rule continues to override the §334 country of origin rules in determining the country of origin for NAFTA products.

### **U.S. Goods Sent Abroad For Processing**

For a U.S. produced textile good sent abroad for processing which results in an advancement in value or improvement in condition:

- a. For duty assessment purposes, the good will continue to be considered foreign under Note 2(a), Subchapter II, Chapter 98, HTS.
- b. For quota purposes, the good will continue to be considered foreign under 19 CFR §12.130(c).
- c. The origin of textile or apparel goods for marking purposes is determined solely by the rules under §102.21. 19 CFR §12.130(c) does not apply for country of origin marking purposes.

### **Sets**

If one or more components in a set are textile articles and there is no single country of origin for these components, the country of origin **for each textile component of the set** is determined separately. A **composite good** will continue to be considered as one combined good.

For example the country of origin for a comforter set consisting of a flat sheet, a fitted sheet and pillow cases produced in Pakistan and a comforter, a dust ruffle, and pillow shams produced in India would be determined separately for each textile component of the set. Thus, the comforter, dust ruffle and pillow shams that were wholly obtained or produced in India have a country of origin as India. The sheets and pillowcases that were wholly obtained or produced in Pakistan have a country of origin as Pakistan.

A woman's dress, self-fabric belt and shawl that are wholly assembled in Korea are considered a "composite good" in which the dress imparts the essential character. As such, the country of origin of the dress will determine the origin of the composite good and the country of origin of the accompanying self-fabric belt and shawl are not determined separately. Accordingly, as per the terms of Section 102.21(c)(2) and Section 102.21(e), as the dress is composed of two or more component parts and is wholly assembled in a single country, that is, Korea, the country of origin of the subject dress, self-fabric belt and shawl is Korea. See Headquarters Ruling Letter (HQ) 960047, dated February 20, 1997.

## SUMMARY OF RULES

1. **Cutting does not determine the country of origin.** The §334 rules are based on processing or assembly operations.
2. CBP's previous interpretation of **substantial transformation** for origin purposes has been replaced with statutory rules based on processing.
3. A subjective determination under the provisions of §12.130 (19 CFR §12.130) is largely replaced by **objective processing** operations expressed in terms of tariff shifts.
4. Generally fabrics originate in the country where the fabric is formed, however, certain fabrics and articles made from fabric originate in the country in which they are dyed and printed when accompanied by two or more specified finishing operations as set forth in §405.
5. Country of origin for textile and apparel products processed, assembled or manufactured in two or more countries is determined by where the most important processing occurs, and, if that cannot be ascertained, by where the last important assembly or manufacturing process occurs.

## TEXTILE DECLARATION AND QUOTA CHARGE STATEMENT

A single or multiple country of origin declaration and quota charge statement are required under 19 CFR §12.130.

## **FAILURE TO FOLLOW THE ORIGIN RULES**

Because the §334 rules govern the origin of goods for purposes of quantitative restrictions (quota), goods subject to quota which arrive without correct visas are inadmissible and may be detained (until correct visas are obtained), denied entry, or in certain cases seized. Material false statements or omissions regarding origin may also lead to civil penalties or criminal prosecution. Failure to have the goods properly marked with the correct country of origin may also lead to the assessment of marking duties, or in certain cases, penalties, or in cases of repeated or intentional violations, seizure and forfeiture. In addition, goods which were released may be subject to orders to redeliver the goods to CBP. Failure to comply with such orders may lead to the assessment of liquidated damages.

## **ADDITIONAL INFORMATION**

### **The Internet**

The home page of U.S. Customs and Border Protection on the Internet's World Wide Web, provides the trade community with current, relevant information regarding CBP operations and items of special interest. The site posts information -- which includes proposed regulations, news releases, publications and notices, etc. -- that can be searched, read on-line, printed or downloaded to your personal computer. The web site was established as a trade-friendly mechanism to assist the importing and exporting community. The web site also links to the home pages of many other agencies whose importing or exporting regulations that U.S. Customs and Border Protection helps to enforce. The web site also contains a wealth of information of interest to a broader public than the trade community. For instance, on June 20, 2001, CBP launched the "Know Before You Go" publication and traveler awareness campaign designed to help educate international travelers.

The web address of U.S. Customs and Border Protection is <http://www.cbp.gov>

### **Customs Regulations**

The current edition of *Customs Regulations of the United States* is a loose-leaf, subscription publication available from the Superintendent of Documents, U.S. Government Printing Office, Washington, DC 20402; telephone (202) 512-1800. A bound, 2003 edition of Title 19, *Code of Federal Regulations*, which incorporates all changes to the Regulations as of April 1, 2003, is also available for sale from the same address. All proposed and final regulations are published in the *Federal Register*, which is published daily by the Office of the Federal Register, National Archives and Records Administration, and distributed by the Superintendent of Documents. Information about on-line access to the *Federal Register* may be obtained by calling (202) 512-1530 between 7 a.m. and 5 p.m. Eastern time. These notices are also published in the weekly *Customs Bulletin* described below.

### **Customs Bulletin**

The *Customs Bulletin and Decisions* ("*Customs Bulletin*") is a weekly publication that contains decisions, rulings, regulatory proposals, notices and other information of interest to the trade community. It also contains decisions issued by the U.S. Court of International Trade, as well as customs-related decisions of the U.S. Court of Appeals for the Federal Circuit. Each year, the Government Printing Office publishes bound volumes of the *Customs Bulletin*. Subscriptions may be purchased from the Superintendent of Documents at the address and phone number listed above.

## **Importing Into the United States**

This publication provides an overview of the importing process and contains general information about import requirements. The February 2002 edition of *Importing Into the United States* contains much new and revised material brought about pursuant to the Customs Modernization Act ("Mod Act"). The Mod Act has fundamentally altered the relationship between importers and U.S. Customs and Border Protection by shifting to the importer the legal responsibility for declaring the value, classification, and rate of duty applicable to entered merchandise.

The February 2002 edition contains a section entitled "Informed Compliance." A key component of informed compliance is the shared responsibility between U.S. Customs and Border Protection and the import community, wherein CBP communicates its requirements to the importer, and the importer, in turn, uses reasonable care to assure that CBP is provided accurate and timely data pertaining to his or her importation.

Single copies may be obtained from local offices of U.S. Customs and Border Protection, or from the Office of Public Affairs, U.S. Customs and Border Protection, 1300 Pennsylvania Avenue NW, Washington, DC 20229. An on-line version is available at the CBP web site. *Importing Into the United States* is also available for sale, in single copies or bulk orders, from the Superintendent of Documents by calling (202) 512-1800, or by mail from the Superintendent of Documents, Government Printing Office, P.O. Box 371954, Pittsburgh, PA 15250-7054.

## **Informed Compliance Publications**

U.S. Customs and Border Protection has prepared a number of Informed Compliance publications in the "*What Every Member of the Trade Community Should Know About:*" series. Check the Internet web site <http://www.cbp.gov> for current publications.

## **Value Publications**

*Customs Valuation under the Trade Agreements Act of 1979* is a 96-page book containing a detailed narrative description of the customs valuation system, the customs valuation title of the Trade Agreements Act (§402 of the Tariff Act of 1930, as amended by the Trade Agreements Act of 1979 (19 U.S.C. §1401a)), the Statement of Administrative Action which was sent to the U.S. Congress in conjunction with the TAA, regulations (19 C.F.R. §§152.000-152.108) implementing the valuation system (a few sections of the regulations have been amended subsequent to the publication of the book) and questions and answers concerning the valuation system. A copy may be obtained from U.S. Customs and Border Protection, Office of Regulations and Rulings, Value Branch, 1300 Pennsylvania Avenue, NW, (Mint Annex), Washington, D.C. 20229.

*Customs Valuation Encyclopedia* (with updates) is comprised of relevant statutory provisions, CBP Regulations implementing the statute, portions of the Customs Valuation Code, judicial precedent, and administrative rulings involving application of

valuation law. A copy may be purchased for a nominal charge from the Superintendent of Documents, Government Printing Office, P.O. Box 371954, Pittsburgh, PA 15250-7054. This publication is also available on the Internet web site of U.S. Customs and Border Protection.

The information provided in this publication is for general information purposes only. Recognizing that many complicated factors may be involved in customs issues, an importer may wish to obtain a ruling under CBP Regulations, 19 C.F.R. Part 177, or obtain advice from an expert (such as a licensed Customs Broker, attorney or consultant) who specializes in customs matters. Reliance solely on the general information in this pamphlet may not be considered reasonable care.

Additional information may also be obtained from U.S. Customs and Border Protection ports of entry. Please consult your telephone directory for an office near you. The listing will be found under U.S. Government, Department of Homeland Security.

**“Your Comments are Important”**

The Small Business and Regulatory Enforcement Ombudsman and 10 regional Fairness Boards were established to receive comments from small businesses about Federal agency enforcement activities and rate each agency’s responsiveness to small business. If you wish to comment on the enforcement actions of U.S. Customs and Border Protection, call 1-888-REG-FAIR (1-888-734-3247).

**REPORT SMUGGLING 1-800-BE-ALERT OR 1-800-NO-DROGA**



Visit our Internet web site: <http://www.cbp.gov>