§ 10.595 Regional value content.

(a) General. Except for goods to which paragraph (d) of this section applies, where General Note 29(n), HTSUS, sets forth a rule that specifies a regional value content test for a good, the regional value content of such good must be calculated by the importer, exporter, or producer of the good on the basis of the build-down method described in paragraph (b) of this section or the build-up method described in paragraph (c) of this section.

(b) Build-down method. Under the build-down method, the regional value content must be calculated on the basis of the formula $RVC = \frac{(AV - VNM)}{AV} \times 100$, where $RVC$ is the regional value content, expressed as a percentage; $AV$ is the adjusted value of the good; and $VNM$ is the value of non-originating materials that are utilized in the production of the good.