

other process necessary to preserve the good in good condition or to transport the good to the territory of a Party.

(b) *Documentary evidence.* An importer making a claim that a good is originating may be required to demonstrate, to CBP's satisfaction, that no further production or subsequent operation, other than permitted under paragraph (a) of this section, occurred outside the territories of the Parties. An importer may demonstrate compliance with this section by submitting documentary evidence. Such evidence may include, but is not limited to, bills of lading, airway bills, packing lists, commercial invoices, receiving and inventory records, and customs entry and exit documents.

§ 10.543 Certain apparel goods made from fabric or yarn not available in commercial quantities.

Notwithstanding the provisions of § 10.531 of this subpart, a textile apparel article of Chapter 61 or 62, HTSUS, will be considered an originating good under the SFTA if it is both cut (or knit to shape) and sewn or otherwise assembled in one or both of the Parties from fabric or yarn, regardless of origin, designated by the Committee for the Implementation of Textile Agreements ("CITA") as not available in commercial quantities in a timely manner in the United States. Such designations by CITA, identifying apparel goods made from such fabric or yarn as eligible for entry under subheading 9819.11.24 or 9820.11.27, HTSUS, must have been made by notices published in the FEDERAL REGISTER no later than November 15, 2002.¹ For purposes of this section, any reference in these notices to fabric or yarn formed in the United States will be interpreted as also including fabric or yarn formed in Singapore.

¹These designations are set forth in notices published in the FEDERAL REGISTER on September 25, 2001 (66 FR 49005), November 19, 2001 (66 FR 57942), April 10, 2002 (67 FR 17412), May 28, 2002 (67 FR 36858), and September 5, 2002 (67 FR 56806).

ORIGIN VERIFICATIONS AND
DETERMINATIONS

§ 10.550 Verification and justification of claim for preferential treatment.

(a) *Verification.* A claim for preferential treatment made under § 10.510(a) of this subpart, including any statements or other information submitted to CBP in support of the claim, will be subject to such verification as the port director deems necessary. In the event that the port director is provided with insufficient information to verify or substantiate the claim, the port director may deny the claim for preferential treatment. A verification of a claim for preferential tariff treatment may be conducted by means of one or more of the following:

- (1) Requests for information from the importer;
- (2) Written requests for information to the exporter or producer;
- (3) Requests for the importer to arrange for the exporter or producer to provide information directly to CBP;
- (4) Visits to the premises of the exporter or producer in Singapore, in accordance with procedures that the Parties adopt pertaining to verification; and
- (5) Such other procedures as the Parties may agree.

(b) *Applicable accounting principles.* When conducting a verification of origin to which Generally Accepted Accounting Principles may be relevant, CBP will apply and accept the Generally Accepted Accounting Principles applicable in the country of production.

§ 10.551 Issuance of negative origin determinations.

If, as a result of an origin verification initiated under § 10.550 of this subpart, CBP denies a claim for preferential treatment made under § 10.510(a) of this subpart, it will issue a determination in writing or via an authorized electronic data interchange system to the importer that sets forth the following:

- (a) A description of the good that was the subject of the verification together with the identifying numbers and dates of the import documents pertaining to the good;

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(b) A statement setting forth the findings of fact made in connection with the verification and upon which the determination is based; and

(c) With specific reference to the rules applicable to originating goods as set forth in General Note 25, HTSUS, and in §§10.530 through 10.543 of this subpart, the legal basis for the determination.

§ 10.552 Information sharing by CBP regarding textile and apparel goods produced in the United States.

(a) *Documents or information in the possession of U.S. enterprises.* Upon written request from the Government of Singapore containing a brief statement of the matter at issue and the cooperation requested, CBP will promptly request from a U.S. enterprise and provide to the Government of Singapore, to the extent available, all correspondence, reports, bills of lading, invoices, order confirmations, and other documents or information relevant to circumvention that the Government of Singapore considers may have taken place.

(b) *Circumvention defined.* For purposes of this section and §10.554 of this subpart, “circumvention” means providing a false claim or false information for the purpose of, or with the effect of, violating or evading existing customs, country of origin labeling, or trade laws of the Party into which the textile or apparel goods are imported, if such action results in the avoidance of tariffs, quotas, embargoes, prohibitions, restrictions, trade remedies, including antidumping or countervailing duties, or safeguard measures, or in obtaining preferential tariff treatment. Examples of circumvention include: illegal transshipment; rerouting; fraud; false claims concerning country of origin, fiber content, quantities, description, or classification; falsification of documents; and smuggling.

§ 10.553 Textile and apparel site visits.

(a) *Visits to enterprises of Singapore.* U.S. officials may undertake to conduct site visits to enterprises in the territory of Singapore. U.S. officials will conduct such visits together with responsible officials of the Government

of Singapore and in accordance with the laws of Singapore.

(b) *Denial of permission to visit.* If the responsible officials of an enterprise of Singapore that is proposed to be visited do not consent to the site visit, CBP will, if directed by The Committee for the Implementation of Textile Agreements (CITA), exclude from the territory of the United States textile or apparel goods produced or exported by the enterprise until CITA determines that the enterprise’s production of, and capability to produce, such goods is consistent with statements by the enterprise that textile or apparel goods it produces or has produced are originating goods or products of Singapore.

§ 10.554 Exclusion of textile or apparel goods for intentional circumvention.

(a) *General.* If CITA finds that an enterprise of Singapore has knowingly or willfully engaged in circumvention, CBP will, if directed by CITA, exclude from the customs territory of the United States textile or apparel goods produced or exported by that enterprise for a period no longer than the applicable period described in paragraph (b) of this section.

(b) *Time periods.* An exclusion from entry imposed under paragraph (a) of this section will begin on the date a finding of knowing or willful circumvention is made by CITA and will remain in effect for the following applicable time period:

(1) With respect to a first finding, the applicable period is six months;

(2) With respect to a second finding, the applicable period is two years; or

(3) With respect to a third or subsequent finding, the applicable period is two years. If, at the time of a third or subsequent finding, an exclusion of goods with respect to an enterprise is in effect as a result of a previous finding, the two-year period applicable to the third or subsequent finding will begin on the day after the day on which the previous exclusion period terminates.