§ 10.3022 Retail packaging materials and containers.

(a) Effect on tariff shift rule. Packaging materials and containers in which a good is packaged for retail sale, if classified with the good for which preferential tariff treatment under the CTPA is claimed, will be disregarded in determining whether all non-originating materials used in the production of the good undergo the applicable change in tariff classification set out in General Note 34, HTSUS.

(b) Effect on regional value content calculation. If the good is subject to a regional value content requirement, the value of such packaging materials and containers will be taken into account as originating or non-originating materials, as the case may be, in calculating the regional value content of the good.

Example 1. Colombian Producer A of good C imports 100 non-originating blister packages to be used as retail packaging for good C. As provided in §10.3016(a)(1), the value of the blister packages is their adjusted value, which in this case is $10. Good C has a regional value content requirement. The United States importer of good C decides to use the build-down method, \( RVC = (AV - VNM)/AV \times 100 \) (see §10.3015(b)), in determining whether good C satisfies the regional value content requirement. In applying this method, the non-originating blister packages are taken into account as non-originating. As such, their $10 adjusted value is included in the VNM, value of non-originating materials, of good C.

Example 2. Same facts as in Example 1, except that the blister packages are originating. In this case, the adjusted value of the originating blister packages would not be included as part of the VNM of good C under the build-down method. However, if the U.S. importer had used the build-up method, \( RVC = (VOM/AV) \times 100 \) (see §10.3015(c)), the adjusted value of the blister packaging would be included as part of the VOM, value of originating materials.

§ 10.3023 Packing materials and containers for shipment.

(a) Effect on tariff shift rule. Packing materials and containers for shipment, as defined in §10.3013(n), are to be disregarded in determining whether the non-originating materials used in the production of the good undergo an applicable change in tariff classification set out in General Note 34, HTSUS. Accordingly, such materials and containers are not required to undergo the applicable change in tariff classification even if they are non-originating.

(b) Effect on regional value content calculation. Packaging materials and containers for shipment, as defined in §10.3013(n), are to be disregarded in determining the regional value content of a good imported into the United States. Accordingly, in applying the build-down, build-up, or net cost method for determining the regional value content of a good imported into the United States, the value of such packaging materials and containers for shipment (whether originating or non-originating) is disregarded and not included in AV, adjusted value, VNM, value of non-originating materials, VOM, value of originating materials, or NC, net cost of a good.

Example. Colombian producer A produces good C. Producer A ships good C to the United States in a shipping container that it purchased from Company B in Colombia. The shipping container is originating. The value of the shipping container determined under section §10.3016(a)(2) is $3. Good C is subject to a regional value content requirement. The transaction value of good C is $100, which includes the $3 shipping container. The U.S. importer decides to use the build-up method, \( RVC = (VOM/AV) \times 100 \) (see §10.3015(c)), in determining whether good C satisfies the regional value content requirement. In determining the AV, adjusted value, of good C imported into the U.S., paragraph (b) of this section and the definition of AV require a $3 deduction for the value of the shipping container. Therefore, the AV is $97 ($100-$3). In addition, the value of the shipping container is disregarded and not included in the VOM, value of originating materials.

§ 10.3024 Indirect materials.

An indirect material, as defined in §10.3013(h), will be considered to be an originating material without regard to where it is produced.

Example. Colombian Producer A produces good C using non-originating material B. Producer A imports non-originating rubber gloves for use by workers in the production of good C. Good C is subject to a tariff shift requirement. As provided in §10.3014(b)(1) and General Note 34, each of the non-originating materials in good C must undergo the specified change in tariff classification in order for good C to be considered originating. Although non-originating material B must undergo the applicable tariff shift in order for
§ 10.3025 Transit and transshipment.

(a) General. A good that has undergone production necessary to qualify as an originating good under § 10.3014 will not be considered an originating good if, subsequent to that production, the good:

(1) Undergoes further production or any other operation outside the territories of the Parties, other than unloading, reloading, or any other operation necessary to preserve the good in good condition or to transport the good to the territory of a Party; or

(2) Does not remain under the control of customs authorities in the territory of a non-Party.

(b) Documentary evidence. An importer making a claim that a good is originating may be required to demonstrate, to CBP’s satisfaction, that the conditions and requirements set forth in paragraph (a) of this section were met. 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.

§ 10.3027 Special rule for verifications in Colombia of U.S. imports of textile and apparel goods.

(a) Procedures to determine whether a claim of origin is accurate—(1) General. For the purpose of determining that a claim of origin for a textile or apparel good is accurate, CBP may request that the Government of Colombia conduct a verification, regardless of whether a claim is made for preferential tariff treatment.

(2) Actions during a verification. While a verification under this paragraph is being conducted, CBP, if directed by the President, may take appropriate action, which may include:

(i) Suspending the application of preferential tariff treatment to the textile or apparel good for which a claim for preferential tariff treatment has been made, if CBP determines there is insufficient information to support the claim;

(ii) Denying the application of preferential tariff treatment to the textile or apparel good for which a claim for preferential tariff treatment has been made that is the subject of a