

Article IV
Sufficiently Worked or Processed Products

1. For the purposes of subparagraph (b) of Article II of this Annex, a product obtained using non-originating materials shall be considered as an originating product of a Party, if:

- (a) the value of non-originating materials used in the production of the product does not exceed 60 per cent of the ex-works price of the product; or
- (b) all non-originating materials used in the production of the product have undergone in the customs territory of the Party, a change in tariff classification at the level of the first four-digit code of the Harmonized System.

2. Notwithstanding paragraph 1, a product of which the tariff classification number of the Harmonized System is listed in Appendix 1 to this Annex shall be considered as an originating product of a Party if it satisfies the product specific rules set out therein.

3. For the purposes of paragraphs 1 and 2, the operations provided for in Article VII of this Annex shall be considered as insufficient.

4. For the purposes of paragraphs 1 and 2, the value of non-originating materials used in the production of the product in the customs territory of a Party:

- (a) shall be determined in accordance with the Agreement on Customs Valuation and shall include freight, insurance and, where appropriate, packing and all other costs incurred in transporting the non-originating materials to the importation port in the customs territory of the Party where the producer of the product is located; or

(b) if such value is unknown and cannot be ascertained, shall be the first ascertainable price paid for the non-originating materials in the customs territory of the Party, but may exclude all costs incurred in that customs territory in transporting the non-originating materials from the warehouse of the supplier of that material to the place where the producer is located such as freight, insurance and packing costs as well as any other known and ascertainable cost incurred in that customs territory.

5. For the purposes of subparagraph 4(a), in determining the value of non-originating materials, the Agreement on Customs Valuation shall apply *mutatis mutandis* to domestic acquisition of the non-originating materials including domestic transactions.

6. For the purposes of calculating the value of non-originating materials used in the production of a product in determining whether the product qualifies as an originating product of a Party, the value of non-originating materials of the product shall not include the value of non-originating materials used in the production of materials qualified as originating products of the Party which are used in the production of the product.

7. For the purposes of paragraphs 1 and 2, the production carried out at different stages by one or more producers within the customs territory of a Party may be taken into account.

8. For the purposes of this Article, "Harmonized System" is that on which the product specific rules set out in Appendix 1 to this Annex are based.

Appendix 1

Product Specific Rules

Introductory Notes

1. For the purposes of the product specific rules set out in this Appendix:

- (a) (i) "VNM" denotes the maximum value, in percentage of the ex-works price of the product as indicated by the figure immediately after it, of non-originating materials used in the production of the product. For example, "VNM 40%" denotes that the VNM does not exceed 40 per cent of the ex-works price of the product.
- (ii) "CC" denotes a change to the chapter, heading or subheading from any other chapter. This means that all non-originating materials used in the production of the product have undergone a change in tariff classification at the two-digit level (i.e. a change in chapter) of the HS;
- (iii) "CTH" denotes a change to the chapter, heading or subheading from any other heading. This means that all non-originating materials used in the production of the product have undergone a change in tariff classification at the four-digit level (i.e. a change in heading) of the HS;
- (iv) "CTSH" denotes a change to the chapter, heading or subheading from any other subheading. This means that all non-originating materials used in the production of the product have undergone a change in tariff classification at the six-digit level (i.e. a change in subheading) of the HS; and
- (v) "WO" means that the product is wholly obtained in the customs territory of a Party as defined in Article III of Annex II;

- (b) In determining the origin of a product classified under chapters 61 to 63, materials used in the production of the product which are not classified under chapters 50 to 63 shall be disregarded, whether or not they contain textiles.

2. This Appendix is based on the Harmonized System as amended on 1 January 2007.

Chapter of the HS	Tariff classification number	Product specific rules (Note: Products which satisfy the applicable rules set out in field (3) or (4) below shall be considered as originating products of a Party.)	
(1)	(2)	(3) or (4)	
Chapter 1 Live animals	01	CC	
Chapter 2 Meat and edible meat offal	02	CC except from chapter 1.	
Chapter 3 Fish and crustaceans, molluscs and other aquatic invertebrates	03	CC	
Chapter 4 Dairy produce; birds' eggs; natural honey; edible products of animal origin, not elsewhere specified or included	04	CC	
Chapter 5 Products of animal origin, not elsewhere specified or included	05	CC	
Chapter 6 Live trees and other plants; bulbs, roots and the like; cut flowers and ornamental foliage	06 except for: 06.02	CC CC and VNM 50%	

Chapter 7 Edible vegetables and certain roots and tubers	07	CC	
Chapter 8 Edible fruit and nuts; peel of citrus fruits or melons	08	CC	
Chapter 9 Coffee, tea, maté and spices	09 except for: 0901.21 - 0901.90	CC CTSH	
Chapter 10 Cereals	10	CC	
Chapter 11 Products of the milling industry; malt; starches; inulin; wheat gluten	11 except for: 11.05 11.06 1108.13 - 1108.14 1108.19 - 1108.20	CC except from chapter 10. CC except from chapter 7. CC except from heading 07.08, 07.10, 07.13, or 07.14 or chapter 8. CC except from chapter 7. CC except from chapter 7 or 10.	
Chapter 12 Oil seeds and oleaginous fruits; miscellaneous grains, seeds and fruit; industrial or medicinal plants; straw and fodder	12	CC	
Chapter 13 Lac; gums, resins and other vegetable saps and extracts	13	CC	

Chapter 14 Vegetable plaiting materials; vegetable products not elsewhere specified or included	14	CC	
Chapter 15 Animal or vegetable fats and oils and their cleavage products; prepared edible fats; animal or vegetable waxes	15.01-15.02 15.03 15.04-15.06 15.07 - 15.08 15.09 - 15.10 1511.10 - 1515.19 1515.21 - 1515.29 1515.30 - 1515.90 1516.10 1516.20 1517.10 1517.90 - 1520.00 1521.10 1521.90 - 1522.00	CC CTH CC CC except from chapter 12. CC except from chapter 7. CC except from chapter 12. CC except from chapter 10. CC except from chapter 12. CC except from chapter 2 or 5. CC except from chapter 7, 8 or 12. CC except from chapter 2, 4, 5 or 12. CC except from chapter 2, 4, 5, 7, 8 or 12. CC except from chapter 7, 8 or 12. CC except from chapter 2, 4, 5 or 12.	
Chapter 16 Preparations of meat, of fish or of crustaceans, molluscs or other aquatic invertebrates	16.01 - 16.02 16.03	CC except from chapter 1, 2 or 5. CC except from chapter 2, 3 or 5.	

	1604.11 - 1604.20	CC except from chapter 3.	
	1604.30	CC and VNM 50%	
	16.05	CC except from chapter 3.	
Chapter 17 Sugars and sugar confectionery	17.01	CC except from chapter 12.	
	1702.11 - 1702.19	CC except from chapter 4.	
	1702.20	CC	
	1702.30 - 1702.90	CC except from chapter 11 or 12.	
	17.03	CC except from chapter 12.	
	1704.10	CTH and the maximum value of the non- originating materials classified under chapter 17 used in the production is 30% of the ex- works price of the product.	
	1704.90	CTH and the maximum value of the non- originating materials classified under chapters 4 and 17 used in the production is 45% of the ex- works price of the product.	
Chapter 18 Cocoa and cocoa preparations	18 except for: 18.01	CTH CC	

	18.06	CTH and the maximum value of the non-originating materials classified under chapters 4 and 17 used in the production is 45% of the ex-works price of the product.	
Chapter 19 Preparations of cereals, flour, starch or milk; pastrycooks' products	19.01	CC except from chapter 10 or 11.	
	19.02	CC except from chapter 10 (except for durum wheat) or chapter 11 (except for products produced from durum wheat).	
	19.03	CC except from chapter 10 (except for heading 10.01) or chapter 11 (except for heading 11.01).	
	1904.10 - 1905.40	CTH and VNM 40%	
	1905.90	CC except from heading 11.05.	
Chapter 20 Preparations of vegetables, fruit, nuts or other parts of plants	20	CC and VNM 60%	
	except for:		
	2002.10	CC except from chapter 7.	
	2004.10	CC except from chapter 7.	
	2008.11	CC except from chapter 12.	
	2008.20 - 2008.92	CC except from chapter 8.	

	2009.11 - 2009.12	CC except from chapter 8.	
	2009.50	CC except from chapter 7.	
	2009.71 - 2009.79	CC except from chapter 8.	
Chapter 21 Miscellaneous edible preparations	21 except for: 2103.20 21.05 21.06	CC CC except from chapter 7 or 20. CC except from chapter 4 or 19. CC and VNM 45%	
Chapter 22 Beverages, spirits and vinegar	22.01 22.02 22.03 22.04 - 22.06 22.07 2208.20 - 2208.30 2208.40 - 2208.60 2208.70 2208.90 - Sake compound and cooking sake (Mirin)	CC CTH and VNM 55% CTH CC except from chapter 8 or 20. CC CTH except from heading 22.07. CTH except from heading 22.07. CTH except from heading 22.07. CTH and VNM 60%	 VNM 60% VNM 60%

	<p>- Bever- ages with a basis of fruits and fruit juices, of an alcoholic strength by volume of less than one per cent</p> <p>- other</p> <p>22.09</p>	<p>CC except from chapter 8 or 20.</p> <p>CTH except from heading 22.07.</p> <p>CTH</p>	
<p>Chapter 23</p> <p>Residues and waste from the food industries; prepared animal fodder</p>	<p>23</p> <p>except for:</p> <p>2301.10</p> <p>2301.20</p> <p>23.09</p>	<p>CTH</p> <p>CTH except from chapter 2 or 5.</p> <p>CTH except from chapter 3.</p> <p>CTH and VNM 60%</p>	
<p>Chapter 24</p> <p>Tobacco and manufactured tobacco substitutes</p>	<p>24</p> <p>except for:</p> <p>2401.10 - 2401.20</p> <p>2401.30</p>	<p>CTH</p> <p>CC</p> <p>CTSH</p>	
<p>Chapter 25</p> <p>Salt; sulphur; earths and stone; plastering materials, lime and cement</p>	<p>25.01</p>	<p>CC</p>	
<p>Chapter 28</p> <p>Inorganic chemicals; organic or inorganic compounds of precious metals, of rare-earth metals, of radioactive elements or of isotopes</p>	<p>2804.61 - 2804.69</p> <p>2844.10</p> <p>2844.20 - 2844.50</p>	<p>CTSH</p> <p>CC</p> <p>CTSH</p>	<p>VNM 60%</p>
<p>Chapter 29</p> <p>Organic chemicals</p>	<p>29</p> <p>except for:</p>	<p>CTSH</p>	<p>VNM 60%</p>

	2905.44	CTH except from heading 17.02.	
	2906.11	CC except from chapter 33.	
	2918.14 - 2918.15	CC except from chapter 17 or 23.	
	29.40	CTH except from heading 17.02.	
Chapter 30 Pharmaceutical products	3006.92	WO	
Chapter 31 Fertilisers	31	CTSH	VNM 60%
Chapter 32 Tanning or dyeing extracts; tannins and their derivatives; dyes, pigments and other colouring matter; paints and varnishes; putty and other mastics; inks	32.04	CTH Note: In applying this rule, a change in tariff classification at the four-digit level of the HS is not required for non-originating materials classified under heading 32.04 used in the production, provided that the total value of those non-originating materials does not exceed 20% of the ex-works price of the product.	VNM 60%

<p>Chapter 34</p> <p>Soap, organic surface-active agents, washing preparations, lubricating preparations, artificial waxes, prepared waxes, polishing or scouring preparations, candles and similar articles, modelling pastes, "dental waxes" and dental preparations with a basis of plaster</p>	<p>34.02</p>	<p>CTH</p> <p>Note: In applying this rule, a change in tariff classification at the four-digit level of the HS is not required for non-originating materials classified under heading 34.02 used in the production, provided that the total value of those non-originating materials does not exceed 20% of the ex-works price of the product.</p>	<p>VNM 60%</p>
<p>Chapter 35</p> <p>Albuminoidal substances; modified starches; glues; enzymes</p>	<p>35.01</p> <p>3502.11 - 3502.19</p> <p>3502.20 - 35.04</p> <p>35.05</p>	<p>CC</p> <p>CC except from chapter 4.</p> <p>CTH</p> <p>CC except from chapter 11.</p>	
<p>Chapter 38</p> <p>Miscellaneous chemical products</p>	<p>38.01</p> <p>3805.90</p> <p>38.06</p> <p>3809.10</p> <p>3824.60</p>	<p>CTSH</p> <p>CTSH</p> <p>CTSH</p> <p>CTH except from chapter 11 or 35.</p> <p>CTH except from heading 17.02.</p>	<p>VNM 60%</p> <p>VNM 60%</p> <p>VNM 60%</p>
<p>Chapter 39</p> <p>Plastics and articles thereof</p>	<p>39.01 - 39.13</p>	<p>CTSH</p>	<p>VNM 60%</p>

Chapter 40 Rubber and articles thereof	40.12	CTSH	VNM 60%
Chapter 41 Raw hides and skins (other than furskins) and leather	41	CC	
Chapter 42 Articles of leather; saddlery and harness; travel goods, handbags and similar containers; articles of animal gut (other than silk-worm gut)	42	CC	
Chapter 43 Furskins and artificial fur; manufactures thereof	43	CC	
Chapter 44 Wood and articles of wood; wood charcoal	44.12	CTH except from heading 44.07 or 44.08.	VNM 60%
Chapter 46 Manufactures of straw, of esparto or of other plaiting materials; basketware and wickerwork	46 except for: 4601.29 4601.94 4602.19	CTH CC except from chapter 14. CC except from chapter 14. CC except from chapter 14.	
Chapter 50 Silk	50 except for: 50.05 50.06	CTH CTH except from heading 50.06. CTH except from heading 50.05.	

<p>Chapter 51</p> <p>Wool, fine or coarse animal hair; horsehair yarn and woven fabric</p>	<p>51</p> <p>except for:</p> <p>51.04</p> <p>51.06 - 51.10</p> <p>51.11 - 51.13</p>	<p>CTH</p> <p>CC</p> <p>CTH outside headings 51.06 - 51.10.</p> <p>CTH outside headings 51.11 - 51.13.</p>	
<p>Chapter 52</p> <p>Cotton</p>	<p>52</p> <p>except for:</p> <p>52.04 - 52.07</p> <p>52.08 - 52.12</p>	<p>CTH</p> <p>CTH outside headings 52.04 - 52.07.</p> <p>CTH outside headings 52.08 - 52.12.</p>	
<p>Chapter 53</p> <p>Other vegetable textile fibres; paper yarn and woven fabrics of paper yarn</p>	<p>53</p> <p>except for:</p> <p>53.03</p> <p>53.05</p> <p>53.06 - 53.08</p> <p>53.09 - 53.11</p>	<p>CTH</p> <p>CC</p> <p>CC</p> <p>CTH outside headings 53.06 - 53.08.</p> <p>CTH outside headings 53.09 - 53.11.</p>	
<p>Chapter 54</p> <p>Man-made filaments; strip and the like of man-made textile materials</p>	<p>54</p> <p>except for:</p> <p>54.07 - 54.08</p>	<p>CC</p> <p>CTH outside headings 54.07 - 54.08.</p>	
<p>Chapter 55</p> <p>Man-made staple fibres</p>	<p>55</p> <p>except for:</p>	<p>CC</p>	

	55.08 - 55.11	CTH outside headings 55.08 - 55.11.	
	55.12 - 55.16	CTH outside headings 55.12 - 55.16.	
Chapter 56 Wadding, felt and nonwovens; special yarns; twine, cordage, ropes and cables and articles thereof	56	CC	
Chapter 57 Carpets and other textile floor coverings	57	CC	
Chapter 58 Special woven fabrics; tufted textile fabrics; lace; tapestries; trimmings; embroidery	58	CC	
Chapter 59 Impregnated, coated, covered or laminated textile fabrics; textile articles of a kind suitable for industrial use	59 except for: 59.01 59.03 - 59.09 59.11	CC CC except from heading 50.07, 51.11 - 51.13, 52.08 - 52.12, 53.09 - 53.11, 54.07 - 54.08 or 55.12 - 55.16. CC except from heading 50.07, 51.11 - 51.13, 52.08 - 52.12, 53.09 - 53.11, 54.07 - 54.08 or 55.12 - 55.16. CC except from heading 50.07, 51.11 - 51.13, 52.08 - 52.12, 53.09 - 53.11, 54.07 - 54.08 or 55.12 - 55.16.	

Chapter 60 Knitted or crocheted fabrics	60	CC	
Chapter 61 Articles of apparel and clothing accessories, knitted or crocheted	61	CC except from chapter 60, provided that the product is both cut or knit to shape, and sewn or otherwise assembled in the customs territory of a Party.	
Chapter 62 Articles of apparel and clothing accessories, not knitted or crocheted	62	CC except from heading 50.07, 51.11 - 51.13, 52.08 - 52.12, 53.07 - 53.11, 54.07 - 54.08, 55.12 - 55.16, 58.01 - 58.02, 59.03 or 59.06 - 59.07, provided that the product is both cut, and sewn or otherwise assembled in the customs territory of a Party.	
Chapter 63 Other made up textile articles; sets; worn clothing and worn textile articles; rags	63 except for:	CC except from heading 50.07, 51.11 - 51.13, 52.08 - 52.12, 53.09 - 53.11, 54.07 - 54.08, 55.12 - 55.16 or chapter 60, provided that the product is both cut or knit to shape, and sewn or otherwise assembled in the customs territory of a Party.	

	63.09 - 63.10	WO	
Chapter 64 Footwear, gaiters and the like; parts of such articles	64	CC	
Chapter 65 Headgear and parts thereof	65 except for: 65.01 - 65.02	CTH CC	
Chapter 70 Glass and glassware	7018.10 7018.90	CC CC	
Chapter 71 Natural or cultured pearls, precious or semi-precious stones, precious metals, metals clad with precious metal, and articles thereof; imitation jewellery; coin	71.06	CTH except from heading 71.08 or 71.10; or Non-originating materials classified under heading 71.06, 71.08 or 71.10 are used in the production and each of such non-originating materials undergoes either or both of the following operations; (1) electrolytic, thermal or chemical separation; (2) alloying or fusion with each other or with a base metals.	VNM 60%

71.08	<p>CTH except from heading 71.06 or 71.10; or</p> <p>Non-originating materials classified under heading 71.06, 71.08 or 71.10 used in the production and each of such non-originating materials undergoes either or both of the following operations; (1) electrolytic, thermal or chemical separation; (2) alloying or fusion with each other or with a base metals.</p>	VNM 60%
71.10	<p>CTH except from heading 71.06 or 71.08; or</p> <p>Non-originating materials classified under heading 71.06, 71.08 or 71.10 are used in the production and each of the non-originating materials undergoes either or both of the following operations; (1) electrolytic, thermal or chemical separation; (2) alloying or fusion with each other or with base metals.</p>	VNM 60%
71.13	CTH except from heading 71.14 - 71.18.	VNM 60%

	71.14	CTH except from heading 71.13, or 71.15 - 71.18.	VNM 60%
	71.15	CTH except from heading 71.13 - 71.14 or 71.16 - 71.18.	VNM 60%
	71.16	CTH except from heading 71.13 - 71.15 or 71.17 - 71.18 or subheading 7101.22, 7102.39, 7103.91- 7103.99 or 7104.90.	VNM 60%
Chapter 72	7210.70	CTSH	VNM 60%
Iron and steel	7219.31 - 7219.90	CTSH	VNM 60%
	7225.50 - 7225.99	CTSH	VNM 60%
	7226.92 - 7226.99	CTSH	VNM 60%

<p>Chapter 85</p> <p>Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts and accessories of such articles</p>	<p>8523.51 - 8523.59</p> <p>8541.10 - 8541.60</p> <p>8542.31 - 8542.39</p> <p>8543.70 - 8543.90</p>	<p>CTH except from heading 85.42.</p> <p>CTH; or</p> <p>Diffusion process</p> <p>Note: For the purposes of rules for products classified under subheadings 8541.10 - 8541.60 or 8542.31 - 8542.39, "diffusion process" means a process, in which semi-conductor is formed on a substrate by the selective introduction of an appropriate dopant.</p> <p>CTH; or</p> <p>Diffusion process</p> <p>CTH except from heading 85.42.</p>	<p>VNM 60%</p> <p>VNM 60%</p> <p>VNM 60%</p> <p>VNM 60%</p>
<p>Chapter 91</p> <p>Clocks and watches and parts thereof</p>	<p>91</p> <p>except for:</p> <p>9113.90</p>	<p>CTH</p> <p>CC</p>	<p>VNM 40%</p>

Chapter 94	9401.90	CC	
Furniture; bedding, mattresses, mattress supports, cushions and similar stuffed furnishings; lamps and lighting fittings, not elsewhere specified or included; illuminated signs, illuminated name-plates and the like; prefabricated buildings	9404.21 - 9404.29 9404.90	CC	
	- Quilts and eiderdowns	CC except from heading 50.07, 51.11 - 51.13, 52.08 - 52.12, 53.09 - 53.11, 54.07 - 54.08 or 55.12 - 55.16.	
	- Others	CTH	
Chapter 96	96.01	CC	
Miscellaneous manufactured articles	96.05	CC	