§ 10.460 Indirect materials.

An indirect material, as defined in §10.402(o), will be considered to be an originating material without regard to where it is produced.

Example. Chilean Producer A of good C imports 100 non-originating blister packages to be used as retail packaging for good C. As provided in §10.455(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, \[ RVC = \frac{(AV-VNM)}{AV} \times 100 \] (see §10.454(a) of this subpart), 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.

§ 10.462 Packing materials and containers for shipment.

(a) Packing materials and containers, as defined in §10.450(m), 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 under General Note 26(n), HTSUS. Accordingly, such materials and containers do not have to undergo the applicable change in tariff classification even if they are non-originating.

(b) Packaging materials and containers for shipment, as defined in §10.450(m),