

## § 10.515

### **§ 10.515 Effect of noncompliance; failure to provide documentation regarding third country transportation.**

(a) *Effect of noncompliance.* If the importer fails to comply with any requirement under this subpart, including submission of a complete supporting statement under § 10.511 of this subpart, when requested, the port director may deny preferential treatment to the imported good.

(b) *Failure to provide documentation regarding third country transportation.* Where the requirements for preferential treatment set forth elsewhere in this subpart are met, the port director nevertheless may deny preferential treatment to an originating good if the good is shipped through or transshipped in a country other than Singapore or the United States, and the importer of the good does not provide, at the request of the port director, evidence demonstrating to the satisfaction of the port director that the conditions set forth in § 10.542 of this subpart were met.

#### TARIFF PREFERENCE LEVEL

### **§ 10.520 Filing of claim for tariff preference level.**

A cotton or man-made fiber apparel good described in § 10.521 of this subpart that does not qualify as an originating good under § 10.531 of this subpart may nevertheless be entitled to preferential tariff treatment under the SFTA under an applicable tariff preference level (TPL). To make a TPL claim, the importer must include on the entry summary, or equivalent documentation, the applicable tariff item in Chapter 99 of the HTSUS (9910.61.01 through 9910.61.89) and the applicable subheading in Chapter 61 or 62 of the HTSUS under which each non-originating cotton or man-made fiber apparel good is classified. For TPL goods, the letters "SG" must be inserted as a prefix to the applicable HTSUS 9910 tariff item when the entry is filed. The importer must also submit a certificate of eligibility as set forth in § 10.522 of this subpart.

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### **§ 10.521 Goods eligible for tariff preference level claims.**

Goods eligible for a TPL claim consist of cotton or man-made fiber apparel goods provided for in Chapters 61 and 62 of the HTSUS that are both cut (or knit-to-shape) and sewn or otherwise assembled in Singapore from fabric or yarn produced or obtained outside the territory of Singapore or the United States, and that meet the applicable conditions for preferential tariff treatment under the SFTA, other than the condition that they are originating goods. The preferential tariff treatment is limited to the quantities specified in U.S. Note 13, Subchapter X, Chapter 99, HTSUS.

### **§ 10.522 Submission of certificate of eligibility.**

An importer who claims preferential tariff treatment on a non-originating cotton or man-made fiber apparel good must submit a certificate of eligibility issued by the Government of Singapore, demonstrating that the good is eligible for entry under the applicable TPL, as set forth in § 10.521 of this subpart.

#### RULES OF ORIGIN

### **§ 10.530 Definitions.**

For purposes of §§ 10.530 through 10.542:

(a) *Adjusted value.* "Adjusted value" means the value determined in accordance with Articles 1 through 8, Article 15, and the corresponding interpretative notes of the Customs Valuation Agreement, adjusted, if necessary, to exclude:

(1) Any costs, charges, or expenses incurred for transportation, insurance and related services incident to the international shipment of the merchandise from the country of exportation to the place of importation; and

(2) The value of packing materials and containers for shipment as defined in paragraph (j) of this section;

(b) *Exporter.* "Exporter" means a person who exports goods from the territory of a Party;

(c) *Fungible goods or materials.* "Fungible goods or materials" means goods or materials, as the case may be, that are interchangeable for commercial

purposes and the properties of which are essentially identical;

(d) *Generally Accepted Accounting Principles*. “Generally Accepted Accounting principles” means the recognized consensus or substantial authoritative support in the territory of a Party, with respect to the recording of revenues, expenses, costs, assets, and liabilities, the disclosure of information, and the preparation of financial statements. These standards may encompass broad guidelines of general application as well as detailed standards, practices, and procedures;

(e) *Good*. “Good” means any merchandise, product, article, or material;

(f) *Goods wholly obtained or produced entirely in the territory of one or both of the Parties*. “Goods wholly obtained or produced entirely in the territory of one or both of the Parties” means:

(1) Mineral goods extracted in the territory of one or both of the Parties;

(2) Vegetable goods, as such goods are defined in the Harmonized System, harvested in the territory of one or both of the Parties;

(3) Live animals born and raised in the territory of one or both of the Parties;

(4) Goods obtained from hunting, trapping, fishing, or aquaculture conducted in the territory of one or both of the Parties;

(5) Goods (fish, shellfish and other marine life) taken from the sea by vessels registered or recorded with a Party and flying its flag;

(6) Goods produced exclusively from products referred to in subparagraph (f)(5) of this section on board factory ships registered or recorded with a Party and flying its flag;

(7) Goods taken by a Party or a person of a Party from the seabed or beneath the seabed outside territorial waters, provided that a Party has rights to exploit such seabed;

(8) Goods taken from outer space, provided they are obtained by a Party or a person of a Party and not processed in the territory of a non-Party;

(9) Waste and scrap derived from:

(i) Production in the territory of one or both of the Parties; or

(ii) Used goods collected in the territory of one or both of the Parties, pro-

vided such goods are fit only for the recovery of raw materials;

(10) Recovered goods derived in the territory of one or both of the Parties from used goods; or

(11) Goods produced in one or both of the Parties exclusively from goods referred to in paragraphs (f)(1) through (f)(9) of this section or from the derivatives of such goods;

(g) *Material*. “Material” means a good that is used in the production of another good;

(h) *Non-originating good*. “Non-originating good” means a good that does not qualify as originating under General Note 25, HTSUS;

(i) *Non-originating material*. “Non-originating material” means a material that does not qualify as originating under General Note 25, HTSUS;

(j) *Packing materials and containers for shipment*. “Packing materials and containers for shipment” means the goods used to protect a good during its transportation to the United States, and does not include the packaging materials and containers in which a good is packaged for retail sale;

(k) *Producer*. “Producer” means a person who grows, raises, mines, harvests, fishes, traps, hunts, manufactures, processes, assembles or disassembles a good;

(l) *Production*. “Production” means growing, mining, harvesting, fishing, raising, trapping, hunting, manufacturing, processing, assembling, or disassembling a good;

(m) *Recovered goods*. “Recovered goods” means materials in the form of individual parts that are the result of:

(1) The complete disassembly of used goods into individual parts; and

(2) The cleaning, inspecting, testing, or other processing of those parts as necessary for improvement to sound working condition by one or more of the following processes: Welding, flame spraying, surface machining, knurling, plating, sleeving, and rewinding, in order for such parts to be assembled with other parts, including other recovered parts, in the production of a remanufactured good as defined in paragraph (o) of this section;

(n) *Relationship*. “Relationship” means whether the buyer and seller are

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related parties in accordance with Article 15.4 of the Customs Valuation Agreement;

(o) *Remanufactured good*. “Remanufactured good” means an industrial good assembled in the territory of Singapore or the United States that is enumerated in Annex 3C, SFTA, and:

(1) Is entirely or partially comprised of recovered goods;

(2) Has the same life expectancy and meets the same performance standards as a new good; and

(3) Enjoys the same factory warranty as such a new good;

(p) *Self-produced material*. “Self-produced material” means a good, such as a part or ingredient, produced by the producer and used by the producer in the production of another good; and

(q) *Value*. “Value” means the value of a good or material for purposes of calculating customs duties or for purposes of applying this subpart.

### § 10.531 Originating goods.

Except as provided in § 10.543 of this subpart, a good imported into the customs territory of the United States will be considered an originating good under the SFTA only if:

(a) The good is wholly obtained or produced entirely in the territory of one or both of the Parties;

(b) The good is transformed in one or both of the Parties so that:

(1) Each non-originating material undergoes an applicable change in tariff classification specified in General Note 25(o), HTSUS, as a result of production occurring entirely in the territory of one or both of the Parties; and

(2) The good otherwise satisfies any applicable regional value content or other requirements specified in General Note 25(o), HTSUS; or

(c) The good, in its condition as imported into the United States, is enumerated as an Integrated Sourcing Initiative good in General Note 25(m), HTSUS, and is imported from the territory of Singapore.

### § 10.532 Integrated Sourcing Initiative.

(a) For purposes of General Note 25(b)(ii), HTSUS, a good is eligible for treatment as an originating good under the Integrated Sourcing Initiative if:

(1) The good, in its condition as imported, is both classified in a tariff provision enumerated in the first column of General Note 25(m), HTSUS, and described opposite that tariff provision in the list of information technology articles set forth in the second column of General Note 25(m), HTSUS;

(2) The good, regardless of its origin, is imported into the territory of the United States from the territory of Singapore. If a product of a non-Party, the good must have been imported into Singapore prior to its importation into the territory of the United States; and

(3) The good satisfies the conditions and requirements of § 10.542 relating to third country transportation.

(b) A good enumerated in General Note 25(m), HTSUS, that is used in the production of another good in Singapore will not be considered an originating material for purposes of determining the eligibility for preferential tariff treatment of such other good unless:

(1) The good enumerated in General Note 25(m), HTSUS, satisfies an applicable rule of origin set out in General Note 25(o), HTSUS; or

(2) The good enumerated in General Note 25(m), HTSUS, is imported into the territory of Singapore from the territory of the United States prior to being used in the production of a good in Singapore.

### § 10.533 De minimis.

(a) Except as provided in paragraphs (b) and (c) of this section, a good that does not undergo a change in tariff classification pursuant to General Note 25(o), HTSUS, will nonetheless be considered to be an originating good if:

(1) The value of all non-originating materials used in the production of the good that do not undergo the applicable change in tariff classification does not exceed 10 percent of the adjusted value of the good;

(2) The value of the non-originating materials described in paragraph (a)(1) of this section is included in calculating the value of non-originating materials for any applicable regional value content requirement for the good under General Note 25(o), HTSUS; and