§ 10.540 Packing materials and containers for shipment.

(a) Packing materials and containers for shipment, as defined in §10.530(j) of this subpart, 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. Such materials and containers are not required to undergo the applicable change in tariff classification even if they are non-originating. 

(b) Packing materials and containers for shipment, as defined in §10.530(j) of this subpart, are to be disregarded in determining the regional value content of a good imported into the United States. Accordingly, in applying either the build-down or build-up method for determining the regional value content of the good imported into the United States, the value of such packing 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, or VOM, value of originating materials.

Example. Singaporean Producer C produces good C using non-originating material A. Producer C imports non-originating rubber gloves for use by workers in the production of good C. Good C must undergo the specified change in tariff classification for good C to be considered originating. Although non-originating material A must undergo the applicable tariff shift in order for good C to be considered originating, the rubber gloves do not satisfy the regional value content requirement. As provided in §10.531(b)(1) of this subpart and General Note 25(o), 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 A must undergo the applicable tariff shift in order for good C to be considered originating, the rubber gloves do not because they are indirect materials and are considered originating without regard to where they are produced.

§ 10.542 Third country transportation.

(a) General. A good will not be considered an originating good by reason of having undergone production that would enable the good to qualify as an originating good if subsequent to that production the good undergoes any 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.