§ 10.1023 Packing materials and containers for shipment.

(a) Effect on tariff shift rule. Packing materials and containers, in which a good is packaged for retail sale, if classified with the good for which preferential tariff treatment under the UKFTA is claimed, will be disregarded in determining whether all non-originating materials used in the production of the good undergo an applicable change in tariff classification set out in General Note 33, 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. Korean Producer A of good C imports 100 non-originating blister packages to be used as retail packaging for good C. As provided in §10.1016(a)(1) of this subpart, 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 §10.1015(b) 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.

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 §10.1015(c) of this subpart), the adjusted value of the blister packaging would be included as part of the VOM, value of originating materials.

§ 10.1022 Retail packaging materials and containers.

(a) General. Accessories, spare parts, or tools that are delivered with a good and that form part of the good’s standard accessories, spare parts, or tools will be treated as originating goods if the good is an originating good, and will be disregarded in determining whether all non-originating materials used in the production of the good undergo an applicable change in tariff classification specified in General Note 33, HTSUS, provided that:

1. The accessories, spare parts, or tools are classified with, and not invoiced separately from, the good; and
2. The quantities and value of the accessories, spare parts, or tools are customary for the good:

(b) Regional value content. 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. Korean Producer A of good C imports 100 non-originating blister packages to be used as retail packaging for good C. As provided in §10.1016(a)(1) of this subpart, 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 §10.1015(b) 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.

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 §10.1015(c) of this subpart), the adjusted value of the blister packaging would be included as part of the VOM, value of originating materials.