§ 10.599 Fungible goods and materials.

(a) General. A person claiming that a fungible good or material is an originating good may base the claim either on the physical segregation of the fungible good or material or by using an inventory management method with respect to the fungible good or material. For purposes of this section, the term “inventory management method” means:

1. Averaging;
2. “Last-in, first-out;”
3. “First-in, first-out;” or
4. Any other method that is recognized in the Generally Accepted Accounting Principles of the Party in which the production is performed or otherwise accepted by that country.

(b) Duration of use. A person selecting an inventory management method under paragraph (a) of this section for a particular fungible good or material must continue to use that method for that fungible good or material throughout the fiscal year of that person.

§ 10.600 Accessories, spare parts, or tools.

(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 the non-originating materials used in the production of the good undergo an applicable change in tariff classification specified in General Note 29(n), HTSUS, provided that:

1. The quantities and value of the accessories, spare parts, or tools are customary for the good.
2. The value of the accessories, spare parts, or tools is included in the VNM, value of non-originating materials, of good C.

(b) Effect on regional value content calculation. If the good is subject to a regional value content requirement, the value of the accessories, spare parts, or tools, is taken into account as originating or non-originating materials, as the case may be, in calculating the regional value content of the good under $10.595 of this subpart.

Example 1. Guatemalan Producer A of good C imports 100 non-originating blister packages to be used as retail packaging for good C. As provided in $10.596(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 $10.595(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 originating or non-originating materials, as the case may be, in calculating the regional value content of the good.

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
§ 10.604 Transit and transshipment.

(a) General. A good that has undergone production necessary to qualify as an originating good under §10.594 of this subpart will not be considered an originating good if, subsequent to that production, the good:

(1) Undergoes further production or any other operation outside the territories of the Parties, other than unloading, reloading, or any other operation necessary to preserve the good in good condition or to transport the good to the territory of a Party; or

(2) Does not remain under the control of customs authorities in the territory of a non-Party.

(b) Documentary evidence. An importer making a claim that a good is originating may be required to demonstrate, to CBP's satisfaction, that the conditions and requirements set forth in paragraph (a) of this section were met. An importer may demonstrate compliance with this section by submitting documentary evidence. Such evidence may include, but is not limited to, bills of lading, airway bills, packing lists, commercial invoices, receiving and inventory records, and customs entry and exit documents.