(b) if such value is unknown and cannot be ascertained, shall be the first ascertainable price paid for the non-originating materials in the customs territory of the Party, but may exclude all costs incurred in that customs territory in transporting the non-originating materials from the warehouse of the supplier of that material to the place where the producer is located such as freight, insurance and packing costs as well as any other known and ascertainable cost incurred in that customs territory.

5. For the purposes of subparagraph 4(a), in determining the value of non-originating materials, the Agreement on Customs Valuation shall apply *mutatis mutandis* to domestic acquisition of the non-originating materials including domestic transactions.

6. For the purposes of calculating the value of non-originating materials used in the production of a product in determining whether the product qualifies as an originating product of a Party, the value of non-originating materials of the product shall not include the value of non-originating materials used in the production of materials qualified as originating products of the Party which are used in the production of the product.

7. For the purposes of paragraphs 1 and 2, the production carried out at different stages by one or more producers within the customs territory of a Party may be taken into account.

8. For the purposes of this Article, "Harmonized System" is that on which the product specific rules set out in Appendix 1 to this Annex are based.

Article V
Accumulation of Origin

1. Notwithstanding Article II of this Annex, an originating product of a Party which is used as a material in the production of a product in the customs territory of the other Party may be considered as an originating product of that other Party.

2. Originating products of a Party which are exported from the customs territory of one Party to the customs territory of the other Party shall retain qualification as originating products if:

(a) such originating products are exported in the same condition as they were when they were imported into the customs territory of the exporting Party; or

(b) such originating products have not undergone in the customs territory of the exporting Party working or processing beyond the operations referred to in Article VII of this Annex.

Article VI
Tolerance

1. Except as otherwise provided for in Appendix 1 to this Annex, a product obtained using non-originating materials that have not undergone the required change in tariff classification shall be considered as an originating product of a Party if:

(a) for a product classified under chapters 1 to 24 of the Harmonized System, the value of all non-originating materials used in its production that have not undergone the required change in tariff classification does not exceed seven per cent of the ex-works price of the product;