Article 25
Goods Wholly Obtained or Produced

For the purposes of paragraph (a) of Article 24, the following shall be considered as wholly obtained or produced entirely in a Party:

(a) plant and plant products grown and harvested, picked, or gathered in the Party;

Note: For the purposes of this paragraph, the term "plant" refers to all plant life, including fruit, flowers, vegetables, trees, seaweed, fungi, and live plants.

(b) live animals born and raised in the Party;

Note: For the purposes of paragraphs (b) and (c), the term "animals" covers all animal life, including mammals, birds, fish, crustaceans, molluscs, reptiles, bacteria, and viruses.

(c) goods obtained from live animals in the Party;

(d) goods obtained from hunting, trapping, fishing, gathering, or capturing conducted in the Party;

(e) minerals and other naturally occurring substances, not included in paragraphs (a) through (d), extracted or taken from soil, waters, seabed or beneath the seabed of the Party;

(f) goods taken from the waters, seabed or beneath the seabed outside the territorial waters of the Party, provided that the Party has the rights to exploit such waters, seabed and beneath the seabed in accordance with its laws and regulations and international law;

Note: Nothing in this Agreement shall affect the rights and obligations of the Parties under international law, including those under the United Nations Convention on the Law of the Sea.

(g) goods of sea-fishing and other marine products taken by vessels of the Party from outside the territorial seas of the Parties;

(h) goods processed and/or made on board factory ships of the Party exclusively from products referred to in paragraph (g);

(i) articles collected in the Party which can no longer perform their original purpose or be restored or repaired, and are fit only for disposal, for the recovery of parts or raw materials, or for recycling purposes;

(j) parts or raw materials recovered in the Party from articles which can no longer perform their original purpose nor are capable of being restored or repaired;

(k) scrap and waste derived from manufacturing or processing operations, including mining, agriculture, construction, refining, incineration and sewage treatment operations, or from consumption, in the Party, and fit only for disposal or for the recovery of raw materials; and

(l) goods obtained or produced in the Party exclusively from goods referred to in paragraphs (a) through (k).

Article 26
Goods Not Wholly Obtained or Produced

1. For the purposes of paragraph (b) of Article 24, a good shall qualify as an originating good of a Party if:

(a) the good has a local value content (hereinafter referred to in this Agreement as "LVC"), calculated using the formula set out in Article 27, of not less than 40 percent, and the final process of production has been performed in the Party; or

(b) all non-originating materials used in the production of the good have undergone in the Party a change in tariff classification (hereinafter referred to in this Agreement as "CTC") at the 4-digit level (i.e. a change in tariff heading) of Harmonized System.

Note: For the purposes of this paragraph, "Harmonized System" is that on which the product specific rules set out in Annex 2 are based.

Each Party shall permit the exporter of the good to decide whether to use subparagraph (a) or (b) when determining whether the good qualifies as an originating good of the Party.