Annex 2
Product Specific Rules

1. For the purposes of the product specific rules set out in this Annex and the Attachment to Annex 3, the term:

(a) "LVC 40%" means that the good has a local value content, 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 a Party;

Note: For the purposes of this Annex, subparagraph 2(a) of Article 27 shall apply.

(b) "CC" denotes a change to the chapter, heading or subheading from any other chapter. This means that all non-originating materials used in the production of the good have undergone a change in tariff classification at the 2-digit level (i.e. a change in chapter) of the HS;

(c) "CTH" denotes a change to the chapter, heading or subheading from any other heading. This means that all non-originating materials used in the production of the good have undergone a change in tariff classification at the 4-digit level (i.e. a change in heading) of the HS;

(d) "CTSH" denotes a change to the chapter, heading or subheading from any other subheading. This means that all non-originating materials used in the production of the good have undergone a change in tariff classification at the 6-digit level (i.e. a change in subheading) of the HS; and

(e) "WO" means that the good is wholly obtained or produced entirely in a Party as defined in Article 25.

2. This Annex is based on the Harmonized System as amended on 1 January 2007.

3. For the purposes of subparagraph 1(b) of Article 28, the following shall apply:

(a) in the case of a good classified under subheadings 0901.21, 0901.22, 1803.10, 1803.20, and 1805.00 of the HS, the total value of non-originating materials used in its production that have not undergone the required CTC does not exceed 10 percent of the FOB; and

(b) in the case of a good classified under subheading 2103.90 of the HS, the total value of non-originating materials used in its production that have not undergone the required CTC does not exceed seven percent of the FOB.

Tariff item number			Description of goods	Product specific rules
Section I Live animals; animal products (Chapter 1-5)				
Chapter 1			Live animals	CC
Chapter 2			Meat and edible meat offal	CC except from Chapter 1.
Chapter 3			Fish and crustaceans, mollusks and other aquatic invertebrates	CC
Chapter 4			Dairy produce; birds' eggs; natural honey; edible products of animal origin, not elsewhere specified or included	CC
Chapter 5			Products of animal origin, not elsewhere specified or included	CC
Section II Vegetable products (Chapter 6-14)				
Chapter 6			Live trees and other plants; bulbs, roots and the like; cut flowers and ornamental foliage	CC
Chapter 7			Edible vegetables and certain roots and tubers	CC
Chapter 8			Edible fruit and nuts; peel of citrus fruit or melons	
	08.01		Coconuts, Brazil nuts and cashew nuts, fresh or dried, whether or not shelled or peeled.	
			- Coconuts:	
		0801.11	-- Desiccated	CC
		0801.19	-- Other	CC
			- Brazil nuts:	
		0801.21	-- In shell	CC
		0801.22	-- Shelled	CC
			- Cashew nuts:	
		0801.31	-- In shell	CC
		0801.32	-- Shelled	CTSH
	08.02		Other nuts, fresh or dried, whether or not shelled or peeled.	CC
	08.03	0803.00	Bananas, including plantains, fresh or dried.	CC
	08.04		Dates, figs, pineapples, avocados, guavas, mangoes and mangosteens, fresh or dried.	CC
	08.05		Citrus fruit, fresh or dried.	CC
	08.06		Grapes, fresh or dried.	CC
	08.07		Melons (including watermelons) and papaws (papayas), fresh.	CC
	08.08		Apples, pears and quinces, fresh.	CC
	08.09		Apricots, cherries, peaches (including nectarines), plums and sloes, fresh.	CC