(g) goods produced on board factory ships of the Party from the goods referred to in subparagraph (f);

(h) goods taken or extracted from the seabed or beneath the seabed outside the Party, provided that the Party has rights to exploit such seabed or subsoil in accordance with international law;

(i) waste and scrap derived from:

(i) manufacturing or processing operations conducted in the Party; or

(ii) used goods collected in the Party,

provided that such waste and scrap are fit only for the recovery of raw materials; and

(j) goods obtained or produced in the Party exclusively from the goods referred to in subparagraphs (a) through (i).

Article 41
Qualifying Value Content

1. For the purposes of calculating the qualifying value content (QVC) of a good, the following formula shall be applied:

$$QVC = \frac{FOB - VNM}{FOB} \times 100$$

where:

QVC: is the qualifying value content of a good, expressed as a percentage;

FOB: is, except as provided for in paragraph 2, the free-on-board value of a good payable by the buyer of the good to the seller of the good, regardless of the mode of shipment, not including any internal excise taxes reduced, exempted, or repaid when the good is exported; and

VNM: is the value of the non-originating materials used in the production of a good.

2. FOB referred to in paragraph 1 shall be:

(a) substituted with the first ascertainable price paid for a good from the buyer to the producer of the good, if there is free-on-board value of the good, but it is unknown and cannot be ascertained; or

(b) the value determined in accordance with Articles 1 through 8 of the Agreement on Customs Valuation, if there is no free-on-board value of a good.

3. For the purposes of paragraph 1, the value of the non-originating materials used in the production of a good in a Party shall be:

(a) in the case of a material imported directly by the producer of a good: the CIF value; or

(b) in the case of a material acquired by the producer in the Party:

(i) the CIF value; or

(ii) the transaction value, but may exclude all the costs incurred in the Party in transporting the material from the warehouse of the supplier of the material to the place where the producer is located such as freight, insurance and packing as well as any other known and ascertainable cost incurred in the Party in such transportation.

Note 1: For the purposes of this paragraph, the term "CIF value" means the customs value of the imported good in accordance with the Agreement on Customs Valuation and includes freight and insurance where appropriate, packing and all other costs incurred in transporting the material to the importation port in the Party where the producer of the good is located.