Annex 2
referred to in Chapter 3

Product Specific Rules

Part 1
General Notes

For the purposes of the product specific rules set out in this Annex:

(a) the product specific rule, or specific set of rules, that applies to a particular Chapter, heading or subheading is set out immediately adjacent to the Chapter, heading or subheading;

(b) where the specific set of rules provides for more than one rule to be selectively applied, the order of the description of the rules does not indicate priority of application;

(c) reference to weight in this Annex means dry weight unless otherwise specified in the Harmonized System;

(d) the following definitions apply:

(i) "QVC 40" or "QVC 50" respectively means that the good has a qualifying value content, calculated using the formula set out in Article 3.4, of not less than 40 percent or 50 percent, and the final process of production has been performed in a Party;

Note: For the purposes of this Annex, paragraph 1 of Article 3.4 shall apply.

(ii) "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;

(iii) "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;

(iv) "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

(v) "WO" means that the good is wholly obtained or produced entirely in a Party as defined in Article 3.3;

Note: For greater certainty, Article 3.6 applies with respect to goods to which "WO" is indicated in the product specific rules set out in this Annex.

(e) this Annex is based on the Harmonized System as amended on January 1, 2012; and

(f) specific percentage referred to in Article 3.6, which relates to the total value or the total weight of non-originating materials used in the production of a good that do not satisfy an applicable rule for the good, is as follows:

(i) in the case of a good provided for in Chapters 1 through 49 and 64 through 97 of the HS, 10 percent in value of the good; and

(ii) in the case of a good provided for in Chapters 50 through 63 of the HS, 10 percent by weight of the good.