(ii) if there is no price paid or payable or if the actual price paid does not reflect all costs related to the production of the product which are actually incurred in the production of a product, the value of all the materials used and all other costs incurred in the production of the product in the exporting Party which:

(A) include selling, general and administrative expenses, as well as profit, that can be reasonably allocated to the product; and

(B) exclude the costs of freight, insurance, all other costs incurred in transporting the product and any internal taxes of the exporting Party which are, or may be, repaid when the product obtained is exported;

(c) "FOB" means:

(i) the free on board price of the product paid or payable to the seller regardless of the mode of shipment, provided that the price includes the value of all the materials used and all other costs incurred in the production of a product and its transportation to the exportation port in the Party, minus any internal taxes which are, or may be, repaid when the product obtained is exported; or

(ii) if there is no price paid or payable or if the actual price paid does not reflect all costs related to the production of the product which are actually incurred in the production of a product, the value of all the materials used and all other costs incurred in the production of the product in the exporting Party, and its transportation to the exportation port in the Party which:

(A) include selling, general and administrative expenses, as well as profit, that can be reasonably allocated to the product, the costs of freight and insurance; and

(B) exclude any internal taxes of the exporting Party which are, or may be, repaid when the product obtained is exported;

(d) "MaxNOM" means the maximum value of non-originating materials expressed as a percentage;

(e) "RVC" means the minimum regional value content of a product, expressed as a percentage; and

(f) "VNM" means the value of non-originating materials used in the production of the product which is its customs value at the time of importation including freight, insurance where appropriate, packing and all other costs incurred in transporting the materials to the importation port in the Party where the producer of the product is located. Where it is not known and cannot be ascertained, the first ascertainable price paid for the non-originating materials in either Party is used.

2. For the calculation of MaxNOM and RVC, the following formulas apply respectively:

(a)

$$\text{MaxNOM}(\%) = \frac{\text{VNM}}{\text{EXW}} \times 100$$

and

(b)

$$\text{RVC}(\%) = \frac{\text{FOB} - \text{VNM}}{\text{FOB}} \times 100$$