

*What Every Member of the
Trade Community Should Know About:*

*The U.S.-Caribbean
Basin Trade
Partnership Act*



IMPORTANT NOTICE

The information contained in this publication is based on the **interim regulations** which were published in the *Federal Register* on October 5, 2000 (65 *Federal Register* 59650-59666) and the corrections published on November 9, 2000 (65 *Federal Register* 67260-67264). Readers are cautioned that substantive and/or procedural changes may be made in the final regulations.

An Informed Compliance Publication

May 2001

U.S. CUSTOMS

NOTICE:

This publication is intended to provide guidance and information to the trade community. It reflects the Customs Service's position on or interpretation of the applicable laws or regulations as of the date of publication, which is shown on the front cover. It does not in any way replace or supersede those laws or regulations. Only the latest official version of the laws or regulations is authoritative.

Publication History

First Issued: May 2001

PRINTING NOTE:

This publication was designed for electronic distribution via the Customs World Wide Web site (<http://www.customs.gov>). It was originally set up in Microsoft Word97[®]. In order to maintain pagination and margins it has been converted to Adobe Acrobat[®] portable document format (.pdf) with some blank pages inserted to allow two sided printing, if your printer has that capability. It can be printed using the freely available Adobe Acrobat Reader[®].

PREFACE

On December 8, 1993, Title VI of the North American Free Trade Agreement Implementation Act (Pub. L. 103-182, 107 Stat. 2057), also known as the Customs Modernization or “Mod” Act, became effective. These provisions amended many sections of the Tariff Act of 1930 and related laws.

Two new concepts that emerge from the Mod Act are “*informed compliance*” and “*shared responsibility*,” which are premised on the idea that in order to maximize voluntary compliance with Customs laws and regulations, the trade community needs to be clearly and completely informed of its legal obligations. Accordingly, the Mod Act imposes a greater obligation on Customs to provide the public with improved information concerning the trade community’s rights and responsibilities under the Customs and related laws. In addition, both the trade and Customs share responsibility for carrying out these requirements. For example, under Section 484 of the Tariff Act as amended (19 U.S.C. §1484), the importer of record is responsible for using reasonable care to enter, classify and determine the value of imported merchandise and to provide any other information necessary to enable Customs to properly assess duties, collect accurate statistics, and determine whether other applicable legal requirements, if any, have been met. The Customs Service is then responsible for fixing the final classification and value of the merchandise. An importer of record’s failure to exercise reasonable care could delay release of the merchandise and, in some cases, could result in the imposition of penalties.

The Office of Regulations and Rulings has been given a major role in meeting Customs informed compliance responsibilities. In order to provide information to the public, Customs has issued a series of informed compliance publications, and videos, on new or revised Customs requirements, regulations or procedures, and a variety of classification and valuation issues.

The Office of Regulations and Rulings has prepared this publication on ***The U.S.-Caribbean Basin Trade Partnership Act*** as part of a series of informed compliance publications advising the public of new or revised regulations or procedures. We sincerely hope that this material, together with seminars and increased access to Customs rulings, will help the trade community to improve, as smoothly as possible, voluntary compliance with Customs laws.

The material in this publication is provided for general information purposes only. Because many complicated factors can be involved in customs issues, an importer may wish to obtain a ruling under Customs Regulations, 19 CFR Part 177, or to obtain advice from an expert who specializes in customs matters, for example, a licensed customs broker, attorney or consultant. Reliance solely on the information in this pamphlet may not be considered reasonable care.

Comments and suggestions are welcomed and should be addressed to the Assistant Commissioner at the Office of Regulations and Rulings, U.S. Customs Service, 1300 Pennsylvania Avenue, NW, Washington, D.C. 20229.

Stuart P. Seidel,
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Introduction

On May 18, 2000, Public Law 106-200, the Trade and Development Act of 2000 (the "Act"), was signed into law. Title II, which is entitled the "United States-Caribbean Basin Trade Partnership Act" (the "CBTPA") provides certain benefits to countries and territories in the Caribbean Basin. This informed compliance publication covers the trade benefits administered by the Customs Service which are contained in Title II of the Act. A separate informed compliance publication will cover Title I of the Act, entitled the "African Growth and Opportunity Act" (the "AGOA"), which extends certain trade benefits to sub-Saharan Africa.

On October 2, the President signed a Proclamation implementing the CBTPA. The Presidential Proclamation declared the 24 current beneficiary countries of the Caribbean Basin Initiative to be "Beneficiary Countries" for purposes of the enhanced trade preferences made available under the CBTPA. In addition, the Proclamation modified the Harmonized Tariff Schedule of the United States ("HTSUS") to reflect the new trade preferences. It also delegated to the Office of the United States Trade Representative the authority to publish (through a *Federal Register* notice) additional determinations regarding the compliance of CBTPA Beneficiary Countries with customs-related procedures established in the CBTPA.

A list of the implementing Proclamations, designations by the U.S. Trade Representative (USTR), notices issued by the Committee for the Implementation of Textile Agreements (CITA), and Customs regulations, and their *Federal Register* publication dates and pages appears near the end of this publication.

List of Designated Beneficiary Countries

The following 24 countries or territories were designated as CBPTA Beneficiary Countries by Proclamation 7351. Countries listed in **bold** type have been found by USTR to be entitled to the enhanced benefits. Check the *Federal Register* for recent additions:

Antigua and Barbuda
Aruba
Bahamas
Barbados
Belize
Costa Rica
Dominica
Dominican Republic
El Salvador
Grenada
Guatemala
Guyana

Haiti
Honduras
Jamaica
Montserrat
Netherlands Antilles
Nicaragua
Panama
St. Kitts and Nevis
Saint Lucia
Saint Vincent and the Grenadines
Trinidad and Tobago
British Virgin Islands

Summary of CBPTA Benefits

The CBTPA significantly expands preferential treatment for apparel made in the Caribbean Basin region. Duty- and quota-free treatment is provided for apparel made in the CBI from U.S. fabrics formed from U.S. yarns. Duty- and quota-free treatment is also available for certain knit apparel made in CBTPA beneficiary countries from fabrics formed in the Caribbean Basin region, provided that U.S. yarns are used in forming the fabric. This “regional fabric” benefit for knit apparel is subject to an overall yearly limit, with a separate limit provided for certain T-shirts.

New duty- and quota free treatment will also be available for apparel made in the CBI from fabrics determined to be in “short supply” in the United States, and for designated “hand-loomed, handmade, or folklore” articles.

In addition to these apparel preferences, the CBTPA provides NAFTA-equivalent tariff treatment for certain items previously excluded from duty-free treatment under the CBI program (e.g., footwear, canned tuna, petroleum products, watches and watch parts, and certain leather-related goods).

Finally, the CBTPA amended the CBERA to provide duty-free treatment to certain liqueurs and spirituous beverages produced in Canada from rum which is the growth, product or manufacture of a beneficiary country, or the U.S. Virgin Islands.

What are the main provisions?

Section 211 of the Act revises the Caribbean Basin Economic Recovery Act (the CBERA, also referred to as the Caribbean Basin Initiative, or “CBI,” statute codified at 19 U.S.C. 2701-2707). The CBI is a duty preference program that applies to exports from those Caribbean Basin countries that have been designated by the President as program beneficiaries. Although the origin and related rules for eligibility for duty-free treatment under the CBI are similar to those under the older Generalized System of Preferences duty-free program (the “GSP,” Title V of the Trade Act of 1974, codified at 19 U.S.C. 2461-2467), the CBI differs from the GSP in a number of respects, including the fact that under the CBI all articles are eligible for duty-free treatment (that is, they do not have to be specially designated as eligible by the President) except those that are specifically excluded under the statute.

Prior to the amendment effected by the CBTPA, section 213 of the CBI statute (19 U.S.C. 2703) was headed “ARTICLES TO WHICH DUTY-FREE TREATMENT DOES NOT APPLY” and consisted only of a list of specific types of products excluded from CBI duty-free treatment. As a result of the amendment made by the CBPTA, section 213(b) of the CBI statute now is headed “IMPORT-SENSITIVE ARTICLES” and consists of five principal paragraphs. These five paragraphs are summarized below.

Paragraph (1) provides that, subject to paragraphs (2) through (5), the duty-free treatment provided under the CBI does not apply to the following:

- Textile and apparel articles which were not eligible articles for purposes of the CBI on January 1, 1994, as the CBI was in effect on that date;
- Footwear not designated at the time of the effective date of the CBI (that is, August 5, 1983) as eligible articles for the purpose of the GSP;
- Tuna, prepared or preserved in any manner, in airtight containers;
- Petroleum, or any product derived from petroleum, provided for in headings 2709 and 2710 of the HTSUS;
- Watches and watch parts (including cases, bracelets, and straps), of whatever type including, but not limited to, mechanical, quartz digital or quartz analog, if those watches or watch parts contain any material which is the product of any country with respect to which HTSUS column 2 rates of duty apply; or
- Articles to which reduced rates of duty apply under section 213(h) (that is, handbags, luggage, flat goods, work gloves, and leather wearing apparel that are a product of a CBI beneficiary country and that were not designated on August 5, 1983, as eligible articles for purposes of the GSP).

The content of this new paragraph (1) corresponds to that of entire former section 213(b) but with some minor wording changes. Therefore, paragraphs (2) through (5) of amended section 213(b), as discussed below, are entirely new provisions.

Paragraph (2) is entitled "TRANSITION PERIOD TREATMENT OF CERTAIN TEXTILE AND APPAREL ARTICLES." It provides for the application of preferential treatment to specific textile and apparel articles during a "**transition period.**" Under paragraph (2), "**preferential treatment**" means, except where the President takes bilateral emergency action, that the articles in question may enter the United States free of duty and free of any quantitative restrictions, limitations, or consultation levels. The "transition period," is defined as the period that begins on October 1, 2000, and ends on the earlier of September 30, 2008, or the date on which a free trade agreement enters into force with respect to the United States and the CBTPA beneficiary country.

Paragraph (3) is entitled "TRANSITION PERIOD TREATMENT OF CERTAIN OTHER ARTICLES ORIGINATING IN BENEFICIARY COUNTRIES." It provides that, except in the case of any article accorded duty-free treatment under U.S. Note 2(b) to Subchapter II of Chapter 98 of the HTSUS (that is, certain articles assembled or processed in a CBI beneficiary country in whole or components or ingredients that are a product of the United States), the tariff treatment accorded at any time during the transition period to any article referred to in any of subparagraphs (B) through (F) of paragraph (1) that is a "CBTPA originating good" will be identical to the tariff treatment that is accorded at that time under Annex 302.2 of the NAFTA to an article described in the same 8-digit subheading of the HTSUS that is a good of Mexico and is imported into the United States. A "CBTPA originating good" for these purposes means a good that meets the rules of origin for a good set forth in Chapter 4 of the NAFTA as implemented by United States law.

Paragraph (4) is entitled "CUSTOMS PROCEDURES" and sets forth regulatory standards for purposes of preferential treatment under paragraph (2) or (3). It includes provisions relating to import procedures, prescribes a specific factual determination that the President must make regarding the implementation of certain procedures and requirements by each CBTPA beneficiary country, and sets forth responsibilities of Customs and the United States Trade Representative regarding the study of, and reporting to Congress on, cooperative and other actions taken by each CBTPA beneficiary country to prevent transshipment and circumvention in the case of textile and apparel goods.

Paragraph (5) is entitled "DEFINITIONS AND SPECIAL RULES" and sets forth the definitions of terms used in the legislation and the special rules to be used in determining whether countries and articles qualify for preferential tariff treatment under the Act.

New Textile and Apparel Benefits What articles are covered?

The textile and apparel articles to which the preferential treatment applies (and the appropriate subheading in the HTSUS) are as follows:

- Apparel articles assembled in one or more CBTPA beneficiary countries from fabrics wholly formed and cut in the United States, from yarns wholly formed in the United States, (including fabrics not formed from yarns, if those fabrics are classifiable under heading 5602 or 5603 of the HTSUS and are wholly formed and cut in the United States) that are entered under subheading 9802.00.80 of the HTSUS (new subheading **9802.00.8044**);
- Apparel articles assembled in one or more CBTPA beneficiary countries from fabrics wholly formed and cut in the United States, from yarns wholly formed in the United States, (including fabrics not formed from yarns, if those fabrics are classifiable under heading 5602 or 5603 of the HTSUS and are wholly formed and cut in the United States) that are entered under Chapter 61 or 62 of the HTSUS, if, after that assembly, the articles would have qualified for entry under subheading 9802.00.80 of the HTSUS but for the fact that the articles were embroidered or subjected to stone-washing, enzyme-washing, acid washing, perma-pressing, oven-baking, bleaching, garment-dyeing, screen printing, or other similar processes (new subheading **9820.11.03**);
- Apparel articles cut in one or more CBTPA beneficiary countries from fabric wholly formed in the United States from yarns wholly formed in the United States (including fabrics not formed from yarns, if those fabrics are classifiable under heading 5602 or 5603 of the HTSUS and are wholly formed in the United States), if those articles are assembled in one or more of those countries with thread formed in the United States (new subheading **9820.11.06**);

- Apparel articles (other than socks provided for in heading 6115 of the HTSUS) knit to shape in a CBTPA beneficiary country from yarns wholly formed in the United States, and knitted or crocheted apparel articles (other than non-underwear t-shirts) cut and wholly assembled in one or more CBTPA beneficiary countries from fabric formed in one or more CBTPA beneficiary countries or the United States from yarns wholly formed in the United States (including fabrics not formed from yarns, if those fabrics are classifiable under heading 5602 or 5603 of the HTSUS and are formed in one or more CBTPA beneficiary countries), but subject to the application of annual quantitative limits expressed in square meter equivalents during the 8-year transition period and with percentage increases of those limits in each of the first four years (new subheading **9820.11.09**);
- Non-underwear t-shirts, classifiable under subheadings 6109.10.00 and 6109.90.10 of the HTSUS, made in one or more CBTPA beneficiary countries from fabric formed in one or more CBTPA beneficiary countries from yarns wholly formed in the United States, but subject to the application of annual quantitative limits expressed in dozens and with percentage increases of those limits in each of the first four years and with application of a set quantitative limit for each year after the fourth year (new subheading **9820.11.12**);
- Brassieres classifiable under subheading 6212.10 of the HTSUS, if both cut and sewn or otherwise assembled in the United States, or one or more CBTPA beneficiary countries, or both, but subject to a requirement that, in each of seven 1-year periods starting on October 1, 2001, at least 75 percent of the aggregate declared Customs value contained in the articles in the preceding year was attributed to the aggregate cost of the fabric components formed in the United States (the 75 percent standard rises to 85 percent for a producer found by Customs to have not met the 75 percent standard in the preceding year) (new subheading **9820.11.15**);
- Apparel articles that are both cut (or knit-to-shape) and sewn or otherwise assembled in one or more CBTPA beneficiary countries, from fabrics or yarn that is not formed in the United States or in one or more CBTPA beneficiary countries, to the extent that apparel articles of those fabrics or yarn would be eligible for preferential treatment, without regard to the source of the fabrics or yarn, under Annex 401 of the North American Free Trade Agreement (NAFTA). (new subheading **9820.11.24**). This CBTPA provision applies to apparel articles which would be originating goods, and thus would be entitled to preferential duty treatment, under the NAFTA tariff shift and related rules based on the fact that the fabrics or yarns used to produce them were determined to be in short supply in the context of the NAFTA. The fabrics and yarns in question include:
 - fine count cotton knitted fabrics for certain apparel,
 - linen, silk, cotton velveteen,
 - fine wale corduroy,
 - Harris Tweed,

- certain woven fabrics made with animal hairs,
- certain lightweight, high thread count poly-cotton woven fabrics, and
- certain lightweight, high thread count broadwoven fabrics used in the production of men's and boys' shirts.

(See House Report 106-606, 106th Congress, 2d Session, at page 77, which explains a substantively identical provision of the African Growth and Opportunity Act that is contained in Title I of the Act.)

- Apparel articles that are both cut (or knit-to-shape) and sewn or otherwise assembled in one or more CBTPA beneficiary countries, from fabrics or yarn that the President or his designee has designated in the *Federal Register* as not available in commercial quantities in the U.S. (new subheading **9820.11.27**);
- A handloomed, handmade, or folklore textile or apparel article of a CBTPA beneficiary country that the President and representatives of the CBTPA beneficiary country concerned mutually agree upon as being a handloomed, handmade, or folklore good of a kind described in section 2.3(a), (b), or (c) or Appendix 3.1.B.11 of Annex 300-B of the NAFTA and that is certified as such by the competent authority of the beneficiary country (new subheading **9820.11.30**);
- Textile luggage assembled in a CBTPA beneficiary country from fabric wholly formed and cut in the United States, from yarns wholly formed in the United States, that is entered under subheading 9802.00.80 of the HTSUS (new subheading **9802.00.8046**);
- Textile luggage assembled from fabric cut in a CBTPA beneficiary country from fabric wholly formed in the United States from yarns wholly formed in the United States (new subheading **9820.11.21**);
- Knitted or crocheted apparel articles (other than non-underwear t-shirts) cut and assembled in one or more CBTPA beneficiary countries from fabrics wholly formed in the United States from yarns wholly formed in the United States (including fabrics not formed from yarns, if those fabrics are classifiable under heading 5602 or 5603 of the HTSUS and are wholly formed in the United States), provided that the assembly is with thread formed in the United States (new subheading **9820.11.18**).

What definitions are used?

For purposes of these provisions, Customs uses the following definitions:

Apparel articles means goods classifiable in Chapters 61 and 62 and headings 6501, 6502, 6503, and 6504 and subheadings 6406.99 and 6505.90 of the HTSUS.

Assembled in one or more CBTPA beneficiary countries when used in the context of a textile or apparel article has reference to a joining together of two or more components that occurred in one or more beneficiary countries, whether or not a prior

joining operation was performed on the article or any of its components in the United States.

CBERA means the Caribbean Basin Economic Recovery Act, 19 U.S.C. 2701-2707.

CBTPA beneficiary country means a “beneficiary country” for purposes of the CBERA which the President also has designated as a beneficiary country for purposes of preferential treatment of textile and apparel articles under 19 U.S.C. 2703(b)(2) and which has been the subject of a finding by the President or his designee, published in the *Federal Register*, that the beneficiary country has satisfied the statutory requirements.

Cut in one or more CBTPA beneficiary countries when used with reference to apparel articles means that all fabric components used in the assembly of the article were cut from fabric in one or more CBTPA beneficiary countries.

Foreign means of a country other than the United States or a CBTPA beneficiary country.

Knit-to-shape applies to any apparel article of which 50 percent or more of the exterior surface area is formed by major parts that have been knitted or crocheted directly to the shape used in the apparel article, with no consideration being given to patch pockets, appliques, or the like. Minor cutting, trimming, or sewing of those major parts will not affect the determination of whether an apparel article is “knit-to-shape.”

Made in one or more CBTPA beneficiary countries when used with reference to non-underwear t-shirts means cut in one or more CBTPA beneficiary countries and wholly assembled in one or more CBTPA beneficiary countries.

Major parts means integral components of an apparel article but does not include collars, cuffs, waistbands, plackets, pockets, linings, paddings, trim, accessories, or similar parts or components.

Preferential treatment means entry, or withdrawal from warehouse for consumption, in the customs territory of the United States free of duty and free of any quantitative restrictions, limitations, or consultation levels as provided in 19 U.S.C. 2703(b)(2).

Wholly assembled in one or more CBTPA beneficiary countries when used in the context of a textile or apparel article has reference to a joining together of all components (including thread, decorative embellishments, buttons, zippers, or similar components) that occurred only in one or more CBTPA beneficiary countries.

Wholly formed when used with reference to yarns or thread, means that all of the production processes, starting with the extrusion of filament or the spinning of all fibers into yarn or both and ending with a yarn or plied yarn, took place in a single country, and, when used with reference to fabric(s), means that all of the production processes, starting with polymers, fibers, filaments, textile strips, yarns, twine, cordage, rope, or strips of fabric and ending with a fabric by a weaving, knitting, needling, tufting, felting, entangling or other process, took place in a single country.

What special rules apply?

There are special rules that apply for purposes of determining the eligibility of textile and apparel articles for preferential treatment. These special rules are as follows:

- The **treatment of findings and trimmings**. An article otherwise eligible for preferential treatment will not be ineligible for that treatment because the article contains findings or trimmings of foreign origin, if those findings and trimmings *do not exceed 25 percent* of the cost of the components of the assembled product. This provision specifies the following as examples of findings and trimmings:
 - sewing thread,
 - hooks and eyes,
 - snaps, buttons,
 - “bow buds,”
 - decorative lace trim,
 - elastic strips (but only if they are each less than 1 inch in width and used in the production of brassieres),
 - zippers (including zipper tapes), and
 - labels.

However, as an exception to the general rule, sewing thread will not be treated as findings or trimmings in the case of an article described in new heading **9820.11.06** HTSUS because that provision specifies that the thread used in the assembly of the article must be formed in the United States and thus cannot be of “foreign” origin.

- **Specific interlinings**, that is, a chest type plate, “hymo” piece, or “sleeve header,” of woven or weft-inserted warp knit construction and of coarse animal hair or man-made filaments. Under this rule, an article otherwise eligible for preferential treatment under paragraph (2) will not be ineligible for that treatment because the article contains the specified interlinings of foreign origin, *if the value of those interlinings (and any findings and trimmings) does not exceed 25 percent* of the cost of the components of the assembled article. There is a provision for the termination of this treatment of interlinings if the President makes a determination that United States manufacturers are producing those interlinings in the United States in commercial quantities.
- **De minimis rule**. There is a *de minimis* rule which provides that an article that would otherwise be ineligible for preferential treatment under the textile and apparel provisions because the article contains fibers or yarns not wholly formed in the United States or in one or more CBTPA beneficiary countries will not be ineligible for that treatment if *the total weight of all those fibers and yarns is not more than 7 percent of the total weight of the good*. However, this provision also states that, notwithstanding the foregoing rule, an apparel article containing elastomeric yarns will be eligible for preferential treatment under the textile and apparel provisions only if those yarns are wholly formed in the United States.

- Finally, a **special origin rule** that provides that an article otherwise eligible for preferential treatment under paragraph (2)(A)(i) or paragraph (2)(A)(ii) will not be ineligible for that treatment because the article contains nylon filament yarn (other than elastomeric yarn) that is classifiable under subheading 5402.10.30, 5402.10.60, 5402.31.30, 5402.31.60, 5402.32.30, 5402.32.60, 5402.41.10, 5402.41.90, 5402.51.00, or 5402.61.00 of the HTSUS duty-free from Canada, Mexico or Israel.

NAFTA – Equivalent Treatment for Non-Textile Articles

The CBTPA, also amended section 213(b) of the Caribbean Basin Economic Recovery Act (the CBERA, 19 U.S.C. 2701-2707) to authorize the President to extend additional trade benefits by providing special preferential tariff treatment (equivalent to the treatment accorded under NAFTA) to certain non-textile articles that are otherwise excluded from duty-free treatment under the CBERA.

What articles are covered?

Preferential tariff treatment applies to any of the following articles, provided that the article in question is a CBTPA originating good, is imported directly into the customs territory of the United States from a CBTPA beneficiary country, and is not accorded duty-free treatment under U.S. Note 2(b), Subchapter II, Chapter 98, HTSUS. The effect of paragraph (3) is to provide for the application of NAFTA tariff treatment to goods excluded from the CBI, except for textile and apparel articles (some of which are separately addressed under paragraph (2) as discussed above). Thus, imports of:

- Footwear not designated on August 5, 1983, as eligible articles for the purpose of the Generalized System of Preferences (GSP) (see 19 U.S.C. §§2461 through 2467);
- Tuna, prepared or preserved in any manner, in airtight containers;
- Petroleum, or any product derived from petroleum, provided for in headings 2709 and 2710 of the HTSUS;
- Watches and watch parts (including cases, bracelets, and straps), of whatever type including, but not limited to, mechanical, quartz digital or quartz analog, if those watches or watch parts contain any material which is the product of any country with respect to which HTSUS column 2 rates of duty apply;
- handbags, luggage, flat goods, work gloves (not designated on August 5, 1983, as eligible articles for the purpose of the GSP), and
- leather wearing apparel (not designated on August 5, 1983, as eligible articles for the purpose of the GSP)

would be eligible for a reduction in duty equal to the preference Mexican products enjoy in accordance with the staged duty-rate reductions set forth in Annex 302.2 of the NAFTA, provided that the merchandise in question meets the origin rules for a “NAFTA originating good.” In other words, it must meet the NAFTA rules of origin set forth in General Note 12 of the HTSUS and in the Appendix to Part 181 of the Customs Regulations (19 CFR Part 181).

What definitions are used?

The structure of the Customs regulations implementing the non-textile provisions of the CBTPA (19 CFR §§10.231-10.237) is very similar to that implementing the textile and apparel provisions and most of the terms used are the same for both. However, the following terms are only used for non-textile articles:

“CBTPA originating good” means a good that meets the rules of origin for a good as set forth in General Note 12, HTSUS, and in the appendix to 19 CFR part 181 as applied under the new CBTPA regulations (19 CFR §10.233(b)).

“Preferential tariff treatment” when used with reference to an imported article means entry, or withdrawal from warehouse for consumption, in the customs territory of the United States with duty and other tariff treatment that is identical to the tariff treatment that would be accorded at that time under Annex 302.2 of the NAFTA to an imported article described in the same 8-digit subheading of the HTSUS that is a good of Mexico.

What rules are applied?

Application of NAFTA rules of origin. In determining whether an article is a CBTPA originating good, the following rules for applying Chapter 4 of NAFTA with respect to a CBTPA beneficiary country will be applied:

- only the United States and a CBTPA beneficiary country may be treated as being a party to the NAFTA;
- any reference to trade between the United States and Mexico will be deemed to refer to trade between the United States and a CBTPA beneficiary country;
- any reference to a party will be deemed to refer to a CBTPA beneficiary country or the United States; and
- any reference to parties will be deemed to refer to any combination of CBTPA beneficiary countries or to the United States and one or more CBTPA beneficiary countries (or any combination of those countries).

Duty reductions for leather-related articles. If, in the case of handbags, luggage, flat goods, work gloves, and leather wearing apparel, to which reduced rates of duty apply, it is determined that an article that qualifies as a CBTPA originating good and is eligible for preferential tariff treatment also would otherwise qualify for a reduced rate of duty under section 213(h) (implemented by 19 CFR § 10.198a), and that reduced rate of duty is lower than the rate of duty that would apply under this section, *that lower rate of duty will apply* to the article for purposes of preferential tariff treatment under this section.

Customs Procedures

The specific Customs procedures that must be followed in order to qualify for preferential treatment or preferential tariff treatment are set forth below:

In general

Any importer who claims preferential treatment (for textile and apparel articles) or preferential tariff treatment (for non-textile or apparel originating goods) must comply with customs procedures similar in all material respects to the requirements of Article 502(1) of the NAFTA as implemented by the United States in the Customs regulations. This NAFTA provision concerns the use of a Certificate of Origin. As applied to the CBPTA, these regulations require that the importer

- make a written declaration, based on a valid Certificate of Origin, that the imported good qualifies for preferential treatment, or preferential tariff treatment, as appropriate,
- have the Certificate in its possession at the time the declaration is made,
- provide the Certificate to Customs on request, and
- promptly (within 30 days calendar days after discovery of the error) make a corrected declaration and pay any duties owing where the importer has reason to believe that a Certificate on which a declaration was based contains information that is not correct.

Filing of claim for preferential treatment

In order to claim preferential treatment for a textile or apparel article or preferential tariff treatment for a non-textile article described in the CBTPA, the importer must make a written declaration that the article qualifies for that treatment.

- In the case of any textile or apparel article described in 9802.00.8044 or 9802.00.8046 or 9820.11.03 through 9820.11.30, the inclusion on the entry summary, or equivalent documentation, of the subheading within Chapter 98 of the HTSUS under which the article is classified will constitute the written declaration. (► *Note: For technical reasons, the provision in the interim regulations which requires the use of the symbol “R” as a prefix to the subheading within Chapter 98 of the HTSUS for 9802.00.8044 or 9802.00.8046 should **not** be followed. The final regulations will correct this provision.*)
- In the case of a non-textile article, the written declaration should be made by including on the entry summary, or equivalent documentation, the symbol “R” as a prefix to the subheading within the HTSUS under which the article is classified.

Unless an exception applies (see below), the declaration must be based on an original Certificate of Origin that has been completed and properly executed, that covers the article being imported, and that is in the possession of the importer.

If, after making the declaration, the importer has reason to believe that a Certificate of Origin on which a declaration was based contains information that is not correct, the importer must within 30 calendar days after the date of discovery of the error make a corrected declaration and pay any duties that may be due. A corrected declaration will be effected by submission of a letter or other written statement to the Customs port where the declaration was originally filed.

Certificate of Origin Requirement

The Certificate of Origin must be prepared by the exporter in the CBTPA beneficiary country in the form specified below for textile and apparel goods, or on the Customs Form 450 for other articles. Where the CBTPA beneficiary country exporter is not the producer of the article, that exporter may complete and sign a Certificate of Origin on the basis of:

- Its reasonable reliance on the producer's written representation that the article qualifies for preferential treatment or preferential tariff treatment; or
- A completed and signed Certificate of Origin for the article voluntarily provided to the exporter by the producer.

At the request of the port director, the importer must provide a copy of the Certificate of Origin pertaining to the article. A Certificate of Origin submitted to Customs:

- Must be in writing (on the appropriate form) or transmitted electronically in an approved format (containing the same information) pursuant to any electronic data interchange system authorized by Customs for that purpose;
- Must be signed by the exporter or by the exporter's authorized agent having knowledge of the relevant facts;
- Must be completed either in the English language or in the language of the country from which the article is exported. If the Certificate is completed in a language other than English, the importer must provide to Customs upon request a written English translation of the Certificate; and
- May be applicable to:
 - A single importation of an article into the United States, including a single shipment that results in the filing of one or more entries and a series of shipments that results in the filing of one entry; or
 - Multiple importations of identical articles into the United States that occur within a specified blanket period, not to exceed 12 months, set out in the Certificate by the exporter. The term "identical articles" means articles that are the same in all material respects, including physical characteristics, quality, and reputation.

The Certificate of Origin that otherwise would be required will **not** be required if that Certificate of Origin would not be required under the U. S. Customs regulations implementing Article 503 of NAFTA, if the article were imported from Mexico. With one general exception, there are three specific circumstances in which a Certificate of Origin may not be required.

Cases where no certificate is required. An importer is not required to have a Certificate of Origin in his possession (except as otherwise provided below), for:

- An importation of an article for which the port director has **in writing** waived the requirement for a Certificate of Origin because the port director is

otherwise satisfied that the article qualifies for the claimed preferential treatment or preferential tariff treatment;

- A non-commercial importation of an article; or
- A commercial importation of an article whose value does not exceed US\$2,500, provided that, unless waived by the port director, the producer, exporter, importer or authorized agent includes on, or attaches to, the invoice or other document accompanying the shipment the following signed statement: (Substitute “preferential tariff treatment” as appropriate for non-textile articles):

I hereby certify that the article covered by this shipment qualifies for preferential treatment under the CBPTA. Check One: () Producer () Exporter () Importer () Agent Name Title Address Signature and Date

Exception. If the port director determines that an importation described above forms part of a series of importations that may reasonably be considered to have been undertaken or arranged for the purpose of avoiding a Certificate of Origin requirement, the port director will notify the importer in writing that for that importation the importer must have in his possession a valid Certificate of Origin to support the claim for preferential treatment or preferential tariff treatment. The importer will have 30 calendar days from the date of the written notice to obtain a valid Certificate of Origin, and a failure to timely obtain the Certificate of Origin will result in denial of the claim for preferential treatment or preferential tariff treatment. A “series of importations” means two or more entries covering articles arriving on the same day from the same exporter and consigned to the same person.

Direct Importation Requirement

In order to claim preferential treatment or preferential tariff treatment, the articles must be imported directly into the customs territory of the United States from a beneficiary CBTPA country. For purposes of this provision, the words “**imported directly**” mean:

- Direct shipment from any CBTPA beneficiary country to the United States without passing through the territory of any country that is not a CBTPA beneficiary country;
- If the shipment is from any CBTPA beneficiary country to the United States through the territory of any country that is not a CBTPA beneficiary country,

- the articles in the shipment do not enter into the commerce of any country that is not a CBTPA beneficiary country while en route to the United States and the invoices, bills of lading, and other shipping documents show the United States as the final destination; or
- If the shipment is from any CBTPA beneficiary country to the United States through the territory of any country that is not a CBTPA beneficiary country, and the invoices and other documents do not show the United States as the final destination, the articles in the shipment upon arrival in the United States are imported directly only if they:
 - Remained under the control of the customs authority of the intermediate country;
 - Did not enter into the commerce of the intermediate country except for the purpose of sale other than at retail, and the port director is satisfied that the importation results from the original commercial transaction between the importer and the producer or the producer's sales agent; and
 - Were not subjected to operations other than loading or unloading, and other activities necessary to preserve the articles in good condition.

Maintenance of records and submission of Certificate by importer

Each importer claiming preferential treatment for a textile or apparel article, or preferential tariff treatment for a non-textile article, under the CBTPA must maintain in the United States, in accordance with the provisions of part 163 of the Customs Regulations, all records relating to the importation of the article. Those records must include the original Certificate of Origin and any other relevant documents or other records as specified in Part 163.

An importer who claims preferential treatment on a textile or apparel article, or preferential tariff treatment for a non-textile article, under the CBPTA must provide, at the request of the port director, a copy of the Certificate of Origin pertaining to the article.

Correction and non-acceptance of Certificate. If the port director determines that a Certificate of Origin is illegible or defective or has not been completed in accordance with the regulations, the importer will be given a period of not less than five working days to submit a corrected Certificate. A blanket Certificate will not be accepted in connection with subsequent importations during the remaining period covered by the Certificate if the port director determined that a previously imported identical article covered by the Certificate did not qualify for the claimed preferential treatment or preferential tariff treatment.

Verification and Justification of Claim for Preferential Treatment

A claim for preferential treatment, including any statements or other information contained on a Certificate of Origin submitted to Customs, are subject to whatever verification the port director deems necessary. In the event that the port director for any

reason is prevented from verifying the claim, the port director may deny the claim for preferential treatment or preferential tariff treatment, as appropriate. A verification of a claim may involve, but need not be limited to, a review of:

- All records required to be made, kept, and made available to Customs by the importer or any other person under part 163 of this chapter;
- Documentation and other information in a CBTPA beneficiary country regarding the country of origin of an article and its constituent materials, including, but not limited to, production records, information relating to the place of production, the number and identification of the types of machinery used in production, and the number of workers employed in production; and
- Evidence in a CBTPA beneficiary country to document the use of U.S. materials in the production of the article in question, such as purchase orders, invoices, bills of lading and other shipping documents, and customs import and clearance documents.

Importer requirements. In order to make a claim for preferential treatment of textiles and apparel, the importer:

- Must have records that explain how the importer came to the conclusion that article qualifies for preferential treatment or preferential tariff treatment, as appropriate. Those records must include documents that support a claim that the article in question qualifies:
 - for preferential treatment because it is specifically described in one of the qualifying textile or apparel provisions. If the importer is claiming that the article incorporates fabric or yarn that was wholly formed in the United States, the importer must have records that identify the U.S. producer of the fabric or yarn. A properly completed Certificate of Origin in the prescribed form is a record that would serve these purposes; or
 - for preferential tariff treatment because it meets the applicable rule of origin set forth in General Note 12, HTSUS, and in the appendix to the NAFTA regulations;
- Must establish and implement internal controls which provide for the periodic review of the accuracy of the Certificates of Origin or other records referred to above;
- Must have shipping papers that show how the article moved from the CBTPA beneficiary country to the United States. If the imported article was shipped through a country other than a CBTPA beneficiary country and the invoices and other documents from the CBTPA beneficiary country do not show the United States as the final destination, the importer also must have documentation that demonstrates that the conditions set forth in the regulations were met; and
- Must be prepared to explain, upon request from Customs, how the records and internal controls referred to above justify the importer's claim for preferential treatment or preferential tariff treatment, as appropriate.

Penalties

If the President determines, based on sufficient evidence, that an exporter has engaged in transshipment with respect to textile and apparel articles from a CBTPA beneficiary country, the President shall deny all benefits under the CBTPA to such exporter, and any successor of such exporter, for a period of 2 years. In Executive Order 13191, the President delegated his authority under this provision to the Committee for the Implementation of Textile Agreements ("CITA"). For purposes of this provision:

- "transshipment" has occurred when preferential treatment has been claimed for a textile or apparel article on the basis of material false information concerning the country of origin, manufacture, processing, or assembly of the article or any of its components, and
- "false information" is material if disclosure of the true information would mean or would have meant that the article is or was ineligible for preferential treatment.

In addition to this CBTPA specific penalty, importers, exporters, and others providing false or fraudulent information or otherwise violating the Customs laws may be subject to civil penalties and/or criminal fines and imprisonment under the general Customs and related laws, and the imported merchandise may be subject to seizure or detention. For example, civil penalties may be assessed under 19 U.S.C. §1592, which prohibits any person from fraudulently or negligently entering, introducing, or attempting to enter or introduce merchandise into the U.S. by means of materially false documentation, information or statements, acts or material omissions.

Duty-free Treatment for Certain Rum Beverages

Section 212 of the CBTPA amended the CBERA to provide duty-free treatment to certain liqueurs and spirituous beverages produced in Canada from Caribbean rum. To qualify for this duty-free treatment:

- the rum must be the growth, product, or manufacture of a beneficiary country or the Virgin Islands of the United States;
- the rum must be imported directly from a beneficiary country or the Virgin Islands of the United States into the territory of Canada, and the liqueurs and spirituous beverages must be imported directly from the territory of Canada into the customs territory of the United States;
- when imported into the customs territory of the United States, such liqueurs and spirituous beverages are classified in subheading 2208.90 or 2208.40 of the HTSUS; and
- the rum accounts for at least 90 percent by volume of the alcoholic content of such liqueurs and spirituous beverages.

Appendix

Caribbean Basin Trade Partnership Act Textile Certificate of Origin

1. Exporter Name & Address		2. Producer Name & Address	
3. Importer Name & Address		6.U.S./Caribbean Fabric Producer Name & Address	
4. Description of Article	5. Preference Group	7. U.S. Yarn Producer Name & Address	
		8. U.S. Thread Producer Name & Address	
		9. Name of Handloomed, Handmade, or Folklore Article	
10. Name of Preference Group G Fabric or Yarn:			

Preference Groups:

- A: Apparel assembled from U.S.-formed and cut fabric from U.S. yarn [19 CFR 10.223(a)(1)].
- B: Apparel assembled and further processed from U.S.-formed and cut fabric from U.S. yarn [19 CFR 10.223(a)(2)].
- C: Non-knit apparel cut and assembled from U.S. fabric from U.S. yarn and thread. [19 CFR 10.223(a)(3)].
- D: Apparel knit to shape from U.S. yarn and knitted or crocheted apparel cut and assembled from regional or regional and U.S. fabrics from U.S. yarn [19 CFR 10.223(a)(4)].
- E: Non-underwear t-shirts made of regional fabric from U.S. yarn [19 CFR 10.223(a)(5)].
- F: Brassieres cut and assembled in the United States and/or one or more CBTPA beneficiary countries [19 CFR 10.223(a)(6)].
- G: Apparel cut and assembled in one or more CBTPA beneficiary countries from fabrics or yarn not formed in the United States or one or more CBTPA beneficiary countries (as identified in NAFTA) or designated as not available in commercial quantities in the United States [19 CFR 10.223(a)(7) or (a)(8)].
- H: Handloomed, handmade, or folklore articles [19 CFR 10.223(a)(9)].
- I: Luggage assembled from U.S.-formed and cut fabric from U.S. yarn. [19 CFR 10.223(a)(10)].
- J: Luggage cut and assembled from U.S. fabric from U.S. yarn [19 CFR 10.223(a)(11)].
- K: Knitted or crocheted apparel cut and assembled from U.S. fabric from U.S. yarn and thread. [19 CFR 10.223(a)(12)].

I certify that the information on this document is complete and accurate and I assume the responsibility for proving such representations. I understand that I am liable for any false statements or material omissions made on or in connection with this document.

I agree to maintain, and present upon request, documentation necessary to support this certificate.

12. Authorized Signature		13. Company	
14. Name (Print or Type)		15. Title	
16a.Date(DD/MM/YY)	16b.Blanket Period From: To:	17. Telephone Number Facsimile Number	

Preparation of Certificate. The following rules will apply for purposes of completing the Certificate of Origin set forth in paragraph (b) of this section:

1. Blocks 1 through 5 pertain only to the final article exported to the United States for which preferential treatment may be claimed;
2. Block 1 should state the legal name and address (including country) of the exporter;
3. Block 2 should state the legal name and address (including country) of the producer. If there is more than one producer, attach a list stating the legal name and address (including country) of all additional producers. If this information is confidential, it is acceptable to state "available to Customs upon request" in block 2. If the producer and the exporter are the same, state "same" in block 2;
4. Block 3 should state the legal name and address (including country) of the importer;
5. Block 4 should provide a full description of each article. The description should be sufficient to relate it to the invoice description and to the description of the article in the international Harmonized System. Include the invoice number as shown on the commercial invoice or, if the invoice number is not known, include another unique reference number such as the shipping order number;
6. In block 5, insert the letter that designates the preference group which applies to the article according to the description contained in the CFR provision cited on the Certificate for that group;
7. Blocks 6 through 10 must be completed only when the block in question calls for information that is relevant to the preference group identified in block 5;
8. Block 6 should state the legal name and address (including country) of the fabric producer;
9. Block 7 should state the legal name and address (including country) of the yarn producer;
10. Block 8 should state the legal name and address (including country) of the thread producer;
11. Block 9 should state the name of the folklore article or should state that the article is handloomed or handmade;
12. Block 10, which should be completed only when preference group "G" is inserted in block 5, should state the name of the fabric or yarn that is not formed in the United States or a CBTPA beneficiary country or that is not available in commercial quantities in the United States;
13. Block 16a should reflect the date on which the Certificate was completed and signed;
14. Block 16b should be completed if the Certificate is intended to cover multiple shipments of identical articles as described in block 4 that are imported into the United States during a specified period of up to one year (see 19 CFR §10.226(b)(4)(ii)). The "from" date is the date on which the Certificate became applicable to the article covered by the blanket Certificate (this date may be prior to the date reflected in block 16a). The "to" date is the date on which the blanket period expires; and
15. The Certificate may be printed and reproduced locally. If more space is needed to complete the Certificate, attach a continuation sheet.

U.S. Customs Service
United States-Caribbean Basin Trade Partnership Act (CBTPA)
CERTIFICATE OF ORIGIN

19 CFR 10.234, 10.236

See Reverse for Instructions and a list of the tariff items with which this certificate may be used.

For the purpose of obtaining preferential tariff treatment for goods of the Caribbean basin beneficiary countries, this document must be completed legibly and in full by the exporter and be in the possession of the importer at the time the CBTPA claim is made. The producer may voluntarily complete a certificate for use by the exporter in filing out their own certificate.
Note: The purchase of a good in the Caribbean Basin beneficiary countries does not render it originating. If the origin of the good cannot be determined, the exporter must assume that the good does not originate.

PLEASE PRINT OR TYPE. SEE INSTRUCTIONS ON REVERSE.

1. Exporter's Name and Address	2. COMPLETE EITHER 2a or 2b				
	2a) Single Importation	Invoice or other unique reference number			
	2b) Blanket Period	From (ddmmyyyy)	To (ddmmyyyy)		
3. Producer's Name and Address	4. Importer's Name and Address				
5. Description of goods and processing activities	6. HS Tariff Classification Number	7. Preference Criterion (A-D)	8. Producer / Basis of Knowledge	9. Regional Value Content	10. Country of Origin

11. I certify that:

- the information on this document is true and accurate and I assume the responsibility for proving such representations. I understand that I am liable for any false statements or material omissions made on or in connection with this document;
- I agree to maintain, and present upon request, documentation necessary to support this Certificate, and to inform, in writing, all persons to whom the Certificate was given of any changes that could affect the accuracy or validity of this Certificate;
- the goods originated in the territory of one or more the Caribbean Basin beneficiary countries and comply with the origin requirements specified for those goods in the North American Free Trade Agreement, and unless specifically exempted in Article 411 or Annex 401*, there has been no further production or any other operation outside the territories of the parties; and
- this Certificate consists of ____ pages, including all attachments.

Authorized Signature and Date (ddmmyyyy)	Name and Title	
Company	Telephone	Fax

PAPERWORK REDUCTION ACT NOTICE: This request is in accordance with the Paperwork Reduction Act of 1995. We ask for the information in order to carry out the laws and regulations administered by the U.S. Customs Service. This form is used by exporters/importers for the purpose of obtaining preferential tariff treatment for goods of the Caribbean Basin beneficiary countries. It is mandatory. The estimated average burden associated with this collection of information is 15 minutes per respondent depending on individual circumstances. Comments concerning the accuracy of this burden estimate and suggestions for reducing this burden should be directed to U.S. Customs Service, Reports Clearance Officer, Information Service Branch, Washington, DC 20229, and to the Office of Management and Budget, Paperwork Reduction Project (1515-0226), Washington, DC 20503

The following Harmonized Tariff Schedule (HTS) item numbers are eligible for Preferential Tariff Treatment under the Caribbean Basin Trade Partnership Act. For a detailed description of each tariff item number below, please refer to the current edition of the Harmonized Tariff Schedule of the United States. **Do not use this certificate with HTS item numbers not included in the below list.**

1604 Prepared or preserved fish; caviar & caviar substitutes prepared from fish eggs:			
1604.14.10-30			
2709 Petroleum oils and oils obtained from bituminous materials, crude:			
2709.00.10-20			
2710 Petroleum oils and oils obtained from bituminous minerals, other than crude; preparations not elsewhere specified or included, containing by weight 70 percent or more of petroleum oils or of oils obtained from bituminous minerals, these oils being the basic constituents of the preparations:			
2710.00.05-45			
4202 Trunks, suitcases, vanity cases, attaché cases, briefcases, school satchels, ... and similar containers, of leather or of composition leather, of sheeting of plastics, of textile materials, of vulcanized fiber, or of paperboard, or wholly or mainly covered with such materials or with paper:			
4202.11.00	4202.19.00	4202.22.15	4202.31.60
4202.12.20	4202.21.30-90	4202.29.90	4202.91.00
4202.91.00			4202.99.90
4203 Articles of apparel and clothing accessories, of leather or of composition leather:			
4203.10.40	4203.29.08	4203.29.18	
4602 Basketwork, wickerwork and other articles, made directly to shape from plaiting materials or made up from articles of heading 4601; articles of loofah:			
4602.10.21-22	4602.10.25-29		
6401 Waterproof footwear with outer soles and uppers of rubber or plastics, the uppers of which are neither fixed to the sole nor assembled by stitching, riveting, nailing, screwing, plugging or similar processes:			
6401.10.00	6401.91.00	6401.92.60-90	6401.99.30-60
			6401.99.90
6402 Other footwear with outer soles & uppers of rubber or plastics:			
6402.19.05-15	6402.19.50-90	6402.30.30-90	6402.91.40-90
			6402.99.05-90
6403 Footwear with outer soles of rubber, plastics, leather or composition leather and uppers of leather:			
6403.19.10	6403.40.30-60	6403.59.15-90	6403.99.20-90
6403.19.30-50	6403.51.30-90	6403.91.30-90	
6404 Footwear with outer soles of rubber, plastics, leather or composition leather and uppers of textile materials:			
6404.11.20-90	6404.19.15-90	6404.20.20-60	
6405 Other footwear:			
6405.10.00	6405.20.30	6405.20.90	6405.90.90
6406 Parts of footwear (including uppers whether or not attached to soles other than outer soles); removable insoles, heel cushions and similar articles; gaiters, leggings and similar articles, and parts thereof:			
6406.10.05-20	6406.10.45-50		
9101 Wrist watches, pocket watches and other watches..., with cases of precious metal or of metal clad with precious metal:			
9101.11.40-80	9101.21.10-30	9101.29.10-80	
9101.19.40-80	9101.21.80	9101.99.40	
9102 Wrist watches, pocket watches and other watches, other than those of heading 9101:			
9102.11.10-95	9102.21.10-90	9102.91.20-80	
9102.19.20-80	9102.29.02-60	9102.99.20-80	
9108 Watch movements, complete and assembled:			
9108.11.40-80	9108.19.40-80	9108.99.20-40	
9108.12.00	9108.91.10-60	9108.99.80	
9110 Complete watch...movements, unassembled or partly assembled...; incomplete watch...movements, assembled; rough watch...movements:			
9110.11.00	9110.12.00	9110.19.00	
9111 Watch cases and parts thereof:			
9111.10.00	9111.20.20-40	9111.80.00	9111.90.40-70
9113 Watch bands, watch straps and watch bracelets, and parts thereof:			
9113.10.00	9113.20.20-90	9113.90.40-80	
9114 Other...watch parts:			
9114.10.40	9114.40.20	9114.90.15	
9114.30.40-80	9114.40.60	9114.90.40	

INSTRUCTIONS

- Field 1** State the full legal name and address (including country) of the exporter. If a producer completes the certificate, indicate "N/A". (Definition of exporter: NAFTA Article 514)
- Field 2 (a & b)** **2a - Complete field** if the Certificate covers a single shipment of a good by providing the invoice number shown on the commercial invoice
2b - Complete field if the certificate covers multiple shipments of identical goods as described in Field 5 that are imported into the United States for a specified period of up to one year (blanket period). "FROM" is the date upon which the Certificate becomes applicable to the good covered by the blanket Certificate. (The "FROM" date may be prior to the date of signing this Certificate; however, the signed Certificate must be in the possession of the importer at the time the claim for preferential tariff treatment is made.) "TO" is the date upon which the blanket period expires. The importation of a good for which CBTPA preferential tariff treatment is claimed based on this Certificate must occur between these dates. (Definition of identical: NAFTA Article 514)
- Field 3** State the full legal name and address (including country). If more than one producer's good is included on the Certificate, state "VARIOUS" and attach a list of all producers, including the legal name and address (including country). If you wish this information to be confidential, it is acceptable to state "Available to Customs upon request". If the producer and the exporter are the same, complete field with "SAME". (Definition of producer: NAFTA Article 415)
- Field 4** State the full legal name and address (including country). If the importer is not known at the time the Certificate is completed, or if there are multiple importers, it is acceptable to state "Available to Customs upon request". If a producer who is not also the exporter completes this Certificate, indicate "N/A".
- Field 5** Provide a full description of each good and the processing activities used to manufacture the good within the beneficiary country or countries. The description should be sufficient to relate it to the invoice description and to the Harmonized System (HS) description of the good.
- Field 6** For each good described in Field 5, identify the HS tariff classification to six digits. If the good is subject to a specific rule of origin in Annex 401* that requires eight digits, identify to eight digits, using the HS tariff classification of the country into whose territory the good is imported.
- Field 7** For each good described in Field 5, state which criterion (A through D, as defined in NAFTA Article 401) is applicable.
- Preference Criteria (A -D) Please refer to the Articles / Annexes of the North American Free Trade Agreement (NAFTA) for exact text.**
- A** The good is "wholly obtained or produced entirely" in the territory of one or more of the CBTPA countries, as defined in NAFTA Article 415. **Note:** This criterion does not include 'de minimis' claims.
- B** The good contains some non-originating materials, is produced entirely in the territory of one or more of the CBTPA countries and satisfies the specific rule of origin, set out in Annex 401*, that applies to its tariff classification. The rule may include a tariff classification change, regional value-content requirement or a combination thereof. The good must also satisfy all other applicable requirements of Chapter Four.
- C** The good is produced entirely in the territory of one or more of the CBTPA countries exclusively from originating materials. All materials used in the production of the good must qualify as "originating" by meeting the preference criteria A-D.
- D** Goods are produced in the territory of one or more of the CBTPA countries but do not meet the applicable rule of origin, set out in Annex 401*, because certain non-originating materials do not undergo the required change in tariff classification. The goods do nonetheless meet the regional value-content requirement specified in Article 401(d).
1. the good was imported into the territory of a CBTPA country in an unassembled or disassembled form but was classified as an assembled good, pursuant to HS General Rule of Interpretation 2(a); or
2. the good incorporated one or more non-originating materials, provided for as parts under the HS, which could not undergo a change in tariff classification because the heading provided for both the good and its parts and was not further subdivided into subheadings, or the subheading provided for both the good and its parts.
- Field 8** For each good described in Field 5, state "YES" if you are the producer of the good. If you are not the producer of the good, state "NO" followed by (1) or (2), depending on whether this certificate was based upon: (1) your reliance on the producer's written representation (other than a Certificate of Origin) that the good qualifies as an originating good; or (2) a completed and signed Certificate of Origin for the good, voluntarily provided to the exporter by the producer.
- Field 9** For each good described in Field 5, where the good is subject to a regional value content (RVC) requirement, if the RVC is calculated according to the Transaction Value Method, indicate "TV"; if the RVC is calculated over a period of time according to the Net Cost Method, indicate "NC" and identify the beginning and ending dates (DDMMYYYY); if no RVC is used, indicate "No". (Reference: NAFTA Articles 402.1, 402.5)
- Field 10** For each good described in Field 5, indicate the country of origin as per 19 CFR Part 134 and 19 CFR 10.195 (CBI Origination rules), except for textile and apparel articles, whose origin shall be determined as per 19 CFR 102.21.
- Field 11** This field must be completed, signed and dated by the exporter. When the Certificate is completed by the producer for use by the exporter, it must be completed, signed and dated by the producer. The date must be the date the Certificate was completed and signed. The signed Certificate must be in the possession of the importer at the time the claim for CBTPA preferential tariff treatment is made. For CBTPA claims made after importation, the date of the Certificate may be subsequent to the date of the importation of the goods. (Reference: NAFTA Article 502.3)

Annex 401* Please refer to the Harmonized Tariff Schedule of the United States, General Note 12.

List of Proclamations and Federal Register Notices

Proclamations

1. Proclamation 7351 of October 2, 2000 "To Implement the United States-Caribbean Basin Trade Partnership Act." (Designates beneficiary countries under CBTPA, delegates the President's authority to the USTR, and modifies the Harmonized Tariff Schedule) 65 *Federal Register* 59329-59338, October 4, 2000.
2. Proclamation 7383 of December 1, 2000 "To Implement Title V of the Trade and Development Act of 2000 and To Modify the Generalized System of Preferences." 65 *Federal Register* 76551-76557, December 6, 2000.
3. Proclamation 13191 of January 17, 2001 "Implementation of the African Growth and Opportunity Act and the United States-Caribbean Basin Trade Partnership Act." (Delegations to CITA and USTR) 66 *Federal Register* 7271-7273, January 22, 2001.

Committee for the Implementation of Textile Agreements (CITA) Notices

1. "Procedures in Considering Requests Under the Textile and Apparel 'Short Supply' Provisions of The African Growth and Opportunity Act and The United States-Caribbean Basin Trade Partnership Act." Issued by CITA, 66 *Federal Register* 13502-13504, March 6, 2001

U.S. Trade Representative Notices

1. "Determination Under the Caribbean Basin Trade Partnership Act." [Belize, Costa Rica, Dominican Republic, El Salvador, Guatemala, Haiti, Honduras, Jamaica, Nicaragua, Panama]. Issued by USTR, 65 *Federal Register* 60236-60237, October 10, 2000.
2. "Determination Under the Caribbean Basin Trade Partnership Act." [Guyana]. Issued by USTR, 65 *Federal Register* 69988-69989, November 21, 2000.

U.S. Customs Service Regulations

1. "United States-Caribbean Basin Trade Partnership Act and Caribbean Basin Initiative." [interim implementing regulations] Issued by U.S. Customs Service, 65 *Federal Register* 59650-59666, October 5, 2000.
2. "United States-Caribbean Basin Trade Partnership Act and Caribbean Basin Initiative." [corrections to the interim implementing regulations] Issued by U.S. Customs Service, 65 *Federal Register* 67260-67264, November 9, 2000.

Additional Information

The U. S. Customs Service's home page on the Internet's World Wide Web, provides the trade community with current, relevant information regarding Customs operations and items of special interest. The site posts information -- which includes proposed regulations, news releases, Customs publications and notices, etc. -- that can be searched, read on-line, printed or downloaded to your personal computer. The web site was established as a trade-friendly mechanism to assist the importing and exporting community. The web site contains the most current electronic versions of, or links to:

- Customs Regulations and statutes
- Federal Register and public information notices
- The Customs Bulletin and Decisions
- Binding Rulings
- Publications including-
 - *Importing Into the U.S.*
 - other Informed Compliance Publications in the "*What Every Member of the Trade Community Should Know About:...*" series
 - *Customs Valuation Encyclopedia*
- Video Tape availability and ordering information
- Information for small businesses

The web site links to the home pages of many other agencies whose importing or exporting regulations Customs helps to enforce. The web site also links to the Customs Electronic Bulletin Board (CEBB), an older electronic system on which Customs notices and drafts were posted. Since December 1999, the CEBB has been only accessible through the web site. Finally, Customs web site contains a wealth of information of interest to a broader public than the trade community -- to international travelers, for example.

The Customs Service's web address is <http://www.customs.gov>.

The information provided in this publication is for general information purposes only. Recognizing that many complicated factors may be involved in customs issues, an importer may wish to obtain a ruling under Customs Regulations, 19 CFR Part 177, or obtain advice from an expert (such as a licensed customs broker, attorney or consultant) who specializes in Customs matters. Reliance solely on the general information in this pamphlet may not be considered reasonable care.

Additional information may also be obtained from Customs ports of entry. Please consult your telephone directory for a Customs office near you. The listing will usually be found under U.S. Government, Treasury Department.

Other Useful Internet Sites

The Department of Commerce provides detailed information and downloadable copies of the Presidential Proclamations, Executive Orders, and agency regulations on the Trade and Development Act of 2000 and the CBTPA at the following Internet sites:

<http://www.mac.doc.gov/CBI/webmain/intro.htm>
http://www.otexa.ita.doc.gov/Trade_Act_2000.stm

“Your Comments are Important”

The Small Business and Regulatory Enforcement Ombudsman and 10 regional Fairness Boards were established to receive comments from small businesses about federal agency enforcement activities and rate each agency’s responsiveness to small business. If you wish to comment on the enforcement actions of U.S. Customs, call 1-888-REG-FAIR (1-888-734-3247).



**U.S. Customs Service
Washington, D.C. 20229**

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