



## Summary of the U.S. - Colombia Trade Promotion Agreement (TPA)

**\*\*The information presented on this website is meant to serve as a guide.  
Only the agreement text and the customs regulations issued to implement the  
agreement are definitive.**

If you have any questions about this Agreement, please contact Laurie Mease,  
U.S. Department of Commerce Office of Textiles and Apparel at 202-482-2043.

Status: The Agreement was signed on November 22, 2006, ratified by the U.S. Congress on October 12, 2011, signed by the President on October 21, 2011, and implemented on May 15, 2012. ATPDEA eligibility expired on May 15, 2012 for Colombia.

### **How U.S. Textile and Apparel Companies Benefit**

Colombia is an important export market for U.S. yarn and fabric manufacturers. The U.S.-Colombia TPA (USCTPA) represents increased market opportunities for U.S. yarn, fabric, apparel, and footwear manufacturers, increased two-way trade potential with Colombia, and overall economic growth opportunities among the countries.

Prior to the USCTPA, textile and apparel trade with Colombia benefited from the Andean Trade Promotion and Drug Eradication Act ([ATPDEA](#)), a unilateral trade program. Under the ATPDEA, U.S. manufacturers supplied yarns and fabrics to Colombia for the assembly of apparel. The apparel assembled in Colombia, made from the U.S. yarns and fabrics, entered the U.S. duty free.

Under the bilateral free trade agreement, qualifying U.S. yarns and fabrics enter the Colombia region duty-free. This duty-free market access allows for increased export opportunities for U.S. textile and apparel manufacturers. In addition, because the Agreement has no termination date, investment in the textile and apparel sector in the Colombia is expected to continually grow, promoting increased trade and increased exports to the Colombian market.

Key benefits for U.S. textile and apparel manufacturers include:

- Duty-free (zero tariff) market access to Colombia for textile and apparel products.
- Yarn forward rule of origin – Qualifying textile and apparel products must be made using U.S. and / or Colombian yarns and fabrics
- Effective Anti-circumvention measures – Specific textile customs procedures help prevent transshipment and circumvention of the rules of origin of the Agreement.
- Streamlined [Short Supply Process](#) - A streamlined commercial availability (short supply) determination process will allow fibers, yarns, or fabrics that are determined to be not commercially available in the U.S. and / or Colombia to be sourced from 3rd Parties for the production of qualifying textiles and apparel goods.
- Safeguards - A special textile safeguard mechanism will provide for temporary MFN tariffs, if a surge in imports under the Colombia TPA is shown to be causing or threatening to cause serious damage to domestic industry.

## **Tariff Elimination**

Immediate duty-free (zero tariff) market access for all textile and apparel products that meet the rule of origin of the Agreement

## **Qualifying Products/Rules of Origin**

In order for textiles and apparel to receive duty-free (zero tariff) entry, products must qualify as "originating" under the terms of the Agreement. "Qualifying" or "originating" goods are goods that meet the Rules of Origin of the Agreement.

The textile and apparel Rule of Origin is commonly known as the "yarn-forward" standard, which requires that the yarn production and all operations "forward" (i.e., fabric production through apparel assembly) occur in either the United States and/or Colombia ('the region'). However, there are some exceptions to the yarn-forward rule of origin as noted below. The Textile and Apparel Rules of Origin of the Agreement are found in [Chapter 3](#) on pages 6-37.

### ***Exceptions to the yarn-forward rule of origin***

- Knit Fabric (Chapter 60 HTSUS) and certain yarns follow a fiber-forward rule of origin - fiber production and all operations forward must occur in either the United States and/or Colombia.
- Brassieres (HTSUS 6212.10) follow a cut-and-assemble rule of origin - yarns and fabrics can be sourced from anywhere; the fabric must be cut and the brassiere must be assembled in the U.S. or Colombia.
- Luggage (HTSUS 4202.12, 4202.22, 4202.32, 4202.92) follows a fabric-forward rule of origin - yarns can be sourced from anywhere.
- Regional Elastomeric Requirement - elastomeric yarns must be sourced from the region for textile and apparel products to qualify for duty free entry
- Nylon Filament Yarn - U.S. and Colombia textile and apparel makers may source certain nylon filament yarn, other than elastomeric nylon filament yarn, from Mexico, Canada, and Israel for use in qualifying goods.
- Viscose Rayon Filament Yarn - can be sourced from anywhere for use in qualifying products.
- De Minimus - 10% (by weight) of the fibers or yarns of a qualifying products (with an elastomeric exception - all elastomeric content - spandex- must be sourced from the region) may be sourced from outside the region.
- [Short Supply](#) - Fibers, yarns, and fabrics on the Annex 3-B "[Short Supply List](#)" have been determined to be not currently available in the U.S. or Colombia and therefore may be sourced from outside the countries for use in qualifying textile and apparel products. For example, a fabric on the short supply list may come from any country, be cut-and-assembled into a garment in Colombia and imported in to the U.S. duty free. Products may be added to or removed from the short supply list. Currently the Agreement has a short supply list of 18 products that are not commercially available in the region.
- Short Supply Process: A new streamlined 'short supply' process (the same as DR-CAFTA process) includes tighter timelines than the ATPDEA short supply process. Items on the short supply list may be petitioned and removed if the good is commercial available in the U.S - Colombia region.

### ***Components that determine the tariff classification of an apparel good***

The rule of origin applies to the main component or 'essential character' of a textile or apparel good. Components such as collars, cuffs, trim, embroidery, belt loops, zippers, and similar

accessories are not considered for when determining the Rule of Origin of a good. However, certain components do apply, and thus must meet rule of origin requirements. In addition to the 'essential character' of a garment, the following apparel components are considered for classification purposes:

- Narrow elastic fabrics of HTSUS 5806.20 and 6002 must be sourced in the region and meet a "fabric-forward" rule of origin (yarns permitted from anywhere).
- Visible lining fabrics must be sourced in the region and meet a "fabric-forward" rule of origin (yarns permitted from anywhere).
- Regional cotton and filament thread (HS 5204 and HS 5401) is required in the assembly of qualifying apparel.
- Pocketing fabric used in qualifying apparel must be made in the U.S. or Colombia of U.S. or Colombia yarns.
- Details are found in the Chapter 61 and Chapter 62 'chapter rules' of the [textile Agreement](#) on pages 3-17 and 3-25.

**Used Clothing** is not permitted to enter the Colombia market under the terms of the Agreement.

### **Accumulation/Cumulation**

While there is not a 3rd Party 'Cumulation' provision in the Agreement similar to the U.S.- Central American-Dominican Republic FTA (CAFTA-DR), the textile chapter of the Agreement contains language that prompts the countries to consult after implementation, at a mutually agreed time, to discuss regional integration. Article 3.3(14). Colombia can not accumulate or 'build-up' (co-produce/source) textile and apparel goods with former ATPDEA countries and claim preference under the USCTPA.

**Wool** fabric and apparel follows a yarn forward rule of origin (note that the CAFTA-DR follows a fabric forward rule for wool products)

### **Footwear**

Market Access: Duty-free immediately for footwear that qualifies, except the **footwear items** (by HTSUS) listed below:

6401.10.00, 6401.92.90, 6401.99.10, 6401.99.30, 6401.99.60, 6401.99.90, 6402.91.10, 6402.99.08, 6402.91.20, 6402.99.16, 6402.91.26, 6402.99.19, 6402.91.50, 6402.91.80, 6402.91.90, 6402.99.33, 6402.99.80, 6402.99.90, 6404.11.90, 6404.19.20

### **Rule of Origin**

Regional Value Content (RVC) - 55% (or more) of the adjusted value of these footwear articles must be from the U.S. or Colombia. Uppers must be made in the U.S. or Colombia. The footwear must be cut-and assembled in the U.S. or Colombia. For all other footwear: The footwear must be cut-and-assembled in the U.S. or Colombia. Inputs/upper can come from anywhere. 20 percent (or more) of the adjusted value of the footwear article must be from the U.S. or Colombia.

### **Documentation Requirements**

For information on common export documents, such as transportation documents, export compliance documents, certificates of origin, certificates for shipments of specific goods, temporary shipment documents, and other export-related documents, see the [Export.gov webpage on Common Export Documents](#).

### **Measures to Prevent Circumvention of the Agreement's Rule of Origin**

Improved Customs Procedures – Specific textile customs cooperation language will help prevent transshipment and circumvention of the rules of origin of the Agreement.

Measures to Prevent Serious Damage, or Actual Threat Thereof, to the Domestic Industry

A special textile safeguard mechanism will provide for temporary MFN tariffs, if a surge in imports under the USCTPA is shown to be causing or threatening to cause serious damage to domestic industry.

### **Intellectual Property Rights**

The USCTPA provides for improved standards for the protection and enforcement of a broad range of IPR, which are consistent with both U.S. and international standards of protection and enforcement, as well as with emerging international standards. Such improvements include state-of-the-art protections for digital products, such as U.S. software, music, text, and videos; stronger protection for U.S. patents, trademarks, and test data, including an electronic system for the registration and maintenance of trademarks; and further deterrence of piracy and counterfeiting, including by criminalizing end-use piracy.

### **Government Procurement**

Under the USCTPA, Colombia agreed to provide U.S. goods, services, and suppliers with national treatment. U.S. firms will have access to procurement by Colombia's ministries and departments, legislature, courts, and first-tier sub-central entities, as well as a number of Colombia's government enterprises, including its oil company. Colombia is not a signatory to the WTO Agreement on Government Procurement.

### **Additional Resources**

[Text of the Agreement](#)

[Export.Gov](#)

[Office of the U.S. Trade Representative](#)

[InExModa \(Colombia\)](#)

[Proexport \(Colombia\)](#)

[ANDI \(Colombia\)](#)