

VARIOUS RULES OF ORIGIN AS THEY APPLY TO IMPORTED ARTICLES

Rules of Origin and Country of Origin Marking Requirements

	Nature of Transaction	Rule of Origin	Cite	Notes
1	General Rule of origin under the Customs laws.	Substantial transformation and ultimate purchaser doctrine	19 USC§ 1304, and U.S. Gibson-Thomsen (1940)	Imported articles must still have the outer containers marked even substantially transformed aft importation
2	Textiles (including NAFTA)	Multiple countries apply tariff shift rule	19 CFR § 102.21	Does not apply to Israel
3	NAFTA general rule	C/O of good is C/O of the single material that imparts its essential character	19 CFR § 102.11 (a) (3)	C/O rule is separate from NAFTA eligibility rules. Hierarchy or criteria 1 st preference
a	NAFTA multi country (not textiles)	Tariff shift rule	19 CFR § 102.20 & 102.11(a)(3)	Hierarchy of criteria – 2 nd preference
b	NAFTA essential character rule	C/O of good is C/O of the single material that imparts its essential character	19 CFR § 102.11 (b)	Also applies to sets. Essential charact rule applies when origin cannot be determined by tariff shift rule
c	NAFTA preference override rule	If NAFTA eligible – c/o is last NAFTA country in which product underwent production other than minor processing	19 CFR § 102.19	
4	Generalized System of Preferences [GSP]	Substantial transformation.	19 CFR § 102.176	Double substantial transformation required of non BDC materials
5	Israel FTA(including textiles)	Substantial transformation and specific manufacturing and processing rules	19 CFR § 12.130;19 USC 3592; TD 96-58	Israel FTA uses the pre-1995 textiles origin rules
6	CBI & AGOA (apparel)	Tariff shift rule	19 CFR § 10.178a and 19 CFR § 102.21	Wider foreign fabric eligibility for lesser developed countries
7	FTC “Made in USA” rule	All or substantially all of materials and labor are of U.S. origin	15 U.S.C. § 45, prohibits “unfair or deceptive acts or practices.” See also http://www.ftc.gov/os/statutes/usajump.htm	Applies not only to marking but also advertising, including catalogues
8	FTC – duty to disclose foreign origin	Foreign content (material and labor) over 50%	Same FTC generally has left foreign origin enforcement to Customs	If under 50% foreign content—need not show any origin. US content must be disclosed on automobiles, textile, wood and fur products
9	FTC: Textile and Wool Fiber and Fur Products Identification acts	Customs textiles rules of origin apply	Textile Fiber Products Identification Act, 15 USC § 70 et seq., and Wool Products Labeling Act, 15 USC. § 68 et seq. See also 16 CFR Parts 303 and 300	Additional origin, RN number and fiber content disclosure rules.
10	Export shipments and SED’S (line 21 domestic versus foreign)	Domestic if enhanced in value or changed from the form in which imported by further manufacture or processing in the United States	http://www.census.gov/foreign-trade/www/correc.way.html	Bureau of Census Criteria
11	Government Procurement/ Buy America Act	Substantial transformation	19 CFR § 177.21-§ 177.31 and 41 CFR Parts 1-6	Origin determinations made by Customs Service although not strictly import issues
12	Foreign rules of origin	Country specific. Often tariff shift rules apply e.g. EU	Country specific	Do not assume that other countries have same rules of origin

