

TEXTILES - NEW RULES OF ORIGIN¹

WHOLLY PRODUCED

The country of origin is the country in which a product is wholly produced when a textile or apparel product is completely produced or manufactured (except for minor parts) in one.

YARN, INCLUDING SINGLE AND MULTIPLE YARNS

The country of origin of yarn, thread, twine, cordage, rope, braiding, etc. is:

- a) Staple Yarn, etc. - the country in which yarn is spun.
- b) Filament Yarn, etc. - the country in which filament is extruded.
- c) Plyed, Gimped and Cabled Yarns, etc. - the country in which the fibers or filaments used in the yarn are spun or extruded.

FABRIC

The country of origin of a fabric is the country in which the fabric is woven, knitted, needled, tufted, felted, entangled or crated by any other fabric making process. (Note: A fabric making process is any process that results in a fabric being created).

ALL OTHER TEXTILE PRODUCTS

The country of origin of all other textile and apparel products is the country in which the components of a textile or apparel product are wholly assembled (except for minor attachments such as buttons, beads, spangles, embroidery, etc., or minor subassemblies such as collars, cuffs, pockets, plackets, etc.)

Note: The major change (particularly for apparel) in the new rules is that assembly, not cutting, confers country of origin.

Except:

- a) The country of origin of knit-to-shape products is the country in which major parts are knitted or crocheted directly to the shape used in the finished product.

Note: Knit-to-shape means that the panels or parts (except minor parts such as collars, cuffs, waistbands, plackets, pockets, linings, pads, trim or similar parts) are knit to the shape used in the final assembly process (rather than knit into a tube or blanket of material that is cut to shape). Minor cutting, sewing or assembly does not affect whether components are knit to shape. Knit-to-shape applies when 50 percent or more of the exterior surface area (not including patch pockets, appliqués, etc.) is knitted or crocheted.

Note: For hosiery, the addition of gussets or top elastics or the closing of toes does not affect the status of knit-to-shape.

¹ Data obtained from United States Customs via Administrative messages

And, except the articles in the following 16 specified harmonized tariff system (HTS) classifications (the HTS classification is followed by a general description):

b) Articles produced from yarns:

5609 - The country of origin or articles made from yarn, strips, twine, cordage, rope or cables is the country in which the yarn, etc., is produced.

c) Articles produced from fabric:

The country of origin of certain articles made from fabric in the following harmonized tariff system classifications. The country in which the fabric is produced:

5807 - Labels, Badges, Emblems

5811 - Quilted textile products in the piece, or lengths or rolls of quilted fabrics to be cut and hemmed

6209.20.5040 - baby diapers

6213 - Handkerchiefs

6214 - Shawls, scarves, mufflers, mantillas, veils, etc.,

6301 - Blankets, traveling rugs

6302 - Bed linen, table linen, toilet linen, kitchen linen

6303 - Curtains, drapes, interior blinds, valences

6304 - Bedspreads, furnishings

6305 - Sacks and bags for packing

6306 - Tarpaulins, awnings, sun-blinds, tents, sails, camping goods

6307.10 - Dust cloths, mop cloths, polishing cloths, shop towels, bar mops, dish cloths

6307.90 - Labels, cords, tassels, corset and footwear lacing, toys for pets, wall banners, surgical towels, tufted towels, pillow shells, quilt shells, comforters, national flags, moving pads

6308 - Needlecraft sets

9404.90 - Pillows, cushions, quilts, comforters

MULTI-COUNTRY RULE

If one for the above rules cannot determine the country of origin of a textile or apparel product because the product is created as a result of processing in two or more countries, the country of origin is:

a) The country in which the most important assembly or most important manufacturing process occurs.

Note: The most important processing operation must be determined on a case-by-case basis through binding rulings and court decisions. The resulting body of rulings and court decisions may serve as guidelines in the future.

Note: Because the most important processing operation can only be determined on a case-by-case basis, binding rulings should be requested from:

U.S. Customs Service
Director, National Commodity Division
6 World Trade Center
CIE, Room 437, Attn: Binding Rulings Section
New York, New York 10048

Or: Office of Rulings and Regulations
U.S. Customs Service
1301 Constitution Ave., NW
Washington, DC 20229

The requestor should be sure to specify that the ruling is requested pursuant to section 334 or the new rules of origin. Otherwise, consideration will be given to the facts under the current rules of origin until July 1, 1996 and a brief opinion will be provided for the country of origin under the new rules. A sample (or drawings if a sample is not practical) showing exact subassemblies should be submitted with the request for ruling. Rulings requested from New York should be answered within 30 days if information provided by the requestor is complete.

- b) If the most important assembly or manufacturing process cannot be determined, e.g., if the right half of a coat is assembled in one country and the left half is assembled in another country, then the country of origin is probably the country in which the two halves are sewn together (that is, the last country in which an important processing operation occurred) because each half is equally important.

HIERARCHY OF RULES

The above rules are arranged in a hierarchy to be applied in the following sequential order as specified in customs regulation 102.21©:

1. Textile or apparel products wholly produced in one country.
2. Each foreign material undergoes requisite tariff shift (as provided in customs regulation 102.21).

SPECIAL CONSIDERATIONS

Sets

Israel

Insular possessions

9802: components cut in the U.S. from Foreign fabric and assembled abroad

COVERAGE

In addition to the textile items found in Chapters 50 through 63 of the harmonized tariff system (HTS) classifications and any other HTS classifications with category numbers, the following textile items in the HTS classifications listed below also have been defined by the world trade organization as textile and apparel products and are subject to the new U.S. country of origin rules for textile and apparel products:

- 3005 - Non-adhesive wadding, gauze bandages
- 3921 - PVC and Pu sheets, film, etc.
- 4202 - Luggage, Handbags, etc.
- 6605 - Footwear of textiles
- 6601 - Umbrellas
- 7019 - Fiberglass yarns and fabrics
- 8708 - Automobile seat belts
- 8804 - Parachutes
- 9113 - Watch straps
- 9404 - Comforters, quilts, pillows
- 9502 - Doll clothing
- 9612 - Typewriter ribbons

The specific classifications of the above products up to 10 digits can be found in the federal register, vol. 60, No. 171, September 5, 1995, Page 46198, and in Customs Regulation 102.21 (E) (19 CFR 102.21(E)).

Major changes between the old and new rules.

1. Cutting does not determine the country of origin (previously cutting determined country of origin for many wearing apparel imports). The new rules are based on processing or assembly operations.
2. Essential character does not determine country of origin because the new rules are based on processing.
3. A subjective determination under the provisions of Customs regulation 12.130 is replaced by objective processing operations expressed in terms of tariff shifts.
4. Country of origin for textile and apparel products processed, assembled or manufactured in two or more countries is determined by where the most important processing occurs, and if that cannot be ascertained, the last country in which an important processing operation occurs.