

- (e) the term "customs value of goods" means the value of goods for the purposes of levying ad valorem customs duties on imported goods;
- (f) the term "domestic industry" means the producers as a whole of the like or directly competitive goods operating in a Party, or those whose collective output of the like or directly competitive goods constitutes a major proportion of the total domestic production of those goods;
- (g) the term "export subsidies" means export subsidies described in subparagraph (e) of Article 1 of the Agreement on Agriculture;
- (h) the term "provisional bilateral safeguard measure" means a provisional bilateral safeguard measure provided for in paragraph 1 of Article 25;
- (i) the term "serious injury" means a significant overall impairment in the position of a domestic industry; and
- (j) the term "threat of serious injury" means serious injury that, on the basis of facts and not merely on allegation, conjecture or remote possibility, is clearly imminent.

Chapter 4
Rules of Origin

Section 1
Rules of Origin

Article 29
Originating Goods

1. Except as otherwise provided for in this Chapter, a good shall qualify as an originating good of a Party where:

- (a) the good is wholly obtained or produced entirely in the Party, as defined in paragraph 2;
- (b) the good is produced entirely in the Party exclusively from originating materials of the Party;
- (c) the good is produced entirely in the Party using non-originating materials, provided that the good satisfies the product specific rules set out in Annex 2, as well as all other applicable requirements of this Chapter; or

- (d) except for a good provided for in Chapters 61 through 63 of the Harmonized System, the good is produced entirely in the Party, but one or more of the non-originating materials that are used in the production of the good do not undergo an applicable change in tariff classification because:
 - (i) the good is imported into the Party in an unassembled or disassembled form but is classified as an assembled good pursuant to Rule 2(a) of the General Rules for the Interpretation of the Harmonized System; or
 - (ii) the heading for the good provides for and specifically describes both the good itself and its parts and is not further subdivided into subheadings, or the subheading for the good provides for and specifically describes both the good itself and its parts,

provided that the qualifying value content of the good, determined in accordance with Article 30, is not less than 45 percent when the method referred to in subparagraph 1(a) of Article 30 is used or 30 percent when the method referred to in subparagraph 1(b) of Article 30 is used, unless otherwise provided for in Annex 2, and that the good satisfies all other applicable requirements of this Chapter.

2. For the purposes of subparagraph 1(a), the following goods shall be considered as being wholly obtained or produced entirely in a Party:

- (a) mineral goods extracted in the Party;
- (b) vegetable goods harvested in the Party;
- (c) live animals born and raised in the Party;
- (d) goods obtained from hunting, trapping or fishing in the Party;
- (e) goods obtained from live animals in the Party;
- (f) fish, shellfish and other marine species taken from the sea beyond the territorial seas of the Parties by vessels:
 - (i) which are registered or recorded in the Party;

- (ii) which sail under the flag of the Party;
- (iii) which are owned to an extent of at least 50 percent by nationals of the Party, or by an enterprise with its head office in the Party, of which the representatives, chairman of the board of directors, and the majority of the members of such board are nationals of the Party, and of which at least 50 percent of the equity interest is owned by nationals or enterprises of the Party;
- (iv) of which the master and officers are all nationals of the Party; and
- (v) of which at least 75 percent of the crew are nationals of the Party;

Note 1: Without prejudice to the rights and obligations of the Parties under international law, including those under the United Nations Convention on the Law of the Sea, subparagraph (f) shall not apply to fish, shellfish and other marine species taken from the exclusive economic zone of the other Party by the vessels referred to in that subparagraph.

Note 2: The requirements of subparagraphs (f)(iii) through (v) shall not apply to vessels registered or recorded in Chile prior to June 30, 1991, provided for in Transitional Article 10 of the consolidated text of the Law 18.892, General Law on Fisheries and Aquiculture (*Artículo 10 Transitorio del texto refundido, coordinado y sistematizado de la Ley 18.892, Ley General de Pesca y Acuicultura*), and their successor vessels registered or recorded in accordance with that Law and other relevant provisions of Chilean law.

- (g) goods produced from the goods referred to in subparagraph (f) on board factory ships:
 - (i) which are registered or recorded in the Party;

- (ii) which sail under the flag of the Party;
- (iii) which are owned to an extent of at least 50 percent by nationals of the Party, or by an enterprise with its head office in the Party, of which the representatives, chairman of the board of directors, and the majority of the members of such board are nationals of the Party, and of which at least 50 percent of the equity interest is owned by nationals or enterprises of the Party;
- (iv) of which the master and officers are all nationals of the Party; and
- (v) of which at least 75 percent of the crew are nationals of the Party;

Note: The requirements of subparagraphs (g) (iii) through (v) shall not apply to factory ships registered or recorded in Chile prior to June 30, 1991, provided for in Transitional Article 10 of the consolidated text of the Law 18.892, General Law on Fisheries and Aquiculture (*Artículo 10 Transitorio del texto refundido, coordinado y sistematizado de la Ley 18.892, Ley General de Pesca y Acuicultura*), and their successor vessels registered or recorded in accordance with that Law and other relevant provisions of Chilean law.

- (h) goods taken by the Party or a natural person or enterprise of the Party from the seabed or subsoil beneath the seabed outside the territorial sea of the Party, provided that the Party has rights to exploit such seabed or subsoil;
- (i) waste and scrap derived from:
 - (i) production in the Party; or
 - (ii) used goods collected in the Party, provided that such goods are fit only for the recovery of raw materials; and

- (j) goods produced in the Party exclusively from the goods referred to in subparagraphs (a) through (i), or from their derivatives, at any stage of production.

3. For the purposes of subparagraph 1(c), the product specific rules set out in Annex 2 requiring that the materials used undergo a change in tariff classification or a specific manufacturing or processing operation shall apply only to non-originating materials.

Article 30 Qualifying Value Content

1. For the purposes of subparagraph 1(c) of Article 29, the qualifying value content of a good shall be calculated on the basis of one or the other of the following methods:

- (a) Method based on value of non-originating materials ("Build-down method")

$$QVC = \frac{TV - VNM}{TV} \times 100$$

- (b) Method based on value of originating materials ("Build-up method")

$$QVC = \frac{VOM}{TV} \times 100$$

Where:

QVC is the qualifying value content of the good, expressed as a percentage;

TV is the transaction value of the good adjusted to F.O.B. basis, except as provided for in paragraph 2;

VNM is the value of non-originating materials used by the producer in the production of the good determined pursuant to Article 31; and

VOM is the value of originating materials used by the producer in the production of the good determined pursuant to Article 31.

2. In the event that there is no transaction value or the transaction value of the good is unacceptable under Article 1 of the Agreement on Customs Valuation, the value of the good shall be determined in accordance with Articles 2 through 7 of the Agreement on Customs Valuation.

Article 31
Value of Materials

1. The value of a material:
 - (a) shall be the transaction value of the material;
or
 - (b) in the event that there is no transaction value or the transaction value of the material is unacceptable under Article 1 of the Agreement on Customs Valuation, shall be determined in accordance with Articles 2 through 7 of the Agreement on Customs Valuation.

2. The value of a material referred to in paragraph 1:
 - (a) shall include freight, insurance, packing and all other costs incurred in transporting the material to the importation port in the Party where the producer of the good is located; and
 - (b) may include the cost of waste and spoilage resulting from the use of the material in the production of the good, less the value of reusable scrap or by-product.

3. The value of a non-originating material shall not include, where the producer acquires the material in the Party where the producer is located, freight, insurance, packing and all other costs incurred in transporting the material from the warehouse of the supplier of the material to the place where the producer is located; as well as any other known and ascertainable cost incurred in the Party.

Article 32
De Minimis

Non-originating materials used in the production of a good that do not undergo an applicable change in tariff classification shall be disregarded in determining whether the good qualifies as an originating good of a Party, provided that the totality of such materials does not exceed specific percentages in value, weight or volume of the good as set out in Annex 2.

Article 33
Accumulation

For the purposes of determining whether a good qualifies as an originating good of a Party, an originating good of the other Party which is used as a material in the production of the good in the former Party may be considered as an originating material of the former Party.

Article 34
Fungible Goods and Materials

1. For the purposes of determining whether a good qualifies as an originating good of a Party, where fungible materials consisting of originating materials of the Party and non-originating materials that are commingled in an inventory are used in the production of the good, the origin of the materials may be determined pursuant to an inventory management method recognized in the Generally Accepted Accounting Principles in the Party.

2. Where fungible goods consisting of originating goods of a Party and non-originating goods are commingled in an inventory and, prior to exportation do not undergo any production process or any operation in the Party where they were commingled other than unloading, reloading and any other operation to preserve them in good condition, the origin of the good may be determined pursuant to an inventory management method recognized in the Generally Accepted Accounting Principles in the Party.

Article 35
Sets, Kits or Composite Goods

1. Sets, kits and composite goods classified pursuant to Rule 3 of the General Rules for the Interpretation of the Harmonized System shall qualify as originating goods of the exporting Party, where every good contained in the sets, kits or composite goods satisfies the applicable rule of origin for each of them under this Chapter.

2. Paragraph 1 shall prevail over the product specific rules set out in Annex 2.

Article 36
Indirect Materials

Indirect materials shall be, without regard to where they are produced, considered to be originating materials of the Party where the good is produced.

Article 37
Accessories, Spare Parts and Tools

Accessories, spare parts or tools delivered with a good that form part of the good's standard accessories, spare parts or tools, shall be disregarded in determining whether the good qualifies as an originating good of a Party, provided that:

- (a) the accessories, spare parts or tools are not invoiced separately from the good, without regard of whether they are separately described in the invoice; and
- (b) the quantities and value of the accessories, spare parts or tools are customary for the good.

Article 38
Packaging Materials and Containers for Retail Sale

Packaging materials and containers in which a good is packaged for retail sale shall, if classified with the good pursuant to Rule 5 of the General Rules for the Interpretation of the Harmonized System, be disregarded in determining whether the good qualifies as an originating good of a Party.

Article 39
Packing Materials and Containers for Shipment

Packing materials and containers for shipment shall be disregarded in determining whether the good qualifies as an originating good of a Party.

Article 40
Non-Qualifying Operations

1. A good shall not be considered to be an originating good of the exporting Party merely by reason of:
 - (a) operations to ensure the preservation of products in good condition during transport and storage;
 - (b) changes of packaging and breaking up and assembly of packages;
 - (c) disassembly;
 - (d) placing in bottles, cases, boxes and other simple packaging operations;

- (e) collection of parts and components classified as a good pursuant to Rule 2(a) of the General Rules for the Interpretation of the Harmonized System;
- (f) mere making-up of sets of articles; or
- (g) any combination of operations referred to in subparagraphs (a) through (f).

2. Paragraph 1 shall prevail over the product specific rules set out in Annex 2.

Article 41 Consignment Criteria

1. An originating good of a Party shall be deemed to meet the consignment criteria when it is:

- (a) transported directly from the Party to the other Party; or
- (b) transported through one or more non-Parties for the purpose of transit or temporary storage in warehouses in such non-Parties, provided that it does not undergo operations other than unloading, reloading and any other operation to preserve it in good condition.

2. If an originating good of a Party does not meet the consignment criteria referred to in paragraph 1, that good shall not be considered as an originating good of the Party.

Article 42 Exhibitions

Notwithstanding Article 41, an originating good of a Party imported into the other Party after an exhibition in a non-Party shall continue to qualify as an originating good of the former Party when it:

- (a) remained under the control of the customs authority of the non-Party while it was in the non-Party; and
- (b) was transported:
 - (i) directly to and from the non-Party; or

- (ii) through other non-Parties for the purpose of transit or temporary storage in warehouses in such other non-Parties, provided that it did not undergo operations other than unloading, reloading and any other operation to preserve it in good condition.

Section 2
Certificate of Origin and Related Procedures

Article 43
Claim for Preferential Tariff Treatment

1. The customs authority of the importing Party shall require a certificate of origin for an originating good of the exporting Party from importers who claim the preferential tariff treatment for the good.

2. Notwithstanding paragraph 1, the customs authority of the importing Party shall not require a certificate of origin from importers for:

- (a) an importation of originating goods of the exporting Party whose total customs value does not exceed 1000 United States of America dollars or its equivalent amount in the Party's currency, or such higher amount as it may establish; or
- (b) an importation of originating goods of the exporting Party, for which the customs authority of the importing Party has waived the requirement for a certificate of origin,

provided that the importation does not form part of one or more importations that may reasonably be considered to have been undertaken or arranged for the purpose of avoiding the certification requirements of this Article and Article 46.

3. In the case where an originating good of the exporting Party is imported after an exhibition in a non-Party, the customs authority of the importing Party may require importers, who claim the preferential tariff treatment for the good, to submit:

- (a) a certificate or any other information given by the customs authority of that non-Party or other relevant entities, which evidences that the good meets the requirements of subparagraph (a) of Article 42; and
- (b) (i) a copy of through bill of lading; or

- (ii) if the good was transported through other non-Parties, a certificate or any other information given by the customs authorities of such other non-Parties or other relevant entities, which evidences that the good has not undergone operations other than unloading, reloading and any other operation to preserve it in good condition in those other non-Parties.

4. Where an originating good of the exporting Party is imported through one or more non-Parties except for the case referred to in paragraph 3, the customs authority of the importing Party may require importers, who claim the preferential tariff treatment for the good, to submit:

- (a) a copy of through bill of lading; or
- (b) a certificate or any other information given by the customs authorities of such non-Parties or other relevant entities, which evidences that the good has not undergone operations other than unloading, reloading and any other operation to preserve it in good condition in those non-Parties.

Article 44 Certificate of Origin

1. A certificate of origin shall be issued by the competent authority specified in Annex 3 (hereinafter referred to in this Chapter as "competent authority") of the exporting Party on request having been made in writing by the exporter.

2. For the purposes of this Article, the competent authority of the exporting Party may designate public or private entities or bodies to be responsible for the issuance of certificate of origin in accordance with the applicable laws and regulations of the exporting Party.

3. Where the competent authority of the exporting Party designates public or private entities or bodies to carry out the issuance of certificate of origin, the exporting Party shall notify in writing the other Party of its designees.

4. For the purposes of this Chapter, upon the entry into force of this Agreement, a format of certificate of origin shall be established in the English language in the Operational Procedures referred to in Article 52. A certificate of origin shall include minimum data specified in Annex 4.

5. A certificate of origin shall be completed in the English language.

6. An issued certificate of origin shall be applicable to an importation of originating goods of the exporting Party into the importing Party and be valid for one year from the date of issuance.

7. Where the exporter of a good is not the producer of the good in the exporting Party, the exporter may request a certificate of origin on the basis of:

- (a) a declaration provided by the exporter to the competent authority of the exporting Party or its designees based on the information provided by the producer of the good to that exporter; or
- (b) a declaration voluntarily provided by the producer of the good directly to the competent authority of the exporting Party or its designees by the request of the exporter.

8. A certificate of origin shall be issued only after the exporter who requests the certificate of origin, or the producer of a good in the exporting Party referred to in subparagraph 7(b), proves to the competent authority of the exporting Party or its designees that the good to be exported qualifies as an originating good of the exporting Party. The competent authority of the exporting Party or its designees may, in accordance with the applicable laws and regulations of the exporting Party, require such exporter or producer to provide information relating to the origin of the good.

9. The competent authority of the exporting Party shall provide the importing Party with impressions of stamps used by the competent authority of the exporting Party or its designees.

10. Each Party shall ensure that the competent authority of the exporting Party or its designees shall keep a record of issued certificates of origin for a period of five years after the date on which the certificate of origin was issued. Such record will include all antecedents, which were presented to prove the qualification as an originating good of the exporting Party.

Article 45
Obligations regarding Exportations

Each Party shall, in accordance with its laws and regulations, ensure that the exporter to whom a certificate of origin has been issued, or the producer of a good in the exporting Party referred to in subparagraph 7(b) of Article 44:

- (a) shall notify in writing the competent authority of the exporting Party or its designees without delay when such exporter or producer knows that such good does not qualify as an originating good of the exporting Party; and
- (b) shall keep the records relating to the origin of the good for five years after the date on which the certificate of origin was issued.

Article 46
Obligations regarding Importations

1. Except as otherwise provided for in this Chapter, the customs authority of the importing Party shall require an importer who claims preferential tariff treatment for a good imported from the other Party to:

- (a) make a written declaration, based on a valid certificate of origin, that the good qualifies as an originating good of the exporting Party;
- (b) have the certificate of origin in its possession at the time the declaration is made;
- (c) provide the certificate of origin on the request of the customs authority of the importing Party; and
- (d) promptly make a corrected declaration and pay any duties owing where the importer has reason to believe that the certificate of origin on which a declaration was based contains information that is not correct.

2. Each Party shall ensure that, in the case in which the importer at the time of importation does not have a certificate of origin in its possession, the importer may, in accordance with the laws and regulations of the importing Party, provide the customs authority of the importing Party with the certificate of origin issued in accordance with paragraph 1 of Article 44 and, if required, such other documentation relating to the importation of the good, within a period not exceeding one year after the time of importation.

Note: In the case of importation into Chile, any excess customs duties shall be refunded to the importer referred to in paragraph 2.

Article 47

Request for Checking of Certificate of Origin

1. For the purposes of determining whether a good imported from the exporting Party under preferential tariff treatment qualifies as an originating good of the exporting Party, the customs authority of the importing Party may request information relating to the origin of the good from the competent authority of the exporting Party on the basis of a certificate of origin, where it has reasonable doubt as to the authenticity of the certificate of origin or the accuracy of the information included in the certificate of origin.

2. For the purposes of paragraph 1, the competent authority of the exporting Party shall, in accordance with the laws and regulations of the exporting Party, provide the information requested within a period of three months from the date of receipt of the request. If the customs authority of the importing Party considers necessary, it may require additional information relating to the origin of the good. If additional information is requested by the customs authority of the importing Party, the competent authority of the exporting Party shall, in accordance with the laws and regulations of the exporting Party, provide the information requested within a period of two months from the date of receipt of the request.

3. For the purposes of paragraph 2, the competent authority of the exporting Party may request the exporter to whom the certificate of origin has been issued, or the producer of the good in the exporting Party referred to in subparagraph 7(b) of Article 44, to provide the former with the information requested.

4. The request of information in accordance with paragraph 1 shall not preclude the use of the verification method provided for in Article 48.

Article 48
Verification Visit

1. The customs authority of the importing Party may request the competent authority of the exporting Party to:

- (a) collect and provide information relating to the origin of a good and check, for that purpose, the facilities used in the production of the good, through a visit by the competent authority of the exporting Party along with the customs authority of the importing Party to the premises of the exporter to whom the certificate of origin has been issued, or the producer of the good in the exporting Party referred to in subparagraph 7(b) of Article 44; and
- (b) provide information relating to the origin of the good in the possession of the competent authority of the exporting Party or its designees during the visit pursuant to subparagraph (a).

2. When requesting the competent authority of the exporting Party to conduct a visit pursuant to paragraph 1, the customs authority of the importing Party shall deliver a written communication with such request to the competent authority of the exporting Party at least 40 days in advance of the proposed date of the visit, the receipt of which is to be confirmed by the competent authority of the exporting Party. The competent authority of the exporting Party shall request the written consent of the exporter, or the producer of the good in the exporting Party whose premises are to be visited.

3. The communication referred to in paragraph 2 shall include:

- (a) the identity of the customs authority issuing the communication;
- (b) the name of the exporter, or the producer of the good in the exporting Party whose premises are requested to be visited;
- (c) the proposed date and place of the visit;

- (d) the objective and scope of the proposed visit, including specific reference to the good subject of the verification referred to in the certificate of origin; and
- (e) the names and titles of the officials of the customs authority of the importing Party to be present during the visit.

4. The competent authority of the exporting Party shall respond in writing to the customs authority of the importing Party, within 30 days of the receipt of the communication referred to in paragraph 2, if it accepts or refuses to conduct the visit requested pursuant to paragraph 1.

5. The competent authority of the exporting Party shall, in accordance with the laws and regulations of the exporting Party, provide within 45 days or any other mutually agreed period from the last day of the visit, to the customs authority of the importing Party the information obtained pursuant to paragraph 1.

Article 49
Determination of Origin
and Preferential Tariff Treatment

1. The customs authority of the importing Party may deny preferential tariff treatment to a good for which an importer claims preferential tariff treatment where the good does not qualify as an originating good of the exporting Party or where the importer fails to comply with any of the relevant requirements of this Chapter.

2. The competent authority of the exporting Party shall, when it cancels the decision to issue the certificate of origin, promptly notify the cancellation to the exporter to whom the certificate of origin has been issued, and to the customs authority of the importing Party except where the certificate of origin has been returned to the competent authority of the exporting Party. The customs authority of the importing Party may determine that the good does not qualify as an originating good of the exporting Party and may deny preferential tariff treatment when it receives the notification.

3. The customs authority of the importing Party may determine that a good does not qualify as an originating good of the exporting Party and may deny preferential tariff treatment, and a written determination thereof shall be sent to the competent authority of the exporting Party:

- (a) where the competent authority of the exporting Party fails to respond to the request within the period referred to in paragraph 2 of Article 47 or paragraph 5 of Article 48;
- (b) where the competent authority of the exporting Party refuses to conduct a visit, or fails to respond to the communication referred to in paragraph 2 of Article 48 within the period referred to in paragraph 4 of Article 48; or
- (c) where the information provided to the customs authority of the importing Party pursuant to Article 47 or 48, is not sufficient to prove that the good qualifies as an originating good of the exporting Party.

4. After carrying out the procedures outlined in Article 47 or 48 as the case may be, the customs authority of the importing Party shall provide the competent authority of the exporting Party with a written determination of whether or not the good qualifies as an originating good of the exporting Party, including findings of fact and the legal basis for the determination, within 45 days from the date of receipt of the information provided by the competent authority of the exporting Party pursuant to Article 47 or 48. The competent authority of the exporting Party shall inform such determination by the customs authority of the importing Party to the exporter, or the producer of the good in the exporting Party, whose premises were subject to the visit referred to in Article 48.

Article 50

Penalties and Measures against False Declaration

1. Each Party shall establish or maintain, in accordance with its laws and regulations, appropriate penalties or other sanctions against its exporters to whom a certificate of origin has been issued and the producers of a good in the exporting Party referred to in subparagraph 7(b) of Article 44, for providing false declaration or documents to the competent authority of the exporting Party or its designees prior to the issuance of certificate of origin.

2. Each Party shall, in accordance with its laws and regulations, take measures which it considers appropriate against its exporters to whom a certificate of origin has been issued and the producers of a good in the exporting Party referred to in subparagraph 7(b) of Article 44, for failing to notify in writing to the competent authority of the exporting Party or its designees without delay after having known, after the issuance of certificate of origin, that such good does not qualify as an originating good of the exporting Party.

Article 51

Transitional Provision for Goods in Transit or Storage

An importer may not claim preferential tariff treatment for a good which, on the date of entry into force of this Agreement, is in transport from the exporting Party to the importing Party or in temporary storage in warehouses, except that:

- (a) the good otherwise satisfies all applicable requirements of this Chapter; and
- (b) the importer provides, in accordance with the laws and regulations of the importing Party, the customs authority of the importing Party with the certificate of origin issued retrospectively and, if required, such other documentation relating to the importation of the good, within a period not exceeding four months after the entry into force of this Agreement.

Section 3

Other Provisions

Article 52

Operational Procedures

Upon the date of entry into force of this Agreement, the Commission shall adopt the Operational Procedures that provide detailed regulations pursuant to which the customs authorities, the competent authorities and other relevant authorities of the Parties shall implement their functions under this Chapter and Chapter 3.

Article 53

Miscellaneous

1. Communications between the importing Party and the exporting Party shall be conducted in the English language.

2. For the application of the relevant product specific rules set out in Annex 2 and the determination of origin, the Generally Accepted Accounting Principles in the exporting Party shall be applied.

Article 54
Definitions

For the purposes of this Chapter:

- (a) the term "exporter" means a person located in an exporting Party who exports goods from the exporting Party;
- (b) the term "F.O.B." means free on board, regardless of the mode of transportation, at the point of direct shipment by the seller to the buyer;
- (c) the term "fungible goods" or "fungible materials" respectively means goods or materials that are interchangeable for commercial purposes, whose properties are essentially identical;
- (d) the term "Generally Accepted Accounting Principles" means the recognized consensus or substantial authoritative support within a Party at a particular time as to which economic resources and obligations should be recorded as assets and liabilities, which changes in assets and liabilities should be recorded, how the assets and liabilities and changes in them should be measured, what information should be disclosed and how it should be disclosed, and which financial statements should be prepared. These standards may be broad guidelines of general application as well as detailed practices and procedures;
- (e) the term "importer" means a person who imports goods into the importing Party;
- (f) the term "indirect materials" means goods used in the production, testing or inspection of another good but not physically incorporated into the good, or goods used in the maintenance of buildings or the operation of equipment associated with the production of another good, including:
 - (i) fuel and energy;
 - (ii) tools, dies and moulds;

- (iii) spare parts and goods used in the maintenance of equipment and buildings;
 - (iv) lubricants, greases, compounding materials and other goods used in production or used to operate equipment and buildings;
 - (v) gloves, glasses, footwear, clothing, safety equipment and supplies;
 - (vi) equipment, devices and supplies used for testing or inspection;
 - (vii) catalysts and solvents; and
 - (viii) any other goods that are not incorporated into another good but whose use in the production of the good can reasonably be demonstrated to be a part of that production;
- (g) the term "material" means a good that is used in the production of another good;
 - (h) the term "originating material of a Party" means an originating good of a Party which is used in the production of another good in the Party, including that which is considered as an originating material of the Party pursuant to Article 33;
 - (i) the term "packing materials and containers for shipment" means goods that are used to protect a good during its transportation, other than packaging materials and containers for retail sale referred to in Article 38;
 - (j) the term "preferential tariff treatment" means the rate of customs duties applicable to an originating good of the exporting Party in accordance with paragraph 1 of Article 14;
 - (k) the term "producer" means a person who engages in the production of goods or materials;
 - (l) the term "production" means methods of obtaining goods including manufacturing, assembling, processing, raising, growing, breeding, mining, extracting, harvesting, fishing, trapping, gathering, collecting, hunting and capturing;

- (m) the term "transaction value of a good" means the price actually paid or payable for a good with respect to a transaction of the producer of the good, pursuant to the principles of Article 1 of the Agreement on Customs Valuation, adjusted in accordance with the principles of paragraphs 1, 3 and 4 of Article 8 of the Agreement on Customs Valuation, regardless of whether the good is sold for export. For the purposes of this definition, the seller referred to in the Agreement on Customs Valuation shall be the producer of the good; and
- (n) the term "transaction value of a material" means the price actually paid or payable for a material with respect to a transaction of the producer of the good, pursuant to the principles of Article 1 of the Agreement on Customs Valuation, adjusted in accordance with the principles of paragraphs 1, 3 and 4 of Article 8 of the Agreement on Customs Valuation, regardless of whether the material is sold for export. For the purposes of this definition, the seller referred to in the Agreement on Customs Valuation shall be the supplier of the material, and the buyer referred to in the Agreement on Customs Valuation shall be the producer of the good.

Chapter 5
Customs Procedures

Article 55
Scope

1. This Chapter shall apply to customs procedures required for the clearance of goods traded between the Parties.
2. This Chapter shall be implemented by the Parties in accordance with the laws and regulations of each Party and within the available resources of their respective customs authorities.

Article 56
Transparency

1. Each Party shall ensure that all relevant information of general application pertaining to its customs laws and administrative procedures is readily available to any interested person, with maximum use of information and communications technology.