

Agreements and Preference Programs NOT based on Tariff Shift Rules



U.S. Customs & Border Protection
October 2007

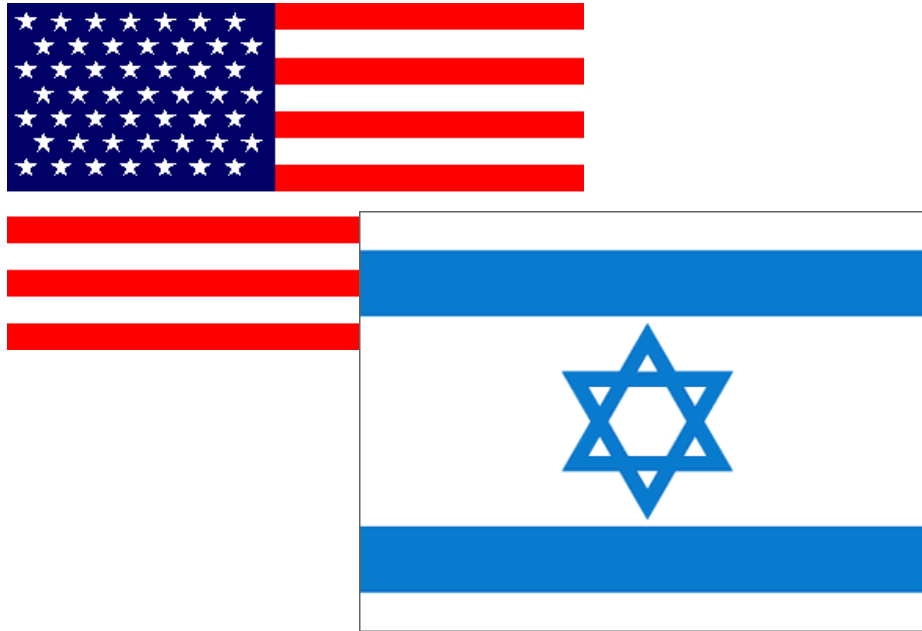


Agreements and Preference Programs NOT based on Tariff Shift Rules

- **Israel FTA**
 - **Jordan QIZ**
 - **Egypt QIZ**
- **Jordan FTA**
- **AGOA**
- **CBTPA**
- **ATPDEA**



Israel FTA



Israel FTA



- **Effective Date: 9/1/85**
- **Expiration Date: none**
- **General Note in HTS: GN 8**
- **Special Indicator in HTS: IL**
- **Ch 98 or 99 HTS: none**
- **US Code: 19 USC 2112**
- **Public Law 99-47**
- **Regulation Cite: none**





Israel Rule of Origin

- “Product of” Israel = **cutting** (former 19 CFR 12.130 now 19 CFR 102.22)
- **35% value added** in Israel, Gaza Strip or West Bank or Qualifying Industrial Zone (QIZ) [or double substantial transformation]
- May include 15% or less US content in order to meet the 35% value added

A yellow scroll graphic with a black outline, featuring a rolled-up top edge and a small circular detail on the right side. The text "35%" is centered on the scroll.

35%

Israel Direct Shipment



- (1) **shipped directly** from the West Bank, the Gaza Strip, a QIZ or Israel into the US without passing through the territory of any intermediate country; or
- (2) if shipment is through the territory of an intermediate country, the articles in the shipment **do not enter into the commerce** of any intermediate country and the invoices, bills of lading, and other shipping documents, **show the US as the final destination**; or
- (3) if shipment is through an intermediate country and the invoices and other **documents do not show the US as the final destination**, then the articles in the shipment, upon arrival in the US, are imported directly only if they:
 - (a) remain under the **control of the customs authority** in an intermediate country;
 - (b) **do not enter into the commerce** of an intermediate country except for the purpose of a sale other than at retail, provided that the articles are imported as a result of the original commercial transaction between the importer and the producer or the latter's sales agent;
 - (c) **have not been subjected to operations** other than loading and unloading, and other activities necessary to preserve the article in good condition



Jordan QIZ





Jordan QIZ

- **Effective Date: 11/21/96**
- **Expiration Date: none**
- **General Note in HTS: GN 3(a)(v)**
- **Special Indicator in HTS: N**
- **Ch 98 or 99 HTS: none**
- **US Code: 19 USC 2112**
- **Public Law 99-47**
- **Regulation Cite: none**





Jordan QIZ Rule of Origin

- “product of” Jordan = **assembly** or knitting to shape (19 CFR 102.21)
- **35% value added** in Israel, Gaza Strip, West Bank or Jordan QIZ (or double substantial transformation)
- May include 15% or less US content in order to meet the 35% value added
- **Israel and Jordan** assure their agreed amount of Israeli content is present, not CBP



Jordan QIZ Direct Shipment

- (1) **shipped directly** from the West Bank, the Gaza Strip, a QIZ or Israel into the US without passing through the territory of any intermediate country; or
- (2) if shipment is through the territory of an intermediate country, the articles in the shipment **do not enter into the commerce** of any intermediate country and the invoices, bills of lading, and other shipping documents, **show the US as the final destination**; or
- (3) if shipment is through an intermediate country and the invoices and other **documents do not show the US as the final destination**, then the articles in the shipment, upon arrival in the US, are imported directly only if they:
 - (a) remain under the **control of the customs authority** in an intermediate country;
 - (b) **do not enter into the commerce** of an intermediate country except for the purpose of a sale other than at retail, provided that the articles are imported as a result of the original commercial transaction between the importer and the producer or the latter's sales agent;
 - (c) **have not been subjected to operations** other than loading and unloading, and other activities necessary to preserve the article in good condition



Egypt QIZ



Egypt QIZ



- **Effective Date: 12/29/04**
- **Expiration Date: none**
- **General Note in HTS: GN 3(a)(v)**
- **Special Indicator in HTS: N**
- **Ch 98 or 99 HTS: none**
- **US Code: 19 USC 2112**
- **Public Law 99-47**
- **Regulation Cite: none**



*The Golan Heights is Israeli-occupied Syria; the West Bank and Gaza Strip are Israeli-occupied with current status subject to the Israel-Palestinian Interim Agreement—government status to be determined through further negotiation.



Egypt QIZ Rule of Origin

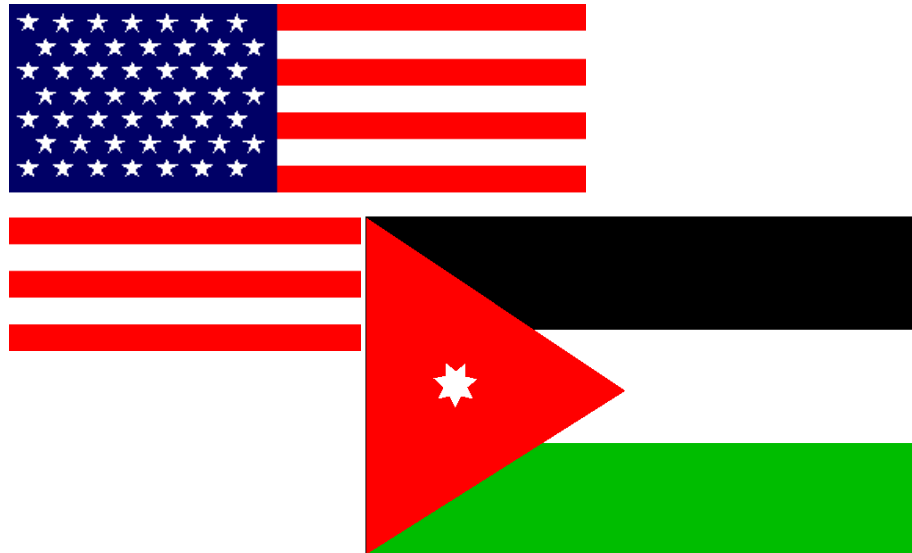
- “product of” Egypt = **assembly** or knitting to shape (19 CFR 102.21)
- **35% value added** in Israel, Gaza Strip, West Bank or Egypt QIZ (or double substantial transformation)
- May include 15% or less US content in order to meet the 35% value added
- **Israel and Egypt** assure their agreed amount of Israeli content is present, not CBP



Egypt QIZ Direct Shipment

- (1) **shipped directly** from the West Bank, the Gaza Strip, a QIZ or Israel into the US without passing through the territory of any intermediate country; or
- (2) if shipment is through the territory of an intermediate country, the articles in the shipment **do not enter into the commerce** of any intermediate country and the invoices, bills of lading, and other shipping documents, **show the US as the final destination**; or
- (3) if shipment is through an intermediate country and the invoices and other **documents do not show the US as the final destination**, then the articles in the shipment, upon arrival in the US, are imported directly only if they:
 - (a) remain under the **control of the customs authority** in an intermediate country;
 - (b) **do not enter into the commerce** of an intermediate country except for the purpose of a sale other than at retail, provided that the articles are imported as a result of the original commercial transaction between the importer and the producer or the latter's sales agent;
 - (c) **have not been subjected to operations** other than loading and unloading, and other activities necessary to preserve the article in good condition

Jordan FTA





Jordan FTA

- **Effective Date: 12/17/01**
- **Expiration Date: none**
- **General Note in HTS: GN 18**
- **Special Indicator in HTS: JO**
- **Ch 98 or 99 HTS: none**
- **US Code: 19 USC 2112**
- **Public Law 107-43**
- **Regulation Cite: none**





Jordan FTA Rule of Origin

- “product of” Jordan = **assembly** or knitting to shape (19 CFR 102.21)
- **35% value added** in Jordan (or double substantial transformation)
- May include 15% or less US content in order to meet the 35% value added



35%

A yellow scroll graphic with a black outline and a shadow, containing the text "35%". The scroll is unrolled on the left and right sides, with the top edge slightly curved.



Jordan Direct Shipment

- (1)** shipped directly from Jordan into the US without passing through the territory of any intermediate country; or
- (2)** if shipment is through the territory of an intermediate country, the articles in the shipment **do not enter into the commerce** of any intermediate country and the invoices, bills of lading, and other shipping documents, **show the US as the final destination**; or
- (3)** if shipment is through an intermediate country and the invoices and other **documents do not show the US as the final destination**, then the articles in the shipment, upon arrival in the US, are imported directly only if they:
 - (a)** remain under the **control of the customs authority** in an intermediate country;
 - (b)** **do not enter into the commerce** of an intermediate country except for the purpose of a sale other than at retail, provided that the articles are imported as a result of the original commercial transaction between the importer and the producer or the latter's sales agent;
 - (c)** **have not been subjected to operations** other than loading and unloading, and other activities necessary to preserve the article in good condition



Jordan FTA vs. QIZ

QIZ – immediately duty free on everything

FTA – staged reduction of duty for some products





Internet Resources

U.S. Government Internet Resources:

- **Rules of Origin & Rulings** www.cbp.gov
- **Textile Trade Data & Short Supply** otexa.ita.doc.gov
- **Trade Agreements** www.ustr.gov
- **Duty Rates** www.usitc.gov
- **Labeling** www.ftc.gov/os/statutes/textilejump.htm



CBP Textile Information



Textile and Apparel Information

http://www.cbp.gov/xp/cgov/import/textiles_and_quotas/

