

*What Every Member of the  
Trade Community Should Know About:*  
***The U.S.-Caribbean  
Basin Trade  
Partnership Act***



AN INFORMED COMPLIANCE PUBLICATION

REVISED JULY 2007

**CUSTOMS and BORDER PROTECTION**

**NOTICE:**

This publication is intended to provide guidance and information to the trade community. It reflects the position on or interpretation of the applicable laws or regulations by U.S. Customs and Border Protection (CBP) as of the date of publication, which is shown on the front cover. It does not in any way replace or supersede those laws or regulations. Only the latest official version of the laws or regulations is authoritative.

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## PREFACE

On December 8, 1993, Title VI of the North American Free Trade Agreement Implementation Act (Pub. L. 103-182, 107 Stat. 2057), also known as the Customs Modernization or "Mod" Act, became effective. These provisions amended many sections of the Tariff Act of 1930 and related laws.

Two new concepts that emerge from the Mod Act are "***informed compliance***" and "***shared responsibility***," which are premised on the idea that in order to maximize voluntary compliance with laws and regulations of U.S. Customs and Border Protection (CBP), the trade community needs to be clearly and completely informed of its legal obligations. Accordingly, the Mod Act imposes a greater obligation on CBP to provide the public with improved information concerning the trade community's rights and responsibilities under the customs and related laws. In addition, both the trade and CBP share responsibility for carrying out these requirements. For example, under Section 484 of the Tariff Act, as amended (19 U.S.C. 1484), the importer of record is responsible for using reasonable care to enter, classify and determine the value of imported merchandise and to provide any other information necessary to enable CBP to properly assess duties, collect accurate statistics, and determine whether other applicable legal requirements, if any, have been met. CBP is then responsible for fixing the final classification and value of the merchandise. An importer of record's failure to exercise reasonable care could delay release of the merchandise and, in some cases, could result in the imposition of penalties.

Regulations and Rulings (ORR) of the Office of International Trade has been given a major role in meeting the informed compliance responsibilities of CBP. In order to provide information to the public, CBP has issued a series of informed compliance publications, and videos, on new or revised requirements, regulations or procedures, and a variety of classification and valuation issues.

This publication, prepared by the Tariff Classification and Marking Branch of the Commercial and Trade Facilitation Division, ORR, is part of a series of informed compliance publications advising the public of new or revised regulations or procedures. "The U.S. - Caribbean Basin Trade Partnership Act" ICP is designed to provide guidance on the CBTPA program. We sincerely hope that this material, together with seminars and increased access to rulings of CBP, will help the trade community to improve voluntary compliance with customs laws and to understand the relevant administrative processes.

The material in this publication is provided for general information purposes only. Because many complicated factors can be involved in customs issues, an importer may wish to obtain a ruling under the CBP Regulations, 19 C.F.R. Part 177, or to obtain advice from an expert who specializes in customs matters, for example, a licensed customs broker, attorney or consultant.

Comments and suggestions are welcomed and should be addressed to the Executive Director, Regulations and Rulings, Office of International Trade, U.S.

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**IMPORTANT NOTICE**

The information contained in this publication is based on the **interim regulations** which were published in the *Federal Register* on October 5, 2000 (65 *Federal Register* 59650-59666) and the corrections published on November 9, 2000 (65 *Federal Register* 67260-67264). Readers are cautioned that substantive and/or procedural changes may be made in the final regulations.

## INTRODUCTION

On May 18, 2000, Public Law 106-200, the Trade and Development Act of 2000 (the “Act”), was signed into law. Title II, which is entitled the “United States-Caribbean Basin Trade Partnership Act” (the “CBTPA”) provides certain benefits to countries and territories in the Caribbean Basin. This informed compliance publication covers the trade benefits administered by the Bureau of Customs and Border Protection (CBP) which are contained in Title II of the Act. A separate informed compliance publication covers Title I of the Act, entitled the “African Growth and Opportunity Act” (the “AGOA”), which extends certain trade benefits to sub-Saharan Africa.

On October 2, 2000, the President signed Presidential Proclamation 7351 implementing the CBTPA. The Presidential Proclamation declared the 24 current beneficiary countries of the Caribbean Basin Initiative to be “Beneficiary Countries” for purposes of the enhanced trade preferences made available under the CBTPA. In addition, the Proclamation modified the Harmonized Tariff Schedule of the United States (“HTSUS”) to reflect the trade preferences. It also delegated to the Office of the United States Trade Representative the authority to publish (through a *Federal Register* notice) additional determinations regarding the compliance of CBTPA Beneficiary Countries with customs-related procedures established in the CBTPA.

On October 5, 2000, Interim Customs Regulations to implement the trade benefits contained in Title II of the Act (CBTPA) were published in the *Federal Register* (65 Fed. Reg. 59650) as Treasury Decision (T.D.) 00-68. The T.D. invited public comments to be submitted on the interim regulations by December 4, 2000.

On August 6, 2002, the President signed into law the Trade Act of 2002, Public Law 107-210. Section 3107 of the Trade Act contained amendments to the CBTPA to modify the treatment accorded to certain textile and apparel articles imported from beneficiary CBTPA countries. Presidential Proclamation 7626, dated November 13, 2002, implemented these amendments by modifying the HTSUS. Certain of the amendments were effective on August 6, 2002 while other changes were effective on September 1, 2002 and October 1, 2002. New interim amendments to the Customs regulations implementing the changes to the CBTPA contained in section 3107 of the Trade Act of 2002 were published in the *Federal Register* on March 21, 2003.

Certain technical additional amendments were made to the CBTPA by the Miscellaneous Trade and Technical Corrections Act of 2004, Public Law 108-429 and the Tax Relief and Health Care Act of 2006. The Dominican Republic-Central America-United States Free Trade Agreement Implementation Act, Public Law 109-53 amended the CBTPA to provide for co-production in CBTPA beneficiary countries and former CBTPA beneficiary countries, *i.e.*, DR-CAFTA beneficiary countries.

A list of the implementing Proclamations, designations by the U.S. Trade Representative (USTR), notices issued by the Committee for the Implementation of



Textile Agreements (CITA), and CBP (formerly Customs) regulations, and their *Federal Register* publication dates and pages appears near the end of this publication.

### List of Designated Beneficiary Countries

The following 24 countries or territories were designated as CBPTA Beneficiary Countries by Proclamation 7351:

Antigua and Barbuda	Haiti
Aruba	Honduras
Bahamas	Jamaica
Barbados	Montserrat
Belize	Netherlands Antilles
Costa Rica	Nicaragua
Dominica	Panama
Dominican Republic	St. Kitts and Nevis
El Salvador	Saint Lucia
Grenada	Saint Vincent and the Grenadines
Guatemala	Trinidad and Tobago
Guyana	British Virgin Islands

### Which countries have qualified for preferential treatment?

In order to receive benefits under the CBTPA, beneficiary countries must have been found, by the Office of the United States Trade Representative, to have implemented and be following, or to be making substantial progress toward implementing and following, certain customs procedures, drawn from Chapter 5 of the North American Free Trade Agreement, that allow CBP to verify the origin of products. The following countries have met this requirement and are currently CBTPA beneficiary countries.

<b>Barbados</b>	<b>Jamaica</b>
<b>Belize</b>	<b>Panama</b>
<b>Costa Rica</b>	<b>Trinidad and Tobago</b>
<b>Guyana</b>	<b>Saint Lucia</b>
<b>Haiti</b>	

### Former Beneficiary Countries

Section 402 of the Dominican Republic-Central America-United States Free Trade Agreement Implementation Act, Public Law 109-53 (August 2, 2005) amended Section 212(a)(1) of the Caribbean Basin Economic Recovery Act (CBERA) (19 U.S.C. 2702(a)(1)) to add a definition of the term “former beneficiary country.” A “former beneficiary country” is defined as “a country that ceases to be designated as a beneficiary country under this title because the country has become a party to a free trade agreement with the United States.” The CBERA was further amended by striking from the list of eligible beneficiary countries Costa Rica, the Dominican Republic,

El Salvador, Guatemala, Honduras and Nicaragua, effective on the date the President terminates each country's designation as a beneficiary country pursuant to section 201(a)(3) of the Dominican Republic-Central America-United States Free Trade Agreement Implementation Act.

Section 402(c) amended section 213(a)(1) of the CBERA (19 U.S.C. 2701(a)(1)) to include former beneficiary countries. Therefore, the cost or value of materials produced in former beneficiary countries and the direct costs of processing operations performed in such countries may be used in calculating the required valued-added under the CBERA program. Additionally, the "imported directly" requirement may be met by shipping goods from a former beneficiary country to the United States under the CBERA.

Section 402(d) contained amendments which directly affect the CBTPA program. A definition of "former CBTPA beneficiary country" was added to the statutory definitions for the CBTPA program set forth at 19 U.S.C. 2703(b)(5). A "former CBTPA beneficiary country" is defined as "a country that ceases to be designated as a CBTPA beneficiary country under this title because the country has become a party to a free trade agreement with the United States." Additionally, with regard to the textile and non-textile benefits contained in the CBTPA, section 402(d) provided for co-production in CBTPA and former CBTPA beneficiary countries and allowed for direct importation from a former CBTPA beneficiary country to meet the "direct importation" requirement under the CBTPA. However, an article that is a good of a former CBTPA beneficiary country is not eligible for preferential treatment under the CBPTA unless the article is a good of the Dominican Republic and it, or a good used in its production, undergoes production in Haiti.

Currently, El Salvador, Guatemala, Honduras, Nicaragua and the Dominican Republic are "former beneficiary countries" for purposes of the CBERA and "former CBTPA beneficiary countries" for purposes of the CBTPA.

### **Summary of CBPTA Benefits**

The CBTPA significantly expands preferential treatment for apparel made in the Caribbean Basin region. Duty- and quota-free treatment is provided for apparel made in the CBI from U.S. fabrics formed and finished in the U.S. from U.S. formed yarns and for apparel made in the CBI from components knit-to-shape in the U.S. from U.S. formed yarns, or from U.S. formed and finished fabric and U.S. knit-to-shape components, both formed from U.S. formed yarn. Duty- and quota-free treatment is also available for certain knit apparel made in CBTPA beneficiary countries from fabrics formed or components knit-to-shape in the Caribbean Basin region provided that U.S. yarns are used in the formation of the fabric or components. This "regional" benefit for

knit apparel is subject to an overall yearly limit, with a separate limit provided for non-underwear T-shirts classified in 6109.10.00 and 6109.90.10.

Duty and quota free treatment will also be available for apparel made in the CBI from fabrics determined to be in “short supply” in the United States, and for designated “hand-loomed, handmade, or folklore” articles.

In addition to these apparel preferences, the CBTPA provides NAFTA-equivalent tariff treatment for certain items previously excluded from duty-free treatment under the CBI program (e.g., footwear, canned tuna, petroleum products, watches and watch parts, and certain leather-related goods).

Finally, the CBTPA amended the CBERA to provide duty-free treatment to certain liqueurs and spirituous beverages produced in Canada from rum which is the growth, product or manufacture of a beneficiary country, or the U.S. Virgin Islands.

### **What are the main provisions?**

Section 211 of the Act revises the Caribbean Basin Economic Recovery Act (the CBERA, also referred to as the Caribbean Basin Initiative, or “CBI,” statute codified at 19 U.S.C. 2701-2707). The CBI is a duty preference program that applies to exports from those Caribbean Basin countries that have been designated by the President as program beneficiaries. Although the origin and related rules for eligibility for duty-free treatment under the CBI are similar to those under the older Generalized System of Preferences duty-free program (the “GSP,” Title V of the Trade Act of 1974, codified at 19 U.S.C. 2461-2467), the CBI differs from the GSP in a number of respects, including the fact that under the CBI all articles are eligible for duty-free treatment (that is, they do not have to be specially designated as eligible by the President) except those that are specifically excluded under the statute.

Prior to the amendment effected by the CBTPA, section 213 of the CBI statute (19 U.S.C. 2703) was headed “ARTICLES TO WHICH DUTY-FREE TREATMENT DOES NOT APPLY” and consisted only of a list of specific types of products excluded from CBI duty-free treatment. As a result of the amendment made by the CBPTA, section 213(b) of the CBI statute now is headed “IMPORT-SENSITIVE ARTICLES” and consists of five principal paragraphs. These five paragraphs are summarized below.

Paragraph (1) provides that, subject to paragraphs (2) through (5), the duty-free treatment provided under the CBI does not apply to the following:

- Textile and apparel articles which were not eligible articles for purposes of the CBI on January 1, 1994, as the CBI was in effect on that date;

- Footwear not designated at the time of the effective date of the CBI (that is, August 5, 1983) as eligible articles for the purpose of the GSP;
- Tuna, prepared or preserved in any manner, in airtight containers;
- Petroleum, or any product derived from petroleum, provided for in headings 2709 and 2710 of the HTSUS;
- Watches and watch parts (including cases, bracelets, and straps), of whatever type including, but not limited to, mechanical, quartz digital or quartz analog, if those watches or watch parts contain any material which is the product of any country with respect to which HTSUS column 2 rates of duty apply; or
- Articles to which reduced rates of duty apply under section 213(h) (that is, handbags, luggage, flat goods, work gloves, and leather wearing apparel that are a product of a CBI beneficiary country and that were not designated on August 5, 1983, as eligible articles for purposes of the GSP).

Paragraph (2) is entitled “TRANSITION PERIOD TREATMENT OF CERTAIN TEXTILE AND APPAREL ARTICLES.” It provides for the application of preferential treatment to specific textile and apparel articles during a “**transition period.**” Under paragraph (2), “**preferential treatment**” means, except where the President takes bilateral emergency action, that the articles in question may enter the United States free of duty and free of any quantitative restrictions, limitations, or consultation levels. The “transition period” is defined as the period that begins on October 1, 2000, and ends on the earlier of September 30, 2008, or the date on which a free trade agreement enters into force with respect to the United States and the CBTPA beneficiary country.

Paragraph (3) is entitled “TRANSITION PERIOD TREATMENT OF CERTAIN OTHER ARTICLES ORIGINATING IN BENEFICIARY COUNTRIES.” It provides that, except in the case of any article accorded duty-free treatment under U.S. Note 2(b) to Subchapter II of Chapter 98 of the HTSUS (that is, certain articles assembled or processed in a CBI beneficiary country in whole or components or ingredients that are a product of the United States), the tariff treatment accorded at any time during the transition period to any article referred to in any of subparagraphs (B) through (F) of paragraph (1) that is a “CBTPA originating good” will be identical to the tariff treatment that is accorded at that time under Annex 302.2 of the NAFTA to an article described in the same 8-digit subheading of the HTSUS that is a good of Mexico and is imported into the United States. A “CBTPA originating good” for these purposes means a good that meets the rules of origin for a good set forth in Chapter 4 of the NAFTA as implemented by United States law.

Paragraph (4) is entitled “CUSTOMS PROCEDURES” and sets forth regulatory standards for purposes of preferential treatment under paragraph (2) or (3). It includes provisions relating to import procedures, prescribes a specific factual determination that the President must make regarding the implementation of certain procedures and requirements by each CBTPA beneficiary country, and sets forth responsibilities of CBP and the United States Trade Representative regarding the study of, and reporting to Congress on, cooperative and other actions taken by each CBTPA beneficiary country to prevent transshipment and circumvention in the case of textile and apparel goods.

Paragraph (5) is entitled “DEFINITIONS AND SPECIAL RULES” and sets forth the definitions of terms used in the legislation and the special rules to be used in determining whether countries and articles qualify for preferential tariff treatment under the Act.

## **TEXTILE AND APPAREL BENEFITS**

### **What articles are covered?**

The textile and apparel articles to which the preferential treatment applies (and the appropriate subheading in the HTSUS) are as follows:

- **Grouping A:** Apparel articles sewn or otherwise assembled in one or more CBTPA beneficiary countries from fabrics wholly formed, dyed, printed, finished and cut, or from components knit-to-shape, in the United States, from yarns wholly formed in the United States,\* that are entered under subheading 9802.00.80 of the HTSUS (subheading **9802.00.8044**).
- **Grouping B:** Apparel articles sewn or otherwise assembled in one or more CBTPA beneficiary countries from fabrics wholly formed, dyed, printed, finished and cut, or from components knit-to-shape, in the United States, from yarns wholly formed in the United States,\* that are entered under Chapter 61 or 62 of the HTSUS, if, after that assembly, the articles would have qualified for entry under subheading 9802.00.80 of the HTSUS but for the fact that the articles were embroidered or subjected to stone-washing, enzyme-washing, acid washing, perma-pressing, oven-baking, bleaching, garment-dyeing, screen printing, or other similar processes (subheading **9820.11.03**).
- **Grouping C:** Apparel articles sewn or otherwise assembled (except apparel in group K) in one or more CBTPA beneficiary countries with thread formed in the United States from fabrics wholly formed, dyed, printed, and finished in the United States and cut in one or more such countries from yarns wholly formed in the United States,\* or from components knit-to-shape in the United

States from yarns wholly formed in the United States, or both (subheading **9820.11.06**).

- **Grouping D:** Apparel articles knit to shape (other than socks provided for in heading 6115 of the HTSUS) in a CBTPA beneficiary country from yarns wholly formed in the United States, and knit apparel articles (other than non-underwear t-shirts) cut and wholly assembled in one or more CBTPA beneficiary countries from fabric formed in one or more CBTPA beneficiary countries or from fabric formed in one or more CBTPA beneficiary countries and the United States, from yarns wholly formed in the United States,\* but subject to the application of annual quantitative limits expressed in square meter equivalents during the 8-year transition period and with percentage increases of those limits in each of the first four years (subheading **9820.11.09**).
- **Grouping E:** Non-underwear t-shirts, classifiable under subheadings 6109.10.00 and 6109.90.10 of the HTSUS, made in one or more CBTPA beneficiary countries from fabric formed in one or more CBTPA beneficiary countries from yarns wholly formed in the United States, but subject to the application of annual quantitative limits expressed in dozens and with percentage increases of those limits in each of the first four years and with application of a set quantitative limit for each year after the fourth year (subheading **9820.11.12**).
- **Grouping F:** Brassieres classifiable under subheading 6212.10 of the HTSUS, other than articles entered as articles described in Groupings A through D, G and H, if both cut and sewn or otherwise assembled in the United States, or in one or more CBTPA beneficiary countries, or both, but subject to a requirement that, in each of seven 1-year periods starting on October 1, 2001, at least 75 percent of the aggregate declared customs value of the fabric (exclusive of all findings and trimmings) contained in the articles in the preceding year was attributable to fabric formed in the United States (the 75 percent standard rises to 85 percent for a producer found by CBP to have not met the 75 percent standard in the preceding year) (subheading **9820.11.15**). Brassieres entered on or after October 1, 2002, must be accompanied by a declaration of compliance, as shown in the appendix to this publication. Importers of brassieres under the CBTPA must follow the procedures set forth in the implementing regulations found at 19 Code of Federal Regulations § 10.228.
- **Grouping G:** Apparel articles that are both cut (or knit-to-shape) and sewn or otherwise assembled in one or more CBTPA beneficiary countries, provided that such apparel articles of such fabrics or yarns would be considered an

originating good under the terms of general note 12(t) to the HTSUS without regard to the source of the fabric or yarn if such apparel article had been imported from the territory of Canada or the territory of Mexico directly into the customs territory of the United States. (subheading **9820.11.24**). The fabrics and yarns in question include:

- fine count cotton knitted fabrics for certain apparel,
- linen, silk, cotton velveteen,
- fine wale corduroy,
- Harris Tweed,
- certain woven fabrics made with animal hairs,
- certain lightweight, high thread count poly-cotton woven fabrics, and
- certain lightweight, high thread count broadwoven fabrics used in the production of men's and boys' shirts.

(See House Report 106-606, 106<sup>th</sup> Congress, 2d Session, at page 77, which explains a substantively identical provision of the African Growth and Opportunity Act that is contained in Title I of the Act.)

- **Grouping G:** Apparel articles that are both cut (or knit-to-shape) and sewn or otherwise assembled in one or more CBTPA beneficiary countries, from fabrics or yarn that is not described in paragraph (2)(A)(v)(I), to the extent that the President has determined that the fabric or yarn cannot be supplied by the domestic industry in commercial quantities in a timely manner and has proclaimed the treatment provided under paragraph (2)(A)(v)(I) (subheading **9820.11.27**). See, <http://otexa.ita.doc.gov> for information on fabrics or yarns determined to be commercially unavailable.
- **Grouping H:** A handloomed, handmade, or folklore textile or apparel article of a CBTPA beneficiary country that the President and representatives of the CBTPA beneficiary country concerned mutually agree upon as being a handloomed, handmade, or folklore good of a kind described in section 2.3(a), (b), or (c) or Appendix 3.1.B.11 of Annex 300-B of the NAFTA and that is certified as such by the competent authority of the beneficiary country (subheading **9820.11.30**).
- **Grouping I:** Textile luggage assembled in a CBTPA beneficiary country from fabric wholly formed and cut in the United States, from yarns wholly formed in the United States, that is entered under subheading 9802.00.80 of the HTSUS (subheading **9802.00.8046**).

- **Grouping J:** Textile luggage assembled from fabric wholly formed in the United States from yarns wholly formed in the United States and cut in a CBTPA beneficiary country (subheading **9820.11.21**).
- **Grouping K:** Knitted or crocheted apparel articles cut and assembled in one or more CBTPA beneficiary countries from fabrics wholly formed, dyed, printed and finished, in the United States, or from components knit-to-shape in the United States, or both, from yarns wholly formed in the United States,\* provided that the assembly is with thread formed in the United States (subheading **9820.11.18**).
- **Grouping L:** Apparel articles sewn or otherwise assembled in one or more CBTPA beneficiary countries with thread formed in the United States, the foregoing (i) from components cut in the United States and in one or more such countries from fabrics wholly formed, dyed, printed, and finished in the United States from yarns wholly formed in the United States.\* Or (ii) from components knit-to-shape in the United States and one or more such countries from yarns wholly formed in the United States, or (iii) from any combinations of two or more of the foregoing knitting-to-shape or cutting operations. (new subheading **9820.11.33**)

\* including fabrics not formed from yarns, if those fabrics are classifiable under heading 5602 or 5603 of the HTSUS

### What definitions are used?

For purposes of these provisions, CBP uses the following definitions:

**Apparel articles** means goods classifiable in Chapters 61 and 62 and headings 6501, 6502, 6503, and 6504 and subheadings 6406.99.15 and 6505.90 of the HTSUS.

**Assembled in one or more CBTPA beneficiary countries** when used in the context of a textile or apparel article has reference to a joining together of two or more components that occurred in one or more CBTPA beneficiary countries, whether or not a prior joining operation was performed on the article or any of its components in the United States.

**CBERA** means the Caribbean Basin Economic Recovery Act, 19 U.S.C. 2701-2707.

**CBTPA beneficiary country** means a “beneficiary country” for purposes of the CBERA which the President also has designated as a beneficiary country for purposes of preferential treatment of textile and apparel articles under 19 U.S.C. 2703(b)(2) and which has been the subject of a finding by the President or his designee, published in the *Federal Register*, that the beneficiary country has satisfied the statutory requirements.



**Cut in one or more CBTPA beneficiary countries** when used with reference to apparel articles means that all fabric components used in the assembly of the article were cut from fabric in one or more CBTPA beneficiary countries.

**Foreign** means of a country other than the United States or a CBTPA beneficiary country.

**HTSUS** means the Harmonized Tariff Schedule of the United States.

**Knit-to-shape** applies to any apparel article of which 50 percent or more of the exterior surface area is formed by major parts that have been knitted or crocheted directly to the shape used in the apparel article, with no consideration being given to patch pockets, appliques, or the like. Minor cutting, trimming, or sewing of those major parts will not affect the determination of whether an apparel article is “knit-to-shape.”

**Luggage** means travel goods (such as trunks, hand trunks, lockers, valises, satchels, suitcases, wardrobe cases, overnight bags, pullman bags, gladstone bags, traveling bags, knapsacks, kitbags, haversacks, duffle bags, and like articles designed to contain clothing or other personal effects during travel) and brief cases, portfolios, school bags, photographic equipment bags, golf bags, camera cases, binocular cases, gun cases, occupational luggage cases (for example, physicians' cases, sample cases), and like containers and cases designed to be carried with the person. The term “luggage” does not include handbags (that is, pocketbooks, purses, shoulder bags, clutch bags, and all similar articles, by whatever name known, customarily carried by women or girls). The term “luggage” also does not include flat goods (that is, small flatware designed to be carried on the person, such as banknote cases, bill cases, billfolds, bill purses, bill rolls, card cases, change cases, cigarette cases, coin purses, coin holders, compacts, currency cases, key cases, letter cases, license cases, money cases, pass cases, passport cases, powder cases, spectacle cases, stamp cases, vanity cases, tobacco pouches, and similar articles).

**Made in one or more CBTPA beneficiary countries** when used with reference to non-underwear t-shirts means cut in one or more CBTPA beneficiary countries and wholly assembled in one or more CBTPA beneficiary countries.

**Major parts** means integral components of an apparel article but does not include collars, cuffs, waistbands, plackets, pockets, linings, paddings, trim, accessories, or similar parts or components.

**NAFTA** means the North American Free Trade Agreement entered into by the United States, Canada, and Mexico on December 17, 1992.

**Preferential treatment** means entry, or withdrawal from warehouse for consumption, in the customs territory of the United States free of duty and free of any quantitative restrictions, limitations, or consultation levels as provided in 19 U.S.C. 2703(b)(2).

**Wholly assembled in one or more CBTPA beneficiary countries** when used in the context of a textile or apparel article has reference to a joining together of all components (including thread, decorative embellishments, buttons, zippers, or similar components) that occurred only in one or more CBTPA beneficiary countries.

**Wholly formed** when used with reference to yarns means that all of the production processes, starting with the extrusion of filament, strip, film or sheet and including slitting a film or sheet into strip or the spinning of all fibers into yarn or both and ending with a yarn or plied yarn, took place in a single country, and, when used with reference to fabric(s), means that all of the production processes, starting with polymers, fibers, filaments, textile strips, yarns, twine, cordage, rope, or strips of fabric and ending with a fabric by a weaving, knitting, needling, tufting, felting, entangling or other process, took place in a single country.

### What special rules apply?

There are special rules that apply for purposes of determining the eligibility of textile and apparel articles for preferential treatment. These special rules are as follows:

- The **treatment of findings and trimmings**. An article otherwise eligible for preferential treatment will not be ineligible for that treatment because the article contains findings or trimmings of foreign origin, if those findings and trimmings *do not exceed 25 percent* of the cost of the components of the assembled article. This provision specifies the following as examples of findings and trimmings:
  - sewing thread,\*
  - hooks and eyes,
  - snaps
  - buttons,
  - “bow buds,”
  - decorative lace trim,
  - elastic strips (but only if they are each less than 1 inch in width and used in the production of brassieres),
  - zippers (including zipper tapes), and
  - labels.

\* However, as an exception to the general rule, sewing thread will not be treated as a finding or trimming in the case of an article described in heading 9820.11.06, 9820.11.18, or 9820.11.33, HTSUS, because those provisions specify that the thread used in the assembly of the article must be formed in the United States and thus cannot be of “foreign” origin.

- **Specific interlinings**, that is, a chest type plate, “hymo” piece, or “sleeve header,” of woven or weft-inserted warp knit construction and of coarse

animal hair or man-made filaments. Under this rule, an article otherwise eligible for preferential treatment will not be ineligible for that treatment because the article contains interlinings of foreign origin, *if the value of those interlinings (and any findings and trimmings) does not exceed 25 percent of the cost of the components of the assembled article*. There is a provision for the termination of this treatment of interlinings if the President makes a determination that United States manufacturers are producing those interlinings in the United States in commercial quantities.

- **De minimis rule.** There is a *de minimis* rule which provides that an article that would otherwise be ineligible for preferential treatment because the article contains fibers or yarns not wholly formed in the United States or in one or more CBTPA beneficiary countries will not be ineligible for that treatment if *the total weight of all those fibers and yarns is not more than 7 percent of the total weight of the good*. However, this provision also states that, notwithstanding the foregoing rule, an apparel article containing elastomeric yarns will be eligible for preferential treatment only if those yarns are wholly formed in the United States.
- Finally, a **special origin rule** that provides that an article otherwise eligible for preferential treatment in groupings A, B, C, and K will not be ineligible for that treatment because the article contains nylon filament yarn (other than elastomeric yarn) that is classifiable under subheading 5402.10.30, 5402.10.60, 5402.31.30, 5402.31.60, 5402.32.30, 5402.32.60, 5402.45.10, 5402.45.90, 5402.51.00, or 5402.61.00 of the HTSUS that entered duty-free as a product of Canada, Mexico or Israel.
- **Dyeing, printing and finishing of U.S. fabric.** Apparel articles classifiable in subheadings 9802.00.8044, 9820.11.03, 9820.11.06, 9820.11.18 and 9820.11.33, HTSUS, and entered on or after September 1, 2002, that are assembled in a beneficiary CBTPA country from knitted or crocheted U.S. fabrics or from woven U.S. fabrics, or from a knitted or woven fabric component produced from fabric, shall be eligible to receive preferential duty treatment only if all dyeing, printing, and finishing of such fabrics and fabric components from which the articles are assembled is carried out in the United States.

## NAFTA – EQUIVALENT TREATMENT FOR NON-TEXTILE ARTICLES

The CBTPA, also amended section 213(b) of the Caribbean Basin Economic Recovery Act (the CBERA, 19 U.S.C. 2701-2707) to authorize the President to extend additional trade benefits by providing special preferential tariff treatment (equivalent to the treatment accorded under NAFTA) to certain non-textile articles that are otherwise excluded from duty-free treatment under the CBERA.

### **What articles are covered?**

Preferential tariff treatment applies to any of the following articles, provided that the article in question is a CBTPA originating good, is imported directly into the customs territory of the United States from a CBTPA beneficiary country, and is not accorded duty-free treatment under U.S. Note 2(b), Subchapter II, Chapter 98, HTSUS. The effect of paragraph (3) is to provide for the application of NAFTA tariff treatment to goods excluded from the CBI, except for textile and apparel articles (some of which are separately addressed under paragraph (2) as discussed above). Thus, imports of:

- Footwear not designated on August 5, 1983, as eligible articles for the purpose of the Generalized System of Preferences (GSP) (see 19 U.S.C. §§2461 through 2467);
- Tuna, prepared or preserved in any manner, in airtight containers;
- Petroleum, or any product derived from petroleum, provided for in headings 2709 and 2710 of the HTSUS;
- Watches and watch parts (including cases, bracelets, and straps), of whatever type including, but not limited to, mechanical, quartz digital or quartz analog, if those watches or watch parts contain any material which is the product of any country with respect to which HTSUS column 2 rates of duty apply;
- handbags, luggage, flat goods, work gloves (not designated on August 5, 1983, as eligible articles for the purpose of the GSP), and
- leather wearing apparel (not designated on August 5, 1983, as eligible articles for the purpose of the GSP)

would be eligible for a reduction in duty equal to the preference Mexican products enjoy in accordance with the staged duty-rate reductions set forth in Annex 302.2 of the NAFTA, provided that the merchandise in question meets the origin rules for a “NAFTA originating good.” In other words, it must meet the NAFTA rules of origin set forth in General Note 12 of the HTSUS and in the Appendix to Part 181 of the CBP Regulations (19 CFR Part 181).

### **What definitions are used?**

The structure of the CBP regulations implementing the non-textile provisions of the CBPTA (19 CFR §§10.231-10.237) is very similar to that implementing the textile and apparel provisions and most of the terms used are the same for both. However, the following terms are only used for non-textile articles:

**“CBTPA originating good”** means a good that meets the rules of origin for a good as set forth in General Note 12, HTSUS, and in the appendix to 19 CFR part 181 as applied under the CBTPA regulations (19 CFR §10.233(b)).

**“Preferential tariff treatment”** when used with reference to an imported article means entry, or withdrawal from warehouse for consumption, in the customs territory of the United States with duty and other tariff treatment that is identical to the tariff treatment that would be accorded at that time under Annex 302.2 of the NAFTA to an imported article described in the same 8-digit subheading of the HTSUS that is a good of Mexico.

### **What rules are applied?**

**Application of NAFTA rules of origin.** In determining whether an article is a CBTPA originating good, the following rules for applying Chapter 4 of NAFTA with respect to a CBTPA beneficiary country will be applied:

- only the United States and a CBTPA beneficiary country may be treated as being a party to the NAFTA;
- any reference to trade between the United States and Mexico will be deemed to refer to trade between the United States and a CBTPA beneficiary country;
- any reference to a party will be deemed to refer to a CBTPA beneficiary country or the United States; and
- any reference to parties will be deemed to refer to any combination of CBTPA beneficiary countries or to the United States and one or more CBTPA beneficiary countries (or any combination of those countries).

**Duty reductions for leather-related articles.** If, in the case of handbags, luggage, flat goods, work gloves, and leather wearing apparel, to which reduced rates of duty apply, it is determined that an article that qualifies as a CBTPA originating good and is eligible for preferential tariff treatment also would otherwise qualify for a reduced rate of duty under section 213(h) (implemented by 19 CFR § 10.198a), and that reduced rate of duty is lower than the rate of duty that would apply under this section, *that lower rate of duty will apply* to the article for purposes of preferential tariff treatment under this section.

### **CBP PROCEDURES**

The specific CBP procedures that must be followed in order to qualify for preferential treatment or preferential tariff treatment are set forth below:

## **In general**

Any importer who claims preferential treatment (for textile and apparel articles) or preferential tariff treatment (for non-textile or apparel originating goods) must comply with customs procedures similar in all material respects to the requirements of Article 502(1) of the NAFTA as implemented by the United States in the CBP regulations. This NAFTA provision concerns the use of a Certificate of Origin. As applied to the CBPTA, these regulations require that the importer

- make a written declaration, based on a valid Certificate of Origin, that the imported good qualifies for preferential treatment, or preferential tariff treatment, as appropriate,
- have the Certificate in its possession at the time the declaration is made,
- provide the Certificate to CBP on request, and
- promptly (within 30 days calendar days after discovery of the error) make a corrected declaration and pay any duties owing where the importer has reason to believe that a Certificate on which a declaration was based contains information that is not correct.

## **Filing of claim for preferential treatment**

In order to claim preferential treatment for a textile or apparel article or preferential tariff treatment for a non-textile article described in the CBTPA, the importer must make a written declaration that the article qualifies for that treatment.

- In the case of any article described in 9802.00.8044, 9802.00.8046, or 9820.11.03 through 9820.11.33, the inclusion on the entry summary, or equivalent documentation, of the subheading within Chapter 98 of the HTSUS under which the article is classified will constitute the written declaration.
- In the case of a non-textile article, the written declaration should be made by including on the entry summary, or equivalent documentation, the symbol “**R**” as a prefix to the subheading within the HTSUS under which the article is classified.

Unless an exception applies (see below), the declaration must be based on an original Certificate of Origin that has been completed and properly executed, that covers the article being imported, and that is in the possession of the importer.

## **Certificate of Origin Requirement**

The Certificate of Origin must be prepared by the exporter in the CBTPA beneficiary country in the form specified below for textile and apparel goods, or on the Customs Form 450 for other articles. Where the CBTPA beneficiary country exporter is

not the producer of the article, that exporter may complete and sign a Certificate of Origin on the basis of:

- Its reasonable reliance on the producer's written representation that the article qualifies for preferential treatment or preferential tariff treatment; or
- A completed and signed Certificate of Origin for the article voluntarily provided to the exporter by the producer.

If, after making the declaration, the importer has reason to believe that a Certificate of Origin on which a declaration was based contains information that is not correct, the importer must within 30 calendar days after the date of discovery of the error make a corrected declaration and pay any duties that may be due. A corrected declaration will be effected by submission of a letter or other written statement to the CBP port where the declaration was originally filed.

At the request of the port director, the importer must provide a copy of the Certificate of Origin pertaining to the article. A Certificate of Origin submitted to CBP:

- Must be in writing (if the claim is for preferential tariff treatment, it must be on the Customs Form 450) or must be transmitted electronically in an approved format (containing the same information) pursuant to any electronic data interchange system authorized by CBP for that purpose;
- Must be signed by the exporter or by the exporter's authorized agent having knowledge of the relevant facts;
- Must be completed either in the English language or in the language of the country from which the article is exported. If the Certificate is completed in a language other than English, the importer must provide to CBP upon request a written English translation of the Certificate; and
- May be applicable to:
  - A single importation of an article into the United States, including a single shipment that results in the filing of one or more entries and a series of shipments that results in the filing of one entry; or
  - Multiple importations of identical articles into the United States that occur within a specified blanket period, not to exceed 12 months, set out in the Certificate by the exporter. The term "identical articles" means articles that are the same in all material respects, including physical characteristics, quality, and reputation.

The Certificate of Origin that otherwise would be required will **not** be required if that Certificate of Origin would not be required under the U.S. CBP regulations implementing Article 503 of NAFTA, if the article were imported from Mexico. With one

general exception, there are three specific circumstances in which a Certificate of Origin may not be required.

**Cases where no certificate is required.** An importer is not required to have a Certificate of Origin in his possession (except as otherwise provided below), for:

- An importation of an article for which the port director has **in writing** waived the requirement for a Certificate of Origin because the port director is otherwise satisfied that the article qualifies for the claimed preferential treatment or preferential tariff treatment;
- A non-commercial importation of an article; or
- A commercial importation of an article whose value does not exceed US\$2,500, provided that, unless waived by the port director, the producer, exporter, importer or authorized agent includes on, or attaches to, the invoice or other document accompanying the shipment the following signed statement: (Substitute “preferential tariff treatment” as appropriate for non-textile articles):

I hereby certify that the article covered by this shipment qualifies for preferential treatment under the CBPTA. Check One:  ( ) Producer ( ) Exporter ( ) Importer ( ) Agent  Name Title Address Signature and Date
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**Exception.** If the port director determines that an importation described above forms part of a series of importations that may reasonably be considered to have been undertaken or arranged for the purpose of avoiding a Certificate of Origin requirement, the port director will notify the importer in writing that for that importation the importer must have in his possession a valid Certificate of Origin to support the claim for preferential treatment or preferential tariff treatment. The importer will have 30 calendar days from the date of the written notice to obtain a valid Certificate of Origin, and a failure to timely obtain the Certificate of Origin will result in denial of the claim for preferential treatment or preferential tariff treatment. A “series of importations” means two or more entries covering articles arriving on the same day from the same exporter and consigned to the same person.



## **Direct Importation Requirement**

In order to claim preferential treatment or preferential tariff treatment, the articles must be imported directly into the customs territory of the United States from a beneficiary CBTPA country or former CBTPA beneficiary country. For purposes of this provision, the words “*imported directly*” mean:

- Direct shipment from any CBTPA beneficiary country or former CBTPA beneficiary country to the United States without passing through the territory of any country that is not a CBTPA beneficiary country or former CBTPA beneficiary country;
- If the shipment is from any CBTPA beneficiary country or former CBTPA beneficiary country to the United States through the territory of any country that is not a CBTPA beneficiary country or former CBTPA beneficiary country, the articles in the shipment do not enter into the commerce of any country that is not a CBTPA beneficiary country or former CBTPA beneficiary country while en route to the United States and the invoices, bills of lading, and other shipping documents show the United States as the final destination; or
- If the shipment is from any CBTPA beneficiary country or former CBTPA beneficiary country to the United States through the territory of any country that is not a CBTPA beneficiary country or former CBTPA beneficiary country, and the invoices and other documents do not show the United States as the final destination, the articles in the shipment upon arrival in the United States are imported directly only if they:
  - Remained under the control of the customs authority of the intermediate country;
  - Did not enter into the commerce of the intermediate country except for the purpose of sale other than at retail, and the port director is satisfied that the importation results from the original commercial transaction between the importer and the producer or the producer’s sales agent; and
  - Were not subjected to operations other than loading or unloading, and other activities necessary to preserve the articles in good condition.

## **Maintenance of records and submission of Certificate by importer**

Each importer claiming preferential treatment for a textile or apparel article, or preferential tariff treatment for a non-textile article, under the CBTPA must maintain in the United States, in accordance with the provisions of part 163 of the CBP Regulations, all records relating to the importation of the article. Those records must include the original Certificate of Origin and any other relevant documents or other records as specified in Part 163.

An importer who claims preferential treatment on a textile or apparel article, or preferential tariff treatment for a non-textile article, under the CBPTA must provide, at the request of the port director, a copy of the Certificate of Origin pertaining to the article.

**Correction and non-acceptance of Certificate.** If the port director determines that a Certificate of Origin is illegible or defective or has not been completed in accordance with the regulations, the importer will be given a period of not less than five working days to submit a corrected Certificate. A blanket Certificate will not be accepted in connection with subsequent importations during the remaining period covered by the Certificate if the port director determined that a previously imported identical article covered by the Certificate did not qualify for the claimed preferential treatment or preferential tariff treatment.

### **Verification and Justification of Claim for Preferential Treatment**

A claim for preferential treatment, including any statements or other information contained on a Certificate of Origin submitted to CBP, are subject to whatever verification the port director deems necessary. In the event that the port director for any reason is prevented from verifying the claim, the port director may deny the claim for preferential treatment or preferential tariff treatment, as appropriate. A verification of a claim may involve, but need not be limited to, a review of:

- All records required to be made, kept, and made available to CBP by the importer or any other person under part 163 of this chapter;
- Documentation and other information in a CBTPA beneficiary country regarding the country of origin of an article and its constituent materials, including, but not limited to, production records, information relating to the place of production, the number and identification of the types of machinery used in production, and the number of workers employed in production; and
- Evidence in a CBTPA beneficiary country to document the use of U.S. materials in the production of the article in question, such as purchase orders, invoices, bills of lading and other shipping documents, and customs import and clearance documents.

**Importer requirements.** In order to make a claim for preferential treatment of textiles and apparel, the importer:

- Must have records that explain how the importer came to the conclusion that an article qualifies for preferential treatment or preferential tariff treatment, as appropriate. Those records must include documents that support a claim that the article in question qualifies:

- for preferential treatment because it is specifically described in one of the qualifying textile or apparel provisions. If the importer is claiming that the article incorporates fabric or yarn that was wholly formed in the United States, the importer must have records that identify the U.S. producer of the fabric or yarn. A properly completed Certificate of Origin in the prescribed form is a record that would serve these purposes; or
- for preferential tariff treatment because it meets the applicable rule of origin set forth in General Note 12, HTSUS, and in the appendix to the NAFTA regulations;
- Must establish and implement internal controls which provide for the periodic review of the accuracy of the Certificates of Origin or other records referred to above;
- Must have shipping papers that show how the article moved from the CBTPA beneficiary country to the United States. If the imported article was shipped through a country other than a CBTPA beneficiary country and the invoices and other documents from the CBTPA beneficiary country do not show the United States as the final destination, the importer also must have documentation that demonstrates that the conditions set forth in the regulations were met; and
- Must be prepared to explain, upon request from CBP, how the records and internal controls referred to above justify the importer's claim for preferential treatment or preferential tariff treatment, as appropriate.

## **Penalties**

If the President determines, based on sufficient evidence, that an exporter has engaged in transshipment with respect to textile and apparel articles from a CBTPA beneficiary country, the President shall deny all benefits under the CBTPA to such exporter, and any successor of such exporter, for a period of 2 years. In Executive Order 13191, the President delegated his authority under this provision to the Committee for the Implementation of Textile Agreements ("CITA"). For purposes of this provision:

- "transshipment" has occurred when preferential treatment has been claimed for a textile or apparel article on the basis of material false information concerning the country of origin, manufacture, processing, or assembly of the article or any of its components, and
- "false information" is material if disclosure of the true information would mean or would have meant that the article is or was ineligible for preferential treatment.

In addition to this CBTPA specific penalty, importers, exporters, and others providing false or fraudulent information or otherwise violating the customs laws may be

subject to civil penalties and/or criminal fines and imprisonment under the general customs and related laws, and the imported merchandise may be subject to seizure or detention. For example, civil penalties may be assessed under 19 U.S.C. §1592, which prohibits any person from fraudulently or negligently entering, introducing, or attempting to enter or introduce merchandise into the U.S. by means of materially false documentation, information or statements, acts or material omissions.

## **DUTY-FREE TREATMENT FOR CERTAIN RUM BEVERAGES**

Section 212 of the CBTPA amended the CBERA to provide duty-free treatment to certain liqueurs and spirituous beverages produced in Canada from Caribbean rum. To qualify for this duty-free treatment:

- the rum must be the growth, product, or manufacture of a beneficiary country or the Virgin Islands of the United States;
- the rum must be imported directly from a beneficiary country or the Virgin Islands of the United States into the territory of Canada, and the liqueurs and spirituous beverages must be imported directly from the territory of Canada into the customs territory of the United States;
- when imported into the customs territory of the United States, such liqueurs and spirituous beverages are classified in subheading 2208.90 or 2208.40 of the HTSUS; and
- the rum accounts for at least 90 percent by volume of the alcoholic content of such liqueurs and spirituous beverages.

**Appendix**  
**Caribbean Basin Trade Partnership Act**  
**Textile Certificate of Origin**

1. Exporter Name & Address:		3. Importer Name & Address:	
2. Producer Name & Address:		4. Preference Group:	
5. Description of Article:			
<b>GROUP</b>	<i>Each description below is only a summary of the cited CFR provision.</i>	<b>19 CFR</b>	
<b>A.</b>	Apparel assembled from U.S. formed and cut fabrics and/or knit-to-shape components, from U.S. yarns.	10.223(a)(1)	
<b>B.</b>	Apparel assembled and further processed from U.S. formed and cut fabrics and/or knit-to-shape components, from U.S. yarns.	10.223(a)(2)	
<b>C.</b>	Apparel (except apparel in group K) assembled with U.S. thread, cut from U.S. formed fabrics from U.S. yarns, but may include components knit-to-shape in the United States from U.S. yarns.	10.223(a)(3)	
<b>D.</b>	Apparel knit-to-shape in the region from U.S. yarn (except socks in heading 6115); and knit apparel cut and assembled from regional or regional and U.S. fabrics from U.S. yarn. However, it does not include non-underwear t-shirts in group E.	10.223(a)(4)	
<b>E.</b>	Non-underwear t-shirts in 6109.10.00 & 6109.90.10 made of regional fabric from U.S. yarn.	10.223(a)(5)	
<b>F.</b>	Brassieres cut and assembled in the United States and/or one or more CBTPA beneficiary countries.	10.223(a)(6)	
<b>G.</b>	Apparel assembled from fabrics or yarns considered in short supply in the NAFTA, or designated as not available in commercial quantities in the United States.	10.223(a)(7) 10.223(a)(8)	
<b>H.</b>	Handloomed fabrics, handmade articles made of handloomed fabrics, or textile folklore articles – as defined in bilateral consultations.	10.223(a)(9)	
<b>I.</b>	Textile luggage assembled from U.S. formed and cut fabric from U.S. yarns.	10.223(a)(10)	
<b>J.</b>	Textile luggage cut and assembled from U.S. fabric from U.S. yarn.	10.223(a)(11)	
<b>K.</b>	Knit apparel assembled with U.S. thread, cut from U.S. formed fabrics from U.S. yarns, and may include components knit-to-shape in the United States from U.S. yarns.	10.223(a)(12)	
<b>L.</b>	Apparel assembled with U.S. thread from 1) U.S. fabric cut in the United States and the region, or 2) components knit-to-shape in the U.S. and the region, or 3) a combination of cutting and knitting-to-shape in the United States or the region.	10.223(a)(13)	
6. U.S./Caribbean Fabric Producer Name & Address:		7. U.S./Caribbean Yarn Producer Name & Address:	
		8. U.S. Thread Producer Name & Address:	
9. Handloomed, Handmade, or Folklore Article:		10. Name of Short Supply Fabric or Yarn:	

**I certify that the information on this document is complete and accurate and I assume the responsibility for proving such representations. I understand that I am liable for any false statements or material omissions made on or in connection with this document. I agree to maintain, and present upon request, documentation necessary to support this certificate.**

11. Authorized Signature:		12. Company:	
13. Name: (Print or Type)		14. Title:	
15. Date: (DD/MM/YY)	15a. Blanket Period From:                      To:	16: Telephone: Facsimile:	

## CBTPA Textile Certificate of Origin Instructions

**Block 1:** State the legal name and address (including country) of the exporter.

**Block 2:** State the legal name and address (including country) of the producer. If there is more than one producer, attach a list stating the legal name and address (including country) of all additional producers. If this information is confidential, it is acceptable to state “available to CBP upon request” in block 2. If the producer and the exporter are the same, state “same” in block 2.

**Block 3:** State the legal name and address of the U.S. importer.

**Block 4:** Insert the letter that designates the preference group which applies to the article according to the description contained in the CFR provision cited on the Certificate for that group.

**Block 5:** Provide a full description of each article. The description should be sufficient to relate it to the invoice description and to the description of the article in the international Harmonized System. Include the invoice number as shown on the commercial invoice or, if the invoice number is not known, include another unique reference number such as the shipping order number.

(Blocks 6 through 10 must be completed only when the block in question calls for information that is relevant to the preference group identified in block 4)

**Block 6:** State the legal name and address (including country) of the fabric producer.

**Block 7:** State the legal name and address (including country) of the yarn producer.

**Block 8:** State the legal name and address of the U.S. thread producer.

**Block 9:** State the name of the textile folklore article or state that the article is handloomed fabric or handmade article made of handloomed fabrics.

**Block 10:** Complete only when preference group “H” is inserted in block 4. State the name of the fabric or yarn that is in short supply in the NAFTA, or that has been designated as not available in commercial quantities in the United States.

**Block 11:** The textile certificate of origin must be signed by the producer in the beneficiary country. An exporter, who is not the producer, may sign the certificate on the basis of reasonable reliance on the producer’s written representation that the article qualifies, or on a completed and signed certificate of origin from the producer.

**Block 12:** Insert the company name of the person signing block 11.

**Block 13:** Type or print the name of the person in block 11.

**Block 14:** Insert the title of the person in block 11.

**Block 15:** Insert the date on which the Certificate was completed and signed.

**Block 16:** Complete if the Certificate is intended to cover multiple shipments of identical articles as described in block 5 that are imported into the United States during a specified period of up to one year (see 19 CFR 10.226(b)(4)(ii)). The “from” date is the date on which the Certificate became applicable to the article covered by the blanket Certificate (this date may be prior to the date reflected in block 15). The “to” date is the date on which the blanket period expires.

**Block 17:** Insert the telephone and facsimile numbers at which the person who signed the Certificate may be contacted.

Caribbean Basin Trade Partnership Act Declaration of Compliance for Brassieres (19 CFR 10.223(a)(6) and 10.228)	
1. Year beginning date: October 1, _____. Year ending date: September 30, _____.	Official U.S. Customs and Border Protection Use Only Assigned number: _____ Assignment date: _____
2. Identity of preparer (producer or entity controlling production):  Full name and address: _____ Telephone number: _____ Facsimile number: _____ Importer identification number: _____	
3. If the preparer is an entity controlling production, provide the following for each producer:  Full name and address: _____ Telephone number: _____ Facsimile number: _____	
4. Aggregate cost of fabrics formed in the United States that were used in the production of brassieres that were entered during the year: _____	
5. Aggregate declared customs value of the fabric contained in brassieres that were entered during the year: _____	
6. I declare that the aggregate cost of fabric formed in the United States was at least 75 percent (or 85 percent, if applicable under 19 CFR 10.228(b)(1)(ii)) of the aggregate declared customs value of the fabric contained in brassieres entered during the year.	
7. Authorized signature:  _____  Date:	8. Name and title (print or type):

### **CBTPA Brassieres Declaration of Compliance Instructions**

**Block 1:** Fill in the year commencing October 1 and ending September 30 of the calendar year during which the applicable 75 or 85 percent standard was met.

**Block 2:** State the legal name and address (including country) of the preparer and include the preparer's importer identification number if the preparer has one;

**Block 3:** State the legal name and address (including country) of the CBTPA beneficiary country producer if that producer is not already identified in block 2. If there is more than one producer, attach a list stating the legal name and address (including country) of all additional producers;

**Blocks 4 and 5:** Insert the amounts that apply only to articles that were entered during the year identified in block 1.

**Block 7:** The signature must be that of an authorized officer, employee, agent or other person having knowledge of the relevant facts and the date must be the date on which the declaration of compliance was completed and signed.



## List of Proclamations and Federal Register Notices

### Proclamations

1. Proclamation 7351 of October 2, 2000 “To Implement the United States-Caribbean Basin Trade Partnership Act.” (Designates beneficiary countries under CBTPA, delegates the President’s authority to the USTR, and modifies the Harmonized Tariff Schedule) 65 *Federal Register* 59329-59338, October 4, 2000.
2. Proclamation 7383 of December 1, 2000 “To Implement Title V of the Trade and Development Act of 2000 and To Modify the Generalized System of Preferences.”
3. Proclamation 13191 of January 17, 2001 “Implementation of the African Growth and Opportunity Act and the United States-Caribbean Basin Trade Partnership Act.” (Delegations to CITA and USTR) 66 *Federal Register* 7271-7273, January 22, 2001.
4. Proclamation 7626 of November 13, 2002 “To Implement Modifications to the Caribbean Basin Economic Recovery Act and the African Growth and Opportunity Act.” 67 *Federal Register* 69459-69464, November 18, 2002.
5. Technical Corrections to the Harmonized Tariff Schedule of the United States, 67 *Federal Register* 79954-79956, December 31, 2002.
6. Technical Corrections to the Harmonized Tariff Schedule of the United States, 68 *Federal Register* 18319, April 15, 2003.
7. Proclamation 7987 of February 28, 2006 “To Implement the Dominican Republic-Central America-United States Free Trade Agreement”, 71 *Federal Register* 10827, March 2, 2006.
8. Proclamation 8111 of February 28, 2007 “To Implement the Dominican Republic-Central America-United States Free Trade Agreement With Respect to the Dominican Republic and for Other Purposes”, 72 *Federal Register* 10025, March 6, 2007.

### Committee for the Implementation of Textile Agreements (CITA) Notices

1. “Procedures in Considering Requests Under the Textile and Apparel ‘Short Supply’ Provisions of The African Growth and Opportunity Act and The United States-Caribbean Basin Trade Partnership Act.” Issued by CITA, 66 *Federal Register* 13502-13504, March 6, 2001
2. Notices on yarns or fabrics designated as commercially unavailable and eligible for use in apparel of 9802.11.27 available at <http://otexa.trade.gov/>

### U.S. Trade Representative Notices

1. “Determination Under the Caribbean Basin Trade Partnership Act.” [Belize, Costa Rica, Dominican Republic, El Salvador, Guatemala, Haiti, Honduras, Jamaica,

- Nicaragua, Panama]. Issued by USTR, 65 *Federal Register* 60236-60237, October 10, 2000.
2. “Determination Under the Caribbean Basin Trade Partnership Act.” [Guyana]. Issued by USTR, 65 *Federal Register* 69988-69989, November 21, 2000.
  3. “Determination Under the Caribbean Basin Trade Partnership Act.” [Trinidad and Tobago]. Issued by USTR, 66 *Federal Register* 9888-9889, February 12, 2001.
  4. “Determination Under the Caribbean Basin Trade Partnership Act.” [Saint Lucia and Barbados]. Issued by USTR, 66 *Federal Register* 31272, June 11, 2001.

### **Customs and Border Protection Regulations**

1. “United States-Caribbean Basin Trade Partnership Act and Caribbean Basin Initiative.” [interim implementing regulations] Issued by U.S. Customs Service, 65 *Federal Register* 59650-59666, October 5, 2000.
2. “Preferential Treatment of Brassieres Under the United States – Caribbean Basin Trade Partnership Act.” [interim amendments to regulations] Issued by U.S. Customs Service, 66 *Federal Register* 50534-50541, October 4, 2001.
3. "Trade Benefits Under the Caribbean Basin Economic Recovery Act." [Interim regulations] Issued by U.S. Customs Service, 68 *Federal Register* 13827, March 21, 2003.
4. "Preferential Treatment of Brassieres Under the Caribbean Basin Economic Recovery Act." [Interim regulations] Issued by the Bureau of Customs and Border Protection, 68 *Federal Register* 56166, September 30, 2003.
5. “Preferential Treatment of Brassieres Under the Caribbean Basin Economic Recovery Act.” Final Regulations. Issued by the Bureau of Customs and Border Protection, 69 *Federal Register* 69511, November 30, 2004.

### **ADDITIONAL INFORMATION**

#### **The Internet**

The home page of CBP on the Internet’s World Wide Web, provides the trade community with current, relevant information regarding customs operations and items of special interest. The site posts information -- which includes proposed regulations, news releases, publications and notices, etc. -- that can be searched, read on-line, printed or downloaded to your personal computer. The web site was established as a trade-friendly mechanism to assist the importing and exporting community. The web site links to the home pages of many other agencies whose importing or exporting regulations that CBP helps to enforce. The web site also contains a wealth of information of interest to a broader public than the trade community. For instance, on June 20, 2001, Customs launched the “Know Before You Go” publication and traveler awareness campaign designed to help educate international travelers.

The web address of U.S. Customs and Border Protection is <http://www.cbp.gov>

## **Customs and Border Protection Regulations**

The current edition of *Customs and Border Protection Regulations of the United States* is a loose-leaf, subscription publication available from the Superintendent of Documents, U.S. Government Printing Office, Washington, DC 20402; telephone (202) 512-1800. A bound, 1999 edition of Title 19, *Code of Federal Regulations*, which incorporates all changes to the customs regulations from April 1998 through March 1999, is also available for sale from the same address. All proposed and final regulations are published in the *Federal Register*, which is published daily by the Office of the Federal Register, National Archives and Records Administration, and distributed by the Superintendent of Documents. Information about on-line access to the *Federal Register* may be obtained by calling (202) 512-1530 between 7 a.m. and 5 p.m. Eastern time. These notices are also published in the weekly *Customs Bulletin*, described below.

### **Customs Bulletin**

The *Customs Bulletin and Decisions* (“*Customs Bulletin*”) is a weekly publication that contains decisions, rulings, regulatory proposals, notices and other information of interest to the trade community. It also contains decisions issued by the U.S. Court of International Trade, as well as customs-related decisions of the U.S. Court of Appeals for the Federal Circuit. Each year, the Government Printing Office publishes bound volumes of the *Customs Bulletin*. Subscriptions may be purchased from the Superintendent of Documents at the address and phone number listed above.

### **Importing Into the United States**

This publication provides an overview of the importing process and contains general information about import requirements. The 1998 edition of *Importing Into the United States* contains much new and revised material brought about pursuant to the Customs Modernization Act (“Mod Act”). The Mod Act has fundamentally altered the relationship between importers and the CBP by shifting to the importer the legal responsibility for declaring the value, classification, and rate of duty applicable to entered merchandise.

The 1998 edition contains a new section entitled “Informed Compliance.” A key component of informed compliance is the shared responsibility between CBP and the import community, wherein CBP communicates its requirements to the importer, and the importer, in turn, uses reasonable care to assure that CBP is provided accurate and timely data pertaining to his or her importation.

Single copies may be obtained from local offices of CBP, or from the Office of Public Affairs, U.S. Customs and Border Protection, 1300 Pennsylvania Avenue NW, Washington, DC 20229. An on-line version is available at the CBP web site. *Importing Into the United States* is also available for sale, in single copies or bulk orders, from the Superintendent of Documents by calling (202) 512-1800, or by mail from the

Superintendent of Documents, Government Printing Office, P.O. Box 371954,  
Pittsburgh, PA 15250-7054.

### Informed Compliance Publications

CBP has prepared a number of Informed Compliance publications in the “*What Every Member of the Trade Community Should Know About...*” series. As of the date of this publication, the subjects listed below were available.

- <sup>4</sup> 1. Customs Value (15/96, Revised 12/99)
- <sup>6</sup> 2. Raw Cotton: Tariff Classification and Import Quotas (15/96, Revised 8/2000)
- <sup>6</sup> 3. NAFTA for Textiles & Textile Articles (15/96, Revised 8/2000)
- <sup>5</sup> 4. Buying & Selling Commissions (16/96, Revised 1/2000)
- <sup>6</sup> 5. Fibers & Yarns Construction and Classification Under the HTSUS  
**(18/96, Revised 9/2000)**
- <sup>6</sup> 6. Textile & Apparel Rules of Origin (110/96, Revised 311/98, 12/2000)
- 7. Mushrooms (110/96, Revised 3/01)
- <sup>1</sup> 8. Marble (11/96)
- <sup>1</sup> 9. Peanuts (11/96, Revised 7/01)
- <sup>5</sup> 10. **Bona Fide Sales & Sales for Exportation (111/96, Revised 1/2000)**
- <sup>2</sup> 11. Caviar (2/97)
- <sup>2</sup> 12. Granite (2/97)
- <sup>5</sup> 13. Distinguishing Bolts from Screws (25/97, Revised 5/2000)
- <sup>2</sup> 14. Internal Combustion Piston Engines (5/97)
- 15. Vehicles, Parts and Accessories (25/97, Revised 2/01)
- <sup>2</sup> 16. Articles of Wax, Artificial Stone and Jewelry (8/97)
- 17. Tariff Classification (211/97, Revised 2/01)
- <sup>3</sup> 18. Ribbons & Trimmings (1/98)
- <sup>3</sup> 19. Agriculture Actual Use (1/98)
- <sup>3</sup> 20. Reasonable Care (1/98)
- <sup>3</sup> 21. Footwear (1/98)
- <sup>3</sup> 22. Drawback (3/98)
- <sup>3</sup> 23. Lamps, Lighting and Candle Holders (3/98)
- <sup>3</sup> 24. NAFTA Eligibility and Building Stone (398, Revised 12/98)
- <sup>3</sup> 25. Rules of Origin (5/98)
- <sup>3</sup> 26. Records and Recordkeeping Requirements (6/98)
- <sup>3</sup> 27. ABC's of Prior Disclosure (5/01)
- <sup>3</sup> 28. Gloves, Mittens and Mitts (6/98)
- <sup>3</sup> 29. Waste & Scrap under Chapter 81 (6/98)
- <sup>3</sup> 30. Table, Kitchenware, Other Household Articles and Toilet Articles  
Of Plastics (11/98)
- <sup>3</sup> 31. Textile & Apparel Rules of Origin Index of Rulings (11/98)
- <sup>4</sup> 32. Knit to Shape Apparel Products (black & white 1/99)
- 32c. Knit to Shape Apparel Products (color 1/99)
- <sup>4</sup> 33. Hats and Other Headgear (under HTSUS 6505) (3/99)

- <sup>4</sup> 34. Customs Enforcement of Intellectual Property Rights (6/99, Revised 8/01)
- <sup>4</sup> 35. Classification of Children’s Apparel (6/99)
- <sup>5</sup> 36. Accreditation of Laboratories and Gaugers (49/99, Revised 3/2000)
- <sup>4</sup> 37. Classification of Sets (9/99)
- <sup>4</sup> 38. Marking Requirements for Wearing Apparel (9/99)
- <sup>4</sup> 39. Fiber Trade Names & Generic Terms (11/99)
- <sup>4</sup> 40. NAFTA Country of Origin Rules for Monumental & Building Stone (12/99)
- <sup>5</sup> 41. Diodes, Transistors & Similar Semiconductor Devices (1/2000)
- 42. Soldering and Welding Machines and Apparatus (51/2000, Revised 4/01)
- <sup>5</sup> 43. Cane and Beet Sugar (Quota, Classification & Entry) (1/00, Revised 2/2000)
- <sup>5</sup> 44. Turbojets, Turbopropellers and Other Gas Turbines, (HTSUS 84111) and Parts Thereof (1/2000).
- <sup>5</sup> 45. Writing Instruments of Heading 9609 HTSUS (1/2000).
- <sup>5</sup> 46. New Decisions on Candle Holders v. Decorative Glass Articles (2/2000)
- <sup>5</sup> 47. Customs Brokers (3/2000)
- <sup>5</sup> 48. Proper Deductions for Freights & Other Costs (3/2000)
- <sup>5</sup> 49. Table and Kitchen Glassware (3/2000)
- <sup>5</sup> 50. Coated Nonalloy Flat-Rolled Steel (3/2000)
- <sup>5</sup> 51. Customs Administrative Enforcement Process: Fines, Penalties, Forfeitures and Liquidated Damages (4/2000, Revised 6/00, 10/01)
- <sup>5</sup> 52. Wadding, Gauze, Bandages & Similar Articles (HTSUS 3005) (4/2000)
- <sup>5</sup> 53. Tractors (HTSUS 8701) vs. Heavy Industrial Machinery (HTSUS 8429 & 8430) (4/2000)
- <sup>5</sup> 54. Classification and Marking of Watches and Clocks (5/2000)
- <sup>6</sup> 55. Colored Bubble Glass (and Other Special Types of Glassware) (8/2000)
- <sup>6</sup> 56. Apparel Terminology Under the HTSUS (11/2000)
- <sup>6</sup> 57. Additional Information
- 58. Classification of Molds and Their Parts Under the HTSUS (1/01)
- 59. Customs Valuation Encyclopedia (1980-1999) (1990, Revised 1/2001)
- 60. Works of Art, Collector’s Pieces, Antiques, and Other Cultural Property (2/01)
- 61. Classification of Flat Panel Displays (3/01)
- 62. Improving Information Technology Invoice Descriptions ICP (5/01)
- 63. U.S.–Caribbean Basin Trade Partnership Act ICP (5/01)
- 64. The African Growth and Opportunity Act ICP (5/01)
- 65. Importing Commercial Samples ICP (5/01)
- 66. Foreign Assembly of U.S. Components ICP (\*6/85, Revised 6/01)
- 67. Decorative Glassware (8/01)
- 68. Mitigation Guidelines: Fines, Penalties, Forfeitures and Liquidated Damages (4/02)

■ Indicates publications which are, or will be, available for downloading from the web site on the Internet <http://www.cbp.gov>

● Indicates publications, which are available for sale through the Superintendent of Documents, U.S. Government Printing Office.

- <sup>1</sup> Denotes reprinted in 30/31 Customs Bulletin No. 50/1, January 2, 1997
- <sup>2</sup> Denotes reprinted in 32 Customs bulletin No. 2/3, January 21, 1998
- <sup>3</sup> Denotes reprinted in 32 Customs Bulletin No 51, December 23, 1998
- <sup>4</sup> Denotes reprinted in 33 Customs Bulletin No. 51, December 22, 1999
- <sup>5</sup> Denotes reprinted in 34 Customs Bulletin No. 25, June 21, 2000
- <sup>6</sup> Denotes reprinted in 34 Customs Bulletin No. 52, December 27, 2000

Check the Internet web site <http://www.cbp.gov> for more recent publications.

## Value Publications

*Customs Valuation under the Trade Agreements Act of 1979* is a 96-page book containing a detailed narrative description of the customs valuation system, the customs valuation title of the Trade Agreements Act (§402 of the Tariff Act of 1930, as amended by the Trade Agreements Act of 1979 (19 U.S.C. §1401a)), the Statement of Administrative Action which was sent to the U.S. Congress in conjunction with the TAA, regulations (19 C.F.R. §§152.000-152.108) implementing the valuation system (a few sections of the regulations have been amended subsequent to the publication of the book) and questions and answers concerning the valuation system. A copy may be obtained from U.S. Customs and Border Protection, Office of Regulations and Rulings, Value Branch, 1300 Pennsylvania Avenue, NW, Washington, D.C. 20229.

*Customs Valuation Encyclopedia* (with updates) is comprised of relevant statutory provisions, customs regulations implementing the statute, portions of the customs valuation code, judicial precedent, and administrative rulings involving application of valuation law. A copy may be purchased for a nominal charge from the Superintendent of Documents, Government Printing Office, P.O. Box 371954, Pittsburgh, PA 15250-7054. This publication is also available on the Internet web site of CBP.

The information provided in this publication is for general information purposes only. Recognizing that many complicated factors may be involved in customs issues, an importer may wish to obtain a ruling under customs regulations, 19 C.F.R. Part 177, or obtain advice from an expert (such as a licensed customs broker, attorney or consultant) who specializes in customs matters. Reliance solely on the general information in this pamphlet may not be considered reasonable care.

Additional information may be also be obtained from U.S. Customs and Border Protection ports of entry. Please consult your telephone directory for an office near you. The listing will be found under U.S. Government, Department of Homeland Security.

**“Your Comments are Important”**

The Small Business and Regulatory Enforcement Ombudsman and 10 regional Fairness Boards were established to receive comments from small businesses about Federal agency enforcement activities and rate each agency’s responsiveness to small business. If you wish to comment on the enforcement actions of U.S. Customs and Border Protection, call 1-888-REG-FAIR (1-888-734-3247).

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