

ANNEX I

UNIFORM REGULATIONS FOR THE INTERPRETATION, APPLICATION AND ADMINISTRATION OF CHAPTERS 4 AND 5 OF THE FREE TRADE AGREEMENT BETWEEN THE REPUBLIC OF CHINA (TAIWAN) AND THE REPUBLIC OF GUATEMALA

The Republic of China (**Taiwan**) and the Republic of **Guatemala**, pursuant to Article 5.11 paragraph 1 of the Free Trade Agreement between the Government of the Republic of China (**Taiwan**) and the Government of the Republic of **Guatemala**, adopt the following Uniform Regulations relative to the Interpretation, Application and Administration of Chapters 4 and 5 of the Agreement.

PART 1: RULES OF ORIGIN

SECTION I: DEFINITIONS AND INTERPRETATION

Article 1: Definitions

For purposes of these Uniform Regulations, the following terms shall be understood as:

accessories, spare parts and tools delivered with a good that usually form part of the good: goods that are delivered with a good, whether or not they are physically affixed to that good, and that are used for the transport, protection, maintenance or cleaning of the good, for instruction in the assembly, repair or use, or as replacements for interchangeable or consumable parts of that good;

adjusted to an FOB basis: with respect to transaction value of a good, adjusted by adding:

(i) the costs of transporting the good from the place of production to the point of direct shipment;

(ii) the costs of loading, unloading, handling and insurance that are associated with that transportation; and

(iii) the costs of loading the good for shipment at the point of direct shipment,

where those costs are not included in the transaction value of the good;

adjusted to a CIF basis: with respect to transaction value of a good, by adding:

(i) the costs of transporting the good from the place of production to the port or place of introduction to the importing country; and

(ii) the costs of loading, unloading, handling or manipulation and insurance related to that transportation up to the port or place of introduction to the importing country,

where those costs are not included in the transaction value of the good;

applicable change in tariff classification: with respect to a non-originating material used in the production of a good, a change in tariff classification specified in a rule set out in Annex 4.03 of the Agreement for the tariff classification under which the good is classified;

tariff classification: a chapter, heading, subheading or any additional subdivisions;

packing materials and containers: materials and containers that are used to protect a good during transportation, different from packaging materials and containers for retail sale;

packaging materials and containers: materials and containers in which a good is packaged for retail sale;

location of the producer: in relation to a good, the factory or place of production of that good;

months: calendar months;

non-originating goods: a good that does not qualify as originating under Chapter 4 (Rules of Origin) of the Agreement;

Party: the Republic of **Guatemala** or the Republic of China (**Taiwan**).

fiscal year period:

a) in the case of the Republic of **Guatemala**:

- (i) the general calendar period which begins on January 1 and ends on December 31;
- (ii) Special period, as requested by the tax-payer, begins on the first day of the month requested, until completing the twelve-month (12) period;

b) in the case of the Republic of China (**Taiwan**):

The fiscal year period means the accounting year. The accounting year for a business entity shall begin on the 1st of January and end on the 31st of December each year except otherwise provided for by any other law or otherwise required for special need of business.

generally accepted accounting principles: recognized consensus or substantial authorized support given in the territory of one of the Parties with respect to the recording of revenues, expenses, costs, assets and liabilities, the disclosure of information and the preparation of

financial statements. Generally accepted accounting principles may encompass broad guidelines for general application, as well as detailed standards, practices and procedures;
territory: means, the land, maritime and air space of each Party, including the exclusive economic zone and the continental shelf within which each exercises sovereign rights and jurisdiction in accordance with international and domestic law;

Agreement: the Free Trade Agreement between the Republic of China (**Taiwan**) and the Republic of **Guatemala**;

transaction value of a good: the price actually paid or payable for a good related to the transaction done by the producer of the good, according to the principles of Article 1 of the Customs Valuation Agreement, adjusted in accordance with the principle of paragraphs 1, 3 and 4 of Article 8, regardless whether the good is sold for exportation. For purposes of this definition, the seller referred to in the Customs Valuation Agreement shall be the producer of the good;

transaction value of a material: the price actually paid or payable for a material related to the transaction done by the producer of the material, according to the principles of Article 1 of the Customs Valuation Agreement, adjusted in accordance with paragraphs 1, 3 and 4 of Article 8, regardless whether the material is sold for exportation. For purposes of this definition the seller referred to in the Customs Valuation Agreement shall be the supplier of the material, and the buyer referred to in the Customs Valuation Agreement shall be the producer of the good;

used: used or consumed in the production of goods; and

value: the value of a good or material for purposes of calculating customs duties or for purposes of applying Chapters 4 and 5 of the Agreement and these Uniform Regulations according to the principles established in the Customs Valuation Agreement.

Article 2: Interpretation

1. In these Uniform Regulations, all examples are designated "Example". The example is for the purposes of illustrating the application of a provision, and where there is any inconsistency between the example and the provision, the provision shall prevail.

2. Except as otherwise specified, the national legislation of a Party referred to in these Uniform Regulations shall be applied to the effective legislation, to its amendments and additions, and any laws or regulations that replaces it.

3. The dispositions will be interpreted according to the text, the meaning of words and context.

SECTION II: ORIGINATING GOODS

Article 3: Originating Goods

1. The wholly obtained goods in a Party shall comply with the requirements established in article 4.01 “wholly obtained or produced entirely in the territory of a Party” and article 4.03 of the Agreement.

For the purposes of subparagraph a) paragraph 1 of Article 4.03 of the Agreement, goods wholly obtained or produced entirely in the territory of a Party are:

- a) minerals extracted or obtained in the territory of that Party;
- b) vegetables and vegetable products harvested, gathered or collected in the territory of that Party;
- c) live animals born and raised in the territory of that Party;
- d) goods obtained by hunting, trapping, fishing, aquaculture, gathering or capture in the territory of that Party;
- e) goods obtained from live animals in the territory of that Party;
- f) fish, shellfish, and other marine species obtained outside the territorial sea of that Party, by fishing vessels registered or recorded in that Party and flying its flag, or by fishing vessels rented by enterprises established in the territory of that Party;
- g) goods obtained or produced on board factory vessels from the goods referred to in subparagraph f) provided that such vessels are registered or recorded in that Party and fly its flag, or are rented by enterprises established in the territory of that Party;
- h) goods obtained from the seabed or subsoil beneath the sea bed outside the territorial sea of that Party, by that Party or a person of that Party, provided that the Party has rights to exploit such seabed or subsoil;
- i) scrap and waste derived from manufacturing or processing operations in the territory of that Party and fit only for disposal or for the recovery of raw materials; or
- j) goods produced in the territory of that Party, exclusively from goods mentioned in subparagraph a) through i) above.

2. It is produced entirely in the territory of one or both Parties exclusively from materials that qualify as originating according to Chapter 4 of the Agreement and these Uniform Regulations.

3. For purposes of subparagraph c) paragraph 1 of Article 4.03 of the Agreement, a good is originating in the territory of a Party whenever:

- a) Each of the non-originating materials used in the production of the good undergoes the applicable change in tariff classification as a result of production that occurs entirely in the territory of one or both of the Parties, where the applicable rule of Annex 4.03 of the Agreement for the tariff classification under which the good is classified specifies only a change in classification, and the good satisfies all other applicable requirements of the Agreement and these Uniform Regulations;
 - b) Each of the non-originating materials used in the production of the good undergoes the applicable change in tariff classification as a result of production that occurs entirely in the territory of one or both Parties and the good satisfies the applicable regional value content requirement, where the applicable rule in Annex 4.03 of the Agreement for the tariff classification under which the good is classified specifies both a change in tariff classification and a regional value content requirement, and the good satisfies all other applicable requirements of the Agreement and these Uniform Regulations; or
 - c) The good satisfies the applicable regional value content requirement, where the applicable rule for the tariff classification under which the good is classified specifies only a regional value content requirement, and the good satisfies all other applicable requirements of the Agreement and these Uniform Regulations.
4. For purposes of subparagraph d) paragraph 1 of Article 4.03 of the Agreement, a good is originating in a Party whenever:

the good is produced in the territory of one or both of the Parties but one or more of the non-originating materials that are used in the production of the good does not undergo a change in tariff classification due to:

- (i) the good was imported into the territory of a Party in an unassembled or a disassembled form and was classified as an assembled good pursuant to General Rule of Interpretation 2 (a) of the Harmonized System,
- (ii) the tariff heading for the good provides for and specifically describes both the good itself and its parts and is not further subdivided into subheadings, or
- (iii) the tariff subheading for the good provides for and specifically describes both the good itself and its parts;

provided that the regional value content of the good, determined in accordance with Article 4.07 of the Agreement, is not less than thirty five (35%) percent and the good satisfies the other provisions applicable in Chapter 4 of the Agreement, unless the applicable rule of Annex 4.03 of the Agreement, under which the good is classified, specified a different requirement of regional value content, in which case such requirement has to be met.

The rules provided for in this subparagraph do not apply to the goods In Chapters 61 through 63 of the Harmonized System.

5. For purposes of Article 3, paragraph 3, of these Uniform Regulations, provided that Annex 4.03 of the Agreement sets out two or more alternative rules of origin for the tariff classification under which a good is classified, if the good satisfies the requirements of one of these rules, it does not need to satisfy the requirements of other rules in order to qualify as an originating good.
6. For purposes of Article 3, paragraph 4, of these Uniform Regulations:
 - a) the determination of whether a heading or subheading provides for a good and its parts shall be made on the basis of nomenclature of the heading or subheading and the relevant Section or Chapter Notes, and in accordance with the General Rules for Interpretation of the Harmonized System; and
 - b) where, in accordance with the Harmonized System, a heading includes parts of goods by application of a Section Note or Chapter Note of the Harmonized System and the subheadings under that heading do not include a subheading designated as "parts", then the subheading designated as "other" under that heading shall be considered to cover parts of those goods of that subheading.
7. Notwithstanding other provisions of this Article, goods shall not be considered originating, if they are exclusively the outcome of the operations set out in Article 4.04 of the Agreement and carried out in the territory of the Parties where non-originating materials are used in such operations and gives their final form for marketing, unless the specific rules of origin of Annex 4.03 of the Agreement indicate otherwise.

The following are examples of originating goods:

Example 1: Article 3, paragraph 1, subparagraph a)

Marine salt, crude mineral sulfur that occurs in natural state, natural sands, clays, stones, metallic minerals, crude oil, natural gas, bituminous minerals, natural earth, ordinary natural water, natural mineral water.

Example 2: Article 3, paragraph 1, subparagraph b)

Fruits, flowers, seeds, vegetables, trees, marine seaweed, fungi.

Example 3: Article 3, paragraph 1, subparagraph c)

Mammals, birds, fish, crustaceans, molluscs, reptiles, bacteria and virus.

Example 4: Article 3, paragraph 1, subparagraph e)

Milk, eggs.

Example 5: Article 3, paragraph 1, subparagraph i)

Waste and scrap of steel, base metal scraps.

Example 6: Article 3, paragraph 1, subparagraph j)

Lead recovered from used storage cells, used newspaper for recycling, glass bottles for recycling.

Article 4: *De minimis*

For purposes of Article 4.08 (*De minimis*) of the Agreement:

1. A good shall be considered to be an originating good in the territory of a Party if the value of all non-originating materials used in the production of that good that do not satisfy the requirement of change in tariff classification set out in Annex 4.03 of the Agreement is not more than ten percent (10%) of the transaction value of the good as determined in Article 4.07 of the Agreement, with respect to the transaction value by which the producer of the good has sold the good, adjusted to an FOB basis, provided that:
 - a) if, under the rule in which the applicable change in tariff classification is specified, the good is also subject to a regional value content requirement, the value of those non-originating materials shall be taken into account in calculating the regional value content of the good in accordance with the method set out for that good, and
 - b) the good satisfies all other applicable requirements of the Agreement and these Uniform Regulations.
2. For purposes of paragraph 1, it is not required to satisfy all alternative rules set out in annex 4.03, when:
 - a) Annex 4.03 of the Agreement sets out two or more alternative rules for the tariff classification under which the good is classified; and
 - b) the good satisfy one of those rules.
3. For a good provided for in Chapters 50 through 63 of the Harmonized System, the percentage indicated in paragraph 1 refers to the weight of fibers or yarns with respect to the weight of the good being produced.
4. Paragraph 1 do not applied to a non-originating material used in the production of goods provided for in Chapters 1 through 27 of the Harmonized System, unless the non-originating material is provided for in a different subheading than the good for which origin is being determined under this Article.

5. Examples of *De minimis* are indicated, inter alia, as follows:

Example 1: Article 4, paragraph 1

Producer A, located in a Party, uses originating materials and non-originating materials in the production of copper anodes provided for in heading 74.02.

The rule set out in Annex 4.03 of the Agreement for heading 74.02 specifies a change in tariff classification from any other heading.

For heading 74.02, there is no regional value content requirement. Therefore, for the copper anode to qualify as an originating good under the rule set out in Annex 4.03 (Specific Rules of Origin) of the Agreement, producer A could not use any of the non-originating materials of heading 74.02 in the production of the copper anode.

All the materials used in the production of the copper anode are originating materials, with the exception of a small amount of copper for refinement provided for in heading 74.02, that is classified in the same heading as copper anode. According to Article 4, paragraph 1, if the value of the non-originating copper for refinement does not exceed ten percent (10%) of the transaction value of the copper anode, the copper anode would be considered as originating.

Example 2: Article 4, paragraph 2

Producer A, located in a Party, uses originating and non-originating materials in the production of ceiling fans provided for in subheading 8414.51.

There are two alternative rules set out in Annex 4.03 (Specific Rules of Origin) of the Agreement for subheading 8414.51, one of which specifies a change in tariff classification from any other heading. The other rule specifies both a change in tariff classification from the subheading under which the parts of ceiling fans are classified (8414.90), and a regional value content requirement of forty five percent (45%).

Therefore, in order for the ceiling fan to qualify as an originating good according to the first of the alternative rules, all of the materials that are classified under the subheading for parts of ceiling fans (8414.90) and used in the production of the completed ceiling fan must be originating materials.

In this case, all of the non-originating materials used in the production of the ceiling fans satisfy the change in tariff classification set out in the rule that specifies a change in tariff classification from any other heading, with the exception of one non-originating material that is classified under the subheading for parts of ceiling fans. According to Article 4, paragraph 1, if the value of the non-originating material that does not satisfy the change in tariff classification specified in the first rule does not exceed ten percent (10%) of the transaction value of the ceiling fan, the ceiling fan would be considered as originating. Therefore, according to Article 4, paragraph 2), the ceiling fan would not be required to satisfy the alternative rule that specifies both a change in tariff classification and a regional

value content requirement.

Article 5: Regional Value Content

For purposes of Article 4.07 (Regional Value Content) of the Agreement:

1. The regional value content of a good shall be calculated according to the following formula:

$$\text{RVC} = \frac{(\text{TV} - \text{VNM})}{\text{TV}} \times 100$$

where:

RVC: is the regional value content of the good, expressed as a percentage;

TV: is the transaction value of the good adjusted to a F.O.B. basis, unless as stated in paragraph 2. In case there does not exist or it is not possible to determine the value in accordance with the principles and provisions of Article 1 of the WTO Customs Valuation Agreement, then this shall be calculated according to the principles and provisions of Articles 2 through 7 of that Agreement; and

VNM: is the transaction value of the non-originating materials adjusted to a C.I.F. basis, unless stated in the paragraph 5. In case there does not exist or it is not possible to determine the value according to the principles and provisions of Article 1 of the WTO Customs Valuation Agreement, this shall be calculated in accordance with the principles and provisions of Articles 2 through 7 of that Agreement.

2. When the producer of a good does not export directly, the value shall be adjusted to the point where the buyer receives the good in the territory where the producer is located.

3. When the origin is determined by the method of regional value content, the percentage required is specified in Annex 4.03 (Specific Rules of Origin) of the Agreement, according to the specific rule of origin of the Agreement.

4. All the records of costs considered for the calculation of regional value content shall be recorded and maintained according to the generally accepted accounting principles applicable in the territory of the Party from which the good is produced.

5. When a producer of a good acquires a non-originating material in the territory of the Party where it is located, the value of the non-originating material shall not include the freight, insurance, packing costs and any other costs incurred in the transportation of material from the supplier's warehouse to the location of the producer.

6. For purposes of calculating the regional value content, the value of the non-originating materials used in the production of the good shall not include the value of the non-originating materials used in the production of the originating material acquired and used in the production of that good.

7. Examples of the calculation of regional value content are as follows:

Example 1: Article 5, paragraph 1

An exporter produces dolls of subheading 9502.10.

According to Annex 4.03 (Specific Rules of Origin) of the Agreement, there are two alternative rules set out for subheading 9502.10, the first rule specifies a change in tariff classification from any other heading, and the second rule specifies a rule of regional value content of forty percent (40%).

The producer of the dolls, located in a Party, acquires certain parts of subheading 9502.91 from non-Party countries. While not satisfying the rule of change in tariff classification, the producer shall choose an option for the rule of regional value content of forty percent (40%).

The imported parts are garments of doll of a value of US\$ 1.5 (CIF) and the footwear of doll of a value US\$ 1 (CIF). The export price (FOB) of the doll is of US\$ 15.

$$RVC = [(TV - VNM) / TV] * 100$$

$$RVC = [(15 - 2.5) / 15] * 100$$

$$RVC = 83.3 \%$$

The result of the calculation of the regional value content is 83.3%, which indicates that it surpasses the forty percent (40%) demanded in the specific rule of origin. Therefore, the good is considered as originating.

Example 2: Article 5, paragraph 2

An exporter of doll of subheading 9502.10 acquires those dolls from a national producer.

According to Annex 4.03 (Specific Rules of Origin) of the Agreement, the rule of origin established for subheading 9502.10 specifies a change in tariff classification from any other heading or a rule of regional value content of forty percent (40%).

As this producer acquires certain parts for doll of subheading 9502.10 from non-Party countries, he must determine the origin according to the rule of regional value content, because the parts are classified in the same heading as the final good.

The imported parts, garments of doll of a value of US\$ 1.7 (CIF) and the footwear of doll of a value of US\$ 1.2 (CIF). The exporting price (FOB) of doll is US\$ 18, but the exporter bought the good from the producer at US\$ 15.

$$RVC = [(TV - VNM) / TV] * 100$$

$$\text{RVC} = [(15 - 2.9) / 15] * 100$$

$$\text{RVC} = 80.6\%$$

The result of the calculation of the regional value content is 80.6%, which indicates that it exceeds the forty percent (40%) demanded in the specific rule of origin. Therefore, the good is considered as originating.

Example 3: Article 5, paragraph 5

An exporter produces dolls of subheading 9502.10.

According to Annex 4.03 (Specific Rules of Origin) of the Agreement, there are two alternative rules established for subheading 9502.10. The first rule specifies a change in tariff classification from any other heading and the second rule specifies a rule of regional value content of forty percent (40%).

The producer of the doll acquires certain parts of subheading 9502.91 from non-Party countries. While not complying with the rule of change of tariff classification the producer shall choose the rule of regional value content.

The imported parts that he purchases from a national producer, are the garments of doll of a value of US\$ 2 (CIF) and the footwear of doll of a value of US\$ 1.6 (CIF). The exporting price (FOB) of the doll is of US\$ 15.

Nevertheless, with regard to the cost of the imported parts we should subtract the freight, insurance, and packing costs from the parts from the supplier, the prices for the garments of doll becomes US\$ 1.8 (CIF) and the prices for footwear of doll is US\$ 1.4 (CIF).

$$\text{RVC} = [(TV - \text{VNM}) / TV] * 100$$

$$\text{RVC} = [(15 - 3.2) / 15] * 100$$

$$\text{RVC} = 78.66\%$$

The result of the calculation of regional value content is 78.66%, which indicates that it exceeds the forty percent (40%) required in the specific rule of origin. Therefore, the good is considered as originating.

SECTION III: MATERIALS

Article 6: Indirect Materials

For purposes of Article 4.05 of the Agreement for determining whether a good is originating, indirect materials shall be considered to be originating materials regardless of

their place of manufacturing or production and the value of these materials shall be the costs as indicated in the accounting records of the producer of the good.

Article 7: Fungible Goods and Materials

1. For the purposes of paragraphs 1 and 2 of Article 4.09 of the Agreement, in determining the origin of a good:

a) where originating and non-originating materials that are fungible are used in the production of the good, the determination of whether the materials are originating may, be made on the basis of any of the applicable inventory management methods set out in Annex I of these Uniform Regulations, at the choice of the producer of the good or the person from whom the producer acquired the materials; and

b) where originating and non-originating goods that are defined as fungible are mixed or combined physically in warehouse and do not go through any production process or any operation other than unloading, reloading or any other necessary movement in the territory of the Party before the exportation to keep the goods in good condition or to transport them to the territory of the other Party, the determination of whether the good is an originating good may, be made on the basis of any applicable inventory management methods set out in Annex I of these Uniform Regulations, at the choice of the exporter of the good or the person from whom the exporter acquired the good.

2. In accordance with the paragraph 3 of Article 4.09 of the Agreement, once a method of inventory management is selected it shall be used during the entire period or fiscal year.

3. The selection of the inventory management methods, according to paragraph 1 shall be considered as finalized provided that, during the course of an origin verification of the good, the competent authority of the importing Party has been informed in writing on the method chosen.

Article 8: Accessories, Spare Parts and Tools

1. For purposes of paragraph 1 of Article 4.11 of the Agreement, when determining the origin of a good, accessories, spare parts and tools delivered with the good that usually form part of the good shall be taken into account with the good as a whole and shall be disregarded in determining whether all the non-originating materials used in the production of the good undergo the applicable change in tariff classification set out in Annex 4.03 of the Agreement, provided that:

(a) the accessories, spare parts or tools are not invoiced separately from the good; and

(b) the amount and value of these accessories, spare parts and tools are customary for the good.

2. For purposes of paragraph 2 of Article 4.11 of the Agreement, where a good is subject to a regional value content requirement, its accessories, spare parts or tools will be

considered as either originating or non-originating materials, as the case may be, in order to calculate the regional value content of the good.

3. For purposes of paragraph 3 of Article 4.11 of the Agreement, the accessories, spare parts and tools that do not satisfy the conditions of paragraphs 1 and 2, the specific rules of origin corresponding to each one of them shall be separately applied.

4. The following are examples of accessories, spare parts and tools usually delivered as part of a good:

- a) dust filters for air-conditioning systems that must be replaced at regular intervals;
- b) a carrying case for equipment;
- c) a dust cover for a machine;
- d) an instruction manual for a vehicle;
- e) a bicycle tool kit or car jack;
- f) a set of wrenches to change the bit on a chuck;
- g) a brush or other tools to clean a machine; and
- h) electrical cords and plugs used for electronic goods.

SECTION IV: OTHER PROVISIONS

Article 9: Accumulation

1. For purposes of paragraph 1 of Article 4.06 of the Agreement, when determining the origin of a good, the Party from which the good is produced shall accumulate origin with goods originating from the territories of the Parties, provided that the good satisfies all other requirements of the Agreement and these Uniform Regulations.

2. For purposes of paragraph 2 of Article 4.06 of the Agreement, originating materials or originating goods from the territory of a Party, incorporated into a good in the territory of the other Party, shall be considered originating in the territory of the latter.

3. For purposes of paragraph 3 of Article 4.06 of the Agreement, the producer of such a good may accumulate its production with that of other producer or producers in the territory of one or both Parties, of materials incorporated into the good, so that the production of these materials is considered as done by such producer, provided that the good satisfies the requirements of Article 4.03 of the Agreement.

4. For purposes of this Article,

a) where an applicable change in tariff classification is applied to determine whether the good is an originating good of the other Party, the producer of the good must have a statement signed by the producer of the material that the tariff classification of all non-originating materials used by that producer in the production of that material and that the production of the material took place entirely in the territory of that Party;

b) where the good is subject to a regional value content requirement, the producer of the good must have a statement signed by the producer of the material that the value of all the non-originating materials used by that producer in the production of that material, and that the production of the material took place entirely in the territory of a Party;

c) a producer of a good who chooses to accumulate origin is not required to accumulate the production of all materials that are incorporated into the good; and

d) any information presented in a statement referred to in subparagraph b) that concerns the value of the materials shall be in the same currency as the currency of the country in which the person who provided the statement is located.

5. The following examples on accumulation are presented, as follows:

Example 1: Article 9, paragraph 1

Producer A manufactures rubber extrusion machines of subheading 8477.20.

According to Annex 4.03 of the Agreement, there are two alternative rules described in subheading 8477.20. The first rule specifies a change in tariff classification from any other heading and the second rule specifies both a change from any other subheading and a regional value content.

Producer A makes the rubber extrusion machines from parts classified in different chapters, other than a rubber injector of subheading 8477.90, that he acquires from a Producer B of another Party.

Producer B, makes the injector from originating and non-originating materials, all of which materials satisfy the criteria of change in tariff classification for subheading 8477.90. Therefore, the injector can be considered as originating in the territory of the other Party, it is considered equally originating in the country producing the extrusion machine. With this, Producer A automatically satisfy the rule of change in tariff classification, and the rubber extrusion machines qualify as originating.

Example 2: Article 9, paragraph 2

Producer A produces rubber extrusions machines of subheading 8477.20.

According to Annex 4.03 of the Agreement, there are two alternative rules described in subheading 8477.20. The first rule specifies a change in tariff classification from any other heading and the second rule specifies both a change in tariff classification from any other subheading and a regional value content of thirty five percent (35%).

Producer A makes them from parts classified in different chapters, except for a rubber injector of subheading 8477.90, that he acquires from producer B located in the other Party, producer A knows it is not meeting the criterion of change in tariff classification from any other heading. Accordingly, the rubber extrusions machines cannot be considered originating, unless all the non-originating materials satisfy the change of tariff classification of any other subheading and an RVC of thirty five percent (35%).

Non-originating materials (CIF)	US\$ 300	60 %
Injector	US\$ 100	20 %
Total non-originating materials	US\$ 400	80 %
Value Added	US\$ 100	20 %

Total value of machine	US\$ 500	100%

Producer B, makes the injector from originating materials, except for a non-originating part that is classified within the same subheading 8477.90. Therefore, the injector does not have the status of originating, out of its total value of US\$ 100, 80% of this value is originating and 20% is non-originating.

This means that although producer A of the extrusion machine, can not consider 100% of the value of the injector as originating, the producer can take that 80% from the total value of the injector that corresponds to the production process of the other Party.

Non-originating materials (CIF)	US\$ 300	60 %
Injector (non-originating part)	US\$ 20	4 %
Total non-originating materials	US\$ 320	64 %
National value added	US\$ 100	20 %
Injector (originating part)	US\$ 80	16 %
Total value added	US\$ 180	36 %

The total value of the machine	US\$ 500	100%

Therefore, by incorporating the production made in the other Party, the total value added is thirty six percent (36%). Thus the regional value content satisfies the specific rule of 35% regional value content requirement for subheading 8477.20.

Article 10: Transit and Transshipment

In accordance with Article 4.14 of the Agreement, an originating good shall not lose such status when it is:

- a) the transit is justifiable by geographical reasons or by considerations relative to requirements of international transportation;
- b) the good has not been destined for trade, consumption, and use in the countries of transit;
- c) during its transportation and temporary storage the good has not undergone operations other than unloading, reloading or any other operation necessary to preserve them in good condition; and
- d) the good remains under the control of the customs authority in the territory of any non-Party.

Article 11: Minimal Processes or Operations

For purposes of Article 4.04 of the Agreement, except otherwise specified in Annex 4.03, the minimal processes or operations that by themselves or in combination do not confer origin to a good are as follows:

- a) the necessary operations for the preservation of a good during transportation or storage, including airing, ventilation, drying, refrigeration, freezing, elimination of damaged parts, application of oil, antirust painting or protective coatings, or the placing in salt, sulfur dioxide or some other aqueous solution;
- b) simple operations consisting of cleaning, washing, sifting or straining, or shaking, selection, classification or grading, culling, peeling, shelling or striping, grain removal, pitting, pressing or crushing, soaking, elimination of dust or of spoiled or damaged parts, sorting, division of consignments in bulk, grouping in packages, placing of marks, labels or distinctive signs on products and their packages, packing, unpacking or repackaging;
- c) combination or mixing operations of goods that have not result in any important difference in the characteristics of the goods before and after the combination or mixing;
- d) simple jointing or assembling of parts to make a complete good, or to form sets or assortments of goods;
- e) simple water dilution operations or ionization and salting, which have not changed the nature of the good; and
- f) slaughter of animals.

PART II: CUSTOMS PROCEDURES RELATED TO RULES OF ORIGIN

Article 12: General Provision

Each Party shall ensure that its customs procedures related to rules of origin are in accordance with Chapter 5 (Customs Procedures Related to Rules of Origin) of the Agreement and these Uniform Regulations.

Article 13: Definitions

1. For purposes of these Uniform Regulations, it shall be understood as:

Certifying Authority: in the case of the Republic of Guatemala, the Ministry of Economy, or its successor; and in the case of the Republic of China (Taiwan), the Bureau of Foreign Trade (BOFT), Ministry of Economic Affairs, or its successor, or other agencies as authorized by the BOFT or its successor;

Customs Valuation Agreement: the Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade 1994, including its interpretative notes, which forms part of the WTO Agreement;

Competent Authority: in the case of the Republic of Guatemala, the Ministry of Economy, or its successor; and in the case of the Republic of China (Taiwan), the customs authority under the Ministry of Finance, or its successor.

exporter: a person engaging in exportation located in the territory of a Party from where the good is exported and who, according to Chapter 5 of the Agreement, is required to maintain records in the territory of that Party under Article 5.05 paragraph 1 a) of the Agreement;

commercial importation: the importation of a good into the territory of a Party for sale, or for commercial, industrial or similar purposes;

importer: a person engaging in importation and located in the territory of a Party, and required to maintain records in the territory of that Party, under Article 5.05 paragraph 1 b) of the Agreement;

filling: it refers to the incorporation of all the information required in the format of the Certificate of Origin signed and dated by the producer or exporter, as it corresponds to;

origin verification procedure: administrative process that begins with the notification of beginning of the verification procedure on the part of the competent authority of a Party and it concludes with the final decision of origin determination;

preferential tariff treatment: the application of the tariff rate corresponding to an originating good according to the Tariff Reduction Schedule, pursuant to Article 3.04 (Tariff Reduction Schedule) of the Agreement;

2. Except otherwise defined in this Article, the definitions established in Article 1 of the “Part I: Rules of Origin” shall be incorporated into “Part II: Customs Procedures Related to Rules of Origin”, of these Uniform Regulations.

Article 14: Origin Certification

1. Upon the entry into force of the Agreement, the Parties will notify each other the format of certificate and specimen impression of stamps used for the certificate to be issued for each export. The Parties will proceed as follows: In the case of the Republic of China (Taiwan), the Bureau of Foreign Trade (BOFT) will notify the Embassy of Guatemala in Taipei; in the case of Guatemala, the Ministry of Economy of the Republic of Guatemala will notify the Embassy of the Republic of China (Taiwan) in Guatemala.

2. The Parties shall notify each other any change of the format of certificate agreed by the Parties and any change of the specimen impression of stamps used for the certificate before issuing it. This notification shall be made in accordance with Article 14, subparagraph 1.

3. The Certificate of Origin referred to in Article 5.02 of the Agreement is the document used to certify that a good exported from the territory of one Party into the territory of the other Party qualifies as originating and satisfies the other requirements established in the Agreement and in these Uniform Regulations. As a result, the good can be imported under the preferential tariff treatment established pursuant to Article 3.04 of the Agreement.

4. The Certificate of Origin referred to in Article 5.02 of the Agreement shall be:

- a) issued by the Certifying Authority of each Party according to the format established in Annex III;
- b) prepared in a printed format referred to in previous subparagraph a), or in such other medium or format that is approved by the competent authority of the Party into whose territory the good is imported;
- c) completed, signed and dated by the Certifying Authority of the Party and holding a serial certificate number for its identification.
- d) completed by the exporter in language of the Party from whose territory the good is exported and in English.

5. For purposes of Article 5.02 paragraph 8 of the Agreement, a Certificate of Origin shall be used for a single importation of one or more goods that are imported into the territory of that Party.

6. According to Article 5.02, paragraph 9 of the Agreement, the one year validity of the Certificate of Origin, counted from the signature date by the Certifying Authority, means the period during which the importation of the goods described in the certificate can be carried out under the preferential tariff treatment.

Article 15: Obligations Regarding Importation

1. For purposes of Article 5.03, paragraph 1, subparagraph a) of the Agreement, "Valid Certificate of Origin " means a Certificate of Origin written in the format referred to in Article 5.02 paragraph 1 of the Agreement, signed and dated by an exporter of a good in the territory of a Party according to the provision of Chapter 5 of the Agreement and to the instructions for completing the certificate, and certified by the certifying authority of the exporting Party, pursuant to the provision of the said Chapter;

2. For purposes Article 5.03, paragraph 1, subparagraph c) of the Agreement, when the Customs Authority of the Party in whose territory the good is imported determines that a certificate of origin:

a) is illegible, defective, omissions or it has not been completed in accordance with Article 14 of these Uniform Regulations, the importer shall be given a period of no more than fifteen (15) days to submit a new or corrected Certificate of Origin as requested by the Customs Authority; or

b) presents blotches, scratches, amendments or writing between the lines, it shall be able to deny preferential tariff treatment, in accordance with Article 5.03, paragraph 2 of the Agreement.

3. An importer that makes a corrected declaration of origin pursuant to Article 5.03, paragraph 1, subparagraph d) of the Agreement, and meet conditions set out in Annex IV of these Uniform Regulations, and pays any duties owing, may not be subject to penalties.

4. The provision of Article 5.03 of the Agreement does not exempt the importer from the obligation to pay customs duties and other taxes obligations according to the applicable laws of the importing Party, when the customs authority denies preferential tariff treatment to goods imported, pursuant to Articles 5.05 and 5.06 of the Agreement, and Articles 17, 18 and 19 of these Uniform Regulations or when, as a result of the origin verification, differences in the amount due are determined.

5. Each Party shall provide that, when the importer does not ask for a preferential tariff treatment for goods imported into its territory that would have qualified as originating, the importer may, not later than four (4) months from the date of release of the imported goods, request the return of the tariff duties paid in excess for not having requested the preferential tariff treatment for that good, as long as the importer has the certificate of origin in his/her possession and the request is accompanied by:

a) a written declaration, indicating that the good qualifies as originating at the time of importation;

- b) the certificate of origin or its copy; and
- c) any other documentation related to the import of the good, as the customs authority may require.

6. Each Party shall require that the goods claiming preferential tariff treatment under the Agreement shall exhibit the origin marking in a visible way, and directly over the goods, in language of the Party or in English, such as “Made in... (Country of Origin) “or” Produced in...(Country of Origin).”

Notwithstanding the preceding paragraph, if by nature of goods, their size or shape by which they are traded, it is not possible that they exhibit the inscription of origin directly on the goods themselves, then the origin shall be marked on their coverings, boxes, bottling, packing or containers that hold them.

The provisions of this Article are not applicable to natural goods being traded in bulk or without packing, bottling or coverings, for which the mere presentation of origin in the Customs declaration should be acceptable.

Article 16: Obligations Regarding Exportation

For purposes of Article 5.04, paragraph 2 of the Agreement:

1. "Promptly" means prior to the commencement of verification or investigation by the competent authority regarding the Certificate of Origin.
2. Each Party may not impose penalties on an exporter or producer of a good in its territory, where the exporter or producer provide promptly the written notification referred to in paragraph 2 of Article 5.04 of the Agreement.
3. Where the customs authority of a Party provides an exporter or producer of a good with a determination under Article 5.06, paragraph 7 of the Agreement that the good is a non-originating good, the exporter or producer shall notify all persons to whom the Certificate of Origin with regard to the good were given.
4. Each Party shall require that the goods claiming preferential tariff treatment under the Agreement shall exhibit the origin marking in a visible way, and directly over the goods, in language of the Party or in English, such as “Made in... (Country of Origin) “or” Produced in...(Country of Origin).”

Notwithstanding the preceding paragraph, if by nature of goods, their size or shape which they are traded, it is not possible that they exhibit the inscription of origin directly on the goods themselves, then the origin shall be marked on their coverings, boxes, bottling, packing or containers that hold them.

The provisions of this Article are not applicable to natural goods being traded in bulk or

without packing, bottling or coverings, for which the mere presentation of origin in the Customs declaration should be acceptable.

5. Each Party shall require that if a false Certificate or information provided by its exporter or producer results in the good being exported to the territory of the other Party qualified as originating, such exporter or producer shall be subject to similar penalties as would apply to an importer in its territory for violating its customs laws and regulations by making false declarations or statements.

Article 17 : Records

1. The Parties shall provide that every exporter or producer who completes and signs a Certificate of Origin or provides information, to its Certifying Authority, shall maintain for a minimum period of five (5) years counted from the date the Certificate was signed, all records and documents associated with the origin of the good pursuant to Article 5.05, paragraph 1, subparagraph a) of the Agreement. The documentation and records required to be maintained shall be kept in such a manner as to enable an officer of the Customs Authority of a Party, in conducting a verification of origin under Article 5.06 of the Agreement, to verify the information on the basis of which:

a) in the case of an importer, a claim for preferential tariff treatment was made with respect to a good imported into its territory, then that importer shall keep the Certificate of Origin and all documentation associated with the importation requested by the Customs Authority .

b) in the case of an exporter or producer, if a Certificate was completed with respect to a good exported to the territory of the other Party, then the exporter or producer shall keep all records and documents associated with the Certificate of Origin, according to paragraph 1, subparagraph a) of Article 5.05 of the Agreement.

2. the certifying authority of the exporting Party which issued the Certificate of Origin shall maintain all documentation relating to the issuance of the certificate for a minimum period of five (5) years counted from the issuing date of the certificate.

3. importers, exporters, producers and the certifying authority in the territory of a Party that are required to maintain documentation and records under paragraph 1 of Article 5.05 of the Agreement, shall be permitted to maintain such documentation and records in electronic or magnetic form, in accordance with the legislation of that Party, provided that the documentation or records can be retrieved and printed.

4. Exporters and producers under Article 5.05 of the Agreement shall make those records and documentation available to the customs authority of the Party conducting a verification visit, and provide facilities for inspection thereof, subject to the notification and consent requirements provided for in Article 5.06 paragraph 9 of the Agreement.

5. A Party may deny preferential tariff treatment to a good subject to verification of origin, if the exporter, producer or importer of the good who shall maintain records or

documents:

- a) does not maintain the records or documents for determining the origin of the good, according to the provisions of this Chapter and Chapter 4 (Rules of Origin); or
- b) denies access to the records or documents.

Article 18: Origin Verification Procedures

1. In accordance with paragraph 1 of Article 5.06 of the Agreement, the importing Party may request through its to the certifying authority of the exporting Party information about the origin of a good.

2. For the purpose of determining, and based on paragraph 2 of Article 5.06 of the Agreement, whether good imported into its territory from the territory of the other Party, under preferential treatment qualifies as originating, each Party may verify the origin of the good through its competent authority by means of:

- a) written questionnaires to an exporter or producer in the territory of the other Party,

- b) verification visits to an exporter or a producer in the territory of the other Party to review the records and documents that show compliance with rules of origin under Article 5.05 of the Agreement, and to inspect the facilities used in the production of the good, and those used in the production of materials; or may commission the Embassy in the territory of the other Party to visit to the exporter or producer to verify the origin; or

- c) other procedures as the Parties may agree.

3. For purposes of this Article, the notifications of questionnaires, official letters, decisions, notices, and other written communications sent to the exporter or producer for origin verification, shall be considered valid, provided that they are done by the following means:

- a) certified mail with acknowledgment of receipt or any other means that confirm the reception of this document by the exporter or producer ; or

- b) official communications through the Embassies of the Parties whenever the competent authority requires; or

- c) any other means as the Parties may agree.

4. The provision of paragraph 2 shall be applied without prejudice to the authority of verification by the customs authority of the importing Party regarding the enforcement of other obligations of their own importers, exporters or producers.

5. The written questionnaire referred to in subparagraph a) of paragraph 2 shall:

- a) indicate the time period, which shall be no less than thirty (30) days from the date of receipt, that the importer, exporter or producer has to duly complete and return the questionnaire or provide the information requested; and
 - b) include the notification of intention to deny preferential tariff treatment, in case the importer, exporter or producer does not duly complete and return the questionnaire or not provide the information requested within such time period.
6. The importer, exporter or producer who receives a questionnaire or request for information according to paragraph 2 a) shall duly complete and return the questionnaire or respond to the request for information within the time period established in paragraph 4 a) from the date of receipt. During that time period, the importer, exporter or producer may make a written request to the competent authority of the importing Party for an extension of no more than thirty (30) days. Such request shall not have the consequence of denial of the preferential tariff treatment.
7. Each Party shall provide that, even if the answered questionnaire or information requested referred to in paragraph 5 has been received within the specified time period, it may still request, through its competent authority, additional information from the importer, exporter or producer, by means of a subsequent questionnaire or request. In such cases the importer, exporter or producer shall answer the questionnaire or respond to the request within thirty (30) days from the date of receipt.
8. If the importer, exporter or producer does not duly complete a questionnaire, or does not return the questionnaire or not provide the information requested within the time period established in paragraphs 4 a), 5 and 6 above, the importing Party may deny preferential tariff treatment to the goods subject to verification, by issuing a written determination of origin, including facts and the legal basis for that determination, to the importer, exporter or producer.
9. Prior to conducting a verification visit according to paragraph 2 b), the importing Party shall, through its competent authority, provide a written notification of its intention to conduct the visit. The notification shall be sent to the exporter or producer to be visited, to the certifying authority and the competent authority of the Party in whose territory the visit will be conducted, and, if necessary, to the Embassy of the other Party in the territory of the importing Party. The competent authority of the importing Party shall request written consent from the exporter or producer to be visited.
10. The notification referred to in paragraph 9 shall include:
 - a) the name of the that sends the notification;
 - b) the name of the exporter or producer to be visited;
 - c) the date and place of the proposed verification visit;

- d) the objective and scope of the verification visit, including the specific reference to the goods subject to verification;
- e) the names and positions of the officers conducting the verification visit; and
- f) the legal basis for carrying out the verification visit.

11. Any modification of the information referred to in paragraph 10 shall be notified in writing to the exporter or producer, to the customs authority and to the certifying authority of the exporting Party before the verification visit

12. If the exporter or producer has not given his written consent to a proposed verification visit within the thirty (30) days of the written notification as provided in paragraphs 9 and 10, the importing Party may deny preferential tariff treatment to the good or goods by notifying in writing to the importer, exporter or producer its determination, including facts and the legal basis for such denial.

13. Each Party shall provide that, when an exporter or producer receives a notification as provided in paragraphs 9 and 10, that exporter or producer may, within fifteen (15) days of receipt of the notification, notify in writing the of the importing Party, certifying authority and competent authority of the exporting Party, its decision to postpone only for once the proposed verification visit for a period no longer than sixty (60) days from the date the notification was received, or for a longer period as the Parties may agree to.

14. The Parties shall not deny the preferential tariff treatment to a good solely because a verification visit is postponed according to paragraph 13.

15. Each Party shall permit an exporter or producer who is subject to a verification visit to designate two observers to be present during the visit, provided that the observers do not participate in a manner other than as observers. Nevertheless, the failure of designating the observers by the exporter or producer shall not be a cause for postponing the visit.

16. Each Party shall require that an exporter or a producer provides the records and documents referred to in paragraph 1 a) of Article 5.05 of the Agreement to the competent authority of the importing Party conducting a verification visit. If the records and documents are not in possession of the exporter or producer, he/she may request the producer or supplier of the materials to deliver them to the competent authority mentioned above.

17. When the competent authority of the importing Party verifies whether the regional value content, the *de minimis* calculation or any other requirement established under Chapter 4 (Rules of Origin) have been fulfilled, it shall adopt, where applicable, the generally accepted accounting principles applied in the territory of the Party from which the good under verification was exported.

18. Once the verification visit has been concluded, the competent authority of the importing Party shall prepare a minute of the visit, which shall include the facts confirmed by it. The exporter or producer may sign this minute.

19. Within a period of one hundred twenty (120) days from the conclusion of the verification of origin, the Competent Authority shall issue a written determination of origin, including the facts, results and the legal basis for such determination, and send it to the importer, exporter or producer of the good subject to verification according to paragraph 3, to determine whether or not the good qualifies as originating.

20. Where through a verification the importing Party determines that an importer, exporter or a producer has provided more than once, a false or unfounded certificate of origin or stating that a good qualifies as originating, the importing Party may suspend preferential tariff treatment to the identical goods imported, exported or produced by that person, until it is confirmed that such person is in compliance with all the requirements under Chapter 4 (Rules of Origin). The suspension and resumption of the preferential tariff treatment shall be accompanied by a written notification, including facts and the legal basis, to the importer, exporter or producer

21. When the competent authority of the importing Party determines that a good imported into its territory does not qualify as originating, according to the tariff classification or the value applied by the Party to one or more materials used in the production of the good, which differs from the classification or the value applied to the materials by the Party from which the good was exported, that Party shall provide that its origin determination shall not take effect until it has been notified in writing to the certifying authority of the exporting Party, to the importer of the good, to the person that has completed and signed the certificate of origin, as well as to the producer of the good.

22. A Party shall not apply a determination issued under paragraph 20 to an importation made before the date of entry into force of the determination when:

- a) the competent authority of that Party from whose territory the good was exported, had issued a determination on the tariff classification or on the value of the materials, on which a person is entitled to rely; and
- b) the determination mentioned in the preceding subparagraph was issued prior to the notification of the origin verification.

Article 19: Advance Rulings

1. Each Party shall, through its competent authority, expeditiously provide a written advance ruling, prior to the importation of a good into its territory. The advance ruling shall be issued in response to a written application made by an importer in whose territory or an exporter or producer in the territory of the other Party, based on the facts and circumstances stated by such importer, exporter or producer of the good, with respect to:

- a) whether the good qualifies as originating according to Chapter 4 (Rules of Origin);
 - b) whether the non-originating materials used in the production of the good have undergone applicable changes on tariff classification established in Annex 4.03 (Specific Rules of Origin);
 - c) whether the good fulfills the requirement of regional value content established in Chapter 4 (Rules of Origin) and in Annex 4.03 (Specific Rules of Origin); or
 - d) whether the method applied by an exporter or producer in the territory of the other Party, according to the norms and principles of the Customs Valuation Agreement, to calculate the transaction value of a good or of the materials used in the production of the good, with respect to which an advance ruling is being requested, is adequate for demonstrating whether the good satisfies a regional value content requirement according to Chapter 4 (Rules of Origin) and in Annex 4.03 (Specific Rules of Origin).
2. Each Party shall establish directives for the issuance of advance rulings, including:
- a) the obligation of the importer to provide information reasonably required to process an application for such ruling;
 - b) the power of the to ask at any time for additional information from the person who applies for an advance ruling, while evaluating such application;
 - c) the obligation of the to issue an advance ruling within a maximum period of one hundred twenty (120) days, once all the necessary information has been received by the Competent Authority to process the application, including, where appropriate, a sample of the good or materials in question and any supplemental information that may be required, according to Article 5.07, paragraph 2 b) of the Agreement.
 - d) the obligation of the competent authority to issue an advance ruling in a complete, well-founded, and reasoned manner.
3. Each Party shall apply an advance ruling to the imports concerned, from the date on which the ruling is issued or a later date indicated in the ruling, unless such ruling has been modified or revoked according to paragraph 5.
4. Each Party shall provide any person who applies for an advance ruling the same treatment, including the same interpretation and application of the provisions of Chapter 4 (Rules of Origin), regarding the determination of origin as provided for any other person, to whom an advance ruling has been issued, whenever the facts and circumstances are identical in all substantial aspects.
5. An advance ruling may be modified or revoked by the issuing competent authority:

- a) when it is based on an error:
 - i) in fact;
 - ii) in the tariff classification of the good or materials which are the subject of the ruling; or
 - iii) in the application of the regional value content requirement according to Chapter 4 (Rules of Origin);
- b) when the ruling is not in accordance with the interpretation agreed by the Parties with respect to Chapter 4 (Rules of Origin);
- c) when there is a change in the facts or circumstances on which the ruling is based;
- d) for the purpose of conforming with a modification of Chapter 4 (Rules of Origin) or this Chapter; or
- e) for the purpose of complying with an administrative decision independent from the issuing authority, a judicial decision or to adjust to a change in the national legislation of the Party that issued the advance ruling.

6. Each Party shall provide that any modification or revocation of an advance ruling shall enter into force from the date on which the modification or revocation is issued, or on such later date as may be specified therein, and shall not be applied to the importation of a good having occurred prior to that date, unless the person to whom the advance ruling was issued has not acted according to its terms and conditions.

7. Each Party shall provide that, when its competent authority verifies the origin of a good with respect to which an advance ruling has been issued, that authority shall evaluate whether:

- a) the exporter or producer has complied with the terms and conditions of the advance ruling;
- b) the operations of the exporter or producer are consistent with the facts and circumstances on which the advance ruling is based; and
- c) the data and calculations used in the application of criteria or methods to calculate the regional value content are correct in all substantial aspects.

8. Each Party shall provide that, when its competent authority determines that any of the requirements established in paragraph 7 has not been fulfilled, that authority may modify or revoke the advance ruling as the circumstances warrant.

9. Each Party shall provide that, when a person to whom an advance ruling has been issued demonstrates that he has acted with reasonable care and in good faith while stating the facts and circumstances on which the ruling was based, that person shall not be penalized whenever the issuing authority determines that the ruling was based on incorrect information.

10. Each Party shall provide that, when an advance ruling has been issued to a person who had falsely stated or omitted substantial facts or circumstances on which the ruling was based, or has not acted in accordance with the terms and conditions of the ruling, the competent authority may apply measures against that person according to the legislation of each Party.

11. The Parties shall provide that the holder of an advance ruling may use it solely while the facts or circumstances on which the ruling was based are maintained. In case those facts or circumstances have changed, the holder of the ruling shall be allowed to present the necessary information for the issuing authority to modify or revoke it according to paragraph 5.

12. Any good subject to an origin verification or a request for review or appeal in the territory of one of the Parties, shall not be subject to advance ruling.

13. For purposes of Article 5.07, paragraph 2, subparagraph b) of the Agreement, when the of a Party determines that an application for an advance ruling is incomplete, it may decline to further process the application provided that:

a) it has notified the applicant of any supplementary information required and of the period within which the applicant must provide the information, which will not be less than thirty (30) days; and

b) the applicant has failed to provide the information within the period specified.

Notwithstanding this paragraph, a person shall not be prevented from reapplying for an advance ruling.

Article 20: Penalties

1. Each Party shall establish or maintain measures imposing criminal, civil, or administrative penalties for violations of its laws and regulations related to the provision of Chapter 5 (Customs Procedures Related to Rules of Origin) of the Agreement.

Each Party shall establish criminal, civil, or administrative penalties for the Certifying Authority that issues a Certificate of Origin in a false or unfounded manner.

Article 21: Review and Appeal

1. The exporters or producers to whom a determination of origin verification is provided under the Article 18, paragraph 18 of these Uniform Regulations, shall have the same rights

of review and appeal as for the importers in accordance with Article 5.10 paragraph 1 of the Agreement.

2. Where an advance ruling is issued under Article 5.07 of the Agreement, a modification or revocation of the advance ruling shall be subject to review and appeal under Article 5.10 of the Agreement.

3. When a Party denies preferential tariff treatment to a good based on:

a) a corrected Certificate of Origin has not been provided within the period set out in Article 18, paragraph 2, subparagraph a) of these Uniform Regulations; or

b) the non-fulfillment of period established in Chapter 5 of the Agreement or these Uniform Regulations with regard to the submission of record or other information to the of that Party;

c) the decision made in the review or appeal of a ruling in accordance with paragraph 2 of Article 5.10 of the Agreement, shall only deal with the compliance of the time period referred to in above-mentioned paragraph.

d) The rights referred to in paragraphs 1 and 2 include access to at least one administrative review, independent from the responsible official or office of the determination or the advance ruling under review, and access to a judicial review of the determination or ruling as the final resort of the administrative proceedings, according to the laws of each Party.

ANNEX I

INVENTORY MANAGEMENT METHODS

Part I: Fungible Materials

Definitions and Interpretation

Article 1

For purposes of this part, it shall be understood by:

opening inventory: the materials inventory at the time an inventory management method is chosen;

materials inventory: with respect,

a) with respect to a producer of a good, an inventory of fungible materials that are used in the production of the good; and

b) with respect to a person from whom the producer of the good acquired those fungible materials, an inventory from which fungible materials are sold or otherwise transferred to the producer of the good;

First-in, first-out method (FIFO): the method by which the origin of fungible materials first received in materials inventory is considered to be the origin of fungible materials first withdrawn from materials inventory;

Last-in, first-out method (LIFO): the method by which the origin of fungible materials last received in materials inventory is considered to be the origin of fungible materials the first withdrawn from materials inventory; and

Average method: the method by which the origin of fungible materials withdrawn from materials inventory is based on the percentage, of originating materials and non-originating materials in materials inventory, calculated according to Article 5 of this Annex.

General Rules

Article 2

For purposes of subparagraph a) of paragraph 1 of Article 9 of these Uniform Regulations, the inventory management methods for determining whether fungible materials are originating materials are the following:

- a) first-in, first-out method (FIFO);
- b) last-in, first-out method (LIFO); and
- c) average method.

Article 3

Where a producer of a good or a person from whom the producer acquired materials that are used in the production of the good chooses an inventory management methods referred to in Article 2 of this Annex, that method, including the averaging period chosen in the case of the average method, shall be used from the time the choice is made until the end of the fiscal year of the producer or person.

Average Method

Article 4

Where the producer or person referred to in Article 3 of this Annex chooses the average method, the origin of fungible materials withdrawn from materials inventory is determined on the basis of the ratio of originating materials and non-originating materials in materials inventory that is calculated according to Articles 5 and 6 of this Annex.

Article 5

1. Except as otherwise provided in Article 6 of this Annex, the ratio is calculated with respect to a month or three months period, at the choice of the producer or person, by dividing,

- a) the sum of:

- (i) the total units of originating materials or non-originating materials that are fungible materials and that were in materials inventory at the beginning of the preceding one-month or three months period, and

- (ii) the total units of originating materials or non-originating materials that are fungible materials and that were received in materials inventory during that preceding one month or three months period.

by

- b) the sum of:

- (i) the total units of originating materials and non-originating materials that are fungible materials and that were in materials inventory at the beginning of the preceding

one month or three months period, and

(ii) the total units of originating materials and non-originating materials that are fungible materials and that were received in materials inventory during that preceding one month or three months period.

2. The ratio calculated with respect to a preceding month or three months period under paragraph 1), is applied to the fungible materials remaining in materials inventory at the end of the preceding month or three months period.

Article 6

1. Where the good is subject to a regional value content requirement and the ratio is calculated with respect to each shipment of the good by dividing:

a) the total units of originating materials or non-originating materials that are fungible materials and that were in materials inventory prior to the shipment;

by

b) the total units of originating materials and non-originating materials that are fungible materials and that were in materials inventory prior to the shipment;

2. The ratio calculated with respect to a shipment of a good according to paragraph 1 is applied to the fungible materials remaining in materials inventory after the shipment.

Manner of Dealing with Opening Inventory

Article 7

1. Except as otherwise provided under paragraph 2, where the producer or person referred to in Article 3 of this Annex has fungible materials in opening inventory, the origin of those fungible materials shall be determined by:

a) identifying in the accounting books of the producer or the person, the latest receipts of fungible materials that add up to the amount of fungible materials in opening inventory;

b) determining the origin of the fungible materials that make up those receipts; and

c) considering the origin of those fungible materials to be the origin of the fungible materials in opening inventory.

2. The producer or the person may consider all fungible materials in opening inventory to be non-originating materials.

Part II: Fungible Goods

Definitions and Interpretation

Article 8

For the purposes of this part, it shall be understood by:

opening inventory: the finished goods inventory at the time an inventory management method is chosen;

finished goods inventory: an inventory from which fungible goods are sold or otherwise transferred to another person;

first-in, first-out method (FIFO): the method by which the origin fungible goods first received in finished goods inventory is considered to be the origin of t fungible goods first withdrawn from finished goods inventory;

last-in, first-out method (LIFO): means the method by which the origin of t fungible goods last received in finished goods inventory is considered to be the origin of fungible goods first withdrawn from finished goods inventory; and

average method: the method by which the origin of fungible goods withdrawn from finished goods inventory is based on the percentage, calculated under Article 11 of this Annex, of originating goods and non-originating goods in finished goods inventory.

General Rules

Article 9

For purposes of subparagraph b) paragraph 1 of Article 9 of these Uniform Regulations, the inventory management methods for determining whether fungible goods are originating goods are the following:

- a) first-in, first-out method (FIFO);
- b) last-in, first-out method (LIFO); and
- c) average method.

Article 10

Where an exporter of a good or a person from whom the exporter acquired the good chooses an inventory management methods referred to in Article 9 of this Annex, that method, including the averaging period chosen in the case of the average method, shall be used from the time the choice is made until the end of the fiscal year of the exporter or person.

Average Method

Article 11

1. Where the exporter or person referred to in Article 10 of this Annex chooses the average method, the origin of each shipment of fungible goods withdrawn from finished goods inventory during a month or three months period, at the choice of the exporter or person, is determined on the basis of the ratio of originating goods and non-originating goods in finished goods inventory for the preceding one month or three months period that is calculated by dividing,

a) the sum of:

(i) the total units of originating goods or non-originating goods that are fungible goods and that were in finished goods inventory at the beginning of the preceding one month or three months period ; and

(ii) the total units of originating goods or non-originating goods that are fungible goods and that were received in finished goods inventory during that preceding one month or three months period.

by

b) the sum of:

(i) the total units of originating goods and non-originating goods that are fungible good and that were in finished goods inventory at the beginning of the preceding one month or three months period ; and

(ii) the total units of originating goods and non-originating goods that are fungible goods and that were received in finished goods inventory during that preceding one month or three months period.

2. The calculation with respect to a preceding one month or three months period under paragraph 1 is applied to the fungible goods remaining in finished goods inventory at the end of the preceding one month or three months period.

Manner of Dealing with Opening Inventory

Article 12

1. Except as otherwise provided under paragraph 2, where the exporter or person referred to in Article 10 of this Annex has fungible goods in opening inventory, the origin of those fungible goods shall be determined by:

a) identifying, in the accounting books of the exporter or person, the latest receipts of fungible goods that add up to the amount of fungible goods in opening inventory;

b) determining the origin of fungible goods that make up those receipts; and

c) considering the origin of those fungible goods to be the origin of fungible goods in opening inventory.

2. The exporter or the person may consider all fungible goods in opening inventory to be non-originating goods.

APPENDIX "A"

“EXAMPLES” ILLUSTRATING THE APPLICATION OF THE INVENTORY MANAGEMENT METHODS TO DETERMINE THE ORIGIN OF FUNGIBLE MATERIALS

The following examples are based on the figures set out in the table below and on the following assumptions:

- a) originating material A and non-originating material A that are fungible materials are used in the production of Good A;
- b) one unit of material A is used to produce one unit of Good A;
- c) material A is only used in the production of Good A;
- d) all other materials used in the production of Good A are originating materials; and
- e) the producer of Good A exports all shipments of Good A to the territory of the other Party.

Date (D/M/Y)	MATERIALS INVENTORY (Receipts of Material “A”)		SALES (Shipments of Good “A”)	
	Quantity (units)	Unit cost *	Total value	Quantity (units)
18/12/01	100 (O)	\$1.00	\$100	
27/12/01	100 (N)	1.10	110	
01/01/02	200 (II)			
01/01/02	1,000 (O)	1.00	1,000	
05/01/02	1,000 (N)	1.10	1,100	
10/01/02				100
10/01/02	1,000 (O)	1.05	1,050	
15/01/02				700
16/01/02	2,000 (N)	1.10	2,200	
20/01/02				1,000
23/01/02				900

* the unit cost is determined in accordance with Article 5 of these Uniform Regulations.

- 1 "O" means originating materials
- 2 "N" means non-originating materials
- 3 "II" means opening inventory

Example 1: FIFO Method

Good A is subject to a regional value content requirement.

By applying the FIFO method:

1. the 100 units of originating material A in opening inventory that were received in materials inventory on 18/12/01 are considered to have been used in the production of the 100 units of Good A, that were shipped on 10/01/02; therefore, the value of non-originating materials used in the production of those goods is considered to be \$0;
2. the 100 units of non-originating material A in opening inventory that were received in materials inventory on 27/12/01 and 600 units of the 1,000 units of the originating material A that were received in materials inventory on 01/01/02, are considered to have been used in the production of the 700 units of Good A, that were shipped on 15/01/02; therefore, the value of non-originating materials used in the production of those goods is considered to be \$110 (100 units x \$1.10);
3. the remaining 400 units of the 1,000 units of originating material A that were received in materials inventory on 01/01/02, and 600 units of the 1,000 units of non-originating material A that were received in materials inventory on 05/01/02 are considered to have been used in the production of the 1,000 units of Good A, that were shipped on 20/01/02; therefore, the value of the non-originating materials used in the production of those goods is considered to be \$660 (600 units x \$1.10); and
4. the remaining 400 units of the 1,000 units of non-originating material A that were received in materials inventory on 05/01/02 and 500 units of the 1,000 units of originating material A that were received in materials inventory on 10/01/02, are considered to have been used in the production of the 900 units of Good A, that were shipped on 23/01/02; therefore, the value of non-originating materials used in the production of those goods is considered to be \$440 (400 units x \$1.10).

Example 2: LIFO Method

Good A is subject to a change in tariff classification requirement and the non-originating material A used in the production of good A does not undergo the applicable change in tariff classification. Therefore, where originating material A is used in the production of Good A, Good A is an originating good, and where non-originating material A is used in the production of Good A, Good A is a non-originating good.

By applying the LIFO method:

1. 100 units of the 1,000 units of non-originating material A received in materials inventory on 05/01/02 are considered to have been used in the production of the 100 units

of Good A, that were shipped on 10/01/02;

2. 700 units of the 1,000 units of originating material A that were received in materials inventory on 10/01/02 are considered to have been used in the production of the 700 units of Good A, that were shipped on 15/01/02;

3. 1,000 units of the 2,000 units of non-originating material A that were received in materials inventory on 16/01/02 are considered to have been used in the production of the 1,000 units of Good A, that were shipped on 20/01/02; and

4. 900 units of the remaining 1,000 units of the non-originating material A that were received in materials inventory on 16/01/02 are considered to have been used in the production of the 900 units of Good A, that were shipped on 23/01/02.

Example 3: average method

Good A is subject to an applicable regional value content requirement. Producer A determines the average value of non-originating material A and the ratio of originating material A to total value of originating material A, and non-originating material A in the following table.

EXAMPLE OF THE AVERAGE METHOD:

Date (d/m/y)	INVENTORY OF MATERIAL "A"			Unit Cost		Values of Good "A"			Non-originating Values and Amounts		
	Entry (unit)	Exit (unit)	Existence (unit)	Cost of Acquisition	Average value	Debit	Credit	Balance	Amo unt	Value in \$	%
18/12/01	100 (O)		100	\$ 1.00		\$100.0		\$ 100			
27/12/01	100 (N)		100	\$ 1.10		\$110.0		\$ 210			
			200(II)		\$ 1.05			\$ 210	100	105.00	50
01/01/02	1,000 (O)		1,200	\$ 1.00	\$ 1.01	\$1,000.0		\$ 1,210	100	101.00	8
05/01/02	1,000 (N)		2,200	\$ 1.10	\$ 1.05	\$1,100.0		\$ 2,310	1,100	1,155.00	50
10/01/02		100	2,100		\$ 1.05		\$105	\$ 2,205	- 50	-52.50	50
10/01/02	1,000 (O)		3,100	\$ 1.05	\$ 1.05	\$1,050.0		\$ 3,255	1,050	1,102.50	34
15/01/02		700	2,400	\$ 1.05			\$735	\$ 2,520	- 238	-249.90	
16/01/02	2,000 (N)		4,400	\$ 1.10	\$ 1.07	\$2,200.0		\$ 4,720	2,812	3,008.84	64
20/01/02		1,000	3,400		\$ 1.07		\$1,070	\$ 3,650	-640	-684.80	
23/01/02		900	2,500		\$ 1.07		\$963	\$ 2,687	-576	-616.32	
			2,500		\$ 1.07			\$ 2,687	1,596	1,707.72	64

* the unit cost is determined in accordance with article 5 of these Uniform Regulations

1 "O" means originating materials

2 "N" means non-originating materials

3 "II" means opening inventory

By applying the average method:

1. before the shipment of the 100 units of material A on 10/01/02, the ratio of units of originating material A to total units of material A of materials inventory was 0.50 (1,100 units / 2,200 units) and the ratio of units of non-originating material A to total units of material A in materials inventory was 0.50 (1,100 units / 2,200 units); based on those ratio, 50 units (100 units x 0.50) of originating material A and 50 units (100 units x 0.50) of non-originating material A are considered to have been used in the production of the 100 units of Good A, that were shipped on 10/01/02; therefore, the value of the non-originating material A used in the production of those goods is considered to be \$52.50 [100 units x \$1.05 (average unit value) x 0.50]; the ratios are applied to the units of material A remaining in materials inventory after the shipment: 1,050 units (2,100 units x 0.50) are considered to be originating materials and 1,050 units (2,100 units x 0.50) are considered to be non-originating materials;

2. before the shipment of the 700 units of Good A on 15/01/02, the ratio of units of originating material A to total units of material A in materials inventory was 66% (2,050 units / 3,100 units) and the ratio of units of non-originating material A to total units of material A in materials inventory was 34% (1,050 units / 3,100 units); based on those ratios, 462 units (700 units x 0.66) of originating material A and 238 units (700 units x 0.34) of non-originating material A are considered to have been used in the production of the 700 units of Good A, that were shipped on 15/01/02; therefore, the value of the non-originating material A used in the production of those goods is considered to be \$249.90 [700 units x \$1.05 (average unit value) x 0.34]; the ratios are applied to the units of material A remaining in materials inventory after the shipment: 1,584 units (2,400 units x 0.66) are considered to be originating materials and 816 units (2,400 units x 0.34) are considered to be non-originating materials;

3. before the shipment of the 1,000 units of material A on 20/01/02, the ratio of units of originating material A to total units of material A in materials inventory was 36% (1,584 units / 4,400 units) and the ratio of units of non-originating material A to total units of material A in materials inventory was 64% (2,816 units / 4,400 units); based on those ratios, 360 units (1,000 units x 0.36) of originating material A and 640 units (1,000 units x 0.64) of non-originating material A are considered to have been used in the production of the 1,000 units of Good A that were shipped on 20/01/02; therefore, the value of non-originating material A used in the production of those goods is considered to be \$684.80 [1,000 units x \$1.07 (average unit value) x 0.64]; those ratios are applied to the units of material A remaining in materials inventory after the shipment: 1,224 units (3,400 units x 0.36) are considered to be originating materials and 2,176 units (3,400 units x 0.64) are considered to be non-originating materials;

4. before the shipment of the 900 units of Good A on 23/01/02, the ratio of units of originating material A to total units of material A in materials inventory was 36% (1,224 units / 3,400 units) and the ratio of units of non-originating material A to total units of the

material A in materials inventory was 64% (2,176 units / 3,400 units); based on those ratios, 324 units (900 units x 0.36) of originating material A and 576 units (900 units x 0.64) of non-originating material A are considered to have been used in the production of the 900 units of Good A, that were shipped on 23/01/02; therefore, the value of non-originating material A used in the production of those goods is considered to be \$616.32 [900 units x \$1.07 (average unit value) x 0.64]; those ratios are applied to the units of material A remaining in materials inventory after the shipment: 900 units (2,500 units x 0.36) are considered to be originating materials and 1,600 units (2,500 units x 0.64) are considered to be non-originating materials.

APPENDIX "B"

"EXAMPLES" ILLUSTRATING THE APPLICATION OF THE INVENTORY MANAGEMENT METHODS TO DETERMINE THE ORIGIN OF FUNGIBLE GOODS

The following examples are based on the figures set out in the table below and on the assumption that exporter A acquires originating Goods A and non-originating Goods A that are fungible goods and physically combines or mixes Good A before exporting those goods to the buyer of those goods.

FINISHED GOODS INVENTORY (Receipts of good "A")		SALES (Shipments of good "A")
Date (D/M/Y)	Quantity (units)	Quantity (units)
18/12/01	100 (O)	
27/12/01	100 (N)	
01/01/02	200 (II)	
01/01/02	1,000 (O)	
05/01/02	1,000 (N)	
10/01/02		100
10/01/02	1,000 (O)	
15/01/02		700
16/01/02	2,000 (N)	
20/01/02		1,000
23/01/02		900

- 1 "O" means originating materials**
- 2 "N" means non-originating materials**
- 3 "II" means opening inventory**

Example 1: FIFO Method

By applying the FIFO method:

1. the 100 units of originating Goods A of in opening inventory that were received in finished goods inventory on 18/12/01 are considered to be the 100 units of Good A that are shipped on 10/01/02;
2. the 100 units of non-originating Goods A in opening inventory that were received in finished goods inventory on 27/12/01 and 600 units of the 1,000 units of originating Goods A that were received in finished goods inventory on 01/01/02 are considered to be the 700 units of Good A, that are shipped on 15/01/02;
3. the remaining 400 units of the 1,000 units of originating Goods A that were received in finished goods inventory on 01/01/02 and 600 units of the 1,000 units of non-originating Goods A that were received in e finished goods inventory on 05/01/02 are considered to be the 1,000 units of Good A, that are shipped on 20/01/02; and
4. the remaining 400 units of the 1,000 units of non-originating Goods A that were received in finished goods inventory on 05/01/02 and 500 units of the 1,000 units of originating Goods A that were received in finished goods inventory on 10/01/02 are considered to be the 900 units of Good A, that are shipped on 23/01/02.

Example 2: LIFO Method

By applying the LIFO method:

1. 100 units of the 1,000 units of non-originating Goods A that were received in finished goods inventory on 05/01/02 are considered to be the 100 units of Good A, that are shipped on 10/01/02;
2. 700 units of the 1,000 units of originating Goods A that were received in finished goods inventory on 10/01/02 are considered to be the 700 units of Good A, that are shipped on 15/01/02;
3. 1,000 units of the 2,000 units of non-originating Goods A that were received in finished goods inventory on 16/01/02 are considered to be the 1,000 units of Good A, that are shipped on 20/01/02; and
4. 900 units of the remaining 1,000 units of non-originating Goods A that were received in finished goods inventory on 16/01/02 are considered to be the 900 units of Good A, that are shipped on 23/01/02.

Example 3: Average method

Exporter A chooses to determine the origin of Good A on a monthly basis. Exporter A exported 3,000 units of Good A during the month of February 2002. The origin of the units of Good A exported during that month is determined on the basis of preceding month that is January of 2002.

By applying the average method:

the ratio of originating goods to all goods in finished goods inventory for the month of January 2002 is 40.4% (2,100 units / 5,200 units); based on that ratio, 1,212 units (3,000 units x 0.404) of Good A shipped in February 2002 are considered to be originating goods and 1,788 units (3,000 units – 1,212 units) of Good A are considered to be non-originating goods; and that ratio is applied to the units of Good A remaining in finished goods inventory on January 31 2002: 1,010 units (2,500 units x 0.404) are considered to be originating goods and 1,490 units (2,500 units – 1,010 units) are considered to be non-originating goods.

ANNEX II

GENERALLY ACCEPTED ACCOUNTING PRINCIPLES

Article 1

Generally Accepted Accounting Principles stands for the recognized consensus or substantial authoritative support in the territory of each Party with respect to recording of revenues, costs, assets and liabilities, disclosure of information and preparation of financial statements.

These standards may be broad guidelines of general application as well as detailed, practices and procedures.

Article 2

For purposes of Generally Accepted Accounting Principles, the recognized consensus or authoritative supports are referred to or set out in the following publications:

- a) with respect to the territory of Guatemala:
 - i. Decree-Law 2-70, Code of Commerce of Guatemala
 - ii. Decree 26-92 on Income Tax Law and its amendments.
 - iii. or any succeeding law thereof.

- b) For the Republic of China (Taiwan): with respect to the territory of the Republic of China (Taiwan):
 - i. the Business Entity Accounting Law has promulgated on January 7, 1948 by the national Government Implemented in intervals on Taiwan Province beginning on January 1, 1952. The new law was Amended on April 26, 2000 by Presidential Promulgation.
 - ii. The Statements of Financial Accounting Standards issued by the Financial Accounting Standards Committee of the Accounting Research and Development Foundation of the Republic of China (Taiwan).
 - iii. Related rules governing the preparation of financial reports by public companies, securities firms, futures commission merchants, banks or bill finance companies which are promulgated respectively by the relevant competent authorities.

iv. or any succeeding law thereof.

Annex III

**Free Trade Agreement between the Republic of China (Taiwan)
and the Republic of Guatemala
Certificate of Origin
(Instructions on the Back side)**

Please type or print.

This Certificate shall not be valid if it presents amendments, blotches, scratches or writing between the lines.

1. Name and address of the Exporter: Telephone: Fax: Electronic mail: Tax Identification Number:		2. Certificate No.: Blanket Period: D M Y D M Y From: ___/___/___/___/___/___/ To: ___/___/___/___/___/___/				
3. Name and address of the Producer: Telephone: Fax: Electronic mail: Tax Identification Number:		4. Name and address of the Importer: Telephone: Fax: Electronic mail: Tax Identification Number:				
5. Quantity of goods (with measure unit)	6. Description of goods	7. Tariff Classification	8. Criterion for preferential treatment	9. Producer	10. Other Criteria	
11. Observations:						
12. I declare that: -- the information on this document is true and accurate and I assume the responsibility for proving such representations. -- the goods covered under this Certificate of Origin are originating in the territory of one or both of the Parties, and comply with the origin requirements specified for those goods in the Free Trade Agreement between the Republic of China (Taiwan) and the Republic of Guatemala.		13. Certification from Certifying Authority: It is certified that the goods covered under this Certificate of Origin comply with the Rules of Origin established in the Free Trade Agreement between the Republic of China (Taiwan) and the Republic of Guatemala.				
Signature of authorized person from the enterprise		_____ Authorized Signature and Seal from the Certifying Authority				
Date of Certification of Declaration of Origin		_____ Date of Certification:				
This Certificate consists of _____pages, including all its annexes.						

Annex III

**Free Trade Agreement between the Republic of China (Taiwan) and
the Republic of Guatemala**

Certificate of Origin

Annex Page No. _____

(Instructions on the Back side)

Please type or print.

This Certificate shall not be valid if it presents amendments, blotches, scratches or writing between the lines.

5. Quantity of goods (with measure unit)	6. Description of goods	7. Tariff Classification	8. Criterion for preferential treatment	9. Producer	10. Other Criteria
11. Observations:					
12. I declare that: -- the information on this document is true and accurate and I assume the responsibility for proving such representations. -- the goods covered under this Certificate of Origin are originating in the territory of one or both of the Parties, and comply with the origin requirements specified for those goods in the Free Trade Agreement between Republic of China (Taiwan) and the Republic of Guatemala. <hr/> Signature of authorized person from the enterprise <hr/> Date of Certification of Declaration of Origin			13. Certification from Certifying Authority: It is certified that the goods covered under this Certificate of Origin comply with the Rules of Origin established in the Free Trade Agreement between the Republic of China (Taiwan) and the Republic of Guatemala. <hr/> Authorized Signature and Seal from the Certifying Authority <hr/> Date of Certification:		

INSTRUCTIONS FOR FILLING THE CERTIFICATE OF ORIGIN

For purposes to obtain preferential tariff treatment, this document shall be filled in legible form and completed by the exporter of the goods, without scratches, blotches, amendments or writing between the lines and the competent governmental authority or its designees may complete the certificate on request by the exporter or the producer. The importer shall provide the certificate to the importing Customs at the time the import declaration is made. Please type or print the information. In case of requiring additional space you shall use the annex page of the Certificate of Origin.

The Certificate of Origin shall be completed by the exporter in the language of the Party and in English. In addition each certificate of origin shall carry a serial number allowing its identification.

Field 01: Indicate the full legal name, the denomination or trade name, the residency (including the address, the city and the country), the telephone number, the fax number, the electronic mail, and the Tax Identification Number of the exporter.

The Tax Identification Number shall be in:

Republic of Guatemala: Número de Identificación Tributaria (NIT)

Republic of China (Taiwan): the Business Account Number (BAN)

Field 02: It shall be filled with regard to the goods described in Field 06, that are imported to any of the Parties in a specific period not longer than twelve (12) months (blanket period). "FROM" shall be followed by the date (Day/Month/Year) on which the certificate starts to cover the described goods. "TO" shall be followed by the last date (Day/Month/Year) of the validity period of the certificate. Imports of any of the goods covered by the certificate shall take place within the indicated dates.

The space provided for the Certificate No. is exclusively for the use of the Certifying Authority.

Field 03: Indicate the full legal name, the denomination or trade name, the residency (including the address, the city and the country), the telephone number, the fax number, the electronic mail, and the Tax Identification Number of the producer, as it is described in Field 01. In case the certificate covers goods of more than one producer, indicate: "SEVERAL" and enclose a list of the producers, including the full legal name, denomination or trade name, the residency (including the address, the city and the country), telephone number, fax number, the electronic mail, and the Tax Identification Number, making direct reference to the good described in Field 06. When it is desired that the information contained in this field be confidential, it shall be indicated: "AVAILABLE UPON REQUEST OF COMPETENT AUTHORITY." In case producer and exporter is the same person, indicate: "SAME".

Field 04: Indicate the full legal name, the denomination or trade name, the residency

(including address, the city and the country), the telephone number, the fax number, the electronic mail, and the Tax Identification Number of the importer, as it is described in Field 01.

Field 05: Specify the quantity to be exported and the unit set out in the invoice for each item of goods as shown on the Customs declaration thereof.

Field 06: Provide a full description of each good. The description shall be sufficiently detailed to relate it to the description of the good contained in the invoice, as well as with the description that corresponds to it in the Harmonized System (HS).

Field 07: For each good described in Field 06, identify the six digits corresponding to the HS tariff classification. If the good is subject to a specific rule of origin in Annex 4.03 of the Agreement that requires subdivision, identify the subdivision.

Field 08: For each good described in Field 06, indicate the applicable criterion (from A to D). The rules of origin are contained in chapter 4 (Rules of Origin) and Annex 4.03 (Specific Rules of Origin) of the Agreement.

Note: In order to be entitled to preferential tariff treatment, each good must meet at least one of the criteria below:

Origin Criteria for Preferential Tariff Treatment

- A the good is wholly obtained or produced entirely in the territory of a Party , as defined in Article 4.01 of the Agreement;
- B the good is produced entirely in the territory of one or both Parties exclusively from originating materials according to Chapter 4 of the Agreement;
- C the good is produced in the territory of one or both Parties from non-originating materials that satisfies the specific rules of origin set out in Annex 4.03 of the Agreement, as well as all other applicable requirements of Chapter 4 of the Agreement; or
- D the good is produced in the territory of one or both of the Parties, but one or more of the non-originating materials that are used in the production of the good does not undergo an applicable change in tariff classification due to:
 - 1 the good was imported into the territory of a Party in an unassembled or a disassembled form and was classified as an assembled good according to Rule 2 (a) of the General Rules for the Interpretation of the Harmonized System; or
 - 2 the tariff heading for the good provides for and specifically describes both the good itself and its parts and is not further subdivided into subheadings, or

3. the subheading for the good is the same as for its parts and describes specifically both the good itself and its parts;

Note: This criterion does not apply to Chapters 61 through 63 of the HS Reference: subparagraph 1.(d) of Article 4.03 of the Agreement.

Field 09: For each good described in Field 06, indicate: "YES" when you are the producer of the good. If you were not the producer of the good, indicate "NO", followed by (1) or (2), depending on whether the certificate is based on:

- (1) Your knowledge that the good qualifies as originating; or
- (2) Declaration of origin that covers the good, filled and signed by the producer.

Field 10: For determining the origin of the good, some of the options to acquire origin established in Articles 4.06, 4.08 and 4.09 of the Agreement were used, indicate:

ACU: Accumulation.
DMI: *De Minimis*.
FG: Fungible goods.

Where inapplicable indicate "NO".

Field 11: This field shall only be used when some observations exist in relation to this certificate, among others, when the good or goods as described in Field 06 has/have been object of an advance ruling on classification or value of the materials, indicate the issuing authority, reference number and the issuing date. In case the good is invoiced by an operator of a third Party or non-Party country, the producer or exporter of the country of origin shall indicate the name, the denomination or trade name and residency (including the address, the city and the country) of this operator.

Field 12: This field must be completed, signed and dated by the exporter. When the Certificate is completed by the producer for use by the exporter, it must be completed, signed and dated by the producer. The date must be the date the Certificate was completed and signed.

Field 13: This field must be completed, dated and signed by the authorized official and stamped by the Certifying Authority of the exporting Party,

ANNEX IV

Corrected Declaration

An importer shall not be subject to sanctions when, in the case of:

a) The Republic of **Guatemala**, the importer presents a request for an amendment declaration before any administrative act is to be carried out, for verifying of the declaration in the document, or a physical examination of the goods has taken place.

b) The Republic of China (**Taiwan**): the importer presents a request for an amendment declaration before any administrative act is to be carried out, for verifying of the declaration in the document, or the goods have been targeted for physical examination.