

# **UNIFORM REGULATIONS FOR THE INTERPRETATION, APPLICATION AND ADMINISTRATION OF CHAPTER 4 (RULES OF ORIGIN) AND 5 (CUSTOMS PROCEDURES RELATED TO THE ORIGIN OF GOODS) OF THE FREE TRADE AGREEMENT BETWEEN THE REPUBLIC OF CHINA (TAIWAN) AND THE REPUBLIC OF EL SALVADOR AND THE REPUBLIC OF HONDURAS**

The Republic of China (**Taiwan**) and the Republic of **El Salvador** and the Republic of **Honduras**, 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 **El Salvador** and the Government of the Republic of **Honduras**, adopt the following Uniform Regulations relative to the Interpretation, Application and Administration of Chapters 4 and 5 of the Agreement.

## **PART I RULES OF ORIGIN**

### **Article 1: Definitions**

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

**Agreement:** the Free Trade Agreement between the Republic of China (**Taiwan**) and the Republic of **El Salvador** and the Republic of **Honduras**;

**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 parts of that good, subject to wear of these;

**adjusted to a FOB basis:** the transaction value of a good, by adding:

- a) the costs of transporting the good from the place of production to the point of direct shipment;
- b) the costs of loading, unloading, handling and insurance that are associated with that transportation; and
- c) 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:** the transaction value of a good, by adding:

- a) the costs of transporting the good from the place of production to the port or place

of entry of the importing country; and

- b) the costs of loading, unloading, handling or manipulation and insurance related to that transportation up to the port or place of entry of the importing country,

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

**change in tariff classification:** where the tariff classification of a good subject to the determination of origin changes regarding the tariff classification of the non-originating materials used in its production, according to the specific rule of origin established in Annex 4.03 (Specific Rules of Origin) of the Agreement

**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;

**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;

**month:** one month of the calendar;

**Party:** the Republic of China (**Taiwan**), the Republic of **El Salvador**, or the Republic of Honduras.

**fiscal year period:**

- a) 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.

- b) in the case of the Republic of **El Salvador**:

The period that begins January 1 and ends December 31 of that same year.

- c) in the case of the Republic of **Honduras**:

The period that begins January 1 and ends December 31 of that same year.

**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 of general application, as well as detailed standards, practices and procedures;

**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 (Rules of Origin) and 5 (Customs Procedures Related to the Origin of Goods) of the Agreement and these Uniform Regulations according to the rules established in the Customs Valuation Agreement.

2. The definitions established in Article 4.01 (Definitions) of the Agreement shall be included to the definitions of this Article.

## **Article 2: Interpretation**

1. In these Uniform Regulations, any example designated as "Example" are intended to illustrate 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 legislation in force, to its amendments and additions, and any laws or regulations that replaces it.

## **Article 3: Originating Goods**

1. For purposes of subparagraph a) of Article 4.03 (Originating Goods) of the Agreement, it shall be understood that goods wholly obtained or produced entirely in the territory of one or more Parties are:

- a) minerals extracted or obtained in the territory of one or more Parties;
- b) vegetables and vegetable products harvested, gathered or collected in the territory of one or more Parties;
- c) live animals born and raised in the territory of one or more Parties;
- d) goods obtained by hunting, trapping, fishing, aquaculture, gathering or capture in the territory of one or more Parties;
- e) goods obtained from live animals in the territory of one or more Parties;
- f) fish, shellfish, and other marine species obtained outside the territorial sea of a Party, by fishing vessels registered or recorded in a Party and fly its flag, or by fishing vessels rented by enterprises established in the territory of a 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 a Party and fly its flag, or are rented by enterprises established in the territory of a Party;
- h) goods obtained by a Party or a person of a Party from the seabed or subsoil beneath the sea bed outside the territorial sea 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 one or more Parties, provided those goods are only fit for the recovery of raw materials; or
- j) goods produced in the territory of one or more Parties, exclusively from goods mentioned in subparagraph (a) through (i) above

2. For purposes of subparagraph b) of Article 4.03 (Originating Goods) of the Agreement, a good shall be considered originating of a Party when it is produced entirely in the territory of one or more Parties exclusively from materials that qualify as originating according to Chapter 4 (Rules of Origin) of the Agreement and these Uniform Regulations.

3. For purposes of subparagraph c) of Article 4.03 (Originating Goods) of the Agreement a good is originating from 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 more Parties, where the rule of origin of Annex 4.03 (Specific Rules of Origin) of the Agreement for the tariff classification under which the good is classified specifies only a change in classification, and the good satisfies all 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 more Parties and the good satisfies the applicable regional value content requirement, where the rule of origin in Annex 4.03 (Specific Rules of Origin) 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 requirements of the Agreement and these Uniform Regulations; or
- c) the good satisfies the applicable regional value content requirement, where the rule of origin for the tariff classification under which the good is classified specifies only a regional value content requirement, and the good satisfies all requirements of the Agreement and these Uniform Regulations.

4. For purposes of this article, whenever Annex 4.03 (Specific Rules of Origin) of the

Agreement sets out two or more alternative rules of origin for the tariff classification under which a good is classified, it is enough to comply with one of these rules to qualify as an originating good.

5. Notwithstanding the provided for in this Article, goods shall not be considered originating, if they are exclusively the outcome of the operations set out in Article 4.04 (Minimal Processes or Operations) of the Agreement, unless the specific rules of origin of Annex 4.03 (Specific Rules of Origin) of the Agreement indicate otherwise.

6. 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, honey.

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

Waste and scrap of steel, base metal scraps, lead recovered from used storage cells, used newspapers and 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 originating from 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 (Specific Rules of Origin) of the Agreement is not more than ten percent (10%) of the transaction value of the good, adjusted to a FOB basis, as determined in Article 4.07 (Regional Value Content) of the Agreement, provided that:

a) if, under the rule that specifies the applicable change in tariff classification, 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, 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 (Specific Rules of Origin), when:

- a) Annex 4.03 (Specific Rules of Origin) of the Agreement sets out two or more alternative rules for the tariff classification under which a good is classified; and
- b) the good satisfy one of those rules.

3. For a good classified 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 24 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. The following are examples of *De Minimis*:

**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 of origin set out in Annex 4.03 (Specific Rules of Origin) 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 of origin 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 classified in heading 74.02, same as the copper anode. According to Article 4, paragraph 1 of these Uniform Regulations, 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 classified in subheading 8414.51.

There are two alternative rules of origin 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 of origin 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 in 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 of these Uniform Regulations, 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 FOB basis, except as otherwise provided in paragraph 2, determined according to Articles 1 through 8 and 15 of the Customs Valuation Agreement; and

VNM: is the transaction value of the non-originating materials adjusted to a CIF basis, except as otherwise provided in paragraph 5, according to Articles 1 through 8 and 15 of the Customs Valuation Agreement.

2. When the good is not exported directly by its producer, the value shall be adjusted to the point where the buyer receives the good in the territory where the producer is located.
3. 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.
4. When the producer of a good acquires a non-originating material in the territory of a Party in which the producer is located, the value of the non-originating material shall not include freight, insurance, packing costs and any other cost incurred in the transportation of the material from the supplier's warehouse to the location of the producer.
5. 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 by:
  - a) another producer in the production of an originating material that is acquired and used by the producer of the good in the production of that good; or
  - b) the producer of a good in the production of a material that is self produced.
6. The following are examples of calculations of regional value content

**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 of origin set out for subheading 9502.10, the first rule of origin 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 the 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 eighty three point three percent (83.3%), which indicates that it surpasses the forty percent (40%) demanded in the specific rule of origin. Therefore, the dolls are 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 dolls 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 are garments for dolls of a value of US\$ 1.7 (CIF) and the footwear for dolls 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.

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

$$RVC = [ (15 - 2.9) / 15 ] * 100$$

$$RVC = 80.6\%$$

The result of the calculation of the regional value content is eighty point six percent (80.6%), which indicates that it exceeds the forty percent (40%) required by the 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 of origin established for subheading 9502.10. The first rule of origin specifies a change in tariff classification from any other heading and the second rule of origin specifies a requirement 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).

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

$$RVC = [(15 - 3.2) / 15 ] * 100$$

$$RVC = 78.66\%$$

The result of the calculation of regional value content is seventy eight point sixty six percent (78.66%), which indicates that it exceeds the forty percent (40%) required by the rule of origin. Therefore, the dolls are considered as originating.

#### **Article 6: Indirect Materials**

For purposes of Article 4.05 (Indirect Materials) of the Agreement and determining whether a good is originating, indirect materials shall be considered as originating materials regardless of their place of manufacturing or production, and the value of those materials shall be included in 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 paragraph 1 of Article 4.09 (Fungible Goods and Materials) of the Agreement and Annex I of these Uniform Regulations, when in the production of a good originating or non-originating fungible goods or materials are used, the origin of those fungible goods or materials shall be determined through the application of one of the following inventory management methods:

- a) first in first out (FIFO) method;
- b) last in first out (LIFO) method; or
- c) averaging method.

2. In accordance with the paragraph 2 of Article 4.09 (Fungible Goods and Materials) of the Agreement, once a method of inventory management is selected, it shall be used during the entire period of a fiscal year.

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

#### **Article 8: Accessories, Spare Parts and Tools**

1. For purposes of paragraph 1 of Article 4.11 (Accessories, Spare Parts and Tools) of the Agreement, when determining the origin of a good, accessories, spare parts or tools delivered with the good that usually form part of the good, shall be taken into account to determine 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 (Specific Rules of Origin) of the Agreement, provided that:

- a) the accessories, spare parts or tools are not invoiced separately from the good; and
- b) the amount and the value of these accessories, spare parts or tools are customary for the good.

2. For purposes of paragraph 2 of Article 4.11 (Accessories, Spare Parts and Tools) of the Agreement, where a good is subject to a regional value content requirement, the value of the accessories, spare parts or tools shall 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 (Accessories, Spare Parts and Tools) of the Agreement, those accessories, spare parts or tools that do not fulfill the conditions mentioned above, the corresponding specific rules of origin shall apply to each of them respectively and separately, according to Chapter 4 (Rules of Origin) of the Agreement and these Uniform Regulations.

4. The following are examples of accessories, spare parts or 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.

#### **Article 9: Accumulation**

1. For purposes of paragraph 1 of Article 4.06 (Accumulation) 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.

2. For purposes of paragraph 2 of Article 4.06 (Accumulation) of the Agreement, a good is originating, when it is produced in the territory of one or more Parties, by one or more producers, if and when the good complies with all the applicable requirements established in Annex 4.03 (Specific Rules of Origin) and all other applicable requirements of Chapter 4 of the Agreement.

3. The following are examples of accumulation:

**Example 1:** Article 9, paragraph 1

Producer A manufactures rubber extrusion machines of subheading 8477.20.

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

Producer A makes the rubber extrusion machines using 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 he is not meeting the requirement of change in tariff classification. 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 a regional value content 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 %
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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. Even though the injector is not 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 %
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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 regional value content requirement for subheading 8477.20.

#### **Article 10: Transit and Transshipment**

1. In accordance with Article 4.14 (Transit and Transshipment) 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.

2. The importer shall have at all times the necessary documents that prove the shipping route of a good and of all shipment and transshipment places prior to its import in the territory of the Parties, such as:

- a) Invoice;
- b) Bill of lading;
- c) Airway bill;
- d) Transit or transshipment declaration of goods from the country of transit or transshipment.

**Article 11: Minimal Processes or Operations**

For purposes of Article 4.04 (Minimal Processes or Operations) of the Agreement, except otherwise specified in Annex 4.03 (Specific Rules of Origin), 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; and

- e) simple water dilution operations or ionization and salting, which have not changed the nature of the good.

## **PART II: CUSTOMS PROCEDURES RELATED TO THE ORIGIN OF GOODS**

### **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 the Origin of Goods) of the Agreement and these Uniform Regulations.

### **Article 13: Definitions**

1. For purposes of this Chapter, the following terms shall be understood as:

**certificate of origin:** a certificate of origin issued in the format established in paragraph 1 of Article 5.02 (Origin Certification) of the Agreement, completed, signed and dated by the exporter or producer of a good in the territory of a Party, and certified by a certifying authority of that Party, according to the provisions of Chapter 5 (Customs Procedures Related to the Origin of Goods) and to the instructions for filling the certificate.

**certifying authority:** 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 BOFT or its successor; in the case of the Republic of El Salvador, the *Centro de Trámites de Exportación* (CENTREX) of the *Banco Central de Reserva* and/or other offices, public or private, that are authorized by the *Ministerio de Economía*; and in the case of the Republic of Honduras, the *Dirección General de Integración Económica y Política Comercial* of the *Secretaría de Estado en los Despachos de Industria y Comercio*, or its successor;

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

**competent authority:** in the case of the Republic of China (Taiwan), the customs authority under the Ministry of Finance, or its successor; in the case of Republic of El Salvador, the Ministry of Economy is responsible of aspects relative to its administration in what proceeds, or its successor and the *Dirección General de Aduanas* of the *Ministerio de Hacienda* is responsible of the origin verification procedures and issuing advanced rulings, or its successor; and in the case of the Republic of Honduras, the *Secretaría de Estado en los Despachos de Industria y Comercio*, or its successor;

**customs authority:** the authority, according to the respective laws of each Party, responsible for administering and implementing customs laws and regulations;

**days:** "days" as defined in Chapter 2 (General Definitions) of the Agreement;

**determination of origin:** the written legal document issued by the competent authority as a result of a procedure for verifying whether a good qualifies as originating according to Chapter 4 (Rules of Origin) of the Agreement;

**exporter:** a person located in the territory of a Party from which the good is exported by that person and that is obligated to keep the records referred to in paragraph 1 (a) of Article 5.05 (Records) of the Agreement in the territory of that Party;

**identical goods:** goods that are equal in all aspects, including physical characteristics, quality and commercial prestige, irrespective of minor differences in appearance that are not relevant to the determination of origin of these goods according to Chapter 4 (Rules of Origin) of the Agreement;

**importer:** a person located in the territory of a Party from which the good is imported by that person and that is obligated to keep the records referred to in paragraph 1 (b) of Article 5.05 (Records) of the Agreement in the territory of that Party;

**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; and

**producer:** a person located in the territory of a Party, as defined in Chapter 2 (General Definitions), who is obligated, according to this Chapter, to maintain records in the territory of that Party according to paragraph (a) of Article 5.05 (Records) of the Agreement.

2. The provision of Article 5.01 (Definitions) of the Agreement and Article 1 of these Uniform Regulations shall be incorporated into this article.

#### **Article 14: Origin Certification**

1. Prior to the entry into force of the Agreement, the Parties shall notify in writing the list of the names of the authorized persons and the list of the authorized entities to certify the certificate of origin, with their respective signatures and seals. For these purposes, the Parties shall proceed as follows: In the case of the Republic of China (Taiwan), the Bureau of Foreign Trade (BOFT); in the case of El Salvador, the Ministry of Economy of the Republic of El Salvador will notify the Embassy of the Republic of China (Taiwan) and the Embassy of Honduras in El Salvador; and, in the case of Honduras, the Secretariat of Industry and Trade will notify the Embassy of the Republic of China (Taiwan) and the Embassy of El Salvador in Honduras.

2. The Parties shall notify in writing, as set out in the previous paragraph, any modifications to the list of the names of the authorized persons and the list of the authorized entities to certify the certificate of origin, with their respective signatures and seals. These modifications shall enter into force thirty (30) days after the date on which the Parties receive the notification of the modification. Until the modification enters into force, the certification will be done by the current certifying authority.



For greater certainty, it shall be understood that certifying authority are those certifying authorities that prior to the entry into force of the modifications are in charge of the certification of the certificates of origin.

3. The certificate of origin referred to in Article 5.02 (Origin Certification) of the Agreement shall be:

- a) prepared in the format established in Annex III of these Uniform Regulations either in a printed or electronic media or format agreed by the Parties;
- b) completed, signed and dated by the exporter or producer through an affidavit, as set out in the format and filling instructions established in Annex III of these Uniform Regulations;
- c) signed, stamped, dated and indicating a serial number of the certificate for its identification by the certifying authority of the exporting Party, as set out in the format and filling instructions established in Annex III of these Uniform Regulations; and
- d) completed by the exporter in the language of the territory of the exporting Party or in English. When the certificate of origin is presented in the language of the exporting Party only, the customs authority of the importing Party may request an English translation of the certificate of origin.

4. For purposes of Article 5.02 (Origin Certification) paragraph 8 of the Agreement, a certificate of origin shall be applicable for a single importation of one or more goods to the territory of that Party.

5. According to Article 5.02 (Origin Certification), paragraph 9 of the Agreement, the one year validity of the certificate of origin, counted from the date on which the certificate of origin was signed and sealed 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.

6. For purposes of Article 5.02 (Origin Certification), paragraph 7, subparagraph a) of the agreement, regarding the elaboration and implementation of the administrative procedure for certifying the certificates of origin that a producer or exporter requires, the certifying authority shall elaborate a procedure that has, among other provisions, the following:

- a) the certification of origin shall be done in an expeditious manner;
- b) the information of the certificate of origin shall be completed by the exporter or producer of the good, as set out in the filling instructions referred to in Annex III of these Uniform Regulations;

- c) the exporter or producer of the good shall provide, among others, the information referred to in Article 14, paragraph 7 of these Uniform Regulation, which supports the information contained in the certificate of origin;
- d) the exporter or producer of the good shall provide any other information that considers relevant, including among this if an advanced ruling has been issued, if the good has been or shall be invoiced from a non Party, etc;
- e) the certifying authority shall verify the location of the enterprise and production plan where the good subject to certification has been produced;
- f) the certifying authority shall keep a record of the certifications issued and rejected;
- g) the certifying authority shall establish procedures so that the producer or exporter may request the certification of origin or to perform a new request when the request has been rejected by the certifying authority;
- h) the certifying authority shall establish the requirements for providing information of a determined enterprise and good, requested by the importing Party during the period of an origin verification process; and
- i) others considered pertinent.

7. For greater certainty, the information to be required by the competent authority of the importing Party to the certifying authority of the exporting Party, related to the enterprise and good subject to an origin verification shall be:

- a) Information regarding if it has been confirmed the existence and location of the enterprise, office, warehouse and production plant, used for the production of the good subset to an origin verification;
  - b) Types of goods produced in the enterprise;
  - c) Value and description of the materials used by the enterprise for the production of the good subject to an origin verification, including the tariff codes and country of origin of everyone of these;
  - d) in relation to the transaction value of the good, the percentage weight of everyone of the materials used in the production of the good subject to the investigation;
- ; and
- f) any other information related to the origin verification.

#### **Article 15: Obligations Regarding Importation**

1. For purposes Article 5.03 (Obligations Regarding Importation), paragraph 1, subparagraph (c) of the Agreement, when the Customs Authority of the importing Party determines that a certificate of origin is illegible or contains errors, presents scratches, blotches, corrections or writing between lines, the customs authority may deny preferential tariff treatment, in accordance with Article 5.03 (Obligations Regarding Importations), paragraph 2 of the Agreement.

2. For purposes of article 5.03 (Obligations Regarding Importations), paragraph 1, subparagraph (d) of the Agreement, an importer that makes a corrected customs declaration of origin as set out in Annex IV of these Uniform Regulations, and pays any duties owing, shall not be subject to penalties, whenever the customs authority has not initiated its faculties of verification and control.

3. Notwithstanding the provided by Article 5.03 (Obligations Regarding Importations) of the Agreement does not exempt the importer from the obligation to pay customs duties and taxes, according to the applicable laws of the importing Party, when the customs authority denies preferential tariff treatment to goods imported, pursuant to Articles 5.06 (Origin Verification Procedure) and 5.07 (Advanced Ruling) of the Agreement, and Articles 18 and 19 of these Uniform Regulations.

4. When the importer does not claim for a preferential tariff treatment for goods imported into its territory that would have qualified as originating, the importer may, according to the applicable laws of each Party, request the return of the customs duties paid in excess for not having requested the preferential tariff treatment for that good, whenever the customs authority has not initiated its faculties of verification and control 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.

#### **Article 16: Obligations Regarding Exportation**

1. For purposes of Article 5.04 (Obligations Regarding Exportation), paragraph 2 of the Agreement:

- a) "Promptly" means prior to the initiation of the faculties of verification and control of the customs authority.
- b) Each Party shall not penalize an exporter or producer of a good in its territory, where the exporter or producer notifies without delay and in writing any changes that may affect the accuracy or validity of the certificate of origin to all the people to whom the certificate was provided and the customs authority.

2. The exporter or producer that completes, signs and dates a certificate of origin shall do so through an affidavit, contained in the certificate of origin, assuming any administrative, civil or penal responsibility when the exporter includes on the certificate of origin false or incorrect information.

3. For greater certainty, each Party shall provide that in the cases where the exporter is not the producer of the good, the exporter may complete the certificate of origin, to be presented to the customs authority, based on:

- a) a certification issued by the producer of the good; or
- b) the exporters knowledge regarding if the good is originating, including the reasonable confidence on the information the exporter has that the good is originating.

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).”

5. 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.

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

7. Each Party shall require that if a false certificate of origin completed, signed and dated by an exporter or a producer in its territory that a good to be exported to the territory of another Party is originating shall be subject to penalties equivalent to those that would apply to an importer in its territory that makes a false statement or representation in connection with an importation, with appropriate modifications.

#### **Article 17: Records**

1. The Parties shall provide that:

- a) an exporter or producer that obtains a certificate of origin and provides information to its customs authority, shall maintain for a minimum period of five (5) years counted from the date the certificate of origin was dated, signed, and sealed by the certifying authority, all records and documents related to the origin of the good pursuant to Article 5.05 (Records), paragraph 1, subparagraph (a) of the Agreement;

- b) an importer who claims preferential tariff treatment for a good imported into that Party's territory shall maintain a copy of the certificate of origin and other documentation relating to the importation for at least five (5) years from the date of importation of the good; and
- c) the certifying authority of the exporting Party that has issued a certificate of origin shall maintain all documentation relating to the issuance of the certificate for a minimum period of five (5) years from the issuing date of the certificate.

2. The 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 (Records) 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.

### **Article 18: Origin Verification Procedures**

1. The importing Party, through its competent authority, may:

- a) request information about the origin of a good from the certifying authority of the exporting Party, according to Article 5.06 (Origin Verification Procedures), paragraph 1 (a) of the Agreement; and
- b) request its Embassy in the territory of the other Party for assistance in those matters.

2. For purposes of determining whether a good imported into its territory from the territory of the other Party under preferential tariff treatment according to this agreement qualifies as originating, a Party may verify the origin of the good through its competent authority by means of:

- a) written questionnaires or requests for information sent directly to the importer in its territory or the exporter or producer in the territory of the other Party;
- b) verification visits to the exporter or producer in the territory of the other Party to review the records and documents referred to in Article 5.05 (Records), subparagraph (a) of the Agreement, and to inspect the materials and facilities used in the production of the good in question;
- c) delegating its Embassy in the territory of the other Party to conduct the verification visit; or
- d) other procedures as the Parties may agree to.

3. For the purposes of this Article, the questionnaires, requests, official letters, determinations of origin, notifications or any other written communications sent by the competent authority to the importer, exporter or the producer for origin verification, shall

be considered valid, provided that they are done by the following means:

- a) certified mails with receipts of acknowledgement or other ways that confirm that the importer, exporter or producer has received the documents;
- b) official communications through the Embassies of the Parties whenever the competent authority requires; or
- c) any other way as the Parties may agree.

4. In a written questionnaire or request for information referred to in paragraph 2 (a) it shall:

- a) indicate the time period, which shall be no more 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 does not provide the information requested within such time period.

5. 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. A Party shall not deny the preferential tariff treatment based solely on the request of an extension for completing and returning the questionnaire or responding to the information request.

6. 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, non extendable, from the date of receipt.

7. If the importer, exporter or producer does not duly complete a questionnaire, or does not return the questionnaire or 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.

8. 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, the importer, 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 the written consent from the exporter or producer to be visited, to make a verification visit.

9. The notification referred to in paragraph 8 shall include:

- a) the name of the competent authority 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 good 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.

Any modification of the information referred to in this paragraph shall also be notified according to paragraph 8.

10. If the exporter or producer has not given his written consent for the making of the proposed verification visit within the thirty (30) days of the written notification as provided in paragraphs 8 and 9, the importing Party may deny preferential tariff treatment to the good by notifying in writing to the importer, exporter or producer the determination of origin, including facts and the legal basis for such denial.

11. When the exporter or producer receives a notification according to paragraphs 8 and 9, within the fifteen (15) days from the date on which the notification was received may, one time only, request in writing the postponement of the visit with the corresponding justifications, for a period no longer than thirty (30) days from the date on which the notification was received, or for a longer term the competent authority of the importing Party and the exporter or producer may agree. For these purposes, the competent authority of the importing Party shall notify the postponement of the visit to the importer, exporter or producer of the good, the competent authority and the certifying authority of the exporting Party.

For greater certainty, when reference is made to the date on which the term of the postponement of the visit initiates, this term shall be counted from the date specified in paragraph 9 (c).

12. A Party shall not deny the preferential tariff treatment based solely on the request to postpone the verification visit, according to paragraph 11.

13. 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 only participate in that manner. Nevertheless, the failure to designate the observers shall not be a cause for postponing the visit.

14. Each Party shall require that an exporter or a producer provide the records and documents referred to in Article 5.05(a) 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, the exporter may request to the producer of the good or the producer may request the supplier of the materials, to deliver these to the competent authority of the importing Party.

15. A Party may deny the preferential tariff treatment to an imported good subject to an origin verification, if the exporter or producer:

a) fails to provide the records or documents for determining the origin of the good, in accordance with the provisions of Chapter 4 (Rules of Origin) and Chapter 5 (Customs Procedures Related to the Origin of Goods) of the Agreement and these Uniform Regulations; or

b) denies access to the records or documents.

16. Each Party, through its competent authority, shall verify the compliance of the requirements of regional value content, De Minimis, or any other provision contained in Chapter 4 (Rules of Origin) of the Agreement in compliance with the generally accepted accounting principles that apply in the territory of the Party from which the good was exported.

17. 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, subject to the verification visit, may sign this minute.

For greater certainty, when reference is made to the facts confirmed by the competent authority of the importing Party, it shall be understood that these are the facts stated during the verification visit.

18. Within a period of one hundred and twenty (120) days from the conclusion of the verification of origin, the competent authority of the importing Party shall issue a determination of origin, in writing, in which it is determined if the good qualifies or not as originating, which shall include the factual findings and legal basis for the determination of origin and notify the importer, exporter or producer, as well as the competent authority and certifying authority of the exporting Party the determination of origin.

For greater certainty, it shall be understood that by conclusion of the verification of origin is the moment when the competent authority of the importing Party has finished the evaluation and analysis of the proofs compiled during the verification of origin



process and notifies the importer, exporter or producer, as well as the competent authority and certifying authority of the exporting Party the conclusion.

19. When the period established in paragraph 18 concludes and the competent authority of the importing Party does not issue a determination of origin, the good subject to the verification of origin shall receive the same preferential tariff treatment as if it were an originating good.

20. Where through a verification of origin the importing Party determines that an importer, exporter or a producer has provided more than once, a false or unfounded certificate of origin or declaring 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 proved that such person is in compliance with all the requirements under Chapter 4 (Rules of Origin) and Chapter 5 (Customs Procedures Related to the Origin of Goods) of the Agreement.

21. When the competent authority of the importing Party determines that a good imported into its territory does not qualify as originating, the importer must pay any custom duties owed and other applicable charges according to the legislation of each Party.

22. In case the preferential tariff treatment is resumed, the competent authority of the importing Party shall issue a written determination of origin in which the competent authority of the importing Party establishes the resumption of the preferential tariff treatment for the good, which shall be notified to the importer, exporter or producer and the competent authority and certifying authority of the exporting Party; which shall include the factual findings and the legal basis of its determination.

23. A Party shall not apply a determination of origin issued under paragraph 18 to an importation made before the date of entry into force of the determination origin where:

- a) the customs authority of the exporting Party issued an advance ruling regarding the tariff classification or valuation of one or more materials used in the good under Article 5.07 (Advanced Ruling) of the Agreement and Article 19 of these Uniform Regulations;
- b) the importing Party's determination is based on a tariff classification or valuation for such materials that is different than that provided for in the advance ruling referred to in subparagraph (a); and
- c) the customs authority issued the advance ruling before the importing Party's determination.

## **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 its 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) of the Agreement;
- 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) of the Agreement;
- 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) of the Agreement;
- 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) of the Agreement; or
- e) such other matters as the Parties may agree.

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 competent authority 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 competent authority to issue an advance ruling within a maximum period of one hundred twenty (120) days, once all the necessary information has been collected from the applicant; and
- 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) of the Agreement, 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) of the Agreement;
- b) when the ruling is not in accordance with the interpretation agreed by the Parties with respect to Chapter 4 (Rules of Origin) of the Agreement;
- c) when there is a change in the facts or circumstances on which the ruling is based;
- d) for the purpose being in accordance with a modification of Chapter 4 (Rules of Origin) or Chapter 5 (Customs Procedures Related to the Origin of Goods) of the Agreement; or
- e) for the purpose of complying with an administrative decision independent from the issuing authority or a judicial decision, according to Article 5.10 (Review and Appeal) of the Agreement and Article 21 of these Uniform Regulations, 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 when 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.

#### **Article 20: Penalties**

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 the Origin of Goods) of the Agreement.

#### **Article 21: Review and Appeal**

1. Each Party shall grant the same rights of review and appeal with respect to determinations of origin and advance rulings to its importers, or to the exporters or producers of the other Party to whom those determinations of origin and rulings have been issued according to Article 5.06 (Origin Verification Procedure) and Article 5.07 (Advance Ruling) of the Agreement and Articles 18 and 19 of these Uniform Regulations.

2. When a Party denied preferential tariff treatment to a good by a determination of origin based on non-compliance with time periods established in Chapter 5 (Customs Procedures Related to the Origin of Goods) of the Agreement, with respect to the presentation of records or other information to the competent authority of that Party, the decision made in the review or appeal shall only deal with the non-compliance of the time period to which this paragraph refers.

3. Each Party shall provide that the rights of review and appeal referred to in paragraphs 1 and 2 shall include, in accordance with the laws of each Party, access to:

- a) at least one level of administrative review independent of the official or office responsible for the determination of origin or advance ruling under review; and
- b) judicial review.

## ANNEX I

### INVENTORY MANAGEMENT METHODS

#### Part I: Fungible Materials

##### Article 1. Definitions and Interpretation

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

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

**materials inventory:** with respect,

- a) to a producer of a good, an inventory of fungible materials that are used for the production of the good; and
- b) to the person from whom the producer of the good acquired the fungible materials in question, the inventory from where the fungible materials are sold or transferred to the producer of the good;

**First-in, first-out method (FIFO):** the method through which the origin of fungible materials first received in the 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 3, of this Annex.

##### Article 2. General Rules

1. When in the production of a good originating or non-originating fungible materials are used, the origin of those fungible goods or materials shall be determined through the application of one of the following inventory management methods:

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

2. Once the inventory management method listed out in the preceding paragraph, including the average term chosen in the case of the average method, is selected by a producer of the good or person from whom the producer acquires the materials used for the production of the good, it shall be used during the entire period of a fiscal year of that producer.

### **Article 3. Average Method**

1. Where the producer or person referred to in Article 2 paragraph 2 of this Annex chooses the average method, the origin of fungible materials that are withdrawn from materials inventory is determined on the basis of the ratio of originating materials and non-originating materials that exist in the materials inventory that is calculated according to this Article.

2. Except as otherwise provided in this Article, the ratio 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 fungible originating materials or non-originating materials that were in the materials inventory at the beginning of the preceding one-month or three months period; and

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

by

b) the sum of:

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

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

4. 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 fungible originating materials or non-originating materials and that were in materials inventory prior to the shipment;

by

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

5. The ratio calculated with respect to a shipment of a good according to this Article is applied to the fungible materials remaining in materials inventory after the shipment.

#### **Article 4. Opening Inventory Treatment**

1. Except as otherwise provided under paragraph 2 of this Article, in the cases where the producer or person referred to in Article 2 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 entries of fungible materials that add up to the amount of fungible materials in opening inventory;
- b) identifying the origin of the fungible materials that make up those entries; and
- c) considering the origin of those fungible materials as 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**

#### **Article 5. Definitions and Interpretation**

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

**opening inventory:** the finished goods inventory that exists at the time that the inventory management method is chosen;

**inventory of finished goods:** an inventory from which the fungible goods that are sold or transferred to another person come from;

**First-in, first-out method (FIFO):** the method through which the origin of fungible goods first received in the finished goods 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 goods last received in finished goods 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 goods withdrawn from finished goods inventory is based on the percentage, of originating materials and non-originating materials in materials inventory, calculated according to Article 7 of this Annex.

#### **Article 6. General Rules**

1. When in the production of a good, fungible originating or non-originating materials are used, the origin of those fungible materials shall be determined through the application of one of the following inventory management methods:

- a) first in first out (FIFO) method;
- b) last in first out (LIFO) method; or
- c) averaging method.

2. Once the inventory management method listed out in the preceding paragraph, including the average term chosen in the case of the average method, is selected by a producer of the good or person from whom the producer acquires the materials used for the production of the good, it shall be used during the entire period of a fiscal year of that producer.

#### **Article 7. Average Method**

1. Where the producer or person referred to in Article 6 paragraph 2 of this Annex chooses the average method, the origin of fungible goods that are withdrawn from finished goods inventory is determined on the basis of the ratio of originating goods and non-originating goods that exist in the finished goods inventory that is calculated according to this Annex.

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

- a) the sum of:
  - i) the total units of fungible originating goods or non-originating goods that are part of the finished goods inventory at the beginning of the preceding one month or three months period; and
  - ii) the total units of fungible originating goods or non-originating goods received in the finished goods inventory during that preceding one month or three months period;

by

- b) the sum of:
  - i) the total units of fungible originating goods and non-originating 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 fungible originating goods and non-originating goods received in finished goods inventory during that preceding one month or three months period.

3. The ratio calculated with respect to a preceding one month or three months period, according to paragraph 2) of this Article, is applied to the fungible goods remaining in finished goods inventory at the end of the preceding one month or three months period.

4. 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 fungible originating goods or non-originating goods and that were in finished goods inventory prior to the shipment;

by

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

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

#### **Article 8. Opening Inventory Treatment**

1. Except as otherwise provided under paragraph 2 of this Article, in the cases where the producer or person referred to in Article 6, paragraph 2 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 entries of fungible materials that add up to the amount of fungible materials in opening inventory;
- b) identifying the origin of the fungible materials that make up those entries; and
- c) considering the origin of those fungible materials as 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.

## 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 (Entries 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 according to 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 the 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 the materials inventory on 27/12/01 and 600 units of the 1,000 units of the originating material A that were received in the 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 the materials inventory on 01/01/02, and 600 units of the 1,000 units of non-originating material A that were received in the 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 the materials inventory on 05/01/02 and 500 units of the 1,000 units of originating material A that were received in the 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 the 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 received in the 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 the 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 the 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 the total value of originating material A, and non-originating material A as shown in the following table:

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 the total units of material A of the 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 the 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 the 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 the materials inventory was 0.66 (2,050 units / 3,100 units) and the ratio of units of non-originating material A to total units of material A in the materials inventory was 0.34 (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 the 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 the materials inventory was 0.36 (1,584 units / 4,400 units) and the ratio of units of non-originating material A to total units of material A in the materials inventory was 0.64 (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 the 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 the materials inventory was 0.36 (1,224 units / 3,400 units) and the ratio of units of non-originating material A to total units of the material A in the materials inventory was 0.64 (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 the 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.

<b>FINISHED GOODS INVENTORY</b> (Receipts of good “A”)		<b>SALES</b> (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 the 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 the 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 are understood as the 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;

#### 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) For the Republic of El Salvador: Decree No. 828 of January 26, 2000, published in the Official Gazette No. 42, Volume No. 346 of February 29, 2000, through which the Regulating Law of the Practice of Accounting is decreed, specifically in subparagraphs g), h) and i) of Article 36 and the agreement emitted by the Vigilance Council of Public Accounting and Auditing in its session celebrated September 2, 1999 and published in the most circulated newspapers of El Salvador, through which it is established that the International Accounting Rules shall be used and in the session celebrated December 5, 2000, in which it was established that the application of the International Accounting Rules is obligatory;
- b) For the Republic of Honduras, Legislative Decree No. 160-95 of October 31, 1995 and published in the Official Gazette "The Gazette" January 16, 1996.
- c) For the Republic of China (Taiwan):
  - i) the Business Entity Accounting Law 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 May 24, 2006 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

### CERTIFICATE OF ORIGIN AND FILLING INSTRUCTIONS

#### Free Trade Agreement between the Republic of China (Taiwan) and the Republic of El Salvador and the Republic of Honduras

##### Certificate of Origin (Instructions on the back side)

This certificate shall be completed on a legible form by the exporter and shall not be valid if it is presented with scratches, blotches, corrections or writing between lines.

1. Name and address of the exporter:  Telephone: _____ Fax: _____  E-mail: _____  Tax identification number: _____		Certificate No: _____  2. Blanket period: From: __/__/____ dd / mm /yyyy  To: __/__/____ dd / mm /yyyy			
3. Name and address of the producer:  Telephone: _____ Fax: _____  E-mail: _____  Tax identification number: _____		4. Name and address of the importer:  Telephone: _____ Fax: _____  E-mail: _____  Tax identification number: _____			
5. Quantity of goods (with measure unit)	6. Description of goods	7. Tariff Classification	8. Criterion for preferential tariff 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 of the territory of _____, and comply with the origin requirements specified for those goods in the Free Trade Agreement between Republic of China (Taiwan) and the Republic of El Salvador and the Republic of Honduras.  _____ Signature of authorized person from the enterprise  _____ 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 El Salvador and the Republic of Honduras.  _____ Authorized Signature and Seal from the Certifying Authority		

This Certificate consists of _____ pages, including all its annexes.	Date of Certification:
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## ANNEX III

### CERTIFICATE OF ORIGIN AND FILLING INSTRUCTIONS

#### Free Trade Agreement between the Republic of China (Taiwan) and the Republic of El Salvador and the Republic of Honduras

##### Certificate of Origin

Annex Page No. \_\_\_\_

(Instructions on the back side)

This certificate shall be completed on a legible form by the exporter and shall not be valid if it is presented with scratches, blotches, corrections or writing between lines.

		Certificate No: _____			
5. Quantity of goods (with measure unit)	6. Description of goods	7. Tariff Classification	8. Criterion for preferential tariff 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 of the territory of _____, and comply with the origin requirements specified for those goods in the Free Trade Agreement between Republic of China (Taiwan) and the Republic of El Salvador and the Republic of Honduras.  _____ Signature of authorized person from the enterprise  _____ Date of Certification of Declaration of Origin  This Certificate consists of _____ pages, including all its annexes.		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 El Salvador and the Republic of Honduras.  _____ Authorized Signature and Seal from the Certifying Authority  _____ 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 presenting 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, at the request of customs authority of the importing Party, the certificate 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 exporting Party or in English. In the cases where the certificate of origin is presented only in the language of the exporting Party, the customs authority of the importing Party may request a translation of the certificate to English.

**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 China (Taiwan): the Business Account Number (BAN)**

**Republic of El Salvador: the Número de Identificación Tributaria (NIT)**

**Republic of Honduras: the Número de Registro Tributario Nacional (RTN)**

**Field 02:** It shall be filled with regard to the goods described in Field 06, that are imported to territory of 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) from which the certificate starts to cover the described goods. "TO" shall be followed by the date (Day/Month/Year) on which the period that is covered by the certificate expires. 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 domicile (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 domicile (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 domicile (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 of measure set out in the invoice for each item of goods to be imported 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.

**Field 08:** For each good described in Field 06, indicate the applicable criterion with the letters A, B, or C, according to the origin criteria for the preferential tariff treatment described on this field. The rules of origin are contained in chapter 4 (Rules of Origin) and Annex 4.03 (Specific Rules of Origin) of the Agreement.

#### **Origin Criteria for Preferential Tariff Treatment**

- A** it is wholly obtained or produced entirely in the territory of one or more Parties according to Chapter 4 (Rules of Origin) of the Agreement;
- B** it is produced entirely in the territory of one or more Parties exclusively from materials that qualify as originating according to Chapter 4 (Rules of Origin) of the Agreement; or
- C** it is produced in the territory of one or more Parties from non-originating materials that meet with a change in tariff classification, satisfies a regional value content or other requirements, as specified in Annex 4.03 (Specific Rules of Origin) of the Agreement and the good complies with all other applicable requirements of Chapter 4 (Rules of Origin) 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, 4.09 and 4.10 of the Agreement were used, indicate:

ACU: Accumulation

DMI: *De Minimis*

FG: Fungible goods

JM: Sets or Assortments of Goods

Where inapplicable indicate "NO".

**Field 11:** This field shall only be used when some observations exist in relation to this certificate.

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 domicile (including the address, the city and the country) of this operator.

**Field 12:** This field must be completed, signed and dated by the exporter, according to Article 16 of these Uniform Regulations. The date must be the date the Certificate was completed and signed.

**Field 13:** This field must be signed, stamped and dated by the authorized official of the certifying authority of the exporting Party.



## ANNEX IV

### Corrected Declaration

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

1. The Republic of China (**Taiwan**): the importer presents a request for a corrected 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.
2. The Republic of El Salvador, the importer that presents a corrected declaration that contains abbreviations, amendments, corrections, blotches or scratches that do not affect the tributary debt or other international trade obligations, may be accepted by the customs, as long as the person declaring presents a complementary declaration of the same. If the existence of anomalies or omissions that affect the correct determination of the debt are proven, it shall be rejected. All of the prior shall be made before the competent authority begins its any faculties of verification and control.
3. The Republic of Honduras, an importer presents a corrected declaration prior to the start of an administrative act whose objective is to prove or verify or control.