

**DECISION NO. 3 OF THE FREE TRADE COMMISSION OF THE CUSMA, T-MEC, USMCA
("AGREEMENT")**

The Free Trade Commission ("the Commission") decides as follows:

Interpretation of paragraph 1 of Section C (Preferential Tariff Treatment for Non-Originating Goods of another Party) of Annex 6-A (Special Provisions) pursuant to Article 30.2.2(f) (Functions of the Commission)

1. Pursuant to Article 30.2.2(f) (Functions of the Commission) of the Agreement, the Commission adopts the following interpretation of paragraph 1 of Section C (Preferential Tariff Treatment for Non-Originating Goods of another Party) of Annex 6-A (Special Provisions):

Apparel goods of Chapters 61 and 62 and textile or apparel goods, other than of wadding, of heading 96.19 of the Harmonized System that do not qualify as originating goods under the product-specific rules of origin set out in Annex 4-B (Product-Specific Rules of Origin) of the USMCA may qualify for preferential tariff treatment under the USMCA under an applicable Tariff Preference Level (TPL) as set out in Annex 6-A (Special Provisions). For purposes of the USMCA TPLs, apparel goods of Chapters 61 and 62 and textile or apparel goods, other than of wadding, of heading 96.19 of the Harmonized System can be produced in the territory of a Party from fabric or yarn produced or obtained outside the territories of the Parties. The intent of the Parties was to allow apparel goods of Chapters 61 and 62 and textile or apparel goods, other than of wadding, of heading 96.19 of the Harmonized System to qualify for preferential tariff treatment under the USMCA when they are produced from non-originating materials or a combination of originating and non-originating materials, including materials that are non-originating pursuant to chapter notes 2, 3, or 4 of Chapter 61 or chapter notes 3, 4, or 5 of Chapter 62 of Annex 4-B (Product-Specific Rules of Origin). Such goods must be both cut (or knit-to-shape) and sewn or otherwise assembled in the territory of a Party and meet other applicable conditions for preferential tariff treatment under the USMCA. As such, apparel goods of Chapters 61 and 62 of the Harmonized System for which originating yarn or fabric is used in the production of the component that determines the tariff classification of the good that do not qualify as originating solely on the basis of not meeting the requirements of chapter notes 2, 3, or 4 of Chapter 61 or chapter notes 3, 4, or 5, of Chapter 62 of Annex 4-B (Product-Specific Rules of Origin), are eligible for preferential tariff treatment under an applicable TPL.

2. This Decision is effective as of July 1, 2020.

DONE, in English, French, and Spanish.

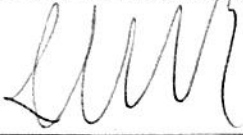
For Canada:



2022/01/24

DATE

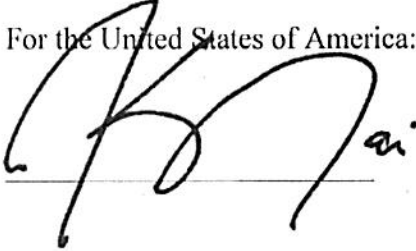
For the United Mexican States:



01 / 02 / 2022

DATE

For the United States of America:



8.12.2021

DATE