

**Section VII**

**Plastics and Articles Thereof; Rubber and Articles Thereof (Chapter 39-40)**

**Notes to Section VII:**

**Note 1**

A good of any chapter or heading in Section VII that satisfies any of Rules 1 through 5 of this Section shall be treated as originating, except as otherwise specified in those rules.

**Note 2**

Notwithstanding Note 1, a good is originating if it meets the applicable change in tariff classification specified in the rules of origin in this Section.

**Rule 1: Chemical Reaction**

A good of Chapter 39 or 40 that results from a chemical reaction in the territory of one or both of the Parties shall be treated as originating.

Note: For purposes of this section, a “chemical reaction” is a process (including a biochemical process) that results in a molecule with a new structure by breaking intramolecular bonds and by forming new intramolecular bonds, or by altering the spatial arrangement of atoms in a molecule.

The following are not considered to be chemical reactions for the purposes of determining whether a good is originating:

- (a) dissolution in water or in other solvents;
- (b) the elimination of solvents including solvent water; or
- (c) the addition or elimination of water of crystallization.

**Rule 2: Purification**

A good of Chapter 39 or 40 that is subject to purification shall be treated as originating provided that the purification occurs in the territory of one or both of the Parties and results in one of the following:

- (a) the elimination of 80 percent of the impurities; or
- (b) the reduction or elimination of impurities resulting in a good suitable:
  - (i) as a pharmaceutical, medicinal, cosmetic, veterinary, or food grade substance;
  - (ii) as a chemical product and reagent for analytical, diagnostic or laboratory uses;
  - (iii) as an element or component for use in micro-elements;
  - (iv) for specialized optical uses;
  - (v) for non-toxic uses for health and safety;

(vi) for biotechnical use;

(vii) as a carrier used in a separation process; or

(viii) for nuclear grade uses.

**Rule 3: Mixtures and Blends**

A good of Chapter 39 or 40 shall be treated as originating if the deliberate and proportionally controlled mixing or blending (including dispersing) of materials to conform to predetermined specifications, resulting in the production of a good having physical or chemical characteristics that are relevant to the purposes or uses of the good and are different from the input materials, occurs in the territory of one or both of the Parties.

**Rule 4: Change in Particle Size**

A good of Chapter 39 shall be treated as originating if the deliberate and controlled modification in particle size of the good, including micronizing by dissolving a polymer and subsequent precipitation, other than by merely crushing or pressing, resulting in a good having a defined particle size, defined particle size distribution or defined surface area, which is relevant to the purposes of the resulting good and have different physical or chemical characteristics from the input materials occurs in the territory of one or both of the Parties.

**Rule 5: Isomer Separation**

A good of Chapter 39 shall be treated as originating if the isolation or separation of isomers from mixtures of isomers occurs in the territory of one of both of the Parties.

Source:

[U.S.-Panama Trade Promotion Agreement](#)  
[Annex 4.1, Specific Rules of Origin, page 21-22](#)