

Section XI - Textiles and Textile Articles (Chapter 50 through 63)

Notes to Section XI:

Note 1

A textile good of Chapter 50 through 60 of the Harmonized System shall be considered originating if it is wholly formed and finished in the territory of one or both of the Parties from:

- (a) one or more fibers and yarns listed in Annex 3.25 (List of Fabrics, Yarns, and Fibers Not Available in Commercial Quantities); or
- (b) a combination of the fibers and yarns referred to in subparagraph (a) and one or more fibers and yarns originating under this Annex.

The originating fibers and yarns referred to in subparagraph (b) may contain up to ten percent by weight of fibers and yarns that do not undergo an applicable change in tariff classification set out in this Annex. Any elastomeric yarn contained in the originating yarns referred to in subparagraph (b) must be wholly formed and finished in the territory of one or both of the Parties.

Note 2

An apparel good of Chapter 61 or 62 of the Harmonized System shall be considered originating if it is cut or knit to shape, or both, and sewn or otherwise assembled in the territory of one or both of the Parties, and if the fabric of the outer shell, exclusive of collars and cuffs, where applicable, is wholly of:

- (a) one or more fabrics listed in Annex 3.25 (List of Fabrics, Yarns, and Fibers Not Available in Commercial Quantities);
- (b) one or more fabrics or knit to shape components formed in the territory of one or both of the Parties from one or more of the yarns listed in Annex 3.25 (List of Fabrics, Yarns, and Fibers Not Available in Commercial Quantities); or
- (c) any combination of the fabrics referred to in subparagraph (a), the fabrics or knit to shape components referred to in subparagraph (b), or one or more fabrics or knit to shape components originating under this Annex.

The originating fabrics or knit to shape components referred to in subparagraph (c) may contain up to ten percent by weight of fibers or yarns that do not undergo an applicable change in tariff classification set out in this Annex. Any elastomeric yarn contained in an originating fabric or knit to shape component referred to in subparagraph (c) must be wholly formed and finished in the territory of one or both of the Parties.

Note 3

A textile good of Chapter 63 of the Harmonized System shall be considered originating if it is cut or knit to shape, or both, and sewn or otherwise assembled in the territory of one or both of the Parties, and if the component that determines the tariff classification of the good is wholly of:

(a) one or more fabrics listed in Annex 3.25 (List of Fabrics, Yarns, and Fibers Not Available in Commercial Quantities);

(b) one or more fabrics or knit to shape components formed in the territory of one or both of the Parties from one or more of the yarns listed in Annex 3.25 (List of Fabrics, Yarns, and Fibers Not Available in Commercial Quantities); or

(c) any combination of the fabrics referred to in subparagraph (a), the fabrics or knit to shape components referred to in subparagraph (b), or one or more fabrics or knit to shape components originating under this Annex.

The originating fabrics or knit to shape components referred to in subparagraph (c) may contain up to ten percent by weight of fibers or yarns that do not undergo an applicable change in tariff classification set out in this Annex. Any elastomeric yarn contained in an originating fabric or knit to shape component referred to in subparagraph (c) must be wholly formed and finished in the territory of one or both of the Parties.

Note 4

An apparel good of Chapter 61 or 62 of the Harmonized System shall be considered originating regardless of the origin of any visible lining fabric described in Chapter Rule 1, narrow fabrics described in Chapter Rule 3, sewing thread described in Chapter Rule 4, or pocketing fabric described in Chapter Rule 5 if any such material is listed in Annex 3.25 (List of Fabrics, Yarns, and Fibers Not Available in Commercial Quantities) and the good meets all other applicable requirements for preferential tariff treatment under this Agreement.

Note 5

Appendix 4.1-A sets out a correlation table for textile or apparel goods.

Note 6

For purposes of this Section and Appendix 4.1-A:

wholly means that the good is entirely of the named material; and

wholly formed and finished means:

(a) when used in reference to fabrics, all production processes and finishing operations necessary to produce a finished fabric ready for use without further processing. These processes

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and operations include formation processes, such as weaving, knitting, needling, tufting, felting, entangling, or other such processes, and finishing operations, including bleaching, dyeing, and printing; and

(b) when used in reference to yarns, all production processes and finishing operations, beginning with the extrusion of filaments, strips, film, or sheet, and including drawing to fully orient a filament or slitting a film or sheet into strip, or the spinning of all fibers into yarn, or both, and ending with a finished yarn or plied yarn.

Source:

[U.S.-Panama Trade Promotion Agreement
Annex 4.1, Specific Rules of Origin, page 28-30](#)

Chapter 63

Other Made Up Textile Articles; Sets; Worn Clothing and Worn Textile Articles; Rags

Chapter Rule 1

For purposes of determining whether a good of this chapter is originating, the rule applicable to that good shall only apply to the component that determines the tariff classification of the good and such component must satisfy the tariff change requirements set out in the rule for that good.

Chapter Rule 2

Notwithstanding Chapter Rule 1, a good of this chapter containing sewing thread of heading 52.04, 54.01, or 55.08 shall be considered originating only if such sewing thread is wholly formed and finished in the territory of one or both of the Parties.

Source:

[U.S.-Panama Trade Promotion Agreement](#)

[Annex 4.1, Specific Rules of Origin, page 49](#)