

U.S. – Panama Trade Promotion Agreement In effect as of October 31, 2012.



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Upon the adoption of the agreement, over 87 percent of U.S. industrial goods exports to Panama became duty-free including information technology equipment, agricultural and construction equipment, aircraft and parts, medical and scientific equipment, pharmaceuticals, fertilizers, and agro-chemicals.

Rules of Origin

For goods that are not <u>wholly obtained</u>, you must meet the product's rule of origin, usually through Tariff Shift or Regional Value Content. Learn more about how to <u>Read and Apply FTA Rules of Origin</u>. The rules of origin may be found in the final text of the FTA. Occasionally, a particular rule of origin may be revised. For the most updated version of the ROOs consult the <u>Harmonized Tariff Schedule</u> of the United States, General Notes — General Note 35.

In addition to the above rules of origin, there may be other ways to qualify your product:

- <u>Accumulation</u> may allow the producer to reduce the value of the non-originating materials used in the production of the good.
- <u>De Minimis</u> allows the exporter to disregard a very small percentage of non-originating materials the do no meet a tariff shift rule.
- Direct Shipment are goods which must be shipped directly from one FTA party to another FTA party.
- <u>Fungible Goods and Materials</u> refers to goods or materials (components) that are interchangeable for commercial purposes and whose properties are essentially identical.
- <u>Indirect Materials</u> are goods used in the production, testing or inspection of a good but not physically incorporated into the good.

Claiming/Documenting Origin

No specific certificate is required for the U.S. – Panama TPA. You may be requested by the importer or the Panama Customs Service to provide information to support a claim of preferential treatment. More information on what to include can be found in Free Trade Agreements Certificates of Origin.

Key Links/Resources

- USTR U.S. Panama FTA
- USDA Overview
- Textiles Overview
- CBP Side-by-Side Comparison of FTAs
- U.S. Commercial Service Panama
- FTA Tariff Tool
- FTA Help Center