

- Morocco Free Trade Agreement

# U.S. – Morocco Free Trade Agreement

The United States and Morocco signed a Free Trade Agreement (FTA) on June 15, 2004, which entered into force on January 1, 2006. The FTA is a comprehensive agreement that supports the significant economic and political reforms that are underway in Morocco and provides for improved commercial opportunities for U.S. exports to Morocco by reducing and eliminating trade barriers.

# **Rules of Origin**

Articles can qualify by either being wholly grown/produced/manufactured in a party or by substantial transformation with a value-added content. There are also articles that have specific rules of origin. See Chapter Four "Textiles and Apparel" and Chapter Five "Rules of Origin" of the Final Text.

A good is an originating good where it is imported directly from the territory of one Party into the territory of the other Party, and

(a) it is a good wholly the growth, product, or manufacture of one or both of the Parties;

(b) for good other than those covered by the rules in Annex 4-A or 5-A, the good is a new or different article of commerce that has been grown, produced, or manufactured in the territory of one or both of the Parties; and the sum of

- (i) the value of materials produced in the territory of one or both of the Parties, plus
- (ii) the direct costs of processing operations performed in the territory of one or both of the Parties is not less than 35 percent of the appraised value of the good at the time it is imported into the territory of a Party; or
- (c) for goods covered by the rules in Annex 4-A or Annex 5-A, the good has satisfied the requirements specified in that Annex.

For definition of the above terms, see Final Text at USTR- U.S.-Morocco FTA.

## 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**

Importer shall be prepared to submit to the customs authorities of the importing country, upon request, a declaration setting forth all pertinent information concerning the production or manufacture of the article.

#### **Key Links/Resources**

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