



FTA Provisions for Accumulation

Accumulation/cumulation is found in the “Rule of Origin” section of each of FTA’s Final Text.



## FTA Provisions for Accumulation

When producers determine the regional value content of goods or use the 35% appraisement method, the entire value of the materials used in the production of the goods they acquire from suppliers is considered as wholly originating or wholly non-originating, as appropriate.

Thus, accumulation allows the producer to reduce the value of the non-originating materials used in the production of the good by taking into account the FTA partner country(ies) inputs incorporated into those non-originating materials.

While there are similarities as noted for the definition of accumulation between the FTAs, if you need to use accumulation to support your origination claim, it's best to consult the specific definition in the applicable FTA - USTR FTAs. Accumulation/cumulation is found in the "Rule of Origin" section of each of FTA's Final Text.

There are three main types of cumulation: bilateral, diagonal and full. The key difference between the three types is the number of parties involved and what types of inputs (originating or non-originating) can be used as the basis for cumulation. For additional information on the different types of cumulation go to <https://findrulesoforigin.org/en/glossary?uid=accum&returnto=gloscenter>

## **Australia, Chile, Columbia, DR - CAFTA, Panama, Peru, Singapore, South Korea**

These FTAs have basically the same language for accumulation:

**A.** Each Party shall provide that originating goods or materials of a Party, incorporated into a good in the territory of the other Party, shall be considered to originate in the territory of the other Party.

**B.** Each Party shall provide that a good is originating where the good is produced in the territory of one or both Parties by one or more producers, provided that the good satisfies other applicable requirements.

## **Bahrain, Morocco and Oman**

These FTAs have similar accumulation language since their rules of origin are based on goods with value of material and direct cost of processing operations from one or both parties that are greater than equal to 35% of the appraised value:

**A.** An originating good, or a material produced in the territory of one Party or of the other Party, or both, that is incorporated into a good in the territory of the other country shall be considered to originate in the territory of the other country.

**B.** A good that is grown, produced or manufactured in the territory of one Party or of the other Party, or both, by one or more producers, is an originating good if the good satisfies the requirements of subdivision (b) of this note and all other applicable requirements of this note.

Noted, Oman allows accumulation for direct cost of operating processes and value of materials from both parties as well.

## **Israel and Jordan**

Do not have a provision for accumulation since the cost or value of materials which are used in the production of an article in one Party, and which are products of the other Party, may be counted in an amount up to 15 percent of the appraised value of the article.

## **USMCA**

- i. Producers—A good that is produced in the territory of one or more USMCA countries, by one or more producers, is an originating good if the good satisfies the requirements of subdivision (b) of this note and all other applicable requirements.
- ii. Originating materials used in production of goods of a USMCA country—Originating materials from the territory of one or more USMCA countries that are used in the production of a good in the territory of another USMCA country shall be considered to originate in the territory of such other USMCA country.
- iii. Production undertaken on non-originating materials used in the production of goods—In determining whether a good is an originating good under this note, production undertaken on non-originating material in the territory of one or more USMCA countries by one or more producers may contribute to the originating status of the good, regardless of whether that production is sufficient to confer originating status to the non-originating material.

### [Accumulation](#)