**Chapter 23:02
Customs and Excise (Southern African Development Community)
(Suspension) Regulations, 2001**

*S. I. 194 of 2001*

IT is hereby notified that the Minister of Finance and Economic Development has, in terms of section 235, as read with section 120 of the Customs and Excise Act [*Chapter 23:02*], made the following regulations:—

ARRANGEMENT OF SECTIONS

*Section*

[1](NULL#1)    [Title](NULL#1)

[2](NULL#2)    [Interpretation](NULL#2)

[3](NULL#3)    [Suspension of customs duty](NULL#3)

[4](NULL#4)    [Suspension of surtax](NULL#4)

[5](NULL#5)    [Application](NULL#5)

[Schedule I](NULL#Sch1)

*Title*

**1**.  (1)  These regulations may be cited as the Customs and Excise (Southern African Development Community) (Suspension) Regulations, 2001.

(2)  These regulations shall be deemed to have come into operation on the 1st June, 2001.

*Interpretation*

**2**.  In these regulations—

**“H.S. Code”** means a heading or Harmonised System Code of Part II of the customs tariff;

**“Member State”** means a Member of the Southern African Development Community;

**“The Protocol on Trade”** means the Protocol on Trade in the Southern African Development Community signed at Maseru, Lesotho on 24th August, 1996, which entered into force on the 25th January, 2000;

**“Community”** means the Southern African Development Community States, established by Article 2 of the Southern African Development Treaty.

*Suspension of customs duty*

**3**.  (1)  Subject to [subsection (2)](NULL#3.2) and [section 5](NULL#5). the duties on goods appearing in Part II of the customs tariff, and which are classified under the heading or subheading shown in Schedule II of these regulations, are suspended to the extent sufficient to reduce such duties to the effective rates shown in the Schedule.

(2)  Where the effective rate of duty on the goods classifiable under any tariff heading in the excise tariff becomes lower than the effective rate appearing in the excise tariff—

(a)  [subsection (1)](NULL#3.1) shall not apply; and

(b)  the effective rate appearing in the excise tariff shall apply in the case of those goods.

*Suspension of surtax*

**4**.  Subject to [section 5](NULL#5), the surtax appearing in the Customs and Excise (Surtax Tariff) Notice, 2000, published in Statutory Instrument 221 of 2000, in so far as it applies to the goods which are classified under the heading and subheading shown in the Schedule II is suspended to the extent sufficient to reduce such surtax to the effective rate shown in the Schedule.

*Application*

**5**.  [Sections 3](NULL#3) and [4](NULL#4) shall have effect only if the goods concerned were produced or manufactured in the territory of any one of the Member States and comply with the Rules of Origin set out in Annex 1 of the Protocol on Trade of the Southern African Development Community as set forth in Schedule 1, as read with Article 12 of the Trade Protocol.

**Schedule I
RULES OF ORIGIN FOR PRODUCTS TO BE TRADED BETWEEN THE MEMBER STATES OF THE SOUTHERN AFRICAN DEVELOPMENT COMMUNITY**

RULE 1
*DEFINITIONS AND INTERPRETATIONS*

1.  Definitions

For the purposes of this Annex:―

**“chapters”** and **“headings”** mean the chapters and the headings (four-digit codes) used in the Harmonised Commodity Description and Coding System, referred to in this Annex as “the Harmonised System” or “HS”;

**“classified”** refers to the classification of a product or material under a particular HS heading;

**“consignment”** means products which are either sent simultaneously from one exporter to one consignee or covered by a single transport document covering their shipment from the exporter to the consignee or, in the absence of such a document, by a single invoice;

**“customs value”** means the value as determined in accordance with the 1994 Agreement on implementation of Article VII of the GATT (WTO Agreement on Customs Valuation);

**“ex-works price”** means the price paid for the product ex works to the manufacturer in any Member State in whose territory the last working or processing is carried out, pr9ovided the price includes the value of all the materials used, plus the profit and minus any internal taxes which are, or may be, repaid when the product obtained is exported;

**“goods”** means both materials and products;

**“MMTZ”** means the Republic of Malawi, the Republic of Mocambique, the United Republic of Tanzania and the Republic of Zambia;

**“manufacture”** means any kind of working or processing, including assembly or specific operations;

**“material”** means any ingredient, raw material, component or part and the like, used in the manufacture of the product;

**“product”** means the product being manufactured, even if it is intended for later use in another manufacturing operation;

**“SACU”** means the Southern African Customs Union of which the members are the Republic of Botswana, the Kingdom of Lesotho, the Republic of Namibia, the Republic of South Africa and the Kingdom of Swaziland;

**“territories”** includes territorial waters;

**“value of materials”** means the customs value at the time of importation of the non-originating materials used or, if this is not known and cannot be ascertained, the first ascertainable price paid for the materials in any Member State. The calculations of the customs value of the non-originating materials will include:

(a)  the cost of transport of the imported goods to the port or place of importation;

(b)  loading, unloading and handling charges associated with the transport of goods to the port or place of importation; and

(c)  the cost of insurance;

Provided that the amount of any transport costs incurred in transit through Member States should be deducted from the calculations of the customs value of the non-originating materials as provided for in the definition herein;

**“value of the originating materials”** means the value of such materials as defined in “Value of materials” above *mutates mutandis*.

RULE 2
ORIGIN CRITERIA

*General Requirements*

1.  For the purpose of implementing this Protocol, goods shall be accepted as originating in a Member State if they are consigned directly from a Member State to a consignee in another Member State and—

(a)  they have been wholly produced in any Member State as provided for in Rule 4 of this Schedule; or

(b)  they have been obtained in any Member State incorporating materials which have not been wholly produced there, provided that such materials have undergone sufficient working or processing in any Member State within the meaning of paragraph 2 of this Rule.

*Sufficiently worked or processed products—*

2.  (*a*)  For the purpose of this Rule, products, which are not wholly produced, are considered to be sufficiently worked or processed when the conditions set out in the list in Appendix I of this Schedule are fulfilled.

(*b*)  The conditions referred to in subparagraph (*a*) indicate, for all products covered by this Protocol, the working and processing which must be carried out on non-originating materials used in manufacturing and apply only in relation to such materials. Accordingly, it follows that if a product, which has acquired originating status by fulfilling the conditions set out in this list, is used in the manufacture of another product, the conditions applicable to the product in which it is incorporated do not apply to it, and no account shall be taken of the non-originating materials which may have been used in its manufacture.

(*c*)  Notwithstanding the provision of sub-paragraph (*a*), products of HS chapters 50 to 63 exported to SACU by MMTZ Member States will be considered to be sufficiently worked or processed when the conditions set out in column 4 of the list in Appendix I are fulfilled, subject to quantitative limits.

*Value tolerance—*

2.  (*a*)  Notwithstanding the provisions of paragraph 2(*b*) of this Rule, non-originating materials which, according to the conditions set out in the list in Appendix I, should not be used in the manufacture of a product may nevertheless be used, provided that—

(i)  their total value does not exceed 10 per cent. Of the ex-works price of the product;

(ii)  any of the percentages given in the list for the maximum value of non-originating materials are not exceeded through the application of this subparagraph.

(*b*)  The provisions of subparagraph (*a*) shall not apply to the products falling within HS chapters 50 to 63, 87 and 98.

3.  Cumulative treatment

(a)  For the purposes of implementing this Annex, the Member States shall be considered as one territory.

(b)  Raw materials or semi-finished goods originating in accordance with the provisions of this Annex in any of the Member States undergoing working or processing either in one or more Member States shall, for the purpose of determining the origin of a finished product, be deemed to have originated in the Member State where the final processing or manufacturing takes place.

RULE 3

*Processes Not Conferring Origin*

Notwithstanding the provisions of paragraph 1(*a*) of Rule 2 of this Annex, the following operations and processes shall be considered as insufficient to support a claim that goods originate in a Member State—

1.  Packing, packaging and other preparations or processes for shipping and for sales-

(a)  packing, repacking or retail packaging, including bottling, placing in flasks, bags, cases and boxes, fixing on cards or boards and all other simple packing operations;

(b)  changes of packing and breaking up or assembly of consignments;

(c)  operations to ensure the preservation of merchandise in good condition during transportation and storage, such as ventilation, spreading out, drying, freezing, making into a solution, removal of damaged parts and similar operations. This also includes loading, reloading or any other operation necessary to maintain the merchandise in good condition.

2.  Mere dilution, blending and other types of blending—

(a)  simple mixing of ingredients imported from outside the Member States;

(b)  mere dilution with water or another substance that does not materially alter the characteristics of the material;

(c)  the addition of substances such as anti-caking agents, preservatives, wetting agent and the like;

(d)  diluting chemicals with inert ingredients to bring them to the standard degree of strength;

(e)  for the purposes of this subparagraph, dilution shall be taken not to include:

(i)  either mixing together of two bulk medicinal substances followed by the packaging of the mixed products into individual doses for retail sale; or

(ii)  the addition of water or another substance to a chemical compound under pressure which results in a reaction creating a new chemical compound.

3.  Simple assembly or combining operations.

4.  Other minor operations—

(a)  ornamental or finishing operations incidental to textile production designed to enhance the marketing appeal or ease the product’s case, such as simple hand dyeing and printing, embroidery and appliqué, pleating, hemstit6ching, stone or acid washing, permanent pressing, or the attachment of accessories, findings and trimmings. The rules of origin for products of HS chapters 50 to 63 exported to SACU by MMTZ Member States, according to the provision of paragraph 2(*c*) of [Rule 2](NULL#2), may allow minor operations that would otherwise be non-origin conferring processes;

(b)  dismantling or disassembly;

(c)  repairs and alterations, washing, laundering or sterilisation;

(d)  application of preservatives or decorative coatings, including lubricants, protective encapsulation, preservative or decorative paint or metallic coatings;

(e)  testing, sorting or grading;

(f)  marking, labelling or affixing other like distinguishing signs on products or their packages;

(g)  simple operations such as removal of dust, sifting or screening, sorting, classifying and matching, including the making up of sets, goods, greasing, washing, painting or cutting up.

5.  Slaughter of animals.

6.  Any process or work in respect of which it may be demonstrated, on the basis of the preponderance of evidence, that the sole objective was to circumvent these rules.

7.  A combination of two or more insufficient working or processing operations does not confer origin, regardless of whether the product specific rules of origin have been satisfied or not.

8.  All the operations carried out in the Member States on a given product shall be considered together when determining whether they are to be regarded as insufficient within the meaning of this Rule.

RULE 4

*Goods Wholly Produced In The Member States*

1.  For the purposes of paragraph 1 (*a*) of Rule 2 of this Annex, the following shall be regarded as wholly produced in the Member States—

(a)  mineral products extracted from their ground or sea bed;

(b)  vegetable products harvested there;

(c)  live animals born and raised there;

(d)  products obtained there from live animals;

(e)  products obtained by hunting or fishing conducted there;

(f)  products of sea fishing and other products taken from the sea by their vessels;

(g)  products made on board their factory ships exclusively from products referred to in subparagraph (*f*);

(h)  used articles collected there fit only for the recovery of raw materials;

(i)  waste and scrap resulting from manufacturing operations conducted there;

(j)  products produced there exclusively from one or both of the following—

(i)  products specified in subparagraphs (*a*) to (*i*);

(ii)  materials containing no element imported from outside the Member States or of undetermined origin.

2.  In determining the place of production of marine, river, or lake products and goods in relation to a Member State, a vessel of a Member State shall be regarded as part of the territory of that Member State. In determining the place from which goods originated, marine, river or lake products taken from the sea, river or lake or goods produced therefrom at sear or on a river or lake shall be regarded as having their origin in the territory of a Member State and have been brought directly to the territory of the Member State.

3.  For the purpose of this Schedule, a vessel shall be regarded as a vessel of a Member State if it is registered in a Member State and satisfies one of the following conditions—

(a)  the vessel sails under the flag of a Member State;

(b)  at least 75 per cent. of the officers and crew of the vessel are nationals of a Member State;

(c)  at least the majority control and equity holding in respect of the vessel are held by nationals of a Member State or institution, agency, enterprise or corporation of the Government of such Member State.

4.  Electrical power, fuel, plant machinery and tools used in the production of goods shall always be regarded as wholly produced within the Community when determining the origin of the goods.

RULE 5

*Unit Of Qualification*

1.  Each item in a consignment shall be considered separately.

2.  Notwithstanding the provisions of paragraph 1 of this Rule—

(a)  where the Harmonised System specifies that a group, set or assembly of article is to be classified within a single heading, such a group, set or assembly shall be treated as one article;

(b)  tools, parts and accessories which are imported with an article, and the price of which is included in that of the article or for which no separate charge is made, shall be considered as forming a whole with the article, provided that they constitute the standard equipment customarily included in the sale of articles of that kind;

(c)  notwithstanding the provisions of subparagraphs (*a*) and (*b*) of this paragraph, goods shall be treated as a single article if they are so treated for purposes of assessing customs duties on like articles by the importing Member State.

3.  An un-assembled or dis-assembled article which is imported in more than one consignment because it is not feasible for transport or production reasons to import it in a single consignment, shall be treated as one article.

RULE 6

*Separation Of Materials*

1.  For those products or industries where it would be impracticable for the producers to separate physically materials of similar character but different origin used in the production of goods, such separation may be replaced by an appropriate accounting system which ensures that no more goods are deemed to originate in the Member State than would have been the case if the producer had been able to physically separate the materials.

2.  Any accounting system shall conform to such conditions as may be agreed upon by the CMT in order to ensure that adequate control measures shall be applied.

RULE 7

*Treatment Of Mixtures*

1.  In the case of mixtures, not being groups, sets or assemblies of goods dealt with under Rule 6, products resulting from the mixing together of goods originating in the Member States with goods which would not quality as originating in the Member States, would not qualify as originating if the characteristics of the products as a whole are not different from the characteristics of the goods which have been mixed.

2.  In the case of particular products where it is recognised by the CMT to be desirable to permit mixing of the kind described in paragraph 1 of this Rule, such products shall be accepted as originating in the Member States in respect of such part thereof as may be shown to correspond to the quantity of goods or originating in the Member States, used in the mixing, subject to such conditions as may be agreed by the CMT.

RULE 8

*Treatment Of Packing*

1.  Where for purposes of assessing Customs duties, a Member State treats the origin o the goods separately from the origin of the packing, it may also, in respect of its imports consigned from another Member State, determine separately the origin of such packing.

2.  Where paragraph 1 of this Rule is not applicable, packing shall be considered as forming a whole with the goods and no part of any packing required for their transport or storage shall be considered as having been imported from outside the Member States when determining the origin of the goods as a whole.

3.  For the purposes of paragraph 2 of this Rule, packing with goods which are ordinarily sold at retail shall not be regarded as packing required for the transport or storage of goods.

4.  Containers which are purely for the transport and temporary storage of goods and are to be returned shall not be subject to Customs duties and other charges of equivalent effect. Where containers are not to be returned, they shall be treated separately from the goods contained in them and be subjected to Customs duties and other charges of equivalent effect.

RULE 9

*Documentary Evidence*

1.  The claim that goods shall be accepted as originating from a Member State in accordance with the provisions of this Schedule shall be supported by a certificate given by the exporter or his authorised representative in the form prescribed in Appendix II of this Annex. The certificate shall be authenticated with a seal by an authority designated for this purpose by each Member State.

2.  Every producer, where such producer is not the exporter, shall, in respect of goods intended for export, furnish the exporter with a written declaration in conformity with Appendix III of this Schedule to the effect that the goods qualify as originating in the Member State under the provisions of Rule 2 of this Schedule.

3.  The competent authority designated by an importing Member State may in exceptional circumstances and notwithstanding the presentation of a certificate issued in accordance with the provisions of this Rule, require, in case of doubt, further verification of the statement contained in the certificate. Member States, through their competent authorities, shall assist each other in this process. Such further verification should be made within three months of the request being made by a competent authority designated by the importing Member State. The form used for this purpose shall be that contained in Appendix IV to this Schedule.

4.  The importing Member State shall not prevent the importer from taking delivery of goods solely on the grounds that it required further evidence, but may require security for any duty or other charge which may be payable: provided that where goods are subject to any prohibitions, the conditions for delivery under security shall not apply.

5.  Copies of certificates of origin and other relevant documentary evidence shall be preserved by the appropriate authorities of the Member States for at least five years.

6.  All Member States shall deposit with the Secretariat the names of Departments and Agencies authorised to issue the certificates required under this Schedule, specimen signatures of officials authorised to sign the certificates and the impressions of the official stamps to be used for that purpose, and those shall be circulated to the Member States by the Secretariat.

RULE 10

*Infringements And Penalties*

1.  The Member States undertake to introduce legislation where such legislation does not exist, making such provision as may be necessary for penalties against persons who, in their territories, furnish or cause to be furnished documents which are untrue in any material sense, particularly in support of a claim in another Member State.

2.  Any Member State to which an untrue claim is made in respect of the origin of goods shall immediately bring the issue to the attention of the exporting Member State from which the untrue claim is made, in accordance with the provisions on mutual assistance and co-operation in customs matters as contained in Appendix 1 of Schedule II of this Protocol.

3.  Continued infringement by a Member State of the provisions of this Schedule may be dealt with in accordance with the provisions of Schedule VI of this Protocol.

*Derogations*

1.  Notwithstanding the provisions of Rules 2 and 3 of this Schedule, derogations may be granted by the (Committee of Ministers responsible for Trade matters)CMT where the development of existing industries or the creation of new industries is justified.

2.  The Member State shall make the request for a derogation for existing or new industries to the CMT.

3.  In order to facilitate the examination of the request for derogation, the Member State making the request shall provide the CMT with the fullest possible information as to the reason for the request.

4.  The CMT shall respond to each Member State’s request which is duly justified and in conformity with this Rule, provided no serious injury is caused to any established within the Region.

5.  The CMT shall take steps necessary to ensure that a decision is reached as soon as possible and in any case not later than 90 working days after the request is received.

6.  The derogation shall be valid for a specific period to be determined by the CMT.

RULE 12
REGULATIONS

The CMT shall adopt regulations to facilitate the implementation of this Schedule.

APPENDIX 1 TO SCHEDULE 1
INTROCUTORY NOTES TO THE LIST OF CONDITIONS REGARDING WORKING AND PROCESSING CARRIED OUT ON NON-ORIGINATING MATERIALS THAT CONFERS ORIGINATING STATUS

*Note 1:*

The list sets out the conditions required for all products to be considered as sufficiently worked or processed within the meaning of paragraph 2 of Rule 2 of Schedule 1 of this Protocol.

*Note 2:*

2.1  The first two columns in the list describe the product obtained. The first column gives the heading number or chapter number used in the Harmonised System and the second column gives the description of goods used in that system for that heading or chapter. For each entry in the first two columns a rule is specified in column 3. Where, in some cases, the entry in the first column is preceded by an “ex”, this signifies that the rules in column 3 apply only to the part of that heading as described in column 2. Optional rules in column 4 only apply to textile and clothing products of HS chapters 50 to 63 exported by MMTZ to SACU under the quota system.

2.2  Where several heading numbers are grouped together in column 1 or a chapter number is given and the description of products in column 2 is therefore given in general terms, the adjacent rules in column 3 or 4 apply to all products which, under the Harmonised System, are classified in headings of the chapter or in any of the headings grouped together in column 1.

2.3  Where there are different rules in the list applying to different products within a heading, each indent contains the description of that part of the heading covered by the adjacent rules in column 3 or 4.

*Note 3:*

3.1  The provisions of Rule 2 of Schedule 1 of this Protocol concerning products having acquired originating status which are used in the manufacture of other products apply regardless of whether this status has been acquired inside the factory where these products are used in another factory in the Region.

*Example:*

An engine of heading No. 8407, for which the rule may state that the value of non-originating materials which may be incorporated may not exceed a certain percentage of the ex-works price, is made from other alloy steel roughly shaped by forging of heading No. ex 724.

If this forging has been forged in the region from a non-originating ingot, it has already acquired originating status by virtue of the rule applicable to products of HS Chapter 72 in the list. The forging can then count as originating in the value calculation for the engine regardless of whether it was produced in the same factory or in another factory in the Region. The value of the non-originating ingot is thus not taken into account when adding up the value of the non-originating materials used.

3.2  The rule in the list represents the minimum amount of working or processing required and the carrying out of more working or processing also confers originating status; conversely, the carrying out of less working or processing cannot confer originating status. Thus if a rule provides that non-originating materials at a certain level of manufacture may be used, the use of such material at an earlier stage of manufacture is allowed and the use of such material at a later stage is not.

3.3  When a rule in the list specifies that a product may be manufactured from more than one material, this means that any one or more materials may be used. It does not require that all be used.

*Example:*

The rule for fabrics of heading Nos. 5208 to 5212 provides that natural fibres may be used and that chemical materials, among other materials, may also be used. This does not mean that both have to be used; it is possible to use one or the other or both.

3.4  Where a rule in the list specified that a product must be manufactured from a particular material, the condition obviously does not prevent the use of other materials which, because of their inherent nature, cannot satisfy the rule. I (See also Note 6.2 below in relation to textiles.)

*Example*:

In the case of an article of apparel of ex Chapter 62 made from non-woven materials, if the use of only non-originating yarn is allowed for this class of article, it is not possible to start from non-woven cloth, even if non-woven cloths cannot normally be made from yarn. In such cases, the starting material would normally be at the stage before yarn, that is the fibre stage.

*Note 4:*

4.1  The term “**natural fibres**” is used in the list to refer to fibres other than artificial or synthetic fibres. It is restricted to the stages before spinning takes place, including waste, and, unless otherwise specified includes fibres that have been carded, combed or otherwise processed but not spun.

4.2  The term “**natural fibres**” includes horsehair of heading No. 0503, silk of headings Nos. 5002 and 5003 as well as the wool fibres, fine or coarse animal hair of heading Nos. 5101 to 5105, the cotton fibres of heading Nos. 5201 to 5203 and the other vegetable fibres of heading Nos. 5301 to 5305.

4.3  The terms “**textile pulp**”, “**chemical material**” and “**paper-making materials**” are used in the list to describe the materials not classified in Chapters 50 to 63, which can be used to manufacture artificial, synthetic or paper fibres or yarns.

4.4  The terms “**man-made staple fibres**” is used in the list to refer to synthetic or artificial filament tow, staple fibres or waste, of heading Nos. 5501 to 5507.

*Note 5:*

5.1  The conditions set out in column 3 or 4 shall not be applied to any basic textile materials used in the manufacture of this product, which, taken together, represent 10 per cent. or less of the total weight of all the basic textile materials used. (See also Notes 5.3 and 5.4 below).

5.2  However, the tolerance mentioned in Note 5.1 may only be applied to mixed products which have been made from two or more basic textile materials.

The following are the basic textile materials:

—    silk;

—    wool;

—    coarse animal hair;

—    fine animal hair;

—    horse hair;

—    cotton;

—    paper-making materials and paper;

—    flax;

—    true hemp;

—    jute and other textile fibres;

—    sisal and other textile fibres of the genus Agave;

—    coconut, abaca, ramie and other vegetable textile fibres;

—    synthetic man-made filaments, artificial man-made filaments;

—    synthetic man-made staple fibres of polypropylene;

—    synthetic man-made staple fibres of polyester;

—    synthetic man-made staple fibres of polyamide;

—    synthetic man-made staple fibres of polyacrylonitrile;

—    synthetic man-made staple fibres of polyimide;

—    synthetic man-made staple fibres of polytetrafluoroethylene;

—    synthetic man-made staple fibres of polyphenylene sulphide;

—    synthetic man-made staple fibres of polyvinyl chloride;

—    other synthetic man-made staple fibres;

—    artificial man-made staple fibres of viscose;

—    other artificial man-made staple fibres;

—    yarn made of polyurethane segmented with flexible segments of polyester whether or not gimped;

—    products of heading No. 5605 (metallised yarn) incorporating strip consisting of a core of aluminium foil or of a core of plastic film whether or not coated with aluminium powder, of a width not exceeding 5 mm, sandwiched by means of a transparent or coloured adhesive between two layers of plastic film;

—    other products of heading No. 5605.

*Example:*

A yarn of heading No. 5205 made from cotton fibres of heading No. 5203 and synthetic staple fibres of heading No. 5506 is a mixed yarn. Therefore, non-originating synthetic staple fibres that do not satisfy the origin rules (which may require manufacture from chemical materials or textile pulp) may be used up to a weight of 10% of the yarn.

*Example:*

A woollen fabric of heading No. 5112 made from woollen yarn of heading No. 5107 and synthetic yarn of staple fibres of heading No. 5509 is a mixed fabric. Therefore, synthetic yarn which does not satisfy the origin rules (which may require manufacture from chemical materials or textile pulp) or woollen yarn that does not satisfy the origin rules (which require manufacture from natural fibres, not carded or combed or otherwise prepared for spinning|) or a combination of the two may be used provided their total weight does not exceed 10% of the weight of the fabric.

*Example:*

Tufted textile fabric of heading No. 5802 made from cotton yarn of heading No. 5205 and cotton fabric of heading No, 5210 is only a mixed product if the cotton fabric is itself a mixed fabric being made from yarns classified in two separate headings or if the cotton yarn used are themselves mixtures.

*Example:*

If the tufted fabric concerned has been made from cotton yarn of heading No. 5205 and synthetic fabric of heading No. 5407 , then, obviously, the yarns used are two separate basic textile materials and the tufted textile fabric is accordingly a mixed product.

5.3  In case of products incorporating “yarn made of polyurethane segmented with flexible segments of polyether whether or not gimped” this tolerance is 20 per cent. in respect of this yarn.

5.4  In the case of products incorporating “strip consisting of a core of aluminium foil or of a core of plastic film whether or not coated with aluminium powder, or a width not exceeding 5mm, sandwiched by means of an adhesive between two layers of plastic film”, this tolerance is 30 per cent. in respect of this strip.

*Note 6:*

6.1  Textile materials, with the exception of linings and interlinings, which do not satisfy the rule set out in the list in column 3 or 43 for the made-up product concerned may be used provided that they are classified in a heading other than that of the product and that their value does not exceed 8 per cent. of the ex-works price of the product.

6.2  Without prejudice to Note 6.3, material which are not classified within Chapters 50 to 63 may be used freely in the manufacture of textile products, whether or not they contain textiles

*Example:*

If a rule in the list provides that for particular textile items yarn must be used, this does not prevent the use of metal items, such as buttons, because buttons are not classified within Chapters 50 to 63. For the same reason, it does not prevent the use of slide-fasteners, even though slide-fasteners normally contain textiles.

6.3  Where a percentage rule applies, the value of materials which are not classified within Chapters 50 to 63 must be taken into account when calculating the value of the non-originating material incorporated.