

# Subchapter 9802 HTS Provisions and Notes

XXII

98-9

## U.S. Notes

1. Except for goods subject to NAFTA drawback, this subchapter shall not apply to any article exported:
    1. From continuous customs custody with remission, abatement or refund of duty;
    2. With benefit of drawback;
    3. To comply with any law of the United States or regulation of any Federal agency requiring exportation; or
    4. After manufacture or production in the United States under heading 9813.00.05.
  2.
    1. Except as provided in paragraph (b), any product of the United States which is returned after having been advanced in value or improved in condition abroad by any process of manufacture or other means, or any imported article which has been assembled abroad in whole or in part of products of the United States, shall be treated for the purposes of this Act as a foreign article, and, if subject to a duty which is wholly or partly ad valorem, shall be dutiable, except as otherwise prescribed in this part, on its full value determined in accordance with section 402 of the Tariff Act of 1930, as amended. If such product or such article is dutiable at a rate dependent upon its value, the value for the purpose of determining the rate shall be its full value under the said section 402.
    2. No article (except a textile article, apparel article, or petroleum, or any product derived from petroleum, provided for in heading 2709 or 2710) may be treated as a foreign article, or as subject to duty, if--
      1. the article is--
        1. assembled or processed in whole of fabricated components that are a product of the United States,
      - or**
      2. processed in whole of ingredients (other than water) that are a product of the United States, a beneficiary country; and
      2. neither the fabricated components, materials or ingredients, after exportation from the United States, nor the article itself, before importation into the United States, enters the commerce of any foreign country other than a beneficiary country.
- As used in this paragraph, the term "beneficiary country " means a country listed in general note 7(a).**
3. Articles repaired, altered, processed or otherwise changed in condition abroad .--The following provisions apply only to subheadings 9802.00.40 through 9802.00.60, inclusive:
    1. The value of repairs, alterations, processing or other change in condition outside the United States shall be:
      1. The cost to the importer of such change; or
      2. If no charge is made, the value of such change, set out in the invoice and entry papers; except that, if the appraiser concludes that the amount so set out does not represent a reasonable cost

or value, then the value of the change shall be determined in accordance with section 402 of the Tariff Act of 1930, as amended.

2. No appraisalment of the imported article in its changed condition shall be required unless necessary to a determination of the rate or rates of duty applicable to such article.
3. The duty, if any, upon the value of the change in condition shall be at the rate which would apply to the article itself, as an entirety without constructive separation of its components, in its condition as imported if it were not within the purview of this subchapter. If the article, as returned to the United States, is subject to a specific or compound rate of duty, such rate shall be converted to the ad valorem rate which when applied to the full value of such article determined in accordance with said section 402 would provide the same amount of duties as the specific or compound rate. In order to compute the duties due, the ad valorem rate so obtained shall be applied to the value of the change in condition made outside the United States.
4. For purposes of subheading 9802.00.60, the term "metal " covers (1) the base metals enumerated in additional U.S. note 1 to section XV; (2) arsenic, barium, boron, calcium, mercury, selenium, silicon, strontium, tellurium, thorium, uranium and the rare-earth elements; and (3) alloys of any of the foregoing.
4. Articles assembled abroad with components produced in the United States .--The following provisions apply only to headings 9802.00.80 and 9802.00.90:
  1. The value of the products of the United States assembled into the imported article shall be:
    1. The cost of such products at the time of the last purchase; or
    2. If no charge is made, the value of such products at the time of the shipment for exportation, as set out in the invoice and entry papers; except that, if the appraiser concludes that the amount so set out does not represent a reasonable cost or value, then the value of such products shall be determined in accordance with section 402 of the Tariff Act of 1930, as amended.

## **XXII**

### **98-10**

2. The duty, if any, on the imported article shall be at the rate which would apply to the imported article itself, as an entirety without constructive separation of its components, in its condition as imported if it were not within the purview of this subchapter. If the imported article is subject to a specific or compound rate of duty, the total duties shall be reduced in such proportion as the cost or value of such products of the United States bears to the full value of the imported article.
5. No imported article shall be accorded partial exemption from duty under more than one provision in this subchapter.
6. Notwithstanding the partial exemption from ordinary customs duties on the value of the metal product exported from the United States provided under subheading 9802.00.60, articles imported under subheading 9802.00.60 are subject to all other duties, and any other restrictions or limitations, imposed pursuant to title VII of the Tariff Act of 1930 (19 U.S.C. 1671 et seq.), or chapter 1 of title II or chapter 1 of title III of the Trade Act of 1974 (19 U.S.C. 2251 et seq., 19 U.S.C. 2411 et seq.).