



Overview

Narrow elastic fabrics of 5806.20 and 6002, HTSUS, must be formed from yarn and finished, or formed and finished from yarn in the USMCA region for apparel products of Chapters 61 and 62.

The provision applies to the component that determines the tariff classification of the good and such component must satisfy the tariff change requirements set out in the rule for that good.

This is a new provision under the new United States-Mexico-Canada Agreement (USMCA) and there is no such provision in the North American Free Trade Agreement (NAFTA).

References

- **USMCA**
 - *Final Text*: Chapter 4, Annex 4-B, Section XI
 - *HTSUS*: Section XI, Chapter 61, Note 2, Chapter 62, Note 3
 - General Note 11
- **NAFTA**
 - No provision.

Significant Changes in USMCA

| Provision | USMCA | NAFTA |
|------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Narrow Elastic Fabric | <p>New provision in USMCA.</p> <ul style="list-style-type: none"> • Effective 18 months after the date of entry into force of the USMCA, articles of apparel and clothing accessories under Chapters 61 and 62, HTSUS, containing fabrics of subheading 5806.20 or heading 6002, will be considered originating only if: <ul style="list-style-type: none"> ○ Such fabrics are both formed from yarn and finished or formed and finished from yarn in the territory of one or more of the Parties, and ○ if all production processes and finishing operations, starting with the weaving, knitting, needling, tufting, or other process, and ending with the fabric ready for cutting or assembly without further processing, took place in the territories of one or more of the USMCA countries, even if non-originating yarn is used in the production of the fabric of subheading 5806.20 or heading 60.02. • The good must also satisfy the applicable tariff shift requirement(s). | <ul style="list-style-type: none"> • Under NAFTA, there are no origin restrictions of narrow elastic fabric of subheading 5806.20 or heading 6002. |



Detailed USMCA/NAFTA Side-by-Side

| Provision | USMCA | NAFTA |
|------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------|
| Narrow Elastic Fabric | <ul style="list-style-type: none">• Upon entry into force of USMCA, narrow elastic fabric of subheading 5806.20 or heading 6002, may be sourced from anywhere.• However, effective 18 months after the date of entry into force of the agreement, apparel containing narrow elastic fabrics of subheading 5806.20 or heading 6002 will be considered originating only if such fabrics are both formed from yarn and finished, or formed and finished from yarn in the territory of one or more of the Parties. | <ul style="list-style-type: none">• No origin restrictions. |