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Guam Export Advantages Under US Tariff Code General Headnote 3(a)(iv)

Significance of General Headnote 3(a)(iv):

General Headnote 3(a)(iv) of the U. S. Harmonized Tariff Schedule provides a valuable trade status to Guam and other insular areas of the United States. Under the designation, product that are assembled or manufactured in Guam may enter the customs territory of the United States free of duty as long as they are in compliance with General Headnote 3(a)(iv) and applicable customs regulations.

Requirements to Meet Duty Free Designation:

Articles assembled or manufactured in Guam, when imported into the United States, must not contain foreign materials valued at more than seventy percent (70%) of the total value of the final appraised value of the manufactured article. Appraised value as determined under sections 402 and 402a of the Tariff Act of 1930, as amended.

Duty Free entry of these articles also requires them to be shipped directly to the customs territory of the United States and the articles are not subject to importation quotas. Customs regulations 19 CFR 7.3 requires that a Certificate of Origin for (Customs Form 3229) must be completed in connection with the entry of merchandise claimed free of duty under General Headnote 3(a)(iv). In determining whether an article

is manufactured or produced within the scope of General headnote 3(a)(iv), a new and different article with a new name, character and use must result from the operations performed in Guam. In this respect, an article imported into the possession in a substantially complete condition does not, without extensive modifications further performed on it resulting in a new and different article of commerce, come within the scope of General Headnote 3(a)(iv).

Determining Eligibility:

The test to determine 70 percent of the total value added limitation for articles manufactured, produced or assembled in Guam is done by comparing the actual purchase price of the foreign materials imported into Guam, including the cost of transportation, and the final appraised value in the United States determined in accordance with the value provisions of the tariff laws of the United States.

For more information:

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