



## **AUSTRALIAN CUSTOMS AND BORDER PROTECTION NOTICE NO. 2012/27**

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### **Australia – United States Free Trade Agreement – Change to the Rules of Origin Requirements for Yarn made from Viscose Rayon Fibres**

The Australia-United States Free Trade Agreement (AUSTFA) entered into force on 1 January 2005. AUSFTA is a bilateral trade agreement designed to increase trade liberalisation and facilitate investment between Australia and the United States.

Annex 4-A of AUSFTA contains product specific rules (PSR), which determine eligibility for preferential tariff treatment under the AUSFTA for textile and apparel goods that are not wholly obtained or produced in Australia or the US. These rules prevent the benefits of preferential tariffs extending to goods produced or manufactured in countries other than the parties to the agreement.

The need for the amendment to AUSFTA arose from changes in Australian and United States textile industries. Under the current PSR, yarn made from viscose rayon fibres are eligible for preferential tariff treatment if the viscose rayon used to produce the yarn were sourced from Australia or the United States. As viscose rayon staple fibres are no longer produced in either country, yarn made from viscose rayon fibres is not originating goods under the current PSR and therefore not eligible for the benefits under the AUSFTA.

The amendment will deliver benefits to Australian manufacturers by allowing them to access preferential tariff treatment when exporting certain yarns to the United States, regardless of the origin of the viscose rayon staple fibres used to produce that yarn.

The amending Regulations replace the existing PSR for tariff headings 5501-5511 with three new PSRs for goods classified under these same tariff headings.

The PSR for goods classified under tariff heading 5510.90 enables both Australia and the US to provide preferential tariff treatment for yarns classified to this tariff heading regardless of the country of origin of the viscose rayon fibres used to produce that yarn.

The PSRs for goods classified under tariff headings 5501.00 to 5510.30 and 5511 remain unchanged.

The amendment becomes effective for goods imported on or after 1 June 2012.

Inquiries concerning this notice may be directed to [origin@customs.gov.au](mailto:origin@customs.gov.au), or to the Valuation and Origin Section on telephone number (02) 6275 6556.

(Signed)  
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