

Agreement between the Government of Japan and the Government of Malaysia for an Economic Partnership

OPERATIONAL PROCEDURES referred to in Chapter 3 (Rules of Origin)

1. Certificate of origin (COO)

Rule 1 Document

- (a) A certificate of origin should be on ISO A4 size paper in conformity with the specimen shown in Appendix 1-A. It should be completed in the English language, otherwise it will no longer be valid.
- (b) Harmonized System (HS) classification numbers on a certificate of origin should be indicated at the six-digit or a more detailed level and the description of the good should be sufficient to relate to the description of invoice and to the HS description of the good.

Rule 2 Application

A declaration for requesting a certificate of origin should be completed by the exporter or its authorised agent. The exporter or its authorised agent's signature may be autographed or electronically printed.

The term "authorised agent" referred to in paragraph 1 of Article 40 means a natural person or legal person designated by the exporter, in accordance with the laws and regulations of the exporting Country, to be responsible for applying for a certificate of origin by using the agent's signatures.

Rule 3 Issuance

- (a) A certificate of origin will be issued by the competent governmental authority or its designees of the exporting Country by the time of shipment.
- (b) In exceptional cases where the certificate of origin has not been issued by the time of shipment, at the request of the exporter or its authorised agent, the certificate of origin may be issued retroactively in accordance with the laws and regulations of the exporting Country but within one year from the date of shipment, in which case it is necessary to specify "ISSUED RETROACTIVELY." In such cases, the importer of the good who claims the preferential tariff treatment may, subject to the laws and regulations of the importing Country, provide the relevant authority of the importing Country with the certificate of origin issued retroactively within one year from the date of the shipment.
- (c) Signatures of the representatives of the competent governmental authority or its designees may be autographed or electronically printed.
- (d) Each certificate of origin should bear a reference number separately given by each office of the competent governmental authority or its designees of the exporting Country.

- (e) In the event of theft, loss or destruction of a certificate of origin before the expiration of its validity, the exporter may request the competent governmental authority or its designees to issue a new certificate of origin with a new reference number on the basis of the export documents in their possession, in which case the original certificate of origin will be cancelled. The new certificate of origin will indicate the date of issuing and the reference number of the original certificate of origin. The new certificate of origin will be valid during the original term of the validity of the original certificate of origin.

Rule 4 Modification

- (a) The exporter should request reissuance of certificate of origin if the certificate of origin contains incorrect information.
- (b) Notwithstanding subparagraph (a), the competent governmental authority or its designees of the exporting Country may, in response to the request of reissuance referred to in subparagraph (a) or at its own initiative, make modification on certificates of origin by striking out the errors and making any addition required. Such modification should be approved by an official authorised to sign a certificate of origin.
- (c) Erasures, superimpositions and modifications other than those referred to in subparagraph (b) are not allowed on issued certificates of origin.

Rule 5 Minor error

The relevant authority of the importing Country will accept minor errors, discrepancies or omissions on its fulfillment, in cases such as:

- typing errors, when there are no doubts that the information included in one or more of the fields of certificate of origin is accurate; or
- the information that appears to surpass the space available in the field.

Rule 6 Single shipment

For the purposes of paragraph 6 of Article 40, two or more invoices for a single shipment will be accepted by the relevant authority of the importing Country.

Rule 7 Invoice of a third State

The relevant authority of the importing Country may accept a certificate of origin in cases where the invoice is issued either by a natural person or legal person located in a third State, provided that the good qualifies as an originating good of the exporting Country.

2. Administration and Enforcement

Rule 8 Focal points of Administrative offices

- (a) The focal point of the competent governmental authority of the exporting Country referred to in subparagraph (a) of Article 27 is:

-in the case of Japan, the Origin Certification Policy Office of the Trade Administration Division of the Trade and Economic Cooperation Bureau of the Ministry of Economy, Trade and Industry, or its successor; and

-in the case of Malaysia, the Trade and Industry Support Division of the Ministry of International Trade and Industry, or its successor.

(b) The focal point of the relevant authority referred to in note of paragraph 1 of Article 43 is:

-in the case of Japan, the Customs and Tariff Bureau of the Ministry of Finance, or its successor; and

-in the case of Malaysia, the Trade and Industry Support Division of the Ministry of International Trade and Industry, or its successor.

(c) Both Countries will provide each other with the address, phone number, fax number and e-mail address of the focal points referred to in subparagraphs (a) and (b) upon adoption of this Operational Procedures and will notify any modification regarding such information within 30 days after such modification.

(d) If the competent governmental authority of the exporting Country designates entities or bodies to carry out the issuance of the certificate of origin, or makes modification or revocation in respect of designees, this will be immediately notified by:

-in the case of Japan, the Embassy of Japan in Malaysia to the Ministry of International Trade and Industry of Malaysia based on the information provided by the Origin Certification Policy Office of the Ministry of Economy, Trade and Industry and transmitted by the Ministry of Foreign Affairs; and

-in the case of Malaysia, the Ministry of International Trade and Industry to the Embassy of Japan in Malaysia.

Rule 9 Procedure to exchange sample of certificate of origin, specimen signatures and impressions of stamps

Upon the date of adoption of this Operational Procedures, the Countries will provide each other with the sample of certificate of origin, specimen signatures and impressions of stamps used for the issuance of certificate of origin, as well as their modification thereafter, by:

- in the case of Japan, the Embassy of Japan in Malaysia to the Ministry of International Trade and Industry of Malaysia based on the information provided by the Origin Certification Policy Office of the Ministry of Economy, Trade and Industry and transmitted by the Ministry of Foreign Affairs; and

-in the case of Malaysia, the Ministry of International Trade and Industry to the Embassy of Japan in Malaysia.

Rule 10 Offices related to advance rulings

For the purposes of Article 41, written applications will be submitted to:

-in the case of Japan, Origin Administration and Investigation Centre, Tokyo Customs; and

-in the case of Malaysia, the Ministry of International Trade and Industry.

Rule 11 Communication

- (a) For the purposes of Articles 43 through 45, any communication between the competent governmental authority of the exporting Country and the relevant authority of the importing Country will be made through the Embassy of Japan in Malaysia. Such communication will be made by any method with a confirmation of receipt.
- (b) The direct communication between the competent governmental authority of the exporting Country and the relevant authority of the importing Country may be made by facsimile in parallel with the communication set out in subparagraph (a).
- (c) The period for providing the response pursuant to paragraph 2 of Article 43 and paragraphs 4 and 5 of Article 44 will commence from the date of the confirmation of receipt of the request by the competent governmental authority of the exporting Country.
- (d) Notwithstanding subparagraphs (a) through (c), for the purposes of checking pursuant to paragraph 1 of Article 43, the relevant authority of Malaysia is allowed to access and view the EPA CO Reference System of Japan, using the ID and password provided by the Ministry of Economy, Trade and Industry of Japan.

Appendix 1-A Specimen of Certificate of Origin


Appendix 1-B Instructions for Certificate of Origin

Appendix 2 Examples of Rules of Origin (calculation of Q.V.C., accumulation, de minimis, unassembled or disassembled good, and information technology products)

Appendix 3 Examples of Required Documents when using a material of a third State of the ASEAN

Appendix 4 Explanations for Section XI of Product Specific Rules of Annex 2

Appendix 5 Description of Operations for Dyeing or Printing Process

1. Exporter's Name, Address and Country:	Reference No.	Number of page /		
2. Importer's or Consignee's Name, Address and Country:	AGREEMENT BETWEEN THE GOVERNMENT OF JAPAN AND THE GOVERNMENT OF MALAYSIA FOR AN ECONOMIC PARTNERSHIP  CERTIFICATE OF ORIGIN Issued in Japan			
3. Means of transport and route (as far as known) Departure Date: Port of Discharge:				
4. Item number (as necessary); Marks and numbers; Number and kind of packages; Description of good(s); HS code; other instances	5. Preference criterion	6. Quantity or gross weight, and FOB value (optional)	7. Invoice number and date	
8. Remarks:				
9. Declaration by the exporter: I, the undersigned, declare that: - the above details and statement are true and accurate. - the good(s) described above meet the condition(s) required for the issuance of this certificate: - the country of origin of the good(s) described above is JAPAN Place and Date: Signature: Name(printed): Company:	10. Certification: The undersigned, hereby certifies that the above-mentioned good(s) are considered as originating. Competent governmental authority or Designee office: Stamp: Place and Date: Signature:			

1. Exporter's Name, Address and Country:	Reference No.	Number of page /	
2. Importer's or Consignee's Name, Address and Country:	<p style="text-align: center;">AGREEMENT BETWEEN THE GOVERNMENT OF MALAYSIA AND THE GOVERNMENT OF JAPAN FOR AN ECONOMIC PARTNERSHIP</p> <p style="text-align: center;">FORM MJEPA</p> <p style="text-align: center;">Issued in _____ (Country)</p> <p style="text-align: center;">See Notes Overleaf</p>		
3. Means of transport and route (as far as known): Departure Date: Port of Discharge:			
4. Item Number (as necessary); Marks and Numbers; Number and Kind of Packages; Description of Good(s); HS Code; Other Instances	5. Preference Criterion	6. Quantity or Gross Weight, and FOB Value (Optional)	7. Invoice Number and Date
8. Remarks			
9. Declaration by the Exporter: I, the undersigned, declare that: - the above details and statement are true and accurate; - the good(s) described above meet the condition(s) required for the issuance of this certificate; - the country of origin of the good(s) described above is _____ Place and date: _____ Signature: _____ Name (printed): _____ Company: _____	10. Certification The undersigned hereby certifies that the above-mentioned good(s) are considered originating. Competent governmental authority or Designee office: _____ <p style="text-align: center;">Stamp</p> Place and date: _____ Signature: _____		

Countries which accept this form for the purpose of preferential treatment under the Agreement between the Government of Japan and the Government of Malaysia for an Economic Partnership (hereinafter referred to as "the Agreement") are Japan and Malaysia.

General Condition:

The main condition for admission to the preferential tariff treatment under the Agreement is that the goods exported to Japan or Malaysia will:

- i. fall within description of products eligible for concession in Japan or Malaysia.
- ii. comply with one of the requirements set out in Preference Criteria ; and
- iii. comply with the consignment criteria of Article 32 of the Agreement .

Preference Criteria:

- A The goods is wholly obtained or produced entirely in the territory of the Country, as defined in paragraph 2 of Article 28.
- B The good is produced entirely in the territory of the Country exclusively from originating materials of the Country.
- C The good satisfies the product specific rules set out in Annex 2, as well as all other applicable requirements of Chapter 3, when the good is produced entirely in the territory of the Country using non-originating materials.

Instructions for Certificate of Origin:

For the purposes of obtaining preferential tariff treatment, this document must be completed legibly and in full by the exporter or its authorised agent. Any item of the form must be completed in the English language. The certificate of origin will be no longer valid, if it is completed in any languages other than English or modified after the issuance.

If the space of this certificate is insufficient to specify the necessary particulars for identifying the goods and other related information, the exporter or its authorised agent may specify the information using additional Appendix 1-A.

Field 1: State the full name, address and country of the exporter.

Field 2: State the full name, address and country of the importer or consignee.

Field 3: Provide the name of loading port, transit port and discharging port and, the name of vessel / flight number, as far as known.

Field 4: Provide item number (as necessary), marks and numbers, number and kind of packages, Harmonized System (HS) Code as amended on 1 January 2002 and description of each good consigned. The description should be sufficient to relate it to the description of invoice and to Harmonized System (HS) description of the good.

For each good, indicate at the six-digit or a more detailed level of the HS tariff classification. If the goods is subject to a product specific rule in Annex 2 that requires a special description (e.g. igusa goods), indicate such description.

With respect to each good of Chapter 16 or 18 through 20 of the HS, the materials of third States which are member countries of the ASEAN and the names of such third States must be indicated (if such materials were used in the production of the good(s)).

With respect to each good of Chapter 19 or 20 of the HS, the materials harvested, picked or gathered in the territory of either Country or third States which are member countries of the ASEAN and the names of such Country or third States shall be indicated (if such materials were used in the production of the above mentioned materials used in the production of the good and classified in Chapter 7, 8, 11 or 17 of the HS).

With respect to each good of Chapter 50 through 63 of the HS, the materials of the other Country or third States which are member countries of the ASEAN, the processes or operations conducted in the territory of such Country or third States, and the names of such Country or third States shall be indicated (if such materials were used in the production of the good).

Field 5: For each good, state which origin criterion (A through C under Preference Criteria above) is applicable. The rules of origin are contained in Chapter 3 and Annex 2.

Note: In order to be entitled to preferential tariff treatment, each good of a Country must meet at least one of the criteria given. Indicate appropriately "ACU" for accumulation, "DMI" for *De Minimis* and "FGM" for fungible goods or materials.

Field 6: For each good, indicate the quantity or gross weight, and the FOB value (optional)

Field 7: Provide the invoice number and date for each good. If the invoice is issued by a person different from the exporter or its authorised agent to whom the certificate of origin is issued and the person who issues the invoice is located in a third State, the number of invoice issued for the importation of goods into the territory of a Country shall be indicated, and in field 8 it should be indicated that the goods will be invoiced in a third State, identifying the full legal name and address of the person that issued the invoice.

If the number of invoice issued in the third States at the time of issuance of the certificate of origin is not known, the field should be left blank and the importer should provide the relevant authority of the importing Country with a sworn declaration that justifies the fact. In this declaration the importer should indicate, at least, the number of the invoice and the certificate used for the importation.

Field 8: If the certificate was issued retroactively, the issuing authority will indicate "ISSUED RETROACTIVELY". If the certificate is reissued, the issuing authority will indicate the date of issuing and the reference number of the original certificate of origin. Other remarks as necessary.

Field 9: This field must be completed, signed and dated by the exporter or its authorised agents. The "Date" must be the date when the certificate is applied.

Note: The exporter's or its authorised agent's signature may be autographed or electronically printed.

Field 10: This field must be completed, dated, signed and stamped by the competent governmental authority or its designee of the exporting Country.

Note: The competent governmental authority's or its designee's signature may be autographed or electronically printed.

Notice 1. Any items entered in this form must be true and correct. False declaration or documents relating to the certificate of origin will be subject to penalty in accordance with the laws and regulations of the exporting Country.

Notice 2. The certificate of origin would be a basis of determination of origin at the relevant authority of the importing Country.

Countries which accept this form for the purpose of preferential treatment under the Agreement between the Government of Malaysia and the Government of Japan for an Economic Partnership are Malaysia and Japan.

GENERAL CONDITION:

The main condition for the admission to the preferential tariff treatment under the Agreement is that goods exported to Malaysia or Japan will:

- i. fall within description of products eligible for concession in Malaysia or Japan;
- ii. comply with one of the requirements set out in Preference Criteria; and
- iii. comply with the consignment criteria of article 32 of the agreement.

PREFERENCE CRITERIA:

- A. The goods is wholly obtained or produced entirely in the territory of the Country, as defined in paragraph 2 of Article 28.
- B. The good is produced entirely in the territory of the Country exclusively from the originating materials of the Country.
- C. The good satisfies the product specific rules set out in Annex 2, as well as all other applicable requirements of Chapter 3 of the Agreement, when the good is produced entirely in the territory of the Country using non-originating materials.

INSTRUCTIONS FOR CERTIFICATE OF ORIGIN:

For the purposes of obtaining preferential tariff treatment, this document must be completed legibly and in full by the exporter or its authorised agent. Any item of the form must be completed in English Language. The certificate of origin will be no longer valid, if it is completed in any languages other than English or modified after the issuance.

If the space of this certificate is insufficient to specify the necessary particulars for identifying the goods and other related information, the exporter or its authorised agent may specify the information using additional Appendix 1-A.

Field 1: State the full name, address and country of the exporter.

Field 2: State the full name, address and country of the importer or consignee.

Field 3: Provide the name of loading port, transit port and discharging port and the name of vessel/flight number, as far as known.

Field 4: Provide item number (as necessary), marks and numbers, number and kind of packages and Harmonised System (HS) code as amended on 1 January 2002 and description of each good consigned. The description should be sufficient to relate to the description of invoice and to the HS description of the good.

For each good, indicate at six-digit or a more detailed level of the HS tariff classification. If the good is subject to a product specific rules in Annex 2 that requires a special description (e.g. igusa goods), indicate such description.

With respect to each good of Chapter 16 or 18 through 20 of the HS, the materials of third States which are member countries of the ASEAN and the names of such third States must be indicated (if such materials were used in the production of the goods(s)).

With respect to each good of Chapter 19 or 20 of the HS, the materials harvested, picked or gathered in the territory of either Country or third States which are member countries of the ASEAN and the names of such Country or third States shall be indicated (if such materials were used in production of the above mentioned materials used in the production of the good and classified in Chapter 7, 8, 11 or 17 of the HS).

With respect to each good of the Chapter 50 through 63 of the HS, the materials of the other Country or third States which are member countries of the ASEAN, the processes or operations conducted in the territory of such Country or third States and the names of such Country or third States shall be indicated (if such materials were used in the production of the good).

Field 5: For each good, state which origin criterion (A through C under the Preference Criteria above) is applicable. The rules of origin are contained in Chapter 3 and Annex 2.

NOTE: In order to be entitled to preferential tariff treatment, each good of a Country must meet at least one of the criteria given. Indicate appropriately "ACU" for accumulation, "DMI" for De Minimis and "FGM" for fungible goods or materials.

Field 6: For each good, indicate the quantity or gross weight, and the FOB value (optional).

Field 7: Provide the invoice number and the date for each good. If the invoice is issued by a person different from the exporter or its authorised agent to whom the certificate of origin is issued and the person who issues the invoice is located in a third State, the number of the invoice issued for the importation of goods into the territory of a Country shall be indicated, and in Field 8 it should be indicated that the goods will be invoiced in a third State, identifying the full legal name and address of the person that issued the invoice. If the number of the invoice issued in the third State at the time of issuance of the certificate of origin is not known, the field should be left blank and the importer should provide the relevant authority of the importing Country with a sworn declaration that justifies the fact. In this declaration the importer should indicate, at least, the number of the invoice and the certificate used for the importation.

Field 8: If the certificate was issued retroactively, the issuing authority will indicate "ISSUED RETROACTIVELY". If the certificate is reissued, the issuing authority will indicate the date of issuing and the reference number of the original certificate of origin. Other remarks are as necessary.

Field 9: This field must be completed, signed and dated by the exporter or its authorised agents. The "Date" must be the date when the certificate is applied.

Note: the exporter's or authorised agent's signature may be autographed or electronically printed

Field 10: This field must be completed, dated, signed and stamped by the competent governmental authority or its designee of the exporting Country.

Note: The competent governmental authority's or its designee's signature may be autographed or electronically printed.

Notice 1. Any items entered in this form must be true and correct. False declarations or documents relating to the certificate of origin will be subjected to penalty in accordance with the laws and regulations of the exporting Country.

Notice 2. The certificate of origin would be a basis of determination of origin at the relevant authority of the importing Country.

Examples of Rules of Origin

1. Qualifying Value Content (Q.V.C.)

1.1 Example of the calculation of Q.V.C. (Application of the formula provided for in paragraph 4 of Article 28)

Company A produces refrigerators in Japan and plans to export them to Malaysia under the Agreement.

The Product Specific Rules (PSRs) for refrigerator (HS8418.10) under the Agreement are:

A change to subheading 8401.10 through 8485.90 from any other subheading; or No required change to subheading 8401.10 through 8485.90, provided there is a qualifying value content of not less than 40 percent.

To prove that the refrigerator qualifies as an originating good, Company A has to prove that the refrigerator satisfies either the change in tariff classification (6-digits tariff change) rule (hereinafter referred to as “the CTC rule”) or the 40% value-added rule. If Company A decides to choose the 40% value-added rule in this case, Company A has to calculate the qualifying value content.

Company A's manufacturing costs of refrigerator

Material/Parts	Sources	Originating Status	Value US\$
Parts a	Japan	originating	200
Parts b	Japan	originating	100
Parts c	China	non-originating	100
Parts d	China	non-originating	100
Parts e	India	non-originating	200
Other Costs	N/A	N/A	300
F.O.B. Price	-	-	1,000

The formula for calculating the qualifying value content is:

$$Q.V.C = \frac{F.O.B. - V.N.M.}{F.O.B.} \times 100$$

- Q.V.C. is the qualifying value content of a good, expressed as a percentage;
- F.O.B. is, except as provided for in paragraph 5 of Article 28, the free-on-board value of a good payable by the buyer of the good to the seller of the good, regardless of the mode of shipment, not including any internal excise taxes reduced, exempted, or repaid when the good is exported; and
- V.N.M. is the value of non-originating materials used in the production of a good determined pursuant to paragraph 6 of Article 28.

The calculation of Q.V.C. of the refrigerator is:

$$\text{Q.V.C.} = \frac{\$1,000 - \$400 \text{ (Parts c, d and e)}}{\$1,000} \times 100 = 60\% \quad 40\%$$

The above calculation shows that the refrigerator qualifies as an originating good.

1.2 Example of the use of the method provided for in paragraph 7 of Article 28

Company A produces refrigerators in Japan and plans to export them to Malaysia under the Agreement.

The PSRs for refrigerator (HS8418.10) under the Agreement are:

A change to subheading 8401.10 through 8485.90 from any other subheading; or No required change to subheading 8401.10 through 8485.90, provided there is a qualifying value content of not less than 40 percent.

To prove that the refrigerator qualifies as an originating good, Company A has to prove that the refrigerator satisfies either the CTC rule or the 40% value-added rule. Company A decided to choose the 40% value-added rule.

Company A obtained Parts b (electric motor) from Company B in Japan. To calculate the Q.V.C. of the refrigerator, Company A has to confirm the originating status of Parts b. Company A obtained information on Parts b from Company B

Manufacturing costs of Parts b (electric motor)

Material/Parts	Sources	Originating Status	Value US\$
Parts b1	Japan	originating	80
Parts b2	China	non-originating	40
Other Costs	N/A	N/A	20
F.O.B. Price	-	-	140

The PSRs for electric motor (HS8501.10) under the Agreement are:

A change to subheading 8501.10 through 8548.90 from any other subheading; or No required change to subheading 8501.10 through 8548.90, provided there is a qualifying value content of not less than 40 percent.

Company A decided to choose the 40% value-added rule and calculated Q.V.C. of Parts b as follows:

$$\text{Q.V.C.} = \frac{\$140 - \$40 \text{ (Parts b2)}}{\$140} \times 100 = 71\% \quad 40\%$$

Parts b qualifies as an originating material under the Agreement.

Company A's manufacturing costs of refrigerator

Material/Parts	Sources	Originating Status	Value US\$
Parts a	Japan	originating	180
Parts b	Japan	originating	140
Parts b1	Japan	originating	80
Parts b2	China	non-originating	40
Other Costs	N/A	N/A	20
Parts c	China	non-originating	280
Parts d	China	non-originating	200
Parts e	India	non-originating	100
Other Costs	N/A	N/A	100
F.O.B. Price	--	--	1,000

The calculation of the Q.V.C. of the refrigerator is;

$$\text{Q.V.C.} = \frac{\$1000 - \$580 \text{ (Parts c, d and e)}}{\$1000} \times 100 = 42\% \quad 40\%$$

Parts b2 isn't counted in the V.N.M. in accordance with paragraph 7 of Article 28. The above calculation shows that the refrigerator qualifies as an originating good.

If paragraph 7 of Article 28 did not apply, the refrigerator would not qualify as an originating good as follows:

$$\text{Q.V.C.} = \frac{\$1000 - \$620 \text{ (\$40 (Parts b2) + \$580 (Parts c, d and e))}}{\$1000} \times 100 = 38\% < 40\%$$

1.3 Example of the calculation of Q.V.C. when the exporter of the producer can not determine the origin of some parts.

Company A produces refrigerators in Japan and plans to export them to Malaysia under the Agreement.

The PSRs for refrigerator (HS8418.10) under the Agreement are:

A change to subheading 8401.10 through 8485.90 from any other subheading; or No required change to subheading 8401.10 through 8485.90, provided there is a qualifying value content of not less than 40 percent.

To prove that the refrigerator qualifies as an originating good, Company A has to prove that the refrigerator satisfies either the CTC rule or the 40% value-added rule. Company A decided to choose the 40% value-added rule.

Company A's manufacturing costs of refrigerator

Material/Parts	Sources	Originating Status	Value US\$
Parts a	Japan	originating	280
Parts b	Japan	originating	140
Parts c	unknown	unknown	unknown
Parts d	unknown	unknown	unknown
Parts e	unknown	unknown	unknown
Other Costs	N/A	N/A	
F.O.B. Price	--	--	1,000

} 580

The calculation of the Q.V.C. of the refrigerator is;

$$\text{Q.V.C.} = \frac{\$1000 - \$580 (\$1000 - \$420 (\text{Parts a and b}))}{\$1000} \times 100 = 42\% \quad 40\%$$

Without regard to the value of Parts c, Parts d, Part e and Other Costs, the above calculation shows that the refrigerator qualifies as an originating good.

2. Accumulation

2.1 Example of the calculation of Q.V.C. when applying the accumulation principle (paragraph 1 of Article 29)

Company A produces colour TVs (HS8528.12) in Japan and plans to export them to Malaysia under the Agreement. Tuners (HS8529.90) which are used in the manufacturing process of the colour TV are imported from Malaysia.

The PSRs for colour TV (HS8528.12) under the Agreement are:

*A change to 8501.10 through 8548.90 from any other subheading; or
No required change in tariff classification to subheading 8501.10 through 8548.90, provided there is a qualifying value content of not less than 40 percent.*

To prove that the colour TV qualifies as an originating good, Company A has to prove that the colour TV satisfies either the CTC rule or the 40% value-added rule.

Company A decided to choose the 40% value-added rule in this case.

Company A's manufacturing costs of colour TV

Material/Parts	Sources	Originating Status	Value US\$
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Parts a	Japan	originating	100
Parts b	Japan	originating	100
Parts c (Tuner)	Malaysia (considered as Japan)	originating (considered as originating)	400
Parts d	India	non-originating	300
Parts e	S. Korea	non-originating	500
Parts f	China	non-originating	400
Other Costs	N/A	N/A	200
F.O.B. Price	--	--	2,000

If Parts c (tuner) is an originating material of Malaysia, the colour TV will qualify as an originating good by considering Parts c as an originating material of Japan in accordance with paragraph 1 of Article 29.

The calculation of Q.V.C. of the colour TV is;

$$\text{Q.V.C.} = \frac{\$2,000 - \$1200 \text{ (Parts d, e and f)}}{\$2,000} \times 100 = 40\% \quad 40\%$$

2.2 Example of the calculation of Q.V.C. when applying the accumulation principle (paragraph 2 of Article 29)

Company A produces colour TVs (HS8528.12) in Japan and plans to export them to Malaysia under the Agreement. Tuners (HS8529.90) which are used in the manufacturing process of the colour TV are imported from Malaysia. Company B, producing tuners in Malaysia, uses Malaysian and Philippine parts to manufacture tuners.

The PSRs for colour TV (HS8528.12) under the Agreement are:

*A change to 8501.10 through 8548.90 from any other subheading; or
No required change in tariff classification to subheading 8501.10 through 8548.90,
provided there is a qualifying value content of not less than 40 percent.*

To prove that the colour TV qualifies as an originating good, Company A decided to choose the 40% value-added rule in this case.

Company A's manufacturing costs of colour TV

Material/Parts	Sources	Originating Status	Value US\$
Parts a	Japan	originating	300
Parts b	Japan	originating	200
Parts c (Tuner)	Malaysia	Non-originating	500
Parts c1	Malaysia	originating	80
Parts c2	Philippines	Non-originating	400

Other Costs	N/A	N/A	20
Parts d	India	Non-originating	300
Parts e	S. Korea	Non-originating	100
Parts f	China	Non-originating	400
Other Costs	N/A	N/A	200
F.O.B. Price	--	--	2,000

Even if Parts c (tuner) is a non-originating material, the colour TV will qualify as an originating good by applying paragraph 2 of Article 29 as follows:

The calculation of Q.V.C. of the colour TV is;

$$\text{Q.V.C.} = \frac{\$2,000 - \$1200 \text{ (Parts c2, d, e and f)}}{\$2,000} \times 100 = 40\% \quad 40\%$$

In accordance with paragraph 2 of Article 29, the value of non-originating material produced in the territory of either Country and to be used in the production of the good may be limited to the value of non-originating materials (Parts c2) used in the production of such non-originating material (Parts c). Therefore, only non-originating portion (Parts c2) of Parts c will be counted in the value of non-originating materials.

If paragraph 2 of Article 29 did not apply, the colour TV would not qualify as an originating good under the Agreement as follows:

$$\text{Q.V.C.} = \frac{\$2,000 - \$1400 \text{ (Parts c, d, e, f and g)}}{\$2,000} \times 100 = 30\% < 40\%$$

3. De Minimis

3.1 Example of the application of De Minimis for goods other than textile goods (Article 30 and subparagraph (e) (i) in Section 1 of Annex 2)

Company A produces baby carriages (HS8715.00) in Japan and plans to export them to Malaysia under the Agreement.

The PSRs for baby carriage (HS8715.00) under the Agreement are:

*A change to subheading 8712.00 through 8716.90 from any other subheading; or
No required change in tariff classification to subheading 8712.00 through 8716.90, provided there is a qualifying value content of not less than 40 percent.*

To prove that the baby carriage qualifies as an originating good, Company A decided to choose the CTC rule in this case.

Baby carriage is made from Indian aluminum bar (HS7604.10) and Chinese handle grip (HS8715.00). Since handle grip does not undergo change in tariff classification from any other subheading, baby carriage does not meet the CTC rule. If the value of handle grip (HS8715.00) is equivalent to 10% of F.O.B. price of baby carriage or less, Company A is allowed to disregard the portion of handle grip for the purposes of the CTC rule pursuant to de minimis provision of Article 30.

3.2 Example of the application of De Minimis for textile goods (Article 30 and subparagraph (e) (ii) in Section 1 of Annex 2)

Company A produces silk yarn (HS5006.00) which is made in Japan and plans to export them to Malaysia under the Agreement.

The PSRs for silk yarn are;

A change to heading 50.05 through 50.06 from any heading outside that group.

Silk yarn (HS5006.00) is made from Indian raw silk (HS5002.00) and Chinese silk thread (HS5006.00). Since silk thread does not undergo change in tariff classification, silk yarn does not meet the CTC rule. If the weight of silk thread is equivalent to 7% of silk yarn, Company A is allowed to disregard the portion of silk thread for the purposes of the CTC rule pursuant to de minimis provision of Article 30.

4. Unassembled or Disassembled Goods

Example of a good imported to a Country in a disassembled form but classified as an assembled good (paragraph 1 of Article 33)

Company A produces Gas Turbine (HS8411.82) in Japan, which is an extremely large machine obtaining originating status, and plans to export it to Malaysia under the Agreement. Company A exports it in a disassembled form (a group of lots) by reason of transportation. In this case, the Malaysian customs classifies the group of lots as an assembled good, “the article complete, presented disassembled”, i.e., an assembled gas turbine by virtue of Rule 2(a) of the General Rules for the Interpretation of the Harmonized System¹ (hereinafter referred to as “GRI 2(a)”). Its originating status is not be lost and it is classified as Gas Turbine (HS8411.82).

5. Information Technology Goods

Information technology goods which are covered by attachment A or B of the Ministerial Declaration on Trade in Information Technology Products adopted in the

¹ General Rules for the Interpretations of the Harmonized System 2 (a)
2(a) Any reference in a heading to an article shall be taken to include a reference to that article incomplete or unfinished, provided that, as presented, the incomplete or unfinished article has the essential character of the complete or finished article. It shall also be taken to include a reference to that article complete or finished (or falling to be classified as complete or finished by virtue of this Rule), presented unassembled or disassembled.

Ministerial Conference of the WTO on 13 December 1996² (hereinafter referred to as “the attachment”) and which are exported without a certificate of origin under the Agreement, are provided duty-free treatment by each Country. When such information technology goods are used in the production of another good as materials, producers of the information technology materials are requested by a producer of that good to provide cost data to prove the origin of those materials. Since the producers of those materials are not requested to prove the origin of those materials as long as they export them as final goods and have difficulties in providing the data of those materials, the producer of the good may not be able to obtain the data of origin. The examples set out in paragraph 5.1 and 5.2 show that cost data to prove the origin of information technology materials used in the production of another good is not required and the burden of producers of both the good and materials is reduced.

5.1 Example when using a material covered by the attachment except for HS 85.41 through 85.42 (subparagraph (f)(i) of Section 1 of Annex 2)

Company A produces washing machines in Japan and plans to export them to Malaysia under the Agreement.

The PSRs for washing machines (HS8450.11) under the Agreement are:

*A change to 8501.10 through 8548.90 from any other subheading; or
No required change in tariff classification to subheading 8501.10 through 8548.90, provided there is a qualifying value content of not less than 40 percent.*

Company A decided to choose the 40% value-added rule in this case.

Company A’s manufacturing costs of washing machine

Material/Parts	Sources	Originating Status	Value US\$
Parts a	Japan	originating	100
Parts b (switch)	Japan	? (considered as originating)	40
Parts c	China	non-originating	50
Parts d	India	non-originating	120
Parts e	S. Korea	non-originating	100
Other Costs	N/A	N/A	90

² Subparagraph (f) of Section 1 of Annex II (Product Specific Rules)

(i) a good which is covered by Attachment A or B of the Ministerial Declaration on Trade in Information Technology Products adopted in the Ministerial Conference of the World Trade Organization on 13 December 1996 and is used as a material in the production of another good in the territory of a Country may be considered as an originating material of the Country, regardless of the applicable PSRs for the former good, provided that the former good is assembled in the territory of either Country; and
(ii) notwithstanding subparagraph (i), where the good covered by Attachment A or B of the Declaration referred to in the said subparagraph is classified in subheading 8541.10 through 8542.90, all the non-originating materials used in the production of the good shall undergo change in tariff classification to subheading 8541.10 through 8542.90 from any other subheading.

F.O.B. Price	--	--	500
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Company A obtains Parts b (switch, HS8536.50) covered by the attachment from Company B in Japan. If Company A obtains information which proves that Parts b (switch) was assembled in Japan, Parts b is considered as an originating material pursuant to subparagraph (f)(i) of Section 1 of Annex 2, and the calculation of Q.V.C. is:

$$\text{Q.V.C.} = \frac{\$500 - \$270 \text{ (Parts c, d and e)}}{\$500} \times 100 = 46\% \quad 40\%$$

The above calculation shows that the washing machine qualifies as an originating good.

5.2 Example when using a material covered by the attachment and classified in HS 85.41 through 85.42. (subparagraph (f)(ii) of Section 1 of Annex 2)

Company A produces microwaves in Japan and plans to export them to Malaysia under the Agreement.

The PSRs for microwaves (HS8516.50) under the Agreement are:

*A change to 8501.10 through 8548.90 from any other subheading; or
No required change in tariff classification to subheading 8501.10 through 8548.90, provided there is a qualifying value content of not less than 40 percent.*

Company A decided to choose the 40% value-added rule in this case.

Company A's manufacturing costs of microwave

Material/Parts	Sources	Originating Status	Value US\$
Parts a	Japan	originating	100
Parts b (transistor)	Japan	? (considered as originating)	40
Parts c	China	non-originating	50
Parts d	India	non-originating	120
Parts e	S. Korea	non-originating	100
Other Costs	N/A	N/A	90
F.O.B. Price	--	--	500

Company A obtains Parts b (transistor, HS8527.12) from Company B in Japan. If Company A obtains information which proves that non-originating materials used in the production of Parts b undergo change in tariff classification in Japan, Parts b is

considered as an originating material pursuant to subparagraph (f)(ii) of Section 1 of Annex 2, and the calculation of Q.V.C. is:

$$\text{Q.V.C.} = \frac{\$500 - \$270 \text{ (Parts c, d and e)}}{\$500} \times 100 = 46\% \quad 40\%$$

The above calculation shows that the microwave qualifies as an originating good.

**Examples of Documents when
using a material of a third State of the ASEAN**

1. (1) With respect to each good of Chapter 16 of the Harmonized System, in the case where a material of a third State which is a member country of the ASEAN is used in the production of the good, the following are examples of document to prove that the material is obtained by fishing in the territory of that third State or taken by the vessels, which are registered in and sail under the flag of that third State, from the sea outside the territorial sea of that third State.

- a copy of contracts of sale and purchase of the material between the exporter or the producer of the good and the exporter or the producer of the material (e.g. contracts indicating that the material for sale and purchase is obtained by fishing in the territory of that third State or taken by the vessels, which are registered in and sail under the flag of that third State, from the sea outside the territorial sea of that third State)
- a copy of shipping documents, including but not limited to the invoice, regarding the sale of the material
- a copy of Form D issued for the material in accordance with the CEPT Scheme (the ASEAN Common Effective Preferential Tariff Scheme for the ASEAN Free Trade Area) if information in the copy of Form D is useful for verification)

(2) With respect to each good of Chapter 18 through 20 of the Harmonized System, in the case where a material of a third State which is a member country of the ASEAN is used in the production of the good, the following are examples of document to prove that the material is harvested, picked, gathered or produced in that third State.

- a copy of contracts of sale and purchase of the material between the exporter or the producer of the good and the exporter or the producer of the material (e.g. contracts indicating that the materials for sale and purchase is harvested, picked, gathered or produced in that third State)
- a copy of shipping documents, including but not limited to the invoice, regarding the sale of the material
- a copy of Form D issued for the material in accordance with the CEPT Scheme (the ASEAN Common Effective Preferential Tariff Scheme for the ASEAN Free Trade Area) if information in the copy of Form D is useful for verification)

(3) With respect to each good of Chapter 19 or 20 of the Harmonized System, in the case where materials of either Country or a third State which is a member country of the ASEAN, classified under Chapter 7,8,11 or 17, are used in the production of the material mentioned in subparagraph 1(2), the following are

examples of document to prove that the materials of Chapter 7,8,11 or 17 are harvested, picked or gathered in the territory of that Country or that third State.

- a copy of contracts of sale and purchase of the materials between the exporter or the producer of the material mentioned in subparagraph 1(2) and the exporter or the producer of the material (e.g. contracts indicating that the materials for sale and purchase are harvested, picked or gathered in the territory of that Country or that third State)
- a copy of shipping documents, including but not limited to the invoice, regarding the sale of the materials used in the production of the material mentioned in subparagraph 1(2)
- a copy of Form D issued for the materials used in the production of the material mentioned in subparagraph 1(2) (if information in the copy of Form D is useful for verification)

2. (1) With respect to each good of Chapter 16 or 18 through 20 of the Harmonized System, in the case where a material of a third State which is a member country of the ASEAN is used in the production of the good, examples of document to prove that the material is transported directly from that third State is a copy of bills of lading or airway bills for transportation from that third State to the exporting Country of the material.

(2) With respect to each good of Chapter 16 or 18 through 20 of the Harmonized System, in the case where a material of a third State which is a member country of the ASEAN is used in the production of the good and the material is transported through other third States to the exporting Country of the good, the following are examples of document to prove that it does not undergo operations other than unloading, reloading or any other operations to preserve it in good condition in those other third States.

- a copy of through bills of lading or airway bills for transportation from that third State to the exporting Country of the material
- a format or handwritten declaration issued by the customs authorities of those other third States for the material being transshipped or temporarily stored.

3. With respect to each good of Chapter 50 through 63 of the Harmonized System, in the case where a material of the other Country or a third State which is a member country of the ASEAN is used in the production of the good, the following are examples of document to prove that the material undergoes a process or operation specified in the product specific rules set out in Annex 2 in the territory of that Country or that third State.

- a copy of contracts of sale and purchase of the material between the exporter or the producer of the good and the exporter or the producer of the material (e.g. contracts indicating that the material for sale and purchase undergoes the specified process or operation in the territory of the other Country or that third State);
- a copy of shipping documents, including but not limited to the invoice, regarding the sale of the material; or
- a copy of Form D issued for the material (if information in the copy of Form D

is useful for verifying)

4. (1) With respect to each good of Chapter 50 through 63 of the Harmonized System, in the case where a material of the other Country or a third State which is a member country of the ASEAN is used in the production of the good, an examples of document to prove that the material is transported directly from the other Country or that third State is a copy of bills of lading or airway bills for transportation from the other Country or that third State to the exporting Country of the material.

(2) With respect to each good of Chapter 50 through 63 of the Harmonized System, in the case where a material of the other Country or a third State which is a member country of the ASEAN is used in the production of the good and the material is transported through other third States to the exporting Country of the good, the following are examples of document to prove that it does not undergo operations other than unloading, reloading or any other operations to preserve it in good condition in those other third States.

- a copy of through bills of lading or airway bills for transportation from that third State to the exporting Country of the material
- a format or handwritten declaration issued by the customs authorities of those other third States for the material being transshipped or temporarily stored.

Explanations for Section XI of Product Specific Rules of Annex 2
(Processes necessary to obtain originating status for Textile and Textile Goods
(Chapter 50-Chapter 63))

A. Yarn

HS Code	Necessary processes to obtain originating status in the territory of a Country	
	Carding/Combing process	Spinning process
50.05-50.06	Not applicable	Required
51.06-51.10	Required	Required
	Not required *	Required
52.04-52.07	Required	Required
	Not required *	Required
53.06-53.08	Not applicable	Required
54.01-54.06	Not applicable	Required
55.08-55.11	Required	Required
	Not required *	Required

* "Carding/Combing" process is not required to be conducted in the territory of the Country from which the good is originated when the process is conducted in the territory of the other Country or a third State which is a member country of the ASEAN.

B. Woven Fabrics

HS Code	Necessary processes to obtain originating status in the territory of a Country			
	Spinning process	Dyeing/Printing process to yarn****	Weaving process	Dyeing/Printing process to fabrics****
50.07	Required		Required	
	Not required *		Required	
		Required	Required	
		Not required **	Required	
			Required	Required
			Not required ***	Required
51.11-51.13	Required		Required	
	Not required *		Required	

		Required	Required	
		Not required **	Required	
			Required	Required
			Not required ***	Required
52.08-52.12	Required		Required	
	Not required *		Required	
		Required	Required	
		Not required **	Required	
			Required	Required
			Not required ***	Required
53.09-53.11	Required		Required	
	Not required *		Required	
		Required	Required	
		Not required **	Required	
			Required	Required
			Not required ***	Required
54.07-54.08	Required		Required	
	Not required *		Required	
		Required	Required	
		Not required **	Required	
			Required	Required
			Not required ***	Required
55.12-55.16	Required		Required	
	Not required *		Required	
		Required	Required	
		Not required **	Required	
			Required	Required
			Not required ***	Required

* "Spinning" process is not required to be conducted in the territory of the Country from which the good is originated when the process is conducted in the territory of the other Country or a third State which is a member country of the ASEAN.

** "Dyeing/Printing process to yarn" is not required to be conducted in the territory of the Country from which the good is originated when the process is conducted in the territory of the other Country or a third State which is a member country of the ASEAN.

*** "Weaving" process is not required to be conducted in the territory of the Country from

which the good is originated when the process is conducted in the territory of the other Country or a third State which is a member country of the ASEAN.

**** "Dyeing/Printing" process should be accompanied by two or more of the operations which are described in Note 1 of Section XI of Annex 2 of the Agreement and Appendix 4 of Operational Procedures.

C. Wadding, Felt and Nonwovens; Special Yarns; Twine, Cordage, Ropes and Cables and Articles Thereof

Carpets and Other Textile Floor Coverings

Special Woven Fabrics; Tufted Textile Fabrics; Lace; Tapestries; Trimmings; Embroidery

Impregnated, Coated, Covered or Laminated Textile Fabrics; Textile Articles of a Kind Suitable for Industrial Use

(Note)

Among goods that require two processes i.e., "spinning process" and "weaving/ knitting/ crocheting (Incl. Making up process of the good) process", some goods can obtain originating status when final goods are produced from non-originating raw materials without going through such two processes. In addition, goods that require "weaving/ knitting/ crocheting (Incl. Making up process of the good) process" can obtain originating status when final goods are produced from non-originating yarn without such process.

HS Code	Necessary processes to obtain originating status in the territory of a Country	
	Spinning process	Weaving/Knitting/Crocheting process (Incl. Making up process of the good)
56.01-56.03	Required	Required
56.04-56.09	Required	Required
	Not required *	Required
57.01-57.05	Required	Required
	Not required *	Required
58.01-58.11	Required	Required
	Not required *	Required
59.01	Not applicable	Required
59.02	Required	Required
	Not required *	Required
59.03-59.09	Not applicable	Required
59.10	Required	Required

	Not required *	Required
59.11	Not applicable	Required

* "Spinning" process is not required to be conducted in the territory of the Country from which the good is originated when the process is conducted in the territory of the other Country or a third State which is a member country of the ASEAN.

D. Knitted or Crocheted Fabrics

HS Code	Necessary processes to obtain originating status in the territory of a Country			
	Spinning process	Dyeing/Printing process to yarn****	Knitting/Crocheting process	Dyeing/Printing process to fabrics****
60.01-60.06	Required		Required	
	Not required *		Required	
		Required	Required	
		Not required **	Required	
			Required	Required
			Not required ***	Required

* "Spinning" process is not required to be conducted in the territory of the Country from which the good is originated when the process is conducted in the territory of the other Country or a third State which is a member country of the ASEAN.

** "Dyeing/Printing process to yarn" is not required to be conducted in the territory of the Country from which the good is originated when the process is conducted in the territory of the other Country or a third State which is a member country of the ASEAN.

*** "Knitting/Crocheting" process is not required to be conducted in the territory of the Country from which the good is originated when the process is conducted in the territory of the other Country or a third State which is a member country of the ASEAN.

**** "Dyeing/Printing" process should be accompanied by two or more of the operation which are described in Note 1 of Section XI of Annex 2 of the Agreement and Appendix 4 of Operational Procedures.

E. Articles of Apparel and Clothing Accessories (Knitted or Crocheted)

HS Code	Necessary processes to obtain originating status in the territory of a Country	
	Knitting/Crocheting process	Making up process of the good
61.01-61.17	Required	Required
	Not required *	Required

* "Knitting/Crocheting" process is not required to be conducted in the territory of the

Country from which the good is originated when the process is conducted in the territory of the other Country or a third State which is a member country of the ASEAN.

F. Articles of Apparel and Clothing Accessories (Not Knitted or Crocheted)

HS Code	Necessary processes to obtain originating status in the territory of a Country	
	Weaving process * *	Making up process of the good
62.01-62.17	Required	Required
	Not required *	Required

* "Weaving" process is not required to be conducted in the territory of the Country from which the good is originated when the process is conducted in the territory of the other Country or a third State which is a member country of the ASEAN.

** As for HS62.12, "Knitting or Crocheting" process is also applied.

G. Other Made Up Textile Articles; Sets; Worn Clothing and Worn Textile Articles; Rags

HS Code	Necessary processes to obtain originating status in the territory of a Country	
	Weaving/Knitting/Crocheting process	Making up process of the good
63.01-63.10	Required	Required
	Not required *	Required

* "Weaving/Knitting/Crocheting" process is not required to be conducted in the territory of the Country from which the good is originated when the process is conducted in the territory of the other Country or a third State which is a member country of the ASEAN.

Description of Operations for Dyeing or Printing Process

Appendix 5

The following interpretation of Note 1 of Section XI Textile and Textile Articles (chapter 50-63) of Annex 2, is based on the Japanese Industrial Standard established by the Ministry of Economy, Trade and Industry.

No.	Operation	Description
(1)	antibacterial finish	The finishing by which the multiplication of bacteria on fibre is restrained and the deodorizing effect is given.
(2)	antimelt finish	The finishing carried out for the addition of the property in which woven and knitted fabric is prevented from melting by heat. It is carried out for preventing the phenomenon in which a hole is made in synthetic fibre product by the fire of cigarette and the friction heat at the time of sliding.
(3)	antimosquito finish	The finishing by which human body is prevented from approaching of mosquitoes by sticking of the mosquito inhibiting agent to woven and knitted fabric.
(4)	anti-pilling finish	The finishing carried out for the purpose of preventing from the producing of pill caused by the friction on the surface of woven and knitted fabric. There are the fixation of fibre by resin treatment, gas singeing, the removal of long fluff by shearing, the degradation of fluff by chemical treatment, etc.
(5)	antistatic finish	The finishing carried out for the purpose of decreasing the static electricity generating on fibre. The hygroscopic agent such as higher alcohol, surface active agent and the antistatic agent such as quaternary ammonium salt, polymer having oxyethylene radical, etc. are used.
(6)	artificial creasing	The finishing by which the durable creases are added to cloth. In synthetic fibre, its thermoplastic property is utilized, and in cellulose sorios of fibre, the cross-linkage reaction by resin finishing agent is utilized.
(7)	bleaching	The treatment which is carried out for decomposing and removing the pigment and coloured impurities contained in fibre by the action of oxidization or reduction and whitening the fibre.
(8)	brushing	The treatment in which the fluff and dust adhering on the surface of fabric are wiped down and the lie of fibre is arranged by using brush-roller, etc.
(9)	buff finish	The raising processing carried out by using the emery paper wound on roll. It is used in various fields such as synthetic fibre woven and knitted fabric, cotton fabric, etc.
(10)	burn-out finish	The finishing in which only one side of fibre is dissolved to remove by utilizing the difference of chemical resistance of the fibre constituting blended yarn fabric and union cloth and the water marked pattern appears.
(11)	calendering	The finishing by which fabric is passed through between various rotating rolls, the surface is smoothed by pressurizing and luster and various feelings are given.
(12)	compressive shrinkage	The finishing in which the density is raised by carrying out of steam pressing mainly cotton fabric, etc. as over-feeding and the shrink resistance is given to it.
(13)	crease resistant finish	The finishing by which wrinkle is made to be difficult to generate on woven and knitted fabric by resin finish, etc.
(14)	decatizing	The finish in which the stability, luster and feeling of cloth are improved by winding up of cloth or wrapping cloth on a porous cylinder and carrying out the heating by steam and cooling by air. The full decatizing (autoclave decatizing machine), semidecatizing (ordinary pressure decatizing machine), continuous decatizing machine, etc. are used. It is the process at about final stage for the finishing of wool fabric.
(15)	deodorant finish	The finishing showing the effect in which uncomfortable odour is reduced by touching of odour component to fibre. The uncomfortable odour means perspiration odour, ageing odour, excretion odour, cigarette odour, trash odour.
(16)	easy-care finish	The finishing carried out for the purpose of being capable of wearing without ironing after washing and drying cotton and its blended yarn fabric.
(17)	embossing	The processing in which fabric, etc. are passed through between an uneven metallic roller heated and an elastic roller, and the uneven patterns are added.
(18)	emerising	The raising processing carried out by using the emery paper wound on roll. It is used in various fields such as synthetic fibre woven and knitted fabric, cotton fabric, etc.
(19)	flame resistant finish	The finishing carried out for the purpose of making fibre to be difficult to ignite and fire-spread. It is applied to working wear, curtain, upholstery fabrics, aged person nursing clothes, bed clothes, etc. which are in danger of catching fire.
(20)	flock finish	The finishing in which fine and short fibres are planted on the surface of cloth, plastic products, etc. in fluff-shaped by using static electricity and adhesive.
(21)	foam printing	The printing in which the printed part is bulged. The printed part is bulged by printing the microcapsule particle enclosing foaming agent with binder together and heat-treating
(22)	liquid ammonia process	The modification finishing of cotton carried out by using liquid ammonia. The effect of much similar to mercerization is obtained, however the improvement of luster and dyeing property is smaller as compared with mercerization. On the other hand, the strength, shrink resistance property (dimensional stability), crease resistance property, setting property, etc. are greatly improved.

No.	Operation	Description
(23)	mercerization	The finishing which is carried out for giving the improvement of dyeingness, increase of wet strength, silk-like luster, etc. by carrying out the tensional treatment of cotton yarn or cotton woven and knitted fabric in concentrated aqueous solution of sodium hydroxide.
(24)	microbial control finish	The finishing carried out restraining of multiplication of bacteria on fibre. In general use, golden staph, pneumobacillus coliform bacilli, pseudomonas aeruginosa, etc. are made to be the object.
(25)	milling	The felting treatment by which wool fabric is wetted with the solution containing alkali, soap, etc., and struck and rubbed mechanically for making the objective feeling.
(26)	moare finish	One of calendering finish by which woodgrain glossy pattern is given on fabric. The finishing in which the difference is produced in reflection of light between the part of warp pressured and the part without being pressured and woodgrain patterns are made.
(27)	moisture permeable waterproofing	The finishing carried out so as to adding the water resistance property as well as the permeability of water vapour to woven and knitted fabric. It is utilized for sports wear.
(28)	oil-repellent finish	The finishing carried out so as to add the oil-repellent property to textile goods.
(29)	organdie finish	The finishing for obtaining thin, transparent, rigid feeling. In the case of cotton, concentrated sulfuric acid, etc. is reacted at ordinary temperature.
(30)	peeling treatment	The processing for the improvement of texture of woven fabric or sewing products by reducing fibre. There are the alkali peeling treatment for polyester textile and the enzyme peeling treatment for cellulose textile, etc.
(31)	perfumed finish	The finishing carried out for addition of perfume to fibre. There are the method in which perfuming material is enclosed in microcapsule and added to textile product, etc.
(32)	relaxation	The treatment for revealing texturization and crepe in woven and knitted fabric by the heat energy such as dry heat, wet heat, hot water, etc. and the effect of physical rubbing.
(33)	ripple finish	The finishing in which cotton fabric is printed with the paste containing high concentration of sodium hydroxide and three dimensional patterns are made appear by shrinking the part, and after resist style paste is printed, the print part is embossed by applying the concentrated solution of sodium hydroxide and the ripple-like seersucker or crepe like emboss appears.
(34)	schreiner finish	The finish in which woven fabric is passed through the schreiner calender equipped with metallic rolls indented with countless and parallel fine lines, the weave is smoothened and the silky luster is given.
(35)	shearing	The operation by which, after the fluff or the surface of woven and knitted fabric is arranged with brush, it is made run on a edge and cut to arrange in a definite length by using a rotary cutter.
(36)	shrink resistant finish	The finishing by which woven and knitted fabric is not made shrink by washing, hot water treatment.
(37)	soil guard finish	The finishing by which dirt is made difficult to adhere to fibre mainly by using the fluorine series of resin.
(38)	soil release finish	The finishing by which hydrophilic compound is added to hydrophobic synthetic fibre and the dirt is facilitated to remove by washing.
(39)	stretch finish	The finishing in which, after the yarn constituting fabric is bent, then fixed and the stretch property mainly in traverse direction is added.
(40)	tickproofing	The finishing by which tick is made so as not to approach the human body by sticking the tick inhibiting agent to woven and knitted fabric or by reducing the air permeability of fabric.
(41)	UV cut finish	The finishing carried out for protecting skin by shielding UV so that woven and knitted fabric is impregnated with or stuck to UV absorber.
(42)	wash and wear finish	The finishing carried out for the purpose of being capable of wearing without ironing after washing and drying cotton and its blended yarn fabric.
(43)	water absorbent finish	The finishing in which the hydrophobic surface of synthetic fibre is made hydrophilic and the water absorbing property is raised.
(44)	waterproofing	The finishing by which water is made difficult to pass through woven and knitted fabric.
(45)	water-repellent finish	The finishing carried out so as to add the water-repellent property to fibre.
(46)	wet decatizing	The wet type set in the scouring process of wool fabric. It is also called smoothing with stream or crabbing.
(47)	windbreak finish	The finishing in which wind is made difficult to pass by reducing air permeability by improving the weave of woven and knitted fabric and finishing of resin.
(48)	wire raising	The raising carried out so as to scratch the surface of woven and knitted fabric by using the roll wound with card clothing (wire raising machine).