



USAID AFRICA TRADE & INVESTMENT PROGRAM

THE AFRICAN GROWTH OPPORTUNTIY ACT: FREQUENTLY ASKED QUESTIONS FOR THE TEXTILE & APPAREL SECTORS

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INTRODUCTION

The African Growth Opportunity Act (AGOA) can generate significant positive impact to African textile and apparel exporters—if exporters understand how to benefit from it. This Frequently Asked Question (FAQs) document was commissioned by the USAID Africa Trade and Investment Program to help African textile and apparel exporters demystify the complexities around accessing AGOA's benefits. This volume was updated in July 2023 and will have one more additional update in 2023. All versions will be available in English, French and Portuguese. If you have any questions, corrections or have content you would like included in future versions, please submit an email to AGOA_Advisors@bhavanaworldproject.com.

GENERAL INFORMATION

I. WHAT IS AGOA AND WHY DOES IT MATTER FOR TEXTILE AND APPAREL EXPORT COMPANIES IN AFRICA?

AGOA is a preferential trade agreement between the US and eligible Sub-Saharan African countries that allows exporters from those country to export eligible products to the US duty-free (also referred to as tax-free or tariff-free). One of the main benefits of AGOA, and what sets it apart from other trade agreements, is that it includes apparel and textiles articles.

Textile and apparel goods have some of the highest duty rates of all goods imported into the US A firm that can export under AGOA, could have a significant competitive advantage in the US textile and apparel market. To provide an idea of how impactful this duty-free status is, over USD \$22.5 billion has been imported to the US from African AGOA countries since its inception in 2000. The US market's demand for this volume is directly tied to the duty savings US importers experience under AGOA. For example, t-shirts made of cotton typically have a duty of 16%, and synthetics are higher at 35%. By importing under AGOA US buyers do not have to pay these duties, making AGOA suppliers more cost competitive.

The US government considers textiles and apparel "trade-sensitive" products because imports of these items could undermine the US textile and apparel sector. It is therefore noteworthy that AGOA covers these products. It also means that US Customs and Border (CBP) agents are more likely to thoroughly inspect textile and apparel shipments, so it is important to ensure all documentation is in order and accurate.

There is often a misperception that AGOA is an organization and that you need to belong to this organization to access AGOA benefits. There is no organization—if your country and product are both eligible for AGOA, which is determined by the US Government, you only need proper export documentation, not membership to any organization.

2. HOW DOES AGOA DIFFER FROM THE GENERALIZED SYSTEM OF PREFERENCES?

¹ 2022 Biennial report on the implementation of AGOA, United States Trade Representative, 15 June 2022.

Generalized System of Preference (GSP) is the largest and oldest US preferential trade agreement which promotes economic development by eliminating duties on thousands of products when imported from designated beneficiary countries across the globe.

In 2020, GSP was not renewed by US Congress, though it may be renewed in the future. Even when it is active, though, it is not highly relevant for African textile and apparel exporters. The reason is because GSP does <u>not</u> include most textiles and apparel articles, and many leather and accessory products such as watches, footwear, work gloves, and leather apparel.

AGOA is up for renewal in 2025, a process that is overseen by the US Congress.

There are several **key differences** between the GSP and AGOA:

- I. **Geographical scope:** The GSP applies to imports from developing countries around the world, while AGOA applies specifically to imports from eligible Sub-Saharan African countries.
- II. Country Eligibility: The GSP has certain eligibility criteria that countries must meet to be designated as beneficiary countries, including developing country status, market economy status, and respect for certain human rights and worker rights. AGOA has its own set of eligibility criteria that countries must meet to be eligible for the program, including market-based economic reform, good governance, and other factors.

For both, country eligibility is reviewed on an annual basis. You can see if your country is currently eligible for AGOA using this <u>link</u>.

III. Product coverage:

- a. GSP: 3,500 products are duty free for all GSP beneficiaries, with an additional 1,500 more articles covered when imported from least developed countries.
- b. AGOA: Approximately 6,500 products are covered under AGOA, This list includes all 5,000 GSP products, plus apparel, leather goods, and footwear.

3. HOW DOES AGOA RELATE TO AFRICA'S CONTINENTAL AND REGIONAL TRADE AGREEMENTS (I.E. AFCFTA)?

AGOA is a trade preference program that provides duty-free access to the US market for eligible African countries and products. The goal of AGOA is to encourage economic growth and development in Africa by promoting trade and investment between the US and African countries.

Regional trade agreements within Africa have a similar goal of promoting trade and investment among member countries, but they do not connect directly with AGOA.

More specifically, AGOA applies to products traded between the US and 37 African countries (in 2023), while the AfCFTA applies to trade among the 55 member countries of the African Union.

Importantly, the AfCFTA and other regional trade agreements can reinforce AGOA. This synergy is because AGOA has specific Rules of Origin that cover where you can source components for your product. Sourcing them from other AGOA countries on the continent is compliant with these rules (though you can source elsewhere in certain situations, please see the Rules of Origin section of the

FAQ). AfCFTA and other regional trade agreements aim to export firms to source raw materials duty-free and with greater ease from within the continent.

As AfCFTA moves towards creating a single continental market, African textile and apparel exporters should be able to source AGOA-complaint inputs within the continent in a more reliable, efficient, and cost-effective manner. This has the potential to magnify AGOA exporters' competitiveness in the US market. The US is on a trajectory to continue its historical role as a net importer of apparel as demonstrated by the rate of US apparel imports in 2021 where it grew by 27.4%, the fastest growth of the past decade.² Imports in 2022 continued to grow at 12.3%.³ With the combined power of AfCFTA and AGOA, African exporters are well positioned to be a part of this growth.

4. HOW DO I KNOW IF MY COUNTRY IS PART OF AGOA?

Apparel and textile exporters should ask themselves this question annually, as every country's status is reviewed by the US government on an annual basis. As of January 2023, 35 African countries are eligible for AGOA (please see the map below). You can check your country's status using this <u>link</u>.

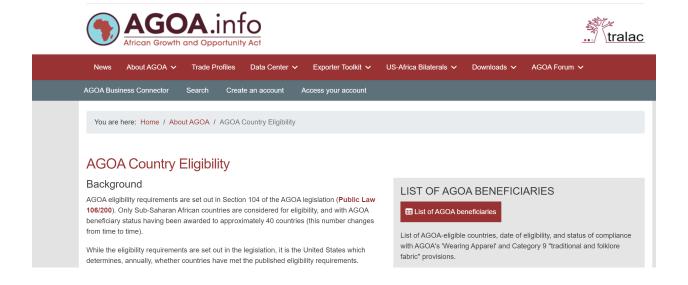
² Department of Commerce Office of Textiles and Apparel December 2021 Trade Data Release.

³ <u>Department of Commerce Office of Textiles and Apparel December 2022 Trade Data Release.</u>



Please note that, just because your country is eligible for AGOA does not mean it is eligible to export textiles and apparel under AGOA. The US government requires AGOA countries that want to export textiles and apparel duty free to also establish procedural safeguards (known as a visa systems) to prevent fraud. For more information on the visa system, please see the Visa System section under "What are the Rules of Origin for Textiles & Apparel?"

To find out if your country has a visa system that has been recognized by the US Government, please use this <u>link</u> access the AGOA Country Eligibility website, then navigate to the red box "List of AGOA beneficiaries."



Once opened, find your country, and review the column "Date eligible for 'wearing apparel' provisions (highlighted in blue here).

Country	Date declared AGOA eligible	Date eligible for 'wearing apparel' provisions	Qu
Angola	30-Dec-2003	NOT ELIGIBLE	
Benin	2-Oct-2000	28-Jan-2004	Yes
Botswana	2-Oct-2000	27-Aug-2001	Yes
Burkina Faso	10-Dec-2004, lost eligibility effective	4-Aug-2006	Yes

If your country has AGOA status and is also eligible for 'wearing apparel' provisions, you can export textile and apparel products under AGOA. Countries that are AGOA-eligible are not automatically able to export apparel products duty free. The government of the country first has to be certified as having taken adequate steps to establish "product visa systems to prevent illegal transshipment and the use of counterfeit documentation, as well as having instituted required enforcement and verification procedures." Please find more on this in the "Visa Apparel System" section under "What are the Rules of Origin for Textiles and Apparel?"

Your next step is to determine if your specific product is made in a way that meets AGOA's Rules of Origin (please see detail under Rules of Origin section in this FAQ). Then the final AGOA compliance step is then to get the related documentation that proves this to the US Customs and Border agent that

⁴ Source: https://agoa.info/about-agoa/apparel-rules-of-origin.html

will review your shipment. These are the Certificate of Origin and visa stamp on your commercial invoice (please see detail under Documentation section in this FAQ).

5. WHAT ARE THE BENEFITS OF AGOA FOR AFRICAN TEXTILE AND APPAREL EXPORTERS?

Some of the main benefits of AGOA include:

- I. Duty-free access to the US market: AGOA provides duty-free access to the US market for a wide range of products, including apparel, leather goods, footwear, and other types of manufactured goods, as well as agricultural products and natural resources. This allows African exporters to be more competitive in the US market by lowering the cost of their exports.
- II. Improved Economic Development and Integration: AGOA supports economic development and integration in Africa by promoting trade and investment between the US and African countries. This can help to improve economic conditions in Africa and reduce poverty by creating new economic opportunities.
- III. **Enhanced Trade Capacity:** AGOA helps to enhance trade capacity in Africa by providing technical assistance and support to African countries to help them take advantage of the opportunities provided by the program. This can help to build the skills and capacity of African businesses to participate in global trade.

PRODUCT ELIGIBILITY

6. WHAT TEXTILE AND APPAREL ARTICLES ARE COVERED UNDER AGOA?

AGOA provides duty-free treatment for a designated list of over 6,500 products imported into the US from designated beneficiary countries. They are reviewed by the US Government annually, so it is best to periodically re-confirm if your product is still eligible.

- Woven fabrics of cotton, wool, or man-made fibers
- Knitted or crocheted fabrics of cotton, wool, or man-made fibers
- Apparel made from fabrics of cotton, wool, or man-made fibers.
- Apparel made from leather or other material.

You can check your product by using your HTS code to search the AGOA Products Database, pictured below. If the product has a "D" in the AGOA Status column, it is eligible.



Your harmonized tariff schedule (HTS) code is a 10-digit code used by US customs authorities to classify goods and determine the applicable duties and taxes that will be applied to them. Obtaining a HTS code is a crucial step in the process of exporting goods to the US, as it allows customs authorities to accurately assess the duties and taxes that will be due on the goods.

To obtain a tariff classification number for your goods, you should first ask your importer if they can provide it. If they are unable to, you can refer to the Harmonized Tariff Schedule of the United States (HTSUS), which is a comprehensive list of all the HTS codes used by the US to classify goods. The HTSUS is available online and can be searched by keyword or by code, <u>linked here</u>. You can also contact the US International Trade Commission (ITC) for assistance in obtaining a tariff classification number for your goods. Additionally, you may be able to obtain a tariff classification number from a customs broker or other trade professional who can assist you with the process of exporting your goods to the US.

7. WHAT CRITERIA DOES A PRODUCT HAVE TO MEET TO EXPORT IT UNDER AGOA?

For a textile or apparel product to be exported duty-free under AGOA, it must meet the following three requirements:

I. Be exported from an AGOA country that has an apparel visa system.

Please see "How do I Know if My Country is Part of AGOA?" within this FAQ document for more detail.

Please note that your export shipment can travel through other countries, but it cannot enter the commerce of other countries. For example, you cannot have your product primarily manufactured in your AGOA country, then shipped to Turkey where it is trimmed, and try to export it from Turkey under AGOA.

II. Meet the Rules of Origin (RoO) criteria.

The rules of origin lay out criteria that determine whether a product originated in an AGOA country. There are two sets of criteria. There are criteria for "general" goods, which are all non-apparel items such as industrial, mineral, and agricultural goods. Then there are additional criteria for textiles and apparel, which are articulated under the "wearing apparel" provisions. For details, please read the entire Rules of Origin section of this FAQ, which provides information on where you can source inputs from for your product and what level of processing must take place in your country.

III. Have the proper documentation.

You must have a Certificate of Origin, which demonstrates that your product meets the Rules of Origin criteria. You must also have an AGOA visa stamp on your Commercial Invoice.

Keep your Certificate of Origin on file: Manufacturers of apparel wishing to export duty-free to the US under AGOA are required to "maintain complete records of the production and the export of covered articles, including materials used in the production, for at least 2 years after the production or export" ⁵For this purpose, manufacturers are required to draw up and sign a "Certificate of Origin." This requirement means you should keep all the backup documentation that you submitted for the Certificate of Origin (and a copy of the CoO) for each product for at least two years.

Please see the "Documentation" section of the FAQ for more information.

8. WHAT ARE THE RULES OF ORIGIN FOR TEXTILES AND APPAREL?

⁵Public Law 106–200 106th Congress – Trade and Development Act of 2000, Page 114 STAT. 264 (link).

The rules of origin lay out criteria that determine whether a product originated in an AGOA country. There are two sets of criteria. There are criteria for "general" goods, which are all non-apparel items such as industrial, mineral, and agricultural goods. Then there are additional criteria for textiles and apparel, which are articulated under the "wearing apparel" provisions. The rules for general goods do not apply to textile and apparel goods, which are different and more specific.

Key features of AGOA's 'wearing apparel' provisions

The phrase "Wearing apparel provisions" refers to the rules under AGOA that specifically relate to wearing apparel versus "general" goods such as industrial, mineral, or agricultural products. Wearing apparel has more criteria than general goods.

These rules primarily cover:

- Requiring that the government of an AGOA country has created an **apparel visa system** to prevent abuse of AGOA.
- The **Rules of Origin** that dictate where the various components of your apparel product (i.e., the fabric, yarn, finishes) can be sourced from and still be considered "locally made" or AGOA eligible.

Apparel Visa System

Countries that are AGOA-eligible are not automatically able to export apparel products duty free. The government of the country first has to be certified as having taken adequate steps to establish" product visa systems to prevent illegal transshipment and the use of counterfeit documentation, as well as having instituted the required enforcement and verification procedures."

This arrangement basically means that the high financial benefit of being able to export apparel under AGOA makes it vulnerable to abuse by exporters that are not actually going to source apparel components from African AGOA countries or have substantive production/ processing happen in African AGOA countries, therefore not contributing to the intended economic benefit of people in those countries. To prevent this, AGOA governments must have systems in place to verify that exporters requesting to ship under AGOA are legitimate.

So, first a country must be AGOA eligible; second, if it wants to export apparel (versus agriculture products for example, which do not have the same rules/provisions) it must also have a visa system in place, then; third, you as the apparel exporter must be creating a product that meets the ROO requirements (detailed below) and must demonstrate this via a Certificate of Origin.

ROO

ROO exist to ensure that AGOA apparel products are indeed produced in AGOA countries with components sourced from AGOA countries, the US, or other countries as allowed.

There are two sets of Rules of Origin. First are "general" rules of origin which apply to all non-textile and apparel product categories under AGOA, such as industrial, mineral, and agricultural products. Then there are the criteria that apply specifically to wearing apparel, detailed below.

<u>South African exporters</u>, please note the section dedicated to you below, as South African firms are not allowed to source fabric outside of the US and AGOA countries.

General Goods

This does not apply to textiles or wearing apparel but would to accessories. It is often referred to as the 35 percent value-content rule. It states that the article must have at least 35% of its appraised value

⁶ Source: https://agoa.info/about-agoa/apparel-rules-of-origin.html

attributed to the sum of the direct costs of <u>processing operations</u> performed in the beneficiary AGOA country/countries, plus the cost or value of the <u>materials</u> produced in the beneficiary AGOA country/countries.

This 35% can include up to 15% cost or value of materials produced in the US.

Textiles

 Textiles and textile articles must originate entirely from one or more AGOA Lesser Developed Countries, or "LDCs." A country is categorized as LDC based on the per capita GNI as determined by the World Bank. This requirement means that if you are producing fibers, yarn, fabric, towels, blankets, sheets, or floor coverings the materials and processing must take place in AGOA countries.

In this case, your product falls under Category 0 (Cat 0).

Apparel

• Fabric from a "foreign" country (i.e., outside of AGOA and the US): This sourcing option is addressed first because the vast majority of apparel exported under AGOA is done so under this category. This is because of the comparatively lower cost of fabric available in other countries.

All AGOA countries that have an apparel visa system in place and have the status of "Lesser Developed Country" can source the fabric for their apparel from a foreign country (also known as 3rd country, with the first two being AGOA countries and the US). Please note South Africa is the only country that is AGOA eligible and has a visa apparel system but is not considered an LDC, so must source its fabric from an AGOA country or the US.

If you source your fabric from a third/ foreign country, your product falls under Category 5(E).

• Other components from a "foreign" country (i.e., outside of AGOA and the US): You can source certain components of apparel items outside of AGOA countries or the US, including collars, cuffs, drawstrings, padding, shoulder pads, waist bands, belts attached to garments, straps with elastic, and elbow patches.

This arrangement applies if those components comprise 25% or less of the total cost of the total assembled apparel product. A firm can also source findings and trimmings from foreign/ 3rd countries. These components include hooks and eyes, snaps, sewing threads, elastic strips, decorative lace trims and zippers.

Your product can have 10% or less in total weight of foreign/3rd country fibers and yarns and still be AGOA-complaint. This is called the "de Minimus" rule.

- **US Yarn and Fabric:** As AGOA is intended to be a "win-win" for both AGOA countries and the US, apparel made in AGOA countries from US yarn and fabric is allowed. There are multiple categories for this, with different levels of processing taking place in the US versus in the AGOA country:
 - · Apparel of US yarns and fabric & knit to shape components, with fabrics cut in US (Cat I-A)
 - Apparel of US yarns and fabric, or knit to shape components, with fabrics cut in US & subjected to further working e.g., embroidery, stonewashing, acid washing, perma-pressing, oven-baking, bleaching, garment dyeing, screen printing etc. (Cat 2-B)

- Apparel of US yarns and fabric or US knit to shape components, and/or US and AGOA countries knit to shape components, from US yarns and thread, fabric cut in US or beneficiary countries (Cat 3-C) (please note this applies to AGOA LDC beneficiaries, not South Africa).
- AGOA Countries: Unsurprisingly, fabric and components from AGOA countries (whether your own or elsewhere in the continent) qualify for AGOA. Specifically, this includes apparel made in AGOA countries from domestically produced fabric and yarns, or from fabrics and yarns produced in other AGOA countries. (Cat 4D)

South Africa

South Africa is the only AGOA country that is not considered a Lesser Developed Country, therefore South African exporters are more limited in where they can source fabric from and still be compliant with Rules of Origin.

- South African exporters <u>cannot</u> source fabric from foreign/ 3rd countries; it must be sourced within AGOA countries or the US. Apparel <u>must</u> be assembled from AGOA beneficiary country fabrics or knit to shape components, from US or AGOA beneficiary country yarns. These products fall under Category 4-D.
- They can source certain components of apparel items outside of AGOA counties or the US, including collars, cuffs, drawstrings, padding, shoulder pads, waist bands, belts attached to garments, straps with elastic, and elbow patches.
- If they comprise 25% or less of the total cost of the total assembled apparel product, they can also source findings and trimmings from foreign/ 3rd countries. These components include hooks and eyes, snaps, sewing threads, elastic strips, decorative lace trims and zippers.
- Their product can have 10% or less in total weight of foreign/3rd country fibers and yarns and still be AGOA-complaint. This is called the "de Minimus" rule.

You can also refer to this AGOA.info brief for information on Rules of Origin, just be sure to focus on the textile and apparel RoO section versus the "General Goods" RoO: "Africa – US Trade: Spotlight on the Rules of Origin."

9. HOW DO I KNOW IF THE FABRIC I AM USING TO MAKE MY APPAREL QUALIFIES AS DUTY FREE UNDER AGOA?

If the fabric is produced in the US or an AGOA country, it is eligible for AGOA.

If it is produced in another country (outside of the US or AGOA countries) it is considered foreign or 3rd country fabric. It is still eligible for AGOA if the apparel is being produced in an AGOA country that has a "lesser developed country" status.

Since South Africa is not considered a lesser developed country under the AGOA legislation, apparel exports from there are **not** able to make use of the third country fabric provisions that are applicable to other countries.

For more detail, please see "What are the Rules of Origin for Textiles and Apparel?" within this FAQ.

10. HOW DO I KNOW IF MY PRODUCT CAN BE EXPORTED UNDER CATEGORY 9 AS HANDLOOMED/ HANDMADE, A FOLKLORE ITEM, OR ETHNIC PRINTED FABRIC?

African exporters of certain handloomed, handmade, ethnic printed fabrics and folklore items may be able to export their products duty free under AGOA. This provision is often referred to as "Category 9" because these articles are captured under Category Group 9-I on the Textile Certificate of Origin that you must complete as part of your export documentation package.

This Category was created to benefit producers making uniquely traditional and historical folklore goods.

Specific products become eligible through bilateral consultations between the government of an AGOA beneficiary country and an interagency group within the US Government, the Committee for the Implementation of Textile Agreements (CITA). The US Commerce Department's Deputy Assistant Secretary for Textiles, Consumer Goods and Materials is the Chair of CITA.

Under these consultations, the AGOA country's government provides a list of products proposed for designation under Category 9. This includes samples and detailed descriptions of each folklore product. The descriptions cover the historical aspects and usage as well as size, dimension, shape, pattern, color, and any alternate means of identifying the product as a traditional folklore good of that country or region. This process is detailed in OTEXA's "Instructions for AGOA Beneficiary Country Governments to Apply for Approval of Handloomed/Handmade/Folklore Articles Under Category 9"

Category 9 covers:

- (a) hand-loomed fabrics.
- (b) hand-made goods made of such hand-loomed fabrics; or
- (c) traditional folklore goods.

In general, "folklore" articles include apparel, apparel accessories or décor articles.

Category 9 items cannot include modern features such as zippers, elastic, elasticized fabric, hook-and-pile fasteners (i.e. holding fabrics like "velcro" ©). They also cannot have modern patterns such as airplanes, buses, cowboys, cartoon characters and holiday/ festival designs not common to sub-Saharan African culture (i.e., Halloween and Thanksgiving).

Ethnic printed fabrics must meet all the following criteria:

- A) selvedge on both edges.
- B) width of less than 50 inches.
- C) classifiable under subheadings 5208.52.30 (printed plain weave fabrics of cotton, 85% or more cotton by weight, weighing over 100g/m2 but not more than 200 g/m2, of yarn number 42 or lower) or 5208.32.40 (dyed plain weave fabrics of cotton, 85% or more cotton by weight, weighing over 100g/m2 but not more than 200g/m2, of yarn numbers 43-68) of the Harmonized Tariff Schedule of the United States:
- D) contain designs, symbols, and other characteristics of African prints normally produced for and sold in Africa by the piece.
- E) printed, including waxed, in one or more eligible sub-Saharan beneficiary countries; and

F) made from fabric formed in the US, from yarns formed in the US, or from fabric formed in one or more beneficiary sub-Saharan African country from yarn originating in either the US or a beneficiary sub-Saharan African country.

Point F above means that Category 9 articles **cannot be made using 3rd country fabric**. The fabric and yarns must be from an AGOA country or the US.

Category 9 Countries and Articles

Below is a table of the countries that have obtained Category 9 provisions and the specific articles that are duty free. The country names are linked to the document that contains the CITA determination. You can use this document to demonstrate to customs that your product is eligible, should there be an issue.

Please remember that a country must have **active AGOA status** to be able to export under Category 9. Country eligibility is reviewed annually. Your country's status can be found <u>here</u>.

If a country loses its AGOA eligibility status and then regains status in the future, its Category 9 status is not automatically reactivated. It must undergo bilateral consultations again to obtain Category 9 status. For example, Burkina Faso had Category 9 status but lost its AGOA eligibility in January 2023. Should it regain its AGOA status during the next annual review it will not automatically regain Category 9 status.

Table: Category 9 Country & Product Eligibility

Country	Handloomed/ Handmade	Annex A: Folklore Articles	Annex B: Ethnic Printed Fabrics	Links
Benin	Yes, specific to Annex and Annex B	Bomba, Barmassou (Daunchiki), Boubou (Batik Peulh or Aizo), Daunchiki, King's hat (Daa zaa), Peulh, Tako, Tako (Grand Baubou), Tchanka (Cavaliers Pants), Wanwolovo	Yes, per standard criteria	<u>Link</u>
Botswana*	Handloomed fabrics and handmade articles made from such handloomed fabrics including rugs, scarves, placemats, tablecloths, and other handloomed articles.			Link

eSwatini*	Handloomed fabrics and handmade articles made from such handloomed fabrics including rugs, scarves, placemats, tablecloths, and other handloomed articles.		<u>Link</u>
Ghana		Kente Stole, Adinkra, Agbada, Batakari/Fugu, Kaftan, Joromi (Men's shirt)	<u>Link</u>
Kenya*	Handloomed fabrics and handmade articles made from such handloomed fabrics including rugs, scarves, placemats, tablecloths, and other handloomed articles.		Link
Lesotho*	Handloomed fabrics and handmade articles made from such handloomed fabrics including rugs, scarves, placemats, tablecloths, and other handloomed articles.		Link
Madagascar	Handloomed fabrics and handmade articles made from such handloomed fabrics including rugs, scarves, placemats, tablecloths, and other handloomed articles.		Link
Malawi*	Handloomed fabrics and handmade articles made from such handloomed fabrics including rugs, scarves, placemats, tablecloths, and other handloomed articles.		Link

Mozambique	Handloomed fabrics and handmade articles made from such handloomed fabrics including rugs, scarves, placemats, tablecloths, and other handloomed articles.	Traditional Shirt; Women's Traditional Tunic/ Mozambican Pedaços		<u>Link</u>
Namibia*	Handloomed fabrics and handmade articles made from such handloomed fabrics including rugs, scarves, placemats, tablecloths, and other handloomed articles.			Link
Nigeria	Handloomed fabrics, handloomed articles (e.g., handloomed rugs, scarves, placemats, and tablecloths), and hand-made articles made from handloomed fabrics, if made in Nigeria from fabric handloomed in Nigeria	Kaftan, Senegalese, Buba and Sokoto, Kenbe, Dansiki, Gbariye, Isiagu or Chieftaincy, Agbada, Booboo, Buba and Iro, Yar Jos, Baban Riga, Jamfa, Yarshara, Dandogo, Abaya, Kaftan Falmara, Zabuni, Kufta, Falmara	Yes, please review linked document as additional criteria apply, including which companies can manufacture the textiles.	Link
Senegal	Hand-loomed fabrics, hand-loomed articles (e.g., hand-loomed rugs, scarves, place mats, and tablecloths), handmade articles made from hand-loomed fabrics, if produced in and exported from Senegal			Link
Sierra Leone	Hand-loomed fabrics, hand-loomed articles (e.g., hand-loomed rugs, scarves, place mats, and tablecloths), handmade articles made from hand-loomed fabrics, if made in Sierra Leone from fabric handloomed in Sierra Leone	Country Cloth, Country Cloth Smocks, Kabaslot, Ronko Smocks		Link

South Africa	Hand-loomed fabrics, hand-loomed articles (e.g., hand-loomed rugs, scarves, place mats, and tablecloths), handmade articles made from hand-loomed fabrics, if made in South Africa from fabric handloomed in South Africa		Yes, per standard criteria	<u>Link</u>
Tanzania	Handloomed fabrics, handloomed articles (e.g., handloomed rugs, scarves, placemats, and tablecloths), and hand-made articles made from handloomed fabrics, if made in Tanzania from fabric handloomed in Tanzania;	Kikoi/ Kikoi, Mgolole (Body Wrap, Scarf), Traditional Kikoi Shirt, Traditional Kikoi Boubou (long tunic)	Yes, Khanga. Please review links as additional criteria apply, including which companies can manufacture the textiles.	Link: Handloome d/Handmad e and Folklore Articles Link: Ethnic Printed Fabrics
Zambia*	Handloomed fabrics and handmade articles made from such handloomed fabrics including rugs, scarves, placemats, tablecloths, and other handloomed articles.			
*CITA made a Clarification of Determinations for this country to specify that handloomed rugs, scarves, placemats, tablecloths, and other handloomed articles are to be included as handloomed, handmade, and folklore articles under AGOA. This document is available here.				

DOCUMENTATION

One of the main benefits of AGOA is that it includes apparel and textile articles. As noted previously in the list of FAQs, the US government considers these "sensitive" products because imports of these items could undermine the US textile and apparel sector. A higher percentage of "sensitive" import shipments are inspected by US Customs and Border agents versus imports in non-sensitive categories. It is therefore critical that your documentation is in order.

II. WHAT DOCUMENTATION IS NEEDED TO EXPORT INTO THE US UNDER AGOA?

Please note that this section does not cover other forms of documentation required for textile and apparel exports between your country and the US, nor does it cover any importer-specific documentation, such as independent testing for things like flammability and colorfastness. This section only covers required AGOA-specific documentation.

Your shipment must be accompanied by a Textile Certificate of Origin (CoO) and your Commercial Invoice must be stamped with an AGOA visa stamp.

<u>Commercial invoice</u>: A commercial invoice is a document that provides detailed information about the goods being imported, including the quantity, value, and description of the goods. The commercial invoice is used by US Customs to determine the applicable duties and taxes that will be due on the goods. This document receives the AGOA visa stamp.

<u>Certificate of Origin:</u> A certificate of origin is a document that certifies the country of origin of a particular product. In the context of importing apparel into the US under AGOA, a certificate of origin is used to prove that the apparel originates from an AGOA beneficiary country. This is necessary to qualify for duty-free treatment under AGOA. The certificate of origin must be completed and signed by the exporter or the producer of the goods, and it must be presented to US Customs at the time of importation. For more information on this please see the "Rules of Origin" section of this FAQ.

It is important to note that the specific documents that will be required to import apparel into the US duty-free under AGOA may vary depending on the specific circumstances of the importation. You may wish to consult with a trade professional or US Customs for further guidance on the documents that will be required for your shipment.

12. WHAT IS A CERTIFICATE OF ORIGIN?

The Textile Certificate of Origin is a required document if you want to ship your product duty free under AGOA. It demonstrates that your product has been made in compliance with the AGOA Rules of Origin for textiles and wearing apparel. You typically obtain this document through your country's revenue authority and will be asked to provide information on where you have sourced the fabric and other components of your product.

The exporter or producer is required to prepare this document and provide it to the importer, who must be ready to provide it to US Customs and Border Protection.

Please ensure you are using a <u>Textile</u> Certificate of Origin versus a Certificate of Origin for general goods. Other active trade agreements, both within Africa and international, require a generic Certificate of Origin. You will know you have the correct document if the document has "AGOA" and "Textile" in the title and requires you to indicate your preference group. Information on preference groups and how to complete the documentation are provided in this FAQ.

13. HOW DO I GET A CERTIFICATE OF ORIGIN?

A Textile Certificate of Origin is typically obtained from a country's revenue authority or Chamber of Commerce. The authorized issuer and costs can differ from country to country and can vary within country depending on the export destination.

The table below captures issuing authorities for some of the AGOA eligible countries that have also met the wearing apparel visa provisions, which means that textiles and apparels are eligible to be exported duty free from these countries.

In some countries, you can obtain the certificate electronically whereas in other you must request it in person. The cost should be minimal—for example, in Kenya the document costs USD \$3, which requires the exporter to obtaining an F147 Payment Slip and make a payment in the bank.

Please note that this table is illustrative, not comprehensive. Please always confirm your country's current AGOA and wearing apparel eligibility status. The table is current as of April 2023 and is subject to change.

Country	CoO Issuing Authority	Location	Web Link
Benin	Chamber of Commerce, Industry and Handicrafts of Benin	Rue du Commerce, Cotonou, Benin	Phone: +229 21 31 10 18 Email: ccib@ccib-bj.org; info.ccib@ccibenin.org; ccib@bow.intnet.bj Website: http://www.ccibenin.org/
Botswana	Botswana Export Development and Investment Authority	Plot 54351, CBD, Gaborone, Botswana Postal Address: Private Bag 00445, Gaborone, Botswana	Phone: +267 36 31000 Email: info@botswanaexport.org.b w Website: www.bedia.co.bw
Cabo Verde	Cabo Verde Chamber of Commerce, Industry and Services of Sotavento	Avenida Cidade Lisboa - CP 102, Praia, Cabo Verde	Phone: +238 260 44 00 Email: cciss@cciss.cv
Chad	Chadian Chamber of Commerce, Industry, Mines and Crafts	Avenue Mobutu, BP 1507, N'Djamena, Chad	Phone: +235 22 52 01 89 / +235 22 52 12 27 Email: <u>ccimac@intnet.td</u> Website: <u>www.cci-tchad.td</u>
Côte d Ivoire	Ivorian Chamber of Commerce and Industry	Avenue Noguès, Plateau, Abidjan, Côte d'Ivoire	Phone: +225 20 31 46 46 Email: info@cci.ci Website: www.cci.ci
Eswatini	Eswatini Investment Promotion Authority	1st Floor, Nkonyeni House, Lot 1955, Corner Gwamile & Mdada Streets, Mbabane, Eswatini	Phone: +268 2404 5344 Email: info@investeswatini.org.sz Website: www.investeswatini.org.sz

Ghana	Ghana Export Promotion Authority	Starlets 91 Road, Opposite Accra Sports Stadium, P.O. Box M96, Accra, Ghana	Phone: +233 302 669 331-7 Email: info@gepaghana.org Website: www.gepaghana.org
Kenya	Kenya Revenue Authority, Rule of Origin Dpt. (Customs)	Nairobi, Times Tower, Haile Sellasie Avenue	http://infotradekenya.go.ke/ procedure/453/65?l=en
Lesotho	Lesotho Revenue Authority	LRA Headquarters, Kingsway Road, P.O. Box 64, Maseru 100, Lesotho	Phone: +266 22 313 166 Email: info@lra.org.ls Website: www.lra.org.ls
Liberia	Liberia Chamber of Commerce	36 Carey Street, P.O. Box 775, Monrovia, Liberia	Phone: +231 77 986 8989 Email: info@liberiachamber.org Website: www.liberiachamber.org
Madagascar	Industry, Handicrafts and Agriculture of Antananarivo Chamber of Commerce	Chamber of Commerce, Lot II R 3 Ambatobe, Antananarivo, Madagascar	Phone: +261 20 22 340 66 Email: cciaa@moov.mg Website: www.cciaa- antananarivo.com
Malawi	Malawi Confederation of Chambers of Commerce and Industry	61 Masauko Chipembere Highway Chichiri Trade Fair Ground. Central Region Office, Plaza House, City Center, Lilongwe, Malawi	Phone: +265 1 830 955 / +265 1 830 950 Email: info@mccci.org website: www.mccci.org
Mauritius	Mauritius Export Association	4th Floor, Unicorn House 5 Royal Street, Port Louis	Certificates of Origin - Mauritius Chamber of Commerce and Industry - MCCI
Mozambiqu e	Regional Directorate of Customs	South HQ: Rua Consiglier Pedroso, no 130 – Maputo Central HQ: Praça dos Trabalhadores – Edifício dos CFM - 1° andar – Beira North HQ: Rua do Porto, n° 30 – Nacala	South HQ: +258 21 32 41 43 Central HQ: +258 23 32 41 65 North HQ: +258 26 52 65 11
Namibia	Namibia Chamber of Commerce And Industry	Southport Building 13A First floor, Hosea Kutako Dr. Southern Industrial area, Windhoek, Namibia	Trade and Investment (ncci.org.na)
Niger	Chamber of Commerce, Industry and Crafts of Niger	BP 12100, Niamey, Niger	Phone: +227 20 73 31 74 / +227 20 73 31 75

		Email: ccianniger@yahoo.fr
Nigerian Association of Chambers of Commerce, Industry, Mines and Agriculture	8A, Oba Akinjobi Way, Ikeja GRA, Lagos. Plot 701B, Central Business District, Abuja.	www.naccimaecertify.com
Chamber of Commerce, Industry and Agriculture of Dakar	Avenue Albert Sarraut, BP 24 224, Dakar, Senegal	Phone: +221 33 849 77 00 / +221 33 849 77 07 Email: contact@cciad.sn
Sierra Leone Chamber of Commerce, Industry and Agriculture	1 Bathurst Street, P.O. Box 59, Freetown, Sierra Leone	Phone: +232 80 102030Email: info@slccia.sl
South African Revenue Services	Multiple offices across the country	www.sars.gov.za
Tanzania Chamber of Commerce, Industry and Agriculture	Tanzania Chamber of Commerce, Industry & Agriculture PPF HOUSE, Morogoro road/ Samora Avenue	http://www.tccia.com/
Togolese Chamber of Commerce and Industry	Angle Avenue de la Présidence - Avenue Georges Pompidou BP 360 Lomé	http://www.ccit.tg/
Uganda Revenue Authority	URA towers, Meza Nine floor, Nakawa, Kampala	www.ura.go.ug
Customs International and Policy Office Assistant Commissioner	Lusaka	www.zra.org.zm
	Chambers of Commerce, Industry, Mines and Agriculture Chamber of Commerce, Industry and Agriculture of Dakar Sierra Leone Chamber of Commerce, Industry and Agriculture South African Revenue Services Tanzania Chamber of Commerce, Industry and Agriculture Togolese Chamber of Commerce and Industry Uganda Revenue Authority Customs International and Policy Office	Chambers of Commerce, Industry, Mines and Agriculture Chamber of Commerce, Industry and Agriculture of Dakar Sierra Leone Chamber of Commerce, Industry and Agriculture South African Revenue Services Tanzania Chamber of Commerce, Industry and Agriculture Tanzania Chamber of Commerce, Industry and Agriculture Togolese Chamber of Commerce, Industry and Agriculture Togolese Chamber of Commerce and Industry Uganda Revenue Authority Uganda Revenue Authority Customs International and Policy Office Assistant Commissioner Plot 701B, Central Business District, Abuja. Avenue Albert Sarraut, BP 24 224, Dakar, Senegal 1 Bathurst Street, P.O. Box 59, Freetown, Sierra Leone Multiple offices across the country Tanzania Chamber of Commerce, Industry & Agriculture PPF HOUSE, Morogoro road/Samora Avenue Angle Avenue de la Présidence - Avenue Georges Pompidou BP 360 Lomé URA towers, Meza Nine floor, Nakawa, Kampala Lusaka

14. HOW DO YOU COMPLETE A TEXTILE CERTIFICATE OF ORIGIN?

A generic example of a Textile Certificate of Origin document is below. Though each county may have version that looks slightly different, the required information will remain the same.

A breakdown of the information you should include in each box is provided here. These instructions are derived from the following documents:

- The US Customs and Border Protection document "What Every Member of the Trade Community Should Know About: African Growth Opportunity Act" under "AGOA Textile Certificate of Origin Instructions"
- The USTR instructional document "Annex 6: African Growth and Opportunity Act Textile Certificate of Origin."

African Growth and Opportunity Act Textile Certificate of Origin

	rextile Certificate of Origin				
1.	Exporter Name & Address:		Importer Name & Address:		
2.	Producer Name & Address:		4. Preference Group:		
5.	5. Description of Article:				
	Group Each description below is only a summary of the cited CFR provision.			19 CFR	
	1-A Apparel assembled from U.S. fabrics and/or knit-to-shape components, fr U.S. yarns. All fabric must be cut in the United States.			10.213(a)(1)	
	2-B	Apparel assembled from U.S. fabrics and/or knit-to-shape components, from U.S. yarns. All fabric must be cut in the United States. After assembly, the apparel is embroidered or subject to stone-washing, enzyme-washing, acid washing, perma-pressing, oven-baking, bleaching, garment-dyeing, screen printing, or other similar processes.			
	3-C	Apparel assembled from U.S. fabrics and/or U.S. knit-to-shape components and/or U.S. and beneficiary country knit-to-shape components, from U.S. yarns and sewing thread. The U.S. fabrics may be cut in beneficiary countries, or in beneficiary countries and the United States.			
	4-D	Apparel assembled from beneficiary of components, from yarns originating in beneficiary countries.	10.213(a)(4)		
	5-E	Apparel assembled or knit-to-shape a lesser developed beneficiary countrie the fabric or the yarn used to make so	10.213(a)(5)		
	6-F	Knit-to-shape sweaters in chief weight cashmere.			
	7-G	Knit-to-shape sweaters 50 percent or 21.5 microns in diameter or finer.	10.213(a)(7)		
	8-H	Apparel assembled from fabrics or ya NAFTA, or designated as not available United States.	10.213(a)(8) or 10.213(a)(9)		
	9-I	Handloomed fabrics, handmade article textile folklore articles – as defined in	10.213(a)(10)		
6. U.S./African Fabric Producer Name & Address:		Fabric Producer Name &	7. U.S./African Yarn Producer Name & Address: 8. U.S. Thread Producer Name & Address:		
Handloomed, Handmade, or Folklore Article:		, Handmade, or Folklore	10. Name of Short Supply or Designated Fabric or Yarn:		

I certify that the information on this document is complete and accurate and I assume the responsibility for proving such representations. I understand that I am liable for any false statements or material omissions made on or in connection with this document. I agree to maintain, and present upon request, documentation necessary to support this certificate.

11. Authorized Sign	nature:	12. Company:
13. Name: (Print or	Type)	14. Title:
15. Date:	Blanket Period	17. Telephone:
(DD/MM/YY)	From: To:	Facsimile:

This form will need to be completed and signed by the exporter or the producer of the goods and given to the importer. The importer should be prepared to present it to the US Customs and Border Protection.

Block 1: State the legal name and address (including country) of the exporter.

Block 2: State the legal name and address (including country) of the producer. If there is more than one producer, attach a list stating the legal name and address (including country) of all additional producers. If this information is confidential, it is acceptable to state "available to CBP upon request" in block 2. If the producer and the exporter are the same, state "same" in block 2.

Block 3: State the legal name and address of the US importer.

Block 4: Insert the number and/or letter that designates the preference group which applies to the article according to the description contained in the CFR provision cited on the Certificate for that group.

Block 5: Provide a full description of each article. The description should be sufficient to relate it to the invoice description and to the description of the article in the international Harmonized System. Include the invoice number as shown on the commercial invoice or, if the invoice number is not known, include another unique reference number such as the shipping order number.

(Blocks 6 through 10 must be completed only when the block in question calls for information that is relevant to the preference group identified in block 4.)

Block 6: State the legal name and address (including country) of the fabric producer.

Block 7: State the legal name and address (including country) of the yarn producer.

Block 8: State the legal name and address of the US thread producer.

Block 9: State the name of the textile folklore article or state that the article is handloomed fabric or handmade article made of handloomed fabrics.

Block 10: Complete only when preference group "8" and/or "H" is inserted in block 4. State the name of the fabric or yarn that is in short supply in the NAFTA, or that has been designated as not available in commercial quantities in the United States.

Block II: The textile certificate of origin must be signed by the producer in the beneficiary country. An exporter who is not the producer may sign the certificate based on reasonable reliance on the producer's written representation that the article qualifies, or on a completed and signed certificate of origin from the producer.

Block 12: Insert the company name of the person signing block 11.

- Block 13: Type or print the name of the person in block 11.
- Block 14: Insert the title of the person in block 11.
- Block 15: Insert the date on which the Certificate was completed and signed.

Block 16: Complete if the Certificate is intended to cover multiple shipments of identical articles as described in block 5 that are imported into the United States during a specified period of up to one year. The "from" date is the date on which the Certificate became applicable to the article covered by the blanket Certificate (this date may be prior to the date reflected in block 15). The "to" date is the date on which the blanket period expires.

Block 17: Insert the telephone and facsimile numbers at which the person who signed the Certificate may be contacted.

15. WHAT IS AN AGOA VISA STAMP?

Obtaining an AGOA Visa stamp is a mandatory part of exporting textiles and apparel under AGOA. Customs authorities in the AGOA/exporting country (not the US/ importing country) must stamp the Commercial Invoice with an AGOA visa stamp. They must input details such as the name of the authorized customs official, visa number, quantity and so forth. These details must match the ones provided in your invoice. An example of an AGOA visa stamp is included here.

The AGOA visa stamp is not to be confused with a visa apparel a US importer will use to bring certain types of apparel into the US for processing and then re-export them back to their country of origin or another foreign country.

It is also not to be confused with an AGOA country's visa apparel system, which is a system that an AGOA country's government implements to ensure that products shipped under AGOA are legally legitimate. As an exporter, you interact with your country's visa apparel system when you apply for a Certificate of Origin or a visa stamp, for example.



Please note the other AGOA-specific export documentation that you must have the Textile Certificate of Origin, covered under "What is a Certificate of Origin?"

16. DO I NEED TO USE CERTAIN HTS)CODES TO EXPORT TEXTILES AND APPAREL UNDER AGOA?

Yes—your HTS codes are critical to being able to receive AGOA duty-free status.

HTS codes, are a standardized system of numerical codes used to classify products when importing or exporting goods internationally. They are used in various countries, including the United States, to determine the applicable tariffs, duties, and taxes on imported or exported items.

The HTS is an internationally recognized system developed and maintained by the World Customs Organization. Each country that adopts the system incorporates its additional national tariff codes into the harmonized system to create its unique tariff schedule.

When exporting to the United States you must have the appropriate HTS code for your product. This code is required for customs declarations and is used to determine the duties and taxes—or duty-free status—that may apply to your goods when they enter the US market. The USITC is responsible for maintaining and updating the HTSUS .

HTS codes consist of 10 digits, with the first six digits representing the international harmonized system code and the remaining digits being specific to the individual country's tariff classification. This means that, if you are exporting the same garment or textile product to two international markets (such as the US and Canada) the first six digits will be the same, but you would need to determine the final four digits, which can be country specific.

The General Rules of Interpretation (GRIs) for HS Codes

The HS system includes six GRIs to assist in determining the appropriate classification for complex products as detailed by the World Customs Organization.⁷

The GRIs assist in determining the appropriate classification of goods within the HS code system and help ensure consistent classification across different countries.

Here are the six GRIs:

- **GRI I:** Goods shall be classified according to the terms of their headings and any relative section or chapter notes.
- **GRI 2:** When a product cannot be classified under a specific heading by using GRI I, it should be classified under the heading that comes closest in terms of the product's description.
- **GRI 3:** When goods are composed of different materials or have distinct components, they should be classified in the heading that represents the material or component that gives the goods their essential character.
- **GRI 4:** If the classification of goods is not possible using GRI 3, the goods should be classified under the heading that comes last in numerical order among those that equally merit consideration.
- **GRI 5:** Containers and packaging should be classified with the goods they contain. However, if they are not suitable for repeated use, they should be classified with the goods that would warrant the most specific classification.
- **GRI 6:** When goods are presented in sets, it is essential to identify the primary component and then classify the full set under the heading that represents that primary component.

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⁷ The full text of the World Customs Organization's General Rules for the Interpretation of the Harmonized System can be found here.

Navigating the HTS Code Chapters

Buyers will often be able to tell you the HTS code they typically use for importing and customs brokers can also offer guidance, but you should review any recommended HTS codes to ensure they make sense for your product.

For the US, you can find the comprehensive list of HTS codes at the US International Trade Commission (USITC) website, <u>linked here</u>. There are ninety-nine chapters, but only a handful are relevant for African textile and apparel exporters.

<u>Chapter 98: Special classification provisions:</u> Even though textile and apparel articles are covered in earlier chapters, this is a critical chapter for you if you are exporting under AGOA, as it contains the HTS codes you should be using. There is a breakdown in the following table of the codes which are found in Chapter 98 under "Subchapter XIX: Textile and Apparel Goods Eligible for Special Tariff Benefits Under the Africa Growth and Opportunity Act" beginning on page 70 of 146.

Chapters 50-60 and 63 contain HTS codes for various textile articles.

Chapters 60 and 61 contain HTS codes for apparel, with 61 being for knits and 62 for wovens.

You will see in the table below that the HTS Codes in Chapter 98 reference Chapters 50-63. This is because Chapters 50-63 provide a comprehensive categorization of each textile or apparel article by use, material etc., whereas Chapter 98 takes the numerous textile and apparel articles in Chapters 50-63 and categorizes them more broadly by I) Are they apparel or textile? 2) From where the materials are sourced (US, AGOA country/countries, or another 3rd country)? and 3) in one case, where the cutting happens (US and/or AGOA country /countries). These align with the Rules of Origin categories discussed in Question 8 of the document "What are the Rules of Origin for Textiles and Apparel?"

HTS Codes for Exporting Textiles & Apparel under AGOA

HTS Number	Description
9819.11.03	Apparel articles of chapter 61 or 62 sewn/assembled in an AGOA country using US thread and US fabrics/knit-to-shape components made from US yarn and are embroidered or were processed (i.e. subjected to stone-washing, enzyme-washing, acid washing, permapressing, oven-baking, bleaching, garment-dyeing, screen printing or other similar processes).
9819.11.06	Apparel articles sewn/assembled in an AGOA country using US thread and US fabrics/knit-to-shape components made from US yarn.
9819.11.09	Apparel articles sewn/assembled in an AGOA country from fabric formed in an AGOA country/countries from yarn originating in either the United States or an AGOA country/countries.
9819.11.12	Apparel articles sewn/assembled in an AGOA country/countries which have lesser developed country (LDC) designation/can use 3rd country fabric. South Africa does not qualify for LDC status, please do not use this HTS code if you are exporting from South Africa.
9819.11.15	Sweaters, in chief weight of cashmere, knit-to-shape in an AGOA country/countries.

9819.11.18	Sweaters containing 50 percent or more by weight of wool measuring 21.5 microns in diameter or finer, knit-to-shape in an AGOA country/countries.
9819.11.27	Handloomed, handmade, folklore articles or ethnic printed fabrics. Only certain countries can export under that HTS code, please see the following section of the document to determine if this is available to you: Question 10. "How do I know if my product can be exported under Category 9 as handloomed/handmade, a folklore item or ethnic printed fabric?"
9819.11.30	Apparel articles assembled in an AGOA country/countries using: 1) US thread with components cut in the US and/or* an AGOA country/countries from US fabric and yarn, or 2) components knit-to-shape in the US and an AGOA country/countries from US yarns, or 3) from any combination of two or more of these knitting-to-shape or cutting operations. *Please note that cutting can be done by combinations of US and AGOA countries.
9819.11.33	Textile articles classifiable under chapters 50 through 60 or chapter 63 of the tariff schedule, produced in an AGOA country/countries which have lesser developed country (LDC) designation from materials that are the product of one or more LDC AGOA country/countries.

Where to use your HTS Code

Commercial Invoice: The HTS code is typically included in the commercial invoice. The commercial invoice is a required export document used in international trade transactions which provides details about the exported goods, including their description, quantity, value, and HTS classification.

The HTS code is usually listed in the product description section of the commercial invoice. Each product being exported should have its corresponding HTS code specified next to its description.

<u>CBP Form 7501</u>: Also known as the Entry Summary Form, this is used to identify merchandise entering the commerce of the United States, and to document the amount of duty and/or tax paid. CBP Form 7501 is submitted by the importer, or the importer's agent, for each import transaction.

It is crucial to accurately identify and include the correct HTS code for each product on your export documentation to avoid any potential customs delays or penalties.

Ramifications of misrepresenting the HS code system

Misrepresenting the HS code system as an exporter can have dire consequences, both legally and financially. Being transparent and compliant in customs declarations is crucial for maintaining a smooth and successful international trade operation.

If an exporter intentionally or inadvertently misrepresents the HS code, the following ramifications may occur:

17. **Customs Penalties and Fines:** Customs authorities take misclassification of goods seriously. If they detect that an exporter has provided an incorrect or inaccurate HS code on customs

- declarations, the exporter may face penalties and fines. These penalties can vary depending on the severity of the misrepresentation and the country's customs laws.
- 18. **Delayed Shipments:** Misrepresenting the HS code can lead to delays in customs clearance. Customs officials may need to reevaluate the classification, resulting in delays and disruptions to the supply chain.
- 19. Loss of Preferential Tariffs: If the misrepresentation is related to a free trade agreement like AGOA or GSP, the exporter may lose access to preferential tariffs and other benefits. Claiming a preferential tariff under a trade agreement requires accurate classification and adherence to rules of origin.
- 20. **Increased Import Costs for the Importer:** If the misclassification results in an incorrect assessment of tariffs or duties, the importer may end up paying higher import costs than necessary.
- 21. **Risk of Legal Action:** In some cases, misrepresenting the HS code may be considered customs fraud, which is a serious offense. Legal action may be taken against the exporter, leading to potential criminal charges and civil penalties.
- 22. **Reputation Damage:** Misrepresentation of the HS code can damage the exporter's reputation, leading to loss of trust from customers and business partners.
- 23. **Audit and Investigation:** Customs authorities may conduct audits or investigations to verify the accuracy of HS code declarations. If inconsistencies or misrepresentations are found, further scrutiny of the exporter's trade practices may occur. This would be based on the volume of goods and length of time the misrepresentation has occurred.

24. WHAT ARE COMMON MISTAKES EXPORTERS MAKE WHEN COMPLETING AGOA EXPORT DOCUMENTATION?

There are several common mistakes that exporters make when completing their paperwork and country of origin documents that can result in their products not qualifying for duty-free treatment under AGOA. Some of the most common mistakes include:

Attempting to export a product from a Non-AGOA country: A textile and apparel exporter attempting this would not get far, as they would quickly hit a wall when trying to obtain the Textile Certificate of Origin. Confirm if your country is eligible and re-confirm periodically as the US Government reviews eligibility annually. Please see "How Do I know if My Country is Part of AGOA?" for more information.

Classifying their product incorrectly: Exporters must use the correct Harmonized Tariff System (HTS) classification code, as this determines if a product is eligible for AGOA. Failing to accurately identify the country of origin: To qualify for AGOA, the product must originate from an AGOA-eligible country. Your harmonized tariff schedule (HTS) code is a 10-digit code used by US customs authorities to classify goods and determine the applicable duties and taxes that will be applied to them. Obtaining a

HTS code is a key step in the process of exporting goods to the US, as it allows customs authorities to accurately assess the duties and taxes that will be due on the goods.

To obtain a tariff classification number for your goods, you should first ask your importer if they can provide it. If they are unable to, you can refer to the Harmonized Tariff Schedule of the United States (HTSUS), which is a comprehensive list of all the HTS codes used by the US to classify goods. The HTSUS is available online and can be searched by keyword or by code, <u>linked here</u>. You can also contact the US International Trade Commission (ITC) for assistance in obtaining a tariff classification number for your goods. Additionally, you may be able to obtain a tariff classification number from a customs broker or other trade professional who can assist you with the process of exporting your goods to the US.

Attempting to export a product that is not AGOA-eligible: Although AGOA covers a staggering +6,500 products with duty-free status, you should first confirm if your specific product is eligible. Please see "What Textile and Apparel Articles are Covered Under AGOA?" for more detail.

Having a product that is made with ineligible fabric or components: Your product must comply with the AGOA Rules of Origin, which set out criteria regarding where your fabric and other components can be sourced from and where processing can occur. This prevents fraudulent use of AGOA. You demonstrate that you are complying with the Rules of Origin via a Certificate of Origin. Please see two sections for more information: "What are the Rules of Origin for Textiles and Apparel?" and "What is a Certificate of Origin?"

Failing to provide required documentation: To claim AGOA benefits, your shipment must include the appropriate documentation, it must be completed accurately, and it must be legible. This includes a valid AGOA Textile Certificate of Origin, and a Commercial Invoice stamped with an AGOA visa. Please see "What Specific Documentation is Needed to Export into the US Under AGOA?"