



Overview

This provision refers to articles of clothing in Chapters 61 and 62 that must be assembled using sewing thread of the Parties to the Agreement. The provision applies to the component that determines the tariff classification of the good and such component must satisfy the tariff change requirements set out in the rule for that good. This is a new provision under the new United States-Mexico-Canada Agreement (USMCA) and there is no such provision in the North American Free Trade Agreement (NAFTA).

Processing: sewing thread is considered formed and finished in the territory of one or more Parties if all production processes and finishing operations, starting with the extrusion of filaments, strips, film or sheet, and including slitting a film or sheet into strip, or the spinning of all fibers into yarn, or both, and ending with the finished single or plied thread ready for use for sewing without further processing, took place in the territories of one or more of the USMCA countries even if non-originating fiber is used in the production of sewing thread of heading 52.04, 54.01 or 55.08, or yarn of heading 54.02 used as sewing thread

References

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

Significant Changes in USMCA

Provision	USMCA	NAFTA
Sewing Thread	<p>New provision in USMCA.</p> <ul style="list-style-type: none"> • An article of apparel or clothing accessory of Chapter 61 or Chapter 62 that contains sewing thread of headings 52.04 (cotton), 54.01 (man-made filaments), or 55.08 (man-made staple fiber), or yarn of heading 54.02 (synthetic filament yarn) used as sewing thread shall be considered originating only if such sewing thread is both formed and finished in the territory of one or more of the Parties. 	<ul style="list-style-type: none"> • No provision.

Detailed USMCA/NAFTA Side-by-Side

Provision	USMCA	NAFTA
Sewing Thread	<ul style="list-style-type: none"> • Upon entry into force of USMCA, sewing thread of headings 5204, 5401 or 5508, or yarn of heading 5402 (used as sewing thread), may be sourced from anywhere. • However, effective 12 months after the date of entry into force of the agreement, apparel and clothing accessories of Chapter 61 or Chapter 62 containing sewing thread of headings 5204, 5401 or 5508, or yarn of heading 5402 (used as sewing thread), shall be considered originating only if such sewing thread is both formed and finished in the territory of one or more of the Parties. 	<ul style="list-style-type: none"> • No provision.

