

CBP will apply and accept the Generally Accepted Accounting Principles applicable in the country of production.

**§ 10.785 Special rule for verifications in Morocco of U.S. imports of textile and apparel products.**

(a) *Procedures to determine whether a claim of origin is accurate.* For the purpose of determining that a claim of origin for a textile or apparel good is accurate, CBP may request that the government of Morocco conduct a verification, regardless of whether a claim is made for preferential tariff treatment. While a verification under this paragraph is being conducted, CBP may take appropriate action, as directed by The Committee for the Implementation of Textile Agreements (CITA), which may include suspending the application of preferential treatment to the textile or apparel good for which a claim of origin has been made. If CBP is unable to make the determination described in this paragraph within 12 months after a request for a verification, or makes a negative determination, CBP may take appropriate action with respect to the textile and apparel good subject to the verification, and with respect to similar goods exported or produced by the entity that exported or produced the good, if directed by CITA.

(b) *Procedures to determine compliance with applicable customs laws and regulations of the United States.* For purposes of enabling CBP to determine that an exporter or producer is complying with applicable customs laws, regulations, and procedures in cases in which CBP has a reasonable suspicion that a Moroccan exporter or producer is engaging in unlawful activity relating to trade in textile and apparel goods, CBP may request that the government of Morocco conduct a verification, regardless of whether a claim is made for preferential tariff treatment. A “reasonable suspicion” for the purpose of this paragraph will be based on relevant factual information, including information of the type set forth in Article 6.5.5 of the MFTA, that indicates circumvention of applicable laws, regulations or procedures regarding trade in textile and apparel goods. While a

verification under this paragraph is being conducted, CBP may take appropriate action, as directed by CITA, which may include suspending the application of preferential tariff treatment to the textile and apparel goods exported or produced by the Moroccan entity where the reasonable suspicion of unlawful activity relates to those goods. If CBP is unable to make the determination described in this paragraph within 12 months after a request for a verification, or makes a negative determination, CBP may take appropriate action with respect to any textile or apparel goods exported or produced by the entity subject to the verification, if directed by CITA.

(c) *Assistance by U.S. officials to Moroccan authorities.* U.S. officials may undertake or assist in a verification under this section by conducting visits in Morocco, along with the competent authorities of Morocco, to the premises of an exporter, producer or any other enterprise involved in the movement of textile or apparel goods from Morocco to the United States.

(d) *Treatment of documents and information provided to CBP.* Any production, trade and transit documents and other information necessary to conduct a verification under this section, provided to CBP by the government of Morocco consistent with the laws, regulations, and procedures of Morocco, will be treated in accordance with Article 6.6 of the MFTA.

(e) *Notification to Morocco; continuation of appropriate action.* Prior to commencing appropriate action under paragraph (a) or (b) of this section, CBP will notify the government of Morocco. CBP may continue to take appropriate action under paragraph (a) or (b) of this section until it receives information sufficient to enable it to make the determination described in those paragraphs.

**§ 10.786 Issuance of negative origin determinations.**

If, as a result of an origin verification initiated under this subpart, CBP determines that a claim for preferential tariff treatment made under § 10.763 of this subpart should be denied, it will issue a determination in writing or via an authorized electronic