

### **Formulas for Calculating NAFTA Regional Value Content (RVC)**

- **Transaction Value: 60% is minimum**

- $RVC = \frac{TV - VNM}{TV} \times 100$

TV

- **Net Cost: 50% is minimum**

- $RVC = \frac{NC - VNM}{NC} \times 100$

NC

TV=Transaction Value (amount paid or payable for a good)

NC=Net Cost (amount to produce a good)

VNM=Value of Non-Originating Material