



# US-Mexico-Canada FREE TRADE AGREEMENT

## USMCA

---

Meredith Bond  
Director, U.S. Commercial Service – Omaha  
U.S. Department of Commerce | International Trade Administration  
402-680-4261  
[meredith.bond@trade.gov](mailto:meredith.bond@trade.gov)



# USMCA

<https://www.trade.gov/usmca>

- Day One
- USMCA vs NAFTA
- New Chapters
- USTR State Fact Sheets
- USDA State Fact Sheets
- USMCA Resources
- Issue Specific Fact Sheets
- Press Releases
- CBP's Interim Implementing Instructions



# Benefits of FTAs

Tariff elimination: your product costs less than before

- More competitive with local producers
- Advantage over 3rd country producers without an FTA

Better protection for your intellectual property

Ability to bid on government procurement

Fair treatment for US investors

Participate in product standards development

# How do you get the reduced tariff benefit of USMCA?

Make sure your product qualifies for the preference under the USMCA rules.

Let your customer know you have done your homework and the product qualifies.



# What is qualifying?

Just because your product is shipped from, “made” or assembled in the U.S. does not automatically mean that it qualifies for USMCA tariff reductions.

Rules vary by product but must prove “value added” content or work from within the USMCA territory.



# Why must goods be “qualified”?

Ensure that the benefits of the USMCA are enjoyed by U.S., Canadian and Mexican companies.

Prevent third country producers from passing their goods through the USMCA countries to obtain duty-free benefits.



# Why does this matter?

Burden of proof is on the exporter of record and claimed by the importer

Understand what you are declaring

- **You can be audited!**





Can I still send my product if it  
doesn't qualify for USMCA?

Yes, but your customer  
cannot claim reduced  
USMCA tariffs





# What is needed to establish proof of origin?

- **Rules of Origin** - based on the FTA or HS number of your exported good
- **Harmonized System Numbers** - for your finished products and for your imported materials
  - FTAs requiring tariff shift or RVC
- **Bill of Materials** - what do you buy to make your product? Where does it come from? What is the customs valuation of the product? Value of the materials? Information from your supply chain.
- **PATIENCE** - with yourself and your suppliers
- **TIME** - to gather and organize your data





# Harmonized System (HS) Classification

For FTAs that use a tariff shift or regional value content calculations you first need to make sure your goods and non-FTA materials are classified correctly

If your classification for your exported good is incorrect, then you are using the incorrect rule and your supporting documentation is **INVALID**.



# Assumptions

You have the correct HS classifications for your products



# Origin vs. Originating

## Country of Origin

- Where the product was made, produced, manufactured, or assembled
- In general, the country where an article becomes what it is

# Origin vs. Originating

## Originating

- You must prove value-added production as per the FTA
- Just because your product is made or assembled in the U.S. does NOT automatically mean that it qualifies for FTA tariff reductions

# Where to find rules of origin

Three options for finding ROOs:

1. [U.S. International Trade Commission](#) website is part of the Harmonized Tariff Schedule of the United States. Open the most recent year's document "By Chapter." ROOs are in "General Notes; General Rules of Interpretation; General Statistical Notes." The ROOs for all FTAs are in one large document. The FTA is indicated at the top of the page under the page number. The ITC lists most up-to date rules (taking into account revisions to HS codes).
2. [United States Trade Representative](#) (USTR) website - has the original ROOs in an annex or in the chapter titled "Rules of Origin" of an FTA. You may need to consult the most recent rules (in the General Notes included in the U.S. Harmonized Tariff Schedule) as opposed to the original ones since HS codes are sometimes revised every few years, necessitating the need to adjust the rules.

# Where to find rules of origin

- Third Option: The [Rules of Origin Facilitator](#) provides user-friendly access to the International Trade Centre (ITC's) database of rules of origin and origin provisions in trade agreements. The ITC's Market Access Map currently contains data for more than 270 trade agreements applied by more than 190 countries as well as non-preferential regimes of the U.S., EU, and Switzerland.



# Rules of Origin

- Wholly originating
- Goods Purchased from Originating Materials
- Tariff Shift
- Regional Value Content





# Claiming USMCA preference

## You assume responsibility for data

- All of the goods originate in a USMCA country or all of the goods meet the specified rule(s) of origin
- Signer agrees to maintain & present upon request supporting documentation for all claims
- Know transshipment provisions





# Burden of Proof

To claim preferential duty treatment under USMCA

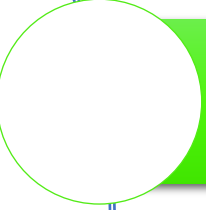
- Importer must have proof that the good qualifies
- Exporter provides proof to Importer
- Customs of importing country has right to verify information on exporter documents
- Required to keep records for 5 years



# Documentation/Certificates of Origin



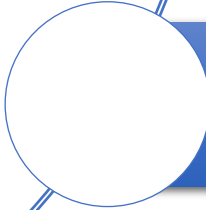
There is no set format or government printed certificate of origin for USMCA.  
Many logistics companies have templates you can download.



While you can put in any format, there are required data elements found in USMCA Chapter 5, Annex 5A  
“Minimum Data Elements”



Low value shipments under US\$2500: “I hereby certify that the goods covered by this shipment qualify as an originating good for the purposes of preferential tariff treatment under USMCA/CUSMA/T-MEC”.



*Remember – these are self certifying documents. They are not signed by a Chamber of Commerce like a generic Certificate of Origin.*

# ANNEX 5-A

# MINIMUM DATA ELEMENTS

A certification of origin that is the basis for a claim for preferential tariff treatment under this Agreement shall include the following elements:

1. Importer, Exporter, or Producer Certification of Origin: Indicate whether the certifier is the exporter, producer, or importer in accordance with Article 5.2 (Claims for Preferential Tariff Treatment).
2. Certifier: Provide the certifier's name, title, address (including country), telephone number, and email address.
3. Exporter: Provide the exporter's name, address (including country), e-mail address, and telephone number if different from the certifier. This information is not required if the producer is completing the certification of origin and does not know the identity of the exporter. The address of the exporter shall be the place of export of the good in a Party's territory.
4. Producer: Provide the producer's name, address (including country), e-mail address, and telephone number, if different from the certifier or exporter or, if there are multiple producers, state "Various" or provide a list of producers. A person that wishes for this information to remain confidential may state "Available upon request by the importing authorities". The address of a producer shall be the place of production of the good in a Party's territory.
5. Importer: Provide, if known, the importer's name, address, e-mail address, and telephone number. The address of the importer shall be in a Party's territory.
6. Description and HS Tariff Classification of the Good: (a) Provide a description of the good and the HS tariff classification of the good to the 6-digit level. The description should be sufficient to relate it to the good covered by the certification; and (b) If the certification of origin covers a single shipment of a good, indicate, if known, the invoice number related to the exportation.
7. Origin Criteria: Specify the origin criteria under which the good qualifies, as set out in Article 4.2 (Originating Goods).
8. Blanket Period: Include the period if the certification covers multiple shipments of identical goods for a specified period of up to 12 months as set out in Article 5.2 (Claims for Preferential Tariff Treatment).
9. Authorized Signature and Date: The certification must be signed and dated by the certifier and accompanied by the following statement:
  - I certify that the goods described in this document qualify as originating and the information contained in this document is true and accurate. I assume responsibility for proving such representations and agree to maintain and present upon request or to make available during a verification visit, documentation necessary to support this certification.

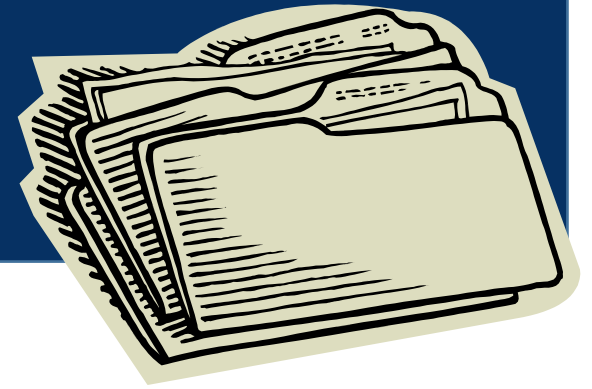


# Origin Criteria (element #7)

- Remember “Preference Criterion” from NAFTA?
- See Article 4.2: Originating Goods
- “A” wholly obtained or produced entirely in the territory of one or more of the Parties
  - Think commodities, minimally processed products
- “B” produced entirely in the territory of one or more of the Parties using non-originating provided the good satisfies all applicable requirements of the Product-Specific Rules of Origin
  - Most manufactured goods
- “C” produced entirely in the territory of one or more of the Parties exclusively from originating materials
  - “C is for certificates...”



# Recordkeeping



- 5 years
- Includes all the documentation that establishes the classification, origin and values for your materials
  - What is your process for verification? How do you get information from your suppliers? Keep this correspondence.
  - BOM analysis sheets
  - Contact names and information - internal and suppliers
  - Log sheet on when this is reviewed

# FTA Help Online

## **FTA Tariff Tool**

The FTA Tariff Tool is an online resource to help you determine the tariff, or tax at the border, that certain foreign countries will collect when your product crosses into their country. In trade agreements, countries commit to lowering tariff rates over time to zero.

The FTA Tariff Data Tool is a database with all the rates the United States' Free Trade Agreement (FTA) partners have committed to implementing and maintaining.

<https://www.export.gov/FTA-Tariff-Tool>

## **Free Trade Agreements Help Center**

Practical guidance on preferential tariff treatment for 20 countries with whom we have Free Trade Agreements. These resources can help you research and discover if your product or service would benefit from an FTA. Take advantage of FTAs today to increase your competitiveness in markets representing almost 40% of US exports.

<https://www.trade.gov/free-trade-agreements-help-center>





# Our Mission - Grow U.S. exports to increase U.S. jobs.

## How we are different:



### Worldwide Recognition

As the U.S. government, we can open doors that no one else can in markets around the world.



### Global Network

Our unmatched global network with trade experts in more than 80 countries can provide you with on-the-ground knowledge and connections.



### Results Driven

Our expert, in-person counseling is unparalleled and designed to help you succeed in global markets.



## Let our global network work for you.

### Worldwide Recognition

As the U.S. government, we can open doors that no one else can in markets around the world.

### Global Network

Our unmatched global network with trade experts in more than 80 countries can provide you with on-the-ground knowledge and connections.

### Results Driven

Our expert, in-person counseling is unparalleled and designed to help you succeed in global markets.



# The world is open for your business.

Our global network of experienced trade professionals is located throughout the United States and in U.S. Embassies and Consulates worldwide. Whether you're looking to make your first export sale or expand to additional markets, we offer the expertise you need to connect with lucrative opportunities and increase your bottom line.

## Our Services



### Export Counseling

- Develop effective market entry and sales strategies.
- Understand export documentation requirements and import regulations of foreign markets.
- Navigate U.S. government export controls, compliance and trade financing options.



### Market Intelligence

- Analyze market potential and foreign competitors.
- Obtain useful information on best prospects, financing, laws, and cultural issues.
- Conduct background checks on potential buyers and distributors.



### Business Matchmaking

- Connect with pre-screened potential partners.
- Promote your product or service to prospective buyers at trade events worldwide.
- Meet with international industry and government decision makers in your target markets.



### Commercial Diplomacy

- Overcome trade obstacles to successfully enter international markets.
- Benefit from coordinated U.S. government engagement with foreign governments to protect U.S. business interests.


# U.S. Commercial Service

**A.J. Anderson, Director**

300 W. Douglas Ave, Suite 850  
Wichita, KS 67202

[Andrew.Anderson@trade.gov](mailto:Andrew.Anderson@trade.gov)



 316-263-4067

