

The new USMCA/T-MEC/CUSMA takes effect July 1, 2020

What does this new Canada-US-Mexico trade agreement mean to you? This new free trade agreement replaces NAFTA and is known by 3 different acronyms. In the USA it is called USMCA, in Mexico it is called T-MEC and in Canada it is called CUSMA.

USMCA/T-MEC/CUSMA brings many changes, however this notice covers the most immediate change to our customers. Despite requests from many industry groups to delay implementation due to Covid-19, this is proceeding.

Importers and Exporters need to take immediate action to certify your goods under this new free trade agreement.

NAFTA Certificate of Origin will no longer be valid for shipments cleared from July 1.

Without USMCA/T-MEC/CUSMA Certification, goods may be subject to duty after July 1.

Many goods that qualified under NAFTA rules of origin will still qualify under USMCA/T-MEC/CUSMA rules of origin, however, you cannot presume this is so. Some rules of origins have changed so special care must be taken.

NAFTA Specific Rules of origin

CUSMA Specific Rules of Origin (automobiles and auto parts start on page 227)

The rules are still highly reliant on the HS classification of the final product, the classification of the respective parts, materials and ingredients, tariff shift requirements and in some cases regional value content.

For many of our customers and their North American suppliers, the biggest adjustment will be the method of certifying. Under NAFTA, there was the NAFTA Certificate of Origin. Under CUSMA there is no official form, only required data elements: <u>Certifying goods under CUSMA</u>

Courtney has created forms and instructions. Attached to this email is a zipped file containing instructions, fillable forms (Certification and Continuation Sheet) and excel spreadsheet version of same forms. You may use either of these forms, or your own format. Be sure your certification contains all the mandatory data elements and is duly signed and dated.

Of course, we are here to help. Please contact your client rep or any of our specialists including graeme@courtney.ca (Compliance Manager), moka@courtney.ca (Traffic Manager), serrena@courtney.ca or kyle@courtney.ca.



With thanks - we will get through this.

Paul Courtney, President



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