

On November 30, 2018 an agreement to ratify the new tri-lateral trade agreement between the United States of America, Canada and Mexico was reached, bringing the agreement into force on July 1, 2020. In the U.S. the agreement is known as the United States-Mexico-Canada Trade Agreement (USMCA), while in Mexico it is identified as T-MEC and in Canada it is referred to as the Canada-United States-Mexico Agreement (CUSMA). Under the agreement significant changes occur in the auto, dairy and agriculture industries, as well as enhanced labor, modernized digital trade, copyright and environmental provisions, bio-pharmaceutical protections and changes to duty preference criteria.

Certification of origin options under USMCA/T-MEC/CUSMA

Flexible certifying options are introduced with CUSMA. Regardless of the option used, the exporter, producer or importer of the goods can now provide the certification. Imported goods must originate and be exported from a USMCA/T-MEC/CUSMA country. The certification of origin may be in English, French, or Spanish and an electronic signature is accepted.

Options include:

A. Blanket Certification

– USMCA/T-MEC/CUSMA origin form
 Similar to NAFTA, the CUSMA eligible goods you import are managed by supplying a blanket USMCA/T-MEC/CUSMA certification of origin form. Under this option, all imported qualifying products indicating U.S., Mexico or Canada origin are processed using preferential CUSMA duty rates. CUSMA blanket declarations are comprised of data elements required on the form. The [certification of origin](#) PDF blanket certification form may be utilized for this option.

B. Individual Commercial Invoice Certification

– supplied with shipping documents
 CUSMA declaration can be made by adding information to any invoice document, or if preferred, by providing it on a separate document accompanying the shipment with the following nine certification of origin data elements and statement:

1. Indicate the certifier (importer, exporter or producer)
2. Name, address (including country) and contact information of the certifier
3. Name, address and contact information of the exporter (if different from the certifier)
4. Name, address and contact information of the producer (if different from the certifier, or exporter)
5. Name, address and contact information of the importer
6. Description and HS Tariff Classification (6-digit level) for the Goods (include invoice number if known)
7. Specify the origin criterion under which the good qualifies, as set out in Article 4.2 (Originating Goods) of Chapter 4 of the CUSMA: <https://www.international.gc.ca/trade-commerce/assets/pdfs/agreements-accords/cusma-aceum/r-cusma-04.pdf>
8. Blanket Period (date range up to 1 calendar year)
9. Authorized Signature (may be electronic) of the certifier and Date

The following statement must accompany the above certification: *"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."*

The [Commercial Invoice - Certification of Origin \(PDF\)](#) form may be utilized for this option

C. Simplified Low Value Certification/Statement (LVS) (<\$3,300 CAD)

- LVS statement on shipping documents
- A simplified CUSMA (LVS) low value certification/statement (Goods valued below <\$3,300 CAD) is acceptable in Canada for commercial goods. The following statement can be provided on/with the shipping documents: *I hereby certify that the goods covered by this shipment qualify as an originating good for the purposes of preferential tariff treatment under USMCA/T-MEC/CUSMA*

Key Facts

- CUSMA begins July 1; current 2020 NAFTA Certification will cease to be valid for the balance of the year. There is no grace period once CUSMA goes live
- Please see the [certification of origin](#) (PDF) for your convenience. Blanket certifications of origin are acceptable for up to a period of 12 months (e.g., July 1, 2020 to June 30, 2021).
- Starting in the Spring of 2021, FedEx Trade Networks Transport & Brokerage, Inc. (a subsidiary of FedEx Logistics, Inc.) will provide you with an annual USMCA/T-MEC/CUSMA renewal letter, so you may update or reconfirm your preferred option and provide us with your updated certificate of origin form(s).

Importer Responsibilities

- It is an importer's legal responsibility to maintain all valid certification/proof of origin documents when using free trade agreements. You must ensure that all goods that benefit from the preferential tariff treatment do, in fact qualify
 - *origin applicability can be requested/required by Canada Border Services Agency (CBSA) during a verification.*
- Declaring preferential duty rates without a valid certificate at the time of import can expose your company to substantial retroactive duties, interest and penalties ranging from \$150 to \$25,000 CAD.
- Where CUSMA declarations are made in error, importers are required to file amending entries (corrections) post clearance.
- The audit trail (records) for Free Trade Agreements (FTA) certification are to be retained for the year of the import/clearance plus an additional six years.

CUSMA Pointers

1. Importers should focus on the accurate completion/validity of the certification and note that CBSA accepts electronic signatures.
2. CUSMA blanket certification are the most effective when accurate descriptions, part numbers or SKUs are utilized and identical information is referenced on shipping documents, enabling a match between your Product Dictionary database information and import clearances. Using vague information on a CUSMA blanket or shipping invoice lessens chances of success and could result in duty payment, necessitating a claim post entry.
3. To ensure timely and accurate application, CUSMA blanket certification (if this option is chosen) must be in our possession prior to July 1, 2020.

4. Additional certification may be provided to us by email throughout the year for newly qualified commodities at: fta-canada@ftn.fedex.com

Resources

CUSMA; what importers need to know:
<https://www.cbsa-asfc.gc.ca/services/cusma-aceum/menu-eng.html>

Customs Notice 20-14; Implementation of the Canada-United States-Mexico Agreement (CUSMA):
<https://www.cbsa-asfc.gc.ca/publications/cn-ad/cn20-14-eng.html>

FedEx Shipping Services; the new Agreement:
<https://www.fedex.com/en-ca/shipping-services/international/regulatory/cusma.html>

Conclusion

Businesses should evaluate how the changes in the CUSMA will affect their business, review new requirements and determine whether current practices will allow compliance under CUSMA once it is in force. Importers should seek guidance or consult the services of a knowledgeable trade advisor/legal expert when in doubt.

To return forms and certification, or for more information about our CUSMA maintenance program or FTA in general please contact our CUSMA team at 905.677.7371 or via e-mail: fta-canada@ftn.fedex.com or fax: 905.671.0895

To update or verify your products, related HS classifications and applicable duty rates we have on file for your company for accuracy, contact our Product Dictionary Information Group at pdig-ca@ftn.fedex.com

Access the following here:

[certification of origin](#), [combined certification of origin and commercial invoice](#), [2020 CUSMA Management Program letter](#) and [frequently asked questions](#).