

Frequently asked questions

United States-Mexico-Canada Agreement

CONTENTS

(1) What does USMCA stand for?	2
(2) What other names are used for the new agreement?	2
(3) When was the new agreement signed?	2
(4) What is the effective date of the agreement?	2
(5) What was the process for the implementation of the agreement?	2
(6) How long will the USMCA remain in effect?	2
(7) Where can I find the text of the Agreement?	2
(8) Does U.S. Customs and Border Protection (CBP) have information available on the Agreement?	2
(9) Will qualified goods be duty free under the USMCA?	3
(10) How do I claim origin preferential treatment?	3
(11) Is a specific form required, like the 434 for NAFTA?	3
(12) What are the required data elements necessary for the USMCA Certification?	3
(13) What are the main requirements for the certification or origin?	3
(14) How long may a Blanket Certification be made for?	4
(15) Do I need to indicate that I used a net cost regional value content on my Certification?	4
(16) Can I use my NAFTA Certificate of Origin for the USMCA?	4
(17) Do I need to complete a Certification for low value shipments (under \$2500)?	4
(18) If my goods qualified under NAFTA, can I assume they qualify under the USMCA?	4
(19) If goods are shipped from offshore (other than Canada or Mexico), that are made in Canada, the U.S. or Mexico, can these goods enter under the USMCA?	4
(20) Does the USMCA have a De Minimis provision, like NAFTA?	4
(21) How long must records be retained under the agreement?	4
(22) Can I apply for an advanced ruling for a product under the USMCA?	5
(23) Can post entry claims be made for goods entered without the benefit of the USMCA, that had not been properly qualified when imported?	5
(24) What procedure is used to recover duty paid when a USMCA claim was not made?	5
(25) Is Merchandise Processing Fee (MPF) recoverable under a post entry procedure?	5
(26) May goods be entered using the Free Trade Agreement Reconciliation Program?	5
(27) Is there a Duty Drawback, and Duty Deferral Program, like under NAFTA?	6
(28) Were certain industries more affected by changes in the USMCA?	6
(29) How is the automotive industry affected?	6
(30) How is the textile industry affected?	6
(31) Will Certificates of Eligibility still be required for Tariff Preference Level (TPL) textile and wearing apparel quota?	7
(32) Are any enforcement mechanisms changed?	7

(33) Is there a Sunset clause to the Agreement?	7
(34) Where can I find more information?	7
Contact information for Customs and Border Protection (CBP):	7

(1) What does USMCA stand for?

A. USMCA stands for United States-Mexico-Canada Agreement.

(2) What other names are used for the new agreement?

A. In Canada, it's known as the Canada-United States-Mexico Agreement (CUSMA). In Mexico, it's known as Tratado Entre Mexico, Estados y Canada (T-MEC).

(3) When was the new agreement signed?

A. The United States, Mexico and Canada [signed](#) the new trade agreement on November 30, 2018 in Buenos Aires, Argentina at a Group of 20 (G20) Summit. After signing the agreement required ratification by the respective governments.

(4) What is the effective date of the agreement?

A. It is effective for goods entered or withdrawn from warehouse on or after July 1, 2020.

Goods entered prior to that date may be entered under the North American Free Trade Agreement (NAFTA).

(5) What was the process for the implementation of the agreement?

A. All three countries had to ratify the agreement before it entered into force, with the enter into force date occurring on the first day of the third month after the last notice of ratification.

Mexico was the first to [ratify](#) the agreement on June 16, 2019, with [changes](#) on labor and environmental issues ratified on December 12, 2019. The United States ratified on [January 29, 2020](#), and Canada on [March 13, 2020](#).

(6) How long will the USMCA remain in effect?

A. A joint review is required six years after entry into force. At this joint review, the Parties will review the operation of the Agreement, review any recommendations for action submitted by a Party, and decide on any appropriate action.

(7) Where can I find the text of the Agreement?

A. The text is available online. You can find it on the U.S. Trade Representative's [USMCA](#) webpage.

(8) Does U.S. Customs and Border Protection (CBP) have information available on the Agreement?

A. Please see CBP's [USMCA](#) webpage, including [Interim Implementation Instructions](#), and Frequently Asked Questions (FAQs).

While we have made every attempt to ensure that the information herein has been obtained from reliable sources, PNG Worldwide is not responsible for any errors or omissions, or for the results obtained from the use of this information.

(9) Will qualified goods be duty-free under the USMCA?

A. Yes, qualified goods will be duty free.

(10) How do I claim origin preferential treatment?

A. The Agreement includes [Chapter 5, Origin Procedures](#), which indicates that preferential tariff treatment will be based on a certification of origin, rather than a formal Certificate of Origin.

(11) Is a specific form required, like the 434 for NAFTA?

A. No, there is no required form, nor prescribed format, but there are specific data elements that are required.

(12) What are the required data elements necessary for the USMCA certification of origin?

A. The minimum data elements to be provided for the certification are:

- ❖ Indicate who is providing the certification, the importer, exporter or producer
- ❖ Certifier – provide name, title, address, phone, email
- ❖ Exporter – provide name, title, address, phone, email (not required if producer)
- ❖ Producer- provide name, title, address, phone, email (if multiple, indicate various, available on request, or see attached list)
- ❖ Importer – provide name, title, address, phone, email (the importer must be in a party country)
- ❖ Description and 6-digit Harmonized Tariff Schedule (HTS) classification. For single shipments, provide the invoice number
- ❖ Origin criterion
- ❖ Blanket period (covers multiple shipments for specified period of up to 12 months)
- ❖ Certification 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.'
- ❖ Authorized signature and date

(13) What are the main requirements for the certification or origin?

A. The main requirements are:

- ❖ The certification may apply to a single shipment or multiple shipments of identical goods within any period specified, not to exceed 12 months.
- ❖ The certification may be noted on a commercial invoice or other document.
- ❖ Certification may be made by the Producer, Exporter or Importer of the goods.

While we have made every attempt to ensure that the information herein has been obtained from reliable sources, PNG Worldwide is not responsible for any errors or omissions, or for the results obtained from the use of this information.

- Electronic/digital signature is acceptable.
- Importer must be in possession of the certification of origin to claim the preferential tariff treatment.

(14) How long may a Blanket Certification be made for?

A. Up to one year. For example, July 1, 2020 to June 30, 2021.

(15) Do I need to indicate that I used a net cost regional value content on my Certification?

A. No. Although this was required under NAFTA, it is not required under the USMCA.

(16) Can I use my NAFTA Certificate of Origin for the USMCA?

A. No. CBP will not accept a NAFTA Certificate. A new certification must be made using the required data elements.

(17) Do I need to complete a certification of origin for low value shipments (under \$2500)?

A. Although CBP does not require one, you need to be able to support your claim and provide certification should CBP request it. PNG Worldwide is requiring you complete a certification of origin, so we know to claim USMCA, as we have no knowledge of whether your product qualifies, meeting tariff shifts and value requirements.

(18) If my goods qualified under NAFTA, can I assume they qualify under the USMCA?

A. No, you must look to the specific rules of origin found in [Rules of Origin](#), as they may have changed.

The specific rules will be posted to General Note 11 of the U.S. Tariff, but are not yet available.

(19) If goods are shipped from offshore (other than Canada or Mexico), but are made in Canada, the U.S. or Mexico, can these goods enter under the USMCA?

A. No, direct shipments are required. The goods cannot have been entered for consumption into the commerce of another country.

(20) Does the USMCA have a De Minimis provision, like NAFTA?

A. Yes, the general rule is increased from 7% under NAFTA to 10% under the USMCA, but there are specific rules for textiles.

(21) How long must records be retained under the agreement?

A. **For Imports**, records must be maintained for five years from the date of importation:

While we have made every attempt to ensure that the information herein has been obtained from reliable sources, PNG Worldwide is not responsible for any errors or omissions, or for the results obtained from the use of this information.

- ❖ Maintain all the documentation related to the importation, including the Certification Statement.
- ❖ All records necessary to demonstrate that the good is originating, if the claim was based on a certification of origin completed by the importer.
- ❖ The information, including documents, necessary to demonstrate the compliance. Refer to Article 5.4.1(e) of the Agreement (Obligations Regarding Importations).

B. **Exporters and producers** must maintain records in the country of export for five years after the date on which the certification of origin was completed (or for such longer period as the Party may specify). This includes all records necessary to demonstrate that a good for which the exporter or producer provided a certification of origin or other written representation was originating, and includes records associated with:

- i. the purchase of, cost of, value of, shipping of, and payment for, the good or material;
- ii. the purchase of, cost of, value of, shipping of, and payment for all materials, including indirect materials, used in the production of the good or material;
- iii. the production of the good in the form in which the good is exported or the production of the material in the form in which it was sold.

(22) Can I apply for an advanced ruling for a product under the USMCA?

A. Yes.

(23) Can post-entry claims be made for goods entered without the benefit of the USMCA that had not been properly qualified when imported?

A. Yes, you have one year from date of import to file a claim, but the Merchandise Processing Fee (MPF) is not recoverable.

(24) What procedure is used to recover duty paid when a USMCA claim was not made?

A. A protest is used to recover duties under the USMCA.

(25) Is Merchandise Processing Fee (MPF) recoverable under a post-entry procedure?

A. No.

(26) May goods be entered using the Free Trade Agreement Reconciliation Program?

A. Yes, but MPF is not recoverable. It is recommended to file separate recon entries if you have goods falling under NAFTA and the USMCA during a recon period, to ensure MPF is refunded under NAFTA.

While we have made every attempt to ensure that the information herein has been obtained from reliable sources, PNG Worldwide is not responsible for any errors or omissions, or for the results obtained from the use of this information.

(27) Is there a Duty Drawback, and Duty Deferral Program, like under NAFTA?

A. Yes.

(28) Were certain industries more affected by changes in the USMCA?

A. Yes, industries most affected include:

- i. Automotive/automotive parts
- ii. Textile and apparel
- iii. Manufactured goods
- iv. Agricultural industries

(29) How is the automotive industry affected?

A. There are new criteria for automotive goods which were not present under NAFTA. These include:

- i. Increased Regional Value Content from 62.5% to 75%, staged over a three-year period.
- ii. At least 70% of a vehicle producer's annual steel and aluminum procurement must originate in North America.
- iii. A Labor Value Content of 40%/45% required for automobile/light truck manufacturer workers to earn at least US\$16 per hour.
- iv. Quotas established for auto parts and vehicles.

(30) How is the textile industry affected?

A. Basic concepts under NAFTA are maintained, but below are noted changes to be aware of:

- i. Chapter 61 and 62 Tariff Shift Rules.
- ii. Manufacturers allowed to use textile inputs (such as rayon fibers and visible lining fabric) that are not generally available in North America.
- iii. There is an increase in the De Minimis percentage for non-originating materials from 7-10%, but within this the total weight of any elastomeric content may not exceed 7%.
- iv. Sewing thread, pocketing fabric, narrow elastic bands, and coated fabric used in the production of apparel must be made in North America to enable those products to be treated as originating (under NAFTA, these items can be sourced from outside the region).
- v. Some Tariff Preference Levels (TPLs) for US imports from Canada and Mexico are reduced, while TPLs for US exports to Canada of apparel and other finished textile goods are substantially increased.
- vi. The creation of a Textiles Chapter, including textile-specific verification and customs cooperation provisions which provide new tools for strengthening customs enforcement and preventing fraud.

While we have made every attempt to ensure that the information herein has been obtained from reliable sources, PNG Worldwide is not responsible for any errors or omissions, or for the results obtained from the use of this information.

(31) Will Certificates of Eligibility still be required for Tariff Preference Level (TPL) textile and wearing apparel quota?

A. Certificates of Eligibility will be required for exports of clothing and textile goods that are eligible for tariff preference level treatment under USMCA upon entry into the U.S. or Mexico.

(32) Are any enforcement mechanisms changed?

A. Yes, there are provisions to combat antidumping and countervailing duty (AD/CVD) evasion, commitments to interdict transshipped Intellectual Property Right (IPR) infringing goods, prohibitions on the importation of goods sourced from forced labor, and requirements to prevent illegal taking of wild flora and fauna. New enforcement tools will expand confidential trade data sharing; increase joint analysis, investigations and operations; and facilitate facility verification visits to assess production capacity.

(33) Is there a Sunset clause to the Agreement?

A. The USMCA has a 16-year term to the agreement, with joint review required within the first six years. After six years, the three parties can choose to revisit and review the terms and renegotiate or withdraw altogether. It maintains a six month opt-out of the deal notice that existed in the old NAFTA agreement.

(34) Where can I find more information?

- i. U.S.-Mexico-Canada Agreement Text: [U.S. Trade Representative](#)
- ii. U.S.-Mexico-Canada Agreement Implementation Act (Public Law No: 116-113) [U.S. Congress](#)
- iii. U.S.-Mexico-Canada Agreement: Likely Impact on the U.S. Economy and Specific Industry Sectors: [International Trade Commission, Publication No. 4889; Investigation No. TPA 105-003](#)

Contact information for Customs and Border Protection (CBP):

USMCA Center:

Staffed with CBP experts from operational, legal, and audit disciplines, as well as in collaboration with Canadian and Mexican customs authorities, the USMCA Center is a cornerstone of CBP's USMCA implementation plan and will serve as a central communication hub for CBP and the private sector community, including traders, brokers, freight forwarders and producers, ensuring a smooth and efficient transition from the North American Free Trade Agreement to USMCA.

Inquiries for the USMCA Center can be directed to USMCA@cbp.dhs.gov.



While we have made every attempt to ensure that the information herein has been obtained from reliable sources, PNG Worldwide is not responsible for any errors or omissions, or for the results obtained from the use of this information.