

FREQUENTLY ASKED QUESTIONS

USMCA

United States-Mexico-Canada Agreement

Frequently Asked Questions

USMCA (United States-Mexico-Canada Agreement)

What does USMCA stand for and what other names are used for the new agreement?	3
What is the effective date of the agreement?	3
How long will the USMCA remain in effect?	3
Where can I find the text of the Agreement?	3
Does U.S. Customs and Border Protection (CBP) have information available on the Agreement?	3
Will qualified goods be duty-free under the USMCA?	3
What Special Program Indicator/s (SPIs) are used under the USMCA?	3
How do I claim origin preferential treatment?	3
Is a specific form required, like the 434 for NAFTA?	3
What are the required data elements necessary for the USMCA certification of origin?	3
What are the main requirements for the certification of origin?	4
May I use a corporate address in the Producer and/or Exporter Field?	4
May a Blanket Certification be used, and if so, for what length of time?	4
Do I need to indicate that I used a net cost regional value content on my Certification?	4
Can a NAFTA Certificate of Origin be used for the USMCA?	4
If my goods qualified under NAFTA, can I assume they qualify under the USMCA?	4
Do I need to complete a certification of origin for low value shipments (under \$2,500)?	4
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?	4
May claims under the USMCA be made for U.S. origin product?	5
How are imports of used automotive goods treated under the USMCA?	5
Does the USMCA have a De Minimis provision, like NAFTA?	5
Can post-entry claims be made for goods entered without the benefit of the USMCA that had not been properly qualified when imported?	5
What procedure is used to recover duty paid when a USMCA claim was not made?	5
Is Merchandise Processing Fee (MPF) recoverable under a post-entry procedure?	5
Is the Reconciliation Program available for the USMCA under Free Trade Agreement?	5
Is there a Duty Deferral Program, like under NAFTA?	5
Is there a Duty Drawback, like under NAFTA?	6
Were certain industries more affected by changes in the USMCA?	6
How is the automotive industry affected?	6
How is the textile industry affected?	6

Are Certificates of Eligibility still be required for Tariff Preference Level (TPL) textile and wearing apparel quota?	6
What primary Harmonized Tariff Schedule (HTS) subheading is used for TPLs?	7
What primary HTS Heading provides for certain agricultural staged goods from Canada to possibly enter at reduced rates for over tariff rate quota products?	7
How long must records be retained under the agreement?	7
Where can I find more information?	7
Contact information for Customs and Border Protection (CBP)	7

Q. What does the USMCA stand for?

A. USMCA stands for United States-Mexico-Canada Agreement, and this is how the US refers to it.

- 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).
-

Q. 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.

Q. How long will the USMCA remain in effect?

A. A joint review for renewal is required six years from the onset. The USMCA has a 16 year sunset review clause, which may be extended for an additional 16 years.

Q. 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](#).

Q. 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](#), [Frequently Asked Questions \(FAQs\)](#), and [Fact Sheets](#).

Q. Will qualified goods be duty-free under the USMCA?

A. Yes, qualified goods will be duty free.

Q. What Special Program Indicator/s (SPIs) are used under the USMCA?

A. The USMCA used two SPI, 'S' and 'S+'. 'S' is used for most goods, with 'S+' used for certain agricultural tariff rate quota (TRQ), agricultural staged goods, and tariff preference levels (TPLs).

Q. 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.

Q. 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. See our Resource page for [USMCA Certification of Origin](#).

Q. 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 a 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.
-

Q. What are the main requirements for the certification of 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.
 - Electronic/digital signature is acceptable.
 - Importer must be in possession of the certification of origin to claim the preferential tariff treatment.
-

Q. May I use a corporate address in the Producer and/or Exporter Field?

A. U.S. CBP will allow the use of a companies' corporate address to appear in the 'Producer' and 'Exporter' fields, as they recognize that business records are normally retained at a companies' corporate office, provided they are located in a country that is a party to the agreement (Canada, Mexico, or the U.S.), and are readily accessible in the event of a verification.

Q. May a Blanket Certification be used, and if so, for what length of time?

A. Yes, a blanket certificate is allowed, with a maximum blanket period for up to one year. For example, July 1, 2020, to June 30, 2021, or January 1, 2021, to December 31, 2021.

Q. 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. But you must still maintain whether a net cost or transaction value method was used in calculating regional value content in your supporting records, and to provide to CBP upon request.

Q. Can a NAFTA Certificate of Origin be used for the USMCA?

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

Q. 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 are also available in [General Note 11 of the U.S. Tariff](#).

Q. Do I need to complete a certification of origin for low value shipments (under \$2,500)?

A. Although CBP does not require one, you need to be able to support your claim and provide certification should CBP request it. Livingston 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.

Q. 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.

Q. May claims under the USMCA be made for U.S. origin product?

A. Yes, USMCA may be claimed on qualifying U.S. origin products.

Q. How are imported of used automotive goods treated under the USMCA?

A. The USMCA makes no distinction between new and used automotive goods. All provision of the automotive rules of origin must be met, whether new or used. See [CSMS #45309245 - USMCA - Consolidated Appropriations Act 2021 & End of Restrained Enforcement](#).

Q. Does the USMCA have a De Minimis provision, like NAFTA?

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

Q. 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 the date of import to file a claim.

Q. What procedure is used to recover duty paid when a USMCA claim was not made?

A. A protest 520(d) claim is used to recover duties under the USMCA, pursuant to 19 USC 1520(d).

Please note that Post Summary Corrections (PSCs) may NOT be used.

Q. Is Merchandise Processing Fee (MPF) recoverable under a post entry procedure?

A. Yes MPF is recoverable. The Consolidated Appropriations Act authorized refunds of MPF on approved USMCA post-import claims. (When the USMCA was first implemented, MPF was not recoverable, but changes were made by U.S. Congress to retroactively allow recovery back to the July 1, 2020. See [CSMS #45309245 - USMCA - Consolidated Appropriations Act 2021 & End of Restrained Enforcement](#).

Q. Is the Reconciliation Program available for the USMCA under Free Trade Agreement?

A. Yes. If an entry is flagged for FTA recon, and other recon types, such as value, classification, 9802, or a combination of, it is recommended to file the FTA recon first, as you only have one year from date of import to file for FTA recon, and have 21 months to file for other recon types.

Q. Is there a Duty Deferral Program, like under NAFTA?

A. Yes. Duty Deferral entries are applied to goods imported into a USMCA country under a duty deferral program which include:

- Temporary Import Bond, or TIB entered using HTS 9813.00.05;
- Bonded Warehouse; or
- Foreign Trade Zone, or FTZ).

When the goods are manufactured or changed in condition, and subsequently exported to a USMCA country, such goods would be assessed CBP duties as if the exported goods had been withdrawn for domestic consumption. In addition to duty, it includes antidumping duty (AD), countervailing duty (CVD), agricultural assessment fees, and Merchandise Processing Fee (MPF). Duty may be reduced by any duty paid when imported into the USMCA country.

Q. Is there a Duty Drawback provision, like under NAFTA?

A. Yes. In general, the drawback provisions under NAFTA are retained under the USMCA.

Noted changes include:

- **Substitution standards:** USMCA adopts TFTEA substitution standards when drawback is permitted.
 - **Sugar exception:** minor changes to the sugar exception to drawback and duty deferral restrictions under 19 USC 3333(a)(6).
 - ACE indicator for drawback under the USMCA added.
 - **Conditions of export:** Removal of a NAFTA provision to apply a fee applied pursuant to section 22 of the U.S. Agricultural Adjustment Act, subject to Chapter Seven (Agriculture and Sanitary and Phytosanitary Measures).
 - Drawback claims for Section 201 and/or 301 duties continue, as with NAFTA.
-

Q. Were certain industries more affected by changes in the USMCA?

A. Yes, industries most affected include:

- Automotive/automotive parts.
 - Textile and apparel.
 - Manufactured goods.
 - Agricultural industries.
-

Q. How is the automotive industry affected?

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

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

Q. How is the textile industry affected?

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

- Chapter 61 and 62 Tariff Shift Rules.
 - Manufacturers allowed to use textile inputs (such as rayon fibers and visible lining fabric) that are not generally available in North America.
 - 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%.
 - 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).
 - 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.
 - 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.
-

Q. Are 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.

Q. What primary Harmonized Tariff Schedule (HTS) subheading is used for Tariff Preference Levels (TPLs)?

- 9823.52 for Canada
 - 9823.53 for Mexico
-

Q. What primary HTS Heading provides for certain agricultural staged goods from Canada to possibly enter at reduced rates for over tariff rate quota products?

A. HTS Heading 9823.

Q. How long must records be retained under the agreement?

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

- 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. While we have made every attempt to ensure that the information herein has been obtained from reliable sources, Livingston International is not responsible for any errors or omissions, or for the results obtained from the use of this information.
 - The information, including documents, necessary to demonstrate the compliance. Refer to Article 5.4.1(e) of the Agreement (Obligations Regarding Importations).
-

A. 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 a 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:

- the purchase of, cost of, value of, shipping of, and payment for, the good or material;
 - 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;
 - 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.
-

Q. Where can I find more information?

- U.S.-Mexico-Canada Agreement Text: [U.S. Trade Representative](#)
- U.S.-Mexico-Canada Agreement Implementation Act (Public Law No: 116-113) [U.S. Congress](#)
- 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, Livingston International is not responsible for any errors or omissions, or for the results obtained from the use of this information.