

IMPORTING AND EXPORTING

# NAFTA BASICS YOUR QUESTIONS ANSWERED

Learn about the challenges and benefits of qualifying your goods for NAFTA

## Importing and Exporting

# NAFTA basics Your questions answered

Learn about the challenges and benefits of qualifying your goods for NAFTA

Applying for North American Free Trade Agreement (NAFTA) tariff treatment can be difficult, but the benefits of qualifying your goods are worth the effort. You will need thorough documentation of your production process, and information from your suppliers that you'll have to keep for five years. Getting it wrong could mean substantial retroactive duties and severe penalties. Customs administrations are stepping up regulatory audits of companies claiming preferential treatment under NAFTA so, now more than ever, it is important to stay compliant.

### Why apply for NAFTA tariff treatment?

NAFTA products are subject to significantly reduced taxes and duty rates which lower your bottom line. Products exported from a NAFTA-member country may be eligible for preferential NAFTA tariff treatment if it can be proven that the goods originated in a member country. Products made from materials not originating in a NAFTA-member country may also be eligible if sufficient North American processing occurred in the making of the product.

### What do you need to qualify your goods?

You will need to have thorough documentation to find the correct rule of origin for your goods.

**Learn about** NAFTA certificates. Avoid unnecessary duties and take advantage of NAFTA tariff treatment by completing forms correctly.



In order to be eligible for NAFTA treatment goods must meet the criteria of one of the possible rules of origin. To determine which rule of origin applies to a particular product, the product is analyzed in depth. Exporters must have a meticulous audit trail in order to benefit fully from NAFTA provisions without risking serious penalties for inadequate proof of origin.

Products don't automatically qualify for NAFTA because they're manufactured by, or purchased from, a company from a NAFTA-member country. Every product must meet the requirements specified under NAFTA, namely the specific NAFTA rules of origin.

### Who is responsible for completing a NAFTA certificate?

You, as the exporter, are required to complete the NAFTA certificate. If you're not also the producer, you may complete the certificate on the basis of knowledge that the goods qualify; the producer's written representation that the goods qualify; or a completed NAFTA certificate from the producer.

## Contact Livingston

**Have questions or need help with your shipments?** Contact your account executive, write to us at: [simplify@livingstonintl.com](mailto:simplify@livingstonintl.com) or give us a call at **1-800-837-1063**