



THE SHIPPER'S GUIDE TO NAFTA 2.0

Everything cross-border shippers
need to know about the new
USMCA-CUSMA-TMEC agreement

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01

Introduction

Good News for Cross-Border Shippers



CROSS-BORDER GAINS

GOOD NEWS FOR CROSS-BORDER SHIPPERS

The United States, Canada and Mexico have the most efficient trade agreement in the world.

And there is an enormous amount of trade conducted between the three countries.

How much, exactly?

Take a look at last year's trade numbers... In the first 6 months of 2019...

- \$306 billion was traded between the U.S. and Canada, and
- \$309 billion worth of goods were transported between the U.S. and Mexico.

And if you look at a longer timeline, like 1993 to 2019...

- trade quadrupled from \$290 billion to \$1.23 trillion between the 3 countries.

Yes, cross-border trade is big business in North American.

And that's exactly why the U.S. - Mexico - Canada Agreement (USMCA-CUSMA-TMEC) was created. It superseded the original trade agreement, NAFTA, on July 1st, 2020.

So what does that mean for businesses and commerce between the countries?

Well, everyone from farmers and ranchers to startups and e-commerce will benefit. This trade agreement is good news for anyone conducting cross-border trade.

The Shipper's Guide to NAFTA 2.0: What's Inside?

In this guide, you will learn everything you need to know how the USMCA-CUSMA-TMEC will impact cross-border trade.

Keep in mind, this guide doesn't cover every aspect of the agreement, but rather directly addresses those relative to the cross-border shipping process.

Inside, you'll get:

- A Brief History of North American Trade
- 8 Key Changes Impacting Cross-Border Trade
- Tear Out Sheets: Cross-Border Impact by Industry
- Document Changes
- Important Links and Resources
- FAQs
- The USMCA-CUSMA-TMEC Dictionary
- 3 Steps for Seamless Compliance

And while the USMCA-CUSMA-TMEC agreement is new, cross-border trade is not.

At FLS we've been specializing in cross-border trade for 33 years. We've created this guide to ensure that our customers and shipping partners don't miss a beat as we move into the NAFTA 2.0 era.

Print it out or save it on your desktop. This document has everything you need to know.

02

Start Here

History of North American Trade

N.A TRADE HISTORY

HISTORY OF NORTH AMERICAN TRADE

Let's start with a little bit of history...

In 1994, The United States, Canada and Mexico signed into effect the most efficient trade agreement in the world, The North American Free Trade Agreement (NAFTA).

It came about as the U.S. and Canada saw an enormous opportunity to trade with Mexico. The original intent of NAFTA was to promote freer trade to bring stronger, steadier economic growth to Mexico.

It was a win-win for everyone. By expanding trade, Mexico would have a wealth of new jobs and opportunities to grow its workforce and the U.S. and Canada would have a promising market for exports and a lower-cost investment to enhance competitiveness of national companies.

Best of all, NAFTA eliminated most tariffs on products traded between all three North American countries and had a major focus on expanding trade among agriculture, textiles and automobile manufacturing. The deal also sought to protect intellectual property, established dispute resolution mechanisms and implemented labor and environmental safeguards.

NAFTA reshaped North American economic relations. Regional trade tripled under the agreement and cross-border investment among the three countries grew from \$15 billion to more than \$100 billion.

And while NAFTA was great- it wasn't perfect.

The world changed drastically over the last 26 years. Industries changed and evolved and a little thing called "e-commerce" boomed. Things like intellectual property and the environment had little to no protection under the old agreement... and the U.S. felt NAFTA undermined U.S. jobs and manufacturing.

NAFTA 2.0, or more properly named USMCA-CUSMA-TMEC, set out to address and update these issues.

So, in 2018, a new agreement was born- USMCA-CUSMA-TMEC. And it is set to go into effect and supersede NAFTA on July 1, 2020.



03

8 Key Changes

Impacts on Cross-Border Trade

8 KEY IMPACTS ON CROSS-BORDER TRADE

By now, you've likely heard about the new trade agreement. And whether you call it the USMCA, CUSMA, T-MEC or NAFTA 2.0, you probably only have 1 question: What's new?

Although the new trade agreement is still "90% NAFTA"... there are some key updates and achievements. These include:

- Intellectual Property: Strong protection and enforcement of IP rights
- Digital Trade: The strongest disciplines on digital trade of any international agreement
- De Minimis: Increased de minimis shipment value level
- Labor: New trade rules of origin to deliver higher wages
- Environment: Most advanced chapter on the environment of any trade agreement

You can find a complete copy of the [new trade agreement here](#).

But for the purpose of this document, we're going to focus on the changes relative to the movement of cross-border goods.

In the case you don't want to read it in its entirety, here is the checklist of the 8 new changes that will impact cross-border trade in the new trade agreement:

8 KEY CHANGES

KEY IMPACTS ON CROSS-BORDER TRADE

1 Digitalizing Regulations

Lack of accurate regulatory information has been one of the biggest hindrances to cross-border trade. Incorrect information or poor data gathering processes often keep small businesses from expanding its trade. But USMCA-CUSMA-TMEC aims to eliminate this barrier. It requires each country under the agreement to provide easy, free and online-accessible documentation addressing the countries regulations, trade procedures, laws, duties, charges, and documentation requirements.

2 Online Documentation Processing

USMCA-CUSMA-TMEC has directed the member nations to leverage technology to simplify and speed up the trade process. The new deal requires the trading partners to create a digital platform to submit customs declarations and other required documents and make the system accessible to all concerned parties. With 90% of freight being held up at the border due to documentation issues... this will no doubt simplify and speed-up cross-border shipments.

3 Streamlining Compliance

The USMCA-CUSMA-TMEC also requires each nation to create uniform trade/export-import rules and regulations for their countries. This will both smoothen and simplify cross-border trade.

4 New Origin Procedures

The USMCA-CUSMA-TMEC origin procedures have been modernized to better support today's trade environment and limit the administration costs to traders by:

- Providing electronic processes
- Increasing trader participation in certification and verification
- Providing a simpler means to certify the origin of the goods
- Strengthening the cooperation amongst customs administrations in the application of the rules of origin Demonstrating an appropriate balance between ensuring compliance and facilitating trade

8 KEY CHANGES

5 Certificate of Origin

Under the USMCA-CUSMA-TMEC, importers will no longer be required to complete a formal certification document. Origin can be proven with informal documentation such as commercial invoices or an informal origin certificate.

For ease, FLS has created an informal certificate of origin you can utilize.

[Download it here](#)

Keep in mind, previous NAFTA certificates and certification documents under USMCA-CUSMA-TMEC must be kept for a minimum of five years.

6 De Minimis Increase

USMCA-CUSMA-TMEC changed the de minimis threshold so that low-value goods can enter each country duty free. The new de minimis values are as follows:

United States

- \$800 USD

Canada

- \$150 CAD for duties (customs)
- \$40 CAD for taxes

Mexico

- \$117 USD for duties (customs)
- \$50 USD for taxes

The increase in de minimis values will help both small business and shippers increase their trade with the two partner nations without the burden of additional duties and taxes.

7 Express Shipments

Under the USMCA, all express shipment documents are to be processed by customs prior to arrival of the shipment. If all the documentation and data are in order, the release of such shipments are to be expedited.

8 Single Window Clearance

The new agreement has made provisions to set up a technology-based single window clearance system that informs the exporters, importers and other users of the shipment status. This once again aims to speed up the cross-border shipping process.

04

Tear Out Sheets

Cross-Border Impact by Industry

CROSS-BORDER IMPACT BY INDUSTRY

There is no question... NAFTA 2.0 is chalk-full of new regulations. The agreement is over 30 chapters long... and touches just about every industry. But not all the USMCA changes will directly impact cross-border trade.

If you haul cross-border shipments, we've covered all the high level facts you need to know about USMCA changes below. Find your industry, read the facts, and tear it out for later.

CROSS-BORDER IMPACT BY INDUSTRY

Agricultural Goods

USMCA-CUSMA-TMEC impacts the way agricultural shippers will trade across North American borders.

But what exactly is changing might differ depending on which side of the border you're shipping from.

If you are shipping from the U.S., take a peak at the USMCA tear out sheet.

If you are shipping from Canada, take a peak at the CUSMA tear out sheet.

And hey, if your business is on both sides... enjoy them both!

[Download here](#)

INDUSTRY TEAR OUT SHEETS

USMCA Cross-Border Impact:
Agricultural Goods

☐ **Increased Market Access for U.S. Dairy Farmers into Canada**
Covers the full range of dairy products and access will not be shared with other countries

☐ **Canada to Eliminate Milk Classes 6 & 7 and Apply New Export Penalties**
Low priced Canadian dairy products will no longer under sell U.S. products in Canada or other third country markets. Canada will also apply export penalties on shipments of skim milk powder, milk protein concentrates, and infant formula over specific quantity thresholds.

☐ **Canada will Eliminate its Discriminatory Grading of U.S. Wheat**
No country of origin statement will be required on Canada's quality grade certificates.

☐ **New Tariff Rate Quotas for Dairy, Poultry and Eggs**
Canada will now provide new tariff rate quotas exclusively for the United States, giving American dairy farmers the opportunity of more export opportunities.

☐ **BC to Eliminate Discriminatory Treatment of U.S. Wine in Grocery Stores**
Includes new non-discrimination and transparency commitments regarding the sale and distribution of alcoholic beverages.

☐ **Mexico Will Not Restrict Market Access for Certain U.S. Cheeses**
Prohibits the restriction of cheeses because they are labeled certain names.






CUSMA Cross-Border Impact:
Agricultural Goods

☐ **Increased Market Access into U.S. in Form of Tariff Rate Quotas**
Covers refined sugar and sugar containing products, cheese, cream, milk and butter

☐ **Tariff Eliminations for Whey and Margarine**
Includes liberalized rules of origin for margarine

☐ **Removes Uncertainty and Unpredictability for Chick and Turkey Sectors**
Informed by ability to apply the definition of "specially defined mixtures" in Canada's WTO schedule on a multilateral basis to ensure tariff quotas are not circumvented

☐ **Protects Sale of Wine and Spirits in Canada**
Maintains commitments that reflect the unique character of wine and spirit sales.





INDUSTRY TEAR OUT SHEETS

USMCA Cross-Border Impact: Automobiles and Automotive Parts

- ☐ **Increases Regional Value Content Requirements**
Establishes regional value content of 75%
- ☐ **New Requirements for Vehicle Producer's Use of Steel and Aluminum**
Minimum of 70% of producer's steel and aluminum purchases must originate in North America.
- ☐ **Removes Loopholes that Undermine Regional Value Content Thresholds**
Removes NAFTA rules that allowed producers to 'deem' non-North American content as originating, regardless of origin.
- ☐ **Introduces First-Ever Labor Value Content Rule**
Certain percentages of qualifying vehicles must be produced by employees making an average of \$16 per hour.
- ☐ **Reduces the Administrative Burden on Vehicle and Parts Producers**
New origin procedures are designed to reduce the burden on automotive producers, while helping to strengthen enforcement of the agreement's automotive rules.



USMCA

CUSMA Cross-Border Impact: Automobiles and Automotive Parts

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CUSMA



Automobiles & Auto Parts

USMCA-CUSMA-TMEC impacts the auto industry more than any other industry.

And the benefits are shared no matter what side of the border your business is on.

Some benefits from the trade agreement include:

- Increases regional value content requirements
- New requirements for vehicle producer's use of steel and aluminium
- First ever labor value content rule

And there's more where that came from! Download the tear out sheets and check out how it might impact the way you move cross-border freight.

[Download here](#)



Digital Trade

Online business has boomed since the NAFTA was implemented in 1994. Because of this, the old trade agreement didn't have any regulations around digital trade.

USMCA-CUSMA-TMEC is the first ever trade agreement to add provisions around digital trade.

Check out some of the benefits by downloading the tear outs!

[Download here](#)

USMCA Cross-Border Impact: Digital Trade

- ☐ Prohibits the Application of Customs Duties to Digital Products
Includes anything distributed electronically including e-books, videos, music, software and games.
- ☐ Ensures that Data Can Be Transferred Across Borders



CUSMA Cross-Border Impact: Digital Trade

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INDUSTRY TEAR OUT SHEETS

USMCA Cross-Border Impact: Energy

- ☐ **Zero Energy Trade in Energy Products**
Maintains the free flow of energy across borders in North-America through the continued zero-tariff treatment of U.S. energy exports to Mexico and Canada.
- ☐ **Lock's in Mexico's Historic Energy Reforms**
Locks in for U.S. investors, service suppliers and other companies the benefits of Mexico's historic 2013 energy reform.
- ☐ **Facilitates the Movement of Hydrocarbons by Pipeline**
Allows hydrocarbons transported through pipelines to qualify as originating, provided that any diluent, regardless of origin, does not constitute more than 40% of the volume of the good.
- ☐ **Certification Requirements for Oil and Gas**
New flexibilities in rules of origin certification requirements for oil and gas moving between the U.S., Mexico, and Canada.
- ☐ **Streamlined Regulatory Process for U.S. LNG Exports to Mexico and Canada**
U.S. liquefied natural gas exports to Mexico and Canada will continue to receive automatic export approvals, whereas exports to non-FTA partners require a determination that they are in the public interest.



CUSMA Cross-Border Impact: Energy

- ☐ **Maintains Obligations and Provisions on Trade in Energy Products and Services**
Maintains the free flow of energy across borders in North-America through the continued zero-tariff treatment of U.S. energy exports to Mexico and Canada.
- ☐ **Rule of Origin Amendments**
Allows up to 40% of non-originating diluent in pipelines when moving crude oil, a long standing Canadian industry request.



USMCA-CUSMA-TMEC specific provisions that have benefits for shippers across North America.

A few benefits for U.S. Shippers include:

- Zero energy trade in energy products
- Locks in Mexico's historic energy reform
- Facilitates movement of hydrocarbons by pipeline

Canadian Shippers also benefit from rule of origin amendments and unchanged provisions on trade in energy produces and services.

Get the tear outs to read up on all the changes.

[Download here](#)



Financial Services

Financial services benefits remain mutually beneficial for all parties under the USMCA-CUSMA-TMEC trade agreement.

Print out the tear sheet and check them out.

[Download here](#)

USMCA Cross-Border Impact: Financial Services

- ☐ **Updated Provisions**
Allows for cross-border transfer of data and an updated market access obligation
- ☐ **Does Not Restrict Limit or Access to Foreign Market**
Commitments for allowing specifically listed financial services to be provided on a cross-border basis, such as certain insurance services, portfolio management and advisory services, and electronic payment services.



INDUSTRY TEAR OUT SHEETS

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INDUSTRY TEAR OUT SHEETS

USMCA Cross-Border Impact: Small & Medium Sized Businesses

- ☐ **Cut's Red Tape for Lower-Value Shipments Under \$2,500**
Increases de minimis levels for exports to Mexico and Canada, making it easier for SMEs to engage in cross-border trade.
- ☐ **Reduces Costs and Brings Greater Ease to Cross-Border Transactions**
Through provisions requiring online publication of laws, regulations, contact information, tariffs, taxes and other fees. Expands scope of advanced rulings by customs authorities, provisions requiring an online searchable database for customs information, and expedited release of express shipments.
- ☐ **Prohibits Customs Duties on Products Distributed Electronically**
The Digital Trade Chapter contains the strongest provision of any international agreement.
- ☐ **Eliminates Unnecessary Requirements to Open a Foreign Office**
The Cross-Border Trade in Services Chapter eliminates the need for foreign offices in order to conduct business in that country. It also includes a new provision encouraging Parties to consider the effects of regulatory actions on SME service suppliers and to avoid authorization procedures that impose disproportionate burdens on SMEs.



CUSMA Cross-Border Impact: Small & Medium Sized Businesses

- ☐ **Increases Participation in Trade**
Recognizes indigenous peoples, women, youth and minorities as groups who may benefit from the strengthened collaboration on SME promotion activities.
- ☐ **Easier for Canadian SMEs to do Business in North American Market**
Through streamlined customs and origin procedures and greater transparency in government regulations.
- ☐ **Promotes Increased Trade and Investment Opportunities for SMEs**
Through cooperation on support initiatives, joint activities to promote SMEs owned by under-represented groups, and the exchange of information and best practices.



Small & Medium Sized Enterprises

USMCA-CUSMA-TMEC takes trading for small and medium sized enterprises to the next level.

This agreement has nothing but advantages for those small businesses who are hoping to expand its audience... and have a more affordable price point when shipping over the North American borders.

Check out the full stack of benefits...

[Download here](#)

Textiles & Apparel

Depending on which side of the border your shipping from... there are different changes.

But regardless of your location, USMCA-CUSMA-TMEC has major wins for textile and apparel shippers.

Check them out and snag the tear out sheets!

[Download here](#)

USMCA Cross-Border Impact: Textiles

- ☐ **Revised Rules Incentivize the Use of Regional Inputs**
Expanding of markets for U.S. producers of sewing thread, narrow elastic fabrics, pocketing, and coated fabrics from within North America.
- ☐ **Restructured Tariff Preference Levels (TPLs)**
Reduces some TPLs for U.S. imports from Canada and Mexico, while substantially increasing TPLs for U.S. exports to Canada of apparel and other finished textile goods, which will provide significant new export opportunities for U.S. manufacturers.
- ☐ **Updated Rules of Origin Flexibility**
Revised rules allow manufactures to use textile inputs not generally available in North America and increases the de minimis percentage of non-originating inputs allowed in qualifying goods from 7 to 10 percent.
- ☐ **New Customs Enforcement Provisions**
Strong, new textile-specific enforcement procedures will help to prevent circumvention and fraud.



CUSMA Cross-Border Impact: Textiles & Apparel

- ☐ **Greater Flexibility for Producers Using Small Amounts of Non-Originating Materials**
A measure that will help such goods qualify for preferential treatment.
- ☐ **Facilitative Pathway to Origin for Inigenous Textiles and Apparel Goods**
Expands on existing NAFTA provisions
- ☐ **Maintains the Yarn-Forward Rules of Origin**
Relaxes the approach for niche, vegetable-based yarns and fabrics that are often sourced from outside the CUSMA region.
- ☐ **Preserves Existing Trade Under Canada's Tariff Preference Levels (TPLs)**
As revised volumes remain well above current utilization rate.
- ☐ **Effectively Administers Rules of Origin Specific to Textiles**
In a manner that is transparent and predictable for both the traders and the customs administration.
- ☐ **Enhanced Cooperation Among Customs Administration**
As well as a streamlined approach to origin verification visits.



05

Printable Tear Off Sheets

Print All the USMCA + CUSMA Tear Off Sheets

[Download Now](#)

06

Document Changes

Certificate of Origin

CERTIFICATE OF ORIGIN CHANGES

When shipping cross-border under NAFTA, there were 3 crucial documents: Bill of Lading, Certificate of Origin, and Commercial Invoice. Under the USMCA-CUSMA-TMEC, there is just one slight change. You no longer need a formal certificate of origin, but you still need to provide proof of origin.

Here is the information you need to provide to show proof of origin under USMCA-CUSMA-TMEC:

- 1 Identify the organization (name, title, address, phone number, and email)
- 2 Exporter, producer and importer names
- 3 Detailed description of the originating goods & the tariff classification
- 4 Origin criteria
- 5 Blanket period (if applicable)
- 6 Authorized signature & date- e signatures are accepted
- 7 Verbatim closing 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 providing such representation and agree to maintain and present upon request or to make available during a verification visit, documentation necessary to support this certification.”

CERTIFICATE OF ORIGIN CHANGES



Certificate of Origin

For ease, we've created an informal certificate of origin for you to utilize as well as instructions for completing the document.

Download here

CERTIFICATION OF ORIGIN

United-States-Mexico-Canada Agreement USMCA (CUSMA)

1. Certifier Name and Address

Phone Number

Email

Tax ID Number

2. Exporters Name and Address

Phone Number

Email

Tax ID Number

3. Producer Name and Address

Phone Number

Email

Tax ID Number

4. Importer Name and Address

Phone Number

Email

Tax ID Number

5. Description of Good(s)

6. HS Tariff Classification

7. Origin Criterion

8. Country of Origin

9. Blanket Period (MM/DD/YY)

From

To

10. 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 providing such representation and agree to maintain and present upon request or to make available during a verification visit, documentation necessary to support this certification.
This certification consists of page(s), including all attachments.

Certifier's signature

Certifier's name (print or type)

Date (MM/DD/YY)

Company Name

Certifier's title

Certifier type (importer, exporter, producer)

07

Important Links

Navigating USMCA-CUSMA Online

NAVIGATING USMCA-CUSMA-TMEC ONLINE

When learning about how USMCA-CUSMA-TMEC will impact your business and the cross-border shipping process, it's important to know every detail. Unlike when NAFTA was developed, we live in a digital-era where just about all your questions are a hyperlink away. With that being said- keep these links handy as you navigate the changes of USMCA.

IMPORTANT LINKS

USMCA LINKS



[The USMCA Agreement Text](#)

As a requirement under the agreement, each nation must post the agreement online. So, if you're interested in reading the entire trade agreement word for word, use the link above.



[USMCA Agreement Highlights](#)

The USMCA is the most progressive trade agreement in the world. Check out the key highlights according to The Office of U.S. Trade here!



[CPB Implementation of USMCA](#)

The U.S. Customs and Border Protection (CBP) is working diligently to ensure a seamless transition from NAFTA to USMCA. Check out their game plan and keep up with updates here.



[USMCA Fact Sheets](#)

USMCA impacts an array of industries and businesses. To get the latest updates this agreement will have on your business, take a look at these fact sheets to hone in on the specifics.



[CBP Contact Information](#)

The United States border control plays an active role in the border crossing process. If you have any questions, use this resource to contact the correct department.



[The Complete Guide to Cross-Border Freight](#)

Whether you're new to cross-border shipping or just want a cheat sheet to navigate the process with ease... this guide's got everything you need to know about shipping freight between the U.S. and Canada.



[Printable Cross-Border Documents](#)

Bill of Lading... Customs Invoices... and an updated informal Certification of Origin? No sweat. Use this link to get all the cross-border documents you could ever need.

CUSMA LINKS

[Canada Trade Agreements](#)

Includes all trade agreements and negotiations, tariff information and environmental access and more.

[CUSMA Agreement Text](#)

As a requirement under the agreement, each nation must post the agreement online. So, if you're interested in reading the entire trade agreement word for word, use the link above.

[CUSMA Fact Sheets](#)

CUSMA has implications for over 34 industries. Use the drop down arrow to hone in on the specific impacts CUSMA will have on your business.

[CUSMA Impact on Importers](#)

This link is a great resource. It covers the overview of key changes affecting importers, certifying origin of goods under CUSMA, regulatory references and more.

[Customs Tariff List](#)

Use this link to review applicable tariffs for specific goods.

[Import and Export Tool Kit](#)

Use this link for a conglomerate of helpful tools that will make importing or exporting goods a seamless process.

[Modernization of Importing Process](#)

The CBSA and Revenue Management (CARM) initiative is modernizing the importing process... and it will have huge benefits for the trade community. Read up on how this project can streamline your operations

[Printable Cross-Border Documents](#)

Bill of Lading... Customs Invoices... and an updated informal Certification of Origin? No problem. Use this link to get all the cross-border documents you could ever need.

[The Complete Guide to Cross-Border Freight](#)

Whether you're new to cross-border shipping or just want a cheat sheet to navigate the process with ease... this guide's got everything you need to know about shipping freight between the U.S. and Canada.

IMPORTANT LINKS

08

FAQ's

Frequently Asked Questions

? USMCA-CUSMA-TMEC FAQ'S

When does USMCA-CUSMA-TMEC go into effect?

July 1st, 2020

Will there be a transition period between NAFTA and USMCA-CUSMA-TMEC?

No. NAFTA rules will expire at midnight and USMCA-CUSMA-TMEC rules will immediately go into effect.

What happens to NAFTA? Can I still use my NAFTA Certificates?

NAFTA will continue in place for all goods that were imported under that agreement which may be subject to audit or other verification policies. Records pertaining to NAFTA must be retained for six-years. NAFTA Certificates will no longer be valid for all shipments released after 12:00AM of July 1st, 2020.

Who can complete the Certification of Origin?

Under USMCA-CUSMA-TMEC, importers, exporters or producers of the goods can complete the Certificate of Origin.

Will NAFTA Certificates of Origin continue to be valid under USMCA-CUSMA-TMEC?

No. Old NAFTA certificates will not be valid under USMCA-CUSMA-TMEC and all qualifying imports under USMCA-CUSMA-TMEC will need to be certified under the new agreement. However, NAFTA certificates will be required to claim refunds of duty for goods imported while NAFTA was in effect but not claimed at the time of importation (1-year time limit in effect.)

Is there a new Certificate of Origin Form for USMCA-CUSMA-TMEC?

A formal Certificate of Origin is not required under USMCA-CUSMA-TMEC. For that reason, FLS has created an informal document for convenience. [Download it here](#) and use it as you see fit!

Will a Certificate of Origin be required for each shipment?

No. Certificates of Origin must be provided to the CBSA upon request. One significant difference is that when a Certification is provided on invoices it will, by default, be provided on a shipment-by-shipment basis.

Will Tariff Treatment Codes change under USMCA-CUSMA-TMEC?

Though new Tariff Treatment codes have not been advised, it is almost certain that new codes will be assigned.

What is considered 'express shipments' under USMCA-CUSMA-TMEC?

Express shipments are those carried by a courier. A courier means a commercial carrier who is engaged in scheduled international transportation shipments (excluding mail).

What are the de minimis rules under USMCA-CUSMA-TMEC?

U.S.- \$800 USD

Mexico- \$117 USD for customs duties and \$50 USD for taxes

Canada- \$150 CAD for customs duties and \$40 CAD for taxes

What are the signature requirements under the new certificate of origin statements?

Certificates of Origin must be signed by authorized individuals. Electronic signatures are acceptable.

Are there any exemptions from certification requirements?

Yes. No certification is required if the value of a single importation does not exceed \$1000 USD or the Canadian equivalent. Low value limits increase from CA\$20 to CA\$40 for taxes and to CA\$150 for duty.

Are there any changes for dairy imports under USMCA-CUSMA-TMEC?

Express shipments are those carried by a courier. A courier means a Yes. Restrictions on the importation of U.S. ultra-filtered milk into Canada has been removed. Imports of U.S. origin dairy products including milk, butter, cheese (etc.) will start to become duty free and U.S. producers will have access to an additional 3.6% of Canada's dairy market. carrier who is engaged in scheduled international transportation shipments (excluding mail).

Are there changes to automotive imports under USMCA-CUSMA-TMEC?

Yes. Changes include the total number of North American content of vehicles requirement increasing from 62.5% to 75%. Other changes apply to the average labor wage and 70% of the steel, aluminum and glass used to produce vehicles must originate in North America.

Will I have to re-qualify all of my goods that are already qualified under NAFTA?

Yes. Some rules of origin and qualification requirements have changed under the USMCA-CUSMA-TMEC, especially regarding automobiles. The certification format has also been altered.

USMCA vs. CUSMA vs. TMEC... what's the difference?

The new trade agreement has a different name depending on the country. USMCA (United States-Mexico-Canada Agreement) is what America calls it. CUSMA (Canada-United States-Mexico Agreement) is what Canada calls it. And TMEC (Tratado Mexico, Estados Unidos, Canada) is what Mexico calls the new trade agreement.

What is NAFTA 2.0?

NAFTA 2.0 is an informal term some are using when referring to USMCA-CUSMA-TMEC.

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Dictionary

Terminology You Need to Know

TERMS YOU NEED TO KNOW

C

CUSMA

Abbreviation for Canada-United States-Mexico Agreement. This is what Canada calls the new trade agreement.

Customs Administration

The competent authority that is responsible under the law of a Party for the administration of custom laws and regulations or any successor of such customs administration.

Customs Duty

Includes a duty or charge of any kind imposed on or in connection with the importation of goods, and any surtax or surcharge imposed in connection with such importation.

D

De Minimis

The price threshold below which fewer or no taxes are charged on shipments.

Duty Deferral Program

Includes measures such as those governing foreign trade zones, temporary importation under bond, bonded warehouses, “maquiladoras”, and inward processing programs.

F

FTA

Abbreviation for Free Trade Agreement

G

Good

A merchandise, product, article or material.

Good of a Party

Domestic products and originating goods of a Party.

GPA

Government procurement

H

Harmonized System (HS)

Standardized numerical method of classifying traded products.

Heading

First four digits in the tariff classification number under the Harmonized System.

DICTIONARY



DICTIONARY

N

NAFTA

The North American Trade Agreement that entered into force on January 1, 1994

Non-Originating Good

Means a good or material that does not qualify as originating.

O

Originating

Qualifying as originating under the rules of origin set in USMCA-CUSMA-TMEC.

P

Parties

the language used throughout the USMCA-CUSMA-TMEX agreement when referring to the North American countries within the agreement, United States, Mexico and Canada

Preferential Tariff Treatment

Duty rate applicable to an originating good.

R

Rules of Origin

Rules of origin are the criteria used to determine whether a good has undergone sufficient production in the USMCA region to be eligible for preferential tariff treatment. They ensure the benefits of the agreement accrue primarily to producers located in USMCA countries.

S

SME

Abbreviation for small and medium sized enterprises

Subheading

The first six digits in the tariff classification number under the Harmonized System.

T

Tariff Preference Levels (TPLs)

A merchandise, product, article or material.

T-MEC

Abbreviation for Tratado Mexico, Estados Unidos, Canada. This is what Mexico calls the new trade agreement.

U

USMCA

Abbreviation for United States-Mexico-Canada Agreement. This is what the United States calls the new trade agreement.

W

WTO

Abbreviation for World Trade Organization

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Summary

3 Steps for Seamless Compliance

3 STEPS FOR SEAMLESS COMPLIANCE

It's no secret... Shippers across North America are worried about the transition from NAFTA to USMCA-CUSMA-TMEC. And who can blame you? There is no transition period... and with extreme disruption brought on by the COVID-19 pandemic, there is a lot of change happening at once.

To ease your nerves, we've put together a list of 3 things you can do to create a seamless transition from one trade agreement to the next. And more importantly... get your freight over the border with no speed bumps!



3 STEPS

3 STEPS FOR SEAMLESS COMPLIANCE

1 Remove Barriers to the Flow of Product

The best thing a shipper can do for a seamless transition from NAFTA to USMCA-CUSMA-TMEC is to ensure accurate classification and valuation and country of origin data is clearly communicated before any shipment.

2 Establish a List of Core Carriers

When moving cross-border freight, it's imperative to have drivers who are licensed to haul freight into and through different countries.

This is especially true for shippers who are moving freight into Mexico. U.S. based carriers cannot carry loads into Mexico beyond a 12-mile to 16-mile "free trade zone" at the border. So it's crucial to have Mexican-based carriers to help move your freight.

3 Work with a Proven Cross-Border Transportation Provider

Moving cross-border freight is a different kind of beast. From documentation, carrier requirements, and security clearances... one small slip up could cost your business thousands of dollars.

To avoid this, work with a transportation provider who knows cross-border freight like the back of their hand. FLS Transportation is the #1 3PL for cross-border freight. With 33 years of experience under our belt and a network of 54,000 carriers and 400,000 trucks, we'd be more than happy to help. Give us a try... [Get a quote today!](#)

We wrote the book on cross-border freight... literally...

The Complete Guide to Cross-Border Freight is the ultimate resource for cross-border shipping success

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