

Transit and Transshipment (Imported Directly)

Retains status if transported without passing through non-Party OR (1) **remains under customs control** AND (2) does not undergo operation other than those necessary to **preserve condition** or **transport good**

Regional Value Content (RVC) Calculation Methods (USMCA Article 4.5; GN 11 & 19 CFR 182)

For most goods that are subject to an RVC requirement, the Agreement provides for

- ▶ Transaction Value Method
- ▶ Net Cost Method

Special Regimen for Automotive Goods

Eliminates tracing list. New in USMCA: 75% RVC see GN 11 for product specific rules, Labor Value Content, Steel and Aluminum procurement requirements

Binding Advance Rulings

Binding advance rulings and other legal decisions are issued by CBP in connection with the importation of merchandise into the United States, including under special programs like trade agreements and special trade legislation (www.cbp.gov/trade/rulings).

Advance rulings provide the Trade community with a transparent and efficient means of understanding how CBP will treat a prospective import or carrier transaction

CBP Informational Resources

CBP strives to facilitate the trade community's usage of and compliance with the United States' trade agreements with partner countries. This includes issued memoranda to the Cargo Systems Messaging Service (<https://csms.cbp.gov>), trade agreement implementing instructions, webinars, and other engagements.

The CBP Trade Agreements Branch has developed significant guidance at CBP.gov regarding how to take advantage of trade agreement and special trade legislation opportunities, and how to comply with these instruments (www.cbp.gov/trade/priority-issues/trade-agreements).

For inquiries on trade agreements and special trade legislation compliance please contact the Trade Agreements Branch at FTA@CBP.DHS.gov.

For U.S. exporter information, please contact the U.S. Department of Commerce (www.trade.gov/export-solutions).

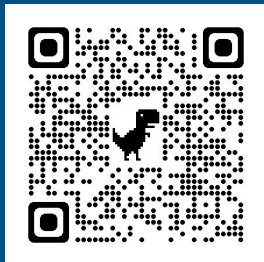


U.S. Customs and
Border Protection



United States - Mexico - Canada Agreement (USMCA)

Trade Agreements
June 2022



U.S. Customs and
Border Protection

Office of Trade

Background

The United States-Mexico-Canada Agreement (USMCA) is a trade agreement between the named partner countries. It replaced the North American Free Trade Agreement (NAFTA) and is the United States' most utilized trade agreement with two of its largest trading partners. The USMCA entered into force on July 1, 2020.

USMCA is referred to differently in Canada (CA) and Mexico (MX)

- ▶ CA Title - “Canada-United States-Mexico Agreement (CUSMA)”
- ▶ MX Title - “Tratado entre México, Estados Unidos y Canadá (T-MEC)”

Replaced the 25-year-old NAFTA trilateral trade pact, modernizing trade for the 21st century:

- ▶ Adopted new developments in technology and trade practices; and
- ▶ Implemented new criteria to certain commodities, including automotive goods

Expiration

- ▶ USMCA includes a sunset provision. This provision requires renewal consideration every six years, with a 16-year sunset clause. The USMCA can be extended for an additional 16-year term during the six-year reviews.

New Provisions

- ▶ Environmental Protections
 - Article 24.8
- ▶ Forced Labor Prohibition
 - Article 23

General Information

- ▶ Regulations in 19 CFR §182
- ▶ HTSUS General Note (GN) 11
 - Rules of Origin
 - Tariff Shift Rules
 - Special Origination Rules

Special Program Indicator (SPI)

- ▶ Tariff items eligible for preferential tariff treatment under USMCA use Special Program Indicators (SPI) of “S” and/or “S+”.
- ▶ “S+” can be used for certain agricultural products subject to tariff rate quotas (TRQ), agricultural staging goods, and certain textile products subject to tariff preference levels.

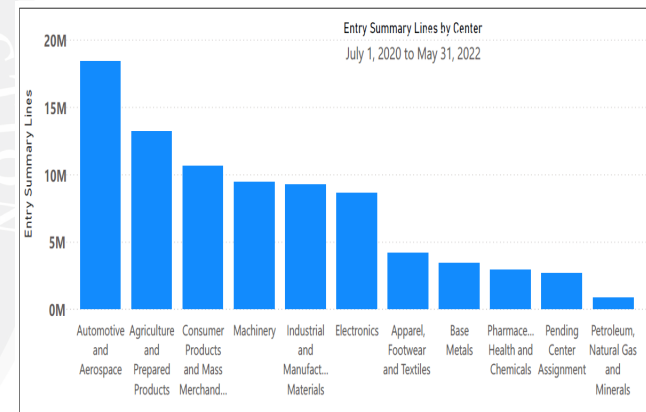
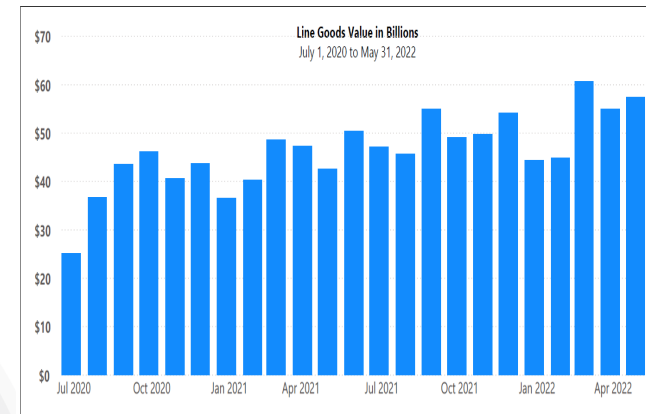
Certification of Origin

- ▶ USMCA allows the Certification of Origin (COO) to be completed by the importer, exporter, or producer – CBP can engage the importer directly for the Certification of Origin and any supporting documentation.
- ▶ Requires nine (9) data elements in addition to a certification statement. The agreement does not require a specific form. An optional USMCA COO template is available on CBP.gov.

De minimis exception

- ▶ Most common threshold: 10 % of transaction value or total cost of good, with exceptions: USMCA Article 4.12.1, Annex 4-A; 19 CFR 182 and GN 11 (e)
- ▶ For textiles and apparel goods, see 19 CFR §10.598(c)

USMCA by the Numbers



[USMCA Implementing Instructions & Addendums](#)
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[Customs Ruling Online Search System](#)

For more information

Visit www.CBP.gov/usmca

Send inquiries to USMCA@cbp.dhs.gov