



THE FINAL WORD ON CUSMA

- ▶ **Welcome & Introductions**
- ▶ **Agenda**
 - ▶ The important changes in CUSMA from NAFTA
 - ▶ How to minimize importer risk transitioning from NAFTA to CUSMA
 - ▶ Details surrounding De Minimis to support your e-commerce business
 - ▶ How to plan for the immediate & long-term uncertainty surrounding CUSMA qualification



CUSMA INTRODUCTION

- ▶ **Three Official Titles**

1. CUSMA (CA)
2. USMCA (USA)
3. T-MEC (MX)

- ▶ **Entry into force on July 1st, 2020**

- ▶ **As of July 1st, NAFTA legislation & certificate will no longer be applicable**

- ▶ *Example Scenarios*

A shipment leaving the USA on June 30th and crossing the border/customs cleared on July 1st



CUSMA KEY CHANGES

► There are 4 key changes to highlight

1. Revisions to rules of origin & De Minimis percentage increase
2. New certification of origin requirements
3. Low Value Shipment threshold increase in Canada
4. De Minimis value threshold to import goods without duty & tax into Canada



RULES OF ORIGIN

- ▶ Major changes to Rules of Origin impacting product categories ;
 - ▶ Automotive
 - ▶ Agriculture
 - ▶ Apparel
 - ▶ Chemicals
 - ▶ Healthcare Products

* *Example* - HS Heading 3209 - Paints

NAFTA

A change to heading 32.08 through 32.10 is allowed from any heading outside that group.

CUSMA

A change to heading 32.07 through 32.15 is only allowed from any other chapter of the customs tariff.



RULES OF ORIGIN

- ▶ De Minimis increased from 7% to 10%
- ▶ New requirements for the textile industry (Chapters notes 61 & 62)
 - ▶ Sewing Thread - Pocket Bag Fabric - Narrow Elastic – Coated Fabric
 - ▶ Manufactured in CUSMA
 - ▶ Into effect 12 to 30 months after entry into force
 - ▶ De Minimis increase (by weight)
 - ▶ TPLs
 - ▶ Levels Reduced for US Imports
 - ▶ Levels Increased for US Exports to Canada



CERTIFICATION OF ORIGIN

- ▶ The Certification of Origin does not have a specific form or template
 - ▶ Omnitrans has created an easy to use template which we will circulate
 - ▶ Required information could be added to shipment documentation package



CERTIFICATION OF ORIGIN

Certificate of Origin must include;

1. Exporter Name and Address
2. Producer name and address (may state available upon request)
3. Importer - If known, importer name and address
4. Description and HS tariff classification - Description of the goods and the 6-digit level HS Codes
5. Origin Criteria as set out in Article 4.2
6. Country of origin
7. Blanket period – (Validity period of the certification)
8. Certifier - Provide the certifier's name, title, address, telephone number and email address
 - Indicate whether the certifier is the exporter, producer, or importer **(New)**
 - Importer may complete the certification of origin **(New)**
9. Authorized Signature & date - Electronic signature accepted **(New)**

Signature must be accompanied by the following 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". **(New)***



LVS THRESHOLD

- ▶ *Low Value Shipment (LVS) - Threshold increase for all commercial imports to Canada*
- ▶ *Threshold increased from **\$2500** to **\$3300 CAD***
- ▶ *Certificate no longer required when claiming LVS preferential treatment under any free trade agreement*



IMPORT DE MINIMIS

- ▶ *De minimis* thresholds to facilitate e-trade
- ▶ *De minimis* applies to goods of any origin shipped to Canada from USA or Mexico
 - ▶ Shipments valued at \$40 CAD and less will not be subject to duty or tax
 - ▶ Shipments entering Canada valued over \$40 CAD, but not more than \$150 CAD, will be charged tax only
 - ▶ Duty and tax will be payable on goods valued over \$150 CAD
 - ▶ For USA import, the threshold remains at **800\$ USD** (regardless of the mode of transport) under section 321



6 STEPS TO COMPLIANCE

1. Identify all products eligible under NAFTA
2. Rules of origin revalidation ??
 - Exporter / Producer – identify any change to rules of origin/perform qualification exercise
 - Importer – Connect with supplier/manufacturer
3. Select certification management – Blanket Certificate
4. Prepare CUSMA certification template
5. Provide Omnitrans or Metro with blanket certification
6. Identify if CBSA advance ruling applied under NAFTA
 - If yes, they will not be valid as of July 1st



HOW OMNITRANS CAN HELP

Omnitrans offers a one-stop solution:

▶ **Customs Regulatory Expertise**

- ▶ Our team of expert customs consultants provides advice and assistance on customs processes, regulations & duty deferral strategies.

▶ **Seamless Cross-Border Shipping**

- ▶ Ship to US customers as if you were in the US using a cost-effective *consolidated delivery model*.
- ▶ Benefit from our significant volume discounts with our courier partners.
- ▶ Experience 24/7 white-glove 321 solutions support.

▶ **Fulfillment Program**

- ▶ Through strategic partnerships with trusted vendors, we offer a complete warehousing solution.

▶ **International Freight Solutions**

- ▶ Value-driven global freight forwarding and freight management services with offices in the US, Canada and China.



OMNITRANS

SERVICES

5 LOGISTICS
SOLUTIONS

CUSTOMS BROKERAGE

OVER
20 IN IMPORTS
PROCESSED
ANNUALLY
BILLION \$

STAFF

300 
PEOPLE STRONG

ACCESS

24/7
SUPPORT



HISTORY

OVER
40 YEARS OF
EXCELLENCE

LOCATIONS

 **11**
OFFICES
AROUND THE
WORLD