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
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
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
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)
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
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.
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