

IMPORTING AND EXPORTING

NAFTA BASICS ARE YOUR GOODS ELIGIBLE?

Three steps to determining if your goods are eligible for NAFTA tariff treatment benefits

Importing and Exporting

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Determining whether your goods qualify for North American Free Trade Agreement (NAFTA) tariff treatment can be difficult. You must have detailed information about the entire production process and know the correct classification of your goods. Here are three steps to help you figure out if your goods are eligible to benefit from reduced taxes and tariffs.

1 Determine the tariff schedule classification number for the product, and its components and raw materials

The NAFTA rules of origin are organized by classification code with specific rules for each one. You can use your Schedule B numbers to help determine the classification as the first six digits of the Schedule B number are part of the tariff classification code.

2 Assess the duty rate for the product under the General rate of duty (U.S.) or the Most-Favoured-Nation (MFN) tariff agreement (Canada)

In the U.S., under the Harmonized Tariff Schedule (HTS), look to the special column for the tariff agreement code to see if the product is eligible for a preferential tariff treatment.

In Canada, the MFN agreement allows for countries to form trade relationships where one nation grants another MFN

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status so that they benefit from reduced tariffs and duties. Under the Canadian HS, the applicable preferential tariff column will indicate applicable trade agreements and their associated duty rate.

3 Qualify your goods

Chapter four of the NAFTA agreement outlines the requirements for goods to qualify for reduced duties under the NAFTA agreement.

If your goods qualify for NAFTA tariff treatment, your next step will be to complete the Certificate of Origin and submit it with your shipment to Customs.

Contact Livingston

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