# **Canada-United States-Mexico Agreement**

**Frequently asked questions** 



#### **CONTENTS**

(1) What does CUSMA stand for?	. 4
(2) What are other known names for the new agreement?	. 4
(3) When was the new agreement signed?	. 4
(4) What is the process for the implementation of the agreement?	. 4
(5) What is the status of the CUSMA in Canada?	. 4
(6) Where can I find the text of the Agreement?	. 4
(7) What are the tariff treatment changes?	. 5
(8) How do I claim origin preferential treatment?	. 5
(9) Since there is no prescribed format of the certification, what must be provided to qualify as certification of origin?	
(10) What are the main requirements for the certification of origin?	. 5
(11) What are the exceptions to the certification of origin?	. 6
(12) What are the record keeping requirements under the agreement?	. 6
(13) Will there be a transition period when the NAFTA Rules of Origin and the CUSMA Rules of Origin may be used?	
(14) Will there be a transition period when both the NAFTA Certificate of Origin and CUSMA certification may be used?	. 7
(15) Does the Agreement state that a formal certificate of origin is not required, and that certification of origin is sufficient?	. 7
(16) What changes occurred in the CUSMA regarding the former NAFTA Criterion E?	. 7
(17) In Canada, does the CUSMA certification have to be provided to CBSA only upon their request?	8
(18) The Agreement indicates the certification of origin may be completed and submitted electronically. In Canada, does CBSA have any restrictions regarding this process?	. 8
(19) Is there a change to the \$20 threshold for goods shipped by mail?	. 8
(20) How are Express Shipments defined?	. 9
(21) Do the de minimis amounts listed in the CUSMA apply only to goods traded between Canada, the U.S., and Mexico or do they apply to goods imported into Canada from any country?	9
(22) What are the changes to De Minimis Rules and Courier Low Value Shipments (CLVS)?	. 9
(23) Proof of Origin for Low Value shipment (LVS)	. 9
(24) What are the changes on agricultural products?	10
(25) What rules have changed under the Automotive sector	
(26) What are the importer's obligations for claiming preferential tariff treatment?	
(27) What is the time frame to request a refund for preferential tariff treatment after importation	ո?
(28) Can the importing party conduct its own origin verification compliance?	



(29) Are there any changes for TPL goods in the Agreement?	.12
(30) Will Certificates of Eligibility (for TPL goods) be required for exporting textile items (that is clothing which does not originate under the CUSMA) to the U.S. or Mexico?	
(31) Will Certificates of Eligibility (for TPL goods) be required for importing textile items (that is clothing which does not originate under the CUSMA) from the U.S. or Mexico?	
(32) Are there changes to specially defined mixtures in Chapter 16?	.13
(33) What are the exemptions for locomotives?	.14
(34) Will advance rulings for origin change?	.14
(35) What are the Sunset clause terms of the Agreement?	.14
(36) Where can I find more information?	.14
(37) Government Notifications on the CUSMA/USMCA:	.14
Contact information for Global Affairs Canada:	.15



#### (1) What does CUSMA stand for?

A. CUSMA stands for Canada-United States-Mexico Agreement.

#### (2) What are other known names for the new agreement?

A. In the U.S., the agreement is known as the United States-Mexico-Canada Agreement (USMCA). In Mexico, it's known as Tratado Entre Mexico, Estados y Canada (T-MEC).

#### (3) When was the new agreement signed?

A. The United States, Mexico and Canada signed the new trade agreement on November 30. 2018 in Buenos Aires, Argentina. Once signed, all three parties ratified the agreement by their respective governments.

#### (4) What is the process for the implementation of the agreement?

A. All three countries, Canada, U.S. and Mexico must ratify the agreement before it can come into force. <u>Article 34.5</u> of the agreement requires each Party to notify the other Parties in writing once they've completed the internal procedures set out in the agreement. Once complete, the countries will notify each other in an exchange of letters. In accordance paragraph 2 of the Protocol Replacing the North American Free Trade Agreement with the Agreement between the United States of America, the United Mexican States, and Canada:

Each Party shall notify the other Parties, in writing, once it has completed the internal procedures required for the entry into force of this <u>Protocol</u>. This Protocol and its Annex shall enter into force on the first day of the third month following the last notification.

### (5) What is the status of the CUSMA in Canada?

A. The Canadian government has passed legislation to ratify the Canada-U.S.-Mexico Agreement (CUSMA) as of Friday March 13, 2020. The Government of Canada has also approved Bill C-4 into legislation. The royal assent approval makes the agreement to become into law to implement the new NAFTA.

The Agreement will start on a three-month period timeframe for the implementation. Officials in the U.S., Mexico and Canada must work to meet all the necessary obligations outlined in the agreement before it can go into effect.

That includes all three countries creating a list of panelists for dispute settlement and updating their rules. Once they have completed all the necessary procedures required, they will notify each other in an exchange of letters. After that exchange, the deal will enter into force about 60 days later, or more specifically, "on the first day of the third month following the last notification," according to the CUSMCA protocol.

The Canada-United States-Mexico Agreement (CUSMA) is scheduled to enter into force on July 1, 2020, replacing the North American Free Trade Agreement (NAFTA). There will be no transition period.

### (6) Where can I find the text of the Agreement?

A. The text is available online. You can find it on the Government of Canada's webpage in English and French.



#### (7) What are the tariff treatment changes?

A. The Canada Border Services Agency (CBSA) has advised that the MUST tariff treatment is not part of the Agreement. For goods that are released on or after the entry into force of the CUSMA, the Agreement will provide for two preferential tariffs only – either the United States Tariff (UST) or the Mexico Tariff (MXT) and will depend on the country of last production other than a minimal operation.

Minimal operations are described in <u>Chapter 2</u>, <u>National Treatment and Market Access</u>, Annex 2-B, Tariff Schedule of Canada, page 2-B-3, beginning at paragraph 8.

The tariff treatment codes for the CUSMA will be:

English: UST French: TEU – TT code 10

Mexico: MXT French: TMX – TT code 11

Mexico-United States Tariff "(E) MUST (F) TMEU" (TT code 12) is repealed.

Please note that the abbreviation for the Mexico Tariff is changing from "MT" to "MXT".

#### (8) How do I claim origin preferential treatment?

A. The Agreement includes <u>Chapter 5</u>, <u>Origin Procedures</u>, which indicates that preferential tariff treatment will be based on a certification of origin, rather than a formal Certificate of Origin.

# (9) Since there is no prescribed format of the certification, what must be provided to qualify as a certification of origin?

A. The minimum data elements to be provided for the certification are:

- Indicate importer, exporter or producer certification of origin
- Certifier provide name, title, address, phone, email
- Exporter provide name, title, address, phone, email (not required if producer)
- Producer- provide name, title, address, phone, email (various, available on request)
- Importer provide name, title, address, phone, email
- Description and HS tariff classification
- Origin criterion
- Blanket period (covers multiple shipments for specified period of up to 12 months)
- Authorized signature and date

### (10) What are the main requirements for the certification of origin?

A. The main requirements are:

 The certification may apply to a single shipment or multiple shipments of identical goods within any period specified, not to exceed 12 months.



- The certification may be noted on a commercial invoice or other document.
- Certification may be made by the Producer, Exporter or Importer of the goods.
- Electronic/digital signature is acceptable.
- Importer must be in possession of the certification of origin to claim the preferential tariff treatment.

#### (11) What are the exceptions to the certification of origin?

A. Exceptions to certification of origin are found in Article 5.5.

- A certification of origin is not required if: the value of the importation does not exceed US\$1,000 or the
  equivalent currency or any higher amount established and agreed to by all three parties to the agreement.
- May require written representation certifying that the good qualifies as an originating good; or if waived by that country, there is no requirement for a certification of origin.
- <u>Customs Notice 20-15</u> increase to the Low Value Shipment (LVS) threshold for all commercial goods is to a
  value for duty not exceeding \$3,300 CAD.

#### (12) What are the record keeping requirements under the agreement?

A. The Agreement requires importers to maintain records for a period of no less than five years from the date of importation. However, each country may impose a greater time frame. Currently, in Canada the requirement is 6 years plus current year. Importers must:

- a) Maintain all the documentation related to the importation, including the certification of origin.
- b) All records necessary to demonstrate that the good is originating, if the claim was based on a certification of origin completed by the importer.
- c) The information, including documents, necessary to demonstrate the compliance. Refer to Chapter 5 of the Agreement.

## (13) Will there be a transition period when the NAFTA Rules of Origin and the CUSMA Rules of Origin may be used?

A. Once the CUSMA comes into effect, preferential tariff treatment will be based on satisfying the rules of origin requirements of the new agreement. That said, for many goods, there will be no difference between the NAFTA and USMCA rules of origin. Therefore, when the CUSMA comes into force, the importer will be able to claim preferential treatment for goods released on or after the date of entry into force of the CUSMA and the CUSMA rules of origin will apply. As NAFTA will sunset on the day the new agreement comes into force, rules of origin under NAFTA will no longer apply.

Note, Rules of Origin pertinent to the automotive sector will undergo significant changes to the existing rules of origin.

<u>Chapter 34, paragraph 6</u> of the Agreement stipulates the process with respect to claims under NAFTA after entry into force of the CUSMA will remain in force in accordance with the record keeping requirements. For Canada, that is six years. To summarize this provision, imported goods for which NAFTA preferential tariff treatment is being claimed under NAFTA could be subject to a compliance verification or eligible for a refund in line with the provisions of



# (14) Will there be a transition period when both the NAFTA Certificate of Origin and CUSMA certification may be used?

A. No, there will not be a transition period where both the NAFTA Certificate of Origin and the CUSMA certification of origin may be used. For any importations on or after the entry into force date of the CUSMA, preferential tariff treatment may be claimed and CUSMA provisions will apply, including provisions on the certification of origin. Since the new agreement does not enter into force on the first day of the third month after all three parties have ratified, this provides traders with a period in which to prepare for any change to the rules of origin under CUSMA.

# (15) Does the Agreement state that a formal certificate of origin is not required, and that certification of origin is sufficient?

A. Yes. There is no prescribed format for the certification of origin, rather it consists of a set of minimum data requirements which are set out in Annex 5-A in the Origin Procedures Chapter (Chapter 5) and which may be placed on any document.

### (16) What changes occurred in the CUSMA regarding the former NAFTA Criterion E?

CBSA has provided information regarding certain automatic data processing goods and their parts which, under NAFTA, were subject to origin criterion "E". Under NAFTA, Criterion "E" applied to certain automatic data processing goods and their parts, specified in Annex 308.1.

In the CUSMA, there is no longer a criterion "E". Instead, these goods are included in the <u>CUSMA Uniform</u> Regulations Rules of Origin Part II section 3 Originating goods page 13 under item (7), which states:

Special rule for certain goods. A good is originating in the territory of a USMC country if the good is referred to in Schedule II and is imported from the territory of a USMC country.

CBSA has indicated that they will administer the origin criteria data element in a flexible manner.

For these goods, all that is required in the data element field on the certification of origin is the statement "Schedule II of the CUSMA Rules of Origin Regulations".

Although U.S. Customs and Border Protection (CBP) has advised that they will accept origin criterion E on a declaration of origin for qualifying goods, and CBSA can deduct what is meant should the certification of origin indicate "E", an amended certification of origin will likely be requested.

In all cases, CBSA encourages certifiers to be as specific as possible and provide the specific rule of origin from Chapter 4 that relates to the good in order to ensure the acceptance of the certification of origin. Example of a specific rule of origin: "Article 4.2 (B) Annex 4-B heading \_\_\_\_\_, TV method".

Schedule II - Most-Favored Nation (MFN) Rates on Certain Goods set out in Table 2.10.1 of the Agreement on pages 124-125 found in the Uniform Regulations, lists all goods with the HS code included in the former NAFTA Criterion E. The list includes Automatic Data Processing Machines (ADP), Digital Processing Units, Input or Output units (combined or other), display units, other units of Automatic Data Processing Machines, Storage units, Parts of Computers, Computer power supplies.



# (17) In Canada, does the CUSMA certification have to be provided to CBSA only upon their request?

A. Yes, the importer must provide the certification of origin to the Customs and Border Protection Agency (CBSA) upon request as stipulated in Article 5.4, paragraph 1(c) of the CUSMA.

# (18) The Agreement indicates the certification of origin may be completed and submitted electronically. In Canada, does CBSA have any restrictions regarding this process?

A. No, the Customs and Border Protection Agency (CBSA) does not have any restrictions regarding this process. Information regarding this process can be found in the <u>Memorandum D11-4-14 Certification of Origin Under Free Trade Agreements</u>.

#### (19) Is there a change to the \$20 threshold for goods shipped by mail?

A. The treaty commitment applies only in respect of express shipments, which are generally understood as those currently using the Courier Low Value Shipment (CLVS) Program

Goods valued at \$20 and less that are not shipped from the U.S. or Mexico will continue to be subject to the \$20 threshold under the Courier Imports Remission Order (CIRO).



#### (20) How are Express Shipments defined?

A. Article 7.8. of the Agreement refers to Express shipments. CBSA has clarified that for the purposes of the agreement, express shipments are those that are courier. The definition of a courier is included in the Courier Import Remission Order and states that a courier means a commercial carrier that is engaged in scheduled international transportation of shipments of goods other than goods imported by mail.

# (21) Do the de minimis amounts listed in the CUSMA apply only to goods traded between Canada, the U.S., and Mexico or do they apply to goods imported into Canada from any country?

A. The CUSMA treaty commitment applies only to trade between the three parties. Whether Canada decides to extend that treatment to direct shipments from other countries will be a question for domestic implementation (e.g., taking into account administrative practicality).

The commitment applies to all goods "of a party", which requires the de minimis thresholds to apply to any products shipped from the other CUSMA countries. It is not limited to "originating goods" in the traditional sense, such that Canada would be required to apply the threshold for a Chinese good imported to the U.S. for warehousing prior to shipping to Canada.

## (22) What are the changes to De Minimis Rules and Courier Low Value Shipments (CLVS)?

A. Under <u>Article 7.8</u> of the CUSMA, the de minimis threshold for goods shipped to Canada has been raised to \$40 from \$20. Between \$40 and \$150, only tax will be collected. After \$150, duty and tax apply. Regulatory amendments to the Courier Imports Remission Order and the Excise Tax Act will be made to accommodate these changes.

Article 7.8 also states that "there shall be fewer customs formalities", or a streamlined process, for the release of goods valued at less than \$3,300. Under the Courier Low Value Shipment program this amount is \$2,500 and, once CUSMA is in place, the amount of \$3,300 will apply to all goods.

CBSA further clarified Article 7.8 to mean that:

- The de minimis applies to express shipments only;
- The de minimis applies to goods that are shipped from Mexico and the U.S. only; and
- For de minimis to apply, goods do not have to originate in Mexico or the U.S. (but must have entered into the commerce of the U.S.; transshipped goods do not qualify.

### (23) Proof of Origin for Low Value shipment (LVS)

The Canada Border Services Agency (CBSA) has removed the requirement of having a statement of origin on a commercial invoice for low-value shipments (LVS). With CUSMA, a simple commercial invoice is required and a statement as proof of origin for all of Canada's free trade agreements under the LVS threshold is no longer required. This change is found in Customs Notice CN 20-15, which was revised May 21, 2020 and states that as of July 1, 2020, the CBSA no longer requires a written statement under the proof of origin regulation for shipments where the value for duty does not exceed \$3,300.



5. In addition to the amendments to the thresholds noted in paragraph 3, paragraphs 6(4)(b), 9.1(4)(b), 10(4)(b) and 12.1(4)(b) of the <u>Proof of Origin of Imported Goods Regulations</u> will be repealed for eligible goods claiming preferential treatment under all of Canada's free trade agreements currently in force, in addition to CUSMA. Importers and owners of commercial goods, for which the estimated value for duty does not exceed the amount specified in paragraph 3, and for which the benefit of preferential treatment under a free trade agreement is claimed, will no longer be required to provide a (written) statement certifying that the goods are originating in order to be exempt from the requirements of subsection 35.1(1) of the <u>Customs Act</u>.

#### (24) What are the changes on agricultural products?

A. Under the CUSMA/USMCA, all agricultural products that have zero tariffs under NAFTA will remain at zero tariffs under the new trade deal. The change under the CUSMA/USMCA is that some additional products will eventually be allowed to enter Canada duty free in the prescribed quantities, including:

- Milk (50,000 metric tonnes, 85% of which is for milk in bulk to be processed into dairy products used as ingredients for further processing);
- Cream (10,500 metric tonnes, 85% of which will be dedicated to cream for further processing);
- Skim milk products (7,500 metric tonnes),
- Butter and cream powder (4,500 metric tonnes, 50% of which will ultimately be for further processing);
- Cheese for industrial use (6,250 metric tonnes) and cheese of all types (6,250 metric tonnes).

For the CUSMA/USMCA, Canada will also implement increased tariff rate quotas for U.S.-origin yogurt and buttermilk, whey powder, concentrated milk, milk powders, powdered buttermilk, products of natural milk constituents, ice cream, other dairy, chicken, turkey, egg and egg products, and broiler hatching eggs and chicks.

In return for opening U.S. access for dairy, poultry and egg products, the CUSMA/USMCA provides increased U.S. market access for Canada's sugar beet producers. With regard to grain, both countries are afforded national treatment of wheat as it relates to the assignment of quality grades.

The Canada-U.S. bilateral agreement sets out specific notice requirement, whereby Canada is required to notify the U.S. before introducing proposed changes to tariffs on dairy, poultry or egg products and the U.S. must notify Canada for any proposed changes to tariffs on dairy, sugar and sugar-containing products (SCP). Also, on request of the other party, the two countries must discuss the measures or policies before any changes can take place. In addition to any consultation, the parties must meet five years after the USMCA's implementation and every two years thereafter to consider any changes to be made to dairy pricing.

Article 3.A.2 Tariff Rate Quota Administration speaks to TRQ quota on agricultural goods. refer to Article 3.A.3 Dairy Pricing and Exports. View <u>Chapter 3 Agriculture</u>.

### (25) What rules have changed under the Automotive sector.

A. Under the CUSMA/USMCA there are automotive rules changes, here are some highlights:

75% (up from 65%) of auto components to qualify as originating must be manufactured in Canada, Mexico
or the U.S.



- 70% of all steel, aluminum and glass used in the production of the vehicle must originate in North America.
- 40% of automobile and 45% of light truck must be produced using average wages (at least \$16.00/hour)
- Strengthened rules or origin for auto parts used in the production in determining if it qualifies as originating.
- Quotas established for Canadian auto parts at \$32.4 billion and \$108 billion in Mexican auto parts imports in the USMCA agreement.2.6 million Canadian and Mexican vehicles were established in the agreement.

Chapter 4 Rules of Origin for Automotive is found in Annex 4-B Specific Rules of Origin detailed information.

## (26) What are the importer's obligations for claiming preferential tariff treatment?

A. The importer must:

- a) Make a statement forming part of the import documentation based on a valid certification of origin that the good qualifies as an originating good;
- b) have a valid certification of origin in its possession at the time the statement referred to in subparagraph (a) is made;
- c) provide, on the request of the importing Party's customs administration, a copy of the certification of origin, in accordance with its laws and regulations;
- d) if a certification by the importer forms the basis for the claim, demonstrate, on request of the importing Party, that the good is originating under Article 5.3.3 (Basis of a Certification of Origin); and
- e) if the claim for preferential tariff treatment is based on a certification of origin completed by a producer that is not the exporter of the good, demonstrate, on the request of the importing Party, that the good certified as originating did not undergo further production or any other operation other than unloading, reloading, or any other operation necessary to preserve it in good condition or to transport the good into the territory of the importing Party.

# (27) What is the time frame to request a refund for preferential tariff treatment after importation?

A. Each party shall provide that an importer may apply for preferential tariff treatment and a refund of any excess duties paid for a good if the importer did not make a claim for preferential tariff treatment at the time of importation, provided that the good would have qualified for preferential tariff treatment when it was imported into the territory of the Party.

The importing Party may, for the purposes of paragraph 1, require that the importer:

- a) make a claim for preferential tariff treatment;
- b) provide a statement that the good was originating at the time of importation;
- c) provide a copy of the certification of origin; and
- d) provide any other documentation relating to the importation of the good as the importing Party may require,

no later than one year after the date of importation or a longer period if specified in the importing Party's law.



Per CBSA <u>Customs Notice CN20-14</u>, an application for a refund under paragraph 74(1)(c.11) of the Customs Act may be made within four years from the date the goods were accounted for under subsections 32(1), (3), or (5), in respect of goods that were imported from the United States or Mexico on or after the date of entry into force of CUSMA. CBSA has confirmed that it is Article 5.11 of Chapter 5 of the Agreement that allows for a refund to be filed no later than one year after the date of importation or a longer period if specified in the importing Party's law.

As a result, refund claims for goods that are subject to the UST or MXT and for which a preferential tariff treatment was not applied at time of importation, may be filed under Paragraph 74(1) (c.11) of the Customs Act and CUSMA will be added to part 4 of the Schedule of the Customs Act. There is no change to the time frame in which to file refund claims for goods subject to a NAFTA tariff treatment.

# (28) Can the importing party conduct its own origin verification compliance?

A. The importing party may initiate its own verification of the certification of origin including documents received from the importer, exporter or producer. They may also conduct or review on claiming for preferential tariff treatment by one or more of the following:

- a) a written request or questionnaire seeking information, including documents, from the importer, exporter, or producer of the good;
- b) a verification visit to the premises of the exporter or producer of the good in order to request information, including documents, and to observe the production process and the related facilities;
- c) for a textile or apparel good, the procedures set out in Article 6.6 (Verification); or
- d) any other procedure as may be decided by the Parties.

### (29) Are there any changes for TPL goods in the Agreement?

A. Chapter 6 of the Agreement covers Textile and Apparel Goods rules of origin and origin procedures. The quota level remains the same. Flexibility for producers in the use of small amounts of non-originating materials to help such goods qualify for preferential treatment. Expands on existing provision to provide a special, facilitative pathway to origin for indigenous textile and apparel goods. Maintains the year-forward rules of origin.

Although overall TPL volumes for yarn and apparel have been reduced from NAFTA volumes, the volumes remain well above current and historical utilization rates.

- Goods that were previously covered will continue to be eligible for TPLs.
- Metallized yarn of heading 56.05 has been added to the list of products that are eligible for TPL.
- Although a new sub-limit has been added to the yarn TPL for acrylic yarn, the associated volume remains
  well above current utilization.
- The CUSMA also introduces measures designed to increase transparency associated with the administration and allocation of TPLs by all Parties.
- Canada is not making any changes to the way TPLs are allocated.

The Rules of Origin Uniform Regulations specify that self-produced intermediate materials will be treated in the same manner as they were under the NAFTA. See subsection 3(8) of the Rules of Origin Uniform Regulations.



The NAFTA Rules of Origin Regulations include an "intermediate materials" designation option for goods that have to meet a regional value content test [Part IV "Materials", subsection 7(4)]. There is a similar rule but instead referred to as the "self-produced material" designation, for goods that have to meet only a shift in tariff classification rule [Part II "Originating Goods", subsection 4(8)].

# (30) Will Certificates of Eligibility (for TPL goods) be required for exporting textile items (that is, clothing which does not originate under the CUSMA) to the U.S. or Mexico?

A. Certificates of Eligibility will be required for exports of clothing and textile goods that are eligible for tariff preference level treatment under CUSMA upon entry into the U.S. or Mexico.

# (31) Will Certificates of Eligibility (for TPL goods) be required for importing textile items (that is, clothing which does not originate under the CUSMA) from the U.S. or Mexico?

A. Import Permits, issued by Global Affairs Canada, will be required for imports of clothing and textile goods that are eligible for tariff preference level treatment under CUSMA upon entry into Canada from the U.S. or Mexico, similar to the process under NAFTA. Information regarding the process regarding Certificates of Eligibility can be found in the Memorandum D11-4-22 Tariff Preference Levels.

#### (32) Are there changes to specially defined mixtures in Chapter 16?

A. An amendment to Chapter 16 of the Customs Tariff, Supplementary Note1., indicating a change to the definition of "Specially Defined Mixtures" once the agreement comes into force.

The new definition of "specially defined mixtures" (SDM) is identified below:

"Specially defined mixtures" of tariff items 1602.31.11, 1602.31.92, 1602.32.11 and 1602.32.92 means a product containing partially or fully cooked, including par-fried, chicken or turkey where 13% or more of the total weight of the product is comprised of goods other than the following listed goods: chicken, turkey, breading, batter, oil, glazing, sauces, other coatings, or bastes, or any added water (including that used in marination, glazing, sauces, other coatings, bastes, breading or batter). For the purposes of this definition, whether 13% or more of the total weight of the product is comprised of goods other than the listed goods shall be determined by calculating the total weight of listed goods contained in that product as a percentage of the total weight of the product.

The new SDM definition now has a cooking requirement, goods must be par-fried, partially or fully cooked. The definition will also change what is to be considered as part of the 13% other goods. Sauces are now excluded from the 13% calculation and bread, such as sandwich bread, can now be included in the 13% calculation.

Importers who are in possession of a tariff classification advance ruling for goods classified under one of the following tariff classification numbers; 1602.31.11.90, 1602.31.92.00, 1602.32.11.20, or 1602.32.92.10 should submit a request for an affirmation of the ruling to the CBSA office where the original ruling was issued. A modified advance ruling will be issued by the CBSA amending or confirming the correct tariff classification number for the goods going forward.

A request for an affirmation of the ruling must be titled: "Request for an Affirmation of Ruling #XXXXXX".



Importers who are in possession of a tariff classification decision resulting from a compliance verification or any other decision issued by the CBSA classifying their goods under one of the following tariff classification numbers; 1602.31.11.90, 1602.31.92.00, 1602.32.11.20, or 1602.32.92.10 should submit a request for an advance ruling to provide certainty of the correct classification of their goods.

To expedite the processing of affirmation requests, importers are encouraged to provide a complete list of ingredients and detailed manufacturing process for the goods. Importers must also state whether the facts or circumstances, other than the new CUSMA definition, upon which the original ruling was based have changed.

A copy of the original advance ruling letter or decision issued by the CBSA should be attached. If the facts or circumstances of have changed, the CBSA may require additional documentation to confirm the tariff classification of the goods.

For more information on how to apply for an advance ruling please see Memorandum D11-11-3, Advance Rulings for Tariff Classification.

#### (33) What are the exemptions for locomotives?

A. Exemption from the requirements of 35.1 (1) of the Customs Act.

If the benefit of preferential tariff treatment under CUSMA is claimed for locomotives classified under heading No. 86.01 or 86.02, or railway freight cars classified under heading No. 86.06 of the List of Tariff Provisions set out in the schedule to the Customs Tariff, the importer and owner of the goods are exempt from the requirements of subsection 35.1(1) of the Customs Act with respect to those goods if they are transported overland from the United States into Canada.

### (34) Will advance rulings for origin change?

A. Advance rulings for origin issued under NAFTA, will only remain valid for goods imported under NAFTA's preferential tariff treatment. Therefore, an applicant wishing to have an advance ruling for origin under CUSMA, will need to submit a new application to the Canada Border Services Agency. For more information, please consult Memorandum D11-4-16, Advance Rulings for Origin under Free Trade Agreements.

### (35) What are the Sunset clause terms of the Agreement?

A. The USMCA will remain for a 16-year term of the agreement, with joint review required within the first 6 years. After 6 years the 3 parties can choose to revisit and review the terms and renegotiate or withdraw altogether. Maintains a six month opt-out of the deal notice that existed in the old NAFTA agreement.

### (36) Where can I find more information?

A. <u>Canada-United States-Mexico Agreement (CUSMA)</u> text, summary and backgrounder details of the agreement available on Government of Canada website.

### (37) Government Notifications on the CUSMA/USMCA:

Customs Notice <u>CN20-13</u> Canada-United States-Mexico Agreement (CUSMA): Amendment to the Definition
of "Specially Defined Mixtures" in the Canadian Customs Tariff, Chapter 16, Supplementary Note 1.



- Customs Notice <u>CN20-14</u> Implementation of the Canada-United States-Mexico Agreement (CUSMA)
- Customs Notice <u>CN20-15</u> Increase to the Low Value Shipment (LVS) Threshold for Goods Imported into Canada.
- Customs Notice <u>CN20-18</u> Implementation of the Canada-United States-Mexico Agreement (CUSMA) De Minimis Thresholds with Respect to Customs Duties and Taxes for Courier Imports.
- Customs Notice <u>CN20-22</u> The Canada-United States-Mexico Agreement's (CUSMA) Regulatory Amendments and New Regulations Made Pursuant to the Customs Act.
- <u>D11-4-34</u> Uniform Regulations Chapters Five, Six, and Seven of the Canada-United States-Mexico Agreement (CUSMA)
- D11-5-17 Canada-United States-Mexico Agreement (CUSMA) Rules of Origin
- D11-4-13 Rules of Origin for Casual Goods Under Free Trade Agreements
- <u>D8-2-16</u> Courier Imports Remission
- Courier Imports Remission Order CIRO

Canada Gazette Part 1, Vol 154 No 34 publication of Canada-United States-Mexico Agreement.

#### **Contact information for Global Affairs Canada:**

Trade Negotiations – North America Division (TNP)
Global Affairs Canada
John G. Diefenbaker Building
111 Sussex Drive
Ottawa, Ontario, K1N 1J1

Fax: 613-944-3214

Email: re-enquiries-demandes.NAFTA@international.gc.ca

