

USMCA TRADE AGREEMENT

The United States-Mexico-Canada Agreement (**USMCA**) is a trade agreement that will replace the North American Trade Agreement (**NAFTA**). The USMCA will enter into force on July 1, 2020.

U.S. CUSTOMS AND BORDER PROTECTION (CBP)

CBP has issued interim implementing instructions to provide preliminary guidance on the new requirements under the USMCA, including information on claiming USMCA preferential treatment for goods. CBP stated that the final implementing instructions will be released prior to the date the USMCA enters into force and will provide additional details on the USMCA entry process, compliance, and other requirements.

In addition, CBP established a **USMCA web page** containing available information on the USMCA, which includes a link to the interim implementing instructions, links to additional resources, and a FAQs section. It is recommended that parties check this website frequently to view new and updated information.



NOTED DIFFERENCES BETWEEN NAFTA AND USMCA

- Unlike NAFTA, there is not an actual Customs form established for the USMCA. Instead, the certification is now done via any freeform document that contains the nine specific data elements.
- NAFTA claims on entries are based on a certificate of origin from the exporter. Under USMCA, the importer can make the USMCA claim on entries based off a certification they create themselves, a certificate from the exporter, or a certificate from the producer.
- The preference criteria for determining free trade eligibility under NAFTA and USMCA are similar; however, some of the specific rules of origin are different. Parties who used preference criterion B under NAFTA will need to review the **USMCA rules of origin** associated with their products to ensure they are eligible to be considered originating products under the new agreement. A product eligible for NAFTA does not automatically mean it is eligible for USMCA duty preferential treatment.
- USMCA eliminates the assessment of Customs Merchandise Processing Fee (MPF) if claimed at time of entry but, unlike NAFTA, paid MPF cannot be recovered via a post-entry claim.
- The SPI “S” and “S+” will be used to claim USMCA benefits on the Customs entry (no separate SPIs for the different countries).