

NORTH AMERICAN FREE TRADE AGREEMENT

Documenting Origin

In order to fill out a NAFTA Certificate of Origin, first you must determine if the product qualifies for preferential tariff treatment under the NAFTA Rules of Origin. Once you have determined that your product qualifies for NAFTA, read below for how to declare that the product qualifies for preferential tariff treatment.

NAFTA Certificate of Origin

The exporter is responsible for filling out the NAFTA Certificate of Origin, not the importer.

Once an exporter has determined the product qualifies for NAFTA origin, the exporter needs to fill out a NAFTA Certificate of Origin UNLESS the product going to Canada or Mexico is valued at LESS than \$1,000 USD. In these cases, the exporter simply needs to make a written declaration on the commercial invoice stating that the product is NAFTA qualifying. A NAFTA certificate is not required for goods that do not qualify for NAFTA treatment.

NAFTA Certificate of Origin (pdf from Customs and Border Protection)

Fill out the NAFTA Certificate of Origin online.

Once the Certificate is completed, the exporter needs to send the original or a copy of the Certificate of Origin to the importer. It is recommended that a copy of the Certificate of Origin is also included with the shipment. The exporter is required to keep all documentation of NAFTA claims until five years or such longer period as a Party may specify after the completion of the transaction.

Instructions on Filling out the Certificate of Origin

Block 1: The Name, Address, and Tax Identification number of the exporter.

Block 2: This block is optional. If the exporter ships the same product to the same importer on a frequent basis, the exporter only needs to fill out one Certificate of Origin each year and put in the blanket period the time period (up to one year).

Block 3: Enter the name and address of the producer. NOTE: If the person filling out the form wants to keep the name of the producer confidential, then write: AVAILABLE TO CUSTOMS UPON REQUEST is sufficient.

Block 4: The name, address, and tax identification number of the importer.

Block 5: Provide a description of the goods.

Block 6: Enter the first SIX digits of the HS Tariff Classification Number, also commonly referred to as the Schedule B number.

Block 7: The preference criterion tells customs how the exporter determined the product qualifies for NAFTA preferential tariff

There are 6 categories. Note that value and tariff shift rules can be found in the HTS, General note 12T

A: It must contain no non-North American parts or materials anywhere in the production process. This category is generally reserved for basic products such as those harvested, mined or fished in the NAFTA territory, although it can include a manufactured good with no non-NAFTA inputs.

B: For products manufactured in the NAFTA region that have a foreign component but met the product's rule of origin requirement.

C: For goods produced entirely in Canada, Mexico and/or the United States exclusively from materials that are already originating.

D: In very few cases a good that has not met the rule of origin requirement can qualify for preferential NAFTA treatment if a regional value content requirement is met.

E: This applies to certain automatic data processing goods and their parts, specified in Annex 308.1.

F: Applies to certain agricultural goods imported into Mexico.

Block 8: Enter yes if you are the producer of the good. Enter no if you are not the producer of the good.

Block 9: Net Cost: Enter NC if the rule of origin requires a regional value content qualification and if you use the net cost method rather than the transaction value method. In ALL other instances enter NO.

Block 10: Enter country of origin. Only US, CA, MX, or JT (meaning jointly produced in Mexico and the United States) should be inputted in this block.

Block 11: Sign and enter the name and additional information of the person filling out the form.

Special Cases

In some cases, a considerable amount of research into the inputs in the production of the goods is required in order to determine origin. Many exporters and importers believe that the only time that the declaration of origin can be provided is at the time the shipment clears customs, creating a sense of urgency in determining the origin of the goods. To obtain the reduced duty rate immediately, this is true. The importer, however, could pay the non-preferential duties at the time the goods clear customs and then has up to one year from the date on which the goods were imported to apply for a refund of excess duties paid as a result of the good not being accorded preferential treatment at the time of entry. At the time of the application for refund, the importer is required to supply a written declaration of the goods' originating status, a copy of the Certificate of Origin and other documentation relating to the importation of the good that the Party may require.

In some situations, an exporter may find that multiple shipments of identical goods are being sent to the same importer in Canada or Mexico. In these cases, it is not necessary to create new written declarations of origin for each individual shipment. The exporter can fill out the blanket period section of the form with two dates up to one year apart, and during that time period, the importer can maintain that one certificate of origin and present it at Customs at the acceptance of each shipment.

Supporting Documentation

The issuer of a written declaration of origin is required to have it available, in addition to other supporting documentation used in demonstrating that the good qualifies as originating under the NAFTA rules of origin, for a period of FIVE years from the date of importation of the good for products going to Canada and for a period of TEN years from the date of importation of the good for products going to Mexico.