

Borderline Genius: You, FedEx and CUSMA

A guide to understanding the Canada-United States-Mexico Agreement



CUSMA is all about reducing trade barriers. So are we.

When it comes to free trade, the last thing you need is a roadblock. That's why FedEx is working hard to help companies transition smoothly from the North America Free Trade Agreement (NAFTA) to the new agreement, which is known by a different name in each country:

- Canada: Canada-United States-Mexico Agreement (CUSMA)
- U.S.: United States-Mexico-Canada Agreement (USMCA)
- Mexico: Tratado entre México, Estados Unidos y Canadá (T-MEC)

To help you take full advantage of the new agreement, we've prepared the way, including:

- Updating all automation platforms, customer-facing tools, documentation and statements
- Getting our teams ready across our operating companies to ensure full compliance with the new rules and the crisp handling of every shipment
- Making sure you have all the information you need

To help you better understand how shipping will change for importers and exporters under CUSMA, we've prepared this quick guide. Check it out, and if you have any questions, contact your FedEx account representative or visit fedex.ca/cusma for additional information.



FedEx CUSMA quick guide

What is CUSMA?

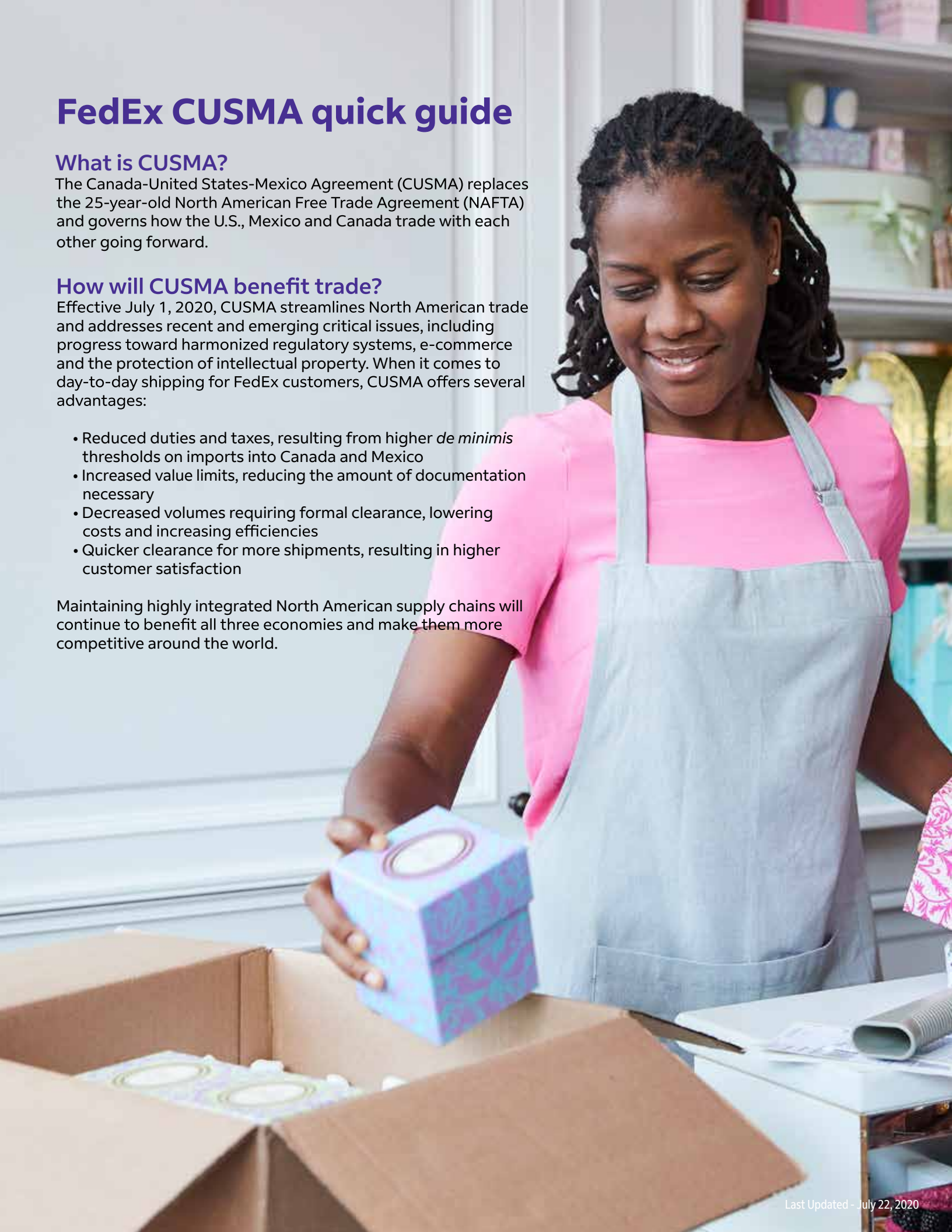
The Canada-United States-Mexico Agreement (CUSMA) replaces the 25-year-old North American Free Trade Agreement (NAFTA) and governs how the U.S., Mexico and Canada trade with each other going forward.

How will CUSMA benefit trade?

Effective July 1, 2020, CUSMA streamlines North American trade and addresses recent and emerging critical issues, including progress toward harmonized regulatory systems, e-commerce and the protection of intellectual property. When it comes to day-to-day shipping for FedEx customers, CUSMA offers several advantages:

- Reduced duties and taxes, resulting from higher *de minimis* thresholds on imports into Canada and Mexico
- Increased value limits, reducing the amount of documentation necessary
- Decreased volumes requiring formal clearance, lowering costs and increasing efficiencies
- Quicker clearance for more shipments, resulting in higher customer satisfaction

Maintaining highly integrated North American supply chains will continue to benefit all three economies and make them more competitive around the world.



Certifying the origin of products under CUSMA

A screenshot of the FedEx Certification of Origin form (USMCA/MEC/CUSMA). The form is titled "Certification of Origin" and "USMCA/MEC/CUSMA". It includes sections for "CERTIFIER", "EXPORTER", and "PRODUCER", each with fields for name, address, country, telephone, and email. There are also sections for "IMPORTER" and "CUSTOMER". The form is divided into four main sections: 1. CERTIFIER'S INFORMATION, 2. EXPORTER'S INFORMATION, 3. PRODUCER'S INFORMATION, and 4. IMPORTER'S INFORMATION. Each section contains fields for name, address, country, telephone, and email. The form also includes a section for "CUSTOMER'S INFORMATION" with fields for name, address, country, telephone, and email. The form is a single non-blanket form.

[Download COO form](#)

A screenshot of the FedEx Commercial Invoice - Certification of Origin form (USMCA/MEC/CUSMA). The form is titled "Commercial Invoice - Certification of Origin" and "USMCA/MEC/CUSMA". It includes sections for "CERTIFIER", "EXPORTER", and "PRODUCER", each with fields for name, address, country, telephone, and email. There are also sections for "IMPORTER" and "CUSTOMER". The form is divided into four main sections: 1. CERTIFIER'S INFORMATION, 2. EXPORTER'S INFORMATION, 3. PRODUCER'S INFORMATION, and 4. IMPORTER'S INFORMATION. Each section contains fields for name, address, country, telephone, and email. The form also includes a section for "CUSTOMER'S INFORMATION" with fields for name, address, country, telephone, and email. The form is a single non-blanket form.

[Download CI-COO form](#)

To make it easier for you, FedEx has created both a stand-alone fillable [COO form](#) and a fillable [Commercial Invoice – Certification of Origin \(COO-CI\)](#) that have the mandatory data elements already integrated.

Note: The CI-COO document is for single shipment use only. It will not qualify as a blanket certification.

When do I need a Certification of Origin (COO)?

A COO is required for:

- Shipments to Canada valued at more than CAD \$3,300
- Shipments to Mexico valued at more than USD \$1,000
- Shipments to the U.S. valued at more than USD \$2,500

For low-value shipments (LVS), the COO is not required, but a certifying statement is. See special conditions for LVS on the next page.

Who can certify?

The importer, exporter or producer.

What does the COO include?

It must include nine mandatory data elements:

- Indicate the certifier (importer, exporter or producer)—**NEW**
- Certifier name, address (including country) and contact information—**NEW**
- Exporter name, address and contact info (if different than certifier)
- Producer name, address and contact info (if different than certifier)
- Importer name, address and contact info (if different than certifier)
- Description of goods and Harmonized System (HS) Tariff Classification Number
- Origin criterion
- Blanket period (date range up to 12 months)
- Authorized signature and date

In addition, the certification must be signed and dated by the certifier and 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."

For your convenience, this statement is already included on the COO form.

How should the data elements be provided?

The COO data elements may be provided on any existing shipping document (e.g., Commercial Invoice) or on a separate stand-alone document as no prescribed format or template has been provided, or is required, by the government.

What about low-value shipments?

You do not have to provide the COO as FedEx will accept the following certifying statement:

“I hereby certify that the goods covered by this shipment qualifies as an originating good for the purposes of preferential tariff treatment under CUSMA/USMCA/T-MEC.”

This statement can be included on the Commercial Invoice as long as shipment values fall below these thresholds:

- Equal to or less than CAD \$3,300 for Canada—imports into Canada
- Equal to or less than USD \$2,500 for U.S.—imports into the U.S.
- Equal to or less than USD \$1,000 for Mexico—imports into Mexico

How has *de minimis* changed?

De minimis thresholds have increased for Canada and Mexico. For the U.S., it remains the same.

Canada¹

CAD \$40 and less is not subject to customs duties and taxes

CAD \$40.01 - \$150 is not subject to customs duties, subject to taxes only

Mexico

USD \$50 and less is not subject to duties and taxes

USD \$50.01-\$117 is not subject to customs duties, subject to taxes only

United States

USD \$800 and less is not subject to customs duties and Merchandise Processing Fees (MPF)²

¹ Only applies to goods exported from the U.S. and Mexico into Canada.

² As with NAFTA, CUSMA provides that originating goods and Tariff Preference Level (TPL) goods are exempt from the Merchandise Processing Fee (MPF). However, under the current law, MPF is excluded only if the claim for preferential tariff treatment is made at the time of entry.

How does CUSMA affect non-resident importers?

CUSMA rules and benefits apply to non-resident importers.

[Learn more](#) about becoming a non-resident importer.



CUSMA quick-reference guide

To help you understand the changes that affect your shipping under CUSMA, we've prepared this quick-reference guide.

For more in-depth information and CUSMA resources, visit fedex.ca/cusma.

	Canada Imports	U.S. Imports	Mexico Imports
Who can certify?	Importer, exporter and producer	Importer, exporter and producer	Importer, exporter and producer
Certification of Origin (COO)	<p>Set of 9 data elements including a statement on a commercial invoice or as a separate document</p> <p>Certification required¹ for shipments to Canada valued at greater than CAD \$3,300</p> <p>Download COO Download CI-COO</p>	<p>Set of 9 data elements including a statement on a commercial invoice or as a separate document</p> <p>Certification required for shipments to the U.S. valued at greater than USD \$2,500</p> <p>Download COO Download CI-COO</p>	<p>Set of 9 data elements including a statement on a commercial invoice or as a separate document</p> <p>Certification required for shipments to Mexico valued at greater than USD \$1,000</p> <p>Download COO Download CI-COO</p>
De minimis (value below which goods are not charged duties and taxes)	<p>CAD \$40 and less not subject to customs duties and taxes</p> <p>CAD \$40.01-\$150 is not subject to customs duties, subject to taxes only</p>	<p>USD \$800 and less not subject to customs duties and merchandise processing fees (MPF)¹</p>	<p>USD \$50 and less is not subject to duties and taxes</p> <p>USD \$50.01-\$117 is not subject to customs duties, subject to taxes only</p>
Low-value shipments (LVS)	<p>The LVS threshold will increase from CAD \$2,500 to CAD \$3,300 for all imports, regardless of origin. Shipments imported with a value below the LVS threshold (containing goods that are not regulated, controlled or prohibited) do not require formal entries to be submitted for customs clearance. A statement certifying that the imported goods originate from a CUSMA/USMCA/T-MEC country could be required.</p>	<p>The current USD \$2,500 formal value threshold will remain the same, and shipments (containing goods that are not regulated, controlled or prohibited) valued below the threshold will not require formal entries to be submitted for customs clearance. A statement certifying that the imported goods originate from a CUSMA/USMCA/T-MEC country could be required.</p>	<p>The current USD \$1,000 formal value threshold will remain the same, and shipments (containing goods that are not regulated, controlled or prohibited) valued below the threshold will not require formal entries to be submitted for customs clearance. A statement certifying that the imported goods originate from a CUSMA/USMCA/T-MEC country could be required.</p>
New tariff rate quotas (TRQs)	<p>TRQs will be phased in over an agreed-upon period of years to increase market access to specified agricultural products such as dairy, poultry and eggs.</p>	<p>The United States will provide reciprocal access on a ton-for-ton basis for imports of specified Canadian dairy products through first-come, first-served TRQs.</p>	<p>Modifications to market access on commodities such as automobiles, steel and aluminum will be phased-in over an agreed-upon period of years.</p>
Automotive industry – content and components	<p>Zero customs duties for qualifying goods</p> <p>75% of auto content and components must be manufactured in one of the CUSMA countries, and 40–45% of auto content must be made by workers earning at least \$16 per hour.</p>	<p>Zero customs duties for qualifying goods</p> <p>75% of auto content and components must be manufactured in one of the CUSMA countries, and 40–45% of auto content must be made by workers earning at least \$16 per hour.</p>	<p>Zero customs duties for qualifying goods</p> <p>75% of auto content and components must be manufactured in one of the CUSMA countries, and 40–45% of auto content must be made by workers earning at least \$16 per hour.</p>
Textile and apparel goods	<p>The quota will decrease for wool apparel from the U.S. and will increase for cotton/man-made fiber apparel from the U.S.</p>	<p>There are decreases to quota levels for cotton/man-made apparel and wool from Canada, while the quota levels for such imports from Mexico have stayed the same.</p>	<p>Commitments previously established under NAFTA have been largely maintained with CUSMA. The quota will decrease for fibres not made or obtained in Mexico (e.g., silk).</p>

¹As with NAFTA, CUSMA provides that originating goods and Tariff Preference Level (TPL) goods are exempt from the Merchandise Processing Fee (MPF). However, under the current law, the MPF is excluded only if the claim for preferential tariff treatment is made at the time of entry.

We're here to help you ship there.

For more information about the new agreement, visit fedex.ca/cusma.

Additional Resources

[Agreement between the United States of America, the United Mexican States, and Canada \(12/13/19 Text\)](#)

[CUSMA – Full Text of the Agreement](#)

[Tariff Schedule of Canada \(Tariff Rate Quotas\)](#)

[CUSMA – Chapter 6: Textile and Apparel Goods](#)

[Canada Border Services Agency \(CBSA\) Customs Notices](#)

[The Canada-United States-Mexico Agreement: What importers need to know](#)

[USMCA fact sheets](#)

[U.S.-Mexico-Canada Agreement \(USMCA\)](#)

[Final texts of the Treaty between Mexico, United States and Canada \(T-MEC\) \(Spanish and English\)](#)



Please note that all information in this guide is subject to change depending on, among other things, issuance of final regulations. Updates will be provided as more information becomes available.

Last Updated - July 22, 2020