

Borderline Genius: You, FedEx and USMCA

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

FedEx[®]

USMCA 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 U.S. 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:

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

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 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 USMCA, we've prepared this quick guide. Check it out, and if you have any questions, contact your FedEx account representative.



FedEx USMCA quick guide

What is USMCA?

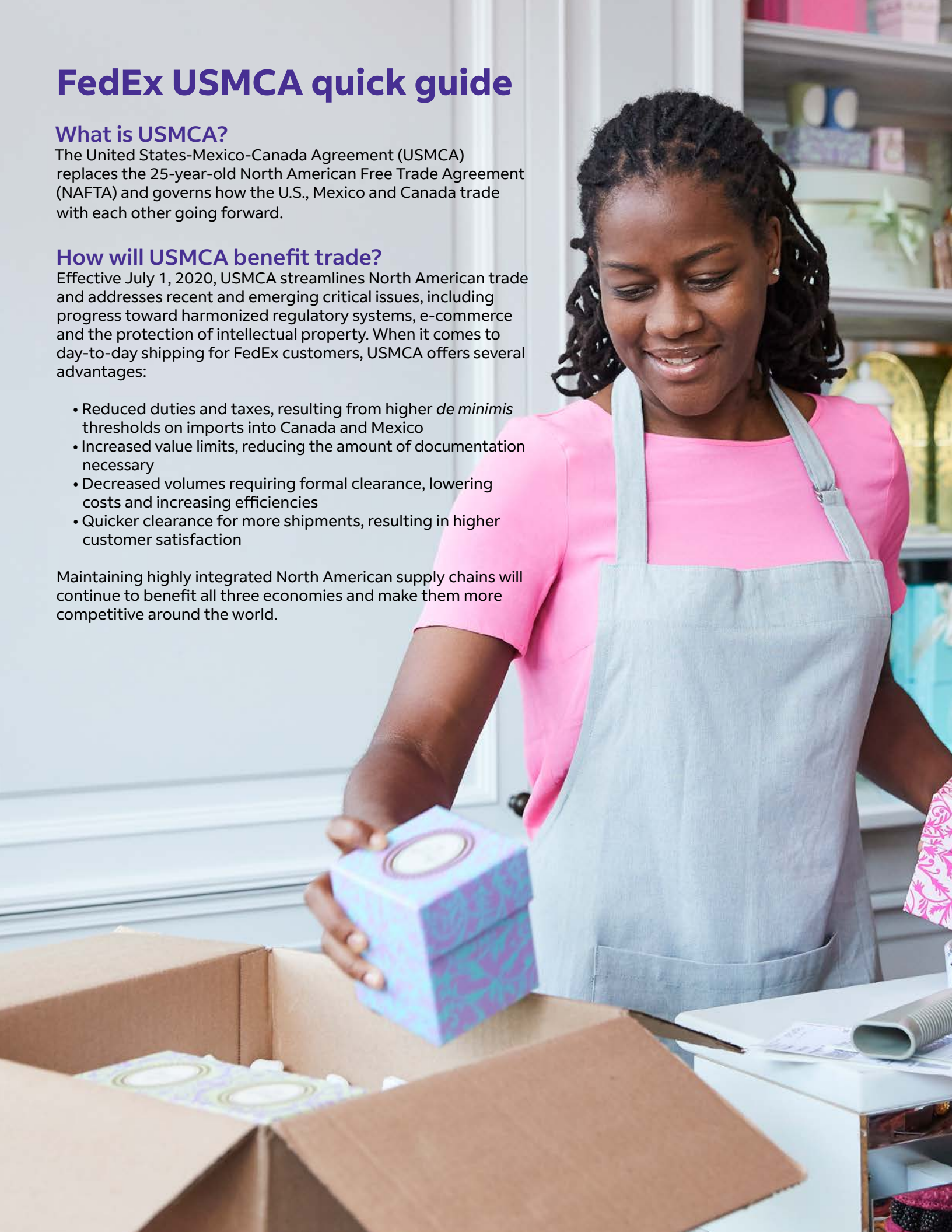
The United States-Mexico-Canada Agreement (USMCA) replaces the 25-year-old North American Free Trade Agreement (NAFTA) and governs how the U.S., Mexico and Canada trade with each other going forward.

How will USMCA benefit trade?

Effective July 1, 2020, USMCA 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, USMCA 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 USMCA

FedEx
Certification of Origin
USMCA/T-MEC/CUSMA

1 CERTIFIER ☐ Importer ☐ Exporter ☐ Producer

2 CERTIFIER'S DETAILS
Name
Address
Telephone
Email
Tax ID Number Business number

3 EXPORTER'S DETAILS (if different than the certifier)
Name
Address
Telephone
Email
Tax ID Number Business number

4 PRODUCER'S DETAILS (if different than the certifier or exporter)
Please check one if applicable:
☐ Various Producers ☐ Available upon request by the importing authorities
Name
Address
Telephone
Email
Tax ID Number Business number

5 IMPORTER'S DETAILS (if different than the certifier)
Please check one if applicable:
☐ Unknown ☐ Various Importers
Name
Address
Telephone
Email
Tax ID Number Business number

6 DESCRIPTION OF THE GOOD
Part or SKU Number
Description

7 HARMONIZED SYSTEM (HS) TARIFF CLASSIFICATION
Maximum 6-digit level

8 ORIGIN CRITERION

9 COUNTRY OF ORIGIN

Additional goods can be listed on the continuation chart provided on page 3.

10 BLANKET PERIOD
Period covered by certification (if applicable) is up to 12 months from **DDMMYY** to **DDMMYY**
Signed by the Certifier (see section 2)
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.
This certification consists of **00** pages.

11 CERTIFIER'S SIGNATURE _____ DATE **DDMMYY**

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

A COO is required¹ for:

- Shipments to Canada valued at more than CAD \$3,300
- Shipments to Mexico valued at more than USD \$1,000²
- Shipments to the U.S. valued at more than USD \$2,500

For low-value shipments (LVS), specific COO data is not required, but a certification statement is. See special conditions for LVS below.

¹ The agreement states that the value of the importation does not exceed USD \$1,000 or the equivalent amount in the importing Party's currency or any higher amount as the importing Party may establish.

² FedEx Trade Networks, when serving as Importer of Record (IOR), will require a certification statement on commercial invoices for shipments below USD \$1,000.

[Download COO form](#)

Who can certify?

The importer, exporter and producer.

What does 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
- HS tariff classification number
- Origin criterion
- Blanket period (date range up to 12 months)

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. FedEx has created a [COO form](#) to make it easy.

What about low-value shipments?

- You do not have to include the nine data elements.
- If the nine data elements are not displayed, you must include this shorter certification statement:

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

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
not subject to customs
duties and taxes

CAD \$150 and less
not subject to customs
duties, subject to taxes only

Mexico

USD \$50 and less
not subject to taxes

USD \$117 and less
not subject to customs
duties and taxes

United States

USD \$800 and less
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, the USMCA provides that originating goods and tariff preference level (TPL) goods are exempt from MPF. However, under current law, MPF is excluded only if the claim for preferential tariff treatment is made at the time of entry.

How does USMCA affect non-resident importers?

USMCA rules and benefits apply to U.S. businesses that are non-resident Canadian importers. [Learn more](#) about becoming a non-resident importer.



USMCA quick-reference guide

To help you understand the changes that affect your shipping under USMCA, we've prepared this quick-reference guide. For more in-depth information and USMCA resources, visit fedex.com/usmca.

| | Shipping to the U.S. | Shipping to Mexico | Shipping to Canada |
|---|---|---|--|
| 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 the U.S. valued at greater than USD \$2,500</p> <p>Download 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 \$1,000²</p> <p>Download COO</p> | <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</p> |
| De minimis (value below which goods are not charged duties and taxes) | USD \$800 and less not subject to customs duties and merchandise processing fees (MPF) | <p>USD \$50 and less not subject to taxes</p> <p>USD \$117 and less not subject to customs duties and taxes</p> | <p>CAD \$40 and less not subject to customs duties and taxes</p> <p>CAD \$150 and less not subject to customs duties, subject to taxes only</p> |
| Low-value shipments (LVS) | 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 USMCA/T-MEC/CUSMA country could be required. | 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 USMCA/T-MEC/CUSMA country could be required. | 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 USMCA/T-MEC/CUSMA country could be required. |
| New tariff rate quotas (TRQs) | 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. | TBD | 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. |
| 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 USMCA countries, and 40–45% of auto content must be made by workers earning at least \$16 per hour.</p> | TBD | <p>Zero customs duties for qualifying goods</p> <p>75% of auto content and components must be manufactured in one of the USMCA countries, and 40–45% of auto content must be made by workers earning at least \$16 per hour.</p> |
| Textile and apparel goods | There are decreases to quota levels for cotton/manmade apparel and wool from Canada, while the quota levels for such imports from Mexico have stayed the same. | TBD | The quota will decrease for wool apparel from the U.S. and will increase for cotton/manmade fiber apparel from the U.S. |

¹The agreement states that the value of the importation does not exceed USD \$1,000 or the equivalent amount in the importing Party's currency or any higher amount as the importing Party may establish.

²FedEx Trade Networks, when serving as Importer of Record (IOR), will require a certification statement on commercial invoices for shipments below USD \$1,000.

We're here to help you ship there.

For more information about the new agreement, including instructions and updates concerning your FedEx shipping automation platform, go to fedex.com/usmca. While you're there, sign up for Regulatory News emails so you can stay up to date on the latest regulatory changes.

Additional resources

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

[USMCA fact sheets](#)

[USMCA fact sheet | Supporting America's Small and Medium-Sized Businesses](#)

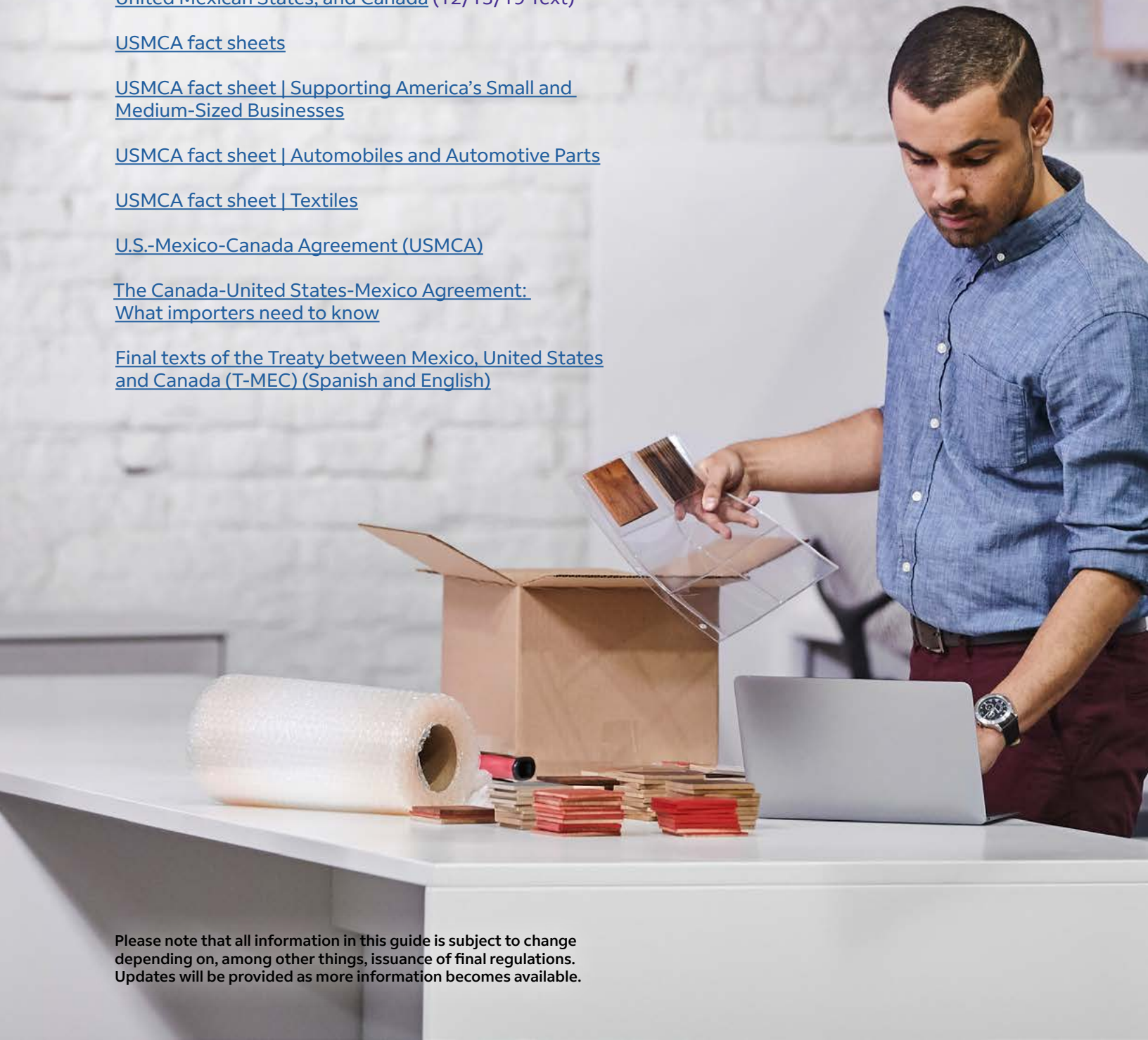
[USMCA fact sheet | Automobiles and Automotive Parts](#)

[USMCA fact sheet | Textiles](#)

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

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

[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.