



USMCA

United States · Mexico · Canada

Unlocking the benefits of Free Trade Agreements

Tuesday · September 9, 2025

Consulting · Advice · Training · Services



International Trade & Compliance

- ◆ Import & Export Optimization Strategies
- ◆ In- & Out-sourced Trade Operations
- ◆ Documentation Requirements
- ◆ Tariff Classification
- ◆ Free Trade Agreements
- ◆ International Business Strategy
- ◆ Supply Chain Security & CTPAT
- ◆ Audits & Disclosures
- ◆ Antidumping & Countervailing Duties
- ◆ Broker & Forwarder Management
- ◆ Specialized Training
- ◆ Process Streamlining
- ◆ Navigating Controlled Exports



Presenter:

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President & General Manager
Licensed Customs Broker

Star USA, Inc.

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USMCA and other FTAs are *Duty Preference Programs*



Some key things to remember:

- ◇ *FTAs are never a legal requirement; participation is always voluntary*
- ◇ *Records are everything. Keep your records.*
- ◇ *USMCA affects duties and fees; never taxes*
- ◇ *Multi-lateral enforcement provisions*

3 Primary Motivations:

1. You want to pay less duty on *your* imports
2. Your customers in a member country – i.e., Canada or Mexico – want to pay less duty on *their* imports
3. Your customers in the U.S. have exports to a member country and they want to pay less duty on *those* imports

Free Trade Agreements



Some key things to remember:

- ❖ *Trade, international relations, and foreign policy are in an unprecedented state of disarray.*
- ❖ *Currently 14 FTAs with 20 countries*
- ❖ *US & Japan have an agreement in place for minerals*
- ❖ *US & EU have an agreement to establish an agreement to modify IEEPA & 232 tariffs*

For more info:

- ◆ [Free Trade Agreements](#) – USTR
- ◆ [US-EU Framework Agreement](#) – EU Commission

U.S. Trade Agreements:

Bilateral:

1. Australia
2. Bahrain
3. Chile
4. Colombia
5. Israel
6. Jordan
7. Korea
8. Morocco
9. Oman
10. Panama
11. Peru
12. Singapore

Multilateral:

DR-CAFTA

1. Costa Rica
2. Dominican Republic
3. El Salvador
4. Guatemala
5. Honduras
6. Nicaragua

USMCA

1. Canada
2. Mexico

Tariffs under IEEPA

International Emergency Economic Powers Act



Current State, roughly:

- ◇ *U.S. Court of International Trade (CIT) on May 28 held that the Reciprocal and Trafficking Tariffs under IEEPA exceeded Presidential Authority*
- ◇ *U.S. Court of Appeals on August 29 upheld the CIT decision*
- ◇ *That decision was appealed to the U.S. Supreme Court, with a request to hear back by tomorrow (Wednesday 9/10)*

Regarding FTAs:

1. Goods qualifying under USMCA are excepted from the IEEPA tariffs, but not Section 232
2. FTAs-other-than-USMCA do not affect IEEPA or Section 232 tariffs
3. Separate trade deals are being rolled out one-by-one to modulate IEEPA/232 impacts. UK, EU, Vietnam, Korea, etc.

Today we'll focus on:

1. The 3 Common Scenarios for using Free Trade Agreements:
 - You're the Importer
 - You're the Exporter, or
 - You're the Producer
2. Basic Steps for each scenario
3. Troubleshooting, navigation, tips & tricks, Q&A

Common Scenario 1

You are the Importer.

Your supplier is in Canada or Mexico and you are the importer of record.

Here's the easiest way to comply:

1. **Request a Certification of Origin from your supplier**
2. **Verify its validity**
3. **Notify your Customs Entry Broker prior to import**



But problems arise!

1. Supplier doesn't understand the request.
2. Supplier's Certificate is unacceptable.
3. USMCA wasn't claimed before the entry was filed.

What can you do?

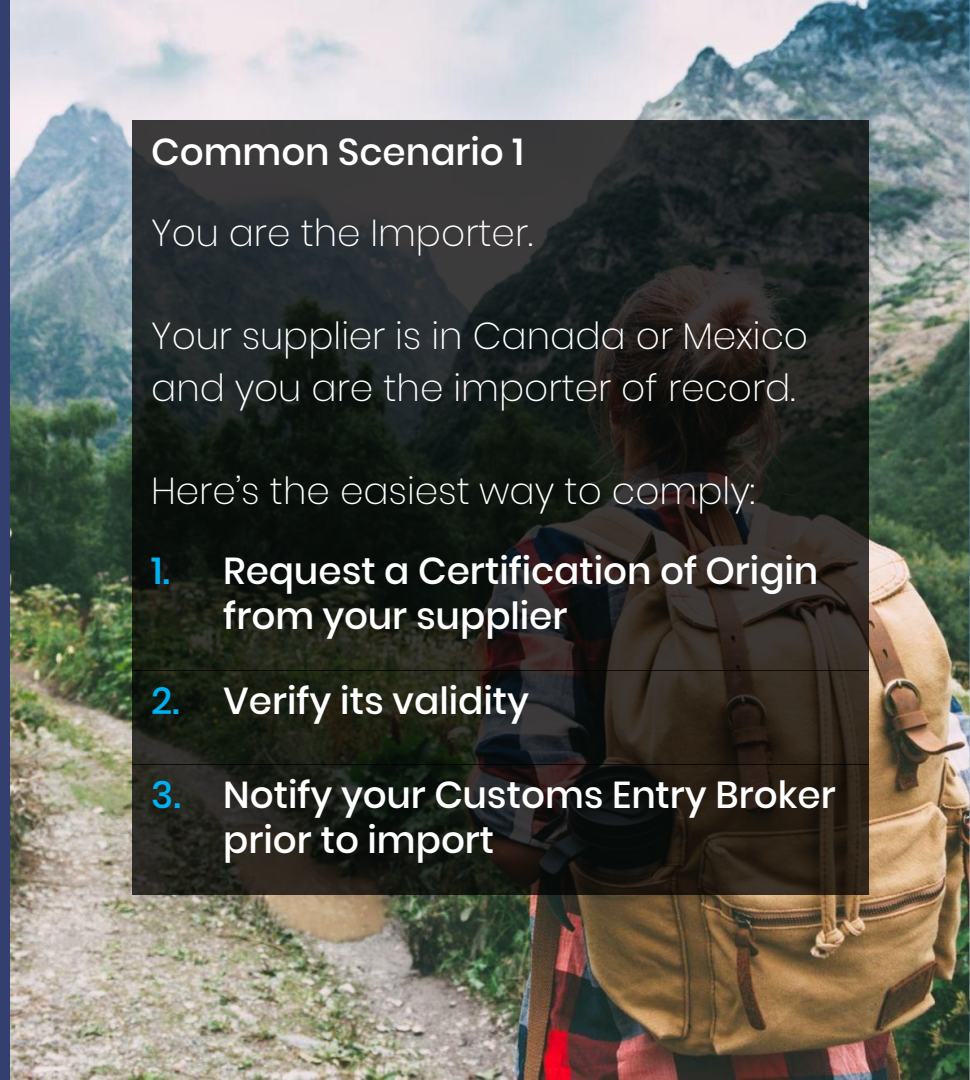
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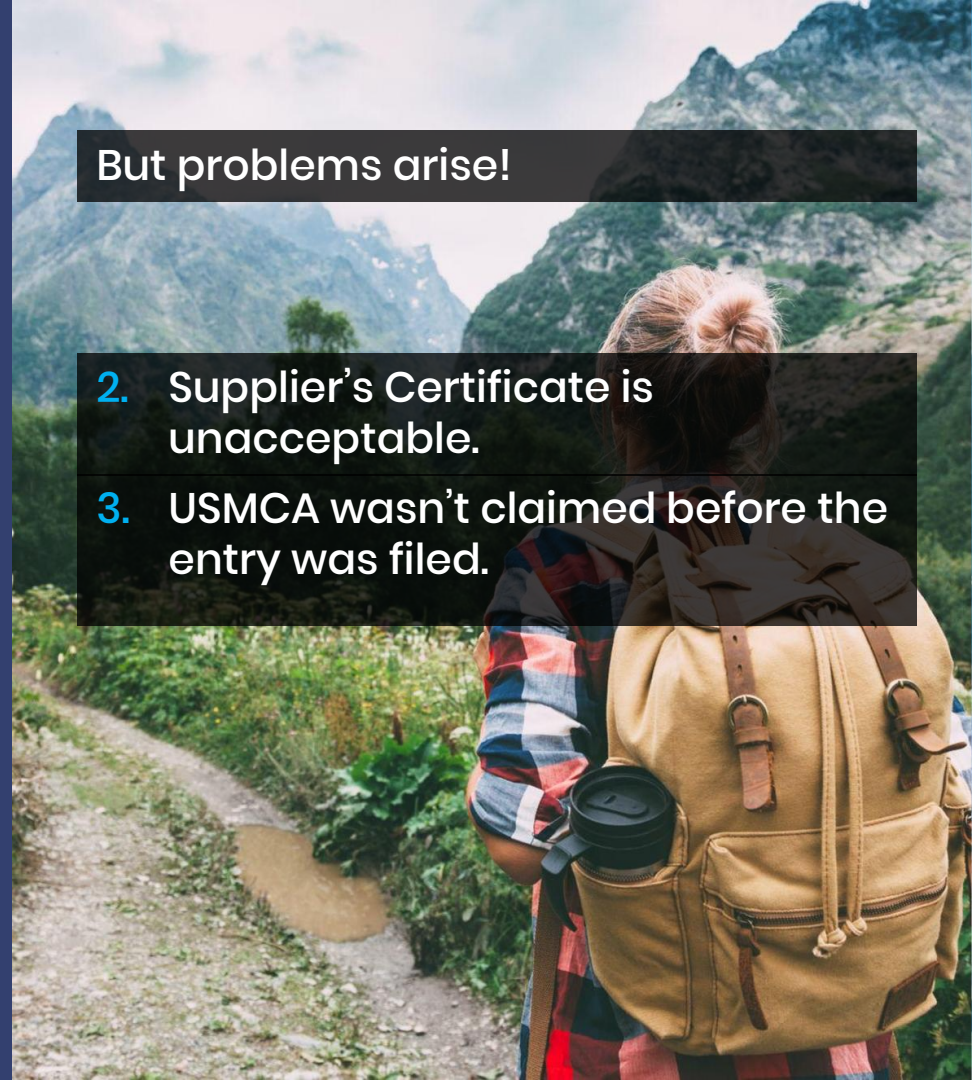
Educate the supplier

- ◆ Inform them of the importance for your business
- ◆ Direct them to appropriate resources from their country:
[Canada](#) · [Mexico](#)
- ◆ Direct them to inquire with their Customs Broker, Freight Forwarder, or another resource

But problems arise!

2. Supplier's Certificate is unacceptable.

3. USMCA wasn't claimed before the entry was filed.



2. Supplier's Certificate is unacceptable.

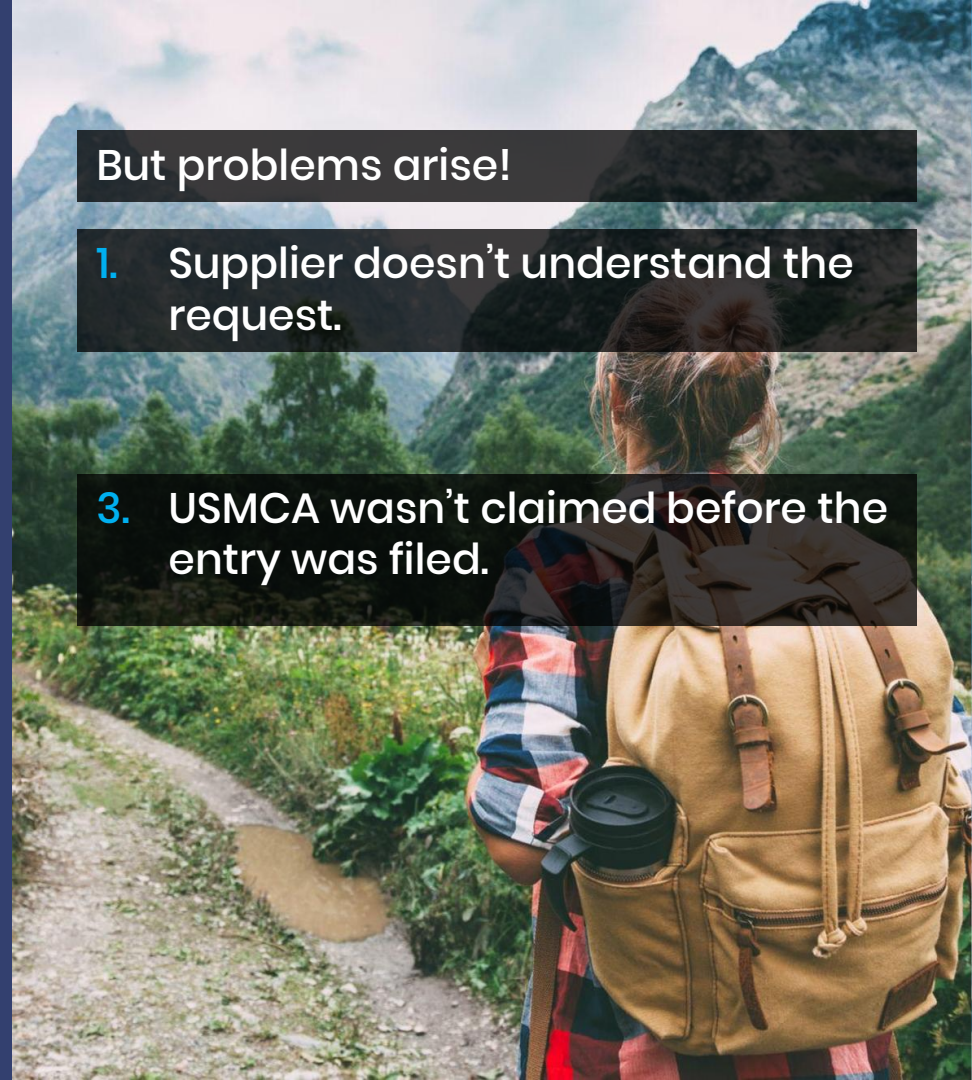
Identify the concern and work towards resolution

- ◆ Data point is missing? Ask the Supplier to amend the Certification in conformance with [Annex 5-A](#).
- ◆ Conflicting data, such as HS? Verify the classification, *communicate* with the Supplier.
- ◆ Suspect a false claim? Confirm the suspicion and inform the Supplier and CBP as appropriate; do not file a claim.

But problems arise!

1. Supplier doesn't understand the request.

3. USMCA wasn't claimed before the entry was filed.



3. USMCA wasn't claimed before the entry was filed.

Verify claims

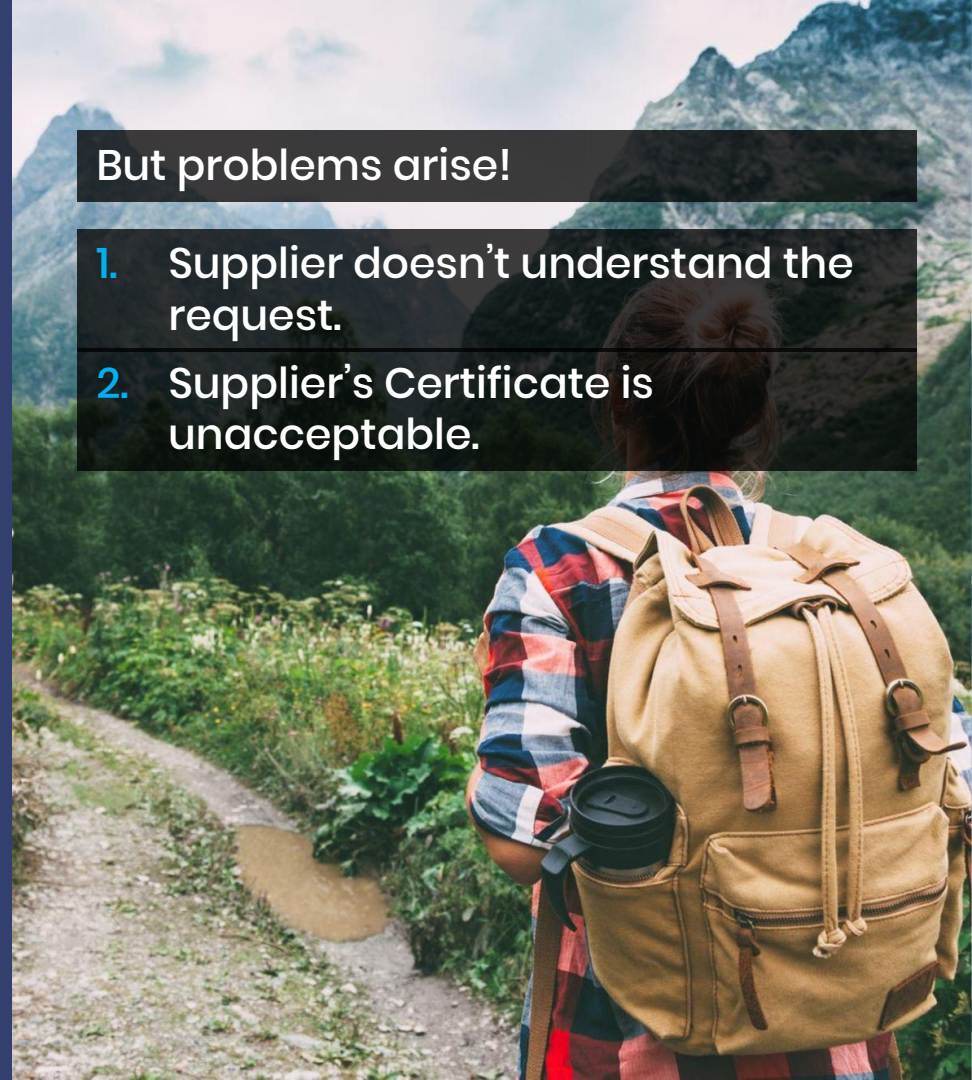
- ◆ Using ACE Reports or similar data sources, track entries with & without USMCA claims
- ◆ Identify & correct any other errors discovered along the way

Request a refund

- ◆ The Agreement allows for claims to be filed up to 1 year after importation
- ◆ Contact your Entry Broker, provide them all necessary documentation, and ask them to file a 520(d)

But problems arise!

1. Supplier doesn't understand the request.
2. Supplier's Certificate is unacceptable.



Common Scenario 2

You are the Exporter and NOT the Producer.

Your customer in Canada or Mexico has requested a USMCA, CUSMA, or T-MEC certification.

Here's the easiest way to comply:

1. Obtain a Supplier Certification
2. Prepare Exporter Certification



1. Obtain a Supplier Certification

A Supplier Certification is documentation given to you by your supplier, traceable back in sequence to the original producer of the good.

As the exporter, you use the Supplier Certification to generate an Exporter Certification that will be used by the Importer, completing the Certification chain.

Supplier Certifications contain all of the same essential data elements in [Annex 5-A](#) – but they are generally NOT USED for the *export* transaction.

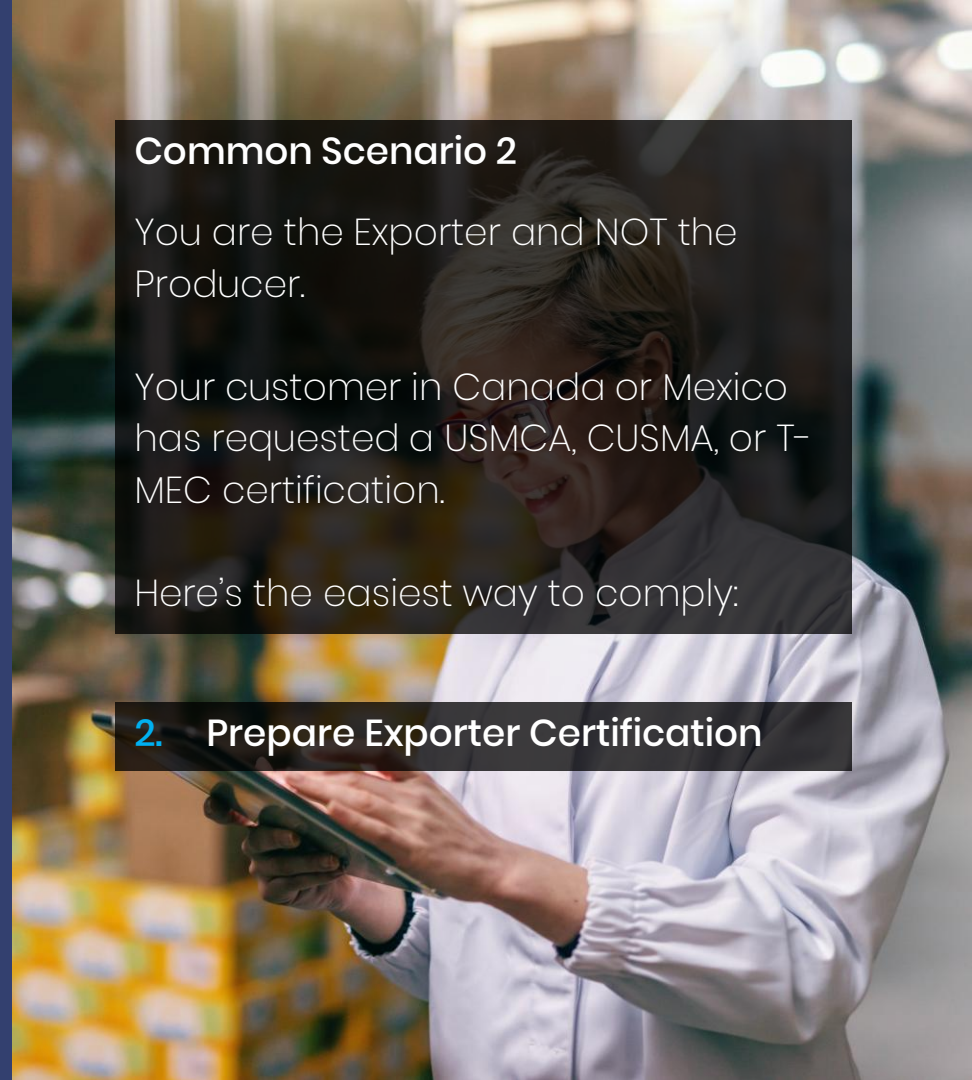
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2. Prepare Exporter Certification

USMCA Certification Data Elements are in:

◆ [Annex 5-A of Chapter 5 of the USMCA](#)

9 Data Elements

1. Preparer Type – Importer, Exporter, or Producer
2. Certifier's Info – Name, Title, Address, Phone, and Email
3. Exporter's Info – If known; not required if it is not known
4. Producer's Info – Address is the place of production within the territory
5. Importer's Info – If known. Address must be within the territory.

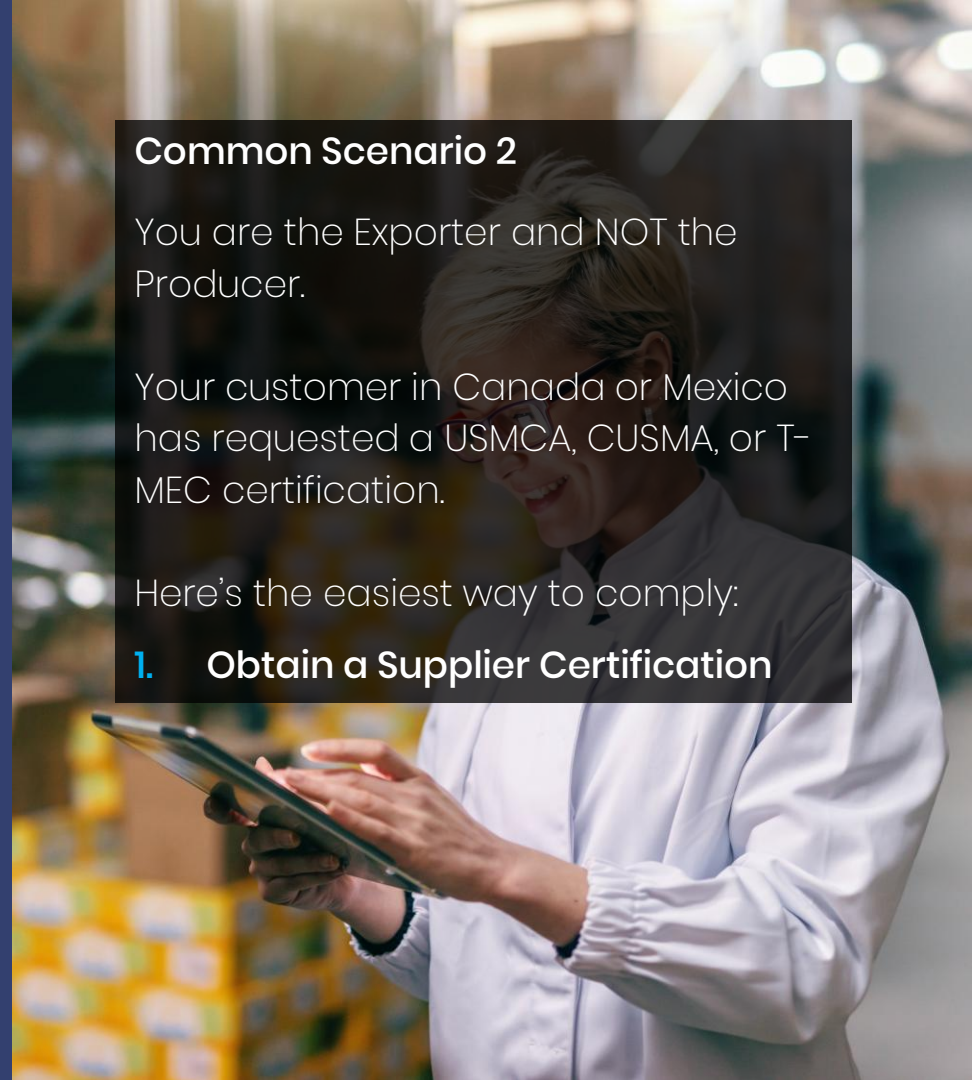
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USMCA Certification Data Elements are in:

- ◆ [Annex 5-A of Chapter 5 of the USMCA](#)

9 Data Elements

6. Description and HS Classification to 6 digits
7. Origin Criteria from Article 4.2
8. Blanket Period – Up to 12 months
9. Authorized Signature and Date – Must include the legal text from Annex 5-A “I certify that the goods....”

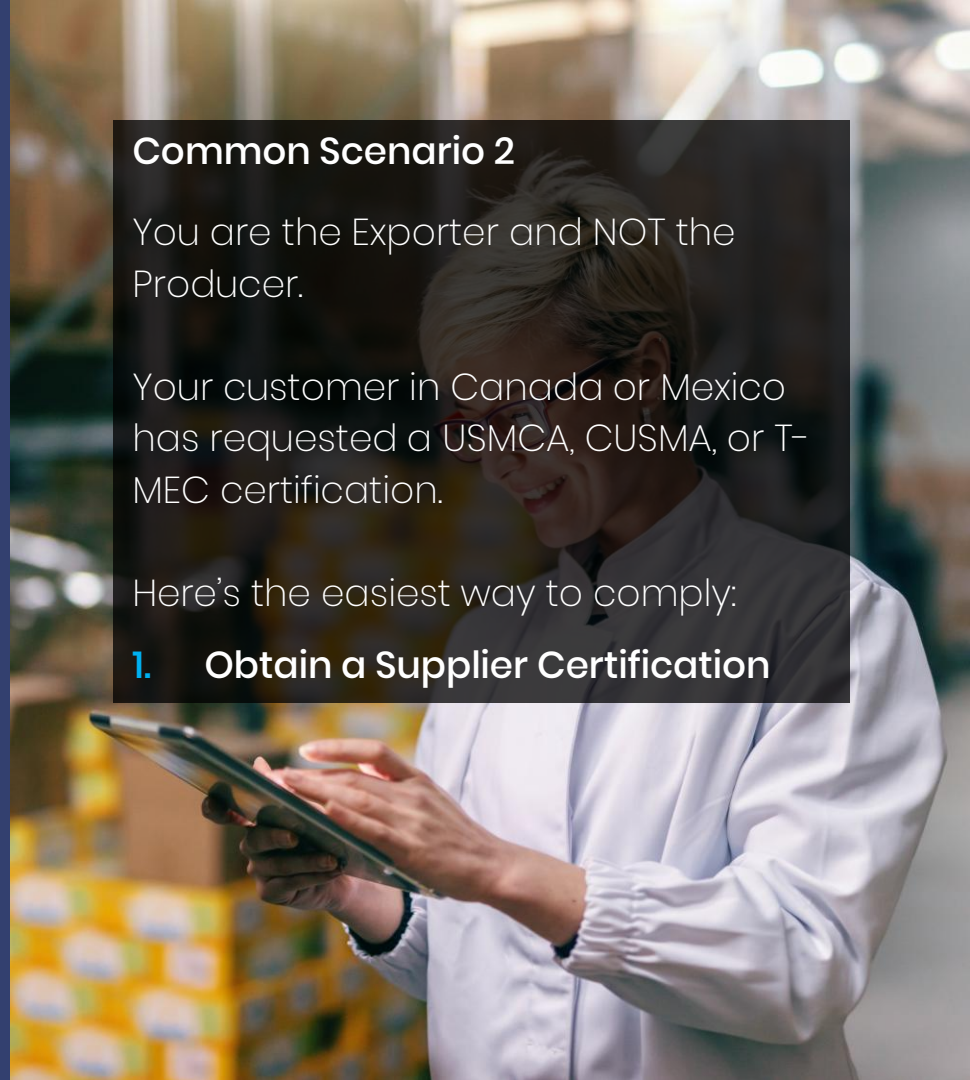
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Here's the easiest way to comply:

1. **Obtain a Supplier Certification**



Common Scenario 3

You are the Producer.

You and your customer are both located in the United States, but your *customer's* customer is located in Mexico or Canada.

Here's the easiest way to comply:

1. Conduct USMCA Qualification
2. Provide a Producer Certification to your Customer



1. Conduct USMCA Qualification

2 steps for USMCA Qualification

1. Determine HS Classification
2. Apply the Rule of Origin to your good

Classifying your goods can be very involved; [seek help](#) where needed.

USMCA Rules of Origin are in:

- ◆ [Chapter 4 of the USMCA](#), or
- ◆ [General Note 11 of the HTSUS](#)

Common Scenario 3

You are the Producer.

You and your customer are both located in the United States, but your *customer's* customer is located in Mexico or Canada.

Here's the easiest way to comply:

2. Provide a Producer Certification to your Customer

1. Conduct USMCA Qualification

Qualification Methods

- ➔ 1. USMCA Special Rules
- 2. Tariff Shift
- 3. Regional Value Content

USMCA Special Rules are identified within the text of the USMCA at the start of select sections of the USMCA Rules of Origin.

Examples include:

- 1. De Minimis Rule (Article 4.12)
- 2. Notes at the start of Chapter 27
- 3. Notes at the start of Section VI (Ch. 28-38)
- 4. Notes at the Start of Section VII (Ch. 39-40)
- 5. Notes at the Start of Section XI (Ch. 50-63)

Common Scenario 3

You are the Producer.

You and your customer are both located in the United States, but your *customer's* customer is located in Mexico or Canada.

Here's the easiest way to comply:

- 2. Provide a Producer Certification to your Customer

1. Conduct USMCA Qualification

Qualification Methods

1. USMCA Special Rules
- 2. **Tariff Shift**
3. Regional Value Content

Tariff Shift is the transition from one article in the HS to another article in the HS.

Tariff Shift will typically occur at either the Chapter, Heading, or Subheading level.

Examples:

- | | |
|---------|---|
| 72.01 | A change to heading 72.01 from any other chapter |
| 17.04 | A change to heading 17.04 from any other heading |
| 3206.50 | A change to subheading 3206.50 from any other subheading |

Common Scenario 3

You are the Producer.

You and your customer are both located in the United States, but your *customer's* customer is located in Mexico or Canada.

Here's the easiest way to comply:

2. **Provide a Producer Certification to your Customer**

1. Conduct USMCA Qualification

Qualification Methods

1. USMCA Special Rules
2. Tariff Shift

→ 3. Regional Value Content

Regional Value Content is a comparison calculation of the value of originating material against the Value of Non-originating Material.

There are 2 formulas:

1. Transaction Value Method
$$RVC = (TV - VNM) \div TV$$
2. Net Cost Method
$$RVC = (NC - VNM) \div NC$$

These formulas result in the Value of Originating Materials as a percentage

Common Scenario 3

You are the Producer.

You and your customer are both located in the United States, but your *customer's* customer is located in Mexico or Canada.

Here's the easiest way to comply:

2. **Provide a Producer Certification to your Customer**

2. Provide a Producer Certification to your Customer

Producer Certifications conform to the [Annex 5-A](#) data elements.

Producers should advise customers to complete an Exporter Certification in lieu of providing the Producer Certification to the importer.

Producer Certifications are the first link in the certification chain and Producers share the same obligations and responsibilities as Exporters and Importers under USMCA.

Common Scenario 3

You are the Producer.

You and your customer are both located in the United States, but your *customer's* customer is located in Mexico or Canada.

Here's the easiest way to comply:

1. Conduct USMCA Qualification



Other Scenarios?

1. You are Producer AND Exporter

Instead of requesting a Certification from the Producer, you follow the steps to qualify and generate your own Certification to use for Export

2. You are Producer, Exporter, AND Importer

You can't be all 3 at once – but sometimes there are related companies and shared responsibilities.

You will need to prepare an Exporter and/or Producer Certification for the Importer to claim USMCA.

3. You are not Producer, Exporter, or Importer

You probably should not complete *any* FTA Certifications or perform qualification. Consult experts to understand what you need and why you need it.



Originating Goods



What does it mean to be *originating*?

Both **Tariff Shift** and **Regional Value Content** rely on understanding and applying the concept of “**origination**”.

Originating Goods satisfy the requirements of the FTA: for USMCA, that means they have met all applicable Rules of Origin from **Annex 4-B**.

Under **Tariff Shift** rules, all non-originating materials must “meet the shift”, while originating materials can ignore the shift entirely.

Under **Regional Value Content** rules, the value of non-originating materials must be below the thresholds; the good must contain sufficient value from originating materials.

All **Certifiers** – Importers, Exports, or Producers – **are responsible** for demonstrating the originating status of a good through a certification that conforms with **Annex 5-A**.

Without a valid Certification, **ALL GOODS** are presumed to be non-originating, irrespective of country of origin.

DID YOU KNOW?

Originating is not the same as Origin US, and neither are the same as Made in USA



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Registration
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SUMMIT

Today we discussed:

- ◆ Motivations for using USMCA
- ◆ Applying USMCA as an Importer, Exporter, or Producer
- ◆ Navigating the Certification chain
- ◆ Qualification Methods under USMCA Annex 4-B
- ◆ Certification Data Elements from USMCA Annex 5-A

THANK YOU!

Add'l Resources

Free Resources to continue learning:

- ◆ USTR – [List of Trade Agreements by Country](#)
- ◆ USTR – USMCA – [Text of the Agreement](#)
- ◆ USTR – USMCA – [Article 4 – Rules of Origin](#)
- ◆ USTR – USMCA – [Article 5 – Origin Procedures](#)
- ◆ eCFR – [19 CFR Part 182 – USMCA](#)
- ◆ CBP – [USMCA Fact Sheets](#)
- ◆ CBP – [USCMA Overview](#)
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