

Administration

SB USMCA: Opportunities for Small Business

On July 1, 2020, the U.S.-Mexico-Canada Agreement (USMCA) entered into force, replacing the NAFTA. SBA is proud to have been part of the team that negotiated this agreement with our two top trading partners. USMCA features numerous small business-friendly provisions, and it is the first trade agreement to include a <u>chapter</u> dedicated to small business trade. To help leverage the new USMCA, small businesses can follow the steps below:

Learn about the USMCA and tools to assist small businesses in trade

Explore information on rules and tools from SBA and federal partners at www.sba.gov/tradetools and visit the official U.S. information-sharing portal on USMCA at www.trade.gov/usmca. Review the agreement and connect to foreign customs and regulation information on pages hosted by Canada and Mexico.

Determine if your product is zero-tariff eligible or has expanded market access

Zero tariffs remain from NAFTA. However, additional new and expanded market access has been achieved by the USMCA. View the FTA Help Center and FTA Tariff Tool for additional information.

Determine if your product meets the rule of origin

To claim origin, the goods must qualify as outlined in the Rules of Origin Chapter or the Textile and Apparel Chapter. Additional guidance is available under the Uniform Regulations for Rules of Origin. The FTA Tariff Tool will help you identify if you need to use a product specific rule of origin.



Seek an advance ruling

If you have questions about how your product will be treated under USMCA, such as the tariff classification of your product or whether it will meet the rule of origin, you can request a free binding advance ruling from the customs authority in the country where your product will be imported. Advance rulings provide certainty and predictability in how customs will treat your product and can support business planning by helping you and your clients determine costs associated with importing your product into a market. Exporters, importers and producers (i.e. manufacturers) can all request these free rulings. Following is information on where to apply for advance rulings for imports into Canada and Mexico:

Get an Advance Ruling from Canada:

- · Apply for Advance Rulings for Origin Under Free Trade Agreements and for Tariff Classification.
- View Published Rulings
- Direct questions to www.cbsa-asfc.gc.ca; contact@cbsa.gc.ca or 1-800-461-9999

Get an Advance Ruling from Mexico:

- Application for Advance Rulings
- View Published Rulings
- Direct questions to <u>facilitacion@sat.gob.mx</u>; review resources at SNICE: <u>https://www.snice.gob.mx/</u>

If you are importing a product into the United States, you can apply for an advance ruling from U.S. Customs and Border Protection through <u>e-rulings</u>. To search existing U.S. rulings, visit <u>CROSS</u>. Questions can be directed to CBP Office of Trade, Regulations and Rulings, at 202-325-0100.

Make a claim for eligibility

To benefit from USMCA, small businesses must include all Annex 5-A Minimum Data Elements of the Origin Procedures Chapter on their certifications of origin and also follow associated guidance in the Uniform Regulations for Origin Procedures. To state your claim, you can list the minimum elements on any business document along with the certification statement, signature and date. For more information on how to claim origin, you can also visit: https://www.trade.gov/usmca-dayone-0.

Keep your records

If you do make a claim of origin as an exporter or producer, or a representation as the producer, be sure to keep all records including, but not limited to, purchases, costs, value, shipping, etc. for the good, indirect materials, and production as outlined in <u>US-CMA Origin Procedures in Article 5.8 Record Keeping Requirements</u> for a period of no less than five years from the date of completion of the certification of origin or written representation. If certifying as an importer, maintain the records required for importers claiming preference in Article 5.8, including but not limited to the certification of origin, for at least five years from importation.

Services and digital trade benefits

Service providers and manufacturers with services can benefit from USMCA's enhanced market access, transparency, and fairness for U.S. service suppliers. USMCA prohibits requirements that service suppliers establish or maintain a representative office or an enterprise, or to be resident, in the other USMCA markets to provide services to that market. USMCA also prohibits customs duties on digital products distributed electronically, such as e-books, videos, music, software, games, etc.

Consider STEP if your state participates in the award program

Check to see if your state participates in SBA's <u>State Trade Expansion Program (STEP)</u>, and to explore possible awards to help you expand trade, including internationalizing your website with translations.

Access capital to offer terms for your buyers and get insurance

SBA's Office of International Trade loan programs can help you ramp-up your exports. Additionally, EXIM insurance can help give you peace of mind as you export. Ask for assistance from an Export Finance Manager.

Stay informed & connected

Sign up to <u>receive SBA's newsletter</u>, look out for <u>upcoming trade show opportunities</u>, and contact the <u>USMCA Center</u> or SBA International Trade Ombudsman Hotline at (855) 722-4877 or <u>international@sba.gov</u> with questions.

