

*The International
Trade Compliance
And Operations
Experts for
129 years!*

NAFTA CERTIFICATE OF ORIGIN

Do you use a NAFTA certificate of origin covering all the products you sell for every shipment you make to Canada or Mexico? If you do, maybe it's time to take a hard look at your compliance obligations under the regulations governing NAFTA. The NAFTA certificate of origin is the exporter's attestation that the goods described on the certificate are originating (eligible) under the NAFTA. If a good is not originating in accordance with the rules of NAFTA then you are prohibited from recording that good on a NAFTA certificate.

What is originating? Was the exported good grown in the U.S.? If so, it's originating? Was it produced in the U.S. from only naturally occurring materials (grain produced from U.S. grown wheat)? If so, it's originating. Was it manufactured in the U.S. in a way that all the non-NAFTA materials used to make the good were transformed in accordance with the NAFTA Specific Rules of Origin (Annex 401)? If so, it's originating. Was it made in the U.S. from materials that, themselves, were NAFTA originating materials – and can you prove it? If so, then it's originating.

With the preparation of and offering to a Canadian or Mexican customer a NAFTA certificate the exporter is attesting to the fact that it can answer "yes" to any one of the above questions as they may relate to the good being exported. That customer will then submit that certificate to its respective customs service in order to be granted a NAFTA preferential rate of duty. The customer is relying, necessarily, upon the statements of the exporter to be accurate.

Unz & Co., Piscataway, NJ.
2008. All rights reserved. No part of this publication may be reproduced or used in any form or by any means – graphic, electronic, or mechanical including photocopying, recording, taping, or information storage and retrieval systems – without permission of the publisher.

*The International
Trade Compliance
And Operations
Experts for
129 years!*

NAFTA CERTIFICATE OF ORIGIN *continued . . .*

If the NAFTA certificates are subsequently found to be inaccurate, the customer will be required to pay to its government the duties that would have been otherwise due. This doesn't exactly endear the exporter who made out the certificate to the customer.

The exporter who prepared the certificate will also have problems with its own customs service for the preparation of an inaccurate, worse false, document prescribed by an international treaty and governed by law.

It is absolutely critical that an exporter understand the rules of origin under the NAFTA and what makes a good originating (eligible) for the purpose of declaring it upon a NAFTA certificate. How it was determined as to being originating is so noted by the selection of the Preference Criterion.

Administratively, the NAFTA certificate may be issued in the language of the preparer. In other words, a U.S. exporter is not required to prepare a NAFTA certificate in Spanish. Also, a NAFTA certificate need not be in the original. Photocopies are acceptable as long as the original was signed before the copy was made.

The NAFTA certificate is not a "transactional" document. It does not speak to a particular shipment on a particular day. It's all about the goods that are represented on the certificate. The exporter is attesting to the NAFTA origin of the goods regardless of what day of the week, which sales order or whatever bill of lading.

Unz & Co., Piscataway, NJ.
2008. All rights reserved. No
part of this publication may
be reproduced or used in
any form or by any means –
graphic, electronic, or
mechanical including
photocopying, recording,
taping, or information
storage and retrieval systems
– without permission of the
publisher.