

Mai toutes vos marchandises franchissent la frontière sans à-coup.

Para que todas sus mercancías deban de cruzar la frontera sin problemas.

May all your goods cross the border smoothly.

NAFTA Rules of Origin

NOTE DUTY CONSEQUENCE OF NAFTA. IS NAFTA APPLICATION NECESSARY, REQUIRED?

US TO/FROM CA

CA TO FROM MX

US TO/FROM MX

GENERAL NOTE 12(t)

TARIFF NUMBER – GENERALLY A CHANGE IN HEADING OR SUB-HEADING. OCCASIONALLY A CHANGE OF CHAPTER IS NECESSARY

AND/OR SUFFICIENT REGIONAL VALUE CONTENT

NAFTA Rules of Origin

ORIGIN RULE 250(s)

A change to furnaces and ovens of subheading 8486.20 from any other good of subheading 8486.20 or any other heading, except from heading 8514.

ORIGIN RULE 250(t)

A change to furnaces and ovens of subheading 8486.20 from subheading 8486.90, whether or not there is also a change from any other good of subheading 8486.20 or any other heading, except from heading 8514, provided there is a regional value content of not less than:

- (1) 60% where the transaction value method is used, or
- (2) 50% where the net cost method is used

NAFTA Rules of Origin, Tariff shift

- #1 READ:** *Relevant Section Legal notes*
- #2 READ:** *Relevant Chapter Legal notes*
- #3 MUST:** *Determine Tariff for NON-Originating imported article*
- #4 REPEAT:** *#2 & #3*
- #5 MUST:** *Determine Tariff for your exported product.*
- #6 MUST:** *Refer to General Note 12(t) for the specific rule for your exported product*

PREFERENCE CRITERIA

A - The good is "wholly obtained or produced entirely" in the territory of one or more of the NAFTA region. No, non-north American materials were used in the production of the good. **All** components can be traced fully to the ground, air, sea or airspace of a NAFTA country. Manufactured goods rarely meet this criterion.

B – (most commonly used) The good is produced in the NAFTA region wholly from originating materials. **Goods that satisfy rules in General Note 12-T**

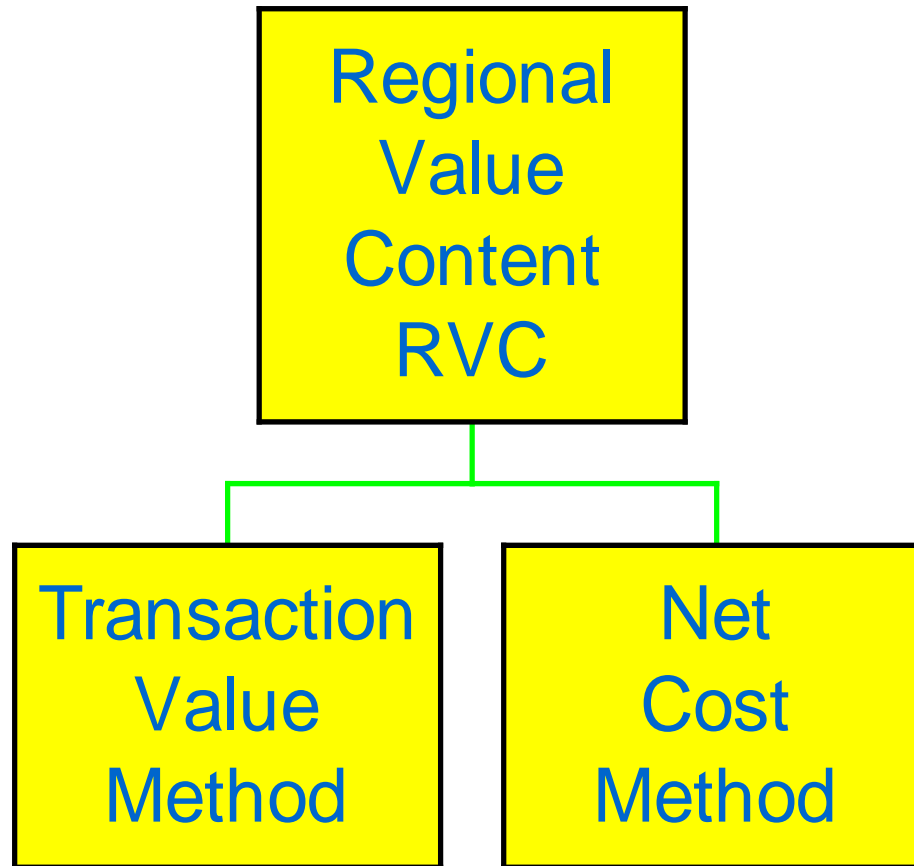
C - The good is produced entirely in the territory of one or more of the NAFTA countries exclusively from originating materials. This rule differs from ‘A’ in that some components may be originating because – through processing – they satisfied the applicable rule of origin (12-T)

Example if a good has 3 components, all of have been certified as originating based on “b” by the supplier, the finished good qualifies as originating based on “c”

Note:

Be cautious when relying on suppliers. The purchase of a good in the territory does not necessarily render it "wholly obtained or produced."

NAFTA Rules of Origin, Regional Value



Transaction value method (TVC)

$$RVC = ((TV - VNM) / TV) \times 100$$

Regional value content = Transaction value minus value of non-originating material divided by transaction value, times 100. Must be a minimum of 60%

WHAT IS TRANSACTION VALUE?

TRANSACTION VALUE IS VALUE OF GOOD ADJUSTED TO AN F.O.B. BASIS

Net Cost Method (NC^{**})

$$RVC = ((NC - VNM) / NC) \times 100$$

Regional value content = Net Cost minus value of non-originating material divided by Net Cost, times 100. Must be a minimum of 50%

WHAT IS NET COST?

COST OF THE GOOD, SUBTRACTING SALES PROMOTION, MARKETING, AFTER SALES SERVICE COSTS, ROYALTIES, SHIPPING AND PACKING COSTS.

***Certain industries can only use this method: footwear, autos, related party transactions, word processors.*

Suppliers

Supply chain support
Purchased here?

Over a Century of Tradition & Innovation



Mae Elizabeth Dey

Mae Elizabeth Dey, born in Appleton, WI, moved with her family to Milwaukee at an early age. She continued her studies at Commercial College in bookkeeping and stenography. In 1901, Miss Dey accepted a position with **M. J. Hogan, Custom house broker** in Milwaukee as his private secretary.

She was awarded license number **5** for the port of Milwaukee. At the time of her appointment, she was only the fifth woman Custom house broker in the United States.

In 1927, the company incorporated and was renamed **License number 5 Rolland Gardemier** who joined the firm in 1922.

Mitchell International Airport in 1971
and **Chicago O'Hare Airport in 1984**.

first Milwaukee Custom Broker to interface directly with Customs through the automated broker interface (ABI).

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