

Certificate of Origin

General certificates of origin are used by customs officials throughout the world to establish the country where the goods were manufactured. The country of origin affects the rate of duty applied to the imported good. For products subject to countervailing duties, the ability to prove that the goods did not come from a targeted country is essential. In Mexico, countervailing duties exceed 300 percent for some countries of the Far East.

As of May 31, 1994, Mexican authorities have been requiring that importers prove the country of origin for a wide range of goods subject to countervailing action. Failure to do so results in the application of countervailing duties if the product is subject to the action. These requirements rarely affect Canadian exports to Mexico, because the regulations state that compliance with NAFTA marking rules is sufficient to demonstrate the country of origin. For practical purposes, this can be satisfied with a NAFTA certificate of origin.

The NAFTA certificate of origin is a uniform document established by all three countries. Its purpose is to demonstrate that the goods satisfy the NAFTA rules of origin and it is necessary if preferential treatment under the NAFTA is being claimed. It can be completed in the language of the importer or the exporter, at the importer's discretion. The certificate must be signed by the exporter and it is valid for shipments made within any 12-month period specified on the certificate. It remains valid for preference claims made up to four years after the date of signature. A NAFTA certificate of origin is not required for goods valued at less than US \$1,200, although a statement of origin should be included on the invoice.

The NAFTA certificate of origin forms, along with completion instructions, can be obtained from Revenue Canada. More information can be obtained from the NAFTA Information Desk listed in the Contacts section of this manual.

The regulations require that the certificate of origin be in the possession of the importer at the time of importation; it does not require that the certificate accompany the goods. Nonetheless, the certificate can help to avoid possible delays, so many exporters elect to include a signed original with every shipment.

Sometimes a NAFTA certificate of origin is unavailable, perhaps because the goods do not meet the NAFTA rules of origin. In this case, the exporter should consider including a general certificate of origin if there is any chance the goods may be subject to countervailing action. There is no standard format for this document. The general certificate of origin can be prepared by the transportation or logistics company.