



**USMCA to Start on July 1st!**

**NAFTA Ends June 30th!!**

Friday, the USTR issued a [press release](#) indicating that the United States will implement the "USMCA" (US-Mexico-Canada Agreement) starting July 1st. As a consequence, NAFTA will effectively end on June 30th.

While importers who have not claimed NAFTA on their July 2019 through June 2020 shipments will remain able to file **post-entry claims** for refunds based on NAFTA until June 30, 2021, Friday's announcement means that starting July 1, 2020, importers must be ready to claim USMCA by using the newly created "S" special program indicator ("SPI") on their CBP Form 7501s if they wish to avoid paying duties and merchandise processing fees ("MPF") on their imports at the time of entry. To be ready to use the S SPI, importers, and their suppliers in North America, must familiarize themselves with the new USMCA rules of origin and certification requirements.

Similarly, producers and exporters who certify their goods as NAFTA eligible will also need to familiarize themselves with the USMCA rules of origin and certification requirements since downstream users and purchasers of their products, not just importers in another USMCA country, will also depend upon the data that producers and exporters provide to them. While in some sectors the rule of origin changes are minimal or there is even no change, the upcoming July 1st start date still requires software, processes, and trade compliance functions to adapt in order to be able to make valid USMCA claims. In other sectors, particularly the automotive industry, which is already hard hit from the COVID-19 pandemic, the changes in the rules of origin are enormous.

So far, CBP has published a [guidance document](#) or "Interim Implementation Instructions" for the USMCA since it is not anticipated that USMCA implementing regulations will be ready/published by July 1st. The guidance document provides some more details around CBP's view of how it will implement the USMCA, but much remains to be done.

Although questions on implementation will remain even after the July 1st start date, Roll & Harris LLP is offering a "hands on" 90 minute [webinar on May 7th](#) that will guide traders on the new USMCA requirements and, more importantly, on the steps that they need to take NOW in order to be ready as possible for the July 1st USMCA start date.

We also are continuing to monitor events and will send out future updates as the situation develops.

Please do not hesitate to contact us at [info@thetradelawfirm.com](mailto:info@thetradelawfirm.com) with any questions you may have.

