

7 Tips For Improving NAFTA Compliance

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Ensuring your NAFTA certification is up to date can be important to maintaining a healthy supply chain. Out of date or otherwise non-compliant NAFTA's can cost an importer a significant sum in overpaid duties and taxes, as well as costly fee's and penalties. Fortunately there are a few things any business can do to help keep their NAFTA certificates compliant.

If you've authorized a broker to collect NAFTA certificates on your behalf, be sure to let your vendors know in advance (when possible) to ensure your broker has proper access to the necessary documents.

It can also be important to let your broker know of any new vendors or products that you began shipping over the course of the year. This can help ensure your broker is able to get your NAFTA certificates in a timely fashion and can classify your goods correctly.

If you're responsible for collecting your own NAFTA certificates, here's a

1. Avoid "Multiple Vendors" as the Importer of Record:

Some businesses will create blanket NAFTA's for all of the products they ship. These NAFTA's will be labeled with "Multiple Vendors" or "Varied" in the importer field, allowing the company to distribute one NAFTA to all of their consignees. Unfortunately this can make it difficult to keep the NAFTA's associated with your account during the submission process, and should be avoided when possible.

2. Include clear descriptions with all part numbers:

Listing part numbers on your NAFTA is fine, as long they're properly classified with the appropriate tariff code. If you or your broker is classifying the goods, it is important to have a clear description of each part to ensure it is classified correctly and to avoid paying unnecessary duties and taxes.

3. Ensure your documents are VALID:

One of the most important things when collecting NAFTA's is to ensure that your vendors have properly dated and signed your documents, as well as listed the most up to date contact information. NAFTA's that are missing signatures or that have been incorrectly dated are invalid and will not be accepted.

4. Backup, Backup, Backup!

The cardinal rule for any important documentation holds true for NAFTA certificates: Make a back up! Be sure to have all NAFTA's (as well as any other important trade documentation) stored in a secure place. Keep track of backups and electronic versions as well to ensure they aren't lost and that they are easy to find, and well organized, should you need them.

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***TIP:** Ensuring you have up to date NAFTA certificates can help reduce your supply chains costs by eliminating overpayments on qualified duties and taxes. .*

***TIP:** The material make up of the goods (wood, cloth, metal, etc) can go a long way in helping classify your goods correctly*

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5. List only American made goods:

Be sure to only include goods that properly qualify under the NAFTA regulation on your NAFTA documents. Unfortunately, some vendors will mistakenly include goods made outside of the United States on their NAFTA documents. This makes the entire NAFTA document invalid. Ensure that the goods listed on the NAFTA's you submit properly list the United States as the country of origin.

6. Make sure you NAFTA's are submitted for January 1st:

Though the CBSA and Revenue Canada websites state that blanket NAFTA's cover a 12 month period, they actually only cover from January 1st to December 31st. Not a 12 month period from submission date. To ensure your NAFTA's are processed and validated in a timely manner, allow yourself or your broker enough time to submit your NAFTA's for the start of the year.

7. Other documentation is valid-

If your business imports a large number of products from a single vendor, you don't need to put everything on an official NAFTA document. Each NAFTA submission (per vendor) only requires one official NAFTA certificate with the proper importer, manufacturer, date, and signature. All other parts can be listed in an electronic spreadsheet, table, or other document as long as the appropriate NAFTA information is listed (part number, description, Country of origin, HS Code, etc)

Benefitting From Accurate NAFTA Documentation:

Following the above mentioned tips can help ensure that you receive completely valid NAFTA certificates and can eliminate many headaches and setbacks during the submission process.

If you're uncomfortable gathering all NAFTA's on your own, brokers and trade compliance experts can assist you in this process and can ensure all of your documentation is valid and up to date. Furthermore, working with these professionals on your duty draw back claims can help ensure you get the most out of your NAFTA compliance program and that you only pay the duties and taxes you need to in the future.

If you have any questions about taking advantage of NAFTA discounts, ensuring that your certification is valid, or about the duty drawback program, feel free to contact Frontier at **1 877 704 3727**, or visit us online at www.frontierscs.com

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***TIP:** Goods that qualify for NAFTA must have been manufactured in the United States or have been processed or finished in the United States where the value of the work done exceeds the value of the goods at the time of importation.*

***TIP:** you can claim back previously overpaid duty and taxes on all goods that qualify for NAFTA discounts.*

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