

## **NAFTA CERTIFICATE INSTRUCTIONS TO COLE INTERNATIONAL INC.**

### **NON-RESIDENT IMPORTERS**

Canada Border Services Agency (CBSA) initiatives include an increase in compliance review audits. To ensure you are compliant with CBSA regarding NAFTA Certificates of Origin, Cole International Inc. wishes to inform you of your obligations and request your instructions for securing these Certificates.

The **Importer Obligations** document attached contains excerpts from the NAFTA Agreement, Customs Act and the AMPS Penalty Document.

Completion of **either Appendix 1, or 2** will indicate to Cole International Inc. your instructions concerning the NAFTA Certificates of Origin.

Quality and Compliance review referenced on **Appendix 1** is described as a review of the information to ensure valid responses are shown in the applicable fields on the Certificate of Origin outlined on the Appendices.

Upon receipt, the certificate is reviewed to ensure that:

- The certificate is issued and signed by the Exporter/Producer;
- The time period covers a maximum one year period for the goods imported;
- A full description is shown as it would relate to the commercial invoice description and HS Classification description;
- The Country of Origin is listed;
- The certificate is signed and dated. The date to coincide with the period covered by the certificate.

This review should in no way be misconstrued as meaning that a determination as to the origin of the goods has been made or that the goods claimed under a NAFTA preferential tariff treatment meet the rules of Origin set out in Customs Memorandum D11-5-1, NAFTA Rules of Origin.

Should you wish to have a thorough audit conducted on your NAFTA certificates, Cole's Consulting Group can provide a value added service on a customized basis.

Please **read and retain Importer Obligations. Complete** and **return EITHER Appendix 1, or 2** advising Cole International Inc. how you would like us to manage your NAFTA Certificates of Origin. A brief explanation of the appendixes follows (complete information is shown on each individual appendix):

**Appendix 1**-Client provides to Cole International Inc. the NAFTA Certificate covering all products eligible for NAFTA for use on importations.

**Option # 1** All NAFTA's received are subject to the compliance review detailed above. A review notice will be forwarded explaining the areas requiring correction and a charge of **\$25.00 Minimum** per certificate will apply.

**Option # 2** Certificate will be used without compliance review for **all products specifically named**.

**Appendix 2**-Waiver of NAFTA responsibility from Cole International Inc. NAFTA rates of duty will be applied without the actual NAFTA Certificate being received by Cole International Inc.

Questions regarding the NAFTA Certificates of Origin can be directed to your local Cole representative or to Terry Peterson, NAFTA Administrator at the NAFTA Department in Calgary, Alberta.

Contact Information:  
Phone: 403-514-7404  
Fax: 403-262-7301  
Email [terry.peterson@cole.ca](mailto:terry.peterson@cole.ca)

## IMPORTER OBLIGATIONS

The following are excerpts from various Customs regulations regarding Certificates of Origin.

### **Article 502 of the North American Free Trade Agreement (NAFTA)**

Paragraph 1 (b) An importer that claims preferential tariff treatment must have the Certificate in their possession at the time the declaration is made.

### **Section 35.1 of the Customs Act**

Proof of Origin, in the prescribed form containing the prescribed information, must be provided by the importer or owner. Failure to provide a NAFTA Certificate of Origin can result in the preferential tariff treatment being denied or withdrawn. Duty and subsequent interest can be assessed for all of your import transactions for the previous four years, as deemed by the Minister.

### **Section 32.2 of the Customs Act**

An importer or owner of goods for which preferential tariff treatment has been claimed must make a correction to the declaration of origin and pay any amount owing within ninety days after the importer or owner has reason to believe that the declaration of origin is incorrect.

### **Administrative Monetary Penalty System (AMPS)**

The following penalties are directed at the Certificates of Origin.

Code	Contravention	Penalty
C080	Authorized person failed to make the required <b>corrections to a declaration of origin</b> of imported goods subject to a free trade agreement within 90 days after having reason to believe that the declaration was incorrect.	1 <sup>st</sup> - \$100 2 <sup>nd</sup> -\$200 3 <sup>rd</sup> & Subsequent -\$400
C152	Importer or owner of goods <b>failed to furnish</b> the proof of origin upon request.	1 <sup>st</sup> - \$1,000 2 <sup>nd</sup> -\$5,000 3 <sup>rd</sup> -\$10,000 4 <sup>th</sup> & subsequent- 25,000
C159	Person who is required by subsection 40(3) of the Customs Act to keep records in respect of commercial goods failed to keep records for a period of <b>six years</b> , or as specified in the <i>Imported Goods Records Regulations</i> .	1 <sup>st</sup> -\$1,000. 2 <sup>nd</sup> -\$5,000. 3 <sup>rd</sup> \$10,000. 4 <sup>th</sup> & subsequent- \$25,000.
C350	Authorized person failed to pay duties as a result of a required <b>correction to a declaration of origin</b> subject to a free trade agreement within 90 days after having reason to believe that it was incorrect.	1 <sup>st</sup> -\$100.or 5% 2 <sup>nd</sup> -\$200.or 10% 3 <sup>rd</sup> & Subsequent - \$400. Or 20%

APPENDIX 1

**CLIENT TO PROVIDE NAFTA CERTIFICATES OF ORIGIN**

Our firm will be responsible for providing copies of all required NAFTA Certificates of Origin to Cole International Inc. for use on import transactions.

Please contact \_\_\_\_\_ for the required Certificates.  
(Contact Person)

Please choose one the following two options for the NAFTA Certificate provided by your office.

**OPTION# 1**

All Certificates received are subject to a compliance review. This review consists of ensuring valid input is shown in each of the fields of the NAFTA Certificate per the instructions for the Certificate of Origin.

**“This review, correction or obtaining of the certificate should in no way be misconstrued as meaning that a determination as to the origin of the goods has been made or that the goods claimed under a NAFTA preferential tariff treatment meet the rules of Origin set out in Customs Memorandum D11-5-1, NAFTA Rules of Origin.”**

Should you wish to have a thorough audit conducted on your NAFTA certificates, Cole’s Consulting Group can provide this value added service on a customized basis.

If after review all fields or requirements are shown we will accept these certificates at no cost to your firm.

If upon review, errors or inconsistencies are identified you will receive a notice explaining the areas requiring correction and a charge of a Minimum \$25 per NAFTA Certificate of Origin will be applied to cover the cost for the review.

**OPTION# 2**

Certificate provided is to be used without question for all products that are specifically named on the NAFTA. We have read and understand the responsibility and obligations related to Certificates of Origin and absolve Cole International Inc. from all responsibility regarding the quality of the NAFTA’s supplied.

Company Name: \_\_\_\_\_

Print Named/Title: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Acknowledged receipt of Importer Obligations

Cole International Inc. will be notified, in writing, immediately of any changes to this declaration.

**APPENDIX 2**

**WAIVER OF NAFTA RESPONSIBILITY FROM COLE INTERNATIONAL INC.**

We the undersigned company, a Non-Resident Importer in Canada, have read and understand the responsibility and obligations related to Certificates of Origin. We hereby undertake to obtain and retain on file all required North American Free Trade Agreement (NAFTA) Certificates of Origin as required by regulation. This commitment will extend to any changes, additions, deletions, and renewals as may be necessary.

We further authorize Cole International Inc., to utilize NAFTA duty rates on imports indicating USA, MEXICO or Canada Origin from all companies where applicable.

Acknowledge receipt of Importer Obligations

Corporate Name: \_\_\_\_\_

Address \_\_\_\_\_

Province/State \_\_\_\_\_

Postal/Zip Code \_\_\_\_\_

Signature \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Cole International Inc. will be notified, in writing, immediately of any changes to this declaration.