

SHIPPING BASICS AND LOGISTICS

COUNTRY OF ORIGIN



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From Where Goods Were Purchased or Ship *≠* **Origin of Goods**

The country of origin most commonly refers to where the goods are manufactured

Or "wholly obtained."



View Video and Jet's online post on Country of Origin

Why Country of Origin Matters

Country of Origin can restrict admissibility into a country

Goods of a certain origin may be subject to:

- Import Quotas
- Countervailing or anti dumping rates
- Greater regulatory oversight controls etc

Country of Origin Enable Preferential / Duty Free Import

- Free Trade Agreements have "Rules of Origin" (ROO) that establish how goods can qualify as originating
- Goods from some countries may benefit from preferential import thanks to "preferential trade legislation."
- Qualifying Goods benefit from reduced tariffs and often can import duty free



Rules of Origin (ROO)

Defined Differently in Each Trade Agreement but most have similar concepts

Wholly Obtained Products Products that are extracted, grown, raised or produced entirely in a member country

Substantial Transformation Goods that undergo a significant manufacturing process or value addition in that country.

De Minimis Rule Established a certain percentage of non-originating materials that can included a product without disqualifying it from preferential treatment.

Cumulation Allows producers use of materials from countries sharing the same regional trade agreement (such as USMCA/CUSMA/T-Mec, CPTPP, CETA Etc).

Product-Specific Rules: Each product category has specific ROO that govern the determination of origin.

THANKS



Country of Origin Labelling / Marking

Most Countries Require Goods to Include a "Made in" label

- To inform ultimate consumer of where goods were made, grown or raised
- The marking should in a "conspicuous place"
- Unique Marking rules apply for are certain category of goods







Why From Where Goods Ship Matters

Imports from a particular country may be subject to higher level of oversight. Usually, this is due to an overall trade policy, a trade dispute or a security concern.

Goods shipping via Courier from the USA have a higher duty free threshold to Canada

Importing to: Canada Mexico USA Duty Free / Duty Free CAD \$40 US \$50 US \$800 Tax Free CAD \$150 US \$117 US \$800 Shipping via the post and from other countries: De minimus to Canada = \$20

Regardless from where goods ship or their country of manufacture, they are subject to:

- Standard import processing
- Import duty rules will apply (unless they qualify as originating)



Thank You