



Frequently Asked Questions Regarding Certificates of Origin

What is a certificate of origin?

A certificate of origin is a document signed by a supplier or manufacturer indicating the country in which an item was manufactured.

Certificates of origin are often required in order for merchandise to qualify for duty free treatment when imported into a country. There are different free trade agreements between different countries, such as NAFTA, and the U.S.-Israel Free Trade Agreement, etc. There are different types of certificates of origin for different trade agreements. There are also certificates of origin that are not associated with any free trade agreements. These certificates are known as "General Use" certificates of origin.

What is NAFTA?

NAFTA is the North American Free Trade Agreement, which is an agreement between the U.S., Mexico, and Canada that promotes free trade among all three countries. Most merchandise made in these three countries can be imported into any of these three countries duty free, provided it is accompanied by a valid NAFTA certificate of origin.

What is a NAFTA certificate of origin?

A NAFTA certificate of origin (see attached) is a special certificate of origin issued for items that were made in the U.S., Mexico, or Canada.

What is a "General Use" certificate of origin?

A general use certificate of origin (see attached) is a certificate that is not associated with any free trade agreements. It does not necessarily provide any duty free benefits, like a NAFTA certificate. It just states the origin of the merchandise for Customs purposes, and is usually issued for articles manufactured outside of NAFTA countries.

When is a NAFTA certificate required vs. a "General Use" certificate?

When merchandise is made in the U.S., Mexico, or Canada, a NAFTA certificate is required. When merchandise is made in any other country, a general use certificate is required. Ormco will accept a general use certificate, as long as the country of origin on the certificate is NOT the U.S., Mexico, or Canada. In those cases, Ormco requires a NAFTA certificate.

What isn't a NAFTA certificate of origin?

NAFTA certificates are often confused with certificates of analysis, certificates of compliance, or material safety data sheets. A NAFTA certificate clearly states "North American Free Trade Agreement Certificate of Origin" or "NAFTA certificate."



A general use certificate of origin is not a NAFTA certificate. A letter merely stating the country of origin (even as the U.S., Canada, or Mexico) is not a valid NAFTA certificate.

Why does Ormco need certificates of origin?

Ormco exports many purchased items to our maquiladoras for manufacture in Mexico. Ormco needs certificates of origin in order to prove the origin of the items we purchase to U.S. and Mexican Customs. There are two reasons Ormco must be able to prove the origin of purchased merchandise:

- Ormco must declare the country of origin on the export invoice when the merchandise is exported to Mexico.
- The Ormco Import-Export Department must issue a NAFTA certificate for all items exported to Mexico, or pay duty on the items into Mexico. Duty rates can be up to 30% of the value of the merchandise. In order for Ormco to issue a NAFTA certificate, we must have a supplier NAFTA certificate as proof of origin. Therefore, it is to Ormco's advantage to obtain as many certificates of origin as possible from our suppliers.

Whose responsibility is it to provide certificates of origin?

As the exporter of items to Mexico, Ormco must issue NAFTA certificates. These certificates are based on NAFTA certificates from our suppliers. Our suppliers may or may not manufacture the items they sell us. If they do not manufacture an item, they must obtain a certificate of origin from their supplier, and issue Ormco a certificate based on their supplier's certificate.

Ormco's suppliers should be able to provide certificates of origin for all items. If a supplier is unable to provide a certificate of origin, Ormco may wish to evaluate whether it is cost-effective to buy from that supplier. While the supplier may have a competitive price, if Ormco has to pay duty into Mexico, the cost of buying from that supplier may increase substantially.

How long are certificates valid?

There are two types of NAFTA certificates: blanket and single use. Blanket certificates are valid for a given period of time, and cover multiple shipments from a supplier. Blanket certificates indicate the dates they cover in the upper right hand corner. They are usually valid for one year. Single use certificates cover one shipment only, and do not have to/from dates. Blanket certificates save Ormco and the supplier time. Request blanket certificates whenever possible. Some suppliers may not be willing or able to issue blanket certificates, because their inventory may come from NAFTA countries one month, and non-NAFTA countries the next.



I am not the exporter, so why do I need to issue a NAFTA certificate?

It is true that the exporter is responsible for issuing a NAFTA certificate, and Ormco is the exporter. However, Ormco cannot issue a NAFTA certificate without a valid NAFTA certificate from our supplier as backup. Therefore, although the supplier is not actually exporting the item, the supplier is still responsible for issuing a certificate of origin. Issuing certificates of origin for domestically sold merchandise is a common practice among companies.

What if I don't want to sign any government forms? Can this get me in trouble?

If a supplier truthfully completes the certificate, there is nothing to fear. It may also help for you to know that Ormco does not submit certificates of origin to any government agencies. Ormco keeps our suppliers' certificates on file in the event of inquiries from the Bureau of Customs and Border Protection.

Aren't NAFTA certificates of origin issued by the chamber of commerce/a government agency?

A NAFTA certificate must be issued by the manufacturer or supplier of the merchandise. Other types of certificates of origin, such as Israel Free Trade certificates of origin, require validation from a chamber of commerce. However, NAFTA certificates do not.

What if I don't want Ormco to know where I purchase my product?

Ormco does not request NAFTA certificates to find out where its suppliers buy their product. Ormco does not use its NAFTA certificates to make purchasing decisions, other than the fact that suppliers who provide NAFTA certificates will likely have an advantage over those who do not, because NAFTA certificates save Ormco money. If a supplier is concerned about revealing the source of its merchandise, it is not necessary to list the producer's name. Instead, it is acceptable to indicate "Available to Customs Upon Request."

What if I need help completing a certificate?

If you need assistance completing the certificate, please contact Ormco's Import-Export Department:

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