



Overview

This provision covers requirements for the adoption, modification, increase, and/or elimination of the custom duty rates on goods originating in the United States (U.S.), Mexico (MX), and Canada (CA). This fact sheet highlights key changes from the North American Free Trade Agreement (NAFTA).

References

- **USMCA**
 - *Final Text*: Chapter 2, Article 2.4
 - *HR 5430 Citation*: Title I, Section 103(c)
- **NAFTA**
 - *Final Text*: Chapter 3, Section B – Tariffs, Article 302

Significant Changes in USMCA

Provision	USMCA	NAFTA
Duty Increases	No change – Restricted on originating goods.	
Duty Adoption	No change – Restricted on originating goods.	
Duty Elimination	<ul style="list-style-type: none"> • CA, MX, or U.S. may request increase in the scope and/or pace of eliminations of each other's duties <i>or</i> unilaterally increase the scope and/or pace of their own duties. 	<ul style="list-style-type: none"> • Are to be eliminated on originating goods • CA, MX, or U.S. may request increase in the scope and/or pace of eliminations of each other's duties.
Exceptions	<ul style="list-style-type: none"> • Additional provisions for automotive goods. 	<ul style="list-style-type: none"> • Not specified.

Detailed USMCA/NAFTA Side-by-Side

Provision	USMCA	NAFTA
Duty Increases	<ul style="list-style-type: none"> • Unless an exception is granted by this agreement, existing customs duties on originating goods may not be increased by CA, MX, or the U.S. 	
Duty Adoption	<ul style="list-style-type: none"> • CA, MX, and the U.S. may not place new customs duties on originating goods unless a specific exception is granted by this agreement. 	
Duty Elimination	<ul style="list-style-type: none"> • CA, MX, and U.S. may each request the reconsideration of the pace and/or scope of eliminations of duties. Eliminations may be accelerated or broadened if agreement if reached between two or more parties. • CA, MX or the U.S. may unilaterally decide to increase the scope and/or elimination of their countries duties. 	<ul style="list-style-type: none"> • Except was otherwise provided by NAFTA must progressively eliminate all customs duties on originating goods. • CA, MX, and U.S. may each request the reconsideration of the pace eliminations of duties. Eliminations may be accelerated or broadened if agreement if reached between two or more parties.

Provision	USMCA	NAFTA
Exceptions	<ul style="list-style-type: none">• Additional provisions are provided for the application of duties on automotive goods between CA and MX.	<ul style="list-style-type: none">• Not stated.