



**NORTH AMERICAN FREE TRADE AGREEMENT (NAFTA)
ORIGIN VERIFICATION QUESTIONNAIRE
REGIONAL VALUE CONTENT — TRANSACTION VALUE METHOD**

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DISPONIBLE EN ESPAÑOL

NAFTA ORIGIN VERIFICATION QUESTIONNAIRE
REGIONAL VALUE CONTENT — TRANSACTION VALUE METHOD
GENERAL INFORMATION

Purpose

The purpose of this questionnaire is to request that you provide Canada Border Services Agency (CBSA) with the information that you used to determine your eligibility for the *North American Free Trade Agreement* (hereinafter referred to as "the NAFTA").

This information is required to conduct a verification of origin of specified goods imported into Canada, pursuant to Article 506(1) of the NAFTA, for which a claim for preferential tariff treatment was made on the basis that the goods originate in the NAFTA territory as a result of meeting a rule of origin under paragraphs 4(2)(b) or (c), or subsection 4(4), of the *NAFTA Rules of Origin Regulations* (hereinafter referred to as "the Regulations"), requiring that the regional value content based on the transaction value of the good minus the value of non-originating materials divided by the transaction value of the good is not less than a specified percentage (e.g. 60%).

Subsection 6(6) of the Regulations outlines the situations when the transaction value method for calculating the regional value content cannot be used and the net cost method must be used. The net cost method must be used where:

- (a) there is no transaction value for the good under subsection 2(1) of Schedule III of the Regulations;
- (b) the transaction value of the good is unacceptable under subsection 2(2) of Schedule III of the Regulations;
- (c) the good is sold by the producer to a related person and the volume, by units of quantity, of sales by that producer of identical goods or similar goods, or any combination thereof, to related persons during the six month period immediately preceding the month in which the good is sold exceeds 85 per cent of the producer's total sales to all persons, whether or not related and regardless of location, of identical goods or similar goods, or any combination thereof, during that period;
- (d) the good is
 - (i) a motor vehicle of any of heading Nos. 87.01 and 87.02, subheading Nos. 8703.21 through 8703.90 and heading Nos 87.04, 87.05 and 87.06,
 - (ii) a good of a tariff provision listed in Schedule IV of the Regulations or an automotive component assembly, automotive component, sub-component or listed material, and is for use in a motor vehicle referred to in subparagraph (i), either as original equipment or as an after-market part,
 - (iii) a good of any of subheading Nos 6401.10 through 6406.10, or
 - (iv) a good of tariff item No 8469.10.20;
- (e) the exporter or producer chooses to accumulate the production with respect to the good in accordance with section 14 of the Regulations; or
- (f) the good is an intermediate material and is subject to a regional value-content requirement.

If the net cost method is used, the NAFTA Origin Verification Questionnaire, Regional Value Content — Net Cost Method, form B 228 E, must be completed.

The CBSA may further verify the origin of the goods and/or determine the accuracy of any or all of the information provided in the completed questionnaire by sending a subsequent verification questionnaire or verification letter, and/or conducting a verification visit in accordance with Article 506(1) of the NAFTA.

Where materials used in the production of a good are obtained from suppliers in respect of which the exporter/producer claims that such materials are originating, it is incumbent upon that exporter/producer to substantiate the basis on which that claim was made. The exporter/producer may substantiate such a claim on the basis of a written representation from the supplier of the materials that the materials qualify as originating in respect of which the exporter/producer may be reasonably entitled to rely. As part of the overall verification process, the suppliers of those materials may be requested to complete a verification questionnaire and/or be the subject of a verification visit by the CBSA.

A failure to maintain records, relating to the origin of the goods that are the subject of the verification, for five years after the date on which the Certificate of Origin was signed, or a denial of access to such records may, pursuant to Article V(4) of the *Uniform Regulations for the Interpretation, Application and Administration of Chapters Three (National Treatment and Market Access for Goods) and Five (Customs Procedures) of the NAFTA*, result in a denial of preferential tariff treatment to the goods.

This questionnaire must be completed and returned by the date specified in the covering letter accompanying the questionnaire. Where the CBSA does not receive the completed questionnaire within the specified time period, it may, subject to Paragraphs 16 through 18 of Article VI of the *Uniform Regulations for the Interpretation, Application and Administration of Chapters Three (National Treatment and Market Access for Goods) and Chapter Five (Customs Procedures) of the NAFTA*, deny preferential tariff treatment to the goods that are the subject of the verification of origin.

This questionnaire will, pursuant to Article VI(31)(a) of the *Uniform Regulations for the Interpretation, Application and Administration of Chapter Three (National Treatment and Market Access for Goods) and Chapter Five (Customs Procedures) of the NAFTA*, in addition to verifying the origin of the goods, also be used to verify the applicable rate of customs duty applied to an originating good in accordance with the rules set out in Annex 302.2 of the NAFTA.

Questionnaire

The questionnaire is divided into three sections.

Section A, entitled Transaction Value Method, is required to be completed in all cases where exported goods are claimed to originate in the territory of the NAFTA countries as a result of meeting a rule of origin under paragraphs 4(2)(b) or (c), or subsection 4(4) of the Regulations, where the transaction value method is being used to determine the regional value content of the goods. A general information form is also included such that CBSA may obtain additional information about the goods that are the subject of the origin verification.

Section B, entitled Intermediate Material, is required to be completed only where the producer of the good designates as an intermediate material, in accordance with subsection 7(4) of the Regulations, any self produced material that is used in the production of the good. Where more than one intermediate material is designated, a separate set of Section B forms are required to be completed for each intermediate material designated. Instructions on the Section B summary form should be followed to carry forward totals to the Section A forms.

Section C, entitled De Minimis Calculation, is required to be completed by the exporter/producer of the goods only where preferential tariff treatment was claimed on the basis that the goods qualify as originating goods pursuant to section 5 (*De Minimis* provision) of the Regulations.

Where there is insufficient space in this questionnaire to adequately respond to a request for information, photocopy and attach the relevant page appropriately numbered and cross referenced.

Additional Information

For additional information and/or clarification regarding the completion of this questionnaire, please contact the CBSA official identified in the covering letter accompanying the questionnaire.

Confidentiality

The CBSA shall, in accordance with Article 507 of the NAFTA, protect the confidentiality of all confidential business information submitted in this questionnaire, and all shall not, under any circumstances, disclose such information to a third party without prior consultation with your company.

Currency

All currencies reflected in this questionnaire shall, where the value of a good or a material is expressed in a currency other than the currency of the country in which the producer is located, be converted to the currency of the country in which the producer is located in accordance with section 3 of the Regulations. Please identify the currency used to complete the questionnaire.

Definitions

The following definitions contained in this questionnaire are intended for reference purposes only. In the event of any inconsistency with the definitions set out in section 2 or any section of the Regulations, the definitions and/or section set out in the Regulations shall take precedence.

"applicable change in tariff classification" means, with respect to a non-originating material used in the production of a good, a change in tariff classification specified in a rule set out in Schedule I of the Regulations for tariff provision under which the good is classified.

"FOB" means free on board, regardless of the mode of transportation, at the point of direct shipment by the seller to the buyer.

"fungible goods or fungible materials" means goods or materials that are interchangeable for commercial purposes and the properties of which are essentially identical.

"Harmonized System" means the Harmonized Commodity Description and Coding System, including its General Rules of Interpretation, Section Notes and Chapter Notes, as adopted and implemented by Canada under the *Customs Tariff*.

"intermediate material" means a self-produced material that is used in the production of a good and is designated as an intermediate material under subsection 7(4) of the Regulations.

"net cost" means total cost minus sales promotion, marketing and after-sales service costs, royalties, shipping and packing costs and non-allowable interest costs that are included in the total cost.

"net cost of the good" means the net cost that can be reasonably allocated to a good using one of the methods as set out in Schedule VII of the Regulations.

"non-allowable interest costs" means interest costs incurred by a producer on the producer's debt obligations that are more than 700 basis points above the yield on debt obligations of comparable maturities issued by the federal government of the country in which the producer is located.

"non-originating good or non-originating material" means a good or material that does not qualify as originating under the Regulations.

"related person" means a person related to another person on the basis that:

- (a) they are officers or directors of one another's businesses;
- (b) they are legally recognized partners in business;
- (c) they are employer and employee;

- (d) any person directly or indirectly owns, controls or holds 25 per cent or more of the outstanding voting stock or shares of each of them;
- (e) one of them directly or indirectly controls the other;
- (f) both of them are directly or indirectly controlled by a third person; or
- (g) they are members of the same family (members of the same family are natural or adopted children, brothers, sisters, parents, grandparents, or spouses).

"royalties" means payments of any kind, including payments under technical assistance agreements, or similar agreements, made as consideration for the use of, or right to use, any copyright, literary, artistic, or scientific work, patent, trademark, design, model, plan, secret formula or process, excluding those payments under technical assistance agreements or similar agreements that can be related to specific services such as:

- (a) personnel training, without regard to where performed; and
- (b) if performed in the territory of one or more of the NAFTA countries, engineering, tooling, die-setting, software design and similar computer services, or other services.

"sales promotion, marketing and after-sales service costs" means the following costs related to sales promotion, marketing and after-sales service:

- (a) sales and marketing promotion; media advertising; advertising and market research; promotional and demonstration materials; exhibits; sales conferences, trade shows and conventions; banners; marketing displays; free samples; sales, marketing and after-sales service literature (product brochures, catalogues, technical literature, price lists, service manuals, sales aid information); establishment and protection of logos and trademarks; sponsorships; wholesale and retail restocking charges; entertainment;
- (b) sales and marketing incentives; consumer, retailer or wholesaler rebates; merchandise incentives;
- (c) salaries and wages, sales commissions, bonuses, benefits (for example, medical, insurance, pension), travelling and living expenses, membership and professional fees, for sales promotion, marketing and after-sales service personnel;
- (d) recruiting and training of sales promotion, marketing and after-sales service personnel, and after-sales training of customers' employees, where such costs are identified separately for sales promotion, marketing and after-sales service of goods on the financial statements or cost accounts of the producer;
- (e) product liability insurance;
- (f) office supplies for sales promotion, marketing and after-sales service of goods, where such costs are identified separately for sales promotion, marketing and after-sales service of goods on the financial statements or cost accounts of the producer;
- (g) telephone, mail and other communications, where such costs are identified separately for sales promotion, marketing and after-sales service of goods on the financial statements or cost accounts of the producer;
- (h) rent and depreciation of sales promotion, marketing and after-sales service offices and distribution centres;
- (i) property insurance premiums, taxes, cost of utilities, and repair and maintenance of sales promotion, marketing and after-sales service offices and distribution centres, where such costs are identified separately for sales promotion, marketing and after-sales service of goods on the financial statements or cost accounts of the producer; and
- (j) payments by the producer to other persons for warranty repairs.

"shipping and packing costs" means the costs incurred in packing a good for shipment and shipping the good from the point of direct shipment to the buyer, excluding the costs of preparing and packaging the good for retail sale.

"tariff classification" refers to the tariff classification, to the 6th or 8th digit level, as applicable, based on the Harmonized System of tariff classification and statistical coding.

"territory" means, with respect to:

- (a) Canada, the territory to which its customs laws apply, including any areas beyond the territorial seas of Canada within which, in accordance with international law and its domestic law, Canada may exercise rights with respect to the seabed and subsoil and their natural resources;
- (b) Mexico,
 - (i) the states of the Federation and the Federal District,
 - (ii) the islands, including the reefs and keys, in adjacent seas,
 - (iii) the islands of Guadalupe and Revillagigedo situated in the Pacific Ocean,
 - (iv) the continental shelf and the submarine shelf of such islands, keys and reefs,
 - (v) the waters of the territorial seas, in accordance with international law, and its interior maritime waters,
 - (vi) the space located above the national territory, in accordance with international law, and
 - (vii) any areas beyond the territorial seas of Mexico within which, in accordance with international law, including the United Nations Convention on the Law of the Sea, and its domestic law, Mexico may exercise rights with respect to the seabed and subsoil and their natural resources; and
- (c) the United States,
 - (i) the customs territory of the United States, which includes the 50 states, the District of Columbia and Puerto Rico,
 - (ii) the foreign trade zones located in the United States and Puerto Rico, and
 - (iii) any areas beyond the territorial seas of the United States within which, in accordance with international law and its domestic law, the United States may exercise rights with respect to the seabed and subsoil and their natural resources.

"total cost" means the total of all product costs, period costs and other costs incurred in the territory of one or more of the NAFTA countries. **Note:** Please refer to subsection 6(12) of the Regulations for further details and to section 2 of the Regulations for definitions of product costs, period costs and other costs.

"transaction value method" means the method of calculating the regional value content of a good as set out in subsection 6(2) of the Regulations.

**COMPLETION OF THE ORIGIN VERIFICATION QUESTIONNAIRE
REGIONAL VALUE CONTENT
SECTION A – TRANSACTION VALUE METHOD**

The information requested in the questionnaire may be received by the CBSA in any other suitable format. For example, a bill of materials indicating the origin of materials, tariff classification, whether or not a change in tariff classification has been satisfied, and the respective supplier names and addresses will be acceptable to CBSA instead of reproducing the information in the questionnaire. All information should be certified.

STEP 1 — Confirm the Tariff Classification and the Applicable Rule of Origin for the Good Produced

Confirm the tariff classification (to the 6th or 8th digit level, as required by the applicable rule of origin) of the good produced. Refer to Schedule I of the Regulations to verify the applicable rule of origin.

STEP 2 — Complete the Transaction Value Method — Transaction Value of the Good Form

- (A) Complete the top part of the form (name of producer, address, telephone number, facsimile number, name of good produced and the period covered). The tariff classification section should contain the tariff classification (6th or 8th digit level, as applicable) of the good as established in Step 1.
- (B) List the components and values that form the ***Transaction Value of the Good***. The transaction value of the good is determined in accordance with Schedule II of the Regulations with respect to the transaction in which the producer of the good sold the good, adjusted to an FOB basis. The transaction value of the good shall be the price actually paid or payable for the good plus additions if they are not already included in the price paid or payable and minus deductions if they are already included in the price paid or payable, up to the point they are included.

Some of the additions are selling commissions and brokerage fees, packaging costs, assists, royalty and licence fees related to the sale of the goods, excluding royalty paid for the right to reproduce the good in the territory of one or more of the NAFTA countries, subsequent proceeds and transportation, insurance, and associated costs up to the producer's point of direct shipment.

Some of the deductions are duties and taxes paid in the country in which the buyer is located with respect to the good and charges for construction, erection and assembly, maintenance or technical assistance related to the good undertaken after the good has been sold to the buyer.

Adjusted to an FOB basis means, with respect to a good, adjusted by:

- (a) deducting
 - (i) the costs of transporting the good after it is shipped from the point of direct shipment,
 - (ii) the costs of unloading, loading, handling and insurance that are associated with that transportation, and
 - (iii) the cost of packing materials and containers,

where those costs are included in the transaction value of the good; and

- (b) adding
 - (i) the costs of transporting the good from the place of production to the point of direct shipment,
 - (ii) the costs of loading, unloading, handling and insurance that are associated with that transportation, and
 - (iii) the costs of loading the good for shipment at the point of direct shipment,

where those costs are not included in the transaction value of the good.

If the space provided is insufficient to provide all required information, carry forward all totals on subsequent photocopied page(s) appropriately numbered and cross referenced.

- (C) Add the column on the **Transaction Value Method — Transaction Value of a Good** form and carry forward this total to box A on the **Transaction Value Method — Summary** form.

STEP 3 — Complete the Transaction Value Method — Value of Materials Form

- (A) Complete the top part of the form.
- (B) List all materials and the respective supplier names and addresses. List all suppliers when there is more than one supplier for a particular material. If the material is a non-originating material or a material of unknown origin, list the tariff classification (to the 6th or 8th digit level, as applicable) for that material in the space provided.

Note 1: Materials purchased from manufacturers or suppliers in the territory are not necessarily originating materials (materials claimed to be originating must qualify as originating under the Regulations). Any written representations obtained from suppliers of materials that a material qualifies as an originating material must be kept on file for purposes of verification.

Note 2: Where originating and non-originating fungible materials are used in the production of a good and the producer or the person from whom the producer acquired the materials chooses, pursuant to subsection 7(16) of the Regulations, to determine whether the materials are originating materials on the basis of any of the applicable inventory management methods set out in Schedule X of the Regulations, such producer or person must maintain sufficiently detailed records to support the application of the method chosen. The CBSA may, where a producer fails to maintain the records necessary to support the application of the inventory management method, consider all fungible materials as non-originating materials.

- (C) Indicate in the column provided, under the category “originating”, “non-originating” or “origin unknown”, the value of each material determined in accordance with subsection 7(1) of the Regulations.

Value of a material, except as otherwise provided for non-originating materials used in the production of a light-duty automotive good or a heavy-duty automotive good, and except in the case of indirect materials, intermediate materials, packing materials and containers and self-produced packaging materials and containers, shall be:

- (a) where the material is imported by the producer of the good into the territory of the NAFTA country in which the good is produced, the customs value in accordance with subsection 2(1) of the Regulations, of the material with respect to that importation; or
- (b) where the material is acquired by the producer of the good from another person located in the territory of the NAFTA country in which the good is produced
 - (i) the transaction value, determined in accordance with subsection 2(1) of Schedule VIII of the Regulations, with respect to the transaction in which the producer acquired the material, or
 - (ii) the value determined in accordance with sections 6 through 11 of Schedule VIII of the Regulations, where, with respect to the transaction in which the producer acquired the material, there is no transaction value under subsection 2(2) of that Schedule or the transaction value is unacceptable under subsection 2(3) of that Schedule,

and shall include the following costs if they are not included under subparagraph (a) or (b):

- (c) the costs of freight, insurance and packing and all other costs incurred in transporting the material to the location of the producer;
- (d) duties and taxes paid or payable with respect to the material in the territory of one or more of the NAFTA countries, other than duties and taxes that are waived, refunded, refundable or otherwise recoverable, including credit against duty or tax paid or payable;

- (e) customs brokerage fees, including the cost of in-house customs brokerage services, incurred with respect to the material in the territory of one or more of the NAFTA countries; and
- (f) the cost of waste and spoilage resulting from the use of the material in the production of the good, minus the value of any reusable scrap or by-product.

Location of the producer means:

- (a) where the warehouse or other receiving station at which a producer receives materials for use by the producer in the production of a good is located within a radius of 75 kilometres (46.6 miles) from the place at which the producer produces the good, the location of that warehouse or other receiving station; and
- (b) in any other case, the place at which the producer produces the good in which a material is to be used.

It is important that the value of a material be placed in the correct column as either "originating", "non-originating" or "origin unknown".

Note: Value of Material totals carried forward from the **Intermediate Material — Summary** form(s) should be included on the **Transaction Value Method — Value of Materials** form and cross referenced to the appropriate **Intermediate Material — Summary** form.

If the space provided is insufficient to provide all required information, carry forward all totals on subsequent photocopied page(s) appropriately numbered and cross referenced. A running total should be carried forward to each additional **Transaction Value Method — Value of Materials** form.

- (D) Indicate in the column provided whether or not the change in tariff classification for the non-originating materials or materials of unknown origin used in the production of the good has been satisfied. The value of the materials will remain non-originating or origin unknown for the purpose of the regional value content calculation.
- (E) Add each column of **Value of Materials** and carry forward the totals to the appropriate columns in box B on the **Transaction Value Method — Summary** form.

STEP 4 — Complete the Transaction Value Method — Summary Form

- (A) Complete the top part of the form.
- (B) Ensure that the **Transaction Value of the Good** from the **Transaction Value Method — Transaction Value of the Good** form and the **Value of Materials** from the **Transaction Value Method — Value of Materials** form have been carried forward correctly to the **Transaction Value Method — Summary** form.
- (C) Subtract the value in box B(2) and the value in box B(3) from the value in box A and put the total in box C.
- (D) Divide the value in box C by the value in box A. Multiply this by 100 to obtain the regional value content of the good produced. Place this percentage in box D.
- (E) Complete the certification. This questionnaire must be completed, signed and dated by the exporter or producer of the goods or by the supplier of a material used in the production of the goods, as the case may be.

STEP 5 — Complete the Transaction Value Method — General Information Form

**COMPLETION OF THE ORIGIN VERIFICATION QUESTIONNAIRE
REGIONAL VALUE CONTENT
SECTION B – INTERMEDIATE MATERIAL**

GENERAL INSTRUCTIONS

Section B is to be completed only where the producer of the good designates as an intermediate material, any self produced material that is used in the production of the good, and the specific rule of origin for that intermediate material contains a regional value-content requirement. If the rule of origin for the intermediate material contains only the tariff classification change requirement, do not proceed with this section. In this case, carry forward the costs to section A in the originating or non-originating materials column as appropriate.

Note 1: Pursuant to subsection 7(5) of the Regulations, in order to qualify as originating, a self produced material that is designated as an intermediate material must qualify as an originating material under the Regulations.

STEP 1 — Confirm the Tariff Classification and the Applicable Rule of Origin for the Intermediate Material

Confirm the tariff classification (to the 6th or 8th digit level, as required by the applicable rule of origin) of the intermediate material. Refer to Schedule I of the Regulations to verify the applicable rule of origin.

STEP 2 — Complete the Intermediate Material — Value of Materials Form

- (A) Complete the top part of the form (name of producer, address, telephone number, facsimile number, name of good produced, tariff classification of the good produced, name of the intermediate material, tariff classification of the intermediate material and the period covered). The tariff classification of the intermediate material should contain the tariff classification as established in Step 1.
- (B) List all materials and the respective supplier names and addresses. List all suppliers when there is more than one supplier for a particular material. If the material is a non-originating material or a material of unknown origin, list the tariff classification (to the 6th digit or 8th digit levels, as required by the rule of origin applicable to the intermediate material) for that material in the space provided.

Note 1: Materials purchased from manufacturers or suppliers in the territory are not necessarily originating materials (materials claimed to be originating must qualify as originating under the Regulations). Any written representations obtained from suppliers of materials that a material qualifies as an originating material must be kept on file for purposes of verification.

Note 2: Where originating and non-originating fungible materials are used in the production of a good and the producer or the person from whom the producer acquired the materials chooses, pursuant to subsection 7(16) of the Regulations, to determine whether the materials are originating materials on the basis of any of the applicable inventory management methods set out in Schedule X of the Regulations, such producer or person must maintain sufficiently detailed records to support the application of the method chosen. The CBSA may, where a producer fails to maintain the records necessary to support the application of the inventory management method, consider all fungible materials as non-originating materials.

- (C) Indicate in the column provided, under the category "originating", "non-originating" or "origin unknown", the value of each material determined in accordance with section 7 of the Regulations. A running total should be carried forward to each additional **Intermediate Material — Value of Materials** form.

It is important that the value of a material be placed in the correct column as either "originating", "non-originating" or "origin unknown".

- (D) Indicate in the column provided whether or not the change in tariff classification for the non-originating materials or materials of unknown origin used in the production of the good has been satisfied.

- (E) Add each column of **Intermediate Materials — Value of Materials** on the **Intermediate Materials — Value of Materials** form. Carry forward the totals to the appropriate columns in box A on the **Intermediate Material — Summary** form.

STEP 3 — Complete the Intermediate Material — Net Cost of the Good Form

Note: For purposes of this questionnaire, all costs associated with the value of materials are reflected under Step 2 of Section B and are thus not to be included in the calculation required under this Step.

- (A) Complete the top part of the form.
- (B) Complete the section identifying the major cost categories e.g. labour, overhead, etc. (see Note 1 below) which total the amount claimed for the **Net Cost of the Good**, as well as the section identifying the country in which the production took place, and the section for the corresponding unit costs.

In order to calculate the **Net Cost of the Good**, the producer may (in accordance with subsections 6(11), 6(12) and 6(13) of the Regulations):

- (a) calculate the total cost incurred with respect to all goods produced by that producer, subtract any sales promotion, marketing and after-sales service costs, royalties, shipping and packing costs and non-allowable interest costs that are included in that total cost and reasonably allocate, in accordance with Schedule VII of the Regulations, the remainder to the good;
- (b) calculate the total cost incurred with respect to all goods produced by that producer, reasonably allocate in accordance with Schedule VII of the Regulations that total cost to the good and subtract any sales promotion, marketing and after-sales service costs, royalties, shipping and packing costs and non-allowable interest costs that are included in the portion allocated to the good; or
- (c) reasonably allocate, in accordance with Schedule VII of the Regulations, each cost that forms part of the total cost incurred with respect to the good so that the aggregate of these costs does not include any sales promotion, marketing and after-sales service costs, royalties, shipping and packing costs and non-allowable interest costs.

Note 1: The information could also be submitted by responsibility cost centre, rather than by major cost categories.

If the space provided is insufficient to provide all required information, carry forward all totals on subsequent photocopied page(s) appropriately numbered and cross referenced.

- (C) Add all costs and carry forward the **Intermediate Material — Net Cost of the Good** to box B on the **Intermediate Material — Summary** form.

STEP 4 — Complete the Intermediate Material — Summary Form

- (A) Complete the top part of the form.
- (B) Ensure that the totals from the **Intermediate Material — Value of Materials** form and the **Intermediate Material — Net Cost of the Good** form have been carried forward correctly.
- (C) Add the value in box A(4) to the value in box B and put the total in box C.
- (D) Subtract the value in box A(2) and the value in box A(3) from the value in box C and put the total in box D.
- (E) Divide the value in box D by the value in box C. Multiply this by 100 to obtain the regional value content of the intermediate material produced. Place this percentage in box E.

The intermediate material is considered to originate in the territory if it meets the specific rule of origin in Schedule I of the Regulations applicable to the intermediate material, and any other general rules that may be applicable.

Where the rule of origin is met, check the appropriate box under E(1), and carry forward the **Intermediate Material — Value of Materials** to Section A as follows:

The **Aggregate Total Intermediate Material — Value of Materials** (box A(4)) to the **Transaction Value Method — Value of Materials** form in the column for originating materials.

Note 1: Since the formula for the determination of the regional value content of the good using the transaction value method only requires the transaction value of the good and the value of non-originating materials, no other carry forward values are necessary.

If the rule of origin is not met, check the appropriate box under E(2) and carry forward the **Intermediate Material — Value of Materials** to Section A as follows:

The **Intermediate Materials — Value of Materials** should be carried forward to the **Transaction Value Method — Value of Materials** form so that the values are put in the appropriate column which designates origin. That is, the value in A(1) of the **Intermediate Material — Summary** form should be carried forward to the column for originating materials in the **Transaction Value Method — Value of Materials** form. The value in A(2) of the **Intermediate Material — Summary** form should be carried forward to the column for non-originating materials in the **Transaction Value Method — Value of Materials** form and the value in A(3) of the **Intermediate Material — Summary** form should be carried forward to the column for origin of materials unknown in the **Transaction Value Method — Value of Materials** form.

COMPLETION OF THE ORIGIN VERIFICATION QUESTIONNAIRE
REGIONAL VALUE CONTENT
SECTION C – DE MINIMIS CALCULATION

GENERAL INSTRUCTIONS

Section C is required to be completed by the exporter/producer of the goods only where preferential tariff treatment was claimed on the basis that the goods qualify as originating pursuant to section 5 (*De Minimis* provision) of the Regulations.

De Minimis means that a good shall be considered to originate in the territory of a NAFTA country where the value of all non-originating materials that are used in the production of the good and that do not undergo an applicable change in tariff classification as the result of production occurring entirely in the territory of one or more of the NAFTA countries is not more than seven per cent (7%):

- (a) of the transaction value of the good determined in accordance with Schedule II of the Regulations with respect to the transaction in which the producer of the good sold the good, adjusted to an FOB basis; or
 - (b) of the total cost of the good, where there is no transaction value for the good under subsection 2(1) of Schedule III of the Regulations or the transaction value of the good is unacceptable under subsection 2(2) of that Schedule;
- provided that
- (c) if under the rule of origin in which the applicable change in tariff classification is specified, the good is also subject to a regional value-content requirement, the value of those non-originating materials shall be taken into account in calculating the regional value-content of the good in accordance with the method set out for that good;
 - (d) the good satisfies all other applicable requirements of the Regulations.

Note 1: A good that is subject to a regional value-content requirement shall be considered to originate in the territory of a NAFTA country and shall not be required to satisfy that requirement where:

- (a) the value of all non-originating materials used in the production of the good is not more than seven per cent (7%)
 - (i) of the transaction value of the good determined in accordance with Schedule II of the Regulations with respect to the transaction in which the producer of the good sold the good, adjusted to an FOB basis, or
 - (ii) of the total cost of the good, where there is no transaction value for the good under subsection 2(1) of Schedule III of the Regulations or the transaction value of the good is unacceptable under subsection 2(2) of that Schedule; and
- (b) the good satisfies all other applicable requirements of the Regulations.

Note 2: Please note that the *De Minimis* provision does not apply to:

- (a) a non-originating material of Chapter 4 of the Harmonized System (hereinafter referred to as "HS") or any of tariff item Nos. 1901.90.31, 1901.90.32, 1901.90.33, 1901.90.34 and 1901.90.39 that is used in the production of a good of Chapter 4 of the HS;
- (b) a non-originating material of Chapter 4 of the HS or any of tariff item Nos. 1901.90.31, 1901.90.32, 1901.90.33, 1901.90.34 and 1901.90.39 that is used in the production of a good of any tariff item Nos. 1901.10.31, 1901.20.11, 1901.20.12, 1901.20.21, 1901.20.22, 1901.90.31, 1901.90.32, 1901.90.33, 1901.90.34 and 1901.90.39, heading No. 21.05 and tariff item Nos. 2106.90.31, 2106.90.32, 2106.90.33, 2106.90.34, 2106.90.35, 2106.90.93, 2106.90.94, 2106.90.95, 2202.90.41, 2202.90.42, 2202.90.43, 2202.90.49, 2309.90.31, 2309.90.32, 2309.90.33, 2309.90.35 and 2309.90.36;
- (c) a non-originating material of any of heading No. 08.05 and subheading Nos. 2009.11 through 2009.30 that is used in the production of a good of any of subheading Nos. 2009.11 through 2009.30 and tariff item Nos. 2106.90.91 and 2202.90.31;
- (d) a non-originating material of Chapter 9 of the HS that is used in the production of a good of tariff item No. 2101.10.11;
- (e) a non-originating material of Chapter 15 of the HS that is used in the production of a good of any of heading Nos. 15.01 through 15.08, 15.12, 15.14 and 15.15;

- (f) a non-originating material of heading 17.01 of the HS that is used in the production of a good of any of heading Nos. 17.01 through 17.03;
- (g) a non-originating material of Chapter 17 of the HS or heading No. 18.05 that is used in the production of a good of subheading No. 1806.10;
- (h) a non-originating material of any of heading Nos. 22.03 through 22.08 that is used in the production of a good of any of heading Nos. 22.07 through 22.08;
- (i) a non-originating material that is used in the production of a good of any of tariff item No. 7321.11.19, subheading Nos. 8415.10, 8415.81 through 8415.83, 8418.10 through 8418.21, 8418.29 through 8418.40, 8421.12, 8422.11, 8450.11 through 8450.20 and 8451.21 through 8451.29 and tariff item Nos. 8479.89.91 and 8516.60.20;
- (j) a printed circuit assembly that is a non-originating material used in the production of a good, where the applicable change in tariff classification for the good places restrictions on the use of that non-originating material, such as prohibiting, or limiting the quantity of, that non-originating material;
- (k) a non-originating material that is a single juice ingredient of heading No. 20.09 that is used in the production of a good of any of subheading No. 2009.90 and tariff item No. 2106.90.92 or 2202.90.32;
- (l) a non-originating material that is used in the production of a good of any of Chapters 1 through 27 of the HS, unless the non-originating material is of a different subheading than the good for which origin is being determined under section 5 of the Regulations; or
- (m) a non-originating material that is used in the production of a good of any of Chapters 50 through 63 of the HS.

Complete the *De Minimis* Calculation Form

- (A) Complete the general information section of the form (name of producer, address, telephone number, facsimile number, name of the good produced and the tariff classification of the good (to the 6th or 8th digit level, as applicable)).
- (B) Complete the **Non-Originating Materials That Do Not Undergo An Applicable Tariff Classification Change** section of this form.

List all non-originating materials and their values which are used in the production of the good that do not undergo an applicable change in tariff classification as a result of production. All materials for which the origin is unknown must be considered to be non-originating and be included in this section if they do not undergo an applicable change in tariff classification.

- (C) Total the **Value of Non-Originating Materials That Do Not Undergo An Applicable Tariff Classification Change** and place this figure in box (A).
- (D) Complete the *De Minimis* calculation on the form.

For all chapters excluding Chapters 50 to 63 of the Harmonized System:

- (a) place the total **Value of the Non-Originating Materials That Do Not Undergo An Applicable Tariff Classification Change** into box (A) of the *De Minimis* calculation section;
- (b) in box (B), place either the **Transaction Value Adjusted to an FOB Basis** or the **Total Cost of the Good**, as applicable for the calculation;
- (c) divide the value in box (A) by the value in box (B). Multiply this by 100 to obtain the **De Minimis Percentage**. Place this percentage in box (C).
- (E) Complete the certification section of the *De Minimis* calculation form. This form must be completed, signed and dated by the exporter or producer of the goods or by the supplier of a material used in the production of the goods, as the case may be.



ORIGIN VERIFICATION QUESTIONNAIRE
REGIONAL VALUE CONTENT — TRANSACTION VALUE METHOD
TRANSACTION VALUE OF THE GOOD

Page

of

Please print clearly

Name of Producer	Telephone No.
Address	Facsimile No.
Good Produced	Tariff Classification
Period Covered	

	Transaction Value of the Good
CARRIED FORWARD FROM — Transaction Value of the Good Page _____	
Price paid or payable	
Plus: Additions	
Minus: Deductions	

Carried forward to:

TRANSACTION VALUE OF THE GOOD (A) ▶

☐ Summary ☐ Transaction Value of the Good Page _____



ORIGIN VERIFICATION QUESTIONNAIRE
REGIONAL VALUE CONTENT — TRANSACTION VALUE METHOD
VALUE OF MATERIALS

Page

of

Name of Producer	Telephone No.
Address	Facsimile No.
Good Produced	Tariff Classification
Period Covered	

Material Name	Tariff Classification of Non-Originating Materials and Materials of Unknown Origin	Supplier Name and Address	Unit Value of Materials			Change in Tariff Classification Satisfied
			Originating	Non- Originating	Origin Unknown	
CARRIED FORWARD FROM — Value of Materials Page _____						
						<input type="checkbox"/> Yes <input type="checkbox"/> No
						<input type="checkbox"/> Yes <input type="checkbox"/> No
						<input type="checkbox"/> Yes <input type="checkbox"/> No
						<input type="checkbox"/> Yes <input type="checkbox"/> No
						<input type="checkbox"/> Yes <input type="checkbox"/> No
						<input type="checkbox"/> Yes <input type="checkbox"/> No
						<input type="checkbox"/> Yes <input type="checkbox"/> No
						<input type="checkbox"/> Yes <input type="checkbox"/> No

Material Component — Carried forward to:

☐ Summary ☐ Value of Materials Page _____

TOTAL VALUE OF
MATERIALS (B) ▶



ORIGIN VERIFICATION QUESTIONNAIRE
REGIONAL VALUE CONTENT — TRANSACTION VALUE METHOD
SUMMARY

Name of Producer	Telephone No.
Address	Facsimile No.
Good Produced	Tariff Classification
Period Covered	

A. Transaction Value of the Good

CARRIED FORWARD FROM — Transaction Value of the Good Page _____ TRANSACTION VALUE OF THE GOOD	(A)
--	-----

B. Value of Materials

	Originating (1)	Non-Originating (2)	Origin Unknown (3)
CARRIED FORWARD FROM — Value of Materials Page _____ TOTAL VALUE OF MATERIALS	(B)		

C. Transaction Value of the Good Minus Value of Non-Originating Materials (VNM)

TOTAL TRANSACTION VALUE OF THE GOOD MINUS VNM: (A - B(2) - B(3))	(C)
---	-----

D. Regional Value Content

REGIONAL VALUE CONTENT: (C ÷ A x 100)	(D)	%
--	-----	---

E. Certification

I certify that the information provided in response to this questionnaire is true and accurate, and I assume the responsibility of proving such representations. I agree to maintain, and present upon request, all records and documentation necessary to support the representations made in response to this questionnaire.		
Title (print or type)	Place (print or type)	
Telephone No.	Facsimile No.	
Authorized Signature	Name (print or type)	Date (YYYY/MM/DD)



Canada Border
Services Agency

Agence des services
frontaliers du Canada

(SECTION A)

PROTECTED B when completed

ORIGIN VERIFICATION QUESTIONNAIRE
REGIONAL VALUE CONTENT — TRANSACTION VALUE METHOD
GENERAL INFORMATION

Name of Producer	Address	Fiscal Year
Good Produced		Tariff Classification
Sales		
Total annual sales to Canada of the good		Total annual worldwide sales of the good
Financial Statements		
Please include a copy of the most recent financial statements as well as any subsequent quarterly statements with the completed questionnaire.		
Related Companies		
Are there any transactions with affiliated, associated or subsidiary companies regarding either the purchase of material or the sale of goods and services? If yes, please provide details on an attached sheet of paper. The details should include the name of the company, the relationship and the function or activities performed by the agent, company or persons, total annual sales of the goods to related parties, and a listing of materials purchased from related parties. <div style="text-align: right;"><input type="checkbox"/> Yes <input type="checkbox"/> No</div>		
Advanced Rulings		
Has an advanced ruling in accordance with article VII of the Customs Procedures Regulations been issued with respect to the goods produced? <div style="text-align: right;"><input type="checkbox"/> Yes <input type="checkbox"/> No</div>		
Assists		
Are any goods, materials, services, warranties or guarantees or any other form of benefit being received or provided either without charge or at reduced cost? If yes, please provide details as to the nature and value of such benefits. <div style="text-align: right;"><input type="checkbox"/> Yes <input type="checkbox"/> No</div>		
Product Literature		
Please enclose product brochures and promotional literature for goods under review.		
Fungible Goods and/or Fungible Materials		
Do any of the goods produced meet the definition of fungible goods? <div style="text-align: right;"><input type="checkbox"/> Yes <input type="checkbox"/> No</div>		
Do any of the materials incorporated in the goods produced meet the definition of fungible materials? <div style="text-align: right;"><input type="checkbox"/> Yes <input type="checkbox"/> No</div>		
If so, what type of inventory management system is in place?		
Costing		
(1) Describe the method used in costing the materials, i.e. standard cost, average cost, weighted average cost, other (please describe). <div style="display: flex; justify-content: space-between; margin-top: 5px;"><div><input type="checkbox"/> Standard Cost</div><div><input type="checkbox"/> Average Cost</div><div><input type="checkbox"/> Weighted Average Cost</div><div><input type="checkbox"/> Other (please describe)</div></div> <div style="margin-top: 10px;">(a) If standard costs were used, when were the standard costs calculated? <div style="border-bottom: 1px solid black; width: 150px; float: right; text-align: center;">YY - MM - DD</div></div> <div style="margin-top: 10px;">(b) When will the standard costs be updated? <div style="border-bottom: 1px solid black; width: 150px; float: right; text-align: center;">YY - MM - DD</div></div>		
(2) Were there any price fluctuations exceeding 10% on the major materials? If so, for which materials? <div style="text-align: right;"><input type="checkbox"/> Yes <input type="checkbox"/> No</div>		
(3) How has the value of non-originating materials been determined? Rolling Average, LIFO, FIFO.		
Production Process		
On a separate page, list the countries in which the production takes place and describe the production process in the sequence in which it occurs.		
Authorization re: Completion of Questionnaire		
Was this questionnaire prepared and signed by a third party on behalf of the exporter/producer? <div style="text-align: right;"><input type="checkbox"/> Yes <input type="checkbox"/> No</div>		



ORIGIN VERIFICATION QUESTIONNAIRE
REGIONAL VALUE CONTENT — TRANSACTION VALUE METHOD
INTERMEDIATE MATERIAL — VALUE OF MATERIALS

Page

of

Name of Producer	Telephone No.
Address	Facsimile No.
Good Produced	Tariff Classification
Intermediate Material	Tariff Classification
Period Covered	

Material Name	Tariff Classification of Non-Originating Materials and Materials of Unknown Origin	Supplier Name and Address	Unit Value of Materials			Change in Tariff Classification Satisfied
			Originating	Non-Originating	Origin Unknown	
CARRIED FORWARD FROM — Intermediate Material — Value of Materials Page _____						
						<input type="checkbox"/> Yes <input type="checkbox"/> No
						<input type="checkbox"/> Yes <input type="checkbox"/> No
						<input type="checkbox"/> Yes <input type="checkbox"/> No
						<input type="checkbox"/> Yes <input type="checkbox"/> No
						<input type="checkbox"/> Yes <input type="checkbox"/> No
						<input type="checkbox"/> Yes <input type="checkbox"/> No
						<input type="checkbox"/> Yes <input type="checkbox"/> No

Material Component — Carried forward to:

☐ Intermediate
Material Summary

☐ Intermediate Material —
Value of Materials Page _____

TOTAL INTERMEDIATE
MATERIAL — (A) ►
VALUE OF MATERIALS



**ORIGIN VERIFICATION QUESTIONNAIRE
REGIONAL VALUE CONTENT — TRANSACTION VALUE METHOD
INTERMEDIATE MATERIAL — NET COST OF THE GOOD**

Page

of

Name of Producer	Telephone No.
Address	Facsimile No.
Good Produced	Tariff Classification
Intermediate Material	Tariff Classification
Period Covered	

Major Cost Category	Country	Unit Cost
CARRIED FORWARD FROM — Intermediate Material — Net Cost of the Good Page _____		

Carried forward to:

☐ Intermediate
Material Summary

☐ Intermediate Material —
Net Cost of the Good

Page _____

**INTERMEDIATE MATERIAL —
NET COST OF THE GOOD (B) ▶**



ORIGIN VERIFICATION QUESTIONNAIRE
REGIONAL VALUE CONTENT — TRANSACTION VALUE METHOD
INTERMEDIATE MATERIAL — SUMMARY

Name of Producer	Telephone No.
Address	Facsimile No.
Good Produced	Tariff Classification
Intermediate Material	Tariff Classification
Period Covered	

A. Value of Materials	Originating (1)	Non-Originating (2)	Origin Unknown (3)	Aggregate (1) + (2) + (3) (4)
CARRIED FORWARD FROM — Intermediate Material — Value of Materials Page _____ TOTAL INTERMEDIATE MATERIAL — VALUE OF MATERIALS (A)				

B. Net Cost of the Good

CARRIED FORWARD FROM — Intermediate Material — Net Cost of the Good Page _____ INTERMEDIATE MATERIAL — NET COST OF THE GOOD (B)	
---	--

C. Intermediate Material — Total Net Cost of the Good

INTERMEDIATE MATERIAL — TOTAL NET COST OF THE GOOD: (A4 + B) (C)	
---	--

D. Total Net Cost of the Good Minus Value of Non-Originating Materials (VNM)

TOTAL NET COST OF THE GOOD MINUS VNM : (C - A2 - A3) (D)	
--	--

E. Regional Value Content

REGIONAL VALUE CONTENT: (D ÷ C X 100) (E)	%
---	---

E (1)

☐ If the intermediate material qualifies as an originating material.

Carry forward

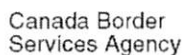
- (i) The Aggregate — Total Intermediate Material Value of
Materials Box A(4) to Page _____
Value of Materials Originating column.

E (2)

☐ If the intermediate material does not qualify as an originating material.

Carry forward

- (i) Originating — Total Intermediate Material — Value of Materials
Box A(1) to Page _____ Value of Materials Originating column,
- (ii) Non-Originating — Total Intermediate Material — Value of
Materials Box A(2) to Page _____ Value of Material
Non-Originating column, and
- (iii) Origin Unknown — Total Intermediate Materials —
Value of Material Box A(3) to Page _____ Value of Material
Origin of Unknown column.



(SECTION C)

PROTECTED B when completed

ORIGIN VERIFICATION QUESTIONNAIRE
REGIONAL VALUE CONTENT — TRANSACTION VALUE METHOD
DE MINIMIS CALCULATION

General Information		
Name of Producer		Telephone No.
Address		Facsimile No.
Good Produced		Tariff Classification
Non-Originating Materials That Do Not Undergo an Applicable Tariff Classification Change		
Description		Value
Total Value (A)	▶	
De Minimis Calculation		
All Chapters Excluding Chapters 50 to 63 of the Harmonized System:		
1. Total Value of Non-Originating Materials That Do Not Undergo an Applicable Tariff Classification Change	(A)	
2. Transaction Value Adjusted to an FOB Basis or	(B)	
2. Total Cost of the Good	(B)	
De Minimis Percentage A/B X 100 =	(C)	%

CERTIFICATION

I certify that the information provided in response to this questionnaire is true and accurate, and I assume the responsibility of proving such representations. I agree to maintain, and present upon request, all records and documentation necessary to support the representations made in response to this questionnaire.

Authorized Signature		Company (print or type)	
Name (print or type)		Title (print or type)	
Date (YYYY/MM/DD)	Telephone No.		Facsimile No.