

Supplier TCP Usage for USMCA Certification

Welcome to Snap-on's new Trade Compliance Portal (TCP)!

This guide is intended to walk you through the USMCA certification process in this web portal.

The USMCA free trade agreement between the US, Canada, and México replaced NAFTA July 1, 2020. Certifying eligible goods allows those goods to cross the border duty-free. This benefit makes your goods more attractive to buyers.

Your certification is good for a calendar year from Jan 01 – Dec 31. If there is a change to the item's eligibility status at any point in the year, simply log back in and update the appropriate data element in adherence with Customs regulations.

Website link: https://tcp.snapon.com

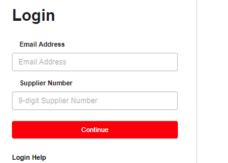
Logon credentials:

Your email: Unique to each individual (If you need to register an email address please contact us)

Supplier No: Your supplier business partner number

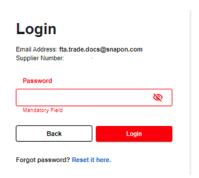
Password: Unique to each individual

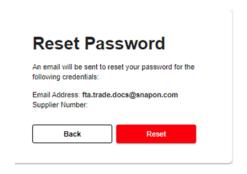
If you do not remember your supplier number, click **Login Help**. It will prompt an email to our <u>FTA.TRADE.DOCS@snapon.com</u> email address.





To reset your password, enter you email address and your supplier number. A new dialogue box will open. Click the *Reset it here* link. Select Reset. Look for an email link. Enter a new password and Submit.









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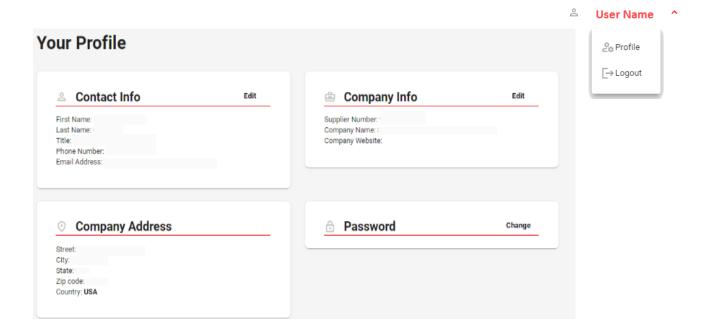
Still need help?

Contact us: fta.trade.docs@snapon.com

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Profile

Navigate over to the upper right corner to access your information and company profile. Each user will have their own profile. Contact, company info, address, and passwords can be updated here.





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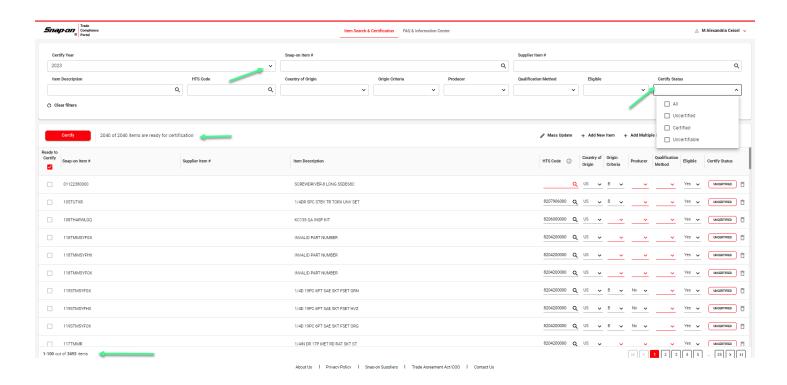
Item Search & Certification

The display is broken out into two grids:

- The upper grid provides for filters that populate the table
 - o Note that the Certify Year will default to current year
- The lower grid displays all items
 - o Total item count is displayed in the bottom left corner
 - o Count of items ready for certification is displayed near the top

To review items and limit the amount of data to work with, simply use the filters in the top grid.

A type-ahead feature opens a drop-down of choices where available if the exact data element is not known. Q





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Certify your Items

Snap-on has pre-populated data fields, where known, from prior-year information on file. Look over and confirm and/or update the existing data as needed. Required fields with missing data will display in red font.

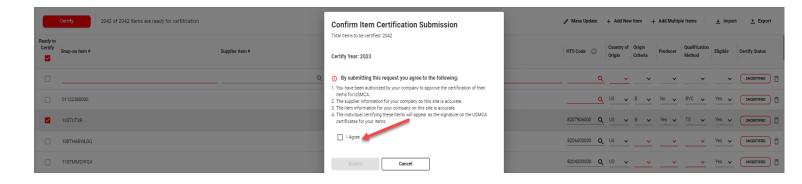
Add New Item(s) if you do not see your item.

Mass Updates lets you update many items that share the same characteristics.

Import / Export can be used for large amounts of data. Export to Excel then re-Import when ready (note: do not modify the file format).

Populate the HTS, Country of Origin, Origin Criteria, Producer, Qualification Method, and Eligible columns. Additional information about these fields is provided further below.

Eligible items will automatically generate a check mark in the Ready to Certify column. To certify the item(s) click the big red Certify button and click agree in the pop-up box.



Harmonized Tariff Schedule (HTS Code)

The HTS code is the official classification system used in the US to help determine customs duties for imports. This is the first step is determining free trade eligibility.

More help can be found at https://hts.usitc.gov/current

Country of Origin

This refers to the country of manufacture, production, or growth where a product or article comes from. (Note: It is possible for an item to be listed with a country of origin: US, MX, or CA but still not meet the requirements for USMCA and thus be uncertifiable. It is also possible for an item to have components of foreign manufacture and still qualify for USMCA.)



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Rules of origin (ROOs) are used to determine if products are eligible for duty-free or reduced duties under the Free-Trade Agreement (FTA) rules even though they may contain non-originating (non-FTA) components.

The rules determining country of origin can be very simple if a product is wholly grown or manufactured and assembled primarily in one country. However, when a finished product includes components that originate in many countries, determining origin can be more complex. Rules of origin can be very detailed and specific and vary from agreement to agreement and from product to product.

More information can be found at https://www.youtube.com/watch?v=HNqtdWjOCyl

Origin Criteria

Determine whether the item meets the requirements for certification under USMCA by selecting the appropriate origin criteria for each column heading.

Criterion B: The good is produced entirely in the territory of one or more of the USMCA countries using non-originating materials, provided the good satisfies all applicable requirements of product-specific rules of origin

Criterion C: The good is produced entirely in the territory of one or more of the USMCA countries exclusively from originating materials

Producer

If you are the manufacturer of the good select yes, otherwise, select no.

Qualification Method

The method used to support the origin criteria selected

Tariff shift (TS)

Product components are transformed enough to result in a new harmonized tariff schedule (for example foreign raw steel is transformed into a hand tool in the US).

Regional Value Content (RVC)

This requires a bill of materials analysis to determine the percentage of qualifying content coming from North America. Value can include materials, labor, and other costs.

To arrive at the percentage threshold, gather the HTS code, cost, and country of origin of each component.



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USMCA provides for two Regional Value Content (RVC) calculation methods:

- Transaction Value Method where RVC = (TV-VNM)/TV x 100
- o Net Cost Method where RVC = (NC-VNM)/NC x 100

Transaction Value Method:

RVC = (TV-VNM)/TV x 100 where RVC is the regional value content, expressed as a percentage

TV is the transaction value of the good, adjusted to exclude any costs incurred in the international shipment of the good

VNM is the value of non-originating materials including materials of undetermined origin used by the producer in the production of the good.

The Net Cost Method:

RVC = (NC-VNM)/NC x 100 where RVC is the regional value content, expressed as a percentage

NC is the net cost of the good

VNM is the value of non-originating materials including materials of undetermined origin used by the producer in the production of the good

More information is available at https://www.cbp.gov/sites/default/files/assets/documents/2020-Jun/%2315 Regional%20Value%20Content USMCA%20Informational%20Fact%20Sheet.pdf

Eligible

For USMCA eligible items, the flag will set to YES
If it determined that the item will not meet the requirements of the USMCA, select NO

Certify Status

Certify

Displays the following status of each item:

- Uncertified needs review
- o Certified has been reviewed and meets USCMA criteria
- Uncertifiable has been reviewed and determined to be ineligible

End.