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**NORTH AMERICAN FREE TRADE AGREEMENT
MOTOR VEHICLE AVERAGING ELECTION**

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PURPOSE

The purpose of this Motor Vehicle Averaging Election (hereinafter referred to as "election to average") is to provide the form to be used by a producer of light-duty or heavy-duty vehicles in filing an election to average in accordance with section 11 of the NAFTA Rules of Origin Regulations (hereinafter referred to as "the Regulations", as outlined in Memorandum D11-5-1).

An election to average shall be completed in respect of each category set out in subsection 11(5) of the Regulations that is chosen by the producer of the motor vehicles.

The election to average shall not be used by a producer of a motor vehicle referred to in section 13 of the Regulations (Special Regional Value Content Requirements) in filing an election pursuant to subsection 13(4).

Additional Information

For additional information regarding the completion of the election to average, please refer to the NAFTA, or the Regulations as outlined in Memorandum D11-5-1. Any further information and/or clarification may be obtained from the Origin Planning and Coordination Unit, Canada Border Services Agency (CBSA).

Confidentiality

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

Origin Verification

The CBSA may, in accordance with the NAFTA Verification of Origin Regulations (as outlined in Memorandum D11-4-20), conduct a verification of any or all of the information contained in the completed election to average and may request, pursuant to subsection 11 of those regulations, that the producer submit a cost submission reflecting the actual costs incurred in the production of the motor vehicles for which the election to average has been made.

Definitions

The following definitions are relevant for purposes of this election.

class of motor vehicles means any one of the following categories of motor vehicles:

- (a) motor vehicles of any of subheading No. 8701.20, tariff item Nos. 8702.10.10 and 8702.90.10, subheading Nos. 8704.10, 8704.22, 8704.23, 8704.32 and 8704.90 and heading Nos. 87.05 and 87.06,
- (b) motor vehicles of any of subheading Nos. 8701.10 and 8701.30 through 8701.90,
- (c) motor vehicles of any of tariff item Nos. 8702.10.20 and 8702.90.20 and subheading Nos. 8704.21 and 8704.31, and
- (d) motor vehicles of any of subheading Nos. 8703.21 through 8703.90.

Note: For details on the above tariff classifications concerning the specific Rule of Origin, please refer to Annex 401 of the NAFTA. For description of goods in the above tariff classifications, please refer to the *Customs Tariff*.

heavy-duty vehicle means a motor vehicle of any of heading No. 87.01, tariff item Nos. 8702.10.10 and 8702.90.10, subheading Nos. 8704.10, 8704.22, 8704.23, 8704.32 and 8704.90 and heading Nos. 87.05 and 87.06.

light-duty vehicle means a motor vehicle of any of tariff item Nos. 8702.10.90 and 8702.90.90 and subheading Nos. 8703.21 through 8703.90, 8704.21 and 8704.31.

model line means a group of motor vehicles having the same platform or model name.

model name means the word, group of words, letter, number or similar designation assigned to a motor vehicle by a marketing division of a motor vehicle assembler:

- (a) to differentiate the motor vehicle from other motor vehicles that use the same platform design,
- (b) to associate the motor vehicle with other motor vehicles that use different platform designs, or
- (c) to denote a platform design.

platform means the primary load-bearing structural assembly of a motor vehicle that determines the basic size of the motor vehicle, and is the structural base that supports the driveline and links the suspension components of the motor vehicle for various types of frames, such as the body-on-frame or space-frame, and monocoques.

tariff classification refers to the tariff classification, to the 8th digit level, based on the Harmonized System of tariff classification and statistical coding.

COMPLETION OF THE MOTOR VEHICLE AVERAGING ELECTION

Field 1: State the full legal name and address (including country).

Field 2: State the producer's telephone and facsimile number.

Field 3: State the producer's fiscal year.

Field 4: State the starting and ending date of the election period.

Field 5: Identify the category of motor vehicle referred to in subsection 11(5) of the Regulations for which the producer is making the election to average. State which category ((a),(b) or (c)) is applicable. The three categories are described as follows:

- (a) the same model line of motor vehicles in the same class of motor vehicles produced in the same plant in the territory of a NAFTA
- (b) the same class of motor vehicles produced in the same plant in the territory of a NAFTA country; and
- (c) the same model line of motor vehicles produced in the territory of a NAFTA country.

Field 6: State the estimated regional value content for the category of motor vehicle selected.

Field 7: Provide the name and location of the producer's plant.

Field 8: State the model name, model line, class of motor vehicle and tariff classification of the motor vehicles in the category identified in field 5. Where category (a) or (c) is elected by the producer, please indicate whether the model line elected is based on

- (i) a group of motor vehicles having the same platform; or
- (ii) a group of motor vehicles having the same model name.

Please provide details as to the platform or model name as elected.

Field 9: State the basis on which the estimated regional value content was calculated by indicating (a) or (b), whichever is applicable. The producer may calculate the estimated regional value content on the basis of either:

- (a) all motor vehicles in the category identified in field 5 that are produced during the fiscal year, or
- (b) only those motor vehicles in the category identified in field 5 that are exported to the territory of one or more of the NAFTA countries and that are produced during the fiscal year or the period selected by the producer.

If the estimated regional value content is calculated on the basis of only those motor vehicles in the category identified in field 5 that are exported to the territory of one or more of the NAFTA countries, indicate the NAFTA country(ies) to which the goods are exported for the purpose of the election to average.

FILING OF THE MOTOR VEHICLE AVERAGING ELECTION

This election to average must be submitted to:

Canada Border Services Agency
Commercial and Trade Operations Division
12th Floor, Sir Richard Scott
191 Laurier Avenue West
Ottawa, Ontario K1A 0L8
CANADA

Note 1: Pursuant to subsection 11(8) of the NAFTA Rules of Origin Regulations, the election may not be rescinded or modified with respect to the category or basis of calculation.

Note 2: Where the producer of a motor vehicle has calculated the regional value content of the motor vehicle on the basis of estimated costs, including standard costs, budgeted forecasts or other similar estimating procedures, before or during the producer's fiscal year, the producer shall conduct an analysis at the end of the producer's fiscal year of the actual costs incurred over the period in respect of the production of the motor vehicle to ensure that the regional value content requirement on the basis of actual costs is satisfied. If the regional value content on the basis of actual costs is not satisfied, the producer of the motor vehicle must immediately inform any person to whom the producer has provided a Certificate of Origin for the motor vehicle, or a written statement that the motor vehicle is an originating good, that the motor vehicle is a non-originating good.



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3. Producer's Fiscal Year (Y-M-D)

1. Producer's Name and Address	2. Telephone No.	4. PERIOD WITH RESPECT TO WHICH THE ELECTION IS MADE	
	Fax No.	4(a). Starting Date (Y - M - D)	4(b). Ending Date (Y - M - D)
MOTOR VEHICLE AVERAGING CATEGORY		7. Name and Location of the Plant(s) (If category (c), please identify every location at which the vehicles are produced.)	
5. Category Chosen by the Producer <input type="checkbox"/> (a) <input type="checkbox"/> (b) <input type="checkbox"/> (c)		6. Estimated Regional Value Content of the Category of Motor Vehicle	

8. VEHICLES TO BE AVERAGED			
Model Name	Model Line (Applies only to category (a) and (c))	Class of Motor Vehicle	Tariff Classification

BASIS OF REGIONAL VALUE CONTENT CALCULATION

9. Please describe the basis of the calculation in determining the estimated regional value content of motor vehicles stated in 8, above, as described in subsection 11(9) of the Regulations. State the basis as either (a) or (b) by placing an "X" in the appropriate space.

(a) Over all the vehicles produced during the fiscal year or the period selected by the producer.

(b) Over those vehicles to be exported to the territory of one or more of the NAFTA countries that are produced during the fiscal year or the period selected by the producer.

Note: If option (b), please identify the NAFTA country(ies) to which the vehicles are exported.

A cost submission for the period in which the election is made, based on actual costs and values incurred in the production of a motor vehicle,

Title of Authorized Officer	Signature of Authorized Officer	Date Signed
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