



## Overview

This is a new provision in the new United States-Mexico-Canada Agreement (USMCA) that requires each Party to maintain a risk management system to focus inspection on high-risk goods. There was no such provision in the North American Free Trade Agreement (NAFTA).

## References

- **USMCA**
  - *Final Text*: Chapter 7, Article 7.12
- **NAFTA**
  - No provision.

## Significant Changes in USMCA

Provision	USMCA	NAFTA
<b>Risk Management System</b>	<b>New provision in USMCA.</b> <ul style="list-style-type: none"> <li>• Each USMCA Party must maintain a risk management system that enables it to focus inspection activities and high-risk goods.</li> </ul>	No provision.

## Detailed USMCA/NAFTA Side-by-Side

Provision	USMCA	NAFTA
<b>Risk Management System</b>	<ul style="list-style-type: none"> <li>• Each Party shall maintain a risk management system for assessment and targeting that enables its customs administration, and other agencies involved in the process for cross border trade, to focus inspection activities on high-risk goods and that simplifies the release and movement of low-risk goods.</li> <li>• Each Party shall base risk management on assessment of risk through appropriate selectivity criteria.</li> <li>• Each Party shall design and apply risk management in a manner as to avoid arbitrary or unjustifiable discrimination, or disguised restrictions on international trade.</li> <li>• In order to facilitate trade, each Party shall periodically review and update, as appropriate, its risk management system.</li> </ul>	<ul style="list-style-type: none"> <li>• Not specified.</li> </ul>

