

CUSMA Still in Force Notwithstanding US Decision to Not Renew

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The Canada-United States-Mexico Agreement (CUSMA) required that representatives of each party conduct a mandatory six-year joint review of CUMSA on July 1, 2026. Unlike the representatives from Canada and Mexico, US Trade Representative Ambassador Greer issued a statement on that same day announcing that the United States did not agree to renew CUSMA “in its current form” resulting in its non-renewal.¹ The Honourable Dominic LeBlanc, the Minister responsible for Canada-US Trade issued a statement reaffirming “Canada’s unwavering support for CUSMA and its renewal.”² Similarly, Mexico’s Secretary of Economy, Marcelo Ebrard, stated that during the virtual joint review meeting, he had presented a letter from President Sheinbaum in which she expressed her support for renewal.³ Renewal would have resulted in CUSMA being in effect in its current form until 2042.

CUSMA Remains in Force

The US decision not to renew CUSMA for an additional 16 years does not result in CUSMA’s termination. It continues to remain in force until July 1, 2036. The US has not formally withdrawn from CUSMA as any Party is permitted to do under Article 34.6 by providing written notice of withdrawal to the other Parties (where a Party withdraws, CUSMA remains in force for the remaining parties).

The US decision not to renew triggers Article 34.7(4) which mandates an annual joint review until July 1, 2036. A further 16-year extension remains available at anytime where the Parties confirm their wish to do so in writing through their respective heads of government. Were that to occur, joint reviews would default back to every six years.

Some Uncertainty Regarding Next Steps

Minister LeBlanc has emphasized that “CUMSA remains fully in force until 2036 and continues to provide Canadian businesses with important access to North American markets” and has further stated that Canada remains committed to its renewal.⁴ Nevertheless, specifics surrounding the new annual joint review process have yet to be determined. Minister Leblanc stated, in a telephone interview on July 3, that “we don’t have any more predictability about the annual review process because this is uncharted territory” and that the new annual review process is “not typical for this kind of agreement.”⁵

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In the meantime, Canadian businesses should not treat the US non-renewal decision as an immediate or permanent change in market access, tariff treatment, or rules-of-origin compliance under CUSMA. Rather, it should be understood as the beginning of a more active and potentially uncertain review period. Businesses that rely on CUSMA preferences should take this opportunity to assess their North American supply chains, confirm ongoing compliance with applicable rules of origin, document the commercial value of CUSMA to their operations, and identify any provisions that may be relevant to future negotiations. Businesses with significant cross-border exposure should also consider engaging with industry associations and government to ensure that their priorities are understood as Canada develops its approach to the annual review process.

The Cassels [International Trade Group](#) will continue to monitor these developments.

¹ See <https://ustr.gov/about/policy-offices/press-office/press-releases/2026/july/ambassador-greer-issues-statement-usmca-joint-review>

² See <https://www.canada.ca/en/global-affairs/news/2026/07/statement-by-minister-leblanc-following-trilateral-cusma-joint-review-meeting.html>

³ See <https://www.gob.mx/se/prensa/quinta-reunion-de-la-comision-de-libre-comercio-del-t-mec-proceso-de-revision-conjunta-previsto-en-el-articulo-34-7n>

⁴ See <https://www.canada.ca/en/global-affairs/news/2026/07/minister-leblanc-updates-provincial-and-territorial-ministers-responsible-for-international-trade-on-cusma-joint-review.html>

⁵ See <https://globalnews.ca/news/11953602/canada-seeking-clarity-annual-cusma-review/>

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