

J&T

SHIPPING TO CANADA



From Spain

Shipping to Canada

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- Importer of Record and CARM
- Non-Resident Importer (NRI) Program
- Commercial Invoice
- Canadian Tariff Classification
- Country of Origin
- Value for Duty
- Import Duty and Fees
- Export Declaration from Europe
- Canada EU Free Trade - CETA
- Shipping and Logistics

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Importer of Record and CARM

Context

1. Importers and owners are required to account for goods imported into Canada. Customs brokers may account for the goods on an importer's or owner's behalf, declaring their client or themselves as the importer of record. A person authorized may account for goods in lieu of the importer or owner and become the importer of record under the Courier Low-Value Shipment Program.
2. The CBSA recognizes customs brokers and persons authorized as authorized agents.
3. To transact business with the CBSA, commercial entities must have a business number (BN) with an import/export account number (RM). Those together identify the importer of record.

Business Registration and CARM

<https://www.cbsa-asfc.gc.ca/services/carm-gcra/import-export-importation-exportation-eng.html> 

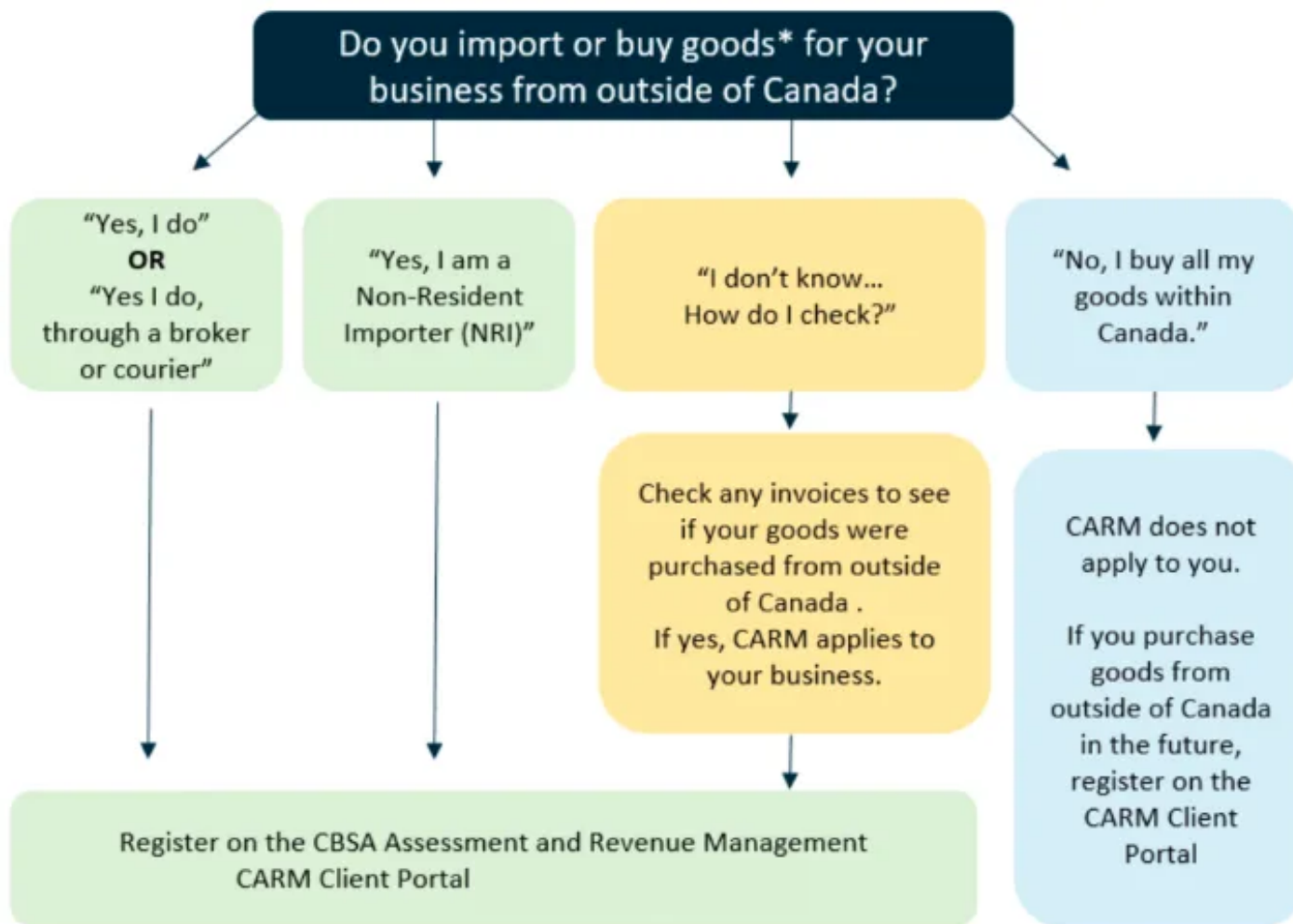
Canadian Business Number

Business Number (9 digits)	Identifier as importer or exporter	Unique number (usually 0001)
123456789	RM	1234



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CBSA Assessment and Revenue Management



*Goods include anything that your business uses to make other goods for sale, operating your business (laptops for employees, samples, etc.) or re-selling for profit.

CARM

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Non-Resident Importer/ NRI

The NRI program allows European businesses to get a Canadian Business Number (BN). This is the most common way for foreign companies to import goods to Canada.

This program allows European companies to effectively operate as a Canadian company. It can simplify the import process.

Become a non-resident importer and act as your own distributor to Canada and USA!

The requirements include record keeping, posting of a surety bond to benefit from customs release prior to payment of import fees, and reporting.

Note that different methods for determining the value for duty may be necessary for NRI imports.

Visit CBSA website

.... or contact a  [Canadian customs broker](#) or an accounting firm for more information.



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Commercial Invoice / Invoice for Customs

The Most Fundamental of All Documents Necessary for Import!

Necessary data elements include:

- Seller and Consignee full name, address, phone and email
- Detailed description of each item being shipped
- Net and gross weights (net weight excludes packaging)
- Unit and total value(specify currency)
- Shipping Terms and terms of payment
- Date of shipment
- Reference or order number
- Import license (if applicable)
- Freight charges and insurance (C.I.F. Value)

The image shows a sample of a Canada Customs Invoice (Form 1). The form is bilingual, with English and French versions. It includes fields for:

- 1. Importer (name and address)
- 2. Date of invoice
- 3. Other reference (invoice number, etc.)
- 4. Consignee (name and address)
- 5. Port of origin (country of origin)
- 6. Country of origin
- 7. Description of goods
- 8. Quantity and unit
- 9. Net weight
- 10. Gross weight
- 11. Value (CIF)
- 12. Value (FOB)
- 13. Value (C&F)
- 14. Value (DDP)
- 15. Value (DDU)
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- 100. Value (DPP)

Invoice can be via a Canadian Commercial Invoice (CCI) or Commercial invoice that includes necessary data.



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HS Codes

European HS codes versus Canadian HS codes

The main difference between HS codes in Europe and Canada lies in the additional digits. The first six digits are harmonized globally

- The Harmonized schedule Canadian Customs Tariff
- The Integrated Tariff of the European Union (TARIC)

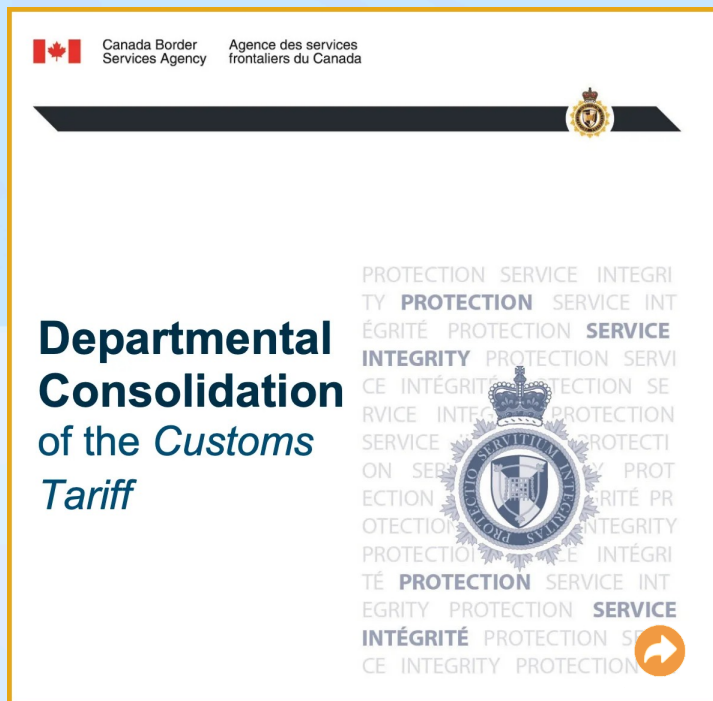


See link to Canada and European resources for HS lookup:  [Jet's blog on HS Codes](#)

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HS Codes

In addition to European online resources, you can find the Canadian HS codes via Canada Export Development Corporation's online tool.



Visit  [Jet's blog on HS Codes](#)



Canada Export Development Corp

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HS Codes

Generic Harmonized System (GHS) to Canada

Canada has a tariff classification process for qualified postal and courier imports. The system may be used in lieu of a more detailed classification. This a great benefit for e-commerce imports.

This gives the option to apply one of three generic Most-Favoured-Nation (MFN) tariff rates. Assessment on “special classification provisions” found in Chapter 98 of Canada’s Customs Tariff.

GHS Tariff Structure		
Tariff Item	MFN Tariff	Preferential Tariff Treatment
9825.10.00	20%	e.g. UST/MT/ CT - Free
9825.20.00	8%	e.g. UST/MT/ CT - Free
9825.30.00	0%	e.g. UST/MT/ CT - Free

Source: CBSA Sept 2021 presentation

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HS Codes Export versus Import

Advance Ruling

Importers to Canada can request an advance ruling to verify the correct tariff classification. Request can be made directly to Canadian customs/ CBSA.

 [Jet's blog on HS Codes](#)

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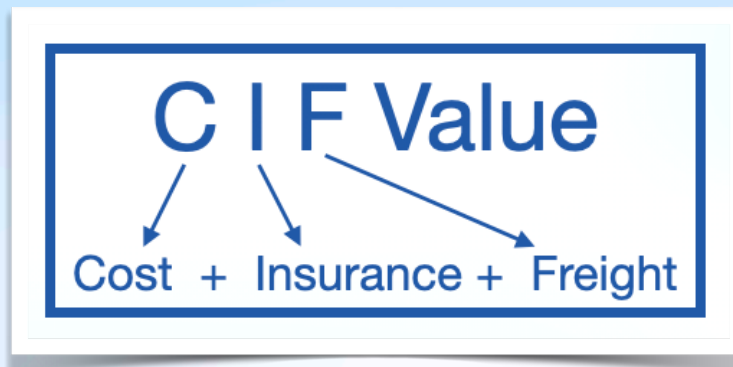




Transaction Value

In the majority of the cases, the correct value to declare at export and import is the “transaction value.” The transaction value is the price paid - or payable - for the goods.

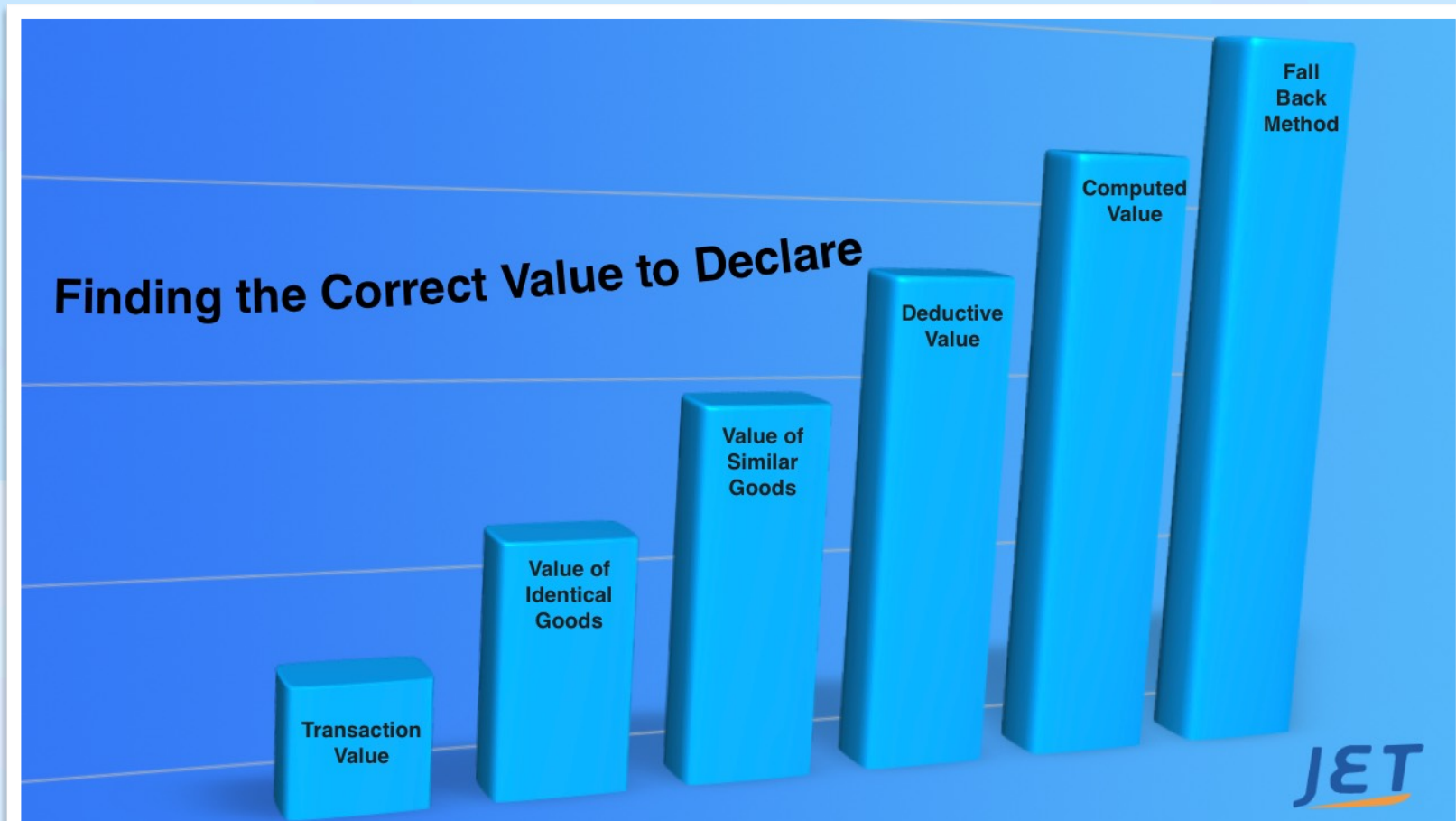
Customs considers the cost shipping and insurance as part of the transaction value (known as CIF value).



Useful information regarding  [declared value and CIF](#)

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Establishing a Value for Importing Goods



Useful information  [declaring value for customs](#)



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Country of Origin

Just the purchase and shipping an item from Europe does not grant duty free status to Canada

Shipping from Europe ≠ European origin goods

To benefit from preferential duty free import to Canada, goods must qualify under the rules of origin under the CETA

All Shipments from Europe are subject to:

- Standard import processing
- “Most Favoured Nation” / default rate of duty (unless they qualify as originating)
- Restrictions on specific categories including food, drugs and alcohol

Useful information on  from where goods ship versus their country of origin

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Canada's Import Tariffs / Duty

Import Duty is primarily determined by three main factors

- HS Code / tariff classification
 - Country of Origin
- = % Duty

$\% \text{ Duty} \times \text{Value} = \text{Resulting duty assessment}$

* Note that duty is sometimes based on volume, weight or other measurements rather than value

Other Canadian Import Fees

- Federal and Provincial sales tax
- Entry Preparation and related Fees
- Carrier Disbursement Fee

Useful information
 [Canadian import fees](#)



Shipping to Canada

Canada's Import Tariffs / Duty

The default duty for European Imports is the MFN Tariff

European Origin via CETF qualify for preferential tariff (CEUT)

Tariff Item	SS	Description of Goods	Unit of Meas.	MFN Tariff	Applicable Preferential Tariffs
2710.20.10 00	--	-Lubricating oils put up in packings for retail sale	LTR	5%	CCCT,LDCT,GPT,UST, MXT,CIAT,CT,CRT,IT, NT,SLT,PT,COLT,JT, PAT,HNT,KRT,CEUT, UAT,CPTPT,UKT: Free
2710.20.90 00	--	-Other	LTR	Free	CCCT,LDCT,GPT,UST, MXT,CIAT,CT,CRT,IT, NT,SLT,PT,COLT,JT, PAT,HNT,KRT,CEUT, UAT,CPTPT,UKT: Free

Note: The General Tariff rate that applies to goods of this tariff item is the Most-Favoured-Nation Tariff rate.

-Waste oils:

* Note that duty is sometimes based on volume, weight or other measurements rather than value

Useful information 
[Canadian import fees](#)

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Export Declaration

Export declarations are obligatory for goods exporting from the E.U.

In addition to the HS classification, the declaration also requires an EORI number. The HS classification for export may be different from the Canadian classification.

Taxation and Customs Union



Export



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Canada-European Free Trade Agreement

The Canada-Free Trade Agreement (CETA) addresses various aspects of trade, including market access, rules of origin for preferential duty free import.

The key advantage for merchandise trade is Europe origin goods can qualify for preferential duty free import. Be sure to include a certification of origin.



<https://www.international.gc.ca/trade-commerce/trade-agreements-accords-commerciaux/agr-acc/ceta-aecg/index.aspx?lang=eng>

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Shipping Options and processes: Europe to Canada

For Parcels: Obvious .. and often.. good choices

FedEx, UPS and DHL

- Beware of import fees
- Disbursement fee - prepayment fee - often applies with a minimum charge
- The import fees can be significant as a percentage of the value of the shipment

Local Post

- Best option for individuals shipping personal goods



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Best Shipping Modes: The USA to Canada



Contact our team for pricing and support 



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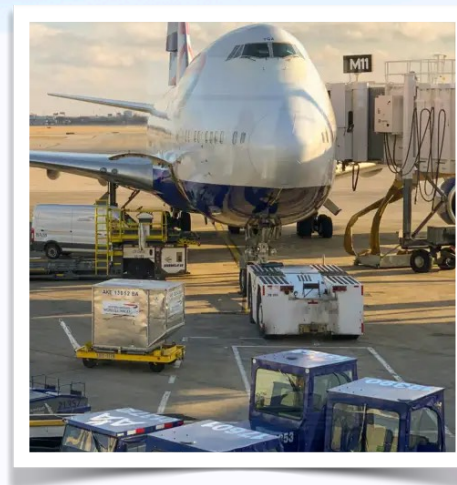
Returns in Canada for European Companies

Return Solutions Canada to Europe

A necessary consideration when setting up export processes to a foreign country is management of returns.

- Refused deliveries
- Damaged goods
- Regular product returns
- Receive and reship

Jet Worldwide currently manages Amazon removal order, and return support for overseas companies. Goods ship back via economy air or LCL ocean.



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