

J&T

SHIPPING TO CANADA



From The USA



Shipping to Canada

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Shipping to Canada

This presentation covers all the key issues regarding shipping to Canada from the USA.

If you are shipping - or wish to learn more - contact Jet's team for a consultation.

info@jetworldwide.ca

514-331-7470

View Accompanying Video



JET

- 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
- Canada-USA Free Trade
- Shipping and Logistics



Shipping to Canada

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

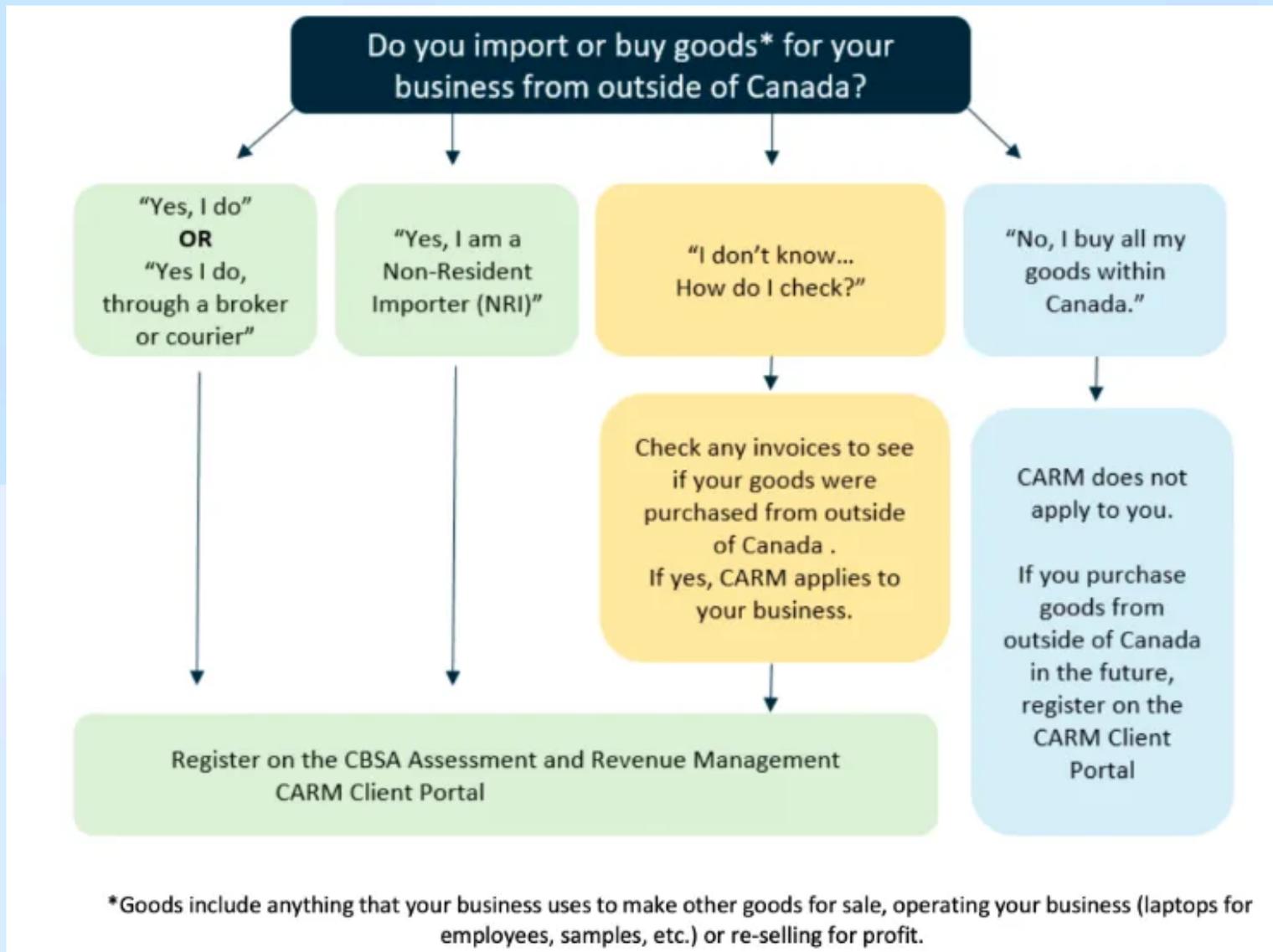
<https://www.cbsa-asfc.gc.ca/services/carm-gcra/import-export-importation-exportation-eng.html> 

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



CARM

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Shipping
USA

Canada



Shipping to Canada

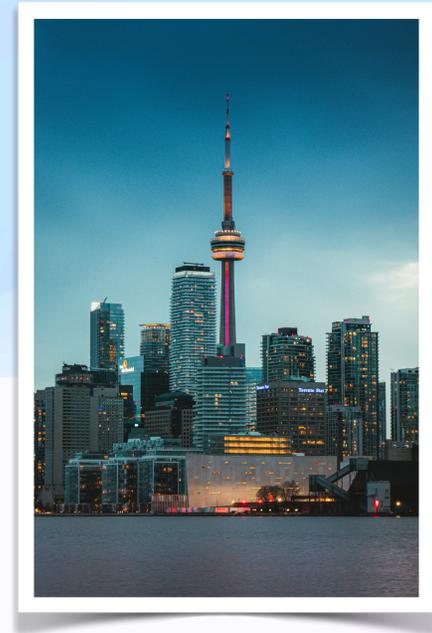
Non-Resident Importer/ NRI

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

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

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.



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- Shipping and Logistics

Shipping
USA

Canada



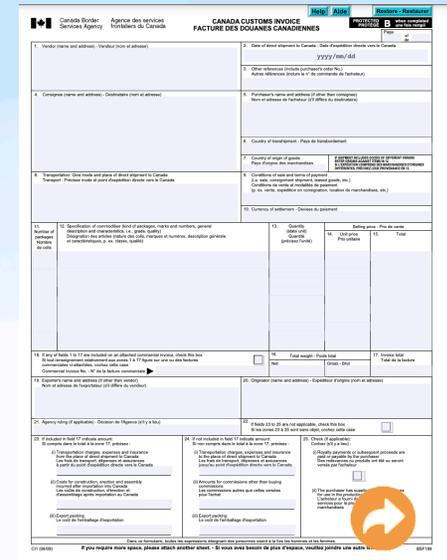
Shipping to Canada

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. The form is titled 'CANADA CUSTOMS INVOICE' and 'FACTURE DES DOUANES CANADIENNES'. It includes fields for 'Importer Name and Address', 'Exporter Name and Address', 'Country of Origin', 'Description of Goods', 'Quantity', 'Value', and 'Weight'. There are also checkboxes for 'Exempt from Duties' and 'Exempt from GST'. The form is numbered '1' and '2' in the top right corner.

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



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Shipping
USA

Canada



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HS Codes

American HS codes versus Canadian HS codes

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

 <p>United States International Trade Commission</p> <p>Updates to HS Tariff Read More</p>	 <p>Government of Canada Gouvernement du Canada</p> <p>Customs Tariff :</p>
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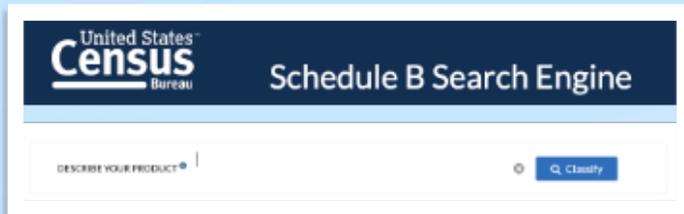
See link to Canada and American resources for HS lookup:  [Jet's blog on HS Codes](#)

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HS Codes

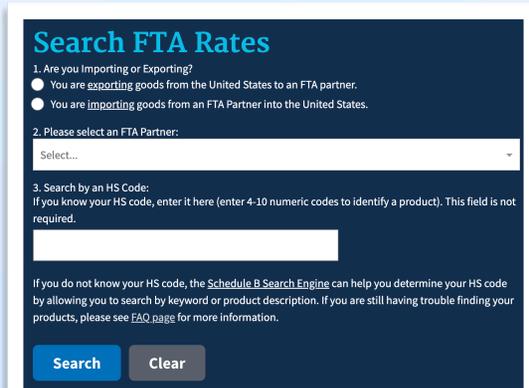
An additional online resource to consider is the Canada Export Development Corporation's Tariff Finder Tool, and trade.gov resources.

US Census Bureau: Find an HS Code



The screenshot shows the 'United States Census Bureau Schedule B Search Engine' interface. It features a search bar with the placeholder text 'DESCRIBE YOUR PRODUCT' and a blue 'Classify' button.

trade.gov Tariff-tool-search



The screenshot shows the 'Search FTA Rates' interface on trade.gov. It includes a radio button selection for 'Are you Importing or Exporting?' with options for 'exporting' and 'importing'. Below this is a dropdown menu for 'Please select an FTA Partner:'. A text input field is provided for 'Search by an HS Code:'. At the bottom, there are 'Search' and 'Clear' buttons.

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



The screenshot shows the 'Canada Tariff Finder' interface. It features the logos for 'bdc', 'EDC', 'Trade Commissioner Canada', and 'Canada'. The main text reads 'Find tariff information in just a few clicks' with a red 'Get started' button below it.

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.

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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Verifying the Correct Tariff Classification

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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Shipping
USA

Canada



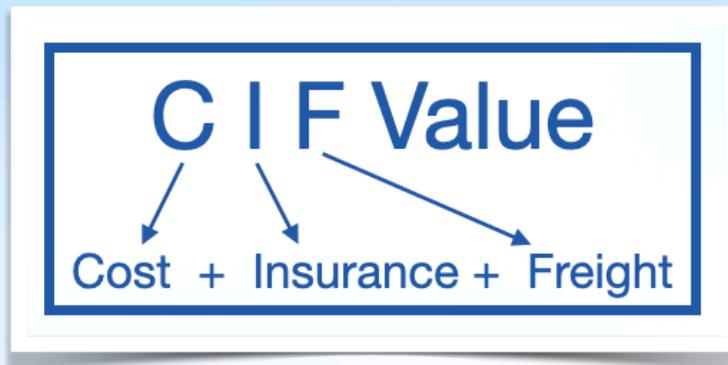
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Valuation / Value For Duty

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.

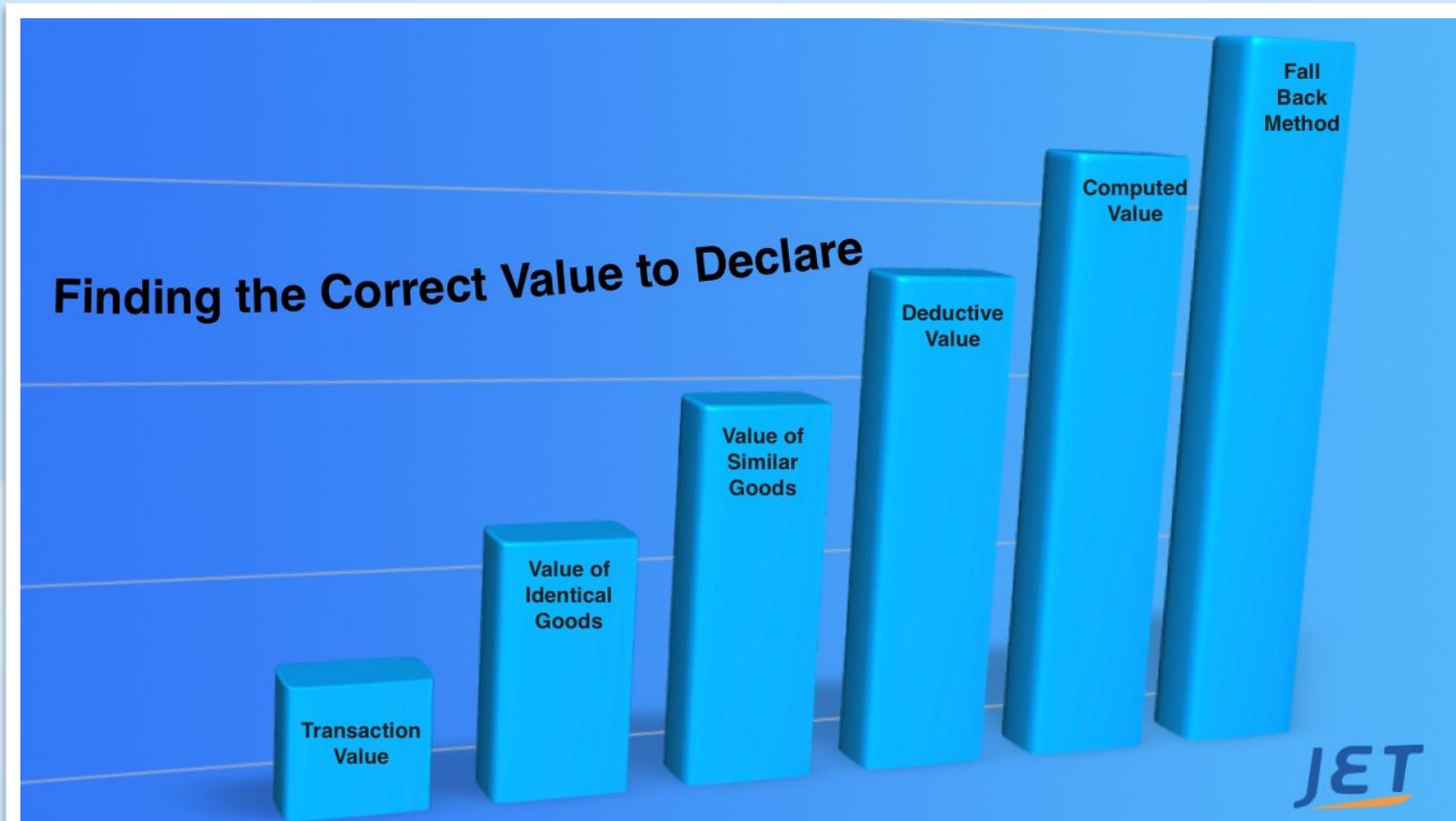
Customs considers the cost shipping and insurance as part of the transaction value (known as CIF value).



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

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Establishing a Value for Importing Goods



The transaction value between related entities typically are not acceptable to CBSA

Useful information  [declaring value for customs](#)



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A logo with the text 'MADE in the USA' in a bold, black, sans-serif font. To the right of the text are three red rectangular blocks stacked vertically. A thin blue vertical line is positioned to the left of the text.

MADE ■■■
in the ■■■
USA ■■■

Shipping to Canada

Country of Origin

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

Shipping from The USA ≠ American 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 The USA 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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USA

Canada

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Shipping to Canada

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](#)

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Canada's Import Tariffs / Duty

The default duty for American Imports is the MFN Tariff

American origin goods likely qualify for preferential tariffs

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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Shipping
USA

Canada



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Export Declaration

Most Shipments from the USA to Canada do not require an export declaration.

FTR* exemption: 30.36: Shipments destined to Canada

The exemption does not apply to shipments requiring an export license/permit, sent for storage in CA but ultimately destined for a third country, of rough diamonds or commodities controlled by USML or ITAR.

* The Foreign Trade Regulations (FTR) mandates that all persons who are required to file export information do so through the Automated Export System (AES) at a specified timeframe prior to export with the requisite shipment data. This information was formerly called the Shipper's Export Declaration (SED), and it is now referred to as Electronic Export Information (EEI). The FTR further imposes civil and criminal penalties for violations of these regulations. The purpose of the FTR is to collect U.S. export statistical data, as well as to enforce U.S. export control laws.



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USMCA - CUSMA Free Trade Agreement

USMCA -CUSMA (i.e. new NAFTA) allows goods made in the USA to import to Canada duty free

- Shipping from the USA \neq USA origin goods

USMCA has general rules of origin and more specific requirements for certain categories

Concepts to take into consideration:

- Regional Value Content (RVC)
- Labor Value Content (LVC)
- De Minimis Rule
- Rules for specific categories of goods



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USMCA - CUSMA Free Trade Agreement

Key take aways:

- Origin rules can be complicated, but...
- If you make it, grow it, process or raise it in the USA, it likely qualifies for duty free import to Canada
- The certification paperwork paperwork is easy to prepare and include with the shipment

Information via [trade.gov](https://www.trade.gov) regarding  [USMSA](#)

Information via [CBSA](https://www.cbsa.gc.ca) regarding  [CUSMA](#)



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Shipping
USA

Canada



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Shipping Options and processes: The USA 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: To Canada



Contact our team for pricing and support 



Shipping to Canada

Returns and Canadian Logistics

Return Solutions and Canada Logistics Support

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 provides Canadian logistics support



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[JetWorldwide.com](https://www.jetworldwide.com)