



*INTERNATIONAL LOGISTICS*



# SHIPPING TO CANADA





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# Shipping to Canada

## Table of Contents

-  Importer of Record and CARM
-  Commercial Invoice
-  Export Declaration
-  Tariff Classification
-  Country of Origin
-  Declared Value
-  Import Duty and Fees
-  Canada's Free Trade Agreements
-  Non-Resident Importer (NRI) Program
-  Shipping Options Logistics Support

SHIPPING  
GUIDE  
IMPORTING  
TO CANADA



# Shipping to Canada

- **Importer of Record and CARM**
- Commercial Invoice
- Export Declaration
- Tariff Classification
- Country of Origin
- Declared Value
- Import Duty and Fees
- Canada's Free Trade Agreements
- Non-Resident Importer (NRI) Program
- Shipping Options Logistics Support

 [Return to Table of contents](#)



# 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



# Shipping to Canada

**Businesses wishing to import must have an import/export account number (RM)**

## **BN9: A business number for all businesses**

A nine (9)-digit number designated by Canada Revenue Agency (CRA) as a common client identifier for businesses. (e.g., 123456789).

+

## **RM program identifier: Identifies a company as an exporter or importer**

The RM is a 6-digit number (e.g. RM0001)

=

## **BN15 or RM15:**

The BN15 is made up of the BN9 + RM identifier (e.g. 123456789RM0001) and is also known as the RM15.

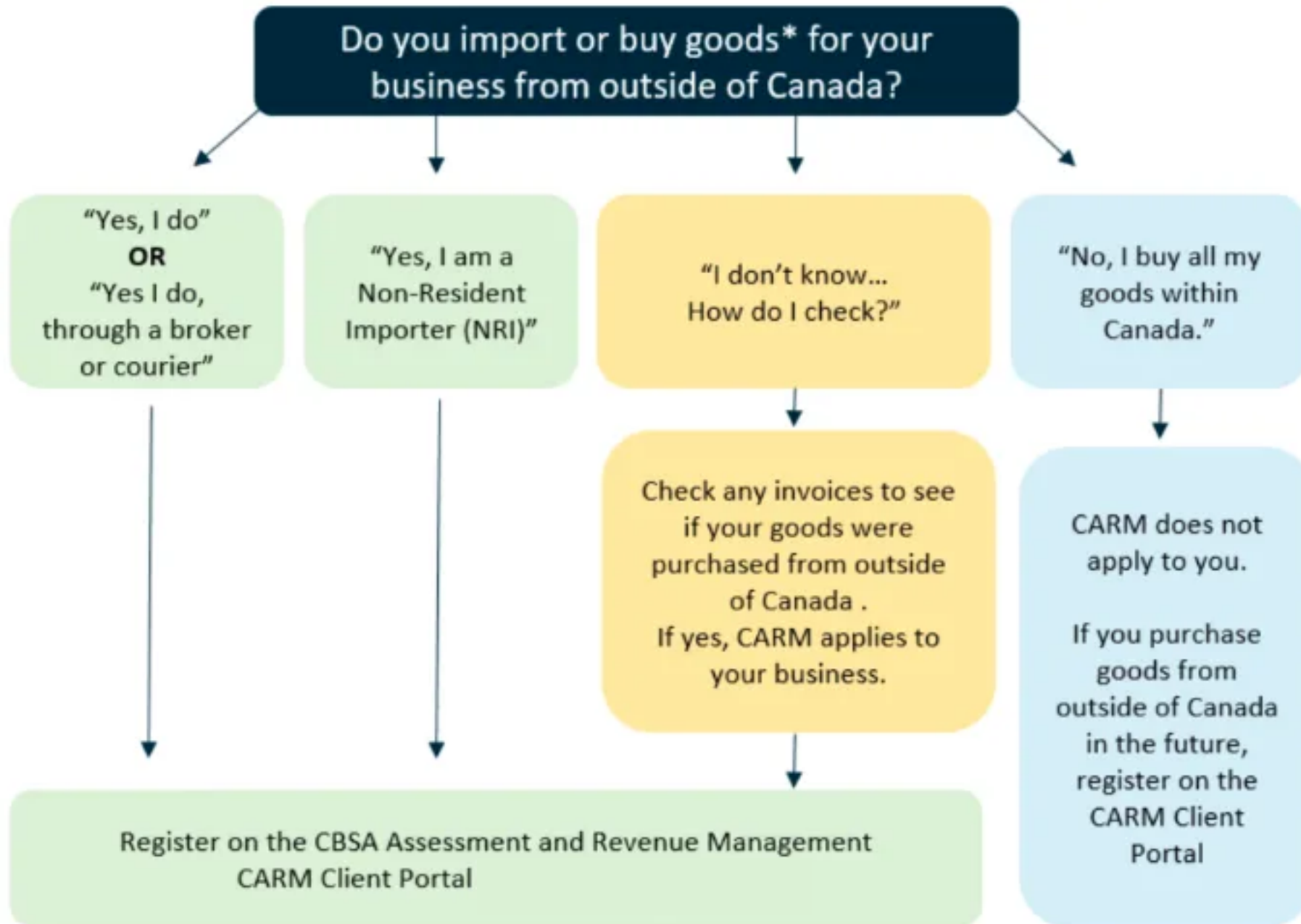
Canadian Business Number

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



# Shipping to Canada

## 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**

**J&T**



# Shipping to Canada

- Importer of Record and CARM
- **Commercial Invoice**
- Export Declaration
- Tariff Classification
- Country of Origin
- Declared Value
- Import Duty and Fees
- Canada's Free Trade Agreements
- Non-Resident Importer (NRI) Program
- Shipping Options Logistics Support

SHIPPING  
GUIDE  
IMPORTING  
TO CANADA



Return to Table of contents





# 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 1). It is a bilingual form with English and French sections. Key fields include:

- 1. Importer (Importeur):** Name, address, and phone number.
- 2. Exporter (Exporteur):** Name, address, and phone number.
- 3. Date of Shipment (Date d'expédition):** A date field.
- 4. Description of Goods (Description des marchandises):** A large text area for detailed item descriptions.
- 5. Net Weight (Poids net):** A field for net weight.
- 6. Gross Weight (Poids brut):** A field for gross weight.
- 7. Value (Valeur):** A field for the value of the goods.
- 8. Terms of Payment (Conditions de paiement):** A field for payment terms.
- 9. Shipping Terms (Conditions de transport):** A field for shipping terms.
- 10. Date of Shipment (Date d'expédition):** A date field.
- 11. Reference or Order Number (Référence ou numéro de commande):** A field for reference or order number.
- 12. Import License (Licence d'importation):** A field for import license details.
- 13. Freight Charges and Insurance (Frais de transport et assurance):** A field for freight and insurance costs.

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



# Shipping to Canada

- Importer of Record and CARM
- Commercial Invoice
- **Export Declaration**
- Tariff Classification
- Country of Origin
- Declared Value
- Import Duty and Fees
- Canada's Free Trade Agreements
- Non-Resident Importer (NRI) Program
- Shipping Options Logistics Support

SHIPPING  
GUIDE  
IMPORTING  
TO CANADA



Return to Table of contents



# Shipping to Canada

## Export Declaration from Origin

**Be Aware that Shipper / Sender / Exporter likely will have to complete an export declaration**

- Cargo shipments from most countries require an export declaration
- Information necessary for export is similar to information necessary for import
- A packing list may be necessary
- The HS classification for export may differ to the Canadian classification



**Most shipments USA to Canada are exempt from the Export Declaration Requirement**

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.

# Shipping to Canada

- Importer of Record and CARM
- Commercial Invoice
- Export Declaration
- **Tariff Classification**
- Country of Origin
- Declared Value
- Import Duty and Fees
- Canada's Free Trade Agreements
- Non-Resident Importer (NRI) Program
- Shipping Options Logistics Support

SHIPPING  
GUIDE  
IMPORTING  
TO CANADA



Return to Table of contents





# Shipping to Canada

## Understanding HS Codes

# HS Codes

TARIFF CLASSIFICATION

Harmonized Code

3307		Pre-shave, shaving or after-shave preparations, personal deodorants, bath preparations, depilatories and other perfumery, cosmetic or toilet preparations, not elsewhere specified or included; prepared room deodorizers, whether or not perfumed or having disinfectant properties:
7301		Sheet piling of iron or steel, whether or not drilled, punched or made from assembled elements; welded angles, shapes and sections, of iron or steel:
3926.20.60	00	Plastic rainwear, including jackets, coats, ponchos, parkas and slickers, featuring an outer shell of polyvinyl chloride plastic with or without attached hoods, valued not over \$10 per unit
8416.20.00		Other furnace burners, including combination burners
4417.00		Tools, tool bodies, tool handles, broom or brush bodies and handles, of wood; boot or shoe lasts and trees, of wood:
3926.20		Articles of apparel and clothing accessories (including gloves, mittens and mitts):
7611.00.00		Aluminum reservoirs, tanks, or receptacles, of aluminum or other material (other than compressed or liquefied gas), of a capacity exceeding 300 liters, whether or not lined or heat insulated, but not fitted with mechanical or thermal equipment
7611.00.00		Aluminum reservoirs, tanks, or receptacles, of aluminum or other material (other than compressed or liquefied gas), of a capacity exceeding 300 liters, whether or not lined or heat insulated, but not fitted with mechanical or thermal equipment



[USEFUL INFORMATION REGARDING HS CODES](#)




# Shipping to Canada

## Canadian Tariff Classification for Export



### Canada Export Development Corp



Getting a Tariff Classification from CBSA: Advance rulings for tariff classification assign a 10-digit tariff classification number to imported commercial goods and include a rationale to explain why that number is the correct one to use. 

Visit: [Jet Worldwide blog on HS Codes](#). Including a link to [Canada's tariff and other resources](#) 

# Shipping to Canada

- Importer of Record and CARM
- Commercial Invoice
- Export Declaration
- Tariff Classification
- **Country of Origin**
- Declared Value
- Import Duty and Fees
- Canada's Free Trade Agreements
- Non-Resident Importer (NRI) Program
- Shipping Options Logistics Support

 [Return to Table of contents](#)



# Shipping to Canada

## Country of Origin

### From Where Goods Ship $\neq$ Country of Origin

The “Country of Origin” most often refers to where the goods were manufactured or “wholly obtained.”

Just the purchase and shipping of goods does not define their country of origin with respect to preferential import.

#### All Imports - Regardless of Where they Ship From:

- 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 goods ship versus their country of origin

# Shipping to Canada

- Importer of Record and CARM
- Commercial Invoice
- Export Declaration
- Tariff Classification
- Country of Origin
- **Declared Value**
- Import Duty and Fees
- Canada's Free Trade Agreements
- Non-Resident Importer (NRI) Program
- Shipping Options Logistics Support

 [Return to Table of contents](#)



# Shipping to Canada

## Valuation / Value For Duty Transaction Value

In the majority of the cases, the correct value for import to Canada 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).

Inter-company or transactions between related entities require other methods of valuation.

**C I F Value**

↓ ↓ ↓

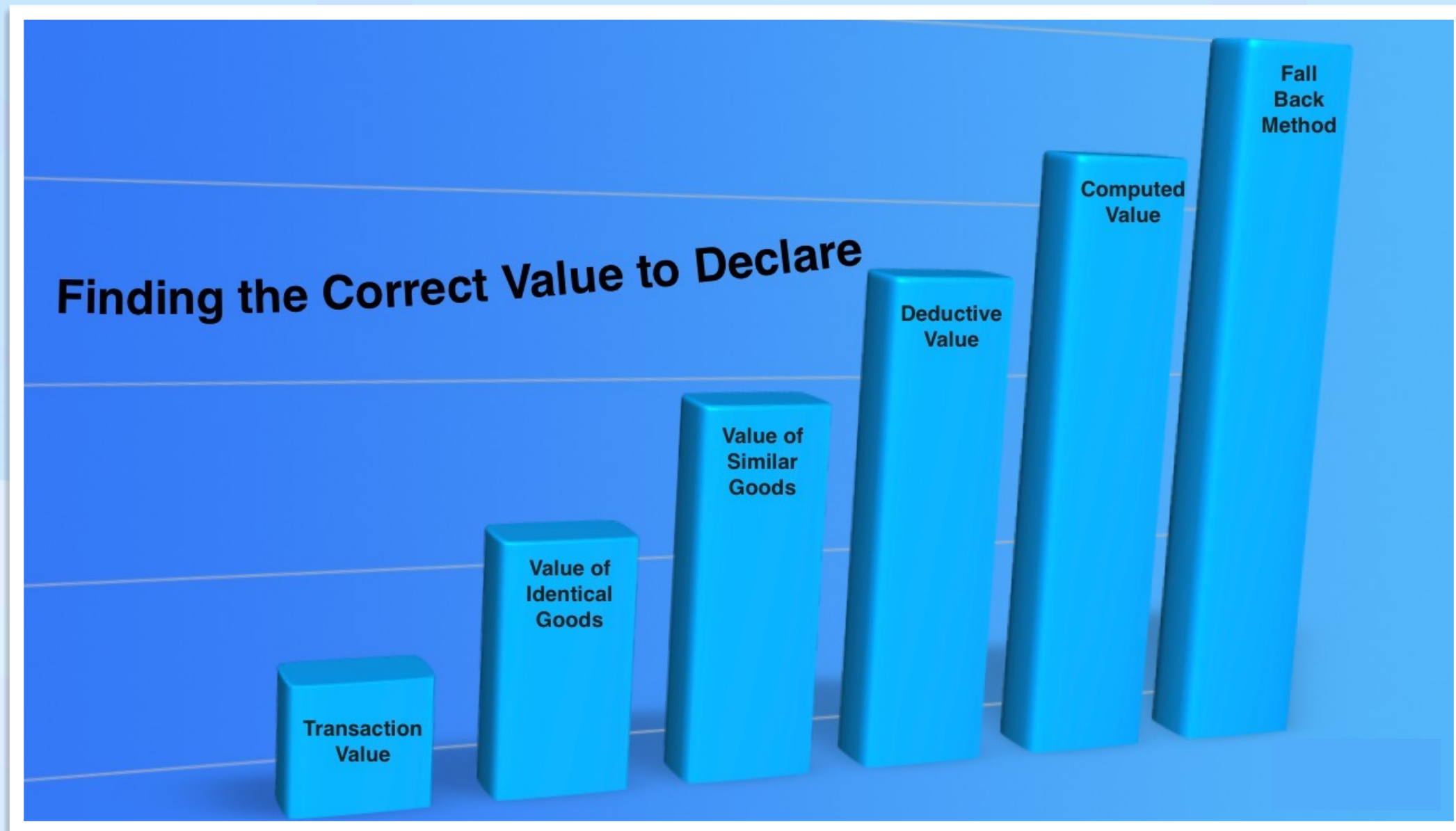
Cost + Insurance + Freight

“This means that the sum of all payments a purchaser makes to or for the benefit of a vendor must be included in the transaction value, even when the payments are not included in the price shown on the commercial invoice or in the contract for the imported goods.”

Source: <https://www.cbsa-asfc.gc.ca/import/valuation-valeur/customs-val-douane-eng.html> 

# Shipping to Canada

## Establishing a Value for Importing Goods



Useful information  [declaring value for customs](#)



# Shipping to Canada

- Importer of Record and CARM
- Commercial Invoice
- Export Declaration
- Tariff Classification
- Country of Origin
- Declared Value
- **Import Duty and Fees**
- Canada's Free Trade Agreements
- Non-Resident Importer (NRI) Program
- Shipping Options Logistics Support

SHIPPING  
GUIDE  
IMPORTING  
TO CANADA



Return to Table of contents



# 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](#)



# Shipping to Canada

## Canada's Import Tariffs / Duty

The default duty for most imports: MFN Tariff

Goods that qualify as originating via a free trade agreement can benefit from preferential tariffs

Tariff Item	SS	Description of Goods	Unit 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:**

# Shipping to Canada

- Importer of Record and CARM
- Commercial Invoice
- Export Declaration
- Tariff Classification
- Country of Origin
- Declared Value
- Import Duty and Fees
- **Canada's Free Trade Agreements**
- Non-Resident Importer (NRI) Program
- Shipping Options Logistics Support

 [Return to Table of contents](#)





# Shipping to Canada

## Canadian Free Trade Agreements (FTA's)

The United States and Mexico **USMCA-CUSMA-TMEC ,CETA, CPTPP, CUKTCA.....**

+ Australia, Austria, Belgium, Brunei, Bulgaria, Chile, Colombia, Costa Rica, Croatia, Cyprus, Denmark, Estonia, Finland, Greece, Germany, Honduras, Hungary, Iceland, Indonesia, Ireland, Israel, Italy, Japan, Jordan, Latvia, Lichtenstein, Lithuania, Luxembourg, Malaysia, Malta, Mexico, Netherlands, New Zealand, Norway, Panama, Peru, Poland, Portugal, Romania, Singapore, Slovakia, Slovenia, South Korea, Spain, Sweden, Switzerland, Vietnam.

For merchandise or goods, goods that qualify as “originating” can import duty free to Canada.

Free Trade Agreements have 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

# Shipping to Canada

## Free Trade

### Key take aways:

- Origin rules can be complicated, but...
- If is made, grown, extracted or raised in country sharing a free trade agreement with Canada, it likely qualifies for duty free import to Canada
- The certification paperwork paperwork is easy to prepare and include with the shipment

### Canada's Free Trade Agreements

Canada has  
Free Trade Agreements  
with 51 countries

CUSMA / USMCA / T-Mec



CPTPP



CETA



Chile



Israel



South Korea



United Kingdom



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# Shipping to Canada

- Importer of Record and CARM
- Commercial Invoice
- Export Declaration
- Tariff Classification
- Country of Origin
- Declared Value
- Import Duty and Fees
- Canada's Free Trade Agreements
- **Non-Resident Importer (NRI) Program**
- Shipping Options Logistics Support

 [Return to Table of contents](#)



# Shipping to Canada

## Non-Resident Importer/ NRI

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

As a non-resident importer, foreign companies can act as their own distributor across 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: Different valuation methods and value for duty may apply to non-resident imports

**Non-resident businesses must obtain a Business Number (BN9) before registering on the CARM Client Portal (CCP)**

Visit CBSA website

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

# Shipping to Canada

 [Return to Table of contents](#)

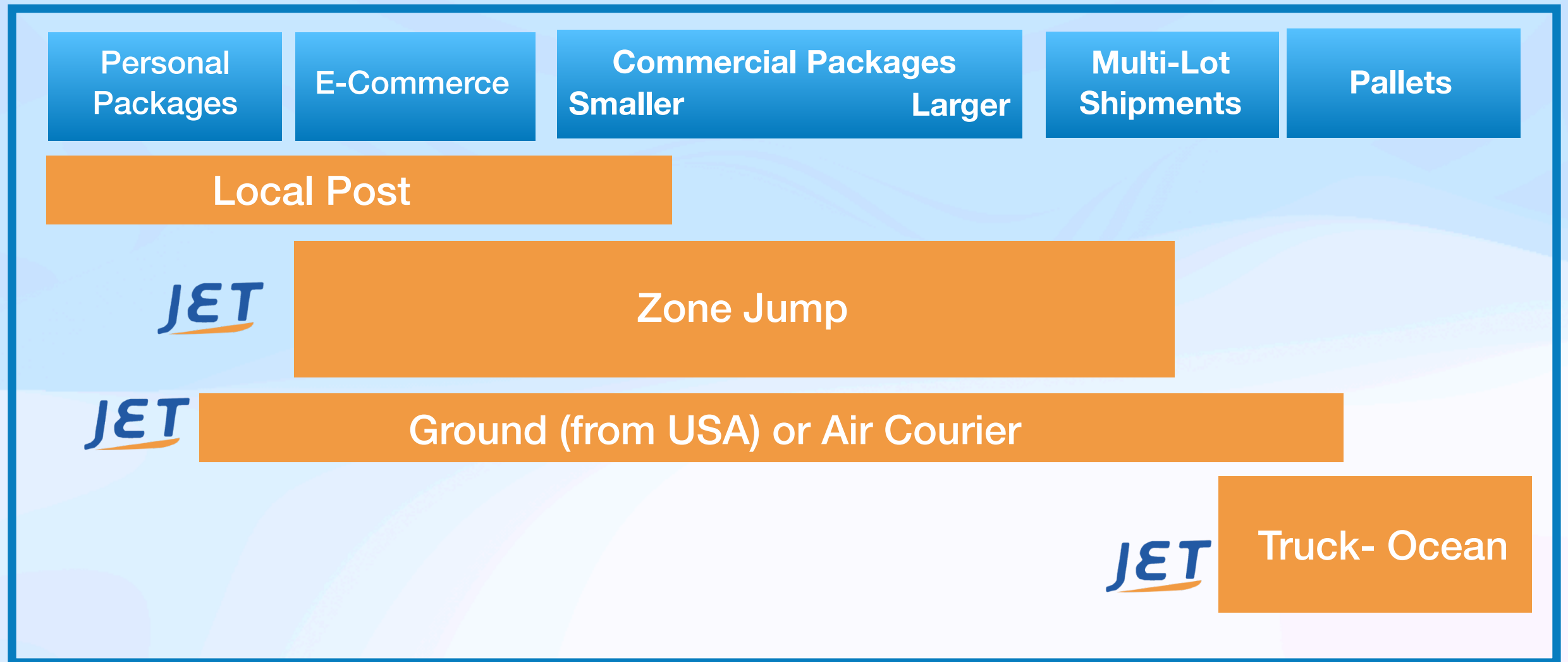
- Importer of Record and CARM
- Commercial Invoice
- Export Declaration - CERS
- Tariff Classification
- Country of Origin
- Declared Value
- Import Duty and Fees
- Canada's Free Trade Agreements
- Non-Resident Importer (NRI) Program
- **Shipping Options Logistics Support**

SHIPPING  
GUIDE  
IMPORTING  
TO CANADA



# Shipping to Canada

## Best Shipping Modes: The USA to Canada



Contact our team for pricing and support 



# Shipping to Canada

## Shipping Options and processes: The USA to Canada

### Ground Vs Air to Canada

- Air shipments via FedEx and UPS usually includes customs entry declaration/ preparation
- Ground does not include entry preparation

#### FedEx International Ground Shipments

##### Clearance Entry Fees: U.S.-to-Canada Shipments

Value for Duty (CAD\$)	Fee (CAD\$)
\$0-\$40	\$0
\$40.01-\$60	\$17.25
\$60.01-\$100	\$21.25
\$100.01-\$150	\$27.50
\$150.01-\$200	\$32.25
\$200.01-\$500	\$54
\$500.01-\$1,000	\$62
\$1,000.01-\$1,600	\$71.50
\$1,600.01-\$3,300	\$82
\$3,300.01-plus	\$82 plus \$7.50 for each additional \$1,000

Value for duty			For shipments arriving via UPS Standard® or via other couriers/transportation companies*
\$ 0.00	to	\$ 40.00	0.00*
\$ 40.01	to	\$ 60.00	\$ 19.10
\$ 60.01	to	\$ 100.00	\$ 22.75
\$ 100.01	to	\$ 150.00	\$ 30.40
\$ 150.01	to	\$ 200.00	\$ 34.70
\$ 200.01	to	\$ 350.00	\$ 66.90
\$ 350.01	to	\$ 500.00	\$ 74.45
\$ 500.01	to	\$ 750.00	\$ 88.70
\$ 750.01	to	\$ 1,000.00	\$ 100.25
\$ 1,000.01	to	\$ 1,600.00	\$ 118.30
\$ 1,600.01	to	\$ 2,500.00	\$ 134.55
Each additional		\$ 1,000.00	\$ 9.30

Useful information



[Canadian import fees](#)

# Shipping to Canada

## North American and Global Logistics Support

### Best in Class Logistics Support

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Gain unique access to regional, and local resources around the world.





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