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Q. How do I request the goods we import be excluded from the surtaxes imposed?

The Department of Finance has issued guidelines outlining a process for applying for a surtax exemption.

The guidelines are available on the website of the Department of Finance Canada.

<https://www.fin.gc.ca/access/remis-eng.asp>

Process for requesting remission of surtaxes that apply on certain goods from the U.S.

Q. Where can I find additional information concerning the retaliatory tariffs?

<https://www.fin.gc.ca/access/remis-eng.asp>

Process for requesting remission of surtaxes that apply on certain goods from the U.S.

<https://www.cbsa-asfc.gc.ca/publications/cn-ad/cn18-08-eng.html>

Countermeasures in Response to Unjustified Tariffs on Canadian Steel and Aluminum Products

<https://www.cbsa-asfc.gc.ca/publications/cn-ad/cn18-08-eng.html>

CN18-08 - Surtaxes Imposed on Certain Products Originating in the United States

[http://www.international.gc.ca/trade-commerce/controls-controles/steel\\_alum-acier\\_alum.aspx?lang=eng](http://www.international.gc.ca/trade-commerce/controls-controles/steel_alum-acier_alum.aspx?lang=eng)

Steel and aluminum

<https://www.canada.ca/en/global-affairs/news/2018/06/canada-files-world-trade-organization-and-north-american-free-trade-agreement-litigation-in-response-to-illegal-us-tariffs.html>

Canada files World Trade Organization and North American Free Trade Agreement litigation in response to illegal U.S. tariffs

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**Q. Are goods shipped to Canada from a place other than the U.S. subject to surtax?**

Commercial goods that are eligible to be marked as goods from the U.S. and shipped to Canada from a country other than the U.S. are subject to the surtax.

**Q. How are non-U.S. goods sent from Canada to the U.S. for processing treated?**

If non-U.S. goods are sent from Canada to the U.S. for processing, surtax is payable on the cost of the processing when the goods return to Canada if the origin of the goods has changed to U.S. and if the goods are included in one of the tariff items subject to the surtax.

**Q. How are U.S. goods sent from Canada to the U.S. for processing treated?**

If U.S. goods are sent from Canada to the U.S. for processing, surtax is payable on the value of the goods plus the cost of the processing if the goods maintain their U.S. origin and are included in one of the tariff items subject to the surtax.

**Q. Are goods that are repaired in the U.S. and eligible for re-entry into Canada under heading 9992 subject to surtax?**

Goods eligible under a provision of Chapter 99 are subject to the surtaxes even though they are entitled to a preferential tariff rate of customs duty under this Chapter. The surtax only applies to goods listed in the surtax orders. If a good is not subject to a surtax, repairs for these goods in the U.S. would not be subject to a surtax.

**Q. Goods which originate under NAFTA are imported into Canada duty-free and subject to the surtax. These goods are further manufactured or incorporated into goods which are then exported to the U.S. where they enter duty free under NAFTA. Is the entire amount of surtax eligible for drawback?**

The Duties Relief Program and the Drawback Program respectively relieve or refund duties and surtaxes on imported goods on the condition that the goods are subsequently exported within four years. They provide Canadian companies with the ability to better compete internationally by allowing them to purchase and use raw materials and manufacturing imports for goods subsequently exported at world market prices and without including customs duties or surtaxes in the price of the exported goods. In this instance, when goods are further manufactured or

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incorporated into goods which are then exported to the U.S. where they enter duty free under NAFTA, the entire amount of surtax may be eligible for a drawback, subject to compliance of program requirements.

**Q. How will the surtax apply to goods placed in a bonded warehouse?**

Although the surtax orders will not apply to U.S. goods that are in transit to Canada prior to July 1, 2018, the surtax will apply on goods released from a Customs Bonded Warehouse or a Sufferance Warehouse on or after July 1, 2018 regardless of the date of importation. Essentially, goods that have already arrived in Canada and are located in a Customs Bonded Warehouse or a Sufferance Warehouse are not considered to be in transit.

**Q. What can I do if I believe my goods have been incorrectly classified and subject to surtax. Can I use another HS code that is not found in TABLES I, II, or III?**

Changing a good from an HS classification that is subject to surtax to an HS classification that is not subject to surtax may result in having to file amends for all previous import transactions of the like/same/similar goods.

Memorandum D11-6-6 - "Reason to Believe" and Self-adjustments to Declarations of Origin, Tariff Classification, and Value for Duty provides details where an importer is obligated make corrections.

Failure to make corrections could result in Administrative Monetary Penalties (AMPS) being issued and further review by CBSA.

**What do I do if the countermeasures surtax has been applied in error?**

A request for the refund of the surtaxes paid in error must be submitted to CBSA for review and where warranted a refund will be issued providing the request meets all the program requirements.

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