



Fundamental Aspects for International Shipping

Shipping to Canada from Hungary



Ship/Rate

Track

Account



Shipping to Canada from Hungary

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We encourage independent research directly with regulators and to see professional counsel as necessary.



Shipping to Canada from Hungary

Fundamental Aspects for International Shipping

- HS Codes
- Valuation
- Country of Origin
- Resulting duty assessment

Export Declaration from Europe

Canadian European Free Trade Agreement

Non-Resident Importer (NRI) to Canada

Shipping Options Europe to Canada Returns and Logistics Support.



Shipping to Canada from Hungary

Fundamental Aspects for International Shipping

• HS Codes /Tariff Classification

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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](#)



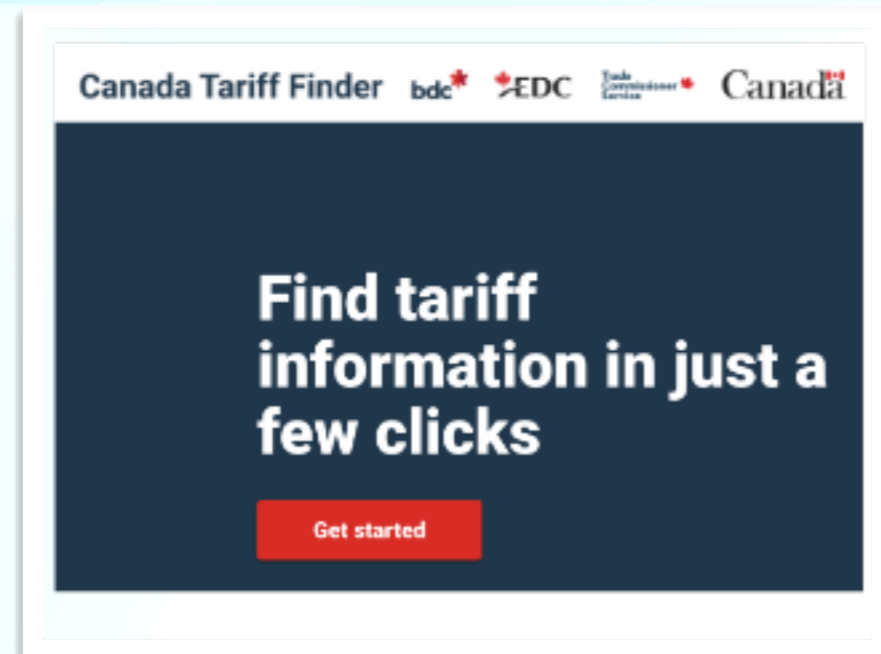
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HS Codes

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



Canada Export Development Corp



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



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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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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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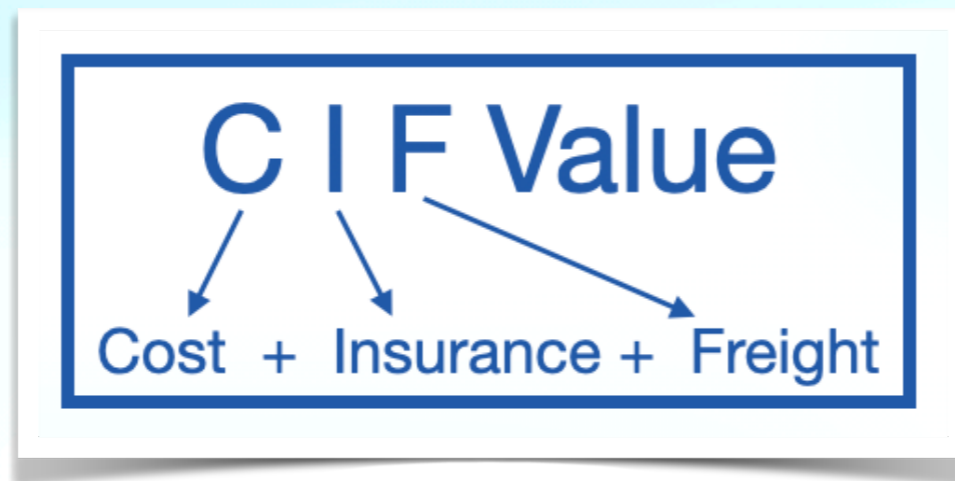
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Valuation / Value For Duty

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.

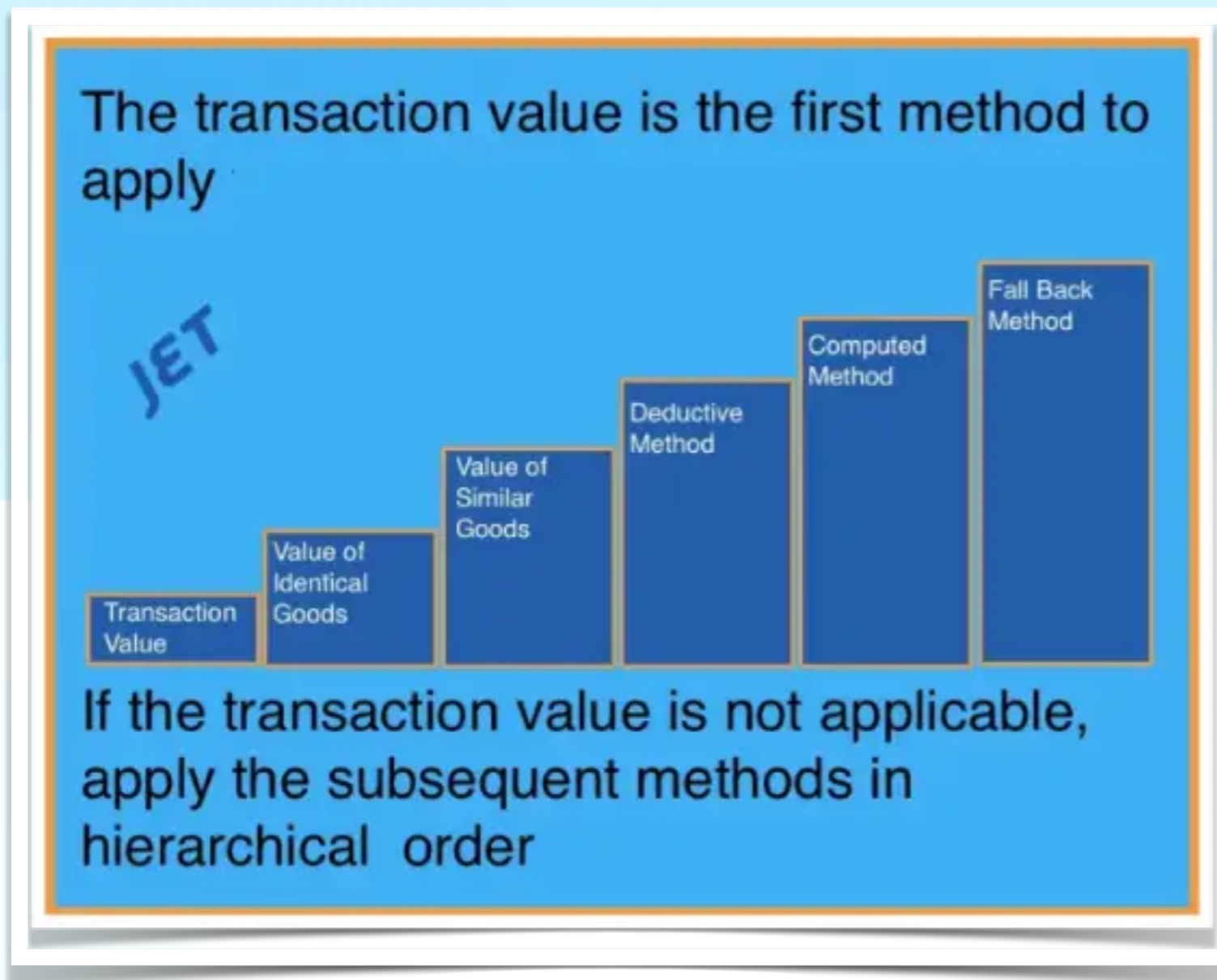
Customs considers the cost shipping and insurance as part of the transaction value (known as CIF value).



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

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Valuation / Value For Duty



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



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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](#)



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Export Declaration

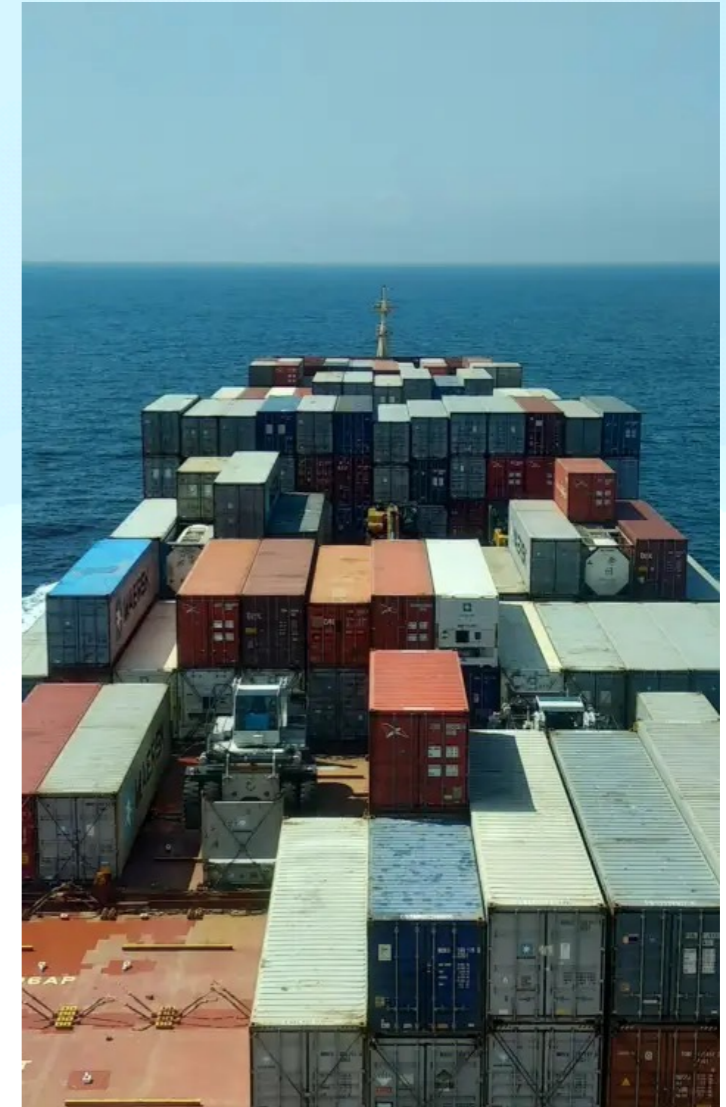
Export declarations are obligatory for goods exporting from the E.U.

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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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.

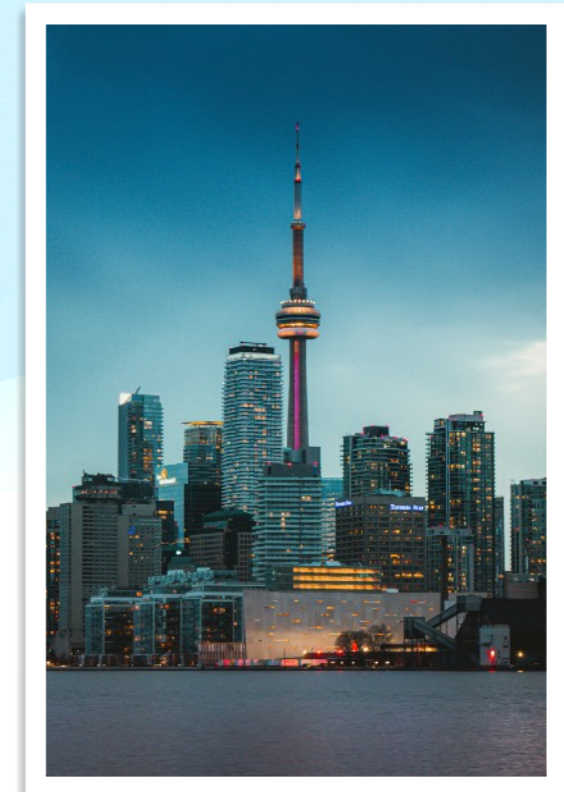
Become a non-resident importer and act as your own distributor to Canada and USA!

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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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

Multi piece shipments, heavier packages pallets benefit from economy air and sea freight



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Modes of Shipping: Europe to Canada

Small Packets and Personal shipments	Commercial parcels	Several Boxes	1 to Several pallets	Partial or full container
Local Post				
JET Commercial Courier				
		JET Air Cargo		
			JET Sea Freight	

➔ 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.

