

Fundamental Aspects for International Shipping

Shipping to Canada from Japan

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

Fundamental Aspects for International Shipping

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

Export Declaration from Japan

The CPTPP Free Trade Agreement

Non-Resident Importer (NRI) to Canada



www.jetworldwide.com/blog/shippingparcels-from-japan-to-canada

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HS Codes

Japan HS codes versus Canadian HS codes

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





See link to Canada and Japan resources for HS lookup: 2 Jet's blog on HS Codes

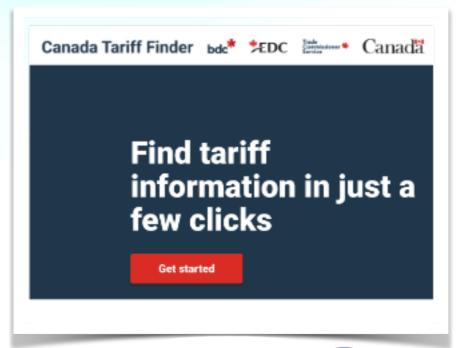


HS Codes

Canadian HS codes are available direct or via Canada Export Development Corporation's online tool.



Canada Export Development Corp



A link to these tools are included on

Jet's blog on HS Codes



Shipping to Canada

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

Shipping to Canada

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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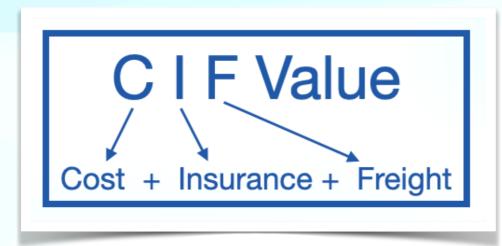


Valuation / Value For Duty

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 of shipping (freight) and insurance as part of the transaction value: Known as the CIF value

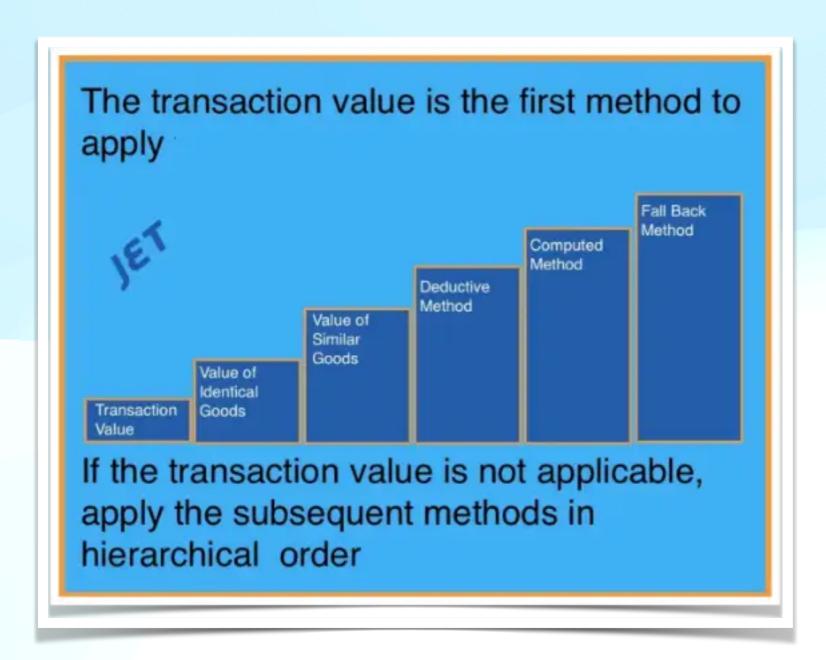




Useful information regarding declared value and CIF



Valuation / Value For Duty



Useful information regarding declared value and CIF

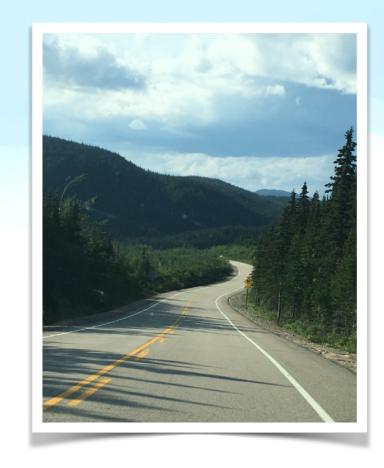
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Country of Origin

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

Shipping from Japan ≠ Japan origin goods

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

All Shipments from Japan 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 of from 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

% Duty * Value

= 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 dee

Useful information
Canadian import fees



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Export Declaration

Exporters must declare exports to the Japanese Director-General of Customs. Information necessary includes the classification of the goods, the quantity, unit price, and other particulars.







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The CPTPP Free Trade Agreement

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CPTPP Free Trade Agreement

The Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) addresses various aspects of trade, including market access, rules of origin for preferential duty free import.

The key advantage for merchandise trade is Japan origin goods can qualify for preferential duty free import.

Be sure to include a certification of origin.



Canada

Australia

Brunei

Chile

Japan

Malaysia

Mexico

New Zealand

Peru

Singapore

Vietnam



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Non-Resident Importer/ NRI

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

This program simplifies the import process.

Act a your own distributor to both 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: Different methods of valuation may apply



Visit CBSA website

.... or contact a Canadian customs broker or an accounting firm for more information.



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Shipping Options and processes: Japan 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

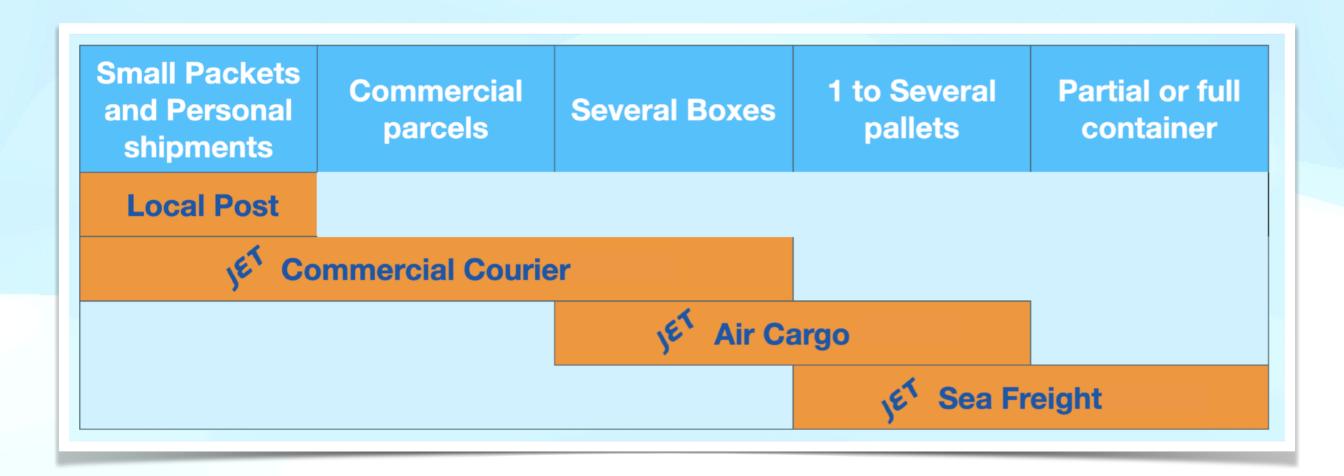
Japan Post

- Best option for individuals shipping personal goods
- Lack of tracking and customer support

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



Fundamental Aspects for International Shipping



Contact our team for pricing and support



Returns in Canada for Japan Companies

Return Solutions Canada to Japan

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.





