



Fundamental Aspects for International Shipping

Shipping to Canada from Malaysia



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Shipping to Canada from Malaysia

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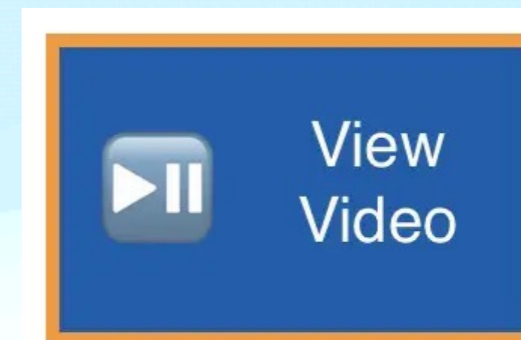
We encourage independent research directly with regulators and to see professional counsel as necessary.



Shipping to Canada from Malaysia

Fundamental Aspects for International Shipping

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



www.jetworldwide.com/blog/best-economic-options-shipping-malaysia-to-canada

Export Declaration from Malaysia

The CPTPP Free Trade Agreement

Non-Resident Importer (NRI) to Canada

Shipping Options Malaysia to Canada Returns and Logistics Support.



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HS Codes

Malaysian, ASEAN and Canadian HS codes

AHTN (ASEAN Harmonized Tariff Nomenclature) is used for trade transaction between Malaysia and the other ASEAN countries*

Separate HS Codes apply for trade with non-ASEAN countries. Visit the JKDM HS Explorer website to assist in your research or contact a local specialist.

 <http://www.customs.gov.my/front.html>



See link to Canada 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



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.

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



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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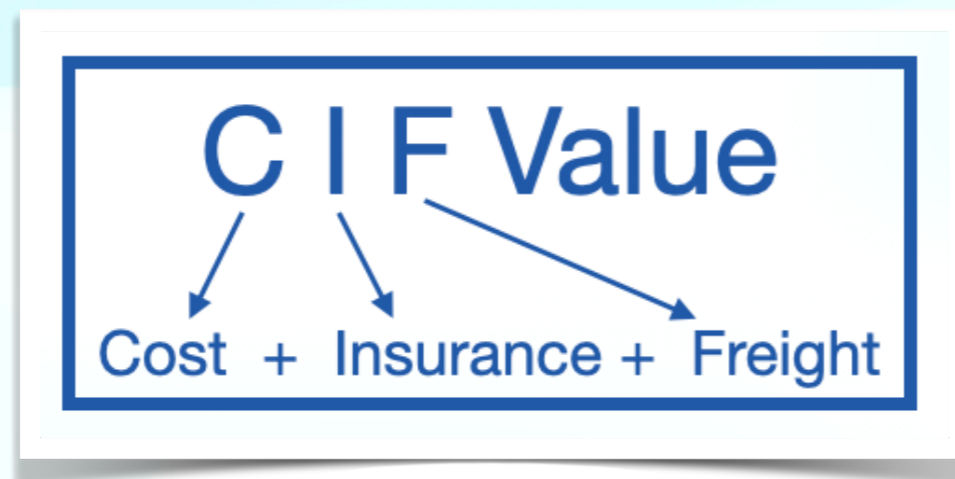
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Valuation / Value For Duty

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.

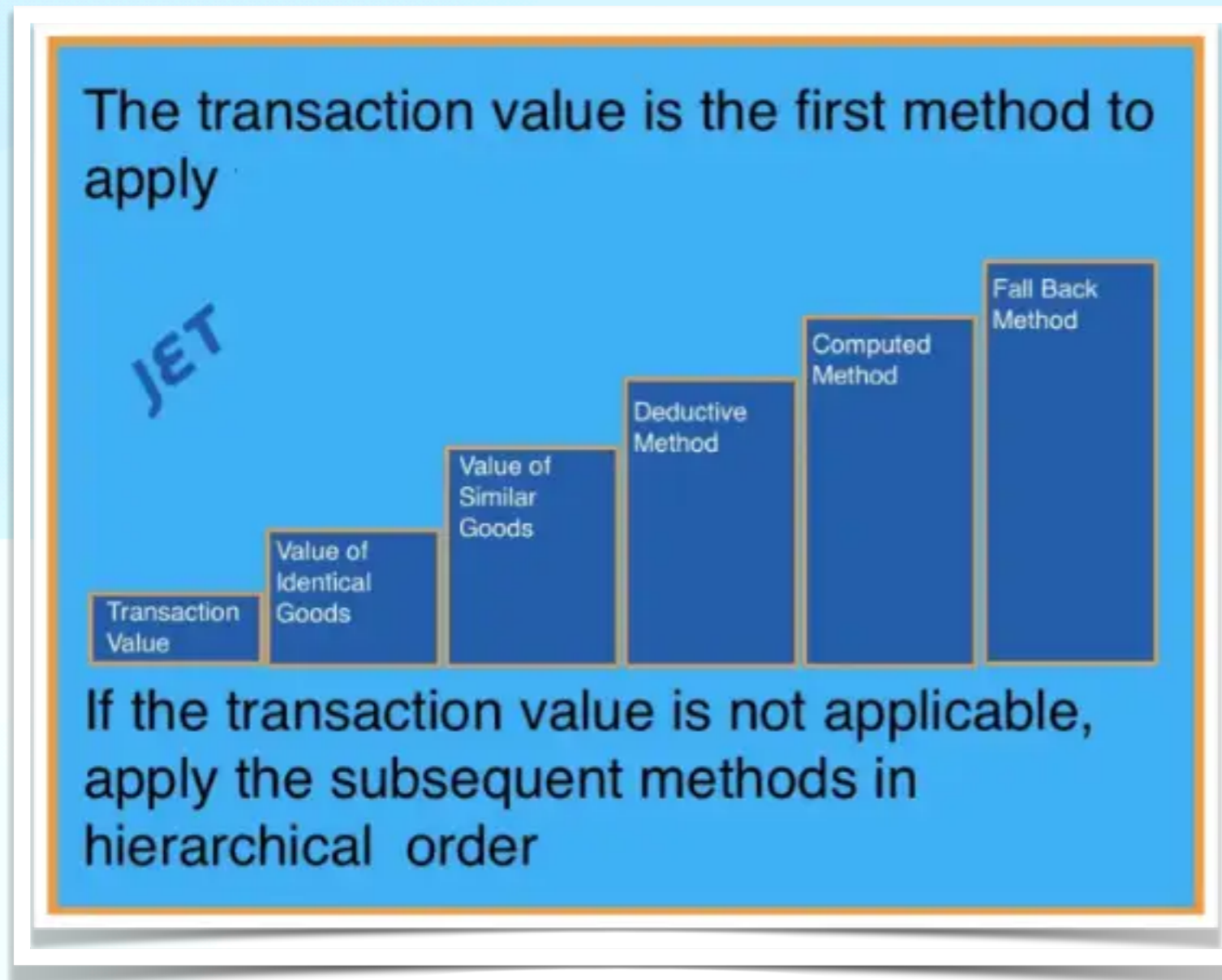
The cost of shipping and insurance is included as part of the transaction value (known as CIF value).



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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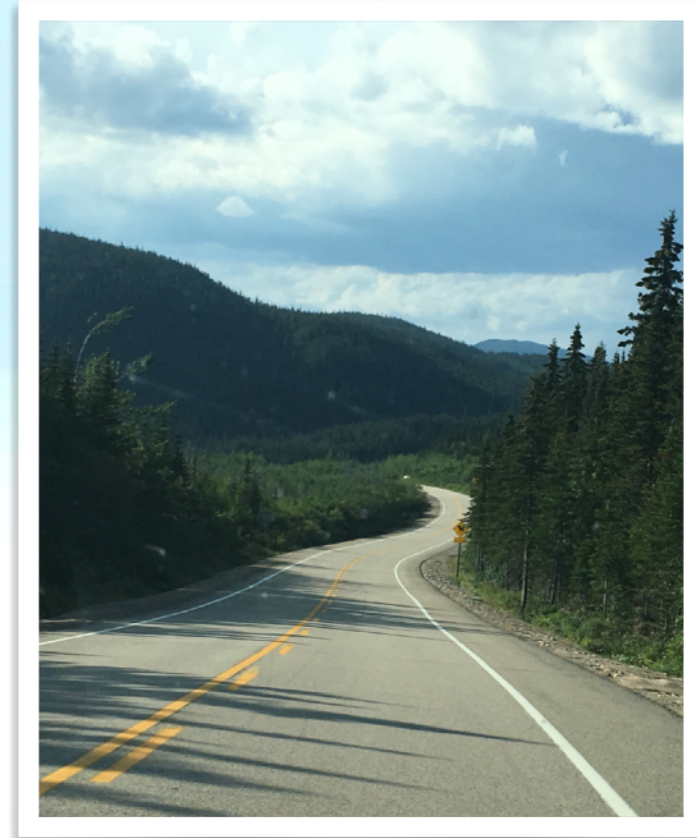
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Country of Origin

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

Shipping from Malaysia ≠ Malaysian 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 Malaysia 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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• **Resulting duty assessment**

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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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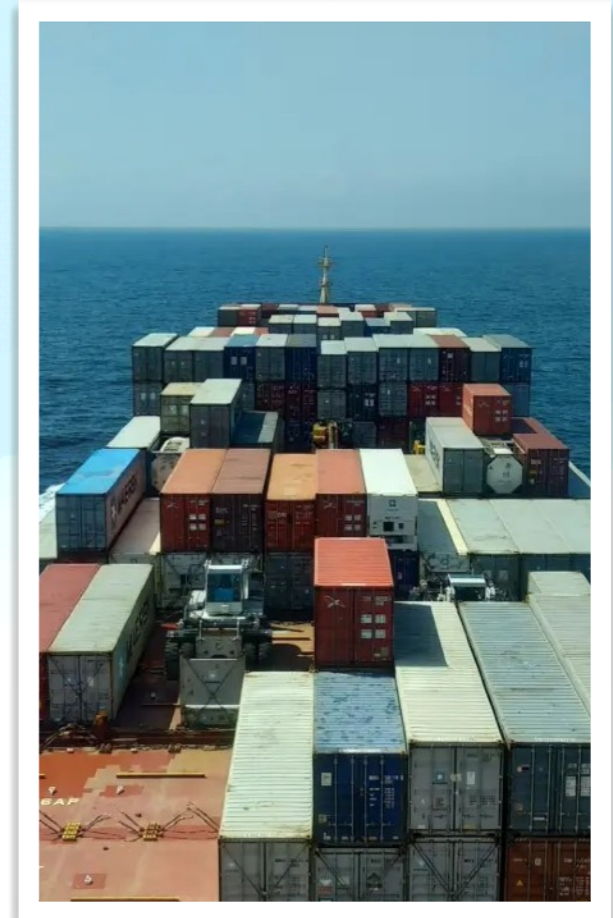
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Export Declaration

Confirm the export formalities from Malaysia.

"Export Customs clearance" is a set of procedures necessary to export goods from Malaysia. Clearance is via the Royal Malaysian Customs Department (RMCD). The export may involve export duty and other charges.

The necessary documents include the waybill or bill of lading, commercial invoice, description of the items, their HS classifications, value and shipping terms. Submission is via RMCD eServices online portal.



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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 Malaysia 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 Malaysia 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 Malaysia companies to effectively operate your own distributor to Canada.. and North America.

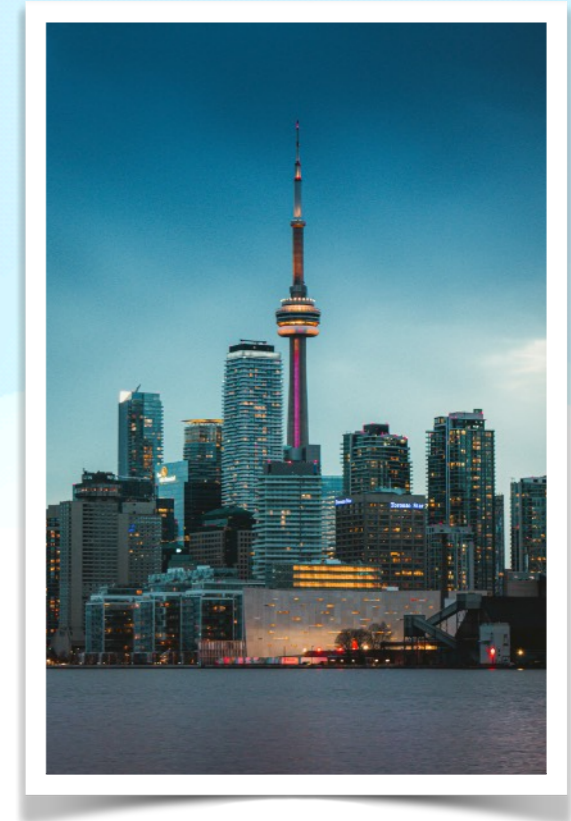
It can simplify the import process. Large bulk imports can import via one customs entry for de-consolidation and distribution to multiple consignees.

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/ “value for duty” may apply

Visit CBSA website

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



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Shipping Options: Malaysia to Canada

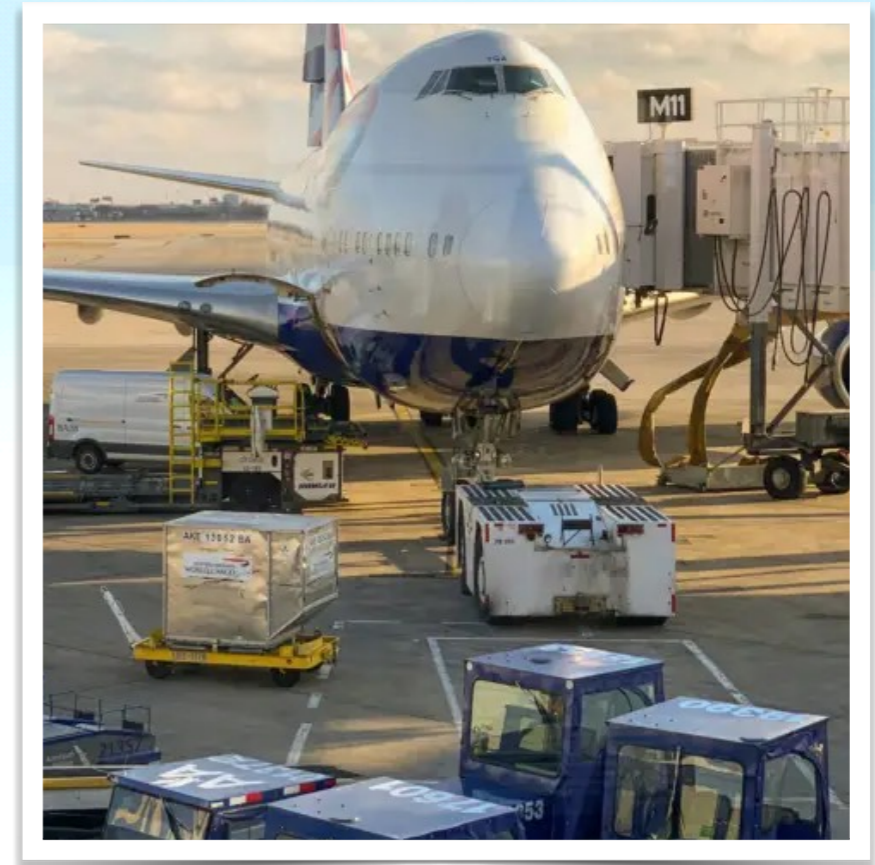
For Parcels: Obvious .. and often.. good choices

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

Malaysian Post

- Best option for individuals shipping personal goods



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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



Shipping to Canada from Malaysia

Returns in Canada for Malaysian Companies

Return Solutions Canada to Malaysia

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.



