

Fundamental Aspects for International Shipping

# **Shipping to Canada**from Vietnam

# Fundamental Aspects for International Shipping

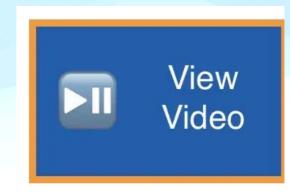
- HS Codes
- Valuation
- Country of Origin
- Resulting duty assessment

**Export Declaration from Vietnam** 

The CPTPP Free Trade Agreement

Non-Resident Importer (NRI) to Canada

Shipping Options Vietnam to Canada Returns and Logistics Support.



www.jetworldwide.com/blog/ shipping-parcels-from-vietnamto-montreal-quebec-canada

# Fundamental Aspects for International Shipping

# HS Codes

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## **HS Codes**

#### Vietnam HS codes versus Canadian HS codes

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

The Harmonized schedule Canadian Customs Tariff







See link to Canada and Vietnam resources for HS lookup: <a href="#">Det's blog on HS Codes</a>

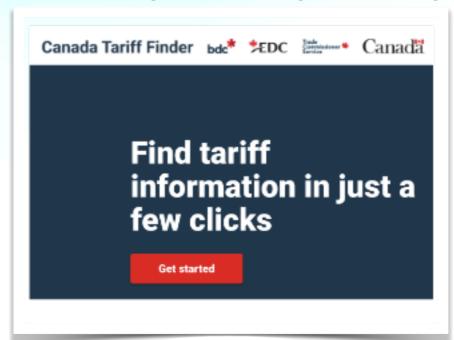


## **HS Codes**

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.

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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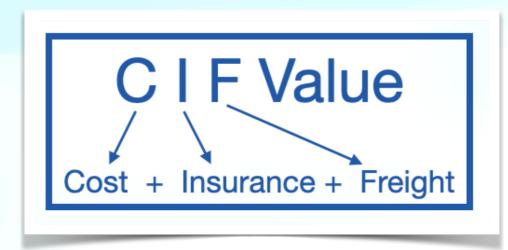


# Valuation / Value For Duty

## **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.

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

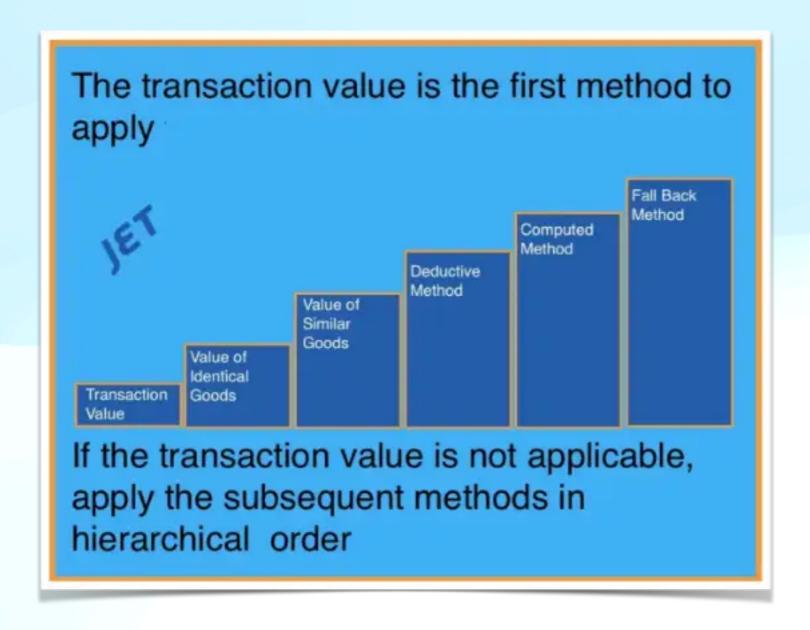




Useful information regarding Odeclared value and CIF



# **Valuation / Value For Duty**



Useful information regarding declared value and CIF



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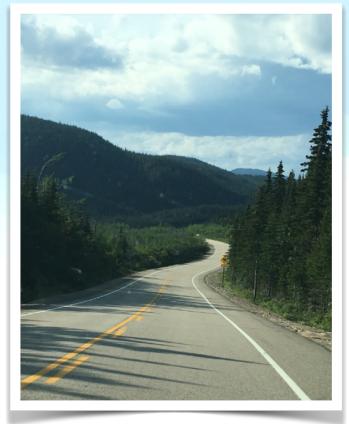
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# **Country of Origin**

Just the purchase and shipping an item from Vietnam does not grant duty free status to Canada Shipping from Vietnam ≠ Vietnam 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 Vietnam are subject to:

- Standard import processing
- "Most Favoured Nation" / default rate of duty (unless they qualify as originating)
- Restrictions on specific categories including food and drugs

Useful information on Shipped from vs. 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 (x) 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 Fee

Useful information

Canadian import fees



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# **Export Declaration**

Confirm the export formalities from Vietnam.

The HS classification for export may be different from the Canadian classification.



Required Documents if the trader receives feedback for Yellow Channel			
No.	Type of documents	Note	
1	Bill of lading		
2	Packing list		
3	Contract		
4	Export Permit	(if any)	
5	Invoice		
6	Specialized Inspection Certificate	(if any)	
7	Certificate of Origin	(if any)	

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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 Vietnam origin goods can qualify for preferential duty free import. Be sure to include a certification of origin.



#### Canada

Australia

Brunei

Chile

Vietnam

Malaysia

Mexico

New Zealand

Peru

Vietnam

**Vietnam** 



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# Non-Resident Importer (NRI) to Canada



# Non-Resident Importer/ NRI

The NRI program allows Vietnam 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 Vietnam companies to effectively operate as a Canadian company. 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 and processes: Vietnam 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

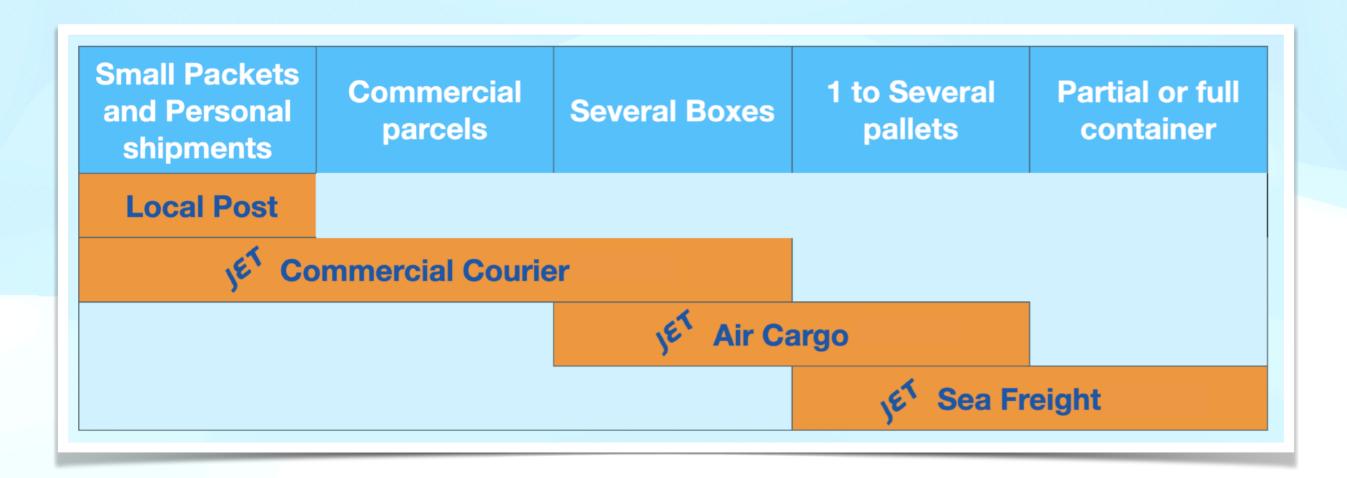
Multi piece shipments, heavier packages pallets benefit from economy air and sea freight





# **Shipping to Canada**

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Contact our team for pricing and support



# Returns in Canada for Vietnam Companies

#### **Return Solutions Canada to Vietnam**

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.





