



Fundamental Aspects for International Shipping

# Shipping to Canada from Australia



# Shipping to Canada

Disclaimer: The information provided in this presentation is intended for general informational purposes only. We do our best to ensure the accuracy of the information but regulations are complex, subject to interpretation, and dynamic.

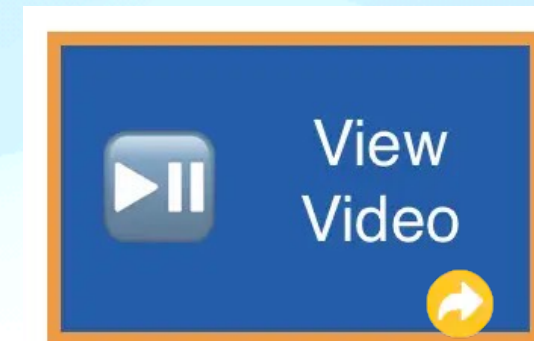
We encourage independent research directly with regulators and to seek professional advice as necessary.



# Shipping to Canada from Australia

## Fundamental Aspects for International Shipping

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



Export Declaration from Australia

The CPTPP Free Trade Agreement

Non-Resident Importer (NRI) to Canada

Shipping Options Australia to Canada Returns and Logistics Support.



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## HS Codes

### Australian HS codes versus Canadian HS codes

The main difference between HS codes in Australia 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 Australian resources for HS lookup:  [Jet's blog on HS Codes](#)

# Shipping to Canada from Australia

## HS Codes

In addition to Australian 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 from Australia

## 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

Source: CBSA Sept 2021 presentation



# Shipping to Canada from Australia

## 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.

Note: A link these tools are included on [🕒 Jet's blog on HS Codes](#)





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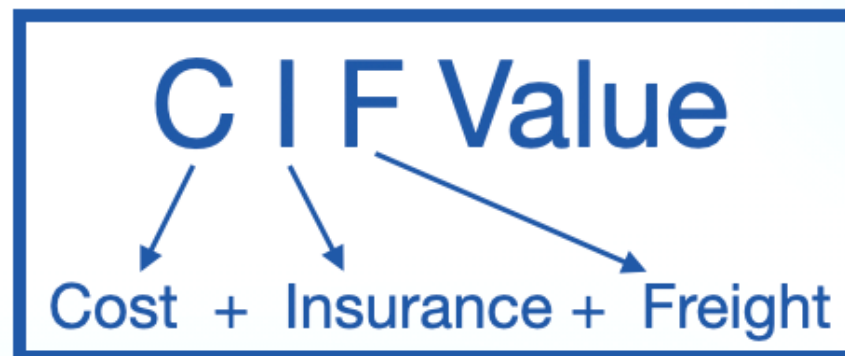
# Shipping to Canada from Australia

## 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).

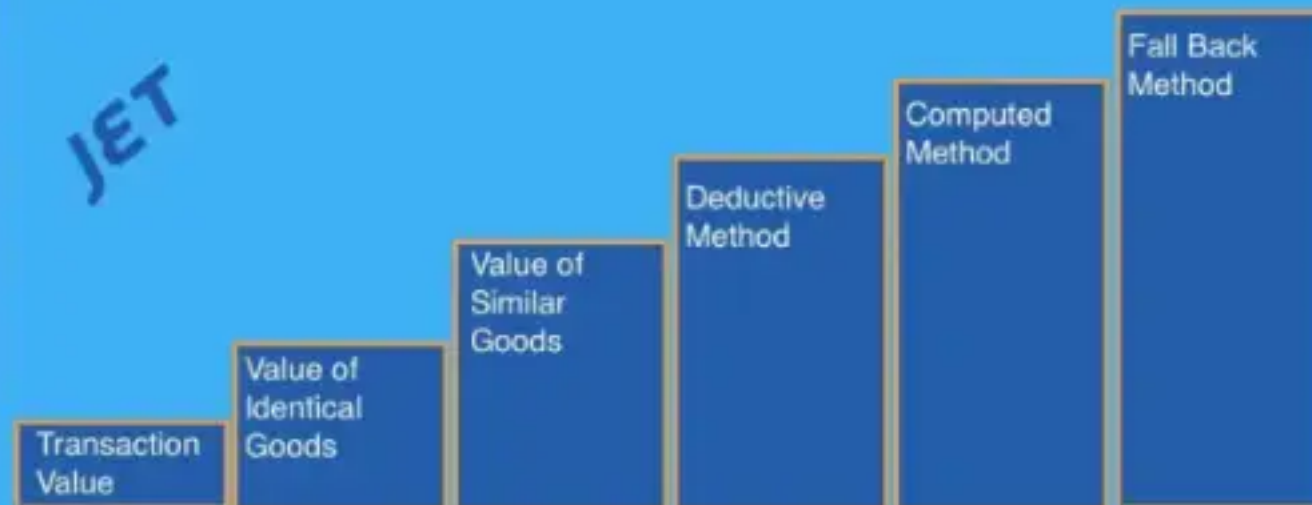


Useful information regarding  [declared value and CIF](#)

# Shipping to Canada from Australia

## Valuation / Value For Duty

The transaction value is the first method to apply



If the transaction value is not applicable, apply the subsequent methods in hierarchical order

Useful information regarding [!\[\]\(a03a7eb2f4046e1d3c76772003e549ea\_img.jpg\) declared value and CIF](#)



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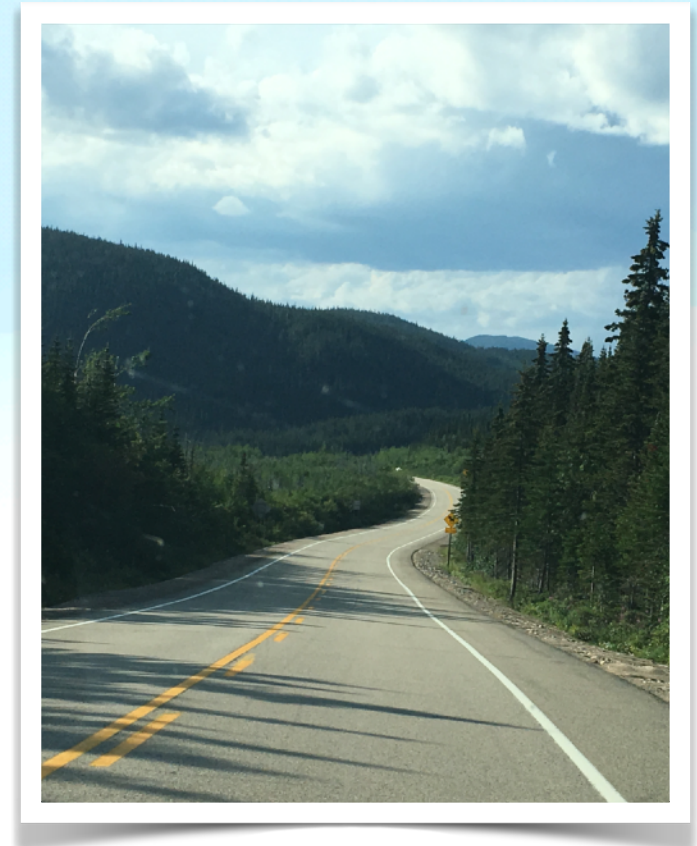
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## Country of Origin

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

**Shipping from Australia  $\neq$  Australian 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 Australia 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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# Shipping to Canada from Australia

## 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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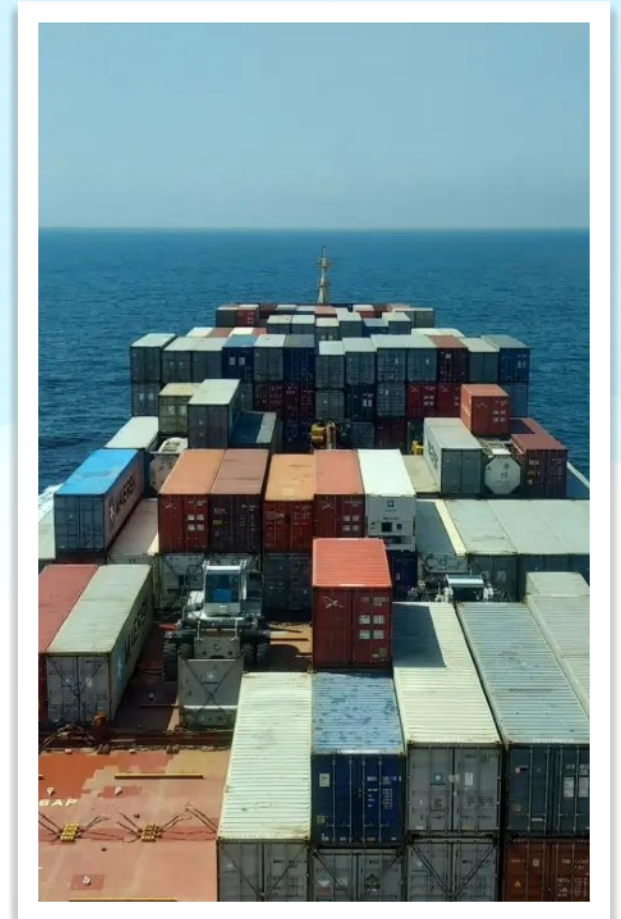
## Export Declaration

Confirm the export formalities from Australia.

Shipments Requiring and Export Declaration include

- Shipments valued over AUD \$2,000
- Restricted or otherwise require an export permit
- When duty drawback applies
- Are dutiable or excisable goods where the duty or excise duty is unpaid.

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



**TARIFF CLASSIFICATION**

Integrated Cargo System

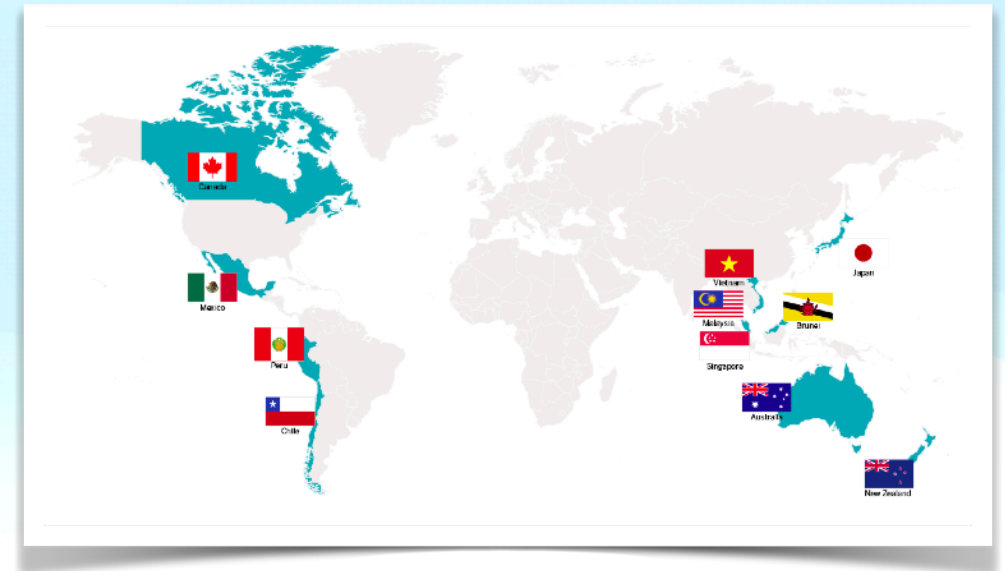


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# Shipping to Canada from Australia

## 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 Australia origin goods can qualify for preferential duty free import.

A certification of origin must be included with the shipments



### **Australia**

Brunei

### **Canada**

Chile

Japan

Malaysia

Mexico

New Zealand

Peru

Singapore

Vietnam





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## Non-Resident Importer/ NRI

The NRI program allows Australian 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 Australian companies to act as their own distributor. Not just to Canada but also the US from Canada.**

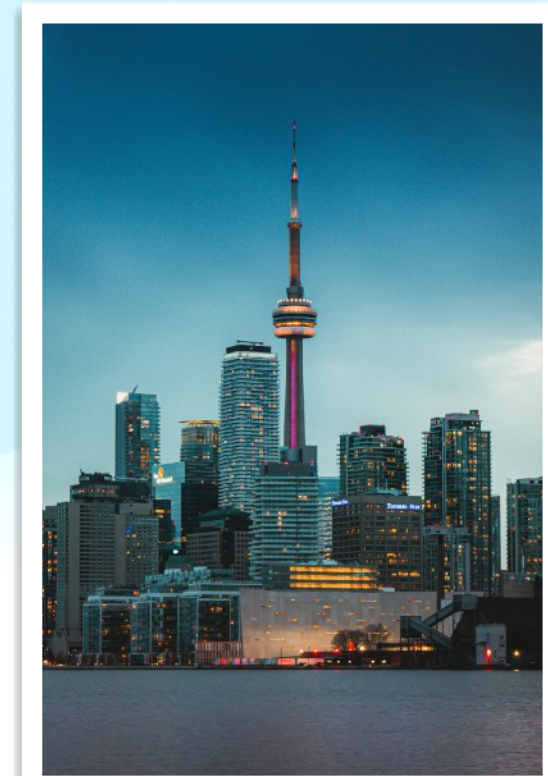
Large bulk imports can import via one customs entry for de-consolidation and distribution to multiple consignees.

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 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: Australia 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

Australian Post

- Best option for individuals shipping personal goods

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





# Shipping to Canada

## Fundamental Aspects for International Shipping

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 Australia

## Returns in Canada for Australian Companies

### Return Solutions Canada to Australia

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.



