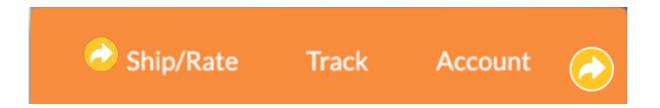


Fundamental Aspects for International Shipping

# **Shipping to Canada**from Sweden



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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 Europe** 



Non-Resident Importer (NRI) to Canada



#### Fundamental Aspects for International Shipping

# HS Codes / Tariff Classification

- Valuation
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**Export Declaration from Europe** 

Canadian European Free Trade Agreement - CETA

Non-Resident Importer (NRI) to Canada



#### **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: 2 Jet's blog on HS Codes

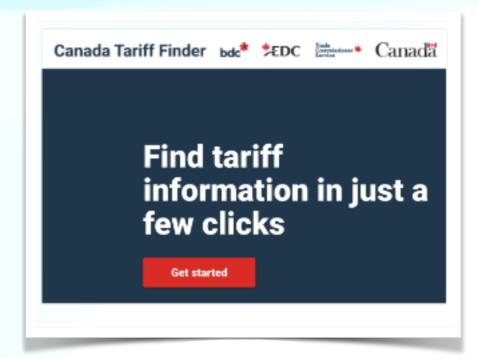


#### **HS Codes**

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**





#### **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

#### **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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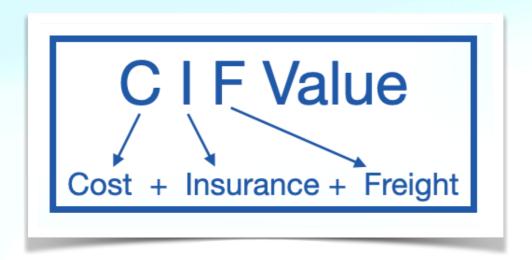


#### **Valuation / Value For Duty**

#### **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.

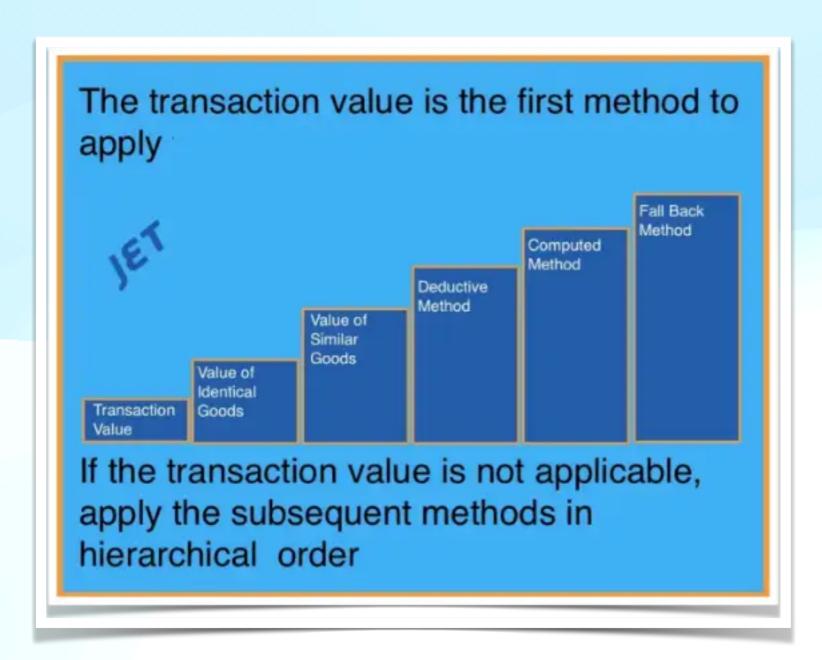
Customs considers the cost shipping and insurance as part of the transaction value (known as CIF value).



Useful information regarding declared value and CIF



#### **Valuation / Value For Duty**



Useful information regarding declared value and CIF

#### Fundamental Aspects for International Shipping

- HS Codes
- Valuation

# Country of Origin

Resulting duty assessment

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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 of from where goods ship versus their country of origin



#### Fundamental Aspects for International Shipping

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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

% 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
<a href="#">Canadian import fees</a>



#### Fundamental Aspects for International Shipping

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# **Export Declaration from Europe**

Canadian European Free Trade Agreement - CETA

Non-Resident Importer (NRI) to Canada

#### **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.







#### Fundamental Aspects for International Shipping

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**Export Declaration from Europe** 

# Canada Europe Free Trade - CETA

Non-Resident Importer (NRI) to Canada



#### 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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**Export Declaration from Europe** 

Canadian European Free Trade Agreement - CETA

# Non-Resident Importer (NRI) to Canada



#### 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**

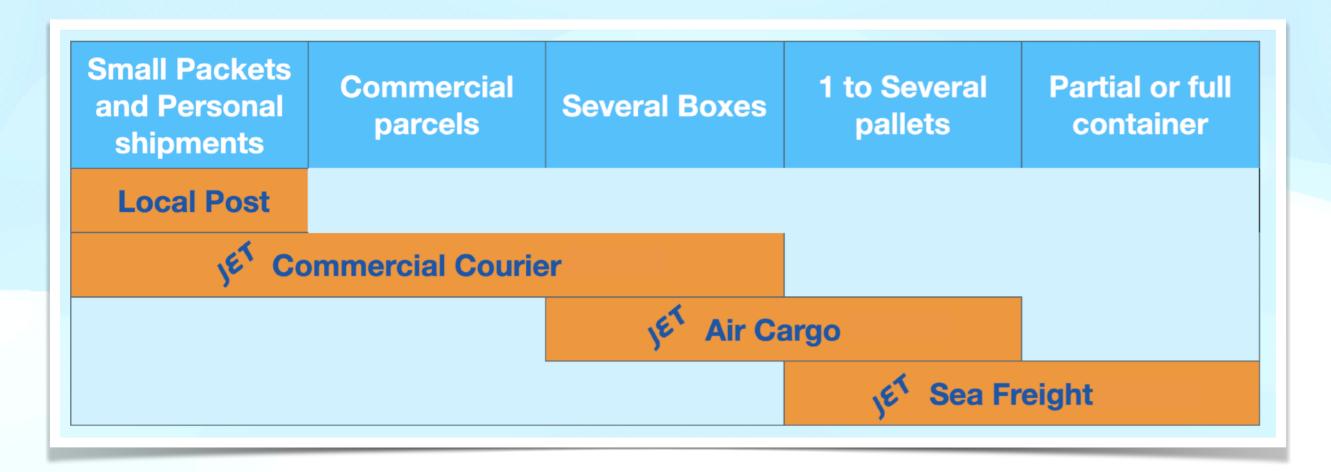
Best option for individuals shipping personal goods

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





#### Modes of Shipping: Europe to Canada



Contact our team for pricing and support

#### 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.





