



Fundamental Aspects for International Shipping

Shipping to Canada from The USA



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Shipping to Canada from The USA

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



Shipping to Canada from The USA

Fundamental Aspects for International Shipping

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

Export Declaration from The USA

US-Canada Free Trade

Non-Resident Importer (NRI) to Canada

Shipping Options USA to Canada Returns and Logistics Support



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HS Codes

USA HS codes versus Canadian HS codes

The main difference between HS codes in the USA and Canada lies in the additional digits they may use to further specify product classifications. The first six digits are harmonized globally

- In the United States: The Harmonized Tariff Schedule is via the USHTS
- In Canada: The Harmonized schedule Canadian Customs Tariff
- They are largely the same
- Usually, any differences are more for statistical purposes and do not affect the rate of duty



United States
International Trade Commission

Updates to HS Tariff
[Read More](#)



Government
of Canada Gouvernement
du Canada

Customs Tariff 2022
[Read More](#)

Note: A link to Canada and USA full tariff schedules are on [!\[\]\(6a9b39b98eb945faa14c645ec99e4eaa_img.jpg\) Jet's blog on HS Codes](#)

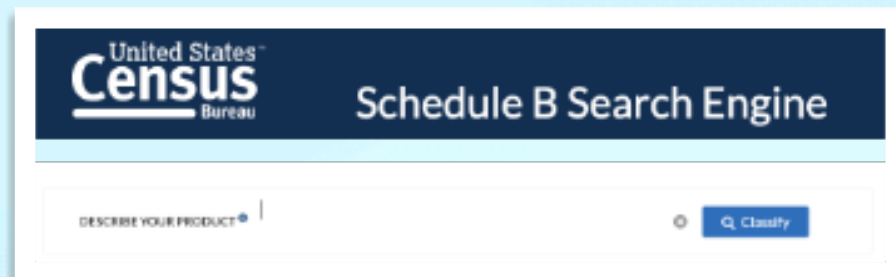


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HS Codes

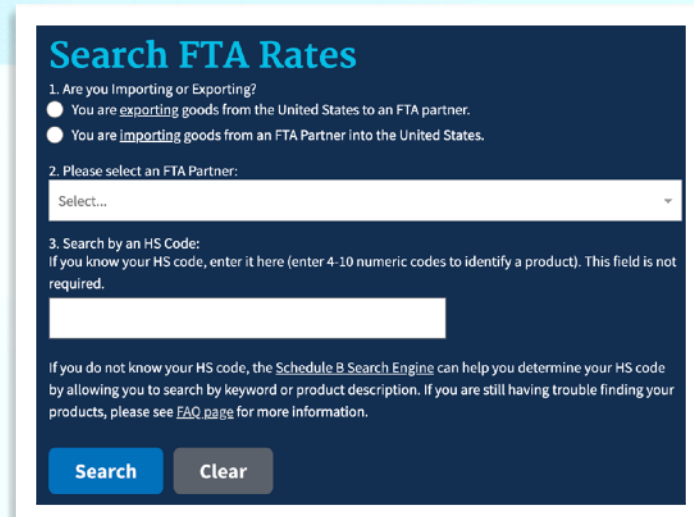
Resources to find an Tariff Classifications

US Census Bureau: Find an HS Code



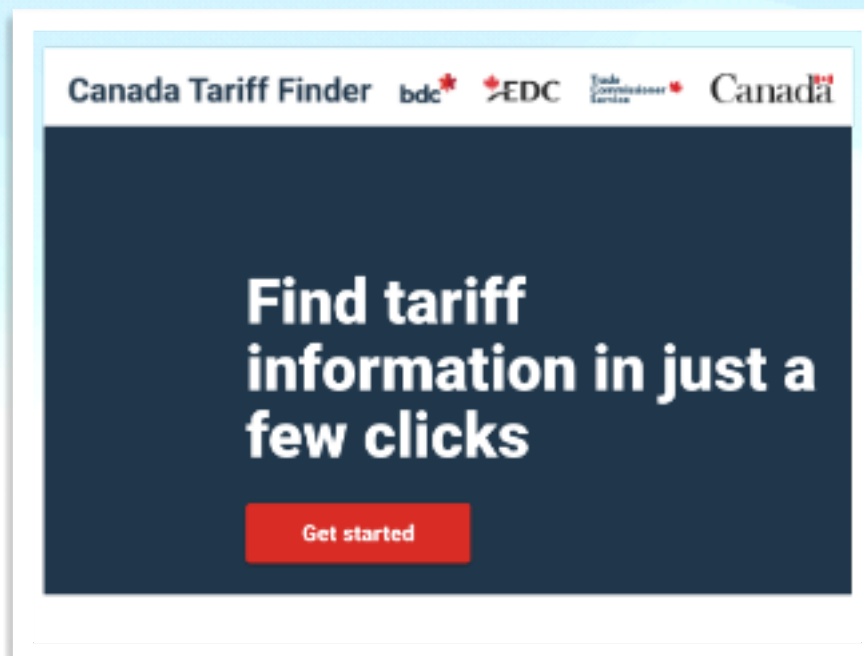
The screenshot shows the 'United States Census Bureau Schedule B Search Engine' interface. It features a search bar with the placeholder text 'DESCRIBE YOUR PRODUCT' and a blue 'Classify' button.

trade.gov Tariff-tool-search



The screenshot shows the 'Search FTA Rates' interface on trade.gov. It includes a form with three main sections: 1. 'Are you Importing or Exporting?' with radio buttons for 'exporting' and 'importing'. 2. 'Please select an FTA Partner:' with a dropdown menu. 3. 'Search by an HS Code:' with a text input field and a 'Search' button. A 'Clear' button is also present at the bottom.

Canada Export Development Corp



The screenshot shows the 'Canada Tariff Finder' interface. It features a dark blue background with the text 'Find tariff information in just a few clicks' and a red 'Get started' button. Logos for bdc, EDC, and Canada are visible at the top.

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



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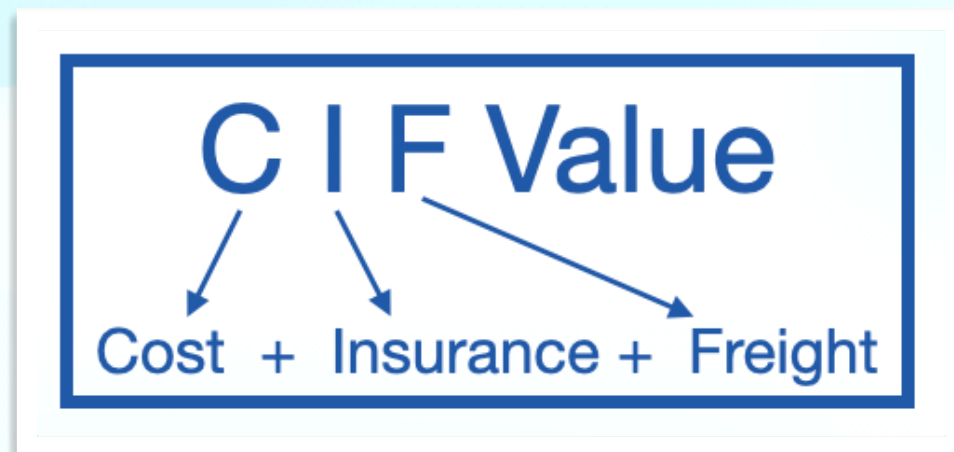
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Valuation / Value For Duty

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.

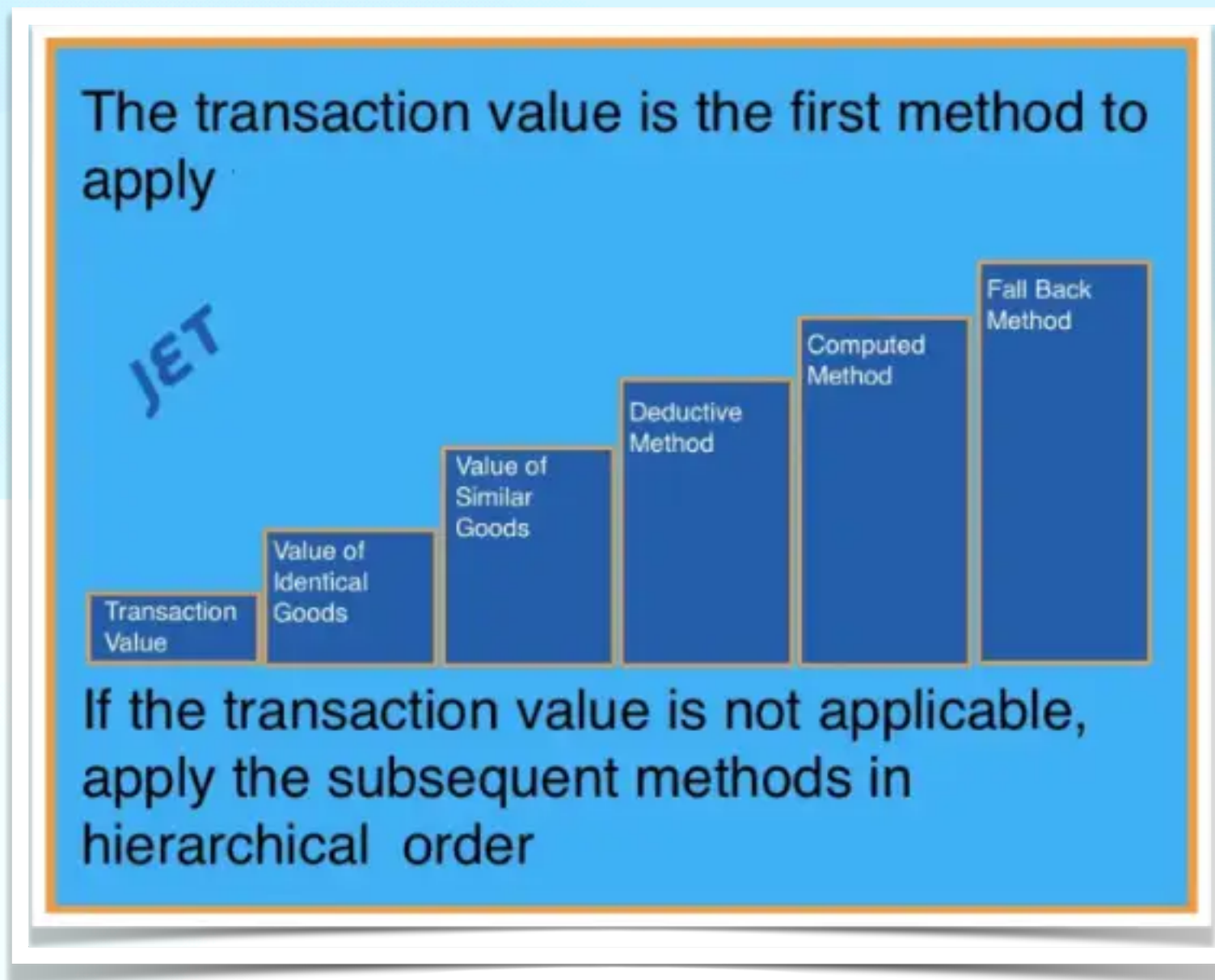
Customs considers the cost shipping and insurance as part of the transaction value (known as CIF value).




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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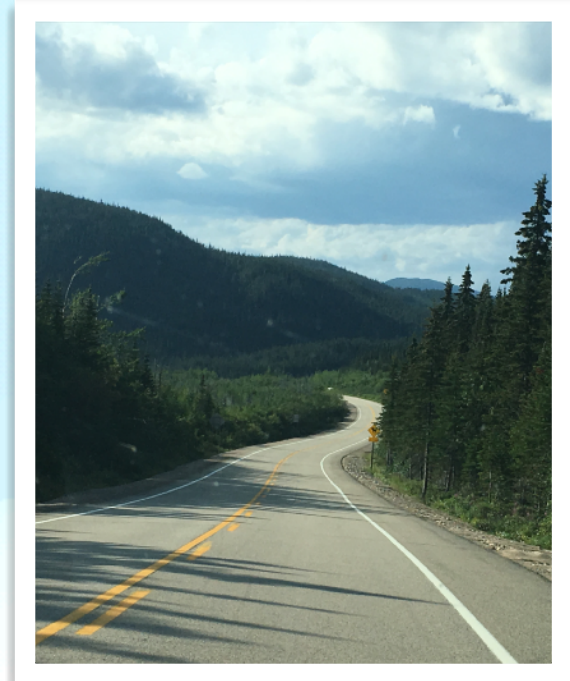
Shipping to Canada from The USA

Country of Origin

Shipping from the USA \neq USA origin goods

Goods that ship from the US have a higher duty free threshold

- Higher low value duty threshold (consignments up to CAD \$150 can import duty free)



All Shipments from the USA 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 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

$\% \text{ Duty} \times \text{Value} = \text{Resulting Duty Assessment}$

* 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 USA to Canada

Most Shipments from the USA to Canada do not require an export declaration.

FTR* exemption: 30.36: Shipments destined to Canada

The exemption does not apply to shipments requiring an export license/permit, sent for storage in CA but ultimately destined for a third country, of rough diamonds or commodities controlled by USML of ITAR.

* The Foreign Trade Regulations (FTR) mandates that all persons who are required to file export information do so through the Automated Export System (AES) at a specified timeframe prior to export with the requisite shipment data. This information was formerly called the Shipper's Export Declaration (SED), and it is now referred to as Electronic Export Information (EEI). The FTR further imposes civil and criminal penalties for violations of these regulations. The purpose of the FTR is to collect U.S. export statistical data, as well as to enforce U.S. export control laws.



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USMCA - CUSMA FTA

USMCA -CUSMA (i.e. new NAFTA) allows goods made in the USA to import to Canada duty free

- Shipping from the USA \neq USA origin goods
- USMCA has general rules of origin and more specific requirements for certain categories

Concepts to take into consideration:

- Regional Value Content (RVC)
- Labor Value Content (LVC)
- De Minimis Rule
- Rules for specific categories of goods



Shipping to Canada from The USA

USMCA - CUSMA FTA

Key take aways:

- Origin rules can be complicated, but...
- If you make it, grow it, process or raise it in the USA, it likely qualifies for duty free import to Canada
- The certification paperwork paperwork is easy to prepare and include with the shipment

Useful information via trade.gov regarding
👉 [things to know about USMSA](#)



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Non-Resident Importer/ NRI

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

As a non-resident importer, you can act as your own distributor to Canada.

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 valuation methods and value for duty may apply to non-resident imports

Visit CBSA website

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



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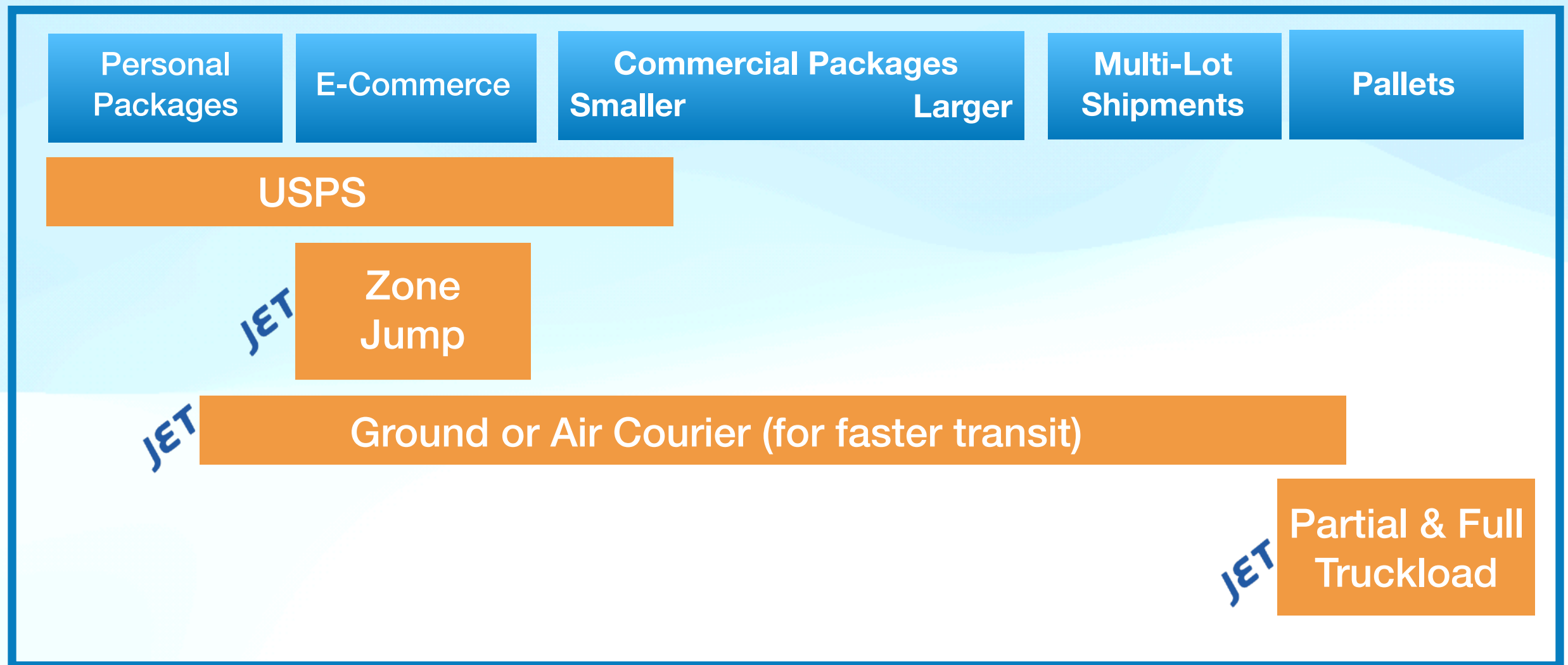
Non-Resident Importer (NRI) to Canada

Shipping Options: USA to Canada Returns & Logistics Support



Shipping to Canada from The USA

Best Shipping Modes: The USA to Canada



Contact our team for pricing and support



Shipping to Canada from The USA

Shipping Options and processes: The USA to Canada

Ground Vs Air to Canada

- Air shipments via FedEx and UPS usually includes customs entry declaration/ preparation
- Ground does not include entry preparation

| Value for duty | | | | For shipments arriving via UPS Standard® or via other couriers/transportation companies* | For shipments arriving via UPS Worldwide Express Plus™, UPS Worldwide Express™, UPS Worldwide Express Freight®, UPS Worldwide Express Saver® & UPS Worldwide Expedited™ services* |
|-----------------|----|-------------|--|--|---|
| \$ 0.00 | to | \$ 40.00 | | 0.00* | FREE† |
| \$ 40.01 | to | \$ 60.00 | | \$ 18.45 | |
| \$ 60.01 | to | \$ 100.00 | | \$ 22.00 | |
| \$ 100.01 | to | \$ 150.00 | | \$ 29.35 | |
| \$ 150.01 | to | \$ 200.00 | | \$ 33.55 | |
| \$ 200.01 | to | \$ 350.00 | | \$ 63.15 | |
| \$ 350.01 | to | \$ 500.00 | | \$ 70.30 | |
| \$ 500.01 | to | \$ 750.00 | | \$ 83.75 | |
| \$ 750.01 | to | \$ 1,000.00 | | \$ 94.65 | |
| \$ 1,000.01 | to | \$ 1,600.00 | | \$ 111.70 | |
| \$ 1,600.01 | to | \$ 2,500.00 | | \$ 125.05 | |
| Each additional | | \$ 1,000.00 | | \$ 8.80 | |

www.ups.com/assets/resources/webcontent/en_CA/rate_guide_ca.pdf

For example:

Shipment valued \$750 USD / ~\$1000 CAD
Entry fee via UPS: \$94.65

+ Duty

+ Tax

+ Disbursement fee

Useful information

 [Canadian import fees](#)



Shipping to Canada from The USA

Returns and Canadian Logistics Support

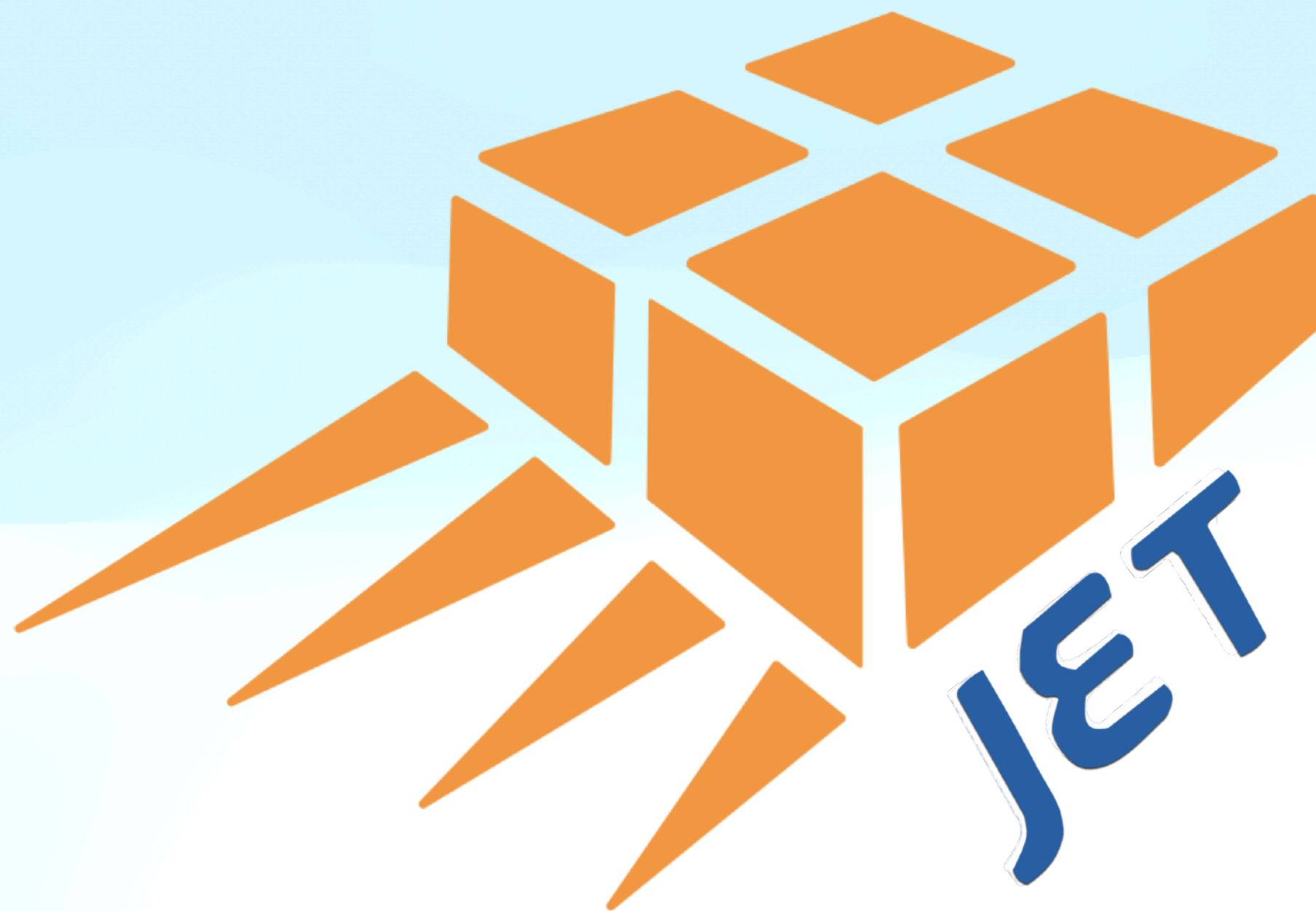
Return Solutions Canada to The USA

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, road or ocean.





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