



Common Import Fees To Canada

J&T

Quick Summary

- Import Duty
- Federal and Provincial Sales tax
- Entry Preparation Fee
- Carrier disbursement / Handling fees
- Ocean Import Fees

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Accompanying blog
and Video



Disclaimer: The information provided in this presentation is intended for general informational purposes only. We encourage independent research directly with regulators and to seek professional advice as necessary.

- **Import Duty**
- Duty Free Import
- Federal and Provincial Sales Tax
- Entry Preparation / Customs Brokerage
- Carrier Disbursement Fees
- Ocean Import Fees

Useful information

 [Canadian import fees](#)



Canadian Import Duty

Import Duty is primarily determined by three main factors

- HS Code / tariff classification
 - Country of Origin
- = % Duty

$\% \text{ Duty (x) Value for Duty} = \text{Resulting Duty Assessment}$

* Note that duty is sometimes based on volume, weight or other measurements rather than value

Useful Links

- [!\[\]\(13dd0e1ab3baa23f7c1ed52b3eec2756_img.jpg\) Import Duty](#)
- [!\[\]\(5ed985c65f50e5350eeeb77f03c2e095_img.jpg\) HS codes](#)
- [!\[\]\(9df44d2794f927e8a7eb6682863e4aa8_img.jpg\) Declaring a Value](#)

For Example: Cotton Pyjamas
HS Code Classification: 6207.11.00
Country of Origin: China
Rate of Duty: 17%

Value including shipping: \$120 CAD
Duty Cost:
 $\$120 \text{ (x) } 17\% = \20.40



Canadian Import Duty



Government of Canada

Gouvernement du Canada

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Customs Tariff 2022
Read More

CUSTOMS TARIFF - SCHEDULE

Tariff Item	SS	Description of Goods	Unit of Meas.	MFN Tariff	Applicable Preferential Tariffs
62.07		Men's or boys' singlets and other vests, underpants, briefs, nightshirts, pyjamas, bathrobes, dressing gowns and similar articles. -Underpants and briefs:			
6207.11.00 00 - -Of cotton		LDCT, UST, MXT, CIAT, CT, CRT, IT, NT, SLT, PT, COLT, JT, PAT, HNT, KRT, CEUT, UAT, CPTPT, UKT: Free	NMB	17%	LDCT, UST, MXT, CIAT, CT, CRT, IT, NT, SLT, PT, COLT, JT, PAT, HNT, KRT, CEUT, UAT, CPTPT, UKT: Free



Notes on Free Trade

- From Where Goods Ship From \neq To Their Country of Origin
- Country of Origin Refers to where goods were manufactured or created

Rules of Origin (ROO)

- Rules of Origin are unique to each trade agreement
- Trade agreements have general rules of origin
 - As well as unique rules for certain categories such as textile and automotive
- Most modern trade agreement allow simpler certification statements versus having a separate certificate of origin.

Canada's Free Trade Agreements

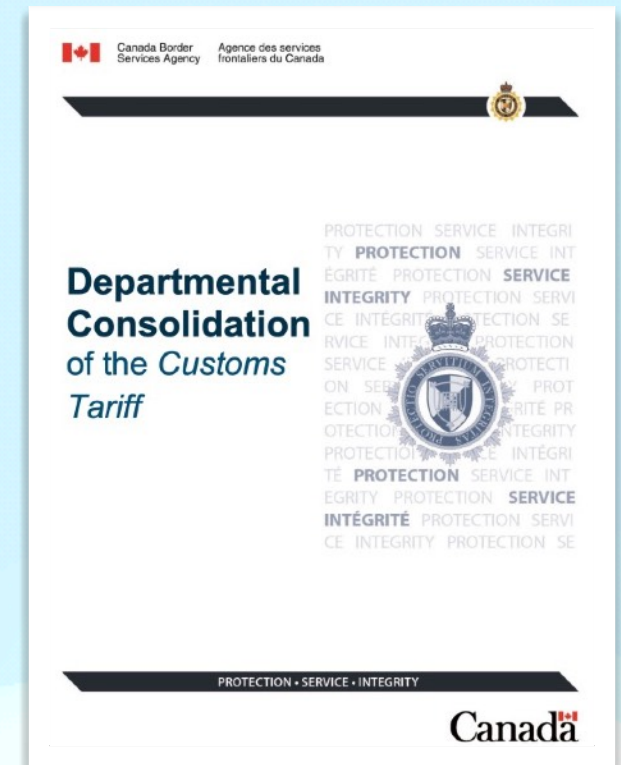
Common Canadian Import Fees

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Duty Free Import

- ✓ Rate of Duty for HS Tariff classification is 0%
- ✓ Canadian Free Trade Agreements
- ✓ Low Value Duty Free Threshold



Value (in CAD)	Shipped from USA or Mexico		Shipping to Canada other than from USA or Mexico
	Shipped Via Parcel Carrier/ Courier	Shipped via Postal Service	
Up to \$20	Duty Free. Tax Free	Duty Free. Tax Free	Duty Free. Tax Free
Up to \$40			
Up to \$150	Duty Free		

- ✓ Personal effects, Carnets, Canadian Goods being returned etc.



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Federal and Provincial Sales Tax

Tax rates per province/territory

Province/Territory	Type	GST (%)	PST (%)	Total tax rate (%)
Alberta	<u>GST</u>	5	0	5
British Columbia	<u>GST</u> + <u>PST</u>	5	7	12
Manitoba	<u>GST</u> + <u>PST</u>	5	8	13
New Brunswick	<u>HST</u>	5	10	15
Newfoundland and Labrador	<u>HST</u>	5	10	15
Northwest Territories	<u>GST</u>	5	0	5
Nova Scotia	<u>HST</u>	5	10	15
Nunavut	<u>GST</u>	5	0	5
Ontario	<u>HST</u>	5	8	13
Prince Edward Island	<u>HST</u>	5	10	15
Quebec	<u>GST</u> + <u>PST</u>	5	9.975	14.975
Saskatchewan	<u>GST</u> + <u>PST</u>	5	6	11
Yukon	<u>GST</u>	5	0	5

- Assessment is on value of goods plus duty
- Importing business may be able to reclaim taxes paid for imported goods



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Entry Preparation / Customs Brokerage

- Customs Brokerage Fees average around CAD \$200 for an importing cargo shipment
- Air courier and postal shipments do not incur a customs “entry preparation” fee (for standard entries under CAD \$3,300).
- Entry preparation fees are not included for international ground shipments via FedEx and UPS

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



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Carrier Disbursement Fees

- A common fee for imports via Canada Post, FedEx, UPS and DHL
- Averages around 2.5% of the amount of duty and taxes
- Minimum fee is ~ \$10 for postal imports and ~\$15 via commercial carriers
- Also referred to as a handling fee, or administrative charge



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Ocean Import Fees

Determined by shipping terms and carrier contracts.

Ocean import fees can include:

- Duty (Useful information: Understanding duty calculation)
- Wharfage Fee
- Terminal Handling Charge (THC)
- Documentation Fee
- Port Security Fee
- Customs Clearance Fee
- Demurrage, Detention and Storage

In general these costs are well understood by importers.





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