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# 2026 CANADIAN SURTAX ON U.S. GOODS

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# Canada Customs Regulatory Changes
## Agenda

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- **Impact for Shippers & Receivers**
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# Canada Customs Regulatory Changes
# **Overview**

## Overview

**Effective September 8, 2026**, the Government of Canada has implemented countermeasures in response to the imposition of additional tariffs under Section 338 of the Tariff Act of 1930 and Section 232 of the Trade Expansion Act of 1962 by the United States on products manufactured or "Made in" Canada. The **countermeasures consist of surtaxes of 15%, 25%, or 50%, depending on the product classification.**

- **The surtaxes apply only to goods determined to be of U.S. origin under Canada's origin determination rules**. In many cases, this corresponds to the country where the goods were manufactured, harvested, mined, or substantially transformed.

- **The products subject to these surtaxes can be found in the** List of products from the United States subject to counter-tariffs effective September 8, 2026 - Canada.ca.

- The List covers products including: **consumer electronics, electronic components, industrial spare parts, medical and scientific equipment, food and agricultural products, small appliances and repair parts, paper and printed materials, aluminum and steel products, and motorcycles**, among nearly 900 HS codes.

- Additional details on the administration of these surtaxes are available on the Canada Border Services Agency website: Customs Notices (cbsa-asfc.gc.ca)



# Canada Customs Regulatory Changes
# **Overview**

## Overview | About The New Regulation

- **To determine if your goods are subject to the new Canadian surtax:**

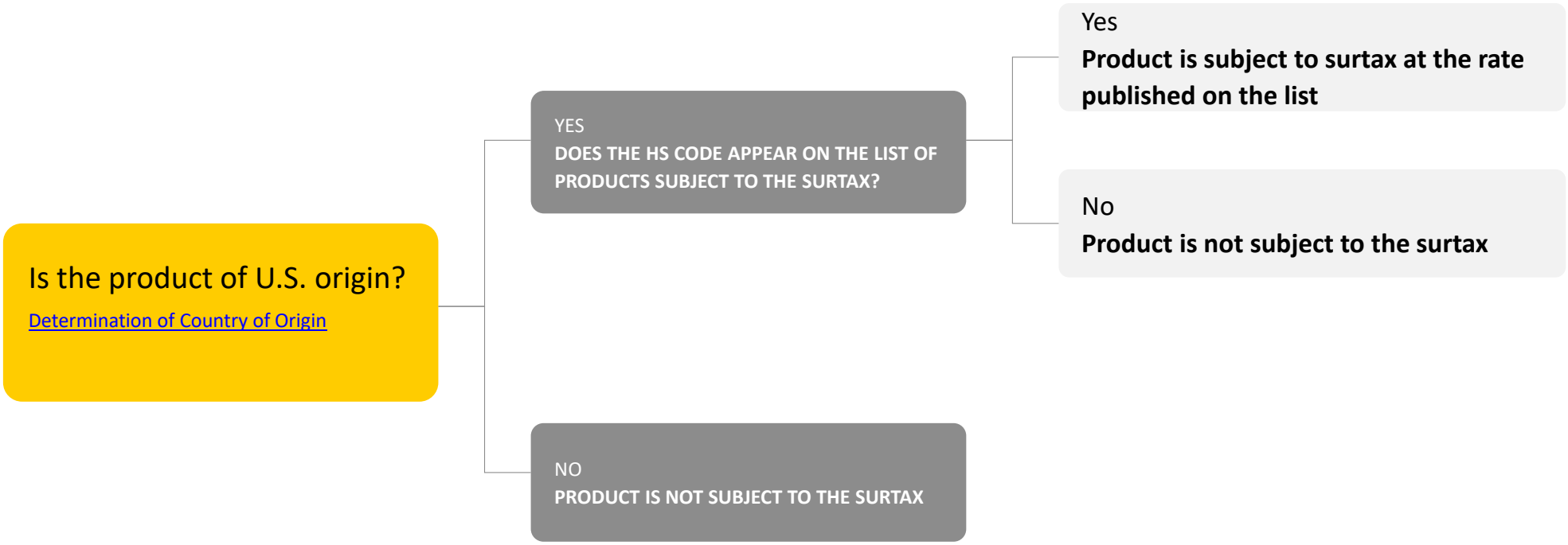
1. **Determine if the country of origin* (COO) is U.S**. by reviewing the regulations concerning Determination of Country of Origin for the Purpose of Marking Goods (CUSMA Countries) Regulations
2. **Determine the import classification** of your products here: Customs Tariff 2026 or by using DHL Express Global Trade Services
3. **If your item is found to be made in the U.S., check this list** to determine whether it is subject to the surtax upon import to Canada on or after September 8, 2026

***Important:** Country of origin is not necessarily the country from which the goods are shipped. Origin generally refers to where the goods were manufactured, harvested, mined, produced, or substantially transformed.

- These surtaxes are in addition to the General Duty Rate (GDR) and applicable goods and service tax (GST).
- Products qualifying for Canada-U.S.-Mexico Agreement (CUSMA) preferential tariff treatment may still be subject to the applicable surtax if determined to be of U.S. origin and listed on the Canadian countermeasure list.
- The surtax applies even if the value of the shipment is under the de minimis threshold.



# Canada Customs Regulatory Changes
## Decision Tree | Importing into Canada




**Important:** The surtax is based on **Country of Origin**, not the country from which the shipment is sent. A U.S.-origin product shipped from Europe, Asia, or any other country may still be subject to the surtax when imported into Canada.

# Canada Customs Regulatory Changes

## **Actions Customers should take now**

**01.** Review Country of Origin for products imported into Canada

**02.** Validate HS classifications

**03.** Check whether products appear on Canada's surtax list

**04.** Ensure commercial invoices contain accurate COO and HS code information

**05.** Be prepared to provide origin-supporting documentation if requested

**06.** Review landed cost estimates and billing terms

# Canada Customs Regulatory Changes
# **Overview**

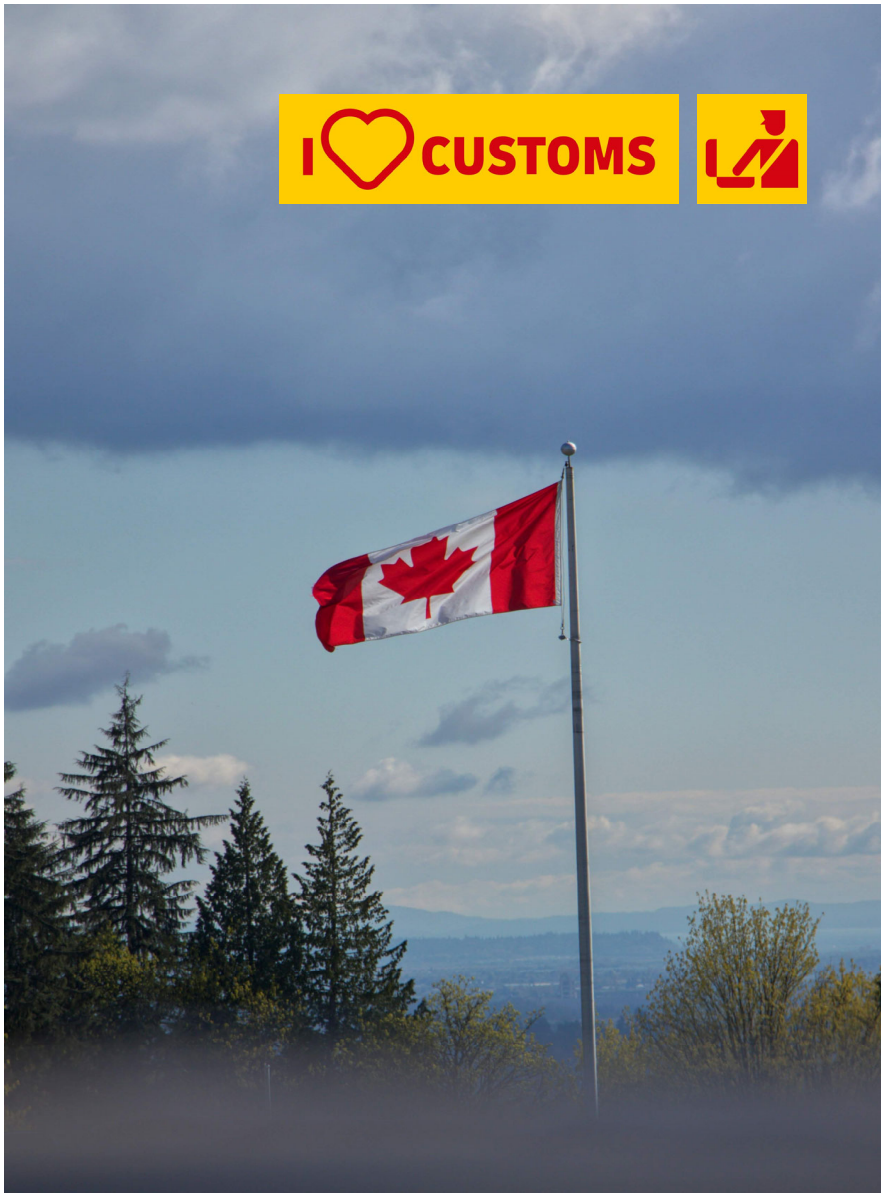
## Overview | About The New Regulation

- Examples of how the surtax is applied:

| **Perfume HS code 3303.00.0010 with COO: US and value $500** | | |
|---|---|---|
| | **Before September 8, 2026** | **After September 8, 2026** |
| **GDR** | $0 (CUSMA eligible) | $0 (CUSMA eligible) |
| **Surtax** | $0 | $250 (50%) |
| **GST** | $25 ($500 x 5%) | $37.50 (($500 + $250) x 5%) |
| **Total Duties and Tax Due:** | **$25** | **$287.50** |

| **Set of silverware (non-precious metal) HS code 8215.20.1000 with COO: US and value $200** | | |
|---|---|---|
| | **Before September 8, 2026** | **After September 8, 2026** |
| **GDR** | $0 (CUSMA eligible) | $0 (CUSMA eligible) |
| **Surtax** | $0 | $50 (25%) |
| **GST** | $10 ($200 x 5%) | $12.50 (($200 + $50) x 5%) |
| **Total Duties and Tax Due:** | **$10** | **$62.50** |





# Canada Customs Regulatory Changes
# **Overview**

## Overview | Exclusions and Exemptions

- **Goods made in U.S. Territories**
  - The surtax does not apply to goods eligible to be marked as originating from Puerto Rico, Guam, the Northern Mariana Islands, American Samoa, or the U.S. Virgin Islands.
- **Goods Already on the Way to Canada**
  - If your goods were already in transit to Canada before the surtax took effect, the surtax may not apply.
  - You must be able to provide supporting documents, such as shipping records, bills of lading, or cargo documents, if requested by the Canada Border Services Agency (CBSA).
- **Campobello Island Residents**
  - Residents of Campobello Island, New Brunswick, returning from the United States after being away for less than 24 hours may be exempt from the surtax on personal or household goods they bring back with them.
  - Proof of residency may be required.
- **Import for Re-Export Program**
  - Goods imported under Canada's Import for Re-Export Program may be exempt from the surtax if all program requirements are met, including processing the goods in Canada and exporting them within the required timeframe.
- **Certain Returning or Temporary Goods The surtax generally does not apply to:**
  - U.S.-made goods that were previously imported into Canada, duty-paid, and are now being returned.
  - U.S.-made goods that are crossing the border for repair or alteration and then returned.
  - Personal belongings and vehicles temporarily brought into Canada by non-residents for their own use.
  - Eligible ships' stores (supplies intended for use on a vessel) that meet CBSA requirements.
- **Personal Exemptions for Returning Canadian Residents**
  - Canadian residents returning from travel may bring back goods up to their personal exemption limit without paying duties and taxes.
  - The surtax may apply to goods that exceed the exemption amount or do not qualify for a personal exemption.

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**Impact for Shippers & Receivers**

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# Canada Customs Regulatory Changes
# **Impact for Shippers**

## Impact for Shippers (from Rest of World to Canada)

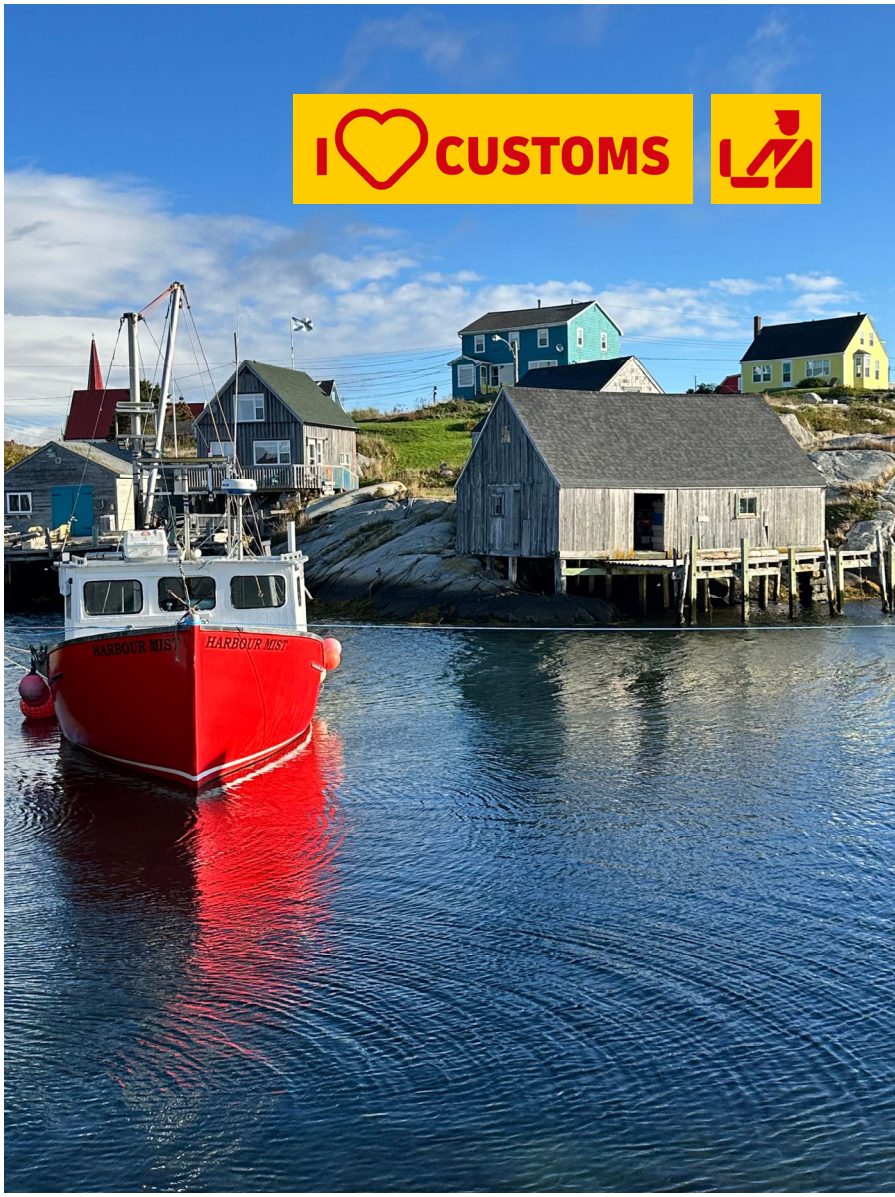
- Shippers from the rest of the world to Canada shall be aware of the new surtax regulations and understand that shipments containing products with U.S. origin (regardless of where they are shipped from) that are included in the List of products from the United States subject to counter-tariffs effective September 8, 2026 - Canada.ca will be subject to the corresponding surtax (only for those items with U.S. COO).
- The surtax applies regardless of shipment value and whether it is a casual or commercial import.
- The surtax applies in addition to any general duty and goods and services tax (GST).
- If shipping on duty and taxes paid billing terms (DTP), shippers should expect to see higher charges for duty and taxes if they are shipping products subject to the surtax.



# Canada Customs Regulatory Changes
# **Impact for Receivers**

## Impact for Receivers (in Canada)

- Receivers in Canada shall be aware of the new surtax regulations and understand that shipments containing products with U.S. origin (regardless of where they are shipped from) are subject to a new surtax (only for those items determined to be of U.S. origin).
- The surtax applies regardless of shipment value and whether it is a casual or commercial import.
- They should also be aware that the surtax is applied in addition to any GST and/or general duty applicable.
- If shipping under duty and tax unpaid (DTU) billing terms, receivers should expect to see higher charges on their U.S. made products imported into Canada if the products appear on the surtax list.



# Canada Customs Regulatory Changes
# **Impact for Shippers & Receivers**

## Impact for Shippers (from Rest of World to Canada) & Receivers (in Canada)

- Shippers from the rest of the world to Canada and receivers shall be aware of the new surtax regulations and understand that shipments containing products with U.S. origin (regardless of where they are shipped from) that are included in the List of products from the United States subject to counter-tariffs effective September 8, 2026 - Canada.ca will be subject to the corresponding surtax (only for those items of U.S. origin).
- The surtax is in addition to any other General Duty Rate and GST/HST which may apply.
- The surtax applies to goods which are under the de minimis threshold. In other words – surtax applies regardless of total shipment value.

### (1) SHIPPERS FROM REST OF WORLD TO Canada

- Shippers (from Rest of World to Canada) shall:

✓ Provide complete and accurate Commercial Invoice data for all products, including detailed goods description, the harmonized tariff classification (HS code), and **Country of Origin (COO)** of the goods, as determined under applicable origin rules, at an invoice line level.

✓ Provide valid contact details for the receiver, including a phone number and email address

✓ Be prepared to provide additional information or documentation if requested to prove COO

### (2) RECEIVERS IN Canada

- **Canada Receivers** shall:

✓ Be ready to provide additional information or supporting documentation that may be required for clearance purposes. Additional information may include additional product information, or proof of **Country of Origin (COO).**

✓ Ensure that the shipper provides complete and accurate data in the air waybill and commercial invoice when creating a shipment with DHL Express, ideally via one of the DHL Electronic Shipping Solutions/integrations.

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**Impact for Shippers & Receivers**

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# Canada Customs Regulatory Changes
# **Key Takeaways**

## Key Takeaways

- ✓ Canada has announced retaliatory surtaxes on certain U.S. made goods in response to the U.S. Section 338 tariffs implemented on August 22, 2026. The surtaxes are effective as of **September 8, 2026**
- ✓ The surtax rates are **15%, 25%,** and **50%.** They are in addition to any applicable general duty and GST/HST. They apply even to goods which are below the de minimis threshold.
- ✓ To determine if goods imported into Canada are subject to the new surtax, it is recommended that customers:
  - ✓ Determine Country of Origin of the goods (not necessarily the same as country of export)
  - ✓ Determine the import HS code
  - ✓ Check the import HS code against the list of commodities subject to the surtax

**→ In order to avoid delays, Shippers (from Rest of World to Canada) shall:**

- ✓ Provide complete and accurate Commercial Invoice data for all products, including detailed goods description, the harmonized tariff classification (HS code), and **Country of Origin (COO)** of the goods, as determined by the rules of origin, at an invoice line level.
- ✓ Provide valid contact details for the receiver including a phone number and email address
- ✓ Be prepared to provide additional information or documentation if requested to prove COO



# Canada Customs Regulatory Changes
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# Canada Customs Regulatory Changes
# **Frequently Asked Questions (FAQs)**

## Frequently Asked Questions (FAQs)

### Why is this change happening?

The Government of Canada announced the imposition of a surtax on products made in the U.S. in response to the United States decision to impose additional tariffs under Section 338 of the Tariff Act of 1930 and Section 232 of the Trade Expansion Act of 1962 on products made in Canada.

### Who pays the surtax?

The importer of record is generally responsible for paying any applicable duties, taxes and surtaxes unless alternative billing arrangements have been made. Customers should ensure they understand their shipping terms and DHL billing instructions prior to shipping.

### How do I determine or validate the country of origin of my goods specifically for imports into Canada?

Generally, country of origin refers to where goods were manufactured, harvested, mined, produced or substantially transformed under applicable origin rules. For detailed information on how Canada determines country of origin, please consult the following regulations: Determination of Country of Origin for the Purpose of Marking Goods (CUSMA Countries) Regulations



# Canada Customs Regulatory Changes
# **Frequently Asked Questions (FAQs)**

## Frequently Asked Questions (FAQs)

**What happens if my shipment contains products of multiple countries of origin?**

The surtax applies only to products determined to be of U.S. origin that are covered by the Canadian countermeasure list. Products from other countries contained within the same shipment may not be subject to the surtax.

**What if my goods were already subject to the existing surtax on certain steel derivatives order and are now on the list for the U.S. surtax?**

Where goods are subject to a surtax under both this Order and the *Steel Derivative Goods Surtax Order*, only the surtax imposed under this Order applies. The surtaxes from these two Orders are not cumulative. In other words, the orders do not stack and only this surtax will apply if an HS code falls under both orders.

**Is this surtax eligible for Duties Relief or Duty Drawback?**

Per CBSA guidance, "Canada's Duties Relief and Duty Drawback Programs will be available for surtax paid or payable, subject to the provisions of the *Canada-United States-Mexico Agreement* (CUSMA). When goods are of CUSMA (US/Mexico) origin, the goods are not subject to the limitations of CUSMA and the "lesser of two duties" determination does not apply. Therefore, the goods may be eligible for full relief, if the CUSMA criteria is met, as outlined in CBSA's *Memorandum D7-4-3: CUSMA Requirements for the Duty Drawback and the Duties Relief Programs*"



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# Canada Customs Regulatory Changes
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## External Links

For additional information, please consult the Canada Customs websites below:

- **Canada Government announcement on retaliatory measures:** List of products from the United States subject to counter-tariffs effective September 8, 2026 - Canada.ca
- **Canada Border Services Agency (CBSA) Customs Notices (additional details on the administration of these surtaxes will be available):** Customs Notices



# THANK YOU

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