

NON-RESIDENT IMPORTERS

1. **H.S Classification** – This is the most important classification system in international trade. Your products classification will determine duty rates and could determine eligibility for trade agreements, other government department requirements and other things. It is a ten-digit number, but the first six digits are international so if you are importing into other countries, this number is very helpful to get things started.
2. **Trade agreements and ‘country of origin’** – Canada has signed many bi-lateral and multi-lateral trade agreements. Where your product is substantially made, finished and shipped from can affect the amount of duties that are paid.
3. **Valuation for Customs and sale for export to Canada** – your value declared will most likely need to reflect the sale to the first Canadian purchaser. However, that value will have allowable deductions such as freight and duty, etc. Here are some relevant important regulatory information from [Customs: Customs Valuation - Purchaser in Canada](#) and [Transaction Value Method of Valuation](#)
4. **Canadian tax** – The following information is general and as you will see there are several levels of taxation, so we also recommend consultation with a Canadian tax advisor
 - a. **Business number** – non-resident companies must apply for a business number by phone at 1-877-728-0012 or we can apply on your behalf.
 - b. **Goods and Services Tax (GST)** – when selling to your Canadian customers on a delivered basis it is very important to understand and, in many cases, register for the GST. Here is a great link: [Doing Business in Canada - GST/HST information for Non-Residents](#)
 - c. **Provincial Sales Tax** – sales to end users often require collecting and remitting of this tax at various rates depending on what province the goods are delivered. This would be paid at the time of import when applicable.
 - d. **Corporate tax** – Canadian income generated by non-residents can be subject to corporate taxes.
 - e. **Canadian Tax advisors** – see below.
5. **Currency** – Duty and taxes are payable in Canadian dollars. Invoices can be provided in a USD equivalent, but we must make accommodation for fluctuations in the exchange rate.
6. **Books and Records** – books and records related to Canadian imports can be kept out of country, but an undertaking must be completed and signed. Please see the following regulations concerning books and records: [Maintenance of Records in Canada by Importers](#). If you are a Non-USA Non-resident based company, you may need to designate a Canadian party to keep your books and records.

7. **For Food Importers** – An import license may be required and CFIA does allow non-Canadian companies to obtain one in many cases. [Importing food: A step-by-step guide](#)
8. **Marking Rules and Labeling** – Non-resident importers must ensure that imported goods meet Canada’s marking and labeling rules that can include a requirement for the country of manufacture marking and labeling that might include Metric and French text.
9. **Account set up** – general requires the following document completion and considerations:
 - a. General Agency Agreement
 - b. Client and credit information
 - c. Our Standard Trading Conditions
 - d. Release prior to payment – when applying due diligence and depending on factors such as number of shipments and size of disbursements, we will recommend best system for payment and in some cases, we may require a bond.

We do recommend consultation with a tax accountant with experience in U.S./Canada cross border tax issues. Many accounting firms offer this service however we would be happy to recommend our partners. Please contact us for referrals.

While we have made every effort to ensure accuracy, the materials contained above in this “NON-RESIDENT IMPORTER Info Sheet” document are necessary, brief and general in nature, and should not be construed as legal opinion or advice. For further information, please contact our trade specialists.