




BREEZE CUSTOMS™

 <https://breezecustoms.com/blog/importing-into-canada/guide-how-to-import-into-canada/>

 12 min read

Ultimate Guide on How to Import Into Canada

Welcome to the “Ultimate Guide on How to Import into Canada.” This guide will walk you through step-by-step on how to clear customs, how to calculate Canadian duties and taxes, and how to find a Canadian customs broker.

Step 1. Get Ready to Import into Canada

Whether you have purchased your goods or are looking at calculating landed cost, here is how you get ready to import into Canada. You will want to partner with a customs broker who can make it easy while keeping up with constant changes in trade regulations and has the tools to enable importers to self-serve. Get started by using our [Calculate Your Duties and Taxes tool](#).

Step 2. Decide Whether Your Shipment will be a Personal or a Commercial Transaction

Personal Shipments

Personal shipments are run against an individual which attracts a higher tax rate. Personal importers will typically pay a higher sales tax at the provincial rates (5-13%), rather than the government sales tax (5%). We breakdown all of the applicable taxes in our [Calculate Your Duties and Taxes tool](#).

Commercial Transactions

Commercial transactions require importers to have importer activation by Customs in conjunction with the Canada Revenue Agency who issues your business number. If you are a Canadian resident business you already have a business number and we will activate your importer extension. If you are a Non-Resident Importer, this is a **nine-digit number** that is issued by the Canadian Revenue Agency is your key to commercial imports. Your customs broker, will activate your importer account which is an extension following your business number ending in RT0001. Your importer number will look like this for example: **123456789RM0001**.

Commercial transactions typically attract 5% Government Sales Tax (GST) however there are some exemptions. There are programs to get your 5% GST payment back, we outline them in our blog **How to Easily Manage Government Sales Tax**.

[Easily apply for your Importer Number with Breeze Customs today!](#)

If you have any trouble or questions, we are always available to walk you through it. Talk with one of our concierges at your convenience. [Schedule 15 minutes with us!](#)

Step 3. Calculate your Canadian Customs Duty

After you have obtained a business number, import-export account, and chosen the right broker, the next step is to calculate the Canadian Customs Duty you will owe on the goods to plan to import. Canada uses [Harmonized System \(HS\)](#) codes, a 6-digit standardized method of classifying goods traded internationally, to determine import duties. In addition to the 6-digit international classification, Canada uses 4 additional digits to establish duty rates, a 2-digit tariff item, and a 2-digit statistical suffix. Every importer has the right to classify its own imports but the use of a broker helps to ensure that your goods are classified correctly the first time.

Once the correct tariff classification is established, the next step is to determine if the goods being imported are subject to any trade agreement or special tariff provisions. The requirements of these agreements and provisions vary by country of origin and composition of materials. In addition to meeting all of the requirements of the individual trade agreement or tariff treatment, proof of origin may be required at the time of import.

Step 4. Calculate your Canadian Customs Duty

You've decided on your import channel and understand your duty and tax obligations. Now it's time to set up with a customs broker, purchase your goods and arrange your shipping. Foreign suppliers often use International Commercial Terms, more commonly referred to as incoterms, to establish the responsibilities of the buyer and seller in the purchase and who will be responsible for items such as shipping and insurance.

Common incoterms used are Freight on Board (FOB), ExWorks (EXW), and Cost, Insurance, Freight (CIF). In all of these cases, it is the importer's responsibility to arrange Canadian Customs Clearance and domestic freight. In addition, ocean/air freight, insurance, as well as other costs & arrangements may be required to be completed by the importer.

There is no right answer to the best terms for you or the seller. What's important is that you understand what parts of the process you are responsible for and when you take ownership of the goods. This ensures that goods are not left accruing fees

Step 5. Calculate your Canadian Customs Duty

Your goods are nearly to Canada and it's time to clear customs and pay your duties and taxes. Your customs broker is ready to step in to complete all of the necessary forms and documents to get your goods released.

To make sure that this process goes smoothly, it is important that any additional information requested by your broker is provided quickly. This may include items such as origin of goods documentation, commercial invoices, bill of lading, and shippers export declaration. If you have questions about the documents you need, ask your broker. They are there to assist you and can help answer all of your questions.

Infographic

