

NAVIGATING DUTY DRAWBACK IN CANA-

A Guide to Navigating the Canadian Duty Drawback Program

Effective July 1st, 2018 certain goods imported from the U.S. are subject to surtaxes on the value for duty. The majority of these are on steel and aluminum at a rate of 25%.

What is the Duty Drawback Program?

The Duty Drawback Program is a trade incentive program which is designed for Canadian Importers to apply for a refund of duties on eligible imported goods, once they are exported out of Canada. The goods need to be exported within four years of importation.

What Goods are Eligible for Duty Drawback?

The complete list of what is eligible for Duty Drawback can be found at <https://www.cbsa-asfc.gc.ca/publications/dm-md/d7/d7-4-2-eng.html>.

Goods that are eligible are imported goods which are subsequently exported from Canada that were:

- Further processed, or
- Displayed or demonstrated in Canada, or
- Used for the development or production in Canada of goods for subsequent export, and
- Exported without having been used in Canada for any purpose other than for (a), (b), or (c), a drawback may be filed to claim the duties paid on the imported goods. This means a refund of the customs duties, anti-dumping and countervailing duties, or excise taxes, other than the Goods and Services Tax /Harmonized Sales Tax (GST/ HST), that were paid at the time of importation, may be claimed.

Who can apply for a Duty Drawback?

The importer, exporter, processor, owner or producer of the goods that were exported from Canada and for which duty was paid on importation may file a drawback claim. Where there is one than one person eligible to file a claim, the claimant must obtain a waiver from the other parties waiving their rights to filing a drawback claim.

What do I need to file a Duty Drawback Claim?

The documentation required to file a drawback claim can vary based on the type of claim, however the basic requirements are:

- Proof of importation into Canada, including date, transaction number, tariff classification number, rate of duty and amount of duties paid (the CBSA B3 form includes all of these details)
- Proof of export from Canada, including date, and export reference identification number

How do I file a Duty Drawback Claim?

Duty Drawback Claims must be filed on a Form K32, Drawback Claim form. If you want to file a drawback claim please contact us at clientsupportca@buckland.com. We can work with your individual situation to determine the best plan of action.