



# NAVIGATING DUTY DRAWBACK IN CANADA

## A Guide to Navigating the Canadian Duty Drawback Program

Effective July 1<sup>st</sup>, 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](mailto:clientsupportca@buckland.com). We can work with your individual situation to determine the best plan of action.