

Minimizing Tariff Related Risks

Logistics

- **HS code verification for imports into Canada**
 - General background:
 - [Guide to tariff classification for Canadian imports: Overview](#)
 - [Guide to tariff classification for Canadian imports: The general rules for the interpretation of the Harmonized System](#)
 - Recommended course of action
 - Hire a [Canadian customs broker](#) to assess / verify HS code (note that HS codes may change over time)
 - For greatest certainty, apply for an Advance HS Code Ruling* with CBSA (submitted through [CARM client portal](#))
- **HS code verification for exports into US**
 - General background:
 - [Rulings and Legal Decisions](#)
 - Recommended course of action
 - Hire an US customs broker to assess HS code (note that HS codes may change over time)
 - For greatest certainty, apply for an Advance HS Code Ruling* with [US Customs and Border Protection CBP](#)

***Advance rulings for tariff classification** assign a 10-digit tariff classification number to imported commercial goods and include a rationale to explain why that number is the correct one to use. **For origin**, these rulings, in combination with the tariff classification number, help you determine whether imported commercial goods qualify as originating goods and are entitled to the benefits of preferential tariff treatment under a free trade agreement.
Source: [Rulings for tariff classification, valuation, origin, and marking: Overview](#), Government of Canada
- With verified HS code, identify US tariff exposure on Canadian made goods
 - [Tariff Finder](#) – Government of Canada - assess applicable tariffs by HS code or product description for products made in a country with an FTA with Canada (import and export). Some limitations apply, for example (1) Tariff Finder only reflects present moment applicable tariffs and (2) softwood lumber dispute tariffs are not included.
- Identifying tariff exposure on imports from US by Canadian retaliatory tariffs
 - [US imports impacted as of March 3 list](#)
 - [US imports impacted as of March 13 list](#)
 - [US imports possibly impacted as of April 2 list](#) (not yet implemented as of March 16)
- [Trade chain review](#)
- **Country of origin determination (very technical!)**
 - General background:
 - [Determination of Country of Origin for the Purpose of Marking Goods \(CUSMA Countries\) Regulations](#)

- [CUSMA Rules of Origin Regulations](#), Interpretations and Examples
 - Recommended course of action - Advance Country of Origin Ruling*
 - CBSA submitted through [CARM client portal](#)
- **Proper choice of Incoterms 2020 ®**
 - General background
 - [International Chamber of Commerce – Incoterms](#)
 - Recommended course of action
 - View basic intro video - [Incoterms 2020 Explained \[Complete Guide\]](#)
 - View Export Navigator Webinar (March 12, 2025) - [Understanding Incoterms® for Canadian Exporters & Importers](#) (PW: @ezdA.e)
 - Review with logistics specialist, freight forwarder
- **Ensure customs broker bond sufficiency**
 - US bond calculation
 - 10% of total amount of last 12 months
 - Canada bond calculation
 - 50% of highest monthly balance within last 12 months
 - Avoid bond stacking (multiple bonds outstanding)

Canadian tariff on US goods – CBSA remission request

The Department of Finance has introduced a formal process for requesting tariff remission on certain goods imported from the United States. Remission may be granted on a discretionary basis, in response to exceptional and compelling circumstances that, from a public policy perspective, are found to outweigh the primary rationale behind the application of the tariffs.

Canadian-registered companies may apply under two specific circumstances:

- To address situations where goods used as inputs cannot be sourced domestically, either on a national or regional basis, or reasonably from non-U.S. sources.
- To address, on a case-by-case basis, other exceptional circumstances that could have severe adverse impacts on the Canadian economy.

Inquiries or remission requests must be submitted to remissions-remises@fin.gc.ca, including “U.S. Remission” in the subject line, and contain the information set out in the Department of Finance’s [template](#).

Source: [March 4 trade war update: U.S. imposes tariffs and Canada retaliates](#), Gowling WLG

EMC – Mohawk Customs Brokers answering key questions relating to tariffs

- [Webinar recording](#) (excellent session; 60 minutes long)
- [Presentation](#)
- [Assist](#) see additional handout

Sensitivity / Scenario Analysis

The idea here is to simulate business growth / contraction with your company financial statements such as budgets, profit & loss statement and cash flow statement.

For example, if your revenue (top line) grows / contracts by x%, what must change throughout your cost structure to remain profitable.

a. For those new to financial learning

[On-demand courses](#) provided by the Columbia Basin Trust sponsored [BBA Program](#) are an excellent starting point, here some examples:

- *Financial Fundamentals Education Series*
- *Financial Statements Education Series*
- *Distribution Bootcamp: Relationship Readiness Series*
- *Agriculture Pricing Education Series*
- *Lean into Your Sales Process and Build a Plan Education Series*

Upcoming 10 week-course: [Financial Learning Pathway](#)

This course will teach you how to organize, understand and analyze your Profit and Loss Statement to make better data-based decisions for your business that will help increase your overall profitability (participants' businesses must be located within Columbia Basin).

April 17 - June 19, 2025 (Thursdays)

9:00-10:15 a.m. (PT)

[Cashflow Frog](#) - simple yet powerful cash flow management, forecasting, and scenario planning tool.

MS Excel and any of the major bookkeeping platforms offer also options to perform analysis.

b. For those proficient in financial management practices

[Financial Performance Data](#) Government of Canada benchmarking and competitive analysis tool

[Synario](#) – customizable, built-to-scale financial planning & analysis (FP&A) solutions that bridge the gap between short-term budgeting and long-term forecasting. Ideal for corporations, higher education, public sector, water & utilities, transit agencies, ...

c. Sample strategy for scenario & sensitivity analysis

1. Define Key Variables
 - Identify the variables most likely affected by tariffs (e.g., sales volume, cost of goods sold, exchange rates). These will be the focus of your sensitivity analysis.
2. Simulate Revenue Loss Scenarios
 - Create multiple scenarios with varying levels of revenue loss (e.g., 10%, 20%, 30%) due to reduced exports or higher costs from tariffs. Use tools like Synario or Excel to model these scenarios.
3. Adjust Cost Structures
 - Explore cost-saving measures such as renegotiating supplier contracts, optimizing inventory management, or reducing waste.
4. Incorporate External Factors
 - Consider macroeconomic impacts such as currency depreciation or inflation due to tariffs. For example, the Bank of Canada's analysis shows that tariffs can lead to higher costs for imported goods and reduced demand for exports.
5. Visualize Outcomes
 - Use software with visualization capabilities (e.g., Synario) to compare the outcomes of different scenarios side by side. This helps in identifying which combination of cost adjustments and strategic changes is most effective.
6. Stress Test Your Model
 - Perform sensitivity testing by varying one key variable at a time (e.g., sales price or volume) to understand its impact on profitability.

By leveraging these tools and strategies, you can better prepare your business to navigate the opportunities and challenges *while aiming to maintain profitability*.

Canadian Products Labelling Resources

[Made in Canada claims](#) – consumer products

[How to identify Canadian food](#) – agri-food products

Buy Canadian Initiatives

a. Government

[BuyBC](#) – helps British Columbians select fresh-tasting, high-quality products that are grown, raised, and made in B.C.

b. Private Sector

[BuyBC](#) – Discover BC businesses and products

[Made in Ca](#) – grocery store guide

[Made in Canada Directory](#) – includes thousands of products that are manufactured here at home

[Support Local Canada - BC](#)

[Choosing Canada](#) – Source authentic Canadian-made products for your retail store

[Canadian Alternative](#) – Find Canadian software alternatives

[Is that Canadian](#) - Find authentic Canadian products and discover local alternatives and scan a photo of the product label to find out if it is Made in Canada.

[Support Canada, Buy Canadian](#) – Farm Food Drink free usage logos

Resources on Canada – US Trade Statistics & Reports & Searches

- Trade Data Online – [Search by Product \(HS Code\)](#) (very useful to explore new markets, identify top 10 Canadian export markets, export by Province; all by product / HS Code)
- [International Trade Statistics](#) – Statistics Canada (macro level)
- [Focus on Canada and the United States: Trade](#), Data and insights on Canada's trade and investment activities with the United States
- [Canadian International Merchandise Trade \(CIMT\)](#) Web Application, offers detailed trade data using the Harmonized System (HS) classification of goods (based on the 8-digit and 10-digit commodity level for exports and imports, respectively). Temporary data quality issues since CBSA's Oct 2024 [CARM](#) introduction
- [The International Trade Explorer, 2023](#), interactive tool that provides users with a new way of discovering Canada's and the Provinces trade relationships
- [Canada-U.S. Trade Tracker](#), Canadian Chamber of Commerce
- [Customs Rulings Online Search System \(CROSS\)](#), a searchable database of CBP rulings in the US

Finding Government Programs and Assistance

[Export Navigator](#) – work with a regional advisor to receive step-by-step guidance with business strategy and growth planning and get connected to the right people and services at the right time.

[Business Benefits Finder](#) – online program and service finder (can be overwhelming)

[Canada Business App](#) – access thousands of government programs and services, federal, provincial and municipal, through the mobile app designed for Canadian businesses and entrepreneurs

Regional Advocacy Contacts

[BC MLA for Kootenay Central - Honorable Brittny Anderson](#)

[BC MLA for Kootenay Rockies – Pete Davis](#)

[BC MLA Columbia River – Revelstoke – Scott McInnis](#)

[BC MLA Kootenay Monashee – Steve Morissette](#)

[BC MLA Boundary Similkameen – Donegal Wilson](#)

[Canada MP for Kootenay – Columbia – Rob Morrison](#)

[Canada MP for South Okanagan – West Kootenay – Richard Cannings](#)

[Your local Chamber of Commerce](#)

[Canadian Federation of Independent Business \(CFIB\)](#)

Various tariff resource centers of interest

[BC Government Trade & Invest: British Columbia's and Canada's Response to U.S. Tariffs](#)

[PwC Canada Tariffs and Trade Policy Resource Centre](#)

[Gowling WLG Trade turbulence: Can your business weather the tariff storm?](#)

[Bordner Ladner Gervais – BLG: Tariff and Trade Resource Center](#)

[Pacific Customs Brokers \(PCB\) Global Trade – US/CA Tariff Hotline](#)

Export Navigator – Here to Help

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Let me help you in this journey step by step. Export Navigator is free of charge for BC based businesses!

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