

## Canada Surging Ahead to Impose 25% Surtax on Chinese Steel and Aluminum Imports Effective October 15, 2024

Brenda C. Swick

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Effective October 15, 2024, the Government of Canada intends to impose a 25 percent surtax on imports of steel and aluminum originating from China. The government's stated objective is to protect workers and investments in Canada's steel and aluminum sector from China's unfair trade policies and to prevent trade diversion resulting from recent actions taken by Canadian trading partners, including the United States. On May 14, 2024, the US announced an increase in its Section 301 tariffs on a range of products imported from China, including steel and aluminum.

The surtaxes will be imposed pursuant to section 53 of the Customs Tariff which provides for the application of trade measures, including surtaxes, to respond to acts, policies, or practices of other countries that adversely affect Canada's trade interests.

### Goods Subject to Surtax

The initial list of goods originating from China and subject to surtaxes is in [Annex 1](#). Goods will be considered to originate from China if they are marked as a good of China in accordance with the *Determination of Country of Origin for the Purpose of Marking Goods (Non-CUSMA Countries) Regulations*. In general, the country of origin of goods is the country in which the goods were substantially manufactured. This means the country where a major part of the production or manufacturing took place. It will be necessary to consider the accumulated costs of material, labour, and overhead when determining whether China is the proper country of origin for purposes of the surtax.

### Submissions

Interested companies are invited to provide written comments on the scope of goods subject to the surtax to the Department of Finance by September 20, 2024. Submissions, at a minimum, should include the following information:

1. Company/organization name, address, telephone number, and contact person.
2. The relevant eight-digit tariff item(s) and description of the goods of particular interest.
3. Reasons for the expressed support for, or concern with, the proposed surtaxes, including detailed

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information substantiating any expected beneficial or adverse impact.

4. Indication of whether any information provided is commercially sensitive.

Comments should be sent to [tariff-tarif@fin.gc.ca](mailto:tariff-tarif@fin.gc.ca) with "Steel and Aluminum Surtaxes" in the subject line.

## Duration

The final list of goods subject to the surtaxes will be announced by October 1, 2024, with the surtaxes taking effect on October 15, 2024. The surtaxes will not apply to Chinese goods that are in transit to Canada on the day on which these surtaxes come into force.

Going forward, the imposition of the surtax will be reviewed within a period of one year from October 15, 2024, and could be extended further into the years 2026 and following.

## Duty Relief

Canadian businesses that rely on Chinese imports to maintain production may obtain some measure of relief from surtaxes through the duty relief and duty drawback programs on goods that are subsequently exported or used in processing goods for export, and under the duty remission process for goods that are not available from production in Canada.

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*This publication is a general summary of the law. It does not replace legal advice tailored to your specific circumstances.*