

Canada Announces New Counter-Tariffs and Support Measures Following US Tariff Actions

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As discussed in our previous update, on August 22, 2026, President Trump imposed a 50% tariff under Section 338 of the *Tariff Act of 1930* on a broad range of Canadian-origin goods following the collapse of bilateral trade negotiations. The tariffs apply regardless of eligibility for preferential treatment under CUSMA/USMCA.

[On August 25, 2026, Canada announced a package of counter-tariffs and support measures for affected workers and businesses.](#) Effective September 8, 2026, Canada will impose counter-tariffs of 15%, 25%, and 50% on approximately C\$27.6 billion of imports from the United States. The measures are intended to respond to the cumulative impact of recent US tariff actions, including the new Section 338 tariffs and existing Section 232 tariffs, and are designed to operate on a "dollar-for-dollar, rate-for-rate" basis.

Key Takeaways

- Canada will impose new counter-tariffs effective **September 8, 2026**.
- The measures range from **15% to 50%** and apply to approximately **C\$27.6 billion** of imports from the United States.
- [The Department of Finance has published a complete list of products subject to the new counter-tariffs](#), covering approximately 700 tariff items across a broad range of sectors, including steel and aluminum, dairy, appliances, agricultural equipment, furniture, apparel, pulp and paper, and electronics.
- The countermeasures target sectors affected by both US Section 338 and Section 232 tariffs, including steel and aluminum, dairy, appliances, agricultural equipment, pulp and paper, furniture, apparel, and electronics.
- The tariffs apply only to goods that qualify as **US goods under Canada's marking rules**, not necessarily all products shipped from or through the United States.
- Existing Canadian counter-tariffs, including those applicable to certain US-origin vehicles, remain in force, and Canada's tariff remission process continues to be available.

Canada's New Counter-Tariffs

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The new measures are concentrated in sectors most affected by the US tariffs and will apply at rates of 15%, 25%, and 50% depending on the product. Among the most significant changes:

- **50% counter-tariffs** will apply to certain steel and aluminum products previously subject to 25% duties, as well as furniture, clothing, and apparel.
- **25% counter-tariffs** will apply to appliances, dairy products, fish and seafood, and certain steel and aluminum derivative products.
- **15% counter-tariffs** will apply to various electronics, tools, and other products.

Determining Whether a Product Is Subject to the Counter-Tariffs

The counter-tariffs apply only to goods imported into Canada from the United States that qualify as US goods under Canada's *Determination of Country of Origin for the Purpose of Marking Goods (CUSMA Countries) Regulations*. Whether a product is considered a US good for these purposes is determined under Canada's marking-origin rules and not simply by where the product is manufactured, exported, purchased, or shipped from. As a result, products imported from US distribution centres may not necessarily be subject to the counter-tariffs. Importers should carefully review origin determinations before assuming that the new measures apply.

Support Measures for Canadian Businesses and Workers

Alongside the tariff response, [the federal government announced approximately C\\$7.5 billion in new and enhanced support measures](#) for affected businesses and workers, including funding through Canada's Regional Development Agencies, a new Canada Strong Diversification Fund, additional BDC financing support, and worker assistance programs.

What Businesses Should Do Now

Businesses with cross-border supply chains should assess the impact of both the US and Canadian measures. In particular, businesses should consider:

- reviewing tariff classifications and origin determinations;
- confirming whether imported products qualify as US goods under Canada's marking rules;
- assessing contractual responsibility for tariff costs;
- evaluating sourcing and supply-chain alternatives;
- reviewing pricing and cost-allocation strategies;
- considering tariff remission opportunities where appropriate;

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- assessing inventory management and procurement strategies before September 8, 2026; and
- monitoring further developments in Canada-US trade negotiations.

The Cassels [International Trade Group](#) will continue to monitor developments and provide updates as the Canada-US trade dispute evolves.

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