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Tax Alert – Canada

CBSA extends surtax remission for two additional months

EY Tax Alerts cover significant tax news, developments and changes in legislation that affect Canadian businesses. They act as technical summaries to keep you on top of the latest tax issues. For more information, please contact your EY advisor or EY Law advisor.

On 17 October 2025, the Canada Border Services Agency (CBSA) released a revised version of Customs Notice 25-19, [United States Surtax Remission Order \(2025\)](#) (Customs Notice). This notice, which was originally published on 17 April 2025 and revised on 20 May 2025 and 29 August 2025, contains new information about the application of the *United States Surtax Remission Order (2025)* (Remission Order).

Specifically, the Customs Notice has been updated to reflect the Minister of Finance and National Revenue's announcement on 17 October 2025 to extend the surtax remission period by an additional two months for goods imported from the United States (US) on behalf of public health, health care, public security or national security entities, and for goods used in manufacturing, processing, and the packaging of a food or beverage. As a result, remission is available for goods imported before 16 December 2025 if the eligibility criteria are met. As well, the remission relief relating to manufacturing, processing and packaging is extended to include goods used in the production of any agricultural product.

On 15 October 2025, Canada issued the *Order Amending the China Surtax Remission Order (2024) and the United States Surtax Remission Order (2025) (2025-1)* under section 115 of the Customs Tariff. This Order amends the Remission Order to extend the remission period discussed above. The amendments also provide relief from tariffs on imports from the US and China to additional Canadian businesses that have qualified for remission under previously established criteria, such as demonstrating short supply or existing contractual obligations.

This Tax Alert provides a brief summary of the revised relief provisions and highlights the new guidance in the Customs Notice.



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Background

The Remission Order, issued on 16 April 2025, provided a temporary six-month relief period for surtaxes paid or payable under the *United States Surtax Order (2025-1)* (2025-1 Order), the *United States Surtax Order (Steel and Aluminum 2025)* (Steel and Aluminum Order) or the *United States Surtax Order (Motor Vehicles 2025)* (Motor Vehicles Order) in respect of eligible goods. An importer may obtain relief under the Remission Order if the following conditions were met:

- ▶ The good is imported into Canada on or after the date the relevant surtax came into force and before 16 October 2025;
- ▶ No other claim for surtax relief has been granted under the *Customs Tariff* for the good; and
- ▶ The importer applies to the Minister of Public Safety and Emergency Preparedness for remission within two years after the importation date.

On 22 August 2025, Prime Minister Mark Carney announced that Canada would remove retaliatory tariffs on US goods specifically covered under the Canada-US-Mexico free trade agreement. In accordance with this announcement, Canada repealed the 2025-1 Order effective 1 September 2025, thereby removing tariffs on the full set of goods listed under that Order. It also removed tariffs on all non-steel and non-aluminum goods listed under the Steel and Aluminum Order. However, Canada continues to impose tariffs on steel products, aluminum products and motor vehicles originating in the US, in accordance with the Steel and Aluminum Order and the Motor Vehicles Order. For more information about these measures, see EY Tax Alert 2025 Issue No. 43, [Canada removing tariffs on certain US goods; Canadian business support measures announced](#).

Extension of the remission period

The remission period for the following eligible imports has been extended by two months for surtaxes paid or payable under any of the above-listed Orders in respect of goods imported before 16 December 2025:

i. Manufacturing and processing, or packaging for food and beverages

Remission remains available with respect to goods imported for use, in Canada, in the manufacturing or processing of any good, in the production of any agricultural product, or in the packaging of a food product or beverage. Guidelines with respect to the CBSA's interpretation of eligible imports can be found in the Customs Notice as detailed in EY Tax Alert 2025 Issue No. 31, [CBSA updates customs notice for surtax remission](#).

ii. Imports related to public health, public safety and national security purposes

Remission remains available for eligible goods imported for use by certain prescribed organizations or authorities. The Customs Notice is also revised to clarify that the goods must be imported “for use by” a prescribed entity for the purpose of health care, public safety, national defence or national security for remission to apply. Previously, the Customs Notice stated that remission was available for goods imported “by or on behalf of” a prescribed entity. Companies or commercial importers that are not importing goods for use by an entity listed in section 1 are ineligible for remission under this provision.

iii. Imports related to health care

Remission remains available with respect to goods imported for use in providing medically necessary health care services, including services provided at hospitals, long-term care facilities, health care or dental clinics, and certain laboratories.

Clarification regarding remission conditions

The revised Customs Notice provides further clarification with respect to conditions for remission eligibility.

The Customs Notice clarifies that surtax remission is also available in respect of goods imported “for use by” any of the following entities for the purpose of public health care or public health:

- ▶ An entity providing products or services related to blood, cells, tissues or organs for medically necessary health care services; or
- ▶ A federal, provincial, local or Indigenous health authority.

Previously, the Customs Notice stated that remission was available for goods imported “by or on behalf of” a prescribed entity. The removal of this phrase indicates the goods must be used by one of the entities listed in section 2 of the Remission Order. Importers that are not importing goods for use by an entity listed in subsection 2(b) of the Remission Order are ineligible for remission under this provision.

Motor vehicles

Section 4.3 of the Remission Order provides remission for surtax paid or payable under the Motor Vehicles Order in respect of:

- ▶ Motor vehicles that are classified under a tariff classification number set out in Schedule 5 of the Remission Order; and
- ▶ All-terrain vehicles, including utility terrain vehicles and side-by-side vehicles.

The Customs Notice is revised to indicate that remission is also available for imports of hearses and hearse limousines, as reflected in new paragraph 4.3(c) of the Remission Order.

Conditions for relief

Claims for surtax relief under the Remission Order must be supported by documents demonstrating that the following conditions have been met:

- ▶ The good is imported into Canada before:
 - ▶ 16 December 2025, where remission is granted for goods imported from the US on behalf of public health, health care, public security or national security entities, and goods used in manufacturing, processing, production, and the packaging of a food or beverage; or
 - ▶ The date specified in column 3 of Schedule 3,¹ in the case of a good referred to in that Schedule;
- ▶ In the case of a good that is classified under the tariff classification number set out in column 2 of Schedule 4:²
 - ▶ It is imported into Canada by a person whose business number is set out in column 1;
 - ▶ It conforms to the description in column 3, if any;
 - ▶ It is imported before 1 September 2025; and
 - ▶ It is imported in accordance with the conditions set out in column 4, if any;
- ▶ In the case of a good that is classified under the tariff classification number set out in column 2 of Schedule 4.1:³
 - ▶ It is imported into Canada by a person whose business number is set out in column 1;
 - ▶ It conforms to the description in column 3, if any;
 - ▶ It is imported during the period specified in column 4, if any; and
 - ▶ It is imported in accordance with the conditions set out in column 5, if any;

¹ Schedule 3 of the Remission Order has been amended to include additional goods listed in Chapters 73 and 76 of the *Schedule to the Customs Tariff*.

² Schedule 4 provides relief for specific businesses that have qualified for remission by demonstrating exigent circumstances. It applies to goods imported prior to 1 September 2025. Tariffs do not apply to imports of these goods on or after that date in accordance with the repeal of the 2025-1 Order.

³ The *Order Amending the China Surtax Remission Order (2024) and the United States Surtax Remission Order (2025)* (2025-1) includes new Schedule 4.1.

- ▶ No other claim for surtax relief has been granted under the *Customs Tariff* for the good; and
- ▶ The importer applies to the Minister of Public Safety and Emergency Preparedness for remission within two years after the importation date.

Claiming relief

The original Customs Notice provided special authorization codes required to obtain surtax relief under the Remission Order. This information has been updated to include the special authorization codes that are required to claim relief for goods referred to in new Schedule 4.1 of the Remission Order, which extends relief to specific businesses that have qualified for remission by demonstrating exigent circumstances.

Learn more

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