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# Tax Alert – Canada

## The CITT continues its finding in inquiry NQ-2018-004 concerning the dumping of certain corrosion-resistant flat-rolled steel sheet

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 20 November 2024, the Canadian International Trade Tribunal (CITT) concluded expiry review RR-2023-008 and issued an order pursuant to paragraph 76.03(12)(b) of the *Special Import Measures Act*<sup>1</sup> (SIMA), continuing its finding in inquiry NQ-2018-004 (the finding) concerning the dumping of corrosion-resistant flat-rolled steel sheet products of carbon steel originating in or exported from the People's Republic of China, the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu, the Republic of India and the Republic of Korea (the subject goods).<sup>2</sup>

The subject goods are defined as follows:<sup>3</sup>

“[C]orrosion-resistant flat-rolled steel sheet products of carbon steel, including products alloyed with the following elements:

- ▶ Boron (B) not more than 0.01%,
- ▶ Niobium (Nb) not more than 0.100%,
- ▶ Titanium (Ti) not more than 0.08%, or
- ▶ Vanadium (V) not more than 0.300%,

<sup>1</sup> R.S.C., 1985, c. S-15.

<sup>2</sup> [Corrosion-resistant Steel Sheet – Canadian International Trade Tribunal.](#)

<sup>3</sup> [Corrosion-resistant Steel Sheet – Canadian International Trade Tribunal.](#)

in coils or cut lengths, in thicknesses up to 0.168 in. (4.267 mm) and widths up to 72 in. (1,828.8 mm) with all dimensions being plus or minus allowable tolerances contained in the applicable standards, chemically passivated, originating in or exported from the People's Republic of China, the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu (Chinese Taipei), the Republic of India and the Republic of Korea, and excluding:

- ▶ unpassivated corrosion-resistant steel sheet products;
- ▶ corrosion-resistant steel sheet products for use in the manufacture of passenger automobiles, buses, trucks, ambulances or hearses or chassis therefor, or parts thereof, or accessories or parts thereof;
- ▶ steel products for use in the manufacture of aeronautic products;
- ▶ steel sheet that is coated or plated with tin, lead, nickel, copper, chromium, chromium oxides, both tin and lead ("terne plate"), or both chromium and chromium oxides ("tin-free steel");
- ▶ stainless flat-rolled steel products;
- ▶ corrosion-resistant steel sheet products that have been pre-painted or coated with organic (non metallic) coatings, including lacquers or varnishes;
- ▶ galvanized armouring tape, which is narrow flat steel tape of 3 in. or less, that has been coated by a final operation with zinc by either the hot-dip galvanizing or the electrogalvanizing process so that all surfaces, including the edges, are coated; and
- ▶ tool steel."

## Background

On 15 January 2024, pursuant to subsection 76.03(1) of the SIMA, the CITT initiated an expiry review of its finding to determine whether the expiry of the finding was likely to result in injury to the domestic industry.<sup>4</sup>

The next day, on 16 January 2024, pursuant to paragraph 76.03(7)(a) of the SIMA, the Canada Border Services Agency (CBSA) initiated its investigation to determine whether the expiry of the finding was likely to result in the continuation or resumption of dumping of the subject goods.<sup>5</sup>

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<sup>4</sup> [Tribunal Initiates Expiry Review—Corrosion-resistant Steel Sheet from China, Chinese Taipei, India and Korea - Canadian International Trade Tribunal](#).

<sup>5</sup> [Notice of initiation of expiry review investigation: Corrosion-Resistant Steel Sheet \(COR1 2024 ER\)](#).

On 13 June 2024, the CBSA determined that the expiry of the finding was likely to result in the continuation or resumption of dumping of the subject goods.<sup>6</sup>

## Order of the CITT

Under paragraph 76.03(12)(b), the CITT may continue its finding in respect of the subject goods, with or without amendment, if it determines that the expiry of the finding is likely to result in injury to a domestic industry. The CITT issued an order in expiry review RR-2023-008 on 20 November 2024, continuing its finding. The CITT found that the expiry of the finding was likely to result in injury.<sup>7</sup>

Anti-dumping duties will continue to apply to the subject goods for the duration that the CITT's order continuing its finding remains in effect. The order expires after five years unless it is continued by the CITT following an expiry review conducted pursuant to subsection 76.03(1) of the SIMA. A request for an interim review may be filed with the CITT within the five-year period.

## What's next: Updates of normal values and export prices

As described in the CBSA's Memorandum D14-1-8 dated 21 October 2024, the CBSA may conduct administrative proceedings to update values, establish values for new products or models, and establish values for exporters that do not currently have values. Values for exporters that do not participate in these administrative proceedings or do not provide sufficient information to the CBSA will be determined pursuant to ministerial specification.<sup>8</sup>

The CBSA may issue retroactive assessments of duties where it determines that normal values are significantly outdated due to changes in market conditions and the exporter failed to increase its selling prices of exports in a timely manner.<sup>9</sup>

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<sup>6</sup> [Statement of reasons—Expiry review determination: Corrosion-Resistant Steel Sheet \(COR1 2024 ER\)](#).

<sup>7</sup> [Tribunal Continues Finding—Corrosion-resistant Steel Sheet from China, the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu \(Chinese Taipei\), India and Korea - Canadian International Trade Tribunal](#).

<sup>8</sup> [CBSA Memorandum D14-1-8, dated 21 October 2024](#).

<sup>9</sup> [CBSA Memorandum D14-1-8, dated 21 October 2024](#).

## Learn more

For more information with respect to the application of anti-dumping or countervailing duties or participating in proceedings conducted by the CBSA or the CITT, please contact one of the following EY professionals:

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