

Canada tariffs on Chinese EVs, steel and aluminum: Feds introduce remissions request process to ease transition

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Following [public consultations](#) to develop a policy response to Chinese-origin electric vehicles (EVs) that are flooding global markets, the Canadian government has imposed a **100 per cent surtax** on all EVs made in China, effective Oct. 1, 2024, and a **25 per cent surtax** on steel and aluminum imports from China, effective Oct. 22, 2024. Full lists of [impacted EV](#), [steel and aluminum](#) products have been published.

The federal government recognizes that Canadian businesses relying on Chinese imports may struggle to adjust their supply chains in the face of such sudden and steep measures. To reduce this burden, the government has introduced a [remissions framework](#).

What is considered a valid request for remission?

Under this framework, the government will consider requests for tariff relief by Canadian importers where:

- a Canadian business cannot reasonably source goods used as inputs, or substitutes for those goods, either domestically or from non-Chinese sources;
- a contract that existed before Aug. 26, 2024, requires a Canadian business to purchase Chinese materials for a specified period of time; or
- there are other exceptional circumstances, evaluated on a case-by-case basis, that could have significant adverse impacts on the Canadian economy. Examples are when materials are in short supply or businesses require additional time to switch to alternate sources because of situations like certification requirements.

The government will not grant remission for goods that are intended for resale in the same condition to the U.S.

Further consultations were held concerning possible surtaxes to [protect other critical manufacturing sectors](#). If the government decides to impose additional surtaxes, those goods would also be covered by this remission process.

Similar frameworks have been implemented in the past. For example, after imposing surtaxes on U.S. steel and aluminum products in 2018, the government instituted a [regime for importers to request relief](#) from the payment of surtaxes or the refund of surtaxes already paid.

What is the path forward?

The Minister of Finance has set the criteria for eligibility and will consider applications for remissions under this framework. There is a [14-step template](#) that importers must follow.

Ensure your application for remission is complete and compelling by reaching out to the authors or any member of [BLG's International Trade and Investment](#) team.

By

[Rambod Behboodi](#), [Graeme A. Hamilton](#), [Nasra Moumin](#)

Expertise

[Corporate Commercial](#), [International Trade & Investment](#)

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BLG Offices

Calgary

Centennial Place, East Tower
520 3rd Avenue S.W.
Calgary, AB, Canada
T2P 0R3

T 403.232.9500
F 403.266.1395

Ottawa

World Exchange Plaza
100 Queen Street
Ottawa, ON, Canada
K1P 1J9

T 613.237.5160
F 613.230.8842

Vancouver

1200 Waterfront Centre
200 Burrard Street
Vancouver, BC, Canada
V7X 1T2

T 604.687.5744
F 604.687.1415

Montréal

1000 De La Gauchetière Street West
Suite 900
Montréal, QC, Canada
H3B 5H4

T 514.954.2555
F 514.879.9015

Toronto

Bay Adelaide Centre, East Tower
22 Adelaide Street West
Toronto, ON, Canada
M5H 4E3

T 416.367.6000
F 416.367.6749

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