

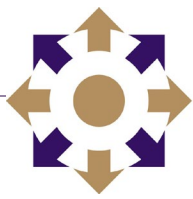


**The Chartered
Institute of Logistics
and Transport**

Understanding Key Issues in the Canadian Steel Industry

Exclusive Interview with François Desmarais, Vice President, Trade & Industry Affairs,
Canadian Steel Producers Association

April 8, 2026



The Chartered
Institute of Logistics
and Transport

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Today's Speakers

François Desmarais

Canadian Steel Producers Association



Joy Nott

KPMG Canada



The current landscape in Canada: Retaliatory tariffs



IN EFFECT**
 US March 13, 2025
 China October 22, 2024

Steel & Aluminum
25% or 50%

Nov 26, 2025 (2024 quotas FTA and non-FTA) 50%
 July 31, 2025 (melt and poured China) 25%



Suspended
 March 1, 2026

Electric vehicles
100%



IN EFFECT
 April 9, 2025

Automobiles
25%



Repealed**
 March 4 – Sept 1, 2025

List 1
25%

****April 16, 2025 : 6 -month temporary relief of surtaxes on US imported goods that are used in Canadian manufacturing, processing and food and beverage packaging used to support public health, health care, public safety and national security objectives. Extended to January 31, 2026, or June 30, 2026. 2-year refund window**

U.S. Steel and Aluminum Surtaxes 2025

1

Effective March 13, 2025

- **25%**
- Applies to commercial and casual goods
- Applies to goods imported by mail or courier
- Calculated on customs value of the imported steel/aluminum

2

When it Does Not Apply

- If the imported goods are classified in Chapters 98 (Non-commercial) and Chapter 99(Commercial) (note – there are exceptions to this relief)
- Good previously imported into Canada and duty paid
- Goods made in the U.S. and are repaired and altered in either country (cross-border repairs)
- Port of Campobello Island – residents only
- Akwesasne Resident Remission
- If in transit to Canada on specific dates

3

Proof of Origin

- Commercial invoice or any other document that contains the required customs data elements
- The surtax will only apply to steel, aluminum and certain other goods that originate in the U.S., which shall be considered as those **goods eligible to be marked as goods of the U.S. in accordance with the Determination of Country of Origin for the Purpose of Marking Goods (CUSMA Countries) Regulations.** *

4

Duties Relief & Drawback Programs

- Are still applicable if program conditions are met

*The surtax does not apply to goods eligible to be marked as originating from Puerto Rico, Guam, the Northern Mariana Islands, American Samoa or the U.S. Virgin Islands

Steel Goods and Aluminum Goods Surtax Order

July 31, 2025, China – melted and poured / smelt and cast

Effective July 31, 2025, certain steel goods imported into Canada and containing steel melted and poured in China and certain aluminum goods imported into Canada and containing aluminum smelted and cast in China are subject to a surtax in the amount of 25% of the value for duty.

The Schedule to the *Steel Goods and Aluminum Goods Surtax Order* contains a complete list of goods subject to the surtax

Steel

For the purposes of this surtax, goods contain steel melted and poured in China if the raw steel, or any portion of the raw steel, contained in the goods was first produced in a liquid state in a steel-making furnace and poured into its first solid state — which can take the form of a semi-finished or finished steel mill product — in China.

Aluminum

For the purposes of this surtax, goods contain aluminum smelted and cast in China if:

- a. the largest volume or, if any, second largest volume of primary aluminum contained in the goods was produced in China; or
- b. the aluminum contained in the goods was most recently liquified and cast into a solid state — which can take the form of a semi-finished or finished aluminum product — in China.

Aluminum goods are deemed to contain aluminum smelted and cast in China if the importer fails to provide, when requested by an officer a certificate or report that demonstrates that:

- a. the largest volume — and, if any, second largest volume — of primary aluminum contained in the goods was produced in a country other than China, and
- b. the aluminum contained in the goods was most recently liquified and cast into a solid state in a country other than China

From September 22, 2025, onwards:

Proof that country of melt and pour (COM) or country of smelt and cast (CSC) is not China, importers should have in their possession certificate or report with the required information.

The certificate or report can be a:

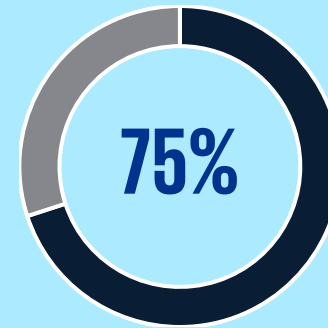
- mill test certificate
- mill test report or material test certificate
- certificate of conformance, compliance, inspection or analysis
- certified inspection report
- metallurgical test report
- chemical analysis certificate

If a certificate, report or commercial invoice is not presented upon request by an officer or is not considered acceptable upon review, the importer will be required to pay the applicable surtax.

Current landscape in Canada: Steel and aluminium surtaxes

On November 26, 2025, the Canadian PM announced new trade measures for the steel sector:

- **Reduced tariff-rate quotas (TRQs) on steel imports from most countries (effective Dec. 26, 2025)**
- **New 25% global tariff on various steel derivative products (next slide)**
- **Ending temporary remissions on U.S. goods below:**
 - January 31, 2026 on **steel** used in specific manufacturing (packaging, agriculture)
 - June 30, 2026 **steel goods** used for the manufacturing of **motor vehicles, aerospace goods, and their parts**
 - June 30, 2026, for **aluminum** goods used for manufacturing, processing, food and beverage packaging, and agricultural production in Canada;
 - to June 30, 2026, in the case of any goods used for **public health, health care, public safety and national security** purposes.
 - 2-year window to apply for refunds
- **Department of Finance company specific remission program still accepting applications**

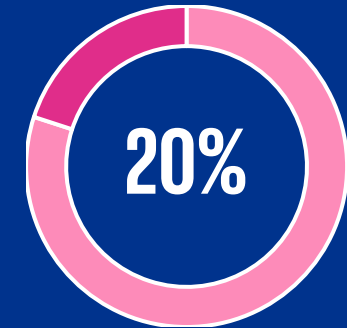


Non-CUSMA Countries

All other free trade partners

Tariff Rate Quotas (TRQ) levels reduced from 100% to 75% of 2024 levels

Once quota has been reached, tariff rate is 50%



Non-Free Trade Countries

Tariff Rate Quotas (TRQ) levels reduced from 50% to 20% of 2024 levels

Once quota has been reached, tariff rate is 50%

Current landscape in Canada: Surtaxes on steel derivatives

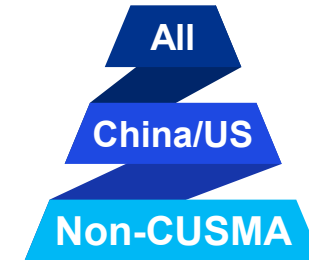
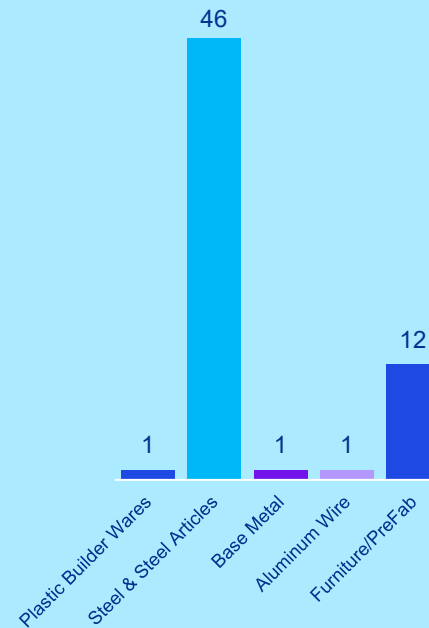
Effective December 26, 2025, certain steel derivative goods imported into Canada are subject to a surtax in the amount of 25% of the value for duty in accordance with the *Steel Derivative Goods Surtax Order*.

The tariff will **not** apply to:

- A. goods that are subject to a tariff under the *China Surtax Order (2024)*, the *United States Surtax Order (Steel and Aluminum 2025)*, the *Order Imposing a Surtax on the Importation of Certain Steel Goods* or the *Steel Goods and Aluminum Goods Surtax Order*;
- B. goods that are *casual goods*, as defined in section 2 of the *Persons Authorized to Account for Casual Goods Regulations*;
- C. goods that are classified under a tariff item of Chapter 98 of the List of Tariff Provisions, even if the goods are otherwise classifiable under a tariff item set out in the schedule;
- D. goods that are imported before July 1, 2026 for use in the manufacture of motor vehicles or chassis for motor vehicles or in the manufacture of parts of or accessories for motor vehicles or chassis for motor vehicles;
- E. goods that are imported before July 1, 2026 for use in aircraft, ground flying trainers or spacecraft or in parts of aircraft, ground flying trainers or spacecraft;
- F. utility wind towers, and sections of those towers, that are classified under tariff item 7308.20.00 and imported for installation in energy projects located west of the Ontario–Manitoba border; and
- G. goods that are in transit to Canada on the day on which tariffs come into force.

61 Tariff Classifications Listed in Order in Council

Duty charged on listed goods imported from all countries



Canada maintains a non-stackable policy for its surtaxes on steel. Only one of these measures can apply to a particular good, following this order of precedence:

- Surtax on steel imports over the established tariff rate quotas for non-CUSMA countries
- Either:
 - a) surtax on U.S. steel products;
 - b) surtax on Chinese steel products; or
 - c) surtax on non-U.S. imports that contain steel melted and poured in China
- Surtax on steel derivative products from all countries

Opportunity to Secure Refunds

Remissions on Retaliatory Surtaxes

China Surtax (Steel) CN 25-05	US Vehicles CN 25-17	US Goods (List 1) & Steel and Aluminum CN 25-19	Certain Steel Goods (Free Trade and Non-Free Trade Countries) CN 26-02	Steel Derivatives from any country CN 26-07
<p>To get relief from surtaxes, the imported goods must:</p> <ul style="list-style-type: none"> • Be listed in Schedules of the OIC • Be imported in a specific date range (various ranges depending on specific goods) • Imported by a named importer (in specific circumstances) • Goods cannot have been subsequently exported to the US • 2 years from date of import to apply for refund 	<p>To get relief from surtaxes, the imported goods must:</p> <ul style="list-style-type: none"> • Relief applies only to specific automotive OEMs on a quota basis • Vehicles imported between April 9, 2025 and April 8, 2026 • 2 years from date of import to apply for refund 	<p>To get relief from surtaxes, the imported goods must:</p> <ul style="list-style-type: none"> • Be imported for use in manufacturing or processing in Canada of any good <ul style="list-style-type: none"> • Includes automotive and aerospace, etc. • Be imported for use in packaging of a food product or beverage • Be imported for use by entities for the purpose of health care, public safety, national defence or national security • 2 years from date of import to apply for refund 	<p>To get relief from surtaxes, the imported goods must:</p> <ul style="list-style-type: none"> • Be listed in Schedules of the OIC • Be imported on or after June 27, 2025 • 2 years from date of import to apply for refund 	<p>To get relief from surtaxes, the imported goods must:</p> <ul style="list-style-type: none"> • Be listed in Schedules of the OIC • Be imported for use by entities for the purpose of health care, public safety, national defence or national security • utility wind towers, and sections of those towers, that are imported for installation on an offshore energy project, or are the subject of a purchase order, signed before December 26, 2025 by the proponent of an energy project in Canada, that specifies their price and quantity

Note : There is also relief for goods that were in transit to Canada when the surtaxes took effect

Canadian steel & aluminum tariffs: Concepts

01

Melt & pour/ smelt & cast

Country of origin is now determined by the country where the metal turned from liquid to a solid (except US)

Importers must have appropriate documentation (mill certificate, etc.) to prove where process took place or it could be assumed that the metal is from China.(specific list of goods)

02

Steel from China

Canada is actively seeking to limit the amount of Chinese steel that enters Canada from any country

03

Free trade partners other than CUSMA

Canada is not treating the imports from all countries the same way

Canada's quota are based on 2024 volume of imports
75% for Free Trade countries then 50%
20% for non-free trade countries then 50%
US is 25%
Mexico: normal tariffs apply

04

Steel derivative list

Specific list of 61 tariff classifications. Includes steel, aluminum, plastics, specific seating and pre-fabricated building

There is a remission order that may apply to imported steel derivatives in specific instances

05

Relief is available

Relief from the tariffs is available in specific circumstances. 2 -year window to go back and get refunds. (not a comprehensive list)

- Chapter 98 and 99 end use
- Department of Finance has a program where impacted companies that do not fit in existing remission orders can seek relief

06

Canada has a non-stacking policy

If multiple tariffs are applicable, there is a prescribed sequence that must be used to determine which tariff is owing

April 2, 2026 Presidential Proclamation: Imports of aluminum, steel, and copper

Annex I

Annex I-A articles (aluminum, steel, most copper):

- ▶ 50% tariff rate
- ▶ 25% for UK articles (melted/poured in UK)
- ▶ 10% for articles melted/cast in the U.S.

Annex I-B articles (certain copper, aluminum & steel derivatives):

- ▶ 25% tariff rate
- ▶ 15% for qualifying UK articles
- ▶ 10% where metal entirely smelted/cast in U.S.

Annex II

Removed from Scope of Section 232 Steel and Aluminum Derivatives

- Articles listed in this Annex by tariff classification number will not be subject to Section 232 aluminum, steel or copper tariffs.
- Any motorcycle part classifiable in Chapters 84, 85 or 87 of the HTS of the US and listed in Annex 1-B to this proclamation shall not be subject to Section 232 aluminum, steel or copper tariffs when imported exclusively for use in the manufacturing of motorcycles

Annex III

- **Derivatives capped at 15% until Jan 1, 2028 (10% if entirely U.S. origin)**
Other Key Details:
 - CBP implementing smelt & cast reporting requirements
 - **Removal of certain derivative products**
 - Multi-metal articles charged Section 232 duties once
 - Manufacturing drawback available for qualifying products
 - Existing WTO/country exemptions (UK, EU, Japan, Korea) preserved
 - **Section 232 applies only where metal is ≥15% of article weight**
 - Section 232 articles exempt from Section 122 duties



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Thank you
