



Global Trade Advisory Alert

US reinstates 10 percent supplemental tariffs on imports of Canadian-origin aluminum, and Canada responds with proposed countermeasures on US-origin aluminum

On 6 August 2020, US President Trump signed a presidential proclamation reinstating supplemental tariffs on certain aluminum products from Canada, effective 16 August 2020. The 10 percent supplemental tariffs, which are based on Section 232 of the Trade Expansion Act of 1962, will be levied on non-alloyed unwrought aluminum (HTSUS subheading 7601.10) of Canadian origin. The proclamation also stated that the US will monitor for import surges of articles currently exempt from supplemental tariffs under previous proclamations.

On 7 August 2020, in response to the US's action, Canada proposed proportionate countermeasures consisting of a 10 percent surtax on imports of a variety of raw aluminum and aluminum-containing US-origin products, which would take effect on 16 September 2020. Canada clarified in its announcement that it considers imports to be US-origin if they are eligible to be marked as goods of the US under applicable Canadian marking regulations. Also, the countermeasures

would not apply to US-origin goods that are in transit to Canada on the effective date.

Canadian businesses and industry associations impacted by the proposed countermeasures may submit written comments to Finance Canada by 6 September 2020.

How we can help

Deloitte's Global Trade Advisory specialists are part of a global network of professionals who can provide specialized assistance to companies in global trade matters. Our professionals can help companies seeking to manage the impacts and potential impacts of the developments described above by:

- preparing exclusion requests;
- assisting with the preparation of comments;
- obtaining and analyzing import data to assess the potential impacts of the announced and proposed trade measures;
- examining supply chains and imported products to identify opportunities to manage increased tariff costs;
- conducting strategic sourcing reviews to identify potential alternative sources of affected products;
- scrutinizing the accuracy of tariff classifications;
- considering tariff engineering opportunities;
- reviewing Incoterms® used in contracts to confirm responsibilities for customs duty payments; and
- undertaking customs valuation planning to manage the impacts of the supplemental tariffs.

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