







# Navigating international customs

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How to tackle customs, duties and selling worldwide with ease



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# Introduction

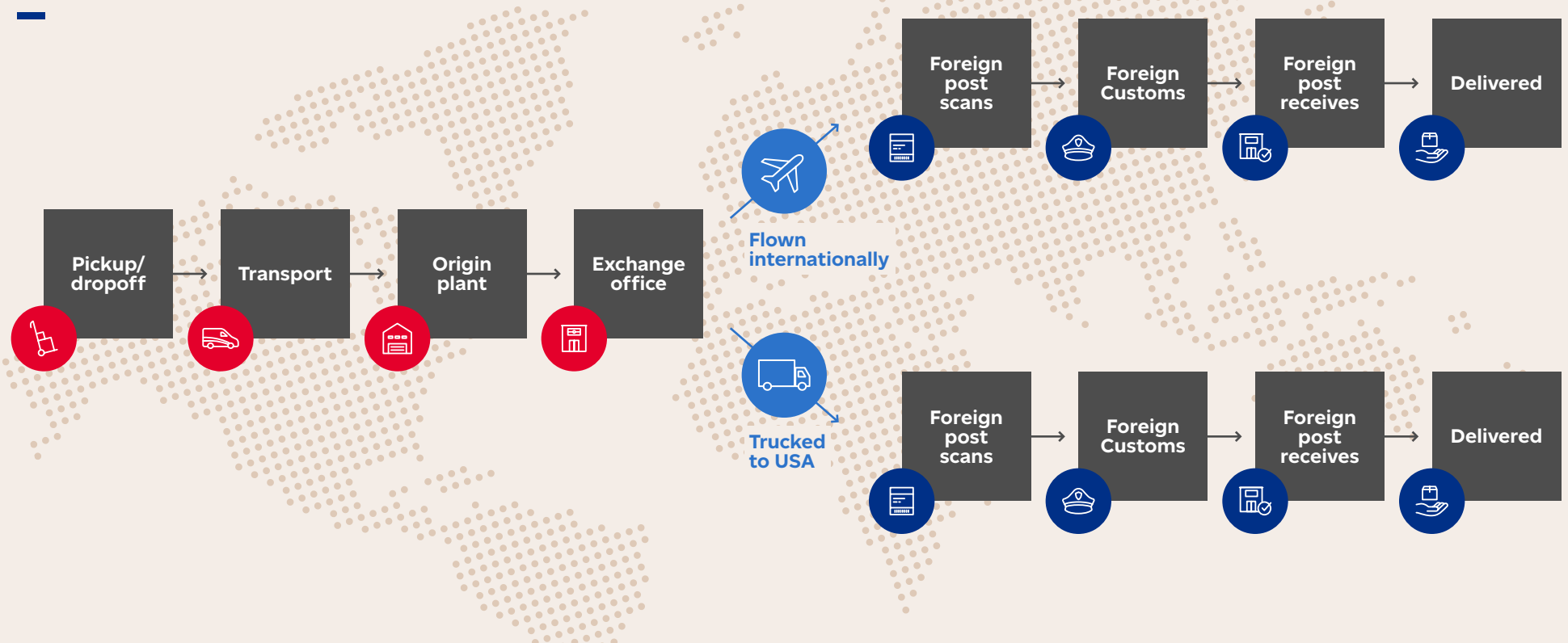
With global ecommerce sales poised to reach \$7.3 trillion by 2025, expanding beyond Canada's borders can offer merchants a wealth of opportunity. But for many businesses, international shipping remains an underexplored and untapped area. A major reason behind this hesitation to expand globally is the idea that international shipping will be too difficult, with customs being the biggest stumbling block. Rest assured, navigating customs isn't as daunting as you may think.

To help, we've created this short guide for businesses like yours looking to tackle customs simply and with confidence. Our insights on the customs process using the postal network can simplify the process and help you get started on your journey.

Source: *Global Ecommerce Forecast 2022*, eMarketer, January 2022



# How international shipping works with Canada Post



## Additional reading:

Need more information on how to grow your business internationally from start to finish? Download our guide *Expanding your ecommerce operations globally* at [canadapost.ca/intlguide](https://canadapost.ca/intlguide).

## Legend

-  Leg 1: Canada Post
-  Leg 2: Transportation to destination country
-  Leg 3: Foreign post

# Know what you can and can't ship across borders

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# Know what you can and can't ship across borders

Before you dive into cross-border shipping, it's vital to find out if there are any rules or regulations governing the shipment of your products to the destination to which you want to ship them.

Make sure to use the [Canada Post International Destination Listing](#). It's an essential online resource that enables you to search by destination to view their import restrictions and prohibitions.

**These regulations fall into two main categories: restricted and prohibited.**

**Restricted** means that special provisions must be met by the merchant before the item will be released from customs and allowed to enter the destination. These special provisions may include a certificate, a license, a form, or certain packaging requirements.

*Examples of restricted items in some destinations include weapons, certain cosmetics, perfumes that contain alcohol, and lithium batteries.*

**Prohibited** means the item is not allowed to be exported to the international destination at all. If you attempt to ship a prohibited item to that destination, it will most likely be seized and possibly destroyed by customs. Only in some instances do customs return prohibited items to the sender.

*Examples of prohibited items can include live animals, misbranded items and cigarettes.*

The list of restricted and prohibited items varies widely by destination, and these can include surprising items. So, it's important you don't assume that your products can be exported as is.

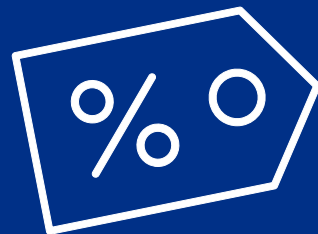
## Pro Tip:

Canada Post communicates any shipping services restrictions or suspensions related to weather, politics or circumstances beyond our control – such as COVID-19.

Visit [Delivery Service Alerts](#) to learn more.

# Understand how duties and taxes work

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# Understand how duties and taxes work

To help you get the most out of the cross-border opportunity, you'll want to gain an understanding of how international duties and taxes work. A good place to start is with the de minimis.

## Pro Tip:

### Communication up front is key.

To manage customer expectations and avoid cart abandonment, it's best to make your customers aware of all costs associated with the transaction before they check out – including the possibility of paying duties and taxes.

## The de minimis

Most destinations have set an exemption value that allows orders under that value to enter the destination duty-free. This de minimis varies by destination.

With \$800 set as the U.S. de minimis value, Canadian merchants have a great opportunity to expand south of the border. That means no additional fees need to be paid by you or your customers to ship orders under \$800 – leading to better margins and higher conversion rates.

Keep in mind that certain products in the U.S. may not qualify for the exemption, regardless of value. Find out more about the U.S. in [section 4](#) of this guide.

## Who pays for duty?

The answer to who pays for duty depends on how you ship the package – through the postal network (which means sending through Canada Post) or the commercial network (such as UPS, FedEx, or DHL).

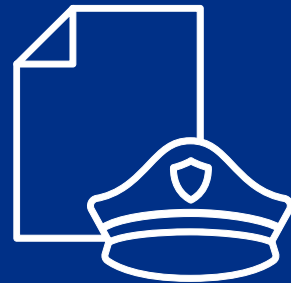
**Postal network:** When sending items through the postal network, it's the responsibility of the recipient to pay any duties. Customs officials will determine how much duty will be applied based on the information you have provided about the value of the shipment, destination of origin, materials used to manufacture the product, etc.

**Commercial network:** When you send items through the commercial network, the payment of duties and taxes can be the responsibility of the merchant or the recipient, depending on terms of sale.



# Fill out the customs forms accurately and in detail

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# Fill out the customs forms accurately and in detail

To clear customs, merchants must provide officials with the information they need to do their inspections. This information (i.e., the value of the item being shipped, the description of the item, or, in some cases, where the item was manufactured) is provided on a customs form.

## Pro Tip:

Globally, the customs process is starting to become automated. That means that increasingly, your customs information will be electronically sent to customs officials once you fill out your form – so your package can make it across borders even faster.

## The most important takeaway for merchants:

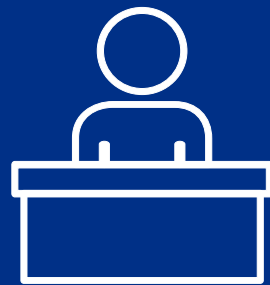
When you fill out the form, do it accurately and provide details when describing the contents of the package. Doing so will help you clear the primary inspection and ultimately get your order to your customers faster.

When you ship with Canada Post, we provide all the required shipping and customs labels through our shipping tools, allowing for an easy and simplified creation of shipping labels. To view the fields and information needed on the customs form, download our guide, *Expanding your ecommerce operations globally* at [canadapost.ca/intlguide](https://canadapost.ca/intlguide).

**Note:** If you are sending your package through the commercial network (e.g., UPS, FedEx or DHL), you will need to provide additional documentation, such as a commercial invoice and an airway bill. Additional information may also be required, such as the destination where your item was manufactured and the Harmonized System code. The destination of manufacture and the Harmonized System code are optional in the postal network but highly encouraged to expedite the clearance of your package at customs.

**When you ship with Canada Post, the customs form is integrated right into your shipping label. It's that easy!**

Learn the  
customs  
process –  
it's not as  
complicated  
as you think  
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# Learn the customs process – it's not as complicated as you think

While all goods shipped internationally are subject to the specific customs laws and regulations of the receiving destination, the postal customs process is similar for most destinations.

It looks like this:

## Pro Tip:

To help you pass the primary inspection – and achieve a faster delivery process – provide as much detailed product information as possible on the customs form. See the next section to learn more.

How do customs and duties get assessed? Read our blog on the customs process at [canadapost.ca/customsprocess](https://canadapost.ca/customsprocess).

## The primary inspection

Once the package is received in the destination country, it begins the customs process, which starts with the primary inspection.

- At this stage, the information on the customs declaration is verified (e.g., sender, receiver, value, commodity, etc.) and the item is visually inspected by a customs official who decides whether to clear the item for delivery or forward it for a secondary inspection.
- A package is generally cleared at this stage if the customs form is filled out correctly, if there are no restrictions or prohibitions on the item, and if the value of the goods being shipped is declared to be under the de minimis threshold.
- From here, your package is cleared for delivery and handed off to the destination's postal network.

## The secondary inspection

There are several reasons a shipment may be subject to a secondary inspection:

- Its value exceeds the de minimis and duties needed to be assessed by a customs official.
- The shipment includes items requiring further inspection by other government agencies to determine whether the shipment is compliant with import laws of the destination.
- Customs may find some aspects of the package suspicious and wish to perform a more in-depth inspection. This could include mis-declaration of value, suspicious content, etc.
- Once your package clears the secondary inspection, it's cleared for delivery.

## Packages that are denied clearance

During the secondary inspection, packages are generally denied clearance if they're found to contain items that are non-mailable matter, prohibited, or that are restricted and the merchant has failed to provide the necessary documentation.

# Know the ins and outs of shipping to the U.S.

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# Know the ins and outs of shipping to the U.S.

The U.S. offers many opportunities for Canadian businesses, especially given the high \$800 de minimis. To fully benefit, it's important to stay on top of the rules and regulations of the U.S. Customs and Border Protection.

Here are a few examples of rules to be aware of:

Learn more about Canada Post services available to support your business.

## Shipping food

The U.S. Food and Drug Administration (FDA) requires prior notice on all products for human and animal consumption that are sent into the U.S.

The prior notice confirmation must be listed on the package to allow U.S. Customs to reconcile the filing with the FDA.

For more information, visit [fda.gov/food/food-imports-exports/importing-food-products-united-states](https://www.fda.gov/food/food-imports-exports/importing-food-products-united-states).

## Shipping electronics

While electronic products do not require additional paperwork or electronic filing, they do need to comply with the U.S. Federal Communications Commission (FCC) regulations.

## Meet customer expectations in the U.S. and beyond

**Delivery standards:** The lack of delivery information at checkout negatively affects conversion. It's important to let your customers know how long it will take to receive their package.

**Tracking:** Providing customers the ability to track their order has become an ecommerce best practice – and a customer expectation. It offers you benefits as well, including fewer customer service calls and queries.

**Additional features:** Give your global customers reasons to trust you. Provide them with peace-of-mind service features like signature confirmation, delivery confirmation and liability coverage.\*

\*Additional features are available for certain products to limited destinations.

# Prohibited items and restrictions in the U.S.

Find the full list of restricted and prohibited items for the U.S. and other international destinations in the [Canada Post International Destination Listing](#).

## Examples of restricted items



Cosmetics



Coffee



Fruits and nuts



Fish products



Insects and reptiles



Pharmaceutical products

## Examples of prohibited items:



Cured and dried meat



Charcoal briquettes



Plant and plant products



Radiation-emitting electronic products



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### Pro Tip:

Want to grow your business internationally? Need more information? Download our guide *Expanding your ecommerce operations globally* at [canadapost.ca/intlguide](https://canadapost.ca/intlguide).


# We can help

We enable businesses of all sizes to take on the world by moving your products across borders in cost-effective, time-saving, and customer-friendly ways. We also provide the expertise, tips and hints needed to succeed in a global marketplace.

Here's how:

- 1. Worldwide access:** Our global network and partnership with worldwide postal operators ensures products can be delivered to anyone, including remote locations.
- 2. Simplicity:** It's easy and convenient to ship goods in just a few clicks with Canada Post's integrated shipping tools with an easy addition to your Canadian operations.
- 3. Affordable:** We offer competitive pricing for both low- and high-volume shippers.
- 4. Flexibility:** With a variety of shipping services to help you provide the best final mile experience around the world, speed, signature, etc., covers your needs as well as those of your customers.
- 5. Expert help:** We're just a phone call away to provide guidance, tips and support at every step.



 **Contact our representatives across Canada, we're ready to assist you.**

Contact an international shipping expert for a free consultation at 1-866-282-7170 or visit us at [canadapost.ca/intlsupport](https://canadapost.ca/intlsupport)