



**PF Collins**  
International Trade Solutions

# THE NON-RESIDENT IMPORTER (NRI)

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**NON-RESIDENT REFERENCE GUIDE TO  
IMPORTING GOODS INTO CANADA**

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# 1 INTRODUCTION

The following information is intended to provide United States and other international businesses with an overview of the legislative environment and processes & procedures required when planning to import goods into Canada as a Non-Resident Importer (**NRI**).

The Non-Resident Importer (NRI) Program is an initiative of the Canada Border Services Agency (CBSA) that allows United States/international exporters to sell products to Canadian customers directly on a delivered-price basis, without the need for a physical presence in Canada.

Registering as an NRI offers many benefits, including better control over your supply chain, an increased ability to compete in the Canadian marketplace, and opportunities to provide better service to Canadian customers.

This guide provides an overview of the benefits of becoming a Non-Resident Importer, your responsibilities as an NRI, and how to register in the NRI Program.

## 2 WHO IS A NON-RESIDENT IMPORTER?

A Non-Resident Importer (NRI) is a business based outside of Canada, who does not have a physical presence in Canada, but imports goods into Canada under their own name. By registering as an NRI, your company becomes the Importer of Record (IOR) into Canada.

Becoming the Importer of Record offers many benefits, but also many responsibilities. One of the biggest benefits is that, as both the exporter in your own country and the importer in Canada, you can include all the costs of shipping and customs clearance into one price to the customer. The sale resembles a domestic transaction for your Canadian customer, making it easier for them to purchase your product.

The risk of becoming the Importer of Record is that you are ultimately responsible for complying with the many rules and regulations associated with importing goods into Canada under the [Customs Act](#) and [Customs Tariff Act](#).

We take a closer look at the benefits and responsibilities in the following sections.

# 3

## BENEFITS OF BECOMING AN NRI

Becoming an NRI offers many benefits for international businesses wishing to sell their products to Canadian consumers, including reduced costs, better control over your supply chain, and the ability to provide better service to Canadian customers.

### 3.1 Reduced Costs

As a Non-Resident Importer, you do not need to have a physical presence in Canada to sell directly to Canadian customers. This reduces operating and overhead expenses associated with infrastructure, operations staff, as well as warehousing and distribution.

Being an NRI also contributes to savings within the supply chain. As the exporter in your own country and the importer in Canada your supply chain becomes more efficient, allowing you to better estimate and control costs for all elements of shipping and import into Canada (shipping charges, customs clearance fees, duty and taxes, etc.).

### 3.2 Supply Chain Control, Accountability & Visibility

As both the exporter and importer, you control the shipping process from door-to-door. This allows you to track the movement of the shipment and better manage potential bottlenecks along the supply chain.

Becoming an NRI also allows you to establish consistency in your import processes, reducing delays at the border, and delivery times to customers.

### 3.3 Accessibility for Customers

NRIs have the ability to offer direct delivery to Canadian customers, removing the administrative burdens and “hidden fees” often associated with buying products internationally. Becoming the Importer of Record in Canada allows you to sell your products to customers on a Delivered Duty Paid (DDP) basis ([Incoterms 2020](#)), meaning you pay all the costs associated with delivering the goods door-to-door to your customer. For the customer, the online or invoice price is the final amount paid and the seller provides all shipment tracking.

### 3.4 Competitive in the Canadian Marketplace

Through reduced costs and easier access for Canadian consumers, the NRI Program allows you to compete more effectively and increase your sales and market share in Canada. Your sales resemble domestic transactions to Canadian customers, similar to purchasing the products from a Canadian company, thus making your product more accessible.

## 4 RESPONSIBILITIES OF AN NRI

The largest risk of becoming a Non-Resident Importer of Record is assuming responsibility for compliance with the many customs laws and regulations related to importing commercial goods into Canada. This includes, but is not limited to

- Submitting accurate and complete information to the CBSA
- Paying the applicable duty and taxes
- Maintaining records related to all importations

Failure to submit the required information and payments may result in fines and penalties under the [Administrative Monetary Penalty System](#) (AMPS), confiscation of goods, or prohibition from future importations.

### 4.1 Submitting Correct Information

Goods imported into Canada require specific information for clearance by CBSA at the border. Requirements include:

- Correct tariff classification for the product being imported
- A Canada Customs Invoice (CCI) or commercial invoice detailing the same information as a CCI
- Certificate of Origin to apply preferential tariff treatment (e.g. [CUSMA](#), [CETA](#), etc.)
- Any additional information required for the specific product being imported (e.g. import permits)

#### 4.1.1 Determining Tariff Classification

The Customs Tariff provides tariff classifications and rates of duty for thousands of products based on the Harmonized Commodity Description and Coding System (HS Code) – the universal coding structure used in international trade. As the Importer of Record, you are responsible for ensuring that the tariff classification for the product you are importing is correct on documentation submitted to the CBSA.

#### 4.1.2 Canada Customs Invoice

All commercial shipments imported into Canada must include a commercial invoice providing specific information, including but not limited to the buyer and seller, country of origin, price paid or payable, quantity, and description of the goods.

A [Canada Customs Invoice](#) (CCI) is required for shipments. A commercial invoice may be used if it details the same information as a CCI. NRIs may also submit both a CCI and commercial invoice with their shipment.

As an NRI, your selling price will include duty, Goods and Services Tax (GST), customs brokerage, and freight/shipping costs. All charges must be stated on your commercial invoice so that duty and GST is calculated on the correct value. The HS Code provides for accurate calculation of duty, based on the tariff classification and country of origin.

#### 4.1.3 Certificate of Origin

To take advantage of reduced or eliminated duty rates under a Free Trade Agreement, such as [CUSMA](#) or [CETA](#), a Certificate of Origin or Origin Declaration must be provided at the time of customs clearance.

NRIs benefit from CUSMA in that a “blanket” [CUSMA Certificate of Origin](#) is only required once per year, covering all imported shipments into Canada for a one-year period.

#### 4.1.4 Import Permits

Certain goods entering Canada are controlled and/or restricted and require an Import Permit for importation. Examples of products listed on [Canada's Import Control List](#) include certain steel, dairy, textile products, as well as military goods and firearms.

#### 4.1.5 Participating Government Agencies (PGA)

Depending on the nature of the product, your imports may be subject to [Participating Government Agencies](#) (PGA) requirements. Examples of products affected by PGA regulations include food, pharmaceuticals, plants, animals, etc. CBSA provides a list of some of the [most commonly imported commodities](#) that may require permits and/or certificates from other federal government departments and agencies.

## 4.2 Paying Duty & Taxes

CBSA requires payment to be made from a Canadian financial institution. If you are unable to do so, contact your Custom Brokers to make alternative arrangements.

### 4.2.1 Valuation

In accordance with the Customs Act, a ["Value for Duty"](#) must be declared for all goods imported to Canada. The primary method of valuation in Canada is the [Transaction Value Method](#). Under this method, the value for duty is based on the price paid or payable for imported goods with consideration to certain adjustments.

Non-Resident Importers face challenges when applying valuation methods to their products. Acting as both the exporter and importer, it is more difficult to demonstrate an arm's length transaction and reliable invoice price. Prior to 1997, the only prerequisite for using the Transaction Value Method was the sale of goods clearly destined for Canada as a condition of the sale. Revised regulations affect NRIs and importers without a significant presence in Canada (such as a branch operation of a non-resident parent) unless the goods are purchased on market estimates, with no buyer at the time of import.



We advise NRIs or importers without substantial operations in Canada to seek further assistance from a licensed [Customs Broker](#) when considering valuation and CBSA's approach to NRI valuation methods.

#### 4.2.2 Duty Payments

As previously described under Section 4.1.1 – Determining Tariff Classification, the Customs Tariff provides tariff classifications and rates of duty for imported commodities based on the HS Code. As the Importer of Record, you are responsible for payment of duties owed on imported goods.

#### 4.2.3 Taxes

##### Federal Tax (GST)

Goods and services imported and sold in Canada are subject to a federal [Goods and Services Tax](#) (GST). NRIs carrying out business in Canada or have annual sales exceeding \$30,000, must register for the GST and will be required to post a GST security bond. GST is applied at a rate of 5% of the duty paid value of the goods upon importation. Under certain circumstances, an NRI registered for GST can recover the GST paid to the CBSA by claiming input tax credits (ITC).

Non-GST registered NRIs cannot show GST as a separate line item on their commercial invoice. To recover any GST, they may do so via “flow-through mechanism” which incorporates the GST into their selling price and transfer (or assign) the input tax credit to the Canadian customer

##### *Provincial Tax (PST & HST)*

In addition to the GST, each Canadian province has its own [provincial sales tax](#) to which an NRI carrying on business in Canada must register. Taxes vary, with some provinces having a Provincial Sales Tax (PST), and others harmonizing their taxes into a Harmonized Sales Tax (HST). The rate of tax varies between provinces.



### 4.3 Maintaining Records

All companies or individuals importing or exporting to/from Canada must maintain accurate records of their activity for a period of six (6) years plus the current year.

Under [authorization from the CBSA](#), NRIs may designate their Canadian Customs Broker to maintain all shipment-related documentation and records. The NRI must submit a request in writing to the CBSA for approval. Alternatively, NRIs that are located within a CUSMA country (USA or Mexico) may submit a letter of undertaking to CBSA for authorization to maintain records at their place of business outside of Canada.

## 5 HOW TO BECOME AN NRI IN CANADA

### 5.1 Apply for a Canadian Business Number (BN)

To become a Non-Resident Importer you must first obtain a [Business Number](#) (BN) from the [Canada Revenue Agency](#) (CRA) prior to importing into Canada. The Business Number is a unique number assigned that is used by companies in Canada to transact with governmental agencies. The BN has 15 digits: nine numbers as the unique business identifier, two letters to determine the Revenue Canada business account (corporate income tax, payroll deductions, GST/HST, and import/export), and four numbers to identify each account in a program a business may have.

As an Importer, you will require an Import/Export account. Import/Export accounts are identified by the two-letter business account 'RM'.

For example, your import/export account may look like this:

**123456789RM0001**

Import/export account numbers must be entered on documents submitted to CBSA for customs clearance and are only used when importing. This account will expire after two (2) years if you do not participate in any importing activities, but may be reactivated by contacting CBSA. Any

change in status (e.g., name or address change) should also be reported to CBSA or your Customs Broker as soon as possible.

To register for a Business Number, or to add an import/export account to an existing Business Number, contact the CRA's Business Window at 1-800-959-5525, or register online using the [Business Registration Online](#) (BRO) service. You may also complete [Form RC1](#), Request for a Business Number and Certain Program Accounts, and mail or fax it to your nearest tax service office.

## 5.2 Register with CBSA

Non-Resident Importers must register with the CBSA, advising of the location in which records will be kept (or submitting a [letter of undertaking](#) to request approval from CBSA to maintain records outside of Canada).

## 5.3 CBSA Assessment & Revenue Management (CARM)

Canada Border Services Agency (CBSA) introduced an online, self-service portal for commercial importers, called the CARM Client Portal. A part of the CBSA Assessment and Revenue Management (CARM) project, the [CARM Client Portal](#) significantly changes the way Canadian businesses report their imported goods and make duty/tax payments to CBSA.

To import goods into Canada, NRIs are required to register and make duty/tax payments through the portal. All importers must:

1. Register to the CARM Client Portal. If you require registration assistance, please complete the CARM [registration form](#) on our website.
2. Have adequate RPP (Release Prior to Payment) Security. The most common and efficient manner is to secure an RPP Duty Bond. For assistance in applying for a security bond, please send us an email at [suretybond@pfcollins.com](mailto:suretybond@pfcollins.com)

For more information, visit [pfcollins.com/CARM](https://pfcollins.com/CARM). We offer a full line of CARM Registration services to help get you registered in CARM.

## 5.4 Consider Hiring a Customs Broker

The simplest way to register for the NRI program is through a Customs Broker, like PF Collins. By completing a [General Agency Agreement](#), we can assist with the NRI registration and guide you through all aspects of importing to Canada.

Our customs brokerage services include, but are not limited to

- Obtaining a Canadian Business Number
- Selecting appropriate Tariff Classifications
- Valuation for your products
- Applying Free Trade Agreement benefits (CUSMA, CETA, etc.)
- Ensuring compliance with Participating Government Agencies (PGA) requirements
- Assistance in preparing documents (e.g. Canada Customs Invoice)
- Maintenance of Records

Offering a full line of integrated international trade and logistics services, PF Collins can also arrange [transportation services](#) for your imports from the U.S. or international shipping point to final destination in Canada.

To get started, the following information will be required:

- Information on products to be imported into Canada, including a full description and corresponding HS Codes (if known)
- Storage and distribution requirements (e.g. cross-dock only, pick and pack, labelling, inventory management and reporting requirements, etc.)
- Packaging characteristics of your products (e.g. carton size, weight, dimensions, etc.)
- Customs address locations in Canada
- Transit time requirements
- Preferred mode of transportation (truck, rail, airfreight, courier, etc.)

**FOR ADDITIONAL INFORMATION OR QUESTIONS, CONTACT US:**



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