

Advisory Notice / Tariffs / TRQs / Dec 7

Dear valued client,

The Government of Canada has announced significant **new measures impacting steel imports, tariff rate quotas (TRQs), and remission programs for U.S. goods.**

These changes are intended to limit foreign steel entering the Canadian market and increase domestic production competitiveness.

The adjustments will affect import planning, costing, and supply-chain strategies beginning **December 26, 2025**, with further staged dates into early 2026

Country type	Previous TRQ level	New TRQ level (Dec 26, 2025)	Over-quota rate
Non-FTA countries	50% of 2024 levels	Reduced to 20%	50% surtax remains in effect
FTA Countries (excluding U.S. & Mexico)	100% of 2024 levels	Reduced to 75%	50% surtax remains in effect
CUSMA: United States & Mexico	Exempt	Exempt (no change)	No surtax

New 25% tariff on steel derivative products

Also effective December 26, 2025, Canada will apply a **25% tariff on the full value** of listed steel-derivative products imported from **all countries**.

- Applies initially to a selected list of products produced in Canada.
- Expected to impact over \$10 billion in imports.
- Applies to goods where steel content makes up a large portion of total value.

Steel derivative products categories

- Certain shapes of iron/non-alloy steel
- Doors and windows
- Wire, ropes, cables, and chains
- Fasteners (e.g., nails, screws)
- Structures (e.g., prefabricated buildings, bridges, and wind towers)
- Steel and iron cloth, grille, and netting
- Seating with metal frame and certain metal furniture

A more comprehensive list will be made available.

Expiry of temporary remission measures on U.S. goods

The government has announced staged expiry dates for temporary counter-tariff remission programs:

Product type	Remission end date
General goods used in manufacturing, processing, food/beverage packaging & agriculture	December 15, 2025
U.S. steel used for manufacturing, processing, food/beverage packaging & agriculture	January 31, 2026 (exception continues for auto, auto parts & aerospace)
Aluminum products	Continues beyond January 31, 2026

Importers may continue to apply for remission under the existing **remission framework (March 4, 2025)** where inputs **cannot be sourced domestically** or meet narrow economic criteria.

Impacts & recommended actions

What this means for importers

- Increased costs and limited allocation availability for non-FTA steel imports.

- Higher landed costs for many steel-derived goods due to new 25% tariffs.
- Potential cost realignment in industries relying on U.S. steel & raw materials.
- Increased pressure to shift sourcing toward Canadian-produced commodities.

Recommended next steps

- Review open POs and supply-contracts extending beyond December 2025.
- Identify shipments affected by TRQ reductions or new derivative-tariff exposure.
- Budget for price changes and possible allocation restrictions.
- Evaluate domestic or CUSMA-origin sourcing alternatives.
- Consider remission application routes where domestic sourcing is not viable.

For support or questions, please contact your JORI representative.

Thank you for your continued partnership.

Kind regards,

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