



McCLARY, SWIFT & CO.

BLAINE, INC.

Canadian Tariffs on U.S.-Made Boats

On March 8, 2018, The United States announced the imposition of tariffs on certain steel and aluminum products from various countries. The rates are 25% for steel and 10% for aluminum products, which are in addition to the regular duty rates. These rates became effective for goods imported into the U.S. on or after March 23, 2018.

Certain countries, including Canada, were exempt from the additional duties. On May 31, 2018, the U.S. removed the exemptions for Canada, Mexico and the European Community and announced these countries would be subject to the additional tariffs effective June 1.

In response to these measures, Canada intends to impose surtaxes or similar trade restrictive countermeasures on various products from the U.S.

The list of affected items includes boats, which will be subject to a 10% tariff.

Specifically, the following tariff numbers are affected, which covers nearly all types of recreational boats:

Tariff number	Description
8903.10.	Inflatable Boats
8903.91.	Sailboats
8903.92.	Powerboats
8903.99.	Outboard Motorboats

Since the tariffs are based on the country of origin, not the country of export, only U.S.-made boats will be subject to this duty.

The additional 10% tariff will be assessed on U.S. origin (*i.e.* U.S. made) boats and will become effective July 1, 2018.

These rates will remain in place as long as the U.S. duties remain effective for Canadian steel and aluminum.

For more information on the U.S. duties, please see U.S. Customs' FAQ's at:
<https://www.cbp.gov/trade/programs-administration/entry-summary/232-tariffs-aluminum-and-steel>

For more information on the Canadian tariffs, please see:
<https://www.fin.gc.ca/activty/consult/cacsap-cmpcaa-eng.asp>

By **Mark Johnson** on June 14, 2018