

WELCOME

Canada/USA Cross-Border Priority Trade Developments and Updates Webinar Series

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Importing Personal Protective Equipment (PPE)

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Please note all information provided during this session is not intended to constitute legal advice; instead, all information, content, and materials available are for general informational purposes only.



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THE TIMES THEY ARE A-CHANGIN...*BOB DYLAN 1964*

- COVID-19 has created an unprecedented demand for access to PPE products than ever before. Canadian Border Services Agency(CBSA) in conjunction with Health Canada have created interim measures to ensure that PPE products are readably available to meet the needs of all Canadians.
- At the same time, importers must still abide by CBSA and Health Canada regulations. The purpose of this presentation is to outline the basics of importing PPE products and identify when to seek out further specific information.



WHAT ARE PPE PRODUCTS?

- Personal protective equipment are items worn to provide a barrier to help prevent potential exposure to infectious disease.
- Face and Eye protection
 - Goggles
 - Face masks
 - Masks with visor attachments
- Gloves
- Protective Garments
- Personal protective equipment sold for medical purposes are classified as medical devices in Canada. Under the Medical Devices Regulations, [medical masks](#), [N95 respirators](#), [medical gowns](#), face shields and medical goggles are Class I medical devices. [Medical gloves](#) are Class II medical devices. Consult Health Canada for further information.



FACE AND EYE PROTECTION

Plastic face shields (covering more than the eye area)	3926.90.10.00 Safety face shields designed for use by workers employed in hazardous work, and parts thereof;
Plastic face-masks , without mechanical parts, with or without a replaceable non-woven filter	3926.90.10.00 Respirators, consisting of several layers of nonwovens of man-made fibres, whether or not treated with activated carbon, with or without an exhalation valve, to be employed in a noxious atmosphere 3926.90.99.20 Safety equipment and parts thereof
Cellulose/paper masks	4818.90.00.00
Textile face-masks , without a replaceable filter or mechanical parts, including surgical masks and disposable face-masks made of non-woven textiles. This includes masks known as N95 particulate respirators	<ul style="list-style-type: none"> •6307.90.10.00 Respirators, NIOSH approved or equivalent, consisting of several layers of nonwovens of man-made fibers, whether or not treated with activated carbon, with or without an exhalation valve, to be employed in a noxious atmosphere •6307.90.99.20 Face-masks
Protective spectacles and goggles	9004.90.10.00
Gas masks with mechanical parts or replaceable filters for protection against biological agents. Also includes such masks incorporating eye protection or facial shields	9020.00.00.00



GLOVES

Plastics gloves	3926.20.10.00 Protective suits and their accessories (including gloves), to be employed in a noxious atmosphere; to be employed in clean rooms 3926.20.91.00 Other disposable gloves 3926.20.92.90 Non-disposable gloves
Surgical rubber gloves	4015.11.00.00 Surgical
Other rubber gloves	4015.19.10.00 Protective gloves to be employed with protective suits in a noxious atmosphere 4015.19.90.00 Other
Other rubber gloves, mitts	4015.19.90.00
Knitted or crocheted gloves which have been impregnated or covered with plastics or rubber	6116.10.00.10 with plastics 6116.10.00.20 with rubber
Textile gloves that are not knitted or crocheted	6216.00.00.10 work



PROTECTIVE GARMENTS AND THE LIKE

<p>Protective garments made from plastic sheeting</p>	<p>3926.20.10.00 Protective suits and their accessories (including gloves), to be employed in a noxious atmosphere</p>
<p>Other articles of apparel and clothing accessories</p>	<p>3926.20.93.00 containing not more than 25% by weight of woven fabrics of man-made fibres, coated on both sides with polymers of vinyl chloride 3926.20.94.00 of plastics combined with knitted or woven fabrics, bolducs, nonwovens or felt, containing woven fabrics of more than 50% by weight of silk 3926.20.95.00 of plastics combined with knitted or woven fabrics, bolducs, nonwovens or felt 3926.20.99.90 Other</p>
<p>Protective garments made from rubber sheeting</p>	<p>4015.90.10.00 Protective suits and parts thereof, to be employed in a noxious atmosphere 4015.90.90.00 Other</p>



PROTECTIVE GARMENTS AND THE LIKE (CONT'D)

<p>Paper or cellulose garments and clothing accessories such as disposable paper hospital gowns, paper shoe covers, etc.</p>	<p>4818.50.00.00</p>
<p>Garments, made up of knitted or crocheted fabrics of heading 59.03, 59.06 or 59.07 * There are many more</p>	<p>•6113.00.10.00 Protective suits, to be employed in a noxious atmosphere •6113.00.90.00 Other</p>



OTHER GOVERNMENT DEPARTMENT REQUIREMENTS

CBSA works with Health Canada to assess the compliance of health products at the border. To ensure that CBSA and Health Canada can determine if health products including PPE items meet requirements, shipments should include information such as:

- Product license number if required.
- Site or establishment license numbers if required.
- Importers should work with their Customs Brokers and/or Trade Attorneys to ensure products are declared correctly for entry into Canada.
- CBSA requests that importers add the term 'URGENT – COVID-19' for goods description in release information submitted to the CBSA for all medical devices being imported to Canada for this purpose.



PERSONAL PROTECTIVE EQUIPMENT (PPE)

Department of Finance Announcement

- On March 17, 2020, Canada waived customs duties and sales taxes on goods for emergency use, including medical supplies and PPE, in response to COVID-19, when imported by or on behalf of certain entities, including health authorities (e.g. public health bodies, first responders), under the Goods for Emergency Use Remission Order. On April 6, 2020, this relief was extended to imports by or on behalf of public or private care residences, such as seniors' residences, retirement homes, nursing homes and shelters.



PERSONAL PROTECTIVE EQUIPMENT (PPE) (CONT'D)

Department of Finance Announcement (cont'd)

- On 6 May 2020, the Department of Finance Canada announced it will be waiving tariffs on certain medical goods, including personal protective equipment (PPE) such as masks and gloves, significantly reducing the cost of importing PPE into Canada.



PERSONAL PROTECTIVE EQUIPMENT (PPE) (CONT'D)

Customs Notice N-20-19 – Certain Goods Remission Order (COVID-19)

- The notice provides information on the Certain Goods Remission Order (COVID-19), which allows for the relief of customs duty for eligible goods imported on or after May 5, 2020. This relief can be claimed at the time of importation or within two years of the date of importation.



PERSONAL PROTECTIVE EQUIPMENT (PPE) (CONT'D)

Customs Notice N-20-19 – Certain Goods Remission Order (COVID-19) (cont'd)

- Appendix A of Customs Notice N-20-19 provides a list and description of goods based on tariff classification which are eligible for relief under this Order. Appendix B of the notice provides a list of other medical supplies that are not subject to this Order as they are already eligible for Most-Favoured Nation duty-free tariff treatment.



PERSONAL PROTECTIVE EQUIPMENT (PPE) (CONT'D)

Customs Notice N-20-12 – Tariff Classification and Other Information to Import Medical Supplies

- Customs Notice helps inform the commercial importing community of the **tariff classification** number and other useful information for the importation of certain medical supplies.
- A list of medical supplies for COVID-19 based on HS codes identified by tariff classification under Canada's Customs Tariff is provided in the notice.



PERSONAL PROTECTIVE EQUIPMENT (PPE) (CONT'D)

Customs Notice N-20-12 – Tariff Classification and Other Information to Import Medical Supplies (cont'd)

- A list of medical supplies (e.g. diagnostic test kits, gloves, masks etc.) based on description and tariff classification is provided in Customs Notice N-20-12.
- To obtain relief of customs duties for commercial goods at time of import, special authorization code 2020-304 is entered in field 26 – *Special Authority* of Form B3-3.



PERSONAL PROTECTIVE EQUIPMENT (PPE) (CONT'D)

Points to consider in purchasing and importing PPE into Canada

- Bad actors – i.e. Product certifications, is the factory registered for manufacturing certified PPE products etc.
- Contracts – Payment terms, price increases, which party assumes liability risk.
- Quality Assurance.
- Logistics – understand export/import terms (-Exworks, FOB, CIF, DDP etc.).
- Plan for a changing environment (e.g. supply chain disruptions etc.).



PERSONAL PROTECTIVE EQUIPMENT (PPE) (CONT'D)

Starting a PPE Importing Business

- Start small on first few transactions with distributor or factory.
- Negotiate payment terms – smallest possible deposit
- Controlling price increases:
 - Use larger blanket orders at a fixed price with weekly/monthly shipments.
 - Payment for goods be based on “per shipment” basis.



PERSONAL PROTECTIVE EQUIPMENT (PPE) (CONT'D)

Starting a PPE Importing Business (cont'd)

- Try to sell the goods (high demand) prior to the importation of the goods to reduce inventory and logistic costs.
- Leverage several suppliers for the same item.
- Build up orders on a scheduled shipment – use airfreight to work through immediate shortages and push larger orders to ocean (typically around 21 days).



PERSONAL PROTECTIVE EQUIPMENT (PPE) (CON'T)

Checklist for starting a PPE Importing Business

- Contract Documentation
 - Blanket Purchase and Sale Agreement
 - Purchase Order
 - Power of Attorney & Agency Agreement for customs broker and freight forwarder
 - Quality Inspection Agreement
 - Escrow Agreement
 - Non-disclosure and non-circumvention agreement
 - Governing law
 - Remedies for default and breach of contract
 - Regulatory requirements including consumer product safety



PERSONAL PROTECTIVE EQUIPMENT (PPE) (CON'T)

Checklist for starting a PPE Importing Business

- Quality Inspection Arrangements
- Escrow/Payment Arrangements
- Customs Broker Clearance Requirements
 - Export clearance (if any):
 - Regulatory requirements
 - Documentation requirements
 - Import Clearance (if any):
 - Regulatory requirements
 - Documentation requirements



PERSONAL PROTECTIVE EQUIPMENT (PPE) (CON'T)

Checklist for starting a PPE Importing Business

- Freight Forwarder:
 - Place of delivery by supplier to the purchase
 - Place of delivery by the purchaser to the end user
- Insurance





Questions?

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