



REGULATIONS AND STANDARDS FOR PRODUCTS IN CANADA AND THE EU

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Introduction

Objectives of this guide

This guide is designed to assist both European and Canadian exporters of non-food products enter the Canadian and European markets, focussing on regulations and standards applicable on both sides of the Atlantic.

CETA Reminder

CETA, the Comprehensive Economic and Trade Agreement in effect since September 21st, 2017, provides duty-free access to the Canadian market for most products without restrictions. In order to qualify for the CETA preferential tariff treatment, Canadian and European goods **must comply with the Product Specific Rules of Origin**. They are found in CETA's Chapter 2: Treatment and Market Access for Goods and Protocol I, Rules of Origin and Origin Procedures.

The Rules of Origin are product-specific, organized numerically by HS Code (Harmonized System) and generally allow a certain proportion of foreign content providing the finished product has been transformed enough and/or that there is a minimum percentage of regional content (usually around 50% for industrial products).

De minimis exemption: all Free Trade Agreements have a “de minimis” allowance under which a small percentage of foreign content is allowed and the CETA de minimis exemption is 10%.

Once a product's eligibility to the preferential tariff treatment has been validated, the exporter must provide an **Origin Certification**, usually on the commercial invoice. This is an auto-certification process. For shipments valued over EUR 6,000, the European exporter must be registered under the EU's Registered Exporter System (REX) and enter its registration number in the Origin Certification statement.

Direct shipment rule: in order to qualify for CETA's preferential tariff treatment, European products must be shipped directly from Europe to Canada. If they are shipped indirectly via another country, they lose CETA's preferential tariff treatment, unless they remain under Customs control in the third country and are not processed in any way.

Trade facilitation, regulations and standards

The main purpose of CETA is to increase the flow of goods, services and investment for the benefit of both Canada and the EU. Chapter 4 covers Technical Barriers to Trade and Protocol II deals with the Mutual Acceptance of the results of Conformity Assessment, while Chapter 21 deals with Regulatory Cooperation.

CETA does not provide harmonization of rules: each entity keeps its own rules, regulations and standards for products but it greatly facilitates trade by providing the acceptance of the results of conformity assessments in both directions. This means that EU companies can have their products tested and certified for the Canadian market in the EU, while Canadian companies can also have their products tested and certified for the EU market in Canada: a gain in time and money, particularly valuable for SME's.

Protocol II establishes a framework for two levels of recognition for the sectors covered by the Protocol:

- Recognition of accreditation bodies
- Recognition of conformity assessment bodies

The agreement does not require recognition or acceptance of the other Party's technical regulations, or limit a Party's right to set technical regulations or conformity assessment procedures.

The Protocol has two annexes:

Annex 1: contains the product coverage (construction, electricals, electronic equipment, etc)

Annex 2: covers priority categories of goods for future consideration and inclusion in Annex 1 pursuant to Article 2.2 (for example pressure equipment, appliances)

Annex 3: refers to the information to be included as part of a designation. The Protocol is unique among Canadian & European Free Trade Agreements.

Implementation of the Protocol is handled on the Canadian side by the Standards Council of Canada (SCC), Ottawa and on the EU side by the European Accreditation office (EA), located in Paris. These two organizations maintain the relevant information regarding accredited organizations.

Standards for products in Europe

The **CE (Conformité Européenne)** standard is the most common one. It applies to a number of products like medical devices, appliances, construction products, electricals, elevators, machinery, personal protective equipment, instruments, radio equipment, recreational crafts, toys, etc..

Other common standards are **REACH** (Registration, Evaluation, Autorization and Restriction of Chemicals) for chemical products, **EuP** (Energy Using Products) for products that consume energy, **RoHS** (Restriction of Hazardous Substances) for control and management of hazardous substances, **CENELEC** (European Committee for Electrotechnical Standardization) for electricals or **ETSI** (European Telecommunications Standards Institute) for information and communications technology.

The process of recognizing and accrediting companies in Canada to certify products to EU standards is ongoing and a recent milestone has been reached for accreditation to the ATEX standard for protection against explosive atmospheres, for which four Canadian organizations have recently been appointed (see link at the bottom).

Standards for products in Canada

A number of consumer and industrial products must follow the **CSA standard**: construction, electricals, health-care, transportation, mechanical and industrial equipment, petroleum and public safety.

The **UL or the ETL standards** apply to a number of products in the electrical and electronics fields.

The master authority and source of reference for regulations for products in Canada is the Consumer Product Safety Act and for labelling of products, it is the Consumer Packaging and Labelling Act. Transport Canada administers regulations for transport equipment and Health Canada for medical products, while Global Affairs handles import permits.

Resources

Standards Council of Canada

<https://www.scc.ca/>

European Accreditation

<https://european-accreditation.org/>

Organizations (European and Canadian) accredited for the TEX standard:

https://ec.europa.eu/growth/tools-databases/nando/index.cfm?fuseaction=directive.notifiedbody&sort=country&dir_id=153101

Taxation and Customs Union TARIC

https://ec.europa.eu/taxation_customs/dds2/taric/taric_consultation.jsp?Lang=en

Canada Consumer Packaging and Labelling Act

<https://laws-lois.justice.gc.ca/eng/acts/c-38/>

Canada Consumer Products Safety Act

<https://laws-lois.justice.gc.ca/eng/acts/c-1.68/>

Global Affairs Canada import controls and import permits:

https://www.international.gc.ca/controls-controles/about-a_propos/import/permits-licences.aspx?lang=eng

Note: the information given in this document is designed to demystify and illustrate the various tools available, for guidance only and without engagement. Companies must validate them precisely with the respective authorities and based on their specific circumstances.

Guide written in collaboration with



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- consulting to help SMEs grow internationally; and
- training on the Logistics, Customs and Regulatory aspects of International Trade, Importing, Exporting, Free Trade Agreements, Supply Chain Management and related issues.

Christian is subject-matter expert and lectures for CIFFA, the Canadian International Freight Forwarders Association in Toronto and FIATA, the World Federation of International Freight Forwarders in Zurich. He gives conferences for various trade organizations like the Montreal Chamber of Commerce, Invest in Ottawa, Supply Chain Canada and similar, and personalized training for importers and exporters. He publishes articles in Inside Logistics and Supply Professional.



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