



TaxNewsFlash

Canada

Steel Importers — Prepare Remission Requests Now

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Steel importers should determine whether they may need to apply for remission next year. Canada recently announced that Finance will end the temporary remission of Canadian tariffs on imports of certain kinds of steel as of January 31, 2026. In particular, this measure affects imported steel that is used in Canada for manufacturing, processing, food and beverage packaging and agricultural production. This change was announced alongside several additional trade initiatives intended to encourage the use of Canadian steel by limiting certain foreign steel imports.

Businesses that will be affected by the end of the temporary remission on January 31, 2026 should start planning now to file their own specific company remission request to the Department of Finance under the March 2025 guidance (for details, see *TaxNewsFlash-Canada* 2025-09, "[Canada Outlines Response to U.S. Tariffs](#)"). Given the challenges presented by tariffs, it's important to contact your KPMG adviser to help you understand the remission rules and submission process. These businesses should also be aware that they must provide a significant amount of information in their request. Some of these requested details may take time to collect, while other details may need to be marked as confidential and protected. Note that Finance may retroactively approve and apply a remission request.

Background

Earlier in 2025, Finance announced a temporary remission program that essentially provides automatic relief from tariffs on the imports of specific goods for certain Canadian businesses. Finance previously announced that the temporary remission program was extended for an additional two months (until December 15, 2025 from the original end date of October 15, 2025). This automatic remission program is now set to

expire for certain imported goods on January 31, 2026 (extended from December 15, 2025).

For details on recent trade developments, see *TaxNewsFlash-Canada* 2025-34 “[Businesses — Don’t Delay in Addressing Tariff Challenges](#)”, *TaxNewsFlash-Canada* 2025-21, “[Tariffs — Canadian Businesses May Qualify for New Relief](#)”.

Temporary remission ends January 31, 2026

Canada recently announced that, the temporary remission of Canadian tariffs on imports will end on January 31, 2026 for steel used for manufacturing, processing, food and beverage packaging, and agricultural production.

Note that the temporary remission will continue for U.S. steel imported in Canada for the manufacturing of automobiles, auto parts, and aerospace products. Additionally, the temporary remission on aluminum products will also continue beyond January 31, 2026.

KPMG observations

Affected businesses should determine whether to file a remission request in light of the temporary remission ending on January 31, 2026 for certain imported goods. Specifically, affected businesses may be able to request tariff relief in “exceptional and compelling circumstances” under the guidance for the remission framework published on March 4, 2025, such as where required material cannot be sourced domestically. These remission requests can help limit cashflow issues resulting from the tariffs.

Foreign steel imports

Global tariff on certain imported steel-derivative products

Canada announced that it will apply a 25% tariff on certain steel-derivative products from all countries, effective December 26, 2025. This measure will apply initially to a list of steel-derivative products and will cover derivatives for which steel content is a large portion of the full value of the product, including wind towers, prefabricated buildings, fasteners and wires. Canada notes that this list may be periodically updated to reflect changes in market conditions.

Steel tariff rate quota levels

Canada announced that it will lower the tariff rate quota levels for certain steel products effective December 26, 2025, as follows:

- Steel products from non-free trade agreement partners — Decreased to 20% of 2024 levels (from 50%)

- Steel products from non-CUSMA partners with which Canada has a free trade agreement — Decreased to 75% of 2024 levels (from 100%).

Note that the United States and Mexico are exempt from this requirement under the CUSMA. Canada advises that over-quota volumes continue to face a 50% surtax.

We can help

Your KPMG adviser can help you assess the effect of these new developments. For more details, contact your KPMG adviser.

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