Email update on tariffs – Sep. 1, 2026

NS Department of Intergovernmental Affairs – Trade Policy Division

Below are several updates on recent U.S. tariffs and Canadian countermeasures. The NS Trade Policy division remains actively engaged with federal colleagues as the situation continues to evolve.

US Section 338 Tariffs

On August 22, 2026, following the breakdown of trade talks, U.S. President Trump introduced new tariffs of 50% on approximately $28 billion in Canadian imports under Section 338 of the *U.S. Tariff Act*. The measures were presented as a response to Canada's treatment of U.S. automobiles, alcohol, and dairy products.

- A 50% ad valorem tariff under Section 338 will apply to all covered goods, regardless of whether they qualify as originating under CUSMA.
- These duties are in addition to any other applicable duties, taxes, fees, exactions, and charges.
- The Section 338 duties will not apply to products subject to tariffs under Section 232 of the Trade Expansion Act of 1962, including steel, aluminum, and lumber, or to articles covered by the World Trade Organization Agreement on Trade in Civil Aircraft, excluding unmanned aircraft.
- Full lists of affected products are included in the annexes to the relevant Presidential Proclamations, linked below.

Canadian Countermeasures

On August 25, 2026, the Government of Canada announced dollar-for-dollar counter-tariffs, effective September 8, 2026. The original list covered approximately $27.6 billion in U.S. imports, with counter-tariff rates of 50%, 25%, and 15%.

On August 28, 2026, the federal government announced the removal of 254 tariff items covering all fish and seafood products under Chapter 3 from the counter-tariff list. The current list of products subject to counter-tariffs is available here: List of products from the United States subject to counter-tariffs effective September 8, 2026 - Canada.ca

Remission

Subject to approval by the Governor in Council, the federal government intends for the new counter-tariffs to benefit from remission consistent with existing relief:

- Product- and company-specific remission that has been implemented under the *United States Surtax Remission Order* will apply to the new tariff measures, in accordance with the terms of the Order. For example, steel goods currently eligible for remission of the 25% tariff would benefit from relief of the 50% tariff.
- In addition, the new tariff measures will be eligible for horizontal remission under the *United States Surtax Remission Order* covering the following goods/purposes until June 30, 2027:
    - All goods for use by identified public health, public safety and national security entities
    - Steel goods for use in auto and aerospace manufacturing

    - Non-steel goods for use in manufacturing, processing, food and beverage packaging and agricultural production in Canada
- Manufacturing and agricultural production are broadly defined as including all activities under [NAICS Chapter 31-33] and [NAICS Chapter 11] (including forestry, fishing and hunting).

Claims for remission or refunds of duties paid can be made in accordance with the "How to Apply" section of the CBSA's Customs Notice. Please note that by using the appropriate authorization code on your customs declaration, duties can be waived at the time of the importation, rather than needing to be paid and reimbursed.

For goods not already eligible for remission, the federal government is continuing to accept and assess requests for remission under the U.S. Remission Framework, which provides for remission in certain circumstances, e.g., where goods used as inputs cannot be sourced domestically: Process for requesting remission of tariffs that apply on certain goods from the U.S. - Canada.ca.

In addition to remission, importers may also be eligible for surtax relief on re-exported goods through the Import for Re-export Program (IREP), Duties Relief or Duty Drawback Programs.

Support
On August 25, 2026, the federal government announced an additional $7.5 billion in support for Canadian workers and businesses affected by U.S. tariffs. Further information is available here: Canada announces targeted countermeasures and substantive support for workers and businesses in response to U.S. tariffs - Canada.ca

You can also contact a business navigator by calling the toll-free tariff hotline at 1-800-670-4357. More information on Nova Scotia's tariff supports can be found here: https://novascotia.ca/tariffs/.

As always, please feel free to contact the Trade Policy team with any questions or to discuss specific impacts on your business.

Thank you,
Nova Scotia Trade Team

Links For Reference
- Justice Website: United States Surtax Remission Order (2025)
- Latest Amendments (not yet reflected on Justice website): Canada Gazette, Part 2, Volume 160, Number 13: Order Amending the United States Surtax Remission Order (2025)
- CBSA Customs Notice: Customs Notice 25-19: United States Surtax Remission Order (2025)
- Import for re-export program (IREP): Importing dairy products for re-export - inspection.canada.ca

- Duties Relief Program: Trade incentives programs - Duties Relief Program
- Duty Drawback Program: Trade incentives programs - Drawback Program
- Canada announces targeted countermeasures and substantive support for workers and businesses in response to U.S. tariffs - Canada.ca
- List of products from the United States subject to counter-tariffs effective September 8, 2026 - Canada.ca
- White House Fact Sheet
- Presidential Proclamation on Dairy (July 20)
    - Annex I
- Presidential Proclamation on Alcoholic Beverages (July 20)
    - Annex I
- Presidential Proclamation on Motor Vehicles (July 20)
    - Annex I