



# Canada announces steps to ensure stability for Canada-United Kingdom trade in goods

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## News release

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The Government of Canada is committed to providing as much certainty and stability as possible for Canadian businesses affected by the United Kingdom's decision to leave the European Union and, thereby, the Canada-European Union Comprehensive Economic and Trade Agreement (CETA).

Today, the Honourable Chrystia Freeland, Deputy Prime Minister and Minister of Finance, and the Honourable Mary Ng, Minister of Small Business, Export Promotion and International Trade, welcomed the signing of a memorandum of understanding (MOU) between Canada and the United Kingdom, which lays out commitments each country will take to ensure continued preferential tariff treatment for goods from the date CETA ceases to apply to the United Kingdom until the Canada-United Kingdom Trade Continuity Agreement (Canada-UK TCA) is ratified and implemented.

In keeping with the MOU, the Government of Canada has issued the Canada-United Kingdom Trade Continuity Remission Order, 2021, in immediate effect, to minimize disruptions for Canadian importers. The order ensures that tariff benefits currently afforded to eligible imports from the United Kingdom under CETA, and replicated in the future Canada-UK TCA, are temporarily available to Canadian importers. In exchange, the United Kingdom has agreed to provide reciprocal tariff benefits for

eligible Canadian exports to the United Kingdom. The remission order is intended to remain in effect until the Canada-UK TCA can enter into force through respective legislative procedures.

By announcing the MOU and the corresponding preferential tariff treatment before January 1, 2021, the Government of Canada is making sure businesses can easily continue trading without adding paperwork for businesses and importers. These measures will ensure stability and certainty on both sides of the Atlantic.

## Quotes

“Canada is a trading nation. With this announcement, our government will ensure Canadian businesses that trade goods with the United Kingdom continue to have preferential access. This action is important for many businesses and jobs in Canada, which benefit from the strong economic ties between our 2 countries.”

*- Chrystia Freeland, Deputy Prime Minister and Minister of Finance*

“The United Kingdom is a key trading partner for Canada, which is why our government has been working tirelessly to ensure continuity for our businesses and to maintain the stability and reliability of our important trade relationship with the United Kingdom. This remission order will provide certainty for Canadian importers of UK goods from January 1, 2021.”

*- Mary Ng, Minister of Small Business, Export Promotion and International Trade*

## Quick facts

- The United Kingdom left the European Union on January 31, 2020, and will no longer be covered by CETA as of January 1, 2021. CETA continues to govern Canada-EU trade and will be unchanged by the Canada-UK TCA.

- On December 9, 2020, the Government of Canada introduced Bill C-18, an *Act to Implement the Trade Continuity Agreement between Canada and the United Kingdom of Great Britain and Northern Ireland* (Canada-UK TCA) in the House of Commons.
- The United Kingdom was Canada's largest merchandise export market in Europe in 2019 and third largest worldwide. It is also a key source of foreign direct investment and of science and technology partnerships.
- Two-way merchandise trade with the United Kingdom had a value of \$29 billion in 2019, making it Canada's fifth-largest trading partner, after the United States, China, Mexico, and Japan.
- Canada's trade team, which includes the Canadian Trade Commissioner Service, Export Development Canada, and the Business Development Bank of Canada, continues to provide funding and support services to Canadian companies doing business in the United Kingdom and in the European Union.

## Related products

- [Minister Ng introduces legislation in House of Commons to implement Canada-United Kingdom Trade Continuity Agreement](#)

## Associated links

- [Brexit: Summary information for Canadian companies](#)
- [Canadian Trade Commissioner Service](#)
- [Canada-United Kingdom Trade Continuity Agreement](#)
- [Customs Notice 20-38: Withdrawal of Entitlement to the Canada-European Union Tariff \(CEUT\) Tariff Treatment for Goods Originating from the United Kingdom](#)

- [Customs Notice 20-39: Implementation of the United Kingdom Trade Continuity Remission Order, 2021](#)

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