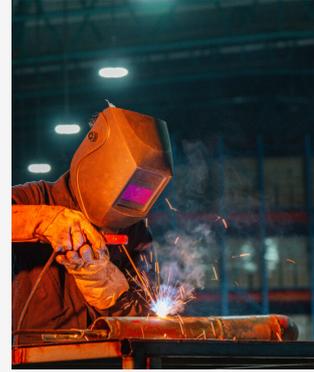


Canada further shuts its market to steel imports

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Key Takeaways

- On December 11, 2025, Canada introduced new steel import restrictions through four Orders in Council.
- Effective December 26, 2025, Canada will significantly reduce steel tariff-rate quotas and impose a 25% surtax on many steel derivative goods.
- Businesses should evaluate the contractual and financial risks associated with these changes and consider urgent product-specific remission applications to address the expiry of broader remissions as of February 1, 2026.

On December 11, 2025, Canada issued four Orders in Council giving effect to a new round of steel import restrictions that had been [announced](#) by Prime Minister Mark Carney two weeks earlier.

The [Order Amending the Order Imposing a Surtax on the Importation of Certain Steel Goods](#), the [Steel Derivative Goods Surtax Order](#), the [Order Amending the United States Surtax Remission Order \(2025\)](#) and the [Order Amending the Import Control List \(2025-2\)](#) will

- further reduce Canada's existing steel tariff-rate quotas (TRQs) on free trade agreement (FTA) and non-FTA countries, effective December 26, 2025
- introduce a 25% surtax on many steel derivatives and some non-steel buildings and building materials, imported from any country, effective December 26, 2025
- end remissions on certain U.S.-originating steel products on February 1, 2026, while extending remissions for goods related to public health, national security, health care and certain motor vehicles and aircraft to July 1, 2026

The measures at a glance

Further reduced steel TRQs

Effective December 26, 2025, TRQs for steel imports are reduced from 50% to 20% of 2024 levels for non-FTA countries, and from 100% to 75% of 2024 levels for non-CUSMA FTA

countries.

Notably, Canada has not established any new in-transit exemptions to account for these TRQ reductions. Therefore, the TRQ reductions will be effective on December 26, 2025, and goods contracted for production and shipment under previous TRQ levels will be subject to the new lower TRQ levels without exception.

TRQ permits issued for the current quarterly period ending December 25, 2025, are not affected.

Certain HS codes previously captured under Large Diameter Line Pipe have been reclassified into Line Pipe and Standard Pipe.

25% global surtax on steel (and other) derivative goods

Effective December 26, 2025, Canada is imposing a 25% surtax on all imports of many derivative iron and steel goods and certain other building and construction goods, regardless of origin.

Goods subject to the surtax include steel cold-formed angles and shapes made from flat rolled products; steel structures, including towers and bridge sections; stranded steel (and aluminum with steel core) wires and cables; steel barbed wire, grill, netting and fencing; chains; fasteners; springs; grinding media; couplings and other articles for use in oil and gas production; metal frame furniture; light fixtures; plastic doors, windows and their frames; prefabricated buildings of steel or other materials; and a group of miscellaneous iron and steel goods ranging from seat post clamps for bicycles to engine parts for fishing vessels. The full list of steel derivative products subject to the 25% surtax is available on the [Government of Canada website](#).

Exemptions include

- goods in transit on December 26, 2025
- goods used in the manufacture of motor vehicles, motor vehicles chassis, and their parts or accessories, or for use in aircraft, ground flying trainers or spacecraft, or in their parts, provided the goods are imported before July 1, 2026
- utility wind towers and sections for energy projects west of the Ontario-Manitoba border

The surtax does not stack on other surtax measures. The surtax will not apply if imported goods are already subject to other surtaxes — specifically, the 25% surtax on certain Chinese steel and aluminum products under the [China Surtax Order \(2024\)](#), the 25% surtax on certain U.S.-originating steel and aluminum products under the [United States Surtax Order \(Steel and Aluminum 2025\)](#), the 50% surtax on steel outside TRQs under the [Order Imposing a Surtax on the Importation of Certain Steel Goods](#) or the 25% surtax on Chinese melted-and-poured steel under the [Steel Goods and Aluminum Goods Surtax Order](#).

Amended timelines for currently available remissions

Remission previously available to steel goods used in any manufacturing or processing, or in the packaging of a food or beverage product, will expire on February 1, 2026.

Certain limitations have been placed on business-specific remissions previously granted.

The following standing remissions have been extended to June 30, 2026:

- goods for use by certain entities for the purpose of health care, public health, public safety, national defence or national security
- U.S.-originating aluminum goods used in any manufacturing or processing, or in the packaging of a food or beverage product
- U.S.-originating steel goods used for manufacturing motor vehicles, aerospace goods and their parts

Implications for businesses

Importers, manufacturers using steel inputs in their supply chains and businesses involved in construction, infrastructure and energy projects should carefully assess the contractual and financial risks these orders may pose to their operations. They should also consider any urgent product-specific remission applications, anticipating the imminent expiry of broad remission on steel goods used in manufacturing or processing in Canada.

For more information on these orders, questions on how they may affect your business and assistance with compliance and risk mitigation strategies, please contact a member of Osler's International Trade practice.