

**March 28, 2025**

As the ongoing trade conflict with the United States continues to evolve, the Mechanical Contractors Association of Canada (MCAC) is actively working to ensure your interests are represented at the federal level. To assist members in navigating this period of uncertainty, we want to make you aware of several federal programs—both existing and recently announced—that may offer some relief.

### **1. Remission of Tariffs**

The Department of Finance is accepting applications for tariff remissions where goods cannot reasonably be sourced from within Canada or from non-U.S. suppliers. A remission is essentially a waiver of duties on specific products.

This process is particularly relevant where supply chains are constrained, and no suitable alternatives exist. Applicants must demonstrate a good-faith effort to source domestically or internationally and submit supporting documentation such as supplier communications, market analysis, and procurement records. Full details are available on the [Department of Finance website](#).

As Contractors are not generally considered as the importer of record, the remissions process is more specifically relevant for suppliers. Contractors can inquire with suppliers whether an application for remissions has been made, as well as share any relevant documentation that demonstrates a particular product impacted by tariffs cannot be sourced from within Canada or non-U.S. suppliers. All efforts should be made to encourage the use of this remissions process, particularly when products or materials are not available from non-U.S. markets, or where alternative products would not meet Canadian safety certification standards.

Remissions are granted by Cabinet. Based on government signals, we expect the first set of approvals to follow shortly after the federal election on April 28. In 2018, remissions related to U.S. steel tariffs were processed quarterly, although the volume of impacted products in 2025 is significantly higher.

### **2. Employment Insurance (EI) Support**

New EI provisions have been introduced to support workers in sectors directly affected by the trade conflict. These changes provide more flexibility for qualifying and faster access to benefits. The government has acknowledged that manufacturing and skilled trades workers may be particularly impacted and has committed to ensuring timely access to support.

The temporary adjustments:

- Include an extension to the maximum duration of the Work-Sharing agreement — from 38 weeks to 76 weeks. The agreement must last a minimum of six weeks.

- Waive the required cooling-off period between successive Work-Sharing agreements while special measures are in place.

More information on the changes [can be found online](#).

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In addition to the programs noted above, additional relief programming that has been announced includes:

### **1. BDC Low-Interest Loans**

The Business Development Bank of Canada (BDC) has made \$500 million in low-interest loans available to companies experiencing supply chain disruptions or client loss due to tariffs. This initiative is aimed at helping businesses stabilize operations and protect jobs.

### **2. Duties Relief Program**

Administered by the Canada Border Services Agency (CBSA), this program allows businesses to import goods duty-free **provided they are later exported**—either in the same form or as part of a finished product. The application includes certification of your facility and processes, and approval typically takes 60–90 days under normal timelines.

### **3. Duty Drawback Program**

For companies that have already paid duties, the CBSA also offers retroactive reimbursement when goods are exported or used to manufacture products that are exported. Like the Duties Relief Program, the application process generally takes 60–90 days.

### **4. Financial Assistance for Exporters**

Export Development Canada (EDC) is rolling out a \$5 billion **Trade Impact Program** to help affected businesses explore new markets, manage risk, and secure working capital. This program is designed to support diversification and job retention in key export-driven sectors, including construction and manufacturing. Additional details are expected in the coming months.

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We are committed to keeping you informed and supported throughout this challenging period. If you have questions about any of these programs or require assistance with the application process, please don't hesitate to reach out.

MCAC will continue to advocate for a level playing field and for practical solutions that support the long-term resilience of our sector.