Case Study

Supporting Direct-to-Consumer Fulfillment with the Section 321 Exemption

S A Y S H

E-commerce sales continue to soar globally as online shopping becomes faster, more accessible, and more convenient. Alongside this growth, smart direct to consumer retailers are looking for ways to take additional costs out of the supply chain without sacrificing customer experience.

One strategy where brands are seeing strong results is cross-border shipping using the Section 321 exemption in the Canada-US-Mexico free trade agreement. This exemption allows small consumer orders to enter the US from Canada duty free.

A U.S. company using this Section 321 exemption is Saysh, a community-centered lifestyle brand for and by women. Saysh worked with SCI to set up a distribution center in Vancouver, Canada, and ship their products directly to consumers in the U.S. By getting goods to customers duty and tax free using the Section 321 exemption, Saysh was able to reduce their import costs by approximately 17%.

"By fulfilling orders out of our Canadian facilities and shipping directly to consumers in the U.S., we are able to help clients, like Saysh, reduce their costs by up to 20% through waived or refunded duties," explains Dave Mack, Vice President, Omnichannel Retail at SCI.

SCI was able to guide Saysh through the complicated process, from connecting their supply chain team with professional resources, to getting set up as a non-residence importer and ensuring Saysh complied with all import and export laws.

"We chose SCI because of their excellent track record supporting brands of all sizes shipping on both sides of the border. We have had an incredible experience launching with their onboarding team and believe that they will be a true partner through all stages of growth," says Darren Breedveld, Co-Founder & COO/CFO of Saysh.

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SCI

We'll make you even better.

To consult one of our Section 321 experts today visit www.sci.ca or call 1-866-773-7735.