

REPLIES TO QUESTIONNAIRE ON IMPORT LICENSING PROCEDURES

Notification under Article 7.3 of the  
Agreement on Import Licensing Procedures

CANADA

The following notification, dated 2 October 1997, has been received from the Permanent Mission of Canada.

Import licences are required for goods subject to quantitative restrictions related to measures taken to safeguard domestic producers against injurious imports pursuant to either GATT Article XIX; the WTO Agreement on Textiles and Clothing; or international commitments (e.g. narcotics and endangered species of fauna and flora). Import controls, although not generally related to quantity, are also imposed on some products on grounds of public interest, or for surveillance purposes. This is accomplished either through import licensing measures or through certain other formalities at the port of entry. Effective 1 January 1995 (or 1 August 1995 for wheat, barley and their products, butter, dry whey and cream), Canada converted its agricultural import controls to a system of tariff rate quotas (TRQs); import licences are required as a condition of importation of quantity eligible for the in-quota rate of duty.

Import controls are administered by a limited number of government departments. It is not practical, however, to provide a general description of the procedures involved as they vary, in certain particulars, from department to department. Consequently, replies to the Questionnaire have been organized according to the different legislative instruments under which import controls are maintained. In the case of the Export and Import Permits Act, general responses in respect of dairy products; chicken, turkey and eggs; broiler hatching eggs and chicks; beef and veal; margarine; and wheat and barley and their products have been provided for questions 5, 8-10, 12-17 and 19 of the Questionnaire. Replies to the remaining questions have been organized by separate product groups owing to difference in the procedures involved.

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## I. NARCOTIC CONTROL ACT FOOD AND DRUGS ACT

### Outline of system

1. The importation into Canada of narcotic, controlled and restricted drugs is subject to import licensing to ensure that dealer's procedures are in conformity with Canada's international obligations (Single Convention on Narcotic Drugs 1961 and Convention on Psychotropic Substances 1981). Canadian domestic regulations also require that the imported substance meets Canadian medical and scientific requirements and that the drugs remain in the legitimate distribution channels. The importation of these drugs is covered by the Food and Drugs Act and its regulations as well as the Narcotic Control Act and its regulations.

### Purpose and coverage of licensing

2. The prospective importers of controlled drugs. (e.g. amphetamine, methamphetamine, barbituric acids), narcotics (e.g. codeine, morphine), and restricted drugs (used only for research, not commercial sale) must submit an application. The application must specify the supplier's name, country and address, the quantity and type of drug being imported as well as the method of transport on customs port of entry.

Prospective importers of such drugs must be firms (dealers) domestically licensed to manufacture or distribute specified narcotic, controlled or restricted drugs.

3. The system applies to all narcotic, controlled and restricted drugs from all countries. Imports of narcotics are made only from countries which are party to the International Narcotic Convention of the United Nations, to which Canada is a signatory.

4. The licensing is intended to minimize diversion while the quantity of drugs imported does not exceed Canadian medical or scientific needs and that Canada is able to comply with its International commitments.

5. The Narcotic Control Act and its Regulations and the Food and Drugs Act (Parts III and IV) and its Regulations require permits for the import or export of a narcotic, controlled or restricted drug.

### Procedures

6. I. Allocations of quotas for narcotics are published by the United Nations, and this information is provided to dealers upon request. Any nation exporting these drugs may obtain information on Canadian quotas through the United Nations International Narcotic Control Board.

Canada does not allocate a specific quantity to any country.

II. The quotas for narcotics are allocated annually in accordance with the requirements of the United Nations International Narcotic Control Board.

III. Permits to import narcotic, controlled and restricted drugs are only issued to resident licensed dealers. Licensed dealers are required to inform the Bureau of Drug Surveillance when an import takes place, including the quantity imported. Unused portions of permits and unused portions of cancelled permits are credited back to the quota for the year. The names of the importers are not published for confidentiality and security reasons.

IV. All narcotic quotas are established on an annual basis, and an application may be made at any time during the year.

V. Import permits are issued within ten working days of receipt of application. In the case of a narcotic, the same length of time applies provided the Canadian quota has not been exhausted for the calendar year.

VI. Permits are issued for immediate importation except when a dealer has indicated that he wishes to import during the following calendar year. In this case, the permit becomes valid 1 January. All permits are valid for three months from the date of issue with none extending beyond 31 December of any given year.

VII. All applications to import narcotics, controlled and restrictive drugs are reviewed by the Bureau of Drug Surveillance. Import permits are issued by the Bureau on the authority of the Minister of Health Canada.

VIII. Permits are issued on the basis of first-come, first-served, past performance and security. There is no maximum amount allocated per applicant. Applications are examined on receipt.

IX. Under Canadian law and the international estimate system of the International Narcotics Control Board of the United Nations, the narcotic, controlled and restricted drugs requiring import permits are also covered by export permits issued by the competent authorities of the exporting country.

X. Not applicable.

XI. No import permits are issued on condition that drugs be exported and not sold on the Canadian market.

7. (a) The importer of controlled and restricted drugs possessing a manufacturer's or distributor's licence for that drug is usually issued an import permit within ten working days of receipt of the application. It is effective immediately.

(b) All permits are granted within ten working days of receipt of application if there is a legitimate medical or scientific need, physical security for safekeeping purposes.

(c) No. All Permits are valid for three months from the date of issue and none extends beyond 31 December of the year in which they were issued. Permits issued in November are valid until 31 December only.

(d) The Bureau of Drug Surveillance, Health Protection Branch, Health Canada is the only authority an importer need contact.

8. An application for an import permit can be refused if a company is not licensed, if the product is not currently on the licence, if the security provided would be inadequate, if there is an insufficient narcotic quota remaining, if there has been non-compliance with the Acts and Regulations by the importer or if there is reason to suspect that there will be diversion of the drug to an illicit market. Reasons are given for refusing permits.

Eligibility of importers to apply for licence

9. Permits to import or export narcotic, controlled or restricted drugs are limited to the companies licensed to manufacture or distribute the drug in Canada. A list of such companies is published at least once each year and revisions are published more frequently. There is no fee attached to the permits. However, a fee and other requirements apply when becoming licensed.

Documentational and other requirements for application for licence

10. Applications for permit to import narcotic and controlled drugs.
11. Canadian import permits and in most cases export permits from the exporting country.
12. No.
13. No.

Conditions of licensing

14. Three months. It may be extended upon application.
15. No.
16. No.
17. (a) No.  
(b) No.

N.B. If the illicit value exceeds \$4 million (street value), the Royal Canadian Mounted Police must be notified. If the permit is issued for the following year, the statement is placed on the permit.

Other procedural requirements

18. No, provided the company is currently licensed to manufacture or distribute such drugs and can provide the security necessary to store the drug.
19. Not applicable.

II - EXPLOSIVES ACT

EXPLOSIVES

Outline of system

1. The importation of explosives is governed by the Explosives Act and Regulations administered by the Department of Natural Resources. The legal definition of explosives includes blasting explosives, detonators, propellants, sporting and industrial cartridges, and all types of fireworks and pyrotechnic devices. Before an explosive may be imported it must be declared an authorized explosive by the Chief Inspector of Explosives appointed under the Explosives Act. The process of authorizing an explosive consists of the manufacturer submitting data on the nature and composition of the explosive and on its packaging and markings. Samples are usually required for laboratory examination. A standard testing fee of \$771.00 for fireworks, \$716.00 for ammunition and up to \$2,561.00 for blasting explosives

and accessories apply. The criteria for authorization are based on the safety characteristics of the explosive substances or articles during handling, storage, transport and use, and to confirm that the classification is in conformity with the recommendations of the Committee of Experts on the Transport of Dangerous Goods as adopted by the Economic and Social Council (ECOSOC) of the United Nations.

#### Purpose and coverage of licensing

2. Once an explosive is authorized, any person may import it into Canada provided he has the proper storage facilities for the type and quantity of explosives in question. Two kinds of importation permits are issued; a general permit issued for a specific quantity in one shipment, and an annual permit issued for unlimited shipments during a twelve-month period. In addition, special permits may be issued for explosives required for chemical analysis, scientific research, field testing and fireworks competitions or other special purposes.

3. The system applies to explosives from all countries.

4. The system is intended only to ensure that the same degree of safety exists with imported explosives as with those of domestic manufacture. There is no intent whatsoever to restrict quantity or value of the explosives imported.

5. The Explosives Act, R.S., c.E-17 amended by 1995 c.32 and the Explosives Regulations, C.P.C., c.599 as amended. The system is a statutory requirement which does not convey any administrative discretion and would require legislative approval to be abolished.

#### Procedures

6. Not applicable.

7. (a) The import permit is normally issued within twenty-four hours after receipt of the application if the explosive has been previously authorized and facilities exist in Canada for the safe and secure storage of the quantity being imported. Permits may be obtained in a shorter time but nevertheless should be on hand when shipment arrives at Customs to prevent dangerous accumulations. Naturally, delays will occur if the explosive has not been authorized previously.

(b) Permits may be granted immediately on request provided all is in order.

(c) There are no limitations as to the period of the year during which an application for an importation permit may be made.

(d) The importer need only approach the Explosives Regulations Division of the Department of Natural Resources. No other administrative bodies are involved.

8. An application for an explosives importation permit may only be refused for failure to meet safety criteria. Reasons for such refusal would be given to the applicant who would have the right of appeal to the Minister of Natural Resources under subsection 17 of the Explosives Act.

#### Eligibility of importers to apply for licence

9. Any importer who has satisfied the requirements of the Explosives Regulations relative to the storage, sale, purchase and possession, and of the Transportation of Dangerous Goods Regulations relative to transport, of the explosive to be imported may apply for an importation permit.

Documentational and other requirements for application for licence

10. The Forms of application and permits to import explosives are included in Schedule II Forms 13 to 17 inclusive of the Explosives Regulations<sup>1</sup>.
11. The importers Transmission Schedule (Form 16) is required to be prepared in duplicate by the importer and presented to the Customs Officer at the point of entry along with the Importation Permit (Form 14 for General, Form 17 for Annual) for verification and forwarding of one copy of the transmission schedule to the Explosives Branch of the Department of Natural Resources.
12. The present fee is \$30.00 for a General Importation Permit and \$100.00 for an Annual Importation Permit.
13. Other than the fee, there is no deposit or advance payment associated with the issuance of an importation permit.

Conditions of licensing

14. General Explosives Importation Permits are valid for one importation or a period of twelve months. Annual Explosives Importation Permits are valid for any number of importations during a period of twelve months.
15. There is no penalty for the non-utilization of an explosives importation permit.
16. Permits are not transferable between importers and only the products made by the manufacturer(s) specified in the permit may be imported.
17. There are no conditions attached to the issuance of an explosives importation permit relative to quantitative restrictions other than safe and secure storage location in Canada. Depending on the quantity to be stored, a magazine (i.e. storage) licence issued by the Explosives Regulations Division may be required. Importation permit applicants will be advised if this is the case.

Other procedural requirements

18-19. Not applicable.

III - ATOMIC ENERGY CONTROL ACT  
(PRESCRIBED SUBSTANCES)

Outline of system

1. The Atomic Energy Control Board (AECB) has established a strict control system for the import, export, possession and use of prescribed substances. Under this system, any person or organization proposing to deal in prescribed substances in Canada, in excess of exempt quantities, must apply to the Board, giving details of the prescribed substance and quantity requested, the proposed use, the facilities and protection equipment available and the experience of the user. When satisfied that the use will not impose an undue risk to health, safety, security and the environment, the Board issues

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<sup>1</sup>Available for consultation in the Secretariat (Market Access Division).

a licence authorizing the applicant to possess and use the prescribed substance subject to any conditions which the Board deems necessary.

In addition to obtaining this authorization to possess and use prescribed substances, any person or organization wishing to import any quantity of a prescribed substance must, pursuant to section 5(1) of the Regulations under the Atomic Energy Control Act, obtain an import licence. Authority to import may be included in a licence to possess and use a prescribed substance, or be subject to a separate individual import licence requirement.

#### Purpose and coverage of licensing

2. Section 5(1) of the Atomic Energy Control Regulations refers to importation into Canada of any prescribed substance. Prescribed substances include uranium, thorium, plutonium, deuterium, their respective derivatives and compounds, and radioactive isotopes of all elements and any substances containing such isotopes.

3. This licensing system applies to prescribed substances from all countries.

4. In accordance with the AECG's mandate to protect health, safety, security and the environment, the import licence is intended to ensure that the prescribed substances are destined for persons or organizations authorized and equipped to use them safely. The licence also enables the AECB to take actions with respect to any international, bilateral or multilateral obligations that may be applicable.

Each licence will indicate the maximum allowable quantity of prescribed substance or maximum quantity contained within a device for import, possession or use. There is, however, no restriction on the number of import licences which may be applied for.

5. Import licensing is provided for by the Atomic Energy Control Act and regulations made thereunder. Licensing procedures and the product coverage of the licensing requirements are prescribed by regulation. The licensing system cannot be abolished without the approval of the Governor-in-Council.

6. Quantity and value restrictions, beyond the restrictions contained in the individual import licence, do not apply to imports of prescribed substances except as may from time to time be determined by Government Policy.

7. (a)&(b) An import licence is normally issued within one month of receipt of the application but can be issued in a shorter time if necessary.

(c) No.

(d) The Atomic Energy Control Board is the only body authorized to issue an import licence. Applications are made directly to the Board.

8. The Board may refuse to issue a licence or revoke, suspend, or amend the terms and conditions of a licence for reasons of health, safety or security. The holder of the affected licence has the right to be heard by the Board.

#### Eligibility of importers to apply for licence

9. All persons, firms and institutions are eligible to apply for a licence.

Documentational and other requirements for application for licence

10. A sample application form to apply for licence to import uranium, thorium, plutonium, other radioactive isotopes and deuterium is available for reference in the Secretariat.
11. Approved import licence or a copy thereof.
12. No.
13. No.

Conditions of licensing

14. The period of validity depends on the nature of the import and is normally 1 or 2 years. The validity of a licence may be extended upon receipt of a written request.
15. No.
16. No.
17. No.

Other procedural requirements

18. No.
19. Not applicable.

IV. PLANT PROTECTION ACT

Outline of system

1. A "Permit to Import", outlining the plant health conditions that must be met before such things as plants, plant parts and plant products may be imported, is a requirement.

Purpose and coverage of licensing

2. Under Sections 4 and 5 of the Plant Quarantine Regulations and pursuant to the Plant Protection Act, the prospective importer must apply in writing for an import permit for the importation of plants, plant parts and any other matter that is a plant pest, is infested or likely to be infested with a plant pest or that constitutes or could constitute a biological obstacle to the control of a plant pest. The permit is required for each source or exporter of the regulated products.
3. The system applies to plants, plant products and other matter from all countries.
4. The permit system is intended to ensure that plants, plant parts and plant products imported conform with Canada's plant protection import requirements, to protect against the introduction of plant pests into Canada.
5. The Plant Protection Act and the Plant Quarantine Regulations.  
Yes. No. No.

Procedures

6. Not applicable.
7. (a) A permit must be issued prior to importation. Permit office prefers to have four weeks' notice. Yet, in emergency situations, a facsimile may be accepted as an application and the permit may be issued as soon as possible.
- (b) No. An application must be made in writing and processed through the proper channels.
- (c) No.
- (d) Yes.
8. The plant protection import permit may be refused on grounds that the material intended for import poses, or could pose, a threat of introducing into Canada a plant pest of economic importance. The importer is advised of the reasons for any refusal; these are based on biological factors.

Eligibility of importers to apply for licence

9. Any resident of Canada may apply for a permit to import.

Documentational and other requirements for application for a permit to import

10. Information required on application:
- the name and address of the person shipping the pest, plant or other matter and the person to whom it is being shipped;
  - the name (Common and Latin) or a description of the pest, plant or other matter;
  - the purpose for which the pest, plant or other matter is to be admitted into Canada;
  - the place at which the pest, plant or other matter will enter Canada and its destination within Canada;
  - the means by which the pest, plant or other matter will be transported and the precautions that will be taken to prevent the spreading of any pest while being transported;
  - the place where the pest, plant or other matter was propagated, produced or obtained.
11. The documents specified on the permit (e.g., phytosanitary certificate, certificate of inspection, certificate of treatment, certificate of origin, affidavit, etc.) are required upon importation.
12. No.
13. No.

Conditions of permit

14. The permit is generally valid for three years from date of issuance unless otherwise stated on the permit, where it may be valid for a shorter period. The permit may be valid for one or multiple importations. When a permit is no longer valid, the person must re-apply for a permit.
15. No.
16. No.
17. Conditions may be stated on permit depending on the nature of the imported goods and/or their origin.

Other procedural requirements

18. No.
19. Not applicable.

V - HEALTH OF ANIMALS ACT

LIVE ANIMALS, ANIMAL PRODUCTS, BIRDS AND VETERINARY BIOLOGICS

Outline of system

1. For importation from countries other than the U.S., a permit is required for all animals (except domesticated dogs and cats), veterinary biologic derived through biotechnology and certain animal products and by-products depending on the species and country of origin. For importation from the U.S., a permit is required for the following: Semen, embryos, veterinary biologics, psittacine birds, turtles, tortoises, skunks, foxes, ferrets and raccoons.

Purpose and coverage of licensing

2. See No.1 above.
3. Imports are permitted only from countries which are free of serious animal diseases which may affect the species of animal or bird imported. However, certain animal products may be imported from countries that are not free of these diseases under an import permit. The movement of most live animals between Canada and the United States is exempted from this requirement because of the relatively disease-free status of the two countries and on the basis of an agreement with respect to certification procedures between the veterinary services of Canada and the U.S.
4. The permit system is intended to ensure that all items identified in No.1 are imported in conformity with Canada's sanitary health regulations to protect against the introduction of diseases into Canada. Decisions are made following a risk assessment process.
5. The Health of Animals Act and Regulations thereunder. Goods, products and animals requiring permits are specified (see No.1). There is no authority to waive regulations.

Procedures

6. There is provision for the importation of certain food products to a maximum amount for sample purposes only under approved conditions. Dealt with as received.

7. (a) In the case of live animals, animal semen, or animal products, an import permit must be issued prior to the importation and the permit describes the conditions of importation as it relates to health certification. On arrival at the port of entry in Canada:

(i) live animals receive veterinary inspection and the accompanying permit and health certification are inspected to assure that import requirements are met, and

(ii) in the case of animal semen and animal products, the permit and health certification are checked.

In the case of biologic, production protocols for each product must be submitted and approved prior to the issuance of the permit. They are examined and reviewed to assure the product is safe, free from contaminants and that the label meets all requirements.

(b) In most cases where permit conditions exist, a permit can be issued as quickly as the documentation can be processed.

(c) No.

(d) Food Production and Inspection Branch, Department of Agriculture.

8. We do refuse to issue import permits on some occasions. Examples of these are:

(a) When the disease status of a country does not meet minimum criteria, a permit will be refused.

(b) When a country does not have a satisfactory disease diagnosis capability or disease control organization, a permit may be refused.

(c) Agriculture Canada has agreed to refuse to issue import permits for certain species of animals because of the risk of zoonosis. Examples are primates, turtles, tortoises, foxes, skunks, raccoons and ferrets for purposes other than exhibition in zoos or for research purposes. This agreement is with Health and Welfare since they do not have regulatory authority under their own Act and Regulations.

The reasons for refusal are given to the applicant. There is no formal right of appeal but we are prepared to examine special situations that the importer may present.

Eligibility of importers to apply for licence

9. Any resident of Canada or company registered in Canada.

Documentational and other requirements for application for a permit to import

10. Application must be made in writing, and must specify the species, quantities, date of arrival, country of origin and purposes of import.

11. In addition to the Permit to Import Animals and the normal customs invoices, a certificate of health issued by the veterinary services of the country of origin must accompany the shipment. For animal products, notarized declarations from the exporter and/or importer may also be required.

12. No.

13. No.

#### CONDITIONS OF LICENSING

14. Usually three months but will often vary depending on the species of animal and the purpose of importation. Yes, upon request by the importer. For animal products, permits are valid for three years.

15. No.

16. No.

17. See No. 6.

#### Other procedural requirements

18. No.

19. Not applicable.

### VI - NATIONAL ENERGY BOARD ACT

#### NATURAL GAS AND ETHANE

#### Outline of system

1. The National Energy Board Act and the Part VI Regulations made thereunder control imports of natural gas by pipeline, railway tank cars and tank trucks or tankers. Imports are authorized by both licences and orders. Licences are issued for large volume and long-term imports while orders are used in the case of small volume and emergency and short-term imports. An application is made to the Board for import authorization. In the case of a licence, the application will be set down for a public hearing. No licence is effective until approved by the Governor-in-Council. The issuance of an import order requires the approval of the Board and does not require a public hearing.

#### Purposes and coverage of licensing

2. The term of any import licence cannot exceed 25 years. Imports of natural gas by orders are restricted to 24 months for volumes over 30 thousand cubic metres per day and to 20 years for less than 30 thousand cubic metres per day. Imports for re-export for up to 25 years can be done by order.

3. The system described applies to gas originating in and coming from any country. In practice, however, all imports of natural gas have, to date, been from the United States.

4. The purpose of licensing is to ensure that long-term imports of gas are in the public interest, having regard to the equitable distribution of gas in Canada.

5. The authorization of imports is maintained under the National Energy Board Act, a statute of the Parliament of Canada, and the National Energy Board Part VI Regulations. The term "natural gas" is defined in the Act and is not subjected to administrative discretion. Legislative action would be required to abolish the system.

#### Procedures

6. I.-IV. There is no quota system. Determinations are made on a case-by-case basis by assessing the impact on Canadians of the proposed import, i.e., impact on gas industry, consumer cost, distribution of gas in Canada, etc.

V. For processing applications a public hearing is required. The length of time is approximately one to four months or longer. Applications for emergency and short-term imports can be approved immediately.

VI. In some cases, imports commence immediately upon issuance of the authorization, or, depending on the requirements of the import arrangement, there may be some interval between the authorization and the commencement of the import.

VII. The prospective importer has to approach one administrative organ only, the National Energy Board. However, licences for imports require the approval of the Governor-in-Council to take effect.

VIII. Applications are examined on receipt. There is no allocation of import authorizations to applicants.

IX. There are no applicable bilateral or multilateral arrangements besides the Canada-U.S. Free Trade Agreement and the North American Free Trade Agreement.

X. The granting of import authorization would be conditional on an export authorization being granted by the appropriate foreign government agency.

7. (a) Application for a licence should be made in advance of importation by a reasonable length of time, depending on the size and complexity of the importation arrangement.

(b) An order can be granted immediately by the Board. A licence requires that a public hearing be held.

(c) There are no limitations as to the period of the year during which application for import authorization may be made.

(d) See response to VII above.

8. An application for a licence may be refused for failure to meet criteria set out in the Part VI Regulations including a failure to consider alternative domestic supplies, etc., or where the import is not in the public interest. An applicant, in the event of refusal to issue a licence, may resubmit his application to the National Energy Board with appropriate amendments or may request a review. Appeal can be made to the Federal Court of appeal on a question of law or jurisdiction, on leave being obtained from the Court.

Eligibility of importers to apply for licence

9. Any person is eligible to apply for authorization.

Documentational and other requirements for application for licence

10. The National Energy Board must have regard to all considerations that appear to it to be relevant and shall have regard to the equitable distribution of gas in Canada. The Governor-in-Council may make regulations respecting the information to be furnished by applicants and the procedures to be followed in applying for import authorization. Section 5 of the Part VI Regulations entitled "Information to be Furnished by Applicant for Licence to Import Gas" sets out the information required to be filed by an applicant for a licence to import gas. In addition, the National Energy Board may require further information. With respect to import orders, applicants must file such information as the National Energy Board may require. However, no specific information requirements for order applications are set out in the Act or in the Part VI Regulations.

11. No documents are required upon actual importation. However, the holder of an import authorization is required to provide the National Energy Board with information as required, including the actual volumes imported during the term of the authorization, and their value in Canadian currency.

12. There is no fee or administrative charge in respect of an application at present.

13. There is no deposit or advance payment requirement associated with the issue of the import authorization.

Conditions of licensing

14. No import licence may be issued for a term in excess of 25 years. The validity of a licence cannot be extended beyond this period without an amendment to the Act by Parliament.

15. There is no penalty for the non-utilization of a licence or a portion of a licence. Licences are permissive only.

16. Yes. They are transferable subject to National Energy Board and Governor-in-Council approval.

17. Conditions attached to the issue of a licence would normally include installation of metering, inspection and reporting, subject to requirements established by the Board.

Other procedural requirements

18. Apart from procedures defined in the Regulations made pursuant to the Act, no additional administrative procedures are required.

19. Not applicable.

## VII - EXPORT AND IMPORT PERMITS ACT

### (a) GENERAL RESPONSES APPLICABLE TO DAIRY PRODUCTS; CHICKEN, TURKEY AND EGGS; BROILER HATCHING EGGS AND CHICKS; BEEF AND VEAL; MARGARINE; AND WHEAT AND BARLEY AND THEIR PRODUCTS

Note: Effective 1 January 1995 (or 1 August 1995 for wheat, barley and their products, butter, dry whey and cream), in compliance with its GATT/World Trade Organization (WTO) commitments, Canada converted its agricultural import controls to a system of tariff rate quotas (TRQs). Under these TRQs, imports within the TRQ level, i.e. within the access commitment, will require a permit issued through the Export and Import Controls Bureau (EICB) in order to benefit from the lower rate of duty, while imports over the quota level, subject to significantly higher rates of duty, may enter under a General Import Permit. In addition, for wheat, barley and their products, imports are on a first-come, first-served basis.

#### Purpose and coverage of licensing

2-4. See Product Outline in VII (b).

5. Licensing is maintained through regulations under the Export and Import Permits Act.

Individual products are not designated in the Act.

An Import Control List has been established by regulation by the Governor-in-Council. The list includes goods the import of which it is deemed necessary to control for any of the following purposes, namely:

- where at any time it appears to the satisfaction of the Governor-in-Council that, for the purpose of implementing the Agreement on Agriculture in Annex 1A of the World Trade Organization Agreement, it is advisable to control the importation of goods or collect information with respect to the importation of goods, the Governor-in-Council may, by order, include the goods on the Import Control List;
- to ensure, in accordance with the needs of Canada, the best possible supply and distribution of an article that is scarce in world markets or in Canada or is subject to government controls in the countries of origin or to allocation by inter-governmental arrangement;
- to implement any action taken under the Farm Income Protection Act, the Fisheries Prices Support Act, the Agricultural Products Co-operative Marketing Act, the Agricultural Products Board Act or the Canadian Dairy Commission Act, with the object or the effect of supporting the price of the article;
- to implement an intergovernmental arrangement or commitment; and
- where at any time it appears to the satisfaction of the Governor-in-Council on a report of the Minister made pursuant to an inquiry made under section 20 or 26 of the Canadian International Trade Tribunal Act by the Canadian International Trade Tribunal in respect of any goods, that goods of any kind are being imported or are likely to be imported into Canada at such prices, in such quantities and under such conditions as to cause or threaten serious injury to the production in Canada of like or directly

competitive goods, any goods of the same kind may, by order of the Governor-in-Council, be included on the Import Control List in order to limit the importation of such goods to the extent and for the period that, in the opinion of the Governor-in-Council, is necessary to prevent or remedy the injury.

Once an item has been placed on the Import Control List, a permit either individual or general, is required by the Act to import such goods into Canada.

Specific products can be made subject to either individual licensing or open general licensing by the Minister of Foreign Affairs.

This licensing system may be abolished by the Governor-in-Council by removing the items from the Import Control List. Only Parliament can alter or amend the Export and Import Permits Act.

The Minister of Foreign Affairs may also decide to allocate shares of the within-TRQ access for any product in advance. Where this system is used, import permits (licences) will normally be issued automatically up to the level of an importer's share.

#### Procedures

6-7. See Product Outline in VII (b).

8. Applications which meet the general requirements are not normally refused. If criteria have not been met (e.g. no valid import licence, no quota entitlement) the applicant will be informed; in such event the applicant may request reconsideration by the Minister of Foreign Affairs or the applicant may choose to pay the over-access tariff and import the goods under a General Import Permit, which is automatically applicable.

#### Eligibility of importers to apply for permit

9. Any resident of Canada may apply for a permit. Citizenship is not a criterion.

#### Documentational and other requirements for application for licence

10. The applicant is required to provide the information requested on the application for import permit form. For certain products, additional information and/or documentation may be required, as indicated in the specific product group responses.

11. See Product Outline in VII (b).

12. Any applicant may directly apply to the Department of Foreign Affairs and International Trade in Ottawa for a permit, for which there are fees ranging from \$15.00 to \$31.00, according to the value of the goods. For permits issued at other authorized computer terminals, however, there are fees ranging from \$10.00 to \$26.00 (according to value) or more to cover costs of additional services by such issuers.

13. No.

#### Conditions of licensing

14. Import permits have a validity of 30 days which may be extended, provided the request for extension is made prior to the original expiry date, by a simple amendment to the permit. Otherwise

if the permit has not been used, the importer may apply for its cancellation and the issuance of a new permit upon presentation of the unused permit.

15. There is no penalty for non-utilization of an import permit.
16. Permits are not transferable between importers.
17. Under very particular circumstances, special conditions may be attached from time to time.

Other procedural requirements

18. No.
19. Not applicable.

VII - EXPORT AND IMPORT PERMITS ACT

(b) OTHER RESPONSES - BY PRODUCT GROUPS

(1) DAIRY PRODUCTS

Outline of system

1. Dairy products remain on the Import Control List, established under the Export and Import Permits Act; and effective 1 January 1995, existing import controls on these products were replaced with tariff rate quotas (1 August 1995 for butter, heavy cream and dry whey).

Purposes and coverage of licensing

2. Dairy products on the Import Control List and subject to individual import permit licensing are: cheese of all types, butter, ice cream, yoghurt, heavy cream, condensed milk, powdered buttermilk, dry whey, dairy-based products falling within tariff item Numbers 0404.90.10 and 1901.90.33. This action was taken under the authority of Paragraph 5(1)(d) and Section 5.3 of the Export and Import Permits Act. Individual import permits are required for each shipment.

3. The system applies to goods originating and coming from all countries.

4. This licensing system is used to implement TRQs for dairy products in accordance with Canada's commitments under the WTO.

5. See General Responses.

Procedures

6. The following is a list of TRQ levels for the dairy products which are subject to import control. For 1996, the TRQ level for cheese is 20,411.866 tonnes. As a result of an agreement between Canada and the European Union (EU), not less than 66 per cent of the cheese TRQ is allocated to member states of the EU and the remaining 34 per cent is allocated to any other (non-EU) country in the world. Current holders of cheese TRQ who are active in the cheese trade have retained their quota, which is allocated on a yearly basis. For 1996/97, the TRQ for butter will be 2,226 tonnes. As a result of an agreement between Canada and New Zealand, there is a country reserve of 1,360 tonnes of butter for New Zealand, with the balance open to all supplying countries; imports from New Zealand are

counted against the balance only once the reserve is exhausted. The TRQ that applies to butter has been allocated to the Canadian Dairy Commission for the benefit of further processors. For 1996, the TRQ for ice cream is 374.4 tonnes. Traditional ice cream importers continue to receive their initial allocation minus adjustments for under-utilization; the remainder is allocated to those importers who make application. For 1996, the TRQ level for yoghurt is 332 tonnes. Traditional yoghurt importers continue to receive their initial allocation minus adjustments for under-utilization; the remainder is allocated to those importers who make application. For 1996/97, the TRQ level for heavy cream is 394 tonnes; allocations are made in priority to importers with established distribution lines, and once the requirements of these importing companies have been met, the balance (if any) is allocated to applicants who can support their application by demonstrating that they have in place a distribution line for this kind of product. For 1996/97, the TRQ level for condensed milk is 11.7 tonnes, allocated on a yearly basis to the traditional quota holder. The TRQ for condensed milk is allocated entirely to Australia. For 1996, the TRQ level for powdered buttermilk is 908 tonnes, allocated on a yearly basis to the traditional quota holder. The TRQ for powdered buttermilk is allocated entirely to New Zealand. For 1996/97, the TRQ level for dry whey is 3,198 tonnes. Allocations are made in priority to users, of speciality type whey not available from domestic sources, that can demonstrate a requirement for these in their manufacturing/production formulations. The balance is allocated to processors and further processors that can demonstrate a requirement for whey in their manufacturing/production formulations. For dairy-based products falling within item number 0404.90.10 and 1901.90.33, the 1996 TRQ levels are 4,345 tonnes and 70 tonnes respectively. The TRQ associated with 0404.90.10 is allocated in priority to users of milk protein concentrate that can demonstrate a requirement for this product in their manufacturing/product formulation; the balance, if any, is allocated to processors and further processors that can demonstrate a requirement for other products of natural milk constituents (e.g. blends of products of natural milk constituents) in their manufacturing/product formulation. The TRQ associated with 1901.90.33 is allocated to users of food preparations of goods classified under headings Nos. 0401 to 0404 that can demonstrate a requirement for these products in their manufacturing/product formulation.

I. Information on TRQs and formalities is published in the Canada Gazette and Notices to Importers which are distributed to customs brokers, associations and traders and are available upon request from the Department of Foreign Affairs and International Trade.

II. See Section 6.

III. If a quota holder uses less than 90 per cent of TRQ allocated (95 per cent for cheese), the allocation in the next year will normally be reduced by the percentage of under-utilization. TRQ not used in any calendar year will not be available for carry-over to the next calendar year.

IV. Individual import permits are required for each shipment at the within-TRQ rates of duty.

V-VII. Import permits are issued through an on-line automated system either (a) in the offices of customs brokers in major cities across Canada, or (b) at the Export and Import Controls Bureau in Ottawa. Import permits are normally issued with a validity period of 30 days around the date of arrival specified by importers (five days prior to and 24 days after); utilization of permits for one quota year is not allowed in the next quota year.

VIII. See Section 6.

IX-X. Not applicable.

XI. Supplementary imports may also be allowed for re-export or to meet domestic market shortages.

7. See Section 6.

8. See General Responses.

Eligibility of importers to apply for licence

9. See General Responses.

Documentational and other requirements for application for licence

10. See General Responses.

11. Documents required upon actual importation: import permit, customs entry documents and food certificates as required under the Canadian Dairy Products Act and Regulations.

12-13. See General Responses.

Conditions of licensing

14-17. See General Responses.

Other procedural requirements

18-19. See General Responses.

(2) CHICKEN, TURKEY AND EGGS

Outline of system

1. Chicken, turkey, eggs and egg products remain on the Import Control List, established under the Export and Import Permits Act; and effective 1 January 1995, existing import controls on these products were replaced with TRQs.

Purposes and coverage of licensing

2. Imports of "chicken and chicken capons, live or eviscerated, chicken parts, whether breaded or battered, and chicken products manufactured wholly thereof, whether breaded or battered", "turkeys, turkey parts and products manufactured wholly thereof" and "eggs and egg products" are subject to global TRQs. For all three products, individual import permits are required for each shipment covered by the aforementioned descriptions. These products were placed on the Import Control List under the authority of Paragraph 5(1)(b) and Section 5.3 of the Export and Import Permits Act.

3. The system applies to goods originating in and coming from all countries.

4. The licensing system is being used to implement TRQs on chicken, turkey and eggs in accordance with Canada's commitments under the WTO.

5. See General Responses.

## Procedures

6. Under the provisions of the North American Free Trade Agreement (NAFTA), Canada provides a global TRQ for chicken equivalent to 7.5 per cent of the previous year's domestic production. The TRQ level established under the WTO is 39,843.7 tonnes for 1996 (eviscerated product basis). All calculations are made on a bone-in eviscerated equivalent basis; conversion factors of 1:0.75 apply to live to eviscerated, 2:1 to boneless to eviscerated. For turkey, the global TRQ under the provisions of NAFTA is 3.5 per cent of the current year's estimated production. The level established under the WTO is 4,691.2 tonnes (eviscerated product basis) for 1996. All calculations are made on a bone-in eviscerated equivalent basis; conversion factors of 1:0.82 apply to live to eviscerated, 2:1 to boneless to eviscerated. Under NAFTA, Canada provides a global TRQ for shell eggs and egg products of 2.988 per cent of the previous year's domestic production. It is split among shell eggs (1.647 per cent), frozen, liquid and further processed eggs (0.714 per cent), and powdered eggs (0.627 per cent). The level established under the WTO for shell eggs and egg products is 14,531,600 dozen in 1996. For chicken, turkey, eggs and egg products, the access provided by Canada is the greater of its NAFTA or WTO commitments.

The basic procedure that applies to imports of chicken, turkeys, shell eggs and egg products is that a quantitative limit for imports from all sources is established yearly. Individual TRQ holders are informed of their allocations which are based upon import performance in recent periods and meeting criteria that are published annually in Notices to Importers. In the case of turkeys, individual allocations may be utilized at any time during the quota year. However for chicken and egg products, individual allocations for larger TRQ holders are distributed on a quarterly basis while those for shell eggs are distributed on a monthly basis at a volume ratio in keeping with traditional demand. Applications for single-shipment permits are made against these allocations at any time during the 30 days preceding the expected date of arrival of the shipment. Additional import permits, supplementary to the basic TRQ, may also be obtained depending upon domestic supply availability and each applicant's use of their TRQ if they are holders of TRQ.

I. Information on TRQs and related formalities is published in the Canada Gazette and in Notices to Importers. The latter are distributed to customs brokers, associations and traders, and are available upon request from the Department of Foreign Affairs and International Trade.

II. See Section 6.

III. If a holder of TRQ for chicken, turkey and egg products uses less than 90 per cent of the TRQ allocated, the allocation in the next year will normally be reduced by the percentage of under-utilization; for a holder of TRQ for shell eggs and egg products, the threshold is 95 per cent. TRQ not used in any calendar year will not be available for carry-over to the next calendar year.

IV. Individual import permits are required for each shipment at the within-TRQ rates of duty.

V-VII. Import permits are issued through an on-line automated system either (a) in the offices of customs brokers in major cities across Canada, or (b) at the Export and Import Controls Bureau in Ottawa. Import permits are normally issued with a validity period of 30 days around the date of arrival specified by importers (five days prior to and 24 days after); utilization of permits for one quota year is not allowed in the next quota year. Import permits are available immediately at numerous computer terminals across Canada, provided that the applicant has not used up his quota allocation.

VIII. See Section 6.

IX-X. Not applicable.

XI. A supplementary access regime applies when genuine market shortages exist. Supplementary imports may also be allowed for re-export.

7. See Section 6.

8. See General Responses.

Eligibility of importers to apply for licence

9. See General Responses.

Documentational and other requirements for applications for licence

10. See General Responses.

11. Import permits and normal customs entry forms are required in addition to health certificates as required under the Canada Agriculture Products Act.

12-13. See General Responses.

Conditions of licensing

14-17. See General Responses.

Other procedural requirements

18-19. See General Responses.

(3) BROILER HATCHING EGGS AND CHICKS

Outline of system

1. Broiler hatching eggs and chicks remain on the Import Control List, established under the Export and Import Permits Act; and effective 1 January 1995, existing import controls on these products were replaced with tariff rate quotas.

Purposes and coverage of licensing

2. In order to support action taken under the Farm Products Agencies Act, Broiler Hatching Eggs and Chicks were placed on the Import Control List. "Chick" means a chick for chicken meat production hatched from a broiler hatching egg. This action was taken under the authority of Paragraph 5(1)(b) and Section 5.3 of the Export and Import Permits Act. Individual import permits are required for each shipment of these products.

3. The system applies to goods originating in and coming from all countries.

4. This licensing system is used to implement TRQs for broiler hatching eggs and chicks in accordance with Canada's commitments under the WTO.

5. See General Responses.

Procedures

6. Under the provisions of a bilateral agreement with the United States, Canada provides a TRQ level for broiler hatching eggs and chicks of 21.1 per cent of the current year's estimated domestic production, split into separate access commitments for eggs (17.4 per cent) and chicks (3.7 per cent). The TRQ level established under the WTO Agreement for broiler hatching eggs and chicks is 7,949,000 dozen in egg equivalents. Each chick is counted as 1.27 hatching eggs. The access provided by Canada is the greater of its NAFTA and WTO commitments. Holders of TRQ for hatching eggs may convert their allocation into TRQ for chicks, but TRQ for chicks is not convertible into TRQ for hatching eggs.

The TRQ level is determined annually and is allocated to federally registered hatcheries on the basis of market share minus adjustments for under-utilization. Holders of TRQ are permitted to import up to their allocated annual TRQ level at any time during the calendar year.

I. Information on TRQs and related formalities is published in the Canada Gazette and in Notices to Importers. The latter are distributed to customs brokers, associations and traders, and are available upon request from the Department of Foreign Affairs and International Trade.

II. See introduction to this reply.

III. If a holder of TRQ uses less than 90 per cent of TRQ allocated, the allocation in the next year will normally be reduced by the percentage of under-utilization on an egg equivalent basis. TRQ not used in any calendar year will not be available for carryover to the next calendar year.

IV. Individual import permits are required for each shipment at the within-TRQ rates of duty.

V-VII. Import permits are issued through an on-line automated system either (a) in the offices of Customs Brokers in major cities across Canada, or (b) at the Export and Import Controls Bureau in Ottawa. Import permits are normally issued with a validity period of 30 days around the date of arrival specified by importers (5 days prior to and 24 days after); utilization of permits for one quota year is not allowed in the next quota year.

VIII. See Section 6.

IX-X. Not applicable.

XI. A supplementary access regime applies when genuine market shortages exist. Supplementary imports may also be allowed for re-export.

7. See Section 6.

8. See General Responses.

Eligibility of importers to apply for licence

9. See General Responses.

Documentational and other requirements for application for licence

10. See General Responses.

11. Documents required upon actual importation: import permit, customs entry documents and health certificates as required under the Canada Agriculture Products Act.

12-13. See General Responses.

#### Conditions of licensing

14-17. See General Responses.

#### Other procedural requirements

18-19. See General Responses.

### (4) BEEF AND VEAL

#### Outline of system

1. Effective 1 January 1995, beef and veal were placed on the Import Control List established under the Export and Import Permits Act; and the existing import control measures for these products provided for under the Meat Import Act were replaced with a tariff rate quota.

#### Purposes and coverage of licensing

2. In order to implement Canada's commitments under the WTO Agreement, beef and veal were placed on the Import Control List. This action was taken under the authority of Paragraph 5(1)(a) and Section 5.3 of the Export and Import Permits Act. Individual import permits are required for each shipment of carcasses and half-carcasses of bovine animals, fresh, chilled or frozen; cuts of meat of bovine animals, fresh, chilled or frozen, with bone in and boneless meat of bovine animals, fresh, chilled or frozen.

3. The system applies to goods originating from all countries except the United States and Mexico.

4. This licensing system is used to implement TRQs for beef and veal in accordance with Canada's WTO commitments.

5. See General Responses.

#### Procedures

6. In keeping with its WTO commitments, for 1996 Canada has agreed to a TRQ level for imports of fresh, chilled and frozen beef and veal from non-NAFTA countries of 76,409 tonnes; of this, 29,000 tonnes are reserved for imports from New Zealand and 42,000 tonnes are reserved for imports from Australia for 1996. The basic procedure that applies to imports of beef and veal is that a quantitative limit for all sources is established yearly. For 1996, the beef TRQ is allocated to importers as follows: 57,307 tonnes are allocated to processors and retailer-processors on the basis of the amount of non-NAFTA beef and veal processed in their own facilities in a previous 12-month period, and the balance of 19,102 tonnes is allocated to distributors on the basis of sales of non-NAFTA beef and veal in a previous 12-month period.

I. Information on TRQs and related formalities is published in the Canada Gazette and in Notices to Importers. The latter are distributed to customs brokers, associations and traders and are available upon request from the Department of Foreign Affairs and International Trade.

II See Section 6.

III. Not applicable.

IV. Individual import permits are required for each shipment at the within-TRQ rates of duty.

V.-VII. Import permits are issued through an on-line automated system either (a) in the offices of customs brokers in major cities across Canada, or (b) at the Export and Import Controls Bureau in Ottawa. Import permits are normally issued with a validity period of 30 days around the date of arrival specified by importers (5 days prior to and 24 days after); utilization of permits for one quota year is not allowed in the next quota year. Import permits are available immediately at numerous computer terminals across Canada, provided that the applicant has not used up its TRQ allocation.

VIII. See Section 6.

IX-X. Not applicable.

XI. The Minister of Foreign Affairs may authorize the importation of beef and veal supplementary to the TRQ if he judges that the importation serves the overall needs of the Canadian market.

7. See Section 6.

8. See General Responses.

Eligibility of importers to apply for permit

9. See General Responses.

Documentational and other requirements for application for licence

10. See General Responses.

11. Import permits and normal customs entry forms are required in addition to health certificates as required under the Canada Agriculture Products Act.

12-13. See General Responses.

Conditions of licensing

14-17. See General Responses.

Other procedural requirements

18-19. See General Responses.

(5) MARGARINE

Outline of system

1. Effective 1 January 1995, margarine and butter substitutes, excluding liquid margarines, were placed on the Import Control List established under the Export and Import Permits Act; and the existing import prohibitions for these products were replaced with a tariff rate quota.

Purposes and coverage of licensing

2. In order to fulfil Canada's WTO Agreement access commitments for margarine, margarine was placed on the Import Control List. This action was taken under the authority of Paragraph 5(1)(b) and Section 5.3 of the Export and Import Permits Act. Individual import permits are required for each shipment.

3. The system applies to goods originating in and coming from all countries, with the exception of Mexico (by virtue of NAFTA).

4. This licensing system is used to implement TRQs for margarine in accordance with Canada's WTO commitments.

5. See General Responses.

Procedures

6. For 1996, the TRQ level is 5,139.6 tonnes. Import permits are allocated on a first-come, first-served basis, without restriction on the applicants (except that no applicant may import more than 200 tonnes in a calendar year). Permits are normally valid for 30 days, but only within the calendar year.

I. Information on TRQs and related formalities is published in the Canada Gazette and in Notices to Importers. The latter are distributed to customs brokers, associations and traders and are available upon request from the Department of Foreign Affairs and International Trade.

II. See Section 6.

III. Not applicable.

IV. Individual import permits are required for each shipment at the within-TRQ rates of duty.

V.-VII. Import permits are issued through an on-line automated system either (a) in the offices of customs brokers in major cities across Canada, or (b) at the Export and Import Controls Bureau in Ottawa. Import permits are normally issued with a validity period of 30 days around the date of arrival specified by importers (five days prior to and 24 days after); utilization of permits for one quota year is not allowed in the next quota year.

VIII. See Section 6.

IX-X. Not applicable.

XI. Supplementary imports may also be allowed for re-export.

7. See Section 6.

8. See General Responses.

Eligibility of importers to apply for licence

9. See General Responses.

Documentational and other requirements for application for licence

10. See General Responses.

11. Documents required upon actual importation are: import permit and customs entry documents.

12-13. See General Responses.

Conditions of licensing

14-17. See General Responses.

Other procedural requirements

18-19. See General Responses.

(6) WHEAT, BARLEY AND THEIR PRODUCTS

Outline of system

1. Effective 1 August 1995, wheat, barley and their products were placed on the Import Control List, established under the Export and Import Permits Act; and existing import controls on these products were replaced with tariff rate quotas.

Purposes and coverage of licensing

2. In order to fulfil its WTO Agreement access commitments for wheat, barley and their products, Canada removed the requirement under the Canadian Wheat Board Act and related regulations for import licences for wheat, barley and their products and replaced them with a system of TRQs. This required placing them on the Import Control List under the authority of Paragraph 5(1)(a) and Section 5.3 of the Export and Import Permits Act.

3. This system applies to goods originating in all countries except wheat, barley and their products imported from Mexico and wheat and wheat products imported from the United States, by virtue of the NAFTA and the Canada-USA FTA respectively.

4. This licensing system is used to implement TRQs for wheat, barley and their products in accordance with Canada's commitments under the WTO.

5. See General Responses.

Procedures

6. For 1996, the TRQ levels are: wheat - 154,280.6 tonnes, barley - 271,320 tonnes, wheat products - 123,557 tonnes (grain equivalent) and barley products - 13,008.6 tonnes (grain equivalent). There are no allocations to importers. The TRQ is administered on a first-come, first-served basis from 1 August to 31 July (crop year).

I. Information on TRQs and related formalities is published in the Canada Gazette and in Notices to Importers. The latter are distributed to customs brokers, associations and traders and are available upon request from the Department of Foreign Affairs and International Trade.

II. See Section 6.

III. TRQ not used in any crop year will not be available for carry-over to the next crop year.

IV. The General Import Permit number must be stated on the customs entry document. When the TRQ level for any product is reached, a different General Import Permit allows importation at the outside-TRQ rates of duty.

V-VII. Not applicable.

VIII. See Section 6.

IX-XI. Not applicable.

7. See Section 6.

8. See General Responses.

Eligibility of importers to apply for licence

9. See General Responses.

Documentational and other requirements for application for licence

10. See General Responses.

11. Normal customs entry forms indicating the appropriate General Import Permit are required.

12-13. See General Responses.

Conditions of licensing

14-17. See General Responses.

Other procedural requirements

18-19. See General Responses.

## (7) CLOTHING & HANDBAGS

### Outline of system

1. Specific products are included on the Import Control List established under the Export and Import Permits Act pursuant to negotiated bilateral export restraint arrangements. They are subject to either individual import licensing or open general licensing.

### Purposes and coverage of licensing

2. Products on the Import Control List subject to individual import permits are: work gloves; outerwear garments; hosiery; pants; blouses and ladies' shirts; pyjamas and sleepwear; raincoats; sportswear; foundation garments; swimwear; underwear; topcoats and overcoats; men's and boys' structured suits and jackets; leather coats; men's and boys' shirts; and sweaters. Clothing, other textile articles, for personal use, for use as gifts or as commercial samples are allowed entry into Canada under open general permits: (a) where the value for duty, as determined under the Customs Act, of each importation of the goods is not more than \$500.00; or (b) where the importation of the goods has a value for duty, as determined under the Customs Act, of more than \$500.00, the number of units of the goods to be imported does not exceed 16.

3. The system applies to imports from all countries.

4. The licensing system is used to implement restraint arrangements in accordance with the Uruguay Round Agreement on Textiles and Clothing (ATC), to administer restraints imposed by Canada unilaterally under the ATC, and for surveillance purposes in order to fulfil Canada's obligations and to pursue its rights under the ATC, as well as to fulfil its bilateral obligations to those trading partners with whom restraints have been negotiated. General Canadian customs clearance is not yet fully computerized, and in view of the significant number of ports of entry, the surveillance required could not be achieved without the centralized licensing system.

5. The Export and Import Permits Act provides for the establishment of an Import Control List to implement an intergovernmental arrangement or to prevent the frustration or the circumvention of the ATC. Import permits are issued for goods, including clothing, on the Import Control List.

### Procedures

6. Note: Quantitative restrictions on clothing and handbags are established in accordance either with bilateral export restraints under the ATC or imposed unilaterally. In the case of bilateral restraints, administration is usually maintained in the exporting source. For these agreements, the Canadian import licensing system is back-to-back with the licensing systems of the exporting sources. Canadian import permits are issued on a single-shipment basis to the holders of valid export licences from the exporting authorities.

In the case of restraints imposed unilaterally by Canada, or where provided by bilateral agreements, administration is maintained by Canada. Quotas are allocated to Canadian importers, and permits are issued not on the basis of the holding of an export licence issued by the exporting source, but on whether the importer has sufficient quota remaining to cover the permit application. Imports entering under unilaterally imposed restraints would account for less than 1 per cent of total clothing and handbag imports.

I. Information on restraints and formalities is published in the Canada Gazette, in press releases and in Notices to Importers distributed to associations and traders. It is also available upon request. Such information is issued by the Department of Foreign Affairs and International Trade.

- When the authorities in the exporting source are responsible for administration of the restraint, information is available from the appropriate body there.
- Overall amounts and the amount allocated to goods from each country are also available from the Department of Foreign Affairs and International Trade.
- In the case where Canada administers, the maximum amount allocated to each importer is not published. Quota shares are allocated on the basis of the historical performance of each in importing the product in question from the restrained source. Given the commercial sensitivity of the information, it is not published for reasons of confidentiality.

II. See NOTE above. Canadian import permits are issued on a single-shipment basis to the holders of valid export licences from the exporting authorities. In the case of unilaterally imposed restraints, import permits are issued on a single-shipment basis upon confirmation that the importer has sufficient quota remaining to cover the shipment.

III. See NOTE above. Bilateral arrangements provide flexibility of quota utilization through the exercise of swing, carry-forward and carry-over by the authorities of the exporting country.

- This question applies only to situations where Canada has imposed a restraint unilaterally. In general, quota is allocated to companies with historical performance in importing the product in question from the restrained source. To encourage the full utilization of allocations within the applicable year by those importers to whom such allocations have been made, importers are informed that if, by 1 November of each year, they have not utilized at least 75 per cent of their allocation, the difference between 75 per cent and actual utilization will then revert to the Canadian Government, with their succeeding year's quota allocation reduced by an equivalent amount. Quota that is thus returned to the Government is added to a reserve and reallocated according to demand on a first-come, first-served basis. There is no provision for carrying over unused quotas to succeeding years. Because commercially sensitive information is used to determine quota allocations, the names of the quota holders are not provided to the exporting country.

IV. Import permits are issued on a single-shipment basis and may be applied for within 30 days prior to the arrival of the goods, or any time after their arrival.

V. Import permits are available immediately either directly from the Department of Foreign Affairs and International Trade, Ottawa, or through numerous computer terminals across Canada at agents authorized by that Department, provided that proper documentation from the exporting source is presented.

VI. See response to 6(IV).

VII. Permit applications are considered by only one organization, the Export and Import Controls Bureau, Department of Foreign Affairs and International Trade.

VIII. See NOTE above. This question only applies to situations where Canada has imposed a restraint unilaterally. Allocation of quota is based on historical performance (as described above). In addition, a portion of the quota (not less than 10 per cent) is reserved on a first-come, first-served basis for new entrants or for allocation holders who present documentary proof of hardship, in the form of irrevocable commitments to suppliers, in the event that their initial allocation is insufficient to meet such commitments.

IX. Import permits are issued back-to-back with export licences. See also response to 8 below.

X. Not applicable.

XI. There are provisions of this type in the bilateral arrangements in order that such re-exports are not counted against the negotiated restraint levels.

7. (a) Import permits for goods subject to surveillance only can be applied for 30 days prior to the expected date of arrival or at any time after arrival.

(b) A permit is normally granted immediately upon request.

(c) See response to 7(a).

(d) Permit applications are considered by only one organization, the Export and Import Controls Bureau, Department of Foreign Affairs and International Trade.

8. Import permits are not normally refused if the criteria relating to issuance are met. If a permit is refused, for example, because of incomplete information on the application, the applicant is advised and given the opportunity to correct the anomaly.

#### Eligibility of importers to apply for licence

9. Import permits may be issued only to Canadian residents, whether they be persons, firms or institutions. Importers eligible to receive import permits are registered with the Export and Import Controls Bureau without charge. This registration is for administrative purposes only related to the use of a computerized permit delivery system. The names of registered importers are made available on request.

#### Documentational and other requirements for application for licence

10. See NOTE on question (6) for additional information required to that prescribed in the application for import permit form.

11. Import permits and normal customs entry forms are required.

12. Any applicant may apply to the Department of Foreign Affairs and International Trade, Ottawa, for a permit, for which there are fees of from \$15.00 to \$31.00, according to the value of the goods. For permits issued at other authorized computer terminals, however, there are fees of from \$10.00 to \$26.00 (according to value) or more to cover costs of additional services by such issuers.

13. No.

Conditions of licensing

14. A permit is valid for 30 days, and may be extended for a further 30 days if the request for extension is submitted prior to expiry.
15. No.
16. Licences are not transferable.
17. (a) No.  
(b) No.

Other procedural requirements

18. See NOTE on question (6).
19. Import permits issued pursuant to the Export and Import Permits Act are not a condition of foreign exchange transactions.

(8) TEXTILES

Outline of system

1. Specific products are included in the Import Control List established under the Export and Import Permits Act pursuant to negotiated bilateral export restraint arrangements. They are subject to either individual import licensing or open general licensing.

Purposes and coverage of licensing

2. Textile products are allowed entry into Canada under open general permits where they are imported for personal use of the importer, as gifts or as bona fide commercial samples, and where their value for duty, as determined under the Customs Act, is not more than \$500.00.
3. The system applies to imports from all countries.
4. The licensing system is used to implement restraint arrangements in accordance with the Uruguay Round Agreement on Textiles and Clothing (ATC), to administer restraints imposed by Canada unilaterally under the ATC, and for surveillance purposes in order to fulfil Canada's obligations and to pursue its rights under the ATC, as well as to fulfil its bilateral obligations to those trading partners with whom restraints have been negotiated. General Canadian customs clearance is not yet fully computerized, and in view of the significant number of ports of entry, the surveillance required could not be achieved without the centralized licensing system.
5. The Export and Import Permits Act provides for the establishment of an Import Control List to implement an intergovernmental arrangement or to prevent the frustration or circumvention of the ATC. Import permits are issued for goods, including textiles, on the Import Control List.

Procedures

6. Note: Quantitative restrictions on textiles are established in accordance either with bilateral export restraint arrangements negotiated under the ATC or imposed unilaterally according to the ATC. In the case of bilaterally negotiated restraints, administration is usually maintained in the exporting

source, depending upon the provisions of each bilateral agreement. For these agreements, the Canadian import licensing system is back-to-back with the licensing system of the exporting sources. Canadian import permits are issued on a single-shipment basis to the holders of valid export licences from the exporting authorities.

In the case of restraints imposed unilaterally by Canada or where provided by bilateral agreements, administration is maintained by Canada. Quotas are allocated to Canadian importers, and permits are issued not on the basis of the holding of an export licence issued by the exporting source, but on whether the importer has sufficient quota remaining to cover the permit application. Imports entering under unilaterally imposed restraints would account for less than one per cent of total textile imports.

I. Information on restraints and formalities is published in the Canada Gazette, in press releases and in Notices to Importers distributed to associations and traders. It is also available upon request. Such information is issued by the Department of Foreign Affairs and International Trade.

- When the authorities in the exporting source are responsible for administration of the restraint, information is available from the appropriate body there.
- Overall amounts and the amount allocated to goods from each country are also available from the Department of Foreign Affairs and International Trade.
- In the case of restraints imposed unilaterally by Canada, the maximum amount allocated to each importer is not published. Canada generally allocates quota in these cases on the basis of historical performance of each in importing the product in question from the restrained source. Given the commercial sensitivity of this information, it is not published for reasons of confidentiality.

II. See NOTE above.

- Canadian import permits are issued on a single-shipment basis to the holders of valid export licences from the exporting authorities. In the case of unilaterally imposed restraints, import permits are issued on a single-shipment basis upon presentation of an invoice and confirmation that the importer has sufficient quota remaining to cover the shipment.

III. See NOTE above. Bilateral arrangements provide for flexibility of quota utilization through the exercise of swing, carry-forward and carry-over by the authorities of the exporting country.

- This question only applies to situations where Canada has imposed a restraint unilaterally. In general, quota is allocated to companies with historical performance in importing the product in question from the restrained source. To encourage the full utilization of allocations within the applicable year by those importers to whom such allocations have been made, importers are informed that if, by 1 November of each year, they have not utilized at least 75 per cent of their allocation, the difference between 75 per cent and actual utilization will then revert to the Canadian Government, with their succeeding year's quota allocation reduced by an equivalent amount. Quota that is thus returned to the Government is added to a reserve and reallocated according to demand on a first-come, first-served basis. There is no provision for carrying over unused quotas to succeeding years. Because commercially sensitive information is used to determine quota allocations, the names of the quota holders are not provided to the exporting country.

IV. Import permits are issued on a single-shipment basis and may be applied for within 30 days prior to the arrival of the goods, or any time after their arrival.

V. Import permits are available immediately either directly from the Department of Foreign Affairs and International Trade, or through numerous computer terminals across Canada at agents authorized by that Department, provided that proper documentation from the exporting source is presented.

VI. See response to 6.IV.

VII. Permit applications are considered by only one organization, the Export and Import Controls Bureau, Department of Foreign Affairs and International Trade.

VIII. See NOTE above.

- This question only applies to situations where Canada has imposed a restraint unilaterally. Allocation of quota is based on historical performance (as described above). In addition, a portion of the quota (not less than 10 per cent) is reserved on a first-come, first-served basis for new entrants or for allocation holders who present documentary proof of hardship, in the form of irrevocable commitments to suppliers, in the event that their initial allocation is insufficient to meet such commitments.

IX. Import permits are issued back-to-back with export licences. See also response to 8 below.

X. Not applicable.

XI. There are provisions of this type in the bilateral arrangements in order that such re-exports are not counted against the negotiated restraint levels.

7. (a) Import permits for goods subject to surveillance only can be applied for 30 days prior to the expected date of arrival or at any time after arrival.

(b) A permit is normally granted immediately upon request.

(c) See response to 7(a).

(d) Permit applications are considered by only one organization, the Export and Import Controls Bureau, Department of Foreign Affairs and International Trade.

8. Import permits are not normally refused if the criteria relating to issuance are met. If a permit is refused, for example, because of incomplete information on the application, the applicant is advised and given the opportunity to correct the anomaly.

#### Eligibility of importers to apply for licence

9. Import permits may be issued only to Canadian residents, whether they be persons, firms or institutions. Importers eligible to receive import permits are registered with the Export and Import Controls Bureau without charge. This registration is for administrative purposes only related to the use of a computerized permit delivery system. The names of registered importers are made available on request.

Documentational and other requirements for application for licence

10. See NOTE on question (6) for additional information required to that prescribed in the application for import permit form.
11. Import permits and normal customs entry forms are required.
12. Any applicant may directly apply to the Department of Foreign Affairs and International Trade in Ottawa for a permit, for which there are fees of from \$15.00 to \$31.00, according to the value of the goods. For permits issued at other authorized computer terminals however, there are fees of from \$10.00 to \$26.00 (according to value) or more to cover costs of additional services by such issuers.
13. No.

Conditions of licensing

14. A permit is valid for 30 days, and may be extended for a further 30 days if the request for extension is submitted prior to expiry.
15. No.
16. Licences are not transferable.
17. (a) No.  
(b) No.

Other procedural requirements

18. See NOTE in question (6).
19. Import permits issued pursuant to the Export and Import Permits Act are not a condition of foreign exchange transactions.

(9) ENDANGERED SPECIES

Outline of system

1. By virtue of the Convention on International Trade in Endangered Species of Wild Fauna and Flora, of which Canada is a member, specimens of such species and their by-products are listed on the Import Control List established under the Export and Import Permits Act and subject to licensing.

Purposes and coverage of licensing

2. The purpose of this coverage is:
  - (a) to place a strict limitation on trade in specimens and by-products of species classified as endangered;
  - (b) to establish a system of monitoring on specimens and by-products susceptible to becoming endangered through the mechanism of back-to-back licensing; and

(c) to allow individual countries to exercise surveillance on importation in other countries specimens and by-products of species which are considered endangered by the exporting country only.

3. The system applies to endangered species originating in and exported from all countries.
4. The purpose of the licensing system is to allow importation in endangered species and their by-products in internationally agreed circumstances.
5.
  - Licensing is effected by regulations under the Export and Import Permits Act.
  - Individual products are not designated in the Act.
  - Endangered species were placed on the Import Control List, established by the Governor-in-Council to implement an intergovernmental arrangement or commitment (see General Responses).
  - Endangered species are subject to open general licensing by the Minister of Foreign Affairs (see General Responses).

#### Procedures

6. I. Information as to the formalities for complying with the requirements of this control is published in the Canada Gazette, in press releases and in Notices to Importers distributed to associations and traders and, in addition, available upon request from the Department of Foreign Affairs.
  - Not applicable.
  - Not applicable.
  - Not applicable.

Questions II, IV, V, VI, VII, VIII, IX, X and XI are not applicable.

7. (a) Individual import permits can be applied for 30 days prior to the expected date of arrival or at any time after arrival.
  - (b) An individual import permit is normally granted immediately upon request, provided the criteria for issuing a permit are met.
  - (c) Not applicable.
    - Not applicable.
  - (d) Permit applications are processed by three administrative organizations.

8. If the criteria have not been met, the applicant will be informed. In such event, the applicant may request reconsideration by the Minister of Foreign Affairs.

9. Any resident of Canada may apply for a permit. Citizenship is not a criterion.

Documentational and other requirements for application for licence

10. The importer is required to provide all the information requested by regulations depending on the type of species he intends to import (e.g. an export permit, a re-export permit or certificate issued by the exporting state, and an import permit issued by the Canadian Wildlife Service of the Department of the Environment).

- Not applicable.
- As stated above.

An export permit, issued by the appropriate CITES authority in the exporting country, must accompany all applications. Products arriving in Canada without a duly authentic CITES export permit will not be cleared by Canada Customs and are subject to seizure.

11. Documents as in 10 and the customs entry forms are required.

12. Any applicant may apply for a permit in Ottawa, for which there is a fee of \$15.00, but for permits issued at other computer terminals there is a fee of \$10.00 or more to cover costs of additional services by such issuers.

13. No.

Conditions of licensing

Questions 14-17 are not applicable.

Other procedural requirements

18. No.

19. Not applicable.

(10) CARBON AND SPECIALITY STEEL

Outline of system

1. Carbon and speciality steel are on the Import Control List established under the Export and Import Permits Act and are subject to individual and general licensing.

Purposes and coverage of licensing

2. Carbon steel products were placed on the Import Control List under the authority of subsection 5(3) of the Export and Import Permits Act with effect 1 September 1986, for the purpose of monitoring their entry into Canada following a reference to the Canadian Import Tribunal pursuant to section 48 of the Special Import Measures Act. The Tribunal concluded that carbon steel products are being and are likely to be imported into Canada at such prices, in such quantities and under such conditions as to make it advisable to collect information with respect to the importation of such goods. Carbon steel products are defined as semi-finished steel (ingots, blooms, billets, slabs and sheet bars), plate, sheet and strip, wire rods, wire and wire products, railway-type products, bars, structural shapes and units and pipe and tube. Speciality steel products were added to the Import Control List, following an

amendment to the Export and Import Permits Act, in order that the monitoring system for steel would be comprehensive.

3. The monitoring system applies to carbon and speciality steel imports from all countries.
4. The licensing is not intended to restrict the quantity or value of imports: it is intended to monitor the volume and the origin of carbon and speciality steel products.
5. The action of placing carbon steel on the Import Control List is under the authority of section 5(1) of the Export and Import Permits Act.

#### Procedures

6. Not applicable.
7. Individual import licences are required for each shipment of carbon and speciality steel as described in paragraph 2 above. Applications for licences may be made up to 30 days in advance of the expected date of arrival of the shipment in Canada, or at any time after its arrival. Licences will be granted immediately upon proper application in accordance with the Act. There are no limitations as to the period of the year during which applications and/or importation may be made. Licence applications are considered by only one organization, the Export and Import Permits Bureau, Department of Foreign Affairs and International Trade.

The following exceptions for any carbon or speciality steel product may be imported under general licensing:

- (i) where the total value for duty of the goods, as determined under the Customs Act, is not more than \$5,000.00; and
  - (ii) where those goods are imported by the nine major automotive companies under the 1965 Canada/U.S. Automotive Products Trade Agreement. These companies are required to report their imports of carbon steel products monthly.
8. See Section 7.

#### Eligibility of importers to apply for licence

9. All persons, firms and institutions are eligible to apply for licences.

#### Documentational and other requirements for application for licence

10. Nil.
11. Documents required upon actual importation:
  - (i) import licence; and
  - (ii) documents in accordance with the Customs Act.
12. Any applicant may directly apply to the Department of Foreign Affairs and International Trade, Ottawa, for a permit, for which there are fees of from \$15.00 to \$31.00, according to the value of

the goods. For permits issued at other authorized computer terminals, however, there are fees of from \$10.00 to \$26.00 (according to value) or more to cover costs of additional services by such issuers.

13. No.

Conditions of licensing

14-17. See Section 6.

Other procedural requirements

18. No.

19. Not applicable.