



17 April 2024

(24-3194)

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Committee on Rules of Origin

Original: English

**NOTIFICATION OF PREFERENTIAL RULES OF ORIGIN FOR  
LEAST DEVELOPED COUNTRIES**

CANADA

*Revision*

The following communication, dated 15 April 2024, is being circulated at the request of the delegation of Canada.

**A. BASIC INFORMATION**

1)	<b>Notifying member</b>	Canada
2)	<b>Date of entering into force of Rules of origin and any substantive modification thereof</b>	13 January 1983 Last modifications <b>Effective 1 January 2025:</b> - <i>General Preferential Tariff, General Preferential Tariff Plus and Least Developed Country Tariff Rules of Origin Regulations</i> (SOR/2023-210): <a href="https://laws-lois.justice.gc.ca/PDF/SOR-2023-210.pdf">https://laws-lois.justice.gc.ca/PDF/SOR-2023-210.pdf</a> <b>Effective 20 June 2017:</b> - <i>Regulations Amending the General Preferential Tariff and Least Developed Tariff Rules of Origin Regulations</i> (SOR/2017-127): <a href="https://canadagazette.gc.ca/rp-pr/p2/2017/2017-07-12/html/sor-dors127-eng.html">https://canadagazette.gc.ca/rp-pr/p2/2017/2017-07-12/html/sor-dors127-eng.html</a> <b>Effective 1 January 2015:</b> - <i>General Preferential Tariff and Least Developed Country Tariff Rules of Origin Regulations</i> (SOR/2013-165): <a href="https://canadagazette.gc.ca/rp-pr/p2/2013/2013-10-09/html/sor-dors165-eng.html">https://canadagazette.gc.ca/rp-pr/p2/2013/2013-10-09/html/sor-dors165-eng.html</a>
3)	<b>Date of expiration of Rules of origin if applicable</b>	31 December 2034 See: <a href="https://laws-lois.justice.gc.ca/PDF/C-54.011.pdf">https://laws-lois.justice.gc.ca/PDF/C-54.011.pdf</a> - Section 40 for LDCT
4)	<b>Title of the preferential scheme for which legislation on Rules of origin is applicable</b>	Least Developed Country Tariff (LDCT)
5)	<b>Authority(ies) granting the preferential treatment</b>	Authority is provided through the Customs Tariff. See: <a href="https://laws-lois.justice.gc.ca/PDF/C-54.011.pdf">https://laws-lois.justice.gc.ca/PDF/C-54.011.pdf</a> - Sections 37-40 for information on the LDCT

6)	<b>National authorities in charge of Rules of origin administration</b>	<ul style="list-style-type: none"> <li>- The Department of Finance has the responsibility for Canada's tariff policy and legislation (Customs Tariff), and the Canada Border Services Agency (CBSA) is responsible for its day-to-day administration.</li> <li>- The Department of Finance can be reached <a href="mailto:tariff-tarif@fin.gc.ca">tariff-tarif@fin.gc.ca</a></li> <li>- The CBSA can be reached at <a href="mailto:contact@cbsa.gc.ca">contact@cbsa.gc.ca</a>, by completing the online <a href="#">Contact Us form</a>, or via telephone through the Border Information Service (in Canada 1-800-461-9999; outside Canada 204-983-3500 or 506-636-5064).</li> <li>- Border Information Service webpage: <a href="http://www.cbsa-asfc.gc.ca/contact/bis-sif-eng.html">http://www.cbsa-asfc.gc.ca/contact/bis-sif-eng.html</a></li> </ul>
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## B. INFORMATION ON RULES OF ORIGIN

### I. BENEFICIARIES

1)	<b>List of Beneficiaries</b>	<p><b>As of 1 January 2025:</b></p> <p>45 beneficiaries of the LDCT</p> <ul style="list-style-type: none"> <li>- Cape Verde, Samoa, Tuvalu and Vanuatu will be graduated. See SOR/2023-208 <a href="#">Least Developed Country Tariff Withdrawal (2023 LDCT Review) Order</a></li> </ul> <p><b>Until 31 December 2024:</b></p> <ul style="list-style-type: none"> <li>- 49 beneficiaries of the LDCT. The list of beneficiaries can be found at: <a href="https://www.cbsa-asfc.gc.ca/trade-commerce/tariff-tarif/2024/01-99/countries-pays-eng.pdf">https://www.cbsa-asfc.gc.ca/trade-commerce/tariff-tarif/2024/01-99/countries-pays-eng.pdf</a></li> </ul>
2)	<b>Eligibility</b>	<p><a href="http://laws-lois.justice.gc.ca/eng/acts/C-54.011/FullText.html">http://laws-lois.justice.gc.ca/eng/acts/C-54.011/FullText.html</a></p> <ul style="list-style-type: none"> <li>- Section 38 for LDCT.</li> </ul>

### II. CRITERIA FOR DETERMINING SUBSTANTIAL TRANSFORMATION

1) General criteria, if applicable for all products		
	<b>(a) Definition of wholly obtained products</b>	<p><b>As of 1 January 2025:</b></p> <ul style="list-style-type: none"> <li>- The <i>General Preferential Tariff, General Preferential Tariff Plus and Least Developed Country Tariff Rules of Origin Regulations</i> (SOR/2023-210) are available at: <a href="https://laws-lois.justice.gc.ca/PDF/SOR-2023-210.pdf">https://laws-lois.justice.gc.ca/PDF/SOR-2023-210.pdf</a></li> <li>- See section 2 of the above link.</li> </ul> <p><b>Until 31 December 2024:</b></p> <ul style="list-style-type: none"> <li>- See <a href="#">G/RO/LDC/N/CAN/2</a></li> </ul>
	<b>(b) Describe the criteria for not-wholly produced products</b>	<p><b>As of 1 January 2025:</b></p> <ul style="list-style-type: none"> <li>- See subsection 4(1) of the above link for the rule of origin and <i>subsection 4(2)</i> for the cumulation provision. This rule of origin covers all goods except for certain apparel and made-up textile goods. Canada allows the use of up to 80% non-originating materials (i.e., 20% must originate in an LDC or Canada).</li> </ul>
	<b>(c) Insert the formula for calculating <i>ad valorem</i> percentage</b>	<ul style="list-style-type: none"> <li>- The <i>ad valorem</i> percentage is calculated by using the value of non-originating materials as a percentage of the ex-factory price of the final goods as packed for shipment to Canada.</li> </ul> <p><b>Until 31 December 2024:</b></p> <ul style="list-style-type: none"> <li>- See <a href="#">G/RO/LDC/N/CAN/2</a></li> </ul>

<b>2) Product specific rules of origin, where applicable</b>		
	<b>(a) Insert the link where the complete list of product specific rules of origin can be found.</b>	<b>As of 1 January 2025:</b> <ul style="list-style-type: none"> <li>- Rule of origin for most apparel (goods set out in Parts A1 and A2 of the schedule of the Regulations): see subsection 4(3) of the above link. The apparel originates if it is cut (or knit to shape) and sewn or otherwise assembled in an LDC.</li> <li>- Rule of origin for T-shirts and certain pants (goods set out in Part A3 of the schedule of the Regulations): see subsection 4(4) of the above link. These goods originate if they are sewn or otherwise assembled in an LDC.</li> <li>- Rule of origin for made up-textile goods (goods set out in Part B of the schedule of the Regulations): see subsection 4(5) of the above link. For made-up textile products, goods originate if they are cut (or knit to shape) and sewn or otherwise assembled in an LDC from fabric produced in any LDC or Canada.</li> </ul> <b>Until 31 December 2024:</b> <ul style="list-style-type: none"> <li>- See <a href="http://www.cbsa-asfc.gc.ca/publications/dm-md/d11/d11-4-4-eng.pdf">G/RO/LDC/N/CAN/2</a></li> </ul>
	<b>(b) Insert the formula for calculating <i>ad valorem</i> percentage, when applied for product specific rule</b>	
<b>3)</b>	<b>Definition of non-originating material and originating material, if any</b>	Not applicable
<b>4)</b>	<b>List of insufficient working process, if any</b>	Not applicable
<b>5)</b>	<b>Rules for application of cumulation and related procedures if any</b>	See sections 1 and 2 above.
<b>6)</b>	<b>Any other information that member deems necessary</b>	

### III. DOCUMENTARY REQUIREMENTS

<b>1) Certificate of origin and other proofs of origin</b>		
	<b>(a) Requirement for certificate of origin and/or any other proof of origin, if any</b>	<p>Canada allows exporter self-certification and requires a certificate of origin only for textile and apparel goods (other goods require either an Exporter's Statement of Origin or a Form A Certificate of Origin).</p> <p>Note that the proof of origin (Certificate of Origin or Statement of Origin) must be in the importers' possession when making a claim for preferential tariff treatment and be presented to the Canada Border Services Agency <u>only upon request</u>. The Canada Border Services Agency would request a copy of the proof of origin where there is doubt as to the originating status of the good.</p>
	<b>(b) Authority to be designated for issuance of certificate of origin</b>	Not applicable. The exporter completes the Certificate of Origin or the Statement of Origin.
	<b>(c) Prescribed form of Certificate of origin and/or any other proof of origin</b>	<p>The prescribed forms and explanatory information can be found at:</p> <p><a href="http://cbsa-asfc.gc.ca/publications/dm-md/d11/d11-4-4-eng.pdf">http://cbsa-asfc.gc.ca/publications/dm-md/d11/d11-4-4-eng.pdf</a></p>
	<b>(d) Any other procedures applied for certificate of origin and/or any other proof of origin, if any</b>	<p><a href="http://www.cbsa-asfc.gc.ca/trade-commerce/tariff-tarif/ldct-tpmd-eng.html">http://www.cbsa-asfc.gc.ca/trade-commerce/tariff-tarif/ldct-tpmd-eng.html</a></p>

2) Direct shipment		
	<b>(a) Rules applicable for direct shipment, if any</b>	<p>As of 1 January 2025, the <i>Direct Shipment (Most-Favoured-Nation Tariff, General Preferential Tariff, General Preferential Tariff Plus, Least Developed Country Tariff, Commonwealth Caribbean Countries Tariff, Australia Tariff and New Zealand Tariff) Regulations</i> (SOR/2023-212) will come into effect, allowing a greater variety of documents to substantiate that a good has been directly shipped to Canada, or if it as transited through a non-beneficiary, the good has remained under customs control in that other country.</p> <p><a href="https://laws.justice.gc.ca/PDF/SOR-2023-212.pdf">https://laws.justice.gc.ca/PDF/SOR-2023-212.pdf</a></p> <p>Information about direct shipment can be found at:</p> <p><a href="http://cbsa-asfc.gc.ca/publications/dm-md/d11/d11-4-4-eng.pdf">http://cbsa-asfc.gc.ca/publications/dm-md/d11/d11-4-4-eng.pdf</a></p> <p><a href="http://www.cbsa-asfc.gc.ca/trade-commerce/tariff-tarif/ldct-tpmd-eng.html">http://www.cbsa-asfc.gc.ca/trade-commerce/tariff-tarif/ldct-tpmd-eng.html</a></p> <p><a href="https://www.cbsa-asfc.gc.ca/publications/cn-ad/cn23-27-eng.html">https://www.cbsa-asfc.gc.ca/publications/cn-ad/cn23-27-eng.html</a></p> <p>Note that the proof of direct shipment must be presented to the Canada Border Services Agency <u>only upon request</u>.</p>
	<b>(b) Documentary requirement for proof of direct shipment including when the transport of consignment involves transit through one or more intermediate countries, if any</b>	

#### IV. VERIFICATION AND PENALTIES

1)	<b>Procedure for verification of proofs of origin</b>	<p>Information about verifications can be found at:</p> <p><a href="http://www.cbsa-asfc.gc.ca/publications/dm-md/d11/d11-6-8-eng.html">http://www.cbsa-asfc.gc.ca/publications/dm-md/d11/d11-6-8-eng.html</a></p> <p><a href="http://www.cbsa-asfc.gc.ca/trade-commerce/tariff-tarif/ldct-tpmd-eng.html">http://www.cbsa-asfc.gc.ca/trade-commerce/tariff-tarif/ldct-tpmd-eng.html</a></p>
2)	<b>Penalties for fraud and false declarations</b>	<p>Information about penalties can be found at:</p> <p><a href="http://www.cbsa-asfc.gc.ca/publications/dm-md/d22/d22-1-1-eng.html">http://www.cbsa-asfc.gc.ca/publications/dm-md/d22/d22-1-1-eng.html</a></p>
3)	<b>Authorities and procedures for appeal in the case of dispute on verification</b>	<p>Information concerning the authorities and procedures for appeal can be found at:</p> <p><a href="http://www.cbsa-asfc.gc.ca/publications/dm-md/d11/d11-6-7-eng.html">http://www.cbsa-asfc.gc.ca/publications/dm-md/d11/d11-6-7-eng.html</a></p>
4)	<b>Requirement for preserving the documents related to issuance of certificate of origin</b>	<p>Information about the maintenance of documentary records can be found at:</p> <p><a href="http://www.cbsa-asfc.gc.ca/publications/dm-md/d17/d17-1-21-eng.html">http://www.cbsa-asfc.gc.ca/publications/dm-md/d17/d17-1-21-eng.html</a></p>
5)	<b>Any other relevant information</b>	

#### V. REFERENCE TEXTS

(a)	<b>The legislative texts in one of the official WTO languages containing the preferential rules of origin applicable under a PTA granted under the Decision on Measures in Favour of Least-Developed Countries (Annex F of the Hong Kong Ministerial Declaration)</b>	<p><b>As of 1 January 2025:</b></p> <p><i>General Preferential Tariff, General Preferential Tariff Plus and Least Developed Country Tariff Rules of Origin Regulations</i> (SOR/2023-210):</p> <p><a href="https://laws-lois.justice.gc.ca/PDF/SOR-2023-210.pdf">https://laws-lois.justice.gc.ca/PDF/SOR-2023-210.pdf</a></p> <p><i>Direct Shipment (Most-Favoured-Nation Tariff, General Preferential Tariff, General Preferential Tariff Plus, Least Developed Country Tariff, Commonwealth Caribbean Countries Tariff, Australia Tariff and New Zealand Tariff) Regulations</i> (SOR/2023-212):</p> <p><a href="https://laws.justice.gc.ca/PDF/SOR-2023-212.pdf">https://laws.justice.gc.ca/PDF/SOR-2023-212.pdf</a></p> <p><b>Until 31 December 2024:</b></p> <p>General Preferential Tariff and Least Developed Tariff Rules of Origin Regulations</p> <p><a href="http://laws-lois.justice.gc.ca/PDF/SOR-2013-165.pdf">http://laws-lois.justice.gc.ca/PDF/SOR-2013-165.pdf</a></p>
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(b)	<b>The full text of the administrative regulations concerning modalities for issuance, acceptance, retrospective issuance and replacement of certificates of origin or any equivalent declarations to be made, including any requirements related to stamps to be used along with notification of stamps</b>	<p><i>Customs Tariff</i> (see sections 17 &amp; 18 - Direct Shipment): <a href="http://laws-lois.justice.gc.ca/PDF/C-54.011.pdf">http://laws-lois.justice.gc.ca/PDF/C-54.011.pdf</a></p> <p>Note that section 17 will be amended, and section 18 repealed as of 1 January 2025.</p> <p><i>Direct Shipment (Most-Favoured-Nation Tariff, General Preferential Tariff, General Preferential Tariff Plus, Least Developed Country Tariff, Commonwealth Caribbean Countries Tariff, Australia Tariff and New Zealand Tariff) Regulations</i> (SOR/2023-212): <a href="https://laws.justice.gc.ca/PDF/SOR-2023-212.pdf">https://laws.justice.gc.ca/PDF/SOR-2023-212.pdf</a></p>
(c)	<b>The full text and related administrative regulations of the modalities for the proof of movement of the consignment of the goods from the beneficiary countries to preference-giving countries including transit through third countries</b>	<p>Note: In effect as of 1 January 2025.</p> <p>Proof of Origin of Imported Goods Regulations (SOR/98-52): <a href="http://laws-lois.justice.gc.ca/PDF/SOR-98-52.pdf">http://laws-lois.justice.gc.ca/PDF/SOR-98-52.pdf</a></p> <p>Temporary Storage Period Regulations (SOR/88-79): <a href="http://laws-lois.justice.gc.ca/PDF/SOR-88-79.pdf">http://laws-lois.justice.gc.ca/PDF/SOR-88-79.pdf</a></p> <p>Note: In effect until 31 December 2024.</p> <p>Haiti Deemed Direct Shipment (General Preferential Tariff and Least Developed Country Tariff) Regulations (SOR/2010-58): <a href="http://laws-lois.justice.gc.ca/PDF/SOR-2010-58.pdf">http://laws-lois.justice.gc.ca/PDF/SOR-2010-58.pdf</a></p>
(d)	<b>The full texts of the modalities of the verification procedures and related penalties</b>	<p>Verification of Origin (Non-Free Trade Partners), Tariff Classification and Value for Duty of Imported Goods Regulations (SOR/98-45): <a href="http://laws-lois.justice.gc.ca/PDF/SOR-98-45.pdf">http://laws-lois.justice.gc.ca/PDF/SOR-98-45.pdf</a></p> <p>Determination, Re-determination and Further Re-determination of Origin, Tariff Classification and Value for Duty Regulations (SOR/98-44): <a href="http://laws-lois.justice.gc.ca/PDF/SOR-98-44.pdf">http://laws-lois.justice.gc.ca/PDF/SOR-98-44.pdf</a></p>