

10 October 2017

(17-5438)

Page: 1/4

Committee on Rules of Origin

Original: English

NOTIFICATION OF PREFERENTIAL RULES OF ORIGIN FOR LEAST DEVELOPED COUNTRIES

CANADA

The following communication, dated 4 October 2017, is being circulated at the request of the delegation of Canada.

Paragraph 4.3 of the 2015 Ministerial Decision on preferential rules of origin for least developed countries (WT/L/917/Add.1) requires preference-granting Members to notify preferential rules of origin as per the established procedures¹. In addition, as mandated by the Ministerial Decision, the Committee on Rules of Origin agreed, at its meeting of 2 March 2017, to a template for such notifications (G/RO/84).

Following such requirements, the following notification has been received from: Canada.

A. BASIC INFORMATION

1)	Notifying member	Canada
2)	Date of entering into force of Rules of origin and any substantive modification thereof	<p>13 January 1983</p> <p>Last modifications</p> <p>2017:</p> <ul style="list-style-type: none"> - Regulations Amending the General Preferential Tariff and Least Developed Tariff Rules of Origin Regulations (SOR/2017-127): http://www.gazette.gc.ca/rp-pr/p2/2017/2017-07-12/html/sor-dors127-eng.php <p>2013:</p> <ul style="list-style-type: none"> - General Preferential Tariff and Least Developed Country Tariff Rules of Origin Regulations (SOR/2013-165): http://canadagazette.gc.ca/rp-pr/p2/2013/2013-10-09/html/sor-dors165-eng.php
3)	Date of expiration of Rules of origin if applicable	<p>31 December 2024</p> <p>See: http://laws-lois.justice.gc.ca/eng/acts/c-54.011/FullText.html</p> <ul style="list-style-type: none"> - Section 40 for LDCT
4)	Title of the preferential scheme for which legislation on Rules of origin is applicable	<ul style="list-style-type: none"> - Least Developed Country Tariff (LDCT)
5)	Authority(ies) granting the preferential treatment	<p>Authority is provided through the Customs Tariff.</p> <p>See: http://laws-lois.justice.gc.ca/eng/acts/C-54.011/FullText.html</p> <ul style="list-style-type: none"> - Sections 37-40 for information on the LDCT

¹ The relevant notification requirements are contained in Paragraph 2(d) of Annex 1 of the Transparency Mechanism for Preferential Trade Arrangements (WT/L/806) and in Paragraph 4 of Annex II of the Agreement on Rules of Origin.

6)	National authorities in charge of Rules of origin administration	<ul style="list-style-type: none"> - 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. - The Department of Finance can be reached at fin.tariff-tarif.fin@canada.ca - The CBSA can be reached at contact@cbsa.gc.ca or via telephone through the Border Information Service (in Canada 1-800-461-9999; outside Canada 204-983-3500 or 506-636-5064). - Border Information Service webpage: http://www.cbsa-asfc.gc.ca/contact/bis-sif-eng.html
----	---	---

B. INFORMATION ON RULES OF ORIGIN

I. BENEFICIARIES

1)	List of Beneficiaries	49 beneficiaries of the LDCT. The list of beneficiaries can be found at: http://cbsa.gc.ca/trade-commerce/tariff-tarif/2017/01-99/countries-pays-eng.pdf
2)	Eligibility	http://laws-lois.justice.gc.ca/eng/acts/C-54.011/FullText.html - Section 38 for LDCT.

II. CRITERIA FOR DETERMINING SUBSTANTIAL TRANSFORMATION

1) General criteria, if applicable for all products		
	(a) Definition of wholly obtained products	The General Preferential Tariff and Least Developed Country Tariff Rules of Origin Regulations (SOR/2013-165) are available at: http://laws-lois.justice.gc.ca/eng/regulations/SOR-2013-165/FullText.html See sub-section 2(1) of the above link.
	(b) Describe the criteria for not-wholly produced products	See subsection 2(3) of the above link for the rule of origin and subsection 2(9) 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., 60% of the value may originate anywhere, 20% must originate from a current or former GSP beneficiary, the remaining 20% must originate in an LDC). 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.
	(c) Insert the formula for calculating <i>ad valorem</i> percentage	
2) Product specific rules of origin, where applicable		
	(a) Insert the link where the complete list of product specific rules of origin can be found.	Rules of origin for most apparel (goods set out in Parts A1 and A2 of Schedule 1 of the Regulations): see subsection 2(4) of the above link. LDCs may use fabric produced in current or former GSP beneficiaries in the production of apparel, provided they add at least 25% value in the LDC. (Any value that is added in Canada is also considered as if it were added in the LDC.) 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. LDCs may also use fabric produced in an LDC or Canada in the production of apparel, with no value requirement. In both cases, the yarn must also be produced in an LDC, Canada or a current or former GSP beneficiary country. Rules of origin for T-shirts and certain pants (goods set out in Part A3 of Schedule 1 of the Regulations): see subsection 2(4.1) of the above link. Similar to the rules of origin for apparel above, with three modifications. The fabric may be cut in Canada, another LDC, a current or former GSP beneficiary or a country with which Canada has a free trade agreement, LDCs may use fabric or yarn that has been produced in a country with which Canada has a free
	(b) Insert the formula for calculating <i>ad valorem</i> percentage, when applied for product specific rule	

		trade agreement, as long as 25% value is added in the LDC, and Any value that is added in Canada or a country with which Canada has a free trade agreement is included in the value requirement as if it were added in the LDC. Rule of origin for made up-textile goods (goods set out in Part B of Schedule 1 of the Regulations): see subsection 2(6) of the above link. For made-up textile products, LDCs must use fabric produced in an LDC or Canada, but there is no value requirement. The yarn must also be produced in an LDC, Canada or a current or former GSP beneficiary country.
3)	Definition of non-originating material and originating material, if any	Not applicable
4)	List of insufficient working process, if any	Not applicable
5)	Rules for application of cumulation and related procedures if any	See sections 1 and 2 above.
6)	Any other information that member deems necessary	-

III. DOCUMENTARY REQUIREMENTS

1) Certificate of origin and other proofs of origin		
	(a) Requirement for certificate of origin and/or any other proof of origin, if any	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).
	(b) Authority to be designated for issuance of certificate of origin	Not applicable. The exporter completes the Certificate of Origin or the Statement of Origin.
	(c) Prescribed form of Certificate of origin and/or any other proof of origin	The prescribed forms and explanatory information can be found at: http://cbsa-asfc.gc.ca/publications/dm-md/d11/d11-4-4-eng.pdf
	(d) Any other procedures applied for certificate of origin and/or any other proof of origin, if any	http://www.cbsa-asfc.gc.ca/trade-commerce/tariff-tarif/ldct-tpmd-eng.html
2) Direct shipment		
	(a) Rules applicable for direct shipment, if any	Information about direct shipment can be found at: http://cbsa-asfc.gc.ca/publications/dm-md/d11/d11-4-4-eng.pdf
	(b) Documentary requirement for proof of direct shipment including when the transport of consignment involves transit through one or more intermediate countries, if any	http://www.cbsa-asfc.gc.ca/trade-commerce/tariff-tarif/ldct-tpmd-eng.html

IV. VERIFICATION AND PENALTIES

1)	Procedure for verification of proofs of origin	Information about verifications can be found at: http://www.cbsa-asfc.gc.ca/publications/dm-md/d11/d11-6-8-eng.html
2)	Penalties for fraud and false declarations	Information about penalties can be found at: http://www.cbsa-asfc.gc.ca/publications/dm-md/d22/d22-1-1-eng.html
3)	Authorities and procedures for appeal in the case of dispute on verification	Information concerning the authorities and procedures for appeal can be found at: http://www.cbsa-asfc.gc.ca/publications/dm-md/d11/d11-6-7-eng.html

4)	Requirement for preserving the documents related to issuance of certificate of origin	Information about the maintenance of documentary records can be found at: http://www.cbsa-asfc.gc.ca/publications/dm-md/d17/d17-1-21-eng.html
5)	Any other relevant information	-

V. REFERENCE TEXTS

(a)	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)	General Preferential Tariff and Least Developed Tariff Rules of Origin Regulations http://laws-lois.justice.gc.ca/PDF/SOR-2013-165.pdf
(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	<ul style="list-style-type: none"> - Proof of Origin of Imported Goods Regulations: http://laws-lois.justice.gc.ca/PDF/SOR-98-52.pdf - Temporary Storage Period Regulations: http://laws-lois.justice.gc.ca/PDF/SOR-88-79.pdf - Customs Tariff (see sections 17 & 18 - Direct Shipment): http://laws-lois.justice.gc.ca/PDF/C-54.011.pdf - Haiti Deemed Direct Shipment (General Preferential Tariff and Least Developed Country Tariff) Regulations (SOR/2010-58): http://laws-lois.justice.gc.ca/PDF/SOR-2010-58.pdf
(c)	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	
(d)	The full texts of the modalities of the verification procedures and related penalties	<ul style="list-style-type: none"> - Verification of Origin (Non-Free Trade Partners), Tariff Classification and Value for Duty of Imported Goods Regulations: http://laws-lois.justice.gc.ca/PDF/SOR-98-45.pdf - Determination, Re-determination and Further Re-determination of Origin, Tariff Classification and Value for Duty Regulations: http://laws-lois.justice.gc.ca/PDF/SOR-98-44.pdf