



Ottawa, June 29, 2009

CUSTOMS NOTICE 09-014

Proposed Regulatory Amendments and Proposed New Regulations Related to the Implementation of the Canada-European Free Trade Association Free Trade Agreement

1. This notice announces regulatory amendments and new regulations proposed by the Canada Border Services Agency (CBSA) in support of the implementation of the Canada-European Free Trade Association Free Trade Agreement (CEFTA). It is further proposed that these regulatory amendments and new regulations come into force on July 1, 2009, on condition that the Governor in Council make them.

Proposed Regulatory Changes

Certification of Origin of Goods Exported to a Free Trade Partner Regulations

2. It is proposed to amend paragraph 3(a) of the *Certification of Origin of Goods Exported to a Free Trade Partner Regulations* to include reference to goods exported or to be exported from Canada to an EFTA state.

Determination, Re-determination and Further Re-Determination of Origin, Tariff Classification and Value for Duty Regulations

3. It is proposed that all references to “Deputy Minister” be replaced by references to “President”.

Exporters’ and Producers’ Records Regulations

4. It is proposed that the definition of “advance ruling” set out in the *Exporters’ and Producers’ Records Regulations*, be amended to include reference to the advance ruling provision of the CEFTA.

Free Trade Agreement Advance Rulings Regulations

5. With respect to the modification or revocation of an advance ruling, it is proposed that paragraph 14(b) of the *Free Trade Agreement Advance Rulings Regulations* be amended to include reference to goods exported from an EFTA state and that a new subsection be added to that paragraph in order to reference an interpretation agreed to by Canada and the EFTA states regarding Annex C of the CEFTA. It is proposed that paragraph 14(d) of the Regulations be amended to include reference to subsection 42.1(3) of the *Customs Act*. It is proposed that paragraph 14(h) of the Regulations be amended to include a

new subparagraph such that an advance ruling can be modified or revoked in order to conform with a modification of Chapter II or Annex C of the CEFTA.

Tariff Item Nos. 9971.00.00 and 9992.00.00 Accounting Regulations

6. It is proposed that the heading before section 2 of the French version of the *Tariff Item Nos. 9971.00.00 and 9992.00.00 Accounting Regulations* be amended to remove the words “ou provisoire”. It is also proposed that section 2 of the French version of the Regulations be amended to remove the words “ou provisoire”. It is also proposed that paragraph 2(b) of the Regulations be amended to include a reference to an EFTA state so that proof of exportation of the goods to that state is required when accounting for the goods under section 32 of the *Customs Act*.

Refund of Duties Regulations

7. It is proposed that the title to Part 5.1 of the *Refund of Duties Regulations* be amended to make reference to an EFTA state. It is proposed that section 23.1 of the Regulations be amended such that Part 5.1 of the Regulations applies to the granting of a refund of duties paid on goods imported from an EFTA state on or after July 1, 2009, and for which no claim for preferential tariff treatment under the CEFTA was made at the time the goods were accounted for under subsection 32(1), (3) or (5) of the *Customs Act*.

8. It is also proposed that paragraph 23.3(b) of the Regulations, respecting the amount of refund of duties, be amended to include the CEFTA.

Proof of Origin of Imported Goods Regulations

9. It is proposed that new provisions be added to the *Proof of Origin of Imported Goods Regulations* in order to

(a) require the importer or owner of the goods for which preferential tariff treatment under the CEFTA is claimed, to furnish to an officer, for purposes of section 35.1 of the *Customs Act*, a certificate of origin for the goods that is completed in English or French at the time set out in section 13 of the Regulations;

(b) exempt the importer and owner of goods from the requirements of subsection 35.1(1) of the *Customs Act* if the importer or owner furnishes to an officer, at the time prescribed by paragraph 13(a) of the Regulations, a written and signed declaration, in English or French,

certifying that the goods originate in an EFTA state and that a completed certificate of origin is in the importer's possession;

(c) exempt the importer and owner of casual goods for which the benefit of the preferential tariff treatment under the CEFTA is claimed from the requirements of subsection 35.1(1) of the *Customs Act*, if the casual goods are entitled to preferential tariff treatment under the CEFTA pursuant to the *CEFTA Rules of Origin for Casual Goods Regulations*;

(d) exempt the importer and owner of commercial goods for which the estimated value is less than \$1,600, and for which the benefit of preferential tariff treatment under the CEFTA is claimed, from the requirements of subsection 35.1(1) of the *Customs Act* if

(i) the commercial goods do not form part of a series of importations that is undertaken or arranged for the purpose of avoiding the requirements of subsection 35.1(1) of the *Customs Act*, and

(ii) the importer or owner of the commercial goods furnishes to an officer, at the times set out in Section 13 of the Regulations, a commercial invoice for the commercial goods, containing a written and signed statement, in English or French, from the exporter or producer of the commercial goods, certifying that the commercial goods originate in an EFTA state, or a written and signed statement, in English or French, from the exporter or producer of the commercial goods, certifying that the commercial goods originate in an EFTA state;

(e) provide that a certificate of origin may apply in respect of a single importation of a good or two or more importations of identical goods, imported by the same importer, that occur within a period not exceeding 12 months, as set out in the certificate of origin completed by the exporter; and

(f) provide that a certificate of origin may be accepted as proof of origin for 4 years after the day on which it was completed.

Proposed New Regulations

CEFTA Verification of Origin of Exported Goods Regulations

10. The new *CEFTA Verification of Origin of Exported Goods Regulations* are proposed to implement the origin verification provisions under Article 24 and 25 of the Annex C to the CEFTA. The Regulations describe the process to be followed when verifying the originating status of goods exported to an EFTA state. This regulation will describe the manner for conducting a verification of origin of exported goods, set out the premises or places that may be entered for the purpose of conducting the verification, set out conditions for the conduction of the verification visit, set out the manner for sending documents and participation of observers. (Bill C-2, *Customs Act* s. 97.201)

CEFTA Verification of Origin of Imported Goods Regulations

11. The new *CEFTA Verification of Origin of Imported Goods Regulations* are proposed to implement the origin verification provisions under Article 24 of Annex C to the CEFTA. The Regulations describe the process to be followed when verifying the origin of goods for which preferential tariff treatment under the CEFTA is claimed. (Bill C-2, *Customs Act* s. 42.1)

12. As part of our consultation process, the CBSA has posted this notice containing the descriptions of the proposed regulatory changes and new regulations on our Web-site for review and comment. For more information, visit our Web-site at www.cbsa.gc.ca.

13. Inquiries and comments about these proposals should be directed to:

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