



Ottawa, January 21, 2009

MEMORANDUM D14-1-4

In Brief

EXCHANGE RATE FOR CALCULATIONS UNDER THE *SPECIAL IMPORT MEASURES ACT AND REGULATIONS*

1. This memorandum is revised as a result of the Paper Burden Reduction Initiative. The revisions are aimed at eliminating obsolete and duplicated requirements, streamlining certain commercial processes and modifying complex policies and forms.
2. In accordance with the above, the language of paragraph 3 has been modified for clarity.



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EXCHANGE RATE FOR CALCULATIONS UNDER THE *SPECIAL IMPORT MEASURES ACT* AND REGULATIONS

This memorandum provides information concerning the date to be used for currency conversion in the calculation of the normal value and the export price in accordance with the *Special Import Measures Act* (SIMA).

Regulations

The regulations governing the date to be used for currency conversion for purposes of SIMA are found in the *Special Import Measures Regulations*, sections 44 and 45.

The referenced provisions provide that the rate of exchange used in the administration of SIMA shall be the rate on the date of sale of the goods to Canada. A further provision notes that, where sufficient information has not been provided or is not available when the goods are released from customs or enter a warehouse to enable the calculation to be made on the basis of the date of sale, the date of shipment to Canada shall be used in place of the date of sale.

The rate of exchange for a particular date is determined by regulations established under the authority of the *Currency Act*. These latter regulations establish that the rate to be used shall be the rate of exchange for the concerned currency as quoted to the Minister by the Bank of Canada, a chartered bank or as quoted by the *Financial Times* of London in that order. Information on exchange rates is disseminated through the Customs Automated Data Exchange System and is also available toll free through the Border Information Service (BIS). Information on the use of this latter system is available at Canada Border Services Agency (CBSA) offices and on the CBSA Web site.

GUIDELINES AND GENERAL INFORMATION

Date of Sale

1. In accordance with subsection 2(1) of the SIMA, "sale" includes leasing and renting, an agreement to sell, lease or rent and an irrevocable tender. Consequently, the date of the agreement to sell, lease or rent or the irrevocable tender is the date of sale to be used for currency conversion in the calculation of the normal value and the export price.
2. In rare situations, an importation may be directly linked to a sale of foreign currency on forward markets. In such circumstances, the rate of exchange in the forward sale of currency shall be used in place of the rate of exchange on the date of sale. Where an importer claims entitlement to such a rate, the Headquarters officer concerned with the case should be contacted.
3. Importers of any goods that are subject to provisional duty, or on which anti-dumping duty or countervailing duty is payable, are requested to ensure that the date of sale is indicated in the customs documentation. The date of sale may be indicated on documents provided by the exporter, or it may be obtained from the importer's internal records.

Date of Shipment

4. The currency conversion will be made on the basis of the date of shipment only when sufficient information concerning the date of sale has not been provided or is not available. The date of shipment is normally the date of shipment indicated on the invoice.

REFERENCES

<p>ISSUING OFFICE – Trade Programs Directorate</p>	<p>HEADQUARTERS FILE – 4205-12-8</p>
<p>LEGISLATIVE REFERENCES – <i>Special Import Measures Act</i>, subsection 2(1) <i>Special Import Measures Regulations</i>, sections 44 and 45 <i>Currency Act</i></p>	<p>OTHER REFERENCES –</p>
<p>SUPERSEDED MEMORANDA “D” – D14-1-4, August 27, 2008</p>	

Services provided by the Canada Border Services Agency are available in both official languages.

