



Ottawa, March 22, 2013

CUSTOMS NOTICE 13-006

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

1. This customs notice announces regulatory amendments and a new regulation proposed by the Canada Border Services Agency (CBSA) in support of the implementation of the Canada-Panama Free Trade Agreement (CPAFTA). It is further proposed that these regulatory amendments and new regulations come into force on April 1, 2013, on the condition that the Governor in Council makes them.

Proposed Regulatory Changes

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

2. It is proposed that the criteria in paragraph 2(c) of the *Certification of Origin of Goods Exported to a Free Trade Partner Regulations* be amended to refer to the case where goods are exported or are to be exported from Canada to Panama. It is also proposed to amend paragraph 3(b) of the Regulations to include reference to goods exported or to be exported from Canada to Panama.

Exporters' and Producers' Records Regulations

3. 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 CPAFTA.

Free Trade Agreement Advance Rulings Regulations

4. It is proposed that paragraph 2(d) of the *Free Trade Agreement Advance Rulings Regulations* be amended to expand the classes of persons eligible to apply for an advance ruling to include producers in Panama of a material used in the production of goods produced in Panama. With respect to the modification or revocation of an advance ruling, it is proposed that subparagraph 14(a)(vi) be amended to include reference to goods exported from Panama and the provisions of Article 2.07 of the CPAFTA. It is

proposed that paragraph 14(b) of the Regulations be amended to include reference to goods exported from Panama and that a new subparagraph be added to that paragraph in order to reference an interpretation agreed to by Canada and Panama regarding Chapter Two or Three of the CPAFTA. 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 Chapters Two, Three or Four of the CPAFTA.

Tariff Item Nos. 9971.00.00 and 9992.00.00 Accounting Regulations

5. It is proposed that paragraph 2(b) of the *Tariff Item Nos. 9971.00.00 and 9992.00.00 Accounting Regulations* be amended to include reference to Panama so that proof of exportation of the goods to Panama is required when accounting for the goods under section 32 of the *Customs Act*.

Refund of Duties Regulations

6. It is proposed that the title to Part 5.1 of the *Refund of Duties Regulations* be amended to make reference to Panama. It is also 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 Panama on or after April 1, 2013, and for which no claim for preferential tariff treatment under the CPAFTA was made at the time the goods were accounted for under subsection 32(1), (3) or (5) of the *Customs Act*. It is also proposed that paragraph 23.3(b) of the Regulations, respecting the amount of refund of duties, be amended to include the CPAFTA.

Proof of Origin of Imported Goods Regulations

7. It is proposed that the title before section 6 of the *Proof of Origin of Imported Goods Regulations* be amended to make reference to the CPAFTA.

8. It is proposed that subsection 6(1) of the Regulations be amended to require the importer or owner of the goods for which preferential tariff treatment under the CPAFTA is claimed, to furnish to

an officer, as proof of origin for purposes of section 35.1 of the *Customs Act*, a certificate of origin for the goods that is completed in English, French or Spanish at the times set out in section 13 of the Regulations.

9. It is proposed that subsection 6(2) of the Regulations be amended to exempt the importer and owner of goods from the requirement 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 Panama and that a certificate of origin, for the goods, is in the importer's possession.

10. It is proposed that subsection 6(3) of the Regulations be amended to exempt the importer and owner of casual goods for which benefit of the preferential tariff treatment under the CPAFTA is claimed from the requirement of subsection 35.1(1) of the *Customs Act*, if the goods are entitled to the preferential tariff treatment under the CPAFTA pursuant to the *CPAFTA Rules of Origin for Casual Goods Regulations*.

11. It is proposed that subsection 6(4) of the Regulations be amended such that 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 CPAFTA is claimed, be exempt from the requirements of subsection 35.1(1) of the *Customs Act* if the requirements set out in subsection 6(4) of the Regulations are met. It is also proposed to add a reference to Panama in subparagraphs 6(4)(b)(i) and (ii).

Proposed New Regulation

CPAFTA Verification of Origin Regulations

12. The new *CPAFTA Verification of Origin Regulations* are proposed to implement the verification provisions of paragraph 3 of Article 4.06 and Article 4.07 of the CPAFTA. The Regulations describe the process to be followed by officers when verifying claims for preferential tariff treatment under the CPAFTA. The Regulations describe the notification requirements with respect to the postponement of a verification visit in Panama.

Additional Information

13. For more information, from within Canada, call the Border Information Service at **1-800-461-9999**. For more information, from outside of Canada, call 204-983-3500 or 506-636-5064 (long distance charges will apply). Agents are available Monday to Friday (08:00 – 16:00 local time/except holidays). TTY is also available within Canada at **1-866-335-3237**.

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