



Ottawa, November 13, 2014

# Memorandum D8-11-5

## **Application of the *Blouses, Shirts and Co-ordinates Remission Order, 1998***

### **In Brief**

1. The editing revisions made in this memorandum do not affect or change any of the existing policies or procedures.
2. This memorandum has been revised to reflect changes to the Canada Border Services Agency's organizational structure.

This memorandum outlines and explains the provisions of the [\*Blouses, Shirts and Co-ordinates Remission Order, 1998\*](#) (the Order).

This program will be of interest to manufacturers of women's and girl's blouses, shirts or coordinated apparel who are named in the Schedule to the Order (see Appendix).

### **Legislation**

[\*Customs Act\*](#)

[\*Customs Tariff\*](#)

[\*Blouses, Shirts and Co-ordinates Remission Order, 1998\*](#)

P.C. 1997-2057, as amended by P.C. 2001-1497, P.C. 2004-1606 and P.C. 2008-1599

## **Guidelines and General Information**

### **Definitions**

1. The following definitions apply for the purpose of administering this Order:

blouse and shirt – means

- a woman's or girl's garment, of a girl's size larger than 3X or the equivalent;
- manufactured from woven fabric;
- designed to cover the upper part of the body;
- may or may not have sleeves;
- may or may not have a full or partial opening that starts at the neckline;
- may include a decoration of other than woven material as long as it only forms a minor constituent of the blouse and shirt; but
- apparel such as an undershirt, T-shirt, and sweatshirt are excluded (blouse et chemisier)

co-ordinated apparel – means

- a woman's or girl's jacket, of a girl's size larger than 3X, that is co-ordinated with a skirt or pants, all components being part of a collection; or
- a co-ordinated two-piece dress, of a girl's size larger than 3X, linked by colour, shape or detail with the

express purpose of being sold and worn together; but

- apparel such as an athletic suit, outerwear apparel and co-ordinated denim apparel are excluded.

**Note:** As a guideline only, this type of apparel is generally classified under the following tariff items: 6104.11.00 to 6104.29.00 and 6204.11.00 to 6204.29.00 of the [Customs Tariff](#). (coordonnés)

ensemble – while this type of apparel is generally included in the classification of co-ordinated apparel that falls under tariff items 6104.11.00 to 6104.29.00 and 6204.11.00 to 6204.29.00 of the [Customs Tariff](#), acceptance of ensembles for the purpose of this Order is not exclusively restricted to these tariff items, but is intended to define a two-piece dress which is an apparel consisting of two pieces of which one piece is a skirt and the other is a co-ordinated top designed in such a way that it can be worn inside and outside the skirt. Furthermore, while the general rule is that ensembles are usually imported with one unit price per set as opposed to one unit price per piece on the purchase invoice, situations may arise where each piece of the ensemble is priced separately on the same invoice. (ensemble deux pièces)

fabric – used in the manufacture of blouses and shirts is restricted to woven fabric, whereas the fabric used in the manufacture of co-ordinated apparel is not. (tissu)

jacket – means a garment that

- is worn over other apparel;
- covers the upper part of the body;
- includes a blazer; but
- excludes an athletic suit and outerwear apparel. (veste)

manufacturer – means a woman's and girl's blouse and shirt manufacturer or a co-ordinated apparel manufacturer whose name appears in the Schedule to the Order. (fabricant)

Minister – means the Minister of Public Safety (ministre)

## Who Qualifies

2. Eligibility to the program is restricted to manufacturers of women's and girl's blouses, shirts or co-ordinated apparel who are named in the Schedule to the Order.

## Eligible Goods

3. During the period beginning January 1, 1998 and ending December 31, 2012, women's and girls' blouses, shirts or co-ordinated apparel, imported into Canada by a woman's and girl's blouse, shirt or co-ordinated apparel manufacturer whose name appears in the Schedule to the Order, are designated eligible goods for which remission entitlement can be claimed under the Order.

## Amount of Remission (Prior to September 4, 2008)

4. (a) For the period beginning January 1, 1998 and ending on December 31, 2006 the annual remission entitlement granted to a manufacturer under this Order may not exceed the **total amount** of customs duties that were remitted to the manufacturer under the *Blouses and Shirts Remission Order*, P.C. 1988-1244 in respect of blouses and shirts imported in 1995. (SOR/2005-9)

(b) For the period beginning January 1, 2007 and ending on December 31, 2007 the annual remission entitlement granted to a manufacturer under this Order may not exceed **75% of the total amount** of customs duties that were remitted to the manufacturer under the *Blouses and Shirts Remission Order*, P.C. 1988-1244 in respect of blouses and shirts imported in 1995. (SOR/2005-9)

(c) For the period beginning January 1, 2008 and ending on December 31, 2008 the annual remission entitlement granted to a manufacturer of women's and girl's blouses, shirts or co-ordinated apparel under this Order may not exceed **50% of the total amount** of customs duties that were remitted to the manufacturer under the *Blouses and Shirts Remission Order*, P.C. 1988-1244 in respect of blouses and shirts imported in 1995. (SOR/2005-9)

## Amount of Remission (as of September 4, 2008)

(d) For the period beginning January 1, 2008 and ending on December 31, 2008 the annual remission entitlement granted to a manufacturer under this Order may not exceed **a further remission of 25% of the total amount** of customs duties that were remitted to the manufacturer under the *Blouses and Shirts Remission Order*, P.C. 1988-1244 in respect of blouses and shirts imported in 1995. (SOR/2008-256)

(e) For the period beginning January 1, 2009 and ending on December 31, 2009 the annual remission entitlement granted to a manufacturer under this Order may not exceed **75% of the total amount** of customs duties that were remitted to the manufacturer under the *Blouses and Shirts Remission Order*, P.C. 1988-1244 in respect of blouses and shirts imported in 1995. (SOR/2008-256)

(f) For the period beginning January 1, 2010 and ending on December 31, 2012 the annual remission entitlement granted to a manufacturer under this Order may not exceed **50% of the total amount** of customs duties that were remitted to the manufacturer under the *Blouses and Shirts Remission Order*, P.C. 1988-1244 in respect of blouses and shirts imported in 1995. (SOR/2008-256)

### Summary

Year	Remission Entitlement based on 1995 Imports	Order-in-Council
1998 to 2006	100% of the total duty amount	P.C. 1997-2057
		<b>Amending Order-in-Council</b>
2007	75% of the total duty amount	P.C. 2004-1606
2008	50% of the total duty amount	P.C. 2004-1606
September 2008	A further 25% of the total duty amount	P.C. 2008-1599
2009	75% of the total duty amount	P.C. 2008-1599
2010 to 2012	50% of the total duty amount	P.C. 2008-1599

## How to Apply for Remission

5. A manufacturer may choose to access this program by claiming remission at the time of importation or by submitting a claim for remission by way of drawback subsequent to the importation and payment of duties on qualifying blouses, shirts and co-ordinated apparel.

6. All claims for remission must be submitted to the appropriate regional CBSA office, or as otherwise directed, within five years following the day the women's and girl's blouses, shirts or co-ordinated apparel were imported into Canada. For the purpose of identifying the date on the customs accounting documents, this shall be the date the goods were released from customs.

## Claiming Remission at Time of Importation

7. If a woman's and girl's blouse, shirt or co-ordinated apparel manufacturer intends to have duties remitted at the time of importation, the manufacturer must submit, prior to or during each calendar year, to the appropriate regional CBSA office where its operations are located, or as otherwise directed, an application by letter of intent, confirming that the company:

- (a) is listed in the Schedule to the Order and has a 1995 duty remission entitlement of (insert amount);
- (b) will not exceed the amount of duties that may be claimed for remission on imported blouses, shirts or co-ordinated apparel;
- (c) will maintain records that are satisfactory to the CBSA;
- (d) will meet all conditions of the Order;
- (e) will provide the CBSA with any other information which may be required to substantiate its claim for remission; and

(f) has, if applicable, included the names and addresses of any persons or companies who might be performing cutting or sewing operations on its behalf.

8. Upon receipt of the application, an officer will review the information submitted to confirm that:

(a) the manufacturer is listed in the Schedule to the Order;

(b) the maximum amount of duties to be remitted is accurate; and

(c) the manufacturer continues to be a manufacturer of women's and girl's blouses, shirts or co-ordinated apparel.

9. If no revisions to the application are required, the CBSA will approve the application and notify the manufacturer in writing of such approval and any related obligations. The CBSA will provide the applicant with an authorization number that is to be indicated on all customs accounting documents that are presented, in order to claim remission under this Order. The authorization number identifies, for the CBSA, the manufacturer's eligibility to the [Blouses, Shirts and Co-ordinates Remission Order, 1998](#). Provided that the manufacturer is in compliance with all the conditions of this Order and with all other related legislation and regulations, it will not be required to pay any duties on qualifying women's and girl's blouses, shirts or co-ordinated apparel that it imports, up to the maximum allocation for the applicable year.

10. Where an application is submitted and authorized subsequent to the beginning of the calendar year, the authorization number will be made retroactive to January 1st of the applicable calendar year, thus allowing for a drawback claim to be filed for any imports of qualifying women's and girl's blouses, shirts or co-ordinated apparel prior to the receipt of the authorization number.

11. Additional information on the completion of customs accounting documents may be found in [Memorandum D17-1-10, Coding of Customs Accounting Documents](#).

12. There may be occasions when the manufacturer is not the owner or purchaser of goods imported into Canada but agrees to import those goods under its remission authorization. For the purpose of administering the remission order, such an arrangement is referred to herein as a "partnering agreement". In such cases, the manufacturer's name, number and address must be indicated in field 1 of the [Canada Customs Coding Form \(B3-3\)](#) as well as on any related supporting documentation provided to the CBSA. All supporting documentation must also clearly indicate the name and address of the actual owner, purchaser and/or consignee. As the importer of record, the manufacturer must satisfy the record keeping requirements detailed below and is fully responsible for all such goods imported under its remission authorization and for any liabilities to the Crown resulting therefrom.

13. Additional information concerning partnering agreements may be found in [Memorandum D8-11-7, CBSA Policy on the Transfer of Entitlement Pursuant to the Textile and Apparel Remission Orders](#).

14. The CBSA will inform the manufacturer that officers of the CBSA may, at any time, exercise the powers granted to them under section 42 of the [Customs Act](#) and perform a compliance verification:

(a) to ensure that during the calendar year, all the conditions of the Order were observed;

(b) to ensure that the remission entitlement was not exceeded;

(c) to ensure that only eligible goods were claimed;

(d) to ensure that any duties remitted where the conditions of the Order were not met will be reassessed under the provision of section 118(1) of the [Customs Tariff](#). Any applicable interest and penalty may also be assessed pursuant to section 123(2) of the [Customs Tariff](#) and section 109.1(2) of the [Customs Act](#), respectively; and

(e) to verify the manufacturer's application to use the provisions of the Order during the forthcoming calendar year.

### **Claiming Remission by Way of Drawback**

15. If the manufacturer has paid duties on qualifying women's and girl's blouses, shirts or co-ordinated apparel that it has imported during a calendar year prior to the determination of eligibility under this Order, the manufacturer may, subject to paragraph 5, claim a remission of duties by way of drawback.

16. With the exception of not having to submit a letter of intent at the beginning of the calendar year to obtain an authorization number, a manufacturer claiming remission by way of drawback must meet the same requirements as a manufacturer claiming remission at time of importation.

17. A manufacturer using the drawback procedure must pay customs duties on imported women's and girl's blouses, shirts or co-ordinated apparel at time of accounting.

18. The manufacturer may subsequently file a claim for remission of duties on Form [K32, Drawback Claim](#). This form and all substantiating documentation are to be submitted to the appropriate [regional CBSA office](#).

19. Assistance with completion of the [K32](#) is available from any [regional CBSA office](#).

## Record Keeping Requirements

20. If a manufacturer intends to claim remission at the time of importation or by way of drawback, section 40 of the [Customs Act](#) requires that the manufacturer maintain and make available records that are satisfactory to the CBSA. These records must be maintained in a manner that facilitates verification by the CBSA and be of a quality sufficient to substantiate a claim for remission.

21. [Memorandum D17-1-21, Maintenance of Records in Canada by Importers](#) contains information on record-keeping. The appropriate regional CBSA office can provide additional information and advice on how a company's record keeping systems may be modified, if necessary, to meet the above objectives.

22. A manufacturer must maintain records of:

- (a) production;
- (b) purchases; and
- (c) importations.

## Production Records

23. These must allow the CBSA to identify the:

- (a) manufacturing plant where the company's blouses, shirts or co-ordinated apparel are produced;
- (b) date of production;
- (c) quantity, size, and style of the blouses, shirts or co-ordinated apparel that are produced.

**Note:** These records may include, but are not restricted to, sketches, design sheets, story boards, trim sheets, cutting records, cost sheets, and samples.

## Purchase Records

24. The invoices for all fabrics purchased for use in the manufacture of women's and girl's blouses, shirts or co-ordinated apparel where the manufacturer owns the fabric prior to the production of the finished apparel or, where the manufacturer does not own the fabric, invoices for all imported finished blouses, shirts or co-ordinated apparel, must include information which allows CBSA to identify the:

- (a) vendor's name and address;
- (b) value, style and type of women's and girl's blouses, shirts or co-ordinated apparel, including fabric purchased;
- (c) date of all purchases made; and
- (d) proof of payment.

## Importation Records

25. The manufacturer must maintain the customs records of the blouses, shirts or co-ordinated apparel that it has imported under the provisions of the Order:

- (a) these records must include copies of the purchase orders, bills of lading, commercial invoices and customs accounting documents for the imported blouses, shirts or co-ordinated apparel;
- (b) the invoices must clearly indicate the style and type of blouse and shirt or co-ordinated apparel imported; and
- (c) the samples, where required, must be in accordance with [Memoranda D10-17-15, Information Requirements for Textiles and Textile Products](#).

### **Additional Information**

26. If a condition to which the remission is subject to is not complied with, the manufacturer must report the failure to comply to an officer at a CBSA office and pay, pursuant to subsection 118(1) of the [Customs Tariff](#), an amount equal to the amount of the duties in respect of which the remission was granted, within 90 days after the day of the failure to comply, unless that it can prove that:

- (a) at the time of the failure to comply with the condition, a refund or drawback would otherwise have been granted if duties had been paid; or
- (b) the goods, in respect of which the relief or remission was granted, qualify in some other manner for relief or remission under the [Customs Tariff](#) or the [Financial Administration Act](#).

27. A manufacturer that does not comply and that is liable to pay an amount must, pursuant to subsection 123(2) of the [Customs Tariff](#), pay, in addition to the amount, interest at the specified rate for the period beginning on the day that the liability is incurred and ending on the day the amount is paid in full, calculated on the amount of the balance outstanding.

28. A manufacturer that fails to report to the appropriate CBSA office a failure to comply with a condition under which remission was granted, within 90 days or such other period as may be prescribed, may be subject to a penalty pursuant to subsection 109.1(2) of the [Customs Act](#), not to exceed \$25,000.

29. A manufacturer that fails to pay the amount of duties in respect of which relief or remission was granted, within 90 days or such period as may have been prescribed, unless the provisions of subsection 118(1)(b)(i) or (ii) were met, may be subject to a penalty. Please refer to [Memorandum D22-1-1, Administrative Monetary Penalty System](#), for information regarding the AMPs program.

30. A manufacturer may enter women's and girl's blouses, shirts and co-ordinated apparel into a customs bonded warehouse on a type 10, [B3-3 Customs Coding Form](#). The authorization number issued, if applicable, is not to be shown in Field 26 until such time as the apparel is removed from the customs bonded warehouse and enters the domestic economy. When a manufacturer removes blouses, shirts or co-ordinated apparel from a bonded warehouse during the period beginning January 1, 1998 and ending on December 31, 2012, the manufacturer may use its remission entitlement (as in effect at the time the goods are removed) to have the duties remitted on these goods in the year the goods are removed from the bonded warehouse.

31. Manufacturers undergoing a change of operations for any reason including, for example, a change of ownership or name, amalgamation or merger, sale, dissolution, receivership or bankruptcy are required to advise their appropriate regional CBSA office as well as Trade Compliance Division, Trade Incentives Unit, 222 Queen Street, 9th Floor, Ottawa, Ontario, K1A 0L8. The manufacturer or its representatives are to provide complete disclosure by way of a letter and, if required, supporting documentation, outlining the circumstances surrounding the change. Where a manufacturer enters receivership, bankruptcy or dissolution, provisions of the [Bankruptcy and Insolvency Act](#) will apply. The Trustee responsible must be clearly identified in these cases.

32. Each case will be reviewed and evaluated on the basis of its own merits and particular circumstances in order to determine its eligibility under the Order.

33. For more information, within Canada call the Border Information Service at **1-800-461-9999**. From outside 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: **1-866-335-3237**.

### **Appendix**



**Schedule – (Section 2)**

122206 Canadian Fleecewear 141368 Canada Inc. 158329 Canada Inc. (Les Modes Clientele) 2791056 Canada Inc. 3103-2964 Quebec Inc. 526832 Ontario Ltd. 537508 Ontario Ltd. Aero Garments Ltd. Algo Industries Ltd. A & R Dress Co. Inc. Basic International Beker Fashion Enterprises Berkeley Dress Co. Ltd. Bottoms Up Fashions Inc. Boutique Jacob Inc. Boutique Knitting Mills Inc. Bozart Knitting Mills Ltd. Café au Lait Fashions Inc. Camice Ltd. Carla Jane Dress & Sportswear Carlton Enterprises Ltd. Chemises Ltée JML Shirt Ltd. Cin Cin Industries Inc. Clockwise Fashions Ltd. Collection Conrad C. Inc. Collection Leyla Inc. Colour Works Clothing Co. Ltd. C.Q.C. Manufacturing Créations Marie Galante Inc. Creations A.I. Inc. Creations Dan Valy Inc. Creations Les Enfants Joyeux Dash Manufacturing Ltd. David Bradley Fashions Inc. Dizaro Clothing Inc. Elite Blouse & Skirt (1999) Mfg. Ltd. Explosive Fashions Inc. Fashion Gallery Industries Inc. Femme de Carriere Fersten Originals Inc. First Class Fashions Franco Mirabelli Design Inc.	Fred David International Inc. Freda's Originals Freed & Freed International Glensport Inc. Hallmark Garments Mfg. Happy Rompers Inc. Hiroko Originals Inc. Honey Fashions Ltd. I.D. Fashion Ltd. Importations Jeremy D Limited Impromptu Fashions Jackie K Jalpico J.C. Kids Apparel Inc. Jeno Neuman & Fils Inc. JMJ Fashions Inc. Jones Apparel Group Canada Inc. Katescorp Inc. Kimme-O Koret Canada Inc. Kovac Manufacturing K.T.H. Creations Inc. Lacharite Apparels (1989) La Chemise Lapointe Inc. Lana-Lee Fashions Inc. Layette Minimome Inc. Le Groupe Vêtements Yonkers Le Kidz Leslie Belle Manufacturing Ltd. Les Collections Raffinalla Ltée Les Modes Internationales Les Modes JMS Fashions Int'l Les Modes Premiere Class Inc. Linda Lundstrom Ltd. Lionel Victor Limited Looks Sportswear Ltd. Louben Sportswear Inc. Marli Fashions (Div. 171685 Can. Inc.) Meris Fashion Imports Michael Phillips Ltée Milton Selections Inc. Mister Leonard Inc. Moda Vero Limited	Mode Pinpoint Fashions Moderama Sportswear Inc. Modes Mercedes Inc. Modes Precious Times Fashions Inc. Mr. Jax Fashions Inc. Multiwear Inc. Nancy G Dress Corp Niba Original Ltée Nu-Mode Dress Co. Nygard International Ltd. Oodles Children's Wear Inc. O T L Industries Inc. Pantel Inc. Paris Sportswear Ltd. Paris Star Knitting Mills Inc. Powerline Private Collections Ltd. Private Source Inc. Put-Em On Fashions Re-Al-Ge (Canada) Inc. Royal Shirt Co. Ltd. S C & Co. (Sportswear) Inc. Simon Chang Concepts Inc. Sports Collection Paris Inc. Style 1 Designs Ltd. Style Queen Dress Inc. (Robes) Tell-Ex Fashions International Tess Sportswear Ltd. Texport Trading Inc. Top This Fashions Inc. Tribal Sportswear Inc. Universal Sales Inc. Utility Garments Inc. Valia Sportswear Ltd. Venture III Industries Inc. Vêtements de Sport Looks Ltée Vêtements Junior Club X Inc. Vêtements Va-Yola Ltée West Coast Apparel Inc. Young Scene Sportswear Inc.
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History: Schedule amended by SOR/2001-315, s. 8, effective August 28, 2001

<b>References</b>	
<b>Issuing Office</b>	Trade and Anti-dumping Programs Directorate
<b>Headquarters File</b>	6587-2
<b>Legislative References</b>	<a href="#"><i>Customs Act</i></a> <a href="#"><i>Financial Administration Act</i></a> <a href="#"><i>Bankruptcy and Insolvency Act</i></a> <a href="#"><i>Blouses, Shirts and Co-ordinates Remission Order, 1998</i></a> <a href="#"><i>Customs Tariff</i></a>
<b>Other References</b>	<a href="#">D8-11-7</a> , <a href="#">D10-17-15</a> , <a href="#">D17-1-10</a> , <a href="#">D17-1-21</a> , <a href="#">D22-1-1</a> Forms <a href="#">B3-3</a> , <a href="#">K32</a>
<b>Superseded Memorandum D</b>	D8-11-5 dated December 4, 2012