



Ottawa, July 1, 2002

# CUSTOMS NOTICE N-450

## **Legislative Changes With Respect to Interest on Anti-Dumping, Countervailing, or Provisional Duties Levied Under the *Special Import Measures Act* (SIMA) and Resulting Proposed Regulatory Changes in Support of Those Legislative Changes**

1. This notice announces regulatory changes proposed by the Canada Customs and Revenue Agency (CCRA), and provides information to importers, exporters, and customs service providers on the effective date and the implementation of the changes to the interest provisions on anti-dumping, countervailing, and provisional duties. These duties are levied under the *Special Import Measures Act* (SIMA).

### **Background**

2. The legislative changes to the interest provisions on anti-dumping, countervailing, and provisional duties are as a result of the harmonization of the payment, refund, and collection of these duties with the payment, refund, and collection provisions relating to customs duties.

3. These changes, which were part of the Customs Action Plan, were included in Bill S-23, *An Act to Amend the Customs Act and to Make Related Amendments to Other Acts*, which received Royal Assent on October 25, 2001. The majority of the provisions in Bill S-23 came into force on November 29, 2001. The legislative changes for the SIMA interest provisions will come into force on July 1, 2002.

4. All of the references to interest on duties imposed under SIMA have been removed. A new provision has been added to SIMA that allows the provisions of the *Customs Act* to apply, with any modifications that the circumstances may require, with respect to:

- (a) the payment, collection, and refund of any duty levied or returned under SIMA;
- (b) the payment, collection, refund, or waiver of interest on duty payable or returned under SIMA; and
- (c) the time within which duties payable under SIMA, or security posted under SIMA, is considered to be paid or posted.

5. The demand for payment of SIMA duties by the Commissioner will no longer be required.

### **Changes to Interest on SIMA Duties**

6. All duties levied under SIMA will be subject to interest and calculated in accordance with section 3.1 of the *Customs Act* where they are not paid by the liability date or the payment due date.

7. Interest on amounts owing will be computed at the specified rate of interest.

8. Interest on amounts returned will be computed at the prescribed rate of interest.

9. Interest at the specified rate will apply to provisional duties where the provisional duty amounts have not been paid or security has not been posted within the prescribed time.

10. Where interest is owing and not paid, interest is applied to the unpaid interest until it is paid.

11. Where the determination or re-determination by a customs officer, designated officer, or the Commissioner results in an additional assessment, the importer will have 30 days to pay this amount and the interest owing on this amount, calculated from the date of liability. However, if the amount of the assessment and the interest is not paid within 30 days, interest on the total amount is calculated from the day after the decision to the day the amount is paid.

### **Proposed Changes to the *Accounting for Imported Goods and Payment of Duties Regulations* – Security**

12. The *Accounting for Imported Goods and Payment of Duties Regulations* currently require that security be posted to obtain the release of goods prior to accounting under the *Customs Act*. It is proposed that these regulations would be amended to provide that the security required for both provisional duty imposed on goods subject to a preliminary determination of dumping, or an anti-dumping or a countervailing duty where this duty is assessed during an expedited review under SIMA, be posted at the time of accounting under subsections 32(1), (3), or (5) of the *Customs Act*.

13. Where there is a re-determination by the CCRA as a result of a decision on an appeal and a refund is owing to the importer in Canada, the amount of the refund may be the whole or a portion of the SIMA duty only or the SIMA duty

and the interest paid. The option of a refund of SIMA duty and interest is new, and the interest portion is refunded only where the interest amount was paid for reasons other than late accounting.

14. There is a legislative requirement that a notice be given when a determination or re-determination is made and will generally be in the form of a Detailed Adjustment Statement (DAS).

15. As part of our consultation process, the CCRA has posted this notice on our Web site for review and comment. For more information, visit our Web site at [www.ccra.gc.ca](http://www.ccra.gc.ca).

16. It is further proposed that these draft regulatory changes be made effective July 1, 2002, the date of this Customs Notice.

17. Inquiries and written comments about these proposed regulatory changes should be directed to:

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