

Memorandum D10-18-7

In Brief

Ottawa, June 30, 2000

SUBJECT

**TARIFF RATE QUOTA ON CUT
ROSES FROM ISRAEL OR ANOTHER
CIFTA BENEFICIARY**

1. This Memorandum provides an overview of the tariff rate quota on cut roses (and rose buds) from Israel or another Canada-Israel Free Trade Agreement (CIFTA) beneficiary, and the legislation and administrative guidelines that apply.
2. As of November 1, 1999, Revenue Canada became the Canada Customs and Revenue Agency. This Memorandum has been modified to reflect this change. It has also been updated to include the new Internet site for first-come, first-served (FCFS) agricultural tariff rate quotas.

Memorandum D10-18-7

Ottawa, June 30, 2000

SUBJECT

**TARIFF RATE QUOTA ON CUT
ROSES FROM ISRAEL OR ANOTHER
CIFTA BENEFICIARY**

This Memorandum provides an overview of the tariff rate quota on cut roses (and rose buds) from Israel or another Canada-Israel Free Trade Agreement (CIFTA) beneficiary, and the legislation and administrative guidelines that apply. For more information on the general administration of agricultural tariff rate quotas, refer to Memorandum D10-18-1, *Tariff Rate Quotas*.

Legislation

Legislative provisions contained in the *Customs Tariff* and the *Export and Import Permits Act* that are relevant to agricultural tariff rate quotas, are outlined in Memorandum D10-18-1. The following legislation is also relevant in the administration of the tariff rate quota on cut roses.

Customs Tariff

51. The Governor in Council may, on the recommendation of the Minister of Foreign Affairs, by order, specify limits on the aggregate quantity of roses of tariff item No. 0603.10.11 that are entitled to the Canada-Israel Agreement Tariff, and the limits apply during the periods that may be specified in the order.

Order in Council

His Excellency the Governor General in Council, on the recommendation of the Minister of Foreign Affairs, pursuant to section 51 of the *Customs Tariff*, hereby makes the annexed *Order Specifying Limits on the Annual Aggregate Quantity of Roses of Tariff Item No. 0603.10.11 that are Entitled to the Canada-Israel Agreement Tariff*.

1. The aggregate quantity of roses of tariff item No. 0603.10.11 that are entitled to the benefit of the Canada-Israel Agreement Tariff is limited to 90,000 dozen in a calendar year.

Import Control List

193. (1) In this item, “imported from Israel or another CIFTA beneficiary” has the meaning assigned by *Regulations Defining Certain Expressions for the Purposes of the Customs Tariff*.

(2) Cut roses and rose buds, fresh, suitable for bouquets or for ornamental purposes, that are imported from Israel or another CIFTA beneficiary and that are classified under tariff item No. 0603.10.11 or 0603.10.19, or under heading No. 98.04 or 98.26 of the List of Tariff Provisions set out in the schedule to the *Customs Tariff*.

Export and Import Permits Act

General Import Permit No. 193 – Roses, authorizes the importation of cut roses and rose buds from Israel or another CIFTA beneficiary that are classified under tariff item No. 0603.10.11 of the List of Tariff Provisions set out in the schedule to the *Customs Tariff*.

General Import Permit No. 100 – Eligible Agricultural Goods, authorizes the importation of cut roses and rose buds from Israel or another CIFTA beneficiary beyond the 90,000 dozen limit and that are classified under tariff item No. 0603.10.19 of the List of Tariff Provisions set out in the schedule to the *Customs Tariff*.

General Import Permit No. 6 – Roses for Personal Use, authorizes the importation for personal use of cut roses and rose buds from Israel or another CIFTA beneficiary, classified under tariff item No. 0603.10.11 or under heading No. 98.04 or 98.26, in a quantity not exceeding two dozen stems.

GUIDELINES AND GENERAL INFORMATION

1. The tariff rate quota (TRQ) on cut roses is administered by the Canada Customs and Revenue Agency (CCRA) pursuant to the provisions of section 51 of the *Customs Tariff* and tariff item No. 0603.10.11 of the List of Tariff Provisions set out in the schedule to the *Customs Tariff*. According to section 51 that came into effect on January 1, 1997, cut roses and rose buds imported from Israel or another CIFTA beneficiary receive the free Canada-Israel Agreement Tariff rate of customs duty when the aggregate quantity of roses imported under tariff item No. 0603.10.11 is within the limit specified in the Order in Council made pursuant to section 51 of the *Customs Tariff*.
2. In accordance with this Order, the aggregate quantity of roses of tariff item No. 0603.10.11 that is imported in each calendar year and that is entitled to the Canada-Israel Agreement Tariff shall not exceed 90,000 dozen stems.
3. To control the importation of these goods, cut roses and rose buds have been added to the Import Control List (ICL) and are imported under the authority of General Import Permits (GIPs). The Minister of Foreign Affairs is responsible for issuing these general permits. Since the TRQ on cut roses is not subject to prior quota allocation or to specific import permits, importers are not required to apply for or to submit permits.
4. The TRQ on cut roses is administered on a first-come, first-served (FCFS) basis. The Canada Customs and Revenue Agency is responsible for counting the quantity of goods imported under tariff item No. 0603.10.11. The CCRA will keep the Department of Foreign Affairs and International Trade (DFAIT), the customs regions, and the public informed about the total quantity of cut roses and rose buds imported in the current calendar year and the quota remaining on these goods. This information may be accessed according to the procedures outlined in paragraphs 9 and 10. For additional information on the general administration of FCFS quotas, refer to Memorandum D10-18-6, *First-Come, First-Served Agricultural Tariff Rate Quotas*.

General Import Permits

5. GIP No. 193 becomes effective each year on January 1 and allows importations of cut roses and rose buds from Israel or another CIFTA beneficiary at the free Canada-Israel Agreement Tariff rate if the TRQ has not been filled. The cut roses and rose buds are imported at the higher Most-Favoured-Nation (MFN) rate of duty, under GIP No. 100, when the quota has been filled and GIP No. 193 ceases to apply to these products. Under no circumstances are both GIPs applicable at the same time.

6. Cut roses and rose buds imported under authority of GIP No. 193 are classified under tariff item No. 0603.10.11 and receive a duty-free rate of duty. As the day on which the quota is expected to be filled approaches, the Minister of Foreign Affairs will issue a notice stating the day on which the quota will be closed. Goods that are accounted for after the date in the notice, regardless of when they were imported, are imported under the authority of GIP No. 100 and are classified under tariff item No. 0603.10.19 at the higher MFN rate of duty.

7. GIP No. 193 applies only to cut roses and rose buds which have been imported, released, and accounted for under subsection 32(1), (3), or (5) of the *Customs Act* on or before the day on which the quota is reached. Goods accounted for after the day of the quota's closure must be classified under tariff item No. 0603.10.19 even though they were imported, or imported and released, before the quota was filled and while GIP No. 193 was in force. Goods imported, or imported and released while GIP No. 100 is applicable, are also to be classified under tariff item No. 0603.10.19 even if accounted for after the coming into force of GIP No. 193 in the next calendar year.

8. Cut roses and rose buds that are imported by travellers, can be imported using GIP No. 6 (see paragraph 11).

FCFS Quota File

9. On January 1, 1997, cut roses and rose buds classified under tariff item No. 0603.10.11 were added to the Quota File, an electronic system that tracks the importation of goods subject to quota. The public may obtain information on the quota status of cut roses and rose buds by dialing the toll-free number 1-800-594-0986 for a recorded message. This information is also posted on the Internet site www.ccra-adrc.gc.ca/vco, under "Library."

10. Customs officers can obtain quota information by accessing the "Quota File Inquiry" transaction within the "Control Files" subsystem of the Customs Commercial System. For more detailed information on the Quota File, refer to paragraphs 16 through 19 of Memorandum D10-18-6.

Importations for Personal Use

11. GIP No. 6 was implemented on January 1, 1997, for the importation by residents of Canada of cut roses and rose buds, not exceeding two dozen stems for each importation, from Israel or another CIFTA beneficiary, for their personal use or the use of their household, under tariff item No. 0603.10.11 or under heading No. 98.04 or 98.26 of the List of Tariff Provisions set out in the schedule to the *Customs Tariff*.

Additional Information

12. For more information on the administration of the tariff rate quota on cut roses, please contact:

Interdepartmental Programs, Section B
Admissibility Programs Division
Customs Branch
Canada Customs and Revenue Agency
Sir Richard Scott Building
191 Laurier Avenue West
Ottawa ON K1A 0L5

Telephone: (613) 954-7129
Facsimile: (613) 946-1520

REFERENCES

ISSUING OFFICE –

Admissibility Programs Division
Customs Branch

LEGISLATIVE REFERENCES –

Customs Tariff, section 51
Order in Council, P.C. 1996-2072
Export and Import Permits Act
Customs Act, subsections 32(1), (3), and (5)

HEADQUARTERS FILE –

4572-21

SUPERSEDED MEMORANDA “D” –

D10-18-7, February 11, 1998

OTHER REFERENCES –

D10-18-1, D10-18-5, D10-18-6, D10-18-8

Services provided by the Canada Customs and Revenue Agency are available in both official languages.

This Memorandum is issued under the authority of the Commissioner of Customs and Revenue.