



Ottawa, February 17, 2005

# MEMORANDUM D11-4-5

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## **In Brief**

### **RULES OF ORIGIN RESPECTING CARIBCAN**

The revision of this Memorandum is part of an overall revision of the Memoranda D11-4 series. Changes have been made to the “Guidelines and General Information” section to clarify policy or procedural issues that have arisen since the last revision to this Memorandum.



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Ottawa, February 17, 2005

# MEMORANDUM D11-4-5

## RULES OF ORIGIN RESPECTING CARIBBEAN

This Memorandum contains the *Commonwealth Caribbean Countries Tariff Rules of Origin Regulations*. The Memorandum also contains guidelines regarding the proof of origin and shipping requirements for the Commonwealth Caribbean Countries (CCC) tariff treatment.

### Regulations

#### *Commonwealth Caribbean Countries Tariff Rules of Origin Regulations*

#### Interpretation

1. In these Regulations, "beneficiary country" means a country that is a beneficiary of the Commonwealth Caribbean Countries Tariff.

#### Originating Goods

2. (1) A good originates in a beneficiary country if the good is
- (a) a mineral good extracted from the soil or the seabed of the country;
  - (b) a vegetable good harvested in the country;
  - (c) a live animal born and raised in the country;
  - (d) a good obtained in the country from a live animal;
  - (e) a good obtained by hunting or fishing in the country;
  - (f) a good derived from sea fishing or other marine goods taken from the sea by a vessel of the country;
  - (g) a product made on board a factory ship of the country exclusively from products referred to in paragraph (f);
  - (h) waste and scrap derived from manufacturing facilities of the country;
  - (i) used goods of the country imported into Canada for use only for the recovery of raw materials; or
  - (j) goods produced in the country exclusively from a product referred to in any of paragraphs (a) to (h).

(2) Goods originate in a beneficiary country if the value of the materials, parts or products originating outside the beneficiary country or in an undetermined location and used in the manufacture or production of the goods amounts

to not more than 40% of the ex-factory price of the goods as packed for shipment to Canada.

(3) For the purposes of subsection (2), the following are deemed to have originated in the beneficiary country

- (a) any materials, parts or products used in the manufacture or production of the goods referred to in that subsection and originating in any other beneficiary country or from Canada, and
- (b) any packing required for the transportation of the goods, excluding packing in which the goods are ordinarily sold for consumption in the beneficiary country.

3. (1) For the purpose of determining the origin of goods, each good in a shipment shall be considered separately, except that

- (a) if a group, set or assembly of goods is classified in one item, the group, set or assembly shall be considered to be one good, and
- (b) tools, parts and accessories
  - (i) that are imported with a good,
  - (ii) that constitute the standard equipment customarily included in the sale of a good of that kind, and
  - (iii) the price of which is included in the price of the good and for which no separate charge is made,

shall be considered as forming a whole with the good.

(2) An unassembled good that is imported in more than one shipment because it is not feasible for transport or production reasons to import it in one shipment shall be considered to be one good.

#### Direct Shipment

4. Goods are entitled to the Commonwealth Caribbean Countries Tariff only if the goods are shipped directly to Canada, with or without transshipment, from a beneficiary country.

## GUIDELINES AND GENERAL INFORMATION

### General

1. CCCT beneficiary countries are set out in the List of Countries of the *Customs Tariff* and are noted by an asterisk (\*).

### Rules of Origin

2. To qualify for the duty-free tariff treatment accorded to Commonwealth Caribbean countries, a good must be:

(a) “wholly obtained or produced” as defined in section 2(1) of the *Commonwealth Caribbean Countries Tariff Rules of Origin Regulations* (“*Regulations*”) or,

(b) as set out in section (2) of the *Regulations*, at least 60% of the ex-factory price of the goods as packed for shipment to Canada must originate in one or more beneficiary countries or Canada.

3. The 60% qualifying content may be cumulated from various beneficiary countries or Canada.

4. The goods must be finished in the beneficiary country in the form in which they were imported into Canada.

### Proof of Origin

5. For all originating goods from CCCT beneficiary countries a *Form A – Certificate of Origin* (Appendix A) or an Exporter's Statement of Origin (Appendix B) must be submitted as proof of origin. The exporter in the beneficiary country in which the goods were finished must complete and sign the proof of origin as outlined in Section 4 of the *Proof of Origin of Imported Goods Regulations* found in Memorandum D11-4-2, *Proof of Origin*.

6. Proof of origin must be presented at the times set out in section 13 of the *Proof of Origin of Imported Goods Regulations* as found in D11-4-2. Failure to do so will result in the application of Administrative Monetary Penalty C152, “Importer or owner of goods failed to furnish proof of origin upon request.”

### Shipping Requirements

7. The goods must be shipped directly from a beneficiary country to a consignee in Canada on a through bill of lading (TBL).

8. Transshipment through any intermediate country is allowed provided:

(a) the goods remain under customs transit control in the intermediate country;

(b) the goods do not undergo any operation in the intermediate country other than unloading, reloading, splitting up of loads, or operations required to keep the goods in good condition;

(c) the goods do not enter into trade or consumption in the intermediate country; and

(d) the goods do not remain in temporary storage in the intermediate country for a period exceeding six months.

### Additional Information

9. For further information or assistance, please contact:

Origin and Valuation Division  
Policy and Operational Development Directorate  
Admissibility Branch  
Canada Border Services Agency  
Ottawa ON K1A 0L8

Facsimile: (613) 954-5500



**INSTRUCTIONS ON THE COMPLETION OF  
FORM A – CERTIFICATE OF ORIGIN**

**General Preferential Tariff (GPT)**

If the 60% ex-factory price is not satisfied, or is not supported by adequate documentation, the goods are not eligible for the GPT and a Form A should not be issued for such goods.

**Least Developed Country Tariff (LDCT)**

If the 40% ex-factory price is not satisfied, or is not supported by adequate documentation, the goods are not eligible for the LDCT and a Form A should not be issued for such goods.

In order for a Form A to be accepted by the CBSA, it must be properly completed, as follows:

**Field No. 1** – Complete with the name, address, and country of the actual manufacturer or exporter of the goods. Please do not identify a trading house, freight forwarder, export broker, etc. The manufacturer or exporter must be located in the GPT or LDCT beneficiary country in which the goods are being certified.

**Field No. 2** – Identify the consignee (name and address) in Canada.

**Field No. 3** – The CBSA does not consider this a mandatory field, but you may indicate the shipping details, as far as known when Form A is completed.

**Field No. 4** – This field is usually left blank. However, if Form A is issued after the goods have already been shipped, stamp or write “Issued Retrospectively.”

**Field No. 5** – This field is not mandatory for goods exported to Canada. It is usually used to itemize goods if Form A covers two or more categories of goods (for example, items 1, 2, 3 or items a, b, c).

**Field No. 6** – If the goods are crated or otherwise packaged, indicate the quantity of packages or crates. Also indicate any markings on the crates that will be useful in cross-referencing Form A to the Through Bill of Lading so that the CBSA officers can establish that the form covers the goods that are physically imported.

**Field No. 7** – Describe the goods fully. Indicate makes, models, styles, serial numbers, or any other relevant description. It is in the exporter’s interest to give as full a description as possible. The CBSA will not accept a Form A that cannot be matched with the imported goods due to a vague description. It is also helpful to show the Harmonized System subheading of the goods in this field.

**Field No. 8** – The origin criterion shown must be one of the following:

**P** means 100% of the goods produced in the GPT or LDCT beneficiary country in question;

**F** for GPT, means, at least 60% of the ex-factory price is produced in the GPT beneficiary country;

**F** for LDCT, means, at least 40% of the ex-factory price is produced in the LDCT beneficiary country. The existing 40% of the ex-factory price of the goods as packed for shipment to Canada may also include a value of up to 20% of the ex-factory price of the goods from countries eligible for GPT.

**G** for GPT, means at least 60% of the ex-factory price was cumulatively produced in more than one GPT beneficiary country or Canada.

**G** For LDCT, means at least 40% of the ex-factory price was cumulatively produced in more than one LDCT beneficiary country or Canada. The existing 40% of the ex-factory price of the goods as packed for shipment to Canada may also include a value of up to 20% of the ex-factory price of the goods from countries eligible for GPT.

If any criterion other than P, G, or F is shown for goods exported to Canada, it will be assumed that the goods do not satisfy the Canadian GPT or LDCT rules of origin and they will not receive any tariff preference.

**Field No. 9** – Give the weight or other quantity of the goods. The best unit of measure to use when completing this field is the unit of measure given for the particular goods in the Customs Tariff (e.g. number, pairs, dozens, kilograms, litres).

**Field No. 10** – Cross-reference Form A to the commercial invoice. This helps the CBSA match the form with the invoice, but it also ensures that the signing officer has verified the ex-factory price of the proper goods.

**Field No. 11** – This field may be left blank. As of March 1, 1996, Canada no longer requires Form A to be certified by a designated authority in the GPT or LDCT beneficiary country.

**Field No. 12** – This is the exporter's declaration that Form A is accurate and that the goods do meet the GPT or LDCT rules of origin. Proof of origin must be completed by the exporter of the goods in the GPT or LDCT beneficiary country in which the goods were finished. The individual completing the Form A on behalf of the company must be knowledgeable regarding the origin of the goods and have access to cost of production information, should a verification be requested.

**APPENDIX B**

**EXPORTER'S STATEMENT OF ORIGIN**

I certify that the goods described in this invoice or in the attached invoice No. \_\_\_\_\_ were produced in the beneficiary country of \_\_\_\_\_ and that at least \_\_\_\_\_% of the ex-factory price of the goods originates in the beneficiary country/countries of \_\_\_\_\_.

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Name and title

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Corporation name and address

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Telephone and fax numbers

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Signature and date (day/month/year)

## REFERENCES

<p><b>ISSUING OFFICE –</b></p> <p>Origin and Valuation Division          Policy and Operational Development Directorate          Admissibility Branch</p>	<p><b>HEADQUARTERS FILE –</b></p> <p>N/A</p>
<p><b>LEGISLATIVE REFERENCES –</b></p> <p><i>Customs Tariff</i>          Order in Council P.C. 1997-2007, December 29, 1997</p>	<p><b>OTHER REFERENCES –</b></p> <p>D11-4-2</p>
<p><b>SUPERSEDED MEMORANDA “D” –</b></p> <p>D11-4-5, May 22, 1998</p>	

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

