

MEMORANDUM D13-2-3

Ottawa, March 28, 2001

SUBJECT

EXCHANGE RATE FOR CALCULATION OF VALUE FOR DUTY UNDER THE *CUSTOMS ACT*

This Memorandum provides information concerning the date to be used for currency conversion in the calculation of value for duty under the *Customs Act*.

Legislation

Section 55 of the *Customs Act* provides that the value for duty of imported goods shall be computed in Canadian currency in accordance with regulations made under the *Currency Act*.

GUIDELINES AND GENERAL INFORMATION

Determination of Exchange Rate

1. For the purposes of the *Customs Act*, the rate of exchange used by the Canada Customs and Revenue Agency for determining the value in Canadian dollars of a currency other than that of Canada shall be the rate prevailing on the date of direct shipment to Canada of the goods whose value in Canadian currency is to be determined.
2. The “rate prevailing” on a date means, in respect of a currency of any country other than Canada, the rate of exchange for that currency, as communicated to the ports of entry by the Minister of National Revenue for that date.
3. The rate of exchange for any currency to be communicated by the Minister to the ports of entry shall be established on the basis of:
 - (a) the latest rate of exchange for that currency quoted to the Minister by the Bank of Canada;
 - (b) if no rate of exchange is quoted as described in paragraph (a), the latest rate of exchange for that currency quoted to the Minister by any Canadian chartered bank selected by the Minister; or
 - (c) if no rate of exchange is quoted as described in paragraph (a) or (b), the latest rate of exchange for that currency quoted by the *Financial Times* of London, Great Britain.

REFERENCES

ISSUING OFFICE –

Origin and Valuation Policy Division
Trade Policy and Interpretation Directorate

LEGISLATIVE REFERENCES –

Customs Act, sections 48 to 55
Currency Act

HEADQUARTERS FILE –

7034-5-54

SUPERSEDED MEMORANDA “D” –

D13-2-3, June 1, 1986

OTHER REFERENCES –

N/A

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.