

Memorandum D11-4-25
Locator Code: 206B

In Brief

Ottawa, May 10, 1999

SUBJECT

**COMMONWEALTH DEVELOPING COUNTRIES
ORDERS IN COUNCIL**

This Memorandum has been created to reflect changes to the *Customs Tariff* and the *Customs Act* as per Bill C-11 (tariff simplification).

Ottawa, May 10, 1999

SUBJECT

COMMONWEALTH DEVELOPING COUNTRIES ORDERS IN COUNCIL

Effective January 1, 1998, the British Preferential Tariff (BPT) treatment was revoked. The Uruguay Round Most-Favoured-Nation (MFN) tariff rate reductions have eliminated the margins of preference for most BPT tariff items of key trade importance with the exception of 171 tariff lines. These tariff lines will continue to receive tariff preferences equivalent to the former BPT rates by way of Orders in Council (OIC). These Orders are: OIC P.C. 1997-2001, *Remission Order Respecting Imports of Goods Originating in Commonwealth Developing Countries*, OIC P.C. 1997-2002, *Order Respecting the Remission of a Portion of the Customs Duties and Excise Taxes on Imports of Certain Woollen Fabrics*, and OIC P.C. 1997-2003, *Regulations Respecting the Customs Duty Payable on Woollen Fabrics Originating in Commonwealth Countries*.

Furthermore, the BPT was Canada's only preferential tariff that required direct shipment without transshipment (with certain limited exceptions). The Orders also maintained the restrictive shipping requirements that existed under the former BPT. Effective June 4, 1998, these Orders have been amended to permit direct shipment with transshipment in accordance with sections 17 and 18 of the *Customs Tariff*.

GUIDELINES AND GENERAL INFORMATION

1. OICs have been established to provide tariff preference rates on certain products originating in Commonwealth developing countries. Appendix A contains OIC P.C. 1997-2001 entitled *Remission Order Respecting Imports of Goods Originating in Commonwealth Developing Countries*. Appendix B contains OIC P.C. 1997-2002 entitled *Order Respecting the Remission of a Portion of the Customs Duties and Excise Taxes on Imports of Certain Woollen Fabrics*. Appendix C contains the OIC P.C. 1997-2003 entitled *Regulations Respecting the Customs Duty Payable on Woollen Fabrics Originating in Commonwealth Countries*.

2. For the year 1998, in order for the importer to obtain the preferential rates of duty, Form B3, *Canada Customs Coding Form*, may be completed in one of the following ways:

(a) enter the Most-Favoured-Nation (MFN) tariff treatment "02" in field No. 14, "Tariff Treatment," the corresponding OIC number in field No. 26, "Special Authority," the MFN rate of duty in field No. 33, "Rate of Customs Duty," and calculate the duty owing at the corresponding preferential rate. These rates of customs duty are contained in the attached Orders in Council (Appendices A and B);

(b) enter tariff treatment "01" in field No. 14, "Tariff Treatment" and the corresponding OIC rate of duty in field No. 33, "Rate of Customs Duty." Tariff treatment code "01" will relate to OIC P.C. 1997-2001 and OIC P.C. 1997-2002 and will be identified as Commonwealth Developing Countries (CDC) tariff rates.

Note: This dual system of accounting for goods remains in effect until March 31, 1999, and OICs P.C. 1997-2001 and P.C. 1997-2002 will be deleted from the system on that date. Therefore, as of April 1, 1999, all accounting must be completed using tariff treatment "01" to obtain the corresponding BPT equivalency rates.

3. Eligibility for these tariff preferences is restricted to imports from countries identified in the schedule of each OIC. In addition, eligibility is subject to the proof of origin, rules of origin, and direct shipment conditions.

Proof of Origin

4. Proof of origin must be presented in the form of a commercial invoice, or a *Canada Customs Invoice*, Form CII, prepared by the vendor and indicating the country of origin of the goods, or of any other documentation indicating the country of origin of the goods, as outlined in Memorandum D11-4-2, *Proof of Origin*.

Rules of Origin

5. Remission is granted on condition that at least 50% of the cost of production is incurred by the industries of one or more countries listed in Schedule I to the OICs, or by the industries of Australia, New Zealand, or Canada.

6. Goods originating in the United Kingdom of Great Britain and Northern Ireland are not entitled to the tariff preference rates under the OICs but rather are subject to the Most-Favoured-Nation tariff.

7. Cost of production includes:

(a) materials (exclusive of duties and taxes);

(b) labour; and

(c) factory overhead fees.

8. Goods are finished in the beneficiary country in the form in which they are imported into Canada.

Direct Shipment – Prior to June 4, 1998

9. Goods accounted for prior to June 4, 1998, must be shipped without transshipment from the BPT country to Canada on a through bill of lading. There are exceptions. For more information, please contact the following Directorate:

Origin and Valuation Policy Division
Customs & Trade Administration Branch
Revenue Canada
Ottawa ON K1A 0L5

Direct Shipment – On or After June 4, 1998

10. Goods accounted for on or after June 4, 1998, must be shipped directly on a through bill of lading from a beneficiary country, with or without transshipment, to a consignee in Canada, in accordance with Sections 17 and 18 of the *Customs Tariff*. The conditions pertaining to transshipment are contained in paragraph 13 of this Memorandum.

11. Goods from Lesotho, Botswana, or Swaziland may be shipped from South Africa and be considered as shipped directly from the country in which they originate. Such goods must be shipped directly on a through bill of lading from South Africa, without transshipment, to a consignee in Canada.

12. Transshipment is the act of taking cargo out of one conveyance and loading it into another conveyance. This includes the act of taking cargo out of one conveyance and reloading it into the same conveyance. The landing of an airplane for refuelling or docking of a ship to take on additional cargo does not constitute transshipment if the goods in question are not unloaded from the conveyance.

13. In circumstances where goods are transhipped, the following conditions must be observed:

- (a) the goods must remain under customs transit control in the intermediate country;
- (b) the goods must 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 must not enter into trade or consumption in the intermediate country; and
- (d) the goods must not remain in temporary storage in the intermediate country for a period exceeding six months.

14. The through bill of lading (or a copy thereof) must be presented to customs at the same time as the proof of origin. In the case of consolidated freight, where the through bill of lading is a lengthy document covering unrelated goods, the importer may present the cargo receipt from the carrier (or a copy thereof) in lieu of the through bill of lading. Where cargo receipts are presented that do not contain sufficient information to determine whether the shipping conditions were met, or for verification purposes, customs officers may request presentation of the through bill of lading.

Refunds

15. A refund under OIC P.C. 1997-2001 may be filed under subsection 115(3) of the *Customs Tariff* within 4 years from the date of accounting. Refunds under OIC P.C. 1997-2002, for the period of January 1, 1998, to June 30, 1998, may be filed under subsection 115(3) of the *Customs Tariff* within two years after the date of importation.

APPENDIX A

REMISSION ORDER RESPECTING IMPORTS OF GOODS ORIGINATING IN COMMONWEALTH DEVELOPING COUNTRIES

Interpretation

1. The definitions in this section apply in this Order.

“British country” means the United Kingdom of Great Britain and Northern Ireland, any British colony, possession or protectorate, or any territory under British trusteeship; (*pays britannique*)

“Commonwealth developing country” means a country listed in Schedule 1. (*pays en voie de développement du Commonwealth*)

Remission of Customs Duties

2. Subject to section 4, remission is hereby granted of the customs duties paid or payable on goods that are classified under a tariff item set out in column 1 of an item of schedules 2 to 6 of this Order at the rate of custom duty set out in respect of those goods in the column “Most-Favoured-Nation Tariff” of the list of Tariff Provisions set out in the schedule to the *Customs Tariff*, in an amount equal to the difference between the customs duty payable at that rate and

(a) in the case of goods that are imported into Canada during the period beginning on January 1, 1998 and ending on December 31, 1999, and that are classified under a tariff item set out in column 1 of an item in Schedule 2, the customs duties that would have been payable if the rate of customs duty were the rate set out in column 2 of that item;

(b) in the case of goods that are imported into Canada during the period beginning on January 1, 1998 and ending on July 31, 2000, and that are classified under a tariff item set out in column 1 of an item in Schedule 3, the customs duties that would have been payable if the rate of customs duty were the rate set out in column 2 of that item;

(c) in the case of goods that are imported into Canada during the period beginning on January 1, 1998 and ending on December 31, 2002, and that are classified under a tariff item set out in column 1 of an item in Schedule 4, the customs duties that would have been payable if the rate of customs duty were the rate set out in column 2 of that item;

(d) in the case of goods that are imported into Canada during the period beginning on January 1, 1998 and ending on December 31, 2003, and that are classified under a tariff item set out in column 1 of an item in Schedule 5, the customs duties that would have been payable if the rate of customs duty were the rate set out in column 2 of that item; or

(e) in the case of goods that are imported into Canada during the period beginning on January 1, 2003 and ending on December 31, 2003, and that are classified under a tariff item set out in column 1 of an item in Schedule 6, the customs duties that would have been payable if the rate of customs duty were the rate set out in column 2 of that item.

Remission of Excise Taxes

3. Subject to section 4, remission is hereby granted of the taxes paid or payable under the *Excise Tax Act* on goods for which the customs duties are remitted under section 2, in an amount equal to the difference between

(a) the amount of taxes paid or payable on the goods, and

(b) the amount of taxes that would be payable in respect of the goods if the duty paid value used to calculate the taxes on the goods were reduced by the amount of the remission of customs duties granted under section 2.

Conditions

4. (1) Remission is granted under sections 2 and 3 on condition that

(a) not less than 50% of the cost of producing the goods was incurred by the industries of one or more Commonwealth developing countries or by the industries of Australia, New Zealand or Canada;

(b) the goods were finished in a Commonwealth developing country and were imported into Canada;

(c) proof of origin of the goods is given in accordance with the *Customs Act*;

(d) subject to section 5, the goods are shipped directly to Canada, with or without transshipment, from a Commonwealth developing country; and

(e) a claim for remission is made to the Minister of National Revenue within four years after the date of importation of the goods in respect of which remission is claimed.

(2) In calculating the cost of production for the purpose of paragraph (1)(a), the following shall not be included:

(a) outside packing and expenses related to it, required for the transportation of the goods, not including packing in which the goods are ordinarily sold for consumption;

(b) gross profit of the manufacturer or exporter and the profit or remuneration of any trader, broker or other person dealing in the article in its finished manufactured condition;

(c) royalties;

(d) customs or excise duty or tax paid or payable on imported materials;

(e) carriage, insurance and other charges incurred to transfer the goods from the place of production or manufacture in the country of origin to the port of shipment; and

(f) any other costs or charges incurred or likely to be incurred after the completion of the manufacture of the goods.

5. Notwithstanding paragraph 4(1)(d), goods that originate in Lesotho, Botswana or Swaziland are deemed to be shipped directly to Canada from the country in which they originate if they are shipped directly on a through bill of lading from South Africa to a consignee in Canada with or without transshipment.

6. Section 6 of this order is repealed.

SCHEDULE 1
(Section 1)

Anguilla	Grenada	St. Lucia
Antigua and Barbuda	Guyana	St. Vincent and the Grenadines
Ascension	India	Samoa, Western
Bahamas	Jamaica	Seychelles
Bangladesh	Kenya	Sierra Leone
Barbados	Kiribati	Singapore
Belize	Lesotho	Solomon Islands
Bermuda	Malawi	Sri Lanka
Botswana	Malaysia	Swaziland
British Indian Ocean Territory	Maldives	Tanzania, United Republic of
Brunei Darussalam	Malta	Tokelau Islands
Cayman Islands	Mauritius	Tonga
Christmas Island	Montserrat	Trinidad and Tobago
Cocos (Keeling) Islands	Namibia	Tristan Da Cunha
Cook Islands	Nauru	Turks and Caicos Islands
Cyprus	Nigeria	Tuvalu
Dominica	Norfolk Island	Uganda
Falkland Islands	Pakistan	Vanuatu
Fiji	Papua New Guinea	Virgin Islands, British
Gambia	Pitcairn	Zambia
Ghana	St. Kitts and Nevis	Zimbabwe
Gibraltar	St. Helena and Dependencies	

SCHEDULE 2

Item	Column 1 Tariff Item	Column 2 Rate
1.	1905.30.21	Free
2.	1905.90.41	Free

SCHEDULE 3
(Paragraph 2(b))

Item	Column 1 Tariff Item	Column 2 Rate
1.	0603.10.19	Free
2.	0603.10.90	Free
3.	0604.99.90	Free
4.	0703.10.92	Free
5.	0712.30.10	Free
6.	1515.50.90	12.5%
7.	1515.90.99	12.5%
8.	1517.90.99	12.5%
9.	1603.00.10	Free
10.	1701.91.00	\$22.05/tonne
11.	1701.99.00	\$22.05/tonne
12.	1702.90.60	\$22.05/tonne
13.	2007.99.90	7.5%
14.	2102.10.20	5%

SCHEDULE 4
(Paragraph 2(c))

Item	Column 1 Tariff Item	Column 2 Rate
1.	5111.19.39	16% but not to exceed \$1.32/kg
2.	5111.19.90	16% but not to exceed \$1.32/kg
3.	5112.19.92	16% but not to exceed \$1.32/kg
4.	5112.20.92	16% but not to exceed \$1.32/kg
5.	5515.13.90	16% but not to exceed \$1.32/kg

SCHEDULE 5
(Paragraph 2(d))

Item	Column 1 Tariff Item	Column 2 Rate
1.	6101.10.00	18%
2.	6101.20.00	18%
3.	6101.30.00	18%
4.	6101.90.00	18%
5.	6102.10.00	18%
6.	6102.20.00	18%
7.	6102.30.00	18%
8.	6102.90.00	18%
9.	6103.22.00	18%
10.	6103.23.00	18%
11.	6103.29.00	18%
12.	6103.32.00	18%
13.	6103.33.00	18%
14.	6104.13.00	18%
15.	6104.22.00	18%
16.	6104.23.00	18%
17.	6104.29.00	18%
18.	6104.32.00	18%
19.	6104.33.00	18%
20.	6104.42.00	18%
21.	6104.43.00	18%
22.	6104.52.00	18%

Item	Column 1 Tariff Item	Column 2 Rate
23.	6104.53.00	18%
24.	6104.62.00	18%
25.	6104.63.00	18%
26.	6104.69.00	18%
27.	6105.10.00	18%
28.	6105.20.00	18%
29.	6105.90.00	18%
30.	6106.10.00	18%
31.	6106.20.00	18%
32.	6106.90.00	18%
33.	6107.11.90	18%
34.	6107.12.90	18%
35.	6107.21.00	18%
36.	6107.91.00	18%
37.	6107.92.00	18%
38.	6108.31.00	18%
39.	6108.32.00	18%
40.	6108.91.00	18%
41.	6108.92.00	18%
42.	6108.99.00	18%
43.	6109.10.00	18%
44.	6109.90.00	18%
45.	6110.10.90	18%
46.	6110.20.00	18%
47.	6110.30.00	18%
48.	6110.90.00	18%
49.	6111.10.00	18%
50.	6111.20.00	18%
51.	6111.30.00	18%
52.	6111.90.00	18%
53.	6112.11.00	18%
54.	6112.12.00	18%
55.	6112.19.00	18%
56.	6112.31.00	18%

Item	Column 1 Tariff Item	Column 2 Rate
57.	6112.39.00	18%
58.	6112.41.00	18%
59.	6113.00.90	18%
60.	6114.10.00	18%
61.	6114.20.00	18%
62.	6114.30.00	18%
63.	6114.90.00	18%
64.	6115.20.00	17.5%
65.	6115.92.00	17.5%
66.	6115.93.00	17.5%
67.	6115.99.00	17.5%
68.	6117.10.90	18%
69.	6201.13.00	18%
70.	6201.91.00	20.3%
71.	6201.93.00	18%
72.	6202.11.00	20.3%
73.	6202.13.00	18%
74.	6202.93.00	18%
75.	6203.12.00	19.3%
76.	6203.23.00	18%
77.	6203.31.00	20.3%
78.	6203.33.00	19%
79.	6203.41.00	20.3%
80.	6203.43.00	18%
81.	6203.49.00	18%
82.	6204.13.00	18%
83.	6204.19.10	19.4%
84.	6204.19.90	19.4%
85.	6204.21.00	20.3%
86.	6204.23.00	18%
87.	6204.31.00	20.3%
88.	6204.33.00	18%
89.	6204.41.00	20.3%
90.	6204.43.00	18%

Item	Column 1 Tariff Item	Column 2 Rate
91.	6204.44.00	18%
92.	6204.51.00	20.3%
93.	6204.53.00	19.2%
94.	6204.59.10	19.6%
95.	6204.59.90	19.6%
96.	6204.63.00	18.5%
97.	6204.69.00	19.5%
98.	6205.10.00	20.3%
99.	6205.30.00	18%
100.	6206.40.00	18%
101.	6207.19.00	18%
102.	6207.22.00	18%
103.	6207.92.00	18%
104.	6208.11.00	18%
105.	6208.22.00	18%
106.	6208.92.00	18%
107.	6209.30.00	18%
108.	6210.20.00	18%
109.	6210.30.00	18%
110.	6210.40.90	18.7%
111.	6210.50.90	18%
112.	6211.20.00	18%
113.	6211.33.90	18%
114.	6211.43.90	18%
115.	6214.20.90	20.3%
116.	6214.30.90	18%
117.	6214.40.00	19.1%
118.	6214.90.00	20.3%
119.	6301.30.00	20.3%
120.	6302.10.00	18%
121.	6302.22.00	18%
122.	6302.32.00	18%
123.	6304.93.00	18%
124.	6304.99.00	19.3%

Item	Column 1 Tariff Item	Column 2 Rate
125.	6402.19.90	17.9%
126.	6402.91.00	17.8%
127.	6402.99.00	18.2%
128.	6403.19.20	18.3%
129.	6403.19.90	18.3%
130.	6403.40.00	18.3%
131.	6403.59.90	18.3%
132.	6403.91.00	18.3%
133.	6403.99.20	18.3%
134.	6403.99.90	18.3%
135.	6404.11.99	18.3%
136.	6404.19.90	18.3%
137.	6405.90.00	18.3%

SCHEDULE 6
(Paragraph 2(e))

Item	Column 1 Tariff Item	Column 2 Rate
1.	5111.19.39	15% but not to exceed \$1.32/kg
2.	5111.19.90	15% but not to exceed \$1.32/kg
3.	5112.19.92	15% but not to exceed \$1.32/kg
4.	5112.20.92	15% but not to exceed \$1.32/kg
5.	5515.13.90	15% but not to exceed \$1.32/kg

APPENDIX B

ORDER RESPECTING THE REMISSION OF A PORTION OF THE CUSTOMS DUTIES AND EXCISE TAXES ON IMPORTS OF CERTAIN WOOLLEN FABRICS

Interpretation

1. The definitions in this section apply in this Order.

“British country” means the United Kingdom of Great Britain and Northern Ireland, any British colony, possession or protectorate, or any territory under British trusteeship; (*pays britannique*)

“Commonwealth country” means a country listed in Schedule 1. (*pays du Commonwealth*)

Remission of Customs Duties

2. Subject to sections 5 and 9, remission is hereby granted of the customs duties paid or payable on goods that are classified under a tariff item set out in column 1 of an item of Schedule 2 to this Order at the rates of customs duty set out in respect of those goods in the column “Most-Favoured-Nation Tariff” of the List of Tariff Provisions set out in the schedule to the *Customs Tariff* in an amount equal to the difference between

(a) the customs duty payable at that rate, and

(b) in the case of goods that are imported into Canada from a country that is a beneficiary of the Most-Favoured-Nation Tariff, the customs duties that would have been payable if the rate of customs duty were the rate set out in column 2 of an item of Schedule 2.

3. Subject to sections 5 and 9, remission is hereby granted of the customs duties paid or payable on goods that are classified under a tariff item set out in column 1 of an item of Schedule 3 to this Order at the rate of customs duty set out in respect of those goods in the column “Most-Favoured-Nation Tariff” of the List of Tariff Provisions set out in the Schedule to the *Customs Tariff* in an amount equal to the difference between

(a) the customs duty payable at those rates, and

(b) in the case of those goods that are imported into Canada from a Commonwealth country, the customs duties that would have been payable if the rate of customs duty were the rate set out in column 2 of an item of Schedule 3.

Remission of Excise Taxes

4. Subject to sections 5 and 9, remission is hereby granted of tax paid or payable under the *Excise Tax Act* on goods for which the customs duty is remitted under section 2 or 3, in an amount equal to the difference between

(a) the amount of tax paid or payable on the goods, and

(b) the amount of tax that would be payable in respect of the goods if the duty paid value used to calculate the tax on the goods were reduced by the amount of the remission of customs duty granted under section 2 or 3.

Conditions

5. Remission is granted under sections 2 to 4 on condition that

- (a) not less than 50% of the cost of the production of the goods was incurred by the industries of one or more Commonwealth countries or the industry of Canada;
- (b) the goods were finished in a Commonwealth country and were imported into Canada;
- (c) proof of origin of the goods is given in accordance with the *Customs Act*; and
- (d) subject to section 7, the goods are shipped directly to Canada, with or without transshipment, from a Commonwealth country.

6. In calculating the cost of production for the purpose of paragraph 5(a), the following shall not be included or considered:

- (a) outside packing and expenses related to it, required for the transportation of the goods, not including packing in which the goods are ordinarily sold for consumption;
- (b) gross profit of the manufacturer or exporter and the profit or remuneration of any trader, broker or other person dealing in the article in its finished manufactured condition;
- (c) royalties;
- (d) customs or excise duty or tax paid or payable on imported materials;
- (e) carriage, insurance and other charges incurred to transfer the goods from the place of production or manufacture in the country of origin to the port of shipment; and
- (f) any other costs or charges incurred or to be incurred subsequent to the completion of the manufacture of the goods.

7. Notwithstanding paragraph 5(d), goods that originate in Lesotho, Botswana or Swaziland are deemed to be shipped directly to Canada from the country in which they originate if they are shipped directly on a through bill of lading from South Africa to a consignee in Canada with or without transshipment.

8. Section 8 of this Order is repealed.

9. The remission referred to in sections 2 to 4 is granted on the condition that

- (a) the goods are imported into Canada during the period beginning on January 1, 1998 and ending on June 30, 1998; and
- (b) a claim for remission is made to the Minister of National Revenue within two years after the date of importation.

SCHEDULE 1
(Section 1)

Anguilla	Grenada	St. Lucia
Antigua and Barbuda	Guyana	St. Vincent and the Grenadines
Ascension	India	Samoa, Western
Australia	Jamaica	Seychelles
Bahamas	Kenya	Sierra Leone
Bangladesh	Kiribati	Singapore
Barbados	Lesotho	Solomon Islands
Belize	Malawi	Sri Lanka
Bermuda	Malaysia	Swaziland
Botswana	Maldives	Tanzania, United Republic of
British Indian Ocean Territory	Malta	Tokelau Islands
Brunei Darussalam	Mauritius	Tonga
Cayman Islands	Montserrat	Trinidad and Tobago
Christmas Island	Namibia	Tristan Da Cunha
Cocos (Keeling) Islands	Nauru	Turks and Caicos Islands
Cook Islands	New Zealand	Tuvalu
Cyprus	Nigeria	Uganda
Dominica	Norfolk Island	Vanuatu
Falkland Islands	Pakistan	Virgin Islands, British
Fiji	Papua New Guinea	Zambia
Gambia	Pitcairn	Zimbabwe
Ghana	St. Kitts and Nevis	
Gibraltar	St. Helena and Dependencies	

SCHEDULE 2
(Section 2)

Item	Column 1 Tariff Item	Column 2 Rate
1.	5111.11.90	16% but not to exceed \$4.65/kg
2.	5111.20.18	16% but not to exceed \$4.65/kg
3.	5111.20.91	16% but not to exceed \$4.65/kg
4.	5111.30.18	16% but not to exceed \$4.65/kg
5.	5111.30.91	16% but not to exceed \$4.65/kg
6.	5111.90.28	16% but not to exceed \$4.65/kg
7.	5111.90.91	16% but not to exceed \$4.65/kg
8.	5112.11.90	16% but not to exceed \$4.65/kg
9.	5112.19.91	16% but not to exceed \$4.65/kg
10.	5112.20.91	16% but not to exceed \$4.65/kg
11.	5112.30.91	16% but not to exceed \$4.65/kg
12.	5112.90.91	16% but not to exceed \$4.65/kg
13.	5803.90.19	16% but not to exceed \$4.65/kg

SCHEDULE 3
(Section 3)

Item	Column 1 Tariff Item	Column 2 Rate
1.	5111.11.90	16% but not to exceed \$2.53/kg
2.	5111.20.18	16% but not to exceed \$2.53/kg
3.	5111.20.91	16% but not to exceed \$2.53/kg
4.	5111.30.18	16% but not to exceed \$2.53/kg
5.	5111.30.91	16% but not to exceed \$2.53/kg
6.	5111.90.28	16% but not to exceed \$2.53/kg
7.	5111.90.91	16% but not to exceed \$2.53/kg
8.	5112.11.90	16% but not to exceed \$2.53/kg
9.	5112.19.91	16% but not to exceed \$2.53/kg
10.	5112.20.91	16% but not to exceed \$2.53/kg
11.	5112.30.91	16% but not to exceed \$2.53/kg
12.	5112.90.91	16% but not to exceed \$2.53/kg
13.	5803.90.19	16% but not to exceed \$2.53/kg

APPENDIX C

REGULATIONS RESPECTING THE CUSTOMS DUTY PAYABLE ON WOOLLEN FABRICS ORIGINATING IN COMMONWEALTH COUNTRIES

Interpretation

1. The definitions in this section apply in these Regulations.

“British country” means the United Kingdom of Great Britain and Northern Ireland, any British colony, possession or protectorate, or any territory under British trusteeship. (*pays britannique*)

“Commonwealth country” means a country listed in the schedule. (*pays du Commonwealth*)

Application

2. These Regulations apply in respect of the rate of customs duty set under paragraph 1(b) of Supplementary Note 1 to Section XI of the List of Tariff Provisions to woollen fabrics imported from Commonwealth countries.

Terms and Conditions

3. (1) Goods imported under tariff item Nos. 5111.11.90, 5111.20.18, 5111.20.91, 5111.30.18, 5111.30.91, 5111.90.28, 5111.90.91, 5112.11.90, 5112.19.91, 5112.20.91, 5112.30.91, 5112.90.91 and 5803.90.19 from Commonwealth countries are eligible for the rate of customs duty set under paragraph 1(b) of Supplementary Note 1 to Section XI of the List of Tariff Provisions on condition that

(a) not less than 50% of the cost of the production of the goods was incurred by the industries of one or more Commonwealth countries or the industry of Canada;

(b) the goods were finished in a Commonwealth country in the form in which they were imported into Canada;

(c) proof of origin of the goods is given in accordance with the *Customs Act*; and

(d) subject to section 4, the goods are shipped directly to Canada, with or without transshipment, from a Commonwealth country.

(2) In calculating the cost of production for the purpose of paragraph (1)(a), the costs of the following shall not be included:

(a) outside packing and expenses related to it, required for the transportation of the goods, not including packing in which the goods are ordinarily sold for consumption;

(b) gross profit of the manufacturer or exporter and the profit or remuneration of any trader, broker or other person dealing in the article in its finished manufactured condition;

(c) royalties;

(d) customs or excise duty or tax paid or payable on imported materials;

(e) carriage, insurance and other charges incurred to transfer the goods from the place of production or manufacture in the country of origin to the port of shipment; and

(f) any other costs or charges incurred or likely to be incurred after the completion of the manufacture of the goods.

4. Notwithstanding paragraph 3(1)(d), goods that originate in Lesotho, Botswana or Swaziland are deemed to be shipped directly to Canada from the country in which they originate if they are shipped directly on a through bill of lading from South Africa to a consignee in Canada with or without transshipment.

5. Section 5 of the Regulations is repealed.

SCHEDULE 1
(Section 1)

LIST OF COMMONWEALTH COUNTRIES

Anguilla	Grenada	St. Lucia
Antigua and Barbuda	Guyana	St. Vincent and the Grenadines
Ascension	India	Samoa, Western
Australia	Jamaica	Seychelles
Bahamas	Kenya	Sierra Leone
Bangladesh	Kiribati	Singapore
Barbados	Lesotho	Solomon Islands
Belize	Malawi	Sri Lanka
Bermuda	Malaysia	Swaziland
Botswana	Maldives	Tanzania, United Republic of
British Indian Ocean Territory	Malta	Tokelau Islands
Brunei Darussalam	Mauritius	Tonga
Cayman Islands	Montserrat	Trinidad and Tobago
Christmas Island	Namibia	Tristan Da Cunha
Cocos (Keeling) Islands	Nauru	Turks and Caicos Islands
Cook Islands	New Zealand	Tuvalu
Cyprus	Nigeria	Uganda
Dominica	Norfolk Island	Vanuatu
Falkland Islands	Pakistan	Virgin Islands, British
Fiji	Papua New Guinea	Zambia
Gambia	Pitcairn	Zimbabwe
Ghana	St. Kitts and Nevis	
Gibraltar	St. Helena and Dependencies	

REFERENCES

ISSUING OFFICE –

Trade Policy and Interpretation Directorate

LEGISLATIVE REFERENCES –

Orders in Council P.C. 1997-2001, P.C. 1997-2002,
P.C. 1997-2003, P.C. 1998-960, P.C.1998-961, and P.C. 1998-962
Customs Tariff, sections 17, 18, and subsection 115(3)
Customs Act, paragraph 74(1)(e)

HEADQUARTERS FILE –

4570-4, 4573-2, 4573-2-1

SUPERSEDED MEMORANDA “D” –

D11-4-7, December 21, 1990
D11-4-23, May 26, 1997

OTHER REFERENCES –

D11-4-2

SERVICES PROVIDED BY THE DEPARTMENT ARE AVAILABLE IN BOTH OFFICIAL
LANGUAGES.

THIS MEMORANDUM IS ISSUED UNDER THE AUTHORITY OF THE DEPUTY MINISTER OF
NATIONAL REVENUE.