



Ottawa, September 24, 2004

MEMORANDUM D8-3-6

In Brief

TARIFF ITEM 9905.00.00 AND THE *PASSOVER PRODUCTS REMISSION ORDER*

This Memorandum has been rewritten to reflect changes to the wording of tariff Item No. 9905.00.00 and its administration. In particular, the list of the Passover products has been expanded to include various juices. Also, importers are only required to obtain an import permit from International Trade Canada to import Kosher for Passover margarine, and they no longer require prior authorization from the Canada Border Services Agency (CBSA).



Ottawa, September 24, 2004

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TARIFF ITEM 9905.00.00 AND THE PASSOVER PRODUCTS REMISSION ORDER

This Memorandum outlines the conditions under which certain products imported for use during the Passover holidays qualify for customs duty-free entry and GST and excise tax relief. It also sets out the procedures to follow to import customs duty-free Kosher for Passover margarine.

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Legislation

Tariff item No. 9905.00.00

The following Passover products for use during the Passover holiday and so marked, imported during the period beginning two months before the eve of the first day of that holiday and ending on the last day of the holiday:

- Cake mix, pancake mix, and baked goods;
- Canned fish and fish products other than pickled herring;
- Canned fruits and vegetables;
- Chocolates, candy, and gum, (excluding fruit jelly candy and jelly rings, chocolate-covered jellies, chocolate-covered marshmallows, and chocolate-covered orange peels);
- Dried apples;
- Grapeseed oil;
- Jam;
- Jelly powders and puddings;
- Juices (except apple juice) and juice blends (not containing apple juice);
- Matzo and Matzo products;
- Margarine, classified under tariff item No. 1517.10.10, not exceeding 50,000 kg each Passover holiday;
- Olives;
- Potato chips;
- Salad dressings and ketchup;

- Soups (including borsch) and gravies;
- Tomato ketchup, paste, purée, and sauce;
- Vegetable shortening; and Vinegar.

Under this Act, the Governor in Council may amend the above list of products.

Statutory Instrument

Passover Products Remission Order

Order respecting the remission of taxes imposed under Division III of Part IX and under any other part of the *Excise Tax Act*, payable on Passover foods and products of a class not available in Canada

Short Title

1. This Order may be cited as the *Passover Products Remission Order*.

Remission

2. Subject to section 3, remission is hereby granted of taxes imposed under Division III of Part IX and under any other Part of the *Excise Tax Act*, payable on Passover foods and products of a class not available in Canada, that are for use during the Passover holiday and that are imported during the period beginning two months before the eve of the first day of that holiday and ending on the last day of that holiday.

Condition

3. Remission is granted under section 2 on condition that a claim for remission is made to the Minister of National Revenue within two years after the final accounting for the foods and products under section 32 of the *Customs Act*.

GUIDELINES AND GENERAL INFORMATION

1. Requests to amend the list of Passover products in tariff item no. 9905.00.00 must be submitted to the Minister of Finance. Only products that are not produced in Canada will be considered.

2. The following is a list of the authorized periods of importation for Passover products for the next five years:

February 21, 2005, to May 1, 2005
February 13, 2006, to April 20, 2006
February 3, 2007, to April 10, 2007
February 20, 2008, to April 27, 2008
February 9, 2009, to April 16, 2009

3. The package containing the product must be marked with one or more of the following:

- (a) the symbol “uP”;
- (b) “Kosher Lepesach”;
- (c) “for Passover,” or similar wording.

4. For the purposes of this tariff item, “matzos” includes any product whose main ingredient is derived from matzos, matzo meal, or matzo flour. The tariff item places no restrictions on whether the matzo or matzo product is imported “within access commitment” or “over access commitment.” However, matzo is a wheat product and may require an import permit. As discussed in Memorandum D10-18-6, *First-Come, First-Served Agricultural Tariff Rate Quotas*, and Memorandum D10-18-1, *Tariff Rate Quotas*, wheat and wheat products are first-come, first-served (FCFS) TRQ (tariff rate quota) goods. They are not subject to prior quota allocation or specific import permits. Instead, International Trade Canada issues general import permits (GIPs) for wheat and wheat products. The General Import Permit No. 20 – “Wheat and Wheat Products, and Barley and Barley Products” authorizes the importation of these first-come, first-served tariff rate quota goods classified under “within access commitment” tariff items. General Import Permit No. 3 – “Wheat and Wheat Products and Barley and Barley Products for Personal Use” authorizes the importation for personal use of these goods (no quantity restrictions). General Import Permit No. 100 - Eligible Agricultural Goods authorizes the importation of all agricultural tariff rate quota goods classified under “over access commitment” tariff items.

5. Margarine is also an agricultural product subject to tariff rate quota (TRQ). There are two tariff items in the *Customs Tariff* to classify margarine as either “within access commitment” (tariff item no. 1517.10.10) or “over access commitment” (tariff item no. 1517.10.20). Only margarine of tariff item no. 1517.10.10 is eligible under tariff item no. 9905.00.00 and the *Passover Products*

Remission Order. An import permit from International Trade Canada is required for “within access commitment” margarine importations.

6. The address to apply for an import permit is:

International Trade Canada
 Export and Import Permits Bureau
 Special Trade Policy Division
 125 Sussex Drive
 Ottawa ON K1N 9K6

Goods and Services Tax

7. Products that are eligible for tariff item no. 9905.00.00 also qualify for the *Passover Products Remission Order*. The Remission Order remits the GST in full.

8. All customs documents relating to goods for which remission is being claimed in accordance with this Order are to bear the number of this Order in Council, in the Special Authority field, in the following format: 90-2849.

Documentation and Accounting Procedures

9. All customs invoices must clearly show that the imported products are for the Passover holiday.

10. Importers in the Province of Quebec should ensure that the products are also labelled in accordance with provincial regulations.

11. Legal Note 3 to Chapter 99 requires imported goods that qualify under a tariff item in Chapter 99 to be classified under a dual tariff classification system. Legal Note 3 reads as follows:

Goods may be classified under a tariff item in this Chapter and be entitled to the Most-Favoured-Nation Tariff or a preferential tariff rate of customs duty under this Chapter that applies to those goods according to the tariff treatment applicable to their country of origin only after classification under a tariff item in Chapters 1 to 97 has been determined and the conditions of any Chapter 99 provision and any applicable regulations or orders in relation thereto have been met.

12. Accordingly, the regular ten-digit classification number applicable to the goods under Chapters 1 to 97 must appear in field 27 on Form B3, *Canada Customs Coding Form*. The first four digits of tariff item no. 9905.00.00 appear in field 28 and special authorization code 90-2849 appears in field 26.

13. In the case of within access commitment Kosher for Passover margarine, a two-line entry is required because both the Order in Council P.C. 90-2849 and the import permit number must be quoted on the form B3 in field 26. The first line should detail all of the data including the actual value for duty with 90-2849 in field 26. The second line will detail the same quantity and classification as the previous line, but the value for duty will be input as zero (to ensure no additional duty and taxes are calculated) and the import permit number should appear in field 26. A copy of the import permit must be attached to the Form B3.

Additional Information

16. For further information or assistance regarding tariff item No. 9905.00.00, please contact:

Manager
Trade Incentives and Refunds Unit
Trade Incentives Programs Division
Admissibility Branch
Canada Border Services Agency
150 Isabella Street
Ottawa ON K1A 0L8
Telephone: (613) 954-6878

REFERENCES

<p>ISSUING OFFICE –</p> <p>Canada Border Services Agency Admissibility Branch Trade Incentives Program Division</p>	<p>HEADQUARTERS FILE –</p> <p>6564-12</p>
<p>LEGISLATIVE REFERENCES –</p> <p><i>Financial Administration Act</i>, subsection 23(2) Order in Council P.C. 1990-2849, December 21, 1990 <i>Customs Tariff</i>, tariff item No. 9905.00.00</p>	<p>OTHER REFERENCES –</p> <p>D10-18-1, D10-18-6</p>
<p>SUPERSEDED MEMORANDA “D” –</p> <p>D8-3-6, March 19, 1998</p>	

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