



Ottawa, November 1, 2002

# CUSTOMS NOTICE N-481

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## **Proposed Regulatory Amendments and Proposed New Regulations Related to the Implementation of the Canada- Costa Rica Free Trade Agreement (CCRFTA)**

1. This notice announces regulatory changes and new regulations proposed by the Canada Customs and Revenue Agency (CCRA) in support of the implementation of the Canada-Costa Rica Free Trade Agreement (CCRFTA). It is further proposed that these proposed regulatory changes and new regulations be made effective on the date of this notice on the condition that those Regulations are made by the Governor in Council.

2. The existing Regulations which would be affected by these proposed changes are the following:

*(a) Certification of Origin of Goods Exported to a  
Free Trade Partner Regulations*

*(b) Exporters' and Producers' Records Regulations*

*(c) Free Trade Agreement Advance Rulings  
Regulations*

*(d) Imported Goods Records Regulations*

*(e) Proof of Origin of Imported Goods Regulations*

*(f) Refund of Duties Regulations*

*(g) Tariff Item Nos. 9971.00.00 and 9992.00.00  
Accounting Regulations*

*(h) Temporary Importation (Tariff Item  
No 9993.00.00) Regulations*

3. A summary of the proposed regulatory changes and the proposed new *CCRFTA Verification of Origin Regulations* are set out in the Appendix.

4. As part of our consultation process, the CCRA has posted this notice together with the descriptions of the proposed regulatory changes and new regulations on our Web site for review and comment. For more information, visit our Web site at [www.ccra.gc.ca](http://www.ccra.gc.ca).

5. Inquiries and comments about these proposals should be directed to:

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## APPENDIX

### Proposed Regulatory Amendments and Proposed New Regulations Under the *Customs Act*

1. The Regulations requiring amendments under the *Customs Act* to implement the CCRFTA are:

- (a) *Certification of Origin of Goods Exported to a Free Trade Partner Regulations*
- (b) *Exporters' and Producers' Records Regulations*
- (c) *Free Trade Agreement Advance Rulings Regulations*
- (d) *Imported Goods Records Regulations*
- (e) *Proof of Origin of Imported Goods Regulations*
- (f) *Refund of Duties Regulations*

2. The proposed new regulations to implement Article V.6 of the CCRFTA is called *CCRFTA Verification of Origin Regulations*.

3. It is proposed that the *Certification of Origin of Goods Exported to a Free Trade Partner Regulations* be amended to permit non-producing Canadian exporters of goods to Costa Rica to complete a CCRFTA *Certificate of Origin* provided the criteria in section 2 of the Regulations are met. It is also proposed that the certificate may be completed in English, French, or Spanish.

4. It is proposed that the definition of "advance ruling," as set out in the *Exporters' and Producers' Records Regulations*, be amended to include a reference to Article V.9, the advance ruling provision of the CCRFTA.

5. It is proposed that the *Free Trade Agreement Advance Rulings Regulations* be amended to permit Canadian importers and Costa Rican producers and exporters to use the CCRA's Advance Ruling Program for Costa Rican goods. Specific amendments are proposed to the classes of persons who may apply for an advance ruling and it is proposed that paragraph 2(d) of the Regulations be amended to add a reference to Costa Rica. It is also proposed that, in the case of advance rulings concerning goods imported from Costa Rica, a CCRA official must provide to the person requesting the advance ruling the reasons for the ruling, whether that ruling was favourable or unfavourable. Also, it is proposed that the grounds for modifying or revoking an advance ruling in section 14 of the Regulations be amended to add a reference to Costa Rica.

6. It is proposed that the *Imported Goods Records Regulations* be amended to oblige importers, who receive the benefits of the preferential tariff treatment under the CCRFTA, to maintain proper books and records and to produce them for inspection by CCRA officials upon request. Where an importer fails to meet these obligations, the CCRFTA preferential tariff treatment may be withdrawn or denied.

7. It is proposed that section 6 of the *Proof of Origin of Imported Goods Regulations* be amended to add a reference to Costa Rica to require that importers must have in their possession or provide a CCRFTA *Certificate of Origin* in order to claim the CCRFTA preferential tariff treatment. The proposed amendments prescribe the time and place for providing such proof of origin. It is also proposed that, where the importer or owner of the goods are exempt from these requirements, section 6 of the Regulations be amended to add a reference to Costa Rica.

8. It is proposed that the *Refund of Duties Regulations* be amended to permit the refund of customs duties to CCRFTA goods where the CCRFTA preferential tariff treatment was not claimed at the time of accounting for such goods.

9. It is proposed that paragraph 2(b) of the *Tariff Item Nos. 9971.00.00 and 9992.00.00 Accounting Regulations* be amended to add a reference to Costa Rica for the purposes of requiring proof of exportation of the goods to that country when accounting for goods under section 32 of the *Customs Act*.

10. It is proposed that the definition of "originating good," as set out in the *Temporary Importation (Tariff Item No. 9993.00.00) Regulations*, be amended to add a reference to the *CCRFTA Rules of Origin Regulations*. It is also proposed that paragraph 5(3)(e) of the Regulations be amended to specify that no security in respect of customs duties is required on commercial samples and advertising films imported from Costa Rica on a temporary basis.

11. The new *CCRFTA Verification of Origin Regulations* are proposed to implement Canada's verification provisions under Article V.6 of CCRFTA. The Regulations describe the process to be followed by Canadian officials when verifying claims for preferential tariff treatment under the CCRFTA.

