

Changes In Canadian Customs Regulations

Measures Act or SIMA has been in effect since December 1, 1984. This legislation introduced changes in anti-dumping and countervail legislation.

By way of a brief explanation, anti-dumping legislation, in accordance with the GATT Anti-Dumping Code, is designed to protect domestic industry from imports which are sold at a price lower than that in the country of export, if the low or dumped prices are proven to be injurious to Canadian producers.

The new legislation, SIMA, imposes legislated time limits on the various stages of anti-dumping and countervail investigations and provides for the determination of the existence of dumping and injury to be conducted concurrently.

These measures will greatly shorten the period of uncertainty which exists from the initiation of an investigation to the issuance of decisions respecting the existence of dumping and injury.

Another important measure is the introduction of price undertakings which will allow exporters, under certain circumstances, to arrive at an agreement with the deputy minister at an early stage in the proceedings, to sell to Canada at a price which will eliminate the dumping or injury to Canadian producers. Should an agreement be reached, investigation into the existence of dumping and injury is suspended.

Another major change in Canadian customs procedures pertains to the establishment of the value for duty of imported goods. Up until December 31 1984, Canada used the fair market value system which based value for duty on the selling price of like or similar

goods in the country of export. As a consequence of complaints lodged by various trading partners, Canada agreed to implement Article VII of GATT which is also known as the Customs Valuation Code.

The new system of valuation took effect on January 1, 1985 and focuses on the open market export selling price between an exporter and an importer without regard to the selling price in the exporter's home market. The implementation of the new system has particular relevance as it eliminates the need to conduct value for duty investigations in the country of export and eliminates methods of establishing value for duty which were sometimes considered to be arbitrary.

The primary basis of valuation under the new system is the price paid or payable for the goods exported to Canada, adjusted when necessary.

Under certain circumstances, for example when the exporter and importer are related and the relationship affects the export selling price, alternative methods of valuation are provided for in the new legislation.

These alternate methods provide for value for duty to be established firstly with reference to the export selling price of identical or similar goods exported to Canada; secondly with reference to the selling price of the goods in Canada adjusted by deducting an amount for profit and general expenses and any duties, taxes or expenses incurred after the point of direct shipment and lastly, with reference to the cost of production of the goods plus an amount for profit and general expenses.

As a consequence of the change in the valuation system, Canada Customs is also changing the customs invoicing requirements. Prior to this year, exporters were required to submit signed completed Canada Customs invoices to customs. However, since January 1, the importer rather than the exporter has had the responsibility to submit all information necessary to establish value for duty.

Importers are expected to ensure all required information is submitted in one of the approved formats and are expected to contact exporters to obtain information when necessary.

Canada's desire in reducing barriers to trade is apparent from its ongoing tariff reductions, its continued commitment to the GPT for selected countries, from its planned adoption of the Harmonized Tariff System and from recent legislative changes. These changes will result in streamlined anti-dumping procedures, a new system of determining value for duty which is based on the commercial reality of the export transaction and simplified customs invoicing requirements.

Who's Who At Canada Customs

Canada Customs has four Canadian officers working in the Embassy in Tokyo, who are available to answer questions. However, enquiries concerning import permits or restraints and requests for a definite tariff classification ruling should be forwarded directly to the appropriate officials in Ottawa.

1. Questions regarding any Customs related matters:

Mr. A.D. Atwood

— Customs Attache

Mr. D.M. Chatterson

— Customs Representative

Ms. K. Humphries

— Customs Representative

Mr. N. Hlaing

— Customs Representative

Embassy of Canada

Customs and Excise

3-38, Akasaka 7-chome

Minato-ku, Tokyo 107 Japan

Telephone: 03-400-7137/8

Telex: 122218 DOMCAN

2. Questions regarding import permits and import restraints:

Mr. T.A. MacDonald, Director

Import Controls I Division

(Textiles and Clothing)

Special Trade Relations Bureau

Department of External Affairs

Lester B Pearson Bldg.

125 Sussex Dr.,

Ottawa, Ontario K1A 0G2

Canada

Telephone: (613) 993-7566

Telex: 053-4124

3. Requests for definite rulings regarding tariff classifications and tariff rates:

Mr. R.K. Paterson,

Director General

Tariff Programs (Classification)

Customs and Excise

Ottawa, Ontario K1A 0L5

Canada

Telephone: (613) 992-8939

Telex: 053-3330

4. Questions concerning refunds, drawback or remission programs:

Mr. R.A. Finnigan, Director

Tariff Relief Programs

Customs and Excise

Ottawa, Ontario K1A 0L5

Canada

Telephone: (613) 992-1992

Telex: 053-3330



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