

(c) a prime contractor or subcontractor producing or developing defence supplies in connection with contract awarded under subparagraphs (a) or (b) above.

4. The refund provisions of this Order apply also to Customs duties and excise taxes paid on goods carried as stock items, even when the goods were entered into stock prior to the coming into force of this Order.

5. A contractor or subcontractor may obtain authority for the remission of Customs duties and excise taxes on the materials imported or purchased in Canada for use in production or development under the contract, by applying to the Canadian Commercial Corporation direct or through an officer of the Field Contract Administration Division of the Department of Supply and Services. The contractor's submission should outline all the particulars relating to the contract, including the Customs office or offices where accounting documents will be processed, and a designation of the officials of the contracting firm who will be authorized to sign exemption certificates in connection with Customs documentation relating to that particular contract.

6. The Canadian Commercial Corporation will provide these particulars to the Duties Relief Programs Directorate in Ottawa and request confirmation of remission authority from that directorate. When this request is approved, Duties Relief Programs will notify the Canadian contractor and the Field Contract Administration Officer in this respect. The Duties Relief Programs Directorate will notify the Regional Chief Officers of Customs, the Managers of the Drawbacks, Refunds and Remissions Division (DRR) or Customs Assessment Division (CAD), and the Customs offices involved, of the particulars of the contract.

7. Persons claiming remission of Customs duties and excise taxes will satisfy Customs that the Canadian Commercial Corporation has verified the award of a contract to produce goods under the Defence Production and Development Sharing Agreement and will present, on or together with the accounting document or refund document, a certificate in the following form signed by an authorized official of the importing firm.

Exemption Certificate

I hereby certify that the articles and materials described on the accounting document, refund claim or accompanying documents have been or are to be used solely and exclusively in the development and production of goods or incorporated into goods that are to be delivered to an agency of the Government of the United States of America under a contract awarded in accordance with the Canada-United States Defence Production and Development Sharing Agreement.

United States Government Contract Number	Name of Firm
CCC or Subcontract Number Name of Prime Contractor, if applicable	Authorized Signature

8. Prior to diversion for other purposes of any articles or materials for which a remission has been allowed under this Order, the importer shall report the facts to the Customs office concerned and pay any Customs duties and excise taxes that are ordinarily payable. In instances where a diversion involves goods that were imported on a number of accounting documents, one blanket amending accounting document will be acceptable for this purpose.

9. Customs Drawback Offices will investigate the Canadian contractor's Customs transactions by excising a post-audit function of the contractor's operation. Importers will provide an additional copy of the accounting document or refund claim document marked for the attention of and transmittal to the DRR/CAD Manager in the region encompassing the Customs office of accounting. The DRR/CAD Manager will also be provided with an additional copy of diversion accounting documents and accounting documents covering merchantable scrap developed from any of the imported material.

10. Importers granted remission in accordance with the Order will provide the DRR/CAD Manager in the region concerned with a monthly listing of all such accounting documents showing the name of the Customs office, accounting number and date and the amount of Customs duties remitted.

11. Exemption from sales and excise taxes shall be effected by means of the exemption certificate being placed on all purchase orders. Application for refund of taxes paid on domestic goods used in these projects will be made on refund form N 15 within the statutory time limits. The refund claims will be supported by sales invoices and purchase orders from the Canadian contractor bearing the required exemption certificate signed by the authorized person.