

**APPENDIX F**  
**Department of National Revenue — Memorandum D8-9-1**

Revenue Canada  
 Customs and Excise

**Subject**

DEFENCE PRODUCTION AND DEVELOPMENT SHARING REMISSION ORDER

This Memorandum outlines and explains the conditions under which remission of Customs duties and excise taxes may be granted in respect of the Defence Production and Development Sharing Agreement.

**Regulations**

ORDER RESPECTING THE REMISSION AND REFUND OF CUSTOMS DUTIES AND EXCISE TAXES IN RESPECT OF THE CANADA-UNITED STATES DEFENCE PRODUCTION AND DEVELOPMENT SHARING AGREEMENT

**Short Title**

1. This Order may be cited as the Defence Production and Development Sharing Remission Order.

**Remission**

2. Remission is hereby granted of the Customs duties and excise taxes paid or payable on articles and materials that:
  - (a) are imported into or purchased in Canada by persons carrying on business in Canada who have been awarded contracts under defence production and development sharing arrangements between the Government of Canada and the Government of the United States; and
  - (b) have been or are to be used solely and exclusively in the development and production of goods or incorporated into goods that have been or are to be delivered to an agency of the Government of the United States in connection with a defence production and development sharing contract.
3. A person claiming remission of Customs duties or excise taxes under section 2 shall produce, together with the customs accounting document or refund claim for the article or materials referred to in that section,
  - (a) verification by the Canadian Commercial Corporation that a contract has been awarded as referred to in paragraph 2(a); and
  - (b) a certificate by the importer of the articles and materials in such form as the Deputy Minister of National Revenue for Customs and Excise may prescribe, certifying that the articles and materials have been or are to be used for the purposes described in paragraph 2(b).
4. The Minister of National Revenue may give such instructions and directions as deemed necessary for the purpose of carrying out the provisions of this Order.

**Guidelines and General Information**

1. The governments of Canada and the United States have concluded agreements which enable industries in either country that produce goods and equipment of a type or kind that is considered to be defence supplies, to compete for contracts to provide defence supplies to the government of the other country.
2. In order that Canadian industry may compete on an equitable basis with United States industry for a share of United States government contracts of this nature, the Governor-in-Council has passed the Defence Production and Development Sharing Remission Order.
3. The remissions authorized by the Order apply only in respect of articles and materials imported into or purchased in Canada by Canadian firms that have been awarded contracts to produce defence supplies or to develop defence equipment for the United States government by:
  - (a) the Canadian Commercial Corporation;
  - (b) an agency of the United States government; or