

The Goods and Services Tax (GST)

Exports are supposed to be "zero rated" for the GST; if paid, you can claim a refund or drawback. Often, on freight within Canada and on a forwarding agent's fee, the tax is so small that the cost of applying for each refund appears as much as the refund will yield. The Canadian Exporters' Association (CEA) is working with government to simplify the imposition of this tax. At present, the CEA has one concession: If you export from point of origin to U.S. destination on a through bill of lading (B/L) and have the B/L stamped "The goods are being shipped for export and this freight service is part of a continuous freight movement in respect of this property", no GST will be collected.

Business Travel to the U.S.

Under the FTA, travel restrictions for business have been relaxed greatly. Now business travellers are grouped into four types. In every instance, proof of Canadian citizenship must be produced — preferably by either birth certificate or passport.

1. Business visitors (B-1 Status): Temporary entry to engage in research, design, marketing, sales service, distribution or general services. Applicant must be in receipt of remuneration from a Canadian employer. Apply at port of entry. No fee is charged.
2. Intra-Company transfers (L-1 Status): U.S. employer must complete a form (1-129L) from U.S. Immigration and Naturalization Office. The transferee must have worked at least one year continuously for the company as a manager, executive or specialist. He must render the same service to the same company or a subsidiary in the U.S., or an affiliate. Transferee presents form 1-129L to a port of entry with proof of experience. Fee \$US 35.00 Entry is on a temporary basis.

3. Professionals: (TC-1 Status): Applicants must hold at least a bachelor's degree in their area of work or its equivalent for temporary admission to work in their profession. Also, applicant must produce a letter from their U.S. employer and supporting documents telling type of activity in which they will be engaged, remuneration, educational credentials and proof they meet all requirements for the state in which they will work, in relation to their profession. Fee, paid at port of entry, is \$US 50.00. Written permission will be given to work in the U.S. A list of 55 professions which qualify, is provided below.
4. Traders and Investors: (E Visa): Application must be made at U.S. Consulate in Canada with fee of \$US 45.00. Applicants must be managers or executives with skills to operate or assist Canadian-owned or Canadian-controlled firms in the U.S. whose principal business is between Canada and the U.S. in goods or services. Also qualified are individuals who have either invested heavily in the U.S. or are negotiating to invest. They must be prepared to direct the new company.

List of Professionals

Accountant, agronomist, agriculturist, animal breeder, animal scientist, architect, biochemist, biologist, computer systems analyst, clinical lab technician, dairy scientist, dentist, dietician, disaster relief, insurance claims adjuster, economist, entomologist, forester, geneticist, geophysicist, horticulturist, hotel manager, journalist, lawyer, librarian, management consultant, mathematician, medical technologist, nutritionist, pharmacologist, physician (for teaching and research only), plant breeder, poultry scientist, psychologist, range manager, registered nurse, research assistant in agricultural sciences, astronomy, biology, chemistry, forestry, geology, geophysics, meteorology or physics, soil scientist, social worker, silviculturist, teacher at university, college or seminars, technical publication writer, veterinarian, vocational counsellor, zoologist and epidemiologist.

Additional Information

Additional information on the FTA and the harmonized system of classification can be obtained by calling the Canada Customs Office in your region. A list of such numbers is provided in Appendix 7.