

duty is based on the excise duties that are levied on similar products from any source. (Annex 5 lists these products and their tariff headings).

Also, under the Excise Tax Act, sales of certain "luxury" goods, whether produced in Canada or imported, are subject to an excise tax of 10 per cent or more. These goods are listed in Schedules I and II of the Excise Tax Act and Part IV of the Act. They include a number of products that may be of interest to exporters in the Commonwealth Caribbean area. (Annex 5 lists some of the "luxury" goods that are subject to this excise tax.)

## **Federal and Provincial Sales Taxes**

Under the Excise Tax Act, a 12 per cent federal sales tax is levied on the sale or consumption of many goods whether they are produced in Canada or imported. Clothing, footwear, most foodstuffs, and certain other products are exempt from this federal sales tax, but it would apply to many manufactured non-food Commonwealth Caribbean products. The tax is payable on the value of the goods after the payment of any customs duty, and is generally paid by the importer. In addition to the federal sales tax, almost all Canadian provinces impose a further provincial sales tax (which varies among the provinces) and is collected by the retailer of the goods.

A Revenue Canada publication entitled "Basic Facts About Federal Sales Taxes" contains general information about federal sales taxes and excise taxes. Commonwealth Caribbean exporters should direct enquiries about these taxes and their regulations to the Tax Interpretations Division in Revenue Canada (Customs and Excise). (See Annex 2 for address.)

Canadian business people who wish more detailed information about federal sales taxes and excise taxes should contact the nearest Canadian government regional excise office. (See Annex 6 for addresses.)

## **Consumer Packaging and Labelling**

The Department of Consumer and Corporate Affairs, assisted by Revenue Canada (Customs and Excise), administers Canadian regulations governing packaging and labelling for pre-packaged consumer products that are sold in Canada, whether produced in Canada or imported. These requirements are set out in the Packaging and Labelling Act and the Food and Drug Act. Certain mandatory information must be presented on labels, in both of Canada's official