

# LEI News Letter

January 2006

## Port of Discharge Procedures for CFIA Regulated Goods

The Canadian Food Inspection Agency (CFIA) has announced that it will enforce existing CFIA regulations which require the release of regulated goods at the first port of arrival. The CFIA has advised they will not grant release approval for regulated Plant and Animal commodities if they have not been presented to the Import Service Centre (ISC) at the first point of entry in Canada. Shipments not reported at the port of arrival will have to return to the port they physically entered Canada. Then an entry can be submitted for release approval.

“Enforcement action (ie: monetary penalties or prosecution) may/ will be taken against the importer of record when these items are not presented to the CFIA ISC before or when it first crosses the physical border or touches Canadian soil (ie: port of landfall).”

The CFIA originally announced they would be enforcing these regulations effective Jan. 1, 2006 however, due to the concerns expressed by the associations representing the brokerage, freight forwarding and importing communities, the CFIA has agreed to limit the enforcement actions to “extreme cases” until the Agency has had a chance to have more discussion with the importing community and interested groups. A firm date of when the enforcement action will commence has not been provided however, we believe that date to be the end of January. The CFIA has stated however that “blatant abuses of the legislation will be dealt with accordingly. Importers of Plant and Animal commodities regulated by the CFIA should prepare for this enforcement by evaluating the possible affects it may have on their shipments and discussing these with an LEI representative.

## Tariff Relief on Textile Tariff Classifications

The Canada Border Services Agency has issued Tariff Notice TN-12 which announces in part, reductions in tariffs on certain fabrics effective Jan. 1, 2005 as provided by Order In Council P.C. 2005-2115, SOR/2005-370 dated Nov. 21, 2005. Imports of certain fabrics may be eligible for a refund of duty. We are currently reviewing our client’s imports to determine if any refunds are available.

## Amendment to the Designer Remission Order

Order in Council P.C. 2005-2061 amends the Designer Remission Order by changing the definition of “original designer apparel” to the following:

“original designer apparel” means innovative apparel that is available only in limited quantities, that is created by a recognized apparel designer or a recognized apparel design house and that bears the trademark of that designer or design house, permanently affixed, as its principal commercial identification.

Section 3 of the Order is replaced with the following:

2.(1) Subject to subsection (2) and if the conditions set out in section 4 are met, remission is granted to a producer of original designer apparel of the customs duties paid or payable under the Customs Tariff in respect of fabrics imported into Canada during the nine-year period following the day on which this Order comes into force.

(2) In the case of fabrics used in the manufacture of swimwear of subheading Nos. 6112.31, 6112.39, 6112.41, 6112.49, 6211.11, 6211.12 in the List of Tariff Provisions set out in the schedule to the Customs Tariff, remission is granted for the period beginning on Nov. 1, 2002 and ending Dec. 13, 2010.

Paragraph 4(b) of the Order is replaced with the following:

4.(b) in respect of the four year period commencing on Dec. 13, 2001, the fabric has a value for duty of \$14.00 or more per square metre, indexed annually, in accordance with the administrative guidelines issued by the CBSA, to compensate for inflation;

Anti-dumping – Fresh Garlic from the PRC and Vietnam

On Aug. 26, 2005 the Canadian International Trade Tribunal (CITT) initiated an expiry review of its finding made on May 2, 2001 concerning garlic, fresh or frozen, originating in or exported from the People's Republic of China and Vietnam, excluding fresh garlic subject to the CITT's finding in Inquiry No. RR-2001-001, concerning fresh garlic originating in or exported from the PRC, imported into Canada from July 1 to Dec. 31 inclusive, of each calendar year. As a result, the CBSA initiated an investigation on Aug. 29, 2005 to determine whether the expiry of the finding and the order are likely to result in the continuation or resumption of dumping of the goods.

The CBSA has completed its investigation and has determined the expiry of the finding and the order are likely to result in the continuation or resumption of dumping of the goods. The CITT will now conduct an inquiry to determine whether the expiry of the finding and/ or order are likely to result in injury or retardation to the Canadian industry, and will make its decision by May 1, 2006.

Should there be any questions on any issue in this newsletter, please contact your nearest LEI office.

