



**Generalized System of Preferences**  
**HANDBOOK ON THE SCHEME OF**  
**CANADA**

THIRD EDITION



© 2021 United Nations

The work is available open access by complying with the Creative Commons licence created for intergovernmental organizations, available at <http://creativecommons.org/licenses/by/3.0/igo/>.

The findings, interpretations and conclusions expressed herein are those of the authors and do not necessarily reflect the views of the United Nations or its officials or Member States.

The designation employed and the presentation of material on any map in this work do not imply the expression of any opinion whatsoever on the part of the United Nations concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries.

Photocopies and reproductions of excerpts are allowed with proper credits.

This publication has not been formally edited. This is the revision of UNCTAD/ITCD/TSB/Misc.66/Rev.1.

United Nations publication issued by the United Nations Conference on Trade and Development.

**UNCTAD/ITCD/TSB/Misc.66/Rev.2**

eISBN: 978-92-1-005632-8

## NOTE

The handbook was prepared by the Trade Negotiations and Commercial Diplomacy Branch, Division on International Trade and Commodities, UNCTAD. The work was carried out by Taisuke Ito and Minyoung Lee under the guidance of Liping Zhang.

This handbook provides a general explanation of the Generalized System of Preferences (GSP) of Canada to allow officials and users responsible or involved in GSP issues to gain a better understanding of the scheme.

Products are described in terms of the Harmonized Commodity Description and Coding System, commonly known as the Harmonized System, upon which the Canadian customs acts are based. However, matters involving technical interpretation of the Generalized System of Preferences (GSP) will be determined in accordance with the provisions of the relevant Canadian customs acts and regulations.

The handbook is meant to serve as general guide to the GSP of Canada and not intended to provide legal advice. For further inquiries, please contact:

Canada Border Services Agency  
Tel: (204) 983 3500; (506) 636 506

The official source of information is the following regulations, which can be found on the website of the Department of Justice (<http://laws-lois.justice.gc.ca/>). The D-Memoranda are published by the Canada Border Services Agency (CBSA) as they also contain administrative guidelines, which can be helpful in understanding the provisions of the Regulations. They are not, however, the official source of information. When changes are made to the Regulations, there can be a delay before the D-Memoranda are updated.

- [Customs Tariff, 1 January 2020](#)
- [Memorandum D11-4-28, Haiti Goods Deemed to be Directly Shipped to Canada for the Purposes of the General Preferential Tariff and the Least Developed Country Tariff, 2 April 2014](#)
  - [Haiti Deemed Direct Shipment \(General Preferential Tariff and Least Developed Country Tariff\) Regulations](#)
- [Memorandum D11-4-4, Rules of Origin Respecting the General Preferential Tariff and Least Developed Country Tariff, 16 October 2017](#)
  - [General Preferential Tariff and Least Developed Country Tariff Rules of Origin Regulations](#)
- [Memorandum D11-4-2, Proof of Origin of imported goods, 6 June 2017](#)
  - [Customs Act, Section 35.1, Origin of Goods](#)
  - [Proof of Origin of Imported Goods Regulations](#)
- [Memorandum D10-15-13, Handicrafts, 9 May 2014](#)
  - [Customs Tariff, Tariff item No. 9987.00.00 of Schedule](#)
- [Memorandum D11-4-5, Rules of Origin Respecting Commonwealth Caribbean, 13 February 2018](#)
  - [Commonwealth Caribbean Countries Tariff Rules of Origin Regulations](#)
- [Memorandum D11-3-1, Marking of Imported Goods, 5 November 2015](#)
  - [Determination of Country of Origin for the Purpose of Marking Goods \(Non-NAFTA Countries\) Regulations](#)
  - [Marking of Imported Goods Regulations](#)
- [Customs Act, sections 35.01, 35.02, 43.1, 57.01, 61, 63, 64, and 159.1](#)
- [Notification of Preferential Rules of Origin for Least developed Countries, Committee on Rules of Origin, Canada, 10 October 2017, \(G/RO/LDC/N/CAN/2\)](#)

### Generalized System of Preferences series

The Generalized System of Preferences series of handbooks promotes greater awareness among exporters and government officials in developing countries on trading opportunities available under the GSP and other preferential trade arrangements and a better understanding of applicable rules and regulations with a view to facilitating their effective utilization. The series comprises the following publications:

*Generalized System of Preferences: List of Beneficiaries* (UNCTAD/ITCD/TSB/Misc.62/Rev.7)

*Handbook on the Scheme of Australia* (UNCTAD/ITCD/TSB/Misc.56/Rev.1)

*Handbook on the Scheme of Canada* (UNCTAD/ITCD/TSB/Misc.66/Rev.2 – Present volume)

*Handbook on the Scheme of the European Union* (UNCTAD/ITCD/TSB/Misc.25/Rev.4)

*Handbook on the Scheme of Japan* (UNCTAD/ITCD/TSB/Misc.42/Rev.5)

*Handbook on the Scheme of New Zealand* (UNCTAD/ITCD/TSB/Misc.48)

*Handbook on the Scheme of Norway* (UNCTAD/ITCD/TSB/Misc.48/Rev.1)

*Handbook on the Scheme of Switzerland* (UNCTAD/ITCD/TSB/Misc.28/Rev.3)

*Handbook on the Scheme of Turkey* (UNCTAD/ITCD/TSB/Misc.74/Rev.1)

*Handbook on the Scheme of the United States of America* (UNCTAD/ITCD/TSB/Misc.58/Rev.3)

*Handbook on the Preferential Tariff Scheme of the Republic of Korea*  
(UNCTAD/ITCD/TSB/Misc.75/Rev.2)

*Handbook on India's Duty-free Tariff Preference Scheme for Least Developed Countries*  
(UNCTAD/ITCD/TSB/Misc.77)

*Handbook on the Special and Preferential Tariff Scheme of China for Least Developed Countries*  
(UNCTAD/ITCD/TSB/Misc.76)

*Handbook on the Rules of Origin of the European Union* (UNCTAD/ITCD/TSB/Misc.25/Rev.3/Add.1)

These publications are available at [unctad.org/gsp](http://unctad.org/gsp).

For further information on preferential market access and the Generalized System of Preferences, please contact:


**Trade Negotiations and Commercial Diplomacy Branch**  
**Division on International Trade and Commodities**  
**United Nations Conference on Trade and Development**  
**Palais des Nations**  
**1211 Geneva 10, Switzerland**  
**Email: [tncdb@unctad.org](mailto:tncdb@unctad.org)**  
**Website: [unctad.org/gsp](http://unctad.org/gsp)**

## ABBREVIATIONS AND ACRONYMS

CBSA	Canada Border Services Agency
GSP	Generalized System of Preferences
GPT	General Preferential Tariff
LDCs	least developed countries
LDCT	Least Developed Country Tariff
MFN	most favoured nation
NAFTA	North American Free Trade Agreement

## CONTENTS

Note .....	.iii
Abbreviations and acronyms.....	v
<b>I. Checklist: How to benefit from Generalized System of Preferences of Canada .....</b>	<b>1</b>
<b>II. Explanatory notes on Generalized System of Preferences of Canada .....</b>	<b>3</b>
1. Introduction .....	4
2. Product coverage, preferential tariff rates and beneficiary countries.....	4
3. Rules of origin .....	5
3.1. Wholly produced goods .....	5
3.2. Goods with import content .....	6
3.3. Global cumulation and donor country content .....	6
3.4. Unit of qualification .....	7
3.5. Direct shipment .....	7
3.6. Documentary evidence on proof of origin .....	8
3.7. Marking.....	8
4. Handicraft products .....	9
4.1. General .....	9
4.2. Non-handicrafts products.....	10
4.3. Documentary evidence of handicraft goods.....	10
4.4. Example of certificate of handicraft goods, under tariff item 9987.00.00 .....	11
5. Special treatment for least developed countries .....	11
5.1. Apparel .....	12
5.2. Made-up textile goods .....	13
6. Other preferential tariff treatments .....	16
7. Safeguard measures .....	16
<b>Annexes</b>	
1. List of general preferential tariff and least developed countries, beneficiary countries and territories (as of 14 January 2019) .....	17
2. Combined declaration and certificate of origin (Form A).....	21
3. Least developed country tariff treatment and proof of origin requirements .....	24
4. Notification of preferential rules of origin for least developed countries .....	26
5. Memorandum D10-15-13: Handicrafts .....	31



**Checklist:  
How to benefit from  
Generalized System of Preferences  
of Canada**

**Step 1: Check the country coverage**

Determine the corresponding beneficiary country.

**Step 2: Establish the product's tariff classification**

Establish the correct tariff classification by identifying the tariff item number based on the Harmonized-System (HS) of the product intended for export to Canada. To do so, check the exact tariff classification and product description in the [Customs Tariff](#).

**Step 3: Check the product coverage**

Find out whether your product is eligible for preference under GSP of Canada. To do so, consult the [Customs Tariff](#).

**Step 4: Assess the preferential margin**

If your product is eligible for preferential treatment under the Canadian GSP, you should assess the preferential margin to determine the price you can offer your buyer or importer.

**Step 5: Comply with origin criteria**

Make sure that your product complies with the rules of origin for the Canadian GSP.

**Step 6: Check consignment conditions**


Make sure that the consignment conditions specified are met.

**Step 7: Prepare documentary evidence**

The Canadian GSP requires one of the following papers as documentary evidence:

- Form A (Certificate of origin)
- Exporter's Statement of origin
- Form B 255 (Certificate of origin – Textiles and Apparel Goods Originating in a Least Developed Country)





# Explanatory notes on Generalized System of Preferences of Canada

## 1. Introduction

The Canadian legislation implementing a system of tariff preferences in favour of developing countries was brought into effect on 1 July 1974 as part of a concerted international effort by industrialized countries to help developing countries expand their exports and thereby increase their foreign exchange earnings. Consequently, Canada's General Preferential Tariff (GPT) – Canada's designation for the GSP scheme – came into force and it has been extended several times. Most recently, it was extended until 31 December 2024.

The GPT rates and coverage were modified several times. A major review was undertaken in 1995 to take into account the effect of erosion on the margin of preference resulting from the tariff reductions under the Uruguay Round of Multilateral Trade Negotiations. This action led to an expansion of product coverage and lower GPT rates of duty. Also, Canada expanded product coverage and eased the origin requirements for least developed countries (LDCs). In 2003, the Government of Canada expanded the product coverage under the Least Developed Country Tariff (LDCT) to include essentially all goods, notably textiles, apparel and footwear. The objectives sought under the LDCT are to reduce poverty in the world's poorest countries; to promote investment and development in the world's poorest countries; and to enhance economic development through the reduction of trade barriers by providing enhanced opportunities for access to the Canadian market. The Least Developed Country Tariff is the designation for LDC tariff rates under the GSP of Canada. In 2013, Canada undertook a major review of the GPT, resulting in the graduation of 72 higher-income or trade-competitive countries as of January 1, 2015 and refocusing the program on countries most in need of this type of assistance. At the same time, Canada amended the LDCT rules of origin to ensure that the GPT changes had no effect on the ability of LDCs to continue to benefit from duty-free access into the Canadian market under the LDCT.

The issue of treatment for LDCs is discussed in section 5 of this handbook. It should be noted that all countries entitled to LDCT treatment are also GPT beneficiaries.

## 2. Product coverage, preferential tariff rates and beneficiary countries

Canada grants tariff preferences for selected agricultural and industrial products of export interest to developing countries. Some products, such as certain textiles and apparel, footwear, and chemical products are excluded from GPT. For LDCs, with the exception of over-access dairy, poultry and egg products, Canada provides LDCT to all imports from these countries. The GPT rates range from duty-free to reductions in the most-favoured-nation rate, while the LDCT rates are duty-free. Information on product coverage and tariff reduction under the Canadian GSP is found in the [Customs Tariff](#).

Beneficiary countries of the Canadian GSP are listed in the *Customs Tariff*. Since the publication of the previous handbooks in 2001 and 2013, the following changes have been made with regard to beneficiary countries.<sup>1</sup>

- (a) Effective 30 May 2002, Senegal was designated as an LDCT beneficiary country.
- (b) Effective 24 July 2003, Mongolia was designated as a GPT beneficiary country.
- (c) Effective 1 May 2004, Canada withdrew entitlement to GPT from Cyprus, Czechia, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia, owing to their accession to the European Union.
- (d) Effective 6 April 2006, Timor-Leste was designated as an LDCT beneficiary country.
- (e) Effective 5 December 2013, South Sudan was designated as a GPT and LDCT beneficiary.
- (f) Effective 1 January 2015, Canada withdrew entitlement to LDCT from Equatorial Guinea and Maldives.

<sup>1</sup> World Trade Organization (WTO), document WT/COMTD/N/15/Add.2. Available at: <http://docsonline.wto.org>.

**II. EXPLANATORY NOTES ON GENERALIZED SYSTEM OF PREFERENCES OF CANADA**

- (g) Effective 1 January 2015, Canada withdrew entitlement to GPT from Algeria, Antigua and Barbuda, Argentina, Azerbaijan, Bahamas, Bahrain, Barbados, Bosnia and Herzegovina, Botswana, Brazil, Brunei Darussalam, Chile, China, Colombia, Costa Rica, Croatia, Cuba, Dominica, Dominican Republic, Ecuador, Equatorial Guinea, Gabon, Grenada, India, Indonesia, Iran (Islamic Republic of), Israel, Jamaica, Jordan, Kazakhstan, Kuwait, Lebanon, North Macedonia, Malaysia, Maldives, Mauritius, Mexico, Namibia, Oman, Palau, Panama, Peru, Qatar, Russian Federation, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Seychelles, Singapore, South Africa, Republic of Korea, Suriname, Thailand, Trinidad and Tobago, Tunisia, Turkey, United Arab Emirates, Uruguay, Bolivarian Republic of Venezuela, American Samoa, Antilles (Netherlands), Bermuda, Cayman Islands, French Polynesia, Gibraltar, Guam, Hong Kong (China), Macao (China), Mariana Islands, New Caledonia and Dependencies, Turks and Caicos Islands and Virgin Islands (United States of America).

**3. Rules of origin**

In order to be eligible for GPT or LDCT rates, products from beneficiary countries must meet the Canadian GPT or LDCT rules of origin; a wholly produced rule or a cumulative rule, whereby the manufacturing process of an LDC good involves value-added inputs or 'cumulation' from other LDCs or Canada. Also, proof of origin of the goods must be supported by the prescribed documentary evidence. General requirements for the rules of origin are explained in each section. Examples of origin determination are also discussed. The official source of the information on the Canadian GSP rules of origin is the *General Preferential Tariff and Least Developed Country Tariff Rules of Origin Regulations*, (hereafter [Regulations](#)). Additionally, in order to overview Canada's preferential rules of origin for Least developed Countries, it would be useful to refer to the [Notification to Committee on Rules of Origin \(G/RO/LDC/N/CAN/2\)](#).

**3.1. Wholly produced goods**

The following goods shall be deemed to be a bona fide product of a GPT or LDCT beneficiary country and to have originated in the beneficiary country:

- (a) Mineral products extracted from the soil or seabed of the country;
- (b) Vegetable products harvested in the country;
- (c) Live animals born and raised in the country;
- (d) Products obtained in the country from live animals;
- (e) Products obtained by hunting or fishing in the country;
- (f) Products of sea fishing and other marine products taken from the sea by vessels of the country;
- (g) Products made on board factory ships of the country exclusively from products referred to in paragraph (f);

**Table 1. Number of covered products, 2018**

		All products	Agricultural goods	Non-Agricultural goods
Tariff schedule	Total number of tariff lines	7304	1 276	6028
	Of which: Number of duty-free lines	5232	704	4528
Generalized System of Preferences (GSP)	Number of preferential; tariff lines	1231	193	1038
	Of which: Number of duty-free lines	449	56	393
Least developed countries duties	Number of preferential tariff lines	1518	411	1107
	Of which: Number of duty-free lines	1518	411	1107

Source: World Trade Organization. Available at: <http://ptadb.wto.org/ptaTradeInfo.aspx>

- (h) Waste and scrap resulting from manufacturing operations of the country;
- (i) Used articles of the country imported into Canada for use only for the recovery of raw materials; and
- (j) Goods produced in the country exclusively from the products referred to in paragraphs (a) to (h).

### 3.2. Goods with import content

Products manufactured in a GPT or LDCT beneficiary country are deemed to be originating if the value of the import content is not more than 40 per cent for GPT and not more than 80 per cent for LDCT. In other words, for the main value-added rule of origin, which covers all goods except certain textile and apparel goods, Canada allows the use of up to 80 per cent non-originating materials (e.g., 60 per cent of the value may originate anywhere, 20 per cent must originate from a current or former GSP beneficiary, the remaining 20 per cent must originate in an LDC). The *ad valorem* percentage is calculated by using the value of non-originating materials as a percentage of the ex-factory price of the final goods as packed for shipment to Canada.

The value of import content is defined as their customs value at the time of importation into the preference-receiving country or, in the case of inputs of undetermined origin, the earliest ascertainable price paid for them in that country. The ex-factory price is the total value of: (a) materials, (b) parts, (c) factory overhead, (d) labour, (e) any other reasonable cost incurred during the normal manufacturing process (e.g. duties and taxes paid on materials imported into a beneficiary country and not refunded when the goods were exported) and (f) a reasonable profit. Any costs incurred subsequent to the goods leaving the factory, such as freight, loading and temporary storage, are not included in the ex-factory price calculation.

### 3.3. Global cumulation and donor country content

#### *Rules of origin for General Preferential Tariff*

To qualify for the GPT treatment by the application of the origin of goods, a maximum 40 per cent of the ex-factory price of goods as packed for shipment to Canada, may originate outside a GPT beneficiary or Canada (e.g., at least 60 per cent of the ex-factory price of goods as packed for shipment to Canada must originate in one or more GPT beneficiary countries or Canada). The GPT 60 per cent qualifying content may be cumulated from various GPT beneficiary countries or Canada. However, any parts, materials or inputs used in the production of the goods that have entered the commerce of any country other than a GPT beneficiary country or Canada lose their GPT originating status.

All GPT beneficiary countries are regarded as one single area. Therefore, to calculate GPT originating content, all value-added and manufacturing processes performed in the GPT area may be cumulated as the originating content. Also, any Canadian originating content can be regarded as GPT content. The goods must be finished in the GPT beneficiary country in the form in which they are imported into Canada.

**Example:** Radio receiver subassembly is produced in Cambodia from, imported parts. The receiver subassembly is then exported to the Philippines, where it is manufactured with other imported materials into a finished radio. As both countries are GPT beneficiary countries, the value of the materials and work done in Cambodia may be added to the work done in the Philippines to determine whether the radio meets the 60 per cent originating content requirement.

**Example:** Insulated wire is manufactured in Plurinational Estate of Bolivia. The materials used include steel from Canada, rubber from Côte d'Ivoire, and Bolivian materials and labour costs. To determine whether the wire meets the qualifying content requirement, the value of the Canadian steel may be added to the content originating from the GPT beneficiary countries.

#### *Rules of origin for Least Developed Country Tariff*

Like GPT applications, all LDCT beneficiary countries are regarded as one single area. Therefore, to calculate LDCT originating content, all value-added and manufacturing processes performed in the area may be cumulated as LDCT content. Any Canadian originating content can be regarded as LDCT content.

When determining if goods other than certain textile or apparel goods are entitled to the LDCT, exporters must ensure that the value of all materials, parts or products, which originate outside Canada or an LDC, or in an undetermined location, is no more than 60 per cent of the ex-factory price of the goods as packed for shipment to Canada. In addition, 20 per cent of the ex-factory price of the goods may originate in a country set out in Schedule 2 of the *Regulations* (e.g. countries that were GPT beneficiaries prior to 2015). In other words, at least 20 per cent of the ex-factory price of the goods as packed for shipment to Canada must originate in one or more LDCs or Canada.

Furthermore, packing required for the transportation of the goods concerned can be counted as originating content. Packing in which the goods are ordinarily sold for consumption in the LDC concerned is excluded. It should be noted that any parts, materials or inputs used in the production of the goods that have entered the commerce of any country other than an LDCT beneficiary country or Canada lose their LDCT status. The goods must be finished in an LDC in the form in which they are imported into Canada (See section 5. Special treatment for least developed countries).

### 3.4. Unit of qualification

For the purpose of determining the origin of goods, each article in a shipment shall be considered separately, except where a tariff item specifies that a group, set or assembly shall be considered to be one article. Furthermore, tools, parts and accessories imported with an article that constitute the standard equipment customarily included in the sale of articles of that kind, and the price of which is included in that of the article and for which no separate charge is made, shall be considered as forming a whole with the article. An unassembled article that is imported in more than one shipment because it is not feasible for transport, or production reasons to import it in one shipment shall be considered to be one article.

### 3.5. Direct shipment

The goods for which preferential treatment is claimed must be shipped directly from the preference-receiving country of origin to a Canadian consignee in Canada. Evidence in the form of a Through Bill of Lading (TBL) (or a copy) showing that the goods have been shipped directly to a consignee in Canada must be presented to the Custom Border Service Agency upon request. The TBL is a contract to convey goods from one point to another. It is to ensure the direct shipment of goods from the country of origin to a consignee in Canada. The TBL is one single document that is issued prior to the goods beginning their journey when the carrier assumes care, custody, and control of the goods and will usually contain the following information (a) the exporter and the consignee, (b) the carrier or agent who assumes liability for the performance of the contract, (c) all points of transshipment, (d) a full description of the goods and the marks and numbers of the package and (e) the place and date of issue.

Goods imported into Canada from a beneficiary country but passing in transit through the territory of an intermediate country will lose their GPT or LDCT eligibility unless the following conditions are met:

- (a) They remain under customs transit control in the intermediate country;
- (b) They do not undergo any operations in the intermediate country other than unloading, reloading, splitting-up of loads or operations required to keep the goods in good condition;
- (c) They do not enter into the trade or consumption in the intermediate country; and
- (d) They do not remain in temporary storage in the intermediate country for a period exceeding six months.

**Some exceptions** exist where goods may be entitled to alternative shipping requirements. These include Haitian goods transshipped from a port in the Dominican Republic.<sup>2</sup> In this case, a through bill of lading from the Dominican Republic (rather than Haiti) to a consignee in Canada is required. More information on

<sup>2</sup> The decision on Haitian goods was announced on April 2010 and made in response to concerns that damage from the January 2010 earthquake made direct shipment from Haiti difficult.

these exceptions is contained in the [Haiti Deemed Direct Shipment \(General Preferential Tariff and Least Developed Country Tariff\) Regulations](#).

### 3.6. Documentary evidence on proof of origin

The goods for which GPT or LDCT is claimed shall be invoiced separately from other goods, and they must be accompanied by a GSP Certificate of Origin Form A or an Exporter's Statement of Origin as documentary evidence on proof of origin. To claim LDCT status for textiles and clothing (HS Chapters 50–63). However, a different form (Form B255 –Textiles and Apparel Goods Originating in a Least Developed Country) must be submitted.

Canada does not require the GSP Certificate of Origin Form A to be stamped and signed by an authority designated by the beneficiary country. Therefore, Certificate of Origin Form A does not have to be an original and field No.11 in the certificate may be left blank. Certificate of Origin Form A or the Exporter's Statement of Origin must be signed by the exporter in the beneficiary country from which the goods were consigned to Canada. It must contain a full description of the goods and the marks and numbers of the package and must be cross- referenced to the customs invoice.

A consignee in Canada must be identified in field No. 2 of Certificate of Origin Form A to ensure that the exporter in the beneficiary country has certified the origin of the goods according to Canadian rules of origin. The consignee is the person or company – the importer, agent, or other party in Canada – to which goods are shipped under a through bill of lading and is so named in the bill. The only exception to this condition may be considered when the goods are wholly obtained in the beneficiary country in question, in which case no consignee is required.

Form A or the Exporter's Statement is not required for GPT-eligible goods imported in a traveler's luggage or consigned from an individual in the beneficiary country to an individual in Canada and declared at the time of importation as/and not intended for resale.

In most cases, exporters should find the Exporter's Statement of Origin easier to complete and provide than the alternate Form A. The detailed instructions on the documentary evidence on proof of origin are found in the *Regulations*.

### 3.7. Marking

Certain goods of the six product categories listed below must be marked with the country of origin in accordance with the [Determination of Country of Origin for the Purpose of Marking Goods \(Non-NAFTA countries\) Regulations](#). These categories include the following:

- Goods for personal or household use;
- Hardware;
- Novelties and sporting goods;
- Paper products;
- Apparel; and
- Horticultural products.

Further information on marking requirements and the goods concerned is set out in [Determination of Country of Origin for the Purpose of Marking Goods \(Non-NAFTA countries\) Regulations](#), [Marking of Imported Goods Regulations](#) and [Customs Act](#), sections 35.01, 35.02, 43.1, 57.01, 61, 63, 64, and 159.

## 4. Handicraft products

### 4.1. General

Canada grants duty-free entry for handicraft products classified under Tariff Item No. 9987.00.00 of the Canadian *Customs Tariff*. Detailed information on duty-free handicraft products is set out in the *Customs Tariff*, Tariff item No. 9987.00.00 of Schedule. This treatment is granted to handicraft goods that originate in a country entitled to the benefits of the GPT, provided that the products concerned meet the criteria set out in Customs memorandum D10-15-13.

Handicraft goods are defined as goods that:

- (a) Have forms or represent any national, territorial or religious symbols of the geographical region where produced;
- (b) Acquired their essential characteristics by the handiwork of individual craftsmen using tools held by hand or tools not powered by machines other than those powered by hand or foot; and
- (c) Are non-utilitarian and not copies or imitations of handicraft goods of any country other than the country in which they are produced and are not produced in large quantities by sophisticated tools or by moulding.

The following are the definitions of the terms used to characterize handicraft goods:

- (a) Traditional characteristics – to have acquired their essential characteristics by the handiwork of individual craftsmen employing traditional manual skills, handicraft products must have been made by one or more of the following processes: (i) solely by hand; or (ii) with tools held in the hand, which are not powered by machinery other than by machines powered by foot or by hand.
- (b) Geographical region – the country of manufacture or specific region of that country; that country must be entitled to the benefits of the GPT
- (c) Non-utilitarian – goods that may have a function or a purpose but are obtained or valued for their artistic, religious, or cultural features; and
- (d) Traditional manual skills – skills handed down from generation to generation, such as: appliqué work, beating, branding carving, chasing, crocheting, cutting, drawing, dyeing, embossing, embroidering, enameling, engraving, etching, filigreeing, hammering, inlaying, joining, knitting, knotting, moulding, needlework, netting, painting, plaiting, printing, punching, quilting, rubbing, scraping or scratching, studding, tatting, tooling, twisting, weaving, etc.

Under tariff item No. 9987.00.00, handicrafts include the following products:

- (a) Puppets, musical instruments (other than guitars, viols, harpsichords or copies of antique instruments), gourds and calabashes, incense burners, retablos, fans, screens, lacquerware, hand-carved picture frames, hand-carved figurines of animals, and religious symbols and statuettes, composed wholly or in chief part by value of wood, if not more than their primary shape is attained by mechanically powered tools or machines;
- (b) Ornaments, mirrors and figurines, composed wholly or in chief part by value of bread dough;
- (c) Hookahs, nargiles, candelabra and incense burners, composed wholly or in chief part by value of clay;
- (d) Figurines, fans, hats, musical instruments, toys, sitkas, greeting cards and wall hangings, composed wholly or in chief part by weight of vegetable fibres or vegetable materials other than linen, cotton or corn husks;
- (e) Figurines, masks, baskets and artistic cut-outs, composed wholly or in chief part by value of paper or papier maché;

**II. EXPLANATORY NOTES ON GENERALIZED SYSTEM OF PREFERENCES OF CANADA**

- (f) Puppets, bellows, pouffes, bottle cases, wine or water bottles and jugs, composed wholly or in chief part by value of hide or of leather that has not been finished beyond tanning other than by individual craftsmen;
- (g) Figurines, costume jewelry, beads, belts, hair pins, buttons, lamp bases and key holders, composed wholly or in chief part by value of coconut shell;
- (h) Musical instruments, chimes, combs, fans, costume jewelry, beads, belts, hair pins, wall and table decorations, buttons, lamp bases, and key holders, composed wholly or in chief part by value of mother of pearl, horn, shell including tortoiseshell, or coral;
- (i) Hookahs, nargiles, musical instruments, bells, gongs, incense burners, masks, adzes, mattocks, finger and keyhole plates, door handles and locks, hinges and latches, samovars, kukris and machetes, composed wholly or in chief part by value of base metals, if not more than their primary shape is attained by mechanically powered tools or machines;
- (j) Bracelets, nargiles and hookahs, composed wholly or in chief part by value of glass;
- (k) Fabrics decorated with crewel embroidery, hand-woven semi-finished wall hangings on back strap looms, reverse hand-sewn appliqué wall hangings, and dhurries, composed wholly or in chief part by weight of wool or cotton; and Lanterns, composed wholly or in chief part by value of stone.

**4.2. Non-handicrafts products**

The following articles or products are not accepted as handicrafts under the following conditions:

- (a) They are plain utilitarian goods with no particular artistic or decorative features (qualifying goods may have practical uses but are desired for their artistic characteristics);
- (b) They copy or imitate, or attempt to copy or imitate, traditional, decorative, artistic, or indigenous products of any country other than the country of manufacture;
- (c) Their essential characteristics are identical (in terms of size, design, method of production) to each other and if it is evident that their quality was closely controlled;
- (d) There is evidence that an original handicraft product was used as a “model” and reproduced in large quantities partly by hand and partly by sophisticated tools or by moulding; and
- (e) They are produced by individual craftsmen who acquired their skills by formal training or working under close supervision.

The use of tools in the manufacture of handicraft products is admitted as long as the tools are held in the hand or are not powered by machine other than those powered by hand or foot power. Products made from wood or from certain base metals as listed in the schedule are accepted as handmade if not more than their primary shape is attained by mechanically powered tools or machines. In the case of leather products listed in the schedule, the leather cannot be finished beyond tanning other than by individual craftsmen.

**4.3. Documentary evidence of handicraft goods**

For a claim of duty-free entry of handicraft products, they may only be classified under Tariff item No. 9987.00.00 when supported by the appropriate certificate of Handicraft Goods by the recognized authority in the country of origin. The certification does not exist as an already printed form, and it has to be produced in duplicate in the form set out below and has to contain the information required therein. A complete inventory of all goods imported in the shipment must be attached to the signed certification. Each article on the list is to be numbered in consecutive order and a detailed description of the good provided.



**II. EXPLANATORY NOTES ON GENERALIZED SYSTEM OF PREFERENCES OF CANADA**

In addition to the Certificate of Handicraft Goods, it would be useful for importers to have on hand a GSP Certificate of Origin Form A or an Exporter's Statement of Origin required for GPT qualification; the products that do not qualify for entry as handicraft products may be eligible for entry at GPT rates of duty. It is therefore recommended that exporters of handicraft articles complete both a special Certificate of Handicraft Goods and GSP Certificate of Origin Form A or Exporter's Statement of Origin.

**4.4. Example of certificate of handicraft goods, under tariff item 9987.00.00**

This certification is with respect to the \_\_\_\_\_ (quantity) articles numbered consecutively and described on the attached inventory sheet, imported by \_\_\_\_\_ (name of importer).

I certify that the goods listed and described on the attached inventory sheet are handicraft products that have been made by individual craftsmen of \_\_\_\_\_ (region and/or country where produced) using tools held by hand or tools not powered by machines other than those powered by hand or foot. These goods are not imitations of handicraft goods of any country other than the country in which they originate. These goods are not produced in large quantities by sophisticated tools or by moulding.

\_\_\_\_\_  
Name and title of official

\_\_\_\_\_  
Address

\_\_\_\_\_  
Signature of official

\_\_\_\_\_  
Date

**5. Special treatment for least developed countries**

Least developed country beneficiaries enjoy more favourable treatment than non-LDC beneficiary countries for product coverage and the rules of origin of the GSP of Canada. Updated information on countries designated as LDCs are found in the *Customs Tariff*. All GPT products had been duty-free for LDCs, and on 1 September 2000 and 1 January 2003, product coverage was further expanded to include textiles, apparel and footwear adding 570 and 903 tariff lines, respectively<sup>3</sup> Canada provides duty-free access to all products from LDCs with the exception of over-quota tariff items for dairy, poultry and egg products.

As of 1 January 2015, yarns and fabrics are duty-free on a most-favoured nation (MFN) basis and are now provided for under this rule. The pre-2015 specific rules of origin pertaining to yarns and fabrics have since been repealed. Therefore, the following definitions of yarns and fabrics apply in the LDCT.

**yarn** means any good referred to in heading 50.04 through 50.06, 51.06 through 51.10, 52.04 through 52.07, 53.06 through 53.08, 54.01 through 54.06 or 55.08 through 55.11 of the List of Tariff Provisions set out in the schedule to the *Customs Tariff*.

**fabric** means any good referred to in heading 50.07, 51.11 through 51.13, 52.08 through 52.12, 53.09 through 53.11, 54.07 through 54.08, 55.12 through 55.16, 58.01 through 58.07, 58.09 through 58.11,

<sup>3</sup> WTO, documents WT/COMTD/N/15 and WT/COMTD/N/15/Add.1. Available at: <http://docsonline.wto.org>.

59.01 through 59.11 or 60.01 through 60.06 of the List of Tariff Provisions set out in the schedule to the *Customs Tariff*.

The official source of the information on the rules of origin for LDCT is the *Regulations*).

### **Rules of origin for Least Developed Country Tariff apparel and made-up textile goods**

The apparel and made-up textile goods that are included in the schedule in the *Regulations* are eligible for LDCT benefits, and the special rules of origin discussed below apply to these products.

#### **5.1. Apparel**

The apparel goods (listed in Parts A1 or A2 of Schedule 1 to the *Regulations*) are deemed originating in an LDC if they are assembled in an LDC from fabric cut in that LDC or in Canada, or from parts knit to shape, provided that the fabric, or the parts knit to shape, are produced in:

- (a) Any LDC or Canada from yarns spun or extruded in an LDC, a country set out in Schedule 2 of the *Regulations*, or in Canada, provided that the yarns do not undergo further processing outside an LDC, a country set out in Schedule 2 of the *Regulations*, or Canada, and the fabric does not undergo further processing outside an LDC or Canada; or
- (b) A country set out in Schedule 2 of the *Regulations* from yarns spun or extruded in an LDC, a country set out in Schedule 2 of the *Regulations*, or in Canada, provided that:
  - (i) The yarns and fabric do not undergo further processing outside an LDC, a country set out in Schedule 2 of the *Regulations*, or Canada; and
  - (ii) The value of any materials, including packing, that are used in the manufacture of the goods and that originate outside the LDC in which the goods are assembled is no more than 75 per cent of the ex-factory price of the goods as packed for shipment to Canada.

When determining if goods set out in Part A1 or A2 of Schedule 1 to the *Regulations* are entitled to the LDCT by the application of paragraph 2(4)(a) or 2(4)(b) of the *Regulations*, only the fabric or parts knit to shape that determines the tariff classification of the good shall be considered. Any materials, parts or products such as threads, linings, interfacing, trims, zippers, buttons or fasteners may be disregarded. In the case where subparagraph 2(4)(b)(ii) of the *Regulations* is applied, exporters must ensure that the value of all materials, parts or products that originate outside Canada, or the LDC in which the goods are assembled, is no more than 75 per cent of the ex-factory price of the goods as packed for shipment to Canada.

As the rule set out in this section is more restrictive, in case of apparel goods listed in Parts A2 of schedule 1 to *Regulations* may choose between the main value-added rule of origin (20% value added in the LDC) or this specific rule. In addition, there is a more liberal rule of origin for T-shirts and certain pants. Goods set out in Part A3 of Schedule 1 originate in a least developed country if they are assembled in a least developed country from fabric cut in a least developed country, a country set out in Schedule 2, an FTA partner country or in Canada, or from parts knit to shape, if the fabric or parts knit to shape are produced in

- (a) Any least developed country or Canada from yarns spun or extruded in a least developed country, a country set out in Schedule 2, an FTA partner country or Canada, if the yarns do not undergo further processing outside a least developed country, a country set out in Schedule 2, an FTA partner country or Canada, and the fabric does not undergo further processing outside a least developed country or Canada; or
- (b) A country set out in Schedule 2 or an FTA partner country from yarns spun or extruded in a least developed country, a country set out in Schedule 2, an FTA partner country or Canada, if
  - (i) The yarns and fabric do not undergo further processing outside a least developed country, a country set out in Schedule 2, an FTA partner country or Canada, and

- (ii) The value of any materials, including packing, that are used in the manufacture of the goods and that originate outside the least developed country in which the goods are assembled is no more than 75 per cent of the ex-factory price of the goods as packed for shipment to Canada.

### 5.2. Made-up textile goods

Goods listed in Part B of Schedule 1 to the *Regulations* are deemed originating in an LDC if they are cut, or knit to shape, and sewn or otherwise assembled in the LDC from fabric produced in any LDC or in Canada from yarns spun or extruded in an LDC, a country set out in Schedule 2 of the *Regulations*, or in Canada, provided that the yarns do not undergo further processing outside an LDC, a country set out in Schedule 2 of the *Regulations*, or Canada and the fabric does not undergo further processing outside an LDC or Canada.

When determining if goods set out in Part B of Schedule 1 to the *Regulations* are entitled to the LDCT by the application of subsection 2(6) of the *Regulations*, only the fabric or parts knit to shape that determines the tariff classification of the good shall be considered. Any materials, parts or products such as threads, linings, interfacing, trims, zippers, buttons or fasteners may be disregarded. As the origin criteria 'B', 'C' were repealed as of 1 January 2015, Yarns and fabrics are duty-free on an MFN basis.

#### *Examples - Practical applications of the specific rules of origin*

##### Origin criteria "A" - Accumulation Rule

Goods entitled to the benefits of the LDCT and listed in Part A2 of Schedule 1 to the *Regulations*, can qualify as originating under one of the applicable rules of origin as identified in criteria A, D, E, or G.

**Example:** Wool of Yemen is combined with spandex of Hong Kong (China) and sewing thread of India to manufacture wool socks in Yemen. These socks are classified under tariff item 6115.94.00. Under the accumulation rule of origin criteria "A", a textile or apparel good may contain parts and materials originating outside an LDC, a country set out in Schedule 2 of the *Regulations*, or Canada and valued at no more than 60 per cent of the ex-factory price of the good as packed for shipment to Canada. The wool of Yemen origin represents 35 per cent of the ex-factory price. The sewing thread of India and spandex of Hong Kong (China) represents an additional 7 per cent. The accumulation rule allows for inputs from countries set out in Schedule 2 of the *Regulations*, such as Hong Kong (China) and India, to be included in the 40 per cent originating parts and materials requirement. The 35 per cent input of wool from Yemen combined with the 7 per cent sewing thread and spandex input from the countries set out in Schedule 2 of the *Regulations* exceed the 40 per cent minimum input requirement under the accumulation rule. The socks therefore qualify for duty-free market access under the LDCT.

##### Origin criteria "D" - Apparel Rule 1

Apparel Rule 1 applies to apparel goods listed in Parts A1 and A2 of Schedule 1 to the *Regulations*.

Goods classified as articles of apparel are required to be assembled in an LDC. The fabric used in the assembly of such articles of apparel must be cut in **that LDC** or in Canada. In the case where the article of apparel is assembled from parts knit to shape, those parts must be knit to shape in any LDC or in Canada.

The fabric, or the parts knit to shape must be produced in any LDC or in Canada from yarns spun or extruded in any LDC, a country set out in Schedule 2 of the *Regulations*, or in Canada. The yarns or fabric, or parts knit to shape, must not undergo any further processing outside any LDC or Canada. In the case of yarns, they must also not undergo any further processing outside of a country set out in Schedule 2 of the *Regulations*.

**Example:** Dresses or skirts manufactured in Mali will qualify as originating and be eligible for duty-free LDCT provided that the dresses or skirts are assembled in Mali from fabric that has been cut in Mali or in Canada. The fabric must be produced in any LDC or in Canada from yarns spun or extruded in any LDC, a country set out in Schedule 2 of the *Regulations*, or in Canada. The yarns

II. EXPLANATORY NOTES ON GENERALIZED SYSTEM OF PREFERENCES OF CANADA

or fabric must not have undergone any further processing outside any LDC or Canada. The yarns as well, must not have undergone any further processing outside of a country set in Schedule 2 of the *Regulations*.

It should be further noted that in respect of goods listed in Part A2 of Schedule 1 to the *Regulations*, the exporter (who may also be the producer) has the option of certifying the goods under this specific rule (i.e. Apparel Rule 1) or under the more general LDC cumulative rule that requires a minimum of 40 per cent LDC input.

**Origin criteria “E” - Apparel Rule 2**

Apparel Rule 2 applies to apparel goods listed in Parts A1 and A2 of Schedule 1 to the *Regulations*.

Goods classified as articles of apparel are required to be assembled in an LDC. The fabric used in the assembly of such articles of apparel must be cut in **that LDC** or in Canada. In the case where the article of apparel is assembled from parts, those parts must be knit to shape in any country set out in Schedule 2 of the *Regulations*.

The fabric, or the parts knit to shape must be produced in a country set out in Schedule 2 of the *Regulations* from yarns spun or extruded in any LDC, a country set out in Schedule 2 of the *Regulations*, or in Canada. The yarns or fabric, or parts knit to shape, must not undergo any further processing outside an LDC, a country set out in Schedule 2 of the *Regulations*, or Canada.

The value of any materials, including packing, that are used in the manufacture of the goods, that originate outside the LDC in which the goods are assembled, must not be more than 75 per cent of the ex-factory price of the goods as packed for shipment to Canada. For greater certainty, any parts, materials or inputs used in the production of the goods that have entered the commerce of any country other than an LDC or Canada lose their eligibility under LDCT. As well, any materials used in the manufacture or production of the good that originate in Canada are deemed to have originated in the LDC where the goods are assembled.

**Example:** Those same dresses or skirts manufactured in Mali will be eligible for duty-free LDCT provided that the dresses or skirts are assembled in Mali and the fabric used in the manufacture of the dresses or skirts is produced in a country set out in Schedule 2 of the *Regulations* from yarns spun or extruded in an LDC, a country set out in Schedule 2 of the *Regulations*, or in Canada. The yarns and fabric cannot undergo further processing outside an LDC, a country set out in Schedule 2 of the *Regulations*, or Canada. When using fabric manufactured in a country set out in Schedule 2 of the *Regulations*, the value of any materials, including packing, which does not originate in Canada or the LDC where the dresses or skirts are assembled must not exceed 75 per cent of the ex-factory price of the goods as packed for shipment to Canada.

It should be further noted that in respect of goods listed in Part A2 of Schedule 1 to the *Regulations*, the exporter (who may also be the producer) has the option of certifying the goods under this specific rule or under the more general LDC cumulative rule that requires a minimum of 40 per cent LDC input.

**Application rule for apparel goods entitled to the Least Developed Country Tariff**

Paragraph 2(4.1)(a) of the *Regulations* may only be used to determine if “apparel goods” as set out in Part A3 of Schedule 1 to the *Regulations* are entitled to the LDCT. To be entitled to the LDCT, such “apparel goods” must be assembled in an LDC. The fabric used in the assembly of such “apparel goods” must be cut in an LDC, a country set out in Schedule 2 of the *Regulations*, a Free Trade Agreement (FTA) partner country or in Canada.

Furthermore, the fabric, or parts knit to shape, must be produced in an LDC or in Canada from yarns spun or extruded in an LDC, a country set out in Schedule 2 of the *Regulations*, an FTA partner country or in Canada. The yarns must not undergo further processing outside an LDC, a country set out in Schedule 2

**II. EXPLANATORY NOTES ON GENERALIZED SYSTEM OF PREFERENCES OF CANADA**

of the *Regulations*, an FTA partner country, or Canada, and the fabric (or parts knit to shape) must not undergo further processing outside an LDC or Canada.

**Example:** T-shirts manufactured in Nepal will qualify as originating and be eligible for duty-free LDCT treatment provided that the T-shirts are assembled in Nepal from fabric that has been cut in an LDC, a country set out in Schedule 2 of the *Regulations*, an FTA partner country or Canada. The fabric must be produced in an LDC or in Canada from yarns that originate in an LDC, a country set out in Schedule 2 of the *Regulations*, an FTA partner country or in Canada and the yarns and fabric must not have undergone any further processing outside an LDC or Canada. As well, the yarns must not have undergone any further processing outside a country set out in Schedule 2 of the *Regulations* or an FTA partner country.

When goods of Parts A3 of Schedule 1 to the *Regulations* are determined to originate by the application of paragraph 2(4.1)(a) of the *Regulations*, Criteria H would be quoted in Field 6 of the [Certificate of Origin – Textile and Apparel Goods Originating in a Least Developed Country \(Form B255\)](#).

Paragraph 2(4.1)(b) of the *Regulations* may only be used to determine if “apparel goods” as set out in Parts A3 of Schedule 1 to the *Regulations* are entitled to the LDCT.

To be entitled to the LDCT, such “apparel goods” must be assembled in an LDC. The fabric used in the assembly of such “apparel goods” must be cut in an LDC, a country set out in Schedule 2 of the *Regulations*, an FTA partner country or in Canada.

Furthermore, the fabric or parts knit to shape, must be produced in a country set out in Schedule 2 of the *Regulations* or an FTA partner country from yarns spun or extruded in an LDC, a country set out in Schedule 2 of the *Regulations*, an FTA partner country or in Canada. The yarns and fabric, or parts knit to shape, must not undergo any further processing outside an LDC, a country set out in Schedule 2 of the *Regulations*, an FTA partner country or Canada.

Finally, the value of any materials, including packing, that are used in the manufacture of the goods, that originate outside the LDC in which the goods are assembled, must not be more than **75 per cent** of the ex-factory price of the goods as packed for shipment to Canada. However, any materials used in the production of the goods that have entered the commerce of any country other than an LDCT beneficiary country or Canada lose their LDCT status, and as such, their value would count towards non-qualifying content.

**Example:** Those same T-shirts manufactured in Nepal will qualify and be eligible for duty-free LDCT treatment provided that the T-shirts are assembled in Nepal and the fabric used in the manufacture of the T-shirts is produced in a country set out in Schedule 2 of the *Regulations* or an FTA partner country from yarns spun or extruded in an LDC, a country set out in Schedule 2 of the *Regulations*, an FTA partner country or Canada. The yarns and fabric cannot undergo further processing outside an LDC, a country set out in Schedule 2 of the *Regulations*, an FTA partner country or Canada. When using fabric manufactured in a country set out in Schedule 2 of the *Regulations* or an FTA partner country, the value of any materials, including packing, which does not originate in the LDC where the T-shirts are assembled (or in an FTA partner country or in Canada) must not exceed 75% of the ex-factory price of the goods as packed for shipment to Canada.

**Origin criteria “F” - Made-up textile goods rule**

The Made-Up Textile Articles Rule applies to those goods listed in Part B of Schedule 1 to the *Regulations*. Such goods must be cut, or knit to shape, and sewn or otherwise assembled in the LDC from fabric, or parts knit to shape, produced in any LDC or in Canada from yarns spun or extruded in any LDC, a country set out in Schedule 2 of the *Regulations*, or in Canada.

The yarns or fabric or parts knit to shape must not undergo any further processing outside an LDC or Canada. In the case of yarns, they must also not undergo any further processing outside of a country set out in Schedule 2 of the *Regulations*.

II. EXPLANATORY NOTES ON GENERALIZED SYSTEM OF PREFERENCES OF CANADA

**Example:** Wool yarn is produced in Afghanistan (or in a country set out in Schedule 2 of the *Regulations*, or in Canada) and exported directly to Bangladesh (or another LDC or Canada), where it is further produced into wool fabric. The wool fabric is shipped directly to Lao People's Democratic Republic for further production into a good classified as "Made-up Textile Articles". The production process of the finished good in Lao People's Democratic Republic must include cutting or knitting to shape of the fabric as well as sewing or otherwise assembling in that country.

**Origin criteria "G" - Wholly produced rule**

In order to be eligible under the wholly produced (or wholly obtained) rule, the subject goods **must not** contain any foreign materials or parts sourced or originating from outside that LDC from which the goods are exported. For greater certainty, "wholly obtained" does not mean a good purchased in an LDC.

**Example:** Consider cotton harvested in Burundi. The cotton is processed into yarn or thread in Burundi and manufactured into blankets in Burundi and exported from Burundi to Canada. The goods are wholly obtained, produced and manufactured in Burundi.

**6. Other preferential tariff treatments**

In addition to GPT and LDCT treatments, Canada offers other preferential schemes of interest to certain specified developing countries. These schemes include the following:

CARIBCAN is the Canadian economic and trade development assistance programme for the Commonwealth Caribbean countries and territories. CARIBCAN preferences are available to most Commonwealth Caribbean States under the Commonwealth Caribbean Countries tariff treatment. Qualifying goods are granted duty-free entry into Canada. Product coverage is similar to that provided by the GPT with a slightly broader product coverage for agricultural products and processed agricultural goods. Basic qualifications are the same as those provided by GPT, except that the cumulation is restricted to CARIBCAN beneficiary members and the goods must be shipped directly to Canada from a beneficiary country. Canadian content is also allowed for cumulation. Consult the [List of Countries in the Customs Tariff](#) for CARIBCAN beneficiaries (noted by CCCT). The official source of information on the rules of origin for the CARIBCAN preferences is the [Commonwealth Caribbean Countries Tariff Rules of Origin Regulations](#).

**7. Safeguard measures**

In accordance with Article XIX of the General Agreement on Tariffs and Trade (GATT 1994), Canada may take emergency action in respect of products that are imported in such quantities and under such conditions as to cause or threaten to cause serious injury to domestic producers of like or directly competitive products by withdrawing or modifying its preferential concession. Under the legislation, the Canadian International Trade Tribunal may be directed by the Minister of Finance to conduct an inquiry into any complaint submitted by a Canadian producer claiming that he has suffered, or may suffer injury, as a result of factors connected with the Anti-Dumping Code and the Code on Subsidies and Countervailing Duties of the World Trade Organization (WTO) (GATT 1994). If it is satisfied that there is a prima facie case of injury, and it judges that the removal of the GPT concession would remove the injury, it will conduct a public inquiry and make recommendations to the Government. According to the recommendation of the Canadian International Trade Tribunal, the Government may withdraw the GPT concession or establish tariff rate quotas.

# Annex 1

List of general preferential tariff  
and least developed countries,  
beneficiary countries and territories  
(as of 14 January 2019)

## Annex 1

**List of general preferential tariff and least developed countries, beneficiary countries and territories (as of 14 January 2019)**

Countries/territories	Most favoured nation tariff	General preferential tariff	Least developed countries
Afghanistan	MFN	GPT	LDC
Angola	MFN	GPT	LDC
Armenia	MFN	GPT	
Bangladesh	MFN	GPT	LDC
Belize	MFN	GPT	
Benin	MFN	GPT	LDC
Bhutan	MFN	GPT	LDC
Bolivia, Plurinational State of	MFN	GPT	
Burkina Faso	MFN	GPT	LDC
Myanmar	MFN	GPT	LDC
Burundi	MFN	GPT	LDC
Cambodia	MFN	GPT	LDC
Cameroon	MFN	GPT	
Cabo Verde	MFN	GPT	LDC
Central African Republic	MFN	GPT	LDC
Chad	MFN	GPT	LDC
Comoros (the)	MFN	GPT	LDC
Congo (the)	MFN	GPT	
Côte d'Ivoire	MFN	GPT	
Democratic Republic of the Congo	MFN	GPT	LDC
Djibouti	MFN	GPT	LDC
Egypt	MFN	GPT	
El Salvador	MFN	GPT	
Eritrea	MFN	GPT	LDC
Ethiopia	MFN	GPT	LDC
Fiji	MFN	GPT	
Gambia	MFN	GPT	LDC
Georgia	MFN	GPT	
Ghana	MFN	GPT	
Guatemala	MFN	GPT	
Guinea	MFN	GPT	LDC
Guinea-Bissau	MFN	GPT	LDC
Guyana	MFN	GPT	
Haiti	MFN	GPT	LDC
Honduras	MFN	GPT	
Iraq	MFN	GPT	
Kenya	MFN	GPT	



**ANNEX 1. LIST OF GENERAL PREFERENTIAL TARIFF  
AND LEAST DEVELOPED COUNTRIES, BENEFICIARY COUNTRIES AND TERRITORIES**

Countries/territories	Most favoured nation tariff	General preferential tariff	Least developed countries
Kiribati	MFN	GPT	LDC
Kyrgyzstan	MFN	GPT	
Lao People's Democratic Republic	MFN	GPT	LDC
Lesotho	MFN	GPT	LDC
Liberia	MFN	GPT	LDC
Madagascar	MFN	GPT	LDC
Malawi	MFN	GPT	LDC
Malaysia	MFN	GPT	
Mali	MFN	GPT	LDC
Mauritania	MFN	GPT	LDC
Micronesia (Federated States of)	MFN	GPT	
Republic of Moldova (the)	MFN	GPT	
Mongolia	MFN	GPT	
Montserrat	MFN	GPT	
Morocco	MFN	GPT	
Mozambique	MFN	GPT	LDC
Nauru	MFN	GPT	
Nepal	MFN	GPT	LDC
Nicaragua	MFN	GPT	
Niger	MFN	GPT	LDC
Nigeria	MFN	GPT	
Pakistan	MFN	GPT	
Papua New Guinea	MFN	GPT	
Paraguay	MFN	GPT	
Philippines	MFN	GPT	
Rwanda	MFN	GPT	LDC
Saint Helena and Dependencies	MFN	GPT	
Samoa	MFN	GPT	LDC
Sao Tome and Principe	MFN	GPT	LDC
Senegal	MFN	GPT	LDC
Sierra Leone	MFN	GPT	LDC
Solomon Islands	MFN	GPT	LDC
Somalia	MFN	GPT	LDC
South Sudan	MFN	GPT	
Sri Lanka	MFN	GPT	
Sudan	MFN	GPT	LDC
Eswatini	MFN	GPT	
Syrian Arab Republic	MFN	GPT	
Tajikistan	MFN	GPT	
United Republic of Tanzania	MFN	GPT	LDC
Timor-Leste	MFN	GPT	LDC
Togo	MFN	GPT	LDC
Tonga	MFN	GPT	

**ANNEX 1. LIST OF GENERAL PREFERENTIAL TARIFF  
AND LEAST DEVELOPED COUNTRIES, BENEFICIARY COUNTRIES AND TERRITORIES**

Countries/territories	Most favoured nation tariff	General preferential tariff	Least developed countries
Turkmenistan	MFN	GPT	
Tuvalu	MFN	GPT	LDC
Uganda	MFN	GPT	LDC
Ukraine	MFN	GPT	
Uzbekistan	MFN	GPT	
Vanuatu	MFN	GPT	LDC
Viet Nam	MFN	GPT	
Yemen	MFN	GPT	LDC
Zambia	MFN	GPT	LDC
Zimbabwe	MFN	GPT	
Anguilla	MFN	GPT	
Ascension Island	MFN	GPT	
Bermuda	MFN	GPT	
British Indian Ocean Territory	MFN	GPT	
Canary Islands	MFN	GPT	
Ceuta and Melilla	MFN	GPT	
Christmas Island	MFN	GPT	
Cocos (Keeling) Islands	MFN	GPT	
Cook Islands	MFN	GPT	
Falkland Islands (Maldives) and Dependencies	MFN	GPT	
French Southern and Antarctic Territories	MFN	GPT	
Marshall Islands	MFN	GPT	
Niue	MFN	GPT	
Norfolk Island	MFN	GPT	
Pitcairn	MFN	GPT	
Tokelau Islands	MFN	GPT	
Tristan Da Cunha	MFN	GPT	
Virgin Islands, British	MFN	GPT	

# Annex 2

Combined declaration and  
certificate of origin (Form A)

Annex 2

**Combined declaration and Certificate of Origin (Form A)**

In order for a Form A to be accepted by the CBSA, it must be properly completed, as follows:

**Field No. 1** – Complete with the name, address, and country of the actual manufacturer or exporter of the goods. Please do not identify a trading house, freight forwarder, export broker, etc. The manufacturer or exporter must be located in the GPT or LDCT beneficiary country in which the goods are being certified.

**Field No. 2** – Identify the consignee (name and address) in Canada.

**Field No. 3** – The CBSA does not consider this a mandatory field, but you may indicate the shipping details, as far as known when Form A is completed.

**Field No. 4** – This field is usually left blank. However, if Form A is issued after the goods have already been shipped, stamp or write “Issued Retrospectively.”

**Field No. 5** – This field is not mandatory for goods exported to Canada. It is usually used to itemize goods if Form A covers two or more categories of goods (for example, items 1, 2, 3 or items a, b, c).

**Field No. 6** – If the goods are crated or otherwise packaged, indicate the quantity of packages or crates. Also indicate any markings on the crates that will be useful in cross-referencing Form A to the Through Bill of Lading so that the CBSA officers can establish that the form covers the goods that are physically imported.

**Field No. 7** – Describe the goods fully. Indicate makes, models, styles, serial numbers, or any other relevant description. It is in the exporter’s interest to give as full a description as possible. The CBSA will not accept a Form A that cannot be matched with the imported goods due to a vague description. It is also helpful to show the Harmonized System subheading of the goods in this field.

**Field No. 8** – The origin criterion shown must be one of the following:

**P** means 100% of the goods produced in the GPT or LDCT beneficiary country in question;

**F** for GPT, means, at least 60% of the ex-factory price is produced in the GPT beneficiary country;

**F** for LDCT, means, at least 40% of the ex-factory price is produced in the LDCT beneficiary country. The existing 40% of the ex-factory price of the goods as packed for shipment to Canada may also include a value of up to 20% of the ex-factory price of the goods from countries set out in Schedule 2 of the Regulations;

**G** for GPT, means at least 60% of the ex-factory price was cumulatively produced in more than one GPT beneficiary country or Canada;

**G** for LDCT, means at least 40% of the ex-factory price was cumulatively produced in more than one LDCT beneficiary country or Canada. The existing 40% of the ex-factory price of the goods as packed for shipment to Canada may also include a value of up to 20% of the ex-factory price of the goods from countries set out in Schedule 2 of the Regulations.

If any criterion other than P, G, or F is shown for goods exported to Canada, it will be assumed that the goods do not satisfy the Canadian GPT or LDCT rules of origin and they will not receive any tariff preference.

**Field No. 9** – Give the weight or other quantity of the goods. The best unit of measure to use when completing this field is the unit of measure given for the particular goods in the Customs Tariff (e.g. number, pairs, dozens, kilograms, litres).

**Field No. 10** – Cross-reference Form A to the commercial invoice. This helps the CBSA match the form with the invoice, but it also ensures that the signing officer has verified the ex-factory price of the proper goods.

**Field No. 11** – This field may be left blank. As of March 1, 1996, Canada no longer requires Form A to be certified by a designated authority in the GPT or LDCT beneficiary country.

**Field No. 12** – This is the exporter’s declaration that Form A is accurate and that the goods do meet the GPT or LDCT rules of origin. Proof of origin must be completed by the exporter of the goods in the GPT or LDCT beneficiary country in which the goods were finished. The individual completing the Form A on behalf of the company must be knowledgeable regarding the origin of the goods and have access to cost of production information, should a verification be requested.

**Combined declaration and certificate of origin (Form A)**

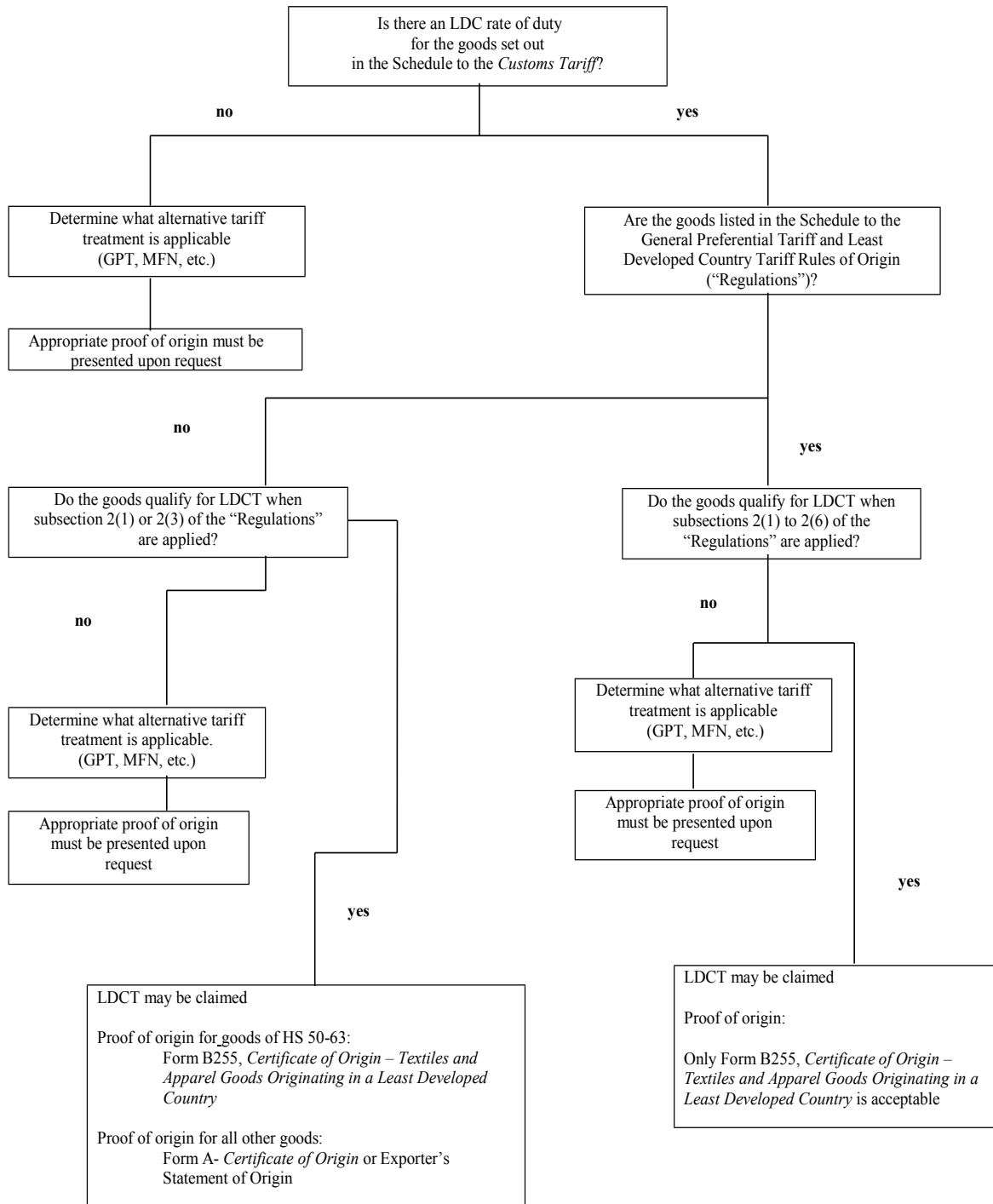
1. Goods consigned from (exporter's business name, address, country)			Reference No.		
2. Goods consigned to (consignee's name, address, country)			<b>Generalized System of Preferences</b>  <b>Certificate of Origin</b> (Combined declaration and certificate)  <b>Form A</b>  Issued in..... (country)  See the instructions that follow.		
3. Means of transport and route (as far as known)			4. For official use		
5. Item number	6. Marks and numbers of packages	7. Number and kind of packages: description of goods	8. Origin criterion (See the instructions that follow.)	9. Gross weight or other quantity	10. Number and date of invoices
11. Certification  It is hereby certified, on the basis of control carried out, that the declaration by the exporter is correct.        ..... Place and date, signature and stamp of certifying authority			12. Declaration by the exporter  The undersigned hereby declares that the above details and statements are correct: that all the goods were produced in  ..... (country)  And that they comply with the origin requirements specified for those goods in the Generalized System of Preferences for goods exported to  ..... (importing country)  ..... Place and date, signature of authorized signatory		

# Annex 3

Least developed country tariff  
treatment and proof of  
origin requirements

Annex 3

**Least developed country tariff treatment and proof of origin requirements**



# Annex 4

Notification of  
preferential rules of origin  
for least developed countries



**Notification of preferential rules of origin for least developed countries****G/RO/LDC/N/CAN/2**

10 October 2017

(17-5438)

Page: 1/4

**Committee on Rules of Origin**

Original: English

**NOTIFICATION OF PREFERENTIAL RULES OF ORIGIN FOR  
LEAST DEVELOPED COUNTRIES**

CANADA

The following communication, dated 4 October 2017, is being circulated at the request of the delegation of Canada.

Paragraph 4.3 of the 2015 Ministerial Decision on preferential rules of origin for least developed countries (WT/L/917/Add.1) requires preference-granting Members to notify preferential rules of origin as per the established procedures<sup>1</sup>. In addition, as mandated by the Ministerial Decision, the Committee on Rules of Origin agreed, at its meeting of 2 March 2017, to a template for such notifications (G/RO/84).

Following such requirements, the following notification has been received from: Canada.

**A. BASIC INFORMATION**

<b>1)</b>	<b>Notifying member</b>	Canada
<b>2)</b>	<b>Date of entering into force of Rules of origin and any substantive modification thereof</b>	13 January 1983 Last modifications <b>2017:</b> - Regulations Amending the General Preferential Tariff and Least Developed Tariff Rules of Origin Regulations (SOR/2017-127): <a href="http://www.gazette.gc.ca/rp-pr/p2/2017/2017-07-12/html/sor-dors127-eng.php">http://www.gazette.gc.ca/rp-pr/p2/2017/2017-07-12/html/sor-dors127-eng.php</a> <b>2013:</b> - General Preferential Tariff and Least Developed Country Tariff Rules of Origin Regulations (SOR/2013-165): <a href="http://canadagazette.gc.ca/rp-pr/p2/2013/2013-10-09/html/sor-dors165-eng.php">http://canadagazette.gc.ca/rp-pr/p2/2013/2013-10-09/html/sor-dors165-eng.php</a>
<b>3)</b>	<b>Date of expiration of Rules of origin if applicable</b>	31 December 2024 See: <a href="http://laws-lois.justice.gc.ca/eng/acts/c-54.011/FullText.html">http://laws-lois.justice.gc.ca/eng/acts/c-54.011/FullText.html</a> - Section 40 for LDCT
<b>4)</b>	<b>Title of the preferential scheme for which legislation on Rules of origin is applicable</b>	- Least Developed Country Tariff (LDCT)
<b>5)</b>	<b>Authority(ies) granting the preferential treatment</b>	Authority is provided through the Customs Tariff. See: <a href="http://laws-lois.justice.gc.ca/eng/acts/C-54.011/FullText.html">http://laws-lois.justice.gc.ca/eng/acts/C-54.011/FullText.html</a> - Sections 37-40 for information on the LDCT

<sup>1</sup> The relevant notification requirements are contained in Paragraph 2(d) of Annex 1 of the Transparency Mechanism for Preferential Trade Arrangements (WT/L/806) and in Paragraph 4 of Annex II of the Agreement on Rules of Origin.

G/RO/LDC/N/CAN/2

- 2 -

<b>6)</b>	<b>National authorities in charge of Rules of origin administration</b>	<ul style="list-style-type: none"> <li>- The Department of Finance has the responsibility for Canada's tariff policy and legislation (Customs Tariff), and the Canada Border Services Agency (CBSA) is responsible for its day-to-day administration.</li> <li>- The Department of Finance can be reached at <a href="mailto:fin.tariff-tarif.fin@canada.ca">fin.tariff-tarif.fin@canada.ca</a></li> <li>- The CBSA can be reached at <a href="mailto:contact@cbsa.gc.ca">contact@cbsa.gc.ca</a> or via telephone through the Border Information Service (in Canada 1-800-461-9999; outside Canada 204-983-3500 or 506-636-5064).</li> <li>- Border Information Service webpage: <a href="http://www.cbsa-asfc.gc.ca/contact/bis-sif-eng.html">http://www.cbsa-asfc.gc.ca/contact/bis-sif-eng.html</a></li> </ul>
-----------	---	---

**B. INFORMATION ON RULES OF ORIGIN****I. BENEFICIARIES**

<b>1)</b>	<b>List of Beneficiaries</b>	49 beneficiaries of the LDCT. The list of beneficiaries can be found at: <a href="http://cbsa.gc.ca/trade-commerce/tariff-tarif/2017/01-99/countries-pays-eng.pdf">http://cbsa.gc.ca/trade-commerce/tariff-tarif/2017/01-99/countries-pays-eng.pdf</a>
<b>2)</b>	<b>Eligibility</b>	<a href="http://laws-lois.justice.gc.ca/eng/acts/C-54.011/FullText.html">http://laws-lois.justice.gc.ca/eng/acts/C-54.011/FullText.html</a> - Section 38 for LDCT.

**II. CRITERIA FOR DETERMINING SUBSTANTIAL TRANSFORMATION**

<b>1) General criteria, if applicable for all products</b>		
	<b>(a) Definition of wholly obtained products</b>	The General Preferential Tariff and Least Developed Country Tariff Rules of Origin Regulations (SOR/2013-165) are available at: <a href="http://laws-lois.justice.gc.ca/eng/regulations/SOR-2013-165/FullText.html">http://laws-lois.justice.gc.ca/eng/regulations/SOR-2013-165/FullText.html</a> See sub-section 2(1) of the above link.
	<b>(b) Describe the criteria for not-wholly produced products</b>	See subsection 2(3) of the above link for the rule of origin and subsection 2(9) for the cumulation provision. This rule of origin covers all goods except for certain apparel and made up-textile goods. Canada allows the use of up to 80%
	<b>(c) Insert the formula for calculating <i>ad valorem</i> percentage</b>	non-originating materials (i.e., 60% of the value may originate anywhere, 20% must originate from a current or former GSP beneficiary, the remaining 20% must originate in an LDC). The <i>ad valorem</i> percentage is calculated by using the value of non-originating materials as a percentage of the ex-factory price of the final goods as packed for shipment to Canada.
<b>2) Product specific rules of origin, where applicable</b>		
	<b>(a) Insert the link where the complete list of product specific rules of origin can be found.</b>	Rules of origin for most apparel (goods set out in Parts A1 and A2 of Schedule 1 of the Regulations): see subsection 2(4) of the above link. LDCs may use fabric produced in current or former GSP beneficiaries in the production of apparel, provided they add at least 25% value in the LDC. (Any value that is added in Canada is also considered as if it were added in the LDC.) The <i>ad valorem</i> percentage is calculated by using the value of non-originating materials as a percentage of the ex-factory price of the final goods as packed for shipment to Canada. LDCs may also use fabric produced in an LDC or Canada in the production of apparel, with no value requirement. In both cases, the yarn must also be produced in an LDC, Canada or a current or former GSP beneficiary country.
	<b>(b) Insert the formula for calculating <i>ad valorem</i> percentage, when applied for product specific rule</b>	Rules of origin for T-shirts and certain pants (goods set out in Part A3 of Schedule 1 of the Regulations): see subsection 2(4.1) of the above link. Similar to the rules of origin for apparel above, with three modifications.  The fabric may be cut in Canada, another LDC, a current or former GSP beneficiary or a country with which Canada has a free trade agreement, LDCs may use fabric or yarn that has been produced in a country with which Canada has a free

G/RO/LDC/N/CAN/2

- 3 -

		trade agreement, as long as 25% value is added in the LDC, and Any value that is added in Canada or a country with which Canada has a free trade agreement is included in the value requirement as if it were added in the LDC. Rule of origin for made up-textile goods (goods set out in Part B of Schedule 1 of the Regulations): see subsection 2(6) of the above link. For made-up textile products, LDCs must use fabric produced in an LDC or Canada, but there is no value requirement. The yarn must also be produced in an LDC, Canada or a current or former GSP beneficiary country.
3)	<b>Definition of non-originating material and originating material, if any</b>	Not applicable
4)	<b>List of insufficient working process, if any</b>	Not applicable
5)	<b>Rules for application of cumulation and related procedures if any</b>	See sections 1 and 2 above.
6)	<b>Any other information that member deems necessary</b>	-

**III. DOCUMENTARY REQUIREMENTS**

<b>1) Certificate of origin and other proofs of origin</b>		
	<b>(a) Requirement for certificate of origin and/or any other proof of origin, if any</b>	Canada allows exporter self-certification and requires a certificate of origin only for textile and apparel goods (other goods require either an Exporter's Statement of Origin or a Form A Certificate of Origin).
	<b>(b) Authority to be designated for issuance of certificate of origin</b>	Not applicable. The exporter completes the Certificate of Origin or the Statement of Origin.
	<b>(c) Prescribed form of Certificate of origin and/or any other proof of origin</b>	The prescribed forms and explanatory information can be found at: <a href="http://cbsa-asfc.gc.ca/publications/dm-md/d11/d11-4-4-eng.pdf">http://cbsa-asfc.gc.ca/publications/dm-md/d11/d11-4-4-eng.pdf</a>
	<b>(d) Any other procedures applied for certificate of origin and/or any other proof of origin, if any</b>	<a href="http://www.cbsa-asfc.gc.ca/trade-commerce/tariff-tarif/ldct-tpmd-eng.html">http://www.cbsa-asfc.gc.ca/trade-commerce/tariff-tarif/ldct-tpmd-eng.html</a>
<b>2) Direct shipment</b>		
	<b>(a) Rules applicable for direct shipment, if any</b>	Information about direct shipment can be found at: <a href="http://cbsa-asfc.gc.ca/publications/dm-md/d11/d11-4-4-eng.pdf">http://cbsa-asfc.gc.ca/publications/dm-md/d11/d11-4-4-eng.pdf</a>
	<b>(b) Documentary requirement for proof of direct shipment including when the transport of consignment involves transit through one or more intermediate countries, if any</b>	<a href="http://www.cbsa-asfc.gc.ca/trade-commerce/tariff-tarif/ldct-tpmd-eng.html">http://www.cbsa-asfc.gc.ca/trade-commerce/tariff-tarif/ldct-tpmd-eng.html</a>

**IV. VERIFICATION AND PENALTIES**

1)	<b>Procedure for verification of proofs of origin</b>	Information about verifications can be found at: <a href="http://www.cbsa-asfc.gc.ca/publications/dm-md/d11/d11-6-8-eng.html">http://www.cbsa-asfc.gc.ca/publications/dm-md/d11/d11-6-8-eng.html</a>
2)	<b>Penalties for fraud and false declarations</b>	Information about penalties can be found at: <a href="http://www.cbsa-asfc.gc.ca/publications/dm-md/d22/d22-1-1-eng.html">http://www.cbsa-asfc.gc.ca/publications/dm-md/d22/d22-1-1-eng.html</a>
3)	<b>Authorities and procedures for appeal in the case of dispute on verification</b>	Information concerning the authorities and procedures for appeal can be found at: <a href="http://www.cbsa-asfc.gc.ca/publications/dm-md/d11/d11-6-7-eng.html">http://www.cbsa-asfc.gc.ca/publications/dm-md/d11/d11-6-7-eng.html</a>

G/RO/LDC/N/CAN/2

- 4 -

4)	<b>Requirement for preserving the documents related to issuance of certificate of origin</b>	Information about the maintenance of documentary records can be found at: <a href="http://www.cbsa-asfc.gc.ca/publications/dm-md/d17/d17-1-21-eng.html">http://www.cbsa-asfc.gc.ca/publications/dm-md/d17/d17-1-21-eng.html</a>
5)	<b>Any other relevant information</b>	-

**V. REFERENCE TEXTS**

(a)	<b>The legislative texts in one of the official WTO languages containing the preferential rules of origin applicable under a PTA granted under the Decision on Measures in Favour of Least-Developed Countries (Annex F of the Hong Kong Ministerial Declaration)</b>	General Preferential Tariff and Least Developed Tariff Rules of Origin Regulations <a href="http://laws-lois.justice.gc.ca/PDF/SOR-2013-165.pdf">http://laws-lois.justice.gc.ca/PDF/SOR-2013-165.pdf</a>
(b)	<b>The full text of the administrative regulations concerning modalities for issuance, acceptance, retrospective issuance and replacement of certificates of origin or any equivalent declarations to be made, including any requirements related to stamps to be used along with notification of stamps</b>	<ul style="list-style-type: none"> <li>- Proof of Origin of Imported Goods Regulations: <a href="http://laws-lois.justice.gc.ca/PDF/SOR-98-52.pdf">http://laws-lois.justice.gc.ca/PDF/SOR-98-52.pdf</a></li> <li>- Temporary Storage Period Regulations: <a href="http://laws-lois.justice.gc.ca/PDF/SOR-88-79.pdf">http://laws-lois.justice.gc.ca/PDF/SOR-88-79.pdf</a></li> <li>- Customs Tariff (see sections 17 &amp; 18 - Direct Shipment): <a href="http://laws-lois.justice.gc.ca/PDF/C-54.011.pdf">http://laws-lois.justice.gc.ca/PDF/C-54.011.pdf</a></li> <li>- Haiti Deemed Direct Shipment (General Preferential Tariff and Least Developed Country Tariff) Regulations (SOR/2010-58): <a href="http://laws-lois.justice.gc.ca/PDF/SOR-2010-58.pdf">http://laws-lois.justice.gc.ca/PDF/SOR-2010-58.pdf</a></li> </ul>
(c)	<b>The full text and related administrative regulations of the modalities for the proof of movement of the consignment of the goods from the beneficiary countries to preference-giving countries including transit through third countries</b>	
(d)	<b>The full texts of the modalities of the verification procedures and related penalties</b>	<ul style="list-style-type: none"> <li>- Verification of Origin (Non-Free Trade Partners), Tariff Classification and Value for Duty of Imported Goods Regulations: <a href="http://laws-lois.justice.gc.ca/PDF/SOR-98-45.pdf">http://laws-lois.justice.gc.ca/PDF/SOR-98-45.pdf</a></li> <li>- Determination, Re-determination and Further Re-determination of Origin, Tariff Classification and Value for Duty Regulations: <a href="http://laws-lois.justice.gc.ca/PDF/SOR-98-44.pdf">http://laws-lois.justice.gc.ca/PDF/SOR-98-44.pdf</a></li> </ul>

# Annex 5

Memorandum D10-15-13:  
Handicrafts



Canada Border  
Services Agency

Agence des services  
frontaliers du Canada

Ottawa, May 9, 2014

## Memorandum D10-15-13

### Handicrafts

#### In Brief

The editing revisions made in this memorandum do not affect or change any of the existing policies or procedures.

This memorandum outlines and explains the conditions under which designated handicrafts are admissible under tariff item No. 9987.00.00 of the List of Tariff Provisions set out in the schedule to the [Customs Tariff](#).

#### Legislation

Tariff item No. 9987.00.00 reads as follows:

The following handicraft goods, originating in a country entitled to the benefits of the General Preferential Tariff, having forms or representing any national, territorial or religious symbols of the geographical region where produced, having acquired their essential characteristics by the handiwork of individual craftsmen using tools held by hand or tools not powered by machines other than those powered by hand or foot, being non-utilitarian and not copies or imitations of handicraft goods of any country other than the country in which they originate, and not produced in large quantities by sophisticated tools or by moulding:

Puppets, musical instruments (other than guitars, viols, harpsichords or copies of antique instruments), gourds and calabashes, incense burners, retablos, fans, screens, lacquer ware, hand-carved picture frames, hand-carved figurines of animals, and religious symbols and statuettes, composed wholly or in chief part by value of wood, if not more than their primary shape is attained by mechanically powered tools or machines;

Ornaments, mirrors and figurines, composed wholly or in chief part by value of bread dough;

Hookahs, nargiles, candelabra and incense burners, composed wholly or in chief part by value of clay;

Figurines, fans, hats, musical instruments, toys, sitkas, greeting cards and wall hangings, composed wholly or in chief part by weight of vegetable fibres or vegetable materials other than linen, cotton or corn husks;

Figurines, masks, baskets and artistic cut-outs, composed wholly or in chief part by value of paper or papier maché;

Puppets, bellows, pouffes, bottle cases, and wine or water bottles and jugs, composed wholly or in chief part by value of hide or of leather that has not been finished beyond tanning other than by individual craftsmen;

Figurines, costume jewellery, beads, belts, hair pins, buttons, lamp bases and key holders, composed wholly or in chief part by value of coconut shell;

Musical instruments, chimes, combs, fans, costume jewellery, beads, belts, hair pins, wall and table decorations, buttons, lamp bases, and key holders, composed wholly or in chief part by value of mother of pearl, horn, shell including tortoiseshell, or coral;

Hookahs, nargiles, musical instruments, bells, gongs, incense burners, masks, adzes, mattocks, finger and keyhole plates, door handles and locks, hinges and latches, samovars, kukris and machetes, composed wholly or in chief part by value of base metals, if not more than their primary shape is attained by mechanically powered tools or machines;

Bracelets, nargiles and hookahs, composed wholly or in chief part by value of glass;

Canada

Fabrics decorated with crewel embroidery, hand-woven semi-finished wall hangings on back strap looms, reverse hand-sewn appliqué wall hangings, and dhurries, composed wholly or in chief part by weight of wool or cotton;

Lanterns, composed wholly or in chief part by value of stone.

Under this Act, the Governor in Council may amend the list of goods in this tariff item.

Goods may be classified under this tariff item on production of a certificate in the duplicate in prescribed form with the information required to be provided with the form, and signed by a representative of the government of the country of origin or any other authorized person in the country of origin recognized by the Minister of National Revenue as competent for that purpose.

---

### Guidelines and General Information

1. The following definitions are intended to explain the Canada Border Services Agency (CBSA)'s interpretation of tariff item No. 9987.00.00:

(a) "geographical region" means the country of manufacture or a specific region of that country; that country must be entitled to the benefits of the General Preferential Tariff;

(b) "non-utilitarian" describes goods that may have a function (a utility) but that are obtained or valued for their artistic, religious, or cultural features.

2. To have acquired their essential characteristics by the handiwork of individual craftsmen employing traditional manual skills, handicraft products must have been made by one or more of the following processes:

(a) solely by hand; or

(b) with tools held in the hand, which are not powered by machinery other than by machines powered by foot or by hand.

3. Traditional manual skills are those skills handed down from generation to generation, such as:

appliqué work, beating, branding, carving, chasing, crocheting, cutting, drawing, dyeing, embossing, embroidering, enamelling, engraving, etching, filigreeing, hammering, inlaying, joining, knitting, knotting, moulding, needlework, netting, painting, plaiting, printing, punching, quilting, rubbing, scraping or scratching, studding, tatting, tooling, twisting, weaving, etc.

4. For the purpose of this memorandum, goods that exhibit or demonstrate traditional or artistic characteristics of the geographical region or country of origin where the goods are made by individual craftsmen, are considered to be handicrafts if:

(a) they have particular artistic or decorative features representative of that country;

(b) they do not copy or imitate, or attempt to copy or imitate, traditional, decorative, artistic, or indigenous products of any country other than the country of manufacture;

(c) they are not identical (in terms of size, design, method of production) to each other, meaning there is no evidence suggesting mass production or production line techniques were employed;

(d) there is no evidence that an original handicraft product was used as a "model" and reproduced in large quantities partly by hand and partly by sophisticated tools or by moulding; and

(e) they are produced by individual craftsmen that acquired their skills by formal training or working under close supervision.

#### Certification

5. Handicraft goods may only be classified under tariff item 9987.00.00 of the [Customs Tariff](#) when supported by the appropriate certification supplied by the recognized authority in the country of origin.

6. A complete inventory of all goods imported in the shipment must be attached to the signed certification. Each article on the list is to be numbered in consecutive order and a detailed description of the good provided.
7. The attached Appendix is an example of the certification wording that must accompany each imported shipment of goods accounted for under tariff item 9987.00.00.
8. The importer is responsible to ensure that the handicraft certification is presented at time of accounting, or whenever requested by a CBSA officer.
9. As per Section 32.2 of the [Customs Act](#), if authorized certification of the goods is not available, the importer must file a correction to the original declaration of the goods and pay any applicable duties and taxes. For information regarding corrections to declarations of tariff classification, please consult [Memorandum D11-6-6, "Reason to believe" and Self-adjustments to Declarations of Origin, Tariff Classification, and Value for Duty](#).

#### **Additional Information**

10. For certainty regarding the tariff classification of a particular good, importers may request an Advance Ruling. Information on how to obtain an Advance Ruling may be found in [Memorandum D11-11-3, Advance Rulings for Tariff Classification](#).
11. For more information, within Canada call the Border Information Service at **1-800-461-9999**. From outside Canada call 204-983-3500 or 506-636-5064. Long distance charges will apply. Agents are available Monday to Friday (08:00 – 16:00 local time/except holidays). TTY is also available within Canada: **1-866-335-3237**.



**Appendix****Example of wording for the certification of goods imported under tariff item 9987.00.00**

This certification is with respect to the \_\_\_\_\_ (quantity) articles numbered consecutively and described on the attached inventory sheet, imported by \_\_\_\_\_ (name of importer).

I certify that the goods listed and described on the attached inventory sheet are handicraft products that have been made by individual craftsmen of \_\_\_\_\_ (region and/or country where produced) using tools held by hand or tools not powered by machines other than those powered by hand or foot. These goods are not imitations of handicraft goods of any country other than the country in which they originate. These goods are not produced in large quantities by sophisticated tools or by moulding.

\_\_\_\_\_  
Name and title of official

\_\_\_\_\_  
Address

\_\_\_\_\_  
Signature of official

\_\_\_\_\_  
Date

<b>References</b>	
<b>Issuing Office</b>	Trade and Anti-dumping Programs Directorate
<b>Headquarters File</b>	HS 9987.00
<b>Legislative References</b>	<a href="#"><i>Customs Act</i></a> <a href="#"><i>Customs Tariff</i></a> , tariff item 9987.00.00
<b>Other References</b>	<a href="#">D11-6-6</a> , <a href="#">D11-11-3</a>
<b>Superseded Memorandum D</b>	D10-15-13 dated May 1, 1998