

# THE TRADE CONNECTION

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## Temporary Imports of Cargo Containers

**T**he Department of Finance is asking interested parties to submit their views on proposed changes to the rules for the domestic use of temporarily imported cargo containers. The changes would affect the portion of subheading 9801.10 that relates to containers. The potential changes were announced in Budget 2009 and relate to the duty and GST/HST free importation of temporarily imported cargo containers. The proposals are to change from 30 days to 365 days the amount of time that a temporarily imported cargo container can remain in Canada and to remove the requirement that point to point movements in Canada be incidental to the international traffic of goods. Submissions are due by April 8, 2009. The Canada Gazette Notice can be found at the following link: <http://canadagazette.gc.ca/rp-pr/p1/2009/2009-02-07/html/notice-avis-eng.html#d105>.



### Trade Tips

*The Government of Canada has extended Most Favoured Nation Tariff benefits to **Libya** as part of the normalization process between the two countries. Libya was previously subject to the 35% General Tariff on all goods.*

Exporting Goods From Canada: A Handy Guide For Exporters is a CBSA publication providing guidance on **export requirements**. It addresses how to report, proof of report, exceptions, when and where to report, penalties, keeping books and records, etc. The guide can be found at the following link:

<http://cbsa-asfc.gc.ca/publications/pub/b/sf5081-eng.html>

## Federal Court Grants Stay of CBSA Ruling

**A** Federal Court ruling has granted a stay of a CBSA ruling on imports by Danone of its DanActive product which it imports from the United States. The CBSA had issued an advance ruling on the product back in 2006 classifying it as a drink in Chapter 22 of the *Customs Tariff*. Upon review, the CBSA changed its classification in 2008 to yogurt in Chapter 4 which would make the product subject to tariff rate quotas with a 237.5% rate of duty without quota allocation. Danone made significant investment and planning decisions based on the 2006 CBSA ruling. This is a new product that Danone would test market to see if there was sufficient demand to plan to manufacture the product in Canada and source the ingredients from Canadian producers, mainly milk ingredients. The Federal Court found that it had jurisdiction to grant the injunction and that the tests to establish whether there were sufficient grounds to find the injunction necessary were (continued on page 2)

### ***USITC Harmonized Tariff Schedule Reference Tool***

The US International Trade Commission has release a new HTS Reference Tool for users of the Harmonized Tariff Schedule of the United States. This is a fast, easy on-line reference system that allows for browsing, searching by keyword, it provides links to footnotes, links to Customs Rulings Online Search System (CROSS), and links to Chapter 99 tariff items. It's quick and easy to use providing the public with a very handy reference tool. It's available at the following link:

<http://hts.usitc.gov/>.

### ***CITT Allows Appeal on Graduated Support Stockings for Disabilities***

This appeal by Sigvaris Corporation asked the Tribunal to decide whether it's various styles of graduated support stockings qualified for the benefits of tariff item 9979.00.00 which provides for goods specifically designed to assist persons with disabilities in alleviating the effects of those disabilities. The CBSA's position was that the goods did not qualify as they were not of a strength high enough to be considered for use for disabilities. Sigvaris argued that they were and provided testimony of three doctors and medical studies discussing the problems of people with chronic venous insufficiency conditions and how they are limiting to the people suffering from them. The Tribunal considered this evidence along with definitions for the term "disability" and found that the problems relieved by the hosiery can be considered disabilities. The finding

can be found at the following link: [http://www.citt-tcce.gc.ca/appeals/decision/ap2h009\\_e.asp](http://www.citt-tcce.gc.ca/appeals/decision/ap2h009_e.asp).

### ***CBSA Concludes Reinvestigation of Normal Values and Export Prices for Fasteners from China***

The CBSA has issued new normal values for carbon steel fasteners from the Peoples Republic of China and for carbon steel and for carbon steel and stainless steel fasteners from Chinese Taipei. Normal values were established for exporters who cooperated with the investigation. Exporters who did not cooperate will be subject to a ministerial specification that advances the export price by 170% for dumping and 1.25 Chinese Renminbi per kilogram for subsidy. The exporters with normal values and the tariff classifications are listed in the Customs Notice that can be found the following link: <http://www.cbsa-asfc.gc.ca/sima-lmsi/ri-re/ad1308/ad1308-ri08-nc-eng.html>.

### ***0% GST/HST on Farm Equipment***

A new GST/HST Info Sheet, GI-051, gives details about the types of farm equipment that are zero-rated for GST/HST purposes. There are seven categories of zero-rated farm equipment as follows: tractors; harvesting equipment; tillage equipment; seeders and planters; haying equipment; grain handling or processing equipment; and miscellaneous property. For each category of farm equipment there are also certain design criteria and specifications that must be met. At the time of importation code 61 is used in B3 field 35, rate of GST.

The full GST/HST Info Sheet can be found at the following link: <http://www.cra-arc.gc.ca/E/pub/gi/gi-051/gi-051-e.pdf>.

### ***WTO Trade Profiles 2008***

The World Trade Organization has published Trade Profiles 2008 which as a quick source of information on statistics, trade flows and trade policy measures of member, observers and other selected economies. Five categories of indicators are listed for each country as follows: basic economic indicators, trade policy indicators, merchandise trade indicators (customs-based statistics), commercial services indicators (balance of payments based statistics), and industrial property indicators. The document is available at the following link: [http://www.wto.org/english/res\\_e/publications\\_e/trade\\_profiles08\\_e.htm](http://www.wto.org/english/res_e/publications_e/trade_profiles08_e.htm).

### ***Federal Court Stays CBSA Ruling***

*(continued from page 1)*

satisfied. With the stay, Danone can use the usual appeal processes to contest the tariff classification ruling while the former ruling remains in effect. Danone is a Tracon client in this matter. The Federal Court decision can be found at the following link: <http://decisions.fct-cf.gc.ca/en/2009/2009fc44/2009fc44.html>

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