

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

VAL/2/Rev.1/Add.14  
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Committee on Customs Valuation

Original: English

## INFORMATION ON IMPLEMENTATION AND ADMINISTRATION OF THE AGREEMENT

### Checklist of Issues

#### Addendum

#### CANADA

At its meeting held on 5 May 1981, the Committee on Customs Valuation decided, *inter alia*, that Parties should reply in writing to the points contained in the revised checklist of issues relating to national legislation on customs valuation (VAL/2/Rev.1).

The reply submitted by the delegation of Canada is reproduced hereunder.

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1. (a)(i) Sections 37(1)(d), 37(2) and 37(3) of the Customs Act deal with the issue of sales between related persons.
    - (ii) Intercompany prices would not automatically be grounds to reject the transaction value on the basis that the relationship has influenced the price. Section 37(1)(d) deals with this question.
    - (iii) Section 37(2) of the Customs Act.
    - (iv) Section 37(3) of the Customs Act.
  - (b) Section 60 of the Customs Act makes provisions for a refund of part of the duties paid on damaged goods in proportion to the damage sustained. Section 112 of the Customs Act provides for refunds of duty in all cases where the goods imported are inferior in quality or deficient in quantity.
  2. Under section 36(3) of the Customs Act.
  3. Under section 40(2)(c) of the Customs Act.

4. The first paragraph on page 4 of Canada's Statement of Administrative Principles is consistent with Article 6.2.
5. (a) Section 42 of the Customs Act stipulates that where the value for duty is not appraised under sections 37 to 41, it shall be appraised on the basis of a value resulting from a flexible and reasonable application of one of the methods of valuation set out in those sections and on information available in Canada.  
  
(b) Section 44.2 of the Customs Act. The legislation is drafted in such a way that no other methods may be employed to establish the value for duty. Further, the specific prohibitions found in Article 7.2 are delineated in published documents explaining administrative policies.
6. Sections 37(5)(a)(vi) and (b)(i) of the Customs Act are the basic provisions dealing with the treatment of freight and other related charges. They stipulate that any such charges incurred in shipping the goods to the place from which goods are shipped direct to Canada are added to the price paid or payable and any such charges incurred subsequent to that place are to be deducted. In practice, this may mean accepting ex-factory prices or ex-warehouse prices.
7. The rates of exchange are published in bulletins issued by the Bank of Canada.
8. Section 172(3) of the Customs Act.
9. (a) Sections 46 to 48 inclusively of the Customs Act provide importers with the right to appeal (without penalty): first, to Customs administration authorities; second, to the Tariff Board; and finally to the Federal Court of Canada.  
  
(b) Importers are informed as a matter of administrative practice of their rights to further appeal.
10. (a)(i) Relevant national laws and regulations are published in the and (ii) Canada Gazette.  
  
(iii) The judicial decisions by the Tariff Board or the Federal Court are published by these tribunals. Administrative policies having general application are published by the Customs administration.  
  
(iv) Any laws would be published in the Canada Gazette.  
  
(b) No.

11. (a) Sections 24 and 25 of the Customs Act allow for the withdrawal of goods from Customs in a manner consistent with Article 13 of the Code, on the condition that a deposit sufficient to cover the payment of customs duties is paid.
  - (b) No.
12. (a) Yes, section 44.2 of the Customs Act.
  - (b) No.
13. The obligations in the Interpretative Notes have been incorporated into either sections 35 to 44 of the Customs Act, in the Valuation for Duty Regulations or published in documents explaining administrative policies.