



FedEx Regulatory Alerts & Updates

Regulatory Alert: Canada-European Union Comprehensive Economic and Trade Agreement (CETA)

September 21, 2017

The Canada-European Union Comprehensive Economic and Trade Agreement (CETA) signed on October 30, 2016 between Canada and the European Union (EU) is a progressive free trade agreement, which covers virtually all sectors and aspects of Canada-EU trade.

The Customs duties will be eliminated on almost all imports from Canada to the EU and from the EU to Canada immediately. In Canada, some agricultural products will remain restricted, and duties on some other products will be eliminated through a tariff phase-out over the next few years.

Provisional application is effective September 21, 2017. Each EU Member State will ratify in accordance with their national procedures. View the list of eligible countries and territories here: <http://www.gazette.gc.ca/rp-pr/p2/2017/2017-09-07-x1/html/sor-dors178-eng.php>

Proof of Origin

Preferential treatment is based on a declaration and not on a formal certificate of origin. The origin declaration can be on an invoice or any other commercial document that accurately describes the goods.

For casual goods (goods **other than** for sale or commercial use), the country of origin must be indicated on the air waybill and any accompanying documents (e.g., invoice).

For commercial goods, a statement of origin is required on the commercial invoice, or other commercial document, along with a complete description of the originating goods.

Sample statement below:

(Period: from _____ to _____)

The exporter of the products covered by this document (Customs authorization No...*) declares that, except where otherwise clearly indicated, these products are of ... preferential origin.

.....
(Place and date)

.....
(Signature and printed name of the exporter)

*For Canadian exporters, the Customs Authorization No. is the company's Canada Revenue Agency (CRA) Business Number.

For EU exporters, the Customs Authorization No. is the company's Registered Exporter system (REX) number and applies to shipments valued over 6000 EUR. For details about the REX, visit the European Commission website:

https://ec.europa.eu/taxation_customs/business/calculation-customs-duties/rules-origin/general-aspects-preferential-origin/arrangements-list/generalised-system-preferences/the_register_exporter_system_en

Important

- **Taxes** - CETA applies to duties, but **not** taxes; therefore, any applicable GST/HST for imports into Canada, and any applicable VAT for exports to the EU, will be assessed accordingly. For VAT rates and details, visit the European Commission website: https://ec.europa.eu/taxation_customs/sites/taxation/files/resources/documents/taxation/vat/how_vat_works/rates/vat_rates_en.pdf
- **Cheese/Dairy** - Tariff Rate Quotas (TRQs) are still in effect for a number of agricultural products which means that certain items, such as cheese imported into Canada, are still controlled. For example, the Canadian Food Inspection Agency (CFIA) limits the personal importation of cheese and some other dairy products to a total of CAD\$20 per person. For companies, new quotas for some cheese TRQs are in place. For details, visit the Global Affairs Canada website: <http://www.international.gc.ca/controls-controles/prod/agri/dairy-laitiers/notices-avis/895.aspx?lang=eng>

Detailed Information

Customs Notice 17-30: <http://www.cbsa-asfc.gc.ca/publications/cn-ad/cn17-30-eng.html>

Global Affairs Canada: <http://international.gc.ca/trade-commerce/trade-agreements-accords-commerciaux/agr-acc/ceta-aecg/text-texte/toc-tdm.aspx?lang=eng>

Government of Canada: [click here to read the latest news on the Government of Canada website](#)

Benefits

- **Improved access for trade:** Opens up the market for Canadian companies to more than 30 EU member countries and territories with 500 million people and an annual economy of \$18 trillion CAD dollars.
- **Cost savings:** CETA will remove tariffs (duties) on almost all tariff lines and will reduce non-tariff barriers.
- **Simpler regulation:** CETA will make it easier for Canada and the EU to work together – an example of this is that both countries will accept each other's conformity assessment certificates.
- **Gain new access to bid for public contracts in the EU:** Canadian businesses will be able to benefit from government procurement opportunities in EU regions and municipalities.

Date of Implementation: September 21, 2017

References:

Canada Gazette – list of eligible countries

<http://www.gazette.gc.ca/rp-pr/p2/2017/2017-09-07-x1/html/sor-dors178-eng.php>

Registered Exporter System (REX) – European Commission Website

https://ec.europa.eu/taxation_customs/business/calculation-customs-duties/rules-origin/general-aspects-preferential-origin/arrangements-list/generalised-system-preferences/the_register_exporter_system_en

VAT Rates Applied to Member States of European Union

https://ec.europa.eu/taxation_customs/sites/taxation/files/resources/documents/taxation/vat/how_vat_works/rates/vat_rates_en.pdf

Dairy – CETA Cheese Tariff Rate Quota (TRQ) (Items 141 to 157 on the *Import Control List*)

<http://www.international.gc.ca/controls-controles/prod/agri/dairy-laitiers/notices-avis/895.aspx?lang=eng>

Customs Notice 17-30

<http://www.cbsa-asfc.gc.ca/publications/cn-ad/cn17-30-eng.html>

Global Affairs Canada- Text of the Comprehensive Economic and Trade Agreement – Table of contents

<http://international.gc.ca/trade-commerce/trade-agreements-accords-commerciaux/agr-acc/ceta-aecg/text-texte/toc-tdm.aspx?lang=eng>

Government of Canada – latest news on the Government of Canada website

<http://www.international.gc.ca/gac-amc/campaign-campagne/ceta-aecg/index.aspx?lang=eng>