



Ottawa, August 20, 2014

# Memorandum D8-2-15

## Administration of the *Representational Gifts Remission Order*

### In Brief

1. This memorandum has been revised to reflect amendments to the [Customs Act](#) and changes to the Canada Border Services Agency's (CBSA) organizational structure.
2. Reference to Form B2 was modified in paragraph 9.

This memorandum outlines the conditions under which certain representational gifts qualify for customs duty-free entry, GST and excise tax relief, and customs duties relief. The representational gifts must be presented to a donee in the course of an official visit outside of Canada, or presented by a donor in the course of an official visit to Canada. The amended [Representational Gifts Remission Order](#) provides full relief from the GST and excise tax in the [Excise Tax Act](#) and the customs duties in section 21 of the [Customs Tariff](#) on representational gifts. The customs duty relief is provided by tariff item 9833.00.00 of the schedule to the *Customs Tariff*.

### Legislation

#### [Representational Gifts Remission Order](#)

1. [Repealed, SI/98-6, s. 5]

#### **Interpretation**

2. For the purposes of this Order,

“donor” means a person acting in his capacity as a Head of State, Head of Government or representative of a government or public body of a foreign country or of a political subdivision thereof;

“representational gift” means any article presented or to be presented by a donor.

#### **Remission**

3. Remission is hereby granted of the additional duties paid or payable under section 21 of the [Customs Tariff](#) and of the taxes paid or payable under Division III of Part IX and under any other Part of the [Excise Tax Act](#) on a representational gift that

- (a) is presented to
  - (i) the Prime Minister of Canada,
  - (ii) a minister of the Government of Canada,
  - (iii) a member of the Senate or of the House of Commons,
  - (iv) a provincial premier, or
  - (v) a municipal mayor

in the course of an official visit by the donee outside Canada; or

- (b) is to be presented by a donor in the course of an official visit by him to Canada and is subsequently so presented.

## Customs Tariff

### **Tariff Item 9833.00.00**

Representational gifts that are articles presented by a donor acting in the capacity of a Head of State, Head of Government or representative of a government, a public body of a foreign country or a political subdivision thereof, to a donee acting in the capacity of the Prime Minister of Canada, a minister of the Government of Canada, a member of Parliament, a provincial premier or a municipal mayor, in the course of an official visit by the donee outside Canada or presented by a donor in the course of an official visit to Canada.

## **Guidelines and General Information**

1. To qualify for remission in paragraph 2(a) of the [Representational Gifts Remission Order](#) (the Order), a representational gift must have been donated to the Prime Minister of Canada, a minister of the Government of Canada, a member of Parliament, a provincial premier or a municipal mayor, while in the course of an official visit outside of Canada. The provisions of paragraph 2(a) are not extended to members of the immediate families or staff members of these officials of the Government of Canada.
2. The term “member of Parliament” found in tariff item 9833.00.00 is equivalent to the term “member of the Senate or of the House of Commons” found in subparagraph 2(a)(iii) of the Order.
3. Articles to be imported under paragraph 2(b) of the Order are to be presented by a “donor” on an official visit to Canada. The name and title of the donee should be shown on the accounting document.
4. All customs documents relating to goods for which remission is claimed in the Order will show the Order in Council number in the field “Special Authority” in the following format: 75-885.

### **Corrections, Diversions, Interest, Verifications and Penalties in the *Customs Act***

5. If goods imported under the Order or tariff item do not qualify for relief, or if the importer believes the original declaration was incorrect, the importer will correct the declaration, pay any duties and taxes owing, and any applicable interest.
6. Subsection 32.2(2) of the [Customs Act](#) (the Act) “Corrections to other declarations” allows importers to correct declarations of tariff classification, value for duty, or origin within 90 days of when they have reason to believe the original declaration was incorrect. Corrections are permitted up to four years after the goods were accounted for under subsection 32(1), (3), or (5) of the Act.
7. Subsection 32.2(6) of the Act “Diversions” allows the importer to correct a declaration of tariff classification for failure to comply with a condition under a tariff item in the schedule to the [Customs Tariff](#). If goods are diverted to a new end-user or end-use other than specified in the conditions to the tariff item, the importer is liable to pay the duties under the applicable tariff classification number. If the gift is given to a relative of the officials listed in paragraph 2(a) of the Order, who is not eligible to use this provision, regular duties would apply unless relief is provided in other legislation.
8. “Interest” in subsection 33.4(1) of the Act applies if full duties are not paid within 90 days from the date of non-compliance with the tariff item conditions. In addition to the amount owing, interest is calculated at the specified rate from the first day after the importer became liable (91<sup>st</sup> day) to when the amount is paid in full.
9. To request corrections, refunds, or appeals, complete a Form [B2, Canada Customs – Adjustment Request](#), and send it to the appropriate regional Canada Border Services Agency (CBSA) office. Show the regular tariff classification number for diverted goods and the duties owing to the CBSA. A correction is treated as a re-determination of tariff classification under paragraph 59(1)(a).
10. Section 42.01 of the Act “Verifications” allows an officer to do periodic compliance verification audits or reviews for imported goods. Goods declared under an incorrect tariff item are subject to an officer's re-determination or further re-determination under section 59 of the Act.

11. Importers who have “reason to believe” and who do not file corrections within the 90-day period as required under section 32.2 of the Act will be liable to penalties under the Administrative Monetary Penalty System (AMPS). More information on penalties is available in [Memorandum D22-1-1, Administrative Monetary Penalty System](#).

12. More information on self-adjustments is available in [Memorandum D11-6-6, “Reason to believe” and Self-adjustments to Declarations of Origin, Tariff Classification, and Value for Duty](#).

13. More information on the interest and penalty provisions of the *Customs Act* and *Customs Tariff* is available in [Memorandum D11-6-5, Interest and Penalty Provisions: Determinations/Re-determinations, Appraisals/Re-appraisals, and Duty Relief](#).

### Additional Information

14. For more information, call contact the [CBSA Border Information Service](#) (BIS):

Calls within Canada & the United States (toll free): **1-800-461-9999**

Calls outside Canada & the United States (long distance charges apply):

1-204-983-3550 or 1-506-636-5064

TTY: **1-866-335-3237**

[Contact Us online](#) (webform)

[Contact Us](#) at the CBSA website

<b>References</b>	
<b>Issuing Office</b>	Trade and Anti-dumping Programs Directorate
<b>Headquarters File</b>	6564-15
<b>Legislative References</b>	<a href="#">Customs Act</a> <a href="#">Excise Tax Act</a> <a href="#">Representational Gifts Remission Order</a> <a href="#">Customs Tariff</a> , Tariff Item 9833.00.00
<b>Other References</b>	<a href="#">D11-6-5</a> , <a href="#">D11-6-6</a> , <a href="#">D22-1-1</a> <a href="#">Form B2-1</a>
<b>Superseded Memorandum D</b>	D8-2-15 dated March 6 1998