



What You Need to Know about the General Preferential Tariff Review

On December 21st, 2012, the Department of Finance announced that they were initiating a review of the General Preferential Tariff (GPT). Since 1974, this preferential tariff was granted to goods imported from developing countries in order to assist in their economic development.

Since that time, the economy of some countries entitled to use this preferential tariff has changed, and they can no longer be considered a developing country. As a result, the Department of Finance has produced a list of countries that they intend to remove from the list of countries currently entitled to this preferential tariff.

This list of countries, as well as the list of countries that may continue to use the General Preferential Tariff, is reproduced on the following page.

The Department of Finance sought comments regarding the following:

- Certain goods are excluded from GPT duty rates. Affected parties may have wished to recommend changes to the tariff on goods that are currently not covered under GPT.
- The appropriateness of the current rules of origin for GPT goods. These rules stipulate that in order to qualify for GPT, at least 60% of the value of a product must contain inputs originating in one or more GPT beneficiaries or from Canada.
- The current process by which GPT preference could be withdrawn if imported goods injured, or threatened to injure, domestic industry - should this process be formally incorporated into law?

Although it is reasonable for certain countries to be removed from the list of eligible countries, there is a significant economical impact to other countries. These countries are those which remain eligible under the GPT and/or LDCT and who import raw materials from GPT countries for use in the manufacture of goods for export.

If countries that supply raw materials to GPT and/or LDCT counties are no longer eligible for the GPT, it is likely that finished goods, exported from countries that have been eligible for the GPT and/or LDCT, will no longer maintain their GPT and/or LDCT status.

For goods in transit to Canada before January 1, 2015, an exemption will apply.

The General Preferential Tariff and Least Developed Tariff Withdrawal Orders can be viewed at the following links: <http://www.gazette.gc.ca/rp-pr/p2/2013/2013-10-09/html/sor-dors161-eng.php>
<http://www.gazette.gc.ca/rp-pr/p2/2013/2013-10-09/html/sor-dors162-eng.php>

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It is proposed that the GPT be withdrawn from the following countries, effective January 1, 2015. Countries with an asterisk are also entitled to the LDCT tariff; this too will be withdrawn.

Algeria	Equatorial Guinea *	New Caledonia and Dependencies
American Samoa	French Polynesia	Oman
Antigua and Barbuda	Gabon	Palau
Antilles, Netherlands	Gibraltar	Panama
Argentina	Grenada	Peru
Azerbaijan	Guam	Qatar
Bahamas	Hong Kong	Russia
Bahrain	India	Saint Kitts and Nevis
Barbados	Indonesia	Saint Lucia
Bermuda	Iran	Saint Vincent and the Grenadines
Bosnia and Herzegovina	Israel	Seychelles
Botswana	Jamaica	Singapore
Brazil	Jordan	South Africa
Brunei	Kazakhstan	South Korea
Cayman Islands	Kuwait	Suriname
Chile	Lebanon	Thailand
China	Macao	Trinidad and Tobago
Colombia	Macedonia	Tunisia
Costa Rica	Malaysia	Turkey
Croatia	Maldives *	Turks and Caicos Islands
Cuba	Mariana Islands	United Arab Emirates
Dominica	Mauritius	Uruguay
Dominican Republic	Mexico	Venezuela
Ecuador	Namibia	Virgin Islands, U.S.A.

The following countries would remain entitled to the GPT tariff, after January 1, 2015. Countries with an * are those that are also entitled to the LDCT treatment; the LDCT tariff will continue to apply.

Afghanistan *	Guinea *	Rwanda *
Anguilla	Guinea-Bissau *	Saint Helena and Dependencies
Angola *	Guyana	Samoa *
Armenia	Haiti *	Sao Tome and Principe *
Ascension Island	Honduras	Senegal *
Bangladesh *	Iraq	Sierra Leone*
Belize	Kenya	Solomon Islands *
Benin *	Kiribati *	Somalia *
Bhutan *	Kyrgyzstan	Southern and Antarctic Territories, French
Bolivia	Laos *	Sri Lanka
British Indian Ocean Territory	Lesotho *	Sudan *
Burkina Faso *	Liberia *	Swaziland
Burundi *	Madagascar *	Syria
Cambodia *	Malawi *	Tajikistan
Cameroon	Mali *	Tanzania *
Cape Verde *	Marshall Islands	Timor-Leste *
Central African Republic *	Mauritania *	Togo *
Chad *	Micronesia	Tokelau Islands
Christmas Island	Moldova	Tonga
Cocos (Keeling) Islands	Mongolia	Tristan Da Cunha
Comoros *	Montserrat	Turkmenistan
Congo	Morocco	Tuvalu *
Cook Islands	Mozambique *	Uganda *
Côte d'Ivoire	Nauru	Ukraine
Democratic Republic of the Congo *	Nepal *	Uzbekistan
Djibouti *	Nicaragua	Vanuatu *
Egypt	Niger *	Vietnam
El Salvador	Nigeria	Virgin Islands, British
Eritrea *	Niue	Yemen *
Ethiopia *	Norfolk Island	Zambia *
Falkland Islands	North Africa, Spanish	Zimbabwe
Fiji	Pakistan	
Gambia *	Papua New Guinea	
Georgia	Paraguay	
Ghana	Philippines	
Guatemala	Pitcairn	