

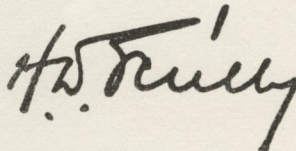
DEPARTMENT OF NATIONAL REVENUE, CANADA

(Customs Division)

APPRAISERS' BULLETIN

(Miscellaneous Series)

For the guidance of Customs and Excise Officers.



Commissioner of Customs.

Ottawa, 9th February, 1937.

File No. 193143

VALUE FOR DUTY OF GOODS PURCHASED UNDER
CONTRACT

On Customs invoices covering importations of goods, whether or not purchased under contract, which are sold from stock, or are available for delivery from stock, the exporter is required to certify to current value as the fair market value at the time and place of shipment.

From the information before the Department, woollen and worsted yarns and woollen and worsted fabrics manufactured in the United Kingdom of Great Britain and Northern Ireland, and in the Irish Free State, are not available in the ordinary course of trade in commercial quantities for delivery from stock to weavers, knitters and clothing manufacturers.

However, woollen and worsted yarns manufactured in the United Kingdom and the Irish Free State, are in many cases delivered, or are available for delivery, one month after contract has been placed. In the case of woollen and worsted fabrics manufactured in the United Kingdom and the Irish Free State, generally three months elapse between date of purchase and date of shipment. It would, therefore, follow that after the respective periods goods purchased under contract are delivered or are available to the trade at prices at which the sale was made.

The Customs Law requires that the value for duty may not be less than the fair market value at the time and place of shipment, see Clause 4 invoice certificate.

In the foregoing circumstances, on importations of the aforesaid goods purchased under contract the Department will not object to the fair market value on date of contract being shown on Customs invoices and accepted as the value for duty purposes up to but not exceeding the respective periods for these goods, dated from the first change in home market value after date of contract. On shipments made after these periods have elapsed the exporter is required to certify to the home market value obtaining one month or three months, as the case, prior to date of shipment as the fair market value at the time and place of shipment.

As a guide in determining the fair market value at the date of shipment in accordance with the above the following are given as hypothetical cases:—

(2 sheets)

Misc. No. 2

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WORSTED YARNS FROM GREAT BRITAIN

On the 22nd October, 1936, a Canadian purchaser placed an order with a British house for 10,000 pounds of 2 — 44's, 58's white worsted yarns (weaving) at 3/1½ pound, to be delivered 1,000 pounds a week, commencing the 23rd November, 1936.

The following prices were quoted in Great Britain.

Date	Price Issued in Home Market.	Price per Pound
22 Oct.	'36..	3/1½
29 Oct.	'36..	3/2½
5 Nov.	'36..	3/3½
12 Nov.	'36..	3/4½
19 Nov.	'36..	3/6½
26 Nov.	'36..	3/7½
7 Jan.	'37..	3/8½
14 Jan.	'37..	3/9½

In the above circumstances values would be shown on Customs invoices as follows:—

		F.M.V. At Time & Place of Shipment.	Selling Price to Purchaser in Canada.
1st shipment,	23 Nov., '36	3/1½	3/1½
2nd	" 30 Nov., '36	3/2½	3/1½
3rd	" 7 Dec., '36	3/3½	3/1½
4th	" 14 Dec., '36	3/4½	3/1½
5th	" 21 Dec., '36	3/6½	3/1½
6th	" 28 Dec., '36	3/7½	3/1½
7th	" 4 Jan., '37	3/7½	3/1½
8th	" 11 Jan., '37	3/7½	3/1½
9th	" 18 Jan., '37	3/7½	3/1½
10th	" 25 Jan., '37	3/7½	3/1½

It will be noted that the price at which the yarn was quoted or sold on the 7th January, 1937, is not required to be shown on invoices covering the shipment, as this price would not become the value for duty on yarns purchased prior to the 7th January until the 7th February.

WORSTED FABRICS FROM GREAT BRITAIN

On the 27th July, 1936, a Canadian purchaser placed an order with a British house for 500 pieces of 64's quality, botany, 16-17 oz. at 7/9 per yard, to be delivered ¼ 30th November, 1936, ¼ 30th December, 1936, ¼ 30th January, 1937 and ¼ 1st March, 1937.

The following prices were quoted in Great Britain:

Date	Price Issued in Home Market.	Price per Yard.
May-July,	1936..	7/9
26th Nov.,	1936..	8/3
25th Jan.,	1937..	8/5

In the above circumstances values would be shown on Customs invoices as follows:—

		F.M.V. At Time & Place of Shipment.	Selling Price to Purchaser in Canada.
1st shipment,	30 Nov., '36	7/9	7/9
2nd	" 30 Dec., '36	7/9	7/9
3rd	" 30 Jan., '37	7/9	7/9
4th	" 1 Mar., '37	8/3	7/9

The amount of any advance in the market value of goods between the date of their purchase by the importer and the date of their exportation to Canada shall not be subject to special or dumping duty provided the goods have been exported in the usual course and the actual date of purchase established to the satisfaction of the Collector.

On Customs invoices covering exportation to Canada where the fair market value at the time and place of shipment is different than the fair market value at time of purchase, a statement may be made in the body of the Customs invoice showing the date of purchase and the fair market value on that date.

Please advise all known importers accordingly.