



Ottawa, November 4, 2014

Memorandum D8-11-1

Application of the *Tailored Collar Shirts Remission Order, 1997*

In Brief

1. The editing revisions made in this memorandum do not affect or change any of the existing policies or procedures.
2. This memorandum has been revised to reflect changes to the Canada Border Services Agency's organizational structure.

This memorandum outlines and explains the provisions of the [*Tailored Collar Shirts Remission Order, 1997*](#) (the Order).

This program will be of interest to tailored collar shirt manufacturers who are named in the Schedule to the Order (see Appendix).

Legislation

[*Customs Act*](#)

[*Customs Tariff*](#)

[*Tailored Collar Shirts Remission Order, 1997*](#)

P.C.: 1997-830, as amended by P.C. 1997-1998, P.C. 2001-1497, P.C. 2004-1606, and P.C. 2008-1599

Guidelines and General Information

Definitions

1. The following definitions apply for the purpose of administering this Order:

manufacturer – means a tailored collar shirt manufacturer whose name appears in the Schedule to the Order.
(fabricant)

Minister – means the Minister of Public Safety (le ministre)

tailored collar shirt – means a man's or boy's fabric shirt of heading 62.05 of Schedule I to the [*Customs Tariff*](#), (shirt of size 2 and up), with a collar that consists of one or more pieces of material that are cut and sewn or fused and that is designed with two pointed or round ends (the shirt may include decorations of other than woven material, including collars and cuffs, as long as they only form a minor component of the shirt and as long as the body of the shirt, including the sleeves, is manufactured from woven fabrics). (chemise à col façonné)

Who Qualifies

2. Eligibility to the program is restricted to those manufacturers of tailored collar shirts who are named in the Schedule to the Order.

Eligible Goods

3. During the period beginning July 1, 1998 and ending December 31, 2012, tailored collar shirts imported into Canada by a manufacturer of tailored collar shirts whose name appears in the Schedule to the Order, are designated eligible goods for which remission entitlement can be claimed under the Order.

Amount of Remission (Prior to September 4, 2008)

4. (a) The remission entitlement granted to a manufacturer under this Order for tailored collar shirts imported into Canada between July 1, 1997 and December 31, 1997, may not exceed one half the amount of customs duties that were remitted to the manufacturer in respect of tailored collar shirts imported in 1995 under the provisions of the *Tailored Collar Shirts Remission Order, 1988*, P.C. 1988-1242.
- (b) For the period beginning January 1, 1997 and ending June 30, 1997, the manufacturer may claim the remission entitlement established under the provisions of the *Tailored Collar Shirts Remission Order, 1988* P.C. 1988-1242. Although the remission entitlement to a participant under the present Order for the period beginning July 1, 1997 and ending December 31, 1997 may equal one half of the total amount of customs duties that were remitted to the manufacturer in respect of 1995, this remission may not be granted in its entirety if the sum of this amount and the amount claimed from January 1, 1997 through June 30, 1997 under the provisions of the *Tailored Collar Shirts Remission Order, 1988* exceeds the total amount of customs duties remitted on tailored collar shirts imported in 1995.
- (c) For tailored collar shirts imported into Canada between January 1, 1998 and December 31, 2004, the annual remission entitlement granted to a manufacturer under this Order may not exceed the **total amount** of customs duties that were remitted to the manufacturer in respect of tailored collar shirts imported in 1995 under the provisions of the *Tailored Collar Shirts Remission Order, 1988*, P.C. 1988-1242.
- (d) For tailored collar shirts imported into Canada between January 1, 2005 and December 31, 2006, the annual remission entitlement granted to a manufacturer under this Order may not exceed the **total amount** of customs duties that were remitted to the manufacturer in respect of tailored collar shirts imported in 1995 under the provisions of the *Tailored Collar Shirts Remission Order, 1988*, P.C. 1988-1242 (SOR/2005-9).
- (e) For tailored collar shirts imported into Canada between January 1, 2007 and December 31, 2007, the annual remission entitlement granted to a manufacturer under this Order may not exceed **75% of the total amount** of customs duties that were remitted to the manufacturer in respect of tailored collar shirts imported in 1995 under the provisions of the *Tailored Collar Shirts Remission Order, 1988*, P.C. 1988-1242 (SOR/2005-9).
- (f) For tailored collar shirts imported into Canada between January 1, 2008 and December 31, 2008, the annual remission entitlement granted to a manufacturer under this Order may not exceed **50% or the total amount** of customs duties that were remitted to the manufacturer in respect of tailored collar shirts imported in 1995 under the provisions of the *Tailored Collar Shirts Remission Order, 1988*, P.C. 1988-1242 (SOR/2005-9).

Amount of Remission (as of September 4, 2008)

- (g) For tailored collar shirts imported into Canada between January 1, 2008 and December 31, 2008, the annual remission entitlement granted to a manufacturer under this Order may not exceed **a further remission of 25% of the total amount** of customs duties that were remitted to the manufacturer in respect of tailored collar shirts imported in 1995 under the provisions of the *Tailored Collar Shirts Remission Order, 1988*, P.C. 1988-1242 (SOR/2008-256).
- (h) For tailored collar shirts imported into Canada between January 1, 2009 and December 31, 2009, the annual remission entitlement granted to a manufacturer under this Order may not exceed **75% of the total amount** of customs duties that were remitted to the manufacturer in respect of tailored collar shirts imported in 1995 under the provisions of the *Tailored Collar Shirts Remission Order, 1988*, P.C. 1988-1242 (SOR/2008-256).

(i) For tailored collar shirts imported into Canada between January 1, 2010 and December 31, 2012, the annual remission entitlement granted to a manufacturer under this Order may not exceed **50% of the total amount** of customs duties that were remitted to the manufacturer in respect of tailored collar shirts imported in 1995 under the provisions of the *Tailored Collar Shirts Remission Order, 1988*, P.C. 1988-1242 (SOR/2008-256)

Summary

Year	Remission Entitlement based on 1995 Imports	Order-in-Council
1997	50% of the total duty amount	P.C. 1997-830
1998 to 2006	100% of the total duty amount	P.C. 1997-830
		Amending Order-in-Council
2007	75% of the total duty amount	P.C. 2004-1606
2008	50% of the total duty amount	P.C. 2004-1606
September 2008	A further 25% of the total duty amount	P.C. 2008-1599
2009	75% of the total duty amount	P.C. 2008-1599
2010 to 2012	50% of the total duty amount	P.C. 2008-1599

How to Apply for Remission

5. A manufacturer may choose to access this program by claiming remission at the time of importation or by submitting a claim for remission by way of drawback subsequent to the importation and payment of duties on qualifying tailored collar shirts.

6. All claims for remission must be submitted to the appropriate regional CBSA office, or as otherwise directed, within five years following the day the tailored collar shirts were imported into Canada. For the purpose of identifying the date on the customs accounting documents, this shall be the date the goods were released from customs.

Claiming Remission at Time of Importation

7. If a manufacturer intends to have duties remitted at the time of importation, the manufacturer must submit, prior to or during each calendar year, to the appropriate regional CBSA office where its operations are located or as otherwise directed, an application by letter of intent, confirming that the manufacturer:

- (a) is listed in the Schedule to this Order and has a 1995 duty remission entitlement of (insert amount);
- (b) will not exceed the amount of duties that may be claimed for remission on imported tailored collar shirts;
- (c) will maintain records that are satisfactory to the CBSA;
- (d) will meet all the conditions of this Order;
- (e) will provide the CBSA with any other information which may be required to substantiate its claim for remission; and
- (f) has, if applicable, included the names and addresses of any persons or companies who might be performing cutting or sewing operations on its behalf.

8. Upon receipt of the application, an officer will review the information submitted to confirm that:

- (a) the manufacturer is listed in the Schedule to the Order;
- (b) the maximum amount of duties to be remitted is accurate; and
- (c) the manufacturer continues to be a manufacturer of tailored collar shirts.

9. If no revisions to an application are required, the CBSA will approve the application and notify the manufacturer in writing of such approval and any related obligations. The CBSA will provide the applicant with an authorization number that is to be indicated on all customs accounting documents that are presented, in order to claim remission under this Order. The authorization number identifies, for the CBSA, the manufacturer's eligibility to the [*Tailored Collar Shirts Remission Order, 1997*](#). Provided that the manufacturer is in compliance with all the conditions of this Order and with all other related legislation and regulations, it will not be required to pay any duties on qualifying tailored collar shirts that are imported, up to the maximum allocation for the applicable calendar year.

10. Where an application is submitted and authorized subsequent to the beginning of the calendar year, the authorization number will be made retroactive to January 1st of the applicable calendar year thus allowing for a drawback claim to be filed for any imports of qualifying finished tailored collar shirts prior to the receipt of an authorization number.

11. Additional information on the completion of customs accounting documents may be found in [Memorandum D17-1-10, *Coding of Customs Accounting Documents*](#).

12. There may be occasions when the manufacturer is not the owner or purchaser of goods imported into Canada but agrees to import those goods under its remission authorization. For the purpose of administering the remission order, such an arrangement is referred to herein as a "partnering agreement". In such cases, the manufacturer's name, number and address must be indicated in field 1 of the [B3-3, *Canada Customs Coding Form*](#) as well as on any related supporting documentation provided to the CBSA. All supporting documentation must also clearly indicate the name and address of the actual owner, purchaser and/or consignee. As the Importer of Record, the manufacturer must satisfy the record keeping requirements detailed below and is fully responsible for all such goods imported under its remission authorization and for any liabilities to the Crown resulting therefrom.

13. Additional information concerning partnering agreements may be found in [Memorandum D8-11-7, *CBSA Policy on the Transfer of Entitlement Pursuant to the Textile and Apparel Remission Orders*](#).

14. The CBSA will inform the manufacturer that officers of the CBSA may, at any time, exercise the powers granted to them under section 42 of the [Customs Act](#) and perform a compliance verification:

- (a) to ensure that during the calendar year, all the conditions of the Order were observed;
- (b) to ensure that the remission entitlement was not exceeded;
- (c) to ensure that only eligible goods were claimed;
- (d) to ensure that any duties remitted where the conditions of the Order were not met will be reassessed under the provision of section 118(1) of the [Customs Tariff](#). Any applicable interest and penalty may also be assessed pursuant to section 123(2) of the [Customs Tariff](#) and section 109.1(2) of the [Customs Act](#), respectively; and
- (e) to verify the manufacturer's application to use the provisions of the Order during the forthcoming calendar year.

Claiming Remission by Way of Drawback

15. If the manufacturer has paid duties on tailored collar shirts that it has imported during a calendar year prior to the determination of eligibility under this Order, the manufacturer may, subject to paragraph 5, claim a remission of duties by way of drawback.

16. With the exception of not having to submit a letter of intent at the beginning of the calendar year to obtain an authorization number, a manufacturer claiming remission by way of drawback must meet the same requirements as a manufacturer claiming remission at time of importation.

17. A manufacturer using the drawback procedure must pay customs duties on imported tailored collar shirts at time of accounting.

18. The manufacturer may subsequently file a claim for remission of duties on Form [K32, *Drawback Claim*](#). This form and all substantiating documentation are to be submitted to the appropriate [regional CBSA office](#).

19. Assistance with completion of Form [K32, Drawback Claim](#) is available at any [regional CBSA office](#).

Record Keeping Requirements

20. If a manufacturer intends to claim remission at the time of importation or by way of drawback, section 40 of the [Customs Act](#) requires that the manufacturer maintain and make available records that are satisfactory to the CBSA. These records must be maintained in a manner that facilitates verification by the CBSA and be of a quality sufficient to substantiate a claim for remission.

21. [Memorandum D17-1-21, Maintenance of Records in Canada by Importers](#), contains information on record keeping. The appropriate regional CBSA office can provide additional information and advice on how a manufacturer's record keeping systems may be modified, if necessary, to meet the above objectives.

22. The manufacturer must maintain records of:

- (a) production;
- (b) purchases; and
- (c) importations.

Production Records

23. These records must allow the CBSA to readily identify the:

- (a) manufacturing plant where the manufacturer's tailored collar shirts are produced;
- (b) date of production; and
- (c) quantity, size, and style of the tailored collar shirts that are produced.

Note: These records may include, but are not limited to, sketches, design sheets, trim sheets, cutting records, cost sheets, and samples.

Purchase Records

24. The invoices for all fabrics purchased for use in the manufacture of tailored collar shirts where the manufacturer owns the fabric prior to the production of the tailored collar shirts or, where the manufacturer does not own the fabric, invoices for all imported finished tailored collar shirts, must include information which allows CBSA to identify the:

- (a) vendor's name and address;
- (b) value, style and type of tailored collar shirt including fabric purchased;
- (c) date of all purchases made; and
- (d) proof of payment.

Importation Records

25. The manufacturer must maintain the customs records of the tailored collar shirts that it has imported under the provisions of this Order:

- (a) these records must include copies of the purchase orders, bills of lading, commercial invoices and customs accounting documents for the imported tailored collar shirts;
- (b) the invoices must clearly indicate the style, the fabric and type of tailored collar shirt imported; and
- (c) the samples, where required, must be in accordance with [Memoranda D10-17-15, Information Requirements for Textiles and Textile Products](#).

Additional Information

26. If a condition to which the remission is subject is not complied with, the manufacturer must report the failure to comply to an officer at a CBSA office and pay pursuant to subsection 118(1) of the [Customs Tariff](#), an amount equal to the amount of the duties in respect of which the remission was granted, within 90 days after the day of the failure to comply, unless that it can prove that:

- (a) at the time of the failure to comply with the condition, a refund or drawback would otherwise have been granted if duties had been paid; or
- (b) the goods in respect of which the relief or remission was granted qualify in some other manner for relief or remission under the [Customs Tariff](#) or the [Financial Administration Act](#).

27. A manufacturer that does not comply and that is liable to pay an amount must, pursuant to subsection 123(2) of the [Customs Tariff](#), pay, in addition to the amount, interest at the specified rate for the period beginning on the day that the liability is incurred and ending on the day the amount is paid in full, calculated on the amount of the balance outstanding.

28. A manufacturer that fails to report to the appropriate regional CBSA office a failure to comply with a condition under which remission is granted, within 90 days or such other period as may be prescribed, may be subject to a penalty pursuant to subsection 109.1(2) of the [Customs Act](#), not to exceed \$25,000.

29. A manufacturer that fails to pay the amount of duties in respect of which relief or remission was granted, within 90 days or such period as may have been prescribed, unless the provisions of subsection 118(1)(b)(i) or (ii) were met, may be subject to a penalty. Please refer to [Memorandum D22-1-1, Administrative Monetary Penalty System](#), for information regarding the AMPS program.

30. A manufacturer may enter tailored collar shirts into a customs bonded warehouse on a type 10, [B3-3, Canada Customs Coding Form](#). The authorization number issued, if applicable, is not to be shown in Field 26 until such time as the tailored collar shirts are removed from the customs bonded warehouse and enter the domestic economy. When a manufacturer removes tailored collar shirts from a bonded warehouse during the period beginning July 1, 1997 and ending December 31, 2012, the manufacturer may use its remission entitlement (as in effect at the time the goods are removed) to have the duties remitted on these goods in the year the goods are removed from the bonded warehouse.

31. Manufacturers undergoing a change of operations for any reason including, for example, a change of ownership or name, amalgamation or merger, sale, dissolution, receivership or bankruptcy are required to advise their appropriate regional CBSA office, as well as Trade Compliance Division, Trade Incentives Unit, 222 Queen Street, 9th Floor, Ottawa, Ontario K1A 0L8. The manufacturer or its representatives are to provide complete disclosure by way of a letter and, if required, supporting documentation, outlining the circumstances surrounding the change. Where a manufacturer enters receivership, bankruptcy or dissolution, provisions of the [Bankruptcy and Insolvency Act](#) will apply. The Trustee responsible must be clearly identified in these cases.

32. Each case will be reviewed and evaluated on the basis of its own merits and particular circumstances in order to determine its eligibility under the Order.

33. For more information, within Canada call the Border Information Service at **1-800-461-9999**. From outside Canada call 204-983-3500 or 506-636-5064. Long distance charges will apply. Agents are available Monday to Friday (08:00 – 16:00 local time / except holidays). TTY is also available within Canada: **1-866-335-3237**.

Appendix

Schedule – (Section 2)

500858 Ontario Inc.
 Aero Mode Etc. Inc.
 Behar Cline Mfg. Ltd.
 Buckeye Industries, Division of Williamson Dickie
 BVD Shirts Inc.
 Canadian Shirt & Overall Mfg.
 Canadian Uniform Limited
 Chemise Empire Ltée
 Codet Inc.
 Confection Courcel Inc., Division Chemises Diamond
 Confection RayJo Inc.
 Dailight II (162795 Canada Inc.)
 Diffusion Bell-Gam Inc.
 Fine Togs Co. Ltd.
 Gold Star Shirts Inc.
 Goodmark Apparel Inc.
 Group D.T.F. Ltée.
 Hathaway Canada Ltd.
 H.J. Title Mfg. Inc.
 Image Uniforms Inc.
 I. Miller Shirts Inc.
 J.A. Besner & Sons (Can) Ltd.
 Jack Spratt Mfg. Inc.
 J.M.L. Shirts Ltd.
 J.P. Hammill & Son Limited
 Koopman Resources Inc.
 La Chemise Perfection Inc.
 Le Château Stores
 Les Ateliers Louis Hébert Inc.
 Les Chemises L. & L. Lessard Inc.
 Luigi Div. Majestic Industries Canada Inc.
 Maison de Vêtements Piacente Ltée
 Marv Holland Industries Ltd.
 Milton Selections Inc.
 Mr. Jeff Inc.
 MWG Apparel Corporation
 Pegasus Apparel Group Inc.
 Pickles Clothing Co. Inc.
 Polo Ralph Lauren – Div. of Alto Moda
 Premium Uniforms Div. (786 Distributors Inc.)
 R. Nicholls Distributors Inc.
 Royal Shirt Co. Ltd.
 Stephen Kape Industries Inc.
 T. Lipson & Sons Ltd.
 The John Forsyth Company Inc.
 Utility Garments Inc.
 Western Glove Works
 Work Wear Corp. of Canada Limited

History: Schedule replaced by SOR/2001-315, s. 2, effective August 28, 2001.

References	
Issuing Office	Trade and Anti-dumping Programs Directorate
Headquarters File	6587-6
Legislative References	<i>Customs Act</i> <i>Financial Administration Act</i> <i>Bankruptcy and Insolvency Act</i> <i>Customs Tariff</i> <i>Tailored Collar Shirts Remission Order, 1997</i>
Other References	D8-11-7 , D10-17-15 , D17-1-10 , D17-1-21 , D22-1-1 B3-3 , K32
Superseded Memorandum D	D8-11-1 dated December 5, 2012