



Ottawa, April 29, 2014

Memorandum D11-4-10

Instructions Pertaining to the *China Direct Shipment Condition Exemption Order*

In Brief

1. This memorandum has been revised in order to provide a link to the official version of the [*China Direct Shipment Condition Exemption Order*](#). The *China Direct Shipment Condition Exemption Order* is no longer fully excerpted in this memorandum.
2. The editing revisions made in this memorandum do not affect or change any of the existing policies or procedures.

This memorandum provides a link to the Department of Justice for the official version of the [*China Direct Shipment Condition Exemption Order*](#) that exempts goods originating in the People's Republic of China and for which the benefits of the General Preferential Tariff are claimed, from the direct shipment condition.

Legislation

[*General Preferential Tariff and Least Developed Country Tariff Rules of Origin Regulations*](#)

[*Proof of Origin of Imported Goods Regulations*](#)

[*China Direct Shipment Condition Exemption Order*](#)

[*Customs Tariff*](#)

Guidelines and General Information

1. The [*General Preferential Tariff and Least Developed Country Tariff Rules of Origin Regulations*](#) further described in [*Memorandum D11-4-4, Rules of Origin Respecting the General Preferential Tariff and Least Developed Country Tariff*](#), stipulate that goods imported under the General Preferential Tariff must be shipped directly, with or without transshipment, from the country in which they originate on a through bill of lading.
2. The interpretation of direct shipment is contained in section 17 of the [*Customs Tariff*](#). "Shipped directly" is defined in subsection 17(1) of the *Customs Tariff* as "...goods are conveyed to Canada from that other country on a through bill of lading to a consignee in Canada".
3. The through bill of lading is one single document that accompanies the goods and states clearly the transportation route from the country of origin to a consignee in Canada.
4. The [*China Direct Shipment Condition Exemption Order*](#) exempts goods originating in China from the exact application of the direct shipment requirement under certain conditions.
5. For the purposes of entitlement to the benefits of the General Preferential Tariff, the [*China Direct Shipment Condition Exemption Order*](#) allows goods that originate in China to be conveyed through a port in Hong Kong and shipped from that port on a through bill of lading to a consignee in Canada.
6. This exemption does not modify to the proof of origin requirements. Proof of origin showing that the goods originate in China must be presented to the Canada Border Services Agency pursuant to Section 4 of the [*Proof of*](#)

[*Origin of Imported Goods Regulations*](#) and as further described in [*Memorandum D11-4-2, Proof of Origin*](#). Failure to do so will result in the application of Administrative Monetary Penalty C152, “Importer or owner of goods failed to furnish proof of origin upon request.”

Additional Information

7. 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**.

References	
Issuing Office	Trade and Anti-dumping Programs Directorate
Headquarters File	
Legislative References	<i>General Preferential Tariff and Least Developed Country Tariff Rules of Origin Regulations</i> <i>Proof of Origin of Imported Goods Regulations</i> <i>China Direct Shipment Condition Exemption Order</i> <i>Customs Tariff</i>
Other References	D11-4-2 , D11-4-4
Superseded Memorandum D	D11-4-10 dated April 19, 2005