

MEMORANDUM  
D10-14-19

**In Brief**

Ottawa, April 19, 2002

**SUBJECT**

**ADMINISTRATIVE PROCEDURES  
FOR THE IMPORTATION OF NON-BEVERAGE  
ETHYL ALCOHOL**

This Memorandum outlines the administrative procedures to be followed for the importation of non-beverage ethyl alcohol.

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This Memorandum outlines the administrative procedures to be followed for the importation of non-beverage ethyl alcohol.

**Legislation**

***Customs Tariff***

The following tariff items are taken from the Schedule to the *Customs Tariff*.

- 2207.10 - Undenatured ethyl alcohol of an alcoholic strength by volume of 80% vol or higher
- 2207.10.90 - - - Other
- 2207.20 - Ethyl alcohol and other spirits, denatured, of any strength
- - - Ethyl alcohol:
- 2207.20.11 - - - - In accordance with the specifications prescribed by the *Excise Act* and the regulations made thereunder, and in accordance with the regulations made under that Act prescribing the conditions under which specially denatured alcohol may be imported
- 2207.20.19 - - - - Other
- 2207.20.90 - - - Other

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**GUIDELINES AND  
GENERAL INFORMATION**

**DEFINITIONS**

1. For the purposes of this Memorandum, the following definitions apply:

**additional customs duty** – refers to the duty that applies, pursuant to subsection 21(1) of the *Customs Tariff*, to imported products and is equal to the excise duty that applies to such products when manufactured domestically.

**denatured ethyl alcohol** – means ethyl alcohol in suitable admixture with such denaturants as to render it unfit for drinking but allows its use for industrial purposes.

**non-beverage ethyl alcohol** – means denatured or undenatured ethyl alcohol that is used for purposes other than for human consumption as an alcoholic beverage.

**undenatured ethyl alcohol** – means ethyl alcohol that has not been denatured in any way and may be characterized by the absence of secondary constituents giving flavour or aroma. Ethyl alcohol that is less than 100% contains water as its non- alcoholic constituent.

**specially denatured ethyl alcohol** – means ethyl alcohol that has been mixed with prescribed denaturants approved by the Minister, that renders the alcohol unfit for use in the manufacture of potable beverages but allows its use for industrial purposes.

## **DENATURED AND SPECIALLY DENATURED ETHYL ALCOHOL**

### **Documentation Requirements**

2. Documents presented to the Canada Customs and Revenue Agency (CCRA) to obtain release of a shipment of denatured or specially denatured ethyl alcohol must contain the following information in addition to the usual customs information:

- (a) strength of the ethyl alcohol by percent volume at 20<sup>o</sup> C;
- (b) the denaturants used and the quantities of each denaturant;
- (c) any other material or substance added to the ethyl alcohol whether considered to be a denaturant or not, excluding water;
- (d) the Canadian denaturation grade designation as well as the denaturation grade designation of the country of export; and
- (e) the end-use of the ethyl alcohol if specially denatured alcohol grade.

### **Tariff Classification**

3. The products subject to the administrative sampling program are those provided for in tariff items 2207.20.11 and 2207.20.90.

4. Tariff item 2207.20.11 provides for denatured and specially denatured ethyl alcohol that meet the specifications in excise duty Circular ED 204-1, *Departmental Regulations Respecting Specially Denatured and Denatured Alcohol*, and excise duty Circular ED 204-3, *Guidelines for Denatured Alcohol Operations – Specifications for Denatured Alcohol*. Only those imported products meeting these specifications may be classified under this tariff item.

5. Tariff item 2207.20.19 provides for denatured ethyl alcohol that does not meet the above excise specifications.

6. Tariff item 2207.20.90 must not be used when classifying denatured or specially denatured ethyl alcohol. Rather, this tariff item provides for other denatured spirits such as denatured rum.

### **Sampling**

7. CCRA's policy is that **all** importations of denatured and specially denatured ethyl alcohol in containers of a capacity **exceeding 20 litres** must be sampled and analyzed to verify denaturation.

8. Importations in containers of 20 litres or less do not require sampling, provided the formulation is adequately described in the Material Safety Data Sheet (MSDS) provided by the manufacturer.

9. Representative samples are to be approximately 125 ml and must be in suitable containers provided by the CCRA. **Prepackaged samples are not accepted.** If an importer refuses to allow a sample to be taken, the goods are classified under tariff item 2207.20.19.

10. Approved sampling equipment may be purchased from the following suppliers:

VWR Canlab

Catalogue No. 56615-731 (sampling pole) and 16186-054 (bottles)

Canadawide Scientific Ltd.

Catalogue No. 17900-02 or 17180-04

Anachemia

Catalogue No. 025-149-03

## Procedures

11. The steps below must be taken in the presence of a customs officer:

- (a) Ground the tanker. **No sampling must take place unless the tanker is grounded.**
- (b) Obtain a sampling bottle attached to a sampling pole.
- (c) Touch the metal part of the tanker with a bare hand and then put the sampling pole in contact with the metal part of the tanker to diffuse any static electricity.
- (d) Open the top-loading hatch preferably with rubber gloves on.
- (e) Insert the bottle attached to the sampling pole into the liquid as far as possible while ensuring that the rod remains in contact with the rim of the hatch at all times.
- (f) Allow sufficient time for the bottle to fill.
- (g) Withdraw the pole from the tanker while ensuring that the pole remains in contact with the rim of the hatch at all times.
- (h) Fill a second sampling bottle following the same procedures.

12. The following steps must be taken by a customs officer monitoring the sampling:

- (a) Give a copy of the Interim Procedures for Sampling Denatured Ethyl Alcohol in a truck-tanker to the person doing the sampling.
- (b) Write the following data on two R636 exhibit bags: Date and time of sampling, number (1 or 2) of the samples, port of entry, region, transaction number, and her or his name as the witnessing customs officer.
- (c) Wear a pair of rubber gloves, safety goggles, and a hard hat.
- (d) Attach a new bottle to the sampling rod and give it to the sampler.
- (e) After the sampler withdraws a sample, take the sampling pole from the sampler and keep it in an upright position.
- (f) Remove the bottle from the sampling pole and secure a screw-on top.
- (g) Seal the bottle with security tape and place the sample in the R636 exhibit bag, seal the bag (one bottle per bag), and sign the bag.
- (h) Repeat steps 4, 5, 6, and 7 for the second sample.
- (i) Thoroughly wash the sampling pole with hot water and wipe it dry.
- (j) Complete the appropriate Form Y15B, *Request to Laboratory and Scientific Services Directorate*.
- (k) Have the supervisor sign the completed Form Y15B.
- (l) Samples and the completed Form Y15B are to be sent to the Laboratory and Scientific Services Directorate (LSSD) of the CCRA at 79 Bentley Avenue, Ottawa ON K2E 6T7. Telephone and facsimile numbers as well as email address of the LSSD are as follows:

Telephone: (613) 954-9944  
Fax: (613) 952-7825  
Email: Lab.General\_Inquiries@ccra-adrc.gc.ca

### **Permits**

13. Specially denatured ethyl alcohol can only be imported by permit holders. You can obtain a complete list of permit holders from any excise duties regional office at the addresses and telephone numbers provided in excise duty Circular ED 201-4.
14. You can obtain a permit by applying to any of the excise duties offices.
15. The various grades of denatured ethyl alcohol that have been denatured according to the specifications in excise duty Circular ED 204-3 do not require a permit to enter Canada.

### **UNDENATURED ETHYL ALCOHOL**

#### **Documentation Requirements**

16. The additional documentation requirements for denatured and specially denatured ethyl alcohol outlined in paragraph 2 do not apply to undenatured ethyl alcohol.

#### **Tariff Classification**

17. Undenatured or pure ethyl alcohol may also be used for non-beverage purposes. Subheading 2207.10 provides for undenatured ethyl alcohol of an alcoholic strength of 80% by volume or higher while sub-heading 2208.90 provides for undenatured ethyl alcohol of an alcoholic strength less than 80% by volume. Tariff items 2207.10.90 and 2208.90.29 provide for undenatured ethyl alcohol when used for non-beverage purposes.

#### **Qualified Importers**

18. Only licensed distillers may legally produce or sell undenatured ethyl alcohol in Canada. Therefore, importations of undenatured ethyl alcohol for resale must generally be limited to those companies that are licensed as distillers by the CCRA. You can obtain a complete list of licensed distillers from any excise duties office.
19. Bonded manufacturers, licensed under the *Excise Act*, may also import undenatured ethyl alcohol provided they are the importer of record and verify that the imported undenatured ethyl alcohol is used in the products that they are licensed to manufacture.

### **ADDITIONAL CUSTOMS DUTIES, RATES, AND EXEMPTIONS**

#### **Additional Customs Duties**

20. Subsection 1(1) of Schedule I to the *Excise Act* imposes an excise duty of \$11.066 per litre of absolute ethyl alcohol distilled in Canada. This amount has been reduced for ethyl alcohol used in specified end-uses by bonded or licensed firms.
21. Pursuant to subsection 21(1) of the *Customs Tariff*, an additional customs duty equal to the domestic excise duty applies to imported ethyl alcohol.

## **Rates of Additional Customs Duty**

22. The rates of additional customs duty on imported ethyl alcohol, pursuant to subsection 21(1) of the *Customs Tariff*, are identical to those in Schedule I to the *Excise Act*. They are as follows:

- (a) \$11.066 per litre of absolute ethyl alcohol and so in proportion for any less quantity than one litre, unless otherwise specified;
- (b) fifty-eight cents per litre and so in proportion for any less quantity than one litre, on ethyl alcohol used to manufacture patent and proprietary medicine, extracts, essences, and pharmaceutical preparations;
- (c) six cents per litre and so in proportion for any less quantity than one litre, on ethyl alcohol used to produce such chemical compositions as are time to time approved by the Governor in Council;
- (d) fifty-eight cents per litre and so in proportion for any less quantity than one litre, on ethyl alcohol imported by or resold to a licensed pharmacist under the *Excise Act* and used exclusively to prepare prescriptions for medicine and pharmaceutical preparations;
- (e) free of additional customs duty when imported by a licensed manufacturer of vinegar and used solely to manufacture vinegar; and
- (f) free of additional customs duty when used directly to manufacture cosmetics as defined in the *Excise Tax Act*.

## **Exemptions**

23. When imported denatured or specially denatured ethyl alcohol meets the specifications in excise duty Circular ED 204-1 and Circular ED 204-3, it is classified under tariff item 2207.20.11 and exempt from the above additional customs duty.

24. When imported ethyl alcohol does not meet the above specifications, it is classified under tariff item 2207.20.19 and subject, pursuant to section 21 of the *Customs Tariff*, to an additional customs duty of \$11.066 per litre of absolute ethyl alcohol and so in proportion for any less quantity than one litre, regardless of end-use.

25. You can obtain further information regarding these procedures by contacting:

Paul Henri  
Senior Program Officer  
Trade Policy and Interpretation Directorate  
Canada Customs and Revenue Agency  
4th floor, 150 Isabella Street  
Ottawa ON K1A 0L8

Telephone: (613) 954-6931  
Fax: (613) 952-3971

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## REFERENCES

### ISSUING OFFICE –

Trade Policy and Interpretation Directorate

### LEGISLATIVE REFERENCES –

*Customs Tariff*, subsection 21(1)

Tariff items 2207.10.90, 2207.20.11, 2207.20.19, 2207.20.90

Schedule to the *Excise Act*

### HEADQUARTERS FILE –

HS 2207.20

### SUPERSEDED MEMORANDA “D” –

D10-14-19, September 18, 1995

### OTHER REFERENCES –

Excise Duty Circulars ED 201-4, ED 204-01, ED 204-3

**Services provided by the Canada Customs and Revenue Agency are available in both official languages.**

**This Memorandum is issued under the authority of the Commissioner of Customs and Revenue.**