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# 2019

Annual Report to Parliament on  
the Administration of the  
*Export and Import Permits Act*



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## 1.0 INTRODUCTION

This Annual Report to Parliament on the administration of the *Export and Import Permits Act* (EIPA) for the year 2019 is submitted pursuant to section 27 of the Act, Chapter E-19 of the 1985 Revised Statutes of Canada, as amended, which provides that:

"No later than May 31 of each year, the Minister shall prepare and cause to be laid before each House of Parliament a report of the operations under this Act for the preceding year and a report in respect of arms, ammunition, implements and munitions of war, that were exported in the preceding year under the authority of and in accordance with an export permit issued under subsection 7(1)."

### 1.1 Purpose of the *Export and Import Permits Act*

The authority to control the import and export of goods and technologies is derived from the EIPA. It finds its origin in the *War Measures Act* and was first introduced as an act of Parliament in 1947. It has subsequently been amended on a number of occasions.

The EIPA provides that the Governor-in-Council may establish lists known as the *Import Control List* (ICL), the *Export Control List* (ECL), the *Area Control List* (ACL), the *Automatic Firearms Country Control List* (AFCCCL), and the *Brokering Control List* (BCL). For each of these lists, the EIPA sets out criteria that govern the inclusion of

items or countries on the respective lists and provides that the Governor-in-Council may revoke, amend, vary, or re-establish any of the lists. Control over the flow of goods and technology contained in these lists or to the specified destinations is implemented through the issuance of import or export permits.

The Minister of Foreign Affairs has the authority under the EIPA to grant or deny applications for permits under the Act, giving him or her broad powers to control the trade of items contained in the export and import control lists mentioned above.

While the Minister of Foreign Affairs maintains overall authority for decisions under the EIPA, the Minister of Small Business, Export Promotion and International Trade can assist the Minister of Foreign Affairs in carrying out responsibilities under the Act that are related to import and export controls implemented for economic and trade-related reasons. These include:

#### **Import controls on:**

- Agricultural products (including supply-managed products like poultry, eggs and dairy, as well as non-supply managed products like wheat, barley, beef and veal);
- Textiles and clothing; and
- Steel and aluminum.



**Export controls on:**

- Peanut butter;
- Sugars, syrups and molasses;
- Sugar-containing products;
- High-sugar-containing products;
- Sugar confectionery and chocolate preparations;
- Processed foods;
- Dog and cat food;
- Textiles and clothing;
- Vehicles;
- Softwood Lumber; and
- Logs (of all species).

For export controls over military, dual-use and strategic goods and technology, the Minister of Foreign Affairs retains direct decision-making authority, although the views and recommendations of the Minister of Small Business, Export Promotion and International Trade can be sought for certain sensitive applications.

The operations carried out under the EIPA include:

**1)** Import controls implemented for economic reasons, which are an important element of Canada's free trade agreements (FTAs). The aim

is to ensure that Canadians and Canadian businesses are able to benefit from an open global trading regime, while also supporting vulnerable Canadian industries and ensuring the viability of important Canadian policies, such as supply management.

**2)** Export controls over dual-use, military and strategic goods and technology, which are designed to ensure that our exports are consistent with Canadian foreign and defence policies. A key priority of Canada's foreign policy is the maintenance of international human rights, peace and security.



## 2.0 KEY DEVELOPMENTS IN 2019

### 2.1 Legislative Amendments to the *Export and Import Permits Act*

#### Coming into Force of Amendments to the EIPA

On September 17, 2019, Canada became a State Party to the Arms Trade Treaty (ATT), after the relevant amendments to the EIPA came into force on September 1, 2019. Former Bill C-47, “*An Act to amend the Export and Import Permits Act and the Criminal Code (amendments permitting the accession to the Arms Trade Treaty and other amendments)*”, made legislative changes to enable the regulation of arms brokering and to include the ATT export assessment criteria and substantial risk test in the EIPA.

### 2.2 Export Controls Policy

#### Regulatory Amendments

On May 17, 2019, the updated “December 2016” version of the *Guide to Canada’s Export Control List* formally came into effect. More recently, the “December 2018” edition of the *Guide to Canada’s Export Control List* came into effect on May 1, 2020. These reflect regulatory amendments to the ECL to incorporate Canadian commitments and obligations made at various multilateral export control regimes up to December 31, 2016 and December 31, 2018, respectively. These amendments served to add, clarify, and remove controls over specific items.

The *Export Control List* was also amended on September 1, 2019, to create a new Group in the ECL (Group 9), which lists all items that fall under the scope of the ATT and imposes a permit requirement to export these items to the United States (U.S.). This amendment to the ECL was accompanied by a new General Export Permit (GEP), No. 47, that requires exporters to notify the Government of their intent to use it and to report twice a year on any permanent exports of Group 9 items to the U.S. Together these two regulatory amendments allow Canada to increase transparency in the reporting of military

exports, as required by Article 13 of the ATT, without unduly burdening Canadian businesses.

Another key development was the coming into force of new brokering controls on September 1, 2019. Four regulations were created that set out the regulatory framework for Canada’s brokering controls, which are a requirement of the ATT. The *Brokering Control List* identifies the items for which a brokering permit is required. The *Brokering Permit Regulations* specify the information requirements for applications for brokering permits. The *Regulations Specifying Activities that Do Not Constitute Brokering* exempt certain activities from the scope of the brokering controls that, technically, fall under the EIPA’s definition of “brokering.” Finally, *General Brokering Permit No. 1 (GBP1)* authorizes brokering to certain low-risk destinations. For more information about these new controls, please consult the [brokering regulations online](#).

There were no amendments to the *Area Control List* or the *Automatic Firearms Country Control List* in 2019.



## Export and Brokering Controls Handbook Updated

In preparation for the coming into force of the changes to Canada's export controls program on September 1, 2019, Global Affairs Canada updated the *Export and Brokering Controls Handbook*. The updated handbook provides a comprehensive overview of Canada's export control policies and includes information to assist clients in applying for export and brokering permits. The handbook can be found at: [https://www.international.gc.ca/trade-commerce/controls-controles/reports-rapports/ebc\\_handbook-cce\\_manuel.aspx?lang=eng](https://www.international.gc.ca/trade-commerce/controls-controles/reports-rapports/ebc_handbook-cce_manuel.aspx?lang=eng)

## 2.3 Import Controls Policy

### Provisional Steel Safeguards

In the context of global conditions affecting trade in steel, and further to public consultations in August 2018, the Government of Canada imposed provisional safeguards in the form of tariff rate quotas (TRQs) on seven classes of steel goods. The provisional safeguards were effective from October 25, 2018 to May 12, 2019. As such, these goods were added to the *Import Control List* during that period. Global Affairs Canada administered the TRQs by way of shipment-specific import permits. Goods that were not covered by a valid import permit at time of accounting were subject to a 25 percent surtax.

Provisional Steel Safeguards – [Notice to Importers No. 936](#)

### Final Steel Safeguards

Following a Canadian International Trade Tribunal (CITT) report issued on April 3, 2019, the Government of Canada imposed final safeguards in the form of TRQs on heavy plate and stainless steel wire products, effective from May 13, 2019 to October 24, 2021. As such, goods covered by the steel provisional safeguards that were on the ICL were replaced by the products covered by the final safeguards, as of May 13, 2019. Global Affairs Canada administers the TRQs by way of shipment-specific import permits. Goods not covered by a valid import permit at time of accounting are subject to a surtax.

Final Steel Safeguards – [Notice to Importers No. 945](#)

### Steel Import Monitoring Program

The steel *General Import Permits* (GIPs) No. 80 and No. 81 were amended on August 23, 2019 to include a reporting and recordkeeping requirement. The requirement was added to those GIPs to facilitate the collection of import data, by requiring importers to provide, upon request, documents and records for the purpose of identifying any errors in import data and determining the source of any inconsistencies in a targeted manner.

Steel Import Monitoring Program – [Notice to Importers No. 970](#)

### Aluminum Import Monitoring Program

In the context of global conditions affecting trade in aluminum, the Government of Canada has deemed it necessary to enhance Canada's aluminum import monitoring capabilities by implementing the aluminum import monitoring regime. The addition of certain aluminum products to the ICL under Item 83 and the *General Import Permit No. 83 – Aluminum Products* – came into force on September 1, 2019. Similar to the steel GIPs, the aluminum GIP No. 83 is also equipped with a reporting and recordkeeping requirement.

Aluminum Import Monitoring Program – [Notice to Importers No. 969](#)



## Amendments to the *Import Control List*

- Item 82 of the ICL (certain steel goods) was amended effective January 31, 2019, to reflect revisions to the tariff classifications for energy tubular tariff items.
- Item 82 of the ICL (certain steel goods) was amended effective May 13, 2019, to reflect those steel products subject to final steel safeguards.
- Certain aluminum products were added to the ICL as Item 83, and *General Import Permit No. 83: Aluminum Products* was issued, effective September 1, 2019, in order to implement the aluminum import monitoring program.

## 2.4 Judicial Reviews

### **Foster Farms LLC and Foster Poultry Farms, A California Corporation v. Minister of International Trade Diversification**

On June 21, 2019, Foster Farms commenced an application for judicial review of the Minister of International Trade's decision to deny the issuance of retroactive supplemental import permits for the shipments of chicken that had been incorrectly declared as spent fowl, which is duty-free, instead of broiler chicken, which is subject to the tariff rate quota and over-access duties. This matter was heard before the Federal Court on March 9, 2020.

### **Daniel Turp v. Minister of Foreign Affairs (1st and 2nd Judicial Reviews)**

On April 11, 2019, the Supreme Court of Canada denied Mr. Turp's application for leave to appeal in his first judicial review. Following the Supreme Court's refusal to hear his first judicial challenge, on May 9, 2019, Mr. Turp discontinued his second judicial review, which had been stayed pending the Supreme Court's decision.

### **Daniel Turp v. Minister of Foreign Affairs (3rd Judicial Review)**

On October 10, 2019, Mr. Turp commenced a third application for judicial review against the Minister's purported failure to cancel all existing permits for the export of light armoured vehicles to the Kingdom of Saudi Arabia. In his application, Mr. Turp alleges that all parties to the Yemeni Civil War, including the members of the Saudi-led international coalition, have committed serious violations of international humanitarian law and international human rights law. Mr. Turp seeks a *mandamus* order from the Federal Court requiring the Minister to cancel all existing permits for the export of light armoured vehicles to Saudi Arabia. In the alternative, Mr. Turp seeks an order from the Federal Court instructing the Minister to suspend all existing permits for these exports, pending a review by the Department to determine whether they comply with the EIPA and the ATT. This application is still pending before the Federal Court.





## 3.0 EXPORT AND BROKERING CONTROLS

### 3.1 Export Control List

Section 3 of the EIPA provides that the Governor-in-Council may establish a list of goods and technology, to be called the *Export Control List*, including therein any article the export of which the Governor-in-Council deems it necessary to control for purposes specified in the EIPA. A complete list of goods and technology that are subject to export controls may be found online at: [https://www.international.gc.ca/controls-controles/about-a\\_propos/expor/before-avant.aspx?lang=eng](https://www.international.gc.ca/controls-controles/about-a_propos/expor/before-avant.aspx?lang=eng)

The *Export Control List* is comprised of nine groups, of which one has been repealed, as follows:

Group	Goods and Technology
1	Dual-use
2	Munitions
3	Nuclear Non-proliferation
4	Nuclear-related Dual-use
5	Miscellaneous Goods and Technology
6	Missile Technology Control Regime
7	Chemical and Biological Weapons Non-proliferation
8	Repealed, SOR/2006-16, s. 11
9	Arms Trade Treaty

**Groups 1 and 2** contain Canada's multilateral commitments made under the *Wassenaar Arrangement on Export Controls for Conventional Arms and Dual-Use Goods and Technologies*, founded in 1996. The "Initial Elements" define the objectives of the Wassenaar Arrangement as, *inter alia*: "to contribute to regional and international security and stability, by promoting transparency and greater responsibility in transfers of conventional arms and dual-use goods and technologies, thus preventing destabilising accumulations."

Through national policies, the participating states seek to ensure that transfers of items covered by the common control lists do not contribute to the development or enhancement of military

capabilities that have the potential to undermine regional and global security and stability. Participating states also commit to take every precaution to ensure that such items are not diverted to illegitimate end-uses.

**Groups 3, 4, 6 and 7** represent Canada's multilateral commitments under the various non-proliferation regimes (the Nuclear Suppliers Group, the Australia Group, and the Missile Technology Control Regime) designed to control the proliferation of weapons of mass destruction (chemical, biological and nuclear weapons) as well as their delivery systems.

**Group 5** is comprised of various strategic and non-strategic goods and technology controlled for other purposes, as

The 2019 Report on Exports of Military Goods contains extensive detail and break down of information on Group 2 exports: <https://www.international.gc.ca/controls-controles/report-rapports/index.aspx?lang=eng>



provided in the EIPA. This category includes, *inter alia*, forest products (logs, softwood lumber), agricultural products (peanut butter, sugars, syrups and molasses, and sugar-containing products), and CETA origin quotas (high-sugar containing products, sugar confectionery and chocolate preparations, processed foods, dog and cat food, vehicles, and certain apparel products).

In addition, Group 5 places export controls on all U.S. origin goods and technology not otherwise controlled on the ECL and contains an end-use provision to control the export of items that may be destined for use in a weapons of mass destruction activity or facility.

In accordance with the authority in the EIPA to implement an international agreement, textile and clothing exports to certain countries with which Canada has free trade agreements (U.S., Mexico, Chile, Costa Rica and Honduras) are

regulated under the EIPA. Section 9.1 of the EIPA also authorizes the Minister of Foreign Affairs to issue export certificates of eligibility. Group 5 also includes these items.

**Group 9** is a subset of Group 2 and includes the full-system conventional arms listed in Article 2 of the ATT, namely:

- Battle tanks;
- Armoured combat vehicles;
- Large-calibre artillery systems;
- Military aircraft; military helicopters;
- Military vessels and submarines;
- Missiles and missile launchers; and
- Small arms and light weapons destined for police and/or military end-use.

Canada is required to report annually on exports of Group 9 items to the United Nations and the ATT Secretariat.

## 3.2 Military, Strategic and Dual-use Items

In 2019\*, for **military, dual-use and strategic goods exports**, Global Affairs Canada:

- Issued 5,124 permits;
- Returned without action 148 applications;
- Withdrew 420 applications; and
- Denied 5 applications (only 1 of which was submitted in 2019).

*\*Between January 1 and December 31, 2019 (data based on submission of application)*

The EIPA requires any resident who wishes to export from Canada any items included on the ECL to obtain, prior to shipment, an export permit issued by Global Affairs Canada.

An export permit describes, among other things, the quantity, description and nature of the items to be exported, as well as the final destination country and final consignee. Unless otherwise stated, an export permit may authorize multiple

shipments, up to the expiry of the permit and as long as the cumulative total of the quantity and value of items exported does not exceed the quantity and value stated on the permit. An export permit constitutes a legally binding authorization to export controlled goods or technology as described.

A key priority of Canada's foreign policy is the maintenance of international peace and



security. To this end, the Government of Canada strives to ensure that, among other policy goals Canadian goods and technology are not used in a manner that is prejudicial to human rights, peace, security or stability.

Under the recent amendments to the EIPA made through former Bill C-47, the Minister of Foreign Affairs is legally required to take into account the assessment criteria referred to in Article 7 of the ATT for export and brokering permit applications for arms, ammunition, implements or munitions of war.

Specifically, the Minister of Foreign Affairs is required to consider whether the goods or technology specified in the application:

- Would contribute to peace and security or undermine it; and
- Could be used to commit or facilitate:
  - A serious violation of international humanitarian law;
  - A serious violation of international human rights law;
  - An act constituting an offence under international conventions or protocols relating to terrorism to which Canada is a party;
  - An act constituting an offence under international conventions or protocols relating to transnational organized crime to which Canada is a party; or
  - Serious acts of gender-based violence or serious acts of violence against women and children.

A further change to the legislation stipulates that the Minister cannot issue an export or brokering permit if, after taking into account the relevant considerations described above, including available mitigating measures, he or she determines that there is a substantial risk that the proposed transaction would result in any of the negative consequences referred to in the ATT assessment criteria.

Moreover, on April 9, 2020, the Minister of Foreign Affairs announced the creation of an arms-length advisory panel of experts that will review best practices regarding arms exports by State Parties to the ATT to ensure that Canada's export controls are as robust as possible. The Minister also announced that Canada will spearhead multilateral discussions on means to strengthen international compliance with the ATT.

Additional information about the assessment process for export and brokering permits for military, strategic and dual-use items is available in the *Report on the Exports of Military Goods*.



**Table 1: Export Control List Group and Permit Status Summary for 2019**

	Submitted Applications	Issued	Denied	Returned Without Action	Withdrawn	Cancelled or Suspended	Under Review or Under Assessment
<b>Group 1:</b> Dual-use	1583	1299	0	25	44	7	208
<b>Group 2:</b> Munitions	3563	3201	1	49	71	35	206
<b>Group 3:</b> Nuclear Non-Proliferation	115	89	0	0	6	2	18
<b>Group 4:</b> Nuclear-related Dual-use	148	108	0	3	5	3	29
<b>Group 5:</b> Miscellaneous Goods and Technology*	279	207	0	4	49	2	17
<b>Group 6:</b> Missile Technology Control Regime	185	152	0	4	9	3	17
<b>Group 7:</b> Chemical and Biological Weapons Non-Proliferation	87	63	0	11	5	1	7
<b>Group 9:</b> Arms Trade Treaty	2	2	0	0	0	0	0
<b>Others**</b>	298	3	0	52	231	3	9
<b>Totals</b>	<b>6260</b>	<b>5124</b>	<b>1</b>	<b>148</b>	<b>420</b>	<b>56</b>	<b>511</b>

\*Strategic goods only. Non-strategic goods are covered in section 3.3.

\*\*This category includes applications that were not assigned to an ECL Group either because they were withdrawn or returned without action prior to a technical assessment being conducted or because the item in question required a permit for export to a destination listed on the Area Control List.

**Notes:**

**Submitted Applications:** Table 1 includes data on all export permit applications submitted between January 1 and December 31, 2019. It does not include information on applications submitted prior to 2019, nor does it include information on export permit amendment requests. Items in an export permit application may be assessed under more than one ECL Group. To avoid counting the same application twice, applications containing more than one ECL assessment have been assigned to a single Group based on the following order of precedence: 9, 2, 1, 3, 4, 6, 7, 5. Therefore, an application containing both a Group 9 assessment and a Group 2 assessment appears in the Group 9 row, and an application containing both a Group 6 and a Group 5 assessment appears in the Group 6 row. The status of all export permit applications reflected in the table is accurate as of March 9, 2020.

**Issued:** If a permit was issued in 2019 and is subsequently cancelled, it is only counted once in the cancelled or suspended column. Permits that were issued in 2019 but have since expired are also counted in the issued column.

**Denied:** Please note that the summary information presented above includes information on applications denied in 2019, including those submitted prior to January 1, 2019. Table 1 includes information on applications submitted in 2019 that had been denied as of March 9, 2020.



**Withdrawn:** In 2019, a total of 214 applications were withdrawn by Global Affairs Canada because an individual export permit was not required. The remaining 206 withdrawals were at the request of the company.

**Under Review:** Includes applications submitted in 2019 that as of March 9, 2020 were not completely processed or were otherwise under review.

**Table 2: Top 12 Destinations for Strategic Export Permits Issued in 2019\***

	Destination	Number of Permits Issued	Percentage of Total Permits Issued
1	United Kingdom	651	13.04 %
2	Germany	390	7.81 %
3	France	366	7.33 %
4	Israel	339	6.79 %
5	Australia	237	4.75 %
6	South Africa	218	4.37 %
7	United States	168	3.36 %
8	Switzerland	127	2.54 %
9	Italy	115	2.30 %
10	South Korea	113	2.26 %
11	Japan	109	2.18 %
12	India	106	2.12 %

*\*Between January 1 and December 31, 2019 (data based on submission of applications).*

**Note:** Export permits are only required for a small number of items controlled for strategic purposes on the ECL when exported to the U.S. This chart reflects the top 12 destinations by number of permits issued in 2019 for all military, dual-use and strategic items on the ECL. The 2019 Report on Exports of Military Goods has a similar table but is a listing of Canada’s top destinations for military items (Group 2 only) by value outside of the U.S. for permits utilized in 2019.

### 3.2.1 Brokering Controls and *Brokering Control List*

Article 10 of the ATT requires State Parties to take measures to regulate the brokering of arms taking place under its jurisdiction. Under former Bill C-47, Parliament decided to control the brokering activities of persons and organizations in Canada, as well as the activities of Canadians abroad (Canadian citizens, permanent residents and organizations).

Brokering is defined in the EIPA as “arranging or negotiating a transaction that relates to the movement of goods or technology included in a *Brokering Control List* from a foreign country to another foreign country.”

General Brokering Permit 1 (GBP1) has been introduced to streamline the authorization of brokering activities involving certain low-risk transactions. Similar to a General Export Permit,



a General Brokering Permit is a type of permit that is issued generally to all persons and organizations in Canada as a way to reduce administrative burden, provided that users follow all applicable terms and conditions.

For more information about Canada’s brokering controls, please consult the [brokering regulations](#) online or the *Report on the Exports of Military Goods*.

**Brokering Control List**

Section 4.11 of the EIPA provides that the Governor-in-Council may establish a list of goods and technology, to be called a *Brokering Control List*, including in it any article that is included in the *Export Control List* the brokering of which the Governor-in-Council considers it necessary to control. The BCL includes full-system conventional arms (as defined in Group 9 of the ECL), all items listed in Group 2 of the ECL, as well as any ECL item – including dual-use items – destined to a likely weapons of mass destruction end-use.

**3.2.2 Area Control List**

Section 4 of the EIPA provides for the control of "any goods or technology to any country included in an ACL." Currently the only country listed on the ACL is the Democratic People’s Republic of Korea (North Korea). In 2019, 3 export permits were issued for North Korea, falling within the Government of Canada’s general humanitarian policy, which was established to allow the approval of exports countries on the ACL, if the export in question has a humanitarian basis.

**3.2.3 Automatic Firearms Country Control List**

Further to sections 4.1 and 7(2) of the EIPA, certain prohibited firearms, weapons, or devices, and components and parts thereof, that are included on the *Export Control List*, may be exported only to destinations listed on the *Automatic Firearms Country Control List* (and only to consignees that are government or authorized by government). On May 1, 2020, the Government of Canada reclassified 1,500 models of firearms and their variants as prohibited, thereby barring their export to non-AFCCL destinations.

The 40 countries listed on the AFCCL in 2019 were:

- |                |         |             |                |
|----------------|---------|-------------|----------------|
| Albania        | Estonia | Latvia      | Saudi Arabia   |
| Australia      | Finland | Lithuania   | Slovakia       |
| Belgium        | France  | Luxembourg  | Slovenia       |
| Botswana       | Germany | Netherlands | South Korea    |
| Bulgaria       | Greece  | New Zealand | Spain          |
| Chile          | Hungary | Norway      | Sweden         |
| Colombia       | Iceland | Peru        | Turkey         |
| Croatia        | Israel  | Poland      | Ukraine        |
| Czech Republic | Italy   | Portugal    | United Kingdom |
| Denmark        | Kuwait  | Romania     | United States  |



### 3.3 Non-Strategic Exports

In 2019\*, for **non-strategic exports**, Global Affairs Canada:

- Issued a total of **239,130** permits;
- Rejected **2,965** export applications; and
- Cancelled **14,558** permits

**Figure 1: Number of Non-Strategic Export Permits Issued by Sector in 2019\***



*\*Between January 1 and December 31, 2019 (data based on submission of applications).*



### 3.3.1 Softwood Lumber

Based on the definitions specific to the 2006 Canada-United States of America Softwood Lumber Agreement, exports of softwood lumber totalled **13,140,606,853** board feet in 2019. Global Affairs Canada continues to require export permits for shipments to the U.S., having implemented a monitoring program that took effect October 13, 2015.

**Table 3: Softwood Lumber Exports to the United States in 2019\***

Month	Number of Permits Issued
January	16,434
February	14,223
March	16,767
April	18,924
May	19,137
June	17,030
July	16,500
August	17,144
September	17,206
October	17,866
November	15,941
December	14,378
<b>Total</b>	<b>201,570</b>

*\*Between January 1 and December 31, 2019 (data based on submission of applications and can be subject to corrections).*





### 3.3.2 Logs

A federal export permit issued by Global Affairs Canada is required for the export of all logs from any type of land in Canada (e.g. provincial Crown land, federal Crown land, private lands, parks and reserves). In 2019, Global Affairs Canada issued **7,565** permits for logs.

Additional information on the export process for logs can be found at:

<http://www.international.gc.ca/controls-controles/logs-bois/index.aspx?lang=eng>

**Table 4: Log Permits Issued in 2019\***

Month	Number of Permits Issued
January	729
February	442
March	531
April	503
May	725
June	766
July	641
August	649
September	777
October	922
November	595
December	285
<b>Total</b>	<b>7,565</b>

*\*Between January 1 and December 31, 2019 (data based on submission of applications and can be subject to corrections).*

### 3.3.3 Agri-food Products to the United States

As part of its implementation of World Trade Organization (WTO) commitments, the U.S. established tariff rate quotas (TRQs) for imports of peanut butter, certain sugar-containing products and refined sugar. Within these TRQs, the U.S. has established a country-specific reserve for Canada.

The U.S. government administers these TRQs on a first-come, first-served basis. In order to facilitate the orderly export of these products against Canada’s country-specific reserves, Canada added these products to the ECL.

Accordingly, in order to comply with the EIPA and to benefit from the United States’ in-quota tariff rate, Canadian exports of peanut butter, certain sugar-containing products and refined sugar to the U.S. require an export permit issued by Global Affairs Canada. There are no quantitative restrictions for Canadian exports of these products to destinations outside of the U.S.

Peanut butter was placed on the ECL on January 1, 1995.

Sugar-containing products were placed on the ECL on February 1, 1995. The global TRQ of the



United States' sugar-containing products is 64,709,000 kilograms and applies to imports of certain sugar-containing products falling under Chapters 17, 18, 19 and 21 of its Harmonized Tariff Schedule. The quota year for sugar containing products is from October 1 to September 30. In September 1997, Canada and the U.S. exchanged letters of understanding, under which Canada obtained a country-specific reserve within the United States' sugar-containing products TRQ of 59,250,000 kilograms. The understanding also provides that

only goods that are "product of Canada" may benefit from Canada's country-specific reserve. Refined sugar was placed on the ECL on October 1, 1995. The quota year for refined sugar is from October 1 to September 30. In September 1997, Canada and the U.S. exchanged letters of understanding, under which Canada obtained a 10,300,000 kilogram country-specific reserve. The understanding also provides that only goods that are "Product of Canada" may benefit from Canada's country-specific reserve.

**Table 5: Agri-food Exports to the United States in 2019\***

Kilograms (KG)	Quota	Utilization
<b>Peanut Butter</b>	14,500,000	14,449,796
<b>Peanut Butter – US Goods Returned</b>	6,000,000	1,932,688
<b>Refined Sugar *raw equivalent</b>	10,300,000	10,236,373
<b>Sugar-containing Products</b>	59,250,000	45,278,695

\*Canadian exit date between January 1 and December 31, 2019.

### 3.3.4 Textiles and Clothing – Tariff Preference Levels (Export)

Textile and clothing exports are controlled as a result of various free trade agreements, including the North American Free Trade Agreement (NAFTA), and the agreements with Chile, Costa Rica and Honduras. The agreements provide for preferential access for non-originating products through the use of Tariff Preference Levels (TPLs).

As of July 5, 2010, except for yarn, all TPLs for export to the U.S. are allocated on an historical-use basis to the extent of utilization by exporters, and on a first-come, first-served basis for those amounts not allocated directly to exporters. The TPL for yarn for exports to the U.S., and all TPL exports to Mexico, Chile, Costa Rica and

Honduras, are made available to exporters on a first-come, first-served basis.

As provided for in the NAFTA, the annual growth rates for the TPL volumes for Canadian goods entering the U.S. were eliminated at the end of 1999. No growth rates were provided for trade with Mexico.

TPL exports to the U.S. and Mexico must be accompanied by a certificate of eligibility. Other TPL exports that are not subject to controls do not require a certificate of eligibility. There were no changes to the administration of the existing agreements.



In 2019, for TPL exports, Global Affairs Canada issued **22,087** permits, rejected **1,326** permit applications, and cancelled **473** issued permits. The vast majority of permit cancellations are generated by the need to amend permit details, such as quantity or export date. A small number of permits are cancelled to address non-compliance with legislative, regulatory or policy requirements or criteria.

**Table 6: Textiles and Clothing: NAFTA Tariff Preference Levels and Utilization on Exports from Canada in 2019\***

Square metre equivalents (unless otherwise indicated)	United States		Mexico		Chile		Costa Rica		Honduras	
	Access Level	Utilization	Access Level	Utilization	Access Level	Utilization	Access Level	Utilization	Access Level	Utilization
Wool Apparel	5,325,413	2,344,312	250,000	0	112.616	N/A**	N/A	N/A	N/A	N/A
Cotton or Man-made Fibre Apparel	88,326,463	10,778,427	6,000,000	256,181	2,252,324	N/A**	N/A	N/A	N/A	N/A
Cotton or Man-made Fibre Fabrics and Made-up Goods	71,765,252	70,406,584	7,000,000	2,788	1,000,000	N/A**	1,000,000	N/A**	N/A	N/A
Cotton or Man-made Fibre Spun Yarn	11,813,664	2,874,086	1,000,000	388	500,000	N/A**	150,000	N/A**	N/A	N/A
Wool Fabrics and Made-up Goods (KG)	N/A	N/A	N/A	N/A	250,000	N/A**	250,000	N/A**	N/A	N/A
Apparel	N/A	N/A	N/A	N/A	N/A	N/A	1,379,570	N/A**	4,000,000	N/A**
Fabric and Made-Up Goods	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1,000,000	N/A**

\*Canadian exit date between January 1 and December 31, 2019.

\*\*Indicates utilization information is not available for Chile, Costa Rica, and Honduras as Canada does not administer TPLs for exports to these countries.

### 3.3.5 Comprehensive Economic and Trade Agreement (CETA) Origin Quotas

Certain exports from Canada that are eligible under CETA origin quotas are subject to export controls under the EIPA. Accordingly, an export permit is required for shipments of these products from Canada to the European Union (EU) in order to obtain the preferential tariff rate under CETA. These include high-sugar containing products, sugar confectionery and chocolate preparations, processed foods, dog and cat food, vehicles, and certain apparel products.

Exports of fish and seafood products, textiles, and most apparel products from Canada to the EU are not subject to export controls under the EIPA. Accordingly, export permits are not required for shipments of these products to the EU in order to obtain the preferential tariff under CETA. Origin quota access is made available on a first-come, first-served basis, with the exception of the origin quotas for high-sugar containing products and vehicles for which allocation policies have been established.



With the exception of the origin quota for vehicles, CETA contains growth factors for origin quotas that provide for an increase in the volume of the origin quotas if certain conditions are met.

**Table 7: CETA Origin Quotas 2019\***

	HS Classification	Access Level U = Units T = Tonnes KG = Kilograms	Utilization
	<b>High-Sugar Containing Products</b>	30,000 (T)	0
	<b>Sugar Confectionery and Chocolate Preparations</b>	10,000,000 (KG)	0
	<b>Processed Foods</b>	35,000,000 (KG)	750
	<b>Dog and Cat Food</b>	60,000,000 (KG)	2,367,262
<b>Apparel</b>	Apparel 61.04 Women's or girls' suits, ensembles, suit-type jackets, blazers, dresses, skirts, divided skirts, trousers, etc. (no swimwear), knitted or crocheted	535,000 (U)	355,193
	Apparel 61.14 Garments not elsewhere specified or included, knitted or crocheted	90,000 (KG)	16,018
	Apparel 62.01 Men's or boys' overcoats car coats, capes, cloaks, anoraks (including ski-jackets), windcheaters, wind-jackets and similar articles, not knitted or crocheted, other than those of heading 6203	98,880 (U)	98,842
	Apparel 6102.30 Women's or girls' overcoats, car coats, capes, cloaks, anoraks, ski-jackets and similar articles of manmade fibres, knitted or crocheted	17,000 (U)	5,165
	Apparel 6108.92 Women's or girls' negligees, bathrobes, dressing gowns and similar articles of manmade fibres, knitted or crocheted	39,000 (U)	0
	Apparel 62.05 Men's or boys' shirts, not knitted or crocheted	15,000 (U)	0
<b>Vehicles</b>		100,000 (U)	7,715

\*Canadian exit date between January 1 and December 31, 2019.



### 3.4 General Export Permits

The EIPA provides for the issuance of general permits authorizing the export of certain designated goods or technology to specified destinations. GEPs are intended to facilitate exports by enabling exporters to export certain items without the need to obtain individual permits.

The following GEPs were in effect during 2019:

- *GEP No. Ex. 1: Export of Goods for Special and Personal Use Permit*
- *GEP No. Ex. 3: Export of Consumable Stores Supplied to Vessels and Aircraft Permit*
- *GEP No. Ex. 5: Export of Logs Permit*
- *GEP No. Ex. 10: Export of Sugar Permit*
- *GEP No. 12: United States Origin Goods*
- *GEP No. Ex. 18: Portable Personal Computers and Associated Software*
- *GEP No. Ex. 31: Peanut Butter*
- *GEP No. 37: Toxic Chemicals and Precursors to the United States*
- *GEP No. 38: Chemical Weapons Convention Toxic Chemical and Precursor Mixtures*
- *GEP No. 41: Dual-Use Goods and Technology to Certain Destinations*
- *GEP No. 43: Nuclear Goods and Technology to Certain Destinations*
- *GEP No. 44: Nuclear-Related Dual-Use Goods and Technology to Certain Destinations*
- *GEP No. 45: Cryptography for the Development or Production of a Product*
- *GEP No. 46: Cryptography for Use by Certain Consignees*
- *GEP No. 47: Export of Arms Trade Treaty Items to the United States*



## 4.0 IMPORT CONTROLS

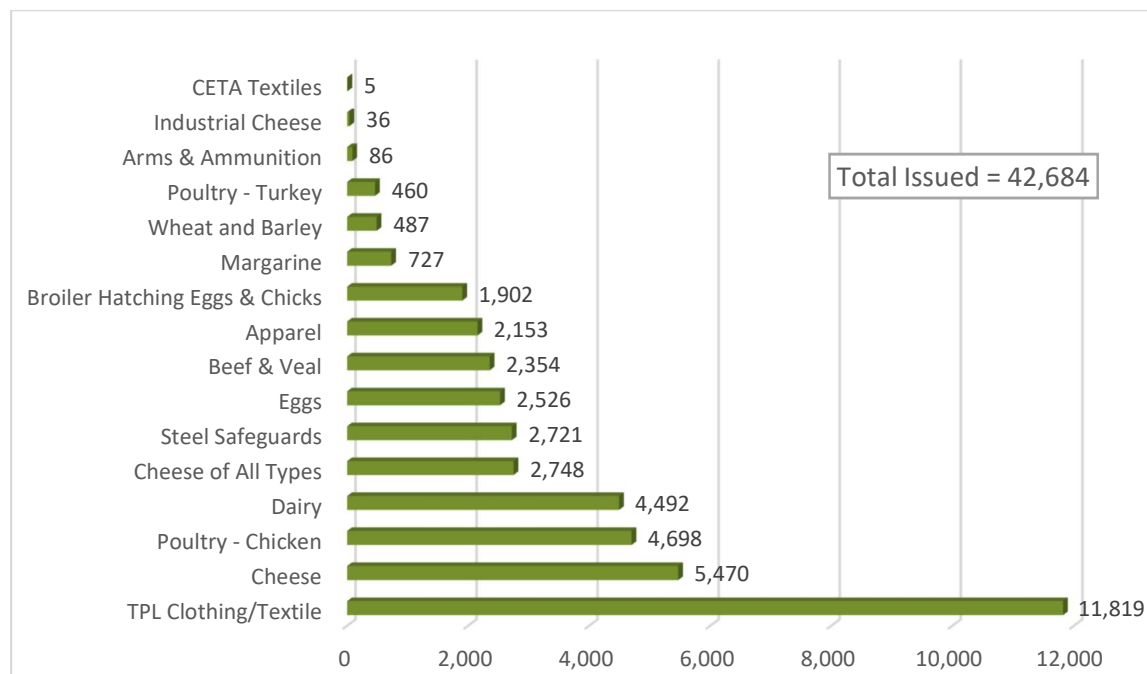
Section 3 of the EIPA also provides that the Governor-in-Council may establish a list of goods, to be called the *Import Control List*, including therein any article the import of which the Governor-in-Council deems it necessary to control for purposes specified in the EIPA. A complete list of goods that are subject to import controls may be found online at: [https://www.international.gc.ca/controls-controles/about-a\\_propos/impor/importing-importation.aspx?lang=eng](https://www.international.gc.ca/controls-controles/about-a_propos/impor/importing-importation.aspx?lang=eng)

**Figure 2: Number of Import Permits for Controlled Goods in 2019\***



*\*Between January 1 and December 31, 2019 (data based on submission of applications).*

**Figure 3: Number of Import Permits Issued by Sector in 2019\***



*\*Between January 1 and December 31, 2019 (data based on submission of applications).*



## 4.1 Textiles and Clothing - Tariff Preference Levels (Imports)

Textile and clothing imports, similar to exports of these goods, are controlled as a result of various free trade agreements, including the NAFTA, and FTAs with Chile, Costa Rica and Honduras. The agreements provide for preferential access for non-originating products through TPLs.

All TPLs for imports are made available on a first-come, first-served basis. Once the specified annual quantity under a free trade agreement has been fully utilized, non-originating apparel, textiles and made-up goods are subject to the

Most Favored Nation tariff rate for the remainder of that TPL year.

Canadian importers require a shipment-specific import permit for all TPL imports into Canada within the negotiated quantity. TPL-eligible shipments entering Canada under a shipment-specific import permit can normally do so at the rate equivalent to the originating rate.

There were no changes to the administration of existing agreements in 2019.

**Table 8: Textiles and Clothing: Tariff Preference Levels and Utilization on Imports to Canada in 2019\***

	United States		Mexico		Chile		Costa Rica		Honduras	
	Access Level	Utilization	Access Level	Utilization	Access Level	Utilization	Access Level	Utilization	Access Level	Utilization
Square meter equivalents (SME) or Kilograms (KG)										
Wool Apparel (SME)	919,740	299,894	250,000	86,253	112,616	0	N/A	N/A	N/A	N/A
Cotton or Man-made Fibre Apparel (SME)	9,000,000	7,592,695	6,000,000	1,533,032	2,252,324	0	N/A	N/A	N/A	N/A
Cotton or Man-made Fibre Fabrics and Made-up Goods (SME)	2,000,000	0	7,000,000	0	1,000,000	0	1,000,000	0	N/A	N/A
Cotton or Man-made Fibre Spun Yarn (SME)	1,000,000	276,965	1,000,000	0	500,000	0	150,000	0	N/A	N/A
Wool Fabrics and Made-up Goods (KG)	N/A	N/A	N/A	N/A	250,000	0	250,000	0	N/A	N/A
Fabrics and Made-up Goods (KG)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1,000,000	0
Apparel (SME)	N/A	N/A	N/A	N/A	N/A	N/A	1,379,570	0	4,000,000	989,264

\*Canadian entry date between January 1 and December 31, 2019.



## CETA Textiles and Apparel

Imports of textiles and apparel from the EU and its Member States to Canada that are eligible under CETA origin quotas are subject to import controls under the EIPA. Accordingly, import permits are required for imports of these products in order to obtain the preferential tariff rate under CETA. The origin quotas specify the annual quantity of a product(s) that can qualify as originating and receive preferential CETA

tariff treatment. In order to receive this treatment, the product must meet the product description and undergo sufficient production to satisfy the applicable product-specific rule of origin associated with that origin quota. CETA contains growth factors for the textiles and apparel origin quotas that provide for an increase in the volume of the origin quotas if certain conditions are met.

**Table 9: CETA Origin Quotas: Textiles and Apparel 2019\***

	HS Classification		Access Level	Utilization
	U = Units DZN = Dozens	KG = Kilograms		
<b>CETA Origin Textiles &amp; Apparel</b>	Apparel 61.06 (U): Blouses, shirts and shirt blouses, knitted or crocheted (excluding T-shirts and vests.)		126,000	3,341
	Apparel 61.09 (U): T-Shirts, singlets and other vests knitted or crocheted		722,000	14,578
	Apparel 61.10 (U): Jerseys, pullovers, cardigans, waistcoats and similar articles knitted or crocheted (excluding wadded waistcoats)		537,000	25,112
	Apparel 6105.10 (U): Men's or boys shirts of cotton knitted or crocheted (excluding nightshirts, t-shirts, singlets and other vests)		46,000	140
	Apparel 62.04 (U): Women's or girl's suits, ensembles, jackets, blazers, dresses etc. (excluding knitted or crocheted and swimwear)		537,000	315,830
	Apparel 6202.11 (U): Women's or girls overcoats, raincoats, car coats, capes, cloaks and similar articles of wool or fine animal hair, not knitted or crocheted.		15,000	13
	Apparel 6202.93(U): Women's or girls anoraks, windcheaters, wind jackets and similar articles, of manmade fibres (not knitted or crocheted)		16,000	8,012
	Apparel 6203.11 (U): Men's or boys suits of wool or fine animal hair.		39,000	11,204
	Apparel 6203.12 to 6203.49 (U): Men's or boys suits (excluding wool or fine animal hair), ensembles, jackets, blazers, trousers, bib and brace overalls, breeches and shorts (excluding knitted or crocheted and swimwear)		281,000	30,523
	Apparel 6205.20 (U): Men's or boys shirts of cotton, not knitted or crocheted		182,000	13,764
	Apparel 61.14 (KG): Other garments not elsewhere specified or included, knitted or crocheted		58,000	9,544
	Apparel 62.10 (U): Garments made up of fabrics of heading 56.02, 56.03, 59.03, 59.06 or 59.07 (excluding knitted or crocheted, and babies' garments)		19,000	12,246
	Apparel 62.11 (KG): Tracksuits, ski suits, swimwear and other garments, not elsewhere specified or included (excluding knitted or crocheted)		85,000	20,397
	Apparel 6302.21 (KG): Bed linen, printed, of cotton, not knitted or crocheted		176,000	356
	Apparel 6302.31 (KG): Bed linen (other than printed) of cotton, not knitted or crocheted		216,000	2,761
	Apparel 62.12 (DZN): Brassieres, girdles, corsets, braces, suspenders, garters and similar articles and parts thereof, of all types of Materials, whether or not elasticated including knitted or crocheted (excluding belts and corselets made entirely of rubber)		26,000	3,337
	Apparel 61.15 (Pairs): Pantyhose, tights, stockings, socks and other hosiery, including graduated compression hosiery (for example, stockings for varicose veins) and footwear without applied soles, knitted or crocheted (excluding for babies)		1,691,000	9,204

\*Canadian entry date between January 1 and December 31, 2019. Origin quotas with utilization of zero for the year 2019 are not included in the table.





## 4.2 Supply-Managed Products

Canada is a signatory to the WTO Agreement on Agriculture (concluded in December 1993). This Agreement obliged Canada to convert its existing quantitative agricultural import controls to a system of TRQs, which came into effect in 1995.

Under these TRQs, imports are subject to zero or low within-access commitment rates of duty up to a predetermined limit (i.e. until the import access quantity has been reached), while imports over this limit are subject to higher over-access commitment rates of duty. Where both

WTO and NAFTA access commitments exist, Canada applies the higher of the two access levels for the product in question. Normally, only eligible applicants who obtain an import quota allocation are able to obtain shipment-specific permits to import goods at the within-access commitment rates of duty.

Imports in excess of access limits are permitted under *General Import Permit No. 100 - Eligible Agricultural Goods*, which allows unrestricted imports at the higher rate of duty.

Under the EIPA, the Minister may exercise discretion to authorize imports of products subject to TRQs apart from the import access quantity, for example, if the Minister determines that the importation of these products is required to meet Canadian market needs. Supplemental import permits are normally issued for the following specified purposes:

- To address domestic market shortages;
- To assist Canadian manufacturers to compete with similar imported products that can enter Canada duty-free or at a low rate of duty (the Import-to-Compete Program);
- To assist Canadian manufacturers to compete in foreign markets (the Import for Re-Export Program (IREP));
- To facilitate test marketing in the Canadian market of new products that are, for example, unique or are produced with unique processes and that require a substantial capital investment for their production; or
- To address extraordinary or unusual circumstances.

**Policies governing supplemental import permits for each commodity along with any updates published in a Notice to Importers may be found at:**

[https://www.international.gc.ca/controls-controles/notices\\_avis/exp/list\\_liste/index.aspx?lang=eng](https://www.international.gc.ca/controls-controles/notices_avis/exp/list_liste/index.aspx?lang=eng)

All TRQs are based on Customs Tariff item numbers. When the TRQs came into effect in 1995, the ICL was amended to replace named products (e.g. turkey and turkey products) with tariff item numbers. For ease of understanding, the older product descriptions continue to be used in this report.



## Poultry Products

There were no changes made regarding the administration of controls for 2019.

**Table 10: Poultry and Eggs: Tariff Rate Quotas and Supplemental Imports\***

	Unit of Measure	Tariff Rate Quotas		Supplemental Imports			
		Access Level	Within-Access Imports	IREP	Import to Compete	Market Shortage	Other
<b>Chicken and Chicken Products</b>	Eviscerated Equivalent Kilograms	94,637,325	91,742,162	19,569,302	4,721,101	0	4,199
<b>Turkey and Turkey Products</b>	Eviscerated Equivalent Kilograms	5,588,000	5,508,935	62,246	0	0	26,183
<b>Broiler Hatching Eggs and Chicks</b>	Egg Equivalent	169,878,857	153,040,955	0	0	0	0
<b>Eggs and Egg Products</b>	Dozens	21,861,854	18,757,471	0	0	34,079,744	0
Shell Eggs	Dozens	12,050,359	12,028,177	0	0	9,942,556	0
Shell Eggs for Breaking	Dozens	0	0	23,400	0	22,816,080	0
Egg Powder	Kilograms	692,709	313,462	0	0	0	0
Liquid, frozen or further processed egg products	Kilograms	3,003,810	2,658,705	218,522	0	759,637	0

Import permits are required for importing **inedible egg products** into Canada, for monitoring purposes only. Permits were issued for **3,464,986 kilograms** of this type of product in 2019.

\*Canadian entry date between January 1 and December 31, 2019.

Effective January 1, 1995, Canada's chicken, turkey, broiler hatching eggs and chicks, shell egg and egg product quantitative restrictions were converted to TRQs and were maintained on the ICL in order to support supply management of poultry under the *Farm Products Marketing Act* and to support action taken under the *WTO Agreement Implementation Act*.

**Chicken** was placed on the ICL on October 22, 1979. Pursuant to the NAFTA, the import access level is set annually at 7.5 percent of domestic production for that year or the WTO level of 39,900,000 kilograms, expressed in eviscerated equivalent (EE) weight, whichever is higher.

**Turkey and turkey products** were placed on the ICL on May 8, 1974. Pursuant to the NAFTA, the access level is 3.5 percent of the current year's domestic production quota or the WTO level of 5,588,000 kilograms, expressed in EE weight, whichever is higher.

**Broiler hatching eggs and chicks for chicken production** were placed on the ICL on May 8, 1989. Pursuant to the NAFTA, the combined import access level for broiler hatching eggs and chicks is 21.1 percent of the estimated domestic production of broiler hatching eggs for the calendar year to which the TRQ applies. The combined annual import access level is divided into separate levels of 17.4 percent for broiler



hatching eggs and 3.7 percent for egg-equivalent chicks.

**Eggs and egg products** were placed on the ICL on May 9, 1974. Pursuant to the NAFTA, the import access level for eggs and egg products is set at a total of 2.988 percent of the previous year's domestic production and in accordance with the following breakdown: 1.647 percent for shell eggs; 0.714 percent for liquid, frozen or further-processed egg products; and 0.627 percent for egg powder.

In 1996, an allocation for **eggs for breaking purposes** was introduced. This resulted from a WTO commitment to increase the import access quantity to a level greater than the NAFTA access level at the time. The WTO level (21,861,854 dozen eggs in 2019) was lower than Canada's NAFTA access level. The eggs for breaking purposes allocation is equal to the difference between the WTO and NAFTA commitment levels.

### Dairy Products

Quantitative restrictions in 12 categories of dairy products were converted to TRQs in support of supply management under the *Canadian Dairy Commission Act* and action taken under the *WTO Agreement Implementation Act*. These products are:

- 1) Butter, dairy spreads, and oils and fats derived from milk (implemented on August 1, 1995);
- 2) Cheese of all types other than imitation cheese (implemented on January 1, 1995);
- 3) Buttermilk powder (implemented on January 1, 1995);
- 4) Fluid milk (implemented on January 1, 1995)<sup>1</sup>;
- 5) Dry whey (implemented on August 1, 1995);
- 6) Concentrated/condensed milk/cream (implemented on January 1, 1995);
- 7) Cream (implemented on August 1, 1995);
- 8) Products consisting of natural milk constituents (implemented on January 1, 1995);
- 9) Food preparations under tariff item 1901.90.33 (implemented on January 1, 1995);
- 10) Ice cream and ice cream novelties and yogurt (implemented on January 1, 1995);
- 11) Dairy products, and other food preparations containing dairy, not subject to TRQs, including skimmed and whole milk powder, cream powder, other milk powder, other cream powder, buttermilk (other than powdered buttermilk), curdled milk and cream, kephir and other fermented or acidified milk and cream, animal feed, non-alcoholic beverages containing milk, and chocolate ice cream mix and ice milk mix (implemented on January 1, 1995); and
- 12) Milk protein substances with a milk protein content of 85 percent or more by weight, calculated on the dry matter, that do not originate in the U.S., Mexico, Chile, Costa Rica or Israel (implemented on September 8, 2008).

There were no changes made regarding the administration of these controls for 2019. TRQ import levels for 2019 are noted in the next table. However, additional dairy commitments were implemented under

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<sup>1</sup> The fluid milk access level represents estimated annual cross-border purchases by Canadian consumers. The goods are imported under *General Import Permit No. 1: Dairy Products for Personal Use*. On January 26, 2000 *General Import Permit No. 1* was amended and the \$20 limit in value for each importation of fluid milk for personal use was removed.



CETA and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) - see following sections.

**Table 11: World Trade Organization Dairy Imports in 2019\***

Unit of Measure: Kilograms		Tariff Rate Quotas		Supplemental Imports			
	Description/tariff item number	Access Level	Within-Access Imports	IREP	Import to Compete	Market Shortage	Other
Butter, dairy spreads, and oils and fats derived from milk (Aug. 1 - Jul. 31)	TRQ allocated to Canadian Dairy Commission with 2,000,000 reserved for NZ	3,274,000	3,263,972	17,803,746	0	0	25,325
Cheese of all types other than imitation cheese	69% allocated to European Union	20,411,866	19,839,928	3,800,983	0	0	1,371,663
Powdered buttermilk	Reserved for imports from NZ	908,000	0	91,664	0	0	38,109
Buttermilk (other than powdered buttermilk), curdled milk and cream, kephir and other fermented or acidified milk and cream	0403.90.91.10 0403.90.91.90	0	0	36,537	0	0	51,138
Fluid milk		64,500,000	0	34,282,707	0	0	0
Dry whey (Aug. 1 - Jul. 31)		3,198,000	277,968	1,175,100	0	0	2,752
Concentrated/condensed milk/cream	Reserved for imports from Australia	11,700	0	1,506,639	0	0	0
Cream (Aug. 1 - Jul. 31)	Sterilized, minimum 23% butterfat and sold in cans with volume less than 200 millilitres	394,000	383,369	968,920	0	0	97,591
Products consisting of natural milk constituents		4,345,000	2,426,905	343,675	0	0	4,623,293
Food preparations	1901.90.33	70,000	69,986	23	0	0	0
	1901.90.53 (IREP)	0	0	26,791	0	0	0
	2106.90.93 (IREP)	0	0	423,123	0	0	0
	2106.90.93 (Supp)	0	0	0	0	0	439,663
Ice cream and ice cream novelties and yogurt	Ice Cream	484,000	461,352	0	0	0	653,227
	Yogurt	332,000	141,902	148,457	0	0	263,789
Dairy products, other than food preparations, not subject to tariff rate quotas, including, skimmed and whole milk powder, cream powder, other milk powder, other cream powder, animal feed, non-alcoholic beverages containing milk, and chocolate ice cream mix and ice milk mix	0402.10.10.00 (Dry Milk/Cream)	0	0	2,435,352	0	0	200,326
	0402.21.11.00 (Dry Milk)	0	0	732,625	0	0	700
	0402.21.21.00 (Dry Cream)	0	0	269,124	0	0	0
Milk protein substances with a milk protein content of 85% or more by weight, calculated on the dry matter, that do not originate in the United States, Mexico, Chile, Costa Rica, or Israel (Apr. 1 - Mar. 31)		10,000,000	1,436,237	0	0	0	0

\*Canadian entry date between January 1 and December 31, 2019 unless otherwise stated.



## CETA Cheese of All Types and Industrial Cheese Products

As a result of the provisional application of CETA, Canada established two TRQs for cheese originating from an EU country or other CETA beneficiary.

**Table 12: CETA Tariff Rate Quotas: Cheese of All Types and Industrial Cheese 2019\***

	Unit of Measure	Access Level	Within-Access Imports
CETA Cheese of All Types	Kilograms	8,000,000	7,816,337
CETA Industrial Cheese	Kilograms	850,000	660,335

\*Canadian entry date between January 1 and December 31, 2019.

## The Comprehensive and Progressive Agreement for Trans-Pacific Partnership

As a result of the coming into force of CPTPP, Canada established 20 new TRQs for various supply-managed products (dairy, poultry and eggs) originating from a CPTPP member state. In accordance with CPTPP, certain TRQs are administered on **different TRQ years**, with some being based on a **calendar year** and others on a

**dairy or marketing year**. Given that the agreement came into effect as of December 30, 2018, the quantity available to allocate in each dairy year TRQ was prorated on the basis of the number of months remaining in the applicable TRQ year (see chart below for further details).

**Table 13: Comprehensive and Progressive Agreement for Trans-Pacific Partnership Tariff Rate Quotas\***

	Unit of Measure	Access Level	Within-Access Imports
Broiler Hatching Eggs and Chicks	Dozen Eggs Equivalent	333,333	0
Eggs	Dozen Eggs Equivalent	5,566,667	0
Chicken	EE Kilograms	7,833,000	0
Turkey (May 1 – Apr. 30)	EE Kilograms	1,167,000	0
Butter (Dec. 30 – Jul. 31)	Kilograms	500,000	472,120
Cheese of All Types	Kilograms	1,208,000	686,607
Concentrated Milk	Kilograms	667,000	0
Cream (Dec. 30 – Jul. 31)	Kilograms	333,330	39,200
Cream Powder (Dec. 30 – Jul. 31)	Kilograms	67,000	9,250
Ice Cream and Mixes	Kilograms	1,010,000	25,542
Industrial Cheese	Kilograms	2,658,000	317,496
Milk (Dec. 30 – Jul. 31)	Kilograms	5,555,333	0
Milk Powder	Kilograms	666,667	67,575
Mozzarella and Prepared Cheese	Kilograms	967,000	426,704
Other Dairy	Kilograms	1,010,000	0
Powdered Buttermilk	Kilograms	765,000	0
Products Consisting of Natural Milk Constituents	Kilograms	1,333,000	70,250
Skim Milk Powder (Dec. 30 – Jul. 31)	Kilograms	833,333	19,000
Whey Powders (Dec. 30 – Jul. 31)	Kilograms	666,667	0
Yogurt and Buttermilk	Kilograms	2,000,000	0

\*Canadian entry date between January 1 and December 31, 2019 unless otherwise stated.



## Other Agricultural Products

Other agriculture products subject to import controls are:

- Margarine;
- Wheat, barley and their products; and
- Beef and veal.

The TRQ for margarine was introduced on January 1, 1995.

The restrictions imposed on imports of wheat, barley and their products under the *Canadian Wheat Board Act* were converted to TRQs on August 1, 1995. These TRQs are administered by Global Affairs Canada and the Canada Border Services Agency (CBSA) on a first-come, first-served basis using an August to July TRQ year. Importers may cite *General Import Permit No. 20 - Wheat and Wheat Products, Barley and Barley Products* to import goods at the lower rate of duty. Once the access levels are filled, importers must cite *General Import Permit No. 100 -*

*Eligible Agricultural Goods* on customs entry documents to import goods at the higher rate of duty. Administrative measures are established to ensure full usage of quota, which sometimes results in imports at the within-access rate over the TRQ limit.

The restrictions on imports of non-FTA beef and veal established under the *Meat Import Act* were converted to a TRQ on January 1, 1995. The TRQ applies to all imports of fresh, chilled and frozen beef and veal that do not originate in Chile, a NAFTA country or an EU country or other CETA beneficiary.

**Table 14: Other Agricultural Product Imports in 2019\***

Tonnes (t) except where indicated with Kilograms (KG)	Description/tariff item number	Tariff Rate Quotas		Supplemental Imports			
		Access Level	Within-Access Imports	IREP	Import to Compete	Market Shortage	Other
<b>Margarine</b>		7,558,000 KG	2,452,398 KG	N/A	0	0	0
<b>Wheat, Barley and their Products</b>	Wheat	226,883	115,278**	N/A	0	0	0
	Wheat products	123,557	208,597**	N/A	0	0	0
	Barley	399,000	90,357**	N/A	0	0	0
	Barley products	19,131	34,084**	N/A	0	0	8,755**
<b>Beef and Veal (non-NAFTA except Chile)</b>	Imports from Australia	35,000	38,865**	N/A	N/A	0	0
	Imports from New Zealand	29,600					
	Imports from all countries certified by the Canadian Food Inspection Agency (CFIA)	11,809					

\*Canadian entry date between January 1 and December 31, 2019.

\*\*Rounded to nearest whole amount.



## 4.3 Steel Monitoring

Carbon steel products (semi-finished steel, plate, sheet and strip, wire rods, wire and wire products, railway-type products, bars, structural shapes and units, and pipes and tubes) were initially placed on the ICL, effective September 1, 1986, following a report by the Canadian Import Tribunal recommending the collection of information on goods of this type entering Canada.

Speciality steel products (stainless steel flat-rolled products, stainless steel bars, pipe and tube, wire and wire products, alloy tool steel, mould steel and high speed steel) were added to the ICL, effective June 1, 1987, pursuant to an amendment to the EIPA providing for import monitoring of steel products under certain conditions. A General Import Permit has been established for each of these items: GIP 80 (Carbon Steel) and GIP 81 (Specialty Steel).

The steel import monitoring program provides more timely steel import data than that available via the regular import reports produced by Statistics Canada. There are no quantitative

restrictions, and the requirement for shipment-specific import permits was removed in 2012. Steel goods covered by the import monitoring program must be imported under the authority of the appropriate GIP (i.e. GIP 80 or 81). The steel GIPs No. 80 and 81 were amended on August 23, 2019 to include a reporting and recordkeeping requirement. The requirement was added to the GIPs to facilitate the collection of import data, by requiring importers to provide, upon request, documents and records for the purpose of identifying any errors in import data and determining the source of any inconsistencies in a targeted manner.

In accordance with subsection 5.1(3) of the EIPA, the Minister of Foreign Affairs tables an annual report to Parliament with a statistical summary of any information collected during that year related to imports of steel. The report is required to be tabled within the first 15 sitting days of Parliament following the end of the calendar year. The 2019 report was tabled in Parliament on February 24, 2020.

## 4.4 Steel Safeguards

### Provisional Steel Safeguards

As noted in section 2.3 above, between October 25, 2018 and May 12, 2019, Canada imposed provisional safeguards in the form of TRQs on seven classes of steel goods:

- 1 Heavy plate
- 2 Stainless steel wire
- 3 Concrete reinforcing bar
- 4 Energy tubular products
- 5 Hot-rolled sheet
- 6 Pre-painted steel
- 7 Wire rod

The TRQs were administered by way of shipment-specific import permits. Goods not accompanied with permits were subject to a 25 percent surtax.



## Final Steel Safeguards

As noted in section 2.3 above, Canada began imposing final safeguards on May 13, 2019 (through October 24, 2021) in the form of TRQs on two classes of steel goods:

- 1 Heavy plate
- 2 Stainless steel wire

The TRQs are being administered by way of shipment-specific import permits. Goods not accompanied with permits are subject to a surtax.

**Table 15: Steel Safeguards 2019**

		Within Access Levels (KG)				
		2018	2019			
	Control Type	Dec 14 to Feb 1, 2019	Feb 2 to Mar 23	Mar 24 to May 12	May 13 to Jun 2*	Jun 3 to Jan 31, 2020
Heavy Plate	Quota Allocation**	-	-	-	-	24,255,562
	First-come, first-served	12,518,229	13,157,516	13,063,067	5,374,382	6,289,308
Stainless Steel Wire	Quota Allocation**	-	-	-	-	900,091
	First-come, first-served	466,687	469,782	399,761	146,523	974,690
Concrete Reinforcing Bar	First-come, first-served	32,983,347	15,162,535	15,357,379	N/A***	N/A***
Energy Tubulars	First-come, first-served	46,322,055	53,686,199	53,317,962	N/A***	N/A***
Hot-rolled Sheet	First-come, first-served	1,293,396	6,102,051	1,759,395	N/A***	N/A***
Pre-painted Steel	First-come, first-served	11,618,755	11,648,952	10,808,400	N/A***	N/A***
Wire Rod	First-come, first-served	13,408,888	7,319,000	7,061,417	N/A***	N/A***

\*Beginning of the final safeguard measures on May 13, 2019.

\*\*Quota allocation began on June 3, 2019.

\*\*\*These commodities are imported under the authority of General Import Permits No. 80 & 81.





## 4.5 Aluminum Monitoring

In the context of global conditions affecting trade in aluminum, the Government of Canada has deemed it necessary to enhance Canada's aluminum import monitoring capabilities. The addition of select aluminum products to the ICL as Item 83 and the *GIP No. 83 – Aluminum Products* came into force on September 1, 2019, and includes the following:

- Alloyed and not alloyed unwrought aluminum products; and
- Wrought aluminum products limited to:
  - bars
  - rods
  - profiles
  - wires
  - plates
  - sheets
  - strips
  - foils
  - tubes and pipes
  - tube and pipe fittings
  - other articles of castings and forgings

Aluminum products covered by the monitoring program must be imported under the authority of the GIP No. 83. The program does not limit the quantity of aluminum products that may be imported into Canada and there are no fees for using the GIP.

The GIP allows Global Affairs Canada to have access to the import data and make it available to industry in a more timely manner. In addition, the Trade and Export Controls Bureau of the Department undertakes enhanced analysis and

verification of the information found on customs declaration forms and shipping documents with a view to having any data errors corrected when possible inconsistencies are discovered. The GIP is also equipped with a reporting and recordkeeping requirement to facilitate the collection of import data, by requiring importers to provide, upon request, documents and records for the purpose of identifying any errors in import data and determining the source of any inconsistencies in a targeted manner.

## 4.6 Weapons, Munitions, and Chemicals

Pursuant to Items 70 to 73 and 91 of the ICL, a permit is required to import into Canada all small- and large-calibre weapons, ammunition, bombs, pyrotechnics, tanks and self-propelled guns. As well, all components and parts specifically designed for these items also require import permits. Firearms classified as non-restricted or restricted in legal classification and destined to sporting or recreational use, and their parts, are exempt from the import permit requirement.

Manufacturers and businesses licensed by the Provincial Chief Firearms Officers may import

prohibited weapons, prohibited firearms and prohibited devices under strictly controlled conditions. Pursuant to Item 74 of the ICL, an import permit is required to import certain toxic chemicals, precursors and mixtures.

In 2013-14, broad-based Import Permit Letters were introduced for low-risk, high-volume commercial importers of firearms and related goods, leading to a significant reduction of the number of import permits for weapons, munitions and chemicals issued annually.



Figure 4: Number of Import Permits for Weapons, Munitions and Chemicals in 2019\*



\*Between January 1 and December 31, 2019 (data based on submission of applications).

#### 4.7 International Import Certificates and Delivery Verification Certificates

The issuance of International Import Certificates (IICs) and Delivery Verification Certificates (DVCs) is provided for under section 9 of the EIPA and under the *Import Certificate Regulations* (C.R.C., c. 603).

IICs enable an importer to describe goods in detail and to certify that he/she will not assist in their disposal or diversion during transit. Such assurances may be required by the country of export before permitting the shipment of certain goods, most notably munitions and strategic goods.

In 2019, Global Affairs Canada issued **1,631** International Import Certificates and **306** Delivery Verification Certificates.

An IIC is not an import permit and does not entitle the holder to import the goods described on the certificate into Canada. DVCs may be issued following arrival of the goods in Canada to enable an exporter of goods to Canada to comply with requirements of the exporting country.

Since 2011, International Import Certificate letters have been issued to trusted high-volume importers, which have resulted in a significant reduction in the number of individual certificates issued.



## 4.8 General Import Permits

The *Export and Import Permits Act* provides for the issuance of general permits authorizing the import of certain designated goods to all destinations or to specified destinations. GIPs are intended to facilitate imports by enabling importers to import selected goods without applying for individual permits.

The following GIPs were in effect during 2019:

- *GIP No. 1: Dairy Products for Personal Use*
- *GIP No. 2: Chickens and Chicken Products for Personal Use*
- *GIP No. 3: Wheat and Wheat Products and Barley and Barley Products for Personal Use*
- *GIP No. 6: Roses for Personal Use*
- *GIP No. 7: Turkeys and Turkey Products for Personal Use*
- *GIP No. 13: Beef and Veal for Personal Use*
- *GIP No. 14: Margarine for Personal Use*
- *GIP No. 20: Wheat and Wheat Products and Barley and Barley Products*
- *GIP No. 60: Import of Arms Permit*
- *GIP No. 80: Carbon Steel*
- *GIP No. 81: Specialty Steel Products*
- *GIP No. 83: Aluminum Products*
- *GIP No. 100: Eligible Agriculture Goods*
- *GIP No. 108: CWC<sup>2</sup> Toxic Chemicals and Precursors*

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<sup>2</sup> *Chemical Weapons Convention*



## 5.0 OFFENCES UNDER THE *EXPORT AND IMPORT PERMITS ACT*

There were no convictions for offences under the EIPA during the 2019 calendar year.

Penalties are listed in subsection 19(1) of the EIPA as follows:

Every person who contravenes any provision of this EIPA or the regulations is guilty of:

**(a)** an offence punishable on summary conviction and liable to a fine not exceeding \$250,000 or to imprisonment for a term not exceeding 12 months, or to both; or

**(b)** an indictable offence and liable to a fine in an amount that is in the discretion of the court or to imprisonment for a term not exceeding ten years, or to both.

A prosecution under paragraph 19(1)(a) may be instituted at any time within but not later than three years after the time when the subject matter of the complaint arose.

Section 25 of the EIPA delegates responsibility for the enforcement of the EIPA to all officers as defined in the *Customs Act* (subsection 2(1)). Global Affairs Canada entrusts the enforcement of the EIPA to the CBSA, and to the Royal Canadian Mounted Police (RCMP).

Export control enforcement continued to be a key element in Canada's export control system in 2019. Global Affairs Canada works closely with enforcement agencies, in particular the CBSA and the RCMP, which are responsible for enforcing the provisions of the EIPA. Upon receipt of information relating to an unauthorized export or import of controlled items, Global Affairs Canada may, depending on the circumstances of the case, refer the matter to the RCMP or CBSA for investigation and decision as to whether to proceed with administrative measures and/or penalties or criminal charges.

support to the CBSA, RCMP and other investigative agencies.

In 2019, Global Affairs Canada responded to **9** formal requests for investigation support.

Alleged violations may come to the attention of Global Affairs Canada directly (e.g. a Canadian exporter or importer may bring a suspected violation to the attention of Global Affairs Canada) or indirectly, as the result of an investigation and/or audit.

In 2019, the CBSA referred **246** export detentions to Global Affairs Canada.

Potential violations may also be identified in the course of CBSA operations at border control locations and major ports of entry and exit. CBSA may detain a shipment,

Global Affairs Canada also routinely provides assistance, expert advice, and investigative

referring to the appropriate department, including Global Affairs Canada, to verify that legislative and regulatory requirements



controlling exports (e.g. export controls under the EIPA, sanctions, licenses from the Canadian Nuclear Safety Commission for nuclear-related items) have been met.

Global Affairs Canada recognizes that, on occasion, responsible exporters and importers inadvertently fail to comply with the EIPA. Exporters and importers finding themselves in such a situation are encouraged to disclose any incidents of non-compliance to Global Affairs Canada as soon as possible.

If, after considering the information provided, Global Affairs Canada is satisfied that the exporter has fully cooperated, no further action may be warranted. Depending on the gravity or overall circumstances of a case, Global Affairs Canada may nonetheless refer disclosures to the

CBSA or RCMP for further review.

The Minister of Foreign Affairs has the authority to designate inspectors, who for any purpose related to the administration or enforcement of the EIPA may inspect, audit or examine the records of any person who has applied for an authorization under the EIPA. Such activities are conducted to ensure compliance with the EIPA and its associated regulations and established policies, including eligibility criteria associated with various TRQs.

In 2019, Global Affairs Canada received **31** voluntary disclosures from Canadian exporters regarding the export of strategic and/or military goods and technology.

Global Affairs Canada has verification teams deployed to four major metropolitan areas to support the administration of import and export permits: Ottawa, Montreal, Toronto and Vancouver. Between **100** and **140** verification inspections are conducted annually.



## 6.0 PERFORMANCE STANDARDS

Global Affairs Canada is committed to providing clients with prompt and reliable service based on Canadian export and import controls law, regulation and policy.

### Our aims are to:

Foster an orderly processing of controlled imports into and exports from Canada;

—  
Implement our commitments under international agreements; and

—  
Ensure that the administration of trade controls under the authority of the EIPA is carried out smoothly and without undue hindrance to Canadian exporters, importers and consumers.

### More information on our service pledge may be found at:

[https://www.international.gc.ca/controls-controles/about-a\\_propos/service.aspx?lang=eng](https://www.international.gc.ca/controls-controles/about-a_propos/service.aspx?lang=eng)

In order to fulfill our responsibilities under the EIPA, Global Affairs Canada has established service standards. In 2019, these were:

- **Non-Routed Non-Strategic Permits:** The target for processing import and export permit applications **not** automatically redirected (non-routed) to a permit officer in the Export and Import Controls System (EICS) - within 15 business minutes of receipt.
- **Non-Strategic Goods:** The target for processing import and export permit applications automatically redirected (routed) to a permit officer in the EICS - within four business hours of receipt.
- **Strategic Goods:** The target for processing non-complex permit applications to export controlled strategic goods or technology in the Export Controls On-line System (EXCOL) - within 10 business days; for complete, complex applications requiring inter/intra departmental consultation - within 40 business days.
- **Logs:** The target for processing log permit applications for log exports - within three business days.

In 2019, a total of **309,854** permit applications were processed within EICS and EXCOL (data based on permits issued between January 1 and December 31, 2019), and approximately **98.57** percent of those permit applications were processed within the allotted service periods. Further detail on the specific service standards for military, dual-use, and strategic permits may be found in the 2019 *Report on Exports of Military Goods*.



## 7.0 DEFINITIONS

**Cancelled:** Permits may be cancelled for reasons such as: permit expired; goods never arrived at the border; amendments to the permit were necessary; at the request of the applicant as the permit is no longer required; policy reasons at the direction of the Minister of Foreign Affairs; etc.

Note regarding **strategic exports**: Permits that have been cancelled are no longer valid for the export of goods or technology. An issued export permit can also be **suspended** for policy reasons and reinstated later.

**Issued:** Total permits granted to importers or exporters to import goods into or export goods from Canada.

### Applicable to Non-Strategic Export Permits and Import Permits Only:

**Rejected:** Permit applications are normally rejected owing to issues as relevant such as insufficient or incorrect information, insufficient quota etc.

### Applicable to Strategic Export Permits Only:

**Denied:** Means a permit that was denied by the Minister of Foreign Affairs, either directly by the Minister or by departmental officials further to policy direction received from the Minister. This occurs in fewer than 1% of cases annually and is generally for reasons related to Canada's foreign and defence policies, as provided in the criteria for controlling the export of military, dual use and strategic goods outlined in section 3.2.

**Returned Without Action:** A permit application is returned without action by Global Affairs Canada if it is administratively incomplete, or if there is inconsistent information. A company that wishes to pursue the export is required to submit a new permit application.

**Withdrawn:** Permit applications may be withdrawn either at the request of the exporter or if the exporter is advised by Global Affairs Canada that a permit is not required. An exporter may decide to withdraw their application if the permit is no longer required because the commercial contract has fallen through, if a change to the contract requires them to resubmit the information under a separate application, or if the exporter becomes aware of political, commercial, or other types of risk that may affect their application and decides not to pursue the opportunity. An application may also be withdrawn if the goods or technology proposed for export are not controlled, if the items are controlled but a permit is not required for their export to the U.S., or if a General Export Permit applies. All of these situations are captured in the category of withdrawn permits.



## 8.0 GLOSSARY

ACL	<i>Area Control List</i>
AFCCCL	<i>Automatic Firearms Country Control List</i>
ATT	Arms Trade Treaty
BCL	<i>Brokering Control List</i>
CBSA	Canada Border Services Agency
CETA	Comprehensive Economic and Trade Agreement
CITT	Canadian International Trade Tribunal
CPTPP	Comprehensive and Progressive Agreement for Trans-Pacific Partnership
ECL	<i>Export Control List</i>
EE	Eviscerated Equivalent
EICS	Export and Import Controls System
EIPA	<i>Export and Import Permits Act</i>
EU	European Union
EXCOL	Export Controls System On-line
FTA	Free Trade Agreement
GBP1	<i>General Brokering Permit No. 1</i>
GEP	General Export Permit
GIP	General Import Permit
ICL	<i>Import Control List</i>
IREP	Import for Re-Export Program
NAFTA	North America Free Trade Agreement
RCMP	Royal Canadian Mounted Police
SME	Square Meter Equivalents
TPL	Tariff Preference Level
TRQs	Tariff Rate Quotas
U.S.	United States
WTO	World Trade Organization